

April 12, 2002

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

Ladies and Gentlemen:

I am pleased to present you with *The 90 Day Report - A Review of Legislation in the 2002 Session*.

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

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

I hope that you will find *The 90 Day Report* as helpful this year as you have in the past. Further, the Department of Legislative Services will make available the *Fact Book* and *Citizen's Tax Guide* shortly. *The Effects of the 2002 Legislative Program on the Financial Condition of the State* will be issued after the Governor has taken final action on all bills.

Sincerely,

Karl S. Aro
Executive Director

The 90 Day Report

A Review of the 2002 Legislative Session

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Part A

Budget and State Aid

Operating Budget

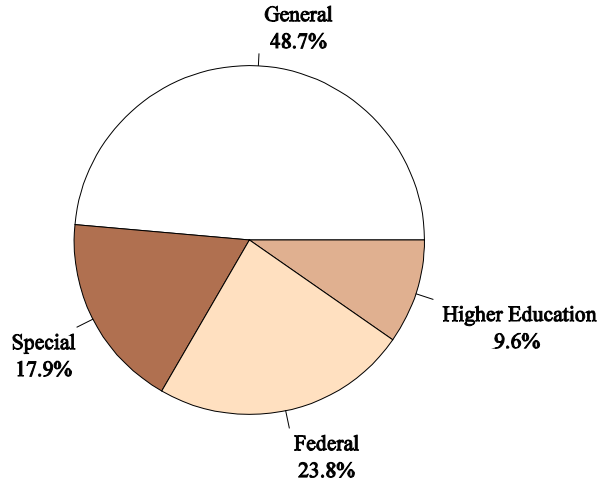
Budget in Brief

From a budgetary standpoint the 2002 session was the most challenging since the early 1990s. An economic slowdown in 2001, combined with terrorist attacks on September 11, 2001, caused revenue estimates to be reduced, and general fund projections were revised further downward during the session. The Governor proposed to balance the budget through a number of one-time fund transfers, cancellation of the final phase of a 10 percent income tax reduction, and statutory mandate relief through a Budget Reconciliation Act (BRA). Although the administration's spending plan would have produced a balanced fiscal 2003 budget, the use of one-time measures masked an underlying structural deficit between operating revenues and expenses in excess of \$1.3 billion.

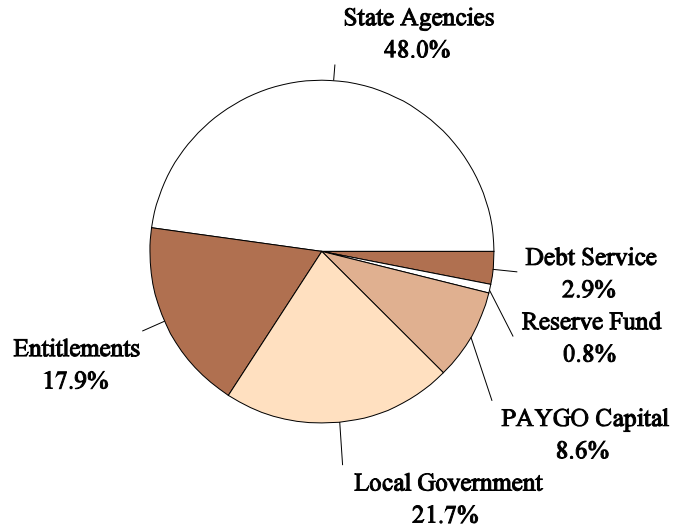
As enacted during the 2002 session, the Budget Bill *Senate Bill 175 (enacted)* provides \$21.8 billion in appropriations for fiscal 2003; an increase of \$0.5 billion (2.6 percent) over fiscal 2002. **Exhibit A1.1** illustrates funding by type of revenue. Slightly less than one-half of the budget is supported by general funds, with lesser proportions supported by dedicated special funds, federal aid, and higher education funds. State agency operations constitute the largest area of spending, representing 48.0 percent of the total budget. Aid to local jurisdictions accounts for 21.7 percent of the budget, and 17.9 percent is for entitlements. Remaining appropriations pay debt service on general obligation bonds, fund portions of the capital program, and increase the balance in the State Reserve Fund.

Growth in general fund appropriations is virtually flat, increasing by \$37.1 million, or four-tenths of one percent above the revised fiscal 2002 level. However, this reflects a \$317 million decrease in PAYGO capital spending. Ongoing

Exhibit A1.1
Maryland's \$21.8 Billion Budget
Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose



general fund spending increases \$370.6 million, or 3.7 percent. Aid to local governments, especially aid to education, drives this year's general fund growth. Local aid support by general funds increases \$232.4 million, or 7.1 percent. Special, federal, and higher education funds appropriations also increase in fiscal 2003. Special funds grow by \$133.0 million (3.5 percent), federal spending rises by \$280.6 million (5.7 percent), and higher education spending increases \$98.6 million (5.0 percent).

Within State agency operations, health, higher education, transportation, and public-safety related agencies receive approximately 68 percent of dollars allocated for State agencies. Growth in personnel expenses accounts for much of the growth in agency spending. Although no cost-of-living adjustment is provided in fiscal 2003, funds were required to annualize the 4 percent increase that was provided for six months in fiscal 2002. Employee will receive a one-time lump sum bonus payment, equal to ½ of a step increase in their current grade. Other costs are attributed to inflationary increases in health, dental, and mental health insurance, which are projected to increase approximately 10 percent.

Other actions related to personnel include adoption of a new actuarial methodology for calculating contributions for employees in the regular and teacher's retirement plans, a reduction in the State's match of the deferred compensation benefit from \$600 to \$500, and deletion of funds for pay-for-performance bonuses.

Education programs continue to fare well in the fiscal 2003 budget. Total education and library aid to local jurisdictions rises \$303 million (8.8 percent). The operating budget includes \$15.9 million for public school construction. In combination with new general obligation bond funding of \$135.1 million, a total of \$151 million will be available.

Funding is also provided for additional substance abuse treatment slots, expansion of the Developmental Disabilities waiting list initiative, the first year of a five-year wage enhancement initiative for community providers serving the developmentally disabled, additional transportation operating and capital spending, Medicaid and Maryland Children's Health program costs, child care subsidies and cash assistance for low income families, and community services for the mentally ill.

Framing the Session

Following the 2001 session, national economic activity was weak. It was not until late in calendar 2001 that economists determined that the country had been in recession since March 2001. Throughout calendar 2002 the Federal Reserve Board responded to the slowdown by lowering its interest rates 11 times, for a cumulative cut of 4.75 percentage points, to 1.75 percent. States such as Tennessee and Florida, which

rely more heavily on the sales tax as a major source of revenue, found it necessary to write revenues down significantly in the spring and summer. Shortly after the start of fiscal 2002, revenue collections in Maryland began to dip. Through the first two months revenue fell \$53 million below projected attainments. In September the Board of Revenue Estimates (BRE) indicated that a write down of revenues was imminent. The budget committees expressed concern to the Governor and suggested that cost containment actions be considered. At the first meeting of the Spending Affordability Committee (SAC) the Department of Legislative Services (DLS) estimated that the State faced a combined structural deficit of \$1.7 billion for fiscal 2002 and 2003.

In mid-October the Governor announced an 18-month hiring freeze, a reduction of 1.5 percent in certain operating expenses, and the planned withdrawal of \$65 million in embargoed PAYGO general fund capital. The Board of Public Works (BPW) was to approve a total cost containment withdrawal of \$154 million (\$126 million general and \$28 million special fund appropriations). The Governor announced a plan to embargo an additional 30 percent of remaining agency general fund appropriations for fiscal 2002, in case additional cost containment became necessary. In mid-December the BRE wrote down general fund revenues by \$276.3 million, a 1.7 percent decline from fiscal 2001.

In late December, SAC recommended a 3.95 percent growth limit based in part on varying projections of personal income growth. The committee further recognized that sustainability was an important issue, and suggested that ongoing changes to the budget be made by the administration. Concern was expressed that the use of one-time cash would not address the structural deficit. The committee further recommended retention of at least 5 percent of general fund revenues in the Revenue Stabilization Fund, and indicated that monies applied to base underfunding for mental health and medicaid would be exempted from the spending affordability calculation.

Governor's Spending Plan As Introduced

The Governor produced a spending plan to address the needs of 2002 and 2003, which formed the cornerstone of the allowance. The original budget totaled \$22.0 billion (excluding \$128.1 million in contingent reductions through BRA), which was 2.1 percent higher than the fiscal 2002 adjusted appropriation (i.e., including proposed deficiency appropriations and excluding cost containment withdrawals approved by BPW). On a spending affordability basis, the proposed budget (including deficiency appropriations) provided for an increase of 4.89 percent; \$128.7 million over the 3.95 percent spending limit recommended by SAC. This was largely because the allowance did not provide the full base funding for Medicaid, which would have made the appropriation exempt from the calculation.

Excluding allocations to the State Reserve Fund and large decreases in PAYGO capital funding, the allowance provided for 1,517.9 new positions, fringe benefit cost

increases, employee compensation enhancements (including a 2 percent cost-of-living adjustment effective January 1, 2003, performance bonuses, and increments), additional funding for higher education (albeit at a lower level than in prior years), higher entitlement costs associated with Medicaid, and various health and environmental enhancements.

Budget Reconciliation Act

To achieve a balanced budget for fiscal 2002 and 2003 the administration submitted a reconciliation act to transfer one-time balances from a variety of special and nonbudgeted sources to the general fund and to implement other statutory changes to permit reductions. Examples of the larger proposed transfers included:

Fiscal 2002

- \$70 million from the Maryland Automobile Insurance Fund (MAIF), including a legally questionable transfer of \$50 million from the insured division and \$20 million from the uninsured division;
- \$69.9 million from the Dedicated Purpose Fund (DPF) representing the unexpended portion of monies set aside to replace the Woodrow Wilson Bridge and construct an Addison Road Metro extension;
- \$29.0 million from PAYGO capital fund balances for housing and economic development programs; and
- \$11.0 million from the State's self insurance trust fund within the budget of the State Treasurer's Office.

Fiscal 2003

- \$32.2 million from the Injured Workers' Insurance Fund (IWIF) which the State had paid toward its unfunded liability;
- \$18 million from the Maryland Transportation Authority (MdTA); and
- \$16.6 million from the fund balance of the University System of Maryland (USM).

An additional \$128 million in savings was proposed to be realized through mandate relief for certain statutory funding requirements. This included:

- restricting aid to non-public higher education and aid to community colleges for one year;
- deferring the electricity generating equipment property tax grant to local jurisdictions and eliminating the property tax exemption for one year;
- reducing the contribution to the State's retirement system;
- deferring payments under the Private Donation Incentive Program; and
- capping the State's tourism board funding.

Revenue and Reversion Assumptions

General Fund Revenues: As part of the budget submission, the Governor assumed additional revenues beyond that estimated by BRE. For fiscal 2002 this included \$1.1 million to recognize prior year educational funds that had been held in reserve. For fiscal 2003 an added \$5.0 million was forecast due to higher lottery activity, \$1.6 million was included in the expectation that tax enforcement and compliance following the completion of tax amnesty would yield more revenue, and \$177.4 million was budgeted as part of the administration proposal to eliminate the final phase of the multi-year income tax reduction. Finally, a voluntary contribution of \$400,000 from the Maryland Environmental Service to the general fund was assumed in fiscal 2003.

General Fund Reversions: As introduced, the Governor's spending plan made assumptions for additional general fund reversions in fiscal 2002 and 2003. For fiscal 2002, in addition to the \$25 million figure normally used for budget estimation, the administration assumed \$279.6 million in PAYGO capital reversions, \$7.2 million from restricted general funds in the Department of Human Resources (DHR), and cost containment contributions from the Judiciary (\$1.0 million) and the Legislature (\$0.2 million).

The fiscal 2003 budget assumed general fund reversions of \$46 million. Prior to the 2001 session it had been the practice of the administration to assume reversions of \$25 million, although a higher number was assumed when the fiscal 2002 allowance was submitted. Sufficient reductions were made to the budget last session to permit the Governor to restore the estimate of reversions to its customary level in Supplemental Budget No. 2. Given the cost containment actions taken to reduce agency budgets, the attainment of this level of reversion was viewed skeptically.

Structural Balance: Taking the general fund revenues, additional revenues, and reversion assumption into consideration, the budget, as introduced, showed an estimated closing balance of \$4.5 million. However, in a business sense (i.e., comparing ongoing

revenues to ongoing operating expenses), the budget reflected a revenue shortfall of \$937 million in fiscal 2003. This figure was later to be increased to more than a billion dollars based on a further write down of revenues by BRE in March 2002.

Legislative Consideration of the Budget

At the outset of the session, legislative leadership recognized the magnitude and complexity of the fiscal problem facing the State. It was determined that a consensus with respect to certain policy objectives would be needed in order to establish a framework for making decisions on the operating and capital budgets and legislation such as the Budget Reconciliation Act. The foundation for the 2002 session was built upon the following areas of consensus:

- ***A Multi-year Approach:*** Given the magnitude of the structural deficit, it was decided that it would require at least two years to restore equilibrium between operating revenues and expenses. The goal for the 2002 session was to halve the deficit, which would position the State to complete actions to eliminate the deficit during the 2003 session;
- ***Honoring the Income Tax Cut:*** The final phase of the 10 percent income tax reduction went into effect on January 1, 2002. Honoring the commitment to the taxpayers was viewed as an integral element of the spending plan; and
- ***Holding the Line on Additional Debt:*** To supplement the general fund balance, SAC had recommended the issuance of additional debt to allow for the withdrawal of prior year PAYGO capital appropriations. Given the magnitude of funds to be withdrawn it was apparent that all project commitments could not be funded in one year without additional debt. The decision was made to stay within the SAC recommendation with respect to the level of debt to be issued.

State of the Economy/BRE Write Down: By mid-session the national economy was beginning to recover, while the U.S. Congress continued to debate economic stimulus legislation. Despite the apparent good news, BRE revised its estimate of general fund revenues downward by \$249.1 million (\$124.4 million for fiscal 2002 and \$124.7 million for fiscal 2003) due to a decline in tax receipts related to capital gains. The revenue write down raised the level of difficulty in meeting the legislature's policy objectives.

Legislative Budget Actions

Actions to balance the budget involved a combination of budget reductions, contingent reductions, additional revenue actions, and other statutory changes through

the reconciliation act (renamed the Budget Reconciliation and Financing Act of 2002 or BRFA), and other legislation. **Exhibit A1.2** illustrates the final action taken by the legislature with respect to each element of the spending plan originally submitted by the Governor.

Exhibit A1.2
General Fund Budget Summary
(\$ in Millions)

<u>Budget Reconciliation</u>	<u>As Introduced</u>	<u>Final Legislative Action</u>	<u>Difference from Admin.</u>
Freeze Income Tax Reduction	\$177.4	\$0	(\$177.4)
Revenue Changes (SB 323 and others)*	0	185.7	185.7
Transfers (BRFA)	391.9	231.8	(160.1)
Targeted Reversions	297.0	477.2	180.2
Spending Reductions	128.1	356.1	228.0
Total Actions	\$994.4	\$1,250.8	\$256.4
Initial Fund Balance (January 2002)			4.5
Lottery/PSC Reductions (net added GF)			1.8
Revised Revenue (March 2002)			(\$249.1)
Fund Balance			\$13.6

* SB 323 provides an added \$161.0 million in revenue. Another \$20.9 million is contingent upon enactment of SB 856 which increases the tobacco tax by 34 cents per pack. \$5.5 million in revenue is contingent upon enactment of SB 93, which would establish multi jurisdictional lotteries, and there is a \$1.7 million revenue loss resulting from SB 399 that allows an income tax modification for rollovers of individual retirement accounts.

Income Tax Cut: The goal to retain the final phase of the income tax reduction was met.

Revenues: BRFA provides \$161.0 million in fiscal 2003 revenues based on changes in vendor discounts (some for only a two-year period), decoupling from federal tax changes, and recapturing certain revenues that had been diverted to the Transportation Trust Fund (TTF) during the 2001 session to support the transit initiative. In addition, a portion of the transfer tax will also be divided between the general fund and program open space for a two-year period.

Transfers: Final action on BRFA resulted in a lessened reliance on one-time transfers, enabling the legislature to meet two goals. First, overall changes that were of

a structural nature permitted compliance with the SAC recommendation for changes that would lessen the structural deficit. Secondly, it was possible to eliminate proposed transfers that raised policy issues, established poor fiscal precedents, or were legally questionable. Transfers that were not adopted included the proposals related to the insured division of MAIF, the use of the MdTA, the USM fund balance, the reserve fund for future welfare costs, the emergency medical services operations fund, the 9-1-1 emergency number fund, the self insurance trust fund, and uncompensated hospital care monies.

Reductions: The legislature reduced the Governor's fiscal 2002 deficiency items by \$0.9 million and pared the fiscal 2003 allowance by \$354.7 million. The largest reductions were effected through savings in personnel costs. These include \$25.0 million from eliminating the 2 percent cost-of-living adjustment, \$11.0 million from adopting a ceiling that limits the number of full-time regular positions at 75,600 (it is expected that sufficient vacancies exist in State government to accommodate this reduction, and a change in the BPW's authority to create 500 positions instead of the usual 50), and \$8.7 million from one-time pay for performance bonuses.

Other spending reductions were made to defer or scale back various PAYGO capital projects and programs (\$52.7 million), defer information technology project spending to (\$40.0 million), and limit general fund support for USM (\$25.2 million), aid to community colleges and Baltimore City Community College, aid to nonpublic institutions of higher education, circuit court lease payments, and law clerk costs. Additional reductions of \$123.9 million were made contingent upon enactment of BRFA. These reductions consisted of savings generated through:

- reduced program open space spending, since provisions were adopted to transfer 50 percent of the transfer tax to the general fund (\$58.5 million);
- adoption of a revised actuarial retirement contribution methodology (\$48.9 million);
- a reduction in debt service to recognize receipt of a bond premium (\$14.0 million); and
- a reduction in tourism development (\$2.5 million).

The proposed contingent reduction to the electricity generating grant was not adopted.

BRFA also rebased the higher education aid and tourism funding formulas, helped address base budget underfunding of the Medicaid and mental health programs, and made other changes to funds, policies, and practices.

Final Action Relative to Spending Affordability: Final action by the legislature reduced the budget to a 3.4 percent growth rate as measured on a spending affordability basis. This is \$71.5 million below the 3.95 percent recommended level. The budget under spending affordability is illustrated in **Exhibit A1.3**.

Exhibit A1.3
Summary of the Budget under Spending Affordability

<u>Funds</u>	<u>2001 Session</u>	<u>2002 Session</u>	<u>Funding Change</u>	<u>Percent Change</u>
General	\$10,219.5	\$10,476.3	\$256.8	2.51%
Special	2,333.7	2,471.8	138.1	5.92%
Higher Education	1,199.2	1,276.0	76.8	6.40%
SAC Growth	\$13,752.4	\$14,224.1	\$471.7	3.43%
SAC Limit	\$13,752.4	\$14,295.6	\$543.2	3.95%

Budget-related Legislation

Several pieces of legislation, if enacted, are expected to have an impact on current and future revenues and spending. *Senate Bill 93 (passed)* and *Senate Bill 856 (passed)* would both provide of revenues that are expected to assist in balancing the fiscal 2003 budget. *Senate Bill 856* would also establish new levels of expenditures for primary and secondary education, with significant out-year implications. Other significant legislation would extend teacher scholarships and provide grants for local infants and toddlers programs.

Multijurisdictional Lottery: *Senate Bill 93* authorizes the State Lottery to operate multi-jurisdictional lotteries in other states or countries. This would allow the opportunity to increase sales and revenue by attracting new players and creating greater interest among existing players. The State could participate in Lotto South or in new games offered by the International Lottery Alliance. An additional \$5.5 million in general funds is projected for fiscal 2003.

Bridge to Excellence in Public Schools Act: *Senate Bill 856* provides significantly enhanced funding for primary and secondary education, which ramps up over a multi-year period. A portion of these expenses would be offset somewhat by the imposition of an additional 34 cent tobacco tax (raising the rate to \$1.00 per pack). The tax is expected to provide slightly more than \$100 million in fiscal 2003, of which approximately \$80 million would support initial implementation with the \$20.9 million balance supplementing the general

fund. Out-year spending would increase, ultimately approaching \$950 million by fiscal 2007. A provision of the legislation requires the General Assembly to affirm by joint resolution at the 2004 session that the additional State aid is within the State's fiscal resources for fiscal 2005. If the joint resolution is not adopted required aid increases are limited to 5 percent.

Higher Education – Teaching Assistants: *Senate Bill 734/House Bill 1172 (both passed)* would expand eligibility for the Maryland Teacher Scholarship Program to include teaching assistants who have met certain criteria. Additional spending of about \$3.0 million annually would be required.

Maryland Infants and Toddlers Act of 2002: *Senate Bill 419/House Bill 371 (both passed)* would create a State funding formula to provide grants to local infants and toddlers programs. Out-year expenses could require \$1.3 million in fiscal 2004 and increase to \$8.6 million by fiscal 2007

Outlook for Future Budgets

As shown in **Exhibit A1.4**, a potential budget shortfall of \$919.1 million is projected to exist by the end of fiscal 2004. By fiscal 2007, the potential shortfall is expected to approach \$2 billion. The factors behind the projected shortfall include increased costs for current services, legislation, and the funding of current services in fiscal 2003 with \$754 million of one-time revenues. As shown in the exhibit, the State has contingency resources in excess of \$500 million in the Rainy Day Fund which are available to mitigate the problem.

Current Services: Cost increases, associated with salary and fringe benefit growth (e.g., increments and health insurance), inflation (particularly medical inflation), local aid, and the continued implementation of legislation enacted in prior years, are anticipated. Caseload and entitlement growth, particularly for Medicaid, are also expected to drive future spending needs.

Legislation: Forecasted revenues are increased by \$172.8 million in fiscal 2003 largely due to *Senate Bill 323 (passed)* the Budget Reconciliation and Financing Act, and *Senate Bill 856*. The level of revenue gain increases to an estimated \$250 million in fiscal 2004 and then dips to about \$200 million per annum from fiscal 2005 through 2007. The drop in revenues after fiscal 2004 reflects sunset dates for many of the revenue provisions in *Senate Bill 323* and the expectation that tobacco tax revenues will decline over time as consumption falls.

Legislation passed at the 2002 session will have a significant impact on State expenditures, increasing fiscal 2004 costs by \$150.8. By fiscal 2007, the costs of legislation passed at the 2001 session could exceed \$1 billion. Most of the increase in

Exhibit A1.4
General Fund Forecast
(\$ in Millions)

A-12

Revenues	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Fund Balance	\$538.4	\$420.3	\$13.6	-	-	-
Transfer from Rainy Day Fund	533.2	249.0	0.4	4.3	-	-
BRFA One-time Transfers	280.9	85.2	-	-	-	-
	\$1,352.5	\$754.5	\$14.0	\$4.3	-	-
Operating Revenues	\$9,627.6	\$9,671.5	\$10,191.2	\$10,631.4	\$11,186.7	\$11,761.9
Miscellaneous Revenue Adjustment	1.1	-	-	-	-	-
Revenue Actions – Legislation	-	172.8	250.5	203.7	209.0	192.1
	\$9,628.7	\$9,844.3	\$10,441.7	\$10,835.1	\$11,395.7	\$11,954.0
Total Revenues	\$10,981.2	\$10,598.8	\$10,455.7	\$10,839.4	\$11,395.7	\$11,954.0
Spending	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Operating Spending	\$10,042.8	\$10,413.5	\$11,165.9	\$11,720.2	\$12,264.3	\$12,833.3
Expenditure Actions – Legislation		(12.9)	150.8	385.6	696.7	1,034.9
	\$10,042.8	\$10,400.6	\$11,316.7	\$12,105.8	\$12,960.9	\$13,868.2
PAYGO Capital	366.4	49.6	83.0	104.1	95.5	89.6
Appropriation to Reserve Fund	176.8	181.0	-	0.3	-	10.0
	543.1	230.6	83.0	104.3	95.5	99.6
Nondesignated Reversions	(25.0)	(46.0)	(25.0)	(25.0)	(25.0)	(25.0)
Total Expenditures	\$10,561.0	\$10,585.2	\$11,374.8	\$12,185.1	\$13,031.4	\$13,942.8
Ending Balance	420.2	13.6	(919.1)	(1,345.7)	(1,635.7)	(1,988.8)
Revenue Stabilization Fund	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Ending Balance	548.2	500.5	522.1	541.8	564.2	597.7
Pct of GF Revenues	0.1	0.1	0.1	0.1	0.0	0.1
5% of GF Revenues	481.4	492.2	522.1	541.8	569.8	597.7
Excess over 5%	66.7	8.3	0.0	0.0	(5.6)	0.0

The 90 Day Report

general fund spending is attributable to *Senate Bill 856*, The Bridge to Excellence in Public Schools Act, which increases State education spending. **Exhibit A1.5** demonstrates that *Senate Bill 856* accounts for about half of the general fund budget gap forecast for fiscal 2007. However, this impact can be mitigated if the joint resolution is not adopted during the 2004 session.

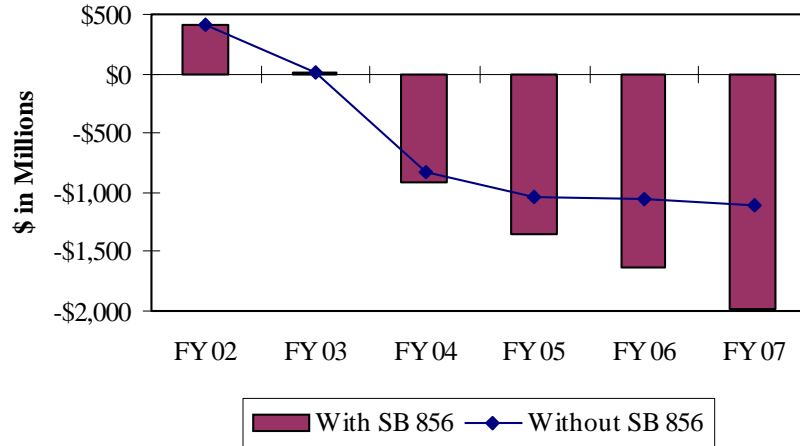
Assuming that economic growth proceeds at a moderate pace as forecast by the BRE, addressing the potential shortfall in fiscal 2004 and beyond will require some combination of programmatic reductions and revenue enhancements. To better prepare for actions which may be contemplated at the 2003 and 2004 sessions, the legislature adopted *House Bill 1 (passed)* to establish a Commission on Maryland's fiscal structure. The commission is charged with examining the State's budget process and tax structure. Recommendations on funding education, transportation, and health care are to be submitted in 2002 and 2003.

Postscript

In late February/early March the State prepared to sell \$312.8 million in general obligation bonds to support the capital program and refund previously authorized debt. All three of the major rating agencies (i.e., Fitch, Moody's, and Standard & Poor's) gave Maryland another AAA rating. The ratings examined the diversity of the State's economy, wealth and income levels, financial management and performance, the continued existence of the 5 percent reserve in the Rainy Day Fund, and debt burden. The ratings reflected favorably on the State's financial management and policies.

Exhibit A1.5

General Fund Forecast With and Without SB 856



The Budget Reconciliation and Financing Act of 2002

The Budget Reconciliation and Financing Act of 2002 or BRFA, *Senate Bill 323 (passed)* constitutes an integral component of the plan to ensure a balanced budget in both fiscal 2002 and 2003. **Exhibit A1.6** summarizes the fiscal provisions of BRFA for fiscal 2002 and 2003.

Exhibit A1.6
Budget Reconciliation and Financing Act of 2002
Summary of Financial Provisions
General and Special Funds

<u>BRFA Action</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Total</u>
Transfers	\$146,235,967	\$85,200,000	\$231,435,967
Withdrawn Appropriations	468,807,761	0	468,807,761
Revenues	0	166,744,339	166,744,339
Total	\$615,043,728	\$251,944,339	\$866,988,067

Transfers: The BRFA effects a number of one-time transfers from various funds. The four largest, accounting for 55.5 percent of the transfers, are outlined below. **Exhibit A1.7** lists all transfers in fiscal 2002 and 2003.

- \$39.3 million from the State Reserve Fund's DPF which was set aside to finance increases in welfare costs associated with a recession. These funds were set aside over the past few years as the State used remaining federal funds. Following this transfer, in addition to two fiscal 2002 deficiency actions, the special funds remaining for this purpose will approximate \$11.4 million;
- \$39.2 million from the nonbudgeted IWIF. These funds represent a portion of the State's reserve toward the liability for State employees workers' compensation. The State has appropriated \$20 million annually toward the unfunded liability. This transfer will extend State payments to IWIF for an additional two fiscal years;
- \$29.8 million from DPF represents a portion of the funds to construct the replacement of the Woodrow Wilson Bridge and a new Addison Road Metro extension. In addition, BRFA authorizes \$40.1 from this portion of DPF to be transferred by budget amendment to be spent for specific expenditures. **Exhibit A1.8** lists all items for which authorization is provided. The combined effect of the transfer and authorization is that no funds will remain in DPF for the originally intended purpose. Actions taken with respect to the TTF will permit MDOT to fund these projects, and are discussed in the Transportation subsection of this part.
- \$20.0 million from the nonbudgeted MAIF. MAIF's uninsured motorist division provides funds for Maryland residents who are involved in accidents in Maryland with uninsured motorists and "hit and run" drivers. Funding is provided from a portion of uninsured motorist penalties. During the 2001 session this fund source was diverted to support the transit initiative, which, in conjunction with this transfer, would have imperiled the viability of the fund. BRFA restores the flow of uninsured motorist penalties to this account in MAIF.

Withdrawn Appropriations: BRFA withdraws \$468.8 million in general fund appropriations made in prior years. This includes \$457.2 million in PAYGO capital appropriations made between fiscal 1999 and 2002, much of which is now funded with general obligation bonds. Another \$11.6 million is withdrawn from the Maryland State Department of Education (MSDE), the State Board of Elections (SBE), and the State's contribution to public higher education. **Exhibit A1.9**, provides the detail on these withdrawals. A list of every PAYGO capital project for which funding was withdrawn can be found in the Capital Budget section.

Exhibit A1.7
Budget Reconciliation and Financing Act of 2002
Fiscal 2002 and 2003 Transfers

	<u>FY 2002</u>	<u>FY 2003</u>
Maryland Automobile Insurance Fund	\$20,000,000	
Wilson Bridge/Addison Road (DPF)	29,783,320	
Welfare Reserve (DPF)		\$39,300,000
Program Open Space Unexpended Balances	15,000,000	
DBED Economic Dev. Opportunities Fund	7,500,000	
DBED MD Economic Assistance Auth. Fund	8,500,000	
DBED MD Industrial Dev. Financing Auth.	5,000,000	
DBED Smart Growth Econ. Dev. Inf. Fund	2,000,000	
DHCD Home Ownership Programs Fund	6,500,000	
DHCD Neighborhood Business Dev. Fund	2,500,000	
DHCD Special Loan Programs Fund	1,000,000	
State Self Insurance Fund (Treasurer)	5,000,000	
Waterway Improvement Fund	8,000,000	
Transfer Tax Overattainment	11,227,425	
9-1-1 Emergency Number Fund	1,000,000	
Insurance Regulation Fund	2,000,000	
State Use Industries	2,000,000	
Used Tire Cleanup Fund	2,500,000	
Foreign Vehicle Registration Fund	553,710	400,000
DHMH Boards and Commissions	304,343	
Small Business Pollution Control Fund	617,169	
DBM Central Collection Unit	150,000	150,000
HSCRC Admin. Fund	100,000	
Maryland Heritage Authorities Fund	3,000,000	
Joseph Fund	8,000,000	
Maryland Food Center Authority	3,000,000	
Maryland Stadium Authority	1,000,000	
Racing Redevelopment Bond Fund		3,700,000
Injured Workers' Insurance Fund		39,200,000
Cigarette Restitution Fund		2,450,000
	\$146,235,967	\$85,200,000

Exhibit A1.8
Budget Reconciliation and Financing Act of 2002
Summary of Authorized Appropriations
From the Dedicated Purpose Fund

<u>Authorized Appropriations</u>	<u>FY 2002</u>	<u>FY 2003</u>
DPSCS: Hagerstown Central Kitchen		\$3,441,00
Charlotte Hall Veterans Home	661,000	2,600,000
UMMS Primary Care and Mental Health		3,000,000
East Baltimore Biotechnology Park		2,000,000
Annapolis Government Complex Security		1,400,000
Maryland Primary Care Program		1,111,000
Attorney General Legal Expenses		850,000
Dept. of General Services: Security	292,000	500,000
Governor's Salary Commission Recommendations		78,353
Subtotal	\$953,000	\$15,980,353
 Items Contingent on Enactment of SB 856		
UMBC Public Policy Institute		\$15,338,000
UMB Structural Deficit		3,000,000
University System of Md Deferred Maintenance		2,800,000
Morgan State University Deferred Maintenance		1,000,000
Community College Formula/BCCC		1,000,000
Subtotal		\$23,138,000
 Grand Total	 \$953,000	 \$39,118,353

Exhibit A1.9
Budget Reconciliation and Financing Act of 2002
Operating Budget Withdrawn Appropriations from Prior Fiscal Years

<u>Agency</u>	<u>Purpose</u>	FY 2002 General Funds Withdrawn
MSDE	Current Expense formula enrollment adjustment	\$450,000
MSDE	Unspent Teacher Salary Challenge funds	550,000
SBE	Voting machine cash flow	1,979,000
Higher Education	Cost containment assumed in Governor's plan	8,581,011
Subtotal		\$11,560,011

Revenues: BRFA includes provisions which increase fiscal 2003 general fund revenues by \$161.0 million, and special fund revenues by \$5.7 million. The actions modify the percentages for various vendor discounts, decouple from federal changes to the estate tax and tuition deduction, recover revenues which had been redirected to the TTF to support the transit initiative, reduce the period for the presumption of abandoned property from five to four years, and change the transfer tax distribution to provide 50 percent of attainments to the general fund. Additional action was taken to decouple the State due to revenue losses unofficially estimated at \$98.4 million (\$85.1 million general funds and \$14.3 million special funds) related to the federal Job Creation and Worker Assistance Act of 2002 (economic stimulus).

Approximately one-third of the general fund revenue actions taken in BRFA are in effect for only a two-year period, and will sunset at the end of fiscal 2004. **Exhibit A1.10** illustrates the revenue actions in BRFA.

Rebasing Statutory Funding Formulas: The fiscal 2003 budget reflects reductions made to formulas that provided State funding for community colleges (including Baltimore City Community College), nonpublic institutions of higher education, and the Maryland Tourism Development Board Fund. To provide some out year savings related to these reductions, the statutory methodology related to each formula was rebased. The specifics for each formula are summarized below. As set out in BRFA, the formulas would return to current levels in either fiscal 2006 or 2007.

The Joseph A. Sellinger Program for Aid to Nonpublic Institutions of Higher Education: The formula is adjusted to 14.3 percent of the State's general fund appropriation per full-time equivalent student (FTES) to the four-year public institutions of higher education. The percentage increases to 15.2 in fiscal 2005, before final restoration to the 16 percent level in fiscal 2006;

Exhibit A1.10
Budget Reconciliation and Financing Act of 2002
Additional Fiscal 2003 Revenues

	<u>General Funds</u>	<u>Special Funds</u>	<u>Nonbudgeted Funds</u>
Vendor Discounts			
Sales Tax (1)	\$10,806,529		
Motor Fuel		\$1,400,000	
Motor Vehicle Excise (1)		2,000,000	
Energy Generation Surcharge		71,753	
Emergency Telephone System Fee		234,938	
Tire Recycling Fee		12,534	
Decoupling from Federal Changes			
Estate Tax	20,600,000		
Tuition Deduction	13,000,000		
Recovering from the TTF			
Sales Tax on Short-Term Rentals	25,300,000		
Security Filing Fees	4,950,000		
Personalized Registration	1,600,000		
Uninsured Motorist Fines	12,500,000	2,000,000	2,000,000
Transfer Tax (1)	47,268,585		
Abandoned Property	25,000,000		
Total (2)	\$161,025,114	\$5,719,225	\$2,000,000

(1) In effect for fiscal 2003 and 2004 only.

(2) Totals do not reflect additional provisions to decouple revenue losses expected from the federal Job Creation and Worker Assistance Act of 2002 (economic stimulus). This includes revenue losses unofficially estimated at \$98.4 million (\$85.1 million general funds and \$14.3 million special funds) in fiscal 2003.

The Senator John A Cade Funding Formula for the Distribution of Funds to Community Colleges: The aid to community college percentage is reduced from 25 to 23.1 percent of funding per FTES for fiscal 2003 and 2004; before increasing to 24 percent in fiscal 2005, and 25 percent in fiscal 2006;

Baltimore City Community College: Aid is reduced from 66 to 60.9 percent per FTES for fiscal 2003 and 2004, then increases to 63.4 percent in fiscal 2005, and 66 percent in fiscal 2006;

Maryland Tourism Development Board Fund: Appropriations to the fund are capped at \$6.0 million in fiscal 2003 and 2004. The funding grows to \$7.0 million for fiscal 2005 and 2006, and \$8.5 million for fiscal 2007 and beyond.

Other Provisions of BRFA: Other budget-related provisions of BRFA pertain to changes in underfunded health and human services programs, reporting requirements for general fund PAYGO capital projects, State personnel, transportation, the State Reserve Fund, and actions made in the budget.

Underfunded Health and Human Services Programs: Amendments were adopted which sought to address under funding of the base budgets for Medicaid and mental health programs. The specific actions included:

- Tobacco settlement escrow payments will be captured in a special fund. The first \$20.0 million is to be applied to cancer and tobacco programs, with the remaining \$73.0 million used to address a Medicaid deficit for fiscal 2002 and 2003;
- 25 percent of the Cigarette Restitution Fund will be appropriated for Medicaid for fiscal 2003 through 2006;
- Additional federal disproportionate share hospital payment recoveries, estimated to be a combined \$54 million in fiscal 2002 and 2003 (and approximately \$14 million per year thereafter) are used to fund a shortfall for services provided by the Mental Hygiene Administration; and
- DHR may carry over \$1.5 million from fiscal 2002 into fiscal 2003, for the Medicaid waiver for home and community-based services for adult individuals with disabilities.

PAYGO Capital: A recommendation of SAC was adopted which requires that for the out-years, the *Capital Improvement Program* should not include general fund PAYGO for projects/programs that are tax-exempt debt eligible. Since the amount of surplus general funds for one-time PAYGO is not known, this change will prevent monies from being over committed for future spending. Annual budget bill language is also codified to require separate programs and subprograms for PAYGO projects funded in each budget bill.

Personnel: BRFA implements a new actuarial methodology for part of the State retirement system, establishes a deadline for completion of collective bargaining agreements, and implements the recommendations of the Governor's Salary Commission.

Transportation: Apart from the revenue changes enumerated under the revenues subsection, BRFA increases the limit on maximum debt outstanding for Consolidated Transportation Bonds from \$1.2 billion to \$1.5 billion; deletes an obsolete Right-of-Way Revolving Fund account in the TTF and transfers the \$8.0 million balance to the TTF; and makes a technical change to the portion of the corporate income tax distributed to the TTF, to reflect the 24 percent that is actually allocated to it.

State Reserve Fund: The “sweeper” provision of the Revenue Stabilization Fund is codified to require that any general fund surplus at the end of a fiscal year, in excess of \$10.0 million dollars, is to be appropriated to the fund. In addition to an \$8.0 million transfer from the Joseph Fund to the general fund, the Act permits \$3.3 million of the balance to be used for a Temporary Cash Assistance increase on January 1, 2003. The remainder of the Joseph Fund balance is to be used to fund the cost of this increase in fiscal 2004.

Miscellaneous Provisions: Other provisions implement the following actions, which:

- Permit the Law Enforcement and Correctional Training Fund to be used to support the operations of the Police and Correctional Training Commissions;
- Permit the Health Claims Arbitration Fund to be used to support operations of the Health Claims Arbitration Office;
- Repeal bonds, obligations on bonds, and direct the defeasement of bonds for the nonbudgeted Maryland Food Center Authority. These actions were taken to mitigate a transfer of \$3.0 million in fund balance to the general fund;
- Allow a portion of the Waterway Improvement Fund to be used for administrative expenses of the Department of Natural Resources for two years while a study group examines issues related to the program;
- Defers unfunded payments for Private Donation Incentives and Innovative Partnerships for Technology Donation Incentives until fiscal 2004;
- Defers State payments for circuit court law clerks six months, until January 1, 2003.
- Permits a \$14.0 million reduction in debt service in recognition of a bond premium received at the most recent sale of general obligation bonds; and
- Permits up to \$4.5 million from the takeout allocation of the Racing Facility Redevelopment Bond Fund to be used to increase horse racing purses.

Selected Budgetary Initiatives

The budget typically provides funding for new initiatives and enhancements which are not related to legislation. While the fiscal 2003 budget is no exception, the austere fiscal condition provides for fewer such opportunities than in prior years

State Government

Information Technology: Based on concerns about the State's inability to effectively oversee the development of major information technology projects, in fiscal 2002 budget deliberations the legislature adopted budget bill language withholding \$4 million until the Department of Budget and Management (DBM) submitted a detailed action plan outlining proposed reforms to improve such oversight. DBM submitted that report in January 2002. The fiscal 2003 appropriation for the Office of Information Technology (OIT) within DBM reflects those reforms.

In the broadest sense, the information technology reform proposal is to establish a structure to ensure that new and ongoing projects are developed on time, on budget, and meet the needs of the agency developing the system. In addition to a revised organizational structure, the plan also lays out required standards, policies, and procedures that must be established to effect those goals. The role of OIT, headed by the State Chief Information Officer (CIO), will be to review and approve information technology projects, monitor the development of those projects at key points in the development process (through a Systems Development Life Cycle methodology), and improve information technology skills within individual agencies. Despite significant budget reductions to major information technology projects across all State agencies, the fiscal 2003 appropriation for information technology reform retained the original \$18.8 million request.

Building on this reform plan, the legislature also adopted cross-filed bills (*Senate Bill 491/House Bill 835 (both passed)*) which strengthened the authority of the State CIO by giving the CIO greater budgetary control of information technology budgets in many areas of State government and offering greater specificity of the mandate for the CIO.

Health

Physician Rates: Maryland's Medicaid physician rates have not increased in more than a decade. Medicaid rates are currently about one-third of the federal Medicare rates for the same procedures. About \$400 million would be required for the State to reimburse physicians at the Medicare rate for all procedures. Insufficient reimbursement rates are cited as the primary reason physician participation in the Medicaid program is dwindling in certain parts of the State. The fiscal 2003 budget includes \$50 million, \$25 million of State general funds and \$25 million of federal matching funds, to raise

physician rates for selected procedures. The additional funds target evaluation and management procedures.

Mental Health: The fiscal 2003 appropriation for the Mental Hygiene Administration (MHA) represents a \$62 million increase over the fiscal 2002 working appropriation (9.5 percent), \$44 million in general funds and \$18 million in federal funds. The bulk of this funding (\$42 million) is an increase in community-based mental health services, most of which are delivered through a fee-for-service system. Most of the remainder (\$19 million) is directed to State-run Psychiatric Facilities.

Although the fiscal 2003 appropriation represents a significant increase over the current year, funding for the fee-for-service community-based mental health system remains below the level of current service provision. It is anticipated that the fee-for-service community-based mental health system will close-out fiscal 2002 with a \$50 million-plus deficit. Actions taken by the legislature in *Senate Bill 323* (The Budget Reconciliation and Financing Act) capture higher-than-anticipated federal disproportionate share payments in fiscal 2002 and 2003 and dedicate those funds to address this deficit. It is estimated that these adjusted payments will yield an additional \$40 million in fiscal 2002 and \$14 million in fiscal 2003.

While MHA continues to try to restrain growth in service expenditures, the fiscal 2003 appropriation is anticipated to be as much as \$15 million to \$20 million below current service levels. This structural deficit in the fee-for-service community-based mental health system is not addressed in other legislation. Rather, budget bill language requires MHA to restructure community mental health services in order that it can live within its fiscal 2003 appropriation. This restructuring will include moving to a system of grants and contracts to serve the uninsured, a population currently served through the fee-for-service system.

Developmental Disabilities Administration Increase: The budget for the Developmental Disabilities Administration (DDA) grows \$51 million in fiscal 2003. The increase is the result of several recent initiatives intended to increase access to and quality of community services. The first initiative, the Waiting List Initiative, enters its fifth and final year in fiscal 2003. The initiative, designed to reduce the waiting list for community services, will serve 5,977 individuals by the end of fiscal 2003. In the final year of the initiative, the expansion of community services totals \$19 million and rate enhancements for providers of community services total \$9 million. Fiscal 2003 also marks the first year of an initiative to increase wages for community direct service workers. Concern that direct care workers employed by community providers were not being compensated at the rate of employees in State residential centers led to legislation, enacted in 2001, to eliminate the wage disparity over a five-year period. In its first year the initiative will cost \$16 million. The remainder of the increase supports moving individuals from the State residential centers to community settings.

Substance Abuse Treatment Programs: The budget for the Alcohol and Drug Abuse Administration (ADAA) increases \$14 million in fiscal 2003 to support the expansion of substance abuse treatment programs across the State. The largest increase, \$7 million in general funds, will support the expansion of treatment services in Baltimore City as part of a three-year commitment to increase treatment capacity in the city. With the addition of these funds in fiscal 2003, support for treatment programs in Baltimore City will total \$46 million, a 114 percent increase in funding over fiscal 2000 levels. The fiscal 2003 budget also supports an increase in Substance Abuse Treatment Outcomes Partnership (STOP) funding. This program distributes matching funds to jurisdictions for substance abuse treatment services. Funding for the STOP program grows 132 percent in fiscal 2003 to \$7.2 million. The remaining increase in ADAA provides continuing support for treatment and prevention programs as well as salary increases for substance abuse providers.

Education

Higher Education Office for Civil Rights Enhancements: The fiscal 2003 budget includes \$3.4 million in enhancement funding in the Maryland Higher Education Commission (MHEC) for the four historically black institutions (HBIs) pursuant to the State's Partnership Agreement with the U.S. Department of Education's Office for Civil Rights (OCR). The agreement includes commitments to make the HBIs comparable and competitive with the State's traditionally white institutions in all facets of their operations and programs. Intended uses of future enhancement appropriations include paying debt service on a projected \$75 million in capital projects at the four HBIs. The budget bill also expresses the intent of the General Assembly that the Governor increase the OCR enhancement appropriation in fiscal 2004 to reflect the partial deferral of enhancement funds in fiscal 2003. The budget bill also requires MHEC to report to the budget committees its spending plan for \$3 million of these funds prior to expenditure and directs \$400,000 of the enhancement funding to support the purchase of personal computers for low-income students at Morgan State University. The budget bill also includes \$1.2 million in information technology funding in DBM to support the same activity for the three HBIs within USM.

In addition, Access and Success funding in MHEC for the four HBIs increases by \$1.5 million. These funds support student retention activities. The increase in this program fulfills one of the commitments of the agreement. The General Assembly also directs the USM Board of Regents to provide a proportional increase in general funds to its three HBIs if the board provides an increase to any of its four-year institutions for fiscal 2003.

Correctional Education: State law requires eligible inmates to participate in either an education or vocational training program to earn their General Education Diploma (G.E.D.) or high school diploma. Eligible inmates must participate in either the education program for at least 120 calendar days or a vocational training program.

To reduce these waiting lists and to open a school at the new North Branch Correctional Facility in Cumberland, Maryland, the budget includes \$680,165 for 30.5 new positions. MSDE noted that 21.5 positions would be used to reduce the waiting lists by 50 percent and fill some empty classrooms. The remaining 9 positions would be used to staff the school at the North Branch Correctional Facility. The funding assumes a six-month start-up period will be needed to fill these new positions.

Cigarette Restitution Fund

The General Assembly established the Cigarette Restitution Fund (CRF) in 1999 to collect and redistribute monies received as a result of settling outstanding litigation with the five major tobacco companies. Legislation passed during the 2000 legislative session established the Tobacco Use Prevention and Cessation Program and the Cancer Prevention, Education, Screening, and Treatment Program to reduce tobacco use and the occurrence of cancer- and tobacco-related diseases. These programs, in addition to several other health-related programs, comprise the majority of CRF spending. Funds also support a variety of education and crop conversion initiatives. **Exhibit A1.11** indicates budget allocations for these programs.

Funding for CRF programs has been complicated by a contract dispute between the State and outside counsel originally retained to represent the State against the tobacco companies. Pending legal resolution of the contract dispute the Baltimore City Circuit Court ordered the State to place 25 percent of tobacco settlement proceeds in escrow for attorney fees.

Settlement of the Attorney Fee Issue: Attorneys representing counsel originally retained to represent the State in tobacco litigation made public at the beginning of the legislative session a proposal for settlement of the attorney fee issue. Preliminary reports indicate that the Governor has negotiated a settlement under which the State would pay counsel \$150 million in five equal annual payments beginning in fiscal 2003. Pending final approval of the agreement the \$123 million currently held in escrow will be available for general use by the State. Should the fee issue be settled, the first \$30 million will be reserved for the first installment of the settlement agreement. The Budget Reconciliation and Financing Act of 2002 requires that the next \$20 million be used to fully fund the tobacco and cancer programs and the remainder, up to \$73 million, be dedicated to Medicaid. If these funds are realized, funds for health- and tobacco-related programs will total \$208 million in fiscal 2003.

Exhibit A1.11
Cigarette Restitution Fund Budget

	Fiscal 2001 Actual	Fiscal 2002 Working Appropriation	Fiscal 2003 Legislative Appropriation	Difference 2002-03
Health				
Tobacco	\$7.3	\$19.7	\$20.2	\$0.5
Cancer	23.8	34.3	37.7	3.4
Substance Abuse	18.5	18.5	18.5	
Maryland Health Care Foundation	1.5	1.0	1.0	
Medical Provider Reimbursements	24.6	0.0	31.0	31.0
Subtotal	\$75.7	\$73.5	\$108.4	\$34.8
Education (K-12)				
Teachers Salaries	\$6.9	\$0.0	\$0.0	
Baltimore City Partnership	8.0	3.2	0.0	(3.2)
Academic Intervention	12.0	19.5	0.0	(19.5)
Aid to Nonpublic Schools	5.0	5.0	3.8	(1.2)
Judy Hoyer Centers	4.0	4.0	4.0	
School Wiring	0.0	0.0	1.9	1.9
Education Modernization	2.5	0.0	0.0	
Teacher Mentoring	2.5	2.5	2.5	
Teacher Certification	2.0	2.0	1.5	(0.5)
Technology Academy	1.6	1.7	1.7	
Readiness and Accreditation	3.0	3.0	0.0	(3.0)
Subtotal	\$47.6	\$40.9	\$15.4	(\$25.5)
Higher Education				
MAITI Technology	3.7	0.0	0.0	
Access/Success	1.0	1.0	1.0	
Digital Library	0.5	0.0	0.0	
Subtotal	\$5.2	\$1.0	\$1.0	
Crop Conversion	\$9.0	\$6.3	\$6.3	
Attorney General	\$0.4	\$0.1	\$0.1	
Total Expenses	\$137.9	\$121.8	\$131.2	\$9.3

Source: Department of Budget and Management

Transportation Program

The Maryland Department of Transportation (MDOT) estimates that the TTF will generate \$3.3 billion in fiscal 2003. Major revenue sources include federal funds (\$873 million), motor fuel tax receipts (\$696 million), titling tax receipts (\$658), bond sale proceeds (\$350 million), and licensing and registration fees (\$336 million).

Transportation spending totals \$3.3 billion in fiscal 2003, an 8.4 percent increase over planned fiscal 2002 spending. Appropriations are made for MDOT capital expenditures (\$1.6 billion), operating expenditures (\$1.1 billion), and debt service (\$139 million). Local highway user revenue grants are funded through the State Highway Administration budget (\$432 million). The fiscal 2003 budget funds 9,641 regular positions and 174.35 contractual FTEs.

Actions taken by the General Assembly in BRFA (see [Senate Bill 323](#) for a complete discussion) altered the flow of revenues to the TTF and increased the limit on transportation debt outstanding. **Exhibit A1.12** details BRFA provisions pertaining to transportation. The Act also made a technical change to the methodology under which the TTF receives a portion of the corporate income tax, replacing the components of the calculation which now total 24 percent of the tax.

General fund support for construction of the Woodrow Wilson Bridge and extension of the Metrorail to Largo Town Center was reduced from \$200 million over six years to \$25 million. In particular, BRFA moved fiscal 2002 funds totaling \$69.9 million from DPF to the general fund and did not proceed with the forecasted transfer of an additional \$70 million in general funds to DPF in fiscal 2003. MDOT had previously expended \$25 million in fiscal 2001.

In addition, BRFA included provisions to divert certain revenues from the TTF to the general fund, essentially undoing last session's transit initiative spending package. Chapter 568, Acts of 2001 moved general fund revenues such as uninsured motorist penalties collections and security interest filing fees from the general fund to the TTF beginning in fiscal 2002 to support the transit initiative. To continue implementation of the initiative and to supplant general funds for the bridge and Metrorail extension projects, BRFA increased the limit of allowable debt outstanding, established by statute from \$1.2 billion to \$1.5 billion. As of February 2002, MDOT estimates that debt outstanding by June 30, 2003, will reach \$1.0 billion.

Exhibit A1.12
Provisions Relating to Transportation
Budget Reconciliation and Financing Act of 2002

	<u>Governor's Plan</u>	<u>General Assembly Action</u>
<u>Fiscal 2002</u>		
General Funds Removed from TTF for Woodrow Wilson Bridge and Addison Road Metrorail Extension to Largo Projects	(\$69,854,673)	(\$69,854,673)
Transfer to Vehicle Theft Prevention Program	0	(2,000,000)
<u>Fiscal 2003</u>		
MD Transportation Authority Transfer to General Fund	(18,000,000)	0
Revenues Returned to General Fund:		
Registration Plates	0	(1,600,000)
Security Interest Filing Fees		(5,000,000)
Vehicle Rental Tax		(25,300,000)
Uninsured Motorist Penalties		(12,500,000)
Transfer to MAIF		(2,000,000)
Transfer to Vehicle Theft Prevention Program		(2,000,000)
Motor Vehicle Excise Tax Credit		2,000,000
Motor Fuel Tax Discount		1,400,000
No COLA*		6,800,000
Transfer of Balance in Right-of-Way Revolving Fund		8,000,000
Total	(\$87,854,673)	(\$100,054,673)

Notes

TTF = Transportation Trust Fund

MdTA = Maryland Transportation Authority

MAIF = Maryland Automobile Insurance Fund

VTPF = Vehicle Theft Prevention Fund

COLA = Cost-of-living adjustment

* State agencies budgeted a 2% COLA to be provided January 2003. MDOT did not budget these funds and therefore did not participate in the reduction taken by SB 175.

State Reserve Fund

Activity in the State Reserve Fund for fiscal 2002 and 2003 is illustrated in **Exhibit A1.13**. The allowance assumes a number of deficiency appropriations and transfers from the reserve fund in fiscal 2002.

Fiscal 2002

Transfers include:

- a \$533.2 million transfer from the Revenue Stabilization Fund (Rainy Day Fund) to the general fund to support operating and PAYGO spending;
- a \$69.9 million transfer of transportation funds from DPF to the general fund and to a number of programs and projects (please refer to BRFA within this part of *The 90 Day Report*);
- a total of \$7.8 million in scheduled transfers from DPF to DDA and to the Public Service Commission (PSC); and
- a \$8.0 million transfer from the Joseph Fund to the general fund to help address the structural deficit.

Deficiencies include:

- a \$30.0 million deficiency to the Rainy Day Fund as required due to Chapter 275, Acts of 2001 (tax amnesty);
- a \$22.1 million transfer from DPF for a deficiency appropriation to DHR; and
- a \$9.6 million negative deficiency from welfare funds in DPF.

Fiscal 2003

Rainy Day Fund

The fiscal 2003 appropriation is \$181.0 million for the Rainy Day Fund. The appropriation is made through the “sweeper provision” and represents the unappropriated fiscal 2001 general fund balance in excess of \$10.0 million (Chapter 4, Acts of 1998). This provision was codified through BRFA, guaranteeing that unappropriated general fund balances in excess of \$10.0 million will be appropriated to the Rainy Day Fund in future years. Funds transferred to support operating and PAYGO spending totals \$249.0 million. Estimated interest brings the closing balance to \$500.5 million,

Exhibit A1.13
Reserve Fund Activity – Fiscal 2002 and 2003
(\$ in Millions)

	<u>Rainy Day Fund</u>	<u>Dedicated Purpose Fund</u>	<u>Catastrophic Event Fund</u>	<u>Joseph Fund</u>
Balances on Hand 6/30/01	\$888.1	\$115.6	\$1.7	\$10.6 ²
Fiscal 2002 Appropriations:				
Unappropriated Fiscal 2000 Balance	141.8 ¹			5.0
Wilson Bridge/Metro Expansion		45.0		
TANF Reallocation		9.6 ³		
Fiscal 2002 Deficiency Appropriations:	30.0	(9.6)		
Expenditures:				
PSC: Public Education Utility Restruct.		(2.8)		
DDA Waiting List Initiative – DHMH		(5.0) ⁴		
Welfare Programs		(22.1) ³		
Transfer to General Fund:	(533.2) ⁵	(69.9) ⁶		(8.0) ⁷
Estimated Interest:	21.4			0.4
Balances on Hand 6/30/02	548.2	60.9	1.7	8.0
Fiscal 2003 Appropriations:	181.0 ¹	-	-	-
Expenditures:				
Welfare Programs		(10.0) ³		
Transfers to General Fund:	(249.0) ⁵	(39.3) ⁶		
Estimated Interest:	20.3			0.3
Estimated Balances 6/30/03	500.5	11.6	1.7	8.3
Percent of Estimated General Fund Revenue	5.08% ⁸			

¹ Per Chapter 4, Acts of 1998, in fiscal 2002 this represents the unappropriated fiscal 2000 general fund balance in excess of \$10.0 million; in fiscal 2003 it represents the excess balance from fiscal 2001.

² Chapter 517, Acts of 1999 created the Joseph Fund beginning in fiscal 2001. The Act provides that an appropriation may be included in the fiscal 2001 budget equivalent to the lesser of 40% of the fiscal 1999 unappropriated general fund surplus or \$10 million. In fiscal 2002 and thereafter, the transfer may total the lesser of \$5.0 million or 20 percent of the two years' prior unappropriated general fund surplus. Interest earnings are credited to the Joseph Fund and not to the Revenue Stabilization Fund (Rainy Day Fund).

Exhibit A1.13
Reserve Fund Activity – Fiscal 2002 and 2003
(\$ in Millions)

³ These monies represent a negative deficiency and transfers to DHR. The fiscal 2002 negative deficiency of \$9.6 million represents an offset to the "excess" Temporary Assistance to Needy Families (TANF) monies originally set aside in the Dedicated Purpose Fund from DHR. The fiscal 2002 transfer of \$22.1 million to DHR as a deficiency also represents TANF and other monies previously set aside for future welfare costs. Fiscal 2003 funds going to DHR include the remaining balance of \$10.0 million originating in the Citizen's Tax Reduction and Fiscal Reserve Account appropriated to the Dedicated Purpose Fund in fiscal 1999.

⁴ Special funds totaling \$15.0 million were deposited in fiscal 1999 to be appropriated in \$5 million increments in fiscal 2000, 2001, and 2002.

⁵ Represents total funds transferred to support operating and PAYGO spending under the Governor's allowances.

⁶ These monies represent anticipated transfers to the general fund and to specific programs and projects through BRFA. The fiscal 2002 transfer, the balance of fiscal 2001 appropriations (\$24.9 million) and fiscal 2002 appropriations (\$45.0 million), was originally intended for transportation projects. The fiscal 2003 \$39.3 million transfer to the general fund is TANF funds originally set aside for future welfare needs.

⁷ These monies were transferred through BRFA (SB 323) to help cover the structural deficit in the general fund. Please note that BRFA also provides that in fiscal 2003, up to \$3.3 million is also authorized for expenditure through budget amendment or through the budget bill for the purpose of increasing the Temporary Cash Assistance allowance.

⁸ Based on the legislative revenue assumptions. The Rainy Day Fund balance is approximately \$8.3 million over 5 percent (\$492.2 million) of estimated general fund revenue.

Source: Department of Budget and Management

\$8.3 million over 5 percent of estimated general fund revenue, or 5.08 percent of estimated revenues.

Dedicated Purpose Fund

In fiscal 2003, no appropriations are made to DPF and two transfers are made from the fund. The first transfers \$10.0 million to DHR, which represents the remaining balance of money originating in the Citizen's Tax Reduction and Fiscal Reserve Account transferred to DPF in fiscal 1999. The second transfer of \$39.3 million is to the general fund and represents funds originally set aside for future welfare needs.

Joseph Fund

The Joseph Fund was established in fiscal 1999 to meet the emergency needs of economically disadvantaged citizens of the State, especially in times of economic downturn. In fiscal 2003, no appropriations are made, and interest is projected at approximately \$300,000. Further, BRFA provides that up to \$3.3 million is authorized for expenditure by budget amendment in fiscal 2003 for the purpose of increasing the Temporary Cash Assistance allowance; the remaining balance of approximately \$5

million is authorized for expenditure through an amendment for the same purpose in fiscal 2004.

Personnel

Personnel expenditures, the cost of which is estimated at \$5.3 billion, constitute a major component of the fiscal 2003 budget. This figure represents an increase over fiscal 2002 working appropriations of approximately \$187.3 million, or 3.7 percent. The largest share of this increase is devoted to regular employee salaries which grow modestly in fiscal 2003, primarily through the annualization of the fiscal 2002 general salary increase (approximately \$75 million) and the cost associated with the payment of a lump-sum bonus (approximately \$44 million). Regular employee salaries grow by a total of \$121.0 million, or 3.1 percent over fiscal 2002. All components of the employee compensation increase are shown in **Exhibit A1.14**.

In addition to the personnel actions related to increases in employees' salaries, changes to the way the State calculates pension contributions resulted in a \$48.9 million decrease in pension contributions from those assumed in the Governor's allowance in fiscal 2003 (please refer to Part K4 for more detail). A reduction in the State's match of the deferred compensation benefit from \$600 to \$500 resulted in a savings of \$3.6 million. Deletion of funds for the pay-for-performance bonus benefit further reduced available funds by \$8.8 million. These decreases are partially offset by inflationary increases in health, dental, and mental health insurance, which are projected to increase approximately 10 percent or \$53.7 million.

Exhibit A1.14 Increases in Regular and Contractual Employee Salaries Fiscal 2002 to 2003

<u>Salary Element</u>	<u>\$ in Millions</u>	<u>% Change</u>
Regular Employee Expenditures	\$162.0	3.4%
Salaries	121.0	3.1%
Health Insurance	53.7	10.1%
Retirement	(26.4)	-10.3%
Social Insurance	28.8	8.6%
Discretionary (e.g., transit benefit, tuition waivers)	(11.9)	-21.7%
Turnover and cost containment	(331.5)	-4.5%
Other	.9	9.3%
Contractual Employee Expenditures	\$25.3	7.1%
Total Salary Expenditures	\$187.3	3.7%

Position Cap

Under the requirements of Section 37 of the budget bill, a 75,600 full-time equivalent (FTE) regular position cap is applied to the Executive Branch. This position cap requires substantial position reductions, which carries with it a minimum required budgetary reduction of at least \$11.0 million in general funds. The General Assembly's deletion of positions in the operating budget result in salary savings of \$29.7 million in total fund reductions, with the largest share in general fund savings. Individual agency budgets reflect reductions of 614.8 FTEs from those assumed in the Governor's budget (including reductions of 102.0 FTEs from the Judiciary), as shown in **Exhibit A1.15**. An additional 3,401 FTE position abolitions will be required to reach the cap.

Under the cap, agencies comprised of more than 10 positions are required to submit to the Governor a plan for abolishing not fewer than 3 percent of the total and plans for abolishing not more than 8 percent of the total. An approximation of the number of abolitions for which agencies will be providing plans is also included in Exhibit A1.15. Please note that some of these agencies may include more than one administratively independent agency which would be providing a separate plan; these reductions are provided as a major agency-level approximation only. After receiving the abolition plans, the Governor is required to then make the final determination of the proper distribution of reductions based on consideration of the abundance of vacant positions in the State, opportunities for improved efficiency through the elimination of unnecessary layers of administration, and the need to protect vulnerable populations and promote public safety.

By the Numbers

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

Exhibit A1.16 shows the impact of the legislative budget on the general fund balance for fiscal 2002 and 2003. The fiscal 2002 balance, including transfers from the Revenue Stabilization Fund and actions through BRFA, yields a projected ending balance of \$420.3 million. At the end of fiscal 2003 the ending balance is estimated to be \$13.6 million, although this is again based on the Governor's assumption of \$46 million in agency reversions.

Exhibit A1.17, the fiscal note on the budget bill, depicts the Governor's allowance, actions through BRFA, legislative reductions, and final appropriations for fiscal 2002 and 2003 by fund source. The Governor's original request provided for \$22.5 billion (not counting the \$128.1 million in contingent general fund reductions) in fiscal 2003 expenditures and fiscal 2002 deficiencies. The legislature made \$479.5 million in reductions and contingent reductions to the total budget request, resulting in appropriations of \$37.1 million for fiscal 2002 (net of withdrawn appropriations) and \$21.8 billion (less reversions) for fiscal 2003.

Exhibit A1.15
Regular Full-time Equivalent Employees
Fiscal 2002 to 2003

	Fiscal 2002 Working	Fiscal 2003 Allowance	Legislative Reductions	Reductions of 3 Percent	Reductions of 8 Percent
Legislative	730.0	730.0	0.0	n/a	n/a
Judiciary & Legal*	4,377.7	4,693.7	107.0	41.2	109.8
Executive & Adm. Control	1,603.5	1,654.4	16.5	49.6	132.4
Financial & Revenue Adm.	2,158.2	2,162.7	6.0	64.9	173.0
Budget & Management	517.3	549.3	2.0	16.5	43.9
Retirement	193.5	193.5	3.0	5.8	15.5
General Services	793.0	848.5	11.0	25.5	67.9
Transportation	9,538.0	9,653.0	12.0	289.6	772.2
Natural Resources	1,631.2	1,643.2	20.0	49.3	131.5
Agriculture	480.0	473.5	0.0	14.2	37.9
Health & Mental Hygiene	8,535.8	8,572.8	28.3	257.2	685.8
Human Resources	8,279.6	8,426.6	56.0	252.8	674.1
Labor, Licensing, & Regulation	1,706.0	1,716.0	30.0	51.5	137.3
Public Safety & Correctional Services	11,662.5	11,924.5	196.0	357.7	954.0
Higher Education	21,373.2	21,696.5	0.0	650.9	1,735.7
Other Education	1,955.0	1,985.5	0.0	59.6	158.8
Housing & Community Development	449.0	453.0	7.0	13.6	36.2
Business & Economic Development	324.0	325.0	1.0	9.8	26.0
Environment	1,028.0	1,114.0	71.0	33.4	89.1
Juvenile Justice	2,122.7	2,128.2	33.0	63.8	170.3
Police & Fire Marshal	2,589.5	2,621.5	15.0	78.6	209.7
Total	82,047.5	83,565.3	614.8	n/a**	n/a**

*The Judicial & Legal reductions include 102.0 FTE reductions to the Judiciary. The 3 percent and 8 percent reductions are calculated based on the FTEs assumed in the non-Judiciary portion of these positions - a total of 1,371.9 FTEs.

** Please note that the cap requires that 75,600 FTE regular positions are not to be exceeded in the Executive Branch - total reductions must be 3,914 in the Executive Branch, plus the 102 FTEs in the Judiciary.

Exhibit A1.16
General Fund Impact – 2002 Session Actions

	<u>Fiscal</u> <u>2002</u>	<u>Fiscal</u> <u>2003</u>
Starting General Fund Balance	\$583,352,823	\$420,267,855
<u>Revenues</u>		
BRE Estimated Revenues - December 2001	9,752,017,496	9,787,339,642
BRE Revenue Revisions - March 2002	(124,400,000)	(124,700,000)
BRFA Revenues	0	161,025,114
BRFA Transfers	146,235,967	85,200,000
BRFA Withdrawn Appropriations	468,807,761	0
Additional Revenues	<u>1,100,000</u>	<u>33,528,593</u>
Subtotal	\$10,243,761,224	\$9,942,393,349
Net GF Transfer from the Rainy Day Fund	361,409,278	67,971,223
Revenue Total	\$11,143,523,325	\$10,430,632,427
<u>Appropriations</u>		
GF Appropriations net of Rainy Day Fund	10,757,568,930	10,818,206,937
Legislative reductions & contingent reduc.	(873,514)	(355,181,944)
Estimated agency reversions	<u>(33,439,946)</u>	<u>(46,000,000)</u>
Appropriations Total	\$10,723,255,470	\$10,417,024,993
Closing Balance	\$420,267,855	\$13,607,434

Exhibit A1.17 – Fiscal Note
Summary of the Budget Bill – Senate Bill 175

	<u>General Funds</u>		<u>Special Funds</u>		<u>Federal Funds</u>		<u>Education Funds</u>		<u>Total Funds</u>
Governor's Request:									
FY 2002 Deficiency Budget	\$172,524,015		\$30,257,756		\$169,287,065		\$0		\$372,068,836
FY 2003 Budget	<u>10,953,235,714</u>	(1)	<u>3,870,374,463</u>		<u>5,208,435,106</u>		<u>2,082,614,622</u>		<u>22,114,659,904</u>
Original Budget Request	\$11,125,759,729		\$3,900,632,219		\$5,377,722,171		\$2,082,614,622		\$22,486,728,741
Budget Reconciliation and Financing Act of 2002:									
FY 2002 Withdrawn Appropriations	(\$334,061,761)	(2)	(\$1,000,000)		\$0		\$0		(\$335,061,763)
FY 2002 Appropriations	-		953,000		-		-		953,000
FY 2003 Appropriations	-		39,118,353		-		-		39,118,353
FY 2003 Contingent Reductions	<u>(54,162,431)</u>		<u>(64,102,519)</u>		<u>(5,606,177)</u>		<u>0</u>		<u>(123,871,127)</u>
Total BRA Actions	(\$388,224,192)		(\$25,031,166)		(\$5,606,177)		\$0		(\$418,861,535)
FY 2003 Legislation	\$0		\$80,523,604		\$0		\$0		80,523,604
Reductions by the Conference Committee									
FY 2002 Deficiency Budget	(873,514)		\$0		\$0		\$0		(\$873,514)
FY 2003 Budget	<u>(301,019,513)</u>		<u>(36,868,485)</u>		<u>(16,792,516)</u>		<u>(44,584)</u>		<u>(354,725,098)</u>
Total Reductions	(\$301,893,027)		(\$36,868,485)		(\$16,792,516)		(\$44,584)		(\$355,598,612)
Appropriations:									
FY 2002 Deficiency Budget	(\$162,411,260)		\$30,210,756		\$169,287,065		\$0		\$37,086,561
FY 2003 Budget	<u>10,598,053,770</u>		<u>3,889,045,416</u>		<u>5,186,036,413</u>		<u>2,082,570,038</u>		<u>21,755,705,637</u>
Total Appropriation	\$10,435,642,510		\$3,919,256,172		\$5,355,323,478		\$2,082,570,038		\$21,792,792,198

(1) Includes general fund reversions of \$46 million

(2) The Budget Reconciliation and Financing Act of 2002 withdraws a total of \$468.8 million in appropriations from fiscal 1999 through 2002. The amount shown reflects fiscal 2002 withdrawals only.

Exhibit A1.18 illustrates budget changes by major expenditure category by fund. Total spending grows 2.6 percent. Debt service increases 2.4 percent; aid to local governments increases by 7.4 percent; State agency spending rises 2.7 percent; and entitlements rise 4.6 percent. PAYGO capital expenditures decrease 11.7 percent, exclusive of an added \$22.2 million in special fund PAYGO that is authorized contingent on enactment of *Senate Bill 856*. The reduction in PAYGO results largely from the lower availability of surplus funds for such one-time spending. The allocation to the State Reserve Fund increases 2.4 percent, based on the lower amount of unappropriated general funds at closeout which was statutorily required to be appropriated. However these funds were also transferred to the general fund to support the budget.

Exhibit A1.18
State Expenditures – General Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 01</u>	<u>Work. App.</u> <u>FY 02</u>	<u>Leg. Appr.</u> <u>FY 03</u>	<u>\$ Diff.</u> <u>FY 02 to 03</u>	<u>% Diff.</u> <u>FY 02 to 03</u>
Debt Service	\$204.5	\$204.0	\$183.9	-\$20.1	-9.9%
Aid to Local Governments					
General Government	174.5	200.9	228.9	28.0	13.9%
Community Colleges	163.3	178.5	188.9	10.4	5.8%
Education/Libraries	2,718.1	2,847.3	3,036.3	189.0	6.6%
Health	52.5	56.9	61.9	5.0	8.8%
	<u>3,108.4</u>	<u>3,283.7</u>	<u>3,516.1</u>	<u>232.4</u>	<u>7.1%</u>
Entitlements					
Foster Care Payments	126.9	137.8	132.9	-4.9	-3.6%
Assistance Payments	34.5	55.5	62.7	7.2	13.0%
Medical Assistance	1,320.3	1,547.0	1,600.7	53.7	3.5%
Property Tax Credits	52.6	55.7	55.5	-0.2	-0.3%
	<u>1,534.3</u>	<u>1,795.9</u>	<u>1,851.7</u>	<u>55.9</u>	<u>3.1%</u>
State Agencies					
Health	1,006.6	1,090.0	1,183.6	93.7	8.6%
Human Resources	303.8	289.4	298.7	9.2	3.2%
Systems Reform Initiative	46.9	43.1	40.1	-3.1	-7.1%
Juvenile Justice	150.3	162.2	173.6	11.5	7.1%
Public Safety/Police	863.9	920.8	961.2	40.5	4.4%
Higher Education	886.5	961.3	970.4	9.1	0.9%
Other Education	248.6	275.5	284.6	9.1	3.3%
Agric./Natl Res./Environment	125.5	147.3	155.6	8.3	5.6%
Other Executive Agencies	520.6	553.2	542.3	-11.0	-2.0%
Judicial/Legislative	281.4	316.5	329.7	13.3	4.2%
Across-the-Board Cuts	0.0	0.0	-78.1	-78.1	n.a.
	<u>4,434.2</u>	<u>4,759.3</u>	<u>4,861.8</u>	<u>102.5</u>	<u>2.2%</u>
Subtotal	\$9,281.4	\$10,042.8	\$10,413.4	\$370.6	3.7%
Capital	638.4	366.4	49.6	-316.8	-86.5%
Transfers	2.0	0.0	0.0	0.0	n.a.
Reserve Fund	315.8	176.8	181.0	4.3	2.4%
Appropriations	\$10,237.5	\$10,586.0	\$10,644.1	\$58.1	0.5%
Reversions	0.0	-25.0	-46.0	-21.0	84.0%
Grand Total	\$10,237.5	\$10,561.0	\$10,598.1	\$37.1	0.4%

Note: The FY 2002 working appropriation reflects deficiency appropriations, legislative reductions to the deficiencies (\$0.9 million) and \$342.5 million in withdrawn appropriations.

Exhibit A1.18 (Continued)
State Expenditures – Special and Higher Education Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 01</u>	<u>Work. App.</u> <u>FY 02</u>	<u>Leg. Appr.</u> <u>FY 03</u>	<u>\$ Diff.</u> <u>FY 02 to 03</u>	<u>% Diff.</u> <u>FY 02 to 03</u>
Debt Service	\$376.3	\$410.5	\$445.5	\$35.0	8.5%
Aid to Local Governments					
General Government	495.9	487.3	476.4	-10.9	-2.2%
Education/Libraries ⁽¹⁾	66.7	83.3	124.3	41.0	49.3%
	562.6	570.6	600.7	30.1	5.3%
Entitlements					
Foster Care Payments	0.2	2.0	0.2	-1.8	-88.3%
Assistance Payments	16.8	21.1	17.4	-3.7	-17.5%
Medical Assistance	39.0	15.2	47.4	32.3	212.3%
	56.0	38.4	65.1	26.8	69.8%
State Agencies					
Health	165.6	174.0	161.6	-12.5	-7.2%
Human Resources	47.5	63.5	57.0	-6.5	-10.2%
Systems Reform Initiative	0.0	0.0	1.8	1.7	3554.2%
Juvenile Justice	0.3	0.1	0.3	0.1	81.6%
Public Safety/Police	140.9	140.8	143.5	2.7	1.9%
Higher Education	1,864.7	1,989.5	2,088.8	99.3	5.0%
Other Education	39.9	44.6	36.7	-7.8	-17.6%
Transportation	942.6	983.0	1,006.4	23.4	2.4%
Agric./Natl Res./Environment	108.8	108.4	109.8	1.4	1.3%
Other Executive Agencies	256.7	229.5	230.2	0.6	0.3%
Judicial/Legislative	11.9	15.3	12.9	-2.4	-15.7%
Across-the-Board Cuts	0.0	0.0	-11.1	-11.1	n.a.
Operating Spending in BRFA ⁽²⁾	0.0	1.0	16.9	16.0	1677.5%
	3,578.7	3,749.8	3,854.8	105.0	2.8%
Subtotal	\$4,573.7	\$4,769.2	\$4,966.2	\$196.9	4.1%
Capital	889.5	969.3	983.3	14.0	1.4%
Capital Spending in BRFA ⁽²⁾	0.0	0.0	22.2	22.2	n.a.
Transfer to MDTA	19.9	0.0	0.0	0.0	n.a.
Grand Total	\$5,483.1	\$5,738.5	\$5,971.6	\$233.1	4.1%

Note: The fiscal 2002 working appropriation reflects deficiency appropriations and \$1 million in withdrawn appropriations.

(1) Fiscal 2003 includes \$79.0 million in education aid funded from an increase in the tobacco tax (*Senate Bill 856*). This spending is not technically part of the legislative appropriation. It was authorized by Senate Bill 856 but will be appropriated via budget amendment.

(2) The Budget Reconciliation and Financing Act (*Senate Bill 323*) included additional spending from the dedicated purpose fund, a portion of which (\$23.1 million) was contingent on the passage of a tobacco tax increase (Senate Bill 856). This additional spending is not technically part of the legislative appropriation. It was authorized by BRFA but will be appropriated via the budget amendment process.

Exhibit A1.18 (Continued)
State Expenditures – Federal Funds
(\$ in Millions)

<u>Category</u>	<u>Actual FY 01</u>	<u>Work. App. FY 02</u>	<u>Leg. Appr. FY 2003</u>	<u>\$ Diff. 02 to 03</u>	<u>% Diff. 02 to 03</u>
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	n.a.
Aid to Local Governments					
General Government	21.4	32.9	23.4	-9.5	-29.0%
Community Colleges	0.0	0.0	0.0	0.0	n.a.
Education/Libraries	475.6	511.0	584.3	73.3	14.3%
Health	4.5	4.5	4.5	0.0	0.0%
	<u>501.5</u>	<u>548.4</u>	<u>612.1</u>	<u>63.7</u>	<u>11.6%</u>
Entitlements					
Foster Care Payments	90.9	94.0	101.2	7.2	7.6%
Assistance Payments	290.8	283.2	284.5	1.3	0.5%
Medical Assistance	1,326.7	1,518.6	1,600.0	81.3	5.4%
Property Tax Credits	0.0	0.0	0.0	0.0	n.a.
	<u>1,708.4</u>	<u>1,895.9</u>	<u>1,985.6</u>	<u>89.8</u>	<u>4.7%</u>
State Agencies					
Health	477.9	481.8	521.2	39.4	8.2%
Human Resources	570.1	570.2	598.5	28.3	5.0%
Systems Reform Initiative	38.2	29.0	29.3	0.3	0.9%
Juvenile Justice	14.3	16.8	15.2	-1.6	-9.3%
Public Safety/Police	10.9	9.8	7.3	-2.5	-25.2%
Higher Education	0.0	0.0	0.0	0.0	n.a.
Other Education	88.3	98.0	95.0	-3.0	-3.0%
Transportation	29.4	45.5	61.4	15.9	34.9%
Agric./Nat'l Res./Environment	45.7	53.2	51.0	-2.2	-4.2%
Other Executive Agencies	286.0	392.8	394.8	1.9	0.5%
Judicial/Legislative	1.8	2.0	1.9	-0.1	-5.2%
Across-the-Board Cuts	0.0	0.0	-7.5	-7.5	n.a.
	<u>1,562.6</u>	<u>1,699.1</u>	<u>1,768.1</u>	<u>69.0</u>	<u>4.1%</u>
Subtotal	\$3,772.5	\$4,143.4	\$4,365.9	\$222.5	5.4%
Capital	571.7	762.0	820.2	58.1	7.6%
Grand Total	\$4,344.2	\$4,905.4	\$5,186.0	\$280.6	5.7%

Note: The fiscal 2002 working appropriation reflects deficiency appropriations.

Exhibit A1.18 (Continued)
State Expenditures – State Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2001</u>	<u>Work. App.</u> <u>FY 2002</u>	<u>Leg. Appr.</u> <u>FY 2003</u>	<u>\$ Diff.</u> <u>02 to 03</u>	<u>% Diff.</u> <u>02 to 03</u>
Debt Service	\$580.7	\$614.5	\$629.4	\$14.9	2.4%
Aid to Local Governments					
General Government	670.4	688.2	705.3	17.1	2.5%
Community Colleges	163.3	178.5	188.9	10.4	5.8%
Education/Libraries ⁽¹⁾	2,784.8	2,930.6	3,160.6	230.0	7.8%
Health	52.5	56.9	61.9	5.0	8.8%
	<u>3,671.1</u>	<u>3,854.3</u>	<u>4,116.8</u>	<u>262.5</u>	<u>6.8%</u>
Entitlements					
Foster Care Payments	127.1	139.8	133.1	-6.7	-4.8%
Assistance Payments	51.3	76.6	80.1	3.5	4.6%
Medical Assistance	1,359.3	1,562.1	1,648.1	86.0	5.5%
Property Tax Credits	52.6	55.7	55.5	-0.2	-0.3%
	<u>1,590.4</u>	<u>1,834.3</u>	<u>1,916.9</u>	<u>82.6</u>	<u>4.5%</u>
State Agencies					
Health	1,172.2	1,264.0	1,345.2	81.2	6.4%
Human Resources	351.3	352.9	355.7	2.7	0.8%
Systems Reform Initiative	46.9	43.2	41.8	-1.3	-3.1%
Juvenile Justice	150.6	162.3	173.9	11.6	7.1%
Public Safety/Police	1,004.8	1,061.6	1,104.7	43.1	4.1%
Higher Education	2,751.2	2,950.8	3,059.2	108.5	3.7%
Other Education	288.5	320.1	321.4	1.3	0.4%
Transportation	942.6	983.0	1,006.4	23.4	2.4%
Agric./Nat'l Res./Environment	234.2	255.7	265.4	9.7	3.8%
Other Executive Agencies	777.3	782.8	772.4	-10.3	-1.3%
Judicial/Legislative	293.2	331.8	342.7	10.9	3.3%
Across-the-Board Cuts	0.0	0.0	-89.1	-89.1	n.a.
Operating Spending in BRFA ⁽²⁾	0.0	1.0	16.9	16.0	1677.5%
	<u>8,012.9</u>	<u>8,509.0</u>	<u>8,716.5</u>	<u>207.5</u>	<u>2.4%</u>
Subtotal	\$13,855.1	\$14,812.0	\$15,379.6	\$567.6	3.8%
Capital	1,527.9	1,335.7	1,032.9	-302.8	-22.7%
Capital Spending in BRFA ⁽²⁾	0.0	0.0	22.2	22.2	n.a.
Transfers	21.9	0.0	0.0	0.0	n.a.
Reserve Fund	315.8	176.8	181.0	4.3	2.4%
Appropriations	\$15,720.6	\$16,324.5	\$16,615.7	\$291.2	1.8%
Reversions	0.0	-25.0	-46.0	-21.0	84.0%
Grand Total	\$15,720.6	\$16,299.5	\$16,569.7	\$270.2	1.7%

Note: The fiscal 2002 working appropriation reflects deficiency appropriations, legislative reductions to the deficiencies and withdrawn appropriations.

(1) Fiscal 2003 includes \$79.0 million in education aid funded from an increase in the tobacco tax (*Senate Bill 856*). This spending is not technically part of the legislative appropriation. It was authorized by SB 856 but will be appropriated via budget amendment.

(2) The Budget Reconciliation and Financing Act (*Senate Bill 323*) included additional spending from the dedicated purpose fund, a portion of which (\$23.1 million) was contingent on a tobacco tax increase (SB 856). This additional spending is not technically part of the legislative appropriation. It was authorized by the BRFA but will be appropriated via the budget amendment process.

Exhibit A1.18 (Continued)
State Expenditures – All Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2001</u>	<u>Work. App.</u> <u>FY 2002</u>	<u>Leg. Appr.</u> <u>FY 2003</u>	<u>\$ Diff.</u> <u>02 to 03</u>	<u>% Diff.</u> <u>02 to 03</u>
Debt Service	\$580.7	\$614.5	\$629.4	\$14.9	2.4%
Aid to Local Governments					
General Government	691.8	721.1	728.6	7.5	1.0%
Community Colleges	163.3	178.5	188.9	10.4	5.8%
Education/Libraries ⁽¹⁾	3,260.4	3,441.6	3,744.9	303.3	8.8%
Health	57.0	61.4	66.4	5.0	8.1%
	<u>4,172.6</u>	<u>4,402.6</u>	<u>4,728.9</u>	<u>326.2</u>	<u>7.4%</u>
Entitlements					
Foster Care Payments	218.0	233.8	234.3	0.5	0.2%
Assistance Payments	342.1	359.8	364.6	4.8	1.3%
Medical Assistance	2,686.0	3,080.8	3,248.1	167.3	5.4%
Property Tax Credits	52.6	55.7	55.5	-0.2	-0.3%
	<u>3,298.8</u>	<u>3,730.1</u>	<u>3,902.5</u>	<u>172.4</u>	<u>4.6%</u>
State Agencies					
Health	1,650.1	1,745.8	1,866.4	120.6	6.9%
Human Resources	921.4	923.1	954.2	31.1	3.4%
Systems Reform Initiative	85.1	72.2	71.2	-1.1	-1.5%
Juvenile Justice	164.9	179.1	189.1	10.0	5.6%
Public Safety/Police	1,015.7	1,071.3	1,112.0	40.7	3.8%
Higher Education	2,751.2	2,950.8	3,059.2	108.5	3.7%
Other Education	376.8	418.1	416.4	-1.7	-0.4%
Transportation	972.0	1,028.5	1,067.8	39.3	3.8%
Agric./Nat'l Res./Environment	279.9	308.9	316.4	7.5	2.4%
Other Executive Agencies	1,063.3	1,175.6	1,167.2	-8.4	-0.7%
Judicial/Legislative	295.0	333.8	344.5	10.8	3.2%
Across-the-Board Cuts	0.0	0.0	-96.6	-96.6	n.a.
Operating Spending in BRFA ⁽²⁾	0.0	1.0	16.9	16.0	1677.5%
	<u>9,575.4</u>	<u>10,208.2</u>	<u>10,484.7</u>	<u>276.5</u>	<u>2.7%</u>
Subtotal	\$17,627.5	\$18,955.4	\$19,745.5	\$790.1	4.2%
Capital	2,099.6	2,097.7	1,853.0	-244.7	-11.7%
Capital Spending in BRFA ⁽²⁾	0.0	0.0	22.2	22.2	n.a.
Transfers	21.9	0.0	0.0	0.0	n.a.
Reserve Fund	315.8	176.8	181.0	4.3	2.4%
Appropriations	\$20,064.8	\$21,229.9	\$21,801.7	\$571.8	2.7%
Reversions	0.0	-25.0	-46.0	-21.0	84.0%
Grand Total	\$20,064.8	\$21,204.9	\$21,755.7	\$550.8	2.6%

Note: The fiscal 2002 working appropriation reflects deficiency appropriations, legislative reductions to the deficiencies and withdrawn appropriations.

(1) Fiscal 2003 includes \$79.0 million in education aid funded from an increase in the tobacco tax (*Senate Bill 856*). This spending is not technically part of the legislative appropriation. It was authorized by SB 856 but will be appropriated via budget amendment.

(2) The Budget Reconciliation and Financing Act (*Senate Bill 323*) included additional spending from the dedicated purpose fund, a portion of which (\$23.1 million) was contingent on the passage of a tobacco tax increase (SB 856). This additional spending is not technically part of the legislative appropriation. It was authorized by BRFA but will be appropriated by budget amendment.

Capital Budget

Summary

The 2002 General Assembly passed a capital budget totaling \$2.65 billion including a \$1.6 billion transportation program. Of the total amount, \$720 million is funded with general obligation bonds; \$1.5 billion is funded on a pay-as-you-go (PAYGO) basis in the operating budget; and \$400 million is funded with revenue bonds, including higher education academic bonds (\$40 million) and transportation bonds (\$360 million). **Exhibit A2.1** presents an overview of the State's capital program for fiscal 2003. **Exhibit A2.2** shows the sources and uses of the funds for the nontransportation capital program.

General obligation debt totaling \$731.1 million is authorized in the Maryland Consolidated Capital Bond Loan of 2002, *Senate Bill 288 (passed)*. This is offset by deauthorization of \$11.1 million in previously authorized debt resulting in a net increase of \$720 million. The general obligation bond amount includes \$328.7 million to replace previously authorized general fund PAYGO. General obligation funding for new projects equals \$402.4 million.

The Maryland Consolidated Capital Bond Loan includes funding for:

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

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

House Bill 828 (passed) authorizes \$40 million in debt for academic facilities at the University System of Maryland and Morgan State University.

Exhibit A2.1

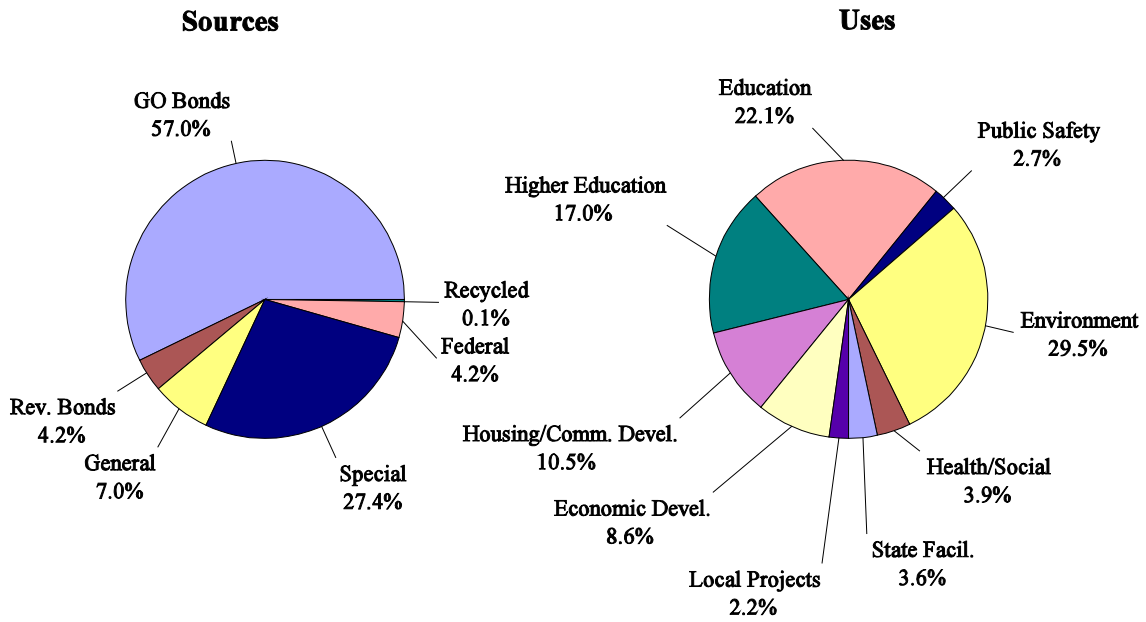
Summary of the Capital Program as Passed for the 2002 Session
 (\$ in Millions)

Function	Bonds			Current Funds (PAYGO)			Total
	General Obligation	Agency	Recycled	General	Special	Federal	
State Facilities							\$44.9
Facilities Renewal	\$10.1	\$0.0	\$0.0	\$0.0	\$0.3	\$0.0	
Other	29.6	0.0	0.9	0.0	1.4	2.5	
Health/Social							\$27.4
State Facilities	7.2	0.0	0.0	0.0	1.4	0.0	
Private Hospitals	5.0	0.0	0.0	0.0	0.0	0.0	
Other	13.8	0.0	0.0	0.0	0.0	0.0	
Environment							\$208.1
Natural Resources	36.5	0.0	0.0	1.6	49.5	2.0	
Agriculture	5.6	0.0	0.0	0.0	23.3	0.0	
Environment	25.7	0.0	0.0	9.0	50.6	0.0	
MD Envir. Services	3.4	0.0	0.0	0.0	0.0	0.0	
Energy	0.0	0.0	0.0	0.0	1.0	0.0	
Public Safety							\$28.0
State Corrections	8.9	0.0	0.0	0.0	0.0	0.0	
Local Jails	5.2	0.0	0.0	0.0	0.0	0.0	
State Police	0.3	0.0	0.0	0.0	0.0	0.0	
Other	10.1	0.0	0.0	0.0	3.4	0.0	
Education							\$244.8
School Construction	224.1	0.0	0.0	3.0	2.4	10.5	
Other	4.8	0.0	0.0	0.0	0.0	0.0	
Higher Education							\$335.4
University System	176.2	35.9	0.0	0.0	15.3	0.0	
Morgan State University	24.2	4.1	0.0	0.0	0.0	0.0	
St. Mary's College	5.2	0.0	0.0	0.0	0.0	0.0	
Community Colleges	34.1	0.0	0.0	0.0	0.0	0.0	
Private Colleges/Univers.	31.9	0.0	0.0	0.0	0.0	0.0	
Other	8.6	0.0	0.0	0.0	0.0	0.0	
Housing/Community Development							\$74.1
Housing	14.8	0.0	0.0	14.6	17.8	14.8	
Other	12.0	0.0	0.0	0.0	0.3	0.0	
Economic Development							\$61.0
Economic Development	0.0	0.0	0.0	21.0	40.0	0.0	
Local Projects							\$36.4
Administration	33.9	0.0	0.0	0.5	2.0	0.0	
Legislative	0.0	0.0	0.0	0.0	0.0	0.0	
Transportation*							\$1,605.4
Transportation - Other	0.0	360.0	0.0	0.0	455.1	790.3	
Deauthorizations							\$-11.1
Deauthorization	-11.1	0.0	0.0	0.0	0.0	0.0	
Total	\$720.0	\$400.0	\$0.9	\$49.6	\$663.7	\$820.2	\$2,654.3
PAYGO Replacement	-328.7	-10.1			-15.3		-354.1
Total New Funding	\$391.3	\$389.9			\$648.4		\$2,300.2

*Transportation capital funded off budget totals \$244 million

Note: Numbers may not sum to total due to rounding

Exhibit A2.2
Nontransportation Capital*
\$706 Million



* Does not include \$354.1 million replacing PAYGO that was withdrawn.

Exhibit A2.3

Capital Program As Passed - 2002 Session

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
State Facilities								
DA02.01A	OID: Accessibility Modifications	\$1,600,000	\$0	\$0	\$0	\$0	\$0	\$1,600,000
DE02.0190A	Annapolis Govt. Complex Security	0	0	0	0	1,400,000	0	1,400,000
DE02.01A	Legislative Facilities	19,750,000	868,000	0	0	0	0	20,618,000
DE02.01B	200 West Baltimore St. Fire Protection Syste	2,500,000	0	0	0	0	0	2,500,000
DE02.01C	301 W. Preston St. Perimeter Piping Replace	185,000	0	0	0	0	0	185,000
DE02.01D	DGS: Capital Facilities Renewal	5,932,000	0	0	0	300,000	0	6,232,000
DE02.01F	DGS: Asbestos Abatement Program	1,500,000	0	0	0	0	0	1,500,000
DE02.01H	Public Safety Communications Systems	3,000,000	0	0	0	0	0	3,000,000
DE02.01I	Judiciary: Mont. Co. Dist. Ct. - Rockville	4,600,000	0	0	0	0	0	4,600,000
DH01.04A	Military: Salisbury Organiz. Maintenance Sh	489,000	0	0	0	0	2,547,000	3,036,000
ZD00A.01	MSA: Mem. Stadium Dem.-Veterans Mem.	200,000	0	0	0	0	0	200,000
	Subtotal	\$39,756,000	\$868,000	\$0	\$0	\$1,700,000	\$2,547,000	\$44,871,000
Health/Social								
DA07A	Aging: Senior Citizen Activities Center	2,117,000	0	0	0	0	0	2,117,000
MA01A	DHMH: Comm. Mental Health Facil.	8,912,000	0	0	0	0	0	8,912,000
MA01B	DHMH: Adult Day Care	1,856,000	0	0	0	0	0	1,856,000
ML08A	DHMH: Springfield Electrical Dist. Sys.	6,720,000	0	0	0	0	0	6,720,000
PG01.09	DLR: Eastern Shore Regional Claims Cent	0	0	0	0	1,400,000	0	1,400,000
VA01A	DJJ: Facilities Grant Program	930,000	0	0	0	0	0	930,000
VA01B	DJJ: Cheltenham Youth Facility Demolition	165,000	0	0	0	0	0	165,000
VA01C	DJJ: Eastern Shore Detention Center	260,000	0	0	0	0	0	260,000
ZC01A	MHA: Atlantic General Hospital	750,000	0	0	0	0	0	750,000
ZC01B	MHA: Sinai Hospital of Baltimore	500,000	0	0	0	0	0	500,000
ZC01C	MHA: Franklin Square Hospital Ctr.	500,000	0	0	0	0	0	500,000
ZC01D	MHA: Dorchester General Hospital	500,000	0	0	0	0	0	500,000
ZC01E	MHA: Sacred Heart Hospital	545,000	0	0	0	0	0	545,000
ZC01F	MHA: Bon Secours Baltimore Health Sys.	970,000	0	0	0	0	0	970,000
ZC01G	MHA: Union Hospital	445,000	0	0	0	0	0	445,000

Exhibit A2.3 (Cont.)

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
Health/Social								
ZC01H	MHA: Mont.Coll. Primary Care Health Clin	345,000	0	0	0	0	0	345,000
ZC01I	MHA: Peninsula Regional Medical Center	445,000	0	0	0	0	0	445,000
ZD00A.13	Springfield Hospital - Electrical Dist. Sys.	70,000	0	0	0	0	0	70,000
	Subtotal	\$26,030,000	\$0	\$0	\$0	\$1,400,000	\$0	\$27,430,000
Environment								
DA13.03	MEA: State Agency Loan Prg. (SALP)	0	0	0	0	1,000,000	0	1,000,000
KA05.10.1	DNR: POS Land Acq. & Local Prgm.	0	0	0	0	27,037,203	2,000,000	29,037,203
KA05.10.2	DNR: POS Capital Devel. Projects	0	0	0	0	3,858,659	0	3,858,659
KA05.11	DNR: Waterway Improvement Programs	0	0	0	0	11,200,000	0	11,200,000
KA05A	DNR: Rural Legacy Program	15,000,000	0	0	0	6,363,429	0	21,363,429
KA05B	DNR: GreenPrint Program	16,000,000	0	0	0	0	0	16,000,000
KA05C	DNR: Community Parks & Playgrounds	5,500,000	0	0	0	0	0	5,500,000
KA09.06	DNR: O.C. Beach Maint. - Local Share	0	0	0	0	1,000,000	0	1,000,000
KA17.09	DNR: Oyster Restoration Program	0	0	0	1,575,000	0	0	1,575,000
LA11.11	MDA: Ag Land Preservation	0	0	0	0	17,034,374	0	17,034,374
LA12.13	MDA: Tobacco Conversion Prgm.	0	0	0	0	6,291,000	0	6,291,000
LA15A	MDA: Ag Cost Share	5,600,000	0	0	0	0	0	5,600,000
UA01.03	MDE: Water Quality Revol. Loan Fund	0	0	0	6,434,000	40,000,000	0	46,434,000
UA01.04	MDE: Hazardous Substance Cleanup	0	0	0	700,000	0	0	700,000
UA01.05	MDE: Drinking Water Revol. Loan Fund	0	0	0	1,816,000	10,600,000	0	12,416,000
UA04A.1	MDE: CBWQ Nutrient Removal	17,832,000	0	0	0	0	0	17,832,000
UA04A.2	MDE: CBWQ Supplemental Assistance	4,766,000	0	0	0	0	0	4,766,000
UA04A.3	MDE: CBWQ Small Creeks & Estuaries	450,000	0	0	0	0	0	450,000
UA04A.4	MDE: CBWQ Stormwater Pollution Ctrl.	500,000	0	0	0	0	0	500,000
UA04B	MDE: Water Supply Assistance Fund	1,500,000	0	0	0	0	0	1,500,000
UA05A	MDE: Comp. Flood Management Grants	667,000	0	0	0	0	0	667,000
UB00A	MES: Infrastructure Improvement Fund	3,360,000	0	0	0	0	0	3,360,000
	Subtotal	\$71,175,000	\$0	\$0	\$10,525,000	\$124,384,665	\$2,000,000	\$208,084,665

Capital Program As Passed - 2002 Session

Exhibit A2.3 (Cont.)

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
Public Safety								
DE02.0190B	Hagerstown Central Kithen	0	0	0	0	3,441,000	0	3,441,000
QA01.05.2	DPSCS: Public Safety Training Center	962,000	0	0	0	0	0	962,000
QB06A	DPSCS: Central Laundry Kitch/Dining Reno	215,000	0	0	0	0	0	215,000
QB08A	DPSCS: WCI Support Services Building	122,000	0	0	0	0	0	122,000
QD00A	DPSCS: Patuxent Fire Safety Improvements	6,560,000	0	0	0	0	0	6,560,000
QP00A	DPSCS: BCDC Fire Safety & Utility Improv	2,000,000	0	0	0	0	0	2,000,000
WA01B	DSP: North East Barrack and Garage	300,000	0	0	0	0	0	300,000
WA01C	DSP: DNA Storage Facility	331,000	0	0	0	0	0	331,000
ZB02A	Jails: Balt. Co. Detention Center	5,000,000	0	0	0	0	0	5,000,000
ZB02B	Jails: Calvert Co. Detention Center	175,000	0	0	0	0	0	175,000
ZD00A.02	MCI-J: Perimeter Security/Gatehouse	3,000,000	0	0	0	0	0	3,000,000
ZD00A.03	Patuxent Institution - Fence/Gatehouse	3,300,000	0	0	0	0	0	3,300,000
ZD00A.14	MCI-J: Perimeter Security/Gatehouse	2,557,000	0	0	0	0	0	2,557,000
	Subtotal	\$24,522,000	\$0	\$0	\$0	\$3,441,000	\$0	\$27,963,000
Education								
DE02.02A	Public School Construction Program	224,100,000	0	0	3,000,000	2,400,000	10,536,000	240,036,000
ZA00 C	Baltimore City Zoo Redevelopment	4,750,000	0	0	0	0	0	4,750,000
	Subtotal	\$228,850,000	\$0	\$0	\$3,000,000	\$2,400,000	\$10,536,000	\$244,786,000
Higher Education								
RB21A	UMB: New Dental School	16,550,000	0	10,100,000	0	0	0	26,650,000
RB21B	UMB: Howard Hall	1,500,000	0	0	0	0	0	1,500,000
RB22A	UMCP: New Arena	4,000,000	0	0	0	0	0	4,000,000
RB22B	UMCP: New Biological Sci. Research Bld.	1,900,000	0	0	0	0	0	1,900,000
RB22C	UMCP: Gossett Football Team House	1,000,000	0	0	0	0	0	1,000,000
RB22D	UMCP: Chem. & Nuclear Engin. Bldg.	279,000	0	3,450,000	0	0	0	3,729,000
RB22rb	UMCP: Key & Taliaferro Halls	0	0	1,550,000	0	0	0	1,550,000
RB23A	BSU: Ctr. for Business & Grad. Studies	550,000	0	0	0	0	0	550,000
RB24A	TU: Fine Arts Bldg. Additions & Alteration	3,373,000	0	0	0	0	0	3,373,000

Exhibit A2.3 (Cont.)

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
Higher Education								
RB25A	UMES: Waters & Somerset Halls	587,000	0	0	0	0	0	587,000
RB25rb	UMES: Utilities Upgrade	0	0	390,000	0	0	0	390,000
RB26A	FSU: Compton Science Ctr.	918,000	0	2,614,000	0	0	0	3,532,000
RB27A	CSC: Telecommunications Upgrade	2,500,000	0	0	0	0	0	2,500,000
RB27B	CSC: New Health & Humans Srv. Bldg.	700,000	0	400,000	0	0	0	1,100,000
RB31A	UMBC: New Public Policy Institute	0	0	0	0	15,338,000	0	15,338,000
RB31rb	UMBC: Info Tech./Engineering Facil.	0	0	3,941,000	0	0	0	3,941,000
RB34A	CES: Aquaculture & Rest. Ecology Lab	18,000	0	3,445,000	0	0	0	3,463,000
RB35A	UMBI: CARB II Building	500,000	0	0	0	0	0	500,000
RB36A	USM: Capital Facilities Renewal	2,000,000	0	10,000,000	0	0	0	12,000,000
RB36B	USM: Hagerstown Education Center	12,394,000	0	0	0	0	0	12,394,000
RD00A	SMC: New Academic Building	1,543,000	0	0	0	0	0	1,543,000
RD00C	SMC: New Student Services Building	415,000	0	0	0	0	0	415,000
RI00A	MHEC: Comm. College Grant Prgm.	32,416,000	0	0	0	0	0	32,416,000
RM00	MSU: Steam Boiler Replace./Plant Renov.	0	0	4,110,000	0	0	0	4,110,000
RM00A	MSU: Commun. Ctr. & Pedestrian Bridge	18,414,000	0	0	0	0	0	18,414,000
RM00C	MSU: Sci. Research Facility & Greenhouse	2,600,000	0	0	0	0	0	2,600,000
RQ00A	UMMS: Diagnostic & Treatment Facil.	8,000,000	0	0	0	0	0	8,000,000
ZA00 D	MICUA: Capitol College	3,000,000	0	0	0	0	0	3,000,000
ZA00 H	MICUA: College of Notre Dame	850,000	0	0	0	0	0	850,000
ZA00 J	Eastern Shore Higher Ed. Ctr.	600,000	0	0	0	0	0	600,000
ZA00 M	MICUA: JHU New Chemistry Bldg.	425,000	0	0	0	0	0	425,000
ZA00 N	JHU Bloomberg School of Public Health	4,133,000	0	0	0	0	0	4,133,000
ZA00 O	JHU School of Medicine Research Bldg.	2,934,000	0	0	0	0	0	2,934,000
ZA00NN	MICUA: Wash. College Sci. Complex	2,575,000	0	0	0	0	0	2,575,000
ZD00A.04	UMB: Health Sciences Research Facility II	10,000,000	0	0	0	0	0	10,000,000
ZD00A.05	UMB: New Dental School	3,500,000	0	0	0	0	0	3,500,000
ZD00A.06	UMCP: Engineering & Applied Sciences Bldg.	6,203,000	0	0	0	0	0	6,203,000
ZD00A.07	UMBC: Chemistry/Physics Building	8,100,000	0	0	0	0	0	8,100,000

Capital Program As Passed - 2002 Session

Exhibit A2.3 (Cont.)

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
Higher Education								
ZD00A.08	FSU: New Science Building	10,000,000	0	0	0	0	0	10,000,000
ZD00A.09	USM: Assateague Education & Research Ct	1,000,000	0	0	0	0	0	1,000,000
ZD00A.10	St. Mary's College - Somerset Hall	1,087,000	0	0	0	0	0	1,087,000
ZD00A.11	MHEC: Bladen and Lanham Halls Renovati	525,000	0	0	0	0	0	525,000
ZD00A.12	MHEC: Community College Grant Program	1,110,000	0	0	0	0	0	1,110,000
ZD00A.15	UMB: Health Sciences Research Facility II	17,746,000	0	0	0	0	0	17,746,000
ZD00A.16	UMCP: Chemistry Teaching Building	1,860,000	0	0	0	0	0	1,860,000
ZD00A.17	BSU: Campuswide Site Improvements	1,300,000	0	0	0	0	0	1,300,000
ZD00A.18	UMES: Social Sci. Ed. & Health Science Bl	5,365,000	0	0	0	0	0	5,365,000
ZD00A.19	UMES: Phys. Plant/Central Receiving Bldg.	972,000	0	0	0	0	0	972,000
ZD00A.20	UMES: Food Science and Technology Cent	1,300,000	0	0	0	0	0	1,300,000
ZD00A.21	TU: 7800 York Road	1,600,000	0	0	0	0	0	1,600,000
ZD00A.22	CSU: Dining Facilities	1,500,000	0	0	0	0	0	1,500,000
ZD00A.23	UB: Charles Hall and Annex	1,300,000	0	0	0	0	0	1,300,000
ZD00A.24	SU: New Science Building	939,000	0	0	0	0	0	939,000
ZD00A.25	FSU: New Science Building	3,300,000	0	0	0	0	0	3,300,000
ZD00A.26	UMBC: Chemistry/Physics Building	14,600,000	0	0	0	0	0	14,600,000
ZD00A.27	USM: Shady Grove Educational Center III	1,000,000	0	0	0	0	0	1,000,000
ZD00A.28	UMBC: Information Tech./Engineering Faci	21,800,000	0	0	0	0	0	21,800,000
ZD00A.29	UMCES: Aquaculture and Ecology	14,000,000	0	0	0	0	0	14,000,000
ZD00A.30	St. Mary's College - Somerset Hall	2,167,000	0	0	0	0	0	2,167,000
ZD00A.31	MSU: Sci. Research Building w/Greenhouse	3,210,000	0	0	0	0	0	3,210,000
ZD00B.02	JHU: School of Medicine	7,933,000	0	0	0	0	0	7,933,000
ZD00B.03	JHU: School of Public Health	2,067,000	0	0	0	0	0	2,067,000
ZD00B.06	JHU: School of Medicine	7,933,000	0	0	0	0	0	7,933,000
	Subtotal	\$280,091,000	\$0	\$40,000,000	\$0	\$15,338,000	\$0	\$335,429,000
Housing/Community Development								
DB01B	HSMCC: St. John's Archaeol. Exhibit	2,217,000	0	0	0	0	0	2,217,000

Capital Program As Passed - 2002 Session

Exhibit A2.3 (Cont.)

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
Housing/Community Development								
SA23.06	DHCD: MHT Revolving Loan Fund	0	0	0	0	250,000	0	250,000
SA23A	DHCD: Capital Grant Fund	500,000	0	0	0	0	0	500,000
SA24.02.1	DHCD: Neighborhood Business Developme	0	0	0	0	3,356,000	0	3,356,000
SA24.02.3	DHCD: Community Development Block Gr	0	0	0	0	0	8,330,000	8,330,000
SA24A	DHCD: Community Legacy Program	6,000,000	0	0	0	0	0	6,000,000
SA25.07	DHCD: Rental Housing Programs	0	0	0	7,061,000	4,939,000	4,700,000	16,700,000
SA25.08	DHCD: Homeownership Programs	0	0	0	2,781,000	4,719,000	100,000	7,600,000
SA25.09	DHCD: Special Loan Programs	0	0	0	4,753,000	4,747,000	1,629,000	11,129,000
SA25A	DHCD: Partnership Rental Housing Program	8,000,000	0	0	0	0	0	8,000,000
SA25B	DHCD: Shelter and Transitional Housing Fa	800,000	0	0	0	0	0	800,000
ZA00 R	African American Museum	9,242,000	0	0	0	0	0	9,242,000
	Subtotal	\$26,759,000	\$0	\$0	\$14,595,000	\$18,011,000	\$14,759,000	\$74,124,000
Economic Development								
DE02.01.02	TEDCO: Tech. Devel. Investment Fund	0	0	0	3,000,000	0	0	3,000,000
DU00.02	Canal Place Improvements	0	0	0	1,075,000	0	0	1,075,000
TF00.09	DBED: Sm. Business Devel. (MSBDFA)	0	0	0	2,080,000	6,095,000	0	8,175,000
TF00.17.1	DBED: Enterprise Investment	0	0	0	4,500,000	0	0	4,500,000
TF00.17.2	DBED: Challenge Investment Prgm.	0	0	0	0	2,000,000	0	2,000,000
TF00.21	DBED: Md. Econ. Adj. Fund (MEAF)	0	0	0	0	1,500,000	0	1,500,000
TF00.23	DBED: Md. Econ. Devel. Asst. (MEDAF)	0	0	0	2,000,000	30,000,000	0	32,000,000
TF00.24	DBED: Md. Comp. Adv. Fin. (MCAFF)	0	0	0	800,000	200,000	0	1,000,000
TF00.25	DBED: One Maryland	0	0	0	7,500,000	200,000	0	7,700,000
	Subtotal	\$0	\$0	\$0	\$20,955,000	\$39,995,000	\$0	\$60,950,000
Local Projects								
DE02.0190C	East Baltimore Biotechnology Park	0	0	0	0	2,000,000	0	2,000,000
ZA00 A	Allegheny Highlands Trail	1,000,000	0	0	0	0	0	1,000,000
ZA00 B	Baltimore City Revitalization Projects	5,000,000	0	0	0	0	0	5,000,000
ZA00 E	Centro de la Comunidad	100,000	0	0	0	0	0	100,000

Capital Program As Passed - 2002 Session

Exhibit A2.3 (Cont.)

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
Local Projects								
ZA00 F	Chesapeake Village Park	250,000	0	0	0	0	0	250,000
ZA00 I	Dundalk Revitalization	1,750,000	0	0	0	0	0	1,750,000
ZA00 K	Foundation School	500,000	0	0	0	0	0	500,000
ZA00 L	Great Blacks in Wax Museum	750,000	0	0	0	0	0	750,000
ZA00 P	Link-Ages Place	50,000	0	0	0	0	0	50,000
ZA00 Q	Lone Oak Center	500,000	0	0	0	0	0	500,000
ZA00 S	Md. Hall for the Creative Arts	250,000	0	0	0	0	0	250,000
ZA00 U	Md. Science Center	1,000,000	0	0	0	0	0	1,000,000
ZA00 V	Mont. Co. Family Services	250,000	0	0	0	0	0	250,000
ZA00 W	National Aquarium in Baltimore	1,500,000	0	0	0	0	0	1,500,000
ZA00 X	National Federation for the Blind	2,000,000	0	0	0	0	0	2,000,000
ZA00 Y	National Capital Trolley Mus.	100,000	0	0	0	0	0	100,000
ZA00 Z	North Point Indoor Soccer Fac.	900,000	0	0	0	0	0	900,000
ZA00AA	Olney Boys & Girls Club	100,000	0	0	0	0	0	100,000
ZA00BB	Olney Theatre	500,000	0	0	0	0	0	500,000
ZA00CC	Outward Bound	500,000	0	0	0	0	0	500,000
ZA00DD	Park Heights Comm. Men's Ctr.	350,000	0	0	0	0	0	350,000
ZA00EE	Park Heights Golf Range	500,000	0	0	0	0	0	500,000
ZA00HH	Quiet Waters Amphitheater	200,000	0	0	0	0	0	200,000
ZA00JJ	Rockville Parking Garage	1,000,000	0	0	0	0	0	1,000,000
ZA00KK	Strathmore Hall Performing Arts Ctr.	3,000,000	0	0	0	0	0	3,000,000
ZA00LL	Takoma Park Comm. Lrng. Ctr.	1,000,000	0	0	0	0	0	1,000,000
ZA00OO	Wheaton Multipurpose Yth Ctr.	175,000	0	0	0	0	0	175,000
ZA00QQ	Ripken Stadium & Youth Academy	500,000	0	0	500,000	0	0	1,000,000
ZD00B.01	Takoma Park Community Learning Center	500,000	0	0	0	0	0	500,000
ZD00B.04	Penn Place - Garrett Park	500,000	0	0	0	0	0	500,000
ZD00B.05	Maryland Science Center	4,000,000	0	0	0	0	0	4,000,000
ZD00B.07	Howard County Head Start Center	500,000	0	0	0	0	0	500,000
ZD00B.08	Doctors Community Hospital	1,000,000	0	0	0	0	0	1,000,000

Capital Program As Passed - 2002 Session

Exhibit A2.3 (Cont.)

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Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
Local Projects								
ZD00B.09	Gateway Arts District	650,000	0	0	0	0	0	650,000
ZD00B.10	Suitland Manor Revitalization	3,000,000	0	0	0	0	0	3,000,000
	Subtotal	\$33,875,000	\$0	\$0	\$500,000	\$2,000,000	\$0	\$36,375,000
Transportation*								
ZG00	Transportation	0	0	360,000,000	0	455,051,114	790,326,632	1,605,377,746
	Subtotal	\$0	\$0	\$360,000,000	\$0	\$455,051,114	\$790,326,632	\$1,605,377,746
Deauthorizations								
ZZ01	Deauthorizations as Introduced	-11,058,000	0	0	0	0	0	-11,058,000
	Subtotal	\$-11,058,000	\$0	\$0	\$0	\$0	\$0	\$-11,058,000
Total		\$720,000,000	\$868,000	\$400,000,000	\$49,575,000	\$663,720,779	\$820,168,632	\$2,654,332,411
PAYGO Replacement		-328,703,000		-10,100,000		-15,338,000		-354,141,000
Total New Funding		\$391,297,000		\$389,900,000		\$648,382,779		\$2,300,191,411

*Transportation capital funded off budget totals \$244 million

The 90 Day Report

PAYGO Reversions and Replacement Funding

The Budget Reconciliation and Finance Act of 2002, *Senate Bill 323 (passed)*, withdraws \$457.2 million in general fund PAYGO appropriations from fiscal 1999 through 2002. Of this amount, \$354.1 million is being replaced in fiscal 2003, primarily with general obligation bond funding. Funding taken from ongoing financing programs in the Departments of Agriculture, Business and Economic Development, Housing and Community Development, and Natural Resources, totaling \$40.0 million will not be replaced. **Exhibit A2.4** lists the reversions and indicates the status of replacement funding.

Exhibit A2.4 PAYGO Reversions & Replacement Funding

<u>Fiscal</u> <u>Year</u>	<u>Project/Program</u>	<u>Reversion</u>	<u>FY 2003</u> <u>Replacement</u>
No Replacement			
2001	Department of Health and Mental Hygiene - Western Maryland Center	\$57,000	\$0
2001	Maryland Stadium Authority - Memorial Stadium Demolition	1,800,000	0
2001	School Construction Program - Solar Energy Pilot Projects	250,000	0
2002	Department of Business and Economic Development - Maryland Competitive Advantage Financing Fund	525,000	0
2002	Department of Business and Economic Development - Maryland Economic Development Assistance Fund	3,750,000	0
2002	Department of Business and Economic Development - Maryland Small Business Development Financing Authority	568,750	0
2002	Department of Business and Economic Development - Smart Growth Economic Development Infrastructure Fund (One Maryland)	2,500,000	0
2002	Department of Housing and Community Development - Homeownership Programs	1,354,750	0
2002	Department of Housing and Community Development - Neighborhood Business Development Program	1,941,000	0
2002	Department of Housing and Community Development - Rental Housing Programs	1,967,750	0

Exhibit A2.4 (Cont.)
PAYGO Reversions & Replacement Funding

Fiscal			FY 2003
<u>Year</u>	<u>Project/Program</u>	<u>Reversion</u>	<u>Replacement</u>
No Replacement			
2002	Department of Housing and Community Development - Special Loan Programs	1,510,500	0
2002	Department of Natural Resources - GreenPrint	5,000,000	0
2002	Department of Natural Resources - Oyster Restoration	500,000	0
2002	Department of Natural Resources - Park Improvement Program	750,000	0
2002	Department of Natural Resources - Community Parks & Playgrounds	5,500,000	0
2002	Economic Development Opportunities Program (Sunny Day Fund)	3,875,000	0
2002	High Speed Data Network	3,800,000	0
2002	Maryland Department of Agriculture - Agricultural Cost Share Program	1,600,000	0
2002	Maryland Department of the Environment - Nutrient Removal	1,250,000	0
2002	Maryland Technology Development Corporation - Technology Development Investment Fund	1,250,000	0
2002	School Construction Program - Solar Energy Pilot Projects	250,000	0
Subtotal - No Replacement		\$39,999,750	\$0
Replacement Deferred to Future Year			
1999	Rockville Science, Cultural and Business Resource Center	200,000	0
2000	Old Blair High School Auditorium Renovation	500,000	0
2001	Chesterwood Park	1,000,000	0
2001	Maryland Historical Society	1,000,000	0
2001	Phelps Center	570,000	0
2001	Walters Art Gallery	1,000,000	0
2002	Maryland Hall for Creative Arts	500,000	0
2002	Parole Plaza Improvements	500,000	0
2002	Public Safety Communication System	1,000,000	0
2002	Rockville Science, Cultural and Business Resource Center	500,000	0

**Exhibit A2.4 (Cont.)
PAYGO Reversions & Replacement Funding**

Fiscal			FY 2003
<u>Year</u>	<u>Project/Program</u>	<u>Reversion</u>	<u>Replacement</u>
Replacement Deferred to Future Year			
2002	YMCA of Central - Howard County Branch	1,500,000	0
Subtotal - Replacement Deferred to Future Year		\$8,270,000	\$0
Partial Replacement - Remainder Deferred to Future Year			
2001	Maryland Stadium Authority - Memorial Stadium Demolition - Veterans' Memorial	1,200,000	200,000
2002	Chesapeake Village Park	1,000,000	250,000
2002	Doctors Community Hospital	2,000,000	1,000,000
2002	Foundation School	1,000,000	500,000
2002	Gateway Arts District	1,000,000	650,000
2002	Towson University - Fine Arts Building	7,443,000	3,373,000
2002	University of Maryland Biotechnology Institute - Center for Advanced Research in Biotechnology - Second Building	42,442,000	500,000
2002	University of Maryland, Baltimore County - Public Policy Institute ¹	17,542,000	15,338,000
Subtotal - Partial Replacement - Remainder Deferred to Future Year		\$73,627,000	\$21,811,000
Fully Replaced			
1999	School Construction Program	784,000	784,000
2000	School Construction Program	2,728,000	2,728,000
2000	Takoma Park Community Learning Center	500,000	500,000
2001	Centro de la Comunidad, Inc.	100,000	100,000
2001	Dundalk Revitalization	1,750,000	1,750,000
2001	Frostburg State University - New Science Building	10,000,000	10,000,000
2001	Lone Oak Center	500,000	500,000
2001	Maryland Correctional Institution - Jessup - Perimeter Security/Gatehouse	3,000,000	3,000,000
2001	Maryland Hall for the Creative Arts	250,000	250,000
2001	Maryland Higher Education Commission - Community College Grant Program	1,110,000	1,110,000
2001	Maryland Higher Education Commission - Bladen and Lanham Halls Renovation	525,000	525,000
2001	Maryland Science Center	4,000,000	4,000,000

Exhibit A2.4 (Cont.)
PAYGO Reversions & Replacement Funding

Fiscal			FY 2003
<u>Year</u>	<u>Project/Program</u>	<u>Reversion</u>	<u>Replacement</u>
Fully Replaced			
2001	North Point Indoor Soccer Facility	900,000	900,000
2001	Outward Bound - Leakin Park Campus	500,000	500,000
2001	Park Heights Community Men's Center	350,000	350,000
2001	Patuxent Institution - Fence/Gatehouse	3,300,000	3,300,000
2001	Penn Place - Garrett Park	500,000	500,000
2001	Quiet Waters Amphitheater	200,000	200,000
2001	Rockville District Court	4,600,000	4,600,000
2001	Rockville Parking Garage	1,000,000	1,000,000
2001	School Construction Program	37,532,000	37,532,000
2001	St. Mary's College - Somerset Hall	1,087,000	1,087,000
2001	Takoma Park Comm Learning Center	500,000	500,000
2001	The Johns Hopkins University - School of Medicine	7,933,000	7,933,000
2001	The Johns Hopkins University - School of Public Health	2,067,000	2,067,000
2001	University of Maryland, Baltimore - New Dental School	16,150,000	16,150,000
2001	University of Maryland, Baltimore - Health Sciences Research Facility II	10,000,000	10,000,000
2001	University of Maryland, Baltimore County - Chemistry/Physics Building	8,100,000	8,100,000
2001	University of Maryland, College Park - Engineering & Applied Sciences Building	6,203,000	6,203,000
2001	University System of Maryland Office - Assateague Education & Research Center	1,000,000	1,000,000
2002	Allegheny Highlands	1,000,000	1,000,000
2002	Bowie State University - Campuswide Site Improvements	1,300,000	1,300,000
2002	Coppin State College - Dining Facilities	1,500,000	1,500,000
2002	Frostburg State University - New Science Building	3,300,000	3,300,000
2002	Great Blacks in Wax	750,000	750,000
2002	Howard County Head Start Center	500,000	500,000
2002	Legislative Facilities	15,000,000	15,000,000
2002	Link - Ages	50,000	50,000

**Exhibit A2.4 (Cont.)
PAYGO Reversions & Replacement Funding**

Fiscal			FY 2003
<u>Year</u>	<u>Project/Program</u>	<u>Reversion</u>	<u>Replacement</u>
Fully Replaced			
2002	Maryland Correctional Institution -Jessup - Perimeter Security/Gatehouse	2,557,000	2,557,000
2002	Maryland Higher Education Commission - Community Colleges Grant Program ²	4,821,000	1,800,000
2002	Montgomery County Family Services	250,000	250,000
2002	Morgan State University - Science Research Building with Greenhouse	3,210,000	3,210,000
2002	National Capitol Trolley Museum	100,000	100,000
2002	Olney Boys and Girls Club	100,000	100,000
2002	Olney Theatre	500,000	500,000
2002	Park Heights Golf Range	500,000	500,000
2002	Salisbury University - New Science Building	939,000	939,000
2002	School Construction Program	47,956,000	47,956,000
2002	Springfield Hospital - Electrical Distribution System	70,000	70,000
2002	St. Mary's College - Somerset Hall	2,167,000	2,167,000
2002	Suitland Manor Revitalization	3,000,000	3,000,000
2002	Takoma Park Community Learning Center	500,000	500,000
2002	The Johns Hopkins University - School of Medicine	7,933,000	7,933,000
2002	The Johns Hopkins University School of Public Health	2,067,000	2,067,000
2002	Towson University - 7800 York Road	1,600,000	1,600,000
2002	University of Baltimore - Charles Hall and Annex	1,300,000	1,300,000
2002	University of Maryland Center for Environmental Science - Aquaculture and Ecology Lab	14,000,000	14,000,000
2002	University of Maryland, Baltimore - Health Sciences Research Facility II	17,746,000	17,746,000
2002	University of Maryland, Baltimore - New Dental School ³	14,000,000	14,000,000
2002	University of Maryland, Baltimore County - Chemistry/Physics Building	14,600,000	14,600,000
2002	University of Maryland, Baltimore County - Information Technology/Engineering Facility	21,800,000	21,800,000
2002	University of Maryland, College Park - Chemistry Teaching Building	1,860,000	1,860,000

Exhibit A2.4 (Cont.)
PAYGO Reversions & Replacement Funding

Fiscal			FY 2003
Year	Project/Program	Reversion	Replacement
Fully Replaced			
2002	University of Maryland, Eastern Shore - Food Science and Technology Center	1,300,000	1,300,000
2002	University of Maryland, Eastern Shore - Physical Plant/Central Receiving Building	972,000	972,000
2002	University of Maryland, Eastern Shore - Social Science, Education, & Health Science Building	5,365,000	5,365,000
2002	University System of Maryland Office - New Hagerstown Higher Educational Center	12,394,000	12,394,000
2002	University System of Maryland Office - Shady Grove Educational Center III	1,000,000	1,000,000
2002	Wheaton Multi-purpose Youth	175,000	175,000
Subtotal - Fully Replaced		\$335,351,000	\$332,330,000
Grand Total		\$457,247,750	\$354,141,000

¹Funding provided by means of a transfer from the Dedicated Purpose Account authorized in [Senate Bill 323](#).

²General obligation bond funding of \$1.8 million, combined with the available balance in the community college grant program from completed projects provides full funding of all fiscal 2002 approved projects.

³Of the replacement funding, \$10.1 million is academic revenue bonds.

Debt Affordability

In its September 2001 report, the Capital Debt Affordability Committee (CDAC) recommended a general obligation bond debt authorization limit of \$520 million for fiscal 2003. This recommendation includes a \$15 million increase in the limit over the previous year. The Spending Affordability Committee recommended that debt authorizations be increased to \$720 million to allow up to \$200 million in previously authorized general fund PAYGO to be reverted and replaced with debt. The Governor's capital budget as introduced \$731.1 million in net new general obligation debt. The budget as passed by the General Assembly includes \$720 million in net new general obligation debt, consistent with the recommendation of the Spending Affordability Committee.

In order to move previously authorized PAYGO projects into the general obligation bond program, projects totaling approximately \$129 million had to be deferred. To help ensure that the projects that were deferred from fiscal 2003 are funded in fiscal 2004 and to avoid a delay of planned fiscal 2004 projects, the budget committees adopted committee narrative indicating support to increase the fiscal 2004 debt limit by up to \$200 million above the \$535 million anticipated provided that the debt ratios remain favorable given the increased debt proposed and with the understanding that debt authorizations would return to the levels anticipated in the 2001 CDAC report beginning in fiscal 2005.

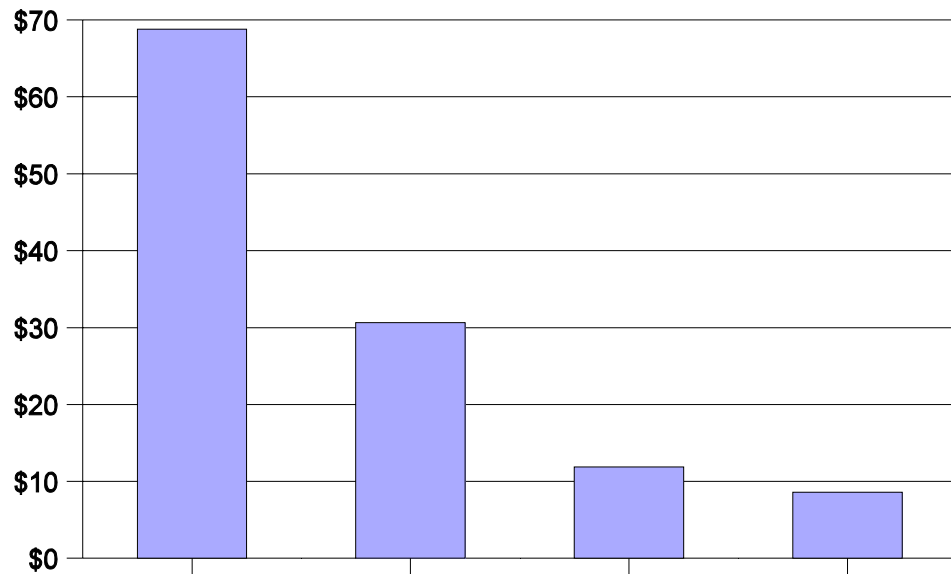
Fiscal 2004 Capital Bond Authorizations

Senate Bill 288 includes a general obligation bond authorization not effective until fiscal 2004. The bill authorizes \$52 million to support the completion of design and construction work for a new library at Morgan State University. Funds expended by the university, prior to fiscal 2004, are to be reimbursed from the fiscal 2004 bond funds when they become available.

Higher Education

The fiscal 2003 capital program for all segments of higher education is \$335.5 million, including general obligation bonds, academic revenue bonds, and special funds. Special fund capital funding is from the Dedicated Purpose Fund contingent on the enactment of relevant legislation and the processing of a budget amendment. The capital program includes \$119.9 million for new projects and \$215.5 million for projects for which previously authorized general fund PAYGO support is reverted. **Exhibit A2.5** shows fiscal 2003 capital funding by higher education segment for the new projects authorized this session.

**Exhibit A2.5
Higher Education
Fiscal 2003 Legislative Appropriation by Segment
(\$ in Millions)**



	<u>Public Four-Year Institutions</u>	<u>Community Colleges</u>	<u>Private Institutions</u>	<u>Centers and Medical System</u>
Number of Projects	20	32	6	2
Authorization	\$68.824	\$30.616	\$11.853	\$8.600

The *Capital Improvement Plan* (CIP) shows \$1.017 billion in capital spending for higher education projects over the fiscal 2004-2007 period. **Exhibit A2.6** shows the fiscal 2003 legislative appropriation for higher education capital and the funding anticipated in the CIP for fiscal 2004-2007. **Exhibit A2.7** shows the fiscal 2003 allocation of capital funding by institution.

Exhibit A2.6
Higher Education
Fiscal 2003 Legislative Appropriation and Out-Year Capital Funding
(\$ in Thousands)

	Fiscal Years					
Source	<u>2003*</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Total</u>
G.O. Bonds	\$89,990	\$193,800	\$238,800	\$180,350	\$229,250	\$932,190
PAYGO	-	\$5,000	-	-	-	\$5,000
Acad. Rev. Bonds	\$29,900	\$32,350	\$44,350	\$59,550	\$33,850	\$200,000
Total	\$119,890	\$231,150	\$283,150	\$239,900	\$263,100	\$1,137,190

*Excludes PAYGO replacement funding.

Source: Department of Legislative Services and Fiscal 2003 *Capital Improvement Program*

Exhibit A2.7
Higher Education
Fiscal 2003 Allocation of Capital Funding by Institution
(\$ in Thousands)

<u>Institution</u>	<u>FY 2003</u> <u>Capital Funding</u>
University of Maryland, Baltimore	\$1,500
University of Maryland, College Park	12,179
Bowie State University	550
University of Maryland, Eastern Shore	977
Frostburg State University	3,532
Coppin State College	3,600
University of Maryland, Baltimore County	3,941
UM Center for Environmental Science	3,463
USM Office	12,000

**Exhibit A2.7 (Cont.)
Higher Education
Fiscal 2003 Allocation of Capital Funding by Institution
(\$ in Thousands)**

<u>Institution</u>	<u>FY 2003 Capital Funding</u>
Eastern Shore Higher Education Center	600
St. Mary's College of Maryland	1,958
Morgan State University	25,124
UM Medical System	8,000
Community Colleges	30,616
Independent Colleges	6,850
Johns Hopkins University	5,000
Total	\$121,893

Public School Construction

The fiscal 2003 capital budget includes \$240 million for public school construction. Of this amount, \$89 million replaces previously authorized general fund PAYGO withdrawn in the Budget Reconciliation and Finance Act of 2002 (*Senate Bill 323*) in order to help balance the operating budget. Excluding this replacement, new funding totals \$151 million. An additional \$6 million representing funds remaining from completed projects is also available for distribution in fiscal 2003 bringing the total available to \$157 million. The Board of Public Works allocated \$110.4 million of this funding in January 2002. The remaining funds will be allocated by the board in May 2002. **Exhibit A2.8** shows the initial allocations for each jurisdiction.

The new funding comprises \$135.1 million in general obligation bonds, \$3.0 million in general fund PAYGO, \$2.4 million in special fund PAYGO, and \$10.5 million in federal fund PAYGO. The \$10.5 million in federal fund PAYGO reflects funds for school renovation, accessibility projects, and asbestos removal projects that will be awarded under federal guidelines and through an application process.

The \$2.4 million in special fund PAYGO is from the Maryland Stadium Authority (MSA). Section 13-715.2 of the Financial Institutions Article requires the MSA to annually contribute \$2.4 million for school construction between fiscal 2001 and 2010 inclusive. However, language added to the fiscal 2003 special fund appropriation for school construction allows the appropriation only to the extent that the transfer from the MSA does not result in a negative balance in the Maryland Stadium Authority Financing Fund at the close of fiscal 2003.

The fiscal 2003 operating budget contains \$10.4 million for improvements and repairs to existing school buildings under the Aging Schools Program. The operating budget also contains \$1.9 million from the Cigarette Restitution Fund for a second-year lease repayment on Technology in Maryland Schools Program funding borrowed to wire all schools for technology.

Exhibit A2.8
Public School Construction Allocations

<u>LEA</u>	<u>FY 2003 Allocation</u>
Allegany	\$0
Anne Arundel	6,710,000
Baltimore City	9,663,000
Baltimore County	11,345,000
Calvert	5,000,000
Caroline	1,055,000
Carroll	5,562,000
Cecil	0
Charles	5,598,000
Dorchester	3,268,000
Frederick	7,525,000
Garrett	2,395,000
Harford	4,636,000
Howard	7,911,000

**Exhibit A2.8 (Cont.)
Public School Construction Allocations**

<u>LEA</u>	<u>FY 2003 Allocation</u>
Kent	550,000
Montgomery	11,855,000
Prince George's	12,347,000
Queen Anne's	5,000,000
St. Mary's	4,443,000
Somerset	0
Talbot	0
Washington	1,361,000
Wicomico	2,684,000
Worcester	1,518,000
Subtotal	\$110,426,000
To be allocated in May 2002	36,074,000
Federal funds to be allocated via application process	10,536,000
Total FY 2003	\$157,036,000

Note: The exhibit includes \$6.0 million in funds appropriated in previous years and reallocated from the Public School Construction Program Contingency Account.

Source: Department of Legislative Services and the Fiscal 2003 Public School Construction Capital Improvement Program, as amended on January 22, 2002.

Transfer Tax

In light of the recent fiscal condition of the State, approximately half of the revenues (\$47,268,585) from the transfer tax will be transferred to the general fund in fiscal 2003 and 2004. The programs funded by the transfer tax that will be impacted by this transfer are the following: Program Open Space, the Maryland Agricultural Land Preservation Foundation, Rural Legacy, and the Heritage Conservation Fund. **Exhibit A2.9** shows the transfer tax allocation for fiscal 2003.

Exhibit A2.9
Fiscal 2003 Transfer Tax Allocation

	<u>Prior Law</u>	<u>SB 323</u> <u>Change</u>	<u>Variance</u>
POS State Acquisition	\$21,384,607	\$8,925,198	(\$12,459,409)
POS State Development	9,964,214	3,858,659	(6,105,555)
State Park Operating	950,000	950,000	0
Local Program	39,241,172	17,261,171	(21,980,001)
Heritage Areas Authority	1,000,000	1,000,000	0
Heritage Conservation	1,903,769	850,835	(1,052,934)
Rural Legacy	13,288,246	6,363,429	(6,924,817)
Ag Land Preservation	18,032,920	8,059,294	(9,973,626)
Total	\$105,764,928	\$47,268,586	(58,496,342)

Aid to Local Government

Overview of State Assistance to Local Government

State assistance to local governments accounts for approximately 25 percent of State expenditures. This assistance includes direct aid to county and municipal governments, local school systems, libraries, community colleges, and local health departments; and retirement payments made on behalf of local school systems, libraries, and community colleges.

In fiscal 2003, local governments will receive \$3.7 billion in direct State aid. This represents a \$239.8 million, or 6.8 percent increase over fiscal 2002. The State will also pay \$377.7 million for the employer's share of retirement costs for local school teachers, librarians, and community college faculty who are members of either the teachers' retirement or pension systems maintained by the State. These State payments do not go through the local governments but are paid directly to the State Retirement Agency.

The State assumption of functions or responsibilities performed by local governments is another aspect of State/local fiscal relationships. Legislation enacted in 1990 established the Baltimore City Community College as a State agency with State assumption beginning in fiscal 1991. The State previously funded the city's community college through a formula program. Legislation enacted in 1991 authorized the State to assume the costs and operation of the Baltimore City jail and provided for State operation of a central booking facility in Baltimore City by fiscal 1995. State funding for Baltimore City under the police aid formula was discontinued to offset the State costs for these functions. Legislation enacted in 1996 provided a small grant to Baltimore City under the police aid formula beginning in fiscal 1997. The State also increased funding for the Washington Metropolitan area transit system. The mass transit system serving the Baltimore area is operated by the Maryland Department of Transportation. The level of State funding for State assumed functions will total \$161.2 million in fiscal 2003.

Overall State assistance to local governments, including the recently assumed costs, totals almost \$4.3 billion. This represents a 6.8 percent increase over fiscal 2002. **Exhibit A3.1** provides a summary of State aid since fiscal 1996.

Exhibit A3.1
Summary of State Assistance to Local Governments
Fiscal 1996 - 2003
(\$ in Millions)

Fiscal Year	Direct State Aid	Retirement Payments on Behalf	Subtotal	Functions Assumed by the State	Total	Percent Change
1996	\$2,327.3	\$455.6	\$2,782.9	\$102.3	\$2,885.2	5.8%
1997	2,441.4	479.7	2,921.2	108.9	3,030.1	5.0%
1998	2,659.6	474.8	3,134.5	114.3	3,248.9	7.2%
1999	2,910.2	442.5	3,352.7	124.3	3,477.0	7.0%
2000	3,029.7	420.5	3,450.3	132.6	3,582.9	3.0%
2001	3,273.2	389.8	3,663.0	148.0	3,811.1	6.4%
2002	3,502.9	349.9	3,852.8	154.6	4,007.4	5.2%
2003	3,742.7	377.7	4,120.4	161.2	4,281.6	6.8%

State Aid Patterns

As **Exhibit A3.2** indicates, the overall composition of State aid changed slightly between fiscal 2002 and 2003. State aid to local school systems accounts for nearly 76.0 percent of total State aid. County and municipal governments receive 17.0 percent of State aid, with most of the aid targeted for transportation, public safety, and park land acquisition and development. Community colleges, libraries, and local health departments account for the remaining 7.0 percent of State aid.

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

	Fiscal 2002	Percent of Total	Fiscal 2003	Percent of Total	Percent Increase
Public Schools	\$2,882.7	74.8%	\$3,112.9	75.6%	8.0%
Libraries	44.8	1.2%	47.4	1.2%	5.8%
Community Colleges	178.5	4.6%	189.8	4.6%	6.3%
Local Health	56.9	1.5%	61.9	1.5%	8.8%
General Government	689.9	17.9%	708.3	17.2%	2.7%
Total	\$3,852.8	100.0%	\$4,120.4	100%	6.9%

Changes in State Aid

Direct aid and retirement payments for local governments will increase by \$267.5 million, or 6.9 percent in fiscal 2003. Primarily this reflects statutorily mandated increases in State aid. **Exhibit A3.3** summarizes the distribution of direct State aid by governmental entity. The exhibit also shows the estimated State retirement payments for local employees. **Exhibit A3.4** compares total State aid in fiscal 2002 and 2003 by program.

Primary and Secondary Education

State aid to local school systems will increase by \$230.3 million or 8.0 percent in fiscal 2003. State aid paid directly to local boards of education increases by \$203.9 million or 8.0 percent; whereas teachers' retirement costs paid by the State on behalf of local boards of education increases by \$26.3 million or 8.0 percent.

Current Expense Aid: State law provides for automatic increases in current expense formula aid based on two factors: student enrollment and prior years' spending growth. The current expense formula is based on school expenditures in the third and fourth prior years: the fiscal 2003 formula is affected by expenditures in fiscal 1999 and 2000. Current expense formula aid is not restricted to specific purposes and is distributed inversely to local wealth, as measured by net taxable income and property assessable base. The current expense formula is the largest State aid program accounting for 43.0 percent of total State assistance to local governments. In fiscal 2003, current expense aid will total \$1.8 billion, representing an \$83.0 million or 4.9 percent increase over fiscal 2002. This is based on a full-time equivalent enrollment count of 810,502 students and a \$4,291 per pupil foundation amount.

Compensatory Aid: The compensatory aid formula distributes funding to local school systems on the basis of the number of students from economically disadvantaged environments as measured by the student counts used for federal Title I aid. The Title I count for fiscal 2003 totals 132,412, a 16.5 percent increase from the prior year. In addition, the compensatory aid formula is tied to growth in the current expense formula in that the program's per pupil foundation is one-fourth of the foundation for the current expense formula. In fiscal 2003, the program's per pupil foundation will total \$1,072. Due to the growth in the foundation amount and the Title 1 count, compensatory aid increases by \$24.8 million or 21.2 percent in fiscal 2003.

Exhibit A3.3
State Assistance to Local Governments
Fiscal 2003 Legislative Appropriation
(\$ in Thousands)

County	Direct State Aid						Retirement	Total	Change Over FY 2002	Percent Change
	General Government	Community Colleges	Education	Libraries	Health	Subtotal				
Allegany	\$15,343	\$4,814	\$46,279	\$627	\$1,543	\$68,606	\$4,457	\$73,064	\$5,371	7.9%
Anne Arundel	43,276	22,375	183,315	1,808	5,228	256,002	31,158	287,160	11,305	4.1%
Baltimore City	265,230	0	574,274	5,452	10,990	855,946	42,333	898,279	46,333	5.4%
Baltimore County	50,486	35,274	284,797	3,857	7,025	381,439	49,003	430,442	24,485	6.0%
Calvert	12,414	1,042	49,313	301	636	63,706	6,480	70,186	6,330	9.9%
Caroline	7,280	964	25,133	218	919	34,513	2,214	36,727	3,097	9.2%
Carroll	13,564	5,319	86,235	743	2,034	107,896	10,655	118,551	7,500	6.8%
Cecil	7,799	3,472	56,160	518	1,369	69,317	6,356	75,673	4,793	6.8%
Charles	12,376	5,792	78,319	631	1,636	98,754	9,499	108,254	6,752	6.7%
Dorchester	7,500	984	18,315	207	723	27,729	2,164	29,893	625	2.1%
Frederick	18,240	6,115	110,676	854	2,497	138,382	15,292	153,674	11,788	8.3%
Garrett	8,982	2,702	19,036	170	766	31,656	2,210	33,866	1,490	4.6%
Harford	17,259	8,020	122,617	1,143	2,853	151,892	15,570	167,462	9,056	5.7%
Howard	18,084	9,433	104,593	613	2,009	134,731	22,083	156,814	8,122	5.5%
Kent	2,940	495	8,225	83	628	12,371	1,282	13,653	515	3.9%
Montgomery	58,391	31,570	229,056	2,132	5,040	326,189	75,455	401,644	24,937	6.6%
Prince George's	76,434	19,437	522,583	5,229	8,146	631,830	51,509	683,339	67,937	11.0%
Queen Anne's	5,450	1,191	19,206	132	701	26,679	2,902	29,582	954	3.3%
St. Mary's	7,491	1,591	50,441	486	1,337	61,346	5,921	67,267	3,870	6.1%
Somerset	7,690	527	13,911	223	699	23,050	1,365	24,415	1,926	8.6%
Talbot	4,597	1,145	5,702	82	587	12,113	2,007	14,120	577	4.3%
Washington	14,355	5,350	65,828	830	2,299	88,662	8,350	97,012	5,795	6.4%
Wicomico	12,267	3,165	52,556	607	1,561	70,156	6,158	76,314	6,682	9.6%
Worcester	7,014	1,518	9,275	116	711	18,634	3,250	21,884	1,647	8.1%
Unallocated	12,477	3,490	22,553	12,558	0	51,078	0	51,078	5,658	12.5%
Total	\$706,940	\$175,785	\$2,758,398	\$39,620	\$61,936	\$3,742,678	\$377,674	\$4,120,352	\$267,544	6.9%

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

Exhibit A3.3 (cont'd)
State Assistance to Local Governments
Dollar Difference Between Fiscal 2003 Legislative Appropriation and Fiscal 2002 Working Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	General Government	Community Colleges	Education	Libraries	Health	Subtotal		
Allegany	\$2,245	\$510	\$2,047	\$59	\$169	\$5,030	\$341	\$5,371
Anne Arundel	-1,965	1,109	9,501	-11	334	8,968	2,337	11,305
Baltimore City	14,269	0	28,087	278	617	43,250	3,083	46,333
Baltimore County	-2,102	2,252	20,114	349	215	20,829	3,656	24,485
Calvert	-47	78	5,670	7	119	5,826	504	6,330
Caroline	147	59	2,585	-2	142	2,931	165	3,097
Carrroll	-406	554	6,380	-61	245	6,712	788	7,500
Cecil	-98	154	4,075	15	172	4,318	475	4,793
Charles	-247	435	5,674	-15	196	6,043	709	6,752
Dorchester	-45	60	358	10	79	462	163	625
Frederick	52	106	10,128	24	343	10,653	1,136	11,788
Garrett	32	393	704	4	190	1,323	166	1,490
Harford	-549	148	8,146	-35	193	7,903	1,153	9,056
Howard	-1,284	706	6,897	-19	163	6,462	1,659	8,122
Kent	-5	30	252	-2	144	420	96	515
Montgomery	-3,099	1,877	20,439	66	395	19,678	5,260	24,937
Prince George's	5,403	342	57,774	313	228	64,059	3,877	67,937
Queen Anne's	-11	73	608	-15	83	737	217	954
St. Mary's	-103	119	3,391	-43	67	3,432	438	3,870
Somerset	555	49	1,171	8	43	1,825	101	1,926
Talbot	-68	70	292	1	133	427	150	577
Washington	1,171	273	3,400	44	282	5,170	625	5,795
Wicomico	2,071	291	3,565	72	224	6,223	459	6,682
Worcester	-77	140	1,115	8	219	1,405	242	1,647
Unallocated	2,370	171	1,571	1,546	0	5,658	0	5,658
Total	\$18,207	\$9,999	\$203,942	\$2,603	\$4,993	\$239,745	\$27,799	\$267,544

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

Exhibit A3.3 (cont'd)
State Assistance to Local Governments
Percent Change: Fiscal 2003 Legislative Appropriation over Fiscal 2002 Working Appropriation

County	<i>Direct State Aid</i>						Retirement	Total
	General Government	Community Colleges	Education	Libraries	Health	Subtotal		
Allegany	17.1%	11.8%	4.6%	10.4%	12.3%	7.9%	8.3%	7.9%
Anne Arundel	-4.3%	5.2%	5.5%	-0.6%	6.8%	3.6%	8.1%	4.1%
Baltimore City	5.7%	n/a	5.1%	5.4%	5.9%	5.3%	7.9%	5.4%
Baltimore County	-4.0%	6.8%	7.6%	10.0%	3.2%	5.8%	8.1%	6.0%
Calvert	-0.4%	8.1%	13.0%	2.2%	22.9%	10.1%	8.4%	9.9%
Caroline	2.1%	6.5%	11.5%	-0.8%	18.3%	9.3%	8.1%	9.2%
Carroll	-2.9%	11.6%	8.0%	-7.6%	13.7%	6.6%	8.0%	6.8%
Cecil	-1.2%	4.6%	7.8%	3.0%	14.3%	6.6%	8.1%	6.8%
Charles	-2.0%	8.1%	7.8%	-2.4%	13.6%	6.5%	8.1%	6.7%
Dorchester	-0.6%	6.5%	2.0%	5.0%	12.3%	1.7%	8.2%	2.1%
Frederick	0.3%	1.8%	10.1%	2.9%	15.9%	8.3%	8.0%	8.3%
Garrett	0.4%	17.0%	3.8%	2.3%	33.0%	4.4%	8.1%	4.6%
Harford	-3.1%	1.9%	7.1%	-2.9%	7.2%	5.5%	8.0%	5.7%
Howard	-6.6%	8.1%	7.1%	-3.0%	8.8%	5.0%	8.1%	5.5%
Kent	-0.2%	6.5%	3.2%	-1.9%	29.8%	3.5%	8.1%	3.9%
Montgomery	-5.0%	6.3%	9.8%	3.2%	8.5%	6.4%	7.5%	6.6%
Prince George's	7.6%	1.8%	12.4%	6.4%	2.9%	11.3%	8.1%	11.0%
Queen Anne's	-0.2%	6.5%	3.3%	-9.9%	13.4%	2.8%	8.1%	3.3%
St. Mary's	-1.4%	8.1%	7.2%	-8.1%	5.3%	5.9%	8.0%	6.1%
Somerset	7.8%	10.1%	9.2%	3.8%	6.5%	8.6%	8.0%	8.6%
Talbot	-1.5%	6.5%	5.4%	1.2%	29.2%	3.7%	8.1%	4.3%
Washington	8.9%	5.4%	5.4%	5.6%	14.0%	6.2%	8.1%	6.4%
Wicomico	20.3%	10.1%	7.3%	13.6%	16.7%	9.7%	8.1%	9.6%
Worcester	-1.1%	10.1%	13.7%	7.8%	44.7%	8.2%	8.0%	8.1%
Unallocated	23.4%	5.2%	7.5%	14.0%	n/a	12.5%	n/a	12.5%
Total	2.6%	6.0%	8.0%	7.0%	8.8%	6.8%	7.9%	6.9%

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

Exhibit A3.4
Total State Assistance to Local Governments
Direct State Aid

<u>Program</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Difference</u>
Current Expense Aid	\$1,681,230,578	\$1,764,230,813	\$83,000,235
Compensatory Education	117,123,662	141,945,669	24,822,007
School Transportation - regular	127,766,954	133,156,684	5,389,730
School Transportation - special education	5,556,500	5,740,500	184,000
Special Education - formula	81,253,345	81,253,345	0
Special Education - nonpublic placements	95,358,691	100,691,229	5,332,538
Special Education - infants and toddlers	433,250	5,199,999	4,766,749
Limited English Proficiency Grants	30,057,750	34,156,350	4,098,600
Additional Poverty Grants	18,163,360	18,163,360	0
Targeted Poverty Grants	8,000,000	8,000,000	0
Magnet Schools	16,100,000	16,100,000	0
Extended Elementary	19,262,500	19,262,500	0
Baltimore City Partnership	70,465,079	70,465,079	0
Aging Schools	10,370,000	10,370,000	0
Targeted Improvement Grants	21,991,425	23,275,284	1,283,859
Teacher Development/Mentoring Programs	35,508,000	34,895,000	-613,000
Adult Education	1,453,602	2,553,622	1,100,020
Food Service	6,264,664	6,264,664	0
Gifted and Talented Grants	6,169,829	6,169,829	0
Class Size Initiative	17,320,383	24,613,411	7,293,028
Out-of-County Placements	6,063,044	6,463,043	399,999
Teacher's Salary Grant	85,221,180	72,273,294	-12,947,886
Early Education Initiatives	19,000,000	19,000,000	0
Headstart	0	2,949,664	2,949,664
Bridge to Excellence (SB 856)	0	64,656,835	64,656,835
Prince George's Restructuring Grant	0	10,000,000	10,000,000
Education Modernization	13,406,002	13,486,002	80,000
School Reconstitution	9,797,400	11,835,600	2,038,200
Academic Intervention	19,100,000	19,100,000	0
Other Programs	32,018,081	32,125,881	107,800
Total Primary and Secondary Education	\$2,554,455,279	\$2,758,397,657	\$203,942,378
Library Formula	26,005,123	27,062,145	1,057,022
Library Network	11,011,769	12,557,844	1,546,075
Total Libraries	\$37,016,892	\$39,619,989	\$2,603,097

Exhibit A3.4 (cont'd)
Total State Assistance to Local Governments
Direct State Aid

<u>Program</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Difference</u>
Community College Formula	151,099,514	158,816,372	7,716,858
Grants for ESOL Programs	1,979,918	2,378,410	398,492
Optional Retirement	7,145,000	8,000,001	855,001
Small College/Allegany & Garrett Grant	2,242,981	3,100,000	857,019
Statewide Programs	3,318,542	3,489,885	171,343
Total Community Colleges	\$165,785,955	\$175,784,668	\$9,998,713
Highway User Revenue	418,040,511	432,103,926	14,063,415
Elderly & Handicapped Transportation Aid	4,315,789	4,815,788	499,999
Paratransit	2,882,054	3,632,051	749,997
Total Transportation	\$425,238,354	\$440,551,765	\$15,313,411
Police Aid	60,354,152	62,144,781	1,790,629
Fire And Rescue Aid	10,000,000	10,000,000	0
Vehicle Theft Prevention	2,900,000	2,600,000	-300,000
9-1-1 Grants	4,253,349	4,253,349	0
Community Policing	2,000,000	2,000,000	0
Foot Patrol/Drug Enforcement Grants	4,462,500	4,462,500	0
Law Enforcement Training Grants	94,255	95,000	745
Stop Gun Violence Grants	1,000,000	1,000,000	0
Violent Crime Grants	5,000,000	5,000,000	0
Baltimore City State's Attorney Grant	1,722,354	1,000,000	-722,354
Baltimore City Circuit Court Grant	400,000	0	-400,000
Domestic Violence Grants	200,000	200,000	0
Foreign Vehicle Registration Grant	360,000	360,000	0
School Vehicle Safety Grant	0	550,000	550,000
Body Armor	50,000	50,000	0
Total Public Safety	\$92,796,610	\$93,715,630	\$919,020
Program Open Space	43,978,135	18,261,173	-25,716,962
Critical Area Grants	750,000	750,000	0
Total Recreation/Environment	\$44,728,135	\$19,011,173	-\$25,716,962
Local Health Formula	56,942,362	61,935,705	4,993,343
Utility Property Tax Grant	30,615,201	30,615,201	0

Exhibit A3.4 (cont'd)
Total State Assistance to Local Governments
Direct State Aid

<u>Program</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Difference</u>
Disparity Grant	89,289,557	115,179,884	25,890,327
Horse Racing Impact Aid	1,341,400	1,341,400	0
Payments in Lieu of Taxes	825,989	905,989	80,000
Security Interest Filing Fees	2,797,685	2,750,000	-47,685
Baltimore City Lead Paint Abatement Grant	500,000	250,000	-250,000
Senior Citizens Activities Center	500,000	500,000	0
Warfield Complex Historic Site	100,000	0	-100,000
Statewide Voting Systems	0	2,119,000	2,119,000
Total Other Direct Aid	\$6,065,074	\$7,866,389	\$1,801,315
Total Direct Aid	\$3,502,933,419	\$3,742,678,061	\$239,744,642
Payments-in-Behalf			
Retirement - Teachers	328,221,731	354,543,785	26,322,054
Retirement - Libraries	7,786,219	7,792,763	6,544
Retirement - Community Colleges	12,716,486	13,981,834	1,265,348
Retirement - Local Employees	1,150,210	1,355,503	205,293
Total Payments-in-Behalf	\$349,874,646	\$377,673,885	\$27,799,239
Total State Assistance	\$3,852,808,065	\$4,120,351,946	\$267,543,881

Aging Schools Program: The General Assembly approved legislation *House Bill 937 (passed)* that establishes a new funding allocation method for the Aging Schools Program based on each county's proportionate share of school facilities constructed before 1960. The new allocation method primarily benefits Baltimore City and Prince George's County with 17 local school systems realizing a reduction in funding. Three local school systems (Charles, Dorchester, and Somerset counties) would not receive any funding under the new allocation method. The existing allocation method provided a \$65,000 minimum funding level for each local school system.

Targeted Poverty Funding: The State currently provides \$49.4 million for several targeted poverty programs that are based on the free and reduced price meal count. This includes \$23.3 million in targeted improvement grants, \$18.1 million in additional poverty grants, and \$8.0 million in targeted poverty grants.

Baltimore City Partnership Grant: This program is part of the State's effort to reform the Baltimore City Public School System. Baltimore City will receive \$70.5 million under the Baltimore City Partnership Grant in fiscal 2003.

Student Transportation Grants: Each county receives a grant for student transportation based on the county's grant in the previous year increased by inflation. Increases can not exceed 8.0 percent or be less than 3.0 percent. As a result of legislation enacted in 1996, counties with enrollment increases receive additional funds. The fiscal 2003 budget includes \$138.9 million for the program, reflecting a 3.0 percent transportation inflation rate and slight growth in student enrollment. The State also provides a grant for transporting disabled students. Each school board receives \$500 per special education student in excess of the number transported in fiscal 1981. The fiscal 2003 grant level of \$5.7 million is based on 11,481 students. Total funding for student transportation, including special transportation, increases by \$5.6 million in fiscal 2003.

Special Education: State aid for special education recognizes the additional costs associated with providing programs for students with disabilities. Most special education students receive services in the public schools; however, if an appropriate program is not available in the public schools, students may be placed in a private school offering more specialized services. The State and local school systems share the costs of these nonpublic placements. State funding for public special education programs will total \$81.3 million in fiscal 2003 and State funding for nonpublic placements will total \$100.2 million. Funding for public special education programs does not increase in fiscal 2003, while funding for nonpublic placements increases by \$5.3 million. In addition, the Bridge to Excellence in Public Schools Act, *Senate Bill 856 (passed)*, provides \$4.8 million in additional funding for the Infants and Toddlers Program.

Teachers' Retirement Costs: The State pays the employers' retirement costs for local teachers who are members of either the teachers' retirement or pension systems maintained and operated by the State. The \$26.3 million increase in fiscal 2003 results from a 8.0 percent increase in the salary base and a constant employer contribution rate

(9.35 percent). The Budget Reconciliation and Financing Act, *Senate Bill 323 (passed)*, changes the methodology for determining the State's contribution for teachers' retirement. Without this change, the employer contribution rate would have been 9.87 percent and the payments would have increased by \$46.0 million or 14.0 percent.

Teacher Salary Grants/Academic Intervention: The General Assembly approved legislation at the 2000 session (Senate Bill 810/House Bill 1247) that establishes teacher salary grants and funding for academic intervention services. The teacher salary challenge program requires the State to provide a one percent salary match to local school systems granting a 4.0 percent cost-of-living increase to teachers in fiscal 2001 and 2002. Chapter 420 of 2001 extended funding for the teacher salary grants through fiscal 2003, except for the \$10.6 million provided under the targeted component which was provided for fiscal 2002 only. The fiscal 2003 State budget includes \$72.2 million for teacher salary challenge program and \$19.1 million for academic intervention.

Early Education Initiatives/Judith P. Hoyer Program: This program provides financial support for the establishment of centers that provide full-day, comprehensive, early education programs and family support services that will assist in preparing children to enter school ready to learn. This program also provides funding to support voluntary accreditation of early child care centers, professional development of early childhood educators, and statewide implementation of an early childhood assessment system. The fiscal 2003 State budget includes \$7.6 million for Judy Center grants and approximately \$3.0 million for school readiness and program accreditation. In addition, the fiscal 2003 State budget continues \$19.0 million in funding for early education programs that improve the academic achievement of students in prekindergarten through third grade. The funding is distributed on the basis of the State's special education formula. The Extended Elementary Education Program, a public school prekindergarten program for four-year-old children identified as having a high potential for failure in school, will continue to receive \$19.3 million in funding.

Teacher Quality Incentives: The General Assembly passed legislation at the 1999 session (House Bill 9) that provides salary enhancements for teachers obtaining national certification, a signing bonus for teachers graduating in the top of their class, and a stipend for teachers working in a reconstitution-eligible or challenge school. The fiscal 2003 State budget includes \$7.2 million in funding for these teacher quality incentives.

Class Size Reduction Grants: Local school systems will receive \$24.6 million in funding in fiscal 2003 to reduce class size for reading instruction in the first and second grades. This represents a \$7.3 million increase over fiscal 2002. The funding is based on legislation passed by the General Assembly at the 1999 session (Senate Bill 137/House Bill 187).

Teacher Development/Mentoring/Certification Grants: Funding for teacher development, mentoring, and certification grants will total \$26.7 million in fiscal 2003. Teacher development grants are provided to enhance teacher development programs in schools with a free or reduced price meal count of 25.0 percent or more of their student population. Each eligible school receives an \$8,000 grant to enhance teacher training in instructing at-risk students. In fiscal 2003 these grants will total \$5.8 million, representing a \$8,000 increase over fiscal 2002. In addition, the State budget includes \$5.0 million for teacher certification programs, of which \$2.5 million is for Prince George's County and \$2.0 million is for Baltimore City. The State budget also includes \$5.0 million for teacher mentoring program in accordance with legislation passed in the 1999 session (House Bill 9). In addition, \$10.9 million for mentoring programs is provided to three local school systems (\$1.0 million for Anne Arundel County, \$7.9 million for Baltimore County, and \$2.0 million for Prince George's County).

Limited English Proficiency: The State provides grants to local school systems for programs for students with limited English proficiency. The grant amount totals \$1,350 per limited English proficient student. Funding for this program totals \$34.2 million in fiscal 2003, representing a \$4.1 million increase over fiscal 2002. This increase is due to a 3,036 student increase in the limited English proficiency count. Approximately 23,891 students are categorized as limited English proficient.

Education Modernization Initiative: This program provides schools access to on-line computer resources and capacity for data, voice, and video equipment. Total funding for this program is \$13.5 million. The Maryland Technology Academy will continue to receive \$1.9 million in funding in fiscal 2003.

Additional Enhancements for Fiscal 2003: The General Assembly enhanced funding for public schools by approving [*Senate Bill 856*](#) (*passed*) that bases State funding on the framework established by the Commission on Education Finance, Equity, and Excellence. Special funds obtained through the increased tobacco tax in fiscal 2003 will be used to provide: (1) unrestricted grants to local boards of education totaling \$62.7 million; (2) a \$10.0 million board of education restructuring grant for Prince George's County; (3) \$4.8 million for the Maryland Infants and Toddlers Program; and (4) \$1.1 million for adult education and literacy services. Pursuant to the legislation, 27 existing State education aid programs are eliminated or phased-out in fiscal 2004, and the funding for the programs is replaced by enhanced funding for four programs, one based on total student enrollment and three based on the enrollments of three categories of students with special needs. The enhanced State education aid is phased-in from fiscal 2003 to 2008. By fiscal 2008, State education aid would increase by \$1.3 billion.

Libraries

The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library program. The minimum library program is specified in statute. For fiscal 2003, the program is based on a \$12 per capita grant. Overall, the State provides about 40.0 percent of the minimum

program and the counties provide 60.0 percent. However, the State/local share of the minimum program varies from county to county depending on local wealth. In fiscal 2003, State library formula aid will total \$27.1 million, an increase of \$1.1 million. In addition, the State pays the employer's share of retirement costs for eligible library employees. These payments will total \$7.8 million in fiscal 2003, a slight increase over fiscal 2002.

The General Assembly approved legislation at the 1999 session that established a funding formula for the State Library Resource Center requiring the State to contribute a larger share of the center's funding. In 2000, legislation was enacted that altered the calculation of the State funding formula for regional resource centers. State funding for the resource centers total \$12.6 million in fiscal 2003, an increase of \$1.5 million.

Community Colleges

Total State funding for community colleges increases by \$11.3 million for fiscal 2003. Local community colleges will receive \$158.8 million through the State's funding formula. The Budget Reconciliation and Financing Act of 2002 *Senate Bill 323 (passed)* lowers the percentages used in calculating the aid per full-time equivalent students at the 15 community colleges included in the Senator John A. Cade funding formula. The percentage is set at 23.1 percent of the per pupil funding in fiscal 2003 level for the State's four-year colleges and fiscal 2004, and 24.0 percent in fiscal 2005. The funding formula returns to the previous statutory level (25.0 percent) in fiscal 2006. Local community colleges will receive \$17.0 million in special categorical grants, including the small college grant, English for Speakers of Other Languages (ESOL) grant, statewide programs, optional retirement grant, and the innovative partnership for technology grant. *Senate Bill 310/House Bill 179 (both passed)* provides an additional \$360,000 in unrestricted grants to Allegany College and \$240,000 to Garrett Community College beginning in fiscal 2003. State paid retirement expenditures increase by \$1.3 million in fiscal 2003.

Local Health Programs

State aid for local health departments totals \$61.9 million in fiscal 2003, reflecting a \$5.0 million or 8.8 percent increase. This increase includes funds to annualize the current year's cost-of-living adjustment for eligible employees of local health departments and the statutorily required increase based on population and inflation.

General Government Assistance

The State provides grants to counties and municipalities for various governmental functions, including public safety, transportation, and recreation. In addition, the disparity grant program targets aid to low income wealth jurisdictions. Overall, general government assistance will increase by \$18.4 million in fiscal 2003, a 2.7 percent increase.

Police Aid Grants: Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. Police aid grants in fiscal 2003 total \$62.1 million, a \$1.8 million or 3.0 percent increase over fiscal 2002.

Public Safety Grants: *Senate Bill 323 (passed)* authorizes \$1.0 million for the Baltimore City State's Attorney's Office to improve the prosecution of gun offenses and repeat violent offenders and to expand the homicide division. In fiscal 2002, the grant totaled \$1.7 million. In addition, the fiscal 2003 State budget continues to fund the special public safety grants for Baltimore City and Prince George's County.

Vehicle Theft Prevention Program: This program provides grants to law enforcement agencies, prosecutors' offices, local governments, and community organizations for the purpose of establishing vehicle theft prevention, deterrence, and educational programs. Funds are also used to enhance the prosecution and adjudication of vehicle theft crimes. Funding for the program is provided through the Vehicle Theft Prevention Fund, a non-lapsing dedicated fund that receives up to \$2.0 million a year from penalties collected for lapsed or terminated insurance coverage. Additional funds are received from inspection fees collected for salvaged vehicle verification. Accordingly, funding for this program will total \$2.6 million in fiscal 2003.

Fire, Rescue, and Ambulance Services: The State provides formula grants to the counties, Baltimore City, and qualifying municipalities for local and volunteer fire, rescue, and ambulance services. The grants are for equipment and renovations, not operating costs. The program is funded from the Maryland Emergency Medical System Operations Fund (MEMSOF). The grant level for the program is set at \$10.0 million in fiscal 2003.

Program Open Space Grants: Under the Program Open Space program, the State provides grants to the counties and Baltimore City for land acquisition and the development of park and recreation facilities. State property transfer tax revenues fund Program Open Space and related programs. The Budget Reconciliation and Financing Act of 2002, *Senate Bill 323 (passed)* earmarks 50.0 percent of the transfer tax revenues in fiscal 2003 and 2004 to the general fund which results in a reduction to local Program Open Space grants. In fiscal 2003, Program Open Space funding totals \$18.3 million, which includes a \$1.0 million special grant for Baltimore City.

Transportation: The State shares receipts from motor fuel taxes, vehicle excise (titling) taxes, registration fees, and corporate income taxes with local governments for the purpose of constructing and maintaining transportation facilities across the State. Counties, municipalities, and Baltimore City receive 30.0 percent of these "highway user" revenues. The Maryland Department of Transportation projects a modest increase in these grants in fiscal 2003 (\$14.1 million) based on estimated tax revenues.

Disparity Grant: The disparity grant, which provides funding to counties whose per capita local income tax revenues is less than 75 .0 of the statewide average, increases by \$25.9 million in fiscal 2003. *Senate Bill 856 (passed)* requires that \$11.9 million be earmarked for increased funding to public schools in fiscal 2003 only. The nine jurisdictions receiving a disparity grant in fiscal 2003 are Allegany, Caroline, Dorchester, Garrett, Prince George's, Somerset, Washington, and Wicomico counties, and Baltimore City.

Electric Utility Grant: Ten counties and Baltimore City receive an electricity generating equipment property tax grant which partially offsets lost local revenues resulting from the electric and gas utility tax reform passed in the 1999 session. The grants were phased in over two years beginning with fiscal 2001 and will total \$30.6 million in fiscal 2003.

State Aid

County Level Detail

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

Direct Aid/Shared Revenues and Retirement Payments

Direct Aid/Shared Revenues: The State distributes aid or shares revenue with the counties, municipalities, and Baltimore City through over 50 different programs. The fiscal 2003 State operating budget includes \$3.7 billion to fund these programs. Part A, section 1 of each county's statistical tables compares aid distributed to the county in fiscal 2002 and 2003.

Retirement Payments: County teachers, librarians, and community college faculty are members of either the teachers' retirement or pension systems maintained and operated by the State. The State pays the employer share of the retirement costs on behalf of the counties for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. These payments total \$377.7 million in fiscal 2003. Although these funds are not paid to the local governments, each county's allocation is estimated from salary information collected by the State retirement systems. These estimates are presented in Part A, section 2 of each county.

Estimated State Spending on Health and Social Services

The State funds the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. Part B of each county shows fiscal 2003 allocation estimates of general fund appropriations for health services, social services, and senior citizen services.

Health Services: The Department of Health and Mental Hygiene, through its various administrations, funds in whole or part community health programs that are provided in the local subdivisions. These programs are described below. General fund spending totals \$689.2 million statewide for these programs in fiscal 2003. In addition, \$82.8 million from the Cigarette Restitution Fund will also be spent on these programs in fiscal 2003. This does not include spending at the State mental health hospitals, developmental disability facilities, or chronic disease centers.

- **Alcohol and Drug Abuse:** The Alcohol and Drug Abuse Administration funds community-based programs that include primary and emergency care, intermediate care facilities, halfway houses and long-term care programs, outpatient care, and prevention programs. The fiscal 2003 budget includes \$75.3 million in general funds and \$17.2 million in special funds for these programs. In addition, the budget includes \$27.0 million in federal funds for addiction treatment services.
- **Family Health and Primary Care Services:** The Family Health Administration funds community-based programs through the local health departments in each of the subdivisions. These programs include maternal health (family planning, pregnancy testing, prenatal and perinatal care, etc.) and infant and child health (disease prevention, child health clinics, specialty services, etc.). Primary care services are funded for those people who previously received State-only Medical Assistance. Fiscal 2003 funding for these family health programs totals \$15.1 million in general funds.
- **Geriatric & Children's Services:** The Medical Care Policy Administration provides funding for community-based programs that serve senior citizens and children. The geriatric services include operating grants to adult day care centers and an evaluation program administered by the local health departments to assess the physical and mental health needs of elderly individuals. The children's services include the Early, Periodic Screening Diagnosis and Treatment (EPSDT) program and the Adolescent Case Coordinator program that assures at risk or pregnant teenagers receive needed health services. The fiscal 2003 funding for these programs totals \$18.3 million in general funds.
- **Mental Health:** The Mental Hygiene Administration (MHA) oversees a wide range of community mental health services which are developed and monitored at the local level by Core Service Agencies (CSAs). The Core Service Agencies

have the clinical, fiscal, and administrative responsibility to develop a coordinated network of services for all public mental health clients of any age within a given jurisdiction. These services include in-patient and out-patient hospital services, in-patient and out-patient mental health services, psychiatric rehabilitation services, targeted case management services, rental assistance, pharmacy services, private practitioners, and other clinic services. The fiscal 2003 budget includes \$261.4 million in general funds and \$170.7 million federal funds for mental health services.

- ***Prevention & Disease Control:*** The Community Health Administration and the Family Health Administration are responsible for chronic and hereditary disease prevention (cancer, heart disease, diabetes, etc.). They also provide for the promotion of safe and effective immunization practices, the investigation of disease outbreaks, and continuous disease surveillance and monitoring with the support of local health departments and the medical community. General fund appropriations in fiscal 2003 total \$15.7 million. In addition, the budget includes \$65.6 million in Cigarette Restitution Funds for tobacco use prevention and cessation and for cancer prevention and screening at the local level.
- ***Developmental Disabilities:*** The Developmental Disabilities Administration's community-based programs include residential services, day programs, transportation services, summer recreation for children, individual and family support services, including respite care, individual family care, behavioral support services, and community supported living arrangements. The fiscal 2003 budget includes \$300.5 million in general funds and \$141.7 in federal funds for these programs.
- ***AIDS:*** The AIDS Administration funds counseling, testing, education and risk reduction services through the local health departments. Fiscal 2003 funds for these services total \$3.0 million in general funds. The budget for the AIDS Administration also includes \$19.3 million in federal funds for these services.

Social Services. The Department of Human Resources provides funding for various social and community services in the subdivisions. Part B of each county's statistical tables shows fiscal 2003 estimates of funding for those programs that were available by subdivision. Note that fiscal 2003 funding for homeless and women's services is allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2002 funding and may change.

- ***Homeless Services:*** The Community Services Administration funds programs which provide emergency and transitional housing, food, and transportation for homeless families and individuals. Funding is available by county for the housing counselor, service-linked housing, and emergency and transitional housing programs. The fiscal 2003 budget includes \$5.1 million in general funds for these programs.

- **Women's Services:** The Community Services Administration provides funding for a variety of community-based programs for women. These include the battered spouse program, rape crisis centers, displaced homemakers program, and crime victim's services. Total fiscal 2003 funding for these programs equals \$7.3 million in general funds. In addition, the fiscal 2003 budget includes \$7.2 million in federal funds for women's services.
- **Adult Services:** The State social services departments in each of the subdivisions provide a variety of services to disabled, elderly, neglected, and exploited adults. Services include information and referral, crisis intervention, case management, protective services, in-home aid, and respite care for families. The fiscal 2003 budget includes \$8.1 million in general funds and \$31.6 million in federal funds for adult services.
- **Child Welfare Services:** The State social services departments in each of the subdivisions offer programs to support the healthy development of families, assist families and children in need, and protect abused and neglected children. Services include adoptive services, foster care programs, family preservation programs, and child protective services. The fiscal 2003 budget includes \$38.4 million in general funds and \$89.1 million in federal funds.

Senior Citizens Services. The Department of Aging funds a variety of services for senior citizens mostly through local agencies on aging. In Part B of each county, these programs have been combined into two broad categories: long-term care and community services. The total fiscal 2003 funding is \$17.1 million in general funds and \$18.6 million in federal funds. The fiscal 2003 funding is allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2002 funding and may change.

- **Long-Term Care:** This category includes the following programs: frail and vulnerable elderly, senior care, senior guardianship, and the ombudsman program. The total fiscal 2003 funding is \$13.4 million in general funds.
- **Community Services:** Included in this category are the senior information and assistance program, the senior nutrition program, and the insurance counseling program. Fiscal 2003 funding for these programs totals \$3.6 million in general funds.

Capital Grants and Capital Projects for State Facilities

As part of the budget balancing plan, operating revenues used in prior years to fund capital projects were reverted. Some of those prior year projects were included in the fiscal 2003 capital budget to receive funds to replace the reverted general funds. A total of \$354.0 million (bonds and special funds) will go to projects from prior years.

These projects are not included in this report as they were included in the year in which they were originally approved.

Selected State Grants for Capital Projects: The State provides capital grants for public schools, community colleges, local jails, community health facilities, adult day care centers, water quality projects, waterway improvements, homeless shelters, and other cultural, historical, and economic development projects. Projects are funded from either bond sales or current revenues. Part C lists projects in the counties authorized by the fiscal 2003 State operating and capital budgets. Projects at regional community colleges are shown for each county that the college serves. For some loan programs (community colleges, water quality projects, adult day care facilities, and community mental health/addictions/developmental disabilities facilities), funding was not provided for all requested projects. Since it is not known which projects will be funded, all requested projects for these loans are shown in this report.

The fiscal 2003 budget includes \$240.0 million in funding for local school construction: \$3.0 million in general funds, \$2.4 million in special funds, \$10.5 million in federal funds, and \$224.1 million in general obligation bonds. Of the total, \$89.0 million will be used to fund projects from prior years that were originally going to be funded with general funds. As of the publication of this report, \$110.4 million of the fiscal 2003 funding has been allocated to specific projects. These projects are listed in Part C for each county.

Capital Projects for State Facilities Located in the County: Part D shows capital projects, authorized by the fiscal 2003 operating and capital budgets, at State facilities and public colleges and universities by the county in which the facility is located. For facilities that are located in more than one county, such as a State park, the total amount of the capital project is shown for all relevant counties. For each capital project, the total authorized amount is given, regardless of funding source although federally funded projects are generally shown separately. For the universities, projects funded from both academic and auxiliary revenue bonds are included. This section does not include transportation projects.

Allegany County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	28,593	28,403	(189)	(0.7)
Compensatory Education	3,558	3,779	222	6.2
School Transportation	2,862	2,940	79	2.7
Special Education	1,904	2,022	118	6.2
Limited English Proficiency Grants	12	16	4	33.3
Targeted Poverty Grants	1,332	1,296	(36)	(2.7)
Extended Elementary	348	348	0	0.0
Aging Schools	355	207	(148)	(41.8)
Class Size Initiative	144	203	59	40.7
Early Education Initiative	440	566	126	28.6
Teacher Development/Mentoring Grants	318	310	(8)	(2.5)
Teacher Salary Grant	1,796	1,823	28	1.5
Academic Intervention	269	271	2	0.7
Bridge to Excellence (SB 856)	0	2,891	2,891	n.a.
Other Education Aid	2,302	1,202	(1,100)	(47.8)
Primary & Secondary Education	44,232	46,279	2,047	4.6
Libraries	568	627	59	10.4
Community Colleges	4,304	4,814	510	11.8
Health Formula Grant	1,374	1,543	169	12.3
** Transportation	6,250	6,435	185	3.0
** Police and Public Safety	885	901	16	1.8
** Fire and Rescue Aid	225	225	0	0.0
Recreation and Natural Resources	474	192	(282)	(59.5)
Disparity Grant	5,264	7,590	2,326	44.2
Total Direct Aid	63,576	68,606	5,030	7.9
Aid Per Capita (\$)	842	905	63	7.5
Property Tax Equivalent (\$)	2.43	2.62	0.20	8.1

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Allegany County for teachers, librarians, community college faculty, and local officials are estimated to be \$4,457,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$3,681,000
Family Health and Primary Care	155,000
Geriatric and Children's Services	582,000
Mental Health	4,910,000
Prevention and Disease Control	738,000
Developmental Disabilities	4,251,000
AIDS	83,000

Social Services

Homeless Services	102,000
Women's Services	170,000
Adult Services	108,000
Child Welfare Services	981,000

Senior Citizen Services

Long-Term Care	330,000
Community Services	92,000

C. Selected State Grants for Capital Projects

Allegany Community College

Automotive Technology & Service Bldgs. - replace roofs	\$121,000
Physical Education Building - renovation (Phase I)	85,000

Senior Citizen Activity Centers

Frostburg Senior Center	199,000
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Chesapeake Bay Water Quality Loan

Celanese - nutrient removal	300,000
Cumberland Combined Sewer - overflow improvements	271,000
Frostburg Combined Sewer - overflow improvements	270,000
George's Creek WWTP - nutrient removal	400,000
Westernport Combined Sewer - overflow improvements	300,000

Water Supply Assistance Loan

Westernport - water line	500,000
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Comprehensive Flood Management Program

George's Creek - acquisition (Phase III)	125,000
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Waterway Improvement

Cumberland Riverside Park - boat ramp & parking access	100,000
Fairgrounds Park - boat ramp & parking access road	25,000

Other Projects

Canal Place	1,075,000
Sacred Heart Hospital	545,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Rocky Gap State Park - telecommunications upgrade	300,000
Natl. Park Service - Fifteen Mile Creek boat ramp	50,000
Natl. Park Service - parkwide ADA access/replace toilets	25,000
Rocky Gap State Park - new lighting at boat ramp	25,000

Department of Public Safety & Corrections

Western Correctional Inst. - 512-bed expansion	122,000
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University System of Maryland

Frostburg State - Compton Science Center construction	\$3,532,000
Frostburg State - new residence hall	2,115,000

Anne Arundel County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	122,635	126,159	3,523	2.9
Compensatory Education	3,540	5,308	1,768	49.9
School Transportation	12,419	12,899	480	3.9
Special Education	14,831	15,753	921	6.2
Limited English Proficiency Grants	1,013	1,250	238	23.5
Targeted Poverty Grants	2,077	2,086	9	0.4
Extended Elementary	1,295	1,295	0	0.0
Aging Schools	570	660	90	15.7
Class Size Initiative	1,175	1,861	687	58.5
Early Education Initiative	1,307	1,355	48	3.7
Teacher Development/Mentoring Grants	1,629	1,629	0	0.0
Teacher Salary Grant	5,109	4,553	(556)	(10.9)
Academic Intervention	1,530	1,490	(40)	(2.6)
Bridge to Excellence (SB 856)	0	2,369	2,369	n.a.
Other Education Aid	4,684	4,648	(36)	(0.8)
Primary & Secondary Education	173,814	183,315	9,501	5.5
Libraries	1,819	1,808	(11)	(0.6)
Community Colleges	21,267	22,375	1,109	5.2
Health Formula Grant	4,894	5,228	334	6.8
** Transportation	25,193	26,140	947	3.8
** Police and Public Safety	5,793	5,925	132	2.3
** Fire and Rescue Aid	817	817	0	0.0
Recreation and Natural Resources	5,124	2,080	(3,044)	(59.4)
Utility Property Tax Grants	7,820	7,820	0	0.0
** Other Direct Aid	495	495	0	0.0
Total Direct Aid	247,035	256,002	8,968	3.6
Aid Per Capita (\$)	491	502	12	2.4
Property Tax Equivalent (\$)	0.69	0.68	(0.01)	(2.1)

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Anne Arundel County for teachers, librarians, community college faculty, and local officials are estimated to be \$31,158,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$2,708,000
Family Health and Primary Care	384,000
Geriatric and Children's Services	831,000
Mental Health	17,133,000
Prevention and Disease Control	3,347,000
Developmental Disabilities	27,779,000

Social Services

Homeless Services	186,000
Women's Services	315,000
Adult Services	130,000
Child Welfare Services	2,283,000

Senior Citizen Services

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

C. Selected State Grants for Capital Projects**Public Schools**

Central Elementary School - renovations (electrical)	\$46,000
Crofton Elementary School - construction	230,000
Folger-McKinsey Elem. School - renovations (electrical)	74,000
Four Seasons Elementary School - renovations (HVAC)	1,285,000
George Fox Middle School - renovations (boilers)	75,000
Georgetown East Elementary School - renovations (multi-syst/elec)	1,224,000
Germantown Elementary School - renovations (boilers/elec.)	200,000
Glen Burnie High School - renovations (HVAC)	400,000
Linthicum Elementary School - renovations (HVAC/elec)	1,224,000
Lothian Elementary School - renovations (electrical)	80,000
MacArthur Middle School - renovations (roof)	880,000
Old Mill High School - renovations (HVAC)	760,000
Overlook Elementary School - renovations (boilers)	120,000
Severn Elementary School - renovations (electrical)	66,000
Shipley's Choice Elementary School - renovations (electrical)	46,000

Anne Arundel Community College

Center for Applied Learning & Technology	8,480,000
Student Services Center - renovation & addition	525,000

Community Mental Health/Addictions/Dev. Disabilities

Supported Housing Developers, Inc.	468,000
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Partnership Rental Housing Program

Bloomsbury II	2,550,000
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Chesapeake Bay Water Quality Loan

Elvaton Town - stream restoration	86,000
Marley Station Wetlands - stormwater management	92,000
West Street Pond - stormwater management	111,000

Waterway Improvement

Annapolis Harbor Master - patrol boat electronics	50,000
Central/Magothy - fire rescue vessel/equipment	50,000
Little Magothy River Inlet - dredging	47,000
North County - fire rescue vessel/equipment	25,000
Rockhold Creek Channel - dredging/jetty	700,000
South County - fire rescue vessel/equipment	25,000

D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Sandy Point State Park - pave boat ramp parking lot \$50,000

Maryland Environmental Service

Sandy Point State Park - water system improvements 359,000

General Government

Annapolis Government Complex - security 1,400,000

Legislative Facilities - Annapolis 4,750,000

Baltimore City

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	282,359	287,163	4,804	1.7
Compensatory Education	61,322	62,355	1,033	1.7
School Transportation	11,091	11,333	243	2.2
Special Education	54,646	57,064	2,417	4.4
Limited English Proficiency Grants	1,035	1,265	230	22.2
Targeted Poverty Grants	10,879	11,355	476	4.4
Extended Elementary	4,135	4,135	0	0.0
Baltimore City Partnership	70,465	70,465	0	0.0
Aging Schools	1,635	3,316	1,681	102.8
Class Size Initiative	1,888	2,723	835	44.2
Early Education Initiative	4,942	5,949	1,007	20.4
Teacher Development/Mentoring Grants	3,992	3,993	0	0.0
Teacher Salary Grant	18,594	15,128	(3,466)	(18.6)
Academic Intervention	3,634	3,331	(303)	(8.3)
Bridge to Excellence (SB 856)	0	18,685	18,685	n.a.
Other Education Aid	15,570	16,015	445	2.9
Primary & Secondary Education	546,187	574,274	28,087	5.1
Libraries	5,174	5,452	278	5.4
Health Formula Grant	10,373	10,990	617	5.9
Transportation	165,885	172,328	6,443	3.9
Police and Public Safety	9,733	8,622	(1,111)	(11.4)
Fire and Rescue Aid	1,010	1,002	(8)	(0.8)
Recreation and Natural Resources	4,883	2,373	(2,511)	(51.4)
Disparity Grant	64,362	76,036	11,674	18.1
Utility Property Tax Grants	453	453	0	0.0
Other Direct Aid	4,634	4,416	(218)	(4.7)
Total Direct Aid	812,696	855,946	43,250	5.3
Aid Per Capita (\$)	1,271	1,349	78	6.2
Property Tax Equivalent (\$)	4.25	4.37	0.12	2.9

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Baltimore City for teachers, librarians, community college faculty, and local officials are estimated to be \$42,333,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$38,411,000
Family Health and Primary Care	861,000
Geriatric and Children's Services	5,057,000
Mental Health	82,431,000
Prevention and Disease Control	2,526,000
Developmental Disabilities	36,941,000
AIDS	443,000

Social Services

Homeless Services	2,210,000
Women's Services	1,234,000
Adult Services	2,216,000
Child Welfare Services	14,715,000

Senior Citizen Services

Long-Term Care	1,750,000
Community Services	867,000

C. Selected State Grants for Capital Projects**Public Schools**

Belmont Elementary School #217 - renovations (windows)	\$366,000
Comm. J. Rodgers Elem. School #27 - renovations (chiller)	495,000
Elmer A. Henderson Elem. School #101 - renovs. (auto. temp. control)	225,000
Furley Elementary School #206 - renovations (chiller)	360,000
Lombard Middle School #57 - renovations (automatic temperature control)	495,000
North Bend Elementary School #81- renovations (roof)	416,000
Rognel Hgts. Elem/Middle School #89 - renovations (chiller)	378,000
Sarah M. Roach Elementary School #73 - renovations (roof)	193,000
Sharp-Leadenhall Elementary School #314 - renovations (roof)	248,000
Southern High School #70 - construction	6,000,000
Winston Middle School #239 - renovations (windows)	487,000

Juvenile Justice Bond Program

Chesapeake Center for Youth Development	180,000
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Community Mental Health/Addictions/Dev. Disabilities

Institutes for Behavior Resources, Inc.	1,600,000
People Encouraging People, Inc.	184,000

Senior Citizen Activity Centers

Coel-Grant-Higgs Senior Center	425,000
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Partnership Rental Housing Program

Baltimore City Highrise - Offsite	2,153,068
Broadway Homes	296,932
Flag House II	3,000,000

Chesapeake Bay Water Quality Loan

Patapsco WWTP - nutrient removal	3,440,000
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Waterway Improvement

City Fire Department - boat equipment	36,000
City Police Department - Sea Ark boat	50,000
Inner Harbor Marina - electrical system & pier cables	150,000
Living Classroom Center Dock - ADA access	35,000

Other Projects

Baltimore City Revitalization Projects	5,000,000
Baltimore Zoo - redevelopment projects	4,750,000

Bon Secours Hospital	\$970,000
College of Notre Dame - Fourier & LeClerc Hall	850,000
Johns Hopkins School of Hygiene and Public Health	2,066,000
Johns Hopkins School of Medicine - research building	2,934,000
Johns Hopkins University - chemistry building	425,000
Maryland Science Center - expansion	1,000,000
National Aquarium in Baltimore	1,500,000
National Research and Training Institute for the Blind	2,000,000
Sinai Hospital	500,000

D. Capital Projects for State Facilities in the City

General Government

200 W. Baltimore Street - fire protection sprinkler system	2,500,000
301 W. Preston Street - perimeter piping replacement	185,000

Dept. of Housing & Community Development

African American Museum	9,242,000
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Department of Public Safety & Corrections

Baltimore City Detention Center - renovate utilities	2,000,000
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Morgan State University

Central Heating Plant - replace steam boilers	4,110,000
Communications Center & Pedestrian Bridge - construction	18,414,000
Science Research Building with Greenhouse - construction	2,600,000

University System of Maryland

Coppin State - Health and Human Services Building	1,100,000
Coppin State - telecommunications upgrade	2,500,000
UMD at Baltimore - new Campus Center building	2,600,000
UMD at Baltimore - renovate Howard Hall	1,500,000
UMD at Baltimore - temporary building #2	4,400,000
Univ. of Baltimore - new student center	1,000,000

Other

East Baltimore Technology Park - acquisition	2,000,000
UMD Medical System - diagnostic & treatment facilities	8,000,000

Baltimore County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	181,405	193,266	11,862	6.5
Compensatory Education	6,695	9,779	3,083	46.0
School Transportation	15,279	15,810	531	3.5
Special Education	16,995	18,244	1,249	7.3
Limited English Proficiency Grants	2,310	2,540	230	9.9
Targeted Poverty Grants	5,020	5,120	101	2.0
Extended Elementary	1,190	1,190	0	0.0
Aging Schools	2,940	2,666	(274)	(9.3)
Class Size Initiative	1,665	2,598	933	56.0
Early Education Initiative	1,671	2,021	350	21.0
Teacher Development/Mentoring Grants	9,581	9,527	(54)	(0.6)
Teacher Salary Grant	8,559	7,185	(1,374)	(16.1)
Academic Intervention	1,992	1,967	(24)	(1.2)
Bridge to Excellence (SB 856)	0	3,088	3,088	n.a.
Other Education Aid	9,382	9,798	416	4.4
Primary & Secondary Education	264,683	284,797	20,114	7.6
Libraries	3,508	3,857	349	10.0
Community Colleges	33,022	35,274	2,252	6.8
Health Formula Grant	6,809	7,025	215	3.2
Transportation	34,507	35,342	836	2.4
Police and Public Safety	9,262	9,749	487	5.3
Fire and Rescue Aid	1,207	1,203	(4)	(0.3)
Recreation and Natural Resources	5,768	2,347	(3,421)	(59.3)
Utility Property Tax Grants	1,795	1,795	0	0.0
Other Direct Aid	50	50	0	0.0
Total Direct Aid	360,610	381,439	20,829	5.8
Aid Per Capita (\$)	466	488	21	4.6
Property Tax Equivalent (\$)	0.81	0.82	0.01	1.7

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Baltimore County for teachers, librarians, community college faculty, and local officials are estimated to be \$49,003,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$5,036,000
Family Health and Primary Care	800,000
Geriatric and Children's Services	1,350,000
Mental Health	30,558,000
Prevention and Disease Control	5,833,000
Developmental Disabilities	42,792,000

Social Services

Homeless Services	236,000
Women's Services	630,000
Adult Services	439,000
Child Welfare Services	2,676,000

Senior Citizen Services

Long-Term Care	1,620,000
Community Services	322,000

C. Selected State Grants for Capital Projects**Public Schools**

Arbutus Middle School - renovations (roof)	\$383,000
Dulaney High School - renovations (boilers)	225,000
Dundalk Middle School - renovations (multi-systemic)	2,134,000
Franklin Middle School - renovations (multi-systemic)	1,801,000
General John Stricker Middle School - renovations (roof)	753,000
Golden Ring Middle School - renovations (multi-systemic)	1,314,000
Hereford Middle School - renovations (roof)	483,000
Lansdowne High School - renovations (boilers)	225,000
Lansdowne Middle School - renovations (roof)	577,000
Overlea High School - renovations (roof)	535,000
Parkville Middle School - renovations (multi-systemic)	2,449,000
Stemmers Run Middle School - renovations (multi-systemic)	466,000

Community College of Baltimore County

Reroofing projects	56,500
Telecommunications infrastructure	90,000

Local Jail Loan

County Detention Center - expansion	5,000,000
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Juvenile Justice Bond Program

Good Shepherd Center	400,000
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Adult Day Care Centers

Baltimore Association for Retarded Citizens	698,000
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Chesapeake Bay Water Quality Loan

Hampton Branch - stream restoration	118,471
Revere Park - retrofit and restoration	180,000

Waterway Improvement

Bird River Railroad Creek - channel dredging	50,000
Bowleys Quarters - purchase fire/rescue vessel	20,000
Brown Cove - channel dredging	175,000

Hazardous Substance Cleanup Program

Sauer Dump	450,000
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Other Projects

Franklin Square Hospital Center	\$500,000
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D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Gunpowder Dundee Creek Marina - pave boat storage area	45,000
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University System of Maryland

Baltimore County - Information Tech/Engineering Building	3,941,000
Towson University - Burkshire Dining/pub expansion	750,000
Towson University - Glen Dining renovation	300,000
Towson University - Prettyman/Scarborough HVAC, etc.	2,500,000
Towson University - tower window/wall upgrade	4,000,000
Towson University - Towson Center Arena improvements	2,200,000
Towson University - Towson Run Dining	3,450,000
Towson University - Union bowling convert to cybercafe	750,000
Towson University - Univ. Union/Rec Sports Facility	3,600,000

Calvert County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	35,316	39,173	3,856	10.9
Compensatory Education	876	1,459	583	66.6
School Transportation	2,380	2,533	154	6.5
Special Education	1,546	1,655	109	7.1
Limited English Proficiency Grants	28	42	14	47.6
Targeted Poverty Grants	405	409	5	1.1
Extended Elementary	454	454	0	0.0
Aging Schools	65	61	(4)	(6.4)
Class Size Initiative	248	409	161	64.9
Early Education Initiative	354	478	124	35.0
Teacher Development/Mentoring Grants	125	125	0	0.1
Teacher Salary Grant	630	531	(99)	(15.7)
Academic Intervention	321	330	9	2.8
Bridge to Excellence (SB 856)	0	794	794	n.a.
Other Education Aid	895	860	(35)	(3.9)
Primary & Secondary Education	43,643	49,313	5,670	13.0
Libraries	294	301	7	2.2
Community Colleges	964	1,042	78	8.1
Health Formula Grant	518	636	119	22.9
** Transportation	4,954	5,200	246	5.0
** Police and Public Safety	698	708	11	1.5
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	513	209	(303)	(59.2)
Utility Property Tax Grants	6,097	6,097	0	0.0
Total Direct Aid	57,880	63,706	5,826	10.1
Aid Per Capita (\$)	728	779	51	7.0
Property Tax Equivalent (\$)	0.97	1.02	0.05	5.7

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Calvert County for teachers, librarians, community college faculty, and local officials are estimated to be \$6,480,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$593,000
Family Health and Primary Care	38,000
Geriatric and Children's Services	289,000
Mental Health	3,004,000
Prevention and Disease Control	560,000
Developmental Disabilities	4,230,000

Social Services

Homeless Services	33,000
Women's Services	185,000
Adult Services	70,000
Child Welfare Services	345,000

Senior Citizen Services

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

C. Selected State Grants for Capital Projects

Public Schools

Huntingtown High School \$5,000,000

College of Southern Maryland

La Plata - fuel storage tank replacement 210,000

La Plata - WWTP replacement 31,000

Prince Frederick - Academic Complex 350,000

Local Jail Loan

County Detention Center - replace master control panel 175,000

Waterway Improvement

North Beach - redeck town pier 100,000

Solomon's - replace and repair piers 100,000

Caroline County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	15,272	16,120	849	5.6
Compensatory Education	1,065	1,642	577	54.2
School Transportation	1,463	1,520	57	3.9
Special Education	542	572	30	5.5
Limited English Proficiency Grants	121	151	30	24.5
Targeted Poverty Grants	604	618	15	2.4
Extended Elementary	351	351	0	0.0
Aging Schools	85	88	3	3.6
Class Size Initiative	76	127	51	66.4
Early Education Initiative	201	356	155	76.9
Teacher Development/Mentoring Grants	541	541	0	0.0
Teacher Salary Grant	713	622	(91)	(12.8)
Academic Intervention	167	167	0	(0.2)
Bridge to Excellence (SB 856)	0	929	929	n.a.
Other Education Aid	1,346	1,327	(18)	(1.4)
Primary & Secondary Education	22,548	25,133	2,585	11.5
Libraries	220	218	(2)	(0.8)
Community Colleges	905	964	59	6.5
Health Formula Grant	776	919	142	18.3
** Transportation	4,075	4,216	141	3.4
** Police and Public Safety	319	318	(1)	(0.3)
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	223	91	(133)	(59.4)
Disparity Grant	2,316	2,456	140	6.0
Total Direct Aid	31,582	34,513	2,931	9.3
Aid Per Capita (\$)	1,039	1,124	85	8.2
Property Tax Equivalent (\$)	2.40	2.53	0.13	5.5

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Caroline County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,214,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$403,000
Family Health and Primary Care	182,000
Geriatric and Children's Services	340,000
Mental Health	1,853,000
Prevention and Disease Control	286,000
Developmental Disabilities	1,689,000
AIDS	57,000

Social Services

Homeless Services	59,000
Women's Services	337,000
Adult Services	55,000
Child Welfare Services	284,000

Senior Citizen Services

Long-Term Care	569,000
Community Services	96,000

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

C. Selected State Grants for Capital Projects**Public Schools**

Greensboro Elementary School - renovations (roof)	\$731,000
Judy Hoyer Center - construction	324,000

Chesapeake College

Caroline College Center - renovation	366,000
Dorchester Administration Bldg. - renovations & addition	2,884,000

Chesapeake Bay Water Quality Loan

Caroline/Denton - stormwater management	117,000
Federalsburg - nutrient removal	200,000
North Main Street - inflow/infiltration project	100,000

Waterway Improvement

Choptank - county-wide DMP site acquisition	50,000
Crouse Park, Denton - bulkhead & traffic control	60,000
Federalsburg Marina - resurface boat ramp parking lot	25,000
Greensboro - boat ramp & bulkhead	100,000
Joppa Wharf, Denton - pier access	40,000

D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Tuckahoe State Park - resurface boat ramp parking lot	75,000
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Carroll County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	63,603	67,785	4,182	6.6
Compensatory Education	1,217	1,989	773	63.5
School Transportation	4,818	5,077	259	5.4
Special Education	4,215	4,473	258	6.1
Limited English Proficiency Grants	116	142	26	22.1
Targeted Poverty Grants	472	474	2	0.4
Extended Elementary	172	172	0	0.0
Aging Schools	385	278	(107)	(27.8)
Class Size Initiative	416	680	263	63.3
Early Education Initiative	665	713	48	7.2
Teacher Development/Mentoring Grants	197	197	0	0.1
Teacher Salary Grant	2,038	1,876	(162)	(8.0)
Academic Intervention	527	541	13	2.5
Bridge to Excellence (SB 856)	0	937	937	n.a.
Other Education Aid	1,013	902	(111)	(11.0)
Primary & Secondary Education	79,855	86,235	6,380	8.0
Libraries	804	743	(61)	(7.6)
Community Colleges	4,765	5,319	554	11.6
Health Formula Grant	1,789	2,034	245	13.7
** Transportation	10,936	11,328	392	3.6
** Police and Public Safety	1,522	1,507	(15)	(1.0)
** Fire and Rescue Aid	259	260	1	0.5
Recreation and Natural Resources	1,154	470	(685)	(59.3)
** Other Direct Aid	100	0	(100)	(100.0)
Total Direct Aid	101,184	107,896	6,712	6.6
Aid Per Capita (\$)	649	682	33	5.1
Property Tax Equivalent (\$)	1.05	1.07	0.01	1.3

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Carroll County for teachers, librarians, community college faculty, and local officials are estimated to be \$10,655,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$2,670,000
Family Health and Primary Care	235,000
Geriatric and Children's Services	367,000
Mental Health	5,386,000
Prevention and Disease Control	1,080,000
Developmental Disabilities	8,561,000
AIDS	57,000

Social Services

Homeless Services	92,000
Women's Services	234,000
Adult Services	69,000
Child Welfare Services	641,000

Senior Citizen Services

Long-Term Care	298,000
Community Services	48,000

C. Selected State Grants for Capital Projects

Public Schools

Cranberry Station Elementary School - construction	\$1,438,000
Westminster Elementary School - renovations (HVAC)	624,000
Winters Mill High School - construction	3,500,000

Carroll Community College

Nursing and Allied Health Facility	2,700,000
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Juvenile Justice Bond Program

Bowling Brook Preparatory School	590,000
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Senior Citizen Activity Centers

North Carroll Senior Center	196,000
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D. Capital Projects for State Facilities in the County

Maryland Environmental Service

Springfield Hospital Center - water/wastewater system	2,400,000
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Department of Health & Mental Hygiene

Springfield Hospital Center - electrical dist. system	6,720,000
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Department of Public Safety & Corrections

Central Laundry Facility - renovate kitchen/dining	215,000
Public Safety Training Center	962,000

Cecil County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	38,890	41,218	2,328	6.0
Compensatory Education	1,791	2,571	780	43.6
School Transportation	2,759	2,853	94	3.4
Special Education	2,069	2,186	116	5.6
Limited English Proficiency Grants	94	132	38	40.1
Targeted Poverty Grants	719	723	4	0.5
Extended Elementary	810	810	0	0.0
Aging Schools	355	178	(177)	(49.9)
Class Size Initiative	249	385	136	54.4
Early Education Initiative	490	514	24	4.9
Teacher Development/Mentoring Grants	228	221	(8)	(3.4)
Teacher Salary Grant	2,443	2,276	(167)	(6.8)
Academic Intervention	342	362	20	5.9
Bridge to Excellence (SB 856)	0	900	900	n.a.
Other Education Aid	846	833	(13)	(1.5)
Primary & Secondary Education	52,084	56,160	4,076	7.8
Libraries	503	518	15	3.0
Community Colleges	3,318	3,472	154	4.6
Health Formula Grant	1,197	1,369	172	14.3
** Transportation	6,246	6,473	227	3.6
** Police and Public Safety	855	886	31	3.6
** Fire and Rescue Aid	204	200	(4)	(2.1)
Recreation and Natural Resources	592	240	(352)	(59.4)
Total Direct Aid	64,999	69,317	4,318	6.6
Aid Per Capita (\$)	725	758	33	4.5
Property Tax Equivalent (\$)	1.33	1.35	0.03	2.0

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Cecil County for teachers, librarians, community college faculty, and local officials are estimated to be \$6,356,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,019,000
Family Health and Primary Care	47,000
Geriatric and Children's Services	352,000
Mental Health	4,653,000
Prevention and Disease Control	706,000
Developmental Disabilities	4,876,000
AIDS	57,000

Social Services

Homeless Services	41,000
Women's Services	80,000
Adult Services	77,000
Child Welfare Services	874,000

Senior Citizen Services

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

C. Selected State Grants for Capital Projects**Community Mental Health/Addictions/Dev. Disabilities**

Upper Bay Counseling and Support Services, Inc.	\$120,000
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Chesapeake Bay Water Quality Loan

Elkton WWTP - nutrient removal	1,000,000
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Rising Sun - sewer main replacement	100,000
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Comprehensive Flood Management Program

Elkton - flood protection construction	89,000
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Waterway Improvement

Charlestown - boat ramp wave screen	50,000
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Chesapeake City - boat ramp & parking area	80,000
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Elk River - channel dredging	260,000
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Perryville - transient pier	25,000
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Port Deposit - design jetty/pier	80,000
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Other Projects

Union Hospital	445,000
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D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Fair Hill NRMA - construct hay barns	150,000
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Fair Hill NRMA - water supply system	150,000
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Maryland State Police

North East Barrack - construction	300,000
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Charles County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	54,969	58,069	3,100	5.6
Compensatory Education	1,903	2,924	1,021	53.6
School Transportation	5,216	5,455	239	4.6
Special Education	3,364	3,493	129	3.8
Limited English Proficiency Grants	158	136	(22)	(13.7)
Targeted Poverty Grants	1,020	1,048	28	2.8
Extended Elementary	1,070	1,070	0	0.0
Aging Schools	65	0	(65)	(100.0)
Class Size Initiative	362	575	213	58.8
Early Education Initiative	521	487	(35)	(6.6)
Teacher Development/Mentoring Grants	300	293	(8)	(2.5)
Teacher Salary Grant	1,893	1,728	(165)	(8.7)
Academic Intervention	486	483	(3)	(0.6)
Bridge to Excellence (SB 856)	0	1,279	1,279	n.a.
Other Education Aid	1,317	1,279	(39)	(2.9)
Primary & Secondary Education	<u>72,645</u>	<u>78,319</u>	<u>5,674</u>	<u>7.8</u>
Libraries	647	631	(16)	(2.4)
Community Colleges	5,357	5,792	435	8.1
Health Formula Grant	1,440	1,636	196	13.6
** Transportation	7,706	8,079	373	4.8
** Police and Public Safety	1,126	1,125	(1)	(0.1)
** Fire and Rescue Aid	224	225	1	0.4
Recreation and Natural Resources	1,044	424	(620)	(59.4)
Utility Property Tax Grants	2,523	2,523	0	0.0
Total Direct Aid	92,712	98,755	6,043	6.5
Aid Per Capita (\$)	742	778	36	4.8
Property Tax Equivalent (\$)	1.13	1.14	0.01	0.8

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Charles County for teachers, librarians, community college faculty, and local officials are estimated to be \$9,499,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,394,000
Family Health and Primary Care	627,000
Geriatric and Children's Services	335,000
Mental Health	4,394,000
Prevention and Disease Control	855,000
Developmental Disabilities	6,839,000
AIDS	142,000

Social Services

Homeless Services	81,000
Women's Services	143,000
Adult Services	117,000
Child Welfare Services	1,000,000

Senior Citizen Services

Long-Term Care	183,000
Community Services	42,000

C. Selected State Grants for Capital Projects

Public Schools

Matthew Henson Middle School - relocatable classrooms	\$65,000
Milton Somers Middle School - relocatable classrooms	33,000
New Comprehensive High School - construction	5,500,000

College of Southern Maryland

La Plata - fuel storage tank replacement	210,000
La Plata - WWTP replacement	31,000
Prince Frederick - Academic Complex	350,000

Community Mental Health/Addictions/Dev. Disabilities

Melwood Horticultural Training Center, Inc.	237,000
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Chesapeake Bay Water Quality Loan

Clifton - sewer	250,000
Jude House - pumping station/sewer main	200,000
Mattawoman WWTP - nutrient removal	1,267,000

Waterway Improvement

Cuckhold Creek and Piney Branch - dredging	35,000
Indian Head/Mattingly Park - boat launch facility	100,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Smallwood State Park - replace floating pier	750,000
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Dorchester County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	11,713	11,931	219	1.9
Compensatory Education	1,096	1,355	259	23.7
School Transportation	1,438	1,483	45	3.1
Special Education	450	486	36	7.9
Limited English Proficiency Grants	60	78	19	31.8
Targeted Poverty Grants	558	549	(8)	(1.5)
Extended Elementary	412	412	0	0.0
Aging Schools	65	0	(65)	(100.0)
Class Size Initiative	68	95	27	39.5
Early Education Initiative	125	159	35	27.7
Teacher Development/Mentoring Grants	188	196	8	4.3
Teacher Salary Grant	789	173	(616)	(78.1)
Academic Intervention	181	184	3	1.4
Bridge to Excellence (SB 856)	0	409	409	n.a.
Other Education Aid	816	806	(11)	(1.3)
Primary & Secondary Education	17,957	18,315	358	2.0
Libraries	197	207	10	5.0
Community Colleges	924	984	60	6.5
Health Formula Grant	644	723	79	12.3
** Transportation	4,640	4,779	139	3.0
** Police and Public Safety	361	365	4	1.0
** Fire and Rescue Aid	236	236	0	0.0
Recreation and Natural Resources	192	78	(114)	(59.4)
Disparity Grant	1,928	1,855	(74)	(3.8)
Utility Property Tax Grants	187	187	0	0.0
Total Direct Aid	27,267	27,729	462	1.7
Aid Per Capita (\$)	877	886	9	1.0
Property Tax Equivalent (\$)	1.75	1.69	(0.06)	(3.5)

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Dorchester County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,164,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$955,000
Family Health and Primary Care	54,000
Geriatric and Children's Services	352,000
Mental Health	1,853,000
Prevention and Disease Control	370,000
Developmental Disabilities	1,740,000
AIDS	198,000

Social Services

Homeless Services	40,000
Women's Services	337,000
Adult Services	85,000
Child Welfare Services	409,000

Senior Citizen Services

Long-Term Care	727,000
Community Services	235,000

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

C. Selected State Grants for Capital Projects**Public Schools**

Maces Lane Middle School - construction	\$3,268,000
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Chesapeake College

Caroline College Center - renovation	366,000
Dorchester Administration Bldg. - renovations & addition	2,884,000

Chesapeake Bay Water Quality Loan

Cambridge Combined Sewer - overflow improvements	500,000
Hurlock - nutrient removal	200,000

Waterway Improvement

Cambridge City Yacht Basin - marina upgrade	500,000
Cambridge Fire Department - rescue boat equipment	15,000
Cambridge Franklin St. - complete boat ramp	60,000
Cambridge Sailwinds Park - boat access pier	40,000
Elliotts Island Jetty - rip-rap protection	75,000
Golden Hill - boat ramp overlay	32,000
Shorters Wharf - complete boat ramp	75,000
Taylors Island Dock - replace bulkhead overlay	100,000
Vienna - waterfront park pier	100,000

Other Projects

Dorchester General Hospital	500,000
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D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Cambridge Marine Terminal - railway repairs	50,000
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University System of Maryland

Center for Environ. Science - Aquaculture Ecology Lab	3,463,000
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Frederick County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	81,931	88,198	6,267	7.6
Compensatory Education	2,016	2,865	849	42.1
School Transportation	5,044	5,384	340	6.7
Special Education	2,927	3,193	266	9.1
Limited English Proficiency Grants	409	672	263	64.4
Targeted Poverty Grants	974	989	15	1.5
Extended Elementary	812	812	0	0.0
Aging Schools	85	106	21	24.5
Class Size Initiative	575	929	355	61.8
Early Education Initiative	755	820	65	8.6
Teacher Development/Mentoring Grants	355	363	9	2.4
Teacher Salary Grant	2,600	2,466	(134)	(5.2)
Academic Intervention	689	686	(3)	(0.4)
Bridge to Excellence (SB 856)	0	1,913	1,913	n.a.
Other Education Aid	1,375	1,279	(97)	(7.0)
Primary & Secondary Education	100,548	110,676	10,128	10.1
Libraries	831	854	24	2.9
Community Colleges	6,009	6,115	106	1.8
Health Formula Grant	2,155	2,497	343	15.9
** Transportation	14,617	15,334	718	4.9
** Police and Public Safety	2,007	2,057	50	2.5
** Fire and Rescue Aid	349	354	5	1.5
Recreation and Natural Resources	1,215	495	(721)	(59.3)
Total Direct Aid	127,729	138,382	10,653	8.3
Aid Per Capita (\$)	624	662	38	6.1
Property Tax Equivalent (\$)	0.97	1.01	0.04	3.8

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Frederick County for teachers, librarians, community college faculty, and local officials are estimated to be \$15,292,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,813,000
Family Health and Primary Care	301,000
Geriatric and Children's Services	347,000
Mental Health	8,029,000
Prevention and Disease Control	1,319,000
Developmental Disabilities	11,078,000
AIDS	43,000

Social Services

Homeless Services	216,000
Women's Services	71,000
Adult Services	126,000
Child Welfare Services	889,000

Senior Citizen Services

Long-Term Care	259,000
Community Services	69,000

C. Selected State Grants for Capital Projects

Public Schools

Governor Thomas Johnson High School - construction	\$7,000,000
Green Valley Elementary School - construction	240,000
North Frederick Elementary School - renovations (roof)	178,000
Parkway Elementary School - renovations (roof)	107,000

Community Mental Health/Addictions/Dev. Disabilities

Potomac Healthcare Foundation, Ltd.	1,600,000
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Chesapeake Bay Water Quality Loan

Brunswick WWTP - nutrient removal	100,000
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Water Supply Assistance Loan

Woodsboro - water system improvements	150,000
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D. Capital Projects for State Facilities in the County

Department of Natural Resources

Natl. Park Service - Brunswick boat ramp & access road	100,000
Natl. Park Service - Nolands Ferry boat ramp facilities	40,000
Natl. Park Service - parkwide ADA access/replace toilets	25,000

Garrett County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	11,995	12,157	163	1.4
Compensatory Education	1,202	1,437	235	19.6
School Transportation	1,844	1,900	55	3.0
Special Education	563	581	19	3.3
Targeted Poverty Grants	534	525	(9)	(1.8)
Extended Elementary	311	311	0	0.0
Aging Schools	85	63	(22)	(26.0)
Class Size Initiative	81	112	31	38.6
Early Education Initiative	140	184	44	31.2
Teacher Development/Mentoring Grants	162	162	0	0.0
Teacher Salary Grant	424	345	(79)	(18.6)
Academic Intervention	154	168	14	9.0
Bridge to Excellence (SB 856)	0	312	312	n.a.
Other Education Aid	837	777	(59)	(7.1)
Primary & Secondary Education	18,332	19,036	704	3.8
Libraries	166	170	4	2.3
Community Colleges	2,309	2,702	393	17.0
Health Formula Grant	576	766	190	33.0
** Transportation	5,255	5,413	159	3.0
** Police and Public Safety	244	249	5	2.0
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	239	97	(142)	(59.4)
Disparity Grant	3,000	3,010	11	0.4
Utility Property Tax Grants	12	12	0	0.0
Total Direct Aid	30,333	31,656	1,323	4.4
Aid Per Capita (\$)	1,011	1,052	41	4.0
Property Tax Equivalent (\$)	1.53	1.50	(0.03)	(2.2)

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Garrett County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,210,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$610,000
Family Health and Primary Care	159,000
Geriatric and Children's Services	401,000
Mental Health	2,555,000
Prevention and Disease Control	346,000
Developmental Disabilities	1,693,000

Social Services

Homeless Services	79,000
Women's Services	121,000
Adult Services	27,000
Child Welfare Services	370,000

Senior Citizen Services

Long-Term Care	145,000
Community Services	60,000

C. Selected State Grants for Capital Projects**Public Schools**

Hickory Environmental Center - - renovations	\$595,000
Route 40 Elementary School	1,800,000

Garrett Community College

Continuing Education Building - roof replacement	140,000
Underground storage tank replacement	93,000

Chesapeake Bay Water Quality Loan

Grantsville - sewer	100,000
Keysers Ridge - sewer	200,000
Mountain Lake Park - improvements	100,000

Water Supply Assistance Loan

Crellin - water system upgrade	60,000
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Waterway Improvement

Garrett Community College - small boat access	25,000
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Harford County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	90,095	94,622	4,527	5.0
Compensatory Education	2,723	3,866	1,143	42.0
School Transportation	6,335	6,606	271	4.3
Special Education	5,157	5,569	412	8.0
Limited English Proficiency Grants	427	358	(69)	(16.1)
Targeted Poverty Grants	1,293	1,319	27	2.0
Extended Elementary	850	850	0	0.0
Aging Schools	400	385	(15)	(3.8)
Class Size Initiative	616	979	363	58.8
Early Education Initiative	1,027	997	(29)	(2.9)
Teacher Development/Mentoring Grants	441	434	(7)	(1.7)
Teacher Salary Grant	2,965	2,695	(270)	(9.1)
Academic Intervention	702	721	19	2.7
Bridge to Excellence (SB 856)	0	1,811	1,811	n.a.
Other Education Aid	1,440	1,405	(35)	(2.5)
Primary & Secondary Education	114,472	122,617	8,146	7.1
Libraries	1,178	1,143	(35)	(2.9)
Community Colleges	7,871	8,020	148	1.9
Health Formula Grant	2,660	2,853	193	7.2
** Transportation	12,734	13,169	435	3.4
** Police and Public Safety	2,151	2,171	20	0.9
** Fire and Rescue Aid	359	364	5	1.3
Recreation and Natural Resources	1,704	695	(1,009)	(59.2)
Utility Property Tax Grants	861	861	0	0.0
Total Direct Aid	143,990	151,893	7,903	5.5
Aid Per Capita (\$)	640	667	27	4.2
Property Tax Equivalent (\$)	1.12	1.13	0.01	0.6

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Harford County for teachers, librarians, community college faculty, and local officials are estimated to be \$15,570,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,449,000
Family Health and Primary Care	102,000
Geriatric and Children's Services	540,000
Mental Health	6,601,000
Prevention and Disease Control	1,615,000
Developmental Disabilities	12,401,000
AIDS	44,000

Social Services

Homeless Services	104,000
Women's Services	324,000
Adult Services	94,000
Child Welfare Services	1,134,000

Senior Citizen Services

Long-Term Care	320,000
Community Services	67,000

C. Selected State Grants for Capital Projects**Public Schools**

Aberdeen High School - construction	\$4,000,000
C.M. Wright High School - relocatable classrooms	65,000
Magnolia Middle School - renovations (roof)	538,000
Southampton Middle School - relocatable classrooms	33,000

Harford Community College

Joppa Hall - renovation & additions (Phase I)	1,875,000
Maryland Hall - renovation & science annex conversion	91,000

Community Mental Health/Addictions/Dev. Disabilities

The ARC of Northern Chesapeake Region, Inc.	1,361,000
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Chesapeake Bay Water Quality Loan

Moose Lodge - stream restoration	112,000
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Comprehensive Flood Management Program

Wilson's Mill - relocation	20,000
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Waterway Improvement

Flying Point Park - bulkhead	200,000
Havre de Grace City Marina - replace piers	150,000
Otter Point Creek - renovate boat ramp	75,000

Other Projects

Ripken Stadium and Youth Baseball Academy	1,000,000
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D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Friends Park - dam rehabilitation	90,000
Susquehanna State Park - Lapidum parking lot expansion	15,000

Howard County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	73,843	76,546	2,703	3.7
Compensatory Education	1,207	1,928	721	59.7
School Transportation	6,457	6,946	489	7.6
Special Education	5,340	5,776	436	8.2
Limited English Proficiency Grants	1,608	1,938	331	20.6
Targeted Poverty Grants	702	709	7	1.0
Extended Elementary	255	255	0	0.0
Aging Schools	65	25	(40)	(61.6)
Class Size Initiative	748	1,206	458	61.3
Early Education Initiative	552	586	34	6.2
Teacher Development/Mentoring Grants	439	448	9	2.0
Teacher Salary Grant	3,505	3,334	(171)	(4.9)
Academic Intervention	696	704	8	1.1
Bridge to Excellence (SB 856)	0	1,850	1,850	n.a.
Other Education Aid	2,279	2,342	63	2.8
Primary & Secondary Education	97,695	104,593	6,897	7.1
Libraries	632	613	(19)	(3.0)
Community Colleges	8,727	9,433	706	8.1
Health Formula Grant	1,847	2,009	163	8.8
Transportation	12,996	13,435	438	3.4
Police and Public Safety	2,860	2,936	76	2.7
Fire and Rescue Aid	375	377	2	0.4
Recreation and Natural Resources	3,032	1,231	(1,800)	(59.4)
Other Direct Aid	105	105	0	0.0
Total Direct Aid	128,269	134,731	6,462	5.0
Aid Per Capita (\$)	491	504	13	2.6
Property Tax Equivalent (\$)	0.59	0.60	0.01	1.8

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Howard County for teachers, librarians, community college faculty, and local officials are estimated to be \$22,083,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,146,000
Family Health and Primary Care	221,000
Geriatric and Children's Services	333,000
Mental Health	5,616,000
Prevention and Disease Control	1,238,000
Developmental Disabilities	14,060,000
AIDS	44,000

Social Services

Homeless Services	118,000
Women's Services	231,000
Adult Services	43,000
Child Welfare Services	868,000

Senior Citizen Services

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

C. Selected State Grants for Capital Projects**Public Schools**

Fulton Elementary School - construction	\$1,164,000
Hollifield Station Elementary School - construction	725,000
New Western Middle School #3 - construction	785,000
Oakland Mills High School - construction	3,500,000
Patapsco Middle School - construction	1,737,000

Howard Community College

Arts & Humanities instructional building & parking lot	693,129
Athletic fields and nature trail	350,000
Electrical Service - cable replacement	375,000
Hickory Ridge Building - roof replacement	173,000
Instructional building & quad	2,713,000

Comprehensive Flood Management Program

Brookmede - acquisition	25,000
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D. Capital Projects for State Facilities in the County**Department of Public Safety & Corrections**

Patuxent Institution - fire safety improvements	6,560,000
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Kent County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	4,683	4,597	(86)	(1.8)
Compensatory Education	231	343	111	48.2
School Transportation	966	1,000	34	3.5
Special Education	351	356	5	1.3
Limited English Proficiency Grants	48	48	0	0.0
Targeted Poverty Grants	190	192	2	0.8
Extended Elementary	280	280	0	0.0
Aging Schools	65	54	(11)	(17.5)
Class Size Initiative	40	62	22	54.5
Early Education Initiative	44	156	112	254.9
Teacher Development/Mentoring Grants	120	120	0	0.0
Teacher Salary Grant	280	252	(28)	(10.1)
Academic Intervention	109	111	1	1.3
Bridge to Excellence (SB 856)	0	120	120	n.a.
Other Education Aid	565	535	(29)	(5.2)
Primary & Secondary Education	7,973	8,225	252	3.2
Libraries	85	83	(2)	(1.9)
Community Colleges	464	495	30	6.5
Health Formula Grant	484	628	144	29.8
** Transportation	2,397	2,476	79	3.3
** Police and Public Safety	198	199	1	0.5
** Fire and Rescue Aid	207	207	0	0.0
Recreation and Natural Resources	144	59	(85)	(59.2)
Total Direct Aid	11,951	12,371	420	3.5
Aid Per Capita (\$)	616	631	15	2.5
Property Tax Equivalent (\$)	0.86	0.86	0.00	0.0

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Kent County for teachers, librarians, community college faculty, and local officials are estimated to be \$1,282,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,630,000
Family Health and Primary Care	72,000
Geriatric and Children's Services	301,000
Mental Health	1,853,000
Prevention and Disease Control	244,000
Developmental Disabilities	1,089,000
AIDS	57,000

Social Services

Homeless Services	2,000
Women's Services	337,000
Adult Services	28,000
Child Welfare Services	205,000

Senior Citizen Services

Long-Term Care	569,000
Community Services	96,000

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

C. Selected State Grants for Capital Projects

Public Schools

Chestertown Middle School - renovations (windows)	\$225,000
H. H. Garnett Elementary School - renovations (boilers)	325,000

Chesapeake College

Caroline College Center - renovation	366,000
Dorchester Administration Bldg. - renovations & addition	2,884,000

Senior Citizen Activity Centers

Kent Senior Center	417,000
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Chesapeake Bay Water Quality Loan

Chestertown WWTP - nutrient removal	100,000
West Millington Sewer - extension	150,000

Water Supply Assistance Loan

Millington - water system	150,000
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Waterway Improvement

Pelonus Marina - widen boat ramp	100,000
Quaker Neck - dredging	82,000
Shipyard Creek Boat Ramp - complete sheeting repair	20,000

Other Projects

Washington College - Dunning-Decker Science Building	2,575,000
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Montgomery County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	121,264	129,061	7,796	6.4
Compensatory Education	4,533	6,346	1,813	40.0
School Transportation	16,522	17,469	948	5.7
Special Education	16,449	17,216	767	4.7
Limited English Proficiency Grants	13,687	15,021	1,334	9.7
Targeted Poverty Grants	4,649	4,699	50	1.1
Extended Elementary	1,266	1,266	0	0.0
Aging Schools	1,170	256	(914)	(78.1)
Class Size Initiative	3,537	5,051	1,514	42.8
Early Education Initiative	1,538	1,822	284	18.5
Teacher Development/Mentoring Grants	1,466	1,516	50	3.4
Teacher Salary Grant	13,208	11,826	(1,382)	(10.5)
Academic Intervention	2,157	2,303	146	6.8
Bridge to Excellence (SB 856)	0	7,586	7,586	n.a.
Other Education Aid	7,173	7,618	446	6.2
Primary & Secondary Education	208,617	229,056	20,439	9.8
Libraries	2,066	2,132	66	3.2
Community Colleges	29,693	31,570	1,877	6.3
Health Formula Grant	4,646	5,041	395	8.5
** Transportation	35,726	36,758	1,031	2.9
** Police and Public Safety	13,985	14,430	444	3.2
** Fire and Rescue Aid	1,302	1,307	5	0.4
Recreation and Natural Resources	7,711	3,131	(4,580)	(59.4)
Utility Property Tax Grants	2,766	2,766	0	0.0
Total Direct Aid	306,511	326,189	19,678	6.4
Aid Per Capita (\$)	340	357	17	4.9
Property Tax Equivalent (\$)	0.37	0.37	0.00	0.0

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Montgomery County for teachers, librarians, community college faculty, and local officials are estimated to be \$75,455,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$3,715,000
Family Health and Primary Care	65,000
Geriatric and Children's Services	1,563,000
Mental Health	22,919,000
Prevention and Disease Control	4,419,000
Developmental Disabilities	49,546,000
AIDS	198,000

Social Services

Homeless Services	391,000
Women's Services	304,000
Adult Services	406,000
Child Welfare Services	2,553,000

Senior Citizen Services

Long-Term Care	1,096,000
Community Services	192,000

C. Selected State Grants for Capital Projects**Public Schools**

Brown Station Elementary School - renovations (boilers)	\$100,000
Candlewood Elementary School - renovations (roof)	79,000
Col. Zadok Magruder High School - renovations (roof)	289,000
Damascus High School - relocatable classrooms	50,000
Damascus High School - renovations (roof, phase II)	132,000
Darnestown Elementary School - renovations (HVAC)	200,000
Einstein High School - relocatable classrooms	50,000
Einstein Middle School #2 - construction	6,012,000
Fox Chapel Elementary School - renovations (boilers)	100,000
Gaithersburg High School - relocatable classrooms	25,000
Lake Seneca Elementary School - renovations (boilers)	100,000
Longview Special Education School - renovations (HVAC)	100,000
Mark Twain Special Education School - renovations (roof)	302,000
Oakland Terrace Elementary School - construction	83,000
Robert Frost Middle School - construction	2,320,000
Stonegate Elementary School - renovations (roof)	80,000
Walter Whitman High School - construction	1,733,000
Weller Road Elementary School - renovations (HVAC)	100,000

Montgomery College

Germantown - Humanities & Social Sciences Buildings	153,000
Germantown - Physical Education Building	130,000
Rockville - Performing Arts Center	91,000
Takoma Park - expansion	5,154,000

Community Mental Health/Addictions/Dev. Disabilities

CHI Centers, Inc.	400,000
Community Support Services, Inc.	503,000
Housing Unlimited, Inc.	720,000

Senior Citizen Activity Centers

Silver Spring Senior Source	518,000
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Chesapeake Bay Water Quality Loan

Alta Vista - stream restoration	133,520
Blue Plains WWTP - nutrient removal	2,250,000
Poolesville WWTP - nutrient removal	200,000
Seneca WWTP - nutrient removal	4,000,000

Waterway Improvement

Seneca Creek - boat access pier	\$35,000
Seneca Creek - boat ramp shore stabilization	70,000

Other Projects

Holy Cross Hospital	345,000
Strathmore Hall Performing Arts Center	3,000,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Natl. Park Service - parkwide ADA access/replace toilets	25,000
Seneca Creek State Park - boathouse repairs	140,000

University System of Maryland

System Office - new garage at Shady Grove	18,000,000
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Prince George's County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	321,635	342,500	20,865	6.5
Compensatory Education	12,633	19,759	7,126	56.4
School Transportation	21,207	21,995	788	3.7
Special Education	35,000	36,838	1,838	5.3
Limited English Proficiency Grants	7,946	9,297	1,351	17.0
Targeted Poverty Grants	12,481	13,020	539	4.3
Magnet/Effective Schools	16,100	16,100	0	0.0
Extended Elementary	1,732	1,732	0	0.0
Class Size Initiative	2,244	3,427	1,183	52.7
Early Education Initiative	2,619	3,121	502	19.2
Teacher Development/Mentoring Grants	6,462	6,502	40	0.6
Teacher Salary Grant	10,725	9,114	(1,611)	(15.0)
Academic Intervention	3,374	3,477	103	3.1
Bridge to Excellence (SB 856)	0	12,527	12,527	n.a.
Prince George's Restructuring Grant	0	10,000	10,000	n.a.
Other Education Aid	10,651	13,174	2,523	23.7
Primary & Secondary Education	464,809	522,584	57,775	12.4
Libraries	4,917	5,229	313	6.4
Community Colleges	19,095	19,437	342	1.8
Health Formula Grant	7,918	8,146	228	2.9
** Transportation	31,360	32,357	997	3.2
** Police and Public Safety	17,234	17,629	396	2.3
** Fire and Rescue Aid	1,124	1,120	(4)	(0.4)
Recreation and Natural Resources	6,508	2,649	(3,859)	(59.3)
Disparity Grant	6,879	14,753	7,874	114.5
Utility Property Tax Grants	7,745	7,745	0	0.0
** Other Direct Aid	181	181	0	0.0
Total Direct Aid	567,770	631,830	64,060	11.3
Aid Per Capita (\$)	690	759	69	10.0
Property Tax Equivalent (\$)	1.36	1.46	0.10	7.2

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Prince George's County for teachers, librarians, community college faculty, and local officials are estimated to be \$51,509,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$8,754,000
Family Health and Primary Care	3,067,000
Geriatric and Children's Services	1,913,000
Mental Health	27,083,000
Prevention and Disease Control	4,312,000
Developmental Disabilities	45,471,000
AIDS	286,000

Social Services

Homeless Services	576,000
Women's Services	380,000
Adult Services	443,000
Child Welfare Services	1,669,000

Senior Citizen Services

Long-Term Care	886,000
Community Services	197,000

C. Selected State Grants for Capital Projects**Public Schools**

Ardmore Elementary School - renovations (roof)	\$448,000
Berwyn Heights Elementary School - construction	173,000
Bladensburg High School - construction	6,600,000
Hill Road Middle/Benjamin Davis Elementary School - construction	3,574,000
Lamont Elementary School - renovations (roof)	480,000
Margaret Brent Special Education Center - renovations (roof)	434,000
Springhill Lake Elementary School - renovations (boilers)	206,000
Yorktown Elementary School - renovations (roof)	432,000

Prince George's Community College

Bladen Hall Student Services Wing - renovation	3,600,000
Major systems replacement	941,186
Technology Building - construction	788,305

Chesapeake Bay Water Quality Loan

Blue Plains WWTP - nutrient removal	2,250,000
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Comprehensive Flood Management Program

Anacostia River - flood warning system	105,000
Oxon Run - levee enhancement	295,000

Waterway Improvement

Bladensburg Waterfront Park - dredging	200,000
Prince George's Police Department - fire/rescue vessel	50,000

Other Projects

Capitol College - McGowan Academic Center	3,000,000
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D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Fort Washington Marina - replace "A" pier	100,000
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Department of Juvenile Justice

Cheltenham Youth Facility - demolition (Phase I)	165,000
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University System of Maryland

Bowie State - Center for Business and Graduate Studies	\$550,000
College Park - Baseball Stadium, phase I	350,000
College Park - Biological Sciences Research Building	1,900,000
College Park - Chemical & Nuclear Engineering Building	3,729,000
College Park - construct new arena	4,000,000
College Park - Gossett Football Team House	1,000,000
College Park - Health Center addition & renovation	12,950,000
College Park - Key & Taliaferro Halls	1,550,000
College Park - Queen Anne's Hall renovation	7,285,000
University College - Conference Center hotel addition	18,000,000

Queen Anne's County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	13,129	13,760	630	4.8
Compensatory Education	492	656	164	33.4
School Transportation	1,700	1,763	63	3.7
Special Education	575	604	29	5.0
Limited English Proficiency Grants	37	36	(1)	(3.6)
Targeted Poverty Grants	221	224	4	1.6
Extended Elementary	351	351	0	0.0
Aging Schools	85	33	(52)	(61.7)
Class Size Initiative	112	181	68	60.6
Early Education Initiative	148	140	(8)	(5.4)
Teacher Development/Mentoring Grants	135	127	(8)	(5.8)
Teacher Salary Grant	477	420	(57)	(12.0)
Academic Intervention	196	198	3	1.4
Bridge to Excellence (SB 856)	0	106	106	n.a.
Other Education Aid	939	607	(332)	(35.3)
Primary & Secondary Education	18,598	19,206	608	3.3
Libraries	147	132	(15)	(9.9)
Community Colleges	1,118	1,191	73	6.5
Health Formula Grant	618	701	83	13.4
** Transportation	4,561	4,737	176	3.9
** Police and Public Safety	387	386	(1)	(0.2)
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	313	127	(186)	(59.4)
Total Direct Aid	25,942	26,679	737	2.8
Aid Per Capita (\$)	613	619	6	0.9
Property Tax Equivalent (\$)	0.78	0.76	(0.02)	(2.8)

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Queen Anne's County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,902,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$592,000
Family Health and Primary Care	212,000
Geriatric and Children's Services	421,000
Mental Health	1,853,000
Prevention and Disease Control	492,000
Developmental Disabilities	2,301,000

Social Services

Homeless Services	14,000
Women's Services	337,000
Adult Services	22,000
Child Welfare Services	314,000

Senior Citizen Services

Long-Term Care	118,000
Community Services	34,000

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

C. Selected State Grants for Capital Projects**Public Schools**

Centreville Elementary School - construction	\$2,000,000
New Kent Island Area Elementary School - construction	3,000,000

Chesapeake College

Caroline College Center - renovation	366,000
Dorchester Administration Bldg. - renovations & addition	2,884,000

Senior Citizen Activity Centers

Grasonville Senior Center	557,000
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Chesapeake Bay Water Quality Loan

Centreville WWTP - nutrient removal	250,000
Kent Island WWTP - nutrient removal	2,828,000

Comprehensive Flood Management Program

Millington-Leonard - acquisition	8,000
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Waterway Improvement

Bryantown Landing - replace bulkhead	85,000
Corsica River - dredging	50,000
Little Creek - parking and lighting	20,000
Thompson Creek - parking expansion	20,000

D. Capital Projects for State Facilities in the County**Other**

Eastern Shore Higher Education Center	600,000
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St. Mary's County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	34,553	36,821	2,269	6.6
Compensatory Education	1,918	2,519	601	31.3
School Transportation	3,348	3,483	135	4.0
Special Education	2,099	2,202	103	4.9
Limited English Proficiency Grants	153	187	34	22.0
Targeted Poverty Grants	723	727	3	0.5
Extended Elementary	873	873	0	0.0
Aging Schools	85	152	67	79.1
Class Size Initiative	242	382	140	57.9
Early Education Initiative	370	378	9	2.4
Teacher Development/Mentoring Grants	187	187	0	0.1
Teacher Salary Grant	1,160	1,028	(132)	(11.3)
Academic Intervention	335	357	23	6.8
Bridge to Excellence (SB 856)	0	497	497	n.a.
Other Education Aid	1,006	648	(358)	(35.5)
Primary & Secondary Education	47,050	50,441	3,391	7.2
Libraries	528	486	(43)	(8.1)
Community Colleges	1,471	1,591	119	8.1
Health Formula Grant	1,270	1,337	67	5.3
** Transportation	6,001	6,268	267	4.5
** Police and Public Safety	816	789	(27)	(3.3)
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	577	234	(343)	(59.4)
Total Direct Aid	57,914	61,346	3,432	5.9
Aid Per Capita (\$)	654	684	30	4.6
Property Tax Equivalent (\$)	1.11	1.13	0.02	2.0

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for St. Mary's County for teachers, librarians, community college faculty, and local officials are estimated to be \$5,921,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,815,000
Family Health and Primary Care	94,000
Geriatric and Children's Services	349,000
Mental Health	4,028,000
Prevention and Disease Control	558,000
Developmental Disabilities	4,891,000

Social Services

Homeless Services	71,000
Women's Services	136,000
Adult Services	89,000
Child Welfare Services	661,000

Senior Citizen Services

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

C. Selected State Grants for Capital Projects**Public Schools**

Dr. James A. Forrest Career & Tech. Ctr. - construction	\$2,303,000
Margaret Brent Middle School - construction	2,000,000
Margaret Brent Middle School - relocatable classrooms	140,000

College of Southern Maryland

La Plata - fuel storage tank replacement	210,000
La Plata - WWTP replacement	31,000
Prince Frederick - Academic Complex	350,000

Community Mental Health/Addictions/Dev. Disabilities

Walden Sierra, Inc.	1,600,000
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Chesapeake Bay Water Quality Loan

Leonardtown - nutrient removal	150,000
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Waterway Improvement

Abell's Wharf - upgrade ramp & new piers	50,000
Tanner Creek - dredging	15,000
Wicomico - ramp/bulkhead	100,000

D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Point Lookout State Park - Ft. Lincoln Comfort Station	30,000
Point Lookout State Park - Admin. Bldg./Visitors Center	30,000
Point Lookout State Park - shoreline stabilization	100,000
Sotterly - new pier, road, kiosk, shelter	125,000

Historic St. Mary's City Commission

St. John's Archaeological Site	2,217,000
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St. Mary's College

Academic Building - construction	1,543,000
Student Services Building - construction	415,000

Somerset County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	8,139	8,543	404	5.0
Compensatory Education	1,055	1,404	348	33.0
School Transportation	1,134	1,144	10	0.9
Special Education	361	371	9	2.6
Limited English Proficiency Grants	73	77	4	5.6
Targeted Poverty Grants	460	468	8	1.8
Extended Elementary	310	310	0	0.0
Aging Schools	65	0	(65)	(100.0)
Class Size Initiative	47	70	22	47.4
Early Education Initiative	99	100	1	1.2
Teacher Development/Mentoring Grants	131	131	0	0.0
Teacher Salary Grant	528	450	(79)	(14.9)
Academic Intervention	137	136	(1)	(1.1)
Bridge to Excellence (SB 856)	0	556	556	n.a.
Other Education Aid	201	153	(48)	(24.0)
Primary & Secondary Education	12,740	13,911	1,171	9.2
Libraries	215	223	8	3.8
Community Colleges	479	527	49	10.1
Health Formula Grant	656	699	43	6.5
** Transportation	2,824	2,910	86	3.1
** Police and Public Safety	220	236	16	7.5
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	137	56	(82)	(59.5)
Disparity Grant	3,755	4,289	534	14.2
Total Direct Aid	21,225	23,050	1,825	8.6
Aid Per Capita (\$)	846	911	65	7.7
Property Tax Equivalent (\$)	2.90	3.08	0.18	6.1

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Somerset County for teachers, librarians, community college faculty, and local officials are estimated to be \$1,365,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$869,000
Family Health and Primary Care	109,000
Geriatric and Children's Services	327,000
Mental Health	5,664,000
Prevention and Disease Control	306,000
Developmental Disabilities	1,404,000
AIDS	69,000

Social Services

Homeless Services	8,000
Women's Services	279,000
Adult Services	40,000
Child Welfare Services	395,000

Senior Citizen Services

Long-Term Care	727,000
Community Services	235,000

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

C. Selected State Grants for Capital Projects**Chesapeake Bay Water Quality Loan**

Crisfield - nutrient removal	\$100,000
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Waterway Improvement

Sheriff's Office - replace patrol/rescue vessel	50,000
Small Boat Harbor - replace boat ramp	100,000
Webster's Cove - new boat ramp	100,000

D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Smith Island at Rhodes Point - dredging/stone revetment	270,000
Somers Cove Marina - bulkhead/marina improvements	300,000

University System of Maryland

Eastern Shore - Dining Hall/Somerset Hall renovation	587,000
Eastern Shore - Murphy Hall Annex renovation	3,500,000
Eastern Shore - utilities upgrade and site improvements	390,000
Eastern Shore - Wicomico Hall renovation	400,000

Talbot County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	1,325	1,400	76	5.7
Compensatory Education	262	371	109	41.6
School Transportation	917	945	28	3.0
Special Education	261	277	16	6.1
Limited English Proficiency Grants	85	122	36	42.7
Targeted Poverty Grants	199	201	2	1.1
Extended Elementary	315	315	0	0.0
Aging Schools	155	108	(47)	(30.4)
Class Size Initiative	71	105	34	47.8
Early Education Initiative	39	40	1	2.7
Teacher Development/Mentoring Grants	138	122	(16)	(11.5)
Teacher Salary Grant	1,220	260	(960)	(78.7)
Academic Intervention	158	161	2	1.5
Bridge to Excellence (SB 856)*	0	1,010	1,010	n.a.
Other Education Aid	265	266	1	0.3
Primary & Secondary Education	5,410	5,702	292	5.4
Libraries	81	82	1	1.2
Community Colleges	1,075	1,145	70	6.5
Health Formula Grant	455	587	133	29.2
** Transportation	3,723	3,849	126	3.4
** Police and Public Safety	394	398	4	0.9
** Fire and Rescue Aid	216	216	0	0.0
Recreation and Natural Resources	332	134	(198)	(59.6)
Total Direct Aid	11,686	12,113	427	3.7
Aid Per Capita (\$)	339	348	9	2.8
Property Tax Equivalent (\$)	0.31	0.30	(0.01)	(4.3)

* If Talbot County does not meet the local education effort requirements of SB 856, aid will be reduced to \$417,165.

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Talbot County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,007,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$556,000
Family Health and Primary Care	58,000
Geriatric and Children's Services	234,000
Mental Health	1,853,000
Prevention and Disease Control	323,000
Developmental Disabilities	1,918,000
AIDS	57,000

Social Services

Homeless Services	37,000
Women's Services	337,000
Adult Services	35,000
Child Welfare Services	407,000

Senior Citizen Services

Long-Term Care	569,000
Community Services	96,000

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

C. Selected State Grants for Capital Projects

Chesapeake College

Caroline College Center - renovation	\$366,000
Dorchester Administration Bldg. - renovations & addition	2,884,000

Chesapeake Bay Water Quality Loan

Trappe WWTP - expansion	125,000
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Waterway Improvement

Claiborne Landing - replace boat ramp	80,000
Oak Creek Landing - replace boat ramp	80,000
Oxford Fire Department - fire/rescue vessel/equipment	50,000
St. Michael's - replace West Harbor Road bulkhead	100,000

Hazardous Substance Cleanup Program

Easton - gas projects	250,000
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Washington County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	45,742	47,490	1,748	3.8
Compensatory Education	2,677	3,127	451	16.8
School Transportation	3,695	3,797	102	2.8
Special Education	3,229	3,421	192	6.0
Limited English Proficiency Grants	205	203	(3)	(1.3)
Targeted Poverty Grants	1,175	1,202	27	2.3
Extended Elementary	599	599	0	0.0
Aging Schools	200	277	77	38.3
Class Size Initiative	307	471	164	53.4
Early Education Initiative	526	572	45	8.6
Teacher Development/Mentoring Grants	352	344	(8)	(2.2)
Teacher Salary Grant	1,612	1,383	(229)	(14.2)
Academic Intervention	386	402	16	4.1
Bridge to Excellence (SB 856)	0	1,181	1,181	n.a.
Other Education Aid	1,724	1,359	(364)	(21.1)
Primary & Secondary Education	62,428	65,828	3,400	5.4
Libraries	786	830	44	5.6
Community Colleges	5,077	5,350	273	5.4
Health Formula Grant	2,017	2,299	282	14.0
** Transportation	9,670	10,023	354	3.7
** Police and Public Safety	1,349	1,396	47	3.5
** Fire and Rescue Aid	225	225	0	0.1
Recreation and Natural Resources	907	366	(541)	(59.6)
Disparity Grant	676	1,987	1,311	193.9
Utility Property Tax Grants	357	357	0	0.0
Total Direct Aid	83,492	88,662	5,170	6.2
Aid Per Capita (\$)	622	655	33	5.3
Property Tax Equivalent (\$)	1.22	1.26	0.04	3.1

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Washington County for teachers, librarians, community college faculty, and local officials are estimated to be \$8,350,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$2,357,000
Family Health and Primary Care	173,000
Geriatric and Children's Services	652,000
Mental Health	8,493,000
Prevention and Disease Control	1,146,000
Developmental Disabilities	7,484,000
AIDS	202,000

Social Services

Homeless Services	235,000
Women's Services	198,000
Adult Services	167,000
Child Welfare Services	1,288,000

Senior Citizen Services

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

C. Selected State Grants for Capital Projects**Public Schools**

Springfield Middle School - renovations (roof)	\$480,000
Western Heights Middle School - renovations (HVAC)	195,000
Williamsport Elementary School - construction	686,000

Hagerstown College

Administration to Registration Center - conversion	1,180,000
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Community Mental Health/Addictions/Dev. Disabilities

On Our Own of Maryland, Inc.	168,000
The "W" House of Hagerstown, Inc.	436,000

Adult Day Care Centers

ARC of Washington County, Inc.	764,000
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Chesapeake Bay Water Quality Loan

Winebrenner WWTP - upgrade	100,000
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Water Supply Assistance Loan

Pen Mar - water system	440,000
Sharpsburg - water treatment plant	200,000

D. Capital Projects for State Facilities in the County**Department of Natural Resources**

South Mountain Battlefield - renovate museum buildings	75,000
Natl. Park Service - parkwide ADA access/replace toilets	25,000

Maryland Environmental Service

Correctional Inst. Hagerstown - wastewater treatment facility	601,000
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Department of Public Safety & Corrections

Correctional Inst. Hagerstown - central kitchen	3,441,000
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Wicomico County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	35,400	36,774	1,374	3.9
Compensatory Education	2,669	3,532	864	32.4
School Transportation	2,766	2,853	87	3.2
Special Education	1,075	1,166	91	8.5
Limited English Proficiency Grants	323	353	30	9.2
Targeted Poverty Grants	1,083	1,101	17	1.6
Extended Elementary	790	790	0	0.0
Aging Schools	355	149	(206)	(58.0)
Class Size Initiative	240	334	94	39.1
Early Education Initiative	353	361	8	2.2
Teacher Development/Mentoring Grants	317	325	8	2.6
Teacher Salary Grant	2,274	2,095	(180)	(7.9)
Academic Intervention	374	374	0	0.1
Bridge to Excellence (SB 856)	0	1,411	1,411	n.a.
Other Education Aid	972	939	(32)	(3.3)
Primary & Secondary Education	48,992	52,556	3,565	7.3
Libraries	534	607	72	13.6
Community Colleges	2,873	3,165	291	10.1
Health Formula Grant	1,337	1,561	224	16.7
** Transportation	7,358	7,632	273	3.7
** Police and Public Safety	906	967	60	6.7
** Fire and Rescue Aid	221	221	0	0.0
Recreation and Natural Resources	603	245	(358)	(59.4)
Disparity Grant	1,108	3,203	2,095	189.0
Total Direct Aid	63,933	70,156	6,223	9.7
Aid Per Capita (\$)	730	788	58	8.0
Property Tax Equivalent (\$)	1.62	1.72	0.10	5.9

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Wicomico County for teachers, librarians, community college faculty, and local officials are estimated to be \$6,158,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,634,000
Family Health and Primary Care	426,000
Geriatric and Children's Services	657,000
Mental Health	5,993,000
Prevention and Disease Control	700,000
Developmental Disabilities	4,802,000
AIDS	69,000

Social Services

Homeless Services	33,000
Women's Services	299,000
Adult Services	48,000
Child Welfare Services	483,000

Senior Citizen Services

Long-Term Care	727,000
Community Services	235,000

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

C. Selected State Grants for Capital Projects**Public Schools**

Bennett Middle School - renovations (roof)	\$64,000
Pittsville Elementary/Middle School - construction	892,000
Wicomico Middle School - renovations (roof)	76,000
Willards Elementary School - construction	1,652,000

Wor-Wic Tech Community College

Student Center - addition	186,064
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Chesapeake Bay Water Quality Loan

Delmar - nutrient removal	100,000
Fruitland WWTP - nutrient removal	1,347,000
Salisbury WWTP - nutrient removal	1,600,000

Waterway Improvement

Fruitland Volunteer Fire Department - new boat	50,000
Nanticoke Harbor - complete ramp/parking/ADA	25,000
Nanticoke Harbor - DMP site acquisition	150,000
Riverside Boat Ramp - replace launching facility	75,000

Other Projects

Peninsula Regional Medical Center	445,000
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D. Capital Projects for State Facilities in the County**Department of Labor, Licensing & Regulation**

Eastern Shore Regional Claims Center - acquisition	1,400,000
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Department of Juvenile Justice

Eastern Shore Detention Center	260,000
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Military

Salisbury Armory - organizational maintenance shop	3,036,000
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Worcester County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	2,742	2,474	(268)	(9.8)
Compensatory Education	443	630	187	42.1
School Transportation	1,664	1,707	43	2.6
Special Education	270	286	17	6.2
Limited English Proficiency Grants	109	92	(16)	(14.9)
Targeted Poverty Grants	384	382	(2)	(0.4)
Extended Elementary	282	282	0	0.0
Aging Schools	65	10	(55)	(85.2)
Class Size Initiative	101	151	51	50.2
Early Education Initiative	74	72	(2)	(3.0)
Teacher Development/Mentoring Grants	149	149	0	0.1
Teacher Salary Grant	1,005	714	(291)	(29.0)
Academic Intervention	185	178	(7)	(3.8)
Bridge to Excellence (SB 856)*	0	1,497	1,497	n.a.
Other Education Aid	688	650	(38)	(5.5)
Primary & Secondary Education	8,161	9,275	1,115	13.7
Libraries	107	116	8	7.8
Community Colleges	1,379	1,518	140	10.1
Health Formula Grant	491	711	219	44.7
** Transportation	5,627	5,872	245	4.3
** Police and Public Safety	635	661	26	4.1
** Fire and Rescue Aid	240	242	2	0.7
Recreation and Natural Resources	590	240	(350)	(59.3)
Total Direct Aid	17,229	18,634	1,405	8.2
Aid Per Capita (\$)	348	366	18	5.2
Property Tax Equivalent (\$)	0.26	0.27	0.01	3.0

* If Worcester County does not meet the local education effort requirements of SB 856, aid will be reduced to \$523,004.

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. Fiscal 2003 State payments for Worcester County for teachers, librarians, community college faculty, and local officials are estimated to be \$3,250,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2003 allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2002) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,700,000
Family Health and Primary Care	82,000
Geriatric and Children's Services	385,000
Mental Health	2,675,000
Prevention and Disease Control	558,000
Developmental Disabilities	2,640,000
AIDS	66,000

Social Services

Homeless Services	33,000
Women's Services	304,000
Adult Services	31,000
Child Welfare Services	406,000

Senior Citizen Services

Long-Term Care	727,000
Community Services	235,000

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

C. Selected State Grants for Capital Projects**Public Schools**

Pocomoke Elementary School - renovations (HVAC)	\$283,000
Stephen Decatur Middle School - construction	1,235,000

Wor-Wic Tech Community College

Student Center - addition	186,064
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Waterway Improvement

George Island Landing - boat ramp parking lot	50,000
Pocomoke Learning Center - repair pier fuel pump	75,000
Public Landing - bulkhead/parking lot rehabilitation	100,000
Snow Hill - repair Byrd Park boat ramp/decking	78,000

Other Projects

Atlantic General Hospital	750,000
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D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Asseteague State Park - pave boat ramp parking lot	75,000
Ocean City - beach replenishment	2,000,000
Pocomoke River State Park - replace Milburn Landing pier	75,000
Pocomoke River State Park - replace Shad Landing bubbler	30,000
Pocomoke River State Park - upgrade septic system	75,000

Part B

Taxes

Property Taxes

Property Tax Administration

Petition for Review

Under current law, a property tax assessment can be appealed in several ways. Taxpayers, counties, municipalities, and the Attorney General can appeal an assessment within 45 days of receipt of an assessment notice, by a petition for review, and, in the case of the taxpayer, within 60 days of purchase of property between January 1 and June 30. A petition for review, which triggers an out-of-cycle assessment appeal, must be filed with the Department of Assessments and Taxation by January 1 of any year.

Since 1976, when the authority to appeal assessments by filing a petition for review was granted to local governments, Montgomery County has been the only county to use the authority. No municipality had ever filed a petition until recently when the City of Rockville filed ten and Gaithersburg filed one. The Attorney General's Office has never filed a petition.

In recent years, Montgomery County has routinely filed a petition for appeal of a property tax assessment when property sells for significantly more than the current assessment. Property owners and the Department of Assessments and Taxation have objected that these petitions for review, by resulting in assessment increases outside of the three-year cycle for assessments under the State's triennial assessment process, effectively violate assessment uniformity and can result in large variances in property assessments within the same neighborhood.

Senate Bill 208/House Bill 892 (both passed) are emergency bills that repeal the authority for municipalities, counties, and the Attorney General to appeal a real property tax assessment outside of an assessment cycle. The right to appeal within 45 days after an assessment is issued remains unchanged. The bills also provide that the Department of Assessments and Taxation may not certify an assessment after the effective date of the bill that reflects an increase related to a petition for review after January 1, 2000 by a local government, and the local government may not issue a tax bill after the effective date of the bill that reflects an increase related to a petition for review after January 1, 2000, by a local government.

Assessment Process

Country Clubs and Golf Courses: In an effort to help protect golf course green space from increased pressure to convert to commercial or residential development as a result of rapidly increasing property tax assessments, *Senate Bill 571/House Bill 758 (both passed)* change the assessment method for the land of country clubs and public golf courses to the assessment method for open space if the clubs and golf courses are located on at least 50 acres with at least nine holes. The Department of Assessments and Taxation must adopt regulations establishing the value of land under this bill.

Under current law, a country club (but not a golf course open to the public) may enter into an agreement with the department for an assessment based on its current use as a country club rather than its highest and best use. A country club is not eligible for the special use assessment if it allows or practices discrimination based on race, color, creed, sex, or national origin. Golf courses are assessed at market value, with land being appraised as if the land were vacant and available for its most economic use. For both country clubs and golf courses, improvements are valued at the cost to construct such improvements, less applicable depreciation. Most country club and golf course land is currently assessed in excess of \$5,000 per acre.

Senate Bill 571/House Bill 758 authorize golf courses as well as country clubs to enter into agreements with the department for special use valuation of land used as a golf course. Under the bills, these agreements are subject to the same nondiscrimination requirement as under the current law. Under the bills, for both country clubs and golf courses that enter into the agreements, land actively used as a country club or golf course will be valued at rates equivalent to rates for open space land.

As a result of assessing golf courses as open space at \$1,000 per acre, State special fund revenues could decrease by \$47,500 in fiscal 2003 and by \$75,000 in fiscal 2004, increasing annually thereafter based on expected assessment increases. General fund expenditures will increase by a corresponding amount. Because all State property tax revenues are dedicated to paying the debt service on State general obligation bonds, any decrease in property tax revenue will result in increased general fund expenditures to pay debt service.

Local government property tax revenues could decrease as follows:

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
County	\$537,600	\$858,200	\$1,123,300	\$1,291,700	\$1,428,400
Municipal	\$15,700	\$19,000	\$21,800	\$24,000	\$27,800

Personal Property: Under current law, in order to correct the prior filing of a personal property tax return with the Department of Assessments and Taxation, a property owner must appeal an assessment by submitting a petition for review within three years of the date of the notice of assessment. If an assessment is reduced by means of an appeal, any refund paid to the taxpayer must provide for interest at the same rate that would have been charged if the taxes were overdue.

Senate Bill 430/House Bill 588 (both passed) provide that a person who files a personal property report and subsequently determines that information was incorrectly reported may file an amended report and receive a refund within three years after the April 15 that the original report was due. After reviewing an amended report, the department may either issue a corrected assessment notice or notify the person that the original assessment stands. The taxpayer may appeal the department determination. The bills also clarify that a local government must refund tax overpayments resulting from a corrected assessment issued by the department but a municipality can pay a refund without interest if the refund is due to taxpayer error.

Property Tax Credits

Surviving Spouse of Fire, Rescue, or Emergency Medical Service Personnel

Chapter 531 of 2001 provided a real property tax exemption for the surviving spouse of an individual who died in the line of duty while in the active military, naval, or air service of the United States. **Senate Bill 867 (passed)** authorizes a local government to grant a real property tax credit on a dwelling that is owned by the surviving spouse of a fallen rescue worker. The dwelling must be the surviving spouse’s legal residence and not be occupied by more than two families. A fallen rescue worker means an individual who dies while in active service of a fire, rescue, or emergency medical service, unless the death was a result of the individual’s willful misconduct or abuse of alcohol or drugs.

In order to qualify for the credit, the surviving spouse must have not remarried and the dwelling must have been: (1) owned by the fallen rescue worker at the time of death; (2) purchased by the surviving spouse within two years of the fallen rescue worker’s death as long as the worker or the spouse were domiciled in Maryland at the

time of death; or (3) acquired after the surviving spouse qualified for the exemption for a former house, to the extent of the previous exemption.

Other Tax Credits

Senate Bill 40/House Bill 355 (passed) allow a homeowner age 70 or older to apply and receive a Homeowners' Tax Credit for up to three years after the usual filing deadline. The homeowners' (circuit breaker) tax credit is a State funded program, enacted in 1975, that provides credits against State and local real property taxation for homeowners who qualify based on a sliding scale of tax liability and income. Only the taxes associated with the first \$150,000 of assessed valuation of an individual's principal residence may qualify for the credit, and any taxpayer with a net worth of more than \$200,000, excluding the value of the home, is currently ineligible.

Senate Bill 344/House Bill 243 (passed) authorize local governments to grant a tax credit against the property tax imposed on personal property, other than operating personal property of a public utility, of businesses that provide computers to employees for their use at home.

Senate Bill 750 (passed) expands the applicability of a local government property tax credit for property that is subject to a perpetual conservation easement by changing the date that the easement must have been donated to a land trust or the Maryland Environmental Trust from on or after July 1, 1991, to on or after June 30, 1986.

Local Property Taxes

Baltimore City

Tax Credit for Newly Constructed Dwellings

House Bill 125 (passed) extends the June 30, 2002, termination date of the Baltimore City property tax credit program for newly constructed dwellings until June 30, 2005. Baltimore City may grant a property tax credit against city property taxes imposed on newly constructed dwellings or first purchased dwellings owned by qualified owners. The credit is 50 percent for the first taxable year and decreases by 10 percent each year until it expires after the fifth year. The bill also repeals the city's authority to grant a property tax credit for first purchased dwellings which, although authorized by the State, was never enacted by Baltimore City.

Tax Sales

Tax Sale Process: Senate Bill 489/House Bill 558 (both passed) provide that certain provisions related to the sale of abandoned property in Baltimore City apply only

to property sold with a minimum bid less than the lien amount. Further, a complaint to foreclosure all rights of redemption may be filed at any time after the date of the tax sale on abandoned property with a minimum bid less than the lien amount. The bills also repeal a requirement that a final judgment in a proceeding involving abandoned property in Baltimore City is void in 30 days under certain circumstances, and provide that the purchaser in such a transaction is not an interested party for purposes of voiding the judgment.

Chapter 408 of 2000 made various changes to the process of tax sales of abandoned property in Baltimore City, including that the property could be sold for less than the amount owed as long as a minimum bid is established. According to the city, the changes resulting from Chapter 408 have created confusion as to when certain redemption laws apply, and these bills clarify the redemption process for the tax sale of abandoned property. Additionally, the city is experiencing problems from individuals who purchase property at tax sale and, when the judgment to execute a deed to the purchaser is final, make a motion for the judgment to be stricken and demand their money plus interest back from the city. In an effort to correct this situation, these bills would remove the right of the purchaser to make such a motion.

Ground Rent – Donations: *House Bill 997 (passed)* provides that at a tax sale for abandoned property located in Baltimore City, if the property is subject to a ground rent or lease for a term of 99 years renewable forever, the whole fee simple interest in the property must be sold. Before the judgment foreclosing an owner's right of redemption, a reversion in a ground rent or lease for a term of 99 years renewable forever may be donated to the city or an entity designated by the city. Under current law, if the property is sold at tax sale, only the leasehold interest is sold.

High Bid Premium: High-bid premiums were established to discourage persons from bidding excessively high amounts on tax sale properties. Some investors at tax sales purchase properties solely to recoup interest, penalties, and legal costs. Since these investors never intend to foreclose on the properties, the amounts of their bids are irrelevant, and the bid amounts have skyrocketed, up to infinity and even infinity plus one. Many tax sales had to be suspended, postponed, or canceled due to unmanageable bidding. As a result of Chapters 326 and 786 of 1998, local governments may choose to use a high-bid premium system to help control the tax sale. If a local government chooses to use such a system, the premium amount is 20 percent of any bid over 40 percent of the full cash value. Baltimore City has more low-value/high-lien properties than other jurisdictions and in an effort to provide them more protection, *Senate Bill 378 (passed)* is an emergency bill providing that a high-bid premium assessed on property tax sales in Baltimore City may be calculated as 20 percent of the amount that the high bid exceeds the greater of the lien amount or 40 percent of the property's full cash value.

Baltimore County

Neighborhood Preservation and Stabilization Credit

Chapter 590 of 1996 established the Neighborhood Preservation and Stabilization Act and provided a tax credit for property taxes on owner-occupied residential property bought in designated neighborhoods in Baltimore City and Baltimore County from July 1, 1996, to June 30, 1999. Chapter 319 of 1999 extended this time frame to June 30, 2001, and also increased the number of dwellings eligible for the program. Chapter 265 of 2000 extended the termination date until June 30, 2002.

The tax credit is 80 percent of the property taxes paid in each year of the first five years of ownership. This amount declines by 10 percent in each of the following years until the eleventh year, when it expires. The cost of the credit is split between the State and local governments with one-half of the credit amount being applied against the State income tax and the other half being a reduction in local property taxes owed.

House Bill 525 (passed) extends until June 30, 2005, the qualifying period for participation in the Baltimore County program only. Under the bill, the Baltimore City program will expire at the end of June 30, 2002.

Charles County

Renovated or Rehabilitated Business Property

House Bill 1003 (Ch. 90) authorizes Charles County to grant a real property tax credit on business real property located in a priority funding area that has been renovated or rehabilitated. The credit is limited to the increase in assessed value as a result of the renovation or rehabilitation and is limited to five years.

Frederick County

Agricultural Preservation Land and Farm Buildings

Senate Bill 438/House Bill 337 (both passed) authorize Frederick County to grant a property tax credit against the county real property tax on agricultural preservation land and against the property tax on buildings that are located on qualified agricultural land and used in connection with an agricultural activity. Agricultural preservation land is defined as real property that is subject to an easement or other interest that is permanently conveyed or assigned to preserve the agricultural use of the property, or real property that the county has designated as being within an agricultural preservation district.

Montgomery County

Businesses That Create New Jobs Tax Credit

The Businesses That Create New Jobs tax credit authorizes a county or municipality to grant property tax credits against real and personal property taxes of a business that locates or expands within its jurisdiction.

Under current law, to qualify for the tax credit, a business must locate in new or expanded office space of at least 5,000 square feet that has not been previously occupied and must create at least 25 new full-time jobs.

The county and municipal governments may provide a tax credit equal to a percentage of the amount of property tax imposed on the assessment of the new or expanded premises. The State participates by granting a credit against State taxes equal to as much as 35 percent of the property tax credit granted by the county or municipality. Because this is enabling legislation for local governments, a State tax credit is only granted if a local jurisdiction first grants a local property tax credit.

A business can qualify for an enhanced Businesses That Create New Jobs property tax credit if it: (1) obtains at least 250,000 square feet of new or expanded premises, continues to employ at least 2,500 individuals in existing full-time positions, and employs at least 500 individuals in new permanent full-time positions; or (2) obtains 250,000 square feet of new or expanded premises and employs at least 1,250 individuals in new permanent full-time positions.

The enhanced property tax credit provides a county or municipal corporation property tax credit for each of the first 12 taxable years after the business qualifies for the credit in an amount equal to 58.5 percent of the amount of property tax imposed on the increase in assessment.

House Bill 707 (passed) expands the enhanced credit portion of this tax credit for Montgomery County only. The bill provides that in Montgomery County, to qualify for an enhanced property tax credit, a business must spend at least \$150 million to obtain at least 700,000 square feet of new or expanded premises and employ at least 1,100 individuals in full-time positions, under specified conditions.

The positions may be either full-time and of indefinite duration or contract positions of definite duration. All positions must receive an employer subsidized health care benefits package, pay at least 150 percent of the federal minimum wage, and actually be located in or adjacent to the new/expanded premises. At least 500 of the permanent full-time positions must be new positions.

Washington County

House Bill 942 (Ch.89) authorizes Washington County and its municipalities to grant a real property tax credit on property owned by the Hagerstown Soccer Club, Inc.

Income Tax

The Budget Reconciliation and Financing Act

Final Phase of the State Income Tax Cut

As introduced, *Senate Bill 323 (passed)*, the Budget Reconciliation and Financing Act, proposed delaying indefinitely the final 2 percent of the State income reduction that was originally enacted by Chapter 4 of 1997. Chapter 4 of 1997 provided that for tax years after 2001, the maximum State tax rate would be 4.75 percent and the amount allowed for personal exemptions would be \$2,400. The Department of Budget and Management estimated that the deferral of the last phase of the income tax cut could result in a general fund savings of approximately \$177 million in fiscal 2003.

However, the General Assembly felt it was important to proceed with the final 2 percent reduction of the State income tax as provided in the 1997 legislation. As a result, this part of the proposal was deleted from *Senate Bill 323*.

A more detailed discussion of this bill can be found under the subpart “Operating Budget” under Part A of this *90 Day Report*.

Federal Decoupling

Senate Bill 323 makes a number of changes to the Maryland income tax law. Among these changes is a decoupling from the federal income tax related to certain changes made by the federal Economic Growth and Tax Relief Reconciliation Act of 2001 and the Job Creation and Worker Assistance Act of 2002.

Decoupling from the Federal College Tuition Deduction: Under current law, deductions allowed on the federal income tax return that reduce federal adjusted gross income (FAGI) reduce Maryland revenues because Maryland uses federal adjusted gross income as the starting point for calculating Maryland income tax. Therefore, federal income tax changes that reduce federal adjusted gross income reduce Maryland revenues as well.

The 2001 federal tax act created a new federal deduction for qualified higher education expenses. Under the Act, for tax years 2002 and 2003, single taxpayers with FAGI under \$65,000 and married taxpayers filing jointly with FAGI under \$130,000 can deduct up to \$3,000 of qualifying expenditures (including tuition and required fees, but excluding room and board), even if they do not itemize deductions. For tax years 2004

and 2005, the deduction increases to \$4,000. This provision of the federal Act terminates at the end of tax year 2005. *Senate Bill 323* provides for an addition modification on the Maryland income tax return in the amount of any deduction taken on the federal return for higher education expenses. It is estimated that this addition modification will prevent the loss of approximately \$13 million in general funds in fiscal 2003, \$10 million in fiscal 2004, \$16.4 million in fiscal 2005, and \$17 million in fiscal 2006.

Decoupling from Internal Revenue Code Amendments if Greater than \$5,000,000: *Senate Bill 323* also decouples the Maryland income tax from changes to the federal income tax for the taxable year in which there are any amendments to the Internal Revenue Code, unless that action is estimated by the Comptroller to have a State impact of less than \$5 million in the fiscal year that begins during the calendar year the amendment is enacted. Current law provides that taxpayers are not affected by federal changes that would increase Maryland adjusted gross income in the year the change occurs. The bill provides the State a similar protection from federal tax changes that would decrease Maryland adjusted gross income. The actual impact of this provision cannot be estimated and depends on the potential impact of any federal income tax changes that may occur, as determined by the Comptroller.

Decoupling from the Federal Economic Stimulus Bill: The federal Job Creation and Worker Assistance Act of 2002 contains two provisions with significant potential fiscal implications for Maryland: (1) a special depreciation allowance (30 percent “bonus” depreciation for property in the first year placed in service); and (2) an extended net operating loss carryback period (five years for net operating losses for taxable years ending during 2001 or 2002).

Absent a decoupling from these federal income tax changes, State income tax revenues could decline by approximately \$100 million in fiscal 2003 as a result of the two provisions. (A portion of this loss would be reflected in lower Transportation Trust Fund revenues, based on the statutory allocation of State corporate income tax revenues.) *Senate Bill 323* includes a provision decoupling the Maryland income tax from these changes, requiring adjustments to federal adjusted gross income to reflect the determination of Maryland adjusted gross income without regard to these changes. Because the Bureau of Revenue Estimates has not incorporated this revenue loss into its forecast, decoupling technically does not result in any “additional” revenues at this time. If the State does not decouple, however, revenues would be revised downward by approximately \$100 million in the future.

Heritage Structure Rehabilitation Tax Credit

Background

During the 2001 interim, the General Assembly was advised by the Department of Legislative Services that the State could experience significant revenue losses in the near future under the Maryland Heritage Structure Rehabilitation Tax Credit (the heritage credit). The heritage credit, administered by the Maryland Historical Trust in the Department of Housing and Community Development, was established in 1996, expanded in 1997 and 1998, and made refundable in 2001. Based on information provided by the Maryland Historical Trust, under current law, it is projected that the heritage credit will reduce State revenues by \$50 million to \$84 million annually.

Under current law a person may claim a tax credit in an amount equal to 25 percent of the taxpayer's qualified rehabilitation expenditures for the rehabilitation of a certified heritage structure for the taxable year in which a certified rehabilitation is completed. The heritage credit is allowed for both residential and commercial projects and may be claimed by nonprofit organizations.

Legislative Response

House Bill 759 (passed) significantly limits the Maryland Heritage Structure Rehabilitation Tax Credit. The bill reduces the credit percentage to 20 percent and provides that a State tax credit for a single rehabilitation under the program may not exceed \$3 million. Rehabilitation expenditures that qualify for the credit are limited to the estimated expenditures stated in the application for approval of a proposed rehabilitation submitted to the Maryland Historical Trust. *House Bill 759* also eliminates a loophole in the law under which the credit could be taken for expenditures financed by State grants and other State financing.

The bill further limits the use of the Heritage Credit by providing that a single rehabilitation includes the phased rehabilitation of the same structure and the rehabilitation of multiple structures that are functionally related. Additionally, *House Bill 759* repeals current law that authorizes the Maryland Stadium Authority to utilize the heritage credit on behalf of the Hippodrome Performing Arts Center. Financing of the Hippodrome Performing Arts Center was accommodated through increased bonding authority under the provisions of *House Bill 1256 (passed)*. A more extensive discussion of *House Bill 1256* may be found under the "Economic and Community Development" subpart under Part H of this *90 Day Report*.

To ensure that usage of the credit is monitored, *House Bill 759* requires extensive reporting by the Department of Housing and Community Development on a quarterly basis regarding complete and incomplete projects. The bill, which takes effect on June 1, 2002, "grandfathers" all incomplete projects for which an application has been submitted for approval of a proposed rehabilitation as of February 1, 2002 (the introduction date of the bill), and provides that these projects may take the credit under the law in effect on May 31, 2002.

House Bill 759 also states that it is the intent of the General Assembly that Heritage Structure Rehabilitation Tax Credits for commercial rehabilitations not exceed \$50 million annually and requires the Department of Legislative Services to monitor approval of commercial rehabilitations eligible for the credit. If the approval of commercial rehabilitations under the credit in a calendar year would result in more than \$50 million in tax credits, the Department of Legislative Services is required to notify the General Assembly and to prepare legislation that would implement a \$50 million overall cap.

Lastly, **House Bill 759** provides a two-year sunset for the credit that will allow the General Assembly to evaluate the usage of the credit over the next two years and make a determination as to its continuation.

Estimated Cost of the Heritage Credit Under the New Legislation

Information provided by the Maryland Historical Trust and the Comptroller indicates that for the commercial projects that have been “grandfathered” under **House Bill 759**, over \$139 million in outstanding heritage credits have not been claimed. The taxable year in which these outstanding credits would be claimed cannot be predicted but it is assumed that some will be claimed and reduce revenues as early as fiscal 2002.

The prospective revenue loss of a 20 percent credit with a \$3 million maximum credit as provided in **House Bill 759** is estimated to be between \$34 and \$51 million annually. This estimate includes residential and commercial projects and reduces the projected revenue loss by \$16 million to \$33 million annually.

Income Tax Treatment of Contributions to Qualified Tuition Programs

Background

For several years Section 529 of the Internal Revenue Code has provided that individuals may receive federal income tax advantages for contributions to Qualified State Tuition Programs (QSTPs).

A QSTP is defined under federal law as a program established and maintained by a state under which an individual:

- may purchase tuition credits or certificates on behalf of a designated beneficiary that entitle the beneficiary to the waiver or payment of qualified higher education expenses of the beneficiary (a “prepaid tuition plan”); or

- may make contributions to an account that is established for the purpose of meeting the qualified higher education expenses of the designated beneficiary (a “savings plan”).

Maryland, like most states, has established both a prepaid tuition plan, the Maryland Prepaid College Trust, and a savings plan, the Maryland College Investment Program. Both plans are administered by the Maryland Higher Education Investment Program, an independent State agency governed by a nine-member board. Under current law a State tax deduction of \$2,500 is available for contributions made under a contract in the Maryland Prepaid College Trust and for contributions made to an account in the Maryland College Investment Program.

The federal Economic Growth and Tax Relief Reconciliation Act of 2001 made significant changes regarding Qualified State Tuition Programs, now referred to as “Qualified Tuition Programs” (QTPs) under Section 529 of the Internal Revenue Code. Under the newly amended federal law, distributions from QTPs for qualified higher education expenses are now tax exempt and QTPs may include prepaid tuition plans offered directly by educational institutions.

Issues Concerning the College Investment Plan

Chapter 494 of 2001 established the Maryland College Investment Plan. The legislation provided that an individual may claim a subtraction modification (deduction) for contributions to the Maryland College Investment Plan. The subtraction modification was limited to \$2,500 for any taxable year “for each account” in the College Investment Plan. In setting up the College Investment Plan, the Maryland Higher Education Investment Program Board of Directors allowed individuals to establish up to ten separate accounts for a single beneficiary.

As marketed by the board, an individual could open ten accounts for a single beneficiary, and by contributing \$2,500 to each “account,” receive a total State income tax deduction of \$25,000 for the taxable year. In December 2001 questions arose as to whether the board’s interpretation of this provision was consistent with the statute. The Comptroller’s office indicated it would accept the board’s interpretation for tax year 2001 to avoid problems in the marketing of the plan, but advised that the General Assembly should address and clarify the issue for tax years after 2001.

Another issue was raised with respect to the treatment of federally tax-free “rollover” of funds from a QTP and an existing Maryland addition modification. The Maryland addition modification requires an addition to Maryland adjusted gross income of refunds or distributions from QTPs that are not used for qualified higher education expenses. It was unclear whether a tax-free rollover of funds should be included in the addition modification.

Qualified Tuition Programs - State Income Tax Treatment

To address the issues raised in the 2001 interim and in light of the 2001 federal tax act, *Senate Bill 383/House Bill 437 (both passed)* clarify and alter existing State subtraction modifications for tax advantaged contributions to higher education prepaid tuition programs and investment programs.

Specifically, *Senate Bill 383/House Bill 437* allow for: (1) a subtraction modification of up to \$2,500 per contributor per beneficiary for contributions to any qualified prepaid tuition program under federal law; and (2) a subtraction modification of up to \$2,500 per contributor per beneficiary for contributions to any qualified higher education investment program under federal law. The bills expand the types of programs that qualify for the subtraction modifications to any qualified tuition program under Section 529 of the Internal Revenue Code. Under current law these subtraction modifications are limited to contributions made only to the Maryland Prepaid College Trust and the Maryland College Savings Plan.

Senate Bill 383/House Bill 437 also clarify that the subtraction modifications as well as an existing addition modification do not include any amounts from a tax-free rollover from another prepaid tuition program or another higher education investment program.

General fund revenue losses could be mitigated significantly as a result of limiting the number of subtraction modifications that may be taken by one contributor for one beneficiary. The amount of savings depends on the number of accounts opened per beneficiary compared to current law. In addition, it is possible that revenues could also decrease as a result of making the current subtraction modifications applicable to contributions made to qualified tuition programs offered by educational institutions and other states. The net effect of the bills cannot be reliably estimated but could be significant.

Subtraction Modifications

Conservation Tillage Equipment

The Maryland income tax provides a subtraction modification equal to 100 percent of the expenses incurred by a taxpayer for the purchase and installation of conservation tillage equipment. *Senate Bill 447/House Bill 493 (both passed)* expand the definition of conservation tillage equipment for the purposes of the subtraction modification to include deep no-till rippers that do not invert the soil profile and are used to address compaction in high residue cropping systems. These items must be purchased after December 31, 2001, to be eligible for the subtraction.

Retirement Income

Senate Bill 399 (passed) allows income from a rollover individual retirement account or annuity to be included within the subtraction modification allowed for retirement income from an employee retirement system if: (1) the contributions to the individual retirement account or annuity consist entirely of the tax-free rollover of distributions from an employee retirement system; and (2) the tax-free rollover resulted from the mandatory withdrawal of amounts in the employee retirement system. The fiscal impact cannot be reliably estimated because it is unknown how many distributions would be made from the limited type of rollover IRAs permitted under *Senate Bill 399*.

Other Tax Credits

Tax Credit for the Employment of Ex-Felons

Senate Bill 454/House Bill 652 (both passed) require the Department of Labor, Licensing, and Regulation (DLLR) to establish and administer a Pilot Program for the Long-Term Employment of Qualified Ex-Felons in consultation with the Governor's Workforce Investment Board. The pilot program is intended to provide incentives for the hiring of up to 150 qualified ex-felons each year through existing one-stop employment and training centers in at least two of the State's Workforce Investment Areas. The one-stop centers will work with community organizations and any State or local government entities that provide services to ex-felons and will also provide outreach and education to employers about the program.

A business entity that hires a qualified ex-felon through the pilot program will be able to obtain a one-year \$5,000 federal fidelity bond for the qualified ex-felon for the first year of employment.

Senate Bill 454/House Bill 652 also allow a business entity to claim a tax credit for wages paid to a qualified ex-felon employee. For each taxable year, a credit is

allowed in an amount equal to: (1) 30 percent of the first \$6,000 of wages paid to the qualified ex-felon employee during the first year of employment; and (2) 20 percent of the first \$6,000 of wages paid to the qualified ex-felon employee during the second year of employment. The bills require DLLR to develop an evaluation process for the pilot program to determine whether it has secured stable employment for qualified ex-felons.

Aquaculture Oyster Floats

House Bill 1098 (passed) allows an individual to claim a credit against the State income tax in an amount equal to 100 percent of the cost of an aquaculture oyster float. The credit may not exceed the lesser of \$500 or the individual's State income tax liability. Any unused amount may not be carried forward to another taxable year. *House Bill 1098* defines an aquaculture oyster float as a device that is: (1) purchased new; (2) specifically designed for the purpose of growing oysters at or under an individual homeowner's pier; and (3) constructed to be fully buoyant and facilitate the growth of oysters for the width of the pier.

Businesses That Create New Jobs

House Bill 707 (passed) allows a business to qualify for an enhanced Businesses That Create New Jobs property tax credit in Montgomery County under certain conditions. The enhanced property tax credit results in an enhanced State tax credit that may be applied against the individual or corporate income tax or the insurance premium tax. The enhanced State credit may be claimed for a 12-year period in an amount equal to 31.5 percent of the property tax imposed on the increase in assessment on real and personal property. See a further discussion of this bill under the subpart "Property Taxes" within this Part B.

Neighborhood Preservation and Stabilization

House Bill 525 (passed) extends until June 30, 2005, a tax credit for property taxes on owner-occupied residential property bought in designated neighborhoods in Baltimore County. The cost of the credit is split between the State and the local government with one-half of the credit amount being applied against the State income tax and the other half being a reduction in local property taxes owed. See a further discussion of this bill under the subpart "Property Taxes" within this Part B.

Tax Administration

Electronic Filing of Income Tax Returns

Maryland income tax law conforms to the Internal Revenue Code with regards to filing deadlines for income tax returns and payment of taxes owed. An individual or partnership required to file a return for a taxable year must complete and file with the Comptroller an income tax return: (1) on or before April 15 of the next taxable year; or (2) if the income tax is computed for a fiscal year, on or before the fifteenth day of the fourth month after the end of that year. To encourage use of electronic income tax returns, the federal government is considering extending the filing deadline for electronic returns. *Senate Bill 833/House Bill 1315 (both passed)* provide that if the due date for an electronically filed federal income tax return is later than April 15, the due date for an electronically filed Maryland income tax return is the same as the federal due date if the balance due with the Maryland return is paid electronically.

Wage Liens

Senate Bill 103 (passed) conforms the statutory amount of money that is exempt from an income tax wage lien to the statutory amount that is exempt from a judgment lien under the Commercial Law Article. Under current law, if the Comptroller obtains a wage lien, the entire paycheck must be taken except for \$50 per week plus \$15 per dependent. Under current law this amount is typically too low, and almost 80 percent of the time taxpayers negotiate a payment plan. Rather than negotiating separate payment plans with each taxpayer, *Senate Bill 103* allows the Comptroller to start at a wage lien amount that is considered more reasonable.

Claims for Refunds

Senate Bill 38 (passed) allows for the filing of a claim for refund or credit for overpayment of income tax that is established by a decision of an administrative board, or by an appeal of such a decision, within one year after the date of a final decision or an appeal of a final decision by an administrative board. *Senate Bill 38* also includes a retroactive provision that a claim for refund or credit for overpayment of income tax filed between January 1, 2000 and July 1, 2002, may not be denied on the basis of late filing of the claim if the claim is: (1) attributable to a right to a reduction in a person's Maryland income tax that is established by a decision of an administrative board; and (2) was filed within 18 months after the date of a final decision of the administrative board. This bill is the same as Senate Bill 344 of the 2001 session that was passed by the General Assembly but vetoed by the Governor.

Whole Dollar Amounts

House Bill 436 (passed) requires the Comptroller to allow an income tax return to be completed using whole dollar amounts instead of expressing amounts in dollars and cents. Maryland income tax return instructions currently state that taxpayers may round off to the nearest whole dollar, and *House Bill 436* codifies this practice.

Sales Tax

Reducing Vendor Commissions and Discounts in the Budget Reconciliation and Financing Act

The Budget Reconciliation and Financing Act (BRFA), *Senate Bill 323 (passed)*, reduces the amount of the discounts or credits offered to the collectors of the various taxes discussed below, with the effect of increasing general fund, Transportation Trust Fund (TTF), and other special fund revenues.

Sales Tax Vendor Credit

BRFA alters the sales tax vendor credit for fiscal 2003 and 2004 only. Currently, the sales tax vendor credit is 1.2 percent of the first \$6,000 in tax collected and 0.9 percent of the excess collected each month. The bill reduces the credit by 50 percent, to 0.6 percent of the first \$6,000 in tax collected and 0.45 percent of the excess collected each month for those two years only. Net sales and use tax collections are estimated to be approximately \$2.5 billion in fiscal 2003. The amount of the vendor credit is estimated to be approximately 0.32 percent of net collections. As a result, it is estimated that general fund revenues will increase by approximately \$10.8 million in fiscal 2003 and \$11.1 million in fiscal 2004.

Motor Vehicle Excise Tax Credit

BRFA alters the motor vehicle excise tax credit for fiscal 2003 and 2004 only. Currently, licensed dealers are allowed to keep an amount equal to the lesser of 1.2 percent of the gross tax collected or \$24 per vehicle. The bill reduces the discount to 0.6 percent of the gross tax collected up to \$12 per vehicle for those two years only. Vehicle excise tax collections, after the discount, are estimated to be approximately \$612 million in fiscal 2003. Motor vehicle excise tax revenues are dedicated to the TTF. It is estimated that TTF revenues will increase by approximately \$2 million in fiscal 2003 and 2004.

Motor Fuel Tax Discount

BRFA alters the motor fuel tax discount on an ongoing basis. Currently, dealers and sellers are allowed to retain 1 percent of the first 10 cents of their fuel tax liability per gallon as a discount to account for shrinkage and evaporation and for the costs associated with collecting and remitting the tax. The bill reduces the amount of the discount from 1 percent of the first 10 cents to 0.5 percent of the first 10 cents. Motor fuel tax collections are estimated to be approximately \$681.3 million in fiscal 2003. It is estimated that the discount is equal to approximately 0.2 percent of total revenues. Therefore, it is estimated that annual TTF revenues will increase by approximately \$1.4 million beginning in fiscal 2003. Future year motor fuel gallonage is assumed to be relatively flat.

Other Vendor Commissions

BRFA also permanently reduces the vendor discounts for three smaller programs: the energy generation surcharge (collected and remitted by electric companies), the emergency telephone system (911) fee (collected and remitted by the telephone companies), and the tire recycling surcharge (collected and remitted by tire dealers). The savings from these reduced commissions will be captured by the respective special funds associated with these programs.

Environmental Surcharge: The environmental surcharge is a surcharge levied on electric companies based on the number of kilowatt hours of electricity distributed within the State. These funds are dedicated to the Environmental Trust Fund. In fiscal 2001, approximately \$9.6 million was collected. The State provides electricity producers a discount equal to 1.5 percent of the surcharge paid. In fiscal 2001, this resulted in a total discount of approximately \$143,500. Under BRFA, the amount of the discount is reduced by one-half, to 0.75 percent, resulting in an increase in revenues of approximately \$77,300 beginning in fiscal 2003.

Emergency Telephone Systems Fee: The emergency telephone systems fee is a fee of \$.10 per month paid by each telephone subscriber. Counties can charge up to an additional \$.50 per month. Telephone companies are granted a discount in the amount of 1.5 percent of the total collected for remitting the tax. In fiscal 2001, approximately \$31.2 million was collected. The amount of the discount was approximately \$470,000. BRFA reduces the discount to 0.75 percent, increasing revenues by approximately \$235,000 beginning in fiscal 2003.

Tire Recycling Fee: The tire recycling fee is a fee imposed on each new tire sold. The current fee is 40 cents per tire. Sellers are granted a discount equal to 1.2 percent of the amount of the fee collected. In fiscal 2001, approximately \$2.1 million was collected. The total amount of the discount was approximately \$25,000. BRFA reduces the discount to 0.6 percent, increasing general fund revenues by approximately

\$13,000 for fiscal 2003 and 2004. Beginning in fiscal 2005, the tire recycling fee increases to \$1.00. As a result, revenues will increase by approximately \$31,000 due to the reduction of the collection discount.

For a more detailed discussion of *Senate Bill 323 (passed)*, see the subpart “Operating Budget” within Part A - Budget and State Aid of this *90 Day Report*.

Other Sales Tax Changes

Taxable Price of Communications Services

House Bill 378 (passed) provides that the taxable price of communications services does not include any charges for a nontaxable service that is made in connection with a sale of a taxable communication service, even if the nontaxable charges are aggregated with and not separately stated from the taxable charges for communications services, if the vendor can reasonably identify charges not subject to tax from its books and records that are kept in the regular course of business.

Telecommunications providers have the option of charging customers individually for various telecommunications services or bundling these services and charging a single price. Certain services are taxable, such as wireless telephone services and caller-ID features. Other services, such as local landline telephone service and Internet access, are not taxable. Under existing law, if a vendor were to offer bundled services, the sales tax would be applied to the entire bundled bill, including the components that would be nontaxable if billed individually.

Sales Tax on Utilities for Snow-Making

House Bill 553 (passed) exempts from the sales and use tax the sale of electricity, fuel, and other utilities used to operate the machinery or equipment used to produce snow for commercial purposes.

Effective Rate Agreements and Direct Pay Permits

Under *House Bill 1120 (passed)*, the Comptroller is authorized to enter into effective rate agreements that allow a vendor to compute sales and use tax liability for purchases made by the vendor for a specific period using a predetermined agreed-upon effective rate. The bill also authorizes the Comptroller to issue direct payment permits for vendors subject to an effective rate agreement.

The bill permits the Comptroller to enter into an effective rate agreement with a licensed vendor, eliminating the need to determine the liability on a transaction-by-transaction basis. Once the agreement is in place and the taxpayer has a

direct payment permit, sales and use tax on sales to the taxpayer is no longer collected by the vendor's suppliers. Instead, the vendor pays the tax directly to the Comptroller based on the vendor's total purchases and an applicable rate based on the agreed-upon share of those purchases that are taxable.

Multifuel Pellet Stoves

The sale of a multifuel pellet stove designed to burn agricultural field corn is exempt from the sales and use tax under *Senate Bill 43 (passed)*.

Tax-Free Weeks

Several bills were introduced to follow up on Chapter 576 of 2000, which exempted from the sales and use tax the sale of clothing or footwear (except accessories) for the week of August 10 through August 16, 2001, if the taxable price of the item was less than \$100. All of this year's bills failed or were withdrawn.

The Comptroller's Office estimated that State sales tax revenue declined by approximately \$5.2 million as a result of Chapter 576, imputing total sales of approximately \$100 million that otherwise would have been taxable. Chapter 576 provided a tax-free week only for one week in August 2001. The bills introduced this year (all failed or withdrawn) offered several variations on items covered and application period, as illustrated below:

Bill Number	Items Covered	Applicable Period	One-time or Permanent	First Year Fiscal Impact
<i>House Bill 20 (failed)</i>	clothing and footwear less than \$100	Aug. 10 - 16, 2002	one-time	\$5.3 million
<i>House Bill 75 (withdrawn)</i>	clothing, footwear, and school supplies less than \$100	Aug. 10 - 16, 2002	one-time	\$9.4 million
<i>House Bill 76 (withdrawn)</i>	clothing, footwear, and school supplies less than \$100	Aug. 10 - 16	permanent	\$9.4 million

Bill Number	Items Covered	Applicable Period	One-time or Permanent	First Year Fiscal Impact
<i>House Bill 103 (failed)</i>	personal computers	Feb. 1 - 7, 2003	one-time	\$5.1 million
<i>Senate Bill 17 (failed)</i>	textbooks less than \$150; school supplies less than \$100	last Thursday in August through first Wednesday in September	permanent	\$5.3 million
<i>Senate Bill 29 (failed)</i>	clothing, footwear, and school supplies less than \$100	second Friday to following Thursday of August	permanent	\$9.4 million
<i>Senate Bill 520 (failed)</i>	clothing, footwear, and school supplies less than \$101	Aug. 16 - 22, 2002	one-time	\$9.5 million

Miscellaneous Taxes

Inheritance and Estate Taxes

The Budget Reconciliation and Financing Act, *Senate Bill 323 (passed)*, partially decouples the State estate tax from the federal estate tax. The federal Economic Growth and Tax Reconciliation Act of 2001 reduces and ultimately repeals the amount of the credit allowed under the federal estate tax for state death taxes paid (“federal credit”). Maryland, like most states, has an estate tax that is linked to the federal credit. The phase-out of the federal credit under the 2001 federal tax act will eliminate the State estate tax because the State tax is linked to the federal tax. *Senate Bill 323* continues the Maryland estate tax without reduction. The bill provides that other provisions of federal estate tax law, including the applicable unified credit (tax liability threshold for the estate tax) allowed against the federal estate tax, are those in effect on the date of the decedent’s death. Under the federal act, the amount of the unified credit is increased from \$700,000 to \$1 million in 2002. By 2009, the unified credit will be \$3.5 million under the federal tax act (versus \$1 million under prior law). In doing so, the federal act raises the threshold at which estates become subject to the federal estate tax. This higher taxability threshold will also apply to the State estate tax and is not affected by this bill.

As a result of the federal tax act, without statutory changes the Maryland estate tax would diminish and disappear as the federal credit phases out. As a result of the repeal of the federal credit, together with the phased increase in the unified credit allowed under the federal estate tax, the State would be projected to lose up to \$100 million annually by fiscal 2007. Under *Senate Bill 323*, the Maryland estate tax is partially decoupled from the changes made to the federal credit under the 2001 federal tax act. The State estate tax will be calculated as if the federal tax act had not phased-out the federal credit.

The partial decoupling under this bill preserves a portion of Maryland's estate tax revenue notwithstanding the phase-out and repeal of the federal credit. Based on the nine-month lag between date of death and payment of estate taxes, it is estimated that the partial decoupling will raise \$20.6 million in fiscal 2003. As illustrated by **Exhibit B.1**, by fiscal 2007, this recoupment is estimated at \$82.1 million. Because of the increases in the unified credit effective exemption amount, under *Senate Bill 323* the State would still lose roughly \$18 million in estate tax revenues in that year as a result of the federal tax act.

Exhibit B.1
**Impact of Federal Tax Act on Maryland Estate Tax Revenues/
 Potential Revenue Recouped from Senate Bill 323**
 (\$ in Millions)

<u>Fiscal Year</u>	<u>Total State Impact of Federal Tax Act</u>	<u>Revenue Recouped from SB 323 by Decoupling from Federal Credit</u>	<u>Revenue Loss from Increased Unified Credit</u>
2003	(\$27.2)	\$20.6	(\$6.6)
2004	(59.3)	48.7	(10.6)
2005	(83.6)	77.9	(5.7)
2006	(97.3)	82.3	(15.0)
2007	(100.0)	82.1	(17.9)

Senate Bill 323 also decouples from the federal income tax related to certain changes made by the federal Economic Growth and Tax Relief Reconciliation Act of 2001 and the Job Creation and Worker Assistance Act of 2002.

For a more detailed discussion of this bill, see the subpart “Operating Budget” under Part A - Budget and State Aid of this *90 Day Report*. For a more detailed discussion of the income tax decoupling, see the subpart “Income Tax” under this Part B.

Cigarette Tax

Senate Bill 856 (passed), the Bridge to Excellence in Public Schools Act, enhances funding for education based on a framework established by the Commission on Education Finance, Equity, and Excellence. A portion of the enhancements is funded with a 34-cent increase in the tobacco tax rate for cigarettes.

Senate Bill 856 increases the tobacco tax rate for cigarettes from 66 cents to \$1. All cigarettes held in the State on or after June 1, 2002, for sale or use in the State are subject to the full cigarette tax. A special fund is established with the first \$80.5 million in revenues collected from the rate increase in fiscal 2003, and any funds above \$80.5 million are placed in the State’s general fund. All cigarette tax receipts after fiscal 2003 will be placed in the general fund. By January 15, 2003, the Comptroller of the Treasury must report on the loss of gross sales revenues of retail establishments that sell cigarettes and are located within 30 miles of the State’s border. The 34-cent cigarette tax imposed by the bill is estimated to increase cigarette tax revenues by approximately \$101.4 million in fiscal 2003, which includes the “floor tax,” (a tax on floor stocks), and by \$71 million in fiscal 2004, \$70.3 million in fiscal 2005, \$69.5 million in fiscal 2006, and \$68.7 million in fiscal 2007.

Maryland increased its tax on cigarettes three times during the 1990s: in 1991 from 13 to 16 cents; in 1992 from 16 to 36 cents; and in 1999 from 36 to 66 cents.

For a more detailed discussion of this bill, see the subpart “Primary and Secondary Education” under Part L - Education of this *90 Day Report*. Based on the enactment of the cigarette tax increase, additional spending for fiscal 2003 is authorized in *Senate Bill 323*. For a more detailed discussion of that bill, see the subpart “Operating Budget” under Part A - Budget and State Aid of this *90 Day Report*.

Commission on Maryland’s Fiscal Structure

House Bill 1 (passed) is an emergency bill establishing a 17-member Commission on Maryland’s Fiscal Structure to review and evaluate the State’s current budget and fiscal structure. This evaluation will be an effort to help the Governor and General Assembly better develop long-term strategies for addressing future budget needs and shortfalls in the areas of funding education, transportation, and health care. The commission must submit an interim report on December 15, 2002, and a final report September 1, 2003. Staff support for the commission must be provided by the

Department of Legislative Services, the Department of Business and Economic Development, and the Comptroller's Office.

Specifically, the commission will review: (1) changes to the State budget process, spending affordability process, and capital debt affordability process that would allow for more effective development and enactment of the annual State budget; (2) options to ensure that the State will have a progressive tax structure through examination of the income, sales, property, excise, and business taxes, including any changes that may be necessary to ensure equity and efficiency in the State's tax system; (3) methods to address funding sources for the education needs outlined in the report of the Commission on Education Finance, Equity, and Excellence, the transportation needs outlined in the report of the Commission on Transportation Investment, and the health care funding needs outlined in recent years; (4) options to address inefficiencies in and improvements to State government services and operations; and (5) changes to the State's tax structure that would allow the State to be more competitive with surrounding states regarding economic development.

Recordation and Transfer Taxes

Transfer Tax

The Budget Reconciliation and Financing Act, *Senate Bill 323*, transfers \$11,227,425 in excess actual transfer tax collections for fiscal 2001 to the general fund and \$47,268,585 in transfer tax revenues to the general fund for each of fiscal 2003 and 2004 only.

Recordation Tax – Refinancing Instrument

House Bill 512 (passed) authorizes an agent of a mortgagor to provide a written statement that would qualify a mortgage refinancing instrument for an exemption from recordation tax. The agent must provide a signed statement that the mortgage property is the principal residence of the mortgagor and stating the amount of the unpaid principal of the original mortgage that is being financed.

Controlling Interests

Senate Bill 316/House Bill 557 (both failed) would have imposed recordation and transfer taxes on the transfer of real property, with a value of \$500,000 or more, when the transfer is achieved through the sale of a "controlling" interest in a corporation, partnership, limited liability company, limited liability partnership, or other form of unincorporated business. "Controlling" interest was defined in *Senate Bill 316* as more than 50 percent of total value of the stock or the interest in capital and profits and defined

in *House Bill 557* as more than 80 percent of total value of the stock or the interest in capital and profits.

The bills specified: (1) that they applied to transfers of controlling interests by entities having tangible assets of which at least 80 percent are comprised of real property in Maryland; (2) that certain transfers (e.g., mergers and dissolutions) would be exempt; and (3) that a report must be filed with the Department of Assessments and Taxation upon the transfer of a controlling interest within 30 days of the final transfer.

It was estimated that these bills would have generated an additional \$4.8 million in State transfer tax revenue in fiscal 2003 and \$9.6 million annually thereafter. In addition, it was estimated that these bills would have produced an additional \$16 million in local recordation and transfer tax revenues in fiscal 2003 and \$32 million annually thereafter. The Budget Reconciliation and Financing Act (*Senate Bill 323*) would have transferred \$4.8 million in transfer taxes to the general fund contingent on enactment of these bills.

Local Telecommunications Tax – Prince George’s County

Legislation passed during the 2002 session to restructure the Prince George’s County School Board also requires the Prince George’s County Council to impose, by ordinance, and collect a telecommunication tax at a rate of not less than 5 percent. The proceeds of the tax authorized by *House Bill 949 (passed)* may be used only for operating expenditures of the Prince George’s County school system.

It is estimated that this local telecommunications tax will raise from \$21 million to \$32 million, depending on the rate imposed. Under the bill, the tax generally applies to telecommunications service either that originates and terminates in Prince George’s County or that originates or terminates in Prince George’s County and has a service address in Prince George’s county. For mobile telecommunications service covered by the federal mobile Telecommunications Sourcing Act, the tax applies to the fullest extent authorized under that act. The bill specifies that the tax does not apply to prepaid telephone calling arrangements or to telecommunications services provided to charitable organizations, governments, and other organizations to whom sales are exempt from the State sales and use tax.

For a more detailed discussion of this bill, see the subpart “Primary and Secondary Education” under Part L - Education of this *90 Day Report*.

Boxing and Wrestling Tax

All taxes administered by the Comptroller, except the boxing and wrestling tax, are subject to an appeals process under current law if a taxpayer disputes a notice of

assessment or denial of a refund. *House Bill 152 (passed)* provides that persons subject to the boxing and wrestling tax who receive a notice of assessment from the Comptroller may use the appeals process that is applicable to persons subject to other taxes administered by the Comptroller.

Miscellaneous Taxes – Local

Charles County – Public School Construction Excise tax

Senate Bill 628/House Bill 1017 (both passed) alter the financing mechanism for construction of new public schools in Charles County by repealing the existing impact fee and establishing instead an excise tax on new residential development in the county. Under the bills, Charles County may borrow a maximum of \$100,000,000 by issuing the county's general obligation bonds. The revenues derived from the excise tax will be dedicated to repaying the bonds. The maximum excise tax is limited based on the different types of new residential development in the county.

Prince George's County – Special Taxing Districts and Tax Increment Financing

Senate Bill 903 (passed) adds to the definition of bonds for purposes of special taxing districts and tax increment financing districts specified bonds issued by the Revenue Authority of Prince George's County. The bill allows bond proceeds to be used for the costs of: (1) convention centers; (2) conference centers; (3) visitor's centers; (4) maintenance of infrastructure improvements, convention centers, conference centers, and visitor's centers; and (5) marketing the special taxing district's facilities and other improvements. The bill authorizes Prince George's County to use the hotel tax to finance special tax district and tax increment financing district costs. Finally, the bill provides that any remaining funds in a special taxing district after the repayment of bonds may be: (1) used for infrastructure improvements in the special taxing district; (2) accumulated for payment of debt service on bonds subsequently issued for the special taxing district; (3) paid or reimbursed to the county for debt service which the county is obligated to pay on bonds issued by the State, the proceeds of which have been used for the special taxing district; or (4) paid to the county to provide funds to be used for any legal purpose.

Part C

State Government

Anti-Terrorism

2002 Anti-Terrorism Legislative Package

In response to the tragic events of September 11, 2001, a package of bills to address terrorism was introduced to ensure that the State has an adequate and coordinated strategy for detecting, preventing, preparing for, responding to, and recovering from a terrorist attack. These bills were recommended by a joint task force appointed by the Governor, President of the Senate, and Speaker of the House to study the State's laws in the area of terrorism and related topics. The task force consisted of three senators, three delegates, and four representatives of the Executive Branch and was chaired by Colonel David B. Mitchell, Secretary of State Police.

Maryland Emergency Management Assistance Compact

Senate Bill 239 (Ch. 2)/House Bill 293 (passed) establish a Maryland Emergency Management Assistance Compact to provide for mutual assistance in managing an emergency among jurisdictions entering into the compact. The local jurisdictions eligible to join the compact are the 23 counties, Baltimore City, and Ocean City. The Act states that it is the intent of the General Assembly that the jurisdictions eligible to enter into the compact shall adopt it by June 1, 2003. For a more detailed discussion of this Act, see Part E - Crimes, Corrections, and Public Safety of this *90 Day Report*.

Access to Public Records – Public Security Documents

Senate Bill 240 (Ch. 3)/House Bill 297 (passed) authorize a custodian of a public record to deny inspection of: (1) specified response procedures or plans prepared to prevent or respond to emergency situations; (2) specified building plans, blueprints, schematic drawings, diagrams, operational manuals, or records of other buildings or

structures operated by the State or any of its political subdivisions; or (3) specified records prepared to prevent or respond to emergency situations. The custodian may deny inspection of a part of such a public record only to the extent that the inspection would: (1) jeopardize the security of a structure owned or operated by the State or any of its political subdivisions; (2) facilitate the planning of a terrorist attack; or (3) endanger the life or physical safety of an individual.

The Attorney General is required to review the changes made by the Act to the access to public records law and to submit a report to the Governor and the General Assembly by December 1, 2007, on the continued necessity of the Act and any recommendations for changing or modifying it.

See the discussion of this Act under the subpart “Regulations and Procedures” within this Part C.

Governor’s Emergency Powers

Senate Bill 235 (passed)/House Bill 303 (Ch. 5) are emergency measures that alter and clarify the powers of the Governor and other State and local officials during a state of emergency. This Act is based on recommendations of the Office of the Attorney General and the Anti-Terrorism Workgroup. For a more detailed discussion of this Act, see Part E - Crimes, Corrections, and Public Safety of this *90 Day Report*.

Higher Education – Edward T. Conroy Memorial Scholarship Program – Eligibility

Senate Bill 237/House Bill 300 (both passed) expand the eligibility of the Edward T. Conroy Memorial Scholarship Program to allow the child or surviving spouse of a victim of the September 11, 2001, terrorist attacks to receive an award under the program. The child of a victim must be at least 16 years old to receive an award. The combined value of scholarship awards received during a single year by a child or spouse of a victim through the Conroy Scholarship program and any other scholarship programs targeting the children and spouses of victims may not total more than the equivalent annual tuition and mandatory fees at the University of Maryland, College Park. See the discussion of these bills under Part L - Education of this *90 Day Report*.

Agriculture – Infectious and Contagious Diseases – Administrative Search Warrants

Senate Bill 236 (passed)/House Bill 304 (Ch. 6) authorize the Secretary of Agriculture, or the Secretary’s designee, to apply to a judge for an administrative search warrant to enter specified premises to conduct an inspection to determine compliance with the laws relating to regulation and prevention of infectious and contagious livestock and poultry diseases. The Act establishes procedures for filing and executing the search warrant, requirements for the contents of the warrant, and requisite conditions for a judge

to issue the warrant. Probable cause must be shown of an existing violation of the laws relating to infectious and contagious livestock and poultry diseases. Any information obtained pursuant to the warrant shall be considered confidential and may not be disclosed except to the extent it is used in an administrative or judicial proceeding.

The Department of Agriculture has not needed to obtain search warrants in the past to gain access to premises for inspection, although it has, on rare occasion, utilized police to accompany inspectors. Notwithstanding this fact, the introduction (whether accidental or intentional) of a highly contagious animal or poultry disease could have a significant economic impact on the State, warranting a need for officials to be able to respond quickly and efficiently. According to the department's *Agriculture in Maryland Summary for 2000-2001*, in 2000 Maryland farms counted 235,000 cattle worth \$202 million, 58,000 hogs and pigs worth \$4.35 million, about 84,000 dairy cows producing milk worth \$181 million, 283 million broiler chickens worth \$462 million, and 440,000 turkeys worth \$6.45 million. The Department of Agriculture is working on a new State Animal Disease Emergency Management Plan to establish response protocols and procedures for containment of animal or poultry disease.

For additional discussion of this Act, see Part K - Natural Resources, Environment, and Agriculture of this *90 Day Report*.

Maryland Security Protection Act of 2002

Senate Bill 639/House Bill 1036 (both passed) establish a number of provisions to enhance State security, including:

- authorizing “roving wiretaps” by establishing procedures for the interception of communications involving a particular individual instead of a particular location or instrument of communication;
- authorizing a license holder of a nuclear power plant facility in the State, under a heightened level of security condition ordered by the federal government, to authorize a security officer to stop and detain an individual who commits a crime on facility property;
- authorizing the expanded emergency jurisdiction of the Maryland Transportation Authority Police to various transportation agency properties and immediate areas when ordered by the chairman of the Maryland Transportation Authority with the approval of the Governor or when ordered to do so by the Governor on declaring a state of emergency;
- requiring the Maryland Aviation Administration to adopt rules and regulations requiring the use of security identification badges in airports and established penalties for misuse; and

- creating a new crime of knowingly or fraudulently obtaining a commercial driver's license by misrepresentation and enhancing penalties for existing commercial driver's license violations.

For a more detailed discussion of these bills, see Part E - Crimes, Corrections, and Public Safety of this *90 Day Report*.

Catastrophic Health Emergencies

Senate Bill 234 (Ch. 1)/House Bill 296 (passed) are emergency administration measures which authorize the Governor to proclaim the existence of a catastrophic health emergency. The Act also authorizes the Secretary of the Department of Health and Mental Hygiene to exercise certain duties in order to maintain a catastrophic health emergency disease surveillance and response program and to submit a report by December 31, 2002, on any plans, procedures, or protocols developed as a result of this bill. The report must be updated every three years or when any provision of this bill is used to detect a catastrophic health emergency.

The Act requires the Governor, on issuance of an Executive Order proclaiming a catastrophic health emergency, to order the Secretary of Health and Mental Hygiene to take certain actions, including ordering individuals to obtain treatment and quarantines of individuals to prevent the spread of disease. The Governor may order any health care practitioner who does not voluntarily participate to participate in disease surveillance and treatment. The Governor may order the evacuation and closure of facilities and order the public to remain indoors or refrain from congregating. The Secretary may also order treatment and quarantines when investigating actual or potential exposures to deadly agents. The Act provides various due process protections to individuals, including notice, the right to court-appointed counsel, and court hearings and determinations in the event that any of the above actions are taken. The Act provides penalties for failure to comply with orders made under the Act.

Under the Act, the Secretary of Health and Mental Hygiene must continuously evaluate procedures concerning catastrophic health emergencies and must develop protocols in conjunction with health care practitioners. The Secretary may require health care facilities to prepare for a catastrophic health emergency. The Secretary may require health care practitioners to report information on certain diseases. Any information obtained by the Secretary is confidential and may only be used to ensure the public safety. A health care provider who acts in good faith under this Act is immune from civil or criminal liability, unless the individual acts with willful misconduct.

After an executive order proclaiming a catastrophic health emergency is rescinded, the State must make reasonable efforts to determine the costs associated with health care providers' compliance with the proclamation and include the providers in any application for State and federal financial aid as appropriate.

To implement this Act, the Secretary must work with the Maryland Emergency Management Agency, the Maryland Institute for Emergency Medical Services Systems, health care providers including the Association of Maryland Hospitals & Health Systems, and the Maryland State Medical Society, and other interested parties.

See a further discussion of this bill in subpart “Public Health” under Part J - Health of this *90 Day Report*.

Maryland National Guard Readiness Act

House Bill 292 (passed) grants members of the Maryland National Guard who are called to State active duty the same protections that are afforded a member of the National Guard under federal law. These protections include re-employment rights, civil relief protections, and a death benefit in the amount of \$100,000. The death benefit is not payable if there is eligibility for dependency and indemnity compensation under federal law.

See a further discussion of this bill under the subpart “State Agencies, Offices, and Officials” within this Part C.

Maryland Security Council

Senate Bill 242 (Ch. 4)/House Bill 305 (passed) are emergency administration measures which create a 15-member Maryland Security Council charged with working with State agencies, other state governments, local governments, federal agencies, and private entities in the development of emergency management plans. The Maryland Emergency Management Agency currently carries out the operational functions of the State’s emergency response plan such as operating the Emergency Operations Center and ensuring that the State has the ability to access and deploy necessary resources. In contrast, the new Maryland Security Council will be responsible for advising the Governor with regard to the State’s level of preparedness to respond to an emergency. The Council will also coordinate strategies for detection, prevention, preparation, response, and recovery among responsible parties.

See a further discussion of this bill under the subpart “State Agencies, Offices, and Officials” within this Part C.

State Agencies, Offices, and Officials

September 11, 2001

In the wake of the horrific events of September 11, 2001, the General Assembly in the 2002 session considered several measures to honor the victims and heroes of that day and to prevent or respond to any similar attacks in the future.

Maryland Day of Remembrance

Senate Joint Resolution 1/House Joint Resolution 13 (both passed) designate September 11 as the Maryland Day of Remembrance of the September 11, 2001 terrorist attacks, recognizing the thousands of innocent Americans who were killed and injured as a result of these attacks, including the passengers and crew of the four aircraft, workers in the World Trade Center and in the Pentagon, rescue workers, and bystanders. The resolutions also provide that on September 11 and throughout the year, parents and educators are encouraged to teach their children and students that the ideal of liberty in the United States, which the terrorists attempted to destroy on September 11, 2001, remains unscathed.

The Governor's Response to September 11 – Maryland Security Council

In an effort to prepare a legislative response to terrorism and related topics, the Governor, Speaker of the House, and President of the Senate appointed a joint task force to study the laws of the State in this area and make recommendations for changes. A detailed discussion of the Anti-Terrorism Workgroup's legislative package can be found under the subpart "Anti-Terrorism" within this Part C. *Senate Bill 242 (Ch. 4)/House Bill 305 (passed)* are part of the package of bills recommended by the workgroup.

Senate Bill 242/House Bill 305 establish a 15-member Maryland Security Council within the Executive Department, to assist the Governor in ensuring that the State maintains an adequate and coordinated strategy for dealing with emergencies in the State. The Act redefines "emergency" as the threat or occurrence of any storm, flood, drought, explosion, or other catastrophe which requires State emergency assistance to supplement local efforts in order to save lives and protect public health; or the threat or occurrence of an enemy attack, act of terrorism, or public health catastrophe whether or not beyond local control. The council is similar in concept to the federal Office of Homeland Security and offices recently created in other states.

The council's duties are to: (1) work with State agencies, other state governments, local governments, federal agencies, and private entities in the development of appropriate and necessary emergency management plans; (2) periodically review and assess the adequacy of all emergency management plans developed by State agencies and, as requested, by local governments and private entities; (3) recommend changes to any emergency management plan and coordinate revisions to any emergency management plan submitted to the council; and (4) ensure, to the extent possible, that all appropriate and necessary information relating to the State's emergency management strategy is disseminated to and exchanged among appropriate entities.

The council may not be construed to exercise operational authority over the State's emergency management response, except as directed by the Governor.

Recognition of the Maryland National Guard's Response to September 11

Approximately 2,500 Marylanders are on active duty outside Maryland or have been called to active duty in the State due to security responses to the September 11 terrorist attacks. Additional military personnel are currently serving in Afghanistan, Bosnia, Germany, and the Philippines.

House Bill 292 (passed) grants State death benefits of \$100,000 to the surviving spouse, children, or dependent parents of Maryland National Guard members serving on State active duty who are killed in the performance of their duties on or after September 11, 2001. However, the death benefit may not be paid if the member is eligible to receive dependency and indemnity compensation under rules prescribed by the U.S. Department of Veterans Affairs. In addition, the bill adopts federal laws that grant members of the Maryland National Guard who are called to active duty by the Governor on or after September 11, 2001 reemployment rights under the Uniformed Services Employment and Reemployment Rights Act and civil protections under the Soldiers' and Sailors' Civil Relief Act of 1940.

House Bill 341 (passed) requires that individuals ordered into active service for the Maryland National Guard in response to the September 11 attacks receive a service bar depicting the State flag and "9-11."

Maryland National Guard

Two bills were passed that provide enhanced benefits to members of the Maryland National Guard and honor guard members that are not directly linked to the events of September 11, 2001. The first, *House Bill 899 (passed)*, authorizes the Military Department to provide tuition assistance to members of the Maryland National Guard equaling 50 percent of the cost of in-state tuition for vocational-technical or trade course work at a public postsecondary vocational-technical or trade school or at a private postsecondary vocational-technical or trade school that grants a member of the National Guard a tuition waiver of at least 50 percent.

The second, *House Bill 430 (passed)*, provides that reasonable compensation for National Guard Honor Guard members is set by the Adjutant General based on the availability of funds in the budget. However, the bill stipulates that reasonable compensation may not exceed the greater of: (1) 100 percent of one day's pay (as determined by the current Department of Defense pay scale), plus expenses or (2) the minimum wage required by State law, plus expenses.

Veterans

Senate Bill 666/House Bill 1296 (both passed) alter the membership of the Maryland Veterans Commission by removing the member from the Veterans of World War I and adding a member who is a veteran of the Persian Gulf War and a member from the Veterans of the Battle of the Bulge. The Maryland Department of Veterans Affairs advises that no living member of the Veterans of World War I organization currently resides in Maryland.

House Bill 237 (passed) requires the placement of a plaque on the grounds of the State House in honor of the Bataan Death March during World War II.

House Joint Resolution 26 (passed) provides that the General Assembly acknowledges and appreciates the important role played by Filipino veterans in World War II and urges the United States Congress to pass the Filipino Veterans Equity Act without delay.

American Indians

Three measures were passed by the General Assembly in the 2002 session addressing the American Indians living in Maryland and the Commission on Indian Affairs. Based on the 2000 census, there are 15,423 American Indians and Native Alaskans living in Maryland, or 0.3 percent of the State's population.

Senate Joint Resolution 4/House Joint Resolution 4 (both passed) designate November as “American Indian Heritage Month.” The resolution calls for schools, libraries, State and local governments, and other organizations within the State to appropriately observe this month. It also resolves that State and local governments should use the month of November to assess the ways to improve understanding, cooperation, and communication with American Indians, especially those within Maryland.

House Bill 342 (passed) changes the process for granting formal recognition of Maryland Indian status. Upon a determination by the Commission on Indian Affairs that a particular tribe, band, group, or clan has met the requirements for formal recognition of Maryland Indian status, the commission shall submit to the Secretary of the Department of Housing and Community Development, for transmittal to the Governor, a recommendation for formal recognition. The Secretary shall transmit the recommendation within 60 days to the Governor, who shall make a decision whether to grant formal recognition or not within 120 days of receiving the recommendation. In addition, the Governor must comply with these provisions within 120 days of October 1, 2002, regarding any recommendation transmitted to the Governor between January 1, 2001, and October 1, 2002.

Information Technology

Major Information Technology Development Projects

Currently, a unit of the Executive Branch may not purchase, lease, or rent Information Technology (IT) unless it is consistent with the statewide IT master plan. The Secretary of Budget and Management may review any IT project for consistency with the master plan. An IT project selected for review may not be implemented without the Secretary’s approval.

The Information Technology Investment Fund (ITIF) is a special, nonlapsing fund subject to a ceiling on the amount of moneys that may be credited to it during a fiscal year. The IT chief is responsible for administering ITIF and overseeing projects funded with moneys from ITIF.

Senate Bill 491/House Bill 835 (both passed) restructure the current process and require a unit of the Executive Branch of State government to obtain approval from the Chief of Information Technology before making expenditures for a major information technology development project. The bills also replace the ITIF with the Major Information Technology Development Project Fund. Under the bills, a major information technology development project is an IT development project that: (1) has a total estimated development cost of at least \$1 million; (2) is undertaken to support a critical business function associated with the public health, education, safety, or financial

well-being of Maryland's citizens; or (3) the Secretary of Budget and Management has determined to require special attention and consideration.

State Commission on Public Safety Technology and Critical Infrastructure

House Bill 1265 (passed) establishes a 19-member State Commission on Public Safety Technology and Critical Infrastructure to: (1) make recommendations to the Chief Judge of the Court of Appeals to ensure the compatibility and interoperability of communication and information management systems maintained by the Judicial Branch; (2) adopt regulations to ensure the compatibility and interoperability of systems maintained by State and local public safety units, as well as accessibility by other appropriate entities to public safety and criminal justice databases; (3) recommend standards and procedures to ensure the compatibility and interoperability of communication and information management systems maintained by local public safety units; and (4) propose legislation to the General Assembly to implement the recommendations regarding compatibility and interoperability of communication and information management systems maintained by local public safety units. The bill terminates at the end of June 30, 2006.

Equal Access to State Agencies – Individuals with Limited English Proficiency

With almost 20,000 immigrants entering Maryland each year, the State's diversity has increased dramatically. Recent immigrants represent 179 countries and 82 foreign languages. Based on the 2000 census, 13 percent of Marylanders over the age of five speak a language other than English at home. Approximately 4 percent of Marylanders speak Spanish, 4 percent speak other Indo-European languages, 3 percent speak an Asian/Pacific Islander language, and 1 percent speak other languages.

Statewide, almost 250,000 Marylanders have limited English proficiency, representing 5 percent of the State's population. Of individuals who have limited English proficiency, 39 percent speak Spanish, 30 percent speak an Asian/Pacific Islander language, 26 percent speak an Indo-European language besides Spanish, and 6 percent speak other languages. Over 46 percent of Spanish-speaking Marylanders have limited English proficiency and 31 percent of individuals who speak an Indo-European language besides Spanish have limited English proficiency. For individuals who speak an Asian/Pacific Islander language, 51 percent have limited English proficiency. Sixty-one percent of individuals with a limited English proficiency reside in Montgomery and Prince George's counties. Approximately 25 percent of individuals with a limited English proficiency reside in Baltimore City and Anne Arundel and Baltimore counties.

Senate Bill 265/House Bill 1174 (both passed) require State agencies to take reasonable steps to provide equal access to public services for individuals with limited

English proficiency. Reasonable steps to provide equal access include the provision of oral language services for individuals who cannot adequately understand or express themselves in spoken or written English and the translation of vital documents ordinarily provided to the public into any language spoken by any limited English proficient population that constitutes 3 percent of the overall State population within the geographic area served by a local office of a State program. The term “vital documents” excludes applications and examinations related to licensure, certification, or registration.

Since Montgomery and Prince George’s counties are the only jurisdictions in which over 3 percent of the population consists of Spanish-speaking individuals with limited English proficiency, only the State programs operating in those counties are required to translate into Spanish the vital documents ordinarily provided to the public. The Department of Human Resources, in consultation with the Office of the Attorney General, must provide central coordination and technical assistance to State agencies and programs. The bills require State agencies listed in a four-year schedule of compliance to take specified steps to provide equal access. All other State agencies must monitor themselves to determine what steps they should take to provide equal access.

Council on Management and Productivity

The Council on Management and Productivity, within the Department of Budget and Management, is an advisory council that was placed in statute in 1996 and charged with reviewing and evaluating State government organizational structure and management practices to more efficiently manage State government resources.

Senate Bill 104 (passed) extends the termination date of the Council of Management and Productivity until July 1, 2007. The bill also reduces the number of members of the council from 25 to 19, staggers the terms of the members, and permits a member to be removed for incompetence, misconduct, or failure to attend meetings. The responsibilities of the council are extended to include facilitating the use of best practices by State agencies.

State Lottery

Multijurisdictional Lottery

Senate Bill 93 (passed) is a departmental bill authorizing the Director of the State Lottery, with the approval of the Lottery Commission and the Legislative Policy Committee, to enter into agreements to operate multijurisdictional lotteries with political entities outside the United States or private licensees of a state or a foreign nation.

For a more detailed discussion of this bill, see the subpart “Horse Racing and Gaming” under Part H – Business and Economic Issues of this *90 Day Report*.

Elections

Campaign Finance

Public Financing of Campaigns

Under State law, a system of public financing of elections is in place for gubernatorial candidates. The system is administered through the Fair Campaign Financing Fund, which is funded through a tax check-off system. *Senate Bill 471/House Bill 538 (both passed)* create a 15-member commission to study public funding of State legislative campaigns. The bills require the commission to collect information regarding current practice in Maryland and in other jurisdictions and determine the necessary statutory changes that would be needed to implement such a system. The commission is required to report its findings to the Governor and General Assembly by December 31, 2002.

Contributions

Contributor Information: Senate Bill 339/House Bill 912 (both failed) would have required that political committees request and report the full name, mailing address, employer, and occupation of contributors who have contributed over \$251 during a four-year election cycle.

Political Action Committees: Chapter 158 of 2001 allowed employee unions or groups and membership organizations to obtain by payroll deduction contributions from their members designated for their affiliated political action committees (PACs). *House Bill 1249 (passed)* allows these employee unions and membership organizations to send designated contributions directly to their affiliated State and local chapters as opposed to their affiliated PACs. State and local entities are required to transfer these contributions to their affiliated PACs within five days.

Reporting Requirements

Annual Campaign Finance Report: The Governor, Lieutenant Governor, Attorney General, and members of the General Assembly are required to file four campaign finance reports on contributions and transfers. A fifth report is due at the end of each four-year election cycle. In any election year, the fourth report is due in November and the following report is not due to be filed until after the General Assembly has adjourned for the year. Since many State lawmakers engage in fundraising activity between the filing of the last report of the year and the start of the legislative session in January (there is a fundraising moratorium during session), the General Assembly addressed this issue in *Senate Bill 721/House Bill 383 (both passed)*. The bills alter the date of the annual campaign finance report from November to the third Wednesday in

January. The timing of this report discloses the fundraising activity of campaigns just prior to a legislative session.

Election Law

Code Revision

Senate Bill 1 (passed) creates a new Election Law Article, replacing the State election code. This code revision is one of three major code revisions undertaken and passed by the General Assembly this year, the others being Criminal Law (see subpart “Criminal Law” of Part E - Crimes, Correction, and Public Safety of this *90 Day Report*) and Electric Cooperatives (see subpart “Corporations and Associations of Part I - Financial Institutions, Commercial Law, and Corporations of this *90 Day Report*). The bill, along with *Senate Bill 176 (passed)*, revises, restates, recodifies, and corrects current laws relating to elections. The basic thrust of the revision is the modernization and clarification of the law. Topics included in the new Election Law Article are: powers and duties of State and local boards of election, voter registration, political parties, candidates, petitions, questions, elections, voting, polling places, canvassing, contested elections, offenses and penalties, campaign finance, disclosure, and public financing of elections.

Conduct of Elections

Chapter 424 of 2001 authorized the use of provisional ballots in conjunction with a system of continuous registration for voters, which allows voters to maintain their voter registration status when moving from one county to another. This statute was part of a recommended overhaul of election law proposed by the Governor’s Special Commission on Voting Systems and Election Procedures in February 2001. Under State law, provisional ballots can be distributed at polling places on election day to voters who are not on a precinct registration list and who have made an attempt to change their registration at a voter registration agency. Qualified voters are required to fill out a certificate of temporary registration and vote using a provisional ballot. Local boards of election must determine after an election each provisional voter’s eligibility and count all eligible provisional ballots. *House Bill 871 (passed)* requires local boards to send provisional voters a written confirmation of whether their ballot was accepted or rejected, if a voter makes a request within 10 days after an election.

House Bill 1046 (passed) addresses several election administration issues brought on by the newly enacted provisional ballot and uniform voting systems law (Chapter 564 of 2001). It allows local election boards to issue provisional ballots prior to election day and allows provisional ballots to be cast on electronic, direct recording voting equipment. It also requires the Department of Health and Mental Hygiene to report the names of individuals who are deceased.

Voting Rights - Convicted Persons

State law disenfranchises individuals who have been convicted more than once of an infamous crime. Infamous crimes are defined as treason, felonies, and crimes involving deceitfulness or falsification. With the exception of individuals convicted of certain subsequent violent crimes, *Senate Bill 184/House Bill 535 (both passed)* allow these individuals to vote three years after completing their entire court-ordered sentence including probation, parole, community service, restitution, and fines.

Baltimore City Election Dates

House Bill 139 (failed) would have altered the year in which Baltimore City elections are held to coincide with the federal presidential election beginning in 2004. Current State law requires the Baltimore City primary election to be held separately from both the gubernatorial and presidential elections. The bill would have required Baltimore City to have a September primary (after the early presidential primary in March) and a joint presidential and municipal general election in November.

Legislative and Congressional Redistricting

Legislative Redistricting

The Maryland Constitution requires the Governor to present a legislative districting plan to the General Assembly by the first day of session in the year following the decennial census. If the General Assembly does not pass an alternative plan before the 45th day of session, the Governor's plan becomes law.

Legislative Districting Plan of 2002

As was the case after the 1990 census, the Governor appointed a Redistricting Advisory Committee in 2001 to recommend a State legislative districting plan for consideration by the General Assembly in the 2002 session. The committee consisted of four Democratic members and one Republican member as follows:

- John T. Willis; Secretary of State and Chairman of the Advisory Committee
- Thomas V. Mike Miller; President of the Senate of Maryland
- Casper R. Taylor; Speaker of the Maryland House of Delegates
- Isiah Leggett; Montgomery County Commissioner

- Louise L. Gulyas; Worcester County Commissioner (Republican)

Following 12 public hearings across the State, and numerous work sessions, the committee submitted its final recommendation to the Governor in December 2001. The Governor made minor changes to the plan and submitted it to the General Assembly as *Senate Joint Resolution 3/House Joint Resolution 3 (both enacted)*. The resolution became law for purposes of elections on February 22, 2002, pursuant to Article III, Section 5 of the Maryland Constitution after the General Assembly failed to pass an alternative plan before the 45th day of session. The plan, in effect for purposes of electing members to the General Assembly, will be effective for purposes of representation on January 7, 2003.

Based on the 2000 census, the ideal population of a senatorial district is 112,691. The ideal population for a two-member delegate district is 75,127, and 37,564 for a single-member district. The legislative districting plan of 2002 has a total plan variance of 9.91 percent, and each subdistrict deviates from the ideal population by less than 5 percent. **Exhibit C.1** lists the population and deviation for each district.

Exhibit C.1
Legislative Districting Plan of 2002

<u>District</u>	<u>Number of Members</u>	<u>Population</u>	<u>Deviation</u>	<u>% Deviation</u>
01A	1	35,716	-1,848	-4.92
01B	1	36,701	-863	-2.30
01C	1	36,009	-1,555	-4.14
Total District 1:	3	108,426	-4,266	-3.79
02A	1	39,147	1,583	4.21
02B	1	38,537	973	2.59
02C	1	39,432	1,868	4.97
Total District 2:	3	117,116	4,424	3.93
03A	2	78,772	3,644	4.85
03B	1	39,326	1,762	4.69
Total District 3:	3	118,098	5,406	4.80

<u>District</u>	<u>Number of Members</u>	<u>Population</u>	<u>Deviation</u>	<u>% Deviation</u>
04A	2	77,910	2,782	3.70
04B	1	39,429	1,865	4.96
Total District 4:	3	117,339	4,647	4.12
05A	2	77,683	2,555	3.40
05B	1	39,253	1,689	4.50
Total District 5:	3	116,936	4,244	3.77
06	3	113,685	993	0.88
Total District 6:	3	113,685	993	0.88
07	3	116,988	4,296	3.81
Total District 7:	3	116,988	4,296	3.81
08	3	114,309	1,617	1.43
Total District 8:	3	114,309	1,617	1.43
09A	2	78,104	2,976	3.96
09B	1	37,678	114	0.30
Total District 9:	3	115,782	3,090	2.74
10	3	118,179	5,487	4.87
Total District 10:	3	118,179	5,487	4.87
11	3	111,298	-1,394	-1.24
Total District 11:	3	111,298	-1,394	-1.24
12A	2	78,692	3,564	4.74
12B	1	38,856	1,292	3.44

<u>District</u>	<u>Number of Members</u>	<u>Population</u>	<u>Deviation</u>	<u>% Deviation</u>
Total District 12:	3	117,548	4,856	4.31
13	3	116,077	3,385	3.00
Total District 13:	3	116,077	3,385	3.00
14	3	107,675	-5,017	-4.45
Total District 14:	3	107,675	-5,017	-4.45
15	3	107,277	-5,415	-4.81
Total District 15:	3	107,277	-5,415	-4.81
16	3	107,658	-5,034	-4.47
Total District 16:	3	107,658	-5,034	-4.47
17	3	110,712	-1,980	-1.76
Total District 17:	3	110,712	-1,980	-1.76
18	3	107,564	-5,128	-4.55
Total District 18:	3	107,564	-5,128	-4.55
19	3	109,503	-3,189	-2.83
Total District 19:	3	109,503	-3,189	-2.83
20	3	112,807	115	0.10
Total District 20:	3	112,807	115	0.10
21	3	108,009	-4,683	-4.16
Total District 21:	3	108,009	-4,683	-4.16

<u>District</u>	<u>Number of Members</u>	<u>Population</u>	<u>Deviation</u>	<u>% Deviation</u>
22	3	107,305	-5,387	-4.78
Total District 22:	3	107,305	-5,387	-4.78
23A	2	73,512	-1,616	-2.15
23B	1	37,234	-330	-0.88
Total District 23:	3	110,746	-1,946	-1.73
24	3	108,210	-4,482	-3.98
Total District 24:	3	108,210	-4,482	-3.98
25	3	110,475	-2,217	-1.97
Total District 25:	3	110,475	-2,217	-1.97
26	3	118,093	5,401	4.79
Total District 26:	3	118,093	5,401	4.79
27A	2	77,553	2,425	3.23
27B	1	38,105	541	1.44
Total District 27:	3	115,658	2,966	2.63
28	3	112,205	-487	-0.43
Total District 28:	3	112,205	-487	-0.43
29A	1	38,945	1,381	3.68
29B	1	37,618	54	0.14
29C	1	39,229	1,665	4.43
Total District 29:	3	115,792	3,100	2.75
30	3	117,102	4,410	3.91
Total District 30:	3	117,102	4,410	3.91

<u>District</u>	<u>Number of Members</u>	<u>Population</u>	<u>Deviation</u>	<u>% Deviation</u>
31	3	115,417	2,725	2.42
Total District 31:	3	115,417	2,725	2.42
32	3	116,789	4,097	3.64
Total District 32:	3	116,789	4,097	3.64
33A	2	78,857	3,729	4.96
33B	1	38,911	1,347	3.59
Total District 33:	3	117,768	5,076	4.50
34A	2	77,979	2,851	3.79
34B	1	39,430	1,866	4.97
Total District 34:	3	117,409	4,717	4.19
35A	2	76,400	1,272	1.69
35B	1	38,898	1,334	3.55
Total District 35:	3	115,298	2,606	2.31
36	3	118,176	5,484	4.87
Total District 36:	3	118,176	5,484	4.87
37A	1	39,258	1,694	4.51
37B	2	78,818	3,690	4.91
Total District 37:	3	118,076	5,384	4.78
38A	1	39,375	1,811	4.82
38B	2	78,867	3,739	4.98
Total District 38:	3	118,242	5,550	4.92
39	3	110,145	-2,547	-2.26

<u>District</u>	<u>Number of Members</u>	<u>Population</u>	<u>Deviation</u>	<u>% Deviation</u>
Total District 39:	3	110,145	-2,547	-2.26
40	3	107,176	-5,516	-4.89
Total District 40:	3	107,176	-5,516	-4.89
41	3	107,386	-5,306	-4.71
Total District 41:	3	107,386	-5,306	-4.71
42	3	107,244	-5,448	-4.83
Total District 42:	3	107,244	-5,448	-4.83
43	3	107,441	-5,251	-4.66
Total District 43:	3	107,441	-5,251	-4.66
44	3	109,394	-3,298	-2.93
Total District 44:	3	109,394	-3,298	-2.93
45	3	107,066	-5,626	-4.99
Total District 45:	3	107,066	-5,626	-4.99
46	3	107,065	-5,627	-4.99
Total District 46:	3	107,065	-5,627	-4.99
47	3	107,822	-4,870	-4.32
Total District 47:	3	107,822	-4,870	-4.32
 Total Population:	 5,296,486			

Constitutional Amendments

In addition to the introduction of a legislative districting plan by the Governor at the beginning of the 2002 session, several bills were introduced aiming to modify the constitutional provisions governing the State legislative redistricting process. *Senate Bill 531 (failed)* would have amended the State constitution to require a 17-member Legislative Districting and Apportionment Commission to be responsible for creating legislative and congressional districts within 180 days of convening. The bill would have tightened the allowable overall deviation (the difference between the largest and smallest districts in the State plan) to no more than 1 percent, down from the current court-established benchmark of 10 percent, and provided for automatic judicial review of completed plans by the Maryland Court of Appeals within 15 days of finalizing the plan.

House Bill 688 (failed) would have amended the constitution to exempt Senators and Delegates from the residency requirements of the State Legislative Districting Plan for the period between the adoption of the plan to the date of the first election following adoption, if an incumbent’s previous district had been altered by the plan. Currently, the State constitution requires a representative to have resided in the district they have chosen to represent for at least six months prior to the date of their election.

Alternative Plans

Three alternative legislative redistricting plans were offered before the constitutional deadline of February 22. *Senate Joint Resolution 12 (failed)* would have subdivided each state senatorial district into three single-member delegate districts creating 141 delegate districts in total. *Senate Joint Resolution 19 (failed)* would have retained two Baltimore area districts lost to the Washington metropolitan region under the plan introduced by the Governor, and *House Joint Resolution 27 (failed)* would have made relatively minor changes in the Montgomery county area.

Congressional Redistricting

According to the 2000 census Maryland’s population was 5,296,486, entitling it to eight seats in the U.S. House of Representatives (**Exhibit C.2**). The 2000 ideal district population is 662,061. Population growth and shifts since 1992 caused the existing congressional districts to fall out of compliance with federal one person-one vote requirements.

Exhibit C.2
1992 Congressional District Population 2002
 (Ideal District Population = 662,061)

<u>District</u>	<u>Population</u>	<u>Deviation</u>	<u>% Deviation</u>
District 1	682,770	20,709	3.13%

<u>District</u>	<u>Population</u>	<u>Deviation</u>	<u>% Deviation</u>
District 2	652,938	-9,123	-1.38%
District 3	643,935	-18,126	-2.74%
District 4	648,764	-13,297	-2.01%
District 5	714,886	52,825	7.98%
District 6	723,196	61,135	9.23%
District 7	539,439	-122,622	-18.52%
District 8	690,558	28,497	4.30%

The General Assembly reconfigured Maryland's eight congressional districts during the regular session of 2002. *Senate Bill 805 (passed)* is based on the recommendations made by the Governor's Redistricting Advisory Committee.

Senate Bill 805 creates a congressional districting plan with a total variance of two persons or three ten-thousandths of a percent (0.0003 percent). The plan maintains two minority districts (the 4th and 7th Congressional districts) and to the extent possible, preserves the cores of the 1992 districts. **Exhibit C.3** provides the district populations, variances, and racial percentages for each congressional district.

Exhibit C.3
2002 Congressional Districting Plan (2002 Population)

<u>District</u>	<u>Population</u>	<u>Deviation</u>	<u>% White</u>	<u>% Black</u>	<u>% Hispanic</u>
1st	662,062	1	85.54%	11.25%	1.57%
2nd	662,060	-1	67.31%	27.29%	2.18%
3rd	662,062	1	77.26%	16.33%	2.90%
4th	662,062	1	30.31%	57.26%	7.52%
5th	662,060	-1	61.97%	30.29%	3.46%
6th	662,060	-1	92.33%	4.87%	1.44%
7th	662,060	-1	34.94%	59.12%	1.67%
8th	662,060	-1	62.56%	16.74%	13.69%
Total Population:	5,296,486				
Ideal District Population:	662,061				

Ethics

Lobbyist Ethics

The focus of attention in public ethics was the portion of the Maryland Public Ethics Law that relates to the registration and regulation of lobbyists. With only one exception, every legislative proposal sought to modify the provisions of the 2001 session's omnibus lobbyist ethics bill (Chapter 631 of 2001).

The 2001 enactment had codified the recommendations of the Study Commission on Lobbyist Ethics (the "Robertson Commission") and had expanded the lobbyist law in a variety of areas for persons seeking to influence Legislative Branch or Executive Branch actions. Concerns were raised almost immediately that some of the new provisions went beyond what the legislature had intended. Moreover, the substantially increased penalties of the new law for improperly failing to register as a lobbyist brought greater attention to compliance with registration criteria that had been in the law for over 20 years.

The only bill in this subject area that passed, *House Bill 1076 (passed)*, alters several provisions that were enacted in 2001, as well as changing provisions that have been in effect since the 1970s. The significant changes are as follows:

Thresholds for Lobbyist Registration

Much of the public's concern about the lobbyist law grew out of the State Ethics Commission's interpretation of long-standing "thresholds" that determined if and when a person's activities required registration as a regulated lobbyist. Under the current law, a person who interacts face-to-face with legislators or legislative staff, for the purpose of influencing legislative action, must register as a lobbyist if the person either incurs expenses of at least \$100 or earns \$500 as compensation.

As interpreted by the Ethics Commission, those provisions were applied to individuals who testified in Annapolis on a very limited basis or who were not being specifically compensated for the lobbying. For example, the time that a member of a professional or trade association spent in Annapolis was counted toward the compensation threshold even if the individual was using vacation or leave time. In order to accommodate these situations, while not creating a loophole for professional lobbying efforts, *House Bill 1076* raises the expense threshold to \$500 and the compensation threshold to \$2,500. The increased thresholds will serve to exclude the limited activities that many observers thought should not require registration, while requiring registration for those whose actions are more concerted.

The bill also adds language to the thresholds to more closely tie the expense and compensation payments to the lobbying activity. This will exclude from registration an individual who volunteers to testify on behalf of a nonprofit organization and whose “compensation” is from a job unrelated to the organization or the legislation.

A statement of legislative intent in the preamble to the bill states specifically that the General Assembly did not intend to require registration of lawyers providing pro bono assistance to the Bar Association.

Business Relocation Consultants

The 2001 enactment had required registration by a person who is “compensated by a business entity to influence executive action to secure from the State a business grant or loan with a value of more than \$100,000 for the business entity.” The Department of Business and Economic Development expressed concern that this provision was harming the State’s economic development, because it would require business relocation consultants to register and state the identity of their clients. DBED testified that these consultants typically begin their search for relocation sites by negotiating with State officials prior to revealing the client’s identity. Maryland is the only state to require this group to register as lobbyists. *House Bill 1076* exempts from registration “a person who seeks to secure a business grant or loan for the purpose of locating, relocating, or expanding a business in or into the State,” so long as the person engages in no other act that requires lobbyist registration.

Student Activities

Students are becoming increasingly involved with the legislative process, frequently coming to Annapolis to testify and sometimes to initiate legislation. Because the expenses of this activity may cross the lobbying expenditure threshold, *House Bill 1076* contains an exception from lobbyist registration for an elementary, secondary, or postsecondary school student or student organization that lobbies as part of a course or student activity.

Lobbyists Serving on State Boards or Commissions

The provisions enacted in 2001 included a prohibition on a regulated lobbyist serving on a State board or commission, other than “an advisory body of limited duration.” Because some lobbyists serve on boards or commissions that are unrelated to the financial interests of their lobbying clients, *House Bill 1076* includes a process under which the State Ethics Commission will establish criteria under which regulated lobbyists may serve in these bodies. For a regulated lobbyist serving on an authorized board or commission, there will be financial disclosure requirements that go beyond the requirements for other members of the board or commission. The State Ethics

Commission is to adopt regulations to implement these provisions by October 31, 2002, and will be prohibited from enforcing the restrictions until November 1, 2002.

Miscellaneous Provisions

- *House Bill 1076* modifies the prohibition against a lobbyist counseling a person to violate any provision of law, specifying that the violation occurs “knowingly.”
- The bill harmonizes a provision of the Election Law relating to reports from entities that do business with the State with a comparable provision of the Ethics Law requiring reports from entities that compensate lobbyists (the Ethics Law provision having been enacted in the 2001 lobbyist ethics bill).
- An entity that compensates one or more lobbyists is itself deemed a regulated lobbyist if the compensation exceeds \$500. The bill raises this amount to \$2,500 to correspond to the lobbyist compensation threshold described above.

State Ethics Commission – Electronic Reporting

The Ethics Law was amended in 1999 to allow electronic filing of financial disclosure statements and lobbyist reports. In order to implement an electronic filing procedure, *House Bill 1355 (passed)* provides for the filing of the required oath or affirmation by attaching or including in the report a signed statement made expressly under the penalties for perjury.

Procurement

Nonpublic Schools

Several measures passed which allow private schools meeting certain criteria to piggyback on State contracts and contracts entered into by cooperative purchasing groups (sometimes referred to as school buying consortia) to lower their costs for supplies and equipment.

Senate Bill 480/House Bill 492 (both passed) allow local boards of education and private schools to participate in contracts for goods that are awarded by other public agencies or by intergovernmental purchasing organizations as long as the lead agency for the contract follows public bidding procedures. In addition, the bills expand the way bids for contracts may be advertised by allowing local boards to advertise bids in a newspaper of general circulation in the region, in the *Maryland Contract Weekly* or a comparable State publication, or on both an electronic bid board and a school system bid board. The Maryland State Department of Education must establish a process, which may include a web site, that provides access to information about contracts for goods held by public agencies or intergovernmental purchasing organizations.

A similar bill, *House Bill 779 (passed)* authorizes nonprofit private elementary or secondary schools that are certified by the State Board of Education or the Association of Independent Schools to use the services of the Purchasing Bureau of the Department of General Services to purchase materials, supplies, and equipment. The bill expressly prohibits the purchase of any religious materials on behalf of the private schools.

Prevailing Wage

A 2001 Court of Appeals decision, *Maryland Division of Labor and Industry v. Triangle General Contractors, Inc.*, held that the prevailing wage law, as recodified by Chapter 48 of 1988, provides that only a subcontractor can be held liable for restitution for underpayment to the subcontractor's employees. Even though the revisor's notes indicate an intention to make no substantive changes to the law, the court found that the recodified language makes a new distinction between the obligation of the contractor to pay liquidated damages to the public body and the obligation of the contractor **or subcontractor** to make restitution to the employee. The court interpreted the latter requirement as hinging on whose employee was underpaid.

Senate Bill 281 (passed) reestablishes that a general contractor is liable for restitution for underpayment to any employee working on a public work contract covered by the prevailing wage law, including a subcontractor's employee. It also provides joint and several liability for the contractor and subcontractor to pay restitution to a subcontractor's underpaid employee. The contractor's liability for liquidated damages to the public body remains the same.

New Procurement Methods

Under current procurement regulations, unsolicited proposals are eligible for award provided that a sole source justification can be provided. *Senate Bill 719 /House Bill 252 (both passed)* authorize the award of a procurement contract on the basis of an unsolicited proposal for specified service contracts even if the unsolicited proposal does not meet the requirements established for a sole source procurement. The unsolicited proposal must involve the delivery of business and economic development services, or educational, health, or social services and must meet other criteria, including offering a novel or innovative concept. The bills create an interagency panel that must review and concur in the award of a contract on the basis of an unsolicited proposal.

Over the last two years, the Department of General Services has implemented several electronic procurement methods including the eMaryland Marketplace. *Senate Bill 86 (passed)* authorizes a primary procurement unit to use auction bids, generally conducted on-line, in the procurement of supplies if the estimated contract value of the procurement is \$1,000,000 or more. The process is commonly referred to as a "reverse

auction” and requires bidders to compete against each other to offer the lowest price for specified goods.

Adjustments to Procurement Authority

House Bill 95 (passed) expands the procurement authority of the Department of Transportation and the Maryland Transportation Authority to include procurement of supplies and services for aeronautics related activities.

House Bill 97 (passed) raises the dollar amount threshold from \$100,000 to \$200,000 that triggers review by the Board of Public Works of an architectural or engineering services contract award by the General Professional Services Selection Board or the Transportation Professional Services Selection Board. The \$200,000 threshold also triggers competitive procurement and certification requirements.

House Bill 572 (passed) authorizes the Board of Trustees of the Community College of Baltimore County to award specified procurement contracts under \$100,000 in dollar value on the basis of noncompetitive negotiation.

Minority Business Preferences – Nonminority Males

House Bill 1150 (failed) would have broadened the applicability of the minority business enterprise preference by modifying the definition of “socially disadvantaged individual” to include an individual, including a nonminority male, who has suffered social disadvantage due to long-term residence in an environment isolated from the mainstream of American society or due to any cause not common to members of the general public.

Regulations and Procedures

Public Records

The General Assembly considered several proposals regarding public records, including proposals relating to access to records and permissible denial of access.

Access to Public Records

House Bill 1024 (passed) provides greater clarity in the State law concerning public access to governmental records. The bill requires a custodian of public records to consider whether to designate specific types of records that will be made available immediately on request, without a written application, and whether to maintain lists of those designated record types. *House Bill 1024* requires a custodian to grant or deny requested access to a public record within 30 days or notify the applicant that the record does not exist. A custodian may not condition the grant of access based on the identity or affiliation of the applicant or the purpose of the application, unless:

- the applicant is requesting a fee waiver or information that is material to the determination of whether the applicant is entitled to a fee waiver; or
- the request is related to the status of an applicant as a person in interest or as required by other law.

House Bill 1024 also establishes a “clear and convincing” evidence standard for damages available for the willful and knowing unlawful disclosure of information in public records or failure to disclose information lawfully sought from public records. Finally, the bill removes the availability of punitive damages for willful and knowing unlawful disclosure, or failure to disclose, lawfully requested information from public records.

Permissible Denials

Although information in public records is generally available to the public, the General Assembly has provided several categories of records to which access may be restricted or denied. The General Assembly added two types of records to those categories in the 2002 legislative session: public security documents and information on the competitiveness of Maryland Port Administration facilities.

Public Security Documents: Recent events have heightened concern for security, including the availability of sensitive information in public records that may compromise the safety of public health and facilities. *Senate Bill 240 (Ch. 3)/House Bill 297 (passed)* allow a custodian of public records to deny inspection of several categories of records relating to emergency response, infrastructure materials, public facilities, and medical and laboratory facilities. The custodian may deny access to these records only to the extent that disclosure of the information would jeopardize the security of any structure owned or operated by the State or one of its political subdivisions, facilitate the planning of a terrorist attack, or endanger the life or physical safety of an individual. For further discussion of this issue, see the subpart “Anti-Terrorism” within this Part C.

Port Administration Rates and Services: Competition for overseas shipping is intense among the ports along the Atlantic Coast of North America. To protect information that might otherwise benefit competitor ports, *House Bill 254 (passed)* allows a custodian of public records to deny access to information on stevedoring or terminal services or facility use rates generated, received, or negotiated by the Maryland Port Administration or by a private operating company created by the Administration. A custodian may also deny access to proposals to use those services to increase waterborne State commerce and deny access to research and analyses related to maritime businesses or vessels that are compiled to evaluate competitiveness.

Electronic Government

As part of the State's movement to centralize information and to make its operations and documents accessible to citizens in electronic form, *Senate Bill 108 (passed)* requires the State Roads Commission and the State Highway Administration to file plats showing their property and rights-of-way with the State Archives rather than with clerks of court. The State Archives must receive, index, and file the microfilm cards or electronic images of plats provided by the commissions, and must post images of the plats on the Archives website, <http://www.plats.net>. Each image must contain a certification by the State Archivist, or a link to such a certification, that the image is an authentic representation of the image received by the Archives. The certification serves as recordation of the plat.

In the area of public safety, the new State Commission on Public Safety Technology and Critical Infrastructure created by *House Bill 1265 (passed)* is charged with ensuring that public safety communication and information management systems are compatible and interoperable. The commission must: (1) recommend standards on compatibility and interoperability to the Chief Judge of the Court of Appeals for systems maintained by the Judicial Branch; (2) adopt regulations on compatibility and interoperability of State public safety units, including standards for accessibility by other appropriate public safety units; (3) recommend standards for county and municipal public safety units; and (4) recommend legislation concerning compatibility and interoperability standards for county and municipal public safety units. For a more detailed discussion of *House Bill 1265*, see the subpart "State Agencies, Offices, and Officials" within this Part C.

Administrative Procedure Act

The referral of contested cases between regulating agencies and the public to administrative law judges is intended as a means of saving time and resources in resolving administrative disputes, compared with bringing these disputes to the courts. Some disputes are resolved by the administrative law judge. In other cases, the administrative law judge makes a recommendation to a final decision maker, usually an administrator or a commission. In order to ensure that contested cases are resolved in an expeditious manner, *Senate Bill 31 (passed)* requires the final decision maker to make a final decision within 90 days after the later of filing exceptions and presentation of arguments, unless otherwise provided by law or agreed by the parties.

Personnel

Employee Compensation

Personnel expenditures, which cost an estimated \$5.3 billion, constitute a major component of the fiscal 2003 budget. This figure represents an increase over fiscal 2002 working appropriations of approximately \$187.3 million, or 3.7 percent. The largest share of this increase is devoted to regular employee salaries which grow modestly in fiscal 2003, primarily through the annualization of the fiscal 2002 general salary increase (approximately \$75 million) and the cost associated with the payment of a lump-sum bonus (approximately \$44 million). Regular employee salaries grow by a total of \$121 million, or 3.1 percent over fiscal 2002.

Under the requirements of Section 37 of the Fiscal 2003 Budget, a 75,600 full-time equivalent (FTE) regular position cap is applied to the Executive Branch. This position cap requires substantial position reductions, which carries with it a minimum required budgetary reduction of at least \$11.0 million in general funds. Individual agency budgets reflect reductions of 614.8 FTEs from those assumed in the Governor's budget (including reductions of 102.0 FTEs from the Judiciary) but require the abolition of an additional 3,401 FTE positions to reach the cap requirement.

In addition to the personnel actions related to employees' salaries, changes to the way the State calculates pension contributions resulted in a \$48.9 million decrease in pension contributions from those assumed in the Governor's allowance in fiscal 2003. A more detailed description of the change in calculating pension contributions can be found under the subpart "Pensions and Retirement" within this Part C. A reduction in the State's match of the deferred compensation benefit from \$600 to \$500 resulted in a savings of \$3.6 million. Deletion of funds for the pay-for-performance bonus benefit further reduced the operating budget by \$8.8 million. These decreases are partially offset by inflationary increases in health, dental, and mental health insurance, which are projected to increase approximately 10 percent or \$53.7 million in fiscal 2003.

For a more detailed discussion of personnel budget actions, see Part A - Budget and State Aid of this *90 Day Report*.

Disciplinary Actions and Grievances

Senate Bill 30 (passed) requires that a disciplinary action be expunged from an employee's personnel records within 15 days of a decision to rescind the disciplinary action. For disciplinary actions rescinded pursuant to a written opinion from either the Office of Administrative Hearings or a peer review panel, the action must be expunged from the employee's personnel records within 45 days of the issuance of a final decision.

Two bills require certain employees at the University System of Maryland and Morgan State University to choose where to file certain grievances. *Senate Bill 89 (passed)* requires employees of the institutions previously eligible to file a grievance for allegations of employment discrimination under both the Equal Employment Opportunity Program or the respective Education Articles, to choose where to file the grievance. Similarly, *Senate Bill 95 (passed)* requires employees of the institutions previously eligible to file a grievance under both the Maryland Whistleblower Law with the Secretary of Budget and Management and the respective Education Articles, to choose where to file the grievance.

Leave and Benefits

Two bills expand participation in the State Employee and Retiree Health and Welfare Benefits Program. *Senate Bill 844 (passed)* allows the Legal Aid Bureau to participate in the plan as a qualified not-for-profit organization for two years. The Legal Aid Bureau must pay a premium determined by the Department of Budget and Management to cover any costs associated with adding the organization to the plan. *House Bill 181 (passed)* permits employees of the following local councils to participate in the plan with the approval of the council:

- the Tri-County Council for Southern Maryland;
- the Tri-County Council for Western Maryland;
- the Tri-County Council for the Lower Eastern Shore of Maryland; and
- the Mid-Shore Regional Council.

Each council must pay the State the full cost associated with the participation of its employees in the plan and must determine the extent to which it will subsidize the health benefits of its employees.

House Bill 1444 (passed) provides some financial relief to State employees who are called to active military duty in the wake of the events of September 11, 2001. The bill authorizes the Secretary of Budget and Management to provide, by regulation, up to 15 days of leave with pay for employees on active military duty or military training in a reserve unit or in the organized militia (National Guard). The bill also permits employees called to active military duty on or after September 11, 2001, that are on unpaid leave, to receive leave from the State Employees Leave Bank. An employee on active military duty and unpaid leave, may receive leave from the bank beginning January 1, 2001, or the date the employee began unpaid leave, whichever is later. The bill is effective until December 31, 2003.

House Bill 1205 (passed) permits uniformed State employees to attach, subject

to certain guidelines, a symbol of the U.S. flag to the employee's uniform. State agencies with uniformed employees must establish the guidelines, which may include the size, location, and form of the symbol that may be worn.

Pensions and Retirement

New Actuarial Methodology

Overview

Under the proposal incorporated in the Budget Reconciliation and Financing Act (BRFA), *Senate Bill 323 (passed)*, the State's actuarial methodology is changed from one in which the State's pension contribution rates vary from year to year to one in which the rates for the largest systems, the employees' and teachers' systems, remain fixed as long as their funding levels remain sound. The respective pension contribution rates for the employees' and teachers' systems are fixed from year to year, as long as the funding for those systems remain in a "corridor" of actuarial funding from 90 percent to 110 percent. Currently, the employees' systems are 102.2 percent funded, and the teachers' systems are 93.5 percent funded.

Under *Senate Bill 323*, each system has a separate fixed contribution rate equal to the fiscal 2002 certified rate. Each rate remains in place as long as funding remains within the 90 percent to 110 percent corridor. Both systems are large enough to remain relatively stable within the corridors, but if either system slips outside the corridor, the rate will be reset to bring it back toward full funding. This will be done through an adjustment equal to one-fifth of the distance to the full funding rate. Any benefit enhancements or other changes to either plan will require adjustments to the fixed rate.

Other Plans

The three smaller plans, the State Police Retirement System, the Judges' Retirement System, and the Law Enforcement Officers' Pension System (LEOPS), and the "municipal pool" of participating local units, will continue under the current methodology, whereby the contribution rate is reset by the Board of Trustees for the State Retirement and Pension System (the pension board) and the actuary each year. The decision to exclude the smaller systems reflected concerns by the actuary and the pension board about the relative funding levels of these systems (the State Police Retirement System is 131 percent funded, while LEOPS is 57 percent funded). These smaller systems are more volatile and would be harder to keep within corridors.

Budget Impact

The BRFA “corridor” approach achieves pension savings this year under an actuarially sound methodology. It also provides rate stability in fiscal 2004 and beyond. The corridor approach will produce approximately \$49 million in savings (\$38 million in general funds) versus current statutory methodology, or \$30 million more than the proposal that the Governor included in *Senate Bill 323* as introduced and in the Fiscal 2003 Budget. Additionally, this “corridor” approach spreads the pension savings evenly among participating agencies in the employees’ and teachers’ systems, resulting in an increase in funding to teacher retirement aid versus the Governor’s proposal.

The Fiscal 2003 Budget, as introduced by the Governor, included \$65 million in general fund reductions to the State’s pension contributions versus the statutorily required amounts. The total underfunding, including all fund types, was approximately \$79 million. In addition, the Governor’s allocation of the \$79 million underfunding fell disproportionately on the State’s contribution to local teacher retirement.

Through the Governor’s approach, State pension contributions would have bounced back up by \$79 million in fiscal 2004, with an additional increase to reflect the amortized portion of the fiscal 2003 underfunding. With poor pension investment performance likely this year, it is possible that the State’s contributions for fiscal 2004 would be even higher than that. In that context, the Department of Legislative Services sought the assistance of Milliman USA, the pension actuary for the State, to develop a new pension contribution methodology that was actuarially sound but also would reflect the State’s fiscal ability to make pension contributions in fiscal 2003 and 2004.

Future Outlook

In the long term, the corridor approach creates greater stability and predictability in budgeting. So long as the employees’ and teachers’ systems stay within their corridors, pension contributions will increase only as a factor of payroll growth. Under the current methodology, a year or two of poor pension investment performance causes the contribution rate to spike up simultaneous with a decline in tax revenues. The corridor stability insulates the State from a shock of this sort. Moreover, under favorable circumstances, the contribution rate will stay high, whereas under the current method it would drop down, reducing State pension contributions.

For a further discussion of BRFA, see Part A - Budget and State Aid of the *90 Day Report*.

Joint Committee on Pensions Legislation

Each year the Joint Committee on Pensions introduces legislation at the request of the pension board and on its own initiative. In the 2002 session, each of the six bills that were introduced by the joint committee passed.

Change in Fee Cap for Management of Alternative Investments

House Bill 163 (passed) increases the limits for fees that the pension board may pay for the external management of alternative investments. The bill also allows the pension board to carry over from one quarter to the next any previously estimated but unspent fees under the fee limit cap for alternative investments or real estate investments. *House Bill 163* applies retroactively to unspent fees under the cap for the eight quarters before the effective date, July 1, 2002.

Task Force to Study Health Insurance Liabilities

House Bill 164 (passed) creates a six-member Task Force to Study the State's Retiree Health Insurance Liabilities. The task force is required to: (1) review other states' approaches to retiree health care; (2) commission an actuarial valuation of the liabilities associated with the retiree health system; and (3) develop options and recommendations to address the issue of retiree health care for the 2003 session.

House Bill 164 was the culmination of a comprehensive summer study conducted during the 2000 interim by the Joint Committee on Pensions and the Department of Legislative Services. The findings of the study determined that Maryland, like the majority of states around the country, partially subsidizes the health insurance premiums for retired State employees on a "pay-as-you-go" basis. The State's actuary informally estimates the unfunded liabilities associated with this subsidy at \$3 billion. To address these growing costs and anticipate the time when government accounting standards may require recognition of these liabilities, a growing minority of states have begun to prefund these liabilities.

Board of Supervisors of Elections

House Bill 165 (passed) codifies an existing practice by allowing for the payment of employer and employee contributions made by local boards of supervisors of elections to be made either through the Central Payroll Bureau or directly to the pension board.

Recalculation of Annuity Payments Under Options 5 and 6

House Bill 394 (passed) adds a feature to two existing annuity options available to retirees of the State retirement and pension systems. The bill permits retired members

and future retirees who have elected, or will elect, one of the two “pop-up” options (Options 5 or 6) at retirement to designate a new beneficiary at any time after the benefit has increased to the basic allowance following the death of the originally designated beneficiary.

Reemployment of Disability Retirees – Suspension of Allowance

House Bill 395 (passed) eases restrictions on disability retirees who wish to return to work. The bill grants to the pension board the discretion to temporarily suspend the disability retirement allowance of a disability retiree who: (1) is under the normal retirement age; (2) began receiving a retirement allowance on or after July 1, 1998; and (3) is reemployed in any position by a participating employer, if the salary received by the retiree is at least equal to the retiree’s average final compensation at retirement. The suspension is effective only during the period of reemployment.

House Bill 395 also repeals the provisions that allow the board to suspend a retiree’s allowance if: (1) the retiree becomes reemployed by a participating employer at a salary less than the retiree’s average final compensation at retirement but in a position similar to the position held at retirement; or (2) the board determines that a retiree has refused to accept a reemployment offer by the retiree’s employer at the time of retirement in a position similar to the one held by the retiree at retirement or a position with a salary that is at least equal to the retiree’s average final compensation at retirement. Additionally, the requirement that a disability retiree be subject to a reexamination process is also eliminated.

Federal Tax Issues

House Bill 534 (passed) makes several changes in State law to incorporate changes in federal tax law resulting from the passage of the federal Economic Growth and Tax Relief Reconciliation Act of 2001. These changes include: (1) removing any specific maximum dollar limit for annual compensation that would be used to determine the retirement allowance payable to a member of a State retirement or pension system, and instead referencing the section in the Internal Revenue Code (IRC) that addresses the current applicable dollar limitations; (2) allowing direct rollovers of payments to be made to IRC § 403(b) annuities and certain types of IRC § 457 plan accounts; (3) allowing after-tax employee money to be included in rollover distributions; and (4) allowing a member of a State retirement or pension system to purchase prior service with money from any fund source that is not specifically prohibited by the IRC.

Collective Bargaining Bills

Six pension bills were introduced during the 2002 session that were the result of collective bargaining negotiations. Of these six bills, only one passed.

House Bill 1442 (passed) increases the special death benefit paid to surviving beneficiaries of a member of the LEOPS or the State Police Retirement System whose death arises out of or in the course of the actual performance of duty to two-thirds of the member's average final compensation.

The other five collective bargaining bills failed. **House Bill 1443 (failed)** would have excluded certain LEOPS and State Police Retirement System disability retirees from the current employment restrictions and earnings limitations placed on disability retirees of these systems. **House Bill 1445 (failed)** would have allowed certain members of the State Police Retirement System to purchase service credit for periods of employment with political subdivisions of the State. **House Bill 1446 (failed)** would have enhanced retirement benefits and changed the terms of the Deferred Retirement Option Program (DROP) of the State Police Retirement System. **House Bill 1447 (failed)** would have created a DROP program for members of the Employees' Pension System and the Employees' Retirement System. Finally, **House Bill 1453 (failed)** would have created a DROP program for members of the Correctional Officers' Retirement System.

Pensions for Governors and Judges

During the 2001 interim, both the Governor's Salary Commission and the Judicial Compensation Commission convened. At the conclusion of each of their studies, both commissions recommended changes to pension benefits.

Senate Bill 202/House Bill 258 (both passed) increase the pension benefit of a Governor who has served one full term in office to equal one-third of the annual salary received by the current Governor. For a Governor who has served two full terms, the benefit increases to one-half of the annual salary received by the current Governor. Under existing law former Governors receive a benefit based on the salary received as Governor, subject to a 3 percent cost-of-living adjustment.

These bills also eliminate a specific pension provision that provided a \$12,500 allowance for former Governors who served at least one full term of office before January 17, 1979. Deletion of this provision allows at least one former Governor to receive an increased pension based on the new formula.

Senate Bill 204/House Bill 259 (both failed) would have made technical changes to the Governor's pension formula, contingent on the failure of **Senate Bill 202/House Bill 258**.

Senate Bill 171/House Bill 173 (both passed) allow a retiree of the Judges' Retirement System who has no spouse or minor children at the time of retirement and who elects to receive a reduced allowance, to designate multiple beneficiaries to receive

a lump-sum payment of any remaining pension balance at the time of the retiree's death. In addition, these bills create a lump-sum death benefit that is payable to the member's designated beneficiary or beneficiaries if the member dies prior to retirement and has no surviving spouse or minor children at the time of death. These provisions are similar to those recently added to the Legislative Pension Plan.

Membership and Benefits

A number of bills were introduced that affect the membership and benefits of several of the State retirement and pension systems.

Employees' and Teachers' Systems

Senate Bill 337/House Bill 749 (both passed) allow active members of the Employees' Pension System (EPS) or the Teachers' Pension System (TPS) to combine their years of service with that system with any years of service they have from the Employees' Retirement System or Teachers' Retirement System, if the member has a combined total of at least 30 years of service credit. The service is combined solely for the purpose of service retirement eligibility; benefit calculations are still based on each component of the service and the applicable benefit formula, with the applicable average final compensation for each component.

House Bill 1255 (passed) provides that an individual who purchased up to four years of service credit at full cost based on an incorrect estimate by the pension board may receive a refund of the amount paid for the service credit plus 4 percent interest, reduced for prior overpayments of benefits. This bill applies to retirees who purchased service credit prior to July 1, 1999, and retired on July 1, 1999. The bill terminates December 31, 2002.

Senate Bill 868/House Bill 1287 (both passed) provide local governmental units that participate in EPS with an additional window of opportunity to transfer their employees from the pre-1998 EPS to the enhanced, contributory EPS. This window extends from July 1, 2002, to December 31, 2002.

Senate Bill 686/House Bill 705 (both passed) permit a public institution of higher education to establish supplemental retirement plans that provide supplemental retirement accounts offered by a designated company in accordance with § 401(a), § 403(b), or § 457 of the IRC, or any other provision of federal law that authorizes supplemental retirement accounts. The bill applies retroactively to supplemental accounts authorized and supplemental annuity contributions made after December 31, 2001.

Senate Bill 105 (passed) allows nonfaculty employees of Baltimore City Community College (BCCC) who are members of TPS to transfer membership to EPS on or before December 31, 2002. Future nonfaculty BCCC employees would be automatically enrolled in EPS. Once enrolled in EPS, these employees would become eligible for the State's employer match to deferred compensation programs.

State Police Retirement System

Senate Bill 477/House Bill 369 (passed) exempt retirees of the State Police Retirement System from the prohibition against members of the system accepting a retirement or pension allowance from another retirement or pension or system supported wholly or in part by the State, if the retiree is serving as a sheriff or State's Attorney for a county that participates in a State system. The bills apply retroactively to retirees serving in these offices on or after January 4, 1999, and still serving on July 1, 2002.

House Bill 1403 (passed) waives the existing one-year statute of limitations for transferring service credit if a member of the State Police Retirement System made a claim to transfer the service credit within one year but the claim was not processed, and the member resubmits a completed claim application. The bill applies retroactively to individuals who became State Police Retirement System members on or after January 1, 2000, and terminates on June 30, 2003.

Law Enforcement Officers' Pension System

Senate Bill 309/House Bill 216 (both passed) give State employees who were previously eligible for LEOPS membership but elected not to transfer an additional transfer opportunity through December 31, 2002.

Senate Bill 569 (passed) includes police officers employed by the Division of Rehabilitation Services in the State Department of Education in LEOPS.

Miscellaneous Bills

Senate Bill 497 (passed) allows members of a State retirement or pension system to receive military service credit for service with the Maryland National Guard when they are called to active duty on the same basis that they would receive such credit for inactive duty under current law.

House Bill 1289 (passed) authorizes the County Commissioners of Cecil County to establish and maintain an independent retirement system for officers and employees of Cecil County. Cecil County currently participates in the State system.

Bills for Interim Study

House Bill 116, House Bill 1354, and House Bill 1413 (all failed) were referred by the House Appropriations Committee to the Joint Committee on Pensions for interim study. *House Bill 116* would have included agents of the Division of Parole and Probation of the Department of Public Safety and Correctional Services in LEOPS. *House Bill 1354* would have prohibited the pension board from investing pension system assets in foreign currency or similar investment transactions involving foreign currency, forward contracts, options, or futures. In addition, the pension board would have had to divest by December 31, 2002, any such investments that are currently included in the portfolio for the pension system. *House Bill 1413* would have imposed several investment disclosure and governance requirements on the pension board.

General Assembly

Legislative Salaries, Expenses, and Pensions

The Maryland Constitution sets forth the process for determining legislative salaries, expense reimbursements, and fringe benefits by establishing the General Assembly Compensation Commission (Article III, Section 15). The commission consists of nine members, five of whom are appointed by the Governor, two of whom are appointed by the President of the Senate, and two of whom are appointed by the Speaker of the House of Delegates. Members of the General Assembly and officers and employees of the State and county and local governments are not eligible to serve. The term of office for the members of the commission is four years. They can be removed from office by the Governor for official misconduct, incompetence, or neglect of duty. The members serve without compensation but are reimbursed for expenses. Decisions of the commission must be concurred in by at least five members. Staff support is provided by the Department of Legislative Services.

The State constitution requires the commission to submit compensation recommendations for members of the General Assembly to the legislature by formal resolution within 15 days after the beginning of the last regular legislative session in a four-year term of office. The General Assembly may amend the commission's resolution only to decrease or reject particular items. Legislative action is not required to effectuate the commission's recommendations.

The recommendations contained in the 2002 resolution reflect the commission's commitment to maintaining a part-time "citizen" legislature. The commission also believed that compensation commensurate with part-time legislative service should be set at an overall level that enables individuals to periodically leave their professions or businesses for legislative work and attracts individuals with experience and ability who otherwise might not run for office.

For the next term of office, the 2002 resolution provides for a \$3,000 annual salary increase for the members starting in January 2003. This recommendation increases the 2001/2002 salary of \$31,509 to \$34,500 in 2003, \$37,500 in 2004, \$40,500 in 2005, and \$43,500 in 2006.

The \$10,000 differential for the presiding officers was increased by the resolution to \$13,000 for the 2003-2006 legislative term, thereby raising their salaries from \$41,509 to \$47,500 in 2003, \$50,500 in 2004, \$53,500 in 2005, and \$56,500 in 2006.

In addition, members will be reimbursed for meals in accordance with the standard State travel regulations (anticipated to be \$39 per diem in fiscal 2003) instead of the current \$30 per diem. The other changes to salaries and expense reimbursements are a \$500 in-district travel allowance, up from \$400, and a \$225 daily limit on out-of-state travel for meals and lodging, up from \$175.

The only other change from the previous resolution of the General Assembly Compensation Commission submitted in 1998 involves a minor amendment to the legislative pension plan. Under the 2002 resolution, members and retirees will be able to designate multiple beneficiaries to receive a limited lump-sum benefit. Upon the death of a vested active or former legislator, if there is no surviving spouse and the member has designated multiple beneficiaries, the beneficiaries will share equally a lump sum comprised of one year's salary plus a return of the member's contributions with interest. Upon the death of a retired legislator, if there is no surviving spouse and the retiree has designated multiple beneficiaries, the beneficiaries will share equally a lump sum equal to the balance of the actuarial equivalent present value of the retiree's basic allowance computed at the time of retirement. The amount of the balance, if any, will depend on how long the retiree received a retirement allowance.

There were three proposed joint resolutions, *Senate Joint Resolution 11 (failed)*, *House Joint Resolution 24 (failed)*, and *House Joint Resolution 36 (failed)*, that would have rejected the increases in legislative salaries, but they were unsuccessful.

The resolution submitted by the General Assembly Compensation Commission has taken effect by operation of the provisions of the Maryland Constitution, has the force of law as of the beginning of the term of the next General Assembly, and continues in force until superceded by any succeeding resolution.

Legislative Redistricting

The reconfiguring of the State's 47 legislative districts was the subject of considerable attention both before and during the 2002 session. The Constitution of Maryland (Article III, Section 5) requires the Governor to prepare a legislative districting plan following the decennial census and to present the plan to the presiding officers of

the General Assembly in the form of a joint resolution on the first day of the regular session in the second year following the census. The Constitution further provides that if the General Assembly does not adopt another redistricting plan by the 45th day of the session, the Governor's plan as presented becomes law.

By practice since 1973, there has been an advisory committee appointed by the Governor to formulate proposed changes and adjustments to State legislative districts (and congressional districts as well - see below). The advisory committee that was appointed during the 2001 interim by Governor Glendening consisted of John T. Willis, the Secretary of State, who served as chairman, Thomas V. Mike Miller, Jr., President of the Senate of Maryland, Casper R. Taylor, Jr., Speaker of the House of Delegates, Isiah Leggett, member of the Montgomery County Council, and Louise L. Gulyas, Worcester County Commissioner. The committee set the legal and policy guidelines it used in formulating a redistricting plan and received input from legislators, community organizations, and the general public through a series of public hearings held throughout the State in the summer and fall of 2001. The Department of Planning serves as the official repository of the documents of the Governor's Redistricting Advisory Committee. The Department of Legislative Services provided staff support to the General Assembly for the redistricting, including the drafting of alternative redistricting plans and amendments and the preparation of maps and reports of data.

Senate Joint Resolution 3/House Joint Resolution 3 (both passed) were introduced on January 9, 2002, and became law on February 22, 2002, as the Legislative Districting Plan of 2002. While several alternative State redistricting plans were prepared and introduced as joint resolutions during the session, none passed.

Litigation has been initiated by several members of the General Assembly challenging the constitutionality or legality of certain of the legislative districts as they are configured in *House Joint Resolution 3/Senate Joint Resolution 3*.

For a more detailed discussion of the Legislative Districting Plan of 2002, see the discussion under the subpart "Elections" of this Part C.

Congressional Redistricting

The General Assembly is responsible for passing legislation that redraws the boundaries of the Maryland congressional districts after each decennial census is complete and new population data is available to accurately distribute the population among districts. Both the Maryland Constitution and the statutory law of the State are silent on the matter of congressional redistricting. The U.S. Congress has given state legislatures authority to redistrict congressional seats. The only federal statutory requirement is that congressional districts be single-member districts. The U. S. Supreme Court has consistently ruled that congressional districts must be created with

as nearly equal population as practicable, with strict population equality thus being the rule. The plan to redistrict Maryland's congressional districts takes the form of a regular bill introduced in the General Assembly that must go through the legislative process in both houses. The bill must be signed by the Governor, who has veto power over it. The congressional redistricting plan introduced in 2002, *Senate Bill 805 (passed)*, was also developed by the Governor's Redistricting Advisory Committee and submitted and passed as emergency legislation so as to take effect immediately upon the Governor's signing it into law.

As is the case with the State legislative districting plan that took effect on February 22, 2002, litigation has been filed challenging the Congressional districting plan encompassed in *Senate Bill 805*.

For a more detailed discussion of Congressional redistricting, see the subpart "Elections" of this Part C.

Program Evaluation (Sunset Review)

The Maryland Program Evaluation Act, enacted in 1978, is utilized by the General Assembly as a mechanism to monitor and evaluate approximately 70 regulatory boards, commissions, and other agencies of the Executive Branch of the State government. The Department of Legislative Services is required under this law to periodically undertake the evaluations according to a statutorily based schedule. These evaluations are more commonly known as "sunset review" because the agencies subject to review are usually also subject to termination (hence, "sunset") unless legislation is enacted to reauthorize them. The methodology for conducting the evaluations by the Department of Legislative Services has been refined over the years and involves extensive activities on the part of the department's staff in the evaluation process. More than the termination of agencies, the goals of the process have evolved to reflect the General Assembly's interest in identifying the strengths and weaknesses of the various regulatory entities that are subject to program evaluation for the purpose of both bringing them to the attention of the agencies and addressing through legislation appropriate issues relating to the structure, performance, and practices of the agencies.

During the 2001 interim, the Department of Legislative Services undertook 13 full evaluations of various regulatory and other boards and commissions and prepared legislation reflecting the recommendations of the evaluations that was introduced on behalf of the department by the presiding officers of the General Assembly.

Program evaluation legislation related to the boards, commissions, and agencies that were the subject of full program evaluation during the 2001 interim was introduced in the 2002 session with the following results:

- State Board of Nursing (*Senate Bill 459/House Bill 461 - both passed*)
- State Board of Examiners of Nursing Home Administrators (*Senate Bill 718 /House Bill 847 - both passed*)
- State Board of Pharmacy (*Senate Bill 418 /House Bill 462 - both passed*)
- State Board of Physician Quality Assurance (*Senate Bill 613/House Bill 846 - both failed*)
- State Board of Physician Quality Assurance - Radiation and Nuclear Medicine Technologists (*Senate Bill 534/House Bill 518 - both passed*)
- State Board of Examiners of Psychologists (*Senate Bill 458/House Bill 463 - both passed*)
- Board of Boiler Rules (*Senate Bill 455 - passed/House Bill 488 - failed*)
- Board of Examining Engineers (*Senate Bill 455 - passed/House Bill 488 - failed*)
- State Board of Master Electricians (*Senate Bill 456/House Bill 487 - both passed*)
- State Board of Pilots (*Senate Bill 457/House Bill 489 - both passed*)
- State Commission of Real Estate Appraisers and Home Inspectors (*Senate Bill 417/House Bill 485 - both passed*)
- State Economic Growth, Resource Protection, and Planning Commission (*House Bill 457 - failed*)
- State Board of Environmental Sanitarians (*Senate Bill 490/House Bill 519 - both passed*)
- Insurance Commissioner and Insurance Administration (*Senate Bill 472 - passed/House Bill 486 - failed*)
- State Board of Morticians (evaluated in 2000 with action postponed until 2002 session) - (*Senate Bill 420/House Bill 465 - both passed*)

The following boards, commissions, offices, and agencies, which were also among those subject to program evaluation during the 2001 interim, were the subject of **preliminary** evaluation by the Department of Legislative Services and, with two

exceptions (the Governor's Council on Adolescent Pregnancy and the Office for Children, Youth, and Families), were continued through legislation extending their statutory termination dates; **further** evaluations of these entities were waived by the Legislative Policy Committee:

- State Board of Examiners for Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists (*Senate Bill 126/House Bill 149 - both passed*)
- State Board of Professional Counselors and Therapists (*Senate Bill 126/House Bill 149 - both passed*)
- State Board of Occupational Therapy Practice (*Senate Bill 126 /House Bill 149 - both passed*)
- Physician Assistant Advisory Committee (*Senate Bill 126/House Bill 149 - both passed*)
- State Board of Foresters (*Senate Bill 128/House Bill 156 - both passed*)
- State Board of Public Accountancy (*Senate Bill 124/House Bill 159 - both passed*)
- Governor's Council on Adolescent Pregnancy (no bill was introduced; will be allowed to "sunset")
- Office for Children, Youth, and Families (*Senate Bill 131/House Bill 151 - both failed*)
- Office for Individuals with Disabilities (*Senate Bill 130/House Bill 134 - both passed*)
- State Board of Law Examiners (*Senate Bill 127/House Bill 155 - both passed*)
- Licensing and Regulation of Security Systems Technicians (*Senate Bill 125/ House Bill 154 - both passed*)

The following boards, commissions, and agencies were the subject of preliminary evaluations during the 2001 interim and will be the subject of further evaluation by the Department of Legislative Services in the 2002 interim; thus, their termination dates, as has been the practice, were not extended by legislation in the 2002 session:

- State Board of Electrologists
- State Board of Social Work Examiners

- State Amusement Ride Safety Advisory Board
- Apprenticeship and Training Council
- Advisory Council on Prevailing Wage Rates
- Occupational Safety and Health Advisory Board
- Division of Labor and Industry
- State Board of Certified Interior Designers

Constitutional Amendments

Any change to the provisions of the Constitution of Maryland and the Declaration of Rights must first be passed in legislative bill form by both houses of the General Assembly by a three-fifths majority vote (29 ayes in the Senate and 85 ayes in the House of Delegates). However, Constitutional amendments do not require the Governor's signature for approval, and the Governor has no veto power over them. Once passed by the General Assembly, proposed Constitutional amendments are placed on the ballot of the next ensuing general election for approval or rejection by the voters of the State. If the amendment affects one county only, it must receive a majority vote in that county at the general election; if it fails to get a majority in that county, even if it receives a majority vote in the rest of the State, the amendment fails.

During the 2002 session, 16 bills proposing changes to the Maryland Constitution were introduced, but only three passed.

House Bill 6 (passed) will expand the powers and duties of District Court commissioners to allow them to issue civil interim peace orders and civil interim protective orders within the jurisdiction of the District Court when the office of the clerk of the District Court is **not** open. For a more detailed discussion of this bill, see Part F - Courts and Civil Proceedings of this *90 Day Report*.

House Bill 346 (passed) narrows the scope of the provisions of Article III (Legislative Department) with respect to the kinds of bills that may **not** be made subject to an emergency effective date. An emergency effective date allows for a legislative bill that is passed by the General Assembly to take effect immediately on signature by the Governor. The proposed amendment will remove the prohibition on making bills that affect the creation or abolishment of any public office or the term or duties of any public officer subject to an emergency effective date.

House Bill 403 (passed), which relates to eminent domain (the immediate taking of private property for public use), will authorize the Montgomery County Council to appoint a licensed and certified real estate appraiser to estimate the fair market value of real property in the county subject to immediate taking under existing law. Currently, the county council may appoint only a licensed real estate broker to undertake fair market value estimates of private property that will be taken for public use in the county.

Of the other proposed Constitutional amendments that were considered, two garnered considerable attention. The first was **Senate Bill 476 (failed)** that would have authorized the General Assembly to increase or add Executive Department items in the budget bill and would have provided line item veto authority to the Governor over those items. The other was **House Bill 732 (failed)** that would have authorized video lottery terminals (slot machines) at racetracks and other locations and dedicated at least one-half of the proceeds of the gaming authorized by the bill to fund public education needs in the State.

Statutory Revision

The nonsubstantive bulk revision of the Annotated Code of Maryland is a statutorily mandated ongoing process that is undertaken on behalf of the General Assembly by the Department of Legislative Services. During the 2002 session, there were two major statutory revision (“code revision”) bills introduced that were each the product of several years of development.

- Election Law Article: The first major code revision bill is **Senate Bill 1 (passed)** which focuses on the provisions relating to campaign finance law. The bill also incorporates with minimal or no change the provisions that had been previously revised in a substantive manner by 1998 enacted legislation that had been recommended by the Commission to Revise the Election Code.
- Criminal Law Article: The second major code revision bill is **House Bill 11 (Ch. 26)** that creates the Criminal Law Article. With its enactment, there is now a comprehensive nonsubstantive, logically organized recodification and restatement of the substantive crimes of the State that had been codified in Article 27 and elsewhere in the Annotated Code.

Statutory revision activity also included a revision and recodification of the Electric Cooperative Act. **Senate Bill 129/House Bill 153 (both passed)** recodified provisions of law relating to the formation, powers, directors and officers, consolidation, merger, conversion, and dissolution of electric cooperatives that had been decodified and transferred to the Session Laws of Maryland in 1976 as part of the code revision process that produced the Corporations and Associations Article. However, in light of the recent restructuring of the electric utility industry and the likelihood of increased legislative

activity in this area, the General Assembly determined that the laws governing electric cooperatives should be made more accessible. Thus, the recodification (moving the law from the Session Laws to codified statutory law in the Annotated Code) was prepared and passed.

Annual Corrective and Curative Legislation

Because the General Assembly has seen fit to delegate very little editorial control to the publisher of the Annotated Code (Lexis/Nexis - formerly the Michie Company - in Charlottesville, Virginia) with respect to making nonsubstantive and technical changes in the Code that are identified each year by the publisher and other sources, the Department of Legislative Services has long had the statutory authority to prepare legislation on behalf of the legislature to correct nonsubstantive and technical changes both in the statutory text of prior year's enactments and in the titles of those enactments as well.

These corrective measures are called the annual corrective bill *Senate Bill 305 (Ch. 19)* and the annual curative bill *Senate Bill 304 (Ch. 18)*, respectively. Neither enactment contains any substantive change.

Legislative Committees

Over the years, the General Assembly has created a number of specialized statutory joint committees to assist it in its oversight, management, and understanding of a wide variety of issues. During the 2002 session, the legislature considered several proposals that would have created new statutory committees. Of them, *Senate Bill 894 /House Bill 1440 (both failed)* received the most attention and would have created the Joint Oversight Committee on Electric Customer Choice and Competition.

In addition, *Senate Bill 39/House Bill 45 (both passed)*, extend for seven years the termination date of the Joint Committee on Children, Youth, and Families, a statutory committee created in 1999 that was due to terminate on May 31, 2002.

Study Commissions and Task Forces Created by Legislative Initiative

As has been the case in prior sessions, the General Assembly determined that there were a number of issues that warranted a greater degree of focus and study than the time constraints of the 90-day session allowed. The legislature also determined that these issues should be reviewed by groups comprised of appropriate representatives of the public and private sectors and that staff support should be provided in whole or in part by the Department of Legislative Services. To initiate the studies that were identified, appropriate legislation was introduced and passed by the General Assembly.

Of the new study groups created, foremost attention was given to the Commission on Maryland's Fiscal Structure - *House Bill 1 (passed)*. The commission is to consist of 17 members, with legislative representation consisting of four members of the Senate Budget and Taxation Committee, two members of the House Appropriations Committee, and two members of the House Ways and Means Committee. Other members will include the State Comptroller and one representative each from the Maryland Association of Counties, the Maryland Municipal League, the Maryland Chamber of Commerce, and the Maryland Association of Nonprofit Organizations. Three members of the public will also be appointed to serve. The commission is to submit an interim report of its preliminary findings to the Governor and General Assembly by December 31, 2002, and a final report by September 1, 2003.

The charge to the commission is to review and evaluate the State's current budget and fiscal structure and make recommendations for: (1) changes to the State budget process; (2) ensuring that the State will have a progressive tax structure; (3) methods to address funding sources for the education, transportation, and health care needs of the State; and (4) addressing inefficiencies in and making improvements to State government services and operations.

Other study commissions or studies created at the initiative of the General Assembly with staffing to be provided by the Department of Legislative Services are:

- Task Force to Study the State's Retiree Health Insurance Liabilities - *House Bill 164 (passed)*;
- Study Commission on Public Funding of Campaigns in Maryland - *Senate Bill 471/House Bill 538 (both passed)*;
- Task Force to Study the Economic Development of the Maryland Seafood and Aquaculture Industries - *House Bill 662 (passed)*;
- Task Force to Study Moving Overhead Utility Lines Underground - *Senate Bill 653/House Bill 1089 (both passed)*;
- Task Force on Resource Industry Business Development - *Senate Bill 735/House Bill 849 (both passed)*.
- Task Force to Study Public School Facilities - *House Bill 937 (passed)*.

Part D

Local Government

Local Government – Generally

Local Governments – Financial Reports – Submission Date

Senate Bill 498/House Bill 742 (both passed) allow a county, municipal corporation, or special taxing district in the State with a population exceeding 400,000 persons to submit to the Department of Legislative Services the jurisdiction's annual financial reports by the first day in January following the end of the fiscal year and allow those jurisdictions to submit the jurisdiction's indebtedness reports 180 days following the end of the fiscal year. Baltimore City and Anne Arundel, Baltimore, Montgomery, and Prince George's counties each have a population exceeding 400,000 persons.

Local Land Preservation Programs

House Bill 1131 (passed) authorizes a county or municipal corporation to adopt a local land preservation program that provides funds for the local government to purchase interests in real property. Each program is to be funded by a continuing and dedicated local or private funding source that is not derived from State funds. A program is eligible for State matching funds. The bill establishes several oversight and administrative tasks to be performed by the Department of Natural Resources.

The bill declares, generally, that it is State public policy to preserve the waters and open spaces of the State. The bill also declares that the new funding sources designed to improve water quality and land preservation should be made available.

Planning Commissions – Plan Elements

House Bill 946 (failed) would have modified the required content of local comprehensive plans and would have modified requirements of public officials and planning commissions with respect to providing information regarding local comprehensive plans in those counties and municipalities that exercise their own zoning and planning authority and have water or sewer facilities in their jurisdiction.

Plans and Programs – Review and Revisions

Senate Bill 715 (failed) would have decreased the frequency with which forest conservation and critical area program reviews must be completed by conducting those reviews in coordination with the review of the local comprehensive plan every six years.

Counties – Generally

Select Legislation of Interest

Shore Erosion Control in Carroll, Dorchester, St. Mary’s, and Somerset Counties

The Department of Natural Resources (DNR) once had a program that funded shore erosion prevention projects. Under the DNR program, regulations were adopted that prevented the loss of benefit assessments due to the sale of property. Counties affected by shore erosion began funding their own shore erosion prevention projects when the DNR program stopped providing funding to local projects.

After local shore erosion prevention works are completed in commission counties, the county commissioners may levy a benefit charge on real property. The commissioners determine the benefits accruing to each lot and levy the benefit charge to the extent the lot is benefitted. *Senate Bill 714 / House Bill 224 (both passed)* require annual benefit assessments levied for shore erosion prevention projects in Carroll, Dorchester, St. Mary’s, and Somerset counties to be paid in annual installments by property owners for 25 years, or any shorter time as directed by the county commissioners. The sale of the benefitted property does not extinguish the lien against the property for the shore erosion prevention works.

St. Mary’s County -- Right to Farm

House Bill 143 (Ch. 35) authorizes the County Commissioners of St. Mary’s County to adopt an ordinance or regulation or take any other action that the county commissioners consider necessary to protect a person’s right to farm or engage in agricultural or forestry operations. Similar legislation has been enacted for other

counties, including Calvert, Caroline, Carroll, Dorchester, Frederick, Garrett, Somerset, and Washington counties.

Municipal Governments

Urban Renewal Authority for Slum Clearance

Eleven municipal corporations sought and received from the General Assembly urban renewal authority for slum clearance under the provisions of Article III, § 61 of the Constitution of Maryland. These bills add an appendix to the charter of each of the eleven municipal corporations addressing that municipality's powers relating to urban renewal projects, creation of an urban renewal agency, approval of an urban renewal plan, disposal and condemnation of property in an urban renewal area, and the issuance of general obligation and revenue bonds. These bills granted urban renewal authority for slum clearance and redevelopment to the Town of Marydel in *Senate Bill 189 (Ch. 10)*, the Town of Henderson in *Senate Bill 190 (Ch. 11)*, the Town of Goldsboro in *Senate Bill 191 (Ch. 12)*, the Town of Greensboro in *Senate Bill 193 (Ch. 13)*, the Town of Charlestown in *Senate Bill 312 (passed)*, the Town of Preston in *Senate Bill 690 (passed)*, the Town of Ridgely in *Senate Bill 691 (passed)*, the Town of Hillsboro in *Senate Bill 692 (passed)*, the Town of Landover Hills in *House Bill 635 (Ch. 74)*, the Town of Cottage City in *House Bill 639 (Ch. 75)*, and the Town of Capitol Heights in *House Bill 648 (passed)*.

With the passage of these bills, 62 out of 156 municipal corporations now have urban renewal powers under the Constitution.

Housing Authority of the City of Annapolis

House Bill 1238 (passed) changes the number of commissioners on the Housing Authority of the City of Annapolis from five to seven members. The bill requires one member be a tenant of a housing authority property and one member be a tenant of a housing authority property for seniors and provides for the staggering of terms of the commissioners of the Housing Authority. The bill also authorizes the Authority to remove the executive director by the affirmative vote of five commissioners.

Bi-County Agencies

Maryland-National Capital Park and Planning Commission

Park Police

Collective Bargaining: For several years, the park police employees of the Maryland-National Capital Park and Planning Commission (MNCPPC) have had binding arbitration for their labor contracts with MNCPPC. Under current law, a fact finder may be used in the collective bargaining process between the park police employee organization and the MNCPPC when agreed upon by the MNCPPC and the employee organization, or in the event of an impasse.

During the 2001 legislative session, legislation was enacted to grant more extensive collective bargaining rights to other MNCPPC employee organizations. **House Bill 769 (passed)** grants park police employers a similar expansion of their collective bargaining provisions. The bill establishes procedures requiring the appointment of a mediator-arbitrator and binding arbitration when there is an impasse in collective bargaining. The MNCPPC and the employee organization must share equally in paying the costs of the mediator-arbitrator's services. The economic provisions of the final agreement are subject to funding by the Montgomery and Prince George's county councils. The bill also provides for the appointment of a Labor Relations Administrator, sets a time frame for the negotiations, and clarifies the rights and responsibilities of the MNCPPC.

Mutual Aid Agreements: Police agencies in Maryland are authorized to enter into mutual aid agreements in nonemergency situations. **House Bill 774 (passed)** allows the MNCPPC to expand its police force, in either Prince George's County or Montgomery County or both, beyond that which is needed to protect MNCPPC property and activities, if included in an express provision of a mutual aid agreement approved by the appropriate county.

Hunting on Commission Land

In Maryland, a person must have a proper permit or license issued by the Department of Natural Resources in order to hunt. State wildlife regulations and laws apply throughout Maryland; however, locally owned properties within the State may restrict public access by their own authority. **House Bill 764 (Ch. 86)** establishes hunting on MNCPPC property without prior written permission as a misdemeanor, punishable by a fine not exceeding \$1,500 for a first violation, and by imprisonment not exceeding one year, or a fine not exceeding \$4,000, or both, for subsequent violations. The Act also establishes procedures for citation and prosecution of the misdemeanor,

similar to those used by the Department of Natural Resources for illegal hunting on State lands. The Act also sets penalties for the misdemeanor.

Commission Board Members

The MNCPPC is governed by ten commissioners, five each appointed from Montgomery County and Prince George's County. Each county is represented by one full-time commissioner who serves as the chair of the county's planning board and four part-time commissioners who serve on the county's planning board. *House Bill 763 (passed)* removes the salaries of the part-time members from statute and instead authorizes the Montgomery and Prince George's county councils to establish the salaries of part-time planning board members of the MNCPPC by resolution or ordinance separate from a budget action and after notice and public hearing.

Washington Suburban Sanitary Commission

Commission Police Force

The Washington Suburban Sanitary Commission (WSSC) has "special police officers" authorized under Article 41 of the Code assigned to its Security and Safety Services Group. These officers have full police powers on WSSC property and while in fresh pursuit of criminal suspects. However, special police do not constitute a separate "police force" under Maryland law and, therefore, are not allowed access to records and information on criminal history records check of individuals or motor vehicles. *House Bill 773 (passed)* formally establishes the WSSC police force as a discretely authorized force, capable of sharing and receiving federal and State criminal information. A WSSC police officer may exercise law enforcement powers on property owned, leased, operated by, or under the control of the WSSC and on non-WSSC property if the officer is: (1) engaged in fresh pursuit of a suspect; (2) requested or authorized to do so in a political subdivision; (3) needed for a traffic assignment involving WSSC property; or (4) ordered to do so by the Governor. The WSSC is required, in consultation with the Department of State Police and the Maryland Police Training Commission, to adopt regulations and standards to carry out the bill's provisions. The bill also includes the WSSC police force under the Law Enforcement Officers Bill of Rights.

Pretreatment Program – Infractions

State law does not mirror WSSC regulations regarding pretreatment requirements for industrial users. The WSSC is required to issue a written complaint if it has reasonable grounds to believe that the person to whom the complaint is directed has violated any provision of the WSSC pretreatment program. The definition of a WSSC infraction does not include violations of the pretreatment program. *House Bill 767 (Ch. 87)* authorizes the WSSC to adopt regulations governing the WSSC pretreatment

program. The bill also: (1) makes violations of pretreatment standards a WSSC infraction under the exclusive jurisdiction of the District Court; (2) authorizes the WSSC to issue a written complaint; and (3) changes the definition of a WSSC infraction to include regulations governing the pretreatment program.

Minority Business Enterprise Program

Current law authorizes the WSSC to operate, until July 1, 2002, a Minority Business Enterprise (MBE) program to encourage the participation of MBEs as contractors and subcontractors on construction projects. *House Bill 768 (passed)* extends the authority of the WSSC to operate its MBE program to June 30, 2005. The bill also extends the requirement for WSSC to submit an annual report on the implementation and administration of the program and any recommendations concerning the program to the Montgomery County and Prince George's County delegations to the General Assembly by September 15 of each year.

Prince George's County

Development Rights and Responsibilities Agreements

Under current law, the Prince George's County Council must impose adequate public facilities standards and requirements for public schools. Article 66B of the Code generally authorizes counties and municipalities to enter into development rights and responsibilities agreements with a developer to set conditions under which a development may proceed for a specified time. *House Bill 776 (passed)* authorizes the Prince George's County Executive, subject to the approval by the District Council, to enter into development rights and responsibilities agreements with developers regarding real property located in Prince George's County. The agreements are available only for the purpose of advancing school capacity in the county.

Delegation of Zoning Citation Authority

Before exercising its authority to enforce zoning laws, current law requires a municipal corporation to enter into a written agreement with the Prince George's County Executive concerning the method by which the county will be advised of citations issued by a municipal inspector, the responsibility of the municipal corporation or the county to prosecute violations cited by the municipal corporation, the resolution of disagreements between the municipal corporation and the county about the interpretation of the zoning laws, and any other matters that the County Executive deems necessary for the proper exercise of this authority. *House Bill 1096 (passed)* transfers the approving authority for these delegation agreements to the District Council for Prince George's County from the County Executive.

Part E

Crimes, Corrections, and Public Safety

Criminal Law

Code Revision – Criminal Law Article

The new Criminal Law Article, *House Bill 11 (Ch. 26)*, is a product of the continuing nonsubstantive bulk revision of the Annotated Code of Maryland by the Department of Legislative Services. The first revised articles were enacted in 1973 and, to date, 26 other revised articles have become law. The purposes of code revision work are modernization, logical organization, and clarification, not policymaking by way of new law.

Without substantively changing the law, the new Criminal Law Article revises, restates, and recodifies current law relating to substantive crimes. Its provisions are derived primarily from Article 27 - Crimes and Punishments, and includes related provisions from the Agriculture, Commercial Law, Family Law, and other articles of the code.

Legislation Associated with Criminal Law Code Revision

Cross References: *House Bill 172 (passed)* corrects cross-references throughout the Annotated Code to reflect the structure of *House Bill 11*, the new Criminal Law Article.

Substantive: While revising the criminal laws, the Criminal Law Code Revision Committee encountered issues that were not appropriate for inclusion in the code revision bill because they involved substantive changes but needed clarification that revision could not solve. In the revisor's notes to *House Bill 11*, the committee recommended that the General Assembly address these issues in separate pieces of legislation.

Accordingly, *House Bill 193 (Ch. 39)* includes the more modern and comprehensive term “drug paraphernalia” in the new article. The committee recommended adding a reference to “drug paraphernalia” in the appropriate section of the new article and clarifying certain provisions about law enforcement officials and authorized providers possessing drug paraphernalia during the course of their official duties.

It is illegal for an inmate to possess contraband in a correctional institution. Another bill resulting from the work of the Criminal Law Revision Code Committee is *House Bill 196 (Ch. 41)*, which clarifies that an item, material, substance, or other thing need not have any particular value to be considered contraband in a correctional facility.

In *House Bill 197 (Ch. 42)*, the law regarding the making or passing of bad checks to obtain property or services is modernized by amending the definition of “service” to include the use of computers, data processing, or other equipment.

The Criminal Law Code Revision Committee recommended that legislation be introduced to establish separate statutory charging documents for homicide by motor vehicle or vessel while under the influence of alcohol per se, life-threatening injury by motor vehicle or vessel while under the influence of alcohol per se, and reckless endangerment. *House Bill 199 (Ch. 44)* provides for such statutory charging documents and clarifies the meaning of “crime of violence” for purposes of describing conduct that is not reckless endangerment.

House Bill 200 (passed) clarifies the scope of the restitution available to State, county, municipal, and bicounty governmental units for responding to a false threat of a destructive device or toxic material. Restitution will be available for actual costs reasonably incurred in the response to a location and the search for and removal of an actual destructive device or device constructed to represent a destructive device.

Other legislation, *House Bill 202 (passed)*, associated with the criminal law code revision project specifies penalties for giving or receiving unauthorized passenger transfer tickets and damaging public wharves or landings. *House Bill 203 (Ch. 45)* clarifies penalties for exhibiting sexual displays to minors or allowing minors to enter a premises where there is a sexual display. In addition, *House Bill 198 (passed)* makes various clarifications to powers and prohibitions for political subdivisions.

Terrorism – Maryland Security Protection Act of 2002

In an effort to prepare a legislative response to terrorism and related topics, the Governor, the Speaker of the House, and the President of the Senate appointed a joint task force, chaired by the Secretary of State Police, to study the State’s laws in this area

and make recommendations for changes. *Senate Bill 639/House Bill 1036 (both passed)* are two of a package of bills recommended by the task force. The bills reflect recommendations made to the task force by State agencies, including the Department of Transportation, the Maryland Aviation Administration, and the Attorney General's Office. For additional discussion of the recommendations of the joint task force, see the subpart "Anti-Terrorism" under Part C - State Government of this *90 Day Report*.

Senate Bill 639/House Bill 1036 enhance State security in a variety of ways, including: (1) expanding coverage of the Wiretap Act; (2) expanding the powers of nuclear power plant facility security personnel; (3) expanding the territorial limits of the Maryland Transportation Authority police; (4) requiring use of security ID badges in airports; and (5) creating a new crime of knowingly or fraudulently obtaining a commercial driver's license by misrepresentation. The bills are emergency measures that take effect from the date of enactment. The bills' provisions are discussed in further detail below.

Wiretap Act

Senate Bill 639/House Bill 1036 authorize the use of a "roving" wiretap by providing that an application for authorization to intercept a wire, oral, or electronic communication that is made to a judge need not specify the nature and location of the facilities from which or the place where the communication is to be intercepted if certain requirements are met.

Under the bills, procedures are established for the interception of communications involving a particular individual, instead of a particular communication device, if there is probable cause to believe that the individual's actions involve efforts to thwart the interception of a particular device. This procedure could allow law enforcement to track the illegal activities of criminals who often use and quickly dispose of cell phones in an effort to avoid wiretapping.

References to "mobile telephone or a paging device" in the current law regarding an application for an ex parte court order authorizing the interception of communications are replaced with "communication device." A judge may authorize continued interception where appropriate anywhere within the State, as long as the original interception was within that judge's jurisdiction.

A law enforcement officer may require a service provider to disclose the contents of a wire communication that is in electronic storage under the procedures that currently apply to electronic communications in electronic storage based on the amount of time such communications have been in storage.

Senate Bill 639/House Bill 1036 alter the definition of "court of competent jurisdiction" to mean "any circuit court having jurisdiction over the crime being

investigated regardless of the location of the instrument or process from which a wire or electronic communication is transmitted or received.” The bills also modify the definitions of “pen register” and “trap and trace device” and orders pertaining to these devices to expand their applicability to include Internet communications. A pen register and trap and trace device do not include any device or process used to obtain the content of a communication. The bills specify that an ex parte order authorizing use of a pen register or trap and trace device, upon its service, applies to any person providing wire or electronic communication service whose assistance may facilitate the execution of the order. The bills alter the requirements of the contents of such an ex parte order in accordance with these other changes.

Nuclear Power Plant Facility Security Personnel

Senate Bill 639/House Bill 1036 authorize a license holder of a nuclear power plant facility in the State, while under a heightened level of security condition ordered by the federal government, to authorize a security officer to stop and detain, without a warrant, any person who the officer has reasonable grounds to believe is trespassing on posted facility property or who has committed a crime in an area under the control of the license holder. The security officer must notify appropriate law enforcement personnel and either release the person to the detention or custody of a law enforcement officer or release the person if the law enforcement agency will not detain the person.

Maryland Transportation Authority Police

After notice to specified persons within State and local law enforcement, and with approval of the Governor, when the Chairman of the Maryland Transportation Authority (MTA) determines on the basis of specific and articulable facts that the exercise of powers is reasonable to protect against actual or threatened physical injury or damage to State employees or State property or assets, an MTA police officer may exercise police powers on or within 500 feet of property owned, leased, or operated by or under the control of the Department of Transportation. An MTA police officer may also exercise police powers in these areas when ordered to do so by the Governor during a state of emergency.

Airports and Identification Badges

The Maryland Aviation Administration (MAA) is required to adopt rules and regulations requiring the use of security identification badges in airports. Misuse of such badges is subject to a civil penalty not exceeding \$1,000.

Outstanding Arrest Warrants

Federal law enforcement agencies are included in the definition of law enforcement agency relating to outstanding arrest warrants and loss of driving privileges and ability to register vehicles. Under the bills the Motor Vehicle Administration is required to refuse to register or transfer the registration of a motor vehicle owned by an individual named in an outstanding federal arrest warrant.

Commercial Driver's License Laws

Senate Bill 639/House Bill 1036 add the new crime of knowingly or fraudulently obtaining a commercial driver's license by misrepresentation. A violation is a misdemeanor punishable by up to five years imprisonment or a fine up to \$10,000 or both. Penalties for existing commercial driver's license violations (driving while license is suspended, revoked, etc.) are increased to imprisonment for not more than five years or a fine not exceeding \$10,000 or both, except that the violation of driving without a license in one's possession after being issued a valid license is subject to a maximum six months' imprisonment or a \$1,000 fine or both for a first offense, with increasing penalties for repeat violations.

Sexual Offenses

Categories of Child Abuse

The Department of Public Safety and Correctional Services and the Department of Health and Mental Hygiene appointed a task force during the 2001 interim to address criminal and mental health issues related to sexual offenders. The draft report of the Sex Offender Task Force proposed a series of recommendations to better protect the public from sexual offenders.

Child abuse is currently defined to include both physical and sexual abuse. The task force suggests that combining these two types of abuse into a single category creates several problems, including problems in data collection regarding this offense and problems for the Division of Correction with respect to its obligations in the area of sexual offender registration. The task force has recommended that child abuse be separated into two statutes, one for physical abuse and one for sexual abuse.

House Bill 1194 (passed) establishes the crime of sexual abuse of a minor as a separate offense from "child abuse." A parent or other person with permanent or temporary care or custody or responsibility for the supervision of a minor, or a household member or family member, may not cause sexual abuse to the minor. A violator is guilty of a felony and subject to maximum imprisonment of 15 years.

Continuing Course of Conduct

House Bill 1302 (passed) prohibits a person from engaging in three or more acts in a continuing course of unlawful sexual conduct with a victim under 14 years of age and provides that a violation is a felony. In determining whether a continuing course of conduct existed, the trier of fact must determine only that the required number of acts occurred, and need not determine which acts constitute the required number of acts. However, the person may not be additionally charged for a sexual offense involving the same victim in the same proceeding, unless the violation occurred outside the period of the continuing course of conduct.

The bill is in response to a recent Court of Appeals decision in *Cooksey v. State*, 359 Md.1, 752 A.2d 606 (2000), in which the defendant was charged with a single count each of third- and fourth-degree sexual offenses involving several acts with one child under 14 over an extended period of time in a continuing course of conduct. The indictment failed to allege specific dates for each of the alleged offenses. The defendant was also charged with child sexual abuse of the same victim for the same acts in a separate count.

The Court of Appeals held that third- and fourth-degree sexual offenses, as codified in Maryland, are single offenses involving a specific act on each occurrence, rather than crimes of a continuing character that may occur over time. However, the court also found that child sexual abuse could be a crime of continuing nature, not necessarily involving discrete acts each of which must rise to the level of an offense.

Vulnerable Adults

The 2002 General Assembly passed legislation granting greater protection to vulnerable adults. A vulnerable adult is an adult who lacks the physical or mental capacity to provide for the adult's daily needs.

Financial Exploitation

Senate Bill 646/House Bill 559 (both passed) make it unlawful for a person to knowingly and willfully obtain by deception, intimidation, or undue influence the property of a vulnerable adult with the intent of depriving the adult of the property. A person convicted of this offense is subject to criminal penalties that vary depending on the value of the property taken, is disqualified from inheriting or otherwise benefitting from the property of the vulnerable adult, and is required to make restitution of the property or its value to the adult or the adult's estate.

Abuse or Neglect of Vulnerable Adults

Senate Bill 516/House Bill 838 (both passed) prohibit a caregiver, parent, or other person with permanent or temporary care or responsibility for the supervision of a vulnerable adult, or a household or family member, from causing the abuse or neglect of the vulnerable adult that results in death, serious physical injury, or sexual abuse. A person who victimizes a vulnerable adult in this manner is guilty of the felony of abuse or neglect of a vulnerable adult in the first degree and is subject to imprisonment not exceeding ten years or a fine not exceeding \$10,000 or both.

The bills also exclude sexual abuse from the existing misdemeanor of abuse or neglect of a vulnerable adult, and it redesignates the misdemeanor as abuse or neglect of a vulnerable adult in the second degree. This misdemeanor is punishable by the existing penalties of imprisonment not exceeding five years or a fine not exceeding \$5,000 or both.

Theft and Fraud

Penalties for Felony and Misdemeanor Theft

House Bill 177 (passed) increases from \$1,000 to \$25,000 the maximum fine for persons convicted of felony theft. The bill does not alter the maximum period for imprisonment for such convictions (not exceeding 15 years) or the restitution requirement.

Senate Bill 436/House Bill 691 (both passed) increase the penalties for misdemeanor theft for persons with two or more prior theft convictions. For a person who is convicted of theft of property or services with a value of less than \$500, the penalty is increased from a maximum term of 18 months in prison or a fine not exceeding \$500 or both, to a maximum term of five years in prison or a fine not exceeding \$5,000 or both. The convicted person must also restore or pay for the value of the property or services. The bills also provide that a court may not impose these penalties unless the State's Attorney serves notice on the defendant or the defendant's counsel before the acceptance of a plea of guilty or nolo contendere or at least 15 days before trial that: (1) the State will seek the penalties under these provisions; and (2) lists the alleged prior convictions.

Identity Theft

Senate Bill 559/House Bill 358 (both passed) significantly expand offenses relating to the fraudulent use of personal identifying information. The bills include knowingly, willfully, and with fraudulent intent possessing (or aiding in possessing) personal identifying information under the prohibition against obtaining personal

identifying information to commit fraud. The bills also establish felony offenses for identity theft fraud involving goods or services, including credit, with a value over \$500, and for committing the offense with intent to manufacture or distribute personal identifying information of another without consent. The bills provide statewide investigative and enforcement authority to any law enforcement agency to pursue violations of the bill if certain notice requirements are met. The bills also grant the District Court concurrent jurisdiction over the felony offenses described in the bills.

The bills also grant law enforcement officers statewide authority to enforce the prohibition against identity theft.

New Criminal Provisions

Inmates and Indecent Exposure

Senate Bill 429/House Bill 232 (both passed) prohibit an inmate from lewdly, lasciviously, and indecently exposing private parts of the inmate's body in the presence of a correctional officer or authorized personnel with the intent to annoy, abuse, torment, harass, or embarrass that person. A violator is guilty of a misdemeanor and subject to maximum penalties of a fine of \$1,000 or imprisonment for three years or both.

Damage to Agricultural Research Operations

House Bill 1012 (passed) prohibits a person from maliciously damaging or destroying an agricultural research operation or related farm product. A violator is guilty of a misdemeanor, must pay restitution, and is subject to maximum penalties of imprisonment for three years or a fine of \$5,000 or both, and is subject to pay restitution for damaged property.

Railroad Trespass

Senate Bill 733 (passed) prohibits a person from riding on the outside or inside of a railroad vehicle, including a flat bed or container, without lawful authorization. A violator is guilty of a misdemeanor and subject to imprisonment not exceeding six months or a fine not exceeding \$1,000 or both. Additionally, the bill provides that, except to cross railroad property at an authorized crossing, a person may not knowingly enter or remain on railroad property without the railroad carrier's consent or other lawful authorization. A violator is guilty of a misdemeanor and subject to imprisonment not exceeding 30 days or a fine not exceeding \$100 or both. The bill also repeals a similar existing misdemeanor.

Housing Assistance – Fraud

Senate Bill 660/House Bill 1080 (both passed) establish a misdemeanor offense of knowingly making a false statement of a material fact to influence a housing agency regarding an action affecting housing assistance already provided or an application for housing assistance. A violator is subject to maximum penalties of a fine of \$5,000 or imprisonment for three years or both.

Pepper Mace

House Bill 1377 (passed) repeals the current prohibition on a minor possessing pepper mace and states the intent of the General Assembly that a school or board of education may establish policies to limit or prohibit the possession of pepper mace on school property. Another measure, *House Bill 195 (failed)*, would have made a minor's possession of pepper mace, and other weapons, a civil offense rather than a misdemeanor.

Criminal Procedure

Sentencing and Confinement

Diminution Credits and Sentences

Mandatory supervision is a nondiscretionary release from prison required by law after a criminal offender has served his or her sentence less diminution of confinement credits earned. *Senate Bill 747/House Bill 854 (both passed)* require that if an inmate is sentenced to imprisonment for a violent crime committed while on mandatory supervision, and the mandatory supervision is then revoked, the inmate will automatically lose all credits on the prior sentence. The bills thus abolish the discretion of the parole commission to revoke any or all of the diminution credits previously earned.

The bills also require the Secretary of Public Safety and Correctional Services and the Chairman of the Maryland Parole Commission to establish a workgroup to study and make recommendations on issues relating to diminution credits, sentences, and mandatory supervision. A report from the workgroup is due by December 1, 2002.

Patuxent Institution

House Bill 1151 (passed) expands the scope of purpose for the Patuxent Institution's remedial programs and services for youthful eligible persons, clarifies the institution's role as providing services to mentally ill inmates, and expands the scope of information that is submitted in the director's annual report. The bill also alters certain procedures for the Patuxent Institution to conform to those used for inmates in the

Division of Correction, allows the Secretary of Public Safety and Correctional Services to reassign authority to revoke mandatory supervision release to the Board of Review, requires the Board of Review to review annually an inmate's status in the youth program, and requires the Commissioner of Correction to promptly refer any inmate requested for evaluation by the director of the Patuxent Institution unless the commissioner determines that the referral will constitute a security risk.

Electronic Interception of Oral Communications

Senate Bill 20/House Bill 180 (both passed) authorize a law enforcement officer to electronically record an oral communication during a criminal investigation after the law enforcement officer initially detains a vehicle. Current law allows these interceptions for traffic violations, but not other criminal investigations. An oral communication intercepted under these conditions is lawful even if another person becomes a party to the communication after certain information is provided. These bills allow law enforcement officers who have videotape cameras to record the audio as well as the video parts of a stop.

House Bill 74 (failed) would have added certain terrorism-related offenses to the list of offenses for which an oral or electronic communication may be intercepted.

House Bill 407 (failed) would have required law enforcement officers to videotape questioning and statements by suspects of crimes of violence and victims of child abuse. The bill would have established procedures regarding the videotaping.

However, *Senate Bill 639/House Bill 1036 (both passed)* established several provisions to enhance State security, including "roving wiretaps" for intercepting communications. For discussions of these and other bills related to terrorism, see Part C - State Agencies, Offices, and Officials of this *90 Day Report*.

Criminal History Record Information

Whenever a juvenile is charged as an adult, under *Senate Bill 424/House Bill 943(both passed)*, the Criminal Justice Information System Central Repository may disseminate to the Maryland Justice Analysis Center unique identifiers relating to the juvenile, including name, fingerprint identification numbers, and record or file numbers. A more detailed discussion of these bills can be found under the subpart "Juvenile Law" within this part.

House Bill 101 (passed) increases the membership of the Criminal Justice Information Advisory Board from 18 to 22 members by adding members from the State Council on Child Abuse and Neglect, the Department of Health and Mental Hygiene, the Department of Juvenile Justice, and the Motor Vehicle Administration. The board

oversees the Criminal Justice Information System (CJIS), a database containing criminal history record information, and provides advice and recommendations to the Secretary of Public Safety and Correctional Services and the Chief Judge of the Court of Appeals.

Filling in a gap in the law dealing with the expungement of an individual's court and police records, *Senate Bill 114 (passed)* adds the State Prosecutor to the list of law enforcement units required to expunge those records under specified circumstances.

Criminal History Records Checks

Various statutes of the State require criminal history records checks for licensing or employment purposes. As a condition of performing a national criminal history records check for such a noncriminal justice purpose, each of those statutes must be approved by the Federal Bureau of Investigation. On May 4, 2001, the FBI notified Maryland that several existing statutes relating to the Maryland Racing Commission, handgun permits, private detectives, security guards, and firearms dealers were not in compliance with federal criteria. *House Bill 1272 (passed)* brings those statutes into compliance.

Pretrial Procedures

Immunity from prosecution for conversion of a leased or rented item that is returned or accounted for within ten days of a written demand for its return is extended only to bona fide residents of Maryland. The Attorney General has found that this exclusive immunity protection for Maryland residents violates both the Equal Protection and Commerce clauses of the U.S. Constitution. *Senate Bill 460/House Bill 666 (both passed)* repeal this immunity limitation, applying the written demand requirement and ten-day grace period to all persons.

Senate Bill 65 (failed) would have created a statutory exception to the right to a jury trial for defendants in circuit court charged with constructive criminal contempt for failure to pay child support if the prosecutor recommended a sentence of less than 180 days and the court agreed to that limit.

Death Penalty

In the case of *Borchardt v. State* (2001), the Maryland Court of Appeals rejected a challenge to the State's death penalty statute. The court held that it was not unconstitutional to use the preponderance of evidence standard as opposed to the higher beyond a reasonable doubt standard when weighing whether the aggravating factors outweigh the mitigating factors in deciding whether to impose a death sentence. In an attempt to raise the standard of proof required for imposing the death penalty when both aggravating and mitigating circumstances exist, *Senate Bill 629/House Bill 972 (both*

failed) would have required a court or jury to determine whether the aggravating circumstances outweigh the mitigating circumstances beyond a reasonable doubt.

Pretrial Release

Bail Bonds

Senate Bill 432/House Bill 792 (both failed) would have required courts to allow defendants the option to post a bail bond by executing it in the full penalty amount and making a refundable deposit of 10 percent of the bond or, if greater, \$25. Ordinarily, defendants use bail bondsmen who charge 10 percent as a fee. The bill also would have required the courts to notify defendants of their option.

Public Defender at Bail Review Hearings

Senate Bill 9 (failed) would have required the Office of the Public Defender to represent indigent defendants at bail review hearings. Currently, the Office of the Public Defender provides this service in some jurisdictions, including Baltimore City and Montgomery County, but not statewide. The office would have needed additional personnel to undertake this additional responsibility on a statewide basis.

Revisory Power of Courts

Limitation on Court's Power

Under the Maryland Rules, a court has the power to revise a sentence if a motion to revise, modify, or reduce a sentence is filed within 90 days after the sentence is imposed. Currently, there is no time limit restricting when the court may exercise this revisory power. Thus, as long as a motion is timely filed, a court may revise a sentence even years after the sentence was imposed.

After 90 days following sentence imposition, a motion may only be filed asking the court to revise the sentence if there is fraud, mistake, or irregularity. Generally, the court may not increase a sentence after the sentence has been imposed.

In the past few years, several attempts have been made to limit the court's revisory power by imposing a time period for the court to exercise the court's revisory power. All of these attempts have failed, as was the case in the 2002 session. *Senate Bill 73/House Bill 160 (both failed)* would have limited a court's power to revise a criminal sentence to a period of one year after the filing of a motion. The bills would have required the court's decision changing an original sentence to be in writing and to include the reasons for the decision and would have required the court to notify all

victims of the crime committed by the defendant prior to altering the sentence. *Senate Bill 334 (failed)* contained similar provisions.

Report from Sentencing Policy Commission

House Bill 1143 (passed) requires the State Commission on Criminal Sentencing Policy to include in its annual report: (1) a review of reductions or increases in original sentences that have occurred because of reconsiderations of sentences; and (2) a categorization of information on the number of reconsiderations of sentences by crimes of violence and by judicial circuit.

Victims' Rights

Senate Bill 468/House Bill 455 (both failed) would have established the State Office for Victims and Witnesses of Crime to coordinate State functions concerning the rights of and services to victims and witnesses of crimes and delinquent acts.

Sexual Offenders - Registration

Background

Federal Law: During the 2002 session, several bills were introduced to prevent the loss of expected federal fund revenue (in the form of grants from the Edward J. Byrne Memorial State and Local Law Enforcement Assistance Fund) of about \$900,000 annually beginning in fiscal 2003. States that receive federal grants from the Edward J. Byrne Memorial State and Local Law Enforcement Assistance Fund are required to comply with a myriad of federal requirements regarding registration of sexual and other offenders or risk the loss of 10 percent of their annual grants.

Maryland is not in compliance with certain federal guidelines relating to Byrne funding that require State law to:

- broaden the pool of persons who could potentially be designated a sexually violent predator to include first-time sexually violent offenders;
- require all persons to register annually for life if convicted of an aggravated sexual offense including:
 - engaging or attempting to engage in sexual acts involving penetration with victims of any age through the use of force or threat of serious violence; and

- engaging or attempting to engage in sexual acts involving penetration with victims under the age of 12;
- require lifetime registration of a subsequent offender regardless of whether the first offense was committed after registration statutes were enacted and regardless of whether the offense was committed in the same state in which the registrant committed the latest offense; and
- require all persons who are or were required to register every 90 days for life under the laws of another state or jurisdiction to register every 90 days for life upon entering this State.

In addition, the State is not in compliance with the federal Campus Sex Crimes Prevention Act which requires a registrant to notify a supervising authority on registering as a student or beginning employment at an institution of higher education. The supervising authority must notify the campus police agency of the institution of higher education or local police having jurisdiction over the campus of the registrant's status.

Graves Decision: Several bills were introduced not only to prevent the loss of expected federal grant funds but also in response to the Maryland Court of Appeals opinion in *Graves v. State*, 364 Md. 329 (2001). In this case, the court held that, because the statutory definition of a "sexually violent offense" does not encompass persons who have been convicted of criminal acts committed in another jurisdiction that would constitute a sexually violent offense in Maryland, offenses committed in another jurisdiction could not be used as a basis for designating a person a sexually violent predator.

Subsequent Offender Requirements

Senate Bill 52 (passed) requires all persons who have been convicted of a prior crime as a "child sexual offender," an "offender," or a "sexually violent offender" (as defined) to register for life. The bill also eliminates required registration for a person if the underlying conviction requiring registration is reversed, vacated, or set aside, or if the registrant is pardoned for the underlying conviction.

Compliance with Federal Law

Senate Bill 577/House Bill 77 (both passed) include under the definition of “sexually violent offense” certain crimes that were committed in another state or in a federal, military, or Native American tribal jurisdiction. Among other actions, the bills:

- expand the definition of “sexually violent predator” by eliminating the need for the offense to have been a subsequent offense and including persons who are or were required to register every 90 days for life under the laws of another state or a federal, military, or Native American tribal jurisdiction;
- make the Secretary of Public Safety and Correctional Services the “supervising authority” if a registrant is either a resident or a nonresident convicted in a federal, military, or Native American tribal court and is not under supervision of another supervising authority;
- expand lifetime registration requirements by requiring such registration for all sexually violent offenders and persons convicted of child abuse for commission of a sexual act involving penetration of a child under 12 years old;
- require all persons with a prior conviction for a sexual offense, a child sexual offense, or a sexual violent offense to register for life without regard to whether there was a previous requirement to register;
- require registrants who commence or terminate employment or enrollment at an institution of higher education to either note the enrollment or employment on their registration statement or notify their supervising authority;
- requires the supervising authority to notify campus police or local law enforcement when registrants commence or terminate employment or enrollment at an institution of higher education; and
- makes it a misdemeanor for registrants to knowingly fail to provide certain notices of a change in status.

Subsequent Sexual Offenders

House Bill 1147 (passed) provides that if a person who has a prior conviction from another incident of first or second degree rape or sexual offense is convicted of a subsequent offense of second degree rape or sexual offense, third degree sexual offense, or attempted second degree rape or sexual offense, the person is subject to imprisonment not exceeding life.

Senate Bill 801 (passed) makes a person subject to incarceration for life without the possibility of parole if the person is found guilty of rape or sexual offense in the first degree after having been previously convicted of one of the same offenses.

Reputation and Opinion Evidence

Senate Bill 212/House Bill 1067 (both failed) would have expanded the prohibition against introduction of evidence regarding a victim's prior sexual abstinence in a prosecution to include all sexual offenses and child sexual abuse. Current law prohibits this evidence in first and second degree rape and sexual offense cases.

The bills also would have expanded the list of offenses for which: (1) there is a prohibition against introducing evidence regarding a victim's reputation for chastity; and (2) evidence of a specific instance of prior sexual conduct may be admitted upon a finding that the evidence is relevant, material, not overly prejudicial, and meets other specified criteria.

Juvenile Law

Juvenile Justice Oversight

In December 1999, five major Department of Juvenile Justice (DJJ) officials, including the Secretary, were removed and replaced with new management. The new management team began the process of addressing concerns about DJJ through the reorganization of departmental units and the identification of specific areas of concern that required immediate action by the department. Some of the more significant initiatives included the implementation of an improved aftercare system, the creation of the Office of Professional Responsibility and Accountability, the drafting of a code of conduct for department staff, and the development of detention standards.

In September 2000, DJJ and the Governor's Office for Children, Youth, and Families established an independent juvenile justice monitor via a memorandum of agreement between the two agencies. *House Bill 971 (passed)* codifies the Office of the Independent Juvenile Justice Monitor and its role to evaluate: (1) the child advocacy grievance process in DJJ operated facilities; (2) DJJ's monitoring process; (3) youth treatment and services; (4) the physical conditions of the facilities; and (5) the adequacy of staffing. Additionally, the bill requires the office to make periodic reports in various findings.

Under its new leadership, DJJ issued the "Maryland Standards for Juvenile Detention Facilities" to provide guidance regarding administration/support services, admission processes, the provision of restorative services, residential operations, architectural design, and program responsibility and accountability. *House Bill 961*

(*passed*) requires DJJ to adopt an employee code of conduct and regulations that provide standards for juvenile detention facilities and nonsecure placement alternatives for committed children. This bill formalizes current DJJ guidelines to ensure that they will be followed regardless of any changes in the top positions of the department.

Juveniles Charged as Adults

Senate Bill 428/House Bill 974 (both passed) add a preponderance of the evidence standard to a court's determination of whether transferring jurisdiction from criminal court to juvenile court is in the interest of the child or society. The bills also require a criminal court to make a transfer determination at sentencing for a child charged as an adult if all charges that excluded jurisdiction from the juvenile court do not result in a finding of guilty, and the case was not originally transferred because of specified circumstances.

Senate Bill 424/House Bill 943 (both passed) authorize the Criminal Justice Information System Central Repository, when a juvenile has been charged as an adult, to disseminate to the Maryland Justice Analysis Center unique identifiers relating to the child, including name, fingerprint identification numbers, and record or file numbers. The bill prohibits the center from disseminating information received from the Central Repository except where required by State law.

Baltimore City Juvenile Justice Center

The Baltimore City Juvenile Justice Center (BCJJC) is a new facility that is expected to be operational in September 2002. Originally scheduled for completion in August 1999, the opening of the center has been delayed several times. Construction on the 239,000 square-foot complex comprising BCJJC is expected to be completed by the end of fiscal 2002. When fully operational, BCJJC will include an intake unit, DJJ support services, the city's juvenile court, and space for the State's Attorney, Public Defender, DJJ aftercare and probation, and other services necessary to process youth from detention through the judicial system. The center will have 144 detention beds and 13 courtrooms. Approximately 400 to 500 juveniles are processed on a weekly basis by Baltimore City police at the Northern Precinct Station; these juveniles will be processed at BCJJC when it opens. *House Bill 1011 (passed)*, a departmental bill, codifies the BCJJC and operating procedures for processing juveniles through the facility. The bill also requires DJJ to provide medical and mental health assessment services in each of its residential facilities.

Community Detention

House Bill 1081 (passed) establishes “community detention” as a condition of probation or an alternative placement for children alleged or found to be delinquent. Community detention is defined as a program monitored by DJJ in which a delinquent child or child alleged to be delinquent is placed in the home of a parent, guardian, custodian or other fit person, or in shelter care, as a condition of probation or as an alternative to detention.

Children Awaiting Placement

In recent years, the General Assembly has expressed a concern about the extended periods of time that many adjudicated youths spend in juvenile facilities while awaiting placement into a court-ordered commitment program. In addition to concerns associated with the high costs of stays in secure confinement and overcrowded conditions at juvenile facilities, there is also a concern that juveniles awaiting placement may not be receiving the services that they need. *House Bill 962 (passed)* authorizes a juvenile court to adopt a “treatment service plan” proposed by DJJ when the court has made its disposition on a delinquency or child in need of supervision petition. The bill requires DJJ to ensure implementation of an adopted treatment service plan within 25 days after the disposition.

Links to Other Child-Related Agencies

House Bill 959 (passed) requires the Department of Human Resources (DHR) and DJJ to study the link between the child welfare and juvenile justice systems in the State and develop a plan to address that link. The bill also requires DJJ and DHR to identify the number of children in social services’ custody who were referred to the courts or DJJ for delinquent acts from July 1, 1998, through July 1, 2002. DJJ and DHR are required to report jointly to the General Assembly on or before December 31, 2002, on these issues. *Senate Bill 425 (failed)* would have authorized the sharing of confidential juvenile information among the Department of Juvenile Justice, local departments of social services, local management boards, State and local law enforcement agencies, State’s Attorneys, and State and local school superintendents and their designees.

Pagers in Baltimore County Schools

House Bill 1010 (passed) repeals the prohibition on the possession of portable pagers on public school property in Baltimore County. The bill declares that it is the intent of the General Assembly that the Baltimore County Board of Education work with the Maryland State Department of Education to develop a policy regarding the use of portable pagers and cellular telephones on school property.

Repeal of Prohibition on Possession of Pepper Mace

House Bill 1377 (passed) repeals the current prohibition on a minor possessing pepper mace. It further provides the intent of the General Assembly that schools and school boards may establish policies to limit or prohibit pepper mace on school property.

Public Safety

Emergency Management – Response to Terrorism

As part of the recommendations of the joint task force on terrorism appointed by the Governor, the President of the Senate, and the Speaker of the House in the wake of the September 11 terrorism attacks, proposals regarding the preparedness of the State's emergency management system through the expansion of the Governor's emergency powers and the coordination of local emergency management response by a Maryland Emergency Management Assistance Compact were enacted into law. For a more detailed discussion of the recommendations of the joint task force on terrorism that were considered by the General Assembly, see the subpart "Anti-Terrorism" under Part C - State Government of this *90 Day Report*.

Governor's Emergency Powers

Senate Bill 235 (passed)/House Bill 303 (Ch. 5) enable the Governor to assume emergency powers in the event of a threat or occurrence of any enemy attack, act of terrorism, or public health catastrophe. The Governor may assume direct operational control over emergency management whether or not the situation is beyond local control. The Act expands the individuals to whom the Governor may delegate emergency management functions to include individuals employed in the Executive Department or employed as secretaries of principal departments or as heads of independent State agencies.

State and local law enforcement officers and health officers must execute and enforce orders, rules, and regulations issued or adopted by the Governor in response to these emergency situations. The Secretary of Health and Mental Hygiene is granted additional authority to take actions to prevent the spread of diseases that endanger public health.

A person who violates an order, rule, or regulation issued under the emergency management authority of the Governor is guilty of a misdemeanor and is subject to imprisonment for a period not exceeding six months or a fine not exceeding \$1,000 or both. For a willful violation, a person is guilty of a misdemeanor and is subject to imprisonment for a period not exceeding one year or a fine not exceeding \$5,000 or both.

Maryland Emergency Management Assistance Compact

Senate Bill 239 (Ch. 2)/House Bill 293 (passed) establish a Maryland Emergency Management Assistance Compact to provide for mutual assistance in managing an emergency among jurisdictions entering into the compact. It is the intent of the General Assembly that jurisdictions eligible to enter into the compact should adopt it by June 1, 2003. The local jurisdictions eligible to join the compact are the 23 counties, Baltimore City, and Ocean City (those local jurisdictions with local emergency management agencies recognized under federal law).

The stated purpose of the compact is to provide for mutual assistance among party jurisdictions in managing an emergency. The compact must provide for mutual cooperation in emergency-related exercises, testing, or other training activities using equipment or personnel simulating performance of any aspect of the giving and receiving of aid during emergencies by jurisdictions that are party to the compact.

The senior elected official of each jurisdiction must designate an authorized representative. The authorized representative may request assistance of another party jurisdiction by contacting the authorized representative of that jurisdiction. Requests may be verbal or in writing. Written requests must provide specified information relating to the emergency support function, location, and assistance needed.

Any jurisdiction that is a party to the compact and receives a request for assistance must take actions necessary to provide requested resources but may withhold resources to the extent necessary to provide reasonable protection to its own jurisdiction. The compact provides emergency responders with the same powers, duties, rights, and privileges as personnel of the requesting jurisdiction. These provisions take effect subsequent to a local declaration of a state of emergency by the requesting jurisdiction or upon commencement of exercises, testing, or training for mutual aid, and continue as long as the exercises, training, or testing are in progress, the state of emergency remains in effect, or loaned resources remain in the requesting jurisdiction.

Emergency support functions under the compact include: fire services, law enforcement, emergency medical services, transportation, communications, public works, engineering, building inspection, planning and information assistance, health and medical services, and search and rescue.

This compact does not affect any existing or future supplemental mutual aid compacts among local jurisdictions. While some local jurisdictions in Maryland have some informal and limited agreements, the new compact provides a formalized statewide mechanism for immediate assistance to handle emergency situations.

Intrastate mutual aid agreements exist in 24 states. The new compact is modeled

after the interstate Emergency Management Assistance Compact that has been adopted by 43 states, including Maryland.

Public Safety Personnel

Information Management

House Bill 1265 (passed) creates a 19-member State Commission on Public Safety Technology and Critical Infrastructure to: (1) make recommendations relating to the compatibility and interoperability of communication and information management systems maintained by the State and local governments; (2) adopt regulations to ensure such compatibility and interoperability of State public safety systems; and (3) propose legislation for consideration by the General Assembly as necessary to implement the recommendations. For a more detailed discussion of *House Bill 1265*, see the subpart “State Agencies, Offices, and Officials” under Part C - State Government of this *90 Day Report*.

Recognition of Public Safety Personnel

Two House Joint Resolutions were passed during the 2002 session that recognize public safety personnel in Maryland. *House Joint Resolution 8 (passed)* memorializes fallen fire and emergency personnel by requiring that the American flags and the Maryland State flags on all State office buildings be lowered to half-staff in honor of the National Fallen Firefighters Memorial Service in Emmitsburg, Maryland, which is held each year on the first Sunday in October. *House Joint Resolution 15 (passed)* designates May 19, 2002, through June 14, 2002, as Maryland’s “Salute to the Services,” a campaign to encourage tourism businesses across the State by providing special travel-related discounts to military, fire and emergency services, police, and hazardous material safety personnel.

Law Enforcement

Prince George’s County – Complaints Against Police – Subpoena Enforcement

Under legislation recently enacted by the Prince George’s County Council, the Prince George’s County Citizen Complaint Oversight Panel (CCOP) has authority to investigate police misconduct, but CCOP does not have subpoena power. CCOP must request a subpoena from the Prince George’s County Council. *House Bill 642 (passed)* authorizes CCOP to petition a court to issue an order requiring compliance with a subpoena issued for the panel by the county council. A court may hold a person who fails to comply with the subpoena in contempt of court.

Exercise of State Police Powers in Baltimore City

House Bill 410 (failed) would have granted the Department of State Police authority to exercise its powers in Baltimore City. Because Baltimore City is considered a municipal corporation and maintains its own police force, the State Police may only act in Baltimore City under limited circumstances such as when in pursuit of an offender, when enforcing certain vehicle laws, or when requested to do so by the chief of police.

Private Detectives – Fugitives from Justice

In response to concerns about media reports of abuses and mistakes by “bounty hunters” who pursue fugitives from justice and may cross state lines and enter homes or premises without search or arrest warrants, *House Bill 575 (passed)* requires bounty hunters who have not been licensed as private detectives to be licensed as such under the State’s licensing provisions and regulations for private detectives. However, the measure does not apply in cases in which the investigation to locate a fugitive is conducted by: (1) a property bail bondsman or a bail bondsman licensed by the Maryland Insurance Commissioner; (2) an individual employed by a property bail bondsman or a licensed bail bondsman for the purpose of locating or apprehending fugitives from justice; or (3) an agent authorized in advance by a property bail bondsman or licensed bail bondsman to apprehend a fugitive from justice.

Corrections

Mandatory Supervision Release

Senate Bill 747/House Bill 854 (both passed) provide that an inmate who is convicted and sentenced to imprisonment for a violent crime committed while on mandatory supervision loses all diminution credits awarded before the inmate’s release on mandatory supervision but will earn credits on the new sentence in the same manner as other inmates. The Secretary of Public Safety and Correctional Services and the Chairman of the Maryland Parole Commission are required to establish a workgroup to study and make recommendations on issues relating to diminution credits and mandatory supervision, including whether the restrictions to mandatory supervision provided under these bills should be expanded. A report on the workgroup’s findings and recommendations is due by December 1, 2002.

A more detailed discussion of these bills can be found under “Sentencing and Confinement” in the subpart “Criminal Procedure” within this Part E.

Maryland Parole Commission

Senate Bill 118 (passed) alters the powers of the Maryland Parole Commission and the manner in which open parole hearings are conducted. Specifically, the bill requires that when parole hearings for persons convicted of crimes of violence are open

to the public as a result of a request for an open hearing by the victim, the hearing must be conducted by a panel of at least two commissioners.

Senate Bill 118 clarifies that such an open hearing must occur if a victim of a violent crime makes a written request to the Department of Public Safety and Correctional Services (DPSCS) for notification and maintains a current address on file with DPSCS.

The bill repeals the existing authority of a single commissioner or hearing examiner to conduct open parole hearings and eliminates the requirement that the commission or a panel of commissioners take formal action before closing a parole hearing.

Inmate Transfers Between Local Correctional Facilities

Senate Bill 11 (passed) authorizes a county sheriff or the governing body of a county or municipal corporation that operates a local correctional facility to enter into a memorandum of understanding with another sheriff or local government that operates a local correctional facility to transfer inmates from one local facility to another. This bill provides greater flexibility for local jurisdictions to manage inmate populations based on the availability of facility resources in different jurisdictions.

DNA Testing of Felons and DNA Evidence Preservation

Senate Bill 486/House Bill 1053 (both passed) expand the list of persons required to submit a DNA sample for the State's DNA repository from persons convicted of specified "qualifying crimes of violence" to persons convicted of a felony and the misdemeanors of fourth degree burglary and breaking and entering of a motor vehicle. The bills also establish a DNA Technology Fund to provide supplemental grants to local and State law enforcement agencies for acquiring DNA technology equipment needed to test DNA samples.

The bills also provide for the preservation of scientific identification evidence containing DNA material collected in certain homicide and serious sexual offense cases for the length of the sentence, including consecutive sentences imposed in connection with the offense, instead of the current three-year preservation requirement.

Senate Bill 486/House Bill 1053 are contingent on the receipt by the Department of State Police of a binding written award of a grant from a private entity or federal agency by September 1, 2002, of at least \$1.5 million to implement the provisions of the bills from October 1, 2002, to September 30, 2003. If no award is granted by September 1, 2002, the bills are null and void. If they take effect, the bills terminate on September 30, 2003.

Part F

Courts and Civil Proceedings

Judges and Court Administration

Judicial Compensation

In 1980, the General Assembly created the Judicial Compensation Commission. The commission is required to review judicial salaries and pensions every two years and make recommendations to the Governor and General Assembly at least every four years. Joint resolutions to alter judicial compensation are introduced in a year in which there is a recommendation from the commission. The General Assembly may amend a joint resolution to decrease, but not increase, any of the commission's salary recommendations. However, the General Assembly may not reduce a judge's salary below its current level. Failure to adopt or amend the joint resolution within 50 calendar days after its introduction results in adoption of the salaries recommended by the commission.

Senate Joint Resolution 5/House Joint Resolution 5 (both passed), as introduced, reflected the recommendation of the Judicial Compensation Commission to increase judicial salaries 5 percent above current levels. However, the General Assembly amended the resolutions to maintain judicial salaries at their current levels.

Court Personnel Compensation

Circuit Court Clerks

Senate Bill 14 (passed)/House Bill 39 (Ch. 27) repeal minimum salary requirements for circuit court clerks and increase the maximum salary from \$75,000 to \$85,000.

Registers of Wills

Senate Bill 13/House Bill 190 (both passed) repeal minimum salary requirements for registers of wills and increase the maximum salary from \$75,000 to \$85,000.

District Court Bailiffs

House Bill 1382 (passed) requires the Administrative Office of the Courts to review the compensation of District Court bailiffs and report to the General Assembly by December 15, 2002, on its findings and recommendations.

Circuit Court Clerks' Offices

Rental of Space for Circuit Court Clerks

Language in the 1999 *Joint Chairmen's Report* required the Chief Judge of the Court of Appeals to submit a plan for increasing the State's role in circuit court funding. Accordingly, the Judiciary submitted the "Circuit Courts Action Plan" in November 1999. That document set forth an incremental partial cost assumption plan that would, by fiscal 2004, require the State to contribute an additional \$50 million per year to the circuit courts. The General Assembly provided for State assumption of the costs of masters and for an increase in the juror per diem contribution in 2000 and for State funding of law clerks in 2001, three initiatives included in the Judiciary's plan.

Another recommendation contained in the plan was that the State, in fiscal 2002 through 2004, phase in assumption of leasing and security costs for the circuit courts. *Senate Bill 197 (passed)*, which takes effect July 1, 2003, requires the State, to the extent provided in the State budget, to pay counties rent for space occupied in county facilities by the circuit court clerks at a rate per net useable square foot: (1) not to exceed \$2.50 for fiscal 2004; (2) not to exceed \$5 for fiscal 2005; and (3) of \$10 for fiscal 2006 and thereafter. The bill mandates that no more than \$250,000 in State general funds may be used to carry out these provisions in fiscal 2004, and no more than \$500,000 in State general funds may be expended in fiscal 2005. Each county and Baltimore City must: (1) use the savings resulting from the bill solely to increase local expenditures for the circuit courts or related public safety purposes; and (2) in fiscal 2004 through 2011, report annually to the Department of Budget and Management on the expenditures made from the savings.

Recordable Instruments

Senate Bill 199/House Bill 114 (both passed) repeal the requirement that each circuit court clerk record, index, and maintain: (1) an auditor's report of distribution of proceeds of a sale of real or personal property if ratified by the court; and (2) all bonds

of every nature and kind given in any proceeding in the court. *Senate Bill 108 (passed)* repeals the requirement that the clerks of the circuit courts receive, index, and file plats showing property or rights-of-way acquired or conveyed by the State Highway Administration or the State Roads Commission. The bill directs the plats to be filed with and electronically recorded by the Maryland State Archives and authorizes that agency to charge a reasonable fee to recover costs.

Senate Bill 511/House Bill 906 (both failed) would have increased funding for the Circuit Court Real Property Records Improvement Fund by raising the maximum surcharge from \$5 to \$10 for each type of recordable instrument to be recorded among the land records and financing statement records. The bills also would have repealed an associated sunset provision that terminates the fund and the surcharge requirements on June 30, 2006.

Court of Special Appeals

Current law requires the Court of Special Appeals to hold its sessions in Annapolis. In order to afford more convenient access to law students and the public, *House Bill 1165 (Ch. 92)* authorizes the Court of Special Appeals to hold sessions at the University of Maryland at Baltimore and the University of Baltimore, as designated by the Chief Judge of the Court of Special Appeals in conjunction with the deans of the schools of law at the University of Maryland and University of Baltimore.

Clients' Security Trust Fund – Renaming

The Clients' Security Trust Fund was established in 1965 to reimburse clients for losses (not recoverable from other sources) caused by an attorney's or fiduciary's misuse of the client's money. The fund is administered by nine trustees, eight of whom must be attorneys, and one of whom may not be an attorney. With limited exceptions, all attorneys admitted to the Bar of Maryland must pay an annual fee to the fund. The fund may raise and collect additional money through voluntary contributions or other means.

Senate Bill 200 (passed)/House Bill 115 (Ch. 33) rename the Clients' Security Trust Fund of the Bar of Maryland as the Client Protection Fund of the Bar of Maryland, in an effort to better reflect the fund's purpose.

Civil Actions and Procedures

Attorney's Liens

House Bill 1381 (passed) provides that an attorney's lien attaches to any settlement that a client receives as a result of legal services that the client's attorney performs if the client owes the attorney a fee or other compensation for those services. Under current law, an attorney has a lien on a judgment or award received as a result of the attorney's services.

District Court Jurisdiction

Small Claim Actions

In a small claim action, court forms are used to file pleadings, and the rules of procedure and evidence are relaxed to make it easier for parties to represent themselves without hiring an attorney. An officer or employee of a corporation or other business entity may appear on behalf of the entity in a small claim action.

House Bill 70 (passed) increases the maximum amount of a small claim, over which the District Court of Maryland has exclusive jurisdiction, from \$2,500 to \$5,000. The bill also increases, from \$2,500 to \$5,000, the amount in controversy: (1) above which the District Court and circuit courts have concurrent jurisdiction in civil cases; and (2) for which a civil appeal from the District Court must be based on the record.

Dishonored Checks

House Bill 48 (passed) provides that the District Court of Maryland has civil jurisdiction in an action for damages for a dishonored check or other negotiable instrument even if the amount in controversy exceeds \$25,000, the usual monetary limit of the District Court's jurisdiction. Under the bill, if the amount in controversy in such an action exceeds \$25,000, the defendant may transfer the case to a circuit court.

Consumer Protection Codes

House Bill 325 (passed) adds petitions filed by a county or municipality for enforcement of consumer protection codes, for which equitable relief is provided, to the types of cases over which the District Court has exclusive original civil jurisdiction.

Family Law

Domestic Violence

Senate Bill 501/House Bill 663 (both passed) expand the authority of District Court commissioners to include the issuance of interim peace orders and interim domestic violence orders. Interim orders remain in effect until the earlier of a temporary order hearing before a judge or the end of the second business day the office of the District Court clerk is open. The bills allow the filing of a petition for peace order relief with a District Court commissioner if the office of the District Court clerk is not open for business. A petition for relief from domestic violence may be filed with a District Court commissioner if neither the office of the District Court clerk nor the office of the clerk of the circuit court is open for business.

A commissioner is authorized to issue an interim peace order if the commissioner finds that there are reasonable grounds to believe that the respondent has committed and is likely to commit in the future: (1) an act that causes serious bodily harm; (2) an act that places the petitioner in fear of imminent serious bodily harm; (3) assault in any degree; (4) rape or sexual offense or attempted rape or sexual offense in any degree; (5) false imprisonment; (6) harassment; (7) stalking; (8) trespass; or (9) malicious destruction of property.

A commissioner may issue an interim protective order if there are reasonable grounds to believe that the respondent has committed any of the following acts of abuse against a person eligible for relief: (1) an act that causes serious bodily harm; (2) an act that places a person eligible for relief in fear of imminent serious bodily harm; (3) assault in any degree; (4) rape or sexual offense or attempted rape or sexual offense; or (5) false imprisonment.

Senate Bill 501/House Bill 663 make the statutory changes necessary to implement *House Bill 6 (passed)*, which proposes a constitutional amendment granting District Court commissioners the authority to issue civil interim peace orders and civil interim protective orders within the jurisdiction of the District Court when the office of the clerk of the District Court is closed. This power may be exercised only as prescribed by law or rule. The proposed constitutional amendment will be submitted to the voters of the State in the 2002 general election. *Senate Bill 501/House Bill 663* are contingent on the ratification of *House Bill 6* by the voters of Maryland.

Currently, peace orders and domestic violence protective orders may only be issued by a judge; however, most domestic violence occurs when the courts are closed. District Court commissioners are available at all times, but they only have the authority to issue arrest warrants and set terms for pretrial release.

By expanding their authority to include the issuance of interim peace orders and protective orders, these bills afford victims of domestic violence access to protection 24 hours a day, seven days a week.

Child Abuse and Neglect

Safe Havens

Prompted by well-publicized cases involving the disposal of newborns in trash dumpsters and other unsafe locations, the General Assembly considered proposals to prevent future incidents of unsafe abandonment of newborns by providing parents with a safe and anonymous alternative. *Senate Bill 3/House Bill 602 (both passed)* provide immunity from criminal prosecution and civil liability for a person who leaves an unharmed newborn with a responsible adult within three days after the birth of the newborn. If the person leaving the newborn is not the mother of the newborn, the person must have approval from the mother to do so. The person with whom a newborn is left must take the newborn to a hospital or other facility designated by the Secretary of Human Resources as soon as reasonably possible.

The hospital or other designated facility is required to notify the local department of social services within 24 hours after accepting the newborn. The responsible adult, hospital, or other designated facility, and the employees and agents of the hospital or designated facility are immune from civil or criminal liability for good faith actions taken related to the acceptance of or medical treatment and care of a newborn unless damage or injury to the newborn was caused by willful or wanton misconduct or gross negligence.

Central Registry

Senate Bill 863/House Bill 1328 (both passed) prohibit the computerized database of child abuse and neglect investigations maintained by the Department of Human Resources (DHR) from including information from the case files of a local department of social services until any individual found responsible by the local department for indicated or unsubstantiated child abuse or neglect has: (1) been found guilty of any criminal charge arising from the alleged abuse or neglect; (2) unsuccessfully appealed the finding; or (3) failed to exercise the right to appeal within the time frame specified under current law. DHR is in the process of automating all child welfare records, and this legislation will help the department continue to compile and maintain records related to confidential investigations.

Child Support

Privatization Pilot Program

Since 1995, Maryland has reformed child support enforcement by experimenting with different approaches to increasing child support collections. Employing private vendors and comparing results to traditional State-run and innovative State-run approaches has been part of the framework for deciding on the best approach to maximize child support enforcement and collections. Chapter 491, Acts of 1995 and Chapter 486, Acts of 1999 authorized DHR to hire a private contractor to improve child support collections in Baltimore City and Queen Anne's County. DHR was also authorized to establish State-run "demonstration sites" that would employ innovative practices such as streamlined hiring procedures and the payment of incentives to employees to increase collections. These demonstration sites established in Calvert, Howard, Montgomery, and Washington counties were designed to compete with the two privatized sites.

House Bill 495 (passed) is a continuation of the General Assembly's efforts to improve child support enforcement through competition between demonstration sites and the privatized sites. The bill extends the privatization of child support enforcement in Baltimore City and Queen Anne's County. The contract with the current private vendor ends on October 1, 2002. The first privatization contract to be negotiated between DHR and a private contractor after the expiration of the current contract must be three years, with an option of two one-year extensions. Demonstration sites will be established on a phased-in basis. A total of seven demonstration sites must be established by November 1, 2002, including the four existing demonstration sites. A total of 11 demonstration sites must be established by July 1, 2003, and a total of 16 demonstration sites must be established by July 1, 2004. The Secretary has authority to establish demonstration sites at an accelerated pace if there are sufficient funds in the State budget. *House Bill 495* has a termination date of June 30, 2005.

Garnishment of Accounts

In an effort to streamline child support enforcement and improve program effectiveness, the federal government has pushed states away from judicial processes toward administrative processes. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires state child support agencies to perform certain program functions without judicial involvement. In addition, new federally mandated time frames and performance standards necessitate that states move toward more expedited case processing. Failure to comply could cause the State to lose a portion of federal funding for the Child Support Enforcement Program.

House Bill 683 (passed) requires financial institutions, upon notice from the Child Support Enforcement Administration (CSEA), to seize funds in certain accounts subject to garnishment for child support arrears. An obligor must be \$500 or more in arrears of a child support obligation and must have not paid child support for more than 60 days before CSEA may institute an action to attach and seize the amount of the arrearage. CSEA must apply the amount seized to the obligor's child support arrears. If the obligor has more than one child support case with arrears, CSEA must allocate the amount among the cases. An obligor may challenge CSEA's actions by filing a request for investigation or a motion with the circuit court.

Child Support Guidelines

On or before January 1, 1993, and at least every four years after that date, CSEA is required to review Maryland's child support guidelines to ensure that application of the guidelines results in the determination of appropriate child support award amounts and to report its findings and recommendations to the General Assembly. **House Bill 284 (failed)** would have revised the schedule of basic child support obligations used to calculate the amount of a child support award under the guidelines, reflecting CSEA's most recent recommendations for changes in the child support guidelines. The bill also would have adjusted the lower end of the guidelines to increase the self-support reserve to reflect the current federal poverty level and would have extended the combined adjusted actual income covered by the guidelines from \$10,000 to \$20,000.

Continuation of Support Through High School

Several bills were introduced this year with the intent to ensure that a child who turns 18 while still in secondary school continues to receive financial support until graduation. **Senate Bill 657/House Bill 993 (both passed)** alter the definition of "minor" to provide that a person who is 18 and enrolled in secondary school has the right to receive support and maintenance from both parents until the person dies, marries, is emancipated, graduates from or is no longer enrolled in secondary school, or turns 19, whichever occurs first. **Senate Bill 654/ House Bill 963 (both failed)** would have taken a somewhat different approach to continuing child support. For support orders filed after October 1, 2002, the bills would have required child support to continue for a child over the age of 18 who was a full-time student in secondary school and residing with the custodial parent, until graduation, death, marriage, emancipation, or until the child reaches 19 years, whichever occurs first. For support orders filed before October 1, 2002, the bills would have authorized a court to order continued support payments for a child over 18 who is enrolled as a full-time student in secondary school and resides with the custodial parent.

Children in Need of Assistance

Drug-exposed Infants

Chapters 367 and 368 of 1997 (SB 512/HB 1209), established a pilot program to identify and treat pregnant and postpartum women who require drug treatment. The pilot program began in October 1997 in seven jurisdictions: Baltimore City and Dorchester, Prince George's, Somerset, Washington, Wicomico, and Worcester counties. The program is now operating in an eighth jurisdiction, Howard County. *Senate Bill 495/House Bill 1142 (both passed)* modify current law to improve the program's effectiveness by providing that within one year after a child's birth, there is a presumption that the child is not receiving proper care and attention for purposes of determining whether the child is a child in need of assistance (CINA), if the child was born exposed to cocaine, heroin, or their derivatives and the mother either refuses the recommended level of drug treatment or does not successfully complete the recommended level of drug treatment. The evidence of exposure may be provided through any appropriate tests of the mother or child or, on admission to the hospital for delivery, a positive toxicology test of the mother for cocaine, heroin, or its derivatives.

Child in Need of Assistance Proceedings

In 2001, the General Assembly passed legislation (Chapter 415, Acts of 2001) proposed by the Foster Care Court Improvement Project (FCCIP) of the Maryland Judicial Conference to revise and reorganize the laws governing juvenile court proceedings. The act separated the laws pertaining to child in need of assistance (CINA) proceedings from those pertaining to delinquency and child in need of supervision (CINS) proceedings and made a number of substantive changes to the CINA provisions.

Following enactment of that legislation, FCCIP received feedback from judges, masters, and attorneys involved in CINA cases regarding provisions that needed clarification. Several bills were proposed by FCCIP in response to those suggestions.

House Bill 968 (passed) provides that unless a court finds good cause, a CINA case must be terminated after the court grants custody and guardianship of a child to a relative or other individual. If the court finds good cause not to terminate the case, the court is required to conduct a review hearing every 12 months until the case is terminated. *Senate Bill 394/House Bill 970 (both passed)* make a number of technical and clarifying changes in the laws governing CINA proceedings in juvenile court.

Adoption

House Bill 396 (passed) requires the Department of Health and Mental Hygiene, upon request, to prepare and register a birth certificate for a person born and adopted in a foreign country who received an IR-3 visa from the United States Immigration and Naturalization Service and whose adopting parent is a Maryland resident. The bill also establishes that a final decree of adoption granted by a judicial, administrative, or executive body of a jurisdiction or country other than the United States will be given full recognition and effect in Maryland if the adopting parent is a Maryland resident and the child has received an IR-3 visa. The bill will allow Maryland residents who adopt a child in a foreign country to obtain a birth certificate without having to readopt the child in Maryland.

Marriage

Marriage Ceremonies

Sitting and retired judges are authorized to perform marriage ceremonies starting June 1, 2002, under *Senate Bill 404/House Bill 106 (both passed)*. Before passage of these bills, a marriage ceremony could be performed in the State only by an official of a religious order or body authorized to perform a marriage ceremony, a clerk of a circuit court, or a deputy clerk of a circuit court designated by the county administrative judge. Maryland was one of only four states (North Carolina, South Carolina, and Massachusetts are the other three) that did not permit judges to perform marriage ceremonies.

Unlawful Marriages

House Bill 1393 (passed) modifies penalties for an unlawful marriage to one's grandmother or grandfather, father or mother, son or daughter, brother or sister, or grandson or granddaughter. The bill removes banishment from the State as a penalty for an unlawful marriage.

Human Relations

Following the enactment of legislation in 2001 to prohibit discrimination based on sexual orientation, there was little activity in the human relations area during the 2002 session.

Employment Discrimination

Senate Bill 479/House Bill 808 (both failed) would have altered procedures regarding hearings on complaints of discrimination filed with the Human Relations Commission, and would have expanded the relief available for unlawful employment practices to include compensatory damages.

Housing Discrimination

Senate Bill 484/House Bill 990 (both failed) would have prohibited discriminatory practices in the sale or rental of residential housing because of a person's source of income.

Real Property

Time Shares

Many Maryland time-share instruments provide that the time shares automatically terminate on a specified date, after which all owners of a unit become tenants in common.

House Bill 385 (Ch. 62) authorizes a time-share owners association, by a two-thirds majority vote of the members present at a meeting, to amend its time-share instrument to provide that the time shares in the time-share project will not terminate at the end of the time-share plan. The notice of a meeting at which such an action is to be considered must expressly state that the action may be considered at the meeting.

Sales of Real Property – Anne Arundel County

House Bill 352 (Ch. 60) requires a contract for the sale of single-family residential real property in Anne Arundel County to contain a notice stating that the buyer should consult the appropriate county agency or county Internet web site for information concerning the current and future land use plans, facility plans, public works plans, school plans, or other plans affecting the property or area.

Ground Rents and Mortgage Releases

Several bills that would have addressed the recovery of the costs of court actions and expenses necessary to collect past due ground rent and the duty of a holder of a loan secured by a mortgage or deed of trust that has been paid in full to release the mortgage or deed of trust failed.

Ground Rents

Senate Bill 225/House Bill 176 (both failed) and *House Bill 975 (failed)* would have affected the entitlement of a landlord or holder of ground rent to collect costs and expenses relating to the recovery of past due ground rent. *Senate Bill 225* and *House Bill 176* would have limited the recovery of costs to the lesser of the amount of actual expenses relating to the demand for back rent or \$400. *House Bill 975* would have categorized the allowable expenses available to the holder of a ground rent and included the expenses of: (1) complying with notice requirements, including reasonable attorney's fees not to exceed \$200; and (2) filing an ejectment action, including reasonable attorney's fees not to exceed \$400, and fees for a title search and examination not to exceed \$200.

Releases

House Bill 1404 (failed) would have required that within 45 days after a loan secured by a mortgage or deed of trust on the borrower's principal dwelling has been paid in full: (1) a release of the mortgage or deed of trust must be executed and recorded by the holder; or (2) the release must be sent in a recordable form to the borrower with a notice disclosing where to record it and the estimated cost of recordation. If the holder of the mortgage or deed of trust failed to release the mortgage or deed of trust or send the release in a recordable form, the borrower, after making a demand for the release, would have been authorized to bring an action to require delivery of the release. Finally, if the borrower prevailed in the action, the bills would have entitled the borrower to recover costs and expenses in connection with bringing the action, including reasonable attorney's fees. Current law requires the holder to release a mortgage or deed of trust or send the release to the borrower within a reasonable time after the loan has been paid in full but provides no enforcement mechanism if the holder fails to do so.

Estates and Trusts

Uniform Principal and Income Act

In the 2000 session, the General Assembly passed Chapter 292, which enacted the revised Uniform Principal and Income Act promulgated by the National Conference of Commissioners on Uniform State Laws in 1997 (UPIA 1997). The act established default rules for the trustee of a trust or the personal representative of a decedent's estate to follow in determining whether receipts and disbursements should be classified as principal or income when the governing will or trust instrument is silent. However, consideration of a major provision of UPIA 1997, Section 104, which would have allowed a trustee to adjust principal and income to the extent made necessary by prudent investment rules when a trust provides for a fixed income for the income beneficiary was deferred.

Senate Bill 641/House Bill 881 (both passed) enact a modified version of Section 104 that allows a trustee to convert a trust to a “unitrust” or make an adjustment between principal and income if a written request is received from a beneficiary. The bills also vary from the uniform act by: (1) requiring a trustee to give notice of a proposed decision to convert or adjust; (2) requiring consent of all the beneficiaries or court approval of a proposed decision; and (3) protecting a trustee from liability for actions taken in accordance with the bills.

The bills define a “unitrust” as a trust from which the income beneficiary is entitled to receive annually a fixed percentage of the fair market value of the assets, and establish 4 percent as the fixed percentage for a unitrust.

In addition, *Senate Bill 641/House Bill 881* address a problem that arises when subchapter “S” corporation stock is owned by a trust that qualifies as a “qualified subchapter S trust” (QSST) and the S corporation engages in a partial or complete liquidation. The proceeds of the liquidation are paid to the trustee as a trust receipt. Under normal principal and income rules, receipts from the liquidation are allocated to principal, but under the QSST election, any ordinary income or capital gain generated by the liquidation flows through to the income beneficiary, who must pay the income taxes. These bills make it clear that in this situation the trustee must reimburse the income beneficiary for income taxes paid by the income beneficiary on the corporate distributions that are allocated to trust principal and not distributed to the income beneficiary.

Estates of Victims of Terrorist Attacks

Senate Bill 67/House Bill 1178 (both passed) require the registers of wills to waive the inheritance taxes and probate fees for the estates of Maryland citizens who lost their lives in the September 11 terrorist attacks. These are emergency bills that apply retroactively to the estates of decedents who died as a result of wounds or injury from the terrorist attacks against the United States on September 11, 2001. In January, the President signed the Victims of Terrorism Tax Relief Act of 2001, which contains a provision that reduces the federal estate tax liability of estates of victims of the September 11 attacks.

Part G

Transportation and Motor Vehicles

Highways

Intercounty Connector

Senate Joint Resolution 8/House Joint Resolution 10 (both passed) urge the Governor to restart and conclude the process for an environmental study of the Intercounty Connector (ICC), a proposed 17-mile controlled access highway that would connect Montgomery County to Prince George's County. The proposed roadway is designed to alleviate traffic congestion on the Capital Beltway and secondary roads. In July 1997, a federal draft report was issued that evaluated potential environmental and socio-economic impacts of the proposed ICC, but no further action was taken.

Highway Dedications

Three bills were passed to honor Maryland's war veterans. *Senate Bill 142 (passed)/House Bill 111 (Ch. 32)* designate the Peninsula Expressway as the Vietnam Veterans Highway. The Peninsula Expressway, part of Maryland Route 157, is in the Dundalk area of Baltimore County and connects Dundalk with Sparrows Point. Under *House Bill 368 (passed)*, the Frederick County portion of Interstate Highway 70 will be designated the Korean War Veterans Memorial Highway.

Sidewalks – Cost Sharing

House Bill 130 (passed) increases the State's share of construction and reconstruction costs for sidewalks or bicycle pathways if the adjacent roadway is not being concurrently built or repaired. The bill increases the State share from 50 percent to 75 percent if the State Highway Administration determines that a substantial public safety risk exists and that construction would not otherwise occur due to insufficient

local funding. The cost-sharing formula would apply to sidewalks in “priority funding areas,” except for those in a “designated neighborhood,” which are eligible for a larger State match.

Maglev Task Force

In 1999, the United States Department of Transportation began a competitive process to select a site for a Magnetic Levitation Transportation System (Maglev). Seven projects were initially selected to participate in the competition. The Baltimore-Washington area is one of two finalists in the competition for federal funding. If the area is selected, federal aid would be available for a proposed 40-mile Maglev project linking Camden Yards in Baltimore and Baltimore-Washington International Airport to Union Station in Washington, DC. The Maglev would provide a 16-minute trip between Baltimore and Washington and could be expanded to provide service to other locations on the East Coast. The total cost is approximately \$3.8 billion, of which Maryland would be required to contribute \$500 million.

House Bill 1431 (passed) creates a task force to evaluate the development and construction of a Magnetic Levitation Transportation System. Some of the areas which the task force is to examine concerning Maglev include: (1) potential funding mechanisms; (2) possible private/public partnerships; (3) modifications to the procurement system; and (4) recommendations about establishing a State or multijurisdictional authority.

The Fiscal 2003 Budget includes language to study Maglev. The budget language study calls for a determination of what the State’s share of the construction cost could be, the financial and non-financial costs and benefits to the State and the local jurisdictions through which Maglev could travel, and what actions the Maryland Transit Administration has taken to address concerns of communities that would be affected by Maglev’s path. A more detailed discussion of the operating budget can be found under Part A - Budget and State Aid of this *90 Day Report*.

Financing

Senate Bill 533 (passed) allows the Maryland Department of Transportation (MDOT) to use a broader range of financing mechanisms by allowing MDOT to participate in the federal Grant Anticipation Revenue Vehicle Bonds (GARVEEs) program and the federal Transportation Infrastructure Finance and Innovation Act (TIFIA) program to fund transportation projects. GARVEEs are issued for projects to be funded with federal funds. The anticipated federal funds are pledged to secure bonds. TIFIA financing consists of loans, loan guarantees, and lines of credit for up to 33 percent of eligible construction costs from the federal Department of Transportation. A TIFIA-financed project must be of national or regional significance.

House Bill 1034/Senate Bill 740 (both failed) would have allowed a transportation facility to be privately held, constructed, improved, or operated if: (1) there is a public need for the type of facility; (2) the facility is compatible with local and State transportation plans; (3) the estimated cost is reasonable compared to similar facilities; and (4) the private operator's plans would result in a more timely or cost efficient operation, construction, or improvement. A private operator would have been allowed to charge user fees for facilities it operated or constructed. Any revenues in excess of a negotiated ceiling would have been distributed as provided in a contract between the private operator and the appropriate government entity.

Transit

Senate Joint Resolution 16/House Joint Resolution 23 (both failed) would have urged the Governor to direct the Secretary of MDOT to continue its study of the Metrorail Purple Line and to construct and fund the Purple Line segments from New Carrollton to Bethesda and from Branch Avenue to Alexandria. The Maryland Transit Administration is currently conducting an \$18.9 million study of the New Carrollton-Bethesda segment of the Purple Line, as well as a proposed 4.4-mile light rail line between the Bethesda and Silver Spring Metrorail stations. The federal government is financing most of the study.

Motor Vehicles

Drunk Driving

Federal Mandates and State Legislation

Since enactment of the federal Transportation Equity Act of the 21st Century (TEA-21), which established various criteria for the use and availability of federal highway funds for states based on enactment of certain state laws designed to combat drunk driving, Maryland has considered various legislative proposals dealing with drunk driving penalties and procedures. During the 2001 session, the General Assembly passed legislation which established increased criminal and administrative penalties for a violation of driving under the influence of alcohol or under the influence of alcohol per se at a blood alcohol content level of 0.08 grams per specific unit of blood or breath. Enactment of a “.08” law was a significant requirement for states seeking to qualify for federal incentive grants under TEA-21.

TEA-21 also established sanctions for the failure of states to pass what is commonly referred to as “repeat offender” and “open container” legislation. States that did not pass legislation to increase penalties for drivers convicted of serious drunk driving offenses more than once within a five year period would have 1.5 percent of

federal highway funds diverted from highway projects to safety enhancement projects annually beginning on October 1, 2000. The penalty would increase to 3 percent of highway funds as of October 1, 2002. States that did not pass legislation prohibiting possession of open containers of alcohol in motor vehicles, including possession by vehicle passengers as well as drivers, would be subject to federal fund diversion levels equal to those for failing to enact repeat offender laws.

By October 1, 2000, and October 1, 2001, Maryland had not complied with federal requirements for passage and enforcement of repeat offender and open container legislation. A combined total of \$7 million was transferred on each of those dates from highway projects to safety enhancement projects. Without enactment of repeat offender and open container legislation during the 2002 legislative session, the penalty increase scheduled for October 1, 2002, would have required that a total of \$14 million in federal highway funds would have to be transferred to safety enhancement projects for noncompliance with federal requirements.

Repeat Offenders

One requirement for the states under TEA-21 is to establish certain minimum criminal and administrative penalties for an individual convicted of a second or subsequent offense of driving while under the influence of alcohol. These penalty requirements include a mandatory period of driver's license or privilege suspension for at least one year, the impoundment or immobilization of the offender's motor vehicle, mandatory terms for imprisonment or community service, and an assessment of the offender's degree of alcohol or drug abuse, leading to appropriate treatment.

Senate Bill 352/House Bill 4 (both passed) require the Motor Vehicle Administration (MVA) to suspend for one year the driver's license of a person convicted of driving or attempting to drive while under the influence of alcohol or under the influence of alcohol per se more than once within a five-year period.

At the conclusion of the mandatory one-year suspension period, the bills also require repeat offenders to maintain an ignition interlock system on each motor vehicle owned by the offender (which prevents the operation of a motor vehicle based on an alcohol breath tester installed in the vehicle) for a period between three months and one year as a condition of license restoration or reinstatement. Notice and hearing requirements for the administrative sanctions are established under the bills, as well as additional license restrictions based on an inability to maintain an ignition interlock system due to financial hardship.

A person convicted of a violation of driving while under the influence of alcohol or under the influence of alcohol per se within five years of a prior conviction for one of those offenses is also subject to a mandatory minimum penalty of imprisonment, including inpatient rehabilitation or treatment or home detention, for at least 5 days or

subject to community service for at least 30 days. The court must also order the offender to undergo alcohol abuse assessment and to participate in an alcohol program if ordered by the court based on the results of the assessment. A person convicted of a third or subsequent offense within five years is subject to a mandatory minimum penalty of imprisonment for at least 10 days or community service for at least 60 days.

Open Containers

The federal law also tied highway funding to state enactments prohibiting the possession of any open alcoholic beverage container and the consumption of any alcoholic beverage in the passenger area of any motor vehicle located on a public highway or public highway right-of-way in the state.

Senate Bill 21/House Bill 3 (both passed) prohibit an occupant of a motor vehicle from possessing an open container that contains any amount of an alcoholic beverage or consuming an alcoholic beverage in the passenger area of a motor vehicle driven, stopped, standing, or otherwise located on a highway in the State. A violation by a vehicle occupant is a civil offense, subject to a maximum fine of \$25, which may be charged as a civil citation by a police officer. The bills establish procedures for prepayment of fines and District Court trial procedures to challenge the citation. The bills also clarify the existing prohibition against consumption of an alcoholic beverage while driving, to prohibit a driver of a motor vehicle from consuming an alcoholic beverage in a passenger area of a motor vehicle on a highway, which is a misdemeanor subject to a fine not exceeding \$500.

The prohibition does not apply to an occupant, other than the driver, of a motor vehicle that is designed and used to transport a person for compensation, including a bus, taxicab, or limousine, or the living quarters of a motor home, motor coach, or recreational vehicle.

Under the bills, an “open container” means any bottle, can, or other receptacle that is open, that has a broken seal, or from which the contents are partially removed. “Passenger area” means the area designed to seat the driver and any passenger while the motor vehicle is in operation or any area readily accessible to a driver or passenger while in seating positions. “Passenger area” does not include a locked glove compartment, the trunk of a motor vehicle, or for motor vehicles without a trunk, an area behind the last upright seat or other area not normally occupied by a driver or passenger.

Restrictions on Probation Before Judgment

House Bill 1366 (passed) expands the existing prohibition against the repeated use of probation before judgment in drunk and drugged driving cases. The bill prohibits a court from placing a defendant on probation before judgment for causing the death of or life-threatening injury to another person as a result of negligent driving while under

the influence of alcohol, while impaired by alcohol, or while impaired by combinations of alcohol, drugs, and controlled dangerous substances, if within the previous five years, the defendant was convicted of, or placed on probation before judgment for a drunk or drugged driving offense.

Vehicle Licensing and Registration

Notification to Selective Service Administration

Senate Bill 297/House Bill 26 (both passed) require the MVA to provide to the Selective Service Administration (SSA), identifying information about males under the age of 26 who apply to the MVA for a driver's license or identification card, if the applicant consents to the sharing of that information.

Federal law requires males between the ages of 18 and 26 who live in the United States to register with the SSA. According to SSA, seven states have enacted laws requiring Selective Service registration in order to obtain a driver's license. Under the bill, the MVA is required, subject to the consent of the applicant, to provide electronic records of the applicant's full name, address, date of birth, and Social Security number, if available, to SSA. The application form for the issuance or renewal of a driver's license or identification card shall contain a statement that the applicant has either already registered with SSA, is not registered and consents to the forwarding of information to SSA, or is not registered and refuses to consent to the forwarding of information. An applicant's refusal to consent to the forwarding of information to SSA may not be grounds for denying the applicant a driver's license or identification card.

Availability of License and Identification Card Photographs to Private Detectives

Under *Senate Bill 427/House Bill 211 (both passed)*, the MVA is authorized to make digital photographic images of individuals available to private detective agencies licensed by the State Police. Currently, those images are available to the court, law enforcement agencies, and the Child Support Enforcement Administration.

Chesapeake Bay Commemorative License Plates

The Chesapeake Bay license plate will be available for at least five more years as a result of *Senate Bill 51 (passed)/House Bill 117 (Ch. 34)*, which extend the program until July 1, 2007. In fiscal 2001, plate sales generated \$947,000, of which \$390,000 (40 percent) went to the MVA to cover expenses and \$484,000 went to the Chesapeake Bay Trust, a nonprofit organization designed to encourage public awareness and participation in the restoration and protection of the Bay.

Parking for Individuals with Disabilities

A number of laws have been enacted recently to attempt to reduce the inappropriate use of parking privileges that are reserved for individuals with disabilities. Some individuals who are not disabled, but have access to vehicles with disabled designations, have inappropriately used the privileges. *House Bill 343 (passed)* clarifies that only a person who is authorized to use a special registration plate or windshield placard issued to persons with disabilities may park a vehicle in a space reserved for the use of individuals with disabilities.

Senate Bill 112 (passed) requires that a person applying for disability registration plates or a parking placard due to losing the use of a foot, leg, hand, or arm provide medical certification to the MVA. It repeals the person's authority to self-certify the loss of use of a limb or appendage and, therefore, eliminates the need for MVA employees to determine if a person has actually lost the use of a limb or appendage. A person who has actually lost a limb or an appendage may still self-certify.

Staggered Driving Days

House Bill 1069 (failed) would have prohibited a vehicle to be driven on State highways on certain days based on its registration number. For example, a vehicle assigned a registration number ending in an odd number could only be driven on Mondays, Wednesdays, Fridays, and Sundays; a vehicle with a registration number ending in an even number could only be driven on Tuesdays, Thursdays, Saturdays, and Sundays. The MVA would have been authorized to exempt vehicles in cases of hardship.

New Resident Licensing

Under *Senate Bill 110 (passed)*, new State residents have 60 days rather than 30 to obtain a valid State license if they have a valid license issued by another state. The law will make the licensing requirement grace period consistent with the period in which new residents must register their out-of-state registered vehicle.

Commercial Driver's Licenses

Senate Bill 111/House Bill 322 (both passed) require a school bus driver to obtain a special school bus endorsement issued by the MVA for the person's commercial driver's license. Drivers will have to pass a medical examination and a skills test to demonstrate knowledge of proper safety procedures for loading and unloading schoolchildren, emergency exit use, and highway rail grade crossings, in order to obtain the school bus endorsement.

The bills prohibit an individual from driving a school bus unless the individual has a school bus endorsement on a commercial driver's license, which also serves as a passenger vehicle endorsement authorizing the driver to operate any passenger vehicle

with 16 passengers or more. The requirement applies only to individuals applying for a commercial driver's license to drive a school bus on or after October 1, 2002.

House Bill 428 (failed) would have made it a crime for commercial drivers to cause a death or life threatening injury by driving or attempting to drive in a manner that the driver knew or should have known violates various laws regarding operation of a commercial vehicle in an unsafe condition, hour restrictions, and federal motor carrier requirements. The bill would have also prohibited motor carriers from causing a death or life threatening injury by requiring or allowing a driver to operate a commercial vehicle in a manner that the carrier knew or should have known was in violation of the law. The bill proposed a series of fines ranging up to \$25,000 for a violation.

Rules of the Road

Leaving the Scene of an Accident

The General Assembly increased penalties for drivers who “hit and run” by leaving the scene of an accident where serious bodily injury or death may have occurred. *Senate Bill 345/House Bill 256 (both passed)* establish felony penalties for a driver of a motor vehicle involved in an accident resulting in the death or serious bodily injury of another and who leaves the scene of the accident, if the driver knew or reasonably should have known that the accident might result in the death or serious bodily injury of another.

Leaving such an accident resulting in a serious bodily injury is a felony subject to a maximum of five years imprisonment and a maximum fine of \$5,000, while the penalty for leaving the scene of an accident resulting in the death of another is a maximum of 10 years imprisonment and a maximum fine of \$10,000.

Senate Bill 59 (failed) would have authorized a driver to leave the scene of an accident if the driver reported the accident to law enforcement within one hour of the accident and if the driver reasonably believed that the accident was not caused by the driver, the accident did not result in injury or death, and leaving the scene of the accident was necessary to prevent imminent bodily harm to the driver. The bill was referred to as “Yvette’s law,” due to the carjacking, kidnapping, robbing, and murder of Yvette Beakes, a woman who was in a car accident in Baltimore and was attacked after remaining at an accident scene to assess damage.

Distracted Driving

Nationwide, the National Highway Transportation Safety Administration estimates that 25 to 30 percent of motor vehicle crashes are caused by driver distraction. A 1997 study published in the *New England Journal of Medicine* concluded that the distraction caused by phone use in motor vehicles quadrupled the risk of a collision

during the brief period of a call, a rate equivalent to the impairment caused by legal intoxication. However, a study conducted by the University of North Carolina Highway Safety Research Center found that cell phones ranked eighth in a list of distractions that caused crashes, below activities such as adjusting the radio, eating, and drinking.

According to Maryland State Police accident report data from January 1, 2000, through June 30, 2001, “failed to give full attention” was a contributing circumstance in 55 to 58 percent of accidents. In accident data compiled from October 2000 through June 2001, phone use while driving was listed as a contributing circumstance in 67 of over 40,000 accidents.

Last year, New York became the first state to enact a law prohibiting the use of hand-held telephones while driving. Several other states have considered similar restrictions. For the past few years, the General Assembly has considered restrictions on hand-held telephone use while operating a motor vehicle. *House Bill 31 (failed)* would have prohibited a driver of a motor vehicle from operating a hand-held telephone while the vehicle is in motion. The bill did not apply to: (1) a driver calling 911 or a public safety agency due to an emergency; (2) an employee of a utility company making a call in connection with emergency communications; or (3) an operator of an emergency vehicle acting in an official capacity. A violation would have been a misdemeanor, punishable by a fine of not more than \$500.

Speed Monitoring Systems

In 1997, the General Assembly passed legislation authorizing law enforcement agencies to mail a citation to the owner of a motor vehicle recorded running a solid red light by a traffic control signal monitoring system at an intersection (Chapter 315, Acts of 1997). In subsequent sessions, including the 2002 session, legislation was introduced that would allow the use of similar technology to identify speeding drivers. *Senate Bill 565/House Bill 140 (both failed)* would have authorized local governments and the State to issue citations or warnings to vehicle owners for speeding based on evidence collected by speed monitoring radar cameras. The bills also would have provided for a maximum civil penalty of \$100 for violations. Such violations would not have been moving violations, would not be placed onto the driving record of the owner or driver of the vehicle, and would not be considered in the provision of vehicle insurance.

Safe Driving Credits

Another bill considered by the General Assembly was intended to provide an incentive for drivers to maintain safe driving records. *Senate Bill 54 (failed)* would have directed the MVA to maintain a safe driving credit system under which a safe driving credit is awarded each calendar year to each individual whose driving record does not contain a suspension, revocation, conviction, or probation before judgment for serious vehicular offenses. The credits could be used only to offset an equivalent number of

points assessed against the individual after a conviction for a moving violation for which no more than two points could be assessed.

Use of Low Emission Vehicles in HOV Lanes

House Bill 884 (passed) expands the use of high occupancy vehicle (HOV) lanes to vehicles designated as inherently low emission vehicles (ILEVs). The bill requires the State Highway Administration (SHA) to place traffic control devices indicating that an HOV lane may be used at all times by ILEVs. The MVA, SHA, and the Department of State Police are directed to design a visible permit to designate a vehicle as an ILEV. The MVA is required to report to the General Assembly on or before January 1 of each year on the effect of the ILEVs on HOV lane operations. The bill, including the reporting requirements, will be effective until September 30, 2004.

Use of Electric-Powered Scooters on Roads and Sidewalks

House Bill 869 (passed) allows a person to operate a two-wheeled, electric-propelled motorized device, such as a Segway, on footpaths, bicycle trails, and sidewalks. If there is no sidewalk available to use, the bill authorizes the use of the device on roadways with a posted speed limit of not more than 30 miles per hour. The bill also prohibits the operation of the device at a speed greater than 15 miles per hour.

Equipment and Inspections

Child Booster Seats

In recent federal studies regarding child safety restraint requirements, the National Highway Traffic Safety Administration found that 71 percent of children's deaths and 66 percent of their injuries in car accidents could be eliminated if every child under the age of 15 used an appropriate restraint device. *Senate Bill 802/House Bill 699 (both passed)* expand the definition of "child safety seat" to include a child booster seat designed for larger children that is certified by the manufacturer to meet applicable federal safety standards. The bills also require that a person transporting a child in a motor vehicle registered in Maryland must secure the child in a child safety seat, if the child is under the age of six years, regardless of the child's weight, or if the child weighs 40 pounds or less, regardless of the child's age.

For vehicles registered out-of-state, but traveling Maryland roads, a transported child must be secured in a child safety seat if the child is under the age of four years, regardless of the child's weight, or if the child weighs 40 pounds or less, regardless of the child's age.

A violation is punishable by a fine of \$25. However, if the number of children in the vehicle exceeds the number of seatbelts suitable for securing a child either in a seat belt or in a child safety seat, there is no violation.

Salvage Vehicle Fees

House Bill 471 (passed) shifts the distribution of salvage vehicle inspection fees (\$180,000 in fiscal 2003) from the Vehicle Theft Prevention Fund to the auto theft unit of the Department of State Police to recover the costs of administering the salvage inspection program. The distribution was recommended by the Task Force on Motor Vehicle Salvage Inspection and Titling Practices, which concluded that the current fee revenue was not sufficient to provide overtime funding needed to eliminate the backlog of requests for inspections. State police conducted approximately 8,400 salvage vehicle inspections in 2000.

Emergency Vehicles

House Bill 387 (passed) allows the driver of an emergency vehicle of a fire department or rescue squad to flash or oscillate red and white lights or signal devices while standing or parked on the roadway at the scene of an emergency. The National Fire Protection Association standards recommend that white lights automatically turn off when the parking brake is set, a practice that many Maryland firefighters believe is dangerous to emergency personnel.

Business Regulation

Curbstoning – Regulation of Dealers

State and local law enforcement agencies have been struggling to combat a practice called “curbstoning” in which unlicensed persons sell used vehicles that are often stolen, untitled, or damaged and do not collect titling fees or taxes owed to the State. Experts estimate that 80 percent of the used cars advertised in the classifieds are sold by curbstoners. *Senate Bill 50 (passed)* decreases the number of vehicles (from five to three) that a person may sell within a year before being considered a vehicle “dealer,” which requires annual State licensing and subjects the person to various regulations regarding sales contracts, wholesale restrictions, surety bonds, location and service requirements, participation in vehicle shows, advertising practices, and other business practices.

The bill also increases the penalty for selling vehicles without a dealer’s license from a maximum fine of \$1,000 and six months in prison to a maximum fine of up to \$5,000 and one year imprisonment.

Part H

Business and Economic Issues

Legislation Related to Program Evaluation

During the 2001 interim, several boards and commissions underwent evaluation as part of the third cycle of an evaluation process commonly referred to as sunset review. Typically, the boards and commissions subject to evaluation require positive legislative action to extend the sunset (or termination) date for the board or commission. Because of the large number of evaluations during the 2001 interim, an effort was made to smooth the workload for the next (fourth) cycle of evaluations by staggering the termination dates for some of the boards and commissions rather than using the typical ten-year extension.

Four preliminary evaluations resulted in legislation to extend termination dates and require evaluations in the future:

- The licensing and regulation of security systems technicians (under the Maryland Security Systems Technicians Act) by the Maryland State Police began in 1996. *Senate Bill 125/House Bill 154 (both passed)* extend the termination date for the program to July 1, 2016, and require an evaluation to be completed by July 1, 2015.
- The State Board of Law Examiners was established in 1898 to regulate admissions to the bar in Maryland. *House Bill 155 (passed)* extends the termination date for the board to July 1, 2010, and requires an evaluation to be completed by July 1, 2009.
- Because of its unique responsibility in certifying certain financial records, public accountancy is licensed in all 50 states, the District of Columbia, and various U.S. Territories. *Senate Bill 124/House Bill 159 (both passed)* extend the

termination date for the State Board of Public Accountancy to July 1, 2015, and require an evaluation to be completed by July 1, 2014.

- With the State Board of Foresters, which was established in 1972, Maryland is one of 16 states which currently license the forestry profession. *Senate Bill 128/House Bill 156 (both passed)* extend the board's termination date to July 1, 2015, and require an evaluation to be completed by July 1, 2014.

Five boards or commissions which had undergone preliminary evaluations during the 2000 interim underwent further review during the 2001 interim:

- State Board of Master Electricians;
- State Board of Pilots;
- State Commission of Real Estate Appraisers and Home Inspectors;
- Board of Boiler Rules; and
- Board of Examining Engineers.

Senate Bill 456/House Bill 487 (both passed) extend the termination date for the State Board of Master Electricians to July 1, 2013, and require an evaluation to be completed by July 1, 2012. In addition, the bills require each local jurisdiction that licenses master electricians to report disciplinary actions to the board for dissemination to every local jurisdiction and submit to the board an annual report by December 1 on complaints against master electricians licensed in the local jurisdiction.

Senate Bill 457/House Bill 489 (both passed) extend the termination date for the State Board of Pilots to July 1, 2013, and require an evaluation to be completed by July 1, 2012. In addition, the bills clarify that the board is supported by the general fund and codify certain fiscal practices of the board related to disability payments to pilots and the maintenance and repair of major equipment owned by the Association of Maryland Pilots.

Senate Bill 417/House Bill 485 (both passed) extend the termination date for the State Commission of Real Estate Appraisers and Home Inspectors to July 1, 2013, and require an evaluation to be completed by July 1, 2012. In addition, the bills alter the composition of the board between the different types of appraisers, eliminate specific geographic membership requirements, and establish certain fees in statute. Because of budgetary concerns, the bills delay the requirement for licensing home inspectors to July 1, 2003.

The Board of Boiler Rules and the Board of Examining Engineers were evaluated together because the boards impact the same industry. The recommendations and resulting legislation for the boards were combined, but distinctly different. *Senate Bill 455 (passed)* extends the termination date for the Board of Boiler Rules to July 1, 2014, requires an evaluation to be completed by July 1, 2013, and expands the membership of the board. The bill extends the termination date of the Board of Examining Engineers to July 1, 2005. Because the current board licenses examining engineers (also known as stationary engineers) only in Baltimore City, the board and the Department of Labor, Licensing, and Regulation must report to the Senate Education, Health, and Environmental Affairs Committee and the House Economic Matters Committee by October 1, 2003, on a proposed structure and implementation of a statewide licensing program for stationary engineers.

Business Occupations

Real Estate

Continuing Education

Senate Bill 560/House Bill 52 (both passed) require an applicant for a real estate salesperson, associate broker, or broker license to successfully complete a three-hour course in real estate ethics approved by the Maryland Real Estate Commission. These bills also modify continuing education requirements. Generally, a licensee must complete 15 hours of continuing education to qualify for renewal. However, if a licensee possesses a graduate degree in law, business, or real estate, or if the licensee has been licensed for ten consecutive years and holds a real estate designation from a nationally recognized trade association, the continuing education requirement may be satisfied with 7.5 hours. Every two years, a licensee must complete a three-hour course that includes the Maryland Code of Ethics and discussion of the practices of flipping and predatory lending. Further, these bills provide for reciprocity in the continuing education requirements.

Nonresident Brokers - Reciprocity

Senate Bill 523/House Bill 596 (both passed) authorize the Maryland Real Estate Commission to approve a nonresident commercial real estate broker to engage in a transaction in the State if the nonresident broker enters into a written agreement with a State-licensed broker and is licensed in a jurisdiction that allows a Maryland broker to obtain a license under similar circumstances. A nonresident broker who is approved by the commission is issued a temporary license to provide real estate broker services in the State. A nonresident real estate salesperson may only engage in a transaction in the State if the salesperson provides services under the direct supervision of a nonresident real estate broker.

Advertising and Use of Trade Name

House Bill 704 (passed) authorizes a licensed associate real estate broker or salesperson to provide brokerage services under a trade name that has been approved by the Maryland Real Estate Commission. A trade name is a name other than a licensee's full legal name and includes a first name, nickname, or last name. *House Bill 704* also prohibits a licensed associate broker or salesperson from advertising unless the advertisement includes, in a meaningful and conspicuous manner, either the licensee's name or trade name, as well as the name of the business with which the licensee is affiliated. The commission may deny a license, reprimand a licensee, or suspend or revoke a license if an individual violates provisions relating to the advertising or use of a trade name.

Docking Masters

Senate Bill 580 (passed) authorizes the State Board of Docking Masters to issue three types of docking master licenses based on the size of vessels: (1) a 37-foot draft license; (2) a 43-foot draft license; and (3) an unlimited license. Current law authorizes the issuance of a general docking master license. The bill specifies the qualifications and fees for each type of license. The bill establishes a trainee docking master program and the qualifications for applicants to the trainee docking master program. The board may choose and appoint the necessary number of trainee docking masters to the program from a list of qualified applicants.

The bill also authorizes the board to determine whether evidence used in an investigation by the U.S. Coast Guard against a licensed docking master is sufficient to warrant the suspension or revocation of the license by the board. Alternatively, the board may impose civil penalties on a licensee in lieu of the suspension or revocation of the license.

Public Accounting

House Bill 81 (passed) enables the State Board of Public Accountancy to offer licensing examinations more than twice a year. The bill also authorizes the board to select an examination that is equivalent to the examination prepared by the American Institute of Certified Public Accountants (AICPA).

Private Detectives, Security Systems Technicians, and Security Guards

House Bill 429 (passed) makes several changes to the laws governing private detectives, security systems technicians, and security guards, as regulated by the Department of State Police. In addition to placing all of the licensing of these occupations on three-year staggered terms, the bill:

- for private detectives, protects confidential information obtained from applicants, reduces the application fee, and establishes license renewals;
- for security systems technicians, alters the license and registration renewal processes; and
- for security guards, requires uniformed guards to display their ID cards.

House Bill 1116 (passed) alters the format of a licensing certificate for an individual first licensed in another state under the Security Systems Technicians Act. This bill authorizes the Department of Education, in conjunction with the Secretary of Labor, Licensing, and Regulation, to establish by regulation a cooperative education program under which a minor may learn the security systems trade. *House Bill 1116* also alters the composition of the five-member advisory panel that the Secretary of State Police may appoint for a hearing before taking a final action against an applicant or registrant. Further, the bill provides that a hearing before an advisory panel does not preclude a hearing before the Secretary of State Police.

Business Regulation

Cemetery Oversight

House Bill 80 (passed) alters several provisions of law relating to requirements for cemeteries primarily relating to perpetual care trust funds. For general consumer protection, *House Bill 80* requires disclosure on sales materials and modifies the initial amounts and additional deposits required to establish and maintain adequate funding for cemeteries. In addition, there is increased protection for perpetual care trust funds from judgment, execution, seizure, garnishment, attachment, or other seizure due to bankruptcy or other alienation. *House Bill 80* contains other provisions relating to the authority of the director of the Office of Cemetery Oversight, fidelity bond requirements, and powers of trustees.

Regulation of Crematories

For the last two sessions, the General Assembly considered regulating crematories in the State. In addition, the recent news about a crematory in Georgia that was in violation of Georgia law increased the focus on this issue in Maryland. *Senate Bill 143/House Bill 326 (both failed)* would have required crematories to register with either the Board of Morticians or the Office of Cemetery Oversight. Registration would have been determined by whether the crematorium was located on the grounds of a cemetery or a funeral establishment. Maryland's one stand-alone crematory would have had to choose which board would be its regulator.

Home Builders

Regulation/Consumer Protection

Under *House Bill 79 (passed)*, the responsibility for holding surety bonds and letters of credit - and for the approval and monitoring of third-party warranty plans relating to home builders - is transferred from the Department of Labor, Licensing, and Regulation to the Consumer Protection Division (CPD) of the Office of the Attorney General. The bill centralizes within CPD all regulatory functions involving home builders. *House Bill 79* also requires a home builder to disclose to a buyer that the home builder must be registered with the CPD.

Registration Fees

House Bill 592 (passed) establishes an initial registration fee of \$600 for all home builders; a two-tier, biennial renewal fee of \$300 for home builders who have built 10 or fewer homes in the preceding calendar year; and \$600 for those who have built 11 or more. The bill repeals the requirement that fees must approximate the direct and indirect costs of administering the Maryland Home Builders Registration Act by the CPD. The provisions in *House Bill 592* terminate on December 31, 2005.

Home Improvement Contractors

Senate Bill 595 (passed) requires a licensed home improvement contractor to maintain at least \$50,000 of general liability insurance. Current law requires an applicant for a contractor license to maintain this level of insurance. If a contractor intends to cancel the required general liability insurance, the contractor must notify the Maryland Home Improvement Commission at least ten days prior to the effective date of the cancellation.

Rights and Responsibilities of Innkeepers

Senate Bill 251 (passed) authorizes an innkeeper to refuse to provide lodging or services to, or to remove from a lodging establishment, an individual for a number of reasons, including nonpayment for services, intoxication, creating a public nuisance, possession of controlled substances or firearms, or refusal to abide by posted rules or policies.

For individuals who are under age 18, *Senate Bill 251* authorizes an innkeeper to require a parent or guardian to: (1) accept liability for lodging and any damages; and (2) provide a valid credit card or make an advance cash deposit of up to \$500 to cover any charges incurred or damages caused by the individual. The innkeeper must refund any portion of the advance deposit not needed to cover reasonable charges for damages.

Senate Bill 251 also requires innkeepers to post a copy of the bill's provisions, together with all rules of the establishment, in a place at or near the guest registration desk and in each guest room. The bill may not be construed to alter the prohibition against discrimination applicable to innkeepers and lodging establishments.

Maryland Household Goods Movers Act

Senate Bill 578/House Bill 794 (both passed) prohibit a household goods mover from enforcing or threatening to enforce a carrier's lien against, or refusing to deliver, a consumer's household goods when providing household goods moving services for a move within the State. A violation of the Maryland Household Goods Movers Act is an unfair and deceptive trade practice under the Maryland Consumer Protection Act. Violators may also be subject to any other civil or criminal action provided by law.

These bills require the Consumer Protection Division of the Office of the Attorney General to report by December 1, 2003, to the Senate Finance Committee and the House Economic Matters Committee on: (1) the need for a registration process for household goods movers; (2) the number of complaints received; and (3) any enforcement action taken.

Motor Fuel

Dyed Diesel Fuel

Senate Bill 287 (passed) prohibits the use of dyed diesel fuel (untaxed home heating oil which is chemically the same as motor fuel) in a vehicle on a highway and prohibits the sale or delivery of dyed diesel fuel from a retail pump unless notification requirements regarding the dyed fuel are met. *Senate Bill 287* allows the Comptroller to detain a motor vehicle to inspect and test diesel fuel for compliance with the statute.

A violation of the bill is a misdemeanor subject to a fine of up to \$1,000, imprisonment for up to one year, or both. In addition to these misdemeanor penalties, the bill provides for additional monetary penalties which may be assessed by the Comptroller.

Public Service Companies

Public Service Commission

Public Service Commission and Office of People's Counsel Fund

Currently, an appropriation for the costs and expenses for the Public Service Commission and the Office of People's Counsel is included in the State budget and paid out of the State general fund, based on estimates and assessments made by the commission. *House Bill 135 (passed)* creates the Public Utility Regulation Fund to provide funding for the commission and the office. The fund serves as the holding account for funds currently collected to pay for all operational expenses of the commission and the office. No part of this nonlapsing fund may revert or be credited to the general fund or any other special fund. The bill also authorizes the commission to charge reasonable and nondiscriminatory fees, as set forth in the regulations, for specified filings and services.

Lastly, the bill provides that, unless a provision of the Public Utility Companies Article specifically requires the commission to act through regulation, the commission may implement any provision of the article by either order or regulation as the commission deems necessary and proper. This provision is construed to apply retroactively to any order issued, by the commission on or after June 1, 2000.

Cease and Desist Orders

The commission has broad authority to supervise and regulate public service companies to protect the public interest; promote adequate, economical, and efficient delivery of utility services in the State; and enforce compliance with requirements of the law by public service companies. In carrying out these duties the commission may conduct investigations, proceedings, and hearings; issue subpoenas, decisions, and orders; assess penalties and fines; adopt regulations; stay the enforcement of a regulation or order; and bring an action in circuit court. *House Bill 1148 (passed)* allows the commission to issue a summary cease and desist order to a person who is subject to its jurisdiction if the commission determines that the person has violated a statute, regulation, or order that directly concerns public safety or consumer protection and determines that immediate, substantial, and irreparable harm will result if the order is not issued.

Electricity

Universal Service Program Fund

The Electric Customer Choice and Competition Act of 1999, Chapters 3 and 4 of 1999, established the Electric Universal Service Program to assist low-income households with their electric bills. The program is operated by the Department of Human Resources with oversight by the commission and funding from the Universal Service Program Fund. The program provides bill assistance and payment programs, termination of service protection, and cost-effective reduction and management of energy consumption for low-income customers. Electric customers with incomes at or below 150 percent of the federal poverty level are eligible to participate in the program.

Moneys in the fund are provided by electric utilities through surcharges assessed on electric customer bills. In any year when there are unexpended moneys, those moneys are to be returned to the customer classes proportionate to how the customer classes paid into the fund.

Chapters 3 and 4 of the Acts of 1999 specified that \$34 million per year for fiscal years 2001 through 2003 would pay for this program. This is in addition to funds available through the Maryland Energy Assistance Program, which receives federal funds to assist low-income households with their energy bills.

In order to address ongoing implementation issues, *Senate Bill 832/House Bill 1130 (both passed)* allow the commission to retain unexpended moneys in the Universal Service Program Fund at the end of June 30, 2002, and make the moneys available for disbursement through June 30, 2003, to eligible customers who apply for assistance before July 1, 2002, and qualified for assistance from the fund during fiscal 2002. The bills also require the commission and the Department of Human Resources to study and report to the Governor and the General Assembly on issues relating to the participation in, expenditures from, and moneys needed by the fund by October 1, 2002.

Local Government Aggregation

The issue of aggregation of electricity demand by local governments was reintroduced in two forms. Under *House Bill 345 (failed)*, a county or municipal corporation would have been authorized to aggregate demand from residential and small commercial customers unless more than 20 percent of these customers had selected an aggregator other than the standard offer service supplier. This approach to aggregation is considered an “opt-out” approach since residents in the proposed aggregated jurisdiction would have been included in the aggregation unless they refused to participate.

Similarly, *Senate Bill 2 (failed)* would have authorized a county or municipal corporation to aggregate electric customers within its boundaries and would have allowed a combination of two or more counties or municipal corporations to aggregate demand

within their boundaries. This approach to aggregation, considered an “opt-in” approach, would have allowed the residents to initially choose whether to be a part of the aggregation.

Telephones and Telecommunications

Telecommunications Carriers – Competition Requirements

In a complaint proceeding between two public service companies, there is no statutory time frame after the close of the record within which the commission must issue a decision and order. Generally, a proposed order of a commissioner or hearing examiner becomes final unless a party to the proceeding notes an appeal to the commission within 30 days.

House Bill 1164 (passed) requires the commission to issue a decision and order within 180 days after the close of the record in a complaint proceeding between two public service companies. The time frame within which a proposed order of a commissioner or hearing examiner must be appealed before becoming final is 30 days, unless the order specifies a shorter period of at least seven days. In addition, *House Bill 1164* authorizes the commission to adopt regulations and policies consistent with federal law, policies, and regulations governing the development of competition in the telecommunications services market, as well as with applicable State law.

Telephone Lifeline Service

Telephone lifeline service is a local telephone service provided to eligible subscribers that provides discounted residential local exchange dial access plus the first 30 residential local untimed messages per billing month. *House Bill 62 (failed)* would have required the commission to adopt regulations to enhance enrollment in telephone lifeline service through dissemination of information and marketing to eligible subscribers.

Abbreviated Dialing Task Force

N11 systems use an abbreviated dialing code to enable callers to connect to services such as community information and referral services, nonemergency government services, and traffic information without dialing a seven- or ten-digit number. *House Bill 1146 (failed)* would have established a 15-member Abbreviated Dialing Task Force in the Department of Public Safety and Correctional Services to study the implementation and use of N11 systems, including financing, funding, and administration of N11 systems.

Moving Overhead Utility Lines Underground

In 2000, the Governor announced that overhead power lines in four communities would be buried underground as part of a pilot program to minimize power outages caused by storms. The project costs were to be shared by the State, local governments, and the utility companies. Communities in Maryland and other states have also relocated lines to reduce their visual impact. Moving overhead utility lines underground is often extremely expensive because of the need to protect the lines in conduits or pipes and to coordinate the lines for each utility. Federal transportation and community development funds may be available in some cases to help pay for utility relocation.

Senate Bill 653/House Bill 1089 (both passed) create a Task Force to Study Moving Overhead Utility Lines Underground and direct it to make recommendations that identify: (1) the best possible means of facilitating and reducing the costs of placing overhead utility lines underground; and (2) a process for coordinating construction, maintenance, and repair projects near roadways in municipal corporations, including moving utility lines underground. The task force must report its findings to the Governor and the General Assembly by December 31, 2003.

Natural Gas

House Bill 268 (failed) would have created a 15-member Natural Gas Universal Service Program Task Force to identify low-income gas customers who need assistance in paying their heating bills, identify forms of assistance for these customers, analyze assistance programs in this State and other states, identify assistance funding sources for these customers, develop models for assistance, and recommend options for meeting these customers' energy needs. Currently, gas customers may be eligible for assistance with their gas bills from the Maryland Energy Assistance Program.

Electric and Gas Companies

Use of Trade Names and Trademarks

There are no specific State statutory provisions governing the use of a trade name or trademark between a public service company and an affiliate. In 1998, acting under its general regulatory authority, the Public Service Commission issued standards of conduct relating to utilities and transactions with core-service and noncore-service affiliates. Although the standards prohibit any preferences for regulated utility services for a customer who uses an affiliate's services or products, they do allow advertising material used by the utility or its noncore-service affiliate to identify the affiliate's association with the utility. *Senate Bill 783/House Bill 1280 (both failed)* would have prohibited a business which sells, markets, installs, maintains, repairs, or provides specified products or services from using, as part of its trade name or trademark, the trade name or trademark of an electric or gas company if the business was owned wholly or

in part, directly or indirectly, by the electric or gas company or the parent company of the electric or gas company.

Electric Cooperatives

In accordance with Chapter 604 of the Acts of 1999, *Senate Bill 129/House Bill 153 (both passed)* recodify provisions on the organization and operation of electric cooperatives in the Corporations and Associations Article. For a more detailed discussion of these bills, see the subpart “Corporations and Associations” under Part I - Financial Institutions, Commercial Law, and Corporations of this *90 Day Report*.

Insurance

Insurance Administration and Regulation

Evaluation of the Maryland Insurance Administration under the Program Evaluation Act

During the 2001 interim, the Department of Legislative Services (DLS) conducted a full evaluation of the Maryland Insurance Administration (MIA) under the Program Evaluation Act. *Senate Bill 472 (passed)* embodies some of the statutory recommendations developed by DLS during the evaluation. *Senate Bill 472* requires the next review of MIA to be completed on or before July 1, 2012.

MIA’s Annual Report: *Senate Bill 472* requires MIA’s annual report to be completed by December 31 of each year. The bill requires the report to include information on MIA’s operations and on the complaints and cases filed with the Insurance Fraud Division in the previous fiscal year.

Fees and Financing of MIA: *Senate Bill 472* repeals the fees charged for appointments and terminations of insurance producers. The bill increases from 40 to 60 percent the percentage of MIA’s annual budget that is funded by an industry assessment and alters the formula for allocating this assessment among the various lines of insurance. The bill changes: (1) the health insurer portion to 40 percent of the assessment; (2) the life insurer portion to 26 percent of the assessment; and (3) the property and casualty portion to 34 percent of the assessment. The bill requires that the annual assessment be paid by a date determined by the Insurance Commissioner. The bill authorizes MIA to establish a reserve equal to 5 percent of its budget and to impose an additional assessment if MIA’s revenues are insufficient to cover MIA’s expenditures because of an unforeseen emergency. MIA is allowed to recoup administrative costs associated with collecting the State’s insurance premium tax by retaining a portion of the tax revenues collected each quarter.

Reporting Requirement: In addition to its statutory recommendations, DLS made various nonstatutory recommendations, including maintaining a high-quality staff to perform MIA's functions, addressing the lack of an appropriate MIA administrative hearing room, and enhancing communication with licensees. *Senate Bill 472* requires MIA to report to the House Economic Matters Committee and the Senate Finance Committee by October 1, 2002, on the implementation of recommendations from the evaluation report prepared by DLS.

Certificates of Authority

House Bill 1456 (passed) repeals the mandatory forfeiture requirements imposed by the Insurance Commissioner when an insurer fails to renew its certificate of authority by June 30 each year. Instead, *House Bill 1456* gives the commissioner discretion to impose a penalty or a forfeiture requirement.

Subpoenas

Senate Bill 158 (passed) authorizes a subpoena issued by the Insurance Commissioner to be served in the same manner as a service of process in a civil action in a circuit court (certified mail/restricted delivery). Current law requires a subpoena issued by the commissioner to be served in the same manner as a subpoena of a circuit court (private process server).

Budget Reconciliation and Financing Act

Senate Bill 323 (passed), the Budget Reconciliation and Financing Act (BRFA), transfers \$2 million from the Insurance Regulation Fund to the State general fund. These funds will be transferred despite current law which provides that any fund balance attributable to the regulatory assessment must be returned to the insurance companies by MIA through a lower assessment fee the following year. In a recent audit report, the Office of Legislative Audits identified \$4.4 million in the fund balance as attributable to the assessment fee. MIA has approved budget amendments for computer system enhancements and expenses related to the CareFirst conversion of \$1.7 million, which would reduce this excess to \$2.7 million. The transfer is intended by MIA to reflect \$1 million of the \$2.7 million balance attributable to the assessment fee and \$1 million of licensing fees collected in July 1999 and inadvertently deposited to the Insurance Regulation Fund instead of the general fund. Under statute, the \$2.7 million should be used to reduce the assessment fee for fiscal 2003. After the transfer, only \$1.7 million will be available for an assessment fee reduction. For a more detailed discussion of BRFA, see the subpart "Operating Budget" under Part A - Budget and State Aid of this *90 Day Report*.

Property and Casualty Insurance

Delinquency and Collection Charges (Late Fees)

Senate Bill 335/House Bill 229 (both passed) increase, from \$5 to \$8, the allowable delinquency and collection charge (late fee) that a premium finance company may charge an insured under a premium finance agreement for private passenger motor vehicle or personal fire or liability insurance. *Senate Bill 335/House Bill 229* increase the maximum allowable cancellation charge that a premium finance company may charge an insured for private passenger motor vehicle or personal fire or liability insurance to the difference between \$15 and the amount of the late fee for the installment in default.

Insurance Rates Based on the Insured's Credit History

The use of an insured's credit history in underwriting and rating policies of homeowner's insurance or private passenger motor vehicle insurance is an increasingly common practice among insurance companies and continues to be the subject of much public policy debate. *House Bill 521 (passed)* prohibits the use of an individual's credit history in underwriting and rating homeowner's insurance and allows the use of credit for motor vehicle insurance rating under certain circumstances.

Homeowner's Insurance: For homeowner's insurance, *House Bill 521* prohibits an insurer from refusing to underwrite, cancelling, refusing to renew, rating a risk, or requiring a particular payment plan based on the credit history of an applicant or insured.

Motor Vehicle Insurance: For private passenger motor vehicle insurance, *House Bill 521* prohibits an insurer from refusing to underwrite, cancelling, refusing to renew, increasing the renewal premium, or requiring a particular payment plan based on the credit history of an applicant or insured. However, a private passenger motor vehicle insurer may rate a new policy based on the credit history of the applicant if the following criteria are met:

- The insurer may not use a factor on the credit history that occurred more than five years prior to the issuance of the new policy.
- The insurer must advise the applicant that credit history is used to rate a new policy and provide a premium quote identifying the portion of the premium affected by the applicant's credit history.
- The insurer may not consider a lack of credit history ("no hit") in rating the policy.
- If an applicant is adversely impacted by the use of credit history, the insurer must review the credit history of the applicant every two years, or upon the request of the insured, and must adjust the premium to reflect any improvement.

- An insurer that rates a new policy based on the credit history of the applicant may provide a premium discount of up to 40 percent or impose a premium surcharge of up to 40 percent. This provision terminates in two years.

House Bill 521 also requires the Insurance Commissioner to conduct a study on whether the use of credit scoring in the State has an adverse impact on any demographic group defined by race or socio-economic status. The commissioner must also study the impact of premium rates for policies issued by MAIF on the insurance market. The bill requires the commissioner to report the results of these studies to the Governor and General Assembly by January 1, 2004.

Premium Increases and Policy Cancellations

Notice to Policy Holders: An insurer other than the Maryland Automobile Insurance Fund (MAIF) must provide a private passenger motor vehicle insurance policyholder, at the time of issuance or renewal of the policy, a statement that: (1) defines the policyholder's rate classifications; and (2) includes a summary of the insurer's approved surcharge plan or driver record point plan for the policy. *House Bill 1002 (passed)* requires non-MAIF insurers, in the statement they are required to give to policyholders at the time of issuance or renewal of a private passenger motor vehicle insurance policy, to include a section that provides a general description of the factors, including credit information, that may contribute to an increase in a policy premium. The bill requires an insurer that markets private passenger motor vehicle insurance through insurance producers to make a copy of the statement available to its producers.

An insurer that intends to cancel, not renew, increase a premium for, or reduce coverage under a policy of private passenger motor vehicle insurance is required to send a notice to the insured at least 45 days before the proposed effective date of the action. *House Bill 1002* requires that a notice of premium increase include the amount of the increase in the premium for any coverage on the policy. The bill restricts the requirement that a private passenger motor vehicle insurer maintain the current insurance coverage and rate pending the resolution of a protest of a premium increase to increases of more than 15 percent. If a proposed increase is based on a credit score or information from a credit report, the bill requires an insurer to include specified information about the consumer reporting agency, including contact information for the consumer reporting agency. For a premium increase of 15 percent or less for the entire policy that is disallowed by the Insurance Commissioner, the bill requires the insurer to return all disallowed premiums received from the insured, with interest. The bill authorizes the commissioner to adopt regulations that exclude certain premium increases from the requirements applicable to premium increases.

Study by the Insurance Commissioner: The bill also requires the commissioner to study the feasibility of establishing an internal grievance process for resolving complaints about proposed adverse actions by private passenger motor vehicle insurers.

The bill requires the commissioner to report on the study's findings to the Governor and General Assembly by December 15, 2002.

Payment Plans: **House Bill 1002** also prohibits an insurer from requiring a particular payment plan for a private passenger motor vehicle insurance or homeowner's insurance policy based on the insured's credit history.

Homeowner's Insurance

Senate Bill 807/House Bill 1236 (both passed) authorize an insurer to cancel a homeowner's insurance policy that requires a one-time deposit for a stated amount of coverage (perpetual insurance) if the cancellation: (1) takes effect on the anniversary of the policy's inception; (2) is not based on a claim that occurred more than three years before the anniversary date of the policy on which the proposed cancellation would take effect; and (3) is otherwise in accordance with other anti-discrimination insurance laws.

Motor Clubs

House Bill 812 (Ch. 88) authorizes an applicant for a motor club service license, in addition to other types of security instruments, to deposit a letter of credit in the same amount as other authorized forms of security. The letter of credit must be in favor of the State for the applicant's members who reside in the State. **House Bill 812** specifies that the total liability of a bank under a letter of credit may not exceed the amount of the letter. The issuing bank may cancel the letter of credit after notifying the Insurance Commissioner at least 30 days before the effective date of the cancellation. Under **House Bill 812**, a motor club licensee may substitute any type of authorized security for any other type of authorized security, subject to the commissioner's approval.

Surplus Lines Brokers

House Bill 726 (Ch. 80) repeals the requirement that a surplus lines broker, in order to recoup the cost of an inspection required for the placement of surplus lines insurance, not have a financial interest in or receive compensation from the person who performs the inspection. Under the Act, a surplus lines broker is instead required to provide written disclosure of: (1) any financial interest in the person performing the inspection; and (2) whether the broker will receive compensation from the person who performs the inspection. The broker must also notify the prospective insured that the insured has the option to obtain the inspection from another person, subject to the approval of the surplus lines insurer.

Title Insurers

A title insurer must conduct an on-site review of the underwriting, claims, and escrow practices of each producer appointed as a principal agent. *House Bill 441 (passed)* repeals the requirement that a title insurance producer or agency that is appointed with a title insurer have on file with the insurer an annual statement of financial condition. Chapter 209 of 2001 exempted law firms and attorneys practicing in law firms from the filing requirement.

Horse Racing and Gaming

Horse Racing

The horse racing industry in Maryland employs more than 15,000 people and generates approximately \$600 million annually in direct economic activity for the State. Like other states, Maryland's racing industry has lost market share in recent years to other forms of commercial gaming. Some states, including two in this region, have sought to revive their industries by introducing slot machines at racetracks. Maryland has taken other approaches to restructuring its racing industry in recent years, including subsidizing purses, providing tax relief, and expanding marketing efforts.

Harness Racing Takeout

House Bill 1260 (failed) would have authorized representatives of harness racing tracks, owners and trainers, and breeders to agree to allocate the takeout for purses and the Maryland standardbred race fund in a way other than that specified under current law.

The bill would have repealed the Maryland Racing Facility Redevelopment Bond Program, which was established under the Racing Act of 2000, and would have also set the State racing tax rate and provided that a portion of the "take-out" be used for purses.

The bill would have taken effect July 1, 2003, in order to not affect funds from the bond fund that will be used to balance the budget or for purse enhancements, as discussed below.

Budget Reconciliation and Financing Act

The Racing Facility Redevelopment Bond Program was established under the Racing Act of 2000. The program was established to assist horse racing facilities with capital improvements through the establishment of the Racing Facility Redevelopment Bond Fund, which was designed to be used to pay any debt issued to make capital improvements at Maryland racetracks.

The bond fund consists of two sources: (1) additional takeout allocations; and (2) uncashed parimutuel tickets. Under *Senate Bill 323 (passed)*, the Administration proposes to transfer the portion of the fund estimated to be from uncashed parimutuel tickets. The bill also transfers \$4.5 million of the portion of the fund estimated to come from the takeout allocation to a special fund that will be used to primarily enhance horse racing purses. About 70 percent of the bonds will go towards thoroughbred racing purses, and 30 percent will go towards standardbred racing purses.

For a more detailed discussion of this bill, see the subpart “Operating Budget” under Part A - Budget and State Aid of this *90 Day Report*.

State Lottery

Multijurisdictional Lottery

Senate Bill 93 (passed) authorizes the State Lottery Agency, with the approval of the Lottery Commission and the Legislative Policy Committee, to enter into agreements to operate multijurisdictional lotteries with political entities outside the United States or private licensees of a state or a foreign nation. The bill provides the Lottery Agency with the opportunity to increase sales and revenues by allowing the agency to offer more games that involve other states or other countries. Offering more multijurisdictional games is anticipated to attract new players as well as increase interest among current players.

The International Lottery Alliance plans to introduce a new multijurisdictional game similar to Maryland’s Big Game in the spring of 2003. General fund revenues are estimated to increase by \$5.5 million in fiscal 2003 and by \$12 million in fiscal 2004. The fiscal 2003 revenues are being used to assist in balancing the fiscal 2003 budget.

For a further discussion of lottery issues, see the subpart “State Agencies, Offices, and Officials” under Part C - State Government of this *90 Day Report*.

Video Lottery Terminals

In each of the past several sessions, bills were introduced to allow the use of video lottery terminals (VLTs) (i.e., electronic slot machines) at the State's horse racing tracks or other tourist destinations. The primary rationale given for authorizing video lottery terminals in the State is to provide additional funding for specified State programs, including public education, as well as to assist Maryland's horse racing industry.

Legislation dealing with video lottery terminals was again considered in the 2002 session. *House Bill 732 (failed)* was a proposed constitutional amendment that would have: (1) authorized VLTs at up to four locations in the State (applicants would have had to have a license for a horse racing track); (2) provided for the regulation of VLTs by the State Lottery Agency; (3) provided that at least one-half of the net proceeds from VLTs were dedicated to a special fund used to support the recommendations of specified commissions, task forces, and public libraries; and (4) prohibited the General Assembly from adopting any laws authorizing any additional forms or expansion of commercial gaming.

Charles County – Gaming Permit Review Board

Under current law, the Charles County Gaming Permit Review Board consists of seven members, including a representative of the Charles County Sheriff's Office, a representative of the Department of State Police, a member of the clergy, a representative of a fundraising organization in the community, an individual with a background and experience in finance, and two individuals appointed from the county at large. Additionally, each board member must be a resident of Charles County. The board's chairperson is selected from among its members for a term set by the board.

House Bill 226 (passed) alters the composition of the Charles County Gaming Permit Review Board by replacing the member of the clergy with a third at-large member. The Charles County Gaming Permit Review Board was created in 1987 and meets quarterly.

Baltimore City - Bingo

Generally, local jurisdictions that permit organizations to conduct bingo have maximum limits on prizes awarded for a single game of bingo, but do not have a maximum limit on the total prizes awarded in a bingo event. The maximum value of all prizes awarded at a bingo event in Baltimore City may not exceed \$4,000. Any religious, fraternal, patriotic, educational, or charitable organization may conduct a bingo event in Baltimore City. *House Bill 1379 (passed)* increases from \$4,000 to \$5,000 the maximum value of the total of all prizes of money or merchandise that may be awarded by an organization conducting a bingo event in Baltimore City.

Economic and Community Development

Business Tax Credits

House Bill 762 (passed) allows businesses in distressed areas (Baltimore City and Allegany, Caroline, Dorchester, Garrett, Somerset, and Worcester counties) to: (1) claim refunds from the One Maryland tax credit faster after they locate in the distressed county; and (2) apply the credits over a 14-year carry forward period if the businesses pay the majority of its employees at least 250 percent of the federal minimum wage (approximately \$25,750 per year). According to the Department of Business and Economic Development, 17 companies have declared their intent to use the One Maryland tax credit. Six of these businesses have received preliminary or final applications; these businesses plan to create a total of 884 jobs with aggregate wages of about \$20 million over the next five years.

Senate Bill 536/House Bill 783 (both failed) would have created a new certified capital company investment credit that would allow an insurer a tax credit against the insurance premium tax for investing in a certified capital company that in turn invests in a technology or bioscience business in the State. The legislation would have limited the amount of tax credits that may be claimed to \$12.5 million per year, up to a total of \$100 million. Several states, including Louisiana, Missouri, New York, Wisconsin, Florida, Colorado, and Texas have recently enacted similar programs. *Senate Bill 536* was referred to interim study.

Maryland Stadium Authority – Hippodrome Performing Arts Center

House Bill 1256 (passed) increases from \$12 to \$20.25 million the amount of the bonds that the Maryland Stadium Authority (MSA) can issue for the acquisition, construction, and related expenses of the Hippodrome Performing Arts Center. The bill decreases from \$23.5 to \$20.1 million the private commitment that MSA must secure to fund total acquisition and capital costs and increases from \$10 to \$17.4 million the amount of bond proceeds that MSA can use for certain expenses related to the Hippodrome.

Restoring and re-opening of the Hippodrome, a former Vaudeville playhouse, is the cornerstone of the West Side revitalization in Baltimore. The Hippodrome will be converted into a 168,000 square foot theater that is expected to attract large Broadway touring shows. Much of the project is supported by State, local, and private contributions and revenue bonds. MSA advises that it expects the Hippodrome to open in January 2004.

Eminent Domain

Under **House Bill 71 (failed)**, the Maryland Economic Development Corporation (MEDCO) would no longer have the authority to condemn property for its projects. MEDCO, a State-created corporation, issues bonds financed by private investors to participate in economic development projects. MEDCO may now use eminent domain to acquire property, rights, or easements for projects, subject to approval by two-thirds of the local legislative body. Since its creation in 1984, MEDCO has never used eminent domain for any of its projects.

House Bill 901 (failed) would have lifted the \$10,000 cap on State and local relocation assistance given to a business, nonprofit, or farm that needed to relocate as a result of eminent domain. The bill would also have required the Maryland Department of Transportation to develop regulations governing relocation benefits.

Resource Based Industries

In 2000 the legislature created the Task Force on Resource Based Industry in Maryland to determine whether the State needed to create a financing development authority to assist the agriculture, fishing, forestry, and mining extraction industries. The task force concluded that this authority was not necessary but recommended that the task force continue to operate and examine the current and anticipated economic development needs of resource based industries. **Senate Bill 735/House Bill 849 (both passed)** rename the task force as the Task Force on Resource Industry Business Development, expands the task force from 17 to 28 members, and directs it to recommend ways to improve the economic development of resource based industries to the Governor and General Assembly by September 30, 2003.

The General Assembly also endorsed **Senate Joint Resolution 18/House Joint Resolution 33 (both passed)**, a nonbinding resolution that directs State agencies to study the feasibility of developing an ethanol plant in Maryland, which would diversify the regional market for grain. According to the Maryland Department of Agriculture, grains and soybeans account for nearly 75 percent of the 1.6 million acres of crops produced in Maryland. Following the passage of the federal Clean Air Act Amendments of 1990, ethanol has been used as an oxygenate to reduce certain types of vehicle emissions.

Technology

The Maryland Technology Development Corporation (TEDCO) will have access to more federal grants and loans under *Senate Bill 307/House Bill 405 (both passed)*, which allow TEDCO to create or own nonprofit organizations or for-profit companies (such as a limited liability company) that are eligible for business grants. TEDCO is a State-created organization that promotes commercialization and transfer of technology research and, therefore, is not eligible for some federal aid such as Small Business Administration microloans for startup firms.

Housing Financing Programs

House Bill 1188 (passed) requires all homebuyers who receive loans from the Department of Housing and Community Development (DHCD) through the Settlement Expense Loan Program to receive homeownership counseling or education. If the local jurisdiction in which the home is being purchased does not require education or counseling, the loan recipient must complete homebuyer education or housing counseling that meets standards established by DHCD. The Downpayment and Settlement Expense Loan Program helps eligible homebuyers buy either single-unit homes or residential buildings with no more than four units by providing loans for settlement expenses, including closing costs and appraisal fees.

House Bill 446 (passed) repeals the requirement that a building has to be constructed primarily for use as office or other commercial space to qualify for the State Rental Housing Production Program, which provides funds to cover the costs of constructing, rehabilitating, or acquiring rental housing or for mortgage assistance.

DHCD will be able to sell mortgage loans financed by the Maryland Home Financing Program and to sell the loans at a discount at its discretion under *House Bill 1217 (passed)*. The bill also authorizes DHCD to transfer money received from mortgage loan sales to the Homeownership Programs Fund or to use money in that fund to repurchase or pay the costs for servicing a loan that was sold. The bill also recommends that proceeds from the sale of a mortgage that was provided to an individual with a disability be used for future loans to individuals with disabilities.

Native American Tribe Recognition

House Bill 342 (failed) would have required the Commission on Indian Affairs to submit a recommendation for State recognition of a Native American tribe, band, or group if the commission has determined that the requirements for achieving Maryland Indian status have been met. The bill also would have established a 60-day deadline for the Secretary of DHCD to transmit a recommendation for recognition of a Native

American to the Governor and would have required the Governor to accept or reject the commission's recommendation within 120 days of receiving it.

Workers' Compensation

In 2002 the General Assembly considered 25 bills dealing with various aspects of workers' compensation law.

Regulation of Injured Workers' Insurance Fund (IWIF)

Senate Bill 371 (Ch. 22) subjects the Injured Workers' Insurance Fund (IWIF) to additional regulation by the Maryland Insurance Administration and provides for a phase-in of risk-based capital (RBC) standards. RBC standards were developed by the National Association of Insurance Commissioners as a measure of the amount of surplus an insurer should retain in relation to its size and the risk it assumes. Chapter 22 requires IWIF to meet the required RBC action levels over a five-year phase-in period ending in 2005. The Insurance Commissioner is required to ensure that IWIF has capital in excess of the amount that would trigger a "company action level event" before IWIF may become a member of the Property and Casualty Insurance Guaranty Corporation. This bill is responsive to Chapter 657 of 2000, which originally required the Insurance Commissioner to examine the financial condition of IWIF for purposes of determining whether IWIF could be a member of the corporation.

Modification of Awards

House Bill 1318 (passed) clarifies that, except in specified cases involving fraud, the Workers' Compensation Commission may not modify an award unless the modification is applied for within five years after the latter of:

- the date of the accident;
- the date of disablement; or
- the last compensation payment.

The first two time constraints are added to a provision in current law that requires the modification to be applied for within five years of the date of the last compensation payment. The intent of the bill is to address the situation when no wage compensation is paid. Medical benefits awarded from a claim are lifetime benefits.

Workers' Compensation Commission Budget Process

Senate Bill 772 (passed) creates a 12-member advisory committee appointed by the Governor to review the annual proposed budget of the Workers' Compensation Commission. Committee members will represent business, labor, insurance, vocational rehabilitation, medical, and legal interests. The committee is required to report annually to the Governor, who must give due consideration to the recommendations. *Senate Bill 772* also creates a special fund to pay specified costs and expenses of the commission prior to an assessment on employers to reimburse the special fund. The State Treasurer is custodian of the continuing, nonlapsing fund and must deposit payments received from the commission into the fund. The bill specifies that, unless otherwise provided by law, no part of the fund may revert or be credited to the general fund or another special fund. The commission will continue to pay all fines and penalties collected into the general fund.

Principal Contractor Liability

House Bill 491 (passed) provides that a principal contractor is not liable to pay workers' compensation to an individual who is a sole proprietor subcontractor if the individual does not notify the principal contractor of the individual's status as a covered employee and does not elect to be a covered employee.

Further, *House Bill 491* states that an individual is presumed to be a sole proprietor who is not a covered employee if:

- a substantial part of the individual's income is from work for which a principal contractor has engaged the individual and from which the individual has attempted to earn taxable income; and
- the individual notifies the principal contractor that the individual has not elected to become a covered employee or the individual has filed the appropriate IRS Form 1040, Schedule C or F, for the previous taxable year.

Both notifications must be made on a form approved by the Workers' Compensation Commission.

Construction Carve Out

The repeal of the termination date for the "construction carve out" was approved in *Senate Bill 522 (passed)*. The "construction carve out" authorizes an employer and a recognized bargaining representative of employees under the purview of the Building and Construction Trade Council to adopt an alternative dispute resolution system for workers' compensation claims as part of a collective bargaining agreement. The

legislation which originally established the carve out provisions (Chapter 591 of 1997) had a termination date of September 30, 2002.

Partly Dependent Individuals

Senate Bill 743/House Bill 887 (both passed) modifies the calculation for payment of weekly death benefits to partly dependent individuals and increases the maximum amount of death benefits that may be received by partly dependent individuals from \$45,000 to \$60,000.

Occupational Disease

Two bills relating to occupational diseases were considered in 2002. *Senate Bill 584/House Bill 890 (both failed)* would have added an infectious disease that may have arisen from one or more exposures of indeterminate dates to the existing definition of occupational disease for purposes of filing workers' compensation claims. Under current law, occupational disease is defined as a disease that has been contracted by a covered employee as the result of, and in the course of, employment and causes the employee to become temporarily or permanently, partially or totally, incapacitated.

Senate Bill 583/House Bill 889 (both failed) would have provided that a paid or volunteer firefighter, sworn fire marshal, paid or volunteer fire fighting instructor, volunteer squad member, or volunteer advanced life support unit member would have been presumed to have a compensable injury if the individual:

- had leukemia or a specified type of cancer caused by contact with a toxic substance in the line of duty;
- were permanently partially or permanently totally disabled or died because of a disability caused by the cancer or leukemia; and
- in certain cases, had met a suitable standard of physical examination.

The existing requirement that an individual complete at least five years of service in the department where the individual is currently employed would have been repealed by these bills.

Unemployment Insurance

There was little legislative activity dealing with unemployment insurance (UI) in 2002. Of seven UI bills introduced, *House Bill 714 (passed)* was the lone bill passed by the General Assembly. *House Bill 714* increases the maximum unemployment weekly benefit amount from \$280 to \$310. A \$310 weekly benefit is equivalent to 45.5 percent

of the State average weekly wage. Additionally, the maximum amount an individual may earn before affecting the individual's unemployment benefits is raised from \$70 to \$90. Beyond this maximum disregard amount, the weekly benefit amount decreases dollar-for-dollar for partial earnings until the full benefit amount is reached.

Under **House Bill 714**, if the Department of Labor, Licensing, and Regulation (DLLR) determines on September 30, 2002, that the ratio between the UI trust fund and the total taxable wages for the four completed calendar quarters immediately preceding that date is less than 4.7 percent (which would trigger a surtax on employers' UI payments), DLLR must notify the General Assembly within 15 days, and the provisions of this bill become null and void without further action.

Because the State Unemployment Insurance Trust Fund received a deposit of \$142.9 million on March 18, 2002, as part of the federal Job Creation and Worker Assistance Act of 2002, the ratio is not expected to drop low enough to trigger the UI surtax for calendar 2003. There is no surtax for calendar 2002 since the balance of the fund on September 30, 2001, was \$30 million above the level that would have triggered a surtax.

House Bill 541 (failed) would have allowed a victim of domestic violence who voluntarily left employment because of domestic violence to receive unemployment benefits provided that specified information was submitted and the individual did not return to the abusive situation. Under current law, an individual in this situation may be eligible for unemployment benefits after a five-week disqualification period.

Senate Bill 257/House Bill 336 (failed) would have allowed the Secretary of Labor, Licensing, and Regulation to find that voluntarily leaving a job for new and better employment may constitute good cause for leaving the job, and thus would not disqualify an individual from receiving unemployment insurance benefits in the event the individual was laid off from the new and better employment through no fault of the individual. Under current law, an individual in this situation may be eligible for unemployment benefits after serving a disqualification period of between five and ten weeks.

House Bill 593 (failed) would have allowed an individual with a newborn or a newly adopted child to receive up to 12 weeks of unemployment benefits and an allowance for dependents for up to 12 weeks.

Labor and Employment

Employee Leave

Senate Bill 390/House Bill 540 (both passed) eliminate the termination provision, as enacted under Chapter 503 of 1999, for the requirement that an employer who provides paid leave to an employee following the birth of the employee's child must provide the same paid leave to an employee when a child is placed with the employee for adoption.

Senate Bill 537 (passed) prohibits an employer from requiring a nurse to work more than the nurse's regularly scheduled hours according to a predetermined work schedule. For a more detailed discussion of this legislation, see Part J - Health of this *90 Day Report*.

House Bill 329 (passed) prohibits an employer from taking or refusing to take certain personnel actions regarding licensed or certified health care employees who disclose unlawful behavior or refuse to participate in unlawful behavior. For a more detailed discussion of this legislation, see Part J - Health of this *90 Day Report*.

Alcoholic Beverages

Statewide Bills

Direct Wine Seller's Permit

Senate Bill 494/House Bill 811 (both passed) create a direct wine seller's permit that authorizes out-of-state permit holders to sell wine to Maryland consumers through the wholesale and retail tiers of the alcoholic beverages distribution system. The bills authorize each permit holder to sell up to 108 liters of wine annually to a single consumer and up to 900 liters of wine annually to all Maryland consumers. The permit holder must file an annual tax return, may not sell wine that is distributed by any licensed wholesaler or distributed in Maryland two years prior to the application for the wine seller's permit is filed, and must ship the wine freight prepaid to a Maryland wholesaler. The wholesaler must then deliver the wine to a retail dealer. Wholesalers may charge consumers a fee of \$2 per bottle or \$4 per shipment, and retailers may charge consumers a fee of \$5 per bottle or \$10 per shipment. The bills do not authorize Internet shipping directly to consumers; however, this does not preclude permit holders from receiving orders on the Internet and shipping wine through wholesalers and retailers to consumers in Maryland.

Protest Against License Renewal – Commercial Tenants

House Bill 716 (passed) authorizes commercial tenants who are not holders of an alcoholic beverages license or applicants for any alcoholic beverages license to sign a petition of protest to a local board of license commissioners against the renewal of an alcoholic beverages license. If a protest that meets certain criteria is filed with the county board of license commissioners, the renewal of a license may not be approved by the board without a hearing.

Wholesalers Licenses

House Bill 348/Senate Bill 426 (both passed) repeal the prohibition against a wholesaler licensee operating two locations in any one county or in Baltimore City.

Local Bills

Allegany County

Sunday Sales Permits: House Bill 552 authorizes the Allegany County Board of License Commissioners to issue a two-day Sunday sales permit to Class B, Class C, and Class D licensees. The permit holder is authorized to sell beer, wine, and liquor on any two Sundays in a year. The permit costs \$50 each time it is used.

Nudity and Sexual Displays: House Bill 1455 (Ch. 96) is an emergency measure that prohibits nudity and sexual displays in establishments with an alcoholic beverages license. An alcoholic beverages licensee that violates this provision may have its alcoholic beverages license revoked by the Allegany County Board of License Commissioners.

Anne Arundel County

Multiple Licenses: Senate Bill 258/House Bill 146 (both passed) authorize the Anne Arundel County Board of License Commissioners to issue a Class H alcoholic beverages license to persons holding, as of June 1, 2002, a Class B license that prohibits off-premises sales. *Senate Bill 258/House Bill 146* also allow a franchiser to have a direct ownership interest in up to two licenses.

Baltimore City

Class D Beer, Wine, and Liquor Sunday Sales: Senate Bill 358 (passed) is an emergency measure that authorizes the Baltimore City Board of Liquor License Commissioners to issue to a Class D beer, wine, and liquor licensee a supplemental Sunday sales license that authorizes the sale of alcoholic beverages on up to two Sundays

per calendar year. The license fee is \$75 per issuance and must be paid at least two weeks in advance.

Underage Persons on Licensed Premises: Senate Bill 361 (failed) would have prohibited a holder of any alcoholic beverages license from allowing anyone under the age of 21 years to be on the premises after midnight unless the person: (1) is an employee of the license holder; (2) is seated away from a bar in a Class B licensed restaurant or hotel that sells alcoholic beverages; or (3) or is attending a contest between professional sports teams.

Baltimore County

Special Wine Festival and Special Beer Festival: Senate Bill 154 (passed) creates a separate wine festival license and a separate beer festival license in place of the combined special beer and wine festival license. The special festival licensees must ensure that the primary focus of the special wine festival is the promotion of Maryland wine and beer. Each license fee is \$15. The bill is intended to afford greater flexibility in planning individual beer festivals and wine festivals.

Calvert County

Notice of License Application: House Bill 263 (Ch. 51) requires the Board of License Commissioners to post a sign or notice of an application for an alcoholic beverages license for at least ten days in a conspicuous place upon the premises described in the application. The notice must specify the class of license applied for and the time and place of the hearing for the application.

Caroline County

Golf Course Licenses: House Bill 494 (Ch. 68) establishes a Class GC 7-day (golf course) beer, wine, and liquor license. The Class GC 7-day license may be issued to a golf course or an organization that is open to the public, operated for profit, owns real estate in Caroline County, and has a golf course with a minimum of 18 holes. The annual license fee is \$1,600. The licensee is authorized to sell beer, wine, and liquor during specified times for consumption on the land and in the buildings, including the clubhouse, used for golfing purposes.

Sales To Underage Drinkers and Intoxicated Persons: House Bill 1087 (passed) authorizes the Caroline County Board of License Commissioners to pursue administrative proceedings against a licensee or employee of a licensee who is found not guilty of violating prohibitions on the sale of alcoholic beverages to a person under 21 years of age or a person who is visibly under the influence of alcoholic beverages.

Dorchester County

Class B Licenses: *Senate Bill 698/House Bill 1397 (both passed)* reduce from 100 to 75 seats the minimum seating requirement for restaurants, motels, and hotels with a Class B beer, wine, and liquor license.

Frederick County

Class B Licenses in Middletown: *House Bill 433 (Ch. 65)* authorizes the Board of License Commissioners to issue within the municipal boundaries of Middletown: (1) Class A, B, or C beer licenses; or (2) a Class B (on-sale) beer, wine, and liquor license if the licensed premises derives 70 percent of its monthly gross revenue from the sale of food.

Inspector's Salary: *Senate Bill 846/House Bill 435 (both passed)* increase the salary of alcoholic beverages inspector from \$32,000 to \$35,000.

Harford County

Stadium License – Sale of Liquor: *Senate Bill 855/House Bill 874 (both passed)* authorize the holder of a stadium license to sell beer, wine, and liquor at baseball games. The bills limit the consumption of liquor to the club level or dining level in which patrons are seated. The bills also increase the stadium license fee from \$5,000 to \$10,000, require that all beer and wine served during a baseball game be served from a stationary structure equipped with a Motor Vehicle Administration driver's license scanner, prohibit roving vendors from selling alcoholic beverages, require vendors serving alcoholic beverages to hold an Alcohol Awareness Training Certificate, and permit consumption of alcoholic beverages on the stadium parking lot only with the prior written approval of the Harford County Liquor Control Board.

Howard County

Background Checks: *House Bill 744 (passed)* is an emergency measure that requires the Board of License Commissioners to conduct background checks on applicants for a new alcoholic beverages license. The background check includes a criminal records history check and fingerprinting.

Kent County

Alcoholic Beverage Violations and Penalties: *House Bill 506 (passed)* sets monetary limits and restricts the number of days a place of business may be closed for a violation of the alcoholic beverages law.

Special Theater License: *House Bill 508 (Ch. 70)* authorizes the Board of License Commissioners to issue a special theater (on-sale) beer, wine, and liquor license to a theater that is housed within a building, has a minimum seating capacity of 150

installed seats, and regularly presents live entertainment. The annual license fee is \$500. A licensee may sell beer, wine, and liquor at retail for on-premises consumption for two hours before the entertainment begins, during the entertainment, and for one hour after the entertainment ends.

Montgomery County

Continuing Care Retirement Community License: House Bill 708 (passed) authorizes the Board of License Commissioners to issue a continuing care retirement community (on-sale) beer, wine, and liquor license to a club that is composed of residents of a continuing care retirement community that has obtained a certificate of registration from the Department of Aging, has at least 50 bona fide members, and has annual dues that average at least \$5 per member. The annual license fee is \$500. A licensee may sell at retail to any member or guest, beer, wine, or liquor purchased from the Department of Liquor Control for on-premises consumption only.

Special Class B-BWL (Performing Arts Facility) License: House Bill 724 (passed) authorizes the Board of License Commissioners to issue a special Class B-BWL (performing arts facility) license to a performing arts center that has: (1) a minimum capital investment of at least \$1 million exclusive of real property; (2) a minimum capacity of 2,000 persons; (3) a food service facility permit; and (4) 40 seats in a food service area. The annual license fee is \$1,000. The licensee may sell beer, wine, and liquor by the drink from one or more outlets on the licensed premises for consumption on the premises. The licensee is prohibited from selling alcoholic beverages at a high school graduation or a community meeting held without food service.

Community Swimming Pools: House Bill 725 (passed) authorizes the Board of License Commissioners to issue a one-day special Class C beer license, beer and wine license, or beer, wine, and liquor license to a community swimming pool club. The fee for a Class C beer license or a Class C beer and wine license is \$15 per day, and the fee for a Class C beer, wine, and liquor license is \$30 per day.

Prince George's County

Restaurants Under Franchise or Licensing Agreements: House Bill 739 (passed) authorizes the Board of License Commissioners to issue or transfer a Class B beer (on-sale) license or a Class B beer and wine (on-sale) license to a person operating a restaurant under a franchise agreement or a business licensing agreement regardless of whether another person operating a restaurant under a similar agreement with the same franchisor or licensor already holds a license.

St. Mary's County

Wine Festival License: *House Bill 145 (Ch. 36)* authorizes the Alcoholic Beverage Board to issue a special wine festival license to a holder of retail alcoholic beverages license authorizing the sale of wine, a State Class 3 winery license, or a State Class 4 winery license. The wine festival licensee may only display and sell wine that is: (1) manufactured and processed in any state; (2) price filed in accordance with the Comptroller's regulations; (3) distributed in Maryland at the time the application is filed; and (4) intended for consumption on or off the premises on the days and hours designated for the festival. The fee for the license is \$15.

Alcohol Beverage Board Chairman: *House Bill 741 (passed)* authorizes the Alcohol Beverage Board to elect a chairman from among the members of the board.

Somerset County

Sale and Distribution of Light Wine: *House Bill 213 (passed)* is an emergency measure that prohibits the Liquor Control Board from controlling the sale and distribution of light wine to retail alcoholic beverage licensees.

Worcester County

Alcoholic Beverages: *House Bill 1104 (passed)* is an emergency measure that authorizes the Board of License Commissioners to renew a Class A beer license, beer, and wine license, or a wine license issued prior to January 1, 2002. Generally, a Class A, B, or D license, except by way of renewal, may not be granted, transferred, or issued to, or for use in conjunction with, or upon the premises of any chain store, supermarket, or discount house. The Board of License Commissioners has issued nine Class A beer and wine licenses to chain stores based on a divergence between general merchandise operations and alcoholic beverages operations.

Part I

Financial Institutions, Commercial Law, and Corporations

Financial Institutions

Credit Unions – Insurance of Share and Deposit Accounts

Current law requires each State-chartered credit union to be insured by either the Credit Union Insurance Corporation (CUIC), a nonprofit nonstock corporation established under State law, or the National Credit Union Administration Fund, administered by the National Credit Union Administration. CUIC, which currently insures the share and deposit accounts of 5 of the 11 State-chartered credit unions, is interested in dissolving if an alternative private insurer is authorized to insure the share and deposit accounts of Maryland credit unions.

Accordingly, Chapters 147 and 148 of 2001 charged the Task Force to Study the Modernization of Credit Union Law with making recommendations about the dissolution of CUIC, and the policy and standards for the regulation, by the Commissioner of Financial Regulation, of credit union share guaranty corporations that seek to insure the member accounts of credit unions regulated by the commissioner. *Senate Bill 776/House Bill 728 (both passed)* reflect the recommendations of the task force.

To ensure the orderly dissolution of CUIC, the bills prohibit CUIC from accepting applications for new membership from credit unions on or after the date the commissioner issues a certificate of authority to act as a credit union share guaranty corporation. Credit unions insured with CUIC are required to obtain alternative primary deposit guaranty insurance, from National Credit Union Administration Fund or a credit union share guaranty corporation regulated by the commissioner, within two years after the date a credit union share guaranty corporation obtains a certificate of authority from the commissioner. Under the bills, CUIC must dissolve within two years after it no longer has any members and, after discharging any existing debts and obligations, must

transfer its remaining assets to a nonprofit corporation exempt from federal taxation and organized to promote and publicize the interest and welfare of credit unions.

Senate Bill 776/House Bill 728 also establish a new regulatory scheme administered by the commissioner under which private credit union share guaranty corporations are allowed to operate in Maryland. The bills require a person to obtain a certificate of authority from the commissioner before acting as a share guaranty corporation in the State and establish qualifications to obtain a certificate of authority and procedures for applying for, and issuing or denying, a certificate of authority. Under the bills, a share guaranty corporation is required to have a written contract with each participating credit union that establishes the rights and obligations of the parties. Share guaranty corporations must insure and guaranty the share and deposit accounts of each participating credit union to at least the same extent and amount as provided under National Credit Union Administration Fund; pay an annual assessment; file annual and interim reports with the commissioner; and maintain a guaranty fund that includes reserves for guaranty losses. The commissioner is required to examine the business of each share guaranty corporation at least every 24 months, and may examine the business at any time the commissioner reasonably considers necessary.

To enforce the provisions of *Senate Bill 776/House Bill 728*, the commissioner is authorized to: (1) suspend or revoke a certificate of authority of a share guaranty corporation if the corporation or an officer or director of the corporation commits specified violations; (2) issue cease and desist orders; (3) impose civil penalties; and (4) file a petition in circuit court to seek enforcement of an order of the commissioner. Criminal penalties also are established for violations of the bills.

Maryland Money Transmission Act

Maryland's money transmission law, first enacted in 1959, applies to nonbank issuers of payment instruments, such as money orders and travelers checks, and to fund transmitters. While money orders still make up a substantial portion of all transactions regulated under the law, a number of changes have occurred in the industry since its enactment, including a rapid increase in actual money transmissions to domestic and foreign locations, the use of informal money transfer systems, such as hawalas, and a proliferation of unlicensed Internet money transmitters.

Senate Bill 774/House Bill 715 (both passed) modernize and strengthen the provisions of Maryland's money transmission law to more effectively regulate the current money transmission industry. The bills expand the types of money services that are required to be licensed to include bill payer services, accelerated mortgage payment services, informal money transfer systems outside the conventional financial institutions system, and money transmissions conducted over the Internet.

The bills alter the qualifications for a license by requiring an applicant to: (1) have good moral character and sufficient financial responsibility to engage in the business of money transmission; (2) maintain required permissible investments; (3) have a net worth of at least \$150,000 plus an additional net worth of \$10,000 for each additional business location or authorized delegate; and (4) have at least three years experience in the business of money transmission. The bills also alter the application process by requiring an applicant to provide fingerprints for a criminal history records check and increase the application and investigation fees.

Under *Senate Bill 774/House Bill 715*, licensees are required to file evidence of a surety device with the commissioner, comply with detailed reporting and record keeping requirements, and obtain prior approval of the commissioner for a change in control or business location. The bills also impose additional requirements on authorized delegates of a licensee and specify the circumstances under which the commissioner may order a licensee to terminate its relationship with an authorized delegate.

To enhance the commissioner's enforcement and investigation powers, the bills clarify the circumstances under which the commissioner may suspend or revoke licenses and authorize the commissioner to enter into cooperative and information sharing agreements with federal or state supervisory agencies, conduct on-site examinations of licensees or authorized delegates with no prior notice, and impose civil penalties. Criminal penalties also are established.

Finally, the bills create a Money Transmission Fund consisting of any fees received under the bills, to be used to pay all the costs incurred by the commissioner related to regulating the business of money transmission.

Commercial Law

Commercial Law – Generally

Uniform Commercial Code

Chapter 282 of 1999 significantly revised Title 9 of the Maryland Uniform Commercial Code (UCC) as adopted by the National Conference of Commissioners on Uniform State Laws (NCCUSL). One of NCCUSL's revisions, adopted by Maryland in Chapter 282, broadened the definition of a "payment intangible" to include most obligations to pay money that do not fall into one of the specifically excluded categories of collateral. This includes rights to receive workers' compensation benefits, structured settlement benefits received for physical injuries or sickness, and trust benefits. *Senate Bill 631/House Bill 888 (both passed)* exempt from the assignable payment rights under Title 9 of the UCC:

- claims or rights to receive compensation for physical injuries or sickness under:
 - a worker's compensation claim; or
 - damages received because of physical injuries or sickness, whether by suit or agreement or whether as lump sums or periodic payments; and
- income from a special needs trust for disabled individuals where all or, under specified circumstances, part of the trust is paid to the State upon the death of the individual.

Dishonored Checks or Instruments

When a check or other instrument has been dishonored by nonacceptance or nonpayment and has not been paid within ten days, the holder to whom the instrument was issued may send a notice of dishonor to the maker or drawer of the check or other instrument. *Senate Bill 119/House Bill 182 (both passed)* authorize the holder of a dishonored check or other instrument, as an alternative to obtaining a certificate of mailing from the U.S. Postal Service, to execute an affidavit that attests to the mailing of a notice of dishonor.

Budget Reconciliation and Financing Act

Bank accounts and other assets held in Maryland are presumed to be abandoned and transferred to the State after expiration of a specified statutory period; however, a citizen may apply to reclaim them at any time. *Senate Bill 323 (passed)*, the Budget Reconciliation and Financing Act (BRFA), reduces the period for presumption of abandoned property from five to four years. In fiscal 2004 and thereafter, the bill reduces the period for presumption of abandoned property from four to three years. As a result, additional bank account funds and other assets would transfer to the State. These revenues can only be captured once, so there is no fiscal impact beyond fiscal 2004. The additional revenues would be offset by an indeterminate, but proportionally smaller, increase in the number of applications for reclaimed property. For a more detailed discussion of BRFA, see the subpart "Operating Budget" under Part A - Budget and State Aid of this *90 Day Report*.

Consumer Protection

Service Contracts

Service contracts have generally been governed by the common law of contracts, the insurance law, or under special statutory provision regarding mechanical repair contracts. However, concerns have arisen about consumers' ability to enforce service

contracts. *Senate Bill 543/House Bill 863 (both passed)* establish the Maryland Service Contracts and Consumer Products Guaranty Act. The bills require a service contract to be in writing and to specify: (1) the contract's duration, measured in time or product usage; (2) any reasonable and necessary maintenance required to be performed by the person guaranteed as a contract condition; (3) the contract's purchase price and terms, including the provider's obligations; (4) the merchandise and services to be provided; (5) the procedures to follow to obtain services under the contract or to file a claim under the contract; (6) limitations, exceptions, or inclusions under the contract; (7) the terms, restrictions, or conditions governing cancellation of the contract before its stated termination date; and (8) any means established by the provider for quick informal settlement of a dispute.

Unless the consumer cancels the contract, *Senate Bill 543/House Bill 863* also require a service contract provider to fulfill the obligations under the contract according to its terms: (1) for the contract's stated duration; and (2) within the contractually stated period or, if none is stated, a reasonable period. A service contract is extended automatically if the provider fails to perform the services as required. The contract does not terminate until the services are provided.

Senate Bill 543/House Bill 863 require a service contract provider to give the person guaranteed under the contract a brief written explanation if the provider is unable to fulfill the terms of the service contract within ten days after the services should have been performed under the contract. These duties may not be imposed on a service contract provider if the provider shows that while the product was in the possession of any other person, damage or unreasonable use, including failure to provide any reasonable and necessary maintenance, caused the product to malfunction or caused the inability of the provider to provide any service under the contract.

Electronic Commerce

The electronic commerce movement has given Marylanders new ways to engage in buying and selling consumer goods. However, incidents of fraud have interfered with such commerce. *Senate Bill 538/House Bill 915 (both passed)* prohibit a person from initiating, conspiring to initiate, or assisting in the transmission of a commercial electronic mail (e-mail) message that: (1) uses a third party's Internet domain name or e-mail address without permission; (2) misrepresents or obscures any information relating to the point of origin or transmission path of the message; or (3) contains false or misleading information in the subject line. The bills apply to commercial e-mail messages that are sent from a computer located in Maryland or to an electronic mail address that the sender knows or has reason to know is held by a resident of the State. Violators are liable to a recipient of the e-mail or a third party without whose permission the third party's domain name or e-mail address was used for attorney's fees and the greater of \$500 or actual damages. Violators are liable to an interactive service provider for attorney's fees and the greater of \$1,000 or actual damages.

Payment Device Privacy

Senate Bill 25 (passed) prohibits a person from printing on a receipt provided to a credit device holder more than the last eight digits of a credit card or other credit device number. The bill applies only to receipts that are electronically printed in connection with the purchase of consumer goods or services and excludes receipts where the sole means of recording the credit card or credit device number is by handwriting, imprinting, or copying the card or device. The bill is effective October 1, 2002, for receipts from machines that are first put into service on or after October 1, 2002. Receipts from machines in service before that date must comply by January 1, 2006.

Credit Regulation

Revolving Credit Plan Agreements

If the agreement governing a revolving credit plan (*e.g.*, a credit card, personal line of credit, open-ended home equity loan, overdraft protection) permits, a credit grantor may amend the terms of the agreement, including the interest rate or finance charge, the method of computing the outstanding balance, the amounts of other charges, and the applicable repayment schedule. *Senate Bill 482/House Bill 438 (both passed)* alter the provisions that govern such amendments by repealing: (1) the requirement that a credit grantor give notice to a borrower if the amendment alters the manner of the computation of interest, finance charges, or other fees and charges; (2) the requirement that a credit grantor send a second notice to a borrower if the amendment increases the interest, finance charges, or other fees and charges; and (3) the requirement that the Commissioner of Financial Regulation approve the form of the notice to the borrower. *Senate Bill 482/House Bill 438* also repeal the provision excluding extensions of credit secured by real property from the notice requirements applicable to amendments of credit agreements. The bills apply to amendments made on or after October 1, 2002.

Credit Services – “Payday” Lending

Under Maryland law, the maximum permissible annual interest rate for small loans (under \$6,000) varies with the amount of the loan, up to 33 percent. However, under federal law, a federally-insured depository institution, whether federal or state chartered, may charge the interest rate permitted in its home state to borrowers across state lines, regardless of the legal rate in the borrower’s state. A credit services business, operating in Maryland, may broker the transaction between a federally-insured depository institution as lender and a Maryland resident as borrower.

Credit Services Businesses: House Bill 1193 (passed) prohibits a credit services business, its employees, and its independent contractors from assisting a consumer to

obtain an extension of credit at an interest rate which, except for federal preemption, would be prohibited under the State's consumer credit provisions.

Support for Federal Legislation: Senate Joint Resolution 7 (passed) urges the Maryland Congressional Delegation to adopt legislation that would prohibit an insured depository institution from making a payday loan either directly or through an agent or affiliate.

Extensions of Credit

House Bill 649 (passed) imposes consumer protection provisions on high interest or high fee mortgage loans that are one percentage point less than the comparison percentages for loans issued under the federal Home Ownership Equity Protection Act. Specifically, *House Bill 649* prohibits a mortgage lender from financing single premium credit health, credit life, or credit involuntary unemployment benefit insurance as part of a loan, and from making loans without giving due regard to the borrower's ability to repay the loan in accordance with its terms. The bill also requires mortgage lenders to provide potential borrowers with a written recommendation that the borrowers seek home buyer education or housing counseling and information on where to obtain the counseling. Additionally, the bill provides that only the State may enact a law that purports to regulate extensions of credit made by a financial institution. The State preemption provision does not restrict or otherwise affect: (1) local laws that establish property ownership or the rights and obligations of property owners; (2) a local government's ability to regulate its fiscal, economic, or community development policy; (3) federal preemption of State law; (4) a local government's laws or regulations relating to fair housing or other civil rights; or (5) a local government's loan programs to assist residents with financial needs. The preemption provisions take effect June 1, 2002, while all other provisions take effect October 1, 2002.

Corporations and Associations

Limited Liability Companies

Membership and Activities

Since enactment of the Maryland Limited Liability Company Act of 1992, the limited liability company (LLC) has grown in popularity and has been used for a wider range of purposes than was originally anticipated. One new area of use is in the not-for-profit arena. In other states, LLCs are used as the vehicle through which tax-exempt organizations can conduct activities related to or supporting their purposes. In Maryland, however, it is not clear that an LLC can be used for not-for-profit purposes.

House Bill 379 (passed) alters Maryland’s Limited Liability Company Act to modernize the law and facilitate the use of LLCs for not-for-profit purposes. The bill broadens the purposes for which an LLC may be organized by authorizing an LLC to conduct activities related to any lawful activity, whether or not for profit, except the business of acting as an insurer. The bill also changes the current law requirement that a member must hold an economic interest in the LLC by expanding the current definition of a “member” to include a person who is admitted as a member, and allowing a person to be admitted as a member without making a contribution or acquiring an interest in the LLC. These changes are intended to ensure that a nonprofit LLC can qualify for tax-exempt status under the Internal Revenue Code, which prohibits the inurement to a member of any economic benefit derived from a tax-exempt organization. **House Bill 379** also alters the method for dissolving or winding up the affairs of an LLC, and establishes a mechanism for continuation of an LLC after it ceases to have any members.

The bill also allows commercial lenders who lend money to an LLC to take a noneconomic voting interest in the LLC and protects the lender’s lien by ensuring that the LLC will continue in existence even if all the economic owners withdraw from the entity. The bill brings Maryland’s LLC statute into conformity with the neighboring states of Delaware, Virginia, and North Carolina.

Mergers

House Bill 1357 (passed) authorizes a domestic, or Maryland, LLC to merge into one or more domestic or foreign LLCs, unless the operating agreement provides otherwise, and authorizes the merger of multiple foreign or domestic LLCs into a single domestic LLC. The bill also alters the manner in which a domestic LLC must approve a merger by requiring the consent of the members holding at least two-thirds of the interests in profits of the LLC.

Electric Cooperatives

Chapter 179 of 1976 decodified the “Electric Cooperative Act” of 1941 and transferred it to the Session Laws as part of the code revision process that created the Corporations and Associations Article. The Act includes provisions relating to formation and powers, members, officers, and directors, and the consolidation, merger, conversion, and dissolution of Maryland electric cooperatives.

In light of the restructuring of the electric utility industry and the anticipated increase in legislative activity in this area, Chapter 604 of 2001 required the Department of Legislative Services to prepare draft legislation that provides a nonsubstantive revision of Chapter 179 and transfers that revision to the Annotated Code of Maryland. In response to Chapter 604, **Senate Bill 129/House Bill 153 (both passed)** revise and restate the Electric Cooperative Act and recodify the law in the Corporations and Associations

Article. As directed by the legislature, no substantive changes are made in the bills, except that provisions relating to the names of electric cooperatives and filing of security instruments are revised to conform to the requirements of current law.

Part J Health

Public Health – Generally

Anti-terrorism

Following the events of September 11, 2002, the Office of the Attorney General undertook a comprehensive review of Maryland law which identified that the Governor’s emergency powers and the Secretary of Health and Mental Hygiene’s surveillance and emergency powers were not clearly outlined with respect to a potential catastrophic health emergency. In order to clearly delineate these powers and to facilitate statewide planning for this type of emergency, legislation was introduced as part of the Administration’s anti-terrorism package. *Senate Bill 234 (Ch. 1)/House Bill 296 (passed)* authorize the Governor to proclaim a catastrophic health emergency if the Governor determines that exposure to a “deadly agent” presents an imminent threat of extensive loss of life or serious disability to persons in the State. The bills also require the Department of Health and Mental Hygiene (DHMH) to create a Catastrophic Health Emergency Disease Surveillance and Response Program and submit a report on any plans, procedures, or protocols developed as a result of this bill. For a more detailed discussion of *Senate Bill 234/House Bill 296*, and other anti-terrorism initiatives see the subpart “Anti-Terrorism” under Part C - State Government of this *90 Day Report*.

House Bill 361 (passed) establishes a Biological Agents Registry Program within DHMH. The Biological Agents Registry must identify specified “biological agents” possessed and maintained by any person in the State and contain other information as required by regulations. DHMH must adopt regulations to implement the program that determine and list biological agents, designate the persons required to report biological agents, designate time limits for reporting information, and establish a system of safeguards that require persons possessing, maintaining, and transferring biological agents to comply with the same federal standards that apply to persons registered to transfer the same agents under federal law.

Assisted Living and Nursing Home Residents

The General Assembly passed two significant bills geared toward helping residents in nursing homes or assisted living programs.

Personal Needs Allowance for Nursing Home Residents

Senate Bill 5/House Bill 422 (both passed) provide a \$50 monthly personal needs allowance for each nursing home resident who receives Medicaid, beginning July 1, 2003, and a \$60 allowance beginning July 1, 2004. The personal needs allowance must be adjusted annually, beginning July 1, 2005, by the percentage increase in Social Security benefits. The adjustment cannot exceed 5 percent in any given year.

Disclosure of Services for Individuals with Alzheimer's

Senate Bill 746 (passed) concerns assisted living programs that provide care for persons with Alzheimer's Disease or a related disorder through an Alzheimer's special care unit or program. Such programs must disclose how the form of care and treatment provided by the unit or program is specifically designed for the specialized care of individuals diagnosed with Alzheimer's Disease or a related disorder.

Cost Containment Initiatives

Medicaid spending accounts for 15 percent of the State's general fund operating budget. Given the State's current fiscal predicament, the Department of Legislative Service's fiscal 2003 budget analysis recommended careful consideration of cost containment options including duplication of pharmacy cost containment strategies proposed in Florida and Michigan, cost sharing requirements, reducing provider payments, and eliminating coverage of selected services. Several legislative measures to contain growing expenditures in the Medicaid program were also considered.

Prescription Drugs

Senate Bill 623/House Bill 1122 (both failed) would have established a prescription drug spending control program for fee-for-service Medicaid enrollees and participants in the Maryland Pharmacy Assistance Program (MPAP) that included a preferred drug list and prior authorization mechanisms. The bills also would have authorized DHMH to negotiate supplemental rebates with pharmaceutical manufacturers and to enter into alternative drug management programs and establish various processes for managing the drug therapies of certain program participants.

Nursing Home Provider Assessment

Senate Bill 624/House Bill 1078 (both withdrawn) would have established a provider assessment to raise revenue on a temporary basis from nursing homes. Revenues generated from the assessment would have been used to fund nursing homes and outpatient mental health clinics for services provided to Medicaid enrollees that qualify for federal Medicaid reimbursement.

Medical Assistance

Managed Care Organization Provider Credentialing

Senate Bill 820 (passed) permits a Medicaid managed care organization (MCO) to temporarily credential a health care provider. An MCO may deem a health care provider credentialed for a period of up to six months from the date of application if the health care provider has been credentialed by another entity in the State and has submitted an application to participate in the MCOs provider panel. The MCO must verify that the health care provider was credentialed and remains in good standing with at least one entity that previously credentialed the provider.

Maryland Children's Health Program Private Option Plan

The Maryland Children's Health Program (MCHP) private option plan allows children with family incomes between 200 and 300 percent of federal poverty guidelines to receive subsidized health insurance either through an employer's health benefit plan or through a HealthChoice MCO. The federal Centers for Medicare and Medicaid Services recently removed the requirement that employers participating in the MCHP private option plan make a contribution to the cost of family coverage equal to 60 percent of the total cost of family coverage. In response to this change, *House Bill 84 (passed)* alters the employer premium contribution requirement from 50 to 30 percent in the MCHP private option plan. The bill provides that the State's cost for coverage of an MCHP private option plan enrollee covered by employer health insurance cannot be greater than the cost of coverage if the enrollee were covered under a HealthChoice MCO. If the State's cost is greater for an MCHP private option plan enrollee, DHMH must insure the enrollee through an MCO instead.

For a more detailed discussion of health insurance legislation, see the subpart "Health Insurance" under Part C - State Government of this *90 Day Report*.

Reimbursement Issues

Senate Bill 481 (passed) requires DHMH to report annually, on or before September 1 to the Governor and certain committees of the General Assembly on its progress in establishing a process to annually set the fee-for-service reimbursement rates for MCHP and the Medicaid program. DHMH must also establish and report on a process to annually set the fee-for-service reimbursement rates for the public mental health system in a manner that ensures participation of providers. The bill prohibits DHMH from implementing a pharmacy reimbursement rate reduction until October 1, 2002, and authorizes DHMH to encourage the use of medically appropriate generic drugs or brand name drugs on a preferred drug list. Furthermore, the bill provides that reimbursement under MPAP may be limited to maintenance drugs, anti-infectives, and AZT.

Notice of Waiver Applications

House Bill 750 (Ch. 83) requires DHMH to publish notice of any application for, or any modification or amendment to, a Medicaid waiver in the *Maryland Register*. For 30 days following publication, DHMH must make the waiver application available to the public during business hours and provide an opportunity to receive public comments on the waiver application.

Disparities in Health Care

Various studies have found racial, gender, and income differences in the quality of health care provided in the United States. The federal Department of Health and Human Services has launched its Healthy People 2010 initiative, which seeks in part to eliminate health disparities by 2010. The Institute of Medicine recently released a report entitled *Unequal Treatment: Confronting Racial and Ethnic Disparities in Health Care* which concludes that minorities receive a lower quality of health care than nonminorities.

To address these issues in Maryland, *Senate Bill 451 (passed)* requires the Maryland Health Care Foundation to promote public awareness of the need to reduce health disparities associated with poverty, gender, and race. The bill authorizes the foundation to provide grants to programs addressing health care disparities. In addition, the foundation must consider geographical balance by county and region in providing grants and developing programs. The geographical balance must include consideration of the following factors: (1) the percentage of uninsured individuals; (2) the extent of health disparities; and (3) the existence of programs and services addressing the needs of the uninsured and underinsured in the geographic area.

Mental Health

Crisis Response System

Senate Bill 556/House Bill 483 (both passed) establishes the Maryland Mental Health Crisis Response System within the Mental Hygiene Administration (MHA) of DHMH. The program is contingent upon the receipt of federal funds or funds from other public or private sources.

Emergency Evaluations

Under existing law, a petition for an emergency evaluation of an individual with a suspected mental disorder may only be completed by a physician, a psychologist, a clinical social worker, a health officer, a designee of a health officer who has examined the individual, or an “interested individual.” *House Bill 253 (passed)* allows a licensed clinical professional counselor to independently file and present a petition for an emergency evaluation of an individual.

Mental Health Services Funding

The fiscal 2003 appropriation for MHA represents a \$62 million increase over the fiscal 2002 working appropriation (9.5 percent), \$44 million in general funds and \$18 million in federal funds. The bulk of this funding (\$42 million) is an increase in community-based mental health services, most of which are delivered through a fee-for-service system. Most of the remainder (\$19 million) is directed to State-run Psychiatric Facilities.

Although the fiscal 2003 appropriation represents a significant increase over the current year, funding for the fee-for-service community-based mental health system remains below the level of current service provision. It is anticipated that the fee-for-service community-based mental health system will close-out fiscal 2002 with a \$50 million-plus deficit. Actions taken by the legislature in *Senate Bill 323* (The Budget Reconciliation and Financing Act) capture higher-than-anticipated federal disproportionate share payments in fiscal 2002 and 2003 and dedicate those funds to address this deficit. It is estimated that these adjusted payments will yield an additional \$40 million in fiscal 2002 and \$14 million in fiscal 2003.

While MHA continues to try to restrain growth in service expenditures, the fiscal 2003 appropriation is anticipated to be as much as \$15 to \$20 million below current service levels. This structural deficit in the fee-for-service community-based mental health system is not addressed in other legislation. Rather, budget bill language requires MHA to restructure community mental health services in order that it can live within its fiscal 2003 appropriation. This restructuring will include moving to a system

of grants and contracts to serve the uninsured, a population currently served through the fee-for-service system.

Senate Bill 10 (failed) would have imposed a 2 percent insurance premium tax on health maintenance organizations beginning December 31, 2002, and ending June 30, 2006. The bill also would have created the special, nonlapsing Maryland Public Mental Health System Fund administered by DHMH to hold premium tax revenues. MHA would have been authorized to use the fund to pay for: (1) the public mental health system deficit incurred prior to fiscal 2003; (2) the annual fee adjustments for community mental health providers; and (3) any additional changes made by the General Assembly with respect to off-site community-based mental health centers.

Protection of Human Subject Research Participants

House Bill 917 (passed) closes a loophole in federal law under which privately funded research is not subject to State or federal regulation. The bill requires a person conducting human subject research in Maryland to conduct the research in accordance with federal regulations that provide certain protections for research subjects. The bill also provides for oversight by the Office of the Attorney General and provides standards for the minutes maintained by institutional review boards that are not explicitly addressed under federal law.

Substance Abuse Funding

The budget for the Alcohol and Drug Abuse Administration (ADAA) will increase by \$14 million in fiscal 2003 to support the expansion of substance abuse treatment programs across the State. The largest increase, \$7 million in general funds, will support the expansion of treatment services in Baltimore City as part of a three-year commitment to increase treatment capacity in the city. With the addition of these funds, support for treatment programs in Baltimore City will total \$46 million, a 114 percent increase in funding over fiscal 2000 levels. The fiscal 2003 budget also supports an increase in Substance Abuse Treatment Outcomes Partnership (STOP) funding. This program distributes matching funds to local jurisdictions for substance abuse treatment services. Funding for the STOP program will grow by 132 percent in fiscal 2003 to \$7.2 million. The remaining increase in ADAA provides continuing support for treatment and prevention programs, as well as salary increases for substance abuse providers.

Developmental Disabilities Administration Funding

The budget for the Developmental Disabilities Administration (DDA) will increase by \$51 million in fiscal 2003 as a result of several recent initiatives intended to increase access to and the quality of community services for individuals with

developmental disabilities. The Waiting List Initiative, which enters its fifth and final year in fiscal 2003, is designed to reduce the waiting list for community services and will serve 5,977 individuals. In the final year of the initiative, the expansion of community services totals \$19 million and rate enhancements for providers of community services total \$9 million.

Fiscal 2003 also marks the first year of an initiative to increase wages for community direct service workers. Concern that direct care workers employed by community providers were not being compensated at the rate of employees in State residential centers led to legislation, Chapter 110, Acts of 2001, to eliminate the wage disparity over a five-year period. In its first year, the initiative will cost \$16 million. The remainder of the increase in the DDA budget will support moving individuals from State residential centers to community settings.

Health Risks – Prevention and Control

Arthritis

More than 865,000 individuals are estimated to have arthritis in Maryland. *Senate Bill 572/House Bill 247 (both passed)* establish the Arthritis Prevention and Control Program within DHMH. Among its responsibilities, the program will promote public awareness about arthritis, disseminate information and materials to patients and health professionals, establish a solid scientific base of knowledge on the prevention of arthritis, evaluate the need for improving the quality and accessibility of existing community-based arthritis service, and coordinate programs and services to reduce the public health burden of arthritis.

Osteoporosis

Osteoporosis is a bone-thinning disease that is the leading cause of disability in Maryland's aged population. *Senate Bill 22/House Bill 532 (both passed)* establish a 16-member Osteoporosis Prevention and Education Task Force in DHMH to conduct a needs assessment and make recommendations to DHMH. DHMH is required to submit, on or before December 1 of each year, a report of the task force's findings to the Governor and the General Assembly.

Asthma

Asthma is a chronic respiratory disease that affects an estimated 190,000 adults and 95,000 children in Maryland. DHMH created a Childhood Asthma Program in 1998 that has enhanced community education, provided funding to four counties for asthma intervention initiatives, directed efforts for training school personnel about asthma, and provided technical assistance to community groups and coalitions.

House Bill 420 (passed) creates the Asthma Control Program within DHMH to establish a statewide asthma coalition, develop and implement a statewide asthma intervention program, and develop and implement an asthma surveillance system. The program may fund local asthma intervention initiatives and asthma education training for school or other appropriate personnel. The Secretary is required to report to the Governor, the Senate Education, Health, and Environmental Affairs Committee, the House Environmental Matters Committee, and the Children's Environmental Health and Protection Advisory Council on or before December 1, 2005, and each December 1 thereafter on the Asthma Control Program's activities. The program will be funded by a three-year grant from the federal Centers for Disease Control and Prevention.

Health Nuisances

Under current law, a nuisance is defined as a condition that is dangerous to health or safety, such as an inadequately protected swimming pool or an improperly functioning sewage system. **Senate Bill 672/House Bill 685 (both passed)** authorize a local health officer to perform duties related to resolving nuisances formerly reserved to the Secretary of Health and Mental Hygiene. The bills also update the powers and penalties needed by local health departments to abate nuisances and protect the public health.

Advisory Councils/Commissions

Senate Bill 269/House Bill 423 (both passed) create a 13-member State Advisory Council on Pain Management to provide advice and recommendations with respect to pain management policy. The council must issue an interim report to the General Assembly that includes recommendations on pain management issues in Maryland by September 30, 2003, and a final report by September 30, 2004. In addition, the bill adds the right to have pain assessed, managed, and treated to the patient's bill of rights for hospitals and related institutions.

Senate Bill 289/House Bill 454 (both passed) extend the Community Services Reimbursement Rate Commission's termination date by three years from September 30, 2002, to September 30, 2005. The bill also expands the commission's duties in several areas. The commission is required to: (1) assess the source of revenue for wages paid by providers; (2) assess the impact of consumer safety costs and whether the rates have been adjusted to provide for such costs; (3) develop methodologies for calculating rate update factors and recommend annual rate update factors that use these methodologies; (4) review the data reported in the DDA annual cost reports and use the data to develop relative provider performance measures; (5) work with MHA to expand the use of any billing data to evaluate performance in the public mental health system; (6) evaluate proposed regulatory changes that effect rates paid or the rate structure; and (7) include, in its annual report, findings regarding the financial condition of providers and recommendations for the calculation of rate update factors.

House Bill 1141 (passed) creates a 20-member State Advisory Council on Quality Care at the End of Life. The advisory council will: (1) monitor trends in the provision of end-of-life care; (2) study the impact of State statutes, regulations, policies, and other aspects of public policy on the provision of care at the end of life; (3) make recommendations regarding end-of-life care to the Office of the Attorney General, DHMH, the Department of Aging, and other State agencies; (4) advise the General Assembly on end-of-life care legislative proposals; (5) promote public and professional education in this area; and (6) carry out other duties requested by the Governor or the General Assembly.

Senate Bill 788 (passed) establishes a Statewide Advisory Commission on Immunizations to determine where community vaccine shortages exist and which vaccines are in short supply, recommend a plan to equitably distribute vaccines, and study and make recommendations about other related issues as determined by the commission.

Miscellaneous Program Changes

AIDS Insurance Assistance

House Bill 86 (Ch. 30) extends the termination date of the Maryland AIDS Insurance Assistance Program (MAIAP) an additional eight years. MAIAP pays for an eligible individual's private health insurance premiums under the federal Consolidated Omnibus Reconciliation Act of 1985 or other supplemental insurance. Individuals with HIV/AIDS who are too ill to continue working as a result of the disease are at risk of losing their private health insurance. Under MAIAP, DHMH pays health insurance premiums to an eligible individual's insurance carrier or employer. MAIAP permits eligible individuals to maintain their private health insurance and remain with their established medical providers without having to spend down limited assets to qualify for Medicaid. MAIAP was established as a two-year pilot program in 1990 and has been subsequently extended in 1992, 1994, and 1998.

Health Occupations

Scope of Practice

Physician Assistants

House Bill 533 (passed) makes several modifications and clarifications to the statute governing physician assistants. The bill clarifies the grounds on which the Board of Physician Quality Assurance (BPQA) can modify or disapprove a delegation agreement. The bill also provides that individual members of BPQA are not civilly liable for actions regarding the approval, modification, or disapproval of delegation agreements. Also, BPQA is authorized to impose a civil penalty of up to \$5,000 on an individual who practices as a physician assistant without certification.

Medical Radiation Technologists and Nuclear Medicine Technologists

The Department of Legislative Services (DLS) recommended in its sunset review of BPQA that the regulatory provisions relating to medical radiation and nuclear medicine technologists, as well as the Medical Radiation and Nuclear Medicine Technology Advisory Committee, be codified in a manner similar to the Maryland Respiratory Care Practitioners Act. *House Bill 518 (passed)* establishes the Maryland Radiation Oncology/Therapy Technologists, Medical Radiation Technologists, and Nuclear Medicine Technologists Act. The bill:

- requires BPQA to adopt regulations for the certification of radiation oncology/therapy technologists, medical radiation technologists, and nuclear medicine technologists;
- grandfathers in certain individuals that currently practice radiation/nuclear medicine technology;
- requires BPQA to set reasonable fees for certification;
- establishes a Radiation Oncology/Therapy Technology, Medical Radiation Technology, and Nuclear Medicine Technology Advisory Committee within BPQA;
- specifies certification requirements;
- authorizes disciplinary procedures under specified circumstances;
- requires hospitals and other related institutions to report disciplinary information to BPQA;

- establishes criminal and civil penalties for individuals who violate the provisions and direct payments of the monetary penalties to the BPQA fund; and
- permits BPQA to keep all certification fees collected from technologists.

A person who violates any provision is guilty of a misdemeanor and subject to a maximum fine of \$1,000, or imprisonment not exceeding one year, or both. A violator is also subject to a maximum civil fine of \$5,000. The bill also provides that the Radiation Oncology/Therapy Technologists, Medical Radiation Technologists, and Nuclear Medicine Technologists Advisory Committee is subject to termination effective July 1, 2013.

Pharmacists

Senate Bill 676/House Bill 781 (both passed) authorize physicians and pharmacists to enter into voluntary drug therapy managements contracts. The bill provides for the several steps involved in the establishment of a drug therapy management contract. First, a pharmacist must be approved by the State Board of Pharmacy to enter into a physician-pharmacist agreement. Second, a disease-state specific protocol, which sets out the predetermined course of treatment that the physician and pharmacist will follow when managing a patient, must be approved by BPQA and the State Board of Pharmacy. Third, a physician-pharmacist agreement, which is disease-state specific and specifies the approved protocols under which the physician and pharmacist may manage patients, must be approved by BPQA and the State Board of Pharmacy. Finally, a physician initiates a therapy management contract with a patient and a pharmacist that provides for a patient-specific agreement and can only be in relation to conditions that have approved protocols.

BPQA and the State Board of Pharmacy must report to the Governor and General Assembly by October 1, 2006, on the effect of these provisions and make any recommendations for legislative or regulatory action. The Department of Health and Mental Hygiene (DHMH) must conduct a study to assess the outcomes achieved by drug therapy management agreements. *Senate Bill 676/House Bill 781* are subject to termination as of May 31, 2008.

Nurses

Senate Bill 466/House Bill 805 (both passed) require the State Board of Nursing, in consultation with health maintenance organizations (HMOs) operating in the State, to report on whether HMOs should individually credential nurse practitioners and allow HMO members to designate a nurse practitioner as a primary care provider. A more detailed discussion of these bills may be found under “Health Insurance” within this Part J.

Dental Hygienists

To increase access to dental care, the State Board of Dental Examiners has issued waivers on a case-by-case basis to allow dental hygienists to practice under the “general supervision” of dentists in government-owned facilities serving the poor, elderly, or disabled. “General supervision” means the supervising dentist maintains overall responsibility for quality of care, but may or may not be on the premises when the dental hygienist provides services.

Chapter 595, Acts of 1998 authorized licensed dental hygienists to practice dental hygiene under the “general supervision” of a licensed dentist in a facility that reports to the State Board of Dental Examiners. The provisions of Chapter 595, Acts of 1998 terminated on September 30, 2001. In response, *Senate Bill 261 (passed)* was introduced in order to continue the ability of authorized dental hygienists to practice dental hygiene under this “general supervision.” *Senate Bill 261* requires the board to report to the General Assembly by December 31, 2003, and annually thereafter on the facilities operating under general supervision pursuant to the bill and the identities of supervising dentists providing general supervision.

Professional Counselors and Therapists

To increase employment opportunities for graduate counseling students who must acquire clinical experience before qualifying for State licensure, *Senate Bill 575/House Bill 421 (both passed)* establish new licenses for graduate alcohol and drug counselors, graduate professional counselors, and graduate marriage and family therapists. These graduate students may practice counseling without licensure for a limited time if the individual:

- has passed the appropriate board-approved national professional counseling examination;
- is working under the supervision of a licensed practitioner;
- is fulfilling experiential requirements for licensure; and
- has a master’s or doctoral degree in professional counseling or marriage and family therapy that meets specified educational requirements. Individuals must be approved by the board before they can represent to the public that they are approved to practice and use the appropriate corresponding titles and initials.

House Bill 253 (Ch. 49) authorizes a licensed clinical professional counselor to independently file and present a petition for emergency psychiatric evaluation of an individual. The bill adds licensed clinical professional counselors to the list of individuals who may currently petition for emergency psychiatric evaluation which

includes clinical social workers, physicians, psychologists, police officers, and health officers and their designees.

Social Workers

Senate Bill 575 (passed) creates a provisional graduate social worker license. An eligible applicant must have received a master's degree from a program that had formal "candidacy" status from the Council on Social Work Education (CSWE) at the time the degree was awarded. The license may be issued for three years or until the program attains accreditation status from CSWE, whichever is less. If a provisional licensee's degree program becomes accredited during the license period, the licensee is permitted to apply for a license as a graduate social worker.

Morticians

House Bill 516 (passed) establishes an executor license under the State Board of Morticians. The license authorizes a personal representative of a deceased mortician's estate to continue operation of the morticians funeral business for up to one year and assist with the planning and conducting of funeral services. A licensed mortician must directly supervise the business and provide embalming services.

Health Occupations Boards

State Board of Psychologists

Senate Bill 327/House Bill 686 (both passed) increase the number of days from 60 to 120 within which the State Board of Examiners of Psychologists must provide notice to a licensed psychologist if a complaint has been filed against the psychologist. The bills also clarify that a suspension of a psychologist's license for more than one year may not be stayed pending judicial review.

Sunset Evaluations

During the 2002 session, several Health Occupations Boards were subject to the Maryland Program Evaluation Act ("Sunset Law"). The following boards were extended in response to the recommendations and findings of the sunset review and evaluation process conducted by DLS and will ensure the continuation of the boards' mandated responsibilities of protecting the citizens of Maryland through the regulation of the health professionals governed by the boards:

Preliminary Sunset Evaluations

Senate Bill 126/House Bill 149 (both passed) extend the termination date for several health occupations boards and one advisory committee as a result of preliminary sunset evaluations conducted by DLS. The following boards were waived from full sunset evaluation and extended as follows:

- State Board of Examiners of Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists, extended until July 1, 2016;
- State Board of Professional Counselors and Therapists, extended until July 1, 2009;
- State Board of Occupational Therapy Practice, extended until July 1, 2015; and
- Physician Assistant Advisory Committee, extended until July 1, 2013.

State Board of Morticians

Senate Bill 420/House Bill 465 (both passed) extend the termination date of the State Board of Morticians by six years to July 1, 2008. The bills also codify the board's existing inspection policy to provide for greater flexibility when inspecting funeral homes.

State Board of Nursing

Senate Bill 459/House Bill 461 (both passed) extend the termination date of the State Board of Nursing by ten years to July 1, 2013. The bills also authorize the board to set the per diem allowances of board members according to the board's budget. In addition, the bills require the board to report on the implementation of non-statutory changes included in the full sunset evaluations of the board, including:

- developing an action plan to improve the board's communication with licensees;
- improved monitoring of nursing staff agencies through the implementation of a memorandum of understanding with the Office of Health Care Quality;
- developing an action plan to reduce the backlog in complaints; and
- enhancing efficient use of personnel and technology in order to reduce operating costs.

State Board of Examiners of Nursing Homes

Senate Bill 718/House Bill 847 (both passed) extend the date for the State Board of Examiners of Nursing Home Administrators until July 1, 2013. The bills also expand

the statute of limitations for prosecuting misdemeanor offenses and alter the definition of unauthorized practice to include persons who knowingly induce, aid, direct, or supervise an unlicensed nursing home administrator. In addition, the bills require the board to report to the General Assembly on Maryland's requirements for an administrator-in-training program.

State Board of Pharmacy

Senate Bill 418/House Bill 462 (both passed) extend the sunset termination date for the State Board of Pharmacy until July 1, 2013. The bills also codify the board's current practice of annually inspecting pharmacies, repeal the State manufacturer's permit, and limit discovery of medication orders in order to facilitate pharmacists in voluntarily tracking medication errors.

State Board of Examiners of Psychologists

Senate Bill 458/House Bill 463 (both passed) extend the sunset termination date for the State Board of Examiners of Psychologists until July 1, 2013. The bills also require the board to report to the General Assembly on a financial plan to bring expenditures in line with revenues.

State Board of Physician Quality Assurance

Senate Bill 613/House Bill 846 (both failed) would have extended the termination date of the State Board of Physician Quality Assurance (BPQA) by five years.

The bills incorporated several recommendations of the full evaluation of the BPQA conducted by DLS, including:

- repealing the requirement that factual evidence in a disciplinary hearing be supported by clear and convincing evidence, thereby returning to a preponderance of the evidence standard;
- restructuring the peer review process, to authorize the board to competitively contract with an outside entity to conduct peer review;
- altering the membership of the board to include more physicians and more consumers;
- establishing a new process for nominating physicians to the board;
- requiring the board to maintain a web site that serves as a single point of entry where all physician information is available to the public;

- requiring that profiles for new licensees be developed within 30 days after a license is issued and include medical education, criminal history, and final disciplinary acts; and
- repealing the requirement that BPQA distribute 14 percent of the fees received by the board to the State Scholarship Administration.

If the General Assembly does not pass a bill extending the termination date of the BPQA during the 2003 session, the BPQA will terminate July 1, 2003.

Health Care and the Workplace

House Bill 329 (passed) prohibits an employer from taking or refusing to take certain actions regarding a licensed or certified health care employee because the employee discloses or threatens to disclose unlawful activity of the employer to a supervisor or board. The bill also applies to an employee who testifies before a public body that is conducting an investigation into an employer's unlawful activity, or an employee that objects to or refuses to participate in unlawful activity. The protection provided by the bill applies if the employee has a reasonable, good faith belief that the employer has, or still is, engaged in an action or policy that is a violation of law and poses a substantial, specific public health safety risk. An employee who is subject to a violation of the bill's provisions may bring a civil action for the removal of an adverse personnel record, reinstatement of the employee's position, including full fringe benefits and seniority rights, compensation for lost wages and other income, and, if the employee prevails, reasonable attorney's fees. The civil action must be brought within one year after the alleged violation or within one year after the employee first became aware of the alleged violation. The bill does not apply to State employees, who are protected by a separate whistleblower statute.

Nurse Overtime

Senate Bill 537 (passed) prohibits an employer from requiring a nurse to work more than the nurse's regularly scheduled hours according to a predetermined work schedule except in specified emergency circumstances. A nurse may be required to work overtime if a condition of the nurse's employment requires on-call rotation or the nurse works in community-based care. The bill provides that a nurse may not be considered responsible for a patient's care beyond the nurse's predetermined work schedule if the nurse has notified another appropriate nurse of the patient's status and has transferred responsibility for the patient's care to another appropriate nurse or properly designated individual. The employer must exhaust all good-faith, reasonable attempts to ensure that appropriate staff is available to accept responsibility of a patient's care beyond a nurse's predetermined work schedule.

Statewide Commission on the Crisis in Nursing

Chapters 257 and 258 Acts of 2000 established the Statewide Commission on the Crisis in Nursing in order to examine workplace issues, including work hours and workloads, and how these issues impact the State's ability to attract and retain nurses. *Senate Bill 46/House Bill 590 (both passed)* require the commission to identify a technology-driven point-of-care application, in consultation with an individual with expertise in technology-driven point-of-care applications, to: (1) maximize nursing productivity and increase the quality of patient care; and (2) improve the work environment infrastructure in health care facilities.

Medical Review Committees

Medical review committees are committees or boards within an alternative health care system that: (1) evaluate and seek to improve the quality of health care provided; (2) evaluate the need for, and the level of, performance of health care; (3) evaluate the qualifications, competence, and performance of providers of health care; or (4) evaluate and act on matters that relate to the discipline of any health care provider. The proceedings, records, and files of a medical review committee are not discoverable and are not admissible in evidence in any civil action. *Senate Bill 421 (passed)* clarifies that all health care practitioners have the protections afforded to those reporting to a medical review committee and provides that certain good faith communications intended to lead to redress of a matter within the scope of a medical review committee are protected even when they are not made directly to a medical review committee.

Credentialing

A health insurer, nonprofit health service plan, health maintenance organization, and dental plan organization must use a uniform credentialing form for credentialing a health care provider for participation on a provider panel. *Senate Bill 819/House Bill 1157 (both passed)* require the Secretary of Health and Mental Hygiene, in consultation with relevant stakeholders, to develop a uniform standard credentialing form for hospitals. Once the form is developed, each hospital will be required to use the form as a condition of licensure.

Access to Capital for Nonprofit Health Service Plan

Senate Bill 412 (passed) expands the types of institutions and facilities the Maryland Health and Higher Educational Facilities Authority may assist to include a nonprofit health service plan that holds a certificate of authority and provides health insurance policies or contracts in the State. A more detailed discussion of this bill may be found under the subpart "Health Insurance" within this Part J.

Health Care Facilities and Regulation

Continuing Care Retirement Communities

House Bill 321 (Ch. 57) and *Senate Bill 180 (passed)* repeal the June 30, 2002, termination date for provisions that allow Continuing Care Retirement Communities (CCRCs) to have direct admissions to their nursing home beds and still retain their Certificate of Need (CON) exemption. Prior to 2000, CCRCs were excluded from CON regulation because they limited their nursing home bed admissions to subscribers of their own communities and were not perceived as direct competitors with CON-regulated nursing homes. Permitting direct admission to CCRC nursing home beds, as provided by Chapter 248 of 2000, puts CCRCs in direct competition with traditional nursing homes, potentially reducing nursing home admissions. According to a January 1, 2002, report by the Maryland Health Care Commission, there were 86 direct admissions to CCRCs during a one-year period, a number that did not significantly impact admissions to traditional nursing homes.

Senate Bill 355 (passed) adopts recommendations made by the Department of Aging's Continuing Care Advisory Committee. It broadens the health related services CCRCs must provide and what it means to make medical and nursing services or other health related services available to subscribers. Health related services must include priority admission to a nursing home or assisted living program, or assistance in daily living activities that do not include meals. Making available either medical and nursing services or other health related services means the provider or affiliate has the services readily accessible for subscribers whether or not the services are specifically offered in the written agreement for shelter.

The bill also enables people to receive refunds from CCRCs more quickly if they move out within the first 90 days. It also requires providers to refund an individual's entrance fee within 60 days of an agreement being terminated or the individual's death under certain circumstances. This bill is also discussed in Part M - Elderly of this *90 Day Report*.

Health Insurance

CareFirst, Inc. Conversion and Acquisition

The conversion of nonprofit health entities, including hospitals, health maintenance organizations, and health service plans, has been the subject of great debate in recent years. State regulators have grappled with preserving the public assets of nonprofit entities that choose to convert to for-profit corporations. Traditionally, nonprofit entities do not have to pay taxes on the basis that they provide a direct benefit to the community. The assets accrued by a nonprofit are generally considered public assets and in the event of a conversion must remain with the public.

On November 20, 2001, CareFirst BlueCross BlueShield announced its intention to convert to a for-profit company and subsequently be acquired by California-based WellPoint Health Networks, Inc. CareFirst is statutorily obligated to file a conversion application with all three jurisdictions to which its charitable assets would inure: Maryland, the District of Columbia, and Delaware. That application was filed with the Maryland Insurance Administration on January 11, 2002. The \$1.3 billion purchase price is to be paid in cash (\$450 million) and stock options (\$850 million) and divided among the three jurisdictions.

The General Assembly introduced a variety of bills this session that addressed CareFirst's application for acquisition. Some would have banned the acquisition entirely. Others would have codified CareFirst's historical nonprofit mission if the acquisition were not completed. Many were intended to modify the acquisition process, giving more power to the State regulator entity. The two House bills passed by the General Assembly modify the acquisition process. The Senate bills modify the acquisition process and permit a nonprofit health service plan to finance capital improvement projects through the Maryland Health and Higher Educational Facilities Authority.

Senate Bill 487/House Bill 2 (both passed) shift the burden of proving whether an acquisition is in the public interest from the regulating entity to the proponents of the acquisition. The bills also repeal a provision of current law that deems an application approved if the appropriate State regulating entity fails to take action on the application within 60 days after the record has been closed. Both changes give the appropriate regulating entity more control over the determination of whether an acquisition is in the public interest.

House Bill 1254 (passed) incorporates various regulatory goals that had been introduced in other bills this session. The bill prohibits a nonprofit health service plan (plan) from organizing under the laws of another jurisdiction unless the Insurance Commissioner determines that it is in the public interest. It prohibits a plan from altering its structure, operations, or affiliations if such alterations result in the plan's for-profit

activities becoming so substantial that the Insurance Commissioner determines the plan's purpose may no longer be characterized as operating as a nonprofit health service plan.

The bill also authorizes the Insurance Commissioner to revoke the certificate of authority of a foreign corporation operating a nonprofit health service plan that is affiliated with a Maryland nonprofit health service plan, if the affiliation is terminated.

The bill prohibits a nonprofit health service plan officer, director, or trustee from receiving any immediate or future remuneration as the result of an acquisition or proposed acquisition.

The bill requires public or charitable assets distributed to a public or nonprofit charitable entity under the State's nonprofit health entity acquisition laws to be in the form of cash. In addition, the appropriate regulating entity must determine whether a payment or "break-up fee," required under an acquisition contract or agreement if the agreement or contract is broken by the nonprofit health entity, is in the public interest.

The bill further provides that a determination regarding the acquisition of a nonprofit health entity may not take effect until 90 calendar days after the date the determination is made. This provision effectively reserves the right of the General Assembly to review and disapprove, by an act of the legislature, the acquisition of a nonprofit health entity.

Senate Bill 412 (passed) authorizes a nonprofit health service plan to finance capital improvement projects through the Maryland Health and Higher Educational Facilities Authority.

Health Maintenance Organizations

Acquisitions Disclosure and Control Act

Senate Bill 90 (passed) subjects Health Maintenance Organizations (HMOs) and Managed Care Organizations to the Maryland Insurance Acquisitions Disclosure and Control Act. That Act protects the interests of policyholders and stockholders who may be adversely affected when control of an insurer is sought by another entity or when acquisition of an insurer would lessen competition or create a monopoly in the insurance business.

Noncontracting Providers

Senate Bill 466/House Bill 805 (both passed) extend the termination date from June 30, 2002, to June 30, 2005, of Chapter 275 of 2000 and Chapter 423 of 2001, which specify certain HMO reimbursement rates for noncontracting providers and trauma physicians who provide services to HMO enrollees. The bill also requires two studies, the first by the Maryland Health Care Commission (MHCC) and the Health Services Cost Review Commission (HSCRC) on health care provider reimbursements by commercial insurers and self-pay patients in Maryland, and the second study by the Board of Nursing on the use of nurse practitioners by HMOs to provide primary care services.

Senate Bill 562/House Bill 936 (both failed) would have required an HMO to reimburse a noncontracting emergency room physician at the greater of 140 percent of the rate paid by Medicare, or the rate as of January 1, 2001, that the HMO paid in the same geographic area to a similarly licensed provider. *Senate Bill 466/House Bill 805* contain language which requires MHCC and HSCRC to study the feasibility of expanding the hospital rate setting system to include reimbursement of hospital-based physicians.

Substantial, Available, and Affordable Coverage (SAAC) Reform and Senior Prescription Drug Program (Health Insurance Safety Net Act of 2002)

Approximately 30 states operate high-risk pools or other programs that grant medically uninsurable individuals access to health insurance coverage. Risk pool premiums are generally higher than comparable private insurance, but all pools have caps on premiums set by legislation to benefit consumers. Most risk pools have premiums that are 125 to 150 percent of the average premium for comparable individual market coverage. The National Association of Insurance Commissioners' model risk pool legislation calls for an initial floor equal to 125 percent of the average premium, and a cap of not more than 200 percent of the average premium. Because the individuals enrolled in risk pools tend to be less healthy and more likely to use health care services, the pool's costs always exceed the premiums that can be collected. As a result, premium revenue is generally supplemented with other funds. Some states choose to tax health insurers or health care providers to supplement the enrollees' premiums. Others fund high risk pool losses with general revenues or money from excise taxes on alcohol, cigarettes, and other items.

In Maryland, instead of operating a high risk pool, the State offers a financial incentive to health insurance carriers that offer a Substantial, Available, and Affordable Coverage (SAAC) product to individuals who are medically uninsurable because of their health status. Carriers that offer a SAAC product receive a four percent differential on hospital rates allowing them to pay less for hospital charges for certain enrollees than

carriers that do not offer a SAAC product. Prior to the start of the 2002 session, each of the State's three insurance carriers that offer a SAAC product expressed their intention to withdraw from the program. As a result, the General Assembly passed legislation during the 2002 session reforming the SAAC product and the related Short-Term Prescription Drug Subsidy Plan.

House Bill 1228 (passed) establishes the Maryland Health Insurance Plan (MHIP) for medically uninsurable individuals and the Senior Prescription Drug Program for Medicare beneficiaries whose household income is at or below 300 percent of the federal poverty level.

The Maryland Health Insurance Plan is an independent unit of the Maryland Insurance Administration, established to decrease uncompensated care costs by providing access to affordable, comprehensive health benefits for medically-uninsurable residents by July 1, 2003. Under the bill, a five-member board is established for MHIP whose responsibilities include:

- adopting a plan of operation for MHIP and submitting the plan to the Insurance Commissioner for approval;
- adopting regulations necessary to operate and administer the plan;
- establishing a standard benefit package to be offered by MHIP;
- establishing premium rates for MHIP that must be from 110 to 200 percent of a standard risk rate;
- selecting a third party administrator to administer MHIP that will perform such functions as: (1) eligibility determination; (2) data collection; (3) case management; (4) financial tracking and reporting; (5) claims payment; and (6) premium billing; and
- creating the Maryland Health Insurance Plan Fund, a special nonlapsing fund, consisting of certain premiums and assessments in segregated accounts to be used to operate and administer MHIP and the Senior Prescription Drug Program.

House Bill 1228 provides funding for MHIP through the State's hospital rate setting system. The bill establishes a methodology under which HSCRC collects funds from each acute care hospital in an amount proportionate to the 2002 value of the SAAC differential provided by each hospital. Prior to the start of enrollment under MHIP on July 1, 2003, the bill requires health insurance carriers that currently participate in the SAAC program to continue to insure SAAC enrollees and specifies that one of the three carriers must hold two open enrollment periods for SAAC eligible individuals during

calendar 2002. The bill also requires HSCRC to establish a plan for transitioning from the SAAC program to MHIP in the last quarter of fiscal 2003.

House Bill 1228 renames and alters both the funding mechanism and regulatory oversight of the Short-Term Prescription Drug Subsidy Plan. Beginning July 1, 2003, the Senior Prescription Drug Program will provide Medicare beneficiaries who lack prescription drug coverage with access to affordable, medically necessary prescription drugs until such time as an outpatient prescription drug benefit is provided through the federal Medicare program. The program must be administered by a nonprofit health service plan that issues comprehensive health care benefits in Maryland. Enrollment is limited to the maximum number of eligible individuals subject to funding. An enrollee is subject to a \$10 monthly premium, no deductible, and copayments ranging from \$10 to \$35 per prescription. The board may limit the total annual benefit to \$1,000 per enrollee.

The bill also requires a nonprofit health service plan that insures 10,000 or more lives in the State to have a corporate headquarters located in the State.

Continuation of Coverage – Voluntary Employment Termination

House Bill 1158 (passed) expands Maryland's continuation of health coverage provisions to include an individual who voluntarily terminates employment. Maryland has adopted continuation coverage laws that cover employees who have been involuntarily terminated from employment other than for cause. Maryland's continuation coverage applies to most employers, including those businesses that employ fewer than 20 employees.

Coverage Under Medical Support Notices

House Bill 1192 (passed) requires the child support enforcement administration to issue a notice in a format prescribed by federal law to enforce the health insurance coverage provisions of a child support order. The Office of the Attorney General advised the Department of Human Resources on March 4, 2002, that legislation must be developed to comply with requirements in the Federal Child Support Performance and Incentive Act of 1998. Federal law requires State child support enforcement agencies to enforce orders for health insurance coverage through the use of the National Medical Support Notice. For a more detailed discussion of child support enforcement legislation see the subpart "Family Law" under Part F - Courts and Civil Proceedings of this *90 Day Report*.

Nonrenewal of Individual Health Benefit Plan

Senate Bill 651/House Bill 754 (both passed) require a carrier that offers health insurance through an affiliate in the individual market and that elects not to renew all individual health benefit plans in the State, to give notice to each affected individual at least 180 days before the effective date of the nonrenewal. The notice must inform the individual of the option to purchase all other individual health benefit plans currently offered by the carrier's affiliate. A carrier must offer the plan on a guarantee issue basis (i.e., the plan must be offered regardless of health status) and cannot rate the coverage on a substandard basis unless the individual was rated on a substandard basis under the prior coverage. A carrier must waive the preexisting coverage waiting period to the extent that the individual has satisfied a waiting period under the individual's prior policy. If applicable, the Insurance Commissioner can disapprove a plan of withdrawal for health insurance if the carrier has failed to demonstrate compliance with certain renewal provisions in the small group market or the individual market.

Mandated Health Benefits

Mandated health insurance benefits are health care services that must be covered in a health insurance policy or contract. Depending on the mandate, a commercial insurance carrier, nonprofit health service plan, HMO, or dental plan organization must provide the benefit. Currently, Maryland has 39 mandated benefits or offerings for services and provider reimbursement.

Mandated benefits impact health insurance premiums. Legislation passed by the General Assembly in 1999 (Chapter 582) established a statutory affordability cap on mandated benefits of 2.2 percent of Maryland's average annual wage. According to the Maryland Health Care Commission's (MHCC) 2001 report, the full cost of existing mandates is just under 2.1 percent of Maryland's average annual wage. If MHCC determines that the full cost of mandated benefits meets or exceeds the affordability cap, the commission is required by law to perform a comprehensive evaluation of each existing mandate and to present this evaluation to the General Assembly for its consideration. The following mandates were considered by the General Assembly during the 2002 session.

Habilitative Services

House Bill 692 (passed) defines congenital or genetic birth defect and specifies that the definition includes autism, autism spectrum disorder, and cerebral palsy for the purpose of receiving habilitative services through private health insurance. A carrier determination denying a request for habilitative services or denying payment for habilitative services on the grounds that the condition is not a congenital or genetic birth defect is considered an "adverse decision" and therefore subject to appeal under Maryland's appeals and grievance procedures.

Residential Crisis Services

House Bill 896 (passed) requires a health insurance carrier that provides hospital, medical, or surgical benefits to individuals or groups to provide coverage for medically necessary residential crisis services and specifies that the services may be delivered through a managed care system.

In Vitro Fertilization

House Bill 738 (failed) would have modified the requirement for coverage of in vitro fertilization services by health insurance carriers to include situations of male infertility.

Mental Illness – Coverage for Children

House Bill 891 (failed) would have provided that if a health insurance policy covers inpatient treatment of acute or chronic mental illness at a hospital or residential treatment facility for children, the coverage must extend from the date of admission to the facility to the date when the child becomes potentially eligible for Medicaid coverage.

Policy Exclusions

House Bill 939 (failed) would have permitted a carrier to offer a limited benefits health insurance policy that excludes mandated health benefits from coverage. The limited benefits policies could not exceed ten percent of the total health benefit policies issued by a particular carrier.

Vaccinations Against Meningococcal Disease

House Bill 1129 (failed) would have required a carrier to provide coverage for vaccinations against meningococcal disease for an enrollee who is an on-campus resident student enrolled in an institution of higher education.

Small Group Market Reforms

The Comprehensive Standard Health Benefit Plan (CSHBP) was established in 1994 as a result of health care reforms adopted by the General Assembly to provide better access to coverage in the small group market. CSHBP is a standard health benefit package that carriers must sell to small businesses (50 or fewer employees). CSHBP includes guaranteed issuance and renewability, adjusted community rating with rate bands, and the elimination of preexisting condition limitations.

Chapter 388 of 2001 required an independent evaluation of Maryland's small group market. This study required an examination of the existing small group delivery system in comparison to similar small group markets in other states. The report, issued on February 19, 2002, found that the small group market in Maryland is functioning well and that Maryland's performance on key measures is generally comparable to, and in some instances better than, the study states as a whole. The following issues relating to the small group market were considered by the General Assembly during the 2002 session.

Open Enrollment

Senate Bill 888/House Bill 1427 (both passed) change the frequency of the open enrollment periods offered to self-employed individuals in the small group market from one every six months to one every 12 months. The recommendation to alter the frequency of the open enrollment periods with respect to the so-called "groups of one," was made in the independent evaluation.

House Bill 1144 (failed) would have required a carrier to establish an annual open enrollment period for at least 30 consecutive days in each six-month period for self-employed individuals and small employers with fewer than ten eligible employees. As provided under *House Bill 1144*, a carrier could not deny coverage to a small employer with fewer than ten employees if the small employer was transferring from one carrier to another without a break in coverage and the coverage had been in effect for at least 12 months prior to the date of transfer. Under current law, only self-employed individuals can be required to wait for an open enrollment period to purchase small group health insurance.

Producer Commissions

House Bill 85 (Ch. 29) prohibits a carrier from implementing a producer commission schedule that varies the amount of a commission based on the size of a small employer group unless the variation: (1) is inversely related to the size of the small employer group; (2) applies to the cumulative premium paid over a specific period of time, is uniformly applied, and is inversely related to the cumulative premium paid during the period of time; or (3) is established by a contract between the carrier and each outside producer.

Community Rate Adjustment

House Bill 1159 (failed) would have amended the community rate setting methodology for the small group health insurance market by authorizing a carrier to adjust the community rate up to 15 percent based on a particular small employer group's loss or expense experience. In addition, the bill would have increased the allowable community rate adjustment cap from 40 to 50 percent.

Preexisting Conditions

House Bill 935 (failed) would have allowed a carrier to impose a 12-month preexisting condition provision on a new enrollee if the enrollee had received medical advice, diagnosis, care, or treatment for the condition during the six-month period immediately preceding the effective date of coverage. Additionally, the bill would have changed the preexisting condition provision for a late enrollee from a maximum 12-month period to an 18-month period.

Prescription Drug Coverage

House Bill 679 (failed) would have required the Maryland Health Care Commission, when determining the benefit package for the Comprehensive Standard Health Benefit Plan, to limit the annual prescription drug benefit to no more than \$4,000 per individual.

Part K

Natural Resources, Environment, and Agriculture

Natural Resources

Chesapeake Bay Critical Area Protection Program

Chapter 794 of 1984 established the Chesapeake Bay Critical Area Protection Program in the Department of Natural Resources (DNR) to foster more sensitive development activity in a consistent and uniform manner along shoreline areas of the Chesapeake Bay and its tributaries so as to minimize damage to water quality and natural habitats.

Under the program, development in the Chesapeake Bay Critical Area is limited, based on a local jurisdiction's critical area program. Current regulations require local jurisdictions to provide for variances to the program where enforcement would result in an unwarranted hardship to an applicant. In recent years, three decisions by the Maryland Court of Appeals have significantly impacted the common understanding of variance law as applied in the Chesapeake Bay Critical Area. Under these rulings, a variance may be granted for development when an applicant is denied reasonable and significant use of any portion of the property, even if alternative sites are available on the applicant's property; grandfathered structures may be considered when deciding whether denial of a variance for new development would be unfair to an applicant; and an applicant may generally meet the standards for a variance, rather than satisfying all of the standards.

In response, *Senate Bill 326/House Bill 528 (both passed)* statutorily define the conditions under which a variance may be granted. These conditions include: consideration of the entire property when determining whether unwarranted hardship exists; the applicability of comparisons only to development since the implementation of a local critical area program; and the satisfaction of all variance standards. Further, a local program must consider the reasonable use of the entire parcel. Building permits or other activities that comply with an approved buffer exemption or buffer management

plan are exempted from the coverage of these bills. Also, each local jurisdiction is required to review its program and propose program amendments every six years, rather than the current four-year cycle.

Atlantic Coastal Bays Protection Act

Maryland's coastal bays, often called the back bays, are shallow water lagoons west of Ocean City and Assateague Island. They include the Assawoman, Isle of Wight, Sinepuxent, Newport, and Chincoteague bays. More than 300 species of migratory waterfowl, songbirds, and birds of prey seek these shallow bays for food and shelter. Additionally, the shallow bays provide habitat for rare species of plants and animals as well as blue crabs, flounder, and clams. Concern about the impact of development along the coastal bays on the bays' natural resources has been growing in recent years. The Coastal Bays Management Plan, which was released in June 1999, identified five primary problems in the coastal bays: degraded water quality, chemical contamination, loss of habitat, changes in living resources, and unsustainable growth and development. The plan also included four action plans for the long-term restoration and protection of the coastal bays.

Senate Bill 247/House Bill 301 (both passed) apply the existing provisions of the Chesapeake Bay Critical Area Protection Program and corresponding regulations to the Atlantic Coastal Bays Critical Area. In addition to all waters and lands under the coastal bays and their tributaries and all areas within 1,000 feet of wetlands and the heads of tides, the Atlantic Coastal Bays Critical Area also would include additional areas proposed for inclusion by local jurisdictions and approved by the Critical Area Commission.

The bills direct the Governor to include funds in the fiscal 2003 budget for grants to reimburse local jurisdictions for the reasonable costs of developing a local coastal bays critical area program. Local jurisdictions within the Atlantic Coastal Bays Critical Area are required to map the coastal bays area and to establish the three land use designations used in the existing Chesapeake Bay Critical Area Program: Intensely Developed Areas (IDAs), Limited Development Areas (LDAs), and Resource Conservation Areas (RCAs).

The land use designations within the Atlantic Coastal Bays Critical Area are based on land uses and development in existence as of June 1, 2002. In the same manner as the current Chesapeake Bay Critical Area, in order to accommodate future population growth, the total IDA and LDA acreage may be increased by a "growth allocation." This allowable development increase is calculated by formula and may be transferred between the Chesapeake and Atlantic coastal bays critical areas under certain conditions.

Concerning development activity on existing lots, if a lot is legally recorded, legally buildable, and was approved by a local jurisdiction before the date of final

program approval, on or before September 29, 2003, then development activity is permissible.

Each local jurisdiction's program must include a provision requiring proposed development sites in IDAs to provide a forest or developed woodland cover of at least 15 percent after development or a provision for a fee-in-lieu payment, including exceptions for certain single lots. In addition, each program may include provisions regarding: the use of bioretention and other nonstructural stormwater best management practices; minimum buffer requirements applicable to specified tributary streams located outside the critical area but within the coastal bays watershed; and wetland improvements, also known as "wharfing out."

The bills require that local programs approved or adopted by the commission take effect by September 29, 2003. They also allow for the limited grandfathering of certain development projects as to their initial development or current use.

Maryland Seafood and Aquaculture Industries

Each year the Maryland seafood industry contributes an estimated \$400 million to the State's economy. Yet the seafood industry has experienced a marked decline due to recent adverse economic pressures resulting from a decline in wild stocks of commercially important species, competition from imports, a shortage of processing labor, regulatory pressures, and overall economic decline. In addition, although the State's aquaculture industry presents great potential to meet increasing worldwide demand for seafood products, the extent of its growth has been slower in Maryland than in other states. By creating the Task Force to Study the Economic Development of the Maryland Seafood and Aquaculture Industries, *House Bill 662 (passed)* seeks to address these issues. The task force consists of two workgroups: one focusing on the seafood industry and the second focusing on the aquaculture industry. By September 30, 2004, each workgroup is to study specific aspects of the development of its respective industry and report on these aspects and related recommendations.

Submerged Aquatic Vegetation

Submerged aquatic vegetation (SAV) beds are ecologically significant habitats that are essential for maintaining healthy fish and shellfish populations in the Chesapeake Bay. In order to restore and protect SAV beds, Chapter 385 of 1998 prohibited the use of hydraulic clam dredges in SAV beds when it became evident that these dredges, used for the commercial harvest of several clam species, were causing significant damage to SAV beds.

In an effort to further protect SAV beds, *Senate Bill 195/House Bill 536 (both passed)* prohibit a person from using a traditional bottom dredge and shinnecock rake in any SAV bed or in specified portions of the Chesapeake Bay closed to hydraulic clam

dredging. In addition, the bills require DNR to update aerial surveys of SAV protection zones and to adjust these zones, to the extent possible, so that delineations are geographically manageable. This will allow DNR to draw delineations in straighter lines that utilize existing points of reference.

Forest Conservation

House Bill 470 (passed) and *House Bill 90 (passed)* each clarify several provisions regarding forest conservation requirements. *House Bill 470* allows for a public hearing on the approval of a forest conservation plan that is in keeping with the regulatory scheme of public participation in the formulation of the plan. In addition, the bill requires the State to develop forest conservation requirements for State development projects that are comparable to those of local programs. Finally, the bill clarifies that all penalties paid for noncompliance must be paid into the Forest Conservation Fund. *House Bill 90* requires an owner of land that is subject to a forest conservation management agreement to provide notice to the buyer regarding the existence of the agreement and to DNR if the land is sold or transferred.

Senate Bill 552/House Bill 617 (both passed) designate Savage Ravines Wildland and South Savage Wildland as State wildlands. The bills authorize DNR, under specified conditions, to allow research in the South Savage Wildland area that ordinarily would be prohibited or restricted. The bills also require DNR and the University System of Maryland, through Frostburg State University and the University of Maryland Biotechnology Institute, to develop a plan relating to such research.

House Bill 895 (passed) requires DNR to establish a two-year pilot program in Carroll and Frederick counties that allows a landowner to use a forested stream buffer established under the federal Conservation Reserve Enhancement Program to create a forest retention bank. In order for land to be in this pilot program, it may not be subject to an existing conservation easement, and the landowner must agree to protect it in perpetuity as part of the retention bank. Mitigation through creation of a bank is to be credited at a ratio of 2.5 acres per each acre of mitigation required. DNR must conduct a field inspection of each site, evaluate the program, and by December 31, 2004, report on the effectiveness of this program. The bill takes effect July 1, 2002, and sunsets June 30, 2005.

Vessel Excise Tax

Except under specified conditions, an excise tax is levied at the rate of 5 percent of the fair market value of a vessel on: (1) the issuance of every original certificate of title required for a vessel; (2) the issuance of every subsequent certificate of title for the sale, resale, or transfer of the vessel; (3) the sale within the State of every other vessel; and (4) the possession within the State of a vessel purchased outside the State to be used

principally in the State. Revenues generated by the tax are used for various waterway improvement projects. DNR advises that it has identified \$1.9 million in unpaid vessel excise taxes (including interest) for taxes owed through December 31, 2001.

House Bill 1044 (passed) requires the Secretary of DNR to declare an amnesty period for delinquent taxpayers from September 1, 2002, through October 31, 2002, for penalties attributable to the nonreporting, underreporting, and nonpayment of vessel excise tax liability. The bill also increases misdemeanor penalties for violations relating to the collection and remittance of the vessel excise tax from \$5,000 to \$10,000, effective at the end of the amnesty period (November 1). Finally, the Secretary of DNR must report to the Governor and the General Assembly on the revenues raised under the amnesty program and other matters relating to the program. Proceeds will benefit the Waterway Improvement Program.

Hunting and Fishing

Deer Management Plans

The State's population of white-tailed deer has steadily increased over the past 50 years, mostly due to a decrease in the number of natural predators. Current Department of Natural Resources (DNR) estimates place the number of white-tailed deer at over 250,000, which is far beyond the State's carrying capacity of 100,000. Moreover, it is anticipated that this current population will double within a few years if the population is not controlled. The dramatic growth in the deer population has led to a marked increase in the number of human-deer conflicts. For example, the reported number of deer-vehicle collisions has doubled in the last 8 years; over 4,300 automobile accidents that led to deer fatalities were reported in 2001. DNR conservatively estimates the property damage resulting from all deer-vehicle collisions to be in excess of \$9.7 million annually. In addition to the loss associated with these accidents, deer cause substantial damage to crops and vegetation. Crop damage was estimated at almost \$38 million in 1996. The increase in the deer population is also thought to contribute to the increased incidence of Lyme disease; the number of Lyme disease cases increased from 12 reported cases in 1988 to 423 reported cases in 1998.

House Bill 9 (passed) increases the deer firearms season from 13 to at least 21 days, including the first Sunday of the season. Because the first Saturday of the season annually accounts for approximately 35 percent of the total firearms harvest, the first Sunday of the season is believed to be the single most strategic day to maximize the harvest. Most areas of the State are exempt from this Sunday hunting provision, however. The seven counties in which Sunday hunting will occur include: Dorchester, St. Mary's, Charles, Calvert, Garrett, Allegany, and Washington. In an urban management region in which the deer population has become, or if left unattended will become, a threat to public health or safety or a nuisance because the population is in

excess of the “carrying capacity” of the zone, DNR’s deer management plan may allow for an increased harvest by the use, as appropriate, of bait, professional sharpshooters, lethal darts, or capture and euthanasia.

In addition, the bill authorizes the donation of meat from deer harvested under the bill. Processing costs for donated meat may be paid by private donations and, as determined appropriate by DNR, a portion of the revenue obtained from the purchase of deer hunting licenses and stamps issued under the bill. DNR must report annually and make recommendations to the Legislative Policy Committee; the Senate Education, Health, and Environmental Affairs Committee; and the House Environmental Matters Committee on specified issues relating to deer management.

Black Bear Management

The State’s population of black bears has also increased notably in recent years. This is due to the absence of natural predators, increased restrictions on development, the hunting ban, and other black bear protection programs. As the population has increased, so have the number of sightings and complaints. In 1996, the first year that DNR tracked these numbers, there were 196 complaints and sightings. In 2000, there were 617. In Garrett County, DNR reports that bear sightings are no longer reported because bears are known to inhabit all parts of the county, and sightings are considered commonplace. Almost 15 percent of the complaints reported actual damage to crops or property, and this is a conservative estimate because damage often goes unreported. According to residents of affected areas, bears have often come into peoples’ yards and approached their homes. A few residents have reported bears entering or attempting to enter their homes.

As introduced, *House Bill 10/Senate Bill 363 (both failed)* would have established a limited black bear hunting season to control the bear population in a region where the population exceeded the carrying capacity. DNR was to have adopted regulations to organize the hunting season and the operation of a lottery for the purchase of a chance to compete for a black bear hunting stamp. As amended in the House, however, *House Bill 10* would have established a black bear management permit program. It would have required DNR to issue a permit to a property owner, lessee, or the designee of an owner or lessee where it was demonstrated that there had been actual damage on the property because of the activities of a bear or that a bear posed a threat of harm to human life or animals on that property. In addition, a permit applicant would have been required to show reasonable preventative measures taken to minimize the risk of bear activity on the property. The bill would have allowed DNR to authorize the harvest of a bear on a site that is reasonably near to the property that was the subject of the permit. If the State’s population of black bears was designated as threatened or endangered, DNR could have suspended the permit program for the period of the designation.

Riparian Property Rights

In 1999, legislation was enacted prohibiting nonresident riparian property owners from obtaining a Maryland license to erect stationary blinds or blind sites along the shoreline of the Potomac River. Because the Office of the Attorney General advised that this law unconstitutionally discriminates against nonresidents in a commercial setting and is, therefore, in violation of the Privileges and Immunities Clause, *Senate Bill 18/House Bill 69 (both passed)* amend the 1999 law to provide Virginia and West Virginia landowners with the same rights Maryland residents have with respect to licensing their riparian shoreline. Furthermore, the bill specifies those portions of the Potomac shoreline where the stationary blind licenses may be issued.

Hunting Licenses

Senate Bill 599 (passed) streamlines the current hunting license structure, which is considered unnecessarily complicated by the user community. This bill reduces the number of hunting licenses, stamps, and permits and increases the costs of these licenses and stamps for the first time in several years in order to keep up with rising administrative costs. Also, the bill increases the service fee provided to licensing agents and dedicates \$1 from most licenses to provide funding for the processing of deer for venison donation programs for the needy. The bill expresses a specific legislative intent that DNR utilize special fund revenue generated from the licensing fee increases to provide public hunting opportunities on the properties known as the Chesapeake Forest Lands.

Blue Crab Management

The blue crab, one of the most important species harvested in the Chesapeake Bay, generates approximately \$90 million in economic benefit to the State. In the past several years, the blue crab harvest has decreased substantially. In 1999 the Chesapeake Bay Commission's Bi-State Blue Crab Advisory Committee began a two-year study to determine the status of the blue crab fishery. In January 2001 the committee published its final report and recommended a three-year, 15 percent reduction in fishing effort, stating that blue crabs were being fished almost to the point of collapse. Maryland and Virginia agreed to reduce their harvests.

In 2001, a two-year tightening of regulations on recreational crabbers was approved, capping their daily catch at about a bushel per person. Commercial crabbing regulations effective July 23, 2001, reduced the workday from 14 hours to 8 hours, strengthened a mandatory day off provision, and closed the fishery a month early. Virginia and the Potomac River Fisheries Commission (PRFC) implemented new regulations in time for the beginning of the 2001 crabbing season. Pursuant to those regulations, commercial crabbers in Virginia can no longer work Wednesdays in June,

July, and August. In addition, the daily landing limit in the crab dredge fishery was decreased from 20 to 17 barrels per day. PRFC also shortened the Potomac crabbing season by one month and reduced the crab pot limits by 10 percent.

In an effort to meet the 15 percent reduction goal in Maryland, DNR proposed regulations that, among other things, would have increased the minimum size of male hard crabs, peeler crabs, and soft crabs that may be caught by commercial or recreational means in Maryland or possessed in the State during the crabbing season. Modified from the original proposed regulations as a result of concerns raised during the public hearing process, the final regulations, which were announced by DNR on March 12, 2002, increase the minimum size of male hard crabs from five to five and one-fourth inches, soft crabs from three and a half to four inches, and peeler crabs from three to three and a half inches. While the original proposal also would have banned possession of male crabs under five and one-fourth inches, the final regulations allow the importation from other states of crabs five inches and larger for use in wholesale and retail markets. In addition, the Coastal Bays will retain their five-inch minimum size for male crabs. Among other things, the final regulations also implement a possession ban on peeler and soft crabs smaller than Maryland's limits (except for those harvested from the Potomac River).

According to the Chesapeake Bay Commission, the minimum size of hard crabs in Virginia is currently five inches and the minimum size of soft crabs is three and a half inches. Virginia recently approved the establishment of a three-inch minimum size for peeler crabs.

Senate Bill 717/House Bill 1321, House Bill 747, and House Bill 1276 (all failed) would have overridden these existing crabbing regulations.

Senate Bill 717/House Bill 1321 would have prohibited DNR from adopting by regulation any size limits for hard crabs that are different from regulations in other jurisdictions where the same stock of blue crab is harvested.

As introduced, *House Bill 747* would have prohibited a person from using a crab scrape in specified areas of the Bay, and it would have authorized DNR to ban crab scrapes completely in a large portion of the Bay. As amended by the House, the bill would have prohibited DNR from adopting regulations to establish a minimum size limit for catching or possessing hard crabs other than five inches from tip to tip of spike. Beginning August 1, 2002, DNR would have been allowed to establish a minimum size limit that is greater than five inches from August 1 through December 31 of each year.

House Bill 1276 would have prohibited DNR from adopting regulations to establish minimum size limits for the possession of hard crabs, soft crabs, or peeler crabs that are caught out of State. The prohibition would have been effective only if Virginia and PRFC adopted regulations by June 1, 2002, establishing minimum size limits of five

and one-fourth inches for hard crabs, four and one-fourth inches for soft crabs, and three and one-half inches for peeler crabs. The bill also would have required DNR to manage the blue crab fishery in tandem with specific management decisions of Virginia and PRFC.

Oysters

Populations of the native Chesapeake Bay oyster (*Crassostrea virginica*) have experienced a modest recovery in the last few years after hitting record lows in the early 1990s. However, the oyster population remains far below historical highs from the late 19th century. The parasitic oyster diseases, MSX and Dermo, which are responsible for most of the oyster population decline of the last 20 years, continued to plague oysters at moderately high rates in 2000.

Increased Penalties

Current law prohibits a person from catching oysters in specified oyster sanctuaries or on any area closed or reserved for propagation of oyster seed. There are, however, no penalties specific to taking oysters from an oyster sanctuary or an oyster reserve; only general fisheries penalties apply. In addition to these existing penalties, ***House Bill 469 (passed)***, a departmental bill, provides that a person who unlawfully takes oysters from an oyster sanctuary or oyster reserve that is designated and marked by buoys or other signage, and who knew or should have known that taking the oysters was unlawful, is subject to a fine not exceeding \$3,000 and immediate suspension of the person's tidal fish license for a period of not less than six months or more than one year.

Nonnative and Native Oysters

In an effort to address the shortage of the native population of oysters, there has been a growing interest in studying the feasibility of cultivating a nonnative oyster population. ***Senate Bill 494/House Bill 353 (both passed)*** require DNR to authorize the study of the Suminoe oyster and other nonnative species that are relatively resistant to parasitic oyster diseases and grow much more quickly than their native counterpart. DNR is required to ensure that proper biosecurity measures are followed in order to minimize the risk of a de facto introduction of a nonnative species in Maryland. In addition, DNR is to study the viability of native oysters and measures available to enhance their overall health and survival rate. By December 1, 2002, DNR is to issue an interim report; the final report is due by December 11, 2004.

Catfish

According to DNR, the population of catfish in the northern Chesapeake Bay has declined 70 percent since its peak in 1989. DNR advises that catfish are important to both recreational and commercial anglers. ***Senate Bill 87 (passed)*** is a departmental bill

that requires DNR to prepare a fishery management plan for catfish to establish conservation and management measures reasonably necessary to ensure that the fishery resources will be sustained.

Fishing Licenses

Maryland now offers a five-day short-term angler's license and an annual angler's license to nonresidents wishing to fish in the nontidal waters of the State. *Senate Bill 813/House Bill 1149 (both passed)* establish a three-day short-term angler's license for nonresidents. Under current law, the fee for a nonresident short-term license is \$7 or a fee equal to the fee charged a Maryland resident by the nonresident's home state for a similar license, whichever is greater. The fee for a nonresident annual license is \$20 or a fee equal to the fee charged a Maryland resident by the nonresident's home state for a similar license. The addition of the three-day license will reduce unintended adverse annual fee charges to nonresidents who visit Maryland and want to fish over a long weekend.

Additionally, the bills increase the fee a license agent keeps for issuing a license from 50 cents to \$1.00 and increase the fees for purchasing various angler's licenses by 50 cents. Finally, the bills modify the process an agent must follow when issuing a license and repeal the requirement that an application for an angler's license contain the applicant's age and height.

Related Matters

Hunting and Fishing Commissions

House Bill 331 (failed) and *House Bill 664 (failed)* each proposed reorganization of some of the functions and duties of DNR. *House Bill 331* would have established a nine-member Marine and Estuarine Fisheries Commission (MEFC) as an independent State agency. The bill would have transferred the authority to manage the State's marine and estuarine fisheries from DNR to MEFC. The bill also would have established a Marine and Estuarine Fisheries Police Force and a Maryland Fisheries Endowment Fund in MEFC. *House Bill 664* would have established a seven-member Wildlife and Inland Fisheries Commission (WIFC) as an independent State agency responsible for Maryland's wildlife and inland fisheries resources. The bill would have transferred the Wildlife and Heritage Service and the Fisheries Service from DNR to WIFC. The bill also would have established a Wildlife and Inland Fisheries Police Force and a Wildlife Advisory Committee in WIFC. Both of these bills were referred to interim study by the House Environmental Matters Committee.

Mute Swans

Mute swans, which are not native to Maryland, feed primarily on submerged aquatic vegetation (SAV). Thus, they deplete the restorative effects of SAVs on the Bay's water quality. Legislation passed in 2001 required DNR to establish a program to control the population of mute swans, including the managed harvest of adult mute swans and the solicitation of licensed hunters to participate in the managed harvest.

In December 2001, however, the U.S. Court of Appeals for the District of Columbia ruled that mute swans are protected under the federal Migratory Bird Treaty Act. This decision reverses the U.S. Fish and Wildlife Service (USFWS) policy that allows federal and state agencies, as well as private citizens, to take the swans and their eggs.

Senate Joint Resolution 15/House Joint Resolution 15 (both passed) urge USFWS to conduct expedient regulatory processes to allow Maryland to control the mute swan population and to mitigate the mute swan population's impact permanently. They also urge the U.S. Department of the Interior to appeal the holding of the U.S. Court of Appeals that found the mute swan to be a migratory bird protected under international treaties.

Turtles

Current regulations adopted by the Department of Health and Mental Hygiene prohibit hobbyists from keeping turtles. *House Bill 1107 (passed)* authorizes the breeding, raising, keeping, and possession of turtles by a person who obtains a permit under the captive wildlife provisions of the Natural Resources Article.

Environment

Penalties and Fees

The mission of the Maryland Department of the Environment (MDE) is to protect and restore the quality of Maryland's air, water, and land resources for the benefit of the environment, public health, and future generations. MDE accomplishes its mission by assessing, preventing, and controlling sources of pollution. Among other things, MDE regulates air quality and radiation, the storage and use of hazardous substances, solid waste disposal, water appropriation and use, wetlands and waterways, and the discharge of pollutants into the State's waters. Concern has been raised in recent years that many permittees find it less expensive to pay fines and penalties than to upgrade their systems and processes in order to meet permit requirements. Thus, the Glendening Administration introduced several modifications of existing penalty provisions in order to increase their deterrent effect. Moreover, the Administration sought to establish fees that would generate a source of revenue for MDE to increase its permitting, inspection, and program activities.

Air Quality and Radiation Control

For violations of specified air quality laws, a person is guilty of a misdemeanor and on conviction is subject to: (1) for a first offense, a fine not exceeding \$25,000 or imprisonment not exceeding one year, or both; and (2) for a violation committed after a first conviction, a fine not exceeding \$50,000 or imprisonment not exceeding two years, or both. For other specified air quality violations, a person is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$10,000 or imprisonment not exceeding six months, or both. A person who violates air quality provisions is liable for a civil penalty not exceeding \$25,000, to be collected in a civil action in the circuit court for any county. If the Attorney General concurs, the Secretary of the Environment may compromise and settle any claim for a civil penalty.

For specified radiation violations, a person is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$25,000 or imprisonment not exceeding one year, or both. Before any prosecution is begun, the Secretary must serve written notice of each alleged violation on a person who is in charge of the place where the violation allegedly exists. In addition to any criminal penalty imposed, a person who violates radiation provisions is liable for a civil penalty not exceeding \$10,000, to be collected in a civil action in the circuit court for any county. Whether or not a court action has been filed, the Secretary, with the concurrence of the Attorney General, may compromise and settle any claim for a civil penalty.

As introduced by the Administration, *House Bill 295 (passed)* would have increased administrative penalties imposed by MDE and instituted cost recovery as an enforcement mechanism available to MDE. As passed, however, this legislation will enhance MDE enforcement efforts by extending the statute of limitations applicable to both criminal and civil actions. Generally, under current law, a prosecution for a misdemeanor must be instituted within one year of the offense. Civil actions also must be instituted within one year of the violation, with specified exceptions. *House Bill 295* allows the initiation of a criminal prosecution or a civil action for a violation of specified air quality and radiation provisions within three years after the violation was committed.

Hazardous Substances and Chemicals

The federal Emergency Planning and Community Right-to-Know Act (EPCRA) was established in 1986 as part of the Superfund Amendments and Reauthorization Act. EPCRA established an infrastructure at the State and local levels to plan for chemical emergencies. Facilities that have spilled hazardous substances or that store, use, or release certain chemicals are subject to various reporting requirements. All this information is publicly available so that interested parties may become informed about potentially dangerous chemicals in their communities. MDE is the State repository for this information. The Emergency Operations Program within MDE maintains a database

of this information that is available to the public. The program also maintains the State's copy of the Toxic Release Inventory data. All data is currently maintained in paper files.

EPCRA requires the governor of each state to appoint a State Emergency Response Commission (SERC). A SERC must appoint local emergency planning committees (LEPCs) and supervise and coordinate their activities. A SERC must also designate emergency planning districts in order to facilitate preparation and implementation of emergency plans. Each LEPC must prepare an emergency plan and submit a copy of the plan to the appropriate SERC. Each LEPC must establish rules including provisions for public notification of LEPC activities, public meetings to discuss emergency plans, public comments, the LEPC response to such comments, and distribution of emergency plans. Each LEPC must also establish procedures for receiving and processing requests from the public for information. According to MDE, there are currently 25 LEPCs in the State (in each of the 23 counties, Baltimore City, and Ocean City). MDE advises that LEPCs share approximately \$50,000 annually made available to the State through a federal grant program.

House Bill 291 (passed), also part of the Administration's legislative package, establishes a Community Right-to-Know Fund in MDE to be used for emergency planning, enforcement, data collection, and other activities related to chemicals and hazardous substances. The bill requires facilities that are required to report under EPCRA to pay a fee of up to \$1,000 annually to MDE for the new fund and to report the information required under the federal law to MDE. The bill provides for exemptions from the fee for specified types of facilities. The fee schedule will be developed by regulation but must be based on the cost to MDE of processing the information submitted to MDE under the bill. (Under current law, MDE maintains this information only in paper form). MDE is required to use 50 percent of the new fund to provide grants to LEPCs. The bill applies civil penalty provisions to the bill and requires MDE to serve as the information repository for the SERC.

The fiscal 2003 budget includes \$835,787 in special funds, contingent upon the enactment of the bill. The Department of Legislative Services estimates that the bill will generate an estimated \$800,000 annually in fee revenue, based on the maximum fee.

Solid Waste Management

According to MDE's September 2001 report entitled *Solid Waste Managed in Maryland: Calendar Year 2000*, approximately 6.8 million tons of solid waste was received for disposal in 2000 by permitted solid waste acceptance facilities in the State. MDE currently regulates the management and disposal of solid waste and provides regulatory oversight to State and county recycling programs. Funding for the State's solid waste program currently comes from the general fund. MDE advises that expanded federal requirements for municipal solid waste landfills, an increase in interstate transportation of waste, and new national recycling initiatives have resulted in MDE not being able to effectively address these issues, to achieve its ongoing goals of safe and adequate management of solid waste, and to increase the diversion of waste from landfill disposal by reuse and recycling.

In 1998 the Governor created a Solid Waste Management Task Force to investigate solid waste issues. One task force recommendation was to increase funding so that MDE could broaden its role in policy making, assistance to local jurisdictions, inspection, protection of the environment, and public education. Another recommendation was to increase funding available for recycling, source reduction and education, and the development of a strategic marketing plan for recycled materials.

Senate Bill 243/House Bill 299 (both failed), another component of the Administration's legislative package, would have established a State Solid Waste Management Fund in MDE. The fund would have consisted of revenues collected by MDE from a solid waste management fee of \$1 per ton of specified solid waste, certain reimbursements to MDE, any civil or administrative penalty pertaining to specified solid waste laws, and any fine imposed by a court resulting from departmental actions relative to violations of solid waste laws.

Monies in the proposed fund would have been allocated for: (1) statewide and regional recycling initiatives of MDE; and (2) solid waste program activities relating to inspections, permitting, public education, recycling programs, planning, market development, data management needs, and associated administrative costs. The bills would have authorized MDE to remove or arrange for the removal of solid waste and provide for specified remedial actions upon a determination that improper dumping or disposal of solid waste has occurred at a nonpermitted site. MDE also would have been able to take any other action it considers necessary to protect the public health and welfare or the environment. All expenditures made by MDE for the cost of inspection, monitoring, cleanup, and legal actions relating to such removal and remediation not otherwise recoverable under any State or federal laws or regulations would have been required to be reimbursed to MDE by the responsible party. Recoveries would have been paid into the new fund. The bills also would have established other enforcement provisions, including administrative, civil, and criminal penalties.

Water Management

Senate Bill 241/House Bill 294 (both failed), likewise a part of the Administration's legislative package, would have authorized MDE to adopt regulations establishing reasonable application, modification application, and resource management fees for all permits and licenses issued by MDE, including: (1) water appropriation and use; (2) waterway construction; (3) waterway obstruction; (4) nontidal wetlands; and (5) tidal wetlands.

Fees collected under the bill would have been paid into the Maryland Clean Water Fund. The bills would have clarified that the fund must be used for response to the discharge of pollutants, activities related to program development, and other specified activities. The bills also would have expanded various criminal, civil, and administrative penalty provisions relating to sediment erosion and control, stormwater management, water appropriation and use, nontidal wetlands, wetlands and riparian rights, and water resources provisions. Finally, the bills would have established cost recovery provisions.

House Bill 1161 (passed) provides that a criminal or civil action for violation of specified water pollution provisions must be instituted within three years after the violation was committed. The bill only applies to any water pollution violation committed on or after the bill's October 1, 2002, effective date.

Other Water-Related Issues

In addition to bills relating to water management fees and penalties, several other bills were introduced during the 2002 session that address water-related issues.

Drinking Water Regulations

The Secretary of the Environment is required to adopt and enforce State primary drinking water regulations and adopt and implement adequate procedures for enforcing those regulations. The regulations may not be more stringent than the complete interim or revised national primary drinking water regulations in effect at the time. Recent concern relating to methyl tertiary butyl ether, a gasoline additive for which no federal drinking water standard yet exists, has highlighted MDE's inability to adopt standards for contaminants for which no federal standards exist.

Senate Bill 246 (passed), which was introduced by the Administration, and *House Bill 350 (passed)* authorize the Secretary of the Environment to adopt and enforce State primary drinking water regulations for a contaminant if the Secretary determines that the contaminant poses a significant risk to public health and if the federal government has not adopted complete interim or revised national primary drinking water regulations for the contaminant. As part of the determination, the Secretary must prepare a report including specified information such as monitoring data for the contaminant,

peer reviewed assessments, methodologies and data, and a cost-benefit analysis of implementing the proposed standard for the contaminant.

Water Conservation

According to MDE, the winter of 2001-2002 was one of the driest winters on record. As a result, Maryland is facing one of the worst droughts in the State's history. On April 5, 2002, Governor Glendening issued an Executive Order declaring a drought emergency and imposing mandatory restrictions for Central Maryland, including Cecil, Carroll, Harford, Howard, and Frederick counties. In addition to the 2002 drought, Maryland experienced two severe drought situations in the memorable past, one in the mid-1960s and more recently in the late 1990s. In fact, the drought of 1999 was one of the worst on record in the State. Many public water systems had difficulty meeting high demands combined with diminishing sources. Following that drought emergency, Governor Glendening issued an Executive Order establishing two committees to advise him on issues related to water conservation and drought management. MDE has begun to implement several of the recommendations made by those committees. The State has developed a three-pronged approach to promote water conservation across the State.

State Facilities: On May 24, 2001, Governor Glendening issued an Executive Order requiring all State facilities to conduct water use audits and take actions to reduce their water use. The Executive Order is intended to make State facilities a model for Maryland's citizens and for other states. Any building that is owned, leased, or managed by the State is required to reduce water use by ten percent by the year 2010.

Water Utilities: MDE has asked the State's largest water utilities, which together serve more than 3.5 million individuals, to conduct audits to evaluate the amount of residential water used per person. These utilities will be asked to develop and implement a water conservation plan, including customer education and possible incentive and rebate offers.

Public Education: MDE has undertaken a public awareness initiative to educate Maryland's citizens about the importance of conserving water.

House Bill 693 (passed) states that it is the policy of the State to: (1) encourage investment in cost-effective measures that improve the efficiency with which water is used, treated, stored, and transmitted in the State; (2) reduce costs associated with treating, storing, and transmitting water; and (3) protect the State's natural resources. The bill requires MDE to issue guidelines by October 1, 2003, to public water systems serving at least 10,000 individuals regarding the use of best management practices for water conservation. Those systems will be required to provide information relating to the use of such practices to MDE when applying for a new water appropriation permit, an expanded water appropriation permit that seeks a significant increase in the withdrawal of water, or State financial assistance. In reviewing requests for permits and

financial assistance, MDE will consider existing local initiatives, voluntary efforts, and the best management practices set forth for implementation. The bill authorizes MDE to adopt regulations to establish the minimum increase in the amount of water to be withdrawn under an expanded water appropriation permit that requires compliance with the bill.

Senate Bill 726 (passed) requires MDE to encourage the use of “reclaimed water” for irrigation of farmland, golf courses, athletic fields, turf, landscaping, and any other use that MDE considers appropriate. Additionally, the bill declares that it is State policy to encourage the use of reclaimed water. The stated goals of this policy are to: (1) conserve water supplies; (2) facilitate the indirect recharge of groundwater; (3) reduce the amount of wastewater effluent discharged into the surface waters of the State; and (4) pursue the goal of the Clean Water Act to end the discharge of pollutants and meet the nutrient reduction goals of the Chesapeake Bay Agreement.

Wastewater Treatment

Overflows from outdated sanitary sewerage systems have discharged millions of gallons of raw sewage into Maryland waters affecting the vitality of the Chesapeake Bay as a whole. In March 2001 Governor Glendening appointed a task force to address the issues and costs associated with separating and upgrading combined sewerage systems in the State and installing additional nutrient removal technology at wastewater treatment plants. In its December 2001 report to the Governor and the General Assembly, the Task Force on Upgrading Sewerage Systems identified a total estimated capital need of \$4.3 billion to upgrade sewerage systems, including conveyance pipes and pumping stations, correction of combined sewer overflows and sanitary sewer overflows, and upgrades at wastewater treatment plants in order to maintain compliance, implement biological nutrient removal, and provide capacity for existing and projected growth. Annualized over 20 years, the estimated annual cost is \$289 million.

Although the task force identified some of the needs of local wastewater treatment plants, more detailed research is necessary. *Senate Bill 643/House Bill 1051 (both passed)* require MDE to: (1) in fiscal 2004, conduct a comprehensive inflow and infiltration data study on every wastewater treatment system, which must involve a statewide analysis using readily accessible existing data, determine whether there is an inflow and infiltration problem and, if so, determine the magnitude of the problem; (2) in fiscal 2005, contract with the Maryland Environmental Service to conduct at least three comprehensive in-depth inflow and infiltration studies at selected systems around the State; and (3) in fiscal 2006, finance a utility rate study for each locality with a wastewater treatment system in Maryland. The fiscal 2003 capital budget includes \$1 million in general obligation bonds for MDE to conduct those types of studies.

Other Air-Related Issues

In addition to legislation relating to penalties for air quality violations, which is described above, several other bills were introduced during the 2002 session that relate to air quality.

Standing for Judicial Review of Air Quality Operating Permits

Title V of the Clean Air Act, as amended in 1990, requires major sources of regulated air pollutants to obtain a federally-approved operating permit. This operating permit may be obtained in one of two ways: either under a Part 70 program, named after its location in the Code of Federal Regulations (CFR), that is, Part 70 of Chapter I in Title 40; or under a Part 71 program, likewise named after its CFR location. States that have permit programs that meet the requirements of Part 70 are approved by the U.S. Environmental Protection Agency (EPA) to issue their own Title V operating permits. If a state program does not satisfy Part 70 requirements, then the Title V permit must be obtained under a Part 71 federal program.

On May 9, 1995, MDE submitted a Part 70 operating permits program to EPA for approval. In July 1996, EPA gave interim approval to the Part 70 program and instructed MDE that certain conditions must be met in order for the State to get final approval. One of these conditions related to the enactment of State legislation in order to expand Title V standing - that is, to increase the number of persons who would be entitled to challenge the issuance of a Title V permit because of an actual or environmental injury suffered by those seeking judicial relief. Pursuant to the federal Clean Air Act, federal regulations require that for a state to gain federal approval of an air quality operating permitting program, state law must provide for expeditious review of permit actions, including applications, renewals, or revisions, and an opportunity to petition for state court review of the final permit action by the applicant, any person who participated in the public comment process, and any other person who could obtain judicial review of that action under applicable law.

Under current State law, standing for judicial review of air quality operating permit decisions is governed by the Maryland Environmental Standing Act (MESA). Under MESA, the following persons have standing to bring and maintain specified actions in the courts of equity of this State: (1) the State, or any agency or officer of the State, acting through the Attorney General; (2) any political subdivision of the State or any agency or officer of it acting on its behalf; and (3) subject to some limitations, any other person, regardless of whether the person possesses a special interest different from that possessed generally by the residents of Maryland, or whether substantial personal or property damage to that person is threatened. Nonstate residents and organizations that do not have an interest separate and apart from their members do not currently have standing for judicial review of air quality operating permit decisions. Under the Administrative Procedure Act, a party who is aggrieved by the final decision in a contested case is entitled to judicial review of the decision.

Under the time line issued by EPA, MDE was required to submit its revisions to the Part 70 program to EPA by June 1, 2001. Legislation that attempted to address EPA's concerns did not pass during the 2001 session. Because the State failed to meet the deadline for revising its standing law, MDE lost federal approval of its Title V air quality operating permit program on December 3, 2001. Major sources that did not hold a Part 70 permit by that date are now required to complete a Part 71 permit application. Part 71 permits are issued directly by EPA or by a state acting on behalf of EPA as a "delegate agency" and using EPA standards and procedures. MDE entered into such a delegation agreement so that it, rather than EPA, can administer the Part 71 program. However, even under a delegation agreement, Part 71 allows for no state-by-state variation, as does Part 70, and MDE must defer to EPA standards.

In an effort to address the standing issue, *Senate Bill 248/House Bill 5 (both passed)* expand standing for judicial review of Title V air quality permit decisions. Under the bills, except for an applicant who seeks judicial review in accordance with the Administrative Procedure Act, a final decision by MDE on the issuance, renewal, or revision of an operating permit issued pursuant to Title V of the federal Clean Air Act Amendments of 1990 is subject to judicial review by any person who: (1) meets the threshold standing requirements under federal constitutional law; and (2) participated in a public participation process through the submission of written or oral comments, unless an opportunity for public participation was not required by statute or regulation. Judicial review must be on the administrative record before MDE and limited to objections raised during the public comment period, unless the petitioner demonstrates that the objections were not reasonably ascertainable during the comment period or that grounds for the objections arose after the comment period. Unless otherwise required by statute, a petition for judicial review must be filed with the circuit court for the county in which any party resides or has a principal place of business.

An applicant for an air quality operating permit may seek judicial review in accordance with the Administrative Procedure Act. Except for an applicant who seeks judicial review pursuant to that law, a person is not entitled to a contested case hearing regarding Title V operating permits.

Radiation Monitoring and Regulation

MDE regulates approximately 2,700 dental facilities that use dental radiation machines. The Secretary of Environment is authorized to adopt regulations that establish a fee to offset the costs of monitoring and regulating sources of radiation within a dental facility. Currently, the fee may not exceed \$40 per dental radiation machine per year. According to MDE, the cost of conducting inspections of dental facilities is four times greater than the revenue generated by the fees. *House Bill 466 (passed)* increases the maximum fee that MDE may establish by regulation from \$40 per machine per year as follows: for fiscal 2003 and 2004, \$60 per dental radiation machine per year; for fiscal 2005 and 2006, \$70 per machine per year; and for fiscal 2007 through at least fiscal

2010, \$80 per machine per year. After June 30, 2010, the fee shall continue to be \$80 per year unless altered by the General Assembly. The Secretary must reduce fees proportionately to reflect the balance of any unspent or unencumbered fees collected in the previous fiscal year.

Commuter Benefits

The Tax Credit for Employer-Provided Commuter Benefits provides a tax credit for employers that provide commuting benefits to their employees. The credit is equal to 50 percent of the cost of ride-share commuting expenses provided by the employer, subject to a maximum credit of \$30 per employee per month. Eligible employer-provided commuter expenses are those that cover multiple-seating vehicle transportation costs and mass transit transportation costs. In addition, Chapters 356 and 357 of 2000 provided for a credit against the State income tax for employers who provide employees a “cash in lieu of parking program” or a “guaranteed ride home.” Chapters 356 and 357 also allow specified tax-exempt organizations to apply tax credits allowed for employer-provided commuter benefits as a credit against the payment of employee withholding taxes required to be withheld from the wages of employees and paid to the Comptroller.

House Bill 339 (passed) increases from \$30 to \$50 the maximum credit per employee per month allowed under the Tax Credit for Employer-Provided Commuter Benefits. The bill requires the Secretary of Environment to include the tax credit in the State’s plan for meeting the requirements of the federal Clean Air Act. The bill also requires MDE and the Maryland Department of Transportation to implement an extensive outreach program to market the benefits of the tax credit and to report to the General Assembly on the implementation and the effectiveness of the outreach program.

Electricity Generation and Emissions

After several years of debate in the legislature and in regulatory circles, the Customer Choice Act of 1999 (Chapter 4) restructured the electric industry, allowing for consumer choice of electricity suppliers. In addition to the required disclosure of an electricity supplier’s fuel mix and emissions profile, Chapter 4 of 1999 established a number of environmental protection measures. Among other things, that legislation required electric companies in the State to conduct a study that tracks shifts in generation and emissions as a result of restructuring the electric industry. Because the amount of competition that occurred in the first six months of consumer choice was less than anticipated when the 1999 legislation was enacted, the existing study is of limited value in determining the effect, if any, restructuring has had on emissions and generation. The Public Service Commission (PSC) advises that additional studies would be useful. *Senate Bill 285 (passed)* requires electric companies in the State to update that generation and emission study. Electric companies must submit an updated study to MDE and PSC by December 31, 2003, and by December 31, 2005.

Environmental Security

In the wake of the September 11, 2001, terrorist attacks, much concern has been raised over the safety of our nation's water and chemical supplies and the vulnerability of those supplies to terrorist attacks as well as accidental releases. Several bills were introduced during the 2002 session that addressed, at least in part, the issue of environmental security.

Water Security and Sewerage Systems

House Bill 659 (passed) creates a State Advisory Council on Water Security and Sewerage Systems to, among other things: (1) study innovative technologies relating to water security and sewerage systems and compare the costs of new technologies with current practices; (2) develop a priority funding system for implementing new technology; (3) develop a plan for regular evaluations at timed intervals; (4) develop plans to provide technical assistance to small and medium communities; (5) study user rates; (6) reevaluate and refine local needs data; (7) evaluate and review certain water quality regulations and criteria to improve the waters and prevent interim degradation; (8) study the levels and potential health effects of chlorination by-products in the water supply; and (9) with regard to the use of chlorine and alternative methods of disinfection in drinking water and wastewater treatment, study the associated environmental and public health issues, perform a risk assessment and cost analysis, and examine associated security issues surrounding use and storage. The advisory council terminates September 30, 2005.

The bill also establishes an Interagency Technical Assistance Committee on Wastewater Treatment Systems to advise local jurisdictions on the effective operation and financial management of wastewater treatment systems. The committee must report to the advisory council by November 1 of each year.

Chemical Security

House Bill 1052 (failed) would have established requirements for owners and operators of specified facilities relating to the storage, maintenance, and handling of hazardous materials in the State. On or before January 1, 2003, and every three years thereafter, owners or operators would have been required to analyze the security of the facility and to implement improvements, including "inherently safer technologies." Owners and operators would have been required to prohibit unauthorized access to the facility by installing a wall, fencing, or other appropriate structures and to monitor the property, facility, and any adjoining rail lines or other means of access by using security cameras, regular patrols, and other appropriate methods. The bill would have established criminal penalties for violations.

Senate Bill 630/House Bill 1343 (both failed) would have required the Secretary of the Environment to adopt regulations relating to the use of “inherently safer technologies” by owners and operators of specified “chemical sources.” Owners and operators would have to be required to use such technologies or certify that they could not use them for specified reasons. Each owner and operator of a chemical source that would have been subject to the regulations would have had a general duty to: (1) identify hazards that may result from an accidental or a criminal release using appropriate hazard assessment techniques; (2) ensure safer design and maintenance of the chemical source by preventing accidental and criminal releases; and (3) minimize the consequences of any accidental release or criminal release that does occur. The bill would have established civil and criminal penalty provisions for violations.

Environmental Sanitarians

Environmental sanitarians protect the public health and consumer interests by enforcing compliance with federal, State, and local health laws and regulations. Sanitarians perform a variety of functions related to the control of environmental hazards and the preservation and improvement of human health and the environment. To practice as an environmental sanitarian or use the title “registered environmental sanitarian” or the initials “R.S.” in Maryland, a person must be licensed by the State Board of Environmental Sanitarians. The board is scheduled to terminate on July 1, 2003.

During the 2001 interim, the Department of Legislative Services conducted a full evaluation of the board under the Maryland Program Evaluation Act. The department found that, due to the nature of the services provided by environmental sanitarians and the potential impact of these services on citizens’ lives, there is a continued need for regulation of the environmental sanitarian profession. Accordingly, the department recommended that the board be continued and that its termination date be extended to July 1, 2013. In response to the department’s sunset evaluation, *Senate Bill 490 (passed)* and *House Bill 519 (passed)* extend the termination date for the board to July 1, 2013, modify the board’s membership, and establish a reporting requirement for the board.

Contested Case Procedures

The following permits issued by MDE are subject to the right of third parties to request a contested case hearing on MDE’s determination to issue or deny the permits: (1) air quality control permits; (2) permits to install, materially alter, or materially extend landfill systems, incinerators for public use, or specified rubble landfills; (3) permits to discharge pollutants to waters of the State; (4) specified sewage sludge permits; (5) permits to own, operate, establish, or maintain a controlled hazardous substance facility; (6) permits to own, operate, establish, or maintain a hazardous material facility; and (7) permits to own, operate, establish, or maintain a low-level nuclear waste facility.

Senate Bill 848/House Bill 1229 (both passed) establish new procedures and deadlines for the disposition of contested case hearings on such permits.

Agriculture

Nutrient Management

Over the past few years, concern regarding the nutrient over-enrichment of the waters of the State and its implications for promoting the growth of *Pfiesteria* has intensified. One legislative method of addressing this issue has been regulating the management of fertilizer and manure involved in agricultural and poultry operations.

Nutrient Management Program

The Water Quality Improvement Act of 1998 (WQIA), as amended by Chapter 485 of 2000, requires certain farmers to develop nutrient management plans. Agricultural operations with a minimum gross income or number of animals were required to have such a plan for nitrogen, developed by a certified management consultant, by December 31, 2001. For a variety of reasons, including a dearth of certified consultants and problems with public awareness, many operations did not meet this deadline. While the Maryland Department of Agriculture (MDA) has repeatedly stated that it has no intention of fining farmers who did not meet the deadline, four bills were introduced during the 2002 session to address these implementation problems. *House Bill 124 (failed)* would have transferred the nutrient management program from the MDA to the Maryland Department of Environment. In addition, the bill would have provided a process by which a farmer who was required to prepare a nutrient management plan could have received an extension of time in which to develop and implement such a plan. *Senate Bill 303/House Bill 984 (both failed)* would have repealed the current December 31, 2002, deadline for complying with certain nutrient management plans for farmers that did not have a plan completed by October 1, 2002. Furthermore, farmers would have had the opportunity to be taught to prepare their own plans. Finally, under *House Bill 778 (failed)* the minimum annual gross income of an agricultural operation subject to nutrient management plan requirements would have increased from \$2,500 to \$5,000.

Manure Transportation Program

The Manure Transportation Pilot Program, instituted in 1998 as part of the WQIA, assists with the cost of relocating animal litter, primarily poultry litter, from farms with excess manure or phosphorus-enriched soils to those areas where the manure could be more useful. The program provides cost-sharing for poultry manure and other assistance to help farmers transport the excess manure. *House Bill 468 (passed)* removes the “pilot” status from the program and establishes it as an ongoing program.

Agricultural Land Preservation

The Maryland Agricultural Land Preservation Foundation (MALPF) was created by the Maryland General Assembly in 1977 to preserve productive agricultural land and woodland. Agricultural preservation districts are formed when qualifying landowners sign voluntary agreements to keep their land in agricultural or woodland use for at least five years. Landowners who agree to place their farms within an agricultural preservation district may sell a development rights easement on that property to MALPF.

Natural Gas Rights

Under current law, MALPF will purchase an easement on a farm only if the owner or lessee of any mineral rights subordinates those rights to the foundation’s easement. In Western Maryland, because many mineral rights owners are unwilling to subordinate their rights to the foundation, many farms do not participate in the program. *House Bill 567 (passed)* prohibits MALPF from requiring an owner of natural gas rights to subordinate those rights to a MALPF easement if MALPF determines that the exercise of natural gas rights will not interfere with an agricultural operation conducted on land in the agricultural district. This bill only applies to land in Garrett County or Allegany County. An identical bill, House Bill 376, was passed by the General Assembly in 2001 and vetoed by the Governor.

Recommendations of the Maryland Agricultural Land Preservation Foundation

Chapter 634 of 2000 created a task force to study the MALPF. The task force was required to, among other things, study the current program and practices of the foundation and make recommendations to improve the program, practices, and financial standing of the foundation. In its August 2001 report to the Governor and the General Assembly, the task force recommended a number of legislative proposals. The following bills implement a number of those proposals.

Task Force to Study the Maryland Agricultural Land Preservation Foundation: The task force created in 2000 recommended that its charge be extended to complete the development of proposals in the 2003 legislative session. *Senate Bill 544/House Bill 810 (both passed)* were a direct result of that recommendation. The

bills establish an 18-member Task Force to Study the MALPF. Specifically, the task force must study and make recommendations on a number of issues, including: (1) guidelines for farmland preservation acreage goals for each county that complement the State goal; (2) guidelines for designation by counties and certification by the State of priority preservation areas; (3) increased funding from new sources that is targeted to priority preservation areas and that enables the program to achieve its legislative goals; (4) the creation and funding of a statewide critical farms program and methods to encourage the creation of county critical farms programs; (5) current and alternative easement valuation systems under the program; and (6) an installment purchase option. The task force must submit a report of its findings to the Governor and the General Assembly before June 1, 2004.

Easement Sale Application: The task force noted that several procedural processes, including the submission of a landowner's offer to sell an easement, resulted in a delay in reaching settlement. In order to address the issue, the task force recommended that MALPF spread several application periods over the course of a year rather than handling all applications at one time. ***Senate Bill 391/House Bill 999 (both passed)*** implement this recommendation by repealing the requirement that an application to sell an easement be submitted to MALPF by July 1 of the fiscal year in which the application is to be considered; instead, the application deadline is to be determined by the MALPF board of trustees.

Preservation of Agricultural Land: The task force recommended establishing a preliminary statewide goal to preserve 1.1 million acres of productive agricultural land by the year 2020. The acreage goal recommended by the task force represents half the remaining privately-owned farmland in the State. In its report, the task force noted that agricultural land and woodland continue to decline statewide. Although MALPF has preserved 186,000 acres across the State since 1980, 371,000 acres of agricultural land have left the agricultural assessment tax rolls since that time; these lands have been or will ultimately be developed, principally for residential use. Development of agricultural land is expected to continue through 2020 at high rates. In consideration of this recommendation, ***Senate Joint Resolution 10/House Joint Resolution 22 (both passed)*** establish a statewide goal to triple the existing numbers of acres of productive agriculture land preserved by the MALPF, GreenPrint, Rural Legacy, and local preservation programs by the year 2022.

Commercial Use Easements: The task force recommended that the MALPF law be amended to allow limited, nonagricultural commercial uses on MALPF easements and districts while ensuring that allowed activities would not compromise production or the rural character of easement properties. The task force report included several proposed uses, such as large animal veterinary hospitals, horse or animal shows, and corn mazes. The task force viewed such activities as a benefit to farmers and the goals of agricultural land preservation. ***Senate Bill 435/House Bill 998 (both failed)*** would have authorized

MALPF to allow, under specified circumstances, nonagricultural, commercial uses on land subject to a MALPF easement.

Agricultural Products

Maryland Egg Law

House Bill 92 (passed) revises and clarifies multiple provisions of the Maryland Egg Law by: (1) authorizing the MDA to regulate shell eggs that have been altered by new technologies, such as pasteurization or ionizing radiation; (2) clarifying MDA's authority to regulate eggs donated to church groups, soup kitchens, food banks, and similar organizations; (3) authorizing MDA to set quality standards; (4) removing the specifics of the voluntary program related to shell egg production, processing, quality, and size and granting the Secretary general authority to develop voluntary standards to identify shell eggs that exceed the standards required by the statute; and (5) authorizing MDA to impose civil penalties of up to \$5,000, revoke registration, and issue stop sale orders for violations of the Maryland Egg Law.

Milk Sell-by Date

Under current law, a Grade A milk product that is cooled to, packaged at, and stored at 45 degrees Fahrenheit or less before it is purchased by or delivered to the ultimate consumer may be kept for sale for a period of 14 days. *House Bill 845 (passed)* requires the Secretary of Health and Mental Hygiene to establish the sell-by period for each dairy's products. The sell-by period may be up to 17 days.

Maryland Horse Industry Board

In 1998, the General Assembly expanded the responsibilities of the Horse Industry Board, directing it to support equine research, promote the recreational use of horses, create public awareness of the public value of equine activities, and develop and disseminate equine industry information. *House Bill 467 (passed)* authorizes the MDA to establish an assessment of up to \$2 per ton on commercial horse feed that is sold in Maryland. The assessment must be paid by the person registering the feed, that is, offering the feed for sale, and collected fees must be paid into the Maryland Horse Industry Fund. These fees are then used for the equine industry support activities required of the board. MDA must adopt regulatory guidelines for collecting and reporting the fees, as well as procedures to allow for reimbursement of the fee.

Infectious and Contagious Diseases

Introduced as part of the Governor's anti-terrorism package, *Senate Bill 236 (passed)/House Bill 304 (Ch. 6)* authorize the Secretary of Agriculture to apply to certain courts for an administrative search warrant to conduct inspections to ensure compliance with State laws regarding the prevention of infectious and contagious livestock and poultry diseases. For a more detailed discussion of this bill, see the subpart "Anti-Terrorism" under Part C - State Government of this *90 Day Report*.

Animal Cruelty

In 2001, the General Assembly made certain acts of animal cruelty felonies. Specifically, the intentional mutilation, torture, or cruel killing of an animal, including allowing a dog or bird to be used in a dog or cockfight, were made felonies punishable by up to three years in jail. *House Bill 32 (passed)* follows up on that legislation by requiring the State Board of Veterinary Medical Examiners to adopt regulations encouraging a veterinary practitioner to report suspected instances of animal cruelty to a local law enforcement or animal welfare agency. The bill also affords a veterinary practitioner immunity from any civil liability that results from a good faith report of suspected animal cruelty.

Part L

Education

Education – Primary and Secondary

Bridge to Excellence in Public Schools Act

Based on a framework established by the Commission on Education Finance, Equity, and Excellence (the Thornton Commission), *Senate Bill 856 (passed)* restructures Maryland's public primary and secondary education financing system and phases in enhanced State aid for education over a period of six fiscal years. Additional fiscal 2003 State aid of \$74.7 million is financed through a 34-cent increase in the State tax on packs of cigarettes. Between fiscal 2004 and 2008, 27 existing State aid programs are eliminated and the funding that was provided through the programs is replaced with enhanced funding through programs that distribute State aid to local school systems based on student enrollments and local wealth. By fiscal 2008, the State will provide an additional \$1.3 billion in education funding to local school systems above what the State would have provided under the existing State aid structure.

Background

The Commission on Education Finance, Equity, and Excellence was established by legislation enacted in 1999. The 21-member commission was charged with examining the State's education financing and accountability systems and making recommendations to ensure equitable and adequate funding for public schools. The commission's final report was submitted to the Governor and the General Assembly in January 2002 and included recommendations founded on a standards-based approach to school financing. In this approach, the role of the State is to: (1) set academic performance standards for students; (2) ensure that schools have sufficient resources to achieve the standards; and (3) hold schools and school systems accountable when they fail to meet standards. Since the establishment of the Maryland School Performance Assessment Program (MSPAP) in the early 1990s, Maryland has had statewide academic

performance standards and a nationally-recognized accountability system. However, the standards-based approach to school finance includes two significant departures from Maryland's existing school finance structure. First, the approach demands that a link be established between the level of funding that school systems receive and the outcomes that are expected of students. Second, the approach gives local school systems broad flexibility to decide how to best utilize resources to meet the needs of their students.

Establishing a Link Between Inputs and Outcomes: The Thornton Commission attempted to establish a rational link between the amount of funding that is needed to ensure that schools and school systems can meet State performance standards and the amount of State funding that is provided to school systems. To accomplish this goal, the commission used results from "adequacy" studies conducted by a private consultant for the commission. The studies estimated per pupil costs that would be needed to ensure that students with no special needs could meet State standards. In addition, the studies estimated the additional costs associated with adequately serving students in three special needs categories: special education students, students with limited English proficiency, and economically disadvantaged students (as measured by eligibility for free and reduced price meals). In accordance with the commission's findings, ***Senate Bill 856*** establishes funding formulas that are directly linked to the estimated costs of achieving State performance standards.

Increased Local Flexibility: Many of the approximately 50 existing State aid programs provide restricted funding to local school systems that must be used for specific programs or purposes. Under this model of funding, accountability is driven by educational inputs such as the implementation of specific programs, the reduction of class sizes, or increases to teachers' salaries. In a pure standards-based approach, accountability is driven exclusively by the educational outputs (i.e., student performance) that a school system achieves. This approach assumes that local school boards and superintendents are in the best position to make decisions about how to use education funding. ***Senate Bill 856*** provides local school systems with education funding through flexible block grants and requires the Maryland State Department of Education (MSDE) to track more closely student performance among all student populations. When a school system is not meeting expectations, the State is granted additional authority to take actions that will improve the system.

Tobacco Tax

To enable the State to begin enhancing education funding in fiscal 2003, ***Senate Bill 856*** increases the tobacco tax on a pack of cigarettes from 66 cents to \$1 beginning June 1, 2002. The increased tax rate is expected to yield approximately \$101.4 million in fiscal 2003, and the first \$80.5 million it generates will be placed in a special fund that will be used to provide funding for ***Senate Bill 856***, ***Senate Bill 419/House Bill 371 (both passed)***, ***Senate Bill 737 (passed)***, and ***House Bill 949 (passed)***. (For a further discussion of ***Senate Bill 419/House Bill 371***, ***Senate Bill 737***, and ***House Bill 949***,

respectively, see “Maryland Infants and Toddlers Program,” “Adult Education,” and “Restructuring of the Prince George’s County Board of Education,” respectively within this part of *The 90 Day Report*.) Revenues generated after the first \$80.5 million will be placed in the State’s general fund. After fiscal 2003, the increased tobacco tax rate is expected to generate approximately \$70 million annually, and all of the revenues will be placed in the general fund.

Enhanced State Aid for Education

Fiscal 2003 Bridge Funding: *Senate Bill 856* provides for \$80.5 million in additional State aid for education in fiscal 2003, including \$64.7 million in unrestricted grants that will be distributed to all 24 local school systems and an additional \$10 million board of education restructuring grant for Prince George’s County. The board restructuring grant for Prince George’s County is contingent on the enactment of *House Bill 949 (passed)* and the approval of a comprehensive master plan for the system. The legislation includes the funds for enhancing infants and toddlers and adult education programs. The funding will be added to the State aid that local systems will receive in fiscal 2003. The distribution of the fiscal 2003 bridge funding is shown in **Exhibit L.1**.

Three high wealth counties -- Montgomery, Talbot, and Worcester -- must make a local education effort equal to at least 80 percent of the State average to receive their bridge funding. Based on each county’s fiscal 2002 local education appropriation relative to local wealth, Talbot and Worcester could be impacted by this requirement.

The Phase-in of New Funding Formulas: From fiscal 2004 to 2008, *Senate Bill 856* phases in enhanced funding for education based on a structure recommended by the Thornton Commission. Twenty-seven existing State education aid programs are eliminated or phased out, and the funding for the programs is replaced by enhanced funding for four programs -- one based on total student enrollment and three based on the enrollments of three categories of students with special needs. The bill also establishes a new State aid program, the Guaranteed Tax Base Program, and increases State aid for student transportation. Under the funding formulas established in the bill, greater proportions of State aid are targeted to school systems with low wealth and school systems with high numbers of students with special needs. The State aid programs established in the bill are discussed below.

Foundation Program: *Senate Bill 856* changes the name of the program that funds a base per pupil amount for all students in the State from the Basic Current Expense Program to the Foundation Program. A higher per pupil amount to be shared by the State and local governments is phased in from fiscal 2004 to 2008. During the phase-in period, the full-time equivalent enrollment value for a kindergarten student is increased from 0.5 to 1.0. The overall State share of the Foundation Program is 50 percent. By fiscal 2008, the minimum State share of the per pupil foundation amount that a local school system may receive is 15 percent.

Exhibit L.1
FY 2003 Bridge Funding
SB 856

<u>School System</u>	<u>Bridge to Excellence (SB 856)</u>	<u>Board Restructuring Grant (SB 856)</u>	<u>Infants & Toddlers (SB 419/HB 371)</u>	<u>Adult Education (SB 737)</u>	<u>Subtotal</u>	<u>Earmarked Disparity Grant (SB 856)</u>	<u>Total</u>
Allegany	\$2,890,661 ¹		\$75,618	\$25,387	\$2,991,666	\$497,884	\$3,489,550
Anne Arundel	2,368,568		479,666	89,383	2,937,617		2,937,617
Baltimore City	18,684,668		747,150	152,492	19,584,310	4,326,695	23,911,005
Baltimore	3,087,705		638,238	172,578	3,898,521		3,898,521
Calvert	793,974		45,709	22,930	862,613		862,613
Caroline	929,352		24,265	4,330	957,947	140,125	1,098,072
Carroll	936,689		116,813	35,782	1,089,284		1,089,284
Cecil	900,472		53,045	14,410	967,927		967,927
Charles	1,278,854		69,410	61,921	1,410,185		1,410,185
Dorchester	408,720		38,373	7,319	454,412		454,412
Frederick	1,912,848		207,667	35,170	2,155,685		2,155,685
Garrett	312,282		15,236	6,028	333,546	10,626	344,172
Harford	1,811,353		291,750	35,584	2,138,687		2,138,687
Howard	1,849,594		264,663	57,182	2,171,439		2,171,439
Kent	120,310		4,515	3,871	128,696		128,696
Montgomery	7,586,129		835,183	134,114	8,555,426		8,555,426
Prince George's	12,527,220	10,000,000 ²	536,661	143,579	23,207,460	5,325,793	28,533,253
Queen Anne's	105,717		23,701	8,956	138,374		138,374
St. Mary's	496,593		71,668	10,388	578,649		578,649
Somerset	556,384		7,336	8,414	572,134	164,435	736,569
Talbot	1,009,900 ³		15,236	4,031	1,029,167		1,029,167
Washington	1,181,006		104,398	36,038	1,321,442	876,584	2,198,026
Wicomico	1,410,573		82,954	19,662	1,513,189	562,430	2,075,619
Worcester	1,497,263 ³		17,494	10,471	1,525,228		1,525,228
Total	\$64,656,835	\$10,000,000	\$4,766,749	\$1,100,020	\$80,523,604	\$11,904,572	\$92,428,176

¹ Includes the continuation of the FY 2002 \$1 million Allegany County Resource Deficiency Grant.

² \$10 million for Prince George's County is contingent on the passage of HB 949 and the approval of a master plan for the school system.

³ The grant amounts for Talbot and Worcester counties are dependent on increases to local education effort that would bring the counties to at least 80% of the statewide average. If this level of local education funding is not achieved, the funding levels would be \$417,165 and \$523,004 respectively.

In fiscal 2004, the State share of the Foundation Program will be increased for Baltimore City and Anne Arundel, Howard, and Montgomery counties to account for higher educational costs in these school systems identified from a study conducted for the National Center for Education Statistics. By September 30, 2002, MSDE must contract with a private entity to develop a geographic cost of education index specific to Maryland. Beginning in fiscal 2005, the State share of the Foundation Program will be adjusted to reflect cost differences identified in the development of the index.

Formulas for Students with Special Needs: Based on the work of the Thornton Commission, *Senate Bill 856* enhances the amount and proportion of State aid that is based on special education, limited English proficient, and economically disadvantaged student enrollments. The amount of State aid distributed through the formulas is linked to the per pupil amounts identified in the adequacy studies as the appropriate levels of funding needed to ensure that students with special needs can meet State performance standards. An overall State share of 50 percent for each program is phased in from fiscal 2004 to 2008. Local school systems receive a share of the funding for the programs based on local enrollments of special needs students and local wealth. Less wealthy jurisdictions receive a greater share of the per pupil funding, although, by fiscal 2008, no school system may receive less than a 40 percent State share of the per pupil amounts identified in the formulas.

The calculation of State aid through the three special needs formulas use enrollments from the prior fiscal year. However, in fiscal 2004, enrollments from the second prior fiscal year will be used for school systems with declining enrollments.

Guaranteed Tax Base Program: To provide an incentive for low wealth jurisdictions to increase their local board of education appropriations, *Senate Bill 856* establishes the Guaranteed Tax Base Program, which will be phased in between fiscal 2005 and 2008. The program distributes State funding to local jurisdictions that: (1) have less than 80 percent of the statewide wealth per pupil; and (2) provide local education funding above the local share required under the Foundation Program. The amount provided to each local school system is equal to the additional funding that would have been provided by the local government if the same education tax effort was made and the jurisdiction had the wealth base that is “guaranteed.” Regardless of local education tax effort, local school systems may not receive more per pupil than 20 percent of the base per pupil amount established in the Foundation Program.

Enhanced Student Transportation Aid: *Senate Bill 856* enhances State aid for base student transportation grants as well as grants for the transportation of disabled students. The base transportation grant is enhanced for 15 counties that experienced aggregate enrollment increases between 1980 and 1995, a time when the transportation formula did not include annual adjustments for enrollment increases. For eligible local school systems, the enhancements equal the increase in full-time equivalent enrollment

from September 30, 1980 to September 30, 1995, times the fiscal 2002 statewide average per pupil base transportation grant.

The amount each school system receives per student who requires special transportation services is increased from \$500 to \$1,000 by fiscal 2008. In addition, the existing offset for the number of disabled students transported in the 1980-1981 school year is eliminated.

Teachers' Retirement Costs: Teachers' retirement remains a State-paid categorical program under *Senate Bill 856*. In addition, the bill requires the State Retirement Agency to pay the retirement costs for all members of the Teachers' Pension System and the Teachers' Retirement System whose salaries are paid with funding from any State aid program. Currently local school systems reimburse the State for retirement costs associated with teachers funded through categorical programs.

State Aid Programs That Are Eliminated: To further the shift towards a standards-based approach to education funding, *Senate Bill 856* phases out or eliminates 27 State aid programs. The bill eliminates the following mandated State aid programs by fiscal 2008: the Governor's Teacher Salary Challenge Program; the Baltimore City-State Partnership; the Extended Elementary Education Program; Excellence in Education Incentive Grant Program; teacher mentoring; school library media incentives; the Maryland Learning Success Program (class size initiative); magnet schools; targeted improvement grants; targeted poverty I grants; additional poverty grants; the Effective Schools Program; integrated student support services; provisional teacher development and certification initiatives; teacher development grants; and the Academic Intervention and Support Program.

In addition, the bill states that it is the intent of the General Assembly that the following discretionary programs receive no funding in the State budget in future years: environmental education; the Maryland Student Service Alliance; the pre-kindergarten through third grade initiative; Allegany County resource deficiencies; high school assessment fees; foster care assessment; rural schools performance; rural school nurses; Potomac High School; pilot summer program; and Baltimore City teacher certification.

Affirmation of the State's Ability to Provide Enhanced State Aid: Total fiscal 2004 to 2008 State aid for education provided under each funding program is shown in **Exhibit L.2**. The exhibit shows that by fiscal 2008 the State will provide an estimated \$1.3 billion in additional aid for education under *Senate Bill 856*. The bill requires the General Assembly to affirm by joint resolution during the 2004 legislative session that the fiscal 2005 aid amount is within the State's fiscal resources. If the resolution is not adopted by the fiftieth day of the session, fiscal 2005 State aid for each jurisdiction will increase by 5 percent from fiscal 2004 to 2005 and by 5 to 6 percent annually from fiscal 2006 to 2008.

Exhibit L.2
Estimated State Aid
Fiscal 2004 to 2008
(\$ in Millions)

Program	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Foundation	\$2,005.4	\$2,144.7	\$2,345.8	\$2,522.9	\$2,750.8
Compensatory Ed	357.5	490.2	600.2	741.2	891.9
Special Ed	114.3	155.2	188.6	230.9	277.1
Limited English Profic.	38.3	55.7	73.1	97.1	126.3
Guaranteed Tax Base	0.0	21.9	43.7	67.5	88.6
Transportation	166.5	175.3	184.0	193.1	201.8
Teachers Retirement	373.0	393.5	414.4	446.0	482.8
City Partnership	28.2	21.1	14.1	0.0	0.0
Salary Challenge	36.5	18.3	0.0	0.0	0.0
EEEEP	19.3	19.3	19.3	19.3	0.0
Other Programs	199.4	210.9	223.5	237.3	252.5
Subtotal	\$3,338.4	\$3,706.1	\$4,106.8	\$4,555.3	\$5,071.9
Aid w/Existing Structure	\$3,190.6	\$3,341.8	\$3,467.6	\$3,607.3	\$3,766.2
Increase from SB 856	\$147.8	\$364.3	\$639.2	\$948.0	\$1,305.7

Local Funding for Education: *Senate Bill 856* requires eight local jurisdiction (Baltimore City and Allegany, Caroline, Garrett, Prince George's, Somerset, Washington, and Wicomico counties) to earmark a portion of the disparity grants they receive from the State in fiscal 2003 to enhance local funding for education. The earmarked portions of the disparity grants must be used to provide local education appropriations above the maintenance of effort requirement. The amounts that each jurisdiction must earmark, which total \$11.9 million, are shown in Exhibit L.1.

Estimated State Aid Increases by Local School System: The estimated fiscal 2004 to 2008 State aid increases provided by *Senate Bill 856* are shown in **Exhibit L.3**. The estimated percentage increase in State aid from fiscal 2002 to 2008 for each county is shown in **Exhibit L.4**.

Exhibit L.3
Estimated Increases in State Aid over Current Law under Senate Bill 856
FY 2004 to 2008

<u>School System</u>	<u>Total Dollars in Millions</u>					<u>Per Pupil Dollars</u>				
	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Allegany	\$2.8	\$7.4	\$12.8	\$18.9	\$25.1	\$287	\$766	\$1,340	\$2,005	\$2,711
Anne Arundel	4.4	15.1	28.5	44.2	60.4	60	204	387	600	822
Baltimore City	28.1	68.9	125.5	187.6	258.6	309	775	1,443	2,179	3,069
Baltimore	7.4	26.7	51.3	82.0	120.1	71	257	497	797	1,174
Calvert	2.8	6.4	10.4	14.0	18.3	171	380	624	839	1,095
Caroline	2.4	4.8	7.8	10.9	13.6	453	911	1,476	2,052	2,588
Carroll	3.1	5.9	12.0	17.3	23.9	112	209	424	613	846
Cecil	2.3	5.6	10.7	15.8	21.9	147	358	680	1,000	1,376
Charles	4.3	8.6	15.2	22.0	30.4	181	362	634	898	1,231
Dorchester	1.1	2.4	3.9	5.6	6.7	236	528	872	1,267	1,543
Frederick	6.3	11.1	20.6	29.8	42.6	165	289	529	751	1,063
Garrett	0.6	1.6	2.9	4.3	5.4	125	334	628	914	1,159
Harford	5.8	11.0	20.4	29.1	38.3	148	279	519	740	974
Howard	6.3	10.8	19.2	28.5	39.2	135	230	402	588	806
Kent	0.1	0.5	1.2	2.0	2.2	54	200	469	793	902
Montgomery	19.1	40.6	67.8	105.4	152.4	141	297	493	761	1,101
Prince George's	36.9	108.5	179.6	258.7	350.4	278	815	1,350	1,945	2,654
Queen Anne's	0.4	1.0	2.3	3.7	5.0	56	140	316	507	687
St. Mary's	1.6	3.3	6.9	10.0	12.8	105	224	465	673	860
Somerset	1.1	2.9	5.1	7.6	10.2	389	1,027	1,807	2,716	3,668
Talbot	3.8	5.1	6.2	7.0	7.2	889	1,197	1,501	1,672	1,714
Washington	3.4	6.9	12.4	17.7	23.1	175	350	632	904	1,187
Wicomico	3.6	8.6	15.7	24.9	37.7	265	636	1,167	1,820	2,725
Worcester	4.7	6.2	6.8	7.5	7.4	710	934	1,003	1,106	1,097
Unallocated	(4.6)	(5.7)	(6.3)	(6.6)	(7.3)	(5)	(7)	(7)	(8)	(9)
Total	\$147.8	\$364.3	\$639.2	\$948.0	\$1,305.7	\$176	\$433	\$760	\$1,125	\$1,555

This chart does not include proposed enhancements to Infants & Toddlers and Adult Education grants that would be implemented through other legislation. These estimates assume that the cost index developed for implementation in FY 2005 would identify greater cost differentials than the GCEI.

Prepared by: The Department of Legislative Services and the Maryland State Department of Education

Exhibit L.4
State Education Aid Including SB 856 Enhancements
FY 2002 to 2008

<u>School System</u>	<u>Total (\$ in Millions)</u>				<u>Per Pupil</u>			
	<u>FY 2002</u>	<u>FY 2008</u>	<u>Increase</u>	<u>Percent Increase</u>	<u>FY 2002</u>	<u>FY 2008</u>	<u>Increase</u>	<u>Percent Increase</u>
Allegany	\$47.7	\$82.4	\$34.6	72.5%	\$4,698	\$8,884	\$4,185	89.1%
Anne Arundel	200.8	309.9	109.1	54.3%	2,733	4,216	1,483	54.3%
Baltimore City	583.4	958.6	375.2	64.3%	6,073	11,381	5,308	87.4%
Baltimore	306.6	527.2	220.6	72.0%	2,960	5,153	2,193	74.1%
Calvert	49.4	86.7	37.3	75.4%	3,121	5,181	2,061	66.0%
Caroline	24.5	45.1	20.6	84.4%	4,572	8,559	3,987	87.2%
Carroll	89.2	140.8	51.6	57.9%	3,264	4,995	1,731	53.0%
Cecil	57.7	97.4	39.7	68.8%	3,743	6,128	2,386	63.7%
Charles	80.9	141.1	60.2	74.4%	3,562	5,722	2,161	60.7%
Dorchester	19.8	30.6	10.7	54.0%	4,258	7,033	2,775	65.2%
Frederick	114.1	200.9	86.8	76.1%	3,155	5,008	1,853	58.7%
Garrett	20.2	30.2	10.0	49.5%	4,203	6,493	2,289	54.5%
Harford	127.9	201.9	74.0	57.9%	3,315	5,136	1,821	54.9%
Howard	117.0	194.9	77.9	66.6%	2,637	4,000	1,363	51.7%
Kent	9.1	13.2	4.1	44.9%	3,400	5,351	1,951	57.4%
Montgomery	274.2	537.1	263.0	95.9%	2,084	3,879	1,795	86.2%
Prince George's	509.7	1,056.0	546.3	107.2%	3,921	7,998	4,077	104.0%
Queen Anne's	21.1	32.1	11.0	51.9%	3,056	4,393	1,337	43.7%
St. Mary's	52.3	79.6	27.3	52.3%	3,591	5,362	1,771	49.3%
Somerset	14.0	27.9	13.9	99.8%	4,807	10,067	5,261	109.4%
Talbot	7.1	13.6	6.5	90.5%	1,646	3,255	1,610	97.8%
Washington	69.6	111.3	41.7	59.9%	3,583	5,710	2,127	59.4%
Wicomico	54.5	109.6	55.1	101.2%	4,017	7,932	3,914	97.4%
Worcester	11.0	21.4	10.4	94.3%	1,656	3,167	1,511	91.3%
Unallocated	21.0	22.5	1.5	7.1%	25	27	2	6.1%
Total	\$2,882.7	\$5,071.9	\$2,189.2	75.9%	\$3,469	\$6,043	\$2,574	74.2%

Public School Facilities: The Thornton Commission did not evaluate the adequacy of the State's public school facilities because this fell outside the scope of the commission's charge. However, in its final report, the commission noted that adequate public school facilities are a necessary component of a good public school system. The commission recommended that a new task force be established to study issues relating to public school facilities. *Senate Bill 856* includes language that establishes a Task Force to Study Public School Facilities. It also includes language that extends special rules governing school construction projects in Prince George's County and Baltimore City through fiscal 2004. These aspects of *Senate Bill 856* are discussed under "Public School Facilities" within this part of *The 90 Day Report*.

Accountability

The standards-based model of school finance requires strong accountability policies. Local school systems must have clear guidance on the performance standards that students are expected to accomplish and must understand the consequences of not meeting standards. *Senate Bill 856* does not alter the State's accountability system but does require each local school system to develop a comprehensive master plan that describes the strategies that will be used to improve performance in every segment of the student population. Each plan must include goals that are aligned with State standards, implementation strategies, methods for measuring progress toward meeting goals, and time lines for the implementation of strategies. If any segment of the student population in a school system fails to demonstrate progress toward meeting performance standards, the State Superintendent of Schools must review the system's plan and may require the system to make changes to its plan. The State Board of Education may withhold funding from a school system that fails to demonstrate progress toward State standards and fails to develop an adequate plan. With the exception of the Prince George's County Public School System, all local school systems must submit the master plans by October 1, 2003. The Prince George's County school system must submit its plan by September 30, 2002, and the State Superintendent of Schools may not release Prince George's County's fiscal 2003 \$10 million board of education restructuring grant until the plan has been approved.

Senate Bill 856 also requires each local board of education to provide a report on its annual audit to the Joint Audit Committee of the General Assembly; the Senate Budget and Taxation Committee; the Senate Education, Health, and Environmental Affairs Committee; the House Appropriations Committee; and the House Committee on Ways and Means.

To ensure that the enhanced State aid is having the intended impact on student performance and total funding for education, the bill also requires the State to fund an evaluation of the impact of the enhanced State aid by December 2008. In addition, a new adequacy study must be completed by June 2012 to gauge the State's progress toward achieving adequate funding for public schools.

Kindergarten and Pre-Kindergarten

In recognition of the importance of early childhood educational experiences, *Senate Bill 856* requires every school system to provide full-day kindergarten for all students by the 2007-2008 school year. Also by the 2007-2008 school year, each school system must make publicly funded pre-kindergarten programs available to all economically disadvantaged four-year-old children. Each school system must identify the strategies that will be used to accomplish these requirements in its comprehensive master plan.

Help for Struggling School Systems

Baltimore City-State Partnership

In 1997, following a consent decree approved by the Baltimore City Circuit Court regarding the Baltimore City Public School System (BCPSS), the General Assembly passed legislation establishing the Baltimore City-State Partnership. At the time, BCPSS was struggling with the poor academic performance of its students, and there were questions about the system's administration and accountability. The partnership legislation restructured the Baltimore City school board, increased State oversight of BCPSS, and provided a total of \$230 million in additional State operating aid from fiscal 1998 to 2002. Legislation passed in the 2001 legislative session extended the fiscal 2002 sunset on partnership funding through fiscal 2003.

The 1997 legislation that created the partnership required a final comprehensive evaluation of the school system by December 1, 2001. This evaluation was conducted by Westat and was presented to the General Assembly on January 17, 2002. Westat concluded that the partnership has worked well to improve student achievement and system management and recommended that the partnership continue. In addition, Westat recommended that BCPSS make a greater effort to engage teachers in the school reform movement. BCPSS asked that the General Assembly continue to provide support to the school system as the system continues its reform efforts.

Senate Bill 687/House Bill 853 (both passed) update the partnership to ensure its continuation and to reflect the recommendations of the Westat evaluation. The bills remove "New" from the name of the New Baltimore City Board of School Commissioners and require the Chief Executive Officer of BCPSS to submit a new five-year master plan to the board by June 1, 2002. The city board must submit the plan to the State Board of Education and the State Superintendent by July 30, 2002, and must begin implementing the plan by August 30, 2002. The master plan must incorporate the recommendations of the 1992 Towers Perrin/Cresap Management Study Report, the 1994 and 1995 MGT of America, Inc. reports, and the December 2001 final evaluation of the City-State Partnership by Westat, as well as other specific information. The bills also state that the master plan satisfies any other requirements in law or regulation for a master plan by the school system.

The bills also require the State to continue to provide additional funding for the partnership if *Senate Bill 856* is not enacted. In addition, the maximum aggregate principal amount of bonds that the Baltimore City Board of School Commissioners may issue is increased from \$25 million to \$75 million. (The same increase in bonding authority was established in *Senate Bill 295/House Bill 577 (both passed)*).

Senate Bill 687/House Bill 853 also require Baltimore City to transfer the real property assets associated with operations of BCPSS to the city board by June 30, 2009. BCPSS must submit a written plan for the property transfer to MSDE by June 30, 2002. State funds for the construction of new schools in Baltimore City may only be approved on sites owned by the Baltimore City Board of School Commissioners. Under the bill, Baltimore City also must continue to work with BCPSS to eliminate environmental hazards within public school buildings. Further, a memorandum of understanding between the city and BCPSS must be developed to ensure that the city continues to support hazard elimination after the transfer of property has occurred.

Additional meeting requirements are also established in the bills. *Senate Bill 687/House Bill 853* declare the intent of the General Assembly that the CEO, Chief Academic Officer, Chief Operating Officer, and Special Education Officer for BCPSS as well as the State Superintendent of Schools and Assistant State Superintendent for Special Education meet at least quarterly with the Special Master for Vaughn G., et al. v. Mayor and City Council, et al. After six meetings, the meeting schedule may be altered by the CEO and the State Superintendent. Justification for altering the schedule must be provided to the General Assembly. Executive level representatives from BCPSS, MSDE, and the Interagency Committee on Public School Construction must also develop a mechanism to communicate quarterly on issues relating to facility planning in BCPSS. The State Superintendent may modify the communication schedule after six meetings, provided that justification is given to the General Assembly.

Finally, the bills continue the existing appointment process for members of the Baltimore City Board of School Commissioners. The State Board of Education must continue to submit a list of qualified candidates to the Governor and the Mayor of Baltimore City, who jointly appoint individuals from the list to the city board.

Restructuring of the Prince George's County Board of Education

Organizational Structure: After years of controversy surrounding management of the Prince George's County school system, the General Assembly passed legislation that restructures the Prince George's County Board of Education and modifies the organizational structure of the school system. *House Bill 949 (passed)* replaces the current nine-member elected school board with an appointed school board, jointly appointed by the Governor and the County Executive from a list submitted by the State Board of Education, that will serve until December 3, 2006. On December 4, 2006, the school board will become a nine-member elected school board. Five members will be elected from individual school-board districts by the registered voters of the entire county

and four members will be at-large members elected by the voters of the entire county. The restructuring under *House Bill 949* follows several years of conflict between the Prince George's County Board of Education and the county's Superintendent of Schools, which culminated in the school board's February 2002 decision to dismiss the Superintendent of Schools. After the school board's decision was overturned by the State Board of Education, the school board filed an appeal that was still pending at the close of the 2002 session.

The organizational structure of the new appointed board created by *House Bill 949* is very similar to the Baltimore City Board of School Commissioners. It includes a Chief Executive Officer (CEO), a Chief Financial Officer, a Chief Academic Officer, and a Chief Accountability Officer. The bill provides that the provisions of current law that give the State Superintendent authority to approve the employment of a CEO or to remove a CEO do not apply to the CEO of the New Prince George's County Board of Education. In order to allow for a smooth transition when the bill becomes effective on June 1, 2002, *House Bill 949* allows the new school board to employ an interim administrator until the earlier of the hiring of an interim CEO or the appointment of a permanent CEO. The bill terminates the Management Oversight Panel that was established by the General Assembly in 1998 for the purpose of monitoring the implementation of recommendations that resulted from a performance audit of the Prince George's County school system.

Additional Education Aid for Prince George's Schools: House Bill 949 includes several provisions that provide financial assistance to the Prince George's County school system. The bill requires the Prince George's County Council to impose a telephone tax of at least 5 percent on telecommunications services in Prince George's County and requires the county council to use the proceeds of the tax for operating expenditures of the county's school system. The bill requires that the tax be imposed on any telecommunications service that: (1) originates and terminates in the county; or (2) originates or terminates in the county and has a service address outside the county. It is estimated that a 5 percent tax will raise about \$20 million in new revenues. For a more detailed discussion of the telecommunications tax and its impact on county revenues, see "Miscellaneous Taxes" under Part B of this *90 Day Report*. The bill extends special rules governing the State and local cost shares for Prince George's County school construction projects through fiscal 2007. These special rules are discussed under the subheading "Public School Facilities" below. Under *Senate Bill 856* (discussed under the subheading "Bridge to Excellence in Public Schools Act" within this part of *The 90 Day Report*) a \$10,000,000 State grant is provided for the Prince George's County school system in fiscal 2003, contingent on the enactment of *House Bill 949*. However, if *Senate Bill 856* is not signed by the Governor, *House Bill 949* requires the Governor to include an additional \$20,000,000 million in the State budgets for fiscal 2004 through 2007 to fund school reform efforts in Prince George's County.

Public School Facilities

Task Force to Study Public School Facilities

The General Assembly passed two bills during the 2002 session that create a Task Force to Study Public School Facilities. With a few exceptions, the task forces created by *Senate Bill 856* and *House Bill 937 (passed)* are identical. Under both bills, the mission of the task force is to review, evaluate, and make findings and recommendations by December 2002 regarding the following issues: (1) whether public school facilities are adequate to support programs funded through an adequate operating budget as proposed by the Commission on Education Finance, Equity, and Excellence in its January 2002 Final Report; (2) the equity of the State's public school construction program, particularly the equity of the State and local cost shares for school construction projects; (3) whether the Aging Schools Program should be continued as a permanent program; and (4) any other matter that the task force determines to be relevant to an evaluation of the adequacy and equity of the State's public school construction program.

In addition, *House Bill 937* requires the task force to review, evaluate, and make findings and recommendations regarding the issue of whether the State should provide a greater share of eligible costs for schools with 50 percent or more of its students eligible for free and reduced price meals, small schools constructed or renovated in a priority funding area, and schools located in qualified distressed counties. *House Bill 937* also alters the composition of the task force by replacing the Executive Director of the Interagency Committee on School Construction (IAC) with the Secretary of Planning, who is a member of the IAC. If both *Senate Bill 856* and *House Bill 937* are signed by the Governor, the provisions of *House Bill 937* will govern the work of the Task Force to Study Public School Facilities.

Aging Schools Program

Since fiscal 1999 the State has distributed a total of \$10,370,000 to county boards of education each year under the Aging Schools Program to support the renovation and maintenance of aging schools, with each county board of education receiving a specific grant amount that is identified in statute. These grant amounts are based primarily on April 1995 data regarding the amount of square footage in each county of schools facilities that were constructed before 1960 that have not been renovated since that date.

This program is scheduled to terminate at the end of fiscal 2003. *Senate Bill 856* extends the life of the Aging Schools Program for one year, until the end of fiscal 2004. *House Bill 937* deletes the termination date for the program and modifies the allocation method for State funds distributed under the program to require that these funds be distributed to counties based on current data regarding the total square footage in each county of school facilities that were constructed before 1960 that have not been renovated since that date. Under the bill, each county will receive a share of the \$10,370,000 total program funding that is proportional to each county's share of the local square footage of facilities constructed before 1960 that have not been renovated since that date. **Exhibit L.5** shows the current allocation and the allocation proposed in *House*

Bill 937. If both *Senate Bill 856* and *House Bill 937* are signed by the Governor, the provisions of *House Bill 937* will govern the administration of the Aging Schools Program.

State and Local Cost Shares for Public School Construction Projects

The amount of State funds allocated each year for public school construction projects in a particular county is generally decided by the Interagency Committee on School Construction and the Board of Public Works. The extent to which the State shares in the cost of school construction projects in a particular county is generally determined by rules and regulations promulgated by the Board of Public Works. However, legislation enacted in 1998 and 2001 established specific rules that apply to school construction projects in Prince George's County and Baltimore City until the end of fiscal 2003. For Prince George's County, and contingent on future economic conditions the State is required to provide at least \$35 million for public school construction projects. These funds must be used for projects in which the State pays for 75 percent of the eligible construction costs. For funding above \$35 million, the State share of eligible construction costs is 60 percent. For Baltimore City, the State is required to use the first \$20 million in State funding for public school construction projects to pay for 90 percent of the eligible costs of the projects. For funding above \$20 million, the State share of eligible construction costs is 75 percent. (The Board of Public Works adopted a rule in 1997 to provide 90 percent of eligible costs for projects in Baltimore City up to \$10 million, and 75 percent of eligible costs above \$10 million for fiscal 1998 to 2002. This was consistent with the provisions or the consent decree on the Baltimore City-State Partnership.)

Two bills that were passed by the General Assembly during the 2002 session modify the special rules governing school construction projects in Prince George's County and Baltimore City. *Senate Bill 856* extends the applicability of these rules through fiscal 2004. *House Bill 949* extends the special rules governing Prince George's County through fiscal 2007. *House Bill 949* also provides that for fiscal 2004 through 2007, the State share of eligible costs for funding above \$35 million is 65 percent rather than 60 percent. If both *Senate Bill 856* and *House Bill 949* are signed by the Governor, the provisions of *House Bill 949* will govern the school construction program in Prince George's County.

Exhibit L.5
Aging Schools Program Allocation Based on HB 937

<u>County</u>	<u>Current Allocation</u>	<u>Proposed Allocation</u>	<u>Difference</u>
Allegany	\$355,000	\$206,705	(\$148,295)
Anne Arundel	570,000	659,580	89,580
Baltimore City	1,635,000	3,316,106	1,681,106
Baltimore	2,940,000	2,665,788	(274,212)
Calvert	65,000	60,862	(4,138)
Caroline	85,000	88,074	3,074
Carroll	385,000	278,004	(106,996)
Cecil	355,000	177,887	(177,113)
Charles	65,000	0	(65,000)
Dorchester	65,000	0	(65,000)
Frederick	85,000	105,815	20,815
Garrett	85,000	62,871	(22,129)
Harford	400,000	384,740	(15,260)
Howard	65,000	24,932	(40,068)
Kent	65,000	53,645	(11,355)
Montgomery	1,170,000	256,313	(913,687)
Prince George's	970,000	1,300,659	330,659
Queen Anne's	85,000	32,578	(52,422)
St. Mary's	85,000	152,226	67,226
Somerset	65,000	0	(65,000)
Talbot	155,000	107,824	(47,176)
Washington	200,000	276,694	76,694
Wicomico	355,000	149,054	(205,946)
Worcester	65,000	9,643	(55,357)
Total	\$10,370,000	\$10,370,000	\$0

Increased Collective Bargaining Rights for School Personnel

Senate Bill 233 (passed) authorizes local boards of education and local school employee organizations representing certificated and noncertificated school personnel to negotiate over mutually agreeable matters other than salaries, wages, hours, and working conditions. Local boards, however, may not negotiate the school calendar, class sizes, or matters precluded by statutory law. If either party declines to negotiate a permissive item, it cannot be subject to an impasse. The bill also extends collective bargaining rights to noncertificated school employees who work for school systems on the Eastern Shore. The discipline and discharge of noncertificated employees for just cause is also added to the subjects that may be bargained.

Maryland Infants and Toddlers Program

The Maryland Infants and Toddlers Program provides early intervention services for children (ages zero through two) with developmental delays and disabilities. *Senate Bill 419/House Bill 371 (both passed)* establishes a State funding formula for the Maryland Infants and Toddlers Program to provide grants to local agencies. An increase of \$4.8 million in fiscal 2003 funding for the program is financed with the increase in the tobacco tax rate for cigarettes described under “Bridge to Excellence in Public Schools Act” in this part of *The 90 Day Report*. Beginning in fiscal 2004, funding for the formula is as provided in the State budget. The proposed State formula is based on the number of children receiving services through the Maryland Infants and Toddlers Program in the second prior fiscal year multiplied by a certain percent of the annual per child cost for the program. The formula is phased in over four years, increasing 5 percent each year until it reaches 20 percent of the per child cost in fiscal 2007. In fiscal 2004, the annual per child cost is set at \$4,044. Beginning in fiscal 2005, the annual per child cost is adjusted by the implicit price deflator for State and local government expenditures from the second prior fiscal year. MSDE is required to conduct a study of the effectiveness of the program and make recommendations regarding whether the program should be continued or modified in fiscal 2006 and thereafter to the Governor and the General Assembly on or before December 15, 2005.

Adult Education

Senate Bill 737 (passed) requires MSDE to distribute competitive grants for adult education services according to the State plan for adult education and family literacy. An increase of \$1.1 million in fiscal 2003 funding for adult education and literacy services is financed with the increase in the tobacco tax rate for cigarettes described under “Bridge to Excellence in Public Schools Act” in this part of *The 90 Day Report*. After fiscal 2003, funding will be as provided in the State budget. MSDE must develop and submit the methodology for determining the need and cost of adult education instruction to the Legislative Policy Committee by September 15, 2002.

Budget Enhancement for Correctional Education

State law requires eligible inmates to participate in either an education or vocational training program to earn their General Education Diploma (G.E.D.) or high school diploma. Eligible inmates must participate in either the education program for at least 120 days or a vocational training program.

A lack of teachers has generated waiting lists of inmates who are eligible for the mandatory education or vocational training program. The Maryland State Department of Education (MSDE) recently noted that although 13,300 inmates are eligible for the program, only about 4,400, or 33.1 percent, are served each day by the program. MSDE also noted that a February 1, 2002, study found approximately 1,800 inmates on waiting lists to enter the programs.

To reduce these waiting lists and to open a school at the new North Branch Correctional Facility in Cumberland, Maryland, the budget includes \$680,165 for 30.5 new positions. MSDE noted that 21.5 positions would be used to reduce the waiting lists by 50 percent. The remaining nine positions would be used to staff the school at the North Branch Correctional Facility. The funding assumes a six-month start-up period will be needed to fill these positions.

Education Initiatives

To address the critical need for additional and better prepared school-based leaders in the public schools, *House Bill 7 (passed)* establishes a Principal Training Pilot Program for three years, beginning July 1, 2002. A public school, a group of schools, a local board of education, or a group of local boards may apply for a State incentive grant under the pilot program by submitting a principal training program plan to the State Board of Education. An application must include a description of the plan and a listing of the expenses associated with the plan. A plan must provide at least 40 hours of training. The State board approves or disapproves applications and awards incentive funding, which may not exceed \$1,500 per principal. Each \$1,500 received by an applicant must be matched with \$500 from local, federal, or private sources. Under the bill, 100 principals may be selected for the program. Each local superintendent of schools must choose three principals for participation in the program. Then, the State Superintendent of Schools must select an additional 28 principals, giving the highest priority to principals working in schools that have been placed under local reconstitution. The State board must report on the effectiveness of the program by June 30, 2004.

House Bill 1370 (passed) expands the Maryland Educational Opportunity Summer Pilot Program to apply statewide if additional federal funding becomes available for the pilot program and extends the termination provisions for the pilot program to June 30, 2007. The program authorizes local boards of education to develop proposals that use existing faculty to provide educational services to students in kindergarten through grade 12 during the summer months.

Students with Disabilities

Transfer of Rights at Age of Majority: ***Senate Bill 83 (passed)*** allows a child with disabilities who has not been adjudged incompetent and is at least 18 years old to obtain specified parental rights under the federal Individuals with Disabilities Education Act (IDEA) if the child's parent or guardian is unknown or unavailable, or is unwilling or unable to make educational decisions for the child. The IDEA rights that would transfer to the child are the right to participate in educational decisions and the right to obtain or make changes to educational services. An eligible child whose parents do not consent to a transfer of these rights may file for an administrative hearing to determine if the rights should be transferred.

Educational Technology - Equivalent Access: ***Senate Bill 226 (passed)*** requires the State Superintendent of Schools and the Secretary of Business and Economic Development to jointly ensure that grant and procurement contract specifications for technology-based instructional products require equivalent access for students with disabilities and that vendors are given notice of the requirement. The State and local school systems must select products that provide the greatest access. An exemption is available to obtain a product that does not meet equivalent access standards if a product that meets the standards is not available or if obtaining a product that meets standards would result in an undue burden.

Nonpublic Placement: ***House Bill 1221 (passed)*** makes a disabled child eligible for a nonpublic educational placement if the child cannot attend a public school in the local school system due to the child's home circumstances or because of medical necessity. The State and local school system are required to pay the cost for wraparound services for a child who qualifies for a nonpublic educational program if the child's parent or local guardian is unable to provide those services. State and local payments under this provision are not required if the child is eligible for funding under the out-of-state placement program or if alternative federal, State, or local funding is available. The bill states that it is the intent of the General Assembly that the Governor include at least \$250,000 in the fiscal 2003 State budget to fund the bill's provisions.

The costs for special education students placed in nonpublic programs are shared by the State and local governments. The counties are responsible for the local share of the basic costs of educating a non-disabled child plus 200 percent of the basic costs. Any costs above this base amount are shared between the State and local school systems on an 80 percent State/20 percent local basis.

Task Force to Study Student Behavior Interventions

House Bill 569 (passed) requires the State Superintendent of Schools to appoint a task force to propose regulations to the State board regarding student behavior intervention practices. Advocates maintain that the lack of specific, comprehensive, and consistent policies and procedures throughout the State to govern student behavior intervention practices in the schools – including the use of restraint, seclusion, time-out, and other disciplinary measures – is a major deficiency in the current State policy. The task force must include representatives from MSDE, local school systems, advocacy communities, and nonpublic special education facilities, and individuals with knowledge of and expertise in positive behavioral interventions. MSDE must submit proposed regulations to the State Board of Education on or before December 31, 2002. Local school systems, State operated programs, and nonpublic schools must develop policies and procedures in compliance with the regulations adopted by MSDE. The State Superintendent must consult with representatives of institutions of higher education and the Professional Standards and Teacher Education Board to ensure that sufficient training in positive behavior interventions is available to persons entering the field of education.

Higher Education

College Readiness for Disadvantaged and Capable Students

In 1998, the Southern Education Foundation (SEF) issued *Miles to Go, A Report on Black Students and Postsecondary Education in the South*, which is an analysis of minority opportunities in public higher education in the 19 states, including Maryland, that at one time operated segregated systems of higher education. Subsequently, the SEF Maryland Leadership group issued *Miles to Go: Maryland*, the first state-specific publication responding to the initial SEF document. *Miles to Go: Maryland* suggested that the State has made strides towards equity but that additional progress is needed. The report provided the impetus for the General Assembly to establish the Task Force to Study College Readiness for Disadvantaged and Capable Students during the 2000 legislative session (Chapter 664). The task force concluded its work in December 2001 with a final report and recommendations for legislation that were included in **Senate Bill 453/House Bill 661 (both passed)**.

The major elements of **Senate Bill 453/House Bill 661** are as follows:

- The bills establish the College Readiness Outreach Program. This program is designed to encourage high school students to go to college by providing one-to-one mentoring and by prequalifying ninth and tenth grade students for Guaranteed Access Grants. Funding for the program is as provided in the budget. The program begins in fiscal 2004 and is phased in over five years. The Maryland State Department of Education (MSDE) is required to implement a

pilot program in fiscal 2004, to the extent funds are available, in Allegany, Prince George's, and Wicomico counties and Baltimore City.

- The bills also codify the existing Graduate and Professional Scholarship Program, which provides scholarships to students in graduate or professional programs.
- The bills change the name of the State Scholarship Administration to the Office of Student Financial Assistance. The new name better reflects the range of student financial assistance provided by the State.
- The bills require MSDE to distribute grants to One Maryland counties in fiscal 2003 and 2004 for the administration of the PSAT to tenth grade students. The rest of the counties will receive grants beginning in fiscal 2005.
- The bills provide that the K-16 Leadership Council (which was recently formalized through a Memorandum of Understanding) will plan for the establishment of a K-16 Research and Development Institute and a Maryland Clearinghouse for Educational Statistics.
- The bills declare the intent of the General Assembly that MSDE develop a certificate for middle school teachers.

Higher Education Office for Civil Rights Enhancements

The Fiscal 2003 Budget includes \$3.4 million in enhancement funding in the Maryland Higher Education Commission (MHEC) for the four public historically black institutions (HBIs) pursuant to the State's Partnership Agreement with the U.S. Department of Education's Office for Civil Rights (OCR). The agreement includes commitments to make the HBIs comparable and competitive with the State's traditionally white institutions in all facets of their operations and programs. Intended uses of future enhancement appropriations include paying debt service on a projected \$75 million in capital projects at the four HBIs. The budget bill also expresses the intent of the General Assembly that the Governor increase the OCR enhancement appropriation in fiscal 2004 to reflect the partial deferral of enhancement funds in fiscal 2003. The budget bill also requires MHEC to report to the budget committees its spending plan for \$3 million of these funds prior to expenditure and directs \$400,000 of the enhancement funding to support the purchase of personal computers for low-income students at Morgan State University. The budget bill also includes \$1.2 million in information technology funding in the Department of Budget and Management to support the same activity for the three HBIs within the University System of Maryland (USM).

In addition, Access and Success funding in MHEC for the four HBIs increases by \$1.5 million. These funds support student retention activities. The increase in this program fulfills one of the commitments of the agreement. The General Assembly also

directs the USM Board of Regents to provide an increase in general funds to its three HBIs that is proportional to the average increase provided to the other four-year institutions for fiscal 2003.

Scholarships and Financial Aid Programs

The total fiscal 2003 appropriation for State financial aid is \$83.3 million, an increase of \$1.4 million or 1.7 percent. Of the total, 49.6 percent is for need-based financial aid (\$41.1 million) and 25.7 percent is for the HOPE Scholarships Program (\$21.4 million). The balance of 24.7 percent includes several workforce shortage and merit-based financial aid programs. Need-based financial aid increases 0.7 percent over fiscal 2002. The HOPE Scholarships Program increases \$2.6 million or 13.9 percent over the \$18.8 million expended in fiscal 2002 (\$2 million in HOPE funds were restricted for fiscal 2002). In addition, \$1 million of the HOPE appropriation is earmarked for need-based scholarship programs for fiscal 2003. Counting this \$1 million restriction, the HOPE Scholarships Program increases by 8.5 percent while need-based aid increases by 3.2 percent.

Eligibility for the Edward T. Conroy Memorial Scholarship Program

Approximately 3,021 people died in the September 11 terrorist attacks, including 49 Maryland residents. In November 2001, the Governor established by executive order the Maryland Survivors Scholarship Fund to help raise private money to provide scholarships to the children of Maryland residents who died in the terrorist attacks. In addition, *Senate Bill 237/House Bill 300 (both passed)* expand the eligibility of the Edward T. Conroy Memorial Scholarship Program to allow the child or surviving spouse of a victim of the September 11, 2001, terrorist attacks to receive an award under the program. The child of a victim must be at least 16 years old to receive an award. The bills require the State Scholarship Administration to take into account other survivor scholarships that a student may receive when determining the amount of a scholarship under the provisions of the bills. (For example, the maximum scholarship for tuition and fees under the Conroy program is currently \$5,341. If a student receives a \$2,000 scholarship from another source based on the student's status as a child of a victim of terrorism, the student would be eligible to receive a Conroy scholarship for \$3,341.)

Developmental Disabilities and Mental Health Tuition Assistance Program

Senate Bill 174 (passed) allows a recipient of assistance under the Developmental Disabilities and Mental Health Tuition Assistance Program to take courses in summer sessions to meet the required minimum of 12 credit hours for each academic year. In addition, the bill allows assistance recipients to satisfy the program's employment obligation by working in a for-profit community program licensed by the Developmental Disabilities Administration or approved by the Mental Hygiene Administration.

Effective October 1, 2003, the bill also expands the employment opportunities available to fulfill the employment obligation under the program to allow students to work in community programs that serve children in the custody of a local department of social services or the Department of Juvenile Justice.

Eligibility for Student Financial Assistance

House Bill 399 (passed) allows students to hold any State scholarship or grant with any other State scholarship or grant as long as eligibility requirements are met for all State scholarships and grants and the maximum amount received does not exceed the tuition, fees, room and board charged at a public four-year institution.

The bill also changes the maximum annual award for Guaranteed Access Grants, Delegate Scholarships, Edward T. Conroy Memorial Scholarships, tuition reimbursements for firefighters and ambulance and rescue squad workers, and Sharon Christa McAuliffe Memorial Teacher Education Awards. Annual awards under these programs may not exceed the equivalent annual expenses or the mandatory tuition and fees of a full-time resident undergraduate at the University System of Maryland institution, excluding the University of Maryland University College and the University of Maryland, Baltimore, with the highest annual expenses. In addition, the eligibility for the Conroy Scholarship Program is expanded to include veterans who suffered a service-related disability of 25 percent or greater and have exhausted their federal educational benefits.

Finally, the bill allows an individual who currently holds multiple State scholarship and grant awards in excess of the limits established in the bill to maintain the awards as long as the individual continues to meet the eligibility criteria for the awards.

Eligibility for the Maryland Teaching Scholarship Program

Senate Bill 734/House Bill 1172 (both passed) allow a part-time undergraduate student to receive or renew a scholarship award from the Maryland Teacher Scholarship Program. Annual awards for part-time undergraduate students are \$2,000 for students attending two-year institutions of higher education and \$2,500 for students attending four-year institutions of higher education. For example, a teaching assistant who wishes to continue to work and go back to school part-time, either to a two-year or four-year institution of higher education, could complete their undergraduate or graduate education leading to a Maryland professional teacher's certificate.

Establishment of New Academic Programs

In response to the work of the Task Force to Study the Governance, Coordination, and Funding of the University System of Maryland, the General Assembly passed legislation in 1999 (Chapter 515) that required additional higher education funding and

defined more clearly the roles and responsibilities of MHEC, the USM Board of Regents, and USM member institutions. With respect to program approval and elimination, the task force found that “the duplication of new program review is unnecessary, overly bureaucratic, and inhibits institutions from responding to the needs of citizens.” The task force legislation, therefore, included new procedures that USM institutions were to follow in establishing new programs and abolishing existing programs. The new procedures included a termination date of June 30, 2002, and required MHEC to report on the effectiveness of the procedures by January 2002. In its report, MHEC noted that there is no mechanism for MHEC or the State to receive assurance that the programs approved under the accelerated process are being implemented within existing resources or that the programs are of a certain quality. In addition, since Chapter 515 of 1999 was enacted, MHEC has identified 168 low-productivity programs for closer review. Of these programs, 31 were recommended for discontinuance, 108 for exemption, and 29 for further study. However, USM governing boards have not reported the current status of the programs to MHEC.

Senate Bill 85/House Bill 731 (both passed) extend the termination date on the program approval process to June 30, 2004, and makes some modifications to the process to recognize the concerns identified in MHEC’s January 2002 report. The bills require USM governing boards and the USM Board of Regents to ensure that proposed new programs meet criteria for quality developed in consultation with MHEC. In addition, the ability of institutions to implement new programs with existing resources must be verified by a process established in consultation with MHEC. The bills also require presidents of USM institutions to respond in writing within 60 days if they are notified by MHEC that programs at their institutions are inconsistent with the State Plan for Higher Education or are low productivity programs. Presidents’ responses must include either: (1) an action plan for abolishing or modifying the program; or (2) a justification for the continuation of the program. MHEC must submit a report on the procedures for establishing or abolishing programs by January 1, 2004.

Senate Bill 622 (passed) allows an institution of higher education to establish a graduate professional certificate program that satisfies the requirements beyond the baccalaureate level for licensure or certification in a profession or occupation. An institution may offer a professional certificate program if it offers a degree program directly related to the area of licensure or certification. The president of an institution that intends to offer a graduate professional certificate program must notify the governing board of the institution and MHEC, and the program must be approved by MHEC. The bill is contingent on the enactment of *Senate Bill 85/House Bill 731*.

Private Donation Incentive Program

The Private Donation Incentive Program was re-established by Chapter 515 of 1999, which implemented the recommendations of the Larson Task Force regarding the coordination, governance, and funding of the University System of Maryland. The

program provides State matches for private donations made to the public institutions of higher education. **House Bill 93 (passed)** increases the maximum State match for the University of Maryland Baltimore County (UMBC) to \$1.25 million. The increase reflects the Carnegie classification of UMBC as a top tier research institution, the same status as the University of Maryland, College Park and the University of Maryland, Baltimore, both of which are eligible to receive State matches of up to \$1.25 million under the program.

House Bill 965 (passed) authorizes Morgan State University (MSU) to establish a distinguished scholar position known as the Clarence W. Blount Chair of Public Policy and Urban Politics and to fund the position with State matches received through the Private Donation Incentive Program. The President of MSU may appoint a person to fill the position for a term of up to two years. A person appointed to the position will teach, conduct research, and perform community service in public policy and urban politics and will receive a salary of \$100,000 per year. Other employment contract terms and conditions may be established by the President of MSU.

Community Colleges

Chapter 601 of 1998 established the Innovative Partnerships for Technology Program. The purpose of the program was to enhance the technology available in community colleges and to leverage private support for community colleges through the use of State matches for technology donations made in fiscal 1998 to 2002. **House Bill 1237 (passed)** restarts the program beginning in fiscal 2003. Technology donations made to community colleges during fiscal 2003 and 2004 must be matched by the State, up to a maximum State match of \$150,000 per college. Colleges that earn the entire State match from fiscal 2003 and 2004 donations are eligible for additional State matches of up to \$150,000 for technology donations made in fiscal 2005 and 2006. State matches are paid in the second fiscal year following the fiscal year in which the donations were received. To determine what donations are eligible for a State match, private technology donations are compared to the donations each institution received in fiscal 2002. To be eligible, donations must be from new donors or represent increases over the amounts given by donors in fiscal 2002. Donations may be in the form of technology equipment or monetary contributions that are specifically designated for technology.

Funding enhancements were also approved for Allegany College of Maryland and Garrett Community College. **Senate Bill 310/House Bill 179 (both passed)** provide additional unrestricted State grants to Allegany College of Maryland and Garrett Community College from fiscal 2003 to 2005. The additional grant for Allegany College of Maryland is \$360,000, and the additional grant for Garrett Community College is \$240,000.

Part M

Human Resources

Social Services – Generally

Family Investment Program

Senate Bill 53/House Bill 530 (both passed) increase the earned income disregard for Temporary Cash Assistance (TCA) recipients who obtain unsubsidized employment from 35 percent to 40 percent of earned income, contingent on the availability of federal funds. TCA is the State's cash assistance program for welfare recipients.

These bills also require that if the Secretary of the Department of Human Resources determines that federal funding under the Temporary Assistance to Needy Families Block Grant has declined to the extent that an increase in State funds is necessary to finance the extended State cash assistance benefits for welfare recipients pursuant to this bill, the Secretary must certify this to the Joint Committee on Welfare Reform. Upon certification, these bills are null and void. The increase in the earned income disregard may not increase State general fund expenditures or expenditures from the Dedicated Purpose Fund for the Family Investment Program, a reserve fund for future welfare costs.

Subject to federal law and regulation, if a TCA recipient's eligibility for cash assistance is extended because of these bills, the extended period of cash assistance is not subject to federal and State time limits. These bills also eliminate the provision from Chapter 469 of 1999 that requires the earned income disregard to return to 26 percent on July 1, 2002.

Temporary Cash Assistance Funding

Under State law, the Governor must annually provide funding in the budget to increase the TCA grant to a level that brings the combined value of TCA and food stamps to 61 percent of the State's minimum living level or send a letter to the General Assembly indicating why a grant increase was not provided. The proposed fiscal 2003 budget did not provide sufficient funding to support the current TCA caseload and finance a grant increase. *Senate Bill 323 (passed)*, the Budget Reconciliation of Financing Act of 2002, permits \$3.3 million from the Joseph Fund to be used for a TCA grant increase in January 1, 2003, and \$4.7 million to fund the fiscal 2004 cost of the grant increase. The grant increase will bring the combined value of the TCA grant and food stamps to 61 percent of the State's minimum living level and provide the typical recipient with an additional \$8 per month.

House Bill 495 (passed) repeals the termination date for the Child Support Enforcement Privatization Pilot Program in Baltimore City and Queen Anne's County, alters the name to the Child Support Enforcement Privatization Program (CSEPP), and alters the scope of the program. The bill requires the Secretary of Human Resources to establish 22 demonstration sites to compete with the privatization sites on a phased-in basis. The demonstration site phase-in must be completed by July 1, 2005. This bill takes effect July 1, 2002 and remains effective through June 30, 2005.

The Elderly

Retirement Communities

Senate Bill 355 (passed) broadens the health related services that Continuing Care Retirement Communities (CCRC) must provide and what it means to make medical and nursing services or other health related services available to subscribers. CCRCs furnish (1) shelter and (2) either medical and nursing services or other health related services to an individual 60 years old or older and who is not related to the provider, under one or more written agreements that require the transfer of assets or an entrance fee.

Under current law, "health related services" means at a minimum priority admission to a nursing home or assistance in daily living activities that do not include meals. *Senate Bill 355* broadens the definition of "health related services" to services that are needed by a subscriber to maintain the subscriber's health and adds admission to an assisted living program as a potential service. The bill specifies that when "making available either medical and nursing services or other health related services" the provider or an affiliate must have the services readily accessible for use by a subscriber whether or not the services are specifically offered in the written agreement for shelter.

The bill enables people to receive refunds from CCRCs more quickly if they move out within the first 90 days. It also requires providers to refund an individual's entrance fee within 60 days of an agreement being terminated or of the individual's death under certain circumstances.

The Department of Aging (MDoA) may petition for the appointment of a receiver for a CCRC if the department has determined that there is a significant risk of the provider's financial failure.

In addition, CCRCs will have a more flexible time frame to fund their operating reserves. CCRCs will have up to ten fiscal years after the later of October 1, 1996, or the date of the CCRC's initial certificate of registration to set aside operating reserves for each facility that equal 15 percent of the net operating expenses for the most recent fiscal year a certified financial statement is available.

MDoA may impose a civil penalty of up to \$5,000 per violation for any action or inaction that violates the bill's provisions or related regulations. CCRCs will have the right to appeal the penalty under the Administrative Procedure Act. All money collected from penalties must be deposited into the State's general fund.

This bill is a result of recommendations made by the department's Continuing Care Advisory Committee. There are 31 continuing care retirement communities within the State.

Senate Bill 535 (passed) establishes a Naturally Occurring Retirement Community Demonstration Program within MDoA. The program will award grants to program participants to provide services that help elderly residents in naturally occurring retirement communities. No more than ten grants may be awarded in the first 12-month period. Grants may not exceed \$150,000 for a project in any 12-month period and generally must be matched with an equal amount of funds, 25 percent of which must come from the grant applicant. The MDoA may waive all or part of the matching requirements if a low-income naturally occurring retirement community cannot afford the match. This program is effective from October 1, 2002 through August 31, 2005, contingent upon the availability of federal funds. The State may not expend general funds to implement the program.

The Disabled

Developmental Disabilities Administration

Cost-of-Living Increase

As part of its fiscal 2002 cost containment effort, the Department of Health and Mental Hygiene proposed requiring the cost-of-living increase in a developmentally disabled individual's supplemental security income (SSI) benefits to be used toward the person's contribution for residential services. *Senate Bill 658/House Bill 1014 (both passed)* prohibit the department from requiring a cost-of-living increase to be used toward the individual's contribution for residential services. Instead, individuals must be allowed to keep the cost-of-living increase as part of their personal needs allowance. During fiscal 2002, the Developmental Disabilities Administration (DDA) may use money from the Waiting List Equity Fund to allow SSI recipients' cost-of-living increase to be added to individuals' personal needs allowance. DDA must reimburse the fund by July 30, 2002.

Provider Reporting Requirements

Senate Bill 230/House Bill 234 (both passed) allow DDA to impose a fine on a private, community-based service provider of up to \$500 for each day a provider's cost report for rate-based payment services or a wage survey is not submitted or corrected. DDA may also withhold payments to that provider for failure to submit a cost report or a wage survey on time or for one that needs correction.

Long-Term Care

House Bill 752 (Ch. 84) requires a nursing facility, through a social worker, to provide a resident with a one-page information sheet that: (1) explains the availability of services under home- or community-based waiver programs that could enable the resident to live in the community; (2) explains that if the resident's care is partially or fully reimbursed by Medicaid, the resident may be able to receive long-term care services in the community instead of in the nursing facility; (3) provides information regarding referrals to residents that may provide additional information, case management services, or evaluation services related to home- and community-based waiver programs; and (4) is in large, easily legible type and in formats accessible to the resident.

The long-term care case manager at a local department of social services must: (1) provide assistance to residents and make referrals to persons that may help provide additional information, case management services, or evaluation services related to Medicaid waiver programs or other options for receiving long-term care services in the

community; (2) provide the same information to the resident's health care representative or legal guardian; and (3) ensure that a copy of the information provided is kept in a resident's client file.

Sunset Extension

Senate Bill 130/House Bill 134 (both passed) extend the sunset date for the Office for Individuals with Disabilities from July 1, 2004, to July 1, 2015. It also extends the deadline for a sunset evaluation of the office from July 1, 2003, to July 1, 2014.

Children

Child Care

There are currently 4,220 child care facilities throughout the State that are caring for children whose parents pay for services with Purchase of Care vouchers from the Department of Human Resources (DHR).

House Bill 986 (passed) creates the Child Care Quality Incentive Grant Program within DHR to help qualified child care providers purchase supplies, materials, and equipment to improve the quality of care they provide. To be eligible to receive grants, child care providers must have a current certificate of registration or license that is not subject to pending regulatory action, including revocation and suspension. Grants will be limited to child care centers in Title I communities, child care centers where at least 25 percent of the children enrolled receive subsidies through the Purchase of Care program, and family day care homes that serve children who receive Purchase of Care subsidies. Grants may not exceed \$2,500 and may only be awarded if federal funds are available to cover the cost.

Foster Care

House Bill 827 (passed) is a departmental bill that alters foster care recipients' eligibility for the waiver of tuition and fees at public institutions of higher education. Instead of residing in foster care homes at the time of their eighteenth birthdays, foster care recipients must reside in foster care homes at the time of their high school graduations or upon completion of their general equivalency development (GED) examinations. The bill also clarifies that only foster care recipients who were placed in foster care by the DHR are eligible for the tuition waivers.

Joint Committee on Children, Youth, and Families

The Joint Committee on Children, Youth, and Families, established in 1999, is charged with identifying State policies and actions that promote conditions of well-being for Maryland's children, youth, and families. The committee must report on its work and any recommendations to the General Assembly by December 1 of each year.

Senate Bill 39/House Bill 45 (both passed) are emergency bills that extend the termination date for the committee from May 31, 2002, to June 30, 2009.

Office for Children, Youth, and Families

House Bill 971 (passed) expands the role of the Governor's Office for Children, Youth, and Families (OCYF) by establishing the Office of the Independent Juvenile Justice Monitor within OCYF. The office must review and evaluate the procedures and conditions at residential facilities, including: the child advocacy grievance process, the monitoring process of the Department of Juvenile Justice (DJJ), the treatment of and services to youth, the physical conditions of each facility, and the adequacy of staffing at each facility. For a more detailed discussion of *House Bill 971*, see the subpart "Juvenile Law" under Part E - Crimes, Corrections, and Public Safety of this *90 Day Report*.

House Bill 1386 (passed) makes various changes to the law pertaining to OCYF. The bill codifies the existing 25-member Maryland School-Based Health Policy Advisory Council within OCYF. The bill also requires the Subcabinet for Children, Youth, and Families to develop a plan to improve access to services for children with special needs, develop community-based resources for children with intensive needs and children at risk of residential placement, and reduce the number of children placed outside of their home communities. Finally, the bill extends the sunset date for OCYF to July 1, 2005, and makes numerous technical corrections to existing OCYF law.

Camps

Senate Bill 617 (passed) increases the number of residential camps regulated by the Department of Health and Mental Hygiene (DHMH) by altering the definition of a residential camp. The minimum number of days a camp operates is changed from seven consecutive 24-hour days to five consecutive days. The bill also requires DHMH to adopt regulations regarding the minimum standards for supervising campers during routine activities. DHMH may not adopt regulations that set ratios for campers to medical staff except for: (1) camp health supervisors at a camp where 50 percent or more of the campers have identified medical problems; (2) personnel required to meet emergency safety standards; and (3) camp health supervisors, or their designees, trained to administer medicine to campers.

Synopsis of Passed Bills

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Part A

Budget and State Aid

SB 26 Prince George's County – Spirit of Faith Christian Center Loan of 2000

Extending the date, in Chapter 568 of the Acts of the General Assembly of 2000, the Prince George's County – Spirit of Faith Christian Center Loan of 2000, by which the grantee is required to provide a matching fund, from June 1, 2002 to June 1, 2004; and generally relating to the Prince George's County – Spirit of Faith Christian Center Loan of 2000.

EFFECTIVE JUNE 1, 2002
Senator Lawlah

SB 49 Montgomery County – Alpha Phi Alpha Smithville School Museum Loan of 2000

Altering the amount of the grant from \$250,000 to \$150,000; and altering the date by which the grantee is required to provide and expend a matching fund in Chapter 487 of the Acts of the General Assembly of 2000, the Montgomery County – Alpha Phi Alpha Smithville School Museum Loan of 2000, from June 1, 2002, to June 1, 2004.

EFFECTIVE JUNE 1, 2002
Senator Ruben

SB 70 Montgomery County – Kensington Community Center Loan of 1993

Changing the name of the project from the Kensington Senior Community Center Loan of 1993 to the Kensington Community Center Loan of 1993 and altering the date by which the grantee is required to provide a matching fund from June 1, 1995 to June 1, 2004, in Chapter 611 of the Acts of the General Assembly of 1993.

EFFECTIVE JUNE 1, 2002
Senator Van Hollen

SB 88 Charles County – Port Tobacco Players Theater Loan of 2000

Amending Chapter 543 of the Acts of the General Assembly of 2000, the Charles County – Port Tobacco Players Theater Loan of 2000, to alter the date by which the grantee is required to provide a matching fund, from June 1, 2002 to June 1, 2004 and to allow the grantee to provide a matching fund that may consist of funds expended prior to June 1, 2000, real property, and in kind contributions.

EFFECTIVE JUNE 1, 2002
Senator Middleton

SB 155 Baltimore City – Bong County, Liberia/Maryland, USA Educational/Cultural Foundation Loan of 2001

Altering the purpose and matching fund provisions of Chapter 125 of the Acts of the General Assembly of 2001, Baltimore City – Bong County, Liberia/Maryland, USA Educational/Cultural Foundation Loan of 2001; and generally relating to Baltimore City – Bong County, Liberia/Maryland, USA Educational/Cultural Foundation Loan of 2001.

EFFECTIVE JUNE 1, 2002

Senator Conway

SB 175 Budget Bill (Fiscal Year 2003)

Making the proposed appropriations contained in the State budget for the fiscal year ending June 30, 2003, in accordance with Article III, Section 52 of the Maryland Constitution; etc.

The President (Administration)

SB 181 Calvert County – Community Learning Center Loan of 2001

Amending the purpose of the project in Chapter 405 of the Acts of the General Assembly of 2001, Calvert County – Community Learning Center Loan of 2001, to permit the acquisition of property and eliminating the reference to specific property; and generally relating to the Calvert County – Community Learning Center Loan of 2001.

EFFECTIVE JUNE 1, 2002

Senators Miller and Dyson

SB 231 Anne Arundel County – Community Center at Woods Loan of 2000

Altering the date by which the grantee is required to provide and expend a matching fund in Chapter 260 of the Acts of 2000, from June 1, 2002 to June 1, 2003.

EFFECTIVE JUNE 1, 2002

Senator Neall

SB 253 Cecil County – The Boys and Girls Clubs of Cecil County, Inc. Loan of 2000

Altering the date by which the grantee is required to provide and expend a matching fund in Chapter 696 of the Acts of 2000, the Cecil County – The Boys and Girls Clubs of Cecil County, Inc. Loan of 2000, from June 1, 2002 to June 1, 2004.

EFFECTIVE JUNE 1, 2002

Senators Baker and Hooper

SB 259 Prince George's County – Mt. Rainier Revitalization Project Loan of 2000

Altering the date by which the grantee is required to provide a matching fund, pursuant to Chapter 695 of the Acts of 2000, Prince George's County – Mt. Rainier Revitalization Project Loan of 2000, from June 1, 2002 to June 1, 2004.

EFFECTIVE JUNE 1, 2002

Senator Exum

SB 288 Creation of a State Debt – Maryland Consolidated Capital Bond Loan of 2002 and the Maryland Consolidated Capital Bond Loans of 1991, 1992, 1994, 1995, 1996, 1997, 1998, 1999, and 2001

Authorizing the creation of a State Debt in the amount of \$731,058,000 for specified purposes; altering provisions of prior capital budgets; etc.

EFFECTIVE JUNE 1, 2002

The President (Administration)

SB 298 Baltimore City – King Memorial Child Care Family Center Loan of 1998

Altering the date by which the King Memorial Child Care Family Center is required to provide a matching fund, pursuant to Chapter 199 of the Acts of 1998, as amended by Chapter 49 of the Acts of 2000, Baltimore City – King Memorial Child Care Family Center Loan of 1998, from June 1, 2002 to June 1, 2004.

EFFECTIVE JUNE 1, 2002

Senator Blount

SB 300 Anne Arundel County – Maryland Therapy and Education Center Loan of 2000

Altering the date by which the grantee is required to provide a matching fund, pursuant to Chapter 416 of the Acts of 2000, Anne Arundel County – Maryland Therapy and Education Center Loan of 2000, from June 1, 2002 to June 1, 2004.

EFFECTIVE JUNE 1, 2002

Anne Arundel County Senators

SB 301 Kent County – Kent Family Center Loan of 2000

Altering the date by which the grantee is required to provide a matching fund, pursuant to Chapter 646 of the Acts of 2000, Kent County – Kent Family Center Loan of 2000, from June 1, 2002 to June 1, 2004.

EFFECTIVE JUNE 1, 2002

Senator Baker

SB 323 The Budget Reconciliation and Financing Act of 2002

Transferring to the General Fund specified amounts from specified special funds for specified fiscal years; altering the distribution of the transfer tax revenues for specified fiscal years; altering the determination of the required State contribution each year to the State Retirement and Pension System; providing for the annual salaries of specified persons; establishing a fund for the reduction of specified deficits in the State's fee-for-service public mental health system; making the provisions of the Act severable; etc.

VARIOUS EFFECTIVE DATES

The President (Administration)

SB 328 Montgomery County – Silver Spring Innovation Center Loan of 2000

Altering the date by which the grantee is required to provide a matching fund, pursuant to Chapter 624 of the Acts of 2000, Montgomery County – Silver Spring Innovation Center Loan of 2000, from June 1, 2002 to June 1, 2003.

EFFECTIVE JUNE 1, 2002

Senator Ruben

SB 357 Worcester County – Ocean City Visitors and Information Center Loan of 2000

Altering the date by which the grantee is required to provide and expend a matching fund in Chapter 641 of the Acts of 2000, the Worcester County – Ocean City Visitors and Information Center Loan of 2000, from June 1, 2002 to June 1, 2004.

EFFECTIVE JUNE 1, 2002

Senator Stoltzfus

SB 400 Prince George’s County – Walker Mill Community Development Corporation Loan of 1996

Changing the name of the grantee, the project name, and the project location, and altering the project description of Chapter 297 of the Acts of 1996, the Prince George’s County – Walker Mill Gardens Community Outreach Center, Inc. Loan of 1996; and prohibiting the use of the proceeds of the bond sales for sectarian religious purposes.

EFFECTIVE JUNE 1, 2002

Senator Currie

SB 464 Baltimore County – Arbutus Community Center Loan of 2000

Changing the name of the project, the grantee, the purpose, and altering the date by which the grantee is required to provide a matching fund, from June 1, 2002 to June 1, 2004, pursuant to Chapter 317 of the Acts of 2000, Baltimore County – Boys & Girls Clubs of Central Maryland, Inc. Loan of 2000.

EFFECTIVE JUNE 1, 2002

Senator Collins (Baltimore County Administration) and Senator Kasemeyer

SB 503 Harford County – Havre de Grace Maritime Museum Loan of 2001

Providing that part of the matching fund required by Chapter 203 of the Acts of the General Assembly of 2001, the Harford County – Havre de Grace Maritime Museum Loan of 2001, may consist of funds expended by the grantee prior to June 1, 2001.

EFFECTIVE JUNE 1, 2002

Senator Collins, et al

- SB 787 Calvert County – The Boys and Girls Clubs of Calvert County, Inc. Loan of 2000**
- Altering the date by which the grantee is required to provide a matching fund, pursuant to Chapter 480 of the Acts of 2000, Calvert County – The Boys and Girls Clubs of Calvert County, Inc. Loan of 2000, from June 1, 2002 to June 1, 2004.
- EFFECTIVE JUNE 1, 2002**
- Senators Dyson and Miller**
- SB 818 Baltimore City – Community Initiatives Academy Loan of 1999**
- Altering the date by which the grantee is required to provide a matching fund, pursuant to Chapter 555 of the Acts of 1999, as amended by Chapter 30 of the Acts of 2001, Baltimore City – Community Initiatives Academy Loan of 1999, from June 1, 2002, to June 1, 2004.
- EFFECTIVE JUNE 1, 2002**
- Senator McFadden**
- SB 862 Talbot County – Oxford Community Services Building Loan of 2001**
- Removing the requirement in Chapter 607 of the Acts of 2001, Talbot County – Oxford Community Services Building Loan of 2001, that the grantee grant and convey a specified easement to the Maryland Historical Trust; making the Act an emergency measure; etc.
- EMERGENCY BILL**
- Senator Colburn**
- HB 108 Montgomery County – Kensington Community Center Loan of 1993**
- Changing the name of the project from the Kensington Senior Community Center Loan of 1993 to the Kensington Community Center Loan of 1993 and altering the date by which the grantee is required to provide a matching fund from June 1, 1995 to June 1, 2004, in Chapter 611 of the Acts of the General Assembly of 1993.
- EFFECTIVE JUNE 1, 2002**
- Delegates Grosfeld and Billings**
- HB 166 Worcester County – Ocean City Visitors and Information Center Loan of 2000**
- Altering the date by which the grantee is required to provide and expend a matching fund in Chapter 641 of the Acts of the General Assembly of 2000, the Worcester County – Ocean City Visitors and Information Center Loan of 2000, from June 1, 2002 to June 1, 2004.
- EFFECTIVE JUNE 1, 2002**
- Delegate Bozman, et al**

HB 351 Anne Arundel County – Maryland Therapy and Education Center Loan of 2000

Altering the date by which the grantee is required to provide a matching fund, pursuant to Chapter 416 of the Acts of 2000, Anne Arundel County – Maryland Therapy and Education Center Loan of 2000, from June 1, 2002 to June 1, 2004.

EFFECTIVE JUNE 1, 2002

Anne Arundel County Delegation

HB 356 Kent County – Kent Family Center Loan of 2000

Altering the date by which the grantee is required to provide a matching fund, pursuant to Chapter 646 of the Acts of 2000, Kent County – Kent Family Center Loan of 2000, from June 1, 2002 to June 1, 2004.

EFFECTIVE JUNE 1, 2002

Delegate Walkup, et al

HB 393 Prince George’s County – Southern Maryland Youth Camp Loan of 2001

Altering the purpose of the grant to the grantee, pursuant to Chapter 651 of the Acts of 2001, Prince George’s County – Southern Maryland Youth Camp Loan of 2001, from providing for funds for specified purposes for four cabins and an access road to providing for funds for the planning, design, construction, and capital equipping of an addition to the main building for dry food storage and a walk-in freezer and cooler and for completion of an access road; etc.

EFFECTIVE JUNE 1, 2002

Delegates Proctor and Vallario

HB 415 Cecil County – The Boys and Girls Clubs of Cecil County, Inc. Loan of 2000

Altering the date by which the grantee is required to provide and expend a matching fund in Chapter 696 of the Acts of 2000, the Cecil County – The Boys and Girls Clubs of Cecil County, Inc. Loan of 2000, from June 1, 2002 to June 1, 2004.

EFFECTIVE JUNE 1, 2002

Cecil County Delegation

HB 476 Prince George’s County – Mt. Rainier Revitalization Project Loan of 2000

Altering the date by which the grantee is required to provide a matching fund, pursuant to Chapter 695 of the Acts of 2000, Prince George’s County – Mt. Rainier Revitalization Project Loan of 2000, from June 1, 2002 to June 1, 2004.

EFFECTIVE JUNE 1, 2002

Delegate Howard, et al

- HB 545 Baltimore County – Arbutus Community Center Loan of 2000**
Changing the name of the project, the grantee, the purpose, and altering the date by which the grantee is required to provide a matching fund, from June 1, 2002 to June 1, 2004, pursuant to Chapter 317 of the Acts of 2000, Baltimore County – Boys & Girls Clubs of Central Maryland, Inc. Loan of 2000.
EFFECTIVE JUNE 1, 2002
Delegate Minnick (Baltimore County Administration), et al
- HB 737 Harford County – Havre de Grace Maritime Museum Loan of 2001**
Providing that part of the matching fund required by Chapter 203 of the Acts of the General Assembly of 2001, the Harford County – Havre de Grace Maritime Museum Loan of 2001, may consist of funds expended by the grantee prior to June 1, 2001.
EFFECTIVE JUNE 1, 2002
Harford County Delegation
- HB 828 Academic Facilities Bonding Authority**
Increasing to \$975,000,000 the bonding authority of the University System of Maryland and increasing to \$77,000,000 the bonding authority for Morgan State University; approving specified projects for the acquisition, development, and improvement of specified academic facilities for the University System of Maryland and Morgan State University; requiring that specified information be provided to the budget committees of the General Assembly with a review and comment period before funds may be expended for projects; etc.
EFFECTIVE JUNE 1, 2002
Chairman APP (Dept)
- HB 985 Talbot County – Oxford Community Services Building Loan of 2001**
Removing the requirement in Chapter 607 of the Acts of 2001, Talbot County – Oxford Community Services Building Loan of 2001, that the grantee grant and convey a specified easement to the Maryland Historical Trust; making the Act an emergency measure; etc.
EMERGENCY BILL
Delegate Eckardt, et al
- HB 1234 Baltimore City – East Baltimore Community Recreation and Learning Center Loan of 2001**
Altering the matching fund provision of Chapter 715 of the Acts of the General Assembly of 2001, Baltimore City – East Baltimore Community Recreation and Learning Center Loan of 2001, to permit the use of real property as part of the matching fund.
EFFECTIVE JUNE 1, 2002
Delegate Branch, et al

HB 1335 Montgomery and Prince George's Counties - Boys' and Girls' Homes Loan of 2001

Removing the requirement in Chapter 293 of the Acts of the General Assembly of 2001, Montgomery and Prince George's Counties - Boys' and Girls' Homes Loan of 2001, that the grantee grant and convey an easement to the Maryland Historical Trust; and making the Act an emergency measure.

EMERGENCY BILL

Delegate Franchot

Part B

Taxes

SB 38 Income Tax – Claims for Refunds

Allowing a claim for refund or credit for overpayment of income tax attributable to a right to a reduction in a person's Maryland income tax that is established by a decision or by an appeal of a decision of an administrative board to be filed within 1 year after the date of a final decision of the board or court; and providing that specified claims for refund or credit for overpayment of income tax filed prior to July 1, 2002, may not be denied on the basis of late filing of the claim under specified circumstances.

EFFECTIVE JULY 1, 2002

Senator Mooney

SB 40 Property Tax – Homeowners' Tax Credits

Authorizing homeowners to apply for a homeowners' property tax credit within 3 years after April 15 of the taxable year for which the credit is sought, if the homeowner is 70 years old as of the taxable year for which the credit is sought and was eligible for the homeowners' property tax credit during the taxable year for which the credit is sought; requiring the Comptroller to pay eligible homeowners the property tax credit due under the Act upon certification by the Department; etc.

EFFECTIVE JULY 1, 2002

Senator DeGrange

SB 43 Sales and Use Tax – Multifuel Pellet Stoves

Exempting from the sales and use tax the sale of a multifuel pellet stove designed to burn agricultural field corn.

EFFECTIVE JULY 1, 2002

Senator Haines

SB 96 Property Tax – Municipal Corporations – Assessment of Escaped Property

Repealing the authority of a municipal corporation to assess escaped property for purposes of property taxation under specified circumstances.

Chairman B&T (Dept)

SB 97 Supervisors of Assessments – Personal Property Assessments

Repealing references to Supervisors of Assessments with regard to the assessment of personal property and related appeals; clarifying the responsibilities and authority of the Department of Assessments and Taxation with regard to personal property assessments; and requiring the Department to certify specified assessment information to local governments.

Chairman B&T (Dept)

SB 98 State Aid – Property Values

Altering and clarifying the definition of real and personal property in the calculation of specified State aid for police protection, education, and libraries; repealing specified provisions in the library aid formula and the police aid formula; altering the calculation of preferentially assessed agricultural land in the education aid formula; altering definitions; and providing for the application of the Act.

EFFECTIVE JULY 1, 2002

Chairman B&T (Dept)

SB 99 Property Tax – Financial Institutions

Clarifying that a county, municipal corporation, special taxing district, or other political subdivision of the State may impose real and personal property tax on savings and loan associations and savings banks; providing for the effective date of the Act; and providing for the application of the Act.

EFFECTIVE JUNE 1, 2002

Chairman B&T (Dept)

SB 101 Motor Carriers – Tax Returns – Identifying Number

Authorizing the Comptroller to require motor carriers to include in their tax returns their United States Department of Transportation identification number in place of an Interstate Commerce Commission identifying number.

Chairman B&T (Dept)

SB 102 Disposition of Contraband Motor Fuel – Pricing Service

Authorizing the Comptroller to use a nationally recognized oil price reporting service; and repealing a requirement that the Comptroller use Platt's Oil-Gram price reporting service.

Chairman B&T (Dept)

SB 103 Income Tax – Wage Lien – Excluded Amounts

Altering the amount of salary, wages, or other compensation excluded from the wage lien for income tax; and providing that the amount excluded from the wage lien for income tax is the amount exempt from attachment under a provision of the Commercial Law Article.

EFFECTIVE JULY 1, 2002

Chairman B&T (Dept)

- SB 208 Property Tax – Petition for Review Outside of Assessment Cycle**
Eliminating the right of a county, a municipal corporation, or the Attorney General to appeal the value or classification of real property by submitting a petition for review to the supervisor on or before the date of finality for the next taxable year; declaring that specified actions of local governments are contrary to the triennial assessment system and uniformity of taxation; repealing specified obsolete language regarding annual assessments; etc.
EMERGENCY BILL
Senator Frosh, et al
- SB 344 Property Tax Credits – Personal Property of a Business That Provides Computers to Employees for Home Use**
Authorizing counties and municipal corporations to grant, by law, a property tax credit against the county or municipal corporation property tax imposed on personal property, other than operating personal property of a public utility, of a business that provides computers to its employees for their use at home; and authorizing the county or municipal corporation to provide, by law, for the amount, duration, and application of the property tax credit and any other provision necessary to carry out the Act.
EFFECTIVE JUNE 1, 2002
Senators Van Hollen and Hogan
- SB 378 Baltimore City – Tax Sales – High-Bid Premium**
Altering the calculation of the high-bid premium imposed on the sale of property at tax sales in Baltimore City; and making the Act an emergency measure.
EMERGENCY BILL
Senator McFadden (Baltimore City Administration), et al
- SB 383 Qualified Tuition Programs – Income Tax Treatment**
Altering a specified addition modification under the Maryland income tax for specified distributions from specified qualified tuition programs; altering specified subtraction modifications under the Maryland income tax for specified contributions to specified qualified tuition programs; repealing a specified Maryland income tax subtraction modification made obsolete as a result of specified changes to the federal income tax treatment of qualified tuition programs; etc.
EFFECTIVE JULY 1, 2002
Senator Miller, et al
- SB 399 Income Tax – Subtraction Modification for Retirement Income – Rollovers to Individual Retirement Accounts**
Including income from specified retirement plans within a specified subtraction modification allowed under the Maryland income tax for specified retirement income under specified circumstances; providing for the application of the Act; and generally relating to an income tax subtraction modification for specified retirement income.
EFFECTIVE JULY 1, 2002
Senator Stone

SB 430 Personal Property Tax – Refunds and Reports

Authorizing a person who has filed a personal property tax report with the Department of Assessments and Taxation to file an amended report within 3 years after the original report was due; requiring the Department to provide notice to a person who files an amended report; requiring that a person shall receive a refund of excess property tax paid under specified circumstances; repealing the requirement of a petition for review to appeal personal property assessments where information has been reported inaccurately; etc.

EFFECTIVE JULY 1, 2002

Senator Hogan, et al

SB 438 Frederick County – Property Tax Credits – Agricultural Preservation Land and Farm Buildings

Authorizing the Frederick County Board of County Commissioners to grant a specified property tax credit for up to 100% of any county property tax imposed on real property subject to an agricultural preservation easement or designated by the Frederick County Board of County Commissioners as being within an Agricultural Preservation District; authorizing the Board to grant a local property tax credit for farm buildings; etc.

EFFECTIVE JUNE 1, 2002

Senators Ferguson and Mooney

SB 447 Maryland Income Tax – Subtraction Modification – Conservation Tillage Equipment

Altering the definition of “conservation tillage equipment” for purposes of a subtraction modification for conservation tillage equipment to include deep no-till rippers that do not invert the soil profile and are used to address compaction in high residue cropping systems; and providing that the Act shall be applicable to all taxable years beginning after December 31, 2001.

EFFECTIVE JULY 1, 2002

Senator Kittleman, et al

SB 454 Pilot Program for Long-Term Employment of Qualified Ex-Felons

Requiring the Department of Labor, Licensing, and Regulation, in consultation with the Governor’s Workforce Investment Board, to establish a Pilot Program for Long-Term Employment of Qualified Ex-Felons; requiring the implementation of a program in at least two areas of the State to provide fidelity bonds and to qualify business entities for tax credits to encourage the long-term employment of qualified ex-felon employees under the Pilot Program; etc.

VARIOUS EFFECTIVE DATES

Senator McFadden, et al

- SB 462 Baltimore County – Property Tax – Neighborhood Stabilization Credits**
Extending to June 30, 2005, the applicability of credits against specified property taxes and the State income tax for property in designated areas of Baltimore County.
EFFECTIVE JULY 1, 2002
Senator Collins (Baltimore County Administration) and Senator Bromwell
- SB 489 Baltimore City – Tax Sales – Abandoned Property**
Clarifying the applicability of specified provisions making a certificate of sale for specified abandoned property in Baltimore City void unless foreclosure proceedings are brought within 3 months from the date of the certificate; authorizing the holder of a certificate of sale for specified abandoned property in Baltimore City sold under specified circumstances to file a complaint to foreclose rights of redemption at any time after the date of the sale; etc.
EFFECTIVE JULY 1, 2002
Senator McFadden (Baltimore City Administration)
- SB 571 Property Tax Assessment – Country Clubs and Golf Courses**
Making a golf course that is open to the public eligible for special use value assessment for property tax purposes if it is located on at least 50 acres of land on which is maintained a regular or championship golf course of at least 9 holes, subject to a specified agreement between the Department of Assessments and Taxation and the golf course; altering the basis of the valuation of specified land of a country club or golf course; requiring the Department to adopt specified regulations; etc.
EFFECTIVE JUNE 1, 2002
Senator Hogan, et al
- SB 628 Charles County – New School Capacity Financing Mechanism**
Establishing a new school capacity financing mechanism in Charles County; repealing provisions of law requiring a developer to reimburse the county for costs of constructing additional public school facilities; authorizing the County Commissioners to borrow not more than \$100,000,000 by issuing bonds on the full faith and credit of the county; authorizing the County Commissioners to levy an excise tax, not to exceed specified rates for specified types of dwellings, on the owners of real property in the county; etc.
EFFECTIVE JUNE 1, 2002
Senator Middleton
- SB 750 Property Tax – Tax Credits for Conservation Property**
Providing for a specified tax credit by altering the date by which specified donations of specified conservation land may have been made in order to qualify for a county or municipal property tax credit from July 1, 1991 to June 30, 1986; applying the Act to tax years beginning after June 30, 2002; etc.
EFFECTIVE JUNE 1, 2002
Senators Stoltzfus and Kittleman

SB 833 Income Tax – Filing Returns

Providing that if the due date for an individual federal income tax return filed electronically is later than April 15, the due date for an individual Maryland income tax return filed and paid electronically is the same as the due date as that of the individual's federal income tax return.

EFFECTIVE JULY 1, 2002

Senator Hoffman

SB 867 Property Tax Credit – Surviving Spouse of Fire, Rescue, or Emergency Medical Service Personnel

Authorizing the governing body of a county or municipal corporation to grant, by law, a county or municipal corporation property tax credit for a dwelling house owned by a surviving spouse of an individual who died as a result of an injury or disease incurred during active fire, rescue, or emergency medical service under specified circumstances; authorizing the governing body of a county or municipal corporation to provide by law for the amount and duration of the property tax credit; etc.

EFFECTIVE JULY 1, 2002

Senator Middleton, et al

SB 903 Prince George's County – Special Taxing Districts and Tax Increment Financing

Altering the definition of "bond" as it relates to special taxing districts and tax increment financing to include a specified bond issued by the revenue authority of Prince George's County; authorizing the County to pledge specified tax revenues to specified funds; authorizing specified funds to be used for specified purposes; etc.

EFFECTIVE JULY 1, 2002

Senators Lawlah and Currie (By Request)

HB 1 Commission on Maryland's Fiscal Structure

Establishing a Commission on Maryland's Fiscal Structure to review, evaluate, and make recommendations regarding the State budget process, Spending Affordability process, Capital Debt Affordability process, and the State tax structure; requiring the Commission to make recommendations on methods to address funding needs for education, transportation, and health care and inefficiencies in and improvements to State services and operations; requiring a report by December 15, 2002; making the Act an emergency measure; etc.

EMERGENCY BILL

Delegate Hixson, et al

HB 125 Baltimore City – Tax Credit for Newly Constructed Dwellings – Termination Date

Altering from June 30, 2002, to June 30, 2005, the termination date applicable to provisions of law authorizing the Mayor and City Council of Baltimore City to grant a property tax credit against the local property tax imposed on newly constructed dwellings that meet specified requirements; repealing specified property tax credit provisions for first purchased dwellings in Baltimore City; etc.

EFFECTIVE JULY 1, 2002

Delegates Campbell and McHale

HB 152 Boxing and Wrestling Tax Assessment – Appeals

Establishing a specified appeal process for persons who are subject to the boxing and wrestling tax and receive a notice of assessment from the Comptroller; and authorizing the Comptroller or the Comptroller's designee to issue an order decreasing or abating the boxing and wrestling tax under specified conditions.

EFFECTIVE JULY 1, 2002

Chairman W&M (Dept)

HB 243 Property Tax Credits – Personal Property of a Business That Provides Computers to Employees for Home Use

Authorizing counties and municipal corporations to grant, by law, a property tax credit against the county or municipal corporation property tax imposed on personal property, other than operating personal property of a public utility, of a business that provides computers to its employees for their use at home; and authorizing the county or municipal corporation to provide, by law, for the amount, duration, and application of the property tax credit and any other provision necessary to carry out the Act.

EFFECTIVE JUNE 1, 2002

Delegate Hixson, et al

HB 337 Frederick County – Property Tax Credits – Agricultural Preservation Land and Farm Buildings

Authorizing the Frederick County Board of County Commissioners to grant a specified property tax credit for up to 100% of any county property tax imposed on real property subject to an agricultural preservation easement or designated by the Frederick County Board of County Commissioners as being within an Agricultural Preservation District; authorizing the Board to grant a local property tax credit for farm buildings; etc.

EFFECTIVE JUNE 1, 2002

Frederick County Delegation

HB 355 Property Tax – Homeowners’ Tax Credits

Authorizing homeowners to apply for a homeowners’ property tax credit within 3 years after April 15 of the taxable year for which the credit is sought, if the homeowner is 70 years old as of the taxable year for which the credit is sought and was eligible for the homeowners’ property tax credit during the taxable year for which the credit is sought; requiring the Comptroller to pay eligible homeowners the property tax credit due under the Act upon certification by the Department; etc.

EFFECTIVE JULY 1, 2002

Delegates Clagett and Sophocleus

HB 378 Sales and Use Tax – Taxable Price – Communications Services

Excluding from the taxable price subject to the sales and use tax a charge for a nontaxable service that is made in connection with a sale of a taxable communication service, even if the nontaxable charges are aggregated with and not separately stated from the taxable charges for communications services, if the vendor can reasonably identify charges not subject to tax from its books and records that are kept in the regular course of business.

EFFECTIVE JULY 1, 2002

Delegate Hixson, et al

HB 436 Income Tax Returns – Fractional Parts of a Dollar

Requiring the Comptroller to allow income tax returns to be completed using whole dollar amounts instead of expressing amounts in exact dollars and cents, by disregarding a fractional part of a dollar less than 50 cents and increasing to 1 dollar a fractional part of a dollar of 50 cents or more.

EFFECTIVE JULY 1, 2002

Delegates Gordon and Bozman

HB 437 Qualified Tuition Programs – Income Tax Treatment

Altering a specified addition modification under the Maryland income tax for specified distributions from specified qualified tuition programs; altering specified subtraction modifications under the Maryland income tax for specified contributions to specified qualified tuition programs; repealing a specified Maryland income tax subtraction modification made obsolete as a result of specified changes to the federal income tax treatment to qualified tuition programs; etc.

EFFECTIVE JULY 1, 2002

Delegate Howard, et al

HB 493 Maryland Income Tax – Subtraction Modification – Conservation Tillage Equipment

Altering the definition of “conservation tillage equipment” for purposes of a subtraction modification for conservation tillage equipment to include deep no-till rippers that do not invert the soil profile and are used to address compaction in high residue cropping systems; and providing that the Act shall be applicable to all taxable years beginning after December 31, 2001.

EFFECTIVE JULY 1, 2002

Delegate Baldwin, et al

HB 512 Recordation Tax – Refinancing Instrument

Altering an exemption under the recordation tax for a mortgage or deed of trust securing the refinancing by the original mortgagor of real property that is used as the principal residence by the original mortgagor to provide that an affidavit required to qualify for the exemption may be filed by an agent of the original mortgagor; etc.

EFFECTIVE JULY 1, 2002

Delegate Doory

HB 525 Baltimore County – Property Tax – Neighborhood Preservation and Stabilization Credits

Extending to June 30, 2005, the applicability of credits against Baltimore County property taxes and the State income tax for property in designated areas of Baltimore County.

EFFECTIVE JULY 1, 2002

Delegate Redmer, et al

HB 553 Sales and Use Tax – Exemption – Utilities Used to Produce Snow for Commercial Purposes

Providing an exemption from the sales and use tax for the sale of electricity, fuel, and other utilities used in the production of snow used for commercial purposes.

EFFECTIVE JULY 1, 2002

Delegate Edwards

HB 558 Baltimore City – Tax Sales – Abandoned Property

Clarifying the applicability of specified provisions making a certificate to specified abandoned property in Baltimore City void unless foreclosure proceedings are brought within 3 months from the date of the certificate; authorizing the holder of a certificate of sale for specified abandoned property in Baltimore City sold under specified circumstances to file a complaint to foreclose rights of redemption at any time after the date of the sale; etc.

EFFECTIVE JULY 1, 2002

Delegate Marriott (Baltimore City Administration)

HB 588 Personal Property Tax – Refunds and Reports

Authorizing a person who has filed a personal property tax report with the Department of Assessments and Taxation to file an amended report within a specified time under specified circumstances; requiring the Department to provide specified notice to a person who files a specified amended report; etc.

EFFECTIVE JULY 1, 2002

Delegate Healey, et al

- HB 652 Pilot Program for Long-Term Employment of Qualified Ex-Felons**
Requiring the Department of Labor, Licensing, and Regulation, in consultation with the Governor's Workforce Investment Board, to establish a Pilot Program for Long-Term Employment of Qualified Ex-Felons; requiring the implementation of a program in at least two areas of the State to provide fidelity bonds and to qualify business entities for tax credits to encourage the long-term employment of qualified ex-felon employees under the Pilot Program; etc.
VARIOUS EFFECTIVE DATES
Delegate Marriott, et al
- HB 707 Montgomery County - Tax Credit for Businesses That Create New Jobs - Qualifications MC 212-02**
Altering specified definitions for purposes of property tax and State tax credits granted to specified business entities that construct or expand new or expanded business premises under specified circumstances, to include, for Montgomery County, a contract position of definite duration lasting at least 12 months with an unlimited renewal option; altering requirements for a business entity in Montgomery County to qualify for property tax and State tax credits; applying the Act to tax years after 2002; etc.
EFFECTIVE JULY 1, 2002
Montgomery County Delegation
- HB 758 Property Tax Assessment - Country Clubs and Golf Courses**
Making a golf course that is open to the public eligible for special use value assessment for property tax purposes if it is located on at least 50 acres of land on which is maintained a regular or championship golf course of at least 9 holes, subject to a specified agreement between the Department of Assessments and Taxation and the golf course; altering the basis of the valuation of specified land of a country club or golf course; requiring the Department to adopt specified regulations; etc.
EFFECTIVE JUNE 1, 2002
Delegate Hixson, et al
- HB 759 Maryland Heritage Structure Rehabilitation Tax Credit**
Limiting the qualifying expenditures under the Maryland Heritage Structure Rehabilitation Tax Credit allowed for a rehabilitation to the amount of estimated expenditures as stated in the application for approval of a plan of proposed rehabilitation; limiting the amount of State tax credit allowed for any rehabilitation to \$3,000,000; altering the calculation of the credit; providing for the termination of the credit as of June 1, 2004; etc.
EFFECTIVE JUNE 1, 2002
Delegate Hixson, et al

HB 892 Property Tax – Petition for Review Outside of Assessment Cycle

Eliminating the right of a county, a municipal corporation, or the Attorney General to appeal the value or classification of real property by submitting a petition for review to the supervisor on or before the date of finality for the next taxable year; declaring that specified actions of local governments are contrary to the triennial assessment system and uniformity of taxation; repealing specified obsolete language regarding annual assessments; making the Act an emergency measure; etc.

EMERGENCY BILL**Delegate Goldwater, et al****HB 942 Washington County – Property Tax Credit – Hagerstown Soccer Club, Inc.**

Authorizing the governing body of Washington County or a municipal corporation in Washington County to grant, by law, a property tax credit against the county or municipal corporation property tax imposed on real property that is owned by the Hagerstown Soccer Club, Inc.; and applying the Act to tax years beginning after June 30, 2002.

EFFECTIVE JUNE 1, 2002**Washington County Delegation****HB 997 Baltimore City – Ground Rents on Abandoned Property – Tax Sales – Donations**

Providing that, at a tax sale of abandoned property in Baltimore City that is subject to a ground rent or lease for a term of 99 years renewable forever, the collector shall sell the whole fee simple interest in the property; and providing that specified ground rents may be donated to Baltimore City or a specified entity.

EFFECTIVE JULY 1, 2002**Delegate Marriott (Baltimore City Administration)****HB 1003 Charles County – Property Tax Credit – Renovated or Rehabilitated Business Property**

Authorizing the governing body of Charles County to grant a property tax credit against the county property tax imposed on renovated or rehabilitated business real property located in a priority funding area, as designated under specified provisions of law; authorizing the governing body of the county to provide for specified conditions relating to the credit; limiting the amount and duration of the credit; and providing for the application of the Act.

EFFECTIVE JUNE 1, 2002**Charles County Delegation**

HB 1017 Charles County – New School Capacity Financing Mechanism

Establishing a new school capacity financing mechanism in Charles County; repealing provisions of law requiring a developer to reimburse the county for costs of constructing additional public school facilities; authorizing the County Commissioners to borrow not more than \$100,000,000 by issuing bonds on the full faith and credit of the county; authorizing the County Commissioners to levy an excise tax, not to exceed specified rates for specified types of dwellings, on the owners of real property in the county; etc.

EFFECTIVE JUNE 1, 2002

Charles County Delegation

HB 1098 Income Tax – Credit for Aquaculture Oyster Float

Allowing an individual to claim a credit against the State income tax for 100% of the purchase price of aquaculture oyster floats for personal, noncommercial use, up to a maximum credit of \$500; and applying the Act to tax years after December 31, 2001.

EFFECTIVE JULY 1, 2002

Delegate O'Donnell, et al

HB 1120 Sales and Use Tax – Effective Rate Agreements

Authorizing the Comptroller to enter into effective rate agreements with vendors to allow a vendor to compute sales and use tax liability for purchases made by the vendor for a specified period using a predetermined agreed-upon effective rate; and authorizing the Comptroller to issue direct payment permits authorizing the direct payment of sales and use tax due on purchases by a vendor subject to an effective rate agreement.

EFFECTIVE JULY 1, 2002

Delegate Rudolph

HB 1315 Income Tax – Filing Returns

Providing that if the due date for an individual federal income tax return filed electronically is later than April 15, the due date for an individual Maryland income tax return filed and paid electronically is the same as the due date for the individual's federal income tax return.

EFFECTIVE JULY 1, 2002

Delegate Hixson

Part C

State Government

SB 1 Election Law

Adding a new article to the Annotated Code of Maryland, to be designated and known as “Election Law”; revising, restating, and recodifying the laws relating to campaign finance, the powers and duties of the State and local boards of elections, voter registration, political parties, candidates, petitions, questions, etc.

The President (Dept)

SB 30 State Personnel – Disciplinary Actions – Expungement of Information from Personnel Records

Requiring that specified information related to a disciplinary action be expunged from the personnel records of specified State employees within 15 days after issuance of a decision to rescind the disciplinary action.

Senator Conway

SB 31 Administrative Procedure Act – Contested Cases – Time Limit for Making Final Decision

Requiring the final decision maker in a contested case under the Administrative Procedure Act to make the final decision within 90 days after exceptions to the proposed decision are filed or arguments are presented to the final decision maker, whichever is later, except as otherwise provided by law or by agreement of the parties.

Senator Haines

SB 86 State Procurement – Auction Bids

Authorizing auctions for the procurement of supplies, with an estimated contract value of \$1,000,000 or more, by specified State procurement units under specified conditions; requiring a procurement officer to seek bids by issuing an invitation for auction bids under specified circumstances; establishing procedures for conducting procurement auctions and awarding procurement contracts by the use of an invitation for auction bids; requiring notice of specified awards; etc.

EFFECTIVE JULY 1, 2002

Chairman EHE (Dept)

- SB 89 Equal Employment Opportunity Program – University System of Maryland and Morgan State University**
Authorizing an employee of the University System of Maryland or of Morgan State University who is eligible to file a grievance under the University's grievance procedures to pursue allegations of employment discrimination under the complaint procedures of the Equal Employment Opportunity Commission in the University's grievance procedures.
Chairman FIN (Dept)
- SB 93 State Lottery – Multijurisdictional Lottery – Agreement**
Authorizing the Director of the State Lottery Agency to enter into agreements to operate multijurisdictional lotteries with other specified political entities outside the United States or with specified licensees.
Chairman FIN (Dept)
- SB 95 Maryland Whistleblower Law – University System of Maryland and Morgan State University**
For the purpose of allowing specified employees of the University System of Maryland or Morgan State University to file a complaint under the Maryland Whistleblower Law or a grievance under specified grievance procedures; and generally relating to the Maryland Whistleblower Law.
Chairman FIN (Dept)
- SB 104 Council on Management and Productivity – Membership, Duties, Terms, and Sunset Extension**
Extending to July 1, 2007 the termination date for the Council on Management and Productivity; altering the number of members on the Council; altering the terms and conditions of membership and duties of the Council; and altering a reporting date.
EFFECTIVE JUNE 1, 2002
Chairman B&T (Dept)
- SB 105 Retirement and Pension Systems – Baltimore City Community College – Nonfaculty Employees**
Authorizing nonfaculty employees of the Baltimore City Community College who are members of the Teachers' Pension System to transfer to the Employees' Pension System under specified conditions.
EFFECTIVE JULY 1, 2002
Chairman B&T (Dept), et al
- SB 108 State Highway Plats – Filing and Recordation**
Repealing the requirement that the clerks of the court receive, index, and record plats showing the acquisition or conveyance of specified property or rights-of-way; requiring that State highway plats be filed with the State Archives; requiring the Archives to receive, file, and electronically post specified plats; and authorizing the Archives to charge reasonable fees to recover the cost of electronically posting and maintaining the images of plats and for the cost of reproducing a copy of a plat.
Chairman JPR (Dept)

- SB 171 Judges' Retirement System – Death Benefits – Multiple Beneficiaries**
- Providing members and retirees of the Judges' Retirement System with the option of designating multiple beneficiaries for specified lump-sum death benefits; and creating a lump-sum death benefit for beneficiaries of members of the Judges' Retirement System.
- EFFECTIVE JULY 1, 2002**
The President (Judicial Compensation Commission)
- SB 176 Election Law Article – Cross-References and Corrections**
- Correcting specified cross-references to the Election Law Article in the Annotated Code of Maryland; correcting a specified obsolete reference; clarifying and correcting specified provisions; repealing specified obsolete references; defining a term; etc.
- CONTINGENT-EFFECTIVE JANUARY 1, 2003**
The President (Department of Legislative Services – Code Revision)
- SB 184 Election Law – Voter Registration – Felons**
- Altering the qualifications for voter registration to allow an individual who has been convicted of a specified crime to qualify to be a registered voter if the individual, in connection with a first conviction or a subsequent conviction, has completed the court-ordered sentence and, in the case of a subsequent conviction, at least 3 years have elapsed since the completion of the sentence; prohibiting specified individuals from being qualified to be registered voters; etc.
- EFFECTIVE JANUARY 1, 2003**
Senator Kelley, et al
- SB 202 Pensions – Service Retirement Benefits for Governors and Surviving Spouses**
- Increasing the annual retirement allowance for Governors who have served at least one full term of office; and eliminating cost-of-living increases to the retirement allowances of former Governors and surviving spouses of retired former Governors.
- EFFECTIVE JULY 1, 2002**
The President (Governor's Salary Commission)
- SB 240 State Government – Access to Public Records – Public Security Documents**
- Authorizing a custodian to deny inspection of specified public records under specified circumstances; requiring the Office of the Attorney General to report to the Governor and the General Assembly on or before December 1, 2007; and making the Act an emergency measure.
- EMERGENCY BILL**
The President (Administration), et al

SB 242 Maryland Security Council

Establishing the Maryland Security Council within the Executive Department; specifying the membership and terms of the members of the Council; providing for the compensation of Council members; requiring governmental units to cooperate with the Council under specified circumstances; requiring the Council to issue an annual report; etc.

EMERGENCY BILL

The President (Administration)

SB 265 State Government - Equal Access to Public Services - Individuals with Limited English Proficiency

Stating the intent of the General Assembly that State departments, and agencies, and programs shall provide equal access to public services for individuals with limited English proficiency; requiring vital documents to be translated into any language spoken by any limited English proficient population that constitutes 3% of the overall population within a specified geographic area under specified circumstances; establishing a schedule for the implementation of specified requirements of the Act; etc.

EFFECTIVE JULY 1, 2002

Senator Sfikas

SB 281 Public Work Contracts - Prevailing Wage Rate - Liability

Specifying that the contractor and subcontractor are both liable for making restitution to employees who have been underpaid under specified public work contracts.

EFFECTIVE JUNE 1, 2002

Chairman FIN (Dept)

SB 304 Annual Curative Bill

Generally curing previous Acts of the General Assembly with possible title or other defects.

EMERGENCY BILL

The President (Department of Legislative Services)

SB 305 Annual Corrective Bill

Correcting specified errors and omissions in various articles of the Annotated Code and in specified uncodified laws; establishing that the Act is not intended to affect any law other than to correct technical errors; ratifying and validating specified corrections made by the publisher of the Annotated Code; applying and construing the Act; etc.

EMERGENCY BILL

The President (Department of Legislative Services)

SB 309 Law Enforcement Officers' Pension System - Membership

Providing specified law enforcement officers with the option to participate in the Law Enforcement Officers' Pension System on or before December 31, 2002.

EFFECTIVE JULY 1, 2002

Senator Currie

SB 337 Retirement and Pensions – Service Retirement Benefit

Altering the requirements that specified members of the Employees' Pension System or the Teachers' Pension System must satisfy to be eligible for a service retirement benefit; and providing for the calculation of a service retirement benefit for specified members of the Employees' Pension System or the Teachers' Pension System.

EFFECTIVE JULY 1, 2002

Senator Kasemeyer

SB 471 Election Laws – Study Commission on Public Funding of Campaigns in Maryland

Establishing a Study Commission on Public Funding of Campaigns in Maryland; specifying the composition, powers, and duties of the Commission; providing for the staffing of the Commission; requiring the Commission to report its findings and recommendations, including suggested legislative changes, to the Governor and General Assembly by December 31, 2002; and providing for the termination of the Commission.

EFFECTIVE JULY 1, 2002

Senator Pinsky, et al

SB 477 State Police Retirement System – Retirees – Reemployment as Sheriffs or State's Attorneys

Exempting specified members of the State Police Retirement System from a prohibition that members of the State Police Retirement System cannot accept a retirement or pension allowance from another pension or retirement system supported wholly or in part by the State; and providing for the application of the Act.

EFFECTIVE JULY 1, 2002

Senator Currie

SB 480 School Buying Consortium – County Boards of Education – Procurement – Exceptions

Authorizing a county board to participate in specified contracts for goods or commodities awarded by other public agencies or intergovernmental purchasing organizations; authorizing the advertisement of bids for specified procurements in specified media; authorizing specified nonpublic schools to participate in specified contracts for goods or commodities; and requiring the Department of Education to establish a process that allows access to specified information; etc.

Senator Van Hollen, et al

SB 491 Department of Budget and Management – Major Information Technology Development Projects

Prohibiting a unit of State government, other than a public institution of higher education, from making expenditures for major information technology development projects except under specified circumstances; creating the Major Information Technology Development Project Fund; specifying the purpose of the Fund and the authorized uses of the Fund; providing that, effective July 1, 2002, any unencumbered balance in a specified fund shall be transferred to the Fund; repealing the Information Technology Investment Fund; etc.

EFFECTIVE JUNE 1, 2002

Senator Hoffman, et al

SB 497 Retirement and Pensions – Maryland National Guard – Service Credit

Authorizing members of a State retirement or pension system to receive service credit for military service as a member of the Maryland National Guard in either active or inactive duty.

EFFECTIVE JULY 1, 2002

Senator Mooney

SB 532 State Employees – Contractual Employees – Break In Service

Providing that a contractual employee who has had a break in service for less than a year and who is selected to fill a budgeted position shall be given credit for service for the purpose of establishing steps in the pay grade applicable to the budgeted position, annual leave, and seniority rights and shall become a member of the Employees' Pension System of the State of Maryland; providing for the application of the Act; providing for the termination of the Act; etc.

Senators Munson and Mooney

SB 569 Law Enforcement Officers' Pension System – Membership

Providing employees of the Division of Rehabilitation Services in the Department of Education with the option to participate in the Law Enforcement Officers' Pension System on or before December 31, 2002.

EFFECTIVE JULY 1, 2002

Senator Hooper, et al

SB 666 Maryland Veterans Commission – Membership

Amending the membership of the Maryland Veterans Commission to include one veteran of the Persian Gulf War, appointed from the State at large, and to add Veterans of the Battle of the Bulge to the list of organizations submitting lists of individuals to the Governor for appointment.

Senator Munson

SB 686 Optional Retirement Program – Supplemental Annuities

Clarifying the authority of specified higher education institutions to establish specified supplemental retirement plans and offer supplemental annuities and deferred compensation plans to their employees under § 401(a), § 403(b), or § 457 of the Internal Revenue Code, or any other provision of federal law that authorizes supplemental retirement accounts, and to authorize specified employees to participate in one or more of the plans; and making the application of the Act retroactive to January 1, 2002.

EFFECTIVE JUNE 1, 2002

Senator Kasemeyer

SB 719 Procurement – Unsolicited Proposals

Authorizing a unit of State government to award a contract for goods or services in response to an unsolicited proposal that meets specified requirements; exempting specified unsolicited proposals from a requirement that procurement be by competitive sealed bid; establishing an interagency panel to review unsolicited proposals and to make specified determinations subject to specified requirements and procedures; providing for the effect of specified action or inaction by the interagency panel; etc.

Senator Hollinger, et al

SB 721 Elections – Reporting Requirements

Altering the filing deadlines for specified campaign finance reports; eliminating the requirement that political committees that continue from year to year must file specified campaign finance reports; and providing for the termination of specified provisions of the Act.

VARIOUS EFFECTIVE DATES

Senator Collins, et al

SB 805 Congressional Districting Plan of 2002

Establishing the composition of the eight districts in the State of Maryland for the election of members to the United States House of Representatives; defining ward, election district, and precinct boundaries; making the Act an emergency measure; and generally relating to the reconfiguration of congressional districts in Maryland.

EMERGENCY BILL

The President (Administration)

SB 844 State Employee and Retiree Health and Welfare Benefits Program – Employees of Legal Aid Bureau, Inc.

Altering the definition of “qualifying not-for-profit organization” to include the Legal Aid Bureau, Inc., thereby authorizing that organization to participate in the State Employee and Retiree Health and Welfare Benefits Program; and providing for the termination of the Act.

Senator McFadden

SB 868 Employees' Pension System - Participating Governmental Units - Contributory Pension Benefit

Allowing the employees of participating governmental units who are members of the Employees' Pension System to become subject to a contributory pension benefit that alters the benefits those members receive and requires specified member contributions; requiring specified participating governmental units to pay for additional pension liabilities according to any increases in the normal cost percentage plus an amortization schedule approved by the Board of Trustees for the State Retirement and Pension System; etc.

EFFECTIVE JULY 1, 2002

Senator Hafer

SB 891 Prince George's County - Democratic Party Central Committee - Composition

Altering the composition of the Prince George's County Democratic Party Central Committee; providing for the termination of specified provisions of the Act; and providing for the effective date of specified provisions of the Act.

VARIOUS EFFECTIVE DATES

Senator Miller

HB 95 Procurement - Department of Transportation - Supplies and Services for Aeronautics Related Activities

Authorizing the Department of Transportation to procure specific supplies and services for aeronautics related activities.

Chairman CGM (Dept)

HB 96 State Procurement Contracts for Construction - Retainage - Maryland Transportation Authority

Authorizing the Maryland Transportation Authority to withhold payments from a contractor in addition to retainage for specified contracts in specified circumstances; authorizing the Authority to deposit retainage in an interest-bearing escrow account; and restricting the amount that a contractor may withhold from a subcontractor in specified circumstances.

Chairman CGM (Dept)

HB 97 Procurement - Architectural and Engineering Services - Review by Selection Boards

Modifying the threshold amount that requires a recommendation to the Board of Public Works for the award of contracts for architectural and engineering services; modifying the threshold amount for a specified certificate; and modifying the amount under which a transportation unit shall negotiate contracts for architectural and engineering services.

EFFECTIVE JULY 1, 2002

Chairman CGM (Dept)

HB 163 Retirement and Pensions – Quarterly Estimate of Manager Fees – Alternative Investment Managers

Increasing fee limitations for the external management of alternative investments; and providing for the carry-over of the unspent quarterly fees estimated for the external management of real estate and alternative investments.

EFFECTIVE JULY 1, 2002

Delegate Proctor (Chairman, Joint Committee on Pensions)

HB 164 Task Force to Study the State’s Retiree Health Insurance Liabilities

Establishing a Task Force to Study the State’s Retiree Health Insurance Liabilities; providing for the membership, chairman, duties, and staffing of the Task Force; and requiring the Task Force to report to the Governor and the General Assembly on its findings.

EFFECTIVE JULY 1, 2002

Delegate Proctor (Chairman, Joint Committee on Pensions)

HB 165 Retirement and Pensions – Boards of Supervisors of Elections – Payment of Contributions

Clarifying the payment of specified contributions for specified employees of the boards of supervisors of elections who are members of the Employees’ Retirement System or the Employees’ Pension System.

EFFECTIVE JULY 1, 2002

Delegate Proctor (Chairman, Joint Committee on Pensions)

HB 169 Political Posters – Worcester County

Eliminating the regulation of the placement of specified political messages on specified properties in Worcester County.

EFFECTIVE JULY 1, 2002

Delegate Bozman, et al

HB 173 Judges’ Retirement System – Death Benefits – Multiple Beneficiaries

Providing members and retirees of the Judges’ Retirement System with the option of designating multiple beneficiaries for specified lump-sum death benefits; and creating a lump-sum death benefit for beneficiaries of members of the Judges’ Retirement System.

EFFECTIVE JULY 1, 2002

The Speaker (Judicial Compensation Commission)

- HB 181 State Employee and Retiree Health and Welfare Benefits Program – Eligibility for Enrollment and Participation**
Allowing employees of the Tri-County Council for Southern Maryland, the Tri-County Council for Western Maryland, the Tri-County Council for the Lower Eastern Shore of Maryland, and the Mid-Shore Regional Council to enroll and participate in the health insurance benefit options established under the State Employee and Retiree Health and Welfare Benefits Program under specified circumstances; requiring a council to pay specified costs to the State; requiring a council to make a specified determination; and applying the Act.
EFFECTIVE JULY 1, 2002
Southern Maryland Delegation, Western Maryland Delegation, and Eastern Shore Delegation
- HB 216 Law Enforcement Officers’ Pension System – Membership**
Providing specified law enforcement officers with the option to participate in the Law Enforcement Officers’ Pension System on or before December 31, 2002.
EFFECTIVE JULY 1, 2002
Delegate Branch, et al
- HB 237 State Government – Plaque Commemorating the Bataan Death March**
Requiring that a plaque be placed in the State House or on the grounds of the State House to honor the soldiers who were forced to participate in what has become known as the Bataan Death March during World War II; requiring the Governor to appoint the Secretary of Veterans Affairs to oversee the design, construction, and placement of the plaque; requiring the Governor to appropriate funds for the design, construction, and placement of the plaque; etc.
Delegate Amedori, et al
- HB 252 Procurement – Unsolicited Proposals**
Authorizing a unit of State government to award a contract for goods or services in response to an unsolicited proposal that meets specified requirements; exempting specified unsolicited proposals from a requirement that procurement be by competitive sealed bid; establishing an interagency panel to review unsolicited proposals and to make specified determinations subject to specified requirements and procedures; providing for the effect of specified action or inaction by the interagency panel; etc.
Delegates Wood and McIntosh
- HB 254 Maryland Port Administration – Access to Public Records – Permissible Denials**
Authorizing a custodian of a public record to deny inspection of any part of a public record that contains specified information relating to stevedoring or terminal services or facility use rates, proposals for use of stevedoring or terminal services or facilities, or research or analysis related to maritime businesses or vessels for the Maryland Port Administration or any private operating company created by the Maryland Port Administration; etc.
EFFECTIVE JUNE 1, 2002
Delegates Arnick and Wood

HB 258 Pensions – Service Retirement Benefits for Governors and Surviving Spouses

Increasing the annual retirement allowance for Governors who have served at least one full term of office; and eliminating cost-of-living increases to the retirement allowances of former Governors and surviving spouses of retired former Governors.

EFFECTIVE JULY 1, 2002

The Speaker (Governor’s Salary Commission)

HB 270 State Open Meetings Law Compliance Board – Duties

Repealing an obsolete provision concerning the date by which the State Open Meetings Law Compliance Board shall conduct educational programs for public bodies, MML, and MACO; altering from July 1 to October 1 the date by which the Board shall submit an annual report; and repealing the requirement that the annual report include a description of the impact on State and local governments of the expansion of the application of the Open Meetings Act to local public bodies.

Delegate Wood

HB 292 Maryland National Guard Readiness Act

Granting to specified members of the Maryland National Guard specified rights and protections granted under federal law; authorizing a death benefit for specified members of the Maryland National Guard; making the Act an emergency measure; etc.

EMERGENCY BILL

The Speaker (Administration), et al

HB 297 State Government – Access to Public Records – Public Security Documents

Authorizing a custodian to deny inspection of specified public records under specified circumstances; requiring the Office of the Attorney General to report to the Governor and the General Assembly on or before December 1, 2007; and making the Act an emergency measure.

EMERGENCY BILL

The Speaker (Administration), et al

HB 305 Maryland Security Council

Establishing the Maryland Security Council within the Executive Department; specifying the composition, terms, and officers of the Council; specifying the terms of the members of the Council appointed by the Governor; specifying the duties of the Council; requiring personnel in governmental units to cooperate with the Council under specified circumstances; requiring the Council to issue an annual report; making the Act an emergency measure; etc.

EMERGENCY BILL

The Speaker (Administration)

HB 341 Maryland National Guard - Active Service - September 11th Service Bar

Providing individuals in the Maryland National Guard who have been ordered into active service in response to the foreign terrorist attacks in the United States on September 11, 2001 with a service bar; and providing what should be depicted on the service bar.

Delegates Crouse and Wood

HB 342 Commission on Indian Affairs - Formal Recognition of Maryland Indian Status

Requiring the Commission on Indian Affairs, after making a determination that a particular tribe, band, group, or clan has met the requirements for formal recognition, to submit to the Secretary of Housing and Community Development, for transmittal to the Governor, a recommendation for formal recognition; requiring the Secretary to transmit the recommendation to the Governor within 60 days of receipt; requiring the Governor to accept or reject the recommendations made by the Commission within 120 days of receipt; etc.

Delegates Branch and Fulton

HB 346 Constitutional Amendment - Emergency Legislation - Scope

Proposing an amendment to the Maryland Constitution that would authorize the General Assembly to pass emergency laws creating or abolishing any office or changing the term or duties of any officer; and submitting the amendment to the qualified voters of the State of Maryland for their adoption or rejection.

CONSTITUTIONAL AMENDMENT

Delegates Rosenberg and McIntosh

HB 359 State Employees - Contractual Employees - Break In Service

Providing that a contractual employee who has had a break in service for less than a year, who is employed in a specified position during that break in service, and who is selected to fill a budgeted position shall be given credit for service for the purpose of establishing steps in the pay grade applicable to the budgeted position, annual leave, and seniority rights and shall become a member of the Employees' Pension System of the State of Maryland; providing for the application of the Act; providing for the termination of the Act; etc.

Delegates Hecht and Donoghue

HB 369 State Police Retirement System - Retirees - Reemployment as Sheriffs or State's Attorneys

Exempting specified members of the State Police Retirement System from a prohibition that members of the State Police Retirement System cannot accept a retirement or pension allowance from another pension or retirement system supported wholly or in part by the State; and providing for the application of the Act.

EFFECTIVE JULY 1, 2002

Delegate W Baker, et al

HB 383 Campaign Finance Law – Reporting Requirements

Altering the filing deadlines for specified campaign finance reports; eliminating the requirement that specified political committees must file specified campaign finance reports; providing for the effective date of specified provisions of the Act; providing for the termination of specified provisions of the Act; etc.

Delegate Glassman, et al

HB 394 State Retirement and Pension System – Optional Forms of Allowance – Designated Beneficiaries

Allowing a retiree of the State Retirement and Pension System who selects the Option 5 or 6 retirement allowance to designate a new beneficiary if the retiree's original beneficiary has predeceased the retiree.

EFFECTIVE JULY 1, 2002

Delegate Proctor (Chairman Joint Committee on Pensions)

HB 395 Retirement and Pensions – Disability Retirees – Temporary Suspension of Allowance

Repealing medical re-examination requirements for disability retirees of the State retirement and pension systems; eliminating restrictions on reemployment of specified disability retirees; providing for a temporary suspension of benefits when a disability retiree is reemployed; and providing for the resumption of disability benefits with cost-of-living adjustments to the benefits after receipt by the Board of Trustees for the State Retirement and Pension System of specified documentation.

EFFECTIVE JULY 1, 2002

Delegate Proctor (Chairman Joint Committee on Pensions)

HB 430 Militia – Honor Guard – Compensation

Specifying that members of honor guards are entitled to pay as provided in the budget but not exceeding the Department of Defense pay rate or, if greater, the State minimum wage.

EFFECTIVE JULY 1, 2002

Chairman CGM (Dept)

HB 491 Workers' Compensation – Principal Contractor – Liability

Limiting the liability of a principal contractor for workers' compensation payments if a sole proprietor does not notify the principal contractor of the sole proprietor's status as a covered employee; altering the circumstances under which an individual is presumed to be a sole proprietor who is not a covered employee; etc.

Delegate Mitchell

HB 492 School Buying Consortium - County Boards of Education - Procurement - Exceptions

Authorizing a county board to participate in specified contracts for goods or commodities awarded by other public agencies or intergovernmental purchasing organizations; authorizing the advertisement of bids for specified procurements in specified media; authorizing nonpublic schools to participate in specified contracts for goods or commodities; and requiring the Department of Education to establish a process that allows access to specified information.

Delegates Morhaim and Heller, et al

HB 534 Retirement and Pensions - Limitations on Benefits and Contributions

Amending the compensation limits that are used to determine the retirement allowances of members of the State Retirement and Pension System to reflect provisions of the Internal Revenue Code; allowing members of the State retirement and pension systems to fund purchases of prior service credit from specified funding sources; altering the method of payment members of the State Retirement and Pension System may use to pay for creditable service; making the Act an emergency measure; etc.

EMERGENCY BILL

Delegate Proctor (Chairman, Joint Committee on Pensions)

HB 535 Election Law - Voter Registration - Felons

Altering the qualifications for voter registration to allow an individual who has been convicted of a specified crime to qualify to be a registered voter if the individual, in connection with a first conviction or a subsequent conviction, has completed the court-ordered sentence and, in the case of a subsequent conviction, at least 3 years have elapsed since the completion of the sentence; prohibiting specified individuals from being qualified to be registered voters; etc.

EFFECTIVE JANUARY 1, 2003

Delegate Hill, et al

HB 538 Election Laws - Study Commission on Public Funding of Campaigns in Maryland

Establishing a Study Commission on Public Funding of Campaigns in Maryland; specifying the composition, powers, and duties of the Commission; providing for the staffing of the Commission; requiring the Commission to report its findings and recommendations, including suggested legislative changes, to the Governor and General Assembly by a specified date; and providing for the termination of the Act.

EFFECTIVE JULY 1, 2002

Delegate Claggett, et al

HB 572 Community Colleges – Baltimore County – Procurement

Authorizing the Board of Trustees of the Community College of Baltimore County to conduct noncompetitive negotiations for specified procurements, contracts in amounts not exceeding \$100,000; establishing procurements by noncompetitive negotiation as an exception to the general requirements for procurements by community colleges; requiring the Board of Trustees of the Community College for Baltimore County to establish standards and procedures relating to noncompetitive negotiation procurements; etc.

Delegate A Jones, et al

HB 705 Optional Retirement Program – Supplemental Annuities

Clarifying the authority of specified higher education institutions to establish specified supplemental retirement plans and offer supplemental annuities and deferred compensation plans to their employees under § 401(a), § 403(b), or § 457 of the Internal Revenue Code, or any other provision of federal law that authorizes supplemental retirement accounts, and to authorize specified employees to participate in one or more of the plans; and making the application of the Act retroactive to January 1, 2002.

EFFECTIVE JUNE 1, 2002

Delegate Rosenberg

HB 730 State Procurement – Public Notice of Procurement

Altering the methods of publication of notice of specified invitations for bids by specified units of State government by requiring notice to be given in an Internet-based version of the Maryland Contract Weekly and authorizing notice in an Internet-based procurement system managed by the Department of General Services; defining specified terms; etc.

EFFECTIVE JUNE 1, 2002

Chairman CGM (Dept)

HB 749 Retirement and Pensions – Service Retirement Benefit

Altering the requirements that members of the Employees' Pension System or the Teachers' Pension System must satisfy to be eligible for a service retirement benefit; and providing for the calculation of a service retirement benefit for specified members of the Employees' Pension System or the Teachers' Pension System.

EFFECTIVE JULY 1, 2002

Delegate W Baker, et al

HB 779 Department of General Services – Procurements on Behalf of Private Schools

Authorizing the Department of General Services to purchase materials, supplies, and equipment on behalf of specified private elementary and secondary schools; clarifying that the Department may purchase materials, supplies, and equipment for specified nonpublic institutions of higher education; and prohibiting the Department from purchasing religious materials on behalf of a private elementary or secondary school or nonpublic institutions of higher education.

Delegate Dypski, et al

HB 835 Department of Budget and Management – Major Information Technology Development Projects

Prohibiting a unit of State government, other than a public institution of higher education, from making expenditures for major information technology development projects except under specified circumstances; creating the Major Information Technology Development Project Fund; specifying the purpose of the Fund and the authorized uses of the Fund; providing that, effective July 1, 2002, any unencumbered balance in a specified fund shall be transferred to the Fund; repealing the Information Technology Investment Fund; etc.

EFFECTIVE JUNE 1, 2002

Delegate Rawlings, et al

HB 871 Elections – Provisional Ballots – Confirmation of the Status of Ballots

Allowing individuals who vote by provisional ballot to request confirmation within 10 days of the election from their local board of election regarding the status of their ballots; requiring a local board of election to provide information under specified circumstances at the request of individuals who vote by provisional ballot; providing for the effective date of specified provisions of the Act; and providing for the termination of specified provisions of the Act.

VARIOUS EFFECTIVE DATES

Delegate Mandel, et al

HB 899 Maryland National Guard – Tuition Assistance

Expanding the Maryland National Guard's tuition assistance program to cover specified vocational-technical and trade programs.

EFFECTIVE JULY 1, 2002

Chairman CGM (Dept), et al

HB 1024 State Government – Public Information Act – Access to Public Records

Requiring an official custodian of public records to consider whether to designate specified public records to be made immediately available upon request and to maintain a list of those public records; waiving the requirement for persons and governmental units to submit a written application to review specified public records; requiring the custodian of public records to follow notification procedures to an applicant requesting public records under specified circumstances; etc.

Delegate Taylor

HB 1046 Elections – Provisional Ballots – Voter Registration

Providing that a temporary certificate of registration shall be issued for the purpose of allowing an individual to vote by a provisional ballot only by an election judge or an election director at specified times; altering the application process for a temporary certificate of registration; providing for the correction of clerical errors in voter registration records; altering a provision of law to require the Department of Health and Mental Hygiene to report the names and addresses of deceased individuals in the State; etc.

VARIOUS EFFECTIVE DATES

Chairman CGM (Dept)

HB 1076 Lobbyist Ethics – Registration and Reporting Requirements

Exempting specified communications by students from the criteria requiring registration as a regulated lobbyist; increasing the threshold amount of specified expenses or compensation above which an entity that makes specified communications must register as a regulated lobbyist; making the Act an emergency measure; providing for the effective date of specified provisions of the Act; etc.

EMERGENCY BILL

Delegate Wood, et al

HB 1174 State Government – Equal Access to Public Services – Individuals with Limited English Proficiency

Stating the intent of the General Assembly that State departments, agencies, and programs shall provide equal access to public services for individuals with limited English proficiency; requiring vital documents to be translated into any language spoken by any limited English proficient population that constitutes 3% of the overall population within a specified geographic area under specified circumstances; requiring a schedule for the implementation of specified requirements of the Act; etc.

EFFECTIVE JULY 1, 2002

Delegate R Baker, et al

HB 1205 Uniformed State Employees

Permitting uniformed State employees to attach, in accordance with State agency guidelines, a symbol of the United States flag on their uniforms.

Delegate Flanagan, et al

HB 1249 Election Law – Political Action Committees – Contributions

Authorizing an employee to contribute by payroll deduction specified contributions to specified entities selected by the employee; requiring an employer to keep specified records relating to specified employee contributions; requiring an employer to transmit specified contributions to specified entities designated by an employee; requiring employee membership entities to transmit contributions to specified persons within a specified time period; etc.

EFFECTIVE JANUARY 1, 2003

Delegate Wood

HB 1255 Teachers' Retirement System - Purchase of Service Credit - Refund

Providing specified retirees with a refund of specified assets used to purchase specified service credit plus interest at a rate of 4% per year compounded annually to the date of refund; requiring the Board of Trustees for the State Retirement and Pension System to make specified adjustments to the retirement allowance of specified retirees; requiring the Board to make specified adjustments to specified refunds; and providing for the termination of the Act.

EFFECTIVE JULY 1, 2002

Delegates Getty and Elliott

HB 1258 Baltimore County - Democratic Party Central Committee - Composition

Altering the composition of the Baltimore County Democratic Party Central Committee to accommodate changes to the boundaries of the legislative districts located partially in Baltimore County; providing that the provisions of the Act are contingent on the Legislative Districting Plan of 2002 remaining unchanged with respect to the legislative districts lying in whole or in part in Baltimore County as a result of an order issued by a court in any lawsuit filed challenging the constitutionality or legality of the Plan; etc.

CONTINGENT

Delegate Minnick

HB 1265 State Commission on Public Safety Technology and Critical Infrastructure

Establishing a State Commission Public Safety on Technology and Critical Infrastructure to ensure that specified communication and information management systems maintained by specified governmental units are compatible and interoperable; providing for the membership, terms of office, chairman, quorum, meeting times and reimbursement of members of the Commission; requiring the Governor's Office of Crime Control and Prevention to perform specified administrative functions; etc.

EFFECTIVE JULY 1, 2002

Delegates McIntosh and Rosenberg

HB 1287 Employees' Pension System - Participating Governmental Units - Contributory Pension Benefit

Allowing the employees of participating governmental units who are members of the Employees' Pension System to become subject to a contributory pension benefit that alters the benefits those members receive and requires specified member contributions; requiring specified participating governmental units to pay for additional pension liabilities according to any increases in the normal cost percentage plus an amortization schedule approved by the Board of Trustees for the State Retirement and Pension System; etc.

EFFECTIVE JULY 1, 2002

Delegate Edwards

HB 1289 Cecil County – Retirement and Pensions

Authorizing the County Commissioners of Cecil County to establish and maintain a retirement system for officers and employees of Cecil County.

EFFECTIVE JULY 1, 2002

Cecil County Delegation

HB 1296 Maryland Veterans Commission – Membership

Amending the membership of the Maryland Veterans Commission to include one veteran of the Persian Gulf War, appointed from the State at large.

Delegate Hixson, et al

HB 1355 Ethics Commission – Electronic Reporting

Providing that if specified financial disclosure statements and reports filed electronically are required to be made under oath, the oath shall be made by a signed statement made expressly under the penalties for perjury in the financial disclosure statement or report or attached to the financial disclosure statement or report; providing that the signed statement is subject to the same penalties for perjury as an oath or affirmation made before an individual authorized to administer oaths.

Delegate Wood

HB 1403 State Police Retirement System – Transfers of Service Credit – Time Limitations – Exception

Providing for an exception to the time limitations for transfers of service credit by specified members of the State Police Retirement System; providing for procedures in the transfer; providing for the application of the Act; and providing for the termination of the Act.

EFFECTIVE JULY 1, 2002

Chairman APP (Dept)

HB 1442 Law Enforcement Officers’ Pension System and State Police Retirement System – Death Benefits

Altering the formula for computing the retirement allowance to be paid to specified surviving beneficiaries of members of the Law Enforcement Officers’ Pension System and the State Police Retirement System; clarifying the formula for computing the retirement allowance to be paid to the surviving beneficiaries of members of the State Police Retirement System; and providing for the application of the Act.

EFFECTIVE JULY 1, 2002

Chairman APP

HB 1444 State Employees – Leave Provisions

Authorizing the Secretary of Budget and Management to grant leave from the State Employees' Leave Bank to specified employees who have been ordered into active service on or after September 11, 2001; authorizing the Secretary to provide in regulation for leave with pay for specified State employees on active military duty; requiring the Department of Budget and Management to report to the Governor and the General Assembly by January 15, 2003; and providing for the termination of specified provisions.

EFFECTIVE JULY 1, 2002

Chairman APP

SJ 1 Maryland Day of Remembrance of the September 11, 2001 Terrorist Attacks

Designating September 11 as “Maryland Day of Remembrance of the September 11, 2001 Terrorist Attacks”; and encouraging parents and educators to teach their children and students on September 11 and throughout the year that the ideal of liberty in the United States, which the terrorists attempted to destroy on September 11, 2001, remains unscathed.

Senator Green, et al

SJ 3 Legislative Districting Plan of 2002

Establishing legislative districts pursuant to Article III, Section 5 of the Constitution of Maryland; and generally relating to the establishment of legislative districts.

The President (Administration)

SJ 4 American Indian Heritage Month

Designating November as “American Indian Heritage Month”.

Senator Conway, et al

HJ 1 Ovarian Cancer Awareness Month

Designating September as “Ovarian Cancer Awareness Month”.

Delegate Conroy

HJ 3 Legislative Districting Plan of 2002

Establishing legislative districts pursuant to Article III, Section 5 of the Constitution of Maryland; and generally relating to the establishment of legislative districts.

The Speaker (Administration)

HJ 4 American Indian Heritage Month

Designating November as “American Indian Heritage Month”.

Delegate Branch, et al

HJ 13 Maryland Day of Remembrance of the September 11, 2001 Terrorist Attacks

Designating September 11 as “Maryland Day of Remembrance of the September 11, 2001 Terrorist Attacks”; and encouraging parents and educators to teach their children and students, on September 11 and throughout the year, that the ideal of liberty in the United States, which the terrorists attempted to destroy on September 11, 2001, remains unscathed.

Delegate Conroy, et al

HJ 19 Voting Rights Act

Urging the U.S. Congress to amend the Voting Rights Act to ensure that specified provisions that safeguard against extraordinary racial discrimination in voting procedures are reauthorized.

Delegate V Jones, et al

HJ 26 Filipino World War II Veterans

Urging the U.S. Congress to pass the Filipino Veterans Equity Act; urging President Bush take an active role in the Act’s passage; and acknowledging the contributions of World War II Filipino American veterans.

Delegate Valderrama

Part D

Local Government

- SB 161 Baltimore City - Local Social Services Board - Membership**
Authorizing the alteration of the size of the board of the local department of social services in Baltimore City as provided by local law; etc.
EFFECTIVE JULY 1, 2002
Senator McFadden (Baltimore City Administration), et al
- SB 189 Town of Marydel (Caroline County) - Urban Renewal Authority for Slum Clearance**
Authorizing the Town of Marydel, Caroline County, to undertake and carry out urban renewal projects for slum clearance and redevelopment; prohibiting any land or property from being taken under the Act without just compensation being first paid to the party entitled to the compensation; declaring that all land or property taken under the Act is needed for public uses or purposes; imposing requirements for the initiation and approval of an urban renewal project; etc.
Senators Baker and Colburn
- SB 190 Town of Henderson (Caroline County) - Urban Renewal Authority for Slum Clearance**
Authorizing the Town of Henderson, Caroline County, to undertake and carry out urban renewal projects for slum clearance and redevelopment; prohibiting any land or property from being taken under the Act without just compensation being first paid to the party entitled to the compensation; declaring that all land or property taken under the Act is needed for public uses or purposes; imposing requirements for the initiation and approval of an urban renewal project; etc.
Senators Baker and Colburn
- SB 191 Town of Goldsboro (Caroline County) - Urban Renewal Authority for Slum Clearance**
Authorizing the Town of Goldsboro, Caroline County, to undertake and carry out urban renewal projects for slum clearance and redevelopment; prohibiting any land or property from being taken under the Act without just compensation being first paid to the party entitled to the compensation; declaring that all land or property taken under the Act is needed for public uses or purposes; imposing requirements for the initiation and approval of an urban renewal project; etc.
Senators Baker and Colburn

SB 193 Town of Greensboro (Caroline County) - Urban Renewal Authority for Slum Clearance

Authorizing the Town of Greensboro, Caroline County, to undertake and carry out urban renewal projects for slum clearance and redevelopment; prohibiting any land or property from being taken under the Act without just compensation being first paid to the party entitled to the compensation; declaring that all land or property taken under the Act is needed for public uses or purposes; imposing requirements for the initiation and approval of an urban renewal project; etc.

Senators Baker and Colburn

SB 232 Frederick County - Zoning - Referendum

Requiring specified zoning ordinances adopted or amended by the Board of County Commissioners of Frederick County to be submitted to a referendum under specified circumstances; establishing standards and procedures for a referendum on a county zoning ordinance; making the provisions of the Act severable; providing for the termination of the Act; etc.

CONTINGENT

Senators Mooney and Ferguson

SB 252 Baltimore City - Sheriff - Salary

Altering the salary of the Sheriff of Baltimore City; and providing that the Act does not apply to the salary or compensation of the incumbent Sheriff of Baltimore City.

Senator McFadden

SB 254 Cecil County - Public Facilities Bonds

Authorizing and empowering the County Commissioners of Cecil County, from time to time or at one time, to borrow not more than \$5,000,000 in order to finance the cost of the construction and improvement of specified public facilities; etc.

EFFECTIVE JUNE 1, 2002

Senators Baker and Hooper

SB 291 Baltimore City - Sheriff and Deputy Sheriffs - Expense Allowance

Providing that each Deputy Sheriff of Baltimore City shall receive a \$200 expense allowance; and altering the amount that the Sheriff of Baltimore City may receive as an expense allowance.

Senator McFadden

SB 312 Town of Charlestown (Cecil County) - Urban Renewal Authority for Slum Clearance

Authorizing the Town of Charlestown, Cecil County, to undertake and carry out urban renewal projects for slum clearance and redevelopment; prohibiting any land or property from being taken under the Act without just compensation being first paid to the party entitled to the compensation; declaring that all land or property taken under the Act is needed for public uses or purposes; imposing requirements for the initiation and approval of an urban renewal project; etc.

Senator Baker

SB 376 Baltimore City – Contract Disputes

Prohibiting Baltimore City from raising the defense of sovereign immunity in specified contract cases; providing for a statute of limitations in specified cases; requiring the Mayor and City Council of Baltimore City to provide funds for the satisfaction of final judgments in specified cases; providing that the City is not liable for punitive damages in specified cases; making stylistic changes; etc.

EFFECTIVE JULY 1, 2002

Senator McFadden (Baltimore City Administration), et al

SB 439 Frederick County – County Commissioners – Old Jail Site

Repealing the authority of the Board of County Commissioners of Frederick County to sell property in Frederick County known as the Old Jail Site.

Senators Ferguson and Mooney

SB 492 Cecil County – State’s Attorney’s Office – Support Staff

Providing that specified clerical, secretarial, administrative, investigative, and other support staff of the State’s Attorney’s Office in Cecil County shall be subject to the Cecil County personnel policies and procedures governing Cecil County employees.

Senator Baker, et al

SB 498 Local Governments – Financial Reports – Submission Date

Allowing counties, municipal corporations, and taxing districts in the State with a population in excess of 400,000 to file with the Department of Legislative Services, by January 1 after the close of the fiscal year, the annual financial reports they are required to file with the Department; extending the time that local governments and specified entities with a population in excess of 400,000 have to submit reports related to the state of their indebtedness; etc.

EFFECTIVE JULY 1, 2002

Senator Hoffman (Department of Legislative Services)

SB 507 Harford County Local Department of Social Services – Advisory Board – Membership

Providing that the membership of the advisory board of the Harford County local department of social services shall be composed of at least 9 members but not more than 13 members, as provided by local law enacted by the Harford County Council and approved by the Harford County Executive.

EFFECTIVE JULY 1, 2002

Senator Collins, et al

SB 604 Allegany County – Director of Emergency Management

Providing that the director of emergency management in Allegany County shall be an employee of Allegany County and not appointed by the Governor.

Senator Hafer

SB 690 Town of Preston (Caroline County) – Urban Renewal Authority for Slum Clearance

Authorizing the Town of Preston, Caroline County, to undertake and carry out urban renewal projects for slum clearance and redevelopment; prohibiting any land or property from being taken under the Act without just compensation being first paid to the party entitled to the compensation; declaring that all land or property taken under the Act is needed for public uses or purposes; imposing requirements for the initiation and approval of an urban renewal project; etc.

Senators Colburn and Baker

SB 691 Town of Ridgely (Caroline County) – Urban Renewal Authority for Slum Clearance

Authorizing the Town of Ridgely, Caroline County, to undertake and carry out urban renewal projects for slum clearance and redevelopment; prohibiting any land or property from being taken under the Act without just compensation being first paid to the party entitled to the compensation; declaring that all land or property taken under the Act is needed for public uses or purposes; imposing requirements for the initiation and approval of an urban renewal project; etc.

Senators Colburn and Baker

SB 692 Town of Hillsboro (Caroline County) – Urban Renewal Authority for Slum Clearance

Authorizing the Town of Hillsboro, Caroline County, to undertake and carry out urban renewal projects for slum clearance and redevelopment; prohibiting any land or property from being taken under the Act without just compensation being first paid to the party entitled to the compensation; declaring that all land or property taken under the Act is needed for public uses or purposes; imposing requirements for the initiation and approval of an urban renewal project; etc.

Senators Colburn and Baker

SB 696 Dorchester County – Animal Control – Civil Penalties

Establishing that the County Commissioners of Dorchester County may impose civil or criminal penalties for violations of county animal control ordinances; and authorizing the County Commissioners to provide for the prosecution of a violation of a specified county animal control ordinance in a specified manner and to a specified extent.

Senator Colburn

SB 701 Dorchester County – Office of Treasurer – Repeal

Abolishing the office of Treasurer of Dorchester County; requiring the County Commissioners of Dorchester County to appoint a Tax Collection Supervisor; assigning the duties of Treasurer to the Tax Collection Supervisor; requiring the Tax Collection Supervisor to be employed under the classified service of Dorchester County; repealing the office of Deputy Treasurer; making stylistic changes; providing that the Act does not apply to the incumbent Treasurer of Dorchester County; and submitting the Act to a local referendum.

Senator Colburn

- SB 702 Dorchester County – County Commissioners – Salaries and Compensation**
Increasing the salaries of the County Commissioners of Dorchester County; establishing a salary for the President of the County Commissioners; and authorizing the Commissioners to receive additional compensation.
EFFECTIVE JULY 1, 2002
Senator Colburn
- SB 706 Dorchester and Talbot Counties – State’s Attorney – Salary and Duties**
Prohibiting the State’s Attorney for Dorchester County from engaging in the private practice of law; setting the salary of the State’s Attorney for Talbot County at 80% of the salary of a District Court judge; requiring the State’s Attorney for Talbot County to serve full time; prohibiting the State’s Attorney for Talbot County from engaging in the private practice of law; and providing that the Act does not apply to the salary or compensation of the incumbent State’s Attorney for or Talbot County.
Senator Colburn
- SB 714 County Commissioners – Shore Erosion Control – Annual Benefit Assessment**
Requiring the annual benefit assessment for shore erosion prevention works to be paid at a specified time in specified counties; providing that a default in payment of the annual benefit assessment is a first lien on specified property subject only to specified property taxes; providing that the lien is not extinguishable by sale of specified property in specified circumstances; making the Act an emergency measure; etc.
EMERGENCY BILL
Senator Colburn
- SB 792 Carroll County – Public Facilities Bonds**
Authorizing and empowering the County Commissioners of Carroll County, from time to time, to borrow not more than \$22,600,000 in order to finance the construction, improvement, or development of specified public facilities in Carroll County, and to effect such borrowing by the issuance and sale at public or private sale of its general obligation bonds; etc.
EFFECTIVE JUNE 1, 2002
Carroll County Senators
- HB 66 Caroline County – Treasurer – Salary**
Increasing the salary of the Treasurer of Caroline County from \$39,500 to \$45,000; and providing that the Act does not apply to the salary or compensation of the incumbent Treasurer of Caroline County.
Caroline County Delegation
- HB 68 Caroline County – Sheriff – Salary**
Increasing the salary of the Sheriff of Caroline County from \$49,500 to \$55,000; and providing that the Act does not apply to the salary of the incumbent Sheriff.
Caroline County Delegation

HB 143 St. Mary's County - Right to Farm

Authorizing the County Commissioners of St. Mary's County to adopt an ordinance or regulation or take other action to protect a person's right to farm or engage in agricultural or forestry operations; and requiring the County Commissioners to hold a public hearing and provide reasonable notice of the hearing before adopting an ordinance or regulation.

St. Mary's County Delegation**HB 222 Dorchester County - County Commissioners - Salaries and Compensation**

Increasing the salaries of the County Commissioners of Dorchester County; establishing a salary for the President of the County Commissioners; and authorizing the Commissioners to receive additional compensation.

EFFECTIVE JULY 1, 2002

Dorchester County Delegation**HB 224 County Commissioners - Shore Erosion Control - Annual Benefit Assessment**

Requiring the annual benefit assessment for shore erosion prevention works to be paid at a specified time in specified counties; providing that a default in payment of the annual benefit assessment is a first lien on specified property subject only to specified property taxes; providing that the lien is not extinguishable by sale of specified property in specified circumstances; making the Act an emergency measure; etc.

EMERGENCY BILL

Dorchester County Delegation**HB 227 Charles County - Public Nuisances - Definitions**

Altering the definition of "residential property" that is subject to enforcement of laws concerning public nuisances in Charles County.

Charles County Delegation**HB 230 Charles County - Occupations - Licensing, Certification and Registration**

Repealing specified licensing requirements for palm readers, fortune tellers, soothsayers, and other similar persons in Charles County; providing that it is a misdemeanor for a person to provide a massage or offer to provide a massage to another person for compensation in Charles County unless the person providing the massage is a certified massage therapist or a registered massage practitioner; authorizing the Board of County Commissioners of Charles County to adopt specified regulations; etc.

Charles County Delegation

- HB 238 **Dorchester and Talbot Counties – State’s Attorney – Salary and Duties****
Prohibiting the State’s Attorney for Dorchester County from engaging in the private practice of law; setting the salary of the State’s Attorney for Talbot County at 80% of the salary of a District Court judge; requiring the State’s Attorney for Talbot County to serve full time; prohibiting the State’s Attorney for Talbot County from engaging in the private practice of law; and providing that the Act does not apply to the salary or compensation of the incumbent State’s Attorney for Talbot County.
Delegate Schisler, et al
- HB 251 **St. Mary’s County – Public Officials – Salaries****
Altering the salary of specified officials of St. Mary’s County; requiring the Sheriff of St. Mary’s County to devote full time to the duties of office; and providing that the Act does not apply to the salary or compensation of specified incumbent officials of St. Mary’s County.
St. Mary’s County Delegation
- HB 262 **Calvert County – Public Facilities Bonds****
Authorizing and empowering the County Commissioners of Calvert County, from time to time, to borrow not more than \$25,700,000 in order to finance the construction, improvement, or development of public roads and facilities in Calvert County and to effect such borrowing by the issuance and sale at private or public sale of its general obligation bonds; etc.
EFFECTIVE JUNE 1, 2002
Calvert County Delegation
- HB 264 **Calvert County – Fire and Rescue – Length of Service Award Program****
Repealing the limit on the number of members per rescue squad or fire department in Calvert County who may receive length of service award program credit; etc.
Calvert County Delegation
- HB 265 **Calvert County – Extension of Task Force to Study the Infrastructure Needs of Private Communities in Calvert County****
Continuing the Task Force to Study the Infrastructure Needs of Private Communities in Calvert County by extending to December 31, 2003 the termination provision relating to the authority of the Task Force.
EFFECTIVE JUNE 1, 2002
Calvert County Delegation
- HB 266 **Calvert County – Economic Development Authority****
Altering the method of appointing members of the Calvert County Economic Development Authority; and requiring the County Commissioners of Calvert County to determine the number of members and composition of the Calvert County Economic Development Authority.
Calvert County Delegation

HB 274 Caroline County – State’s Attorney – Salary

Setting the salary of the State’s Attorney for Caroline County at 80% of the salary of a District Court judge; and providing that the Act does not apply to the salary of the incumbent State’s Attorney.

Caroline County Delegation**HB 328 Calvert County – County Officials – Salaries**

Increasing the salaries of the County Commissioners of Calvert County, Calvert County Treasurer, Sheriff of Calvert County, and Orphans’ Court Judges for Calvert County; and providing that the Act does not apply to the salary or compensation of the incumbent officials.

Calvert County Delegation**HB 338 Frederick County – County Commissioners – Old Jail Site**

Repealing the authority of the Board of County Commissioners of Frederick County to sell property in Frederick County known as the Old Jail Site.

Frederick County Delegation**HB 349 Baltimore City – Local Social Services Board – Membership**

Authorizing the alteration of the size of the board of the local department of social services in Baltimore City as provided by local law; etc.

EFFECTIVE JULY 1, 2002

Delegate Marriott (Baltimore City Administration)**HB 357 Kent County – Treasurer – Salary**

Altering the salary of the Treasurer of Kent County; and providing that the Act does not apply to the salary or compensation of the incumbent Treasurer of Kent County.

Delegate Walkup, et al**HB 365 Kent County – State’s Attorney – Salary**

Altering the salary of the State’s Attorney for Kent County; and providing that the Act does not apply to the salary or compensation of the incumbent State’s Attorney for Kent County.

Delegate Walkup, et al**HB 403 Montgomery County – Eminent Domain – Licensed and Certified Real Estate Appraisers MC 202-02**

Proposing an amendment to the Constitution to authorize the Montgomery County Council to appoint a licensed and certified real estate appraiser to estimate the fair market value of property situated in the county subject to immediate taking under existing law; and submitting this amendment to the qualified voters of the State of Maryland for their adoption or rejection.

CONSTITUTIONAL AMENDMENT**Montgomery County Delegation**

HB 409 Cecil County – Volunteer Fire and Ambulance Companies – Maintenance and Operations Appropriations

Altering the tax rate in Cecil County on specified assessable property to reflect a change in the statewide tax assessment ratios; providing for the distribution of specified moneys for ambulance services to specified additional fire companies; altering the amount of money allocated to support specified ambulance services; and providing for the application of the Act.

EFFECTIVE JUNE 1, 2002

Cecil County Delegation

HB 417 Cecil County – Public Facilities Bonds

Authorizing and empowering the County Commissioners of Cecil County, from time to time or at one time, to borrow not more than \$5,000,000 in order to finance the cost of the construction and improvement of specified public facilities; etc.

EFFECTIVE JUNE 1, 2002

Cecil County Delegation

HB 442 Washington County – County Commissioners – Salary

Increasing the salary for County Commissioners of Washington County; and providing that the Act does not apply to the salary or compensation of the incumbent County Commissioners of Washington County.

Washington County Delegation

HB 452 Baltimore City – Contract Disputes

Prohibiting Baltimore City from raising the defense of sovereign immunity in specified contract cases; providing for a statute of limitations in specified cases; requiring the Mayor and City Council of Baltimore City to provide funds for the satisfaction of final judgments in specified cases; providing that the City is not liable for punitive damages in specified cases; making stylistic changes; etc.

EFFECTIVE JULY 1, 2002

Delegate Marriott (Baltimore City Administration)

HB 600 Dorchester County – Animal Control – Civil Penalties

Establishing that the County Commissioners of Dorchester County may impose civil or criminal penalties for violations of county animal control ordinances; and authorizing the County Commissioners to provide for the prosecution of a violation of a specified county animal control ordinance in a specified manner and to a specified extent.

Dorchester County Delegation

HB 630 Kent County – Sheriff – Salary

Altering the salary of the Sheriff of Kent County; and providing that the Act does not apply to the salary or compensation of the incumbent Sheriff of Kent County.

Delegate Walkup, et al

HB 635 Town of Landover Hills (Prince George's County) - Urban Renewal Authority for Slum Clearance PG 424-02

Authorizing the Town of Landover Hills, Prince George's County, to undertake and carry out urban renewal projects for slum clearance and redevelopment; prohibiting any land or property from being taken under the Act without just compensation being first paid to the party entitled to the compensation; declaring that all land or property taken under the Act is needed for public uses or purposes; permitting the powers granted by the Act to be exercised by a municipal agency with specified powers; etc.

Prince George's County Delegation**HB 637 Prince George's County - State's Attorney's Office - Compensation and Salaries PG 309-02**

Increasing the annual salary of the State's Attorney for Prince George's County in specified calendar years beginning with 2003; and providing that the Act does not apply to the salary or compensation of the incumbent State's Attorney.

Prince George's County Delegation**HB 639 Town of Cottage City (Prince George's County) - Urban Renewal Authority for Slum Clearance PG 401-02**

Authorizing the Town of Cottage City, Prince George's County, to undertake and carry out urban renewal projects for slum clearance and redevelopment; prohibiting land or property from being taken under the Act without just compensation; declaring that land or property taken under the Act is for public uses or purposes; permitting, by ordinance, a separate public body or agency to exercise the powers granted by the Act under specified circumstances; etc.

Prince George's County Delegation**HB 641 Prince George's County - Sheriffs - Criminal Investigations PG 302-02**

Authorizing the Sheriff of Prince George's County or the Sheriff's deputies to conduct criminal investigations in investigations arising out of or incident to normally assigned duties; requiring the Sheriff or Sheriff's deputy to notify specified law enforcement agencies within a specified time that an investigation has commenced; requiring the Sheriff or Sheriff's deputy to transfer an investigation under specified circumstances; etc.

Prince George's County Delegation**HB 643 Prince George's County Sheriff's Office - Compensation PG 306-02**

Altering the salaries for the Sheriff, the chief assistant sheriff, and the assistant sheriffs in Prince George's County; and providing that the Act does not apply to the salary or compensation of the incumbent Sheriff of Prince George's County.

Prince George's County Delegation

HB 648 Town of Capitol Heights (Prince George’s County) – Urban Renewal Authority for Slum Clearance PG 407-02

Authorizing the Town of Capitol Heights, Prince George’s County, to undertake and carry out urban renewal projects for slum clearance and redevelopment; prohibiting land or property from being taken under the Act without just compensation; declaring that land or property taken under the Act is for public uses or purposes; and permitting, by ordinance, a separate public body or agency to exercise the powers granted by the Act under specified circumstances.

Prince George’s County Delegation**HB 657 Cecil County – Fire Police – Designated Number**

Altering the number of fire police that may be designated and recommended by the captain, chief, or other commanding officer of the fire companies in Cecil County to be deputy sheriffs.

Cecil County Delegation**HB 710 Housing Opportunities Commission of Montgomery County – Binding Arbitration MC 209-02**

Requiring that collective bargaining between the Housing Opportunities Commission of Montgomery County and the representative of a bargaining unit for Commission employees begin each year not later than September 1 and end not later than February 1; requiring that negotiations be conducted in good faith; establishing a procedure for resolving a negotiability dispute; replacing provisions authorizing the appointment of a fact finder and the use of fact-finding procedures with provisions requiring arbitration; etc.

Montgomery County Delegation**HB 742 Local Governments – Financial Reports – Submission Date**

Allowing counties, municipal corporations, and taxing districts in the State with a population in excess of 400,000 to file with the Department of Legislative Services, by January 1 after the close of the fiscal year, the annual financial reports they are required to file with the Department; extending the time that local governments and specified entities with a population in excess of 400,000 have to submit reports related to the state of their indebtedness; etc.

EFFECTIVE JULY 1, 2002**Delegate Wood (Department of Legislative Services)****HB 751 Harford County Local Department of Social Services – Advisory Board – Membership**

Providing that the membership of the advisory board of the Harford County local department of social services shall be composed of at least 9, but not more than 13, members as provided by local law enacted by the Harford County Council and approved by the Harford County Executive.

EFFECTIVE JULY 1, 2002**Harford County Delegation**

- HB 763 Maryland–National Capital Park and Planning Commission – Part–Time Planning Board Members – Salaries PG/MC 108–02**
Authorizing the Montgomery County Council and the Prince George’s County Council to establish the salaries for the part–time members of the planning boards serving in their respective counties by county law.
EFFECTIVE JUNE 1, 2002
Prince George’s County Delegation and Montgomery County Delegation
- HB 764 Maryland–National Capital Park and Planning Commission – Citations – Hunting PG/MC 119–02**
Authorizing the Maryland–National Capital Park and Planning Police to issue citations for specified violations; establishing the process for issuing citations for specified violations; prohibiting hunting on property owned, operated, or leased by the Maryland–National Capital Park and Planning Commission; providing that specified violations are misdemeanors subject to specified penalties; clarifying provisions relating to specified violations; etc.
Prince George’s County Delegation and Montgomery County Delegation
- HB 767 Washington Suburban Sanitary Commission – Pretreatment Program – Citations and Complaints PG/MC 105–02**
Authorizing the Washington Suburban Sanitary Commission (WSSC) to adopt regulations governing the WSSC Pretreatment Program; making violations of specified pretreatment standards by specified persons a WSSC infraction subject to the jurisdiction of the District Court; altering a provision of law to authorize rather than require the Commission to issue a written complaint under specified circumstances; and altering a definition.
Prince George’s County Delegation and Montgomery County Delegation
- HB 768 Washington Suburban Sanitary Commission – Minority Business Enterprise Programs PG/MC 102–02**
Extending the Washington Suburban Sanitary Commission (WSSC) minority business enterprise programs through July 1, 2005; requiring the WSSC to make specified reports and recommendations to the Montgomery County and Prince George’s County Senate and House Delegations to the General Assembly by September 15 of each year; making clarifying changes; and making provisions of the Act severable.
EFFECTIVE JULY 1, 2002
Prince George’s County Delegation and Montgomery County Delegation
- HB 769 Maryland–National Capital Park and Planning Commission – Park Police Officers – Binding Arbitration PG/MC 110–02**
Establishing procedures for binding arbitration between the Maryland–National Capital Park and Planning Commission (MNCPPC) and park police officers; setting specific time frames for collective bargaining between the MNCPPC and the exclusive representative of the bargaining unit for park police officers; establishing procedures for the appointment of an arbitrator; repealing provisions for fact–finding and for binding arbitration in specific situations; and providing for the appointment of a labor relations administrator.
Prince George’s County Delegation and Montgomery County Delegation

**HB 773 Washington Suburban Sanitary Commission – Police Force
PG/MC 101-02**

Establishing the Washington Suburban Sanitary Commission (WSSC) police force; limiting the law enforcement powers of WSSC police officers to specified property, except under specified circumstances; requiring the WSSC to adopt specified regulations, including standards for character, training, education, human relations, experience, and job performance; providing that specified standards do not affect the status of specified officers; and conforming specified provisions of law relating to law enforcement officers.

Prince George’s County Delegation and Montgomery County Delegation

**HB 774 Maryland–National Capital Park and Planning Commission –
Park Police – Expansion PG/MC 109-02**

Creating an exception to the prohibition against construing a provision of State law to allow the expansion of park police forces of the Maryland–National Capital Park and Planning Commission beyond a specified limit; making the exception apply to a mutual aid agreement approved by Prince George’s County or by Montgomery County; etc.

Prince George’s County Delegation and Montgomery County Delegation

**HB 776 Prince George’s County – Development Rights and
Responsibilities Agreements PG/MC 113-02**

Authorizing Prince George’s County to enter into and amend development rights and responsibilities agreements for advancing school capacity; authorizing the District Council to establish procedures and requirements for the consideration and execution of agreements and to approve agreements negotiated by the County Executive; authorizing the County Executive to negotiate and execute agreements for specified real property with specified persons; providing that the Act is self-executing; etc.

Prince George’s County Delegation and Montgomery County Delegation

HB 789 Somerset County – County Commissioners – Districts

Repealing the current Somerset County commissioners’ district boundaries; enacting new county commissioners’ district boundaries in Somerset County; and making the Act an emergency measure.

EMERGENCY BILL

Somerset County Delegation

HB 920 Carroll County – Public Facilities Bonds

Authorizing and empowering the County Commissioners of Carroll County, from time to time, to borrow not more than \$22,600,000 in order to finance the construction, improvement, or development of specified public facilities in Carroll County; and to effect such borrowing by the issuance and sale at public or private sale of its general obligation bonds.

EFFECTIVE JUNE 1, 2002

Carroll County Delegation

HB 1019 Charles County – Sheriff’s Office – Collective Bargaining

Establishing collective bargaining rights for specified sworn law enforcement officers and correctional officers in the Charles County Sheriff’s Office; authorizing specified bargaining units; providing that specified sworn law enforcement officers and correctional officers may be required to pay a specified service fee; authorizing the Sheriff and the Office of the Sheriff to make specified determinations and take specified actions relating to the mission, operation, and employees of the Office of the Sheriff; etc.

Charles County Delegation

HB 1030 Cecil County – Sheriff – Salary

Altering the salary of the Sheriff of Cecil County; and providing that the Act does not apply to the salary of the incumbent Sheriff.

Cecil County Delegation

HB 1096 Prince George’s County – Enforcement of Zoning Laws by Municipal Corporations – Written Agreements PG/MC 120-02

Requiring specified municipal corporations in Prince George’s County to enter into written agreements with the Prince George’s County District Council instead of the Prince George’s County Executive before enforcing zoning laws.

Prince George’s County and Montgomery County Delegations

HB 1131 Local Land Preservation Programs

Providing for specified declarations of intent; authorizing local governments to adopt local land preservation programs for specified purposes; providing for the funding of local land preservation programs in a specified manner; requiring the development and review of specified plans in connection with a local land preservation program, which may be satisfied using specified existing plans; providing for the review of acquisition applications by the Department of Natural Resources; etc.

VARIOUS EFFECTIVE DATES

Delegate James, et al

HB 1211 Washington County – Museum of Fine Arts – Board of Trustees

Decreasing the number of years in the term of office of an elected trustee of the Washington County Museum of Fine Arts from 5 years to 3 years; limiting the number of consecutive terms an elected trustee may serve to two consecutive terms; prohibiting an elected trustee from serving for 1 year after the last day of the trustee’s second consecutive term; etc.

Washington County Delegation

HB 1232 Garrett County – Bonds for Garrett County Memorial Hospital

Authorizing and empowering the County Commissioners of Garrett County, from time to time, to borrow not more than \$7,500,000 in order to assist in the financing of the cost of hospital improvements at Garrett County Memorial Hospital; etc.

EFFECTIVE JUNE 1, 2002

Delegate Edwards

HB 1238 Housing Authority of the City of Annapolis – Commissioners

Increasing the number of Commissioners serving on the Housing Authority of the City of Annapolis; providing for the qualifications of specified Commissioners; staggering the terms of Commissioners; authorizing the Housing Authority to remove the Executive Director of the Housing Authority by the affirmative vote of at least five Commissioners; etc.

EFFECTIVE JULY 1, 2002

Delegate Busch, et al

HB 1243 Carroll County – Disposition of Public Property

Authorizing the Board of County Commissioners of Carroll County to dispose of specified surplus supplies, equipment, or other personal property valued at less than \$100 in specified ways.

Carroll County Delegation

HB 1244 Carroll County – Public Notice of County Contracts and Purchases

Requiring the Chief of the Bureau of Purchasing for the Carroll County Commissioners to provide public notice of specified contracts and purchases in specified media and on the Internet; authorizing the County Commissioners to allow the Chief of the Bureau of Purchasing to participate in cooperative or piggyback purchasing with other specified government agencies or associations in specified circumstances.

Carroll County Delegation

HB 1374 Frederick County – Zoning – Referendum

Requiring specified zoning ordinances adopted or amended by the Board of County Commissioners of Frederick County to be submitted to a referendum under specified circumstances; establishing standards and procedures for a referendum on a county zoning ordinance; authorizing a special election for a county zoning referendum; providing for the effective date of specified provisions; making the provisions of the Act severable; and providing for the termination of the Act.

CONTINGENT

Delegate Brinkley, et al

HB 1385 Cecil County – Board of County Commissioners

Altering Commissioner Districts for the Board of County Commissioners for Cecil County; providing that the Commissioners from districts 1 and 5 shall be elected to a 2-year term in the November 2002 election, and to 4-year terms thereafter; and providing that Commissioners from districts 2, 3, and 4 shall be elected to 4-year terms.

EFFECTIVE JUNE 1, 2002

Cecil County Delegation

HB 1424 St. Mary's County - Housing Authority - Commissioners

Increasing the membership of the Commissioners of the Housing Authority of St. Mary's County from five to seven; providing for the terms of specified Commissioners of the Housing Authority of St. Mary's County; providing that nothing in the Act shall preclude the County Commissioners for St. Mary's County from renaming the Housing Authority of St. Mary's County; and providing that the Act does not affect the term of currently appointed Commissioners of the Housing Authority of St. Mary's County.

EFFECTIVE JULY 1, 2002

St. Mary's County Delegation

HB 1457 Somerset County - Detention Center

Requiring the Somerset County Detention Center Warden to keep specified records of all prisoners showing by what authority the prisoner is held, the offense charged, and the times the prisoner was received and discharged; requiring the Warden to keep records open for inspection by the County Commissioners, the State's Attorney, and the Grand Jury for Somerset County; providing that if the Warden does not comply with specified duties or maintain specified records, the Warden is guilty of a misdemeanor and subject to a fine; etc.

Somerset County Delegation

HB 1458 Somerset County - Tax Exemptions for Manufacturing Property - Duration

Altering the maximum duration for specified tax exemptions for specified manufacturing property in Somerset County.

Somerset County Delegation

HB 1459 Somerset County - County Roads Board

Increasing the annual salary of the Attorney to the Somerset County Roads Board from \$500 to \$925; and altering the amount of money that the Somerset County Roads Board may borrow for specified purposes.

Somerset County Delegation

HB 1460 Somerset County - Treasurer's Office - Office Hours

Altering the hours that the Somerset County Treasurer's Office is required to be open, from 9:00 a.m. to 4:30 p.m., to 8:30 a.m. to 4:30 p.m.

Somerset County Delegation

HB 1461 Somerset County - Employees - Vacation and Sick Leave

Repealing a specified requirement that the County Commissioners of Somerset County grant vacation and sick leave to specified employees working under the supervision of the State Roads Commission.

Somerset County Delegation

Part E

Crimes, Corrections, and Public Safety

SB 11 Local Correctional Facilities – Inmate Transfers

Authorizing the sheriff of a county or the governing body of a county or municipal corporation that operates a local correctional facility to enter into a signed memorandum of understanding with another sheriff, county, or municipal corporation that operates a local correctional facility to authorize the transfer of inmates sentenced to a local correctional facility from one facility to another.

Senator Harris

SB 20 Criminal Procedure – Interception of Oral Communications by Law Enforcement Officers – Criminal Investigations

Allowing a law enforcement officer to intercept oral communications after lawfully detaining a vehicle during a criminal investigation; and providing that the interception of oral communications is lawful if a person becomes a party to the communication following the identification of the law enforcement officer or the informing of the parties that the communication is being intercepted.

Senator Forehand

SB 52 Criminal Procedure – Sexual Offenders – Registration

Establishing specified conditions for the termination of registration in a specified program for the registration of sex offenders and other offenders; altering the term of registration for specified sex offenders and other offenders; making stylistic changes; etc.

Senator Stone, et al

SB 114 Criminal Procedure – Expungement – Law Enforcement Unit

Altering the definition of “law enforcement unit” to include the State Prosecutor, as the term is used in provisions of law relating to the expungement of specified court or police records.

Chairman JPR (Dept)

SB 118 Maryland Parole Commission – Powers of the Commission

Altering the manner in which open parole hearings are to be conducted and requiring open parole hearings to be conducted by a panel of commissioners instead of hearing examiners.

Chairman JPR (Dept)

SB 215 Police Training Commission – Membership – Maryland Municipal League Police Executive Association

Adding the Chairman of the Maryland Municipal League Police Executive Association to the list of members of the Police Training Commission.

Senator Green

SB 235 Governor’s Emergency Powers

Specifying the Governor’s authority under specified circumstances; requiring specified State or local law enforcement officers and health officers to execute and enforce specified orders, rules, and regulations made by the Governor under specified circumstances; requiring specified State officials to carry out the Governor’s policies; authorizing the Secretary of Health and Mental Hygiene to perform specified duties under specified circumstances; etc.

EMERGENCY BILL

The President (Administration), et al

SB 239 Maryland Emergency Management Assistance Compact

Establishing the Maryland Emergency Management Assistance Compact to provide for mutual assistance among the subscribing jurisdictions; specifying the circumstances under which the Compact takes effect; specifying the duties and liabilities of the members of the Compact; providing for limitations on and supplementary agreements to the Compact; declaring the intent of the General Assembly that eligible jurisdictions adopt the Compact by June 1, 2003; defining specified terms; etc.

EFFECTIVE JUNE 1, 2002

The President (Administration)

SB 271 Correctional Services – Local Correctional Facilities – Inmate Welfare Funds

Authorizing the establishment of an inmate welfare fund in each local correctional facility; providing the authorized uses for the funds; providing for the contents of the funds; providing for expenditures from the funds; and defining a term.

Anne Arundel County Senators

SB 424 Juvenile Justice – Criminal History Record Information – Dissemination

Authorizing the Criminal Justice Information System Central Repository to disseminate specified criminal history record information regarding specified unique identifiers of specified children to the Maryland Justice Analysis Center; and prohibiting the Maryland Justice Analysis Center from disseminating criminal history record information except in accordance with State law.

Senator Jimeno, et al

SB 428 Juvenile Law – Transfer of Cases to Juvenile Court

Specifying that a court exercising criminal jurisdiction in a case involving a child may transfer the case to the juvenile court before trial or before a specified plea is entered; requiring the court to make a determination at sentencing as to whether to transfer the case to the juvenile court under specified conditions; etc.

Senator Jimeno, et al

SB 429 Correctional Services – Inmates – Indecent Exposure

Prohibiting an inmate from lewdly, lasciviously, and indecently exposing specified parts of the inmate’s body to a correctional officer or authorized personnel, under specified circumstances; providing that specified words and phrases retain their judicially determined meanings; providing specified penalties; etc.

Senator Jimeno, et al

SB 436 Criminal Law – Theft – Subsequent Offenders – Penalties

Establishing penalties for persons with two or more prior convictions of theft of property or services with a value of less than \$500; and prohibiting a court from imposing specified penalties unless the State’s Attorney provides a specified notice to the defendant.

Senators Jimeno and Baker

SB 460 Criminal Law – Conversion of Leased or Rented Goods

Repealing a limitation on granting immunity against prosecution for the conversion of a specified good or thing of value only to a bona fide resident of the State who returns the good or thing of value within 10 days of demand for return.

Senators Stone and Hughes (Committee to Revise Article 27 - Crimes and Punishments)

SB 486 DNA Testing – Felony Convictions – DNA Technology Fund – Preservation of Scientific Identification Evidence

Altering provisions of law relating to DNA testing of persons convicted of specified crimes by providing that any person convicted of a felony or specified misdemeanors on or before a specified date shall submit a DNA sample to the Department of State Police; establishing a DNA Technology Fund to assist the State Police and local law enforcement agencies in acquiring equipment needed for DNA testing; altering the period of time during which the State must preserve scientific identification evidence; etc.

CONTINGENT

Senator McFadden (Baltimore City Administration), et al

SB 516 Abuse or Neglect of Vulnerable Adults – Degrees

Establishing the felony of abuse or neglect of a vulnerable adult in the first degree, subject to specified penalties; altering the scope of the misdemeanor of abuse or neglect of a vulnerable adult and redesignating it as abuse or neglect of a vulnerable adult in the second degree, subject to specified penalties; providing that sentences for violations of the Act shall be in addition to sentences for convictions arising from the same facts and circumstances except under specified circumstances; and defining a term.

Senator Jimeno, et al

SB 559 Crimes – Fraud – Personal Identifying Information

Expanding a definition of “personal identifying information” to include payment device numbers; expanding the crime of fraud involving personal identifying information to include possession or aiding another in possessing the personal identifying information of an individual under specified circumstances; altering the penalties for fraud involving personal identifying information; providing statewide jurisdiction for specified law enforcement officers investigating specified crimes of fraudulent use; etc.

Senator Collins (Baltimore County Administration), et al

SB 577 Criminal Procedure – Sexually Violent Offenders – Registration

Altering the definition of sexually violent offense to include specified crimes committed against a person under a specified age and to include specified crimes committed in specified jurisdictions that, if committed in this State, would constitute specified offenses; altering the definition of “sexually violent predator” to include specified offenders and specified persons who are or were required to register for specified time periods under the laws of specified jurisdictions; providing for the effective date of the Act; etc.

EFFECTIVE SEPTEMBER 30, 2002

Senator Jacobs, et al

SB 639 Maryland Security Protection Act of 2002

Providing an exception to the requirement that a specified description be provided in order to obtain a judicial order relating to wire, oral, and electronic communications under specified circumstances; allowing a judge to authorize the interception of wire, oral, and electronic communications outside the judge’s jurisdiction under specified circumstances; making the Act an emergency measure; etc.

EMERGENCY BILL

Senator Baker and the President (Administration), et al

SB 646 Crimes – Vulnerable Adult – Exploitation Prohibited

Making it unlawful for a person to knowingly and willfully obtain by deception, intimidation, or undue influence property of a vulnerable adult with the intent to deprive the adult of the adult's property; providing criminal penalties, including restoration of the property taken by the defendant to the vulnerable adult; providing that a person convicted under the Act is disqualified from inheriting, taking, enjoying, receiving, or otherwise benefitting from the estate, insurance proceeds, or property of the vulnerable adult; etc.

Senator Teitelbaum, et al

SB 660 Criminal Law – Housing Assistance – Fraud Ho. Co. 11-02

Making it a misdemeanor to knowingly make a false statement of a material fact for the purpose of influencing a housing agency regarding specified housing assistance; establishing a penalty of a fine not exceeding \$5,000, imprisonment not exceeding 3 years, or both.

Senators Kittleman and Schrader

SB 733 Crimes – Railroad Trespass

Repealing a prohibition against a person being in or on a specified railroad vehicle under specified circumstances; repealing a specified penalty; prohibiting entering or remaining on railroad property except with consent or lawful authorization; prohibiting riding on the outside or inside of specified railroad vehicles without consent or other lawful authorization; establishing criminal penalties for violations of the Act; providing exceptions; and defining terms.

Senator Miller

SB 747 Public Safety – Mandatory Supervision – Diminution Credits and Sentences

Prohibiting the application of specified diminution credits toward an inmate's term of confinement for an inmate who is convicted and sentenced to imprisonment for specified crimes committed while on mandatory supervision under specified circumstances; requiring the Secretary of Public Safety and Correctional Services and the Chairman of the Maryland Parole Commission to establish a workgroup to conduct a study and make recommendations to committees of the General Assembly by December 1, 2002; etc.

EFFECTIVE JUNE 1, 2002

Senator Miller, et al

SB 801 Crimes – First Degree Rape and Sexual Offense – Subsequent Offenders – Imprisonment for Life Without the Possibility of Parole

Establishing a penalty of imprisonment not exceeding life without the possibility of parole for a person who commits specified sexual offenses if the person was previously convicted of specified sexual offenses under specified circumstances; and providing for the application of the Act.

Senator Ferguson, et al

HB 11 Criminal Law

Adding a new article to the Annotated Code of Maryland, to be designated and known as the “Criminal Law Article”, to revise, restate, and recodify the laws of the State relating to criminal law; revising, restating and recodifying specified provisions relating to consignment of agricultural products, humane slaughter of livestock, disposition of returnable materials and returnable containers, use of organizational insignia, operation of junkyards and automobile recycling facilities; etc.

The Speaker (Department of Legislative Services – Code Revision)

HB 25 State Comptroller’s Office – Field Enforcement Division – Law Enforcement Authority

Expanding the police authority of authorized employees of the Field Enforcement Division of the State Comptroller’s Office to include matters within the jurisdiction of the Comptroller’s Office.

Delegate Hutchins

HB 77 Criminal Procedure – Sexually Violent Offenders – Registration

Altering the definition of a sexually violent offense to include specified crimes committed against a person under a specified age and to include specified crimes committed in specified jurisdictions that, if committed in the State, would constitute specified offenses; altering the definition of “sexually violent predator” to include specified offenders and specified persons who are or were required to register for specified time periods under the laws of the specified jurisdictions; providing for the effective date of the Act; etc.

EFFECTIVE SEPTEMBER 30, 2002

Delegate Dembrow

HB 89 Department of State Police – Promotion of Sworn Personnel

Authorizing the Secretary to establish by rule the process of promotion of personnel to any rank except deputy secretary.

Chairman APP (Dept)

HB 98 Fireworks – Permits for Display – Late Fees

Requiring the State Fire Marshal to charge a \$50 late fee if an application for a permit for a public display of fireworks is not received within 10 days of the public display; and excluding volunteer fire departments and volunteer ambulance and rescue companies from paying the late fee.

Chairman JUD (Dept)

HB 101 Criminal Justice Information Advisory Board – Membership

Adding four members to the Criminal Justice Information Advisory Board.

Chairman JUD (Dept)

- HB 172 Criminal Law Article – Cross-References and Corrections**
Correcting cross-references to the Criminal Law Article in the Annotated Code of Maryland; correcting cross-references, errors, and omissions in the Criminal Law Article; clarifying the scope and application of specified provisions; clarifying the application of specified penalties; clarifying the authority of specified officers; clarifying the standard for contempt in specified circumstances; transferring specified provisions of law to other articles; providing for a delayed effective date for a portion of the Act; etc.
VARIOUS EFFECTIVE DATES
The Speaker (Department of Legislative Services – Code Revision)
- HB 177 Crimes – Felony Theft – Penalties**
Increasing from \$1,000 to \$25,000 the maximum fine for persons convicted of felony theft.
Delegate Minnick, et al
- HB 180 Criminal Procedure – Interception of Oral Communications by Law Enforcement Officers – Criminal Investigations**
Allowing a law enforcement officer to intercept oral communications after lawfully detaining a vehicle during a criminal investigation; and providing that the interception of oral communications is lawful if a person becomes a party to the communication following the identification of the law enforcement officer or the informing of the parties that the communication is being intercepted.
Delegate Dembrow, et al
- HB 193 Criminal Law – Drug Paraphernalia**
Clarifying that specified public employees and authorized providers may possess drug paraphernalia under specified limited circumstances; and defining “drug paraphernalia”.
Chairman JUD and Delegate Grosfeld
- HB 194 Business Regulation – Returnable Container – Warrant**
Requiring a person who has registered a returnable container or a marked returnable textile and who makes an affidavit with specified statements to demonstrate probable cause to believe that the law pertaining to returnable containers and marked returnable textiles is being violated before a search warrant may be issued.
Chairman JUD and Delegate Grosfeld
- HB 196 Criminal Law – Contraband – Thing of Value**
Clarifying that any item, material, substance, or other thing need not have any particular value to be considered contraband in a correctional facility.
Chairman JUD and Delegate Grosfeld
- HB 197 Criminal Law – Bad Checks – Definition of Service**
Clarifying that, for purposes of the prohibitions against bad checks, “service” includes the use of computers, data processing, or other equipment.
Chairman JUD and Delegate Grosfeld

- HB 198 Criminal Law – Political Subdivisions – Powers and Prohibitions**
Clarifying which revenue officers are prohibited from failing to pay specified money into specified public treasuries; clarifying which political subdivisions are exempt from the prohibition against specified interference with electric companies; and clarifying the prohibition against using simulated documents of governmental entities.
Chairman JUD and Delegate Grosfeld
- HB 199 Criminal Law – Homicide, Life–Threatening Injury, and Reckless Endangerment**
Providing statutory charging documents for specified crimes committed using a motor vehicle or vessel while under the influence of alcohol per se and for reckless endangerment; and clarifying the meaning of “crime of violence” for purposes of describing conduct that is not reckless endangerment.
Chairman JUD and Delegate Grosfeld
- HB 200 False Statements – Destructive Devices – Restitution**
Clarifying the scope of restitution available to State, county, municipal, and bicounty governmental units for responding to a representation of a destructive device that is manufactured, possessed, transported, or placed with intent to terrorize, frighten, intimidate, threaten, or harass.
Chairman JUD and Delegate Grosfeld
- HB 202 Criminal Law – Criminal Penalties – Wharves and Transfer Tickets**
Specifying the penalties for interfering with or damaging a public wharf or landing, or for violating the prohibition against giving or receiving an unauthorized passenger transfer ticket.
Chairman JUD and Delegate Grosfeld
- HB 203 Criminal Law – Pornography and Adult Sexual Displays**
Clarifying the penalties for specified crimes involving the sale or display of specified sexual materials to minors and clarifying the prohibition against hiring or using a minor to do specified acts involving pornography.
Chairman JUD and Delegate Grosfeld
- HB 232 Correctional Services – Inmates – Indecent Exposure**
Prohibiting an inmate from lewdly, lasciviously, and indecently exposing private parts of the inmate’s body in the presence of a correctional officer or authorized personnel with intent to annoy, abuse, torment, harass, or embarrass the correctional officer or authorized personnel; and providing for penalties of imprisonment not exceeding 3 years or a fine not exceeding \$1,000 or both for an inmate convicted of violating the Act.
Delegate Doory, et al

HB 293 Maryland Emergency Management Assistance Compact

Establishing the Maryland Emergency Management Assistance Compact to provide for mutual assistance among the subscribing jurisdictions; specifying the circumstances under which the Compact takes effect; specifying the duties and liabilities of the members of the Compact; providing for limitations on and supplementary agreements to the Compact; declaring the intent of the General Assembly; defining specified terms; etc.

EFFECTIVE JUNE 1, 2002

The Speaker (Administration)

HB 303 Governor’s Emergency Powers

Specifying the Governor’s authority under specified circumstances; requiring specified State or local law enforcement officers and health officers to execute and enforce specified orders, rules, and regulations made by the Governor under specified circumstances; requiring specified State officials to carry out the Governor’s policies; authorizing the Secretary of Health and Mental Hygiene to perform specified duties under specified circumstances; etc.

EMERGENCY BILL

The Speaker (Administration), et al

HB 340 Indecency and Obscenity – Prohibition on Performances – Allegany County

Including Allegany County in the counties in which it is a misdemeanor for a person to participate in a specified manner in specified obscene live performances or for specified persons associated with specified premises to allow or assent to the use of the premises for specified live obscene performances under specified circumstances; and making the Act an emergency measure.

EMERGENCY BILL

Allegany County Delegation

HB 347 Correctional Services – Local Correctional Facilities – Inmate Welfare Funds

Authorizing the establishment of an inmate welfare fund in each local correctional facility; providing the authorized uses for the funds; providing for the contents of the funds; providing for expenditures from the funds; defining a term; etc.

Anne Arundel County Delegation

HB 358 Crimes – Fraud – Personal Identifying Information

Expanding the definition of “personal identifying information” related to the crime of fraud to include payment device numbers; expanding the crime of fraud involving personal identifying information to include possession or aiding another in possessing the personal identifying information of an individual under specified circumstances; altering the penalties for fraud involving personal identifying information; providing statewide jurisdiction for specified law enforcement officers investigating specified crimes of fraudulent use; etc.

Delegate Petzold, et al

HB 559 Crimes – Vulnerable Adult – Exploitation Prohibited

Making it unlawful for a person to knowingly and willfully obtain by deception, intimidation, or undue influence, property of a vulnerable adult with the intent to deprive the adult of the adult's property; providing criminal penalties, including restoration of the property taken by the defendant to the vulnerable adult; providing that a person convicted under the Act is disqualified from inheriting, taking, enjoying, receiving, or otherwise benefitting from the estate, insurance proceeds, or property of the vulnerable adult; etc.

Delegate Mandel, et al

HB 642 Prince George's County – Complaints Against a Law Enforcement Officer – Subpoena Enforcement PG 305-02

Authorizing the Citizens Complaint Oversight Panel to petition a court to issue an order requiring compliance with a subpoena issued for the panel by the County Council; and allowing a court to punish failure to comply with orders as contempt of court.

Prince George's County Delegation

HB 666 Criminal Law – Conversion of Leased or Rented Goods

Repealing a limitation on granting immunity against prosecution for the conversion of a specified good or thing of value only to a bona fide resident of the State who returns the good or thing of value within 10 days of demand for return.

Delegates Getty and Doory (Committee to Revise Article 27 - Crimes and Punishments)

HB 691 Crimes – Misdemeanor Theft – Subsequent Offenders – Penalty

Establishing penalties for persons with two or more prior convictions who are convicted of specified theft offenses; requiring the State's Attorney to notify the defendant or the defendant's counsel within a specified period of the State's intention to seek the increased penalties; etc.

Delegate Cole, et al

HB 838 Abuse or Neglect of Vulnerable Adults – Degrees

Establishing the felony of abuse or neglect of a vulnerable adult in the first degree, subject to specified penalties; altering the scope of the misdemeanor of abuse or neglect of a vulnerable adult and redesignating it as abuse or neglect of a vulnerable adult in the second degree; providing that sentences for violations of the Act shall be in addition to sentences for convictions arising from the same facts and circumstances except under specified circumstances; and defining a term.

Delegate Grosfeld, et al

HB 854 Public Safety – Mandatory Supervision – Diminution Credits and Sentences

Prohibiting the application of specified diminution credits toward an inmate's term of confinement for an inmate who is convicted and sentenced to imprisonment for specified crimes committed while on mandatory supervision under specified circumstances; clarifying that an inmate may not be awarded specified diminution credits on a specified sentence after mandatory supervision has been revoked under specified circumstances; etc.

EFFECTIVE JUNE 1, 2002

Delegate Hecht, et al

HB 943 Juvenile Justice – Criminal History Record Information – Dissemination

Authorizing the Criminal Justice Information System Central Repository to disseminate specified criminal history record information regarding specified unique identifiers of specified children to the Maryland Justice Analysis Center; and prohibiting the Maryland Justice Analysis Center from disseminating criminal history record information except in accordance with State law.

Delegate Montague, et al

HB 959 Department of Human Resources and Department of Juvenile Justice – Links Between Child Welfare and Juvenile Justice

Requiring the Department of Human Resources and the Department of Juvenile Justice to collaborate to determine specified information; requiring the departments to study the link between the child welfare system and the juvenile justice system as it operates in the State; requiring the departments to develop a specified plan; and requiring the departments to report to the General Assembly on or before December 31, 2002.

EFFECTIVE JULY 1, 2002

Delegate Montague, et al

HB 961 Department of Juvenile Justice – Juvenile Justice System – Standards

Requiring the Department of Juvenile Justice to adopt regulations that provide standards for juvenile detention facilities and for nonsecure placement alternatives; requiring the Department to adopt a code of conduct for personnel of the Department; requiring the Department to require private agencies under contract with the Department to adopt a code of conduct for private agency staff; etc.

Delegate Montague, et al

HB 962 Juvenile Causes – Treatment Service Plans

Authorizing the juvenile court to adopt a treatment service plan recommended by the Department of Juvenile Justice in making a disposition on a specified petition regarding a child; requiring the Department of Juvenile Justice to ensure that a treatment service plan adopted by the court is implemented within 25 days after the date of disposition; specifying when implementation of a treatment service plan is considered to have occurred; providing for the construction and application of the Act; etc.

Delegate Montague, et al

HB 971 Office for Children, Youth, and Families – Codification of the Office of the Independent Juvenile Justice Monitor

Codifying the Independent Monitor in the Office for Children, Youth, and Families; establishing the Office of the Independent Juvenile Justice Monitor (IJJM); stating that the IJJM will include a full-time executive director and staff as provided in the State budget, and that salaries and expenses will be as provided in the State budget; requiring the IJJM to set minimum salaries, qualifications, and standards of training and experience for employees; requiring the IJJM to evaluate specified residential facilities; etc.

Delegate Montague, et al

HB 974 Juvenile Law – Transfer of Cases to Juvenile Court

Specifying that a court exercising criminal jurisdiction in a case involving a child may transfer the case to the juvenile court before trial or before a specified plea is entered; requiring the court to make a determination at sentencing as to whether to transfer the case to the juvenile court under specified conditions; etc.

Delegate Montague, et al

HB 1010 Juvenile Law – Prohibition Against Possession of Portable Pagers on School Property – Repeal in Baltimore Co

Repealing a prohibition against the possession of portable pagers on public school property in Baltimore County; declaring the intent of the General Assembly; etc.

EFFECTIVE JULY 1, 2002

Delegate Finifter, et al

HB 1011 Baltimore City Juvenile Justice Center – Intake – Assessment – Detention

Requiring the Department of Juvenile Justice to operate the Baltimore City Juvenile Justice Center as a centralized regional juvenile justice intake, assessment, court, and detention facility for Baltimore City; specifying the powers and duties of the Department related to the Center; providing for personnel; specifying the units to be included in the Center; etc.

EFFECTIVE JULY 1, 2002

Chairman JUD (Dept)

HB 1012 Agriculture – Crimes – Agricultural Research Protection Act

Prohibiting a person from maliciously damaging or destroying an agricultural research operation or specified farm products; establishing criminal penalties for the malicious damage or destruction of an agricultural research operation or specified farm products; requiring compensation to specified persons; and defining terms.

Delegate Amedori, et al

HB 1036 Maryland Security Protection Act of 2002

Providing an exception to the requirement that a specified description be provided in order to obtain a judicial order relating to wire, oral, and electronic communications under specified circumstances; expanding and altering provisions of law relating to pen registers and trap and trace devices; requiring specified security officers to notify and release specified persons to specified law enforcement agencies; making the Act an emergency measure; etc.

EMERGENCY BILL

Delegate Doory and The Speaker (Administration), et al

HB 1053 DNA Testing – Felony Convictions – DNA Technology Fund – Preservation of Scientific Identification Evidence

Altering provisions of law relating to DNA testing of persons convicted of specified crimes by providing that any person convicted of a felony or specified misdemeanors on or before a specified date shall submit a DNA sample to the Department of State Police; establishing a DNA Technology Fund to assist the State Police and local law enforcement agencies in acquiring equipment needed for DNA testing; altering the period of time during which the State must preserve scientific identification evidence; etc.

CONTINGENT

Delegate Doory, et al

HB 1080 Criminal Law – Housing Assistance – Fraud

Making it a misdemeanor to knowingly make a false statement of a material fact for the purpose of influencing a housing agency regarding specified housing assistance; establishing a penalty; etc.

Delegate Giannetti, et al

HB 1081 Juvenile Justice – Community Detention

Requiring the Department of Juvenile Justice to establish a community detention program for juveniles under specified conditions; specifying the conditions under which a child may be placed in community detention; etc.

Chairman JUD (Dept)

HB 1143 State Commission on Criminal Sentencing Policy – Annual Report

Requiring the annual report of the State Commission on Criminal Sentencing Policy to include information on specified sentences altered as a result of a reconsideration of sentence; and requiring the report to include the number of reconsiderations of sentences granted, categorized by crime and judicial circuit.

Delegate O'Donnell, et al

HB 1147 Crimes – Subsequent Sexual Offenders – Sentences

Providing that persons who are convicted of specified sexual offenses who have been convicted of specified sexual offenses on a prior occasion are subject to imprisonment not exceeding life under specified circumstances; requiring the State to comply with the procedures set forth in the Maryland Rules for the indictment and trial of a subsequent offender; and providing for the application of the Act.

Delegates Hecht and Dembrow

HB 1151 Patuxent Institution – Eligible Person and Youth Programs

Expanding the scope of the purpose of the Institution's remedial programs and services to include specified individuals; expanding the scope of information that is submitted in the Director's annual report regarding specified inmates; providing procedures for the Director and Secretary for mandatory supervision release or revocation of release of specified inmates; providing guidelines for the Director to establish or restore diminution credits; etc.

Chairman JUD (Dept)

HB 1194 Criminal Law – Sexual Abuse of a Minor

Prohibiting sexual abuse of a minor by specified persons and setting the penalties for a violation; and correcting cross-references to child abuse and sexual abuse of a minor in the Code.

Chairman JUD (Dept)

HB 1272 Criminal Justice Information System – Criminal History Records Checks

Specifying procedures and fees for obtaining criminal history records checks of handgun permit applicants, regulated firearms dealers, private detectives, security guard agencies, security guards, and specified personnel, licensees, and prospective buyers under the jurisdiction of the Maryland Racing Commission who are applying for specified permits and licenses.

Chairman JUD (Dept)

HB 1302 Sexual Crimes – Continuing Course of Conduct Against a Child

Prohibiting a person from engaging in a continuing course of unlawful sexual conduct with a victim under 14 years of age under specified circumstances; providing that a violation of the Act is a felony; providing for a specified penalty; providing that a sentence under the Act may be imposed separate from and consecutive to or concurrent with a sentence for child abuse under specified circumstances; providing that a person may not be charged under the Act under specified circumstances; etc.

Delegate Montague, et al

HB 1377 Dangerous Weapons – Minors – Pepper Mace

Repealing a prohibition on minors possessing pepper mace; repealing a specified penalty; establishing the intent of the General Assembly; and generally relating to minors and possession of pepper mace.

Delegates Kelly and O'Donnell

HB 1436 Allegany County – Pretrial Release and Work Release Programs

Authorizing the Sheriff of Allegany County to establish a pretrial release program that offers alternatives to pretrial detention, and to adopt regulations to administer the program; authorizing the Sheriff to establish and direct a work release program and to adopt specified guidelines; establishing specified eligibility requirements for inmates; etc.

Allegany County Delegation

HJ 8 Memorializing Fallen Firefighters

Memorializing fallen firefighters by lowering the American flag and Maryland State flag to half-staff in honor of the National Fallen Firefighters Memorial Service in Emmitsburg, Maryland.

Delegate Moe, et al

HJ 15 Maryland’s Salute to the Services

Designating May 19, 2002 through June 14, 2002 as Maryland’s “Salute to the Services”.

Delegate Arnick, et al

Part F

Courts and Civil Proceedings

SB 3 Maryland Safe Haven Act

Providing immunity from civil liability and criminal prosecution for specified persons who leave an unharmed newborn with a specified person under specified circumstances; requiring the approval of a specified person to leave a newborn under specified circumstances; requiring specified persons who accept a newborn to take specified actions within a specified time; etc.

Senator Green, et al

SB 13 Register of Wills – Salary

Raising the maximum annual salary that the Board of Public Works may set for a register of wills to \$85,000; repealing the minimum annual salary for a register of wills; and providing that the Act does not apply to the salary or compensation of an incumbent register.

Senator Baker

SB 14 Circuit Court Clerks – Salary

Altering the maximum salary that the Board of Public Works may set for a clerk of a circuit court to \$85,000; and repealing the minimum salaries for the clerks of the circuit courts.

Senator Baker

SB 67 Estates of Victims of September 11, 2001 Terrorist Attacks

Requiring the registers of wills to waive estate administration fees for decedents who died as a result of wounds or injury incurred on September 11, 2001, as a result of the terrorist attacks against the United States on that date, other than the terrorists; exempting decedents who died as a result of the attacks, other than the terrorists, from the inheritance tax; making the Act an emergency measure and applicable retroactively; etc.

EMERGENCY BILL

Senators Green and Miller

SB 108 State Highway Plats – Filing and Recordation

Repealing the requirement that the clerks of the court receive, index, and record plats showing the acquisition or conveyance of specified property or rights-of-way; requiring that State highway plats be filed with the State Archives; requiring the Archives to receive, file, and electronically post specified plats; and authorizing the Archives to charge reasonable fees to recover the cost of electronically posting and maintaining the images of plats and for the cost of reproducing a copy of a plat.

Chairman JPR (Dept)

SB 197 Circuit Courts – Rental of Space for Clerks of Court

Requiring each State budget to include an appropriation to the Department of General Services to pay rent to counties for space occupied in county facilities by the clerks of the circuit courts; providing that the amount of the rent shall be limited to specified rates in specified years; establishing the rental rate in specified fiscal years; limiting general fund expenditures to \$250,000 in fiscal year 2004 and \$500,000 in fiscal year 2005 to carry out the Act; delaying the effective date; etc.

EFFECTIVE JULY 1, 2003

Chairman JPR (Maryland Judicial Conference)

SB 199 Clerks of Circuit Courts – Auditor’s Reports and Bonds – Recording and Indexing

Repealing requirements for clerks of the circuit courts to record and index an auditor’s report as to the disposition of proceeds of a sale of property, after ratification by a circuit court, and a bond given in any court proceeding; and stating the intent of the General Assembly regarding specified fees of the clerks of the circuit courts.

EFFECTIVE JUNE 1, 2002

Chairman JPR (Maryland Judicial Conference)

SB 200 Clients’ Security Trust Fund – Renaming

Renaming the Clients’ Security Trust Fund of the Bar of Maryland as the Client Protection Fund of the Bar of Maryland.

EFFECTIVE JULY 1, 2002

Chairman JPR (Maryland Judicial Conference)

SB 394 Juvenile Causes – Children in Need of Assistance – Hearings and Guardianship

Altering terminology relating to specified hearings in child in need of assistance proceedings; altering the amount of time that a specified person can be placed at an inpatient facility under specified circumstances; requiring a local department of social services to notify the parents and their attorneys of specified decisions if guardianship of a child is awarded to the local department; authorizing a court to dismiss a case instead of a petition in specified circumstances; etc.

Senators Baker and Green

SB 404 Family Law – Marriage Ceremonies – Judges

Authorizing a judge to perform a marriage ceremony; and defining a specified term.

EFFECTIVE JUNE 1, 2002

Senator Forehand, et al

SB 440 Frederick County – State’s Attorney – Salary

Altering the salary of the State’s Attorney for Frederick County to be 90% of the salary of a judge of the District Court of Maryland; and providing that the Act does not apply to the salary or compensation of the incumbent State’s Attorney for Frederick County.

Senators Ferguson and Mooney

SB 444 Child Support Enforcement Administration – Retirement Health Benefits – Former Anne Arundel County Circuit Court Domestic Relations Division Employees

Requiring the State to reimburse Anne Arundel County, up to the amount it would pay under its own system, for the cost of health insurance premiums for retirees from the Child Support Enforcement Administration of the Maryland Department of Human Resources who elected to remain in the Anne Arundel County Retirement and Pension System after transfer to the State; requiring the affected retirees to cover the cost of premiums not reimbursed by the State; etc.

EFFECTIVE JULY 1, 2002

Senators Jimeno and Neall

SB 495 Children in Need of Assistance – Drug-Addicted Babies – Modifications

Modifying a presumption that a child is not receiving ordinary and proper care and attention within the definition of “child in need of assistance” (CINA) to apply to a child that is born exposed to specified dangerous substances as evidenced by appropriate tests of the mother or the child and to include a mother that refuses the recommended level of drug treatment; altering conditions regarding the termination of parental rights for children to apply to a child that is born exposed to specified dangerous substances; etc.

Senator Hoffman, et al

SB 501 Interim Domestic Violence Orders and Interim Peace Orders – Issuance by District Court Commissioners

Implementing the Constitutional amendment expanding the authority of District Court commissioners to include the issuance of interim orders for protection pending hearings on domestic violence and peace order petitions; making it a crime subject to specified penalties to knowingly provide false information on a specified petition; making the Act subject to a specified contingency; etc.

CONTINGENT

Chairman JPR (Maryland Judicial Conference), et al

SB 568 Baltimore County – Orphans’ Court Judges – Salary Increase

Increasing the annual salaries of the judges of the Orphans’ Court of Baltimore County to \$39,000 beginning July 1, 2003, with an additional \$500 for the Chief Judge; and providing that the Act does not apply to the salaries or compensation of the incumbent judges of the Orphans’ Court of Baltimore County.

Senator Collins

SB 641 Uniform Principal and Income Act – Unitrust Conversion – Adjustments Between Principal and Income

Authorizing a trustee to convert a trust to a unitrust or make adjustments between principal and income under specified circumstances; requiring a trustee to give notice to specified persons of specified proposed decisions regarding the power to convert a trust to a unitrust or to adjust between principal and income; providing for judicial review of specified proposed decisions; etc.

Senator Baker

SB 657 Family Law – Child Support – Age of Majority

Altering specified provisions of law defining the age of majority to provide that a person who has attained the age of 18 years and who is enrolled in secondary school has a right to support and maintenance until the first of specified events occurs; and establishing that the Act is considered a material change in circumstances for purposes of modifying a child support order issued before the effective date of the Act.

Senator Ruben, et al

SB 661 Prince George’s County – Law Enforcement – Settlement Reports

Requiring Prince George’s County to report each year to specified persons on the total number of settlements of tort claims involving law enforcement activities and the annual expenditures of the county for those settlements.

Senator Exum

SB 839 Cecil County and Kent County – Orphans’ Court Judges – Salaries

Altering the salary of each judge of the Orphans’ Court for Cecil County and the salary of each judge of the Orphans’ Court for Kent County; and providing that the Act does not apply to the salary or compensation of each incumbent judge of the Orphans’ Court for Cecil County or of each incumbent judge of the Orphans’ Court for Kent County.

Senator Baker

SB 847 Frederick County – Deputy State’s Attorneys

Increasing to two the number of deputy State’s Attorneys that the State’s Attorney for Frederick County may appoint; and repealing a requirement that the deputy State’s Attorneys in Frederick County be appointed from among members of the bar of Frederick County.

EFFECTIVE JULY 1, 2002

Senators Ferguson and Mooney

SB 863 Child Abuse and Neglect – Central Registry – Exception

Establishing that, except for specified information, information from a local department's file on a child abuse and neglect case for which access is limited to local social services department staff responsible for the investigation may not be included in the central registry until after the individual found responsible by the local department for indicated or unsubstantiated child abuse has been found guilty of criminal charges, unsuccessfully appealed the finding of the local department, or failed to exercise appeal rights; etc.

Senator Baker

SB 865 Baltimore City – Orphans' Court Judges – Salary

Altering the salary of the Chief Judge and the associate judges of the Orphans' Court for Baltimore City; and providing that the Act does not apply to the salary or compensation of the incumbent Chief Judge and the associate judges of the Orphans' Court for Baltimore City.

Senator McFadden

HB 6 District Court Commissioners – Powers and Duties

Proposing an amendment to the Maryland Constitution to expand the powers and duties of District Court commissioners to include the issuance of civil interim peace orders and civil interim protective orders within the jurisdiction of the District Court when the office of the clerk of the District Court is not open; and submitting this amendment to the qualified voters of the State of Maryland for their adoption or rejection.

CONSTITUTIONAL AMENDMENT

Chairman JUD (Maryland Judicial Conference), et al

HB 39 Circuit Court Clerks – Salary

Altering the maximum salary that the Board of Public Works may set for a clerk of a circuit court to \$85,000; and repealing the minimum salaries for the clerks of the circuit courts.

Delegate Barkley, et al

HB 48 District Court – Civil Jurisdiction – Dishonored Checks and Other Instruments

Clarifying that the District Court of Maryland has exclusive original civil jurisdiction in an action for damages for a dishonored check or other instrument regardless of the amount in controversy; and providing that in an action for damages for a dishonored check or instrument a defendant is entitled to demand a transfer of the action from the District Court to a circuit court under specified circumstances.

Delegate Getty

HB 70 District Court – Small Claim Actions

Increasing to \$5,000 the amount that an amount in controversy must exceed in cases over which the District Court and the circuit courts have concurrent jurisdiction; increasing to \$5,000 the maximum amount in controversy over which the District Court has exclusive jurisdiction; increasing to \$2,500 the maximum amount in controversy for which formal pleadings are prohibited; and increasing to \$5,000 the amount that an amount in controversy must exceed in cases where appeals from the District Court must be heard on the record.

Delegates Baldwin and Mitchell

HB 106 Family Law – Marriage Ceremonies – Judges

Authorizing a judge to perform a marriage ceremony; defining the term “judge”; and generally relating to marriage ceremonies.

EFFECTIVE JUNE 1, 2002

Delegates Grosfeld and Vallario

HB 114 Clerks of Circuit Courts – Auditor’s Reports and Bonds – Recording and Indexing

Repealing requirements for clerks of the circuit courts to record and index an auditor’s report as to the disposition of proceeds of a sale of property, after ratification by a circuit court, and a bond given in any court proceeding; and stating the intent of the General Assembly regarding specified fees of the clerks of the circuit courts.

EFFECTIVE JUNE 1, 2002

Chairman JUD (Maryland Judicial Conference)

HB 115 Clients’ Security Trust Fund – Renaming

Renaming the Clients’ Security Trust Fund of the Bar of Maryland as the Client Protection Fund of the Bar of Maryland; providing for the effective date of the Act; etc.

EFFECTIVE JULY 1, 2002

Chairman JUD (Maryland Judicial Conference)

HB 190 Register of Wills – Salary

Raising the maximum annual salary that the Board of Public Works may set for a register of wills to \$85,000; repealing the minimum annual salary for a register of wills; and providing that the Act does not apply to the salary or compensation of an incumbent register of wills.

Delegate Vallario, et al

HB 325 District Court Jurisdiction – Enforcement of Local Consumer Protection Codes

Establishing that the District Court has exclusive original civil jurisdiction in a petition filed by a county or municipality for enforcement of local consumer protection codes for which equitable relief is provided.

Delegate Dembrow, et al

HB 352 Real Property – Sales of Homes in Anne Arundel County – Disclosure Requirements

Requiring a contract of sale for residential real property in Anne Arundel County to include notice that, in order for a buyer to become fully informed of specified land-use plans that may affect the property, the buyer should consult the appropriate county agency or county Internet web site for information regarding these plans; and providing for the construction and application of the Act.

Anne Arundel County Delegation

HB 364 Child Support Enforcement Administration – Retirement Health Benefits – Former Anne Arundel County Circuit Court Domestic Relations Division Employees

Requiring the State to reimburse Anne Arundel County, up to the amount it would pay under its own system, for the cost of health insurance premiums for retirees from the Child Support Enforcement Administration of the Maryland Department of Human Resources who elected to remain in the Anne Arundel County Retirement and Pension System after transfer to the State; requiring the affected retirees to cover the cost of premiums not reimbursed by the State; etc.

EFFECTIVE JULY 1, 2002

Delegates Love and Cadden

HB 367 Frederick County – State’s Attorney – Salary

Altering the salary of the State’s Attorney for Frederick County to be 90% of the salary of a judge of the District Court of Maryland; and providing that the Act does not apply to the salary or compensation of the incumbent State’s Attorney for Frederick County.

Frederick County Delegation

HB 385 Time-Shares – Termination

Authorizing an association of time-share owners to amend its time-share instrument to prevent termination of time-shares in a project as set forth in the time-share instrument; authorizing an association to provide that time-share owners shall continue to own, use, enjoy, and retain specified rights in their time-shares after the termination date set forth in the time-share instrument; providing for the transfer of specified rights and duties; etc.

Delegate Bozman, et al

HB 396 Family Law – Adoption – Recognition of Foreign Adoption Decrees

Providing that specified provisions of law may not be construed to require a specified adopting parent to file a petition for adoption; providing that a specified provision applies only if an adopting parent chooses to file a petition; requiring foreign adoption decrees to be given full recognition and effect in this State under specified circumstances; etc.

Delegate Cane, et al

HB 434 Frederick County – Deputy State’s Attorneys

Increasing to two the number of deputy State’s Attorneys that the State’s Attorney for Frederick County may appoint; and repealing a requirement that the deputy State’s Attorneys in Frederick County be appointed from among members of the bar of Frederick County.

EFFECTIVE JULY 1, 2002

Frederick County Delegation

HB 443 Washington County – Orphans’ Court – Compensation and Expense Allowances of Judges

Increasing the compensation and altering the expense allowances for the judges of the Orphans’ Court for Washington County; and providing that the Act does not apply to the salary or compensation of the incumbent judges of the Orphans’ Court for Washington County.

Washington County Delegation

HB 495 Department of Human Resources – Welfare Reform and Child Support Enforcement – Repeal of Sunset

Repealing the termination date of specified provisions of law relating to the Child Support Enforcement Privatization Pilot Program; altering the scope of the Child Support Enforcement Privatization Pilot Program; requiring the Secretary of Human Resources to establish specified demonstration sites according to a specified schedule; providing for the termination of the Act; etc.

EFFECTIVE JULY 1, 2002

Delegate Branch, et al

HB 524 Somerset County – Orphans’ Court – Judges’ Compensation

Providing for the annual salary of the Chief Judge and each associate judge of the Orphans’ Court for Somerset County; providing for a daily allowance for traveling expenses for specified attendance upon the sessions of the Court; repealing provisions providing for daily paid attendance upon sessions of the Court and excuse with pay two times a year; providing that the Act does not apply to the salary or compensation of the incumbent Chief Judge and associate judges of the Orphans’ Court for Somerset County; etc.

Somerset County Delegation

HB 602 Maryland Safe Haven Act of 2002

Providing immunity from civil liability and criminal prosecution for persons who leave an unharmed newborn with a responsible adult within 3 days after the birth of the newborn and the person does not express an intent to return for the newborn; requiring the approval of the mother of the newborn to abandon the newborn under specified circumstances; requiring a hospital or other designated facility that accepts a newborn to notify the local Department of Social Services within 24 hours after accepting the newborn; etc.

Delegate Grosfeld, et al

HB 663 Interim Domestic Violence Orders and Interim Peace Orders – Issuance by District Court Commissioners

Implementing the Constitutional amendment expanding the authority of District Court commissioners to include the issuance of interim orders for protection pending hearings on domestic violence and peace order petitions; making it a crime subject to specified penalties to knowingly provide false information on a specified petition; making the Act subject to a specified contingency; etc.

CONTINGENT

Chairman JUD (Maryland Judicial Conference), et al

HB 683 Child Support – Financial Institutions – Garnishment of Accounts

Requiring financial institutions to submit specified reports to the Child Support Enforcement Administration; authorizing the Administration to attach and seize the amount of the arrearage in the accounts of an obligor who is in arrearage for child support for \$500 or more and who has not paid child support for more than 60 days; requiring the Administration and financial institutions to follow specified procedures regarding the attachment of accounts; etc.

Delegate Doory

HB 753 Howard County – Orphans’ Court – Compensation of Judges Ho. Co. 13-02

Increasing the compensation for the judges of the Orphans’ Court for Howard County; and providing that the Act does not apply to the salary or compensation of the incumbent judges of the Orphans’ Court for Howard County.

Howard County Delegation

HB 881 Uniform Principal and Income Act – Unitrust Conversion – Adjustments Between Principal and Income

Authorizing a trustee to convert a trust to a unitrust or make adjustments between principal and income under specified circumstances; requiring a trustee to give notice to specified persons of specified proposed decisions regarding the power to convert a trust to a unitrust or to adjust between principal and income; providing for judicial review of specified proposed decisions; etc.

Delegates Dembrow and Vallario

HB 968 Juvenile Causes – Children in Need of Assistance – Termination of Permanency Plan Review

Providing that unless the court finds good cause, a custody and guardianship case shall be terminated after the court grants custody and guardianship of the child to a relative or other individual; providing that if the court finds good cause to not terminate a case, the court shall conduct a review hearing every 12 months until the case is terminated; etc.

Delegate Montague, et al

HB 970 Juvenile Causes – Children in Need of Assistance – Hearings and Guardianship

Altering terminology relating to specified hearings in child in need of assistance proceedings; altering the amount of time that a specified person can be placed at an inpatient facility under specified circumstances; requiring a local department of social services to notify the parents and their attorneys of specified decisions if guardianship of a child is awarded to the local department; authorizing a court to dismiss a case instead of a petition in specified circumstances; etc.

Delegate Montague, et al

HB 993 Family Law – Child Support – Age of Majority

Altering specified provisions of law defining the age of majority to provide that a person who has attained the age of 18 years and who is enrolled in secondary school has a right to support and maintenance until the first of specified events occurs; and establishing that the Act is considered a material change in circumstances for purposes of modifying a child support order issued before the effective date of the Act.

Delegate Carlson, et al

HB 1142 Children in Need of Assistance – Drug-Addicted Babies – Modifications

Modifying a presumption that a child is not receiving ordinary and proper care and attention within the definition of “child in need of assistance” (CINA) to apply to a child that is born exposed to specified dangerous substances as evidenced by appropriate tests of the mother or the child and to include a mother that refuses the recommended level of drug treatment; altering conditions regarding the termination of parental rights for children to apply to a child that is born exposed to specified dangerous substances; etc.

Delegate O’Donnell, et al

HB 1165 Court of Special Appeals – Sessions – Location

Authorizing the Chief Judge of the Court of Special Appeals to designate, in conjunction with the deans of specified law schools, specified universities at which the Court of Special Appeals may hold its sessions.

Delegate Burns, et al

HB 1178 Estates of Victims of September 11, 2001 Terrorist Attacks

Requiring the registers of wills to waive estate administration fees for decedents who died as a result of wounds or injury incurred on September 11, 2001, as a result of the terrorist attacks against the United States on that date, other than the terrorists; exempting decedents who died as a result of the attacks, other than the terrorists, from the inheritance tax; making the Act an emergency measure and applicable retroactively; etc.

EMERGENCY BILL

Delegate Bohanan, et al

HB 1285 Talbot, Dorchester, Caroline, Kent, and Queen Anne’s Counties – Chief Deputy Sheriffs and Deputy Sheriffs – Employment Status

Establishing that a chief deputy sheriff or the managerial equivalent appointed by the Sheriff of Dorchester County, Caroline County, Kent County, or Queen Anne’s County shall serve at the pleasure of the respective Sheriff; prohibiting the Sheriffs of Dorchester, Talbot, Caroline, Kent, and Queen Anne’s counties from refusing to reappoint a deputy sheriff in the respective county without just cause; authorizing the Sheriffs of Talbot and Caroline counties to appoint a chief deputy sheriff or the managerial equivalent; etc.

Delegate W Baker, et al

HB 1328 Child Abuse and Neglect – Central Registry – Exception

Establishing that, except for specified information, information from a local department’s file on a child abuse and neglect case for which access is limited to local social services department staff responsible for the investigation may not be included in the central registry until after the individual found responsible by the local department for indicated or unsubstantiated child abuse has been found guilty of criminal charges, unsuccessfully appealed the finding of the local department, or failed to exercise appeal rights; etc.

Delegate Montague

HB 1362 Baltimore City – Orphans’ Court Judges – Salary

Altering the salary of the Chief Judge and associate judges of the Orphans’ Court for Baltimore City; and providing that the Act does not apply to the salary or compensation of the incumbent Chief Judge and associate judges of the Orphans’ Court for Baltimore City.

Delegate Montague, et al

HB 1381 Attorney’s Lien – Settlements

Providing that an attorney has a lien on specified settlements that extends to specified attorney’s fees and compensation; providing for the priority, with specified exceptions, of an attorney’s lien; and providing for the application of the Act.

Delegates Vallario and Valderrama

HB 1382 Court Personnel – District Court Bailiffs – Compensation

Requiring the Administrative Office of the Courts to review the compensation of District Court bailiffs and report its findings and recommendations to the General Assembly on or before December 15, 2002.

Delegates Vallario and Lee

HB 1393 Family Law – Unlawful Marriages – Penalties

Repealing a provision of law relating to banishment from the State as a penalty for an unlawful marriage.

Delegate Gladden

SJ 5 **Judicial Compensation Commission Report**
Providing for judicial salaries for fiscal year 2003.
The President (Judicial Compensation Commission)

HJ 5 **Judicial Compensation Commission Report**
Providing for judicial salaries for fiscal year 2003.
The Speaker (Judicial Compensation Commission)

Part G

Transportation and Motor Vehicles

SB 21 Alcoholic Beverage Consumption or Possession of Open or Unsealed Container

Expanding a prohibition against consumption of an alcoholic beverage while driving a motor vehicle on a highway to include the driver's consumption in a motor vehicle that is not being driven; prohibiting a passenger from possessing an open container containing an alcoholic beverage or consuming an alcoholic beverage under specified circumstances; providing that specified violations are civil offenses; providing for the issuance of a specified citation; providing for the jurisdiction of the District Court for specified violations; etc.

EFFECTIVE SEPTEMBER 30, 2002

Senator Forehand, et al

SB 50 Vehicle Laws - Dealer - Definition and Penalties

Altering a specified definition of "dealer" as it relates to a dealer in vehicles by reducing the number of vehicles acquired for resale purposes that a person may offer to sell within a 12-month period before being considered a dealer under the definition; establishing a presumption regarding the acquisition of a vehicle for resale purposes; and altering specified penalties.

Senator Dorman

SB 51 Motor Vehicle Administration - Chesapeake Bay Commemorative License Plate Program - Extension

Extending the termination date of the Chesapeake Bay Commemorative License Plate Program from July 1, 2002 to July 1, 2007.

EFFECTIVE JUNE 1, 2002

Senator Dorman, et al

SB 110 Driver Licensing - New Residents - Extension of Exemption Period

Extending from 30 days to 60 days the exemption period for new residents to comply with the licensing requirements of the motor vehicle law.

Chairman JPR (Dept)

SB 111 Vehicle Laws – Commercial Drivers’ Licenses – Special School Bus Endorsement

Requiring an operator of a school bus to obtain a special commercial driver’s license endorsement from the Motor Vehicle Administration; providing that the school bus endorsement is also an endorsement to operate a vehicle designed to transport 16 or more passengers; providing for the application of the Act; clarifying specified language; etc.

Chairman JPR (Dept)

SB 112 Vehicle Laws – Registration Plates and Parking Placards – Individuals with Disabilities

Requiring a medical certification for specified disabilities when an applicant applies to the Motor Vehicle Administration for special disability registration plates or a parking placard; and modifying the disabilities for which an applicant may self-certify.

Chairman JPR (Dept), et al

SB 120 Vehicle Laws – Special Registration Plates for Motorcycles – Veterans and Recipients of Combat-Related Medals

Adding Class D (motorcycle) vehicles to the list of vehicle classes for which special registration plates may be obtained by honorably discharged veterans of the U.S. armed forces or by recipients of combat-related medals.

Senator Baker

SB 142 State Highways – Designation – Vietnam Veterans Highway

Requiring the State Highway Administration to designate a portion of Maryland Route 157 as the Vietnam Veterans Highway; etc.

Senator Stone

SB 297 Motor Vehicle Administration – Drivers’ Licenses and Identification Cards – Selective Service Administration Registration

Requiring the Motor Vehicle Administration to provide to the Selective Service Administration information concerning adult male applicants under the age of 26 years who apply for a driver’s license or identification card; establishing that a signature on an application for a license or identification card indicates that the applicant has selected one of the options on the application concerning the forwarding of information to the Selective Service Administration; making specified provisions contingent on federal funding; etc.

CONTINGENT

Senator Blount

SB 302 Vehicle Laws – Trailers and Semitrailers – Surge Brakes

Authorizing a trailer or semitrailer to be equipped with surge brakes if the trailer or semitrailer is operated only intrastate, meets specified gross vehicle weight rating standards, is not used to transport specified goods or persons, is designed in a specified manner, and complies with specified State and federal regulations.

VARIOUS EFFECTIVE DATES

Senator Baker

SB 345 Vehicle Laws – Leaving the Scene of an Accident Involving Serious Bodily Injury or Death – Penalties

Establishing specified felonies for a person involved in a vehicular accident resulting in serious bodily injury to or death of another who leaves the scene of the accident, if the person knew or reasonably should have known that the accident might result in serious bodily injury to or death of another person and serious bodily injury or death actually occurred; providing penalties for felonies under the Act; providing that the District Court has jurisdiction that is concurrent with a circuit court for felonies under the Act; etc.

Senators Van Hollen and Forehand

SB 352 Vehicle Laws – Drunk Driving – Repeat Offenders

Requiring the Motor Vehicle Administration to suspend for 1 year the license of a person who is convicted within a 5-year period of a second or subsequent offense of driving while under the influence of alcohol or under the influence of alcohol per se; requiring a person whose license is suspended to maintain for not less than 3 months and not more than 1 year, dating from the expiration of the 1-year period of suspension, an ignition interlock system on each motor vehicle owned by the person; etc.

EFFECTIVE SEPTEMBER 30, 2002

Senator Jimeno and Chairman JPR (Dept), et al

SB 353 Vehicle Laws – Drivers’ Licenses – Vision Standards

Repealing the termination date of provisions of law that authorize individuals with specified eyesight levels to qualify for an unrestricted, restricted, or restricted noncommercial driver’s license, subject to specified requirements and restrictions; extending the termination date of provisions authorizing the Motor Vehicle Administration to issue a restricted Class C noncommercial driver’s license to specified individuals who do not meet specified vision standards, subject to specified requirements and restrictions; etc.

Senator Munson

SB 427 Motor Vehicle Administration – Digital Photographic Images – Private Detective Agencies

Authorizing the Motor Vehicle Administration to make a digital photographic image of an individual or the actual stored data of the image, recorded by the Administration, available to specified private detective agencies.

Senator Jimeno

SB 533 Department of Transportation – Special Bonds and Borrowings

Authorizing the Department of Transportation to issue bonds and borrow funds to finance the cost of transportation facilities by pledging and using existing and anticipated federal funds as payment; authorizing the Department to borrow funds from the federal government and from private lenders and to repay such loans and pledge as security the Department's revenues from the financed facility; etc.

EFFECTIVE JUNE 1, 2002

Senator Currie, et al

SB 625 Vehicle Laws – Uninsured Motorist Penalties – Distribution of Fees

Altering the distribution of uninsured motorist penalty fees to provide for a distribution to the Vehicle Theft Prevention Fund during fiscal years beginning on or after July 1, 2001; providing for the distribution of specified uninsured motorist penalty fees to the School Bus Safety Enforcement Fund during specified fiscal years; providing for the effective date of specified provisions of the Act; providing for the termination of specified provisions of the Act; etc.

EFFECTIVE JUNE 1, 2002

Senator Hoffman, et al

SB 802 Vehicle Laws – Child Booster Seats

Including "child booster seat" in the definition of "child safety seat"; altering the definition of "child safety seat"; altering the circumstances under which a child is required to be secured in a child safety seat when traveling in a motor vehicle registered in the State; requiring a child to be secured in a child safety seat under specified circumstances when traveling in a motor vehicle registered outside the State; and providing for a delayed effective date.

EFFECTIVE OCTOBER 1, 2003

Senator Forehand

HB 3 Alcoholic Beverage Consumption or Possession of Open or Unsealed Container

Expanding a prohibition against consumption of an alcoholic beverage while driving a motor vehicle on a highway to include the driver's consumption in a motor vehicle that is not being driven; prohibiting a passenger from possessing an open container containing an alcoholic beverage or consuming an alcoholic beverage under specified circumstances; providing that specified violations are civil offenses; providing for the issuance of a specified citation; providing for the jurisdiction of the District Court for specified violations; etc.

EFFECTIVE SEPTEMBER 30, 2002

Delegate Petzold, et al

HB 4 Vehicle Laws – Drunk Driving – Repeat Offenders

Requiring the Motor Vehicle Administration to suspend for 1 year the license to drive of a person who is convicted within a 5-year period of a second or subsequent offense of driving while under the influence of alcohol or under the influence of alcohol per se; requiring a person whose license is suspended to maintain for not less than 3 months and not more than 1 year, dating from the expiration of the 1-year period of suspension, an ignition interlock system on each motor vehicle owned and operated by the person; etc.

EFFECTIVE SEPTEMBER 30, 2002

Delegate Grosfeld, et al

HB 16 Vehicle Laws – Signs Designating Parking Spaces for Individuals with Disabilities – Notice of Fine for Violation

Requiring a new sign erected after October 1, 2002 that designates a parking space or zone for the use of individuals with disabilities to clearly state the maximum amount of the fine for unlawfully parking in the designated space or zone in violation of a specified provision of law; and generally relating to the content of signs designating parking spaces for individuals with disabilities.

Delegate Kelly

HB 26 Motor Vehicle Administration – Drivers’ Licenses and Identification Cards – Selective Service Administration Registration

Requiring the Motor Vehicle Administration to provide to the Selective Service Administration information concerning adult male applicants under the age of 26 years who apply for a driver’s license or identification card; establishing that a signature on an application for a license or identification card indicates that the applicant has selected one of the options on the application concerning the forwarding of information to the Selective Service Administration; making specified provisions contingent on federal approval; etc.

CONTINGENT

Delegates Hutchins and Linton

HB 111 State Highways – Designation – Vietnam Veterans Highway

Requiring the State Highway Administration to designate a portion of Maryland Route 157 as the Vietnam Veterans Highway; etc.

Delegate Mohorovic, et al

HB 117 Motor Vehicle Administration – Chesapeake Bay Commemorative License Plate Program – Extension

Extending the Chesapeake Bay Commemorative License Plate Program until July 1, 2007.

EFFECTIVE JUNE 1, 2002

Delegate D’Amato, et al

HB 130 Sidewalks or Bicycle Pathways - Priority Funding Areas - Sharing of Construction Costs

Establishing that if a sidewalk or bicycle pathway is being constructed or reconstructed within a designated priority funding area, with a specified exception, in response to a request from a local government, and the adjacent roadway is not being concurrently constructed or reconstructed, 75% of the cost shall be funded by the State and 25% of the cost shall be funded by the local government under specified circumstances.

Delegate Bronrott, et al

HB 211 Motor Vehicle Administration - Digital Photographic Images - Private Detective Agencies

Authorizing the Motor Vehicle Administration to make a digital photographic image of an individual or the actual stored data of the image, recorded by the Administration, available to specified private detective agencies.

Delegate McClenahan, et al

HB 256 Vehicle Laws - Leaving the Scene of an Accident Involving Serious Bodily Injury or Death - Penalties

Establishing specified felonies for a person involved in a vehicular accident resulting in serious bodily injury to or death of another who leaves the scene of the accident if the person knew or reasonably should have known that the accident might result in serious bodily injury to or death of another person and serious bodily injury or death actually occurred; providing for specified penalties for felonies under the Act; etc.

Delegate Bronrott, et al

HB 317 Vehicle Laws - Obscuring or Modifying Registration Plate with Intent to Avoid Identification

Prohibiting a person from obscuring or modifying any vehicle registration plate to avoid identification; and assessing a 1-point penalty against any individual who is convicted of obscuring or modifying any vehicle registration plate to avoid identification.

Delegate Petzold, et al

HB 322 Vehicle Laws - Commercial Drivers' Licenses - Special School Bus Endorsement

Requiring an operator of a school bus to obtain a special commercial driver's license endorsement from the Motor Vehicle Administration; providing that the school bus endorsement is also an endorsement to operate a vehicle designed to transport 16 or more passengers; providing for the application of the Act; clarifying specified language; etc.

Delegates Malone and Moe

HB 343 Motor Vehicles – Parking Lot Spaces for Individuals with Disabilities

Establishing that a person who uses a specified special registration plate, removable windshield placard, or temporary removable windshield placard in order to park a motor vehicle in a parking lot space designated for the use of individuals with disabilities must be authorized to use the privileges conferred by the special registration plate, removable windshield placard, or temporary placard, under specified laws.

Charles County Delegation

HB 368 State Highways – Designation – Korean War Veterans Memorial Highway

Requiring the State Highway Administration to designate the Maryland portion of Interstate Highway 70 that is located in Frederick County, Maryland as the Korean War Veterans Memorial Highway.

Delegate Hecht, et al

HB 387 Vehicle Laws – Fire and Rescue Vehicles – Use of Lights or Signal Devices

Requiring drivers of emergency vehicles of fire departments and rescue squads to, at the discretion of the officer in charge, flash or oscillate or otherwise use specified red and white lights or signal devices while stopped, standing, or parked on the roadway at the scene of an emergency; etc.

Delegate Conway, et al

HB 404 Vehicle Laws – Trailers and Semitrailers – Surge Brakes

Authorizing a trailer or semitrailer to be equipped with surge brakes if the trailer or semitrailer is operated only intrastate, meets specified gross vehicle weight rating standards, is not used to transport specified goods or persons, is designed in a specified manner, and complies with specified State and federal regulations.

EFFECTIVE JUNE 1, 2002

Delegates Clagett and Shank

HB 471 Motor Vehicles – Salvage Vehicles – Distribution of Fees

Altering the distribution by the Motor Vehicle Administration of specified funds collected from salvage vehicle inspection fees to require distribution to the Auto Theft Unit of the Department of State Police.

VARIOUS EFFECTIVE DATES

Delegates Glassman and Riley

HB 514 Vehicle Laws – Special Registration Plates for Farm Trucks – Maryland Agriculture

Adding Class E (farm truck) vehicles to the list of vehicle classes for which special registration plates designed to honor Maryland agriculture may be obtained; and generally relating to special registration plates for farm trucks.

Delegate Klausmeier, et al

HB 699 Vehicle Laws – Child Booster Seats

Including “child booster seat” in the definition of “child safety seat”; altering the definition of “child safety seat”; altering the circumstances under which a child is required to be secured in a child safety seat when traveling in a motor vehicle registered in the State; requiring a child to be secured in a child safety seat under specified circumstances when traveling in a motor vehicle registered outside the State; and providing for a delayed effective date.

EFFECTIVE OCTOBER 1, 2003

Delegate Bronrott

HB 869 Vehicle Laws – Electronic Personal Assistive Mobility Devices

Establishing that footpaths and bicycle trails may be used by electronic personal assistive mobility devices (EPAMDs); altering the definition of “vehicle” to specify that it does not include an EPAMD; establishing that at an intersection, a person using an EPAMD is subject to specified traffic control systems, but that at all other places has the rights and is subject to the restrictions applicable to pedestrians under specified provisions of law; establishing that an EPAMD may not be operated in excess of a specified speed; etc.

Delegate Malone, et al

HB 884 High Occupancy Vehicle (HOV) Lanes – Use by Inherently Low Emission Vehicles

Requiring the State Highway Administration, when designating a portion of a highway as a restricted-use, high occupancy vehicle (HOV) lane, to place traffic control devices indicating that the HOV lane may be used by specified inherently low emission vehicles; requiring the Motor Vehicle Administration, the State Highway Administration, and the Department of State Police to consult to design a specified permit; etc.

Delegate Hecht, et al

HB 948 Prince George’s County – Roadside Solicitation – Children PG 418-02

Prohibiting in Prince George’s County a child under the age of 15 years from standing in a roadway, median divider, or intersection to solicit money or donations of any kind from the occupant of a vehicle; prohibiting an adult in Prince George’s County from causing, encouraging, allowing, or petitioning a child under the age of 15 years to violate the prohibition; and providing a specified exception to finding a minor guilty or adjudicating a minor as a delinquent for a violation of the Act.

Prince George’s County Delegation

HB 1366 Alcohol- or Drug-Related Offenses – Probation Before Judgment – Prohibitions

Prohibiting a court from staying a judgment for specified alcohol- or drug-related offenses and placing a defendant on probation before judgment if, within the preceding 5 years, the defendant has been convicted of, or placed on probation before judgment for, specified alcohol- or drug-related offenses.

Delegates Boschert and Vallario

HB 1431 Task Force to Evaluate the Development and Construction of a Magnetic Levitation Transportation System

Establishing a Task Force to Evaluate the Development and Construction of a Magnetic Levitation Transportation System; specifying the membership and duties of the Task Force; providing for the appointment of chairpersons; providing for staffing; prohibiting a member from receiving specified compensation; authorizing reimbursement for specified expenses; requiring a specified report; and providing for the termination of the Act.

EFFECTIVE JULY 1, 2002

Delegate McIntosh, et al

SJ 8 State Highways – Intercounty Connector – Restart of Environmental Impact Statement Process

Urging the Governor to instruct the Secretary of the Department of Transportation to restart and bring to its full conclusion a National Environmental Policy Act (NEPA) environmental impact statement process to study the Intercounty Connector (ICC), a specified connector which would accommodate specified purposes, to facilitate access between Montgomery County, Prince George’s County, Greater Baltimore, and other locations throughout the State of Maryland.

Senator Miller, et al

HJ 10 State Highways – Intercounty Connector – Restart of Environmental Impact Statement Process

Urging the Governor to instruct the Secretary of the Department of Transportation to restart and bring to its full conclusion a National Environmental Policy Act (NEPA) environmental impact statement process to study the Intercounty Connector (ICC), a specified connector which would accommodate specified purposes, to facilitate access between Montgomery County, Prince George’s County, Greater Baltimore, and other locations throughout the State of Maryland, with specified modern environmental design and mitigation techniques.

Delegate Taylor, et al

Part H

Business and Economic Issues

SB 113 Charitable Solicitations

Authorizing the Secretary of State to serve written interrogatories when investigating an alleged violation of the Maryland Solicitations Act; requiring the Secretary of State to approve an application for registration submitted by a charitable organization under specified circumstances; etc.

Chairman JPR (Dept)

SB 124 State Board of Public Accountancy - Sunset Extension and Program Evaluation

Continuing the State Board of Public Accountancy in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July, 2015 the termination provisions relating to the statutory and regulatory authority of the Board; and requiring that an evaluation of the Board and the statutes and regulations that relate to the Board be performed on or before July 1, 2014.

The President (Department of Legislative Services)

SB 125 Licensing and Regulation of Security Systems Technicians - Sunset Extension and Program Evaluation

Continuing the licensing and regulation of security systems technicians in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2016 the termination provisions relating to the statutory and regulatory authority of the Secretary of the State Police to license and regulate security systems technicians; and requiring that an evaluation of the licensing program and the statutes and regulations that relate to the program be performed on or before July 1, 2015.

The President (Department of Legislative Services)

SB 128 State Board of Foresters - Sunset Extension and Program Evaluation

Continuing the State Board of Foresters in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2015 the termination provisions relating to the statutory and regulatory authority of the Board; and requiring that an evaluation of the Board and the statutes and regulations that relate to the Board be performed on or before July 1, 2014.

The President (Department of Legislative Services)

SB 154 Baltimore County – Licenses – Special Wine Festival and Special Beer Festival

Altering the scope, terms, and conditions of a specified license issued by the Baltimore County Board of License Commissioners to make it apply only to specified licensees who display and sell wine at a wine festival; repealing specified restrictions on the display and sale of wine and beer; establishing in Baltimore County a special beer festival license; specifying conditions on licensees and the scope, fee, and time and location requirements for the license; requiring the Board to ensure the primary focus of specified festivals; etc.

EFFECTIVE JUNE 1, 2002

Senator Della

SB 158 Maryland Insurance Administration – Subpoenas – Issuance

Allowing specified subpoenas issued by the Insurance Commissioner to be served in the same manner as a service of process in a civil action in a circuit court.

Chairman FIN (Dept)

SB 251 Business Regulation – Lodging Establishments – Rights and Responsibilities of Innkeepers

Authorizing an innkeeper to refuse lodging or services to or remove from a lodging establishment specified individuals; requiring the innkeeper to provide notice and refund any unspent balance when removing an individual from a lodging establishment; authorizing an innkeeper to require that a prospective guest register, provide identification, and demonstrate an ability to pay for lodging; authorizing an innkeeper to limit the number of individuals who may occupy a room at a lodging establishment; etc.

Senators Baker and Hooper

SB 258 Anne Arundel County – Alcoholic Beverages – Multiple Licenses

Repealing a provision that prohibits the Anne Arundel County Board of License Commissioners from issuing alcoholic beverages licenses, other than specified licenses, to specified restaurant franchisees; establishing that holders of Class B or Class H alcoholic beverages licenses that apply to restaurants located in specified areas are eligible for specified additional licenses; etc.

EFFECTIVE JUNE 1, 2002

Anne Arundel County Senators

SB 287 Motor Fuel and Lubricants – Dyed Diesel Fuel

Prohibiting the sale or use of dyed diesel fuel as fuel for a highway vehicle; allowing the Comptroller to make specified inspections; requiring the Comptroller to enforce the prohibition; providing penalties for violations; etc.

Chairman FIN (Dept)

SB 307 Maryland Technology Development Corporation

Authorizing the Maryland Technology Development Corporation to create, own, control, or be a member of a business entity, whether for profit or not for profit; repealing the authority of the Corporation to manufacture specified projects; authorizing the Corporation to enter into a project with a manufacturer to carry out the purposes of the Corporation; and authorizing the Corporation to exercise any power usually possessed by a private corporation in performing similar functions.

Senator Hogan, et al

SB 332 Business Occupations and Professions – Certified Interior Designers – Seal

Authorizing the State Board of Certified Interior Designers to deny a certificate to any applicant, reprimand any certificate holder, or suspend or revoke a certificate if the applicant or certificate holder signs or seals interior design documents with a revoked, suspended, or expired certificate; requiring certified interior designers to endorse specified interior design documents with a seal, signature, and the date; etc.

Senator Hollinger

SB 335 Premium Finance Agreements – Delinquency and Collection Charge – Cancellation Charge

Altering the maximum amount of a delinquency and collection charge with respect to private passenger automobile or personal fire or liability insurance that may be imposed under a premium finance agreement; and altering the amount of a cancellation charge with respect to private passenger automobile or personal fire or liability insurance that may be imposed under a premium finance agreement.

Senators DeGrange and Astle

SB 358 Baltimore City – Class D Beer, Wine and Liquor Licenses – Sunday Sales

Authorizing the Baltimore City Board of License Commissioners to issue a supplemental alcoholic beverages license no more than two times during any calendar year to a Class D beer, wine and liquor licensee, authorizing Sunday sales; establishing a fee of \$75 per issuance for the supplemental license; and requiring a supplemental licensee to notify the Board 2 weeks in advance of exercising the privileges under the supplemental license.

EMERGENCY BILL

Senator Della

SB 366 Insurance – Surplus Lines Brokers – Disclosure and Notification Requirements

Repealing a provision that permits surplus lines brokers to recover the cost of inspection for the placement of surplus lines insurance if the surplus lines brokers do not have a financial interest in and do not receive compensation from the person that performs the inspection; requiring surplus lines brokers to make clear and conspicuous written disclosure, on a form approved by the Commissioner, of any financial interest in a person performing an inspection and whether the broker will receive compensation from such person; etc.

Senator DeGrange

SB 371 Injured Workers' Insurance Fund – Phase-In of Regulatory Requirements

Subjecting the Injured Workers' Insurance Fund to specified provisions of the Insurance Article; requiring the Insurance Commissioner to ensure that the Fund has a specified level of excess capital; establishing a specified phase-in schedule for the Fund to comply with specified excess capital requirements; establishing the applicability of specified sections of the Insurance Article to the Fund; requiring specified reports under specified circumstances; etc.

EFFECTIVE JUNE 1, 2002

Senators Bromwell and Dorman

SB 390 Labor and Employment – Employee Leave for Adoptions – Sunset Repeal

Repealing a termination provision relating to leave required to be granted by an employer when a child is placed with an employee for adoption.

EFFECTIVE JUNE 1, 2002

Senator Ruben, et al

SB 417 State Commission of Real Estate Appraisers and Home Inspectors – Sunset Extension and Program Evaluation

Continuing the Commission of Real Estate Appraisers and Home Inspectors, subject to Program Evaluation Act (Sunset Law) review, by extending to July 1, 2013, the termination provisions relating to the statutory and regulatory authority of the Commission; altering provisions for the appointment of members; altering the requirement for distribution of specified regulatory standards; altering specified application and renewal fees; etc.

EFFECTIVE JULY 1, 2002

Chairman FIN

SB 426 Alcoholic Beverages – Wholesaler's Licenses

Repealing a provision of law prohibiting two locations under one wholesaler's license from being located in any one county or in Baltimore City.

EFFECTIVE JULY 1, 2002

Senator Jimeno

SB 455 Board of Boiler Rules and Board of Examining Engineers – Sunset Extension and Program Evaluation

Continuing the Board of Boiler Rules in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending the termination provisions relating to the statutory and regulatory authority of the Board until July 1, 2014; continuing the Board of Examining Engineers in accordance with the provisions of the Sunset Law by extending the termination provisions relating to the statutory and regulatory authority of the Board until July 1, 2005; etc.

EFFECTIVE JULY 1, 2002

Senator Pinsky (Chairman, Licensing and Regulatory Affairs)

SB 456 State Board of Master Electricians – Sunset Extension and Program Evaluation

Continuing the State Board of Master Electricians in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2013, the termination provisions relating to the statutory and regulatory authority of the Board; requiring local licensing jurisdictions to report to the State Board the initiation of disciplinary action against licensed master electricians within a specified time period; etc.

EFFECTIVE JULY 1, 2002

Senator Pinsky (Chairman, Licensing and Regulatory Affairs)

SB 457 State Board of Pilots – Sunset Extension and Program Evaluation

Continuing the State Board of Pilots in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending the termination provisions relating to the statutory and regulatory authority of the Board until July 1, 2013; requiring the Board to report to the Senate Education, Health, and Environmental Affairs Committee and the House Economic Matters Committee on or before October 1, 2002; etc.

EFFECTIVE JULY 1, 2002

Senator Pinsky (Chairman Licensing and Regulatory Affairs Committee)

SB 472 Maryland Insurance Administration – Program Evaluation

Extending to July 1, 2012, the evaluation of the Maryland Insurance Administration under the provisions of the Maryland Program Evaluation Act; eliminating specified filing fees; altering specified definitions; requiring the Insurance Administration to collect annual assessment fees and distribute a specified amount of money to a specified administrative account at specified times; requiring specified revenue deposited in a specified fund to be carried forward; etc.

EFFECTIVE JULY 1, 2002

Chairman FIN

SB 494 Alcoholic Beverages – Direct Wine Seller’s Permit

Establishing a direct wine seller’s permit to be issued by the Office of the Comptroller to specified persons who are domiciled outside of the State; entitling a permit holder to sell wine to a specified personal consumer in the State by receiving and filling orders that the personal consumer transmits by electronic or other means; etc.

EFFECTIVE JULY 1, 2002

Senator Harris, et al

SB 522 Workers’ Compensation – Construction Carve Out – Sunset Repeal

Repealing a specified termination provision that governs specified types of collective bargaining agreements between an employer and a certified exclusive bargaining representative regarding workers’ compensation.

Senator Exum, et al

SB 523 Nonresident Real Estate Brokers – Commercial Real Estate – Reciprocity

Requiring both a nonresident real estate broker and a nonresident real estate salesperson to meet specified conditions in order to engage in a commercial real estate transaction in the State; requiring a specified written application to be submitted to the State Real Estate Commission before a nonresident real estate broker may provide services; establishing a fee of \$45 for a temporary license; imposing specified reciprocity requirements; etc.

Senators Conway and Collins

SB 560 Business Occupations and Professions – Real Estate Licenses – Requirements for Licensure and Renewal

Requiring an applicant for licensure as a real estate salesperson, associate real estate broker, or real estate broker to take a course in real estate ethics; altering the circumstances under which a real estate licensee qualifies for renewal of a license; authorizing licensees holding a license from another state to substitute specified clock hours of instruction; adding a requirement that continuing education include at least one ethics course that includes the Maryland Code of Ethics and a discussion of specified practices; etc.

Senators Collins and Hollinger

SB 578 Maryland Household Goods Movers Act

Prohibiting a household goods mover from enforcing or threatening to enforce a carrier’s lien against, or refusing to deliver, a consumer’s household goods when providing household goods moving services for an intrastate move; providing that a household goods mover who violates the subtitle is subject to specified civil and criminal penalties under specified circumstances; etc.

Senators Bromwell and Della

SB 580 State Board of Docking Masters

Establishing a trainee docking master program; authorizing the Board to issue specified limited docking master licenses; establishing specified limited license qualifications and fees; altering provisions for specified disciplinary actions by the Board; authorizing the Board to impose specified civil penalties; etc.

Chairman EHE (Dept)

SB 582 Cigarette Business Licensing Law – Cigarette Nonresident Dealers

Defining “cigarette nonresident dealer” for the cigarette business licensing law and the Maryland Cigarette Sales Below Cost Act; substituting the term “cigarette nonresident dealer” for the term “manufacturer” for the cigarette business licensing law and the Maryland Cigarette Sales Below Cost Act; requiring a person who acts as a cigarette nonresident dealer in the State to have a specified license; prohibiting a licensed cigarette nonresident dealer from having specified interests in a wholesaler; etc.

Senator DeGrange

SB 595 Home Improvement Contractors – Required General Liability Insurance

Requiring explicitly that licensed home improvement contractors maintain general liability insurance in the amount of at least \$50,000; and requiring a licensed contractor to notify the Home Improvement Commission of the cancellation of said insurance at least 10 days before the effective date of the cancellation.

Senator Ruben

SB 598 Motor Clubs – Required Security – Letters of Credit

Authorizing an applicant for a license to provide motor club service, in addition to other types of security, to deposit a specified letter of credit in a specified amount as the security required for the license; providing for the conditions of, liability under, and cancellation of the letters of credit; authorizing the Insurance Commissioner to adopt regulations relating to letters of credit; authorizing a licensed motor club to substitute one type of required security for another, subject to approval by the Commissioner; etc.

Senator Astle

SB 653 Task Force to Study Moving Overhead Utility Lines Underground

Establishing a Task Force to Study Moving Overhead Utility Lines Underground; providing for the composition, duties, and staff of the Task Force; requiring the Task Force to report to the Governor and the General Assembly by December 31, 2003; providing for a delayed effective date; and providing for the termination of the Act.

EFFECTIVE JANUARY 1, 2003

Senator Roesser, et al

SB 693 Caroline County – Alcoholic Beverages – Golf Course Licenses

Establishing in Caroline County a Class GC 7-day (golf course) alcoholic beverages license; and establishing the terms, conditions, and fee for the license and the hours and days allowed for the sale of alcoholic beverages under the license.

EFFECTIVE JULY 1, 2002

Senator Colburn

SB 698 Dorchester County – Alcoholic Beverages – Class B Licenses

Altering in Dorchester County, for specified restaurants, motels, and hotels with restaurant facilities, the minimum seating capacity required to qualify for a Class B beer, wine, and liquor license.

EFFECTIVE JULY 1, 2002

Senator Colburn

SB 735 Task Force on Resource Industry Business Development

Establishing the Task Force on Resource Industry Business Development; providing for the membership of the Task Force; requiring the Task Force to establish a specified workgroup, perform specified functions, and report to specified persons by September 30, 2003; authorizing the Task Force to appoint ad hoc committees; providing for the Task Force staff; providing for the termination of the Act on October 31, 2003; etc.

EFFECTIVE JUNE 1, 2002

Senator Middleton (Chairman Task Force on Resource Based Industry in Maryland) and Senator Stoltzfus

SB 743 Workers' Compensation – Partly Dependent Individuals – Death Benefit

Modifying the calculation of the weekly death benefits payable to a partly dependent individual; and increasing the maximum limit of death benefits payable to a partly dependent individual and to a surviving spouse who remarries from \$45,000 to \$60,000.

EFFECTIVE OCTOBER 1, 2002

Senators Roesser and Kelley

SB 772 Workers' Compensation – Workers' Compensation Commission – Budget Process

Requiring the Workers' Compensation Commission to calculate a specified tax before each fiscal year in a specified manner; establishing a Workers' Compensation Fund; requiring the Commission to pay money collected from a specified tax to the Fund; establishing an Advisory Committee on the budget of the Commission; requiring the Commission to prepare a specified budget for the Committee; requiring the Governor and Commission to take specified information into consideration prior to submitting a budget; etc.

EFFECTIVE JUNE 1, 2002

Senator Bromwell

SB 807 Homeowner’s Insurance – Cancellation

Authorizing an insurer to cancel a specified policy of homeowner’s insurance under which a one-time guaranteed fully refundable deposit is required for a stated amount of coverage, if the cancellation takes effect on the anniversary date of the inception of the policy, is not based on a claim that occurred more than 3 years before the anniversary date of the policy, and is in accordance with specified provisions of law.

Senator DeGrange

SB 832 Universal Service Program Fund – Retention of Funds

Authorizing the Public Service Commission to retain specified funds in the universal service program fund at the end of June 30, 2002 and make the funds available for disbursement through June 30, 2003; requiring the Commission and the Department of Human Resources to report to the Governor, the General Assembly, the Senate Finance Committee, and the House Environmental Matters Committee on matters pertaining to the universal service program fund by October 1, 2002; and providing for the effective date and termination of the Act.

EFFECTIVE JUNE 30, 2002

Senator Bromwell

SB 846 Frederick County – Alcoholic Beverages – Inspector’s Salary

Increasing the annual salary of the alcoholic beverages inspector for Frederick County to \$35,000.

EFFECTIVE JULY 1, 2002

Senators Ferguson and Mooney

SB 855 Harford County – Alcoholic Beverages – Stadium License – Sale of Liquor

Expanding the scope of the Harford County stadium alcoholic beverages license to include the sale of liquor under specified circumstances; expanding the scope of the individuals and entities to whom the stadium license may be issued; increasing the annual fee for the stadium alcoholic beverages license from \$5,000 to \$10,000; etc.

EFFECTIVE JUNE 1, 2002

Harford County Senators

HB 52 Business Occupations and Professions – Real Estate Licenses – Requirements for Licensure and Renewal

Requiring an applicant for licensure as a real estate salesperson, associate real estate broker, or real estate broker to take a course in real estate ethics approved by the Real Estate Commission; altering the circumstances under which a real estate licensee qualifies for renewal of a license; authorizing specified licensees holding a license from another state to substitute specified clock hours of continuing education instruction; etc.

Delegate Fulton

HB 79 New Home Builders – Regulation

Transferring specified responsibilities concerning surety bonds, letters of credit, and third party warranty plans from the Department of Labor, Licensing, and Regulation to the Consumer Protection Division of the Office of the Attorney General; clarifying the disclosure responsibilities of a builder both participating and not participating in a new home warranty security plan; correcting a previous oversight in the State Home Builder Registration Act; etc.

EFFECTIVE JULY 1, 2002

Chairman ECM (Dept)

HB 80 Office of Cemetery Oversight – Perpetual Care

Requiring cemeteries to disclose whether or not perpetual care is provided; increasing the amount of the initial deposit in a perpetual care trust fund for specified cemeteries; clarifying the method of calculation of deposits to the perpetual care trust fund; clarifying that a cemetery is not required to pay a deposit into a perpetual care trust fund for the sale of a second right of interment; permitting income from the perpetual care trust fund to be used for specified purposes; etc.

EFFECTIVE JULY 1, 2002

Chairman ECM (Dept)

HB 81 State Board of Public Accountancy – Certified Public Accountants – Examinations

Authorizing the State Board of Public Accountancy to designate the examination to be used for licensing certified public accountants and to offer the examination on a more frequent basis.

Chairman ECM (Dept)

HB 135 Public Service Commission – Orders – Public Utility Regulation Fund and Filing Fees

Establishing a Public Utility Regulation Fund; providing for the purpose and administration of the Fund; specifying the sources of the Fund; requiring the Public Service Commission to pay specified moneys to the General Fund of the State; providing that the Fund is a special nonlapsing fund; requiring the Commission to pay specified moneys collected from specified assessments into the Fund; etc.

EFFECTIVE JUNE 1, 2002

Delegate Stern, et al

HB 145 St. Mary’s County – Alcoholic Beverages – Wine Festival License

Authorizing the Alcoholic Beverages Board of St. Mary’s County to issue a special wine festival (WF) license; establishing specified requirements for license applicants and for holders of special wine festival licenses; establishing the scope of the license; placing specified restrictions on the way wine is sold and displayed; establishing a specified fee; specifying that the holder of a special WF license is not prohibited from holding another alcoholic beverages license of a different class or nature; etc.

EFFECTIVE JULY 1, 2002

St. Mary’s County Delegation

HB 146 Anne Arundel County – Alcoholic Beverages – Multiple Licenses

Repealing a provision that prohibits the Anne Arundel County Board of License Commissioners from issuing alcoholic beverages licenses, other than specified licenses, to restaurant franchisees; establishing that Class B alcoholic beverages licensees are eligible for specified additional licenses under specified circumstances; establishing that holders of specified Class B or Class H alcoholic beverages licenses that apply to restaurants located in specified areas are eligible for specified additional licenses; etc.

EFFECTIVE JUNE 1, 2002

Anne Arundel County Delegation

HB 154 Licensing and Regulation of Security Systems Technicians – Sunset Extension and Program Evaluation

Continuing the licensing and regulation of security systems technicians in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2016 the termination provisions relating to the statutory and regulatory authority of the Secretary of the State Police to license and regulate security systems technicians; and requiring that an evaluation of the licensing program and the statutes and regulations that relate to the program be performed on or before July 1, 2015.

The Speaker (Department of Legislative Services)

HB 155 State Board of Law Examiners – Sunset Extension and Program Evaluation

Continuing the State Board of Law Examiners in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2010 the termination provisions relating to the statutory and regulatory authority of the Board; and requiring that an evaluation of the Board and the statutes and regulations that relate to the Board be performed on or before July 1, 2009.

The Speaker (Department of Legislative Services)

HB 156 State Board of Foresters – Sunset Extension and Program Evaluation

Continuing the State Board of Foresters in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2015 the termination provisions relating to the statutory and regulatory authority of the Board; and requiring that an evaluation of the Board and the statutes and regulations that relate to the Board be performed on or before July 1, 2014.

The Speaker (Department of Legislative Services)

HB 159 State Board of Public Accountancy - Sunset Extension and Program Evaluation

Continuing the State Board of Public Accountancy in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2015 the termination provisions relating to the statutory and regulatory authority of the Board; and requiring that an evaluation of the Board and the statutes and regulations that relate to the Board be performed on or before July 1, 2014.

The Speaker (Department of Legislative Services)

HB 213 Somerset County - Alcoholic Beverages - Sale and Distribution of Light Wine

Excluding in Somerset County the sale and distribution of light wine from specified control of the liquor control board of the County.

EMERGENCY BILL

Somerset County Delegation

HB 226 Charles County - Gaming Permit Review Board - Membership

Altering the membership of the Charles County Gaming Permit Review Board.

Charles County Delegation

HB 229 Premium Finance Agreements - Delinquency and Collection Charge - Cancellation Charge

Increasing the maximum amount of a delinquency and collection charge with respect to private passenger automobile or personal fire or liability insurance that may be imposed under a premium finance agreement from \$5 to \$8; and increasing the amount of a cancellation charge with respect to private passenger automobile or personal fire or liability insurance that may be imposed under a premium finance agreement from \$10 to \$15.

Delegate Kirk, et al

HB 263 Calvert County - Alcoholic Beverages - Notice of License Application

Requiring in Calvert County that before the Board of License Commissioners takes action on an application for an alcoholic beverages license, the Board shall cause a suitable sign or notice containing specified information to be posted and to remain posted for at least 10 days in a conspicuous place on the premises described in the application; etc.

EFFECTIVE JULY 1, 2002

Calvert County Delegation

HB 348 Alcoholic Beverages - Wholesaler's Licenses

Repealing a provision of law prohibiting two locations under one wholesaler's license from being located in any one county or in Baltimore City.

EFFECTIVE JULY 1, 2002

Delegate Love, et al

HB 405 Maryland Technology Development Corporation

Authorizing the Maryland Technology Development Corporation to create, own, control, or be a member of a business entity, whether for profit or not for profit; repealing the authority of the Corporation to manufacture specified projects; authorizing the Corporation to enter into a project with a manufacturer to carry out the purposes of the Corporation; and authorizing the Corporation to exercise any power usually possessed by a private corporation in performing similar functions.

Delegate Barve, et al

HB 429 Private Detectives, Security Systems Technicians, and Security Guards – Licensing – Regulation by the Department of State Police

Altering bond and insurance requirements for private detectives under specified circumstances; altering the application process and establishing a renewal process and a renewal fee for private detectives; altering specified license renewal and registration renewal processes for specified persons engaged in providing specified security services; establishing fines and penalties for violations by security systems technicians of specified regulations; etc.

Chairman CGM (Dept)

HB 433 Frederick County – Alcoholic Beverages – Class B Licenses in Middletown

Authorizing the Board of License Commissioners for Frederick County to issue specified Class B (on-sale) alcoholic beverages licenses within the municipal boundaries of the municipal corporation of Middletown if the licensed premises derive at least 70% of its gross monthly revenue from the sale of food.

EFFECTIVE JULY 1, 2002

Frederick County Delegation

HB 435 Frederick County – Alcoholic Beverages – Inspector’s Salary

Increasing the annual salary of the alcoholic beverages inspector for Frederick County to \$35,000.

EFFECTIVE JULY 1, 2002

Frederick County Delegation

HB 441 Title Insurance Producers and Agencies – Statements of Financial Condition – Repeal of Filing Requirement

Repealing the requirement that a title insurer have on file by December 31 a statement of financial condition of each title insurance producer and agency with an appointment with the title insurer; repealing the exception to the financial statement requirement for specified employees, officers, directors, partners, or members; and repealing the exception to the financial statement requirement for law firms and individual attorneys practicing in law firms.

Delegate Gordon, et al

HB 446 Rental Housing Production Program - Office or Other Commercial Space

Altering the definition of "office and other commercial space" as it is used in the Rental Housing Production Program to include a building last used as office or other commercial space, regardless of the primary purpose for which the building was originally built; and making stylistic changes.

Delegate Rosenberg, et al

HB 485 State Commission of Real Estate Appraisers and Home Inspectors - Sunset Extension and Program Evaluation

Continuing the Commission of Real Estate Appraisers and Home Inspectors, subject to Program Evaluation Act (Sunset Law) review, by extending to July 1, 2013, the termination provisions relating to the statutory and regulatory authority of the Commission; altering provisions for the appointment of members; altering the requirement for distribution of specified regulatory standards; altering specified application and renewal fees; etc.

EFFECTIVE JULY 1, 2002

Chairman ECM

HB 487 State Board of Master Electricians - Sunset Extension and Program Evaluation

Continuing the State Board of Master Electricians in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2013, the termination provisions relating to the statutory and regulatory authority of the Board; requiring local licensing jurisdictions to report to the State Board the initiation of disciplinary action against licensed master electricians within a specified time period; etc.

EFFECTIVE JULY 1, 2002

Chairman ECM

HB 489 State Board of Pilots - Sunset Extension and Program Evaluation

Continuing the State Board of Pilots in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending the termination provisions relating to the statutory and regulatory authority of the Board until July 1, 2013; requiring the Board to report to the Senate Education, Health, and Environmental Affairs Committee and the House Economic Matters Committee on or before October 1, 2002; etc.

EFFECTIVE JULY 1, 2002

Chairman ECM

HB 494 Caroline County - Alcoholic Beverages - Golf Course Licenses

Establishing in Caroline County a Class GC 7-Day (golf course) alcoholic beverages license; and establishing the terms, conditions, and fee for the license and the hours and days allowed for the sale of alcoholic beverages under the license.

EFFECTIVE JULY 1, 2002

Caroline County Delegation

HB 506 Kent County – Alcoholic Beverages Violations – Penalties

Authorizing the Kent County Board of License Commissioners, with an exception, to impose specified penalties for alcoholic beverages violations; altering specified fines; and modifying specified penalties relating to the closure or prohibition of licensure of a place of business for alcoholic beverages violations.

EFFECTIVE JULY 1, 2002

Delegate Walkup, et al

HB 508 Kent County – Alcoholic Beverages – Special Theater License

Establishing in Kent County a special theater (on-sale) beer, wine and liquor license; specifying application requirements and fees for the issuance of the license and the time the holder of the license may sell beer, wine, or liquor for on-premises consumption; prohibiting the license from being transferred under specified circumstances; and defining a term.

EFFECTIVE JUNE 1, 2002

Delegate Walkup, et al

HB 521 Property and Casualty Insurance – Use of Credit History

Prohibiting an insurer, with respect to homeowner’s insurance, from refusing to underwrite, cancel, or refuse to renew a risk based on a specified credit history; prohibiting an insurer, with respect to private passenger motor vehicle insurance, from refusing to underwrite, cancel, refuse to renew, or increase the renewal premium based on a specified credit history; providing for the termination of specified provisions of the Act; etc.

Delegate Krysiak, et al

HB 537 Injured Workers’ Insurance Fund – Phase-In of Regulatory Requirements

Subjecting the Injured Workers’ Insurance Fund to specified provisions of the Insurance Article; requiring the Insurance Commissioner to ensure that the Fund has a specified level of excess capital; establishing a specified phase-in schedule for the Fund to comply with specified excess capital requirements; establishing the applicability of specified sections of the Insurance Article to the Fund; requiring specified reports under specified circumstances; etc.

EFFECTIVE JUNE 1, 2002

Delegate Busch, et al

HB 540 Labor and Employment – Employee Leave for Adoptions – Sunset Repeal

Repealing a termination provision relating to leave required to be granted by an employer when a child is placed with an employee for adoption.

EFFECTIVE JUNE 1, 2002

Delegate Shriver, et al

HB 552 Allegany County – Alcoholic Beverages – Sunday Sales Permits

Authorizing the Board of License Commissioners for Allegany County to issue a 2-day Sunday sales permit to specified holders of alcoholic beverages licenses; providing that applicants for the permit need not have kitchen facilities on the premises; and authorizing a permit holder to sell alcoholic beverages for consumption on the premises on not more than two Sundays in a year.

EFFECTIVE JULY 1, 2002

Allegany County Delegation

HB 575 Private Detectives – Fugitives from Justice

Altering the scope of providing private detective services to include conducting an investigation to locate or apprehend a fugitive from justice, unless the person conducting the investigation is a property bail bondsman licensed by the Insurance Commissioner of the State or a similar licensing body of another State as a bail bondsman or specified employees or agents of a property bail bondsman or licensed bail bondsman.

Delegates Montague and Hutchins

HB 592 Home Builders – Registration Fee

Establishing an initial registration fee for home builders under the Home Builder Registration Unit; establishing fees for the renewal of a registration; repealing the authority of the Consumer Protection Division of the Attorney General's Office to establish fees for the issuance and renewal of registrations for home builders; repealing a requirement that specified fees approximate specified direct and indirect costs; etc.

EFFECTIVE JANUARY 1, 2003

Delegate Kach, et al

HB 596 Nonresident Real Estate Brokers – Commercial Real Estate – Reciprocity

Requiring both a nonresident real estate broker and a nonresident real estate salesperson to meet specified conditions in order to engage in a commercial real estate transaction in the State; requiring a specified written application to be submitted to the State Real Estate Commission before a nonresident real estate broker may provide services; establishing a fee of \$45 for a temporary license; imposing specified reciprocity requirements; etc.

Delegate Brown

HB 697 Business Occupations and Professions – Certified Interior Designers – Seal

Authorizing the State Board of Certified Interior Designers to deny a certificate to any applicant, reprimand any certificate holder, or suspend or revoke a certificate if the applicant or certificate holder signs or seals interior design documents with a revoked, suspended, or expired certificate; requiring certified interior designers to endorse specified interior design documents with a seal, signature, and the date; etc.

Delegate Krysiak

HB 704 Business Occupations and Professions – Real Estate Salespersons and Associate Real Estate Brokers – Use of Trade Name

Prohibiting licensed real estate salespersons and licensed associate real estate brokers from advertising unless the name or trade name of the salesperson or broker, and the name of the business with which the salesperson or broker is affiliated, is meaningfully and conspicuously included in the advertisement, on or before October 1, 2003, the full name of the business is displayed in a specified size; authorizing licensed salespersons and associate brokers to provide real estate brokerage services under specified circumstances; etc.

Delegate Brown

HB 708 Montgomery County – Alcoholic Beverages – Continuing Care Retirement Community License MC 216-02

Creating the Montgomery County Continuing Care Requirement Community license; establishing a \$500 annual fee for the license; establishing that the license may be issued to a retirement community club that meets specified criteria; and authorizing a licensee to keep for sale and sell to a member or specified guest beer, wine and liquor for consumption on the licensed premises only.

Montgomery County Delegation

HB 709 Montgomery County – Alcoholic Beverages – Location of Licensed Premises MC 211-02

Substituting a zoning classification used in the City of Rockville for one used elsewhere in Montgomery County to describe the area where a restaurant with a specified Class B (hotel–restaurant or hotel–motel) beer, wine and liquor on–sale only license may be located.

EFFECTIVE JULY 1, 2002

Montgomery County Delegation

HB 714 Unemployment Insurance – Maximum Benefit

Increasing the maximum weekly unemployment insurance benefit amount; providing for the application of the Act; altering the amount of wages used to compute a claimant’s weekly benefit amount for partial benefits; making the Act subject to a specified contingency; and providing for a delayed effective date.

EFFECTIVE JANUARY 1, 2003

Delegate Harrison, et al

HB 716 Alcoholic Beverages – Protest Against License Renewal – Commercial Tenants

Adding specified commercial tenants to the list of persons who may sign a protest against the renewal of specified alcoholic beverages licenses.

Delegate Harrison

- HB 724 Montgomery County – Alcoholic Beverages – Special Class B–BWL (Performing Arts Facility) License MC 201–02**
- Creating in Montgomery County a special Class B–BWL (performing arts facility) license; establishing privileges and prohibitions under the license; establishing that the County Board of License Commissioners may issue the license to apply only to a facility that meets specified criteria; establishing that the Board may issue the license only for use by specified persons; prohibiting the Board from approving the transfer of the license to another location; and establishing a \$1,000 annual fee for the license.
- Montgomery County Delegation**
- HB 725 Montgomery County – Alcoholic Beverages Licenses – Community Swimming Pools MC 203–02**
- Authorizing the Montgomery County Board of License Commissioners to issue a one–day special Class C beer license, beer and wine license, or beer, wine and liquor license to community swimming pool clubs.
- EFFECTIVE JUNE 1, 2002**
- Montgomery County Delegation**
- HB 726 Insurance – Surplus Lines Brokers – Disclosure and Notification Requirements**
- Repealing a provision that permits surplus lines brokers to recover the cost of inspection for the placement of surplus lines insurance if the surplus lines brokers do not have a financial interest in and do not receive compensation from the person that performs the inspection; requiring surplus lines brokers to make clear and conspicuous written disclosures of specified compensation and any financial interest in the person performing an inspection; etc.
- Delegate Barve**
- HB 739 Prince George’s County – Alcoholic Beverages – Restaurants Under Franchise or Licensing Agreements PG 304–02**
- Authorizing the Board of License Commissioners for Prince George’s County to issue or transfer, under specified limitations, a Class B beer (on–sale) license or a Class B beer and wine (on–sale) license for use by a franchisee that operates a restaurant or by a person who operates a restaurant under a specified licensing agreement, regardless of whether other specified alcoholic beverages licenses have been issued to other specified franchisees or persons; making the Act inapplicable to specified restaurants; etc.
- EFFECTIVE JUNE 1, 2002**
- Prince George’s County Delegation**
- HB 741 St. Mary’s County – Alcohol Beverage Board – Chairman**
- Requiring the Alcohol Beverage Board of St. Mary’s County to elect a chairman from among the members of the Board; and providing for a delayed effective date.
- EFFECTIVE JANUARY 1, 2004**
- St. Mary’s County Delegation**

HB 744 Howard County – Alcoholic Beverages – Background Checks Ho. Co. 4-02

Requiring the Howard County Board of License Commissioners to obtain the criminal records of applicants for the issuance or renewal of alcoholic beverages licenses; restricting access to criminal records of applicants to the members of the Board and other specified individuals; making the Act an emergency measure; etc.

EMERGENCY BILL**Howard County Delegation****HB 762 One Maryland Economic Development Tax Credits – Refunds – Businesses Creating Higher Wage Jobs**

Altering provisions of the One Maryland Economic Development Tax Credits to accelerate the ability of a qualified business entity to claim refunds and apply the credits in a specified manner if the pay for the majority of qualified positions created is at least 250% of the federal minimum wage; and applying the Act to any business entity that first notifies the Department of Business and Economic Development of its intent to seek certification for the tax credits on or after July 1, 2002.

EFFECTIVE JULY 1, 2002**Delegate Taylor****HB 794 Maryland Household Goods Movers Act**

Prohibiting a household goods mover from enforcing or threatening to enforce a carrier's lien against, or refusing to deliver, a consumer's household goods when providing household goods moving services for an intrastate move; providing that a household goods mover who violates the subtitle is subject to specified civil and criminal penalties under specified circumstances; etc.

Delegate Love, et al**HB 800 Alcoholic Beverages – Sale to Underage Drinker or Intoxicated Person – Citation**

Authorizing a police officer to issue a citation for the unlawful sale of an alcoholic beverage to an underage drinker or an intoxicated person.

Delegate Barkley, et al**HB 811 Alcoholic Beverages – Direct Wine Seller's Permit**

Establishing a direct wine seller's permit to be issued by the Office of the Comptroller to specified persons who are domiciled outside of the State; entitling a permit holder to sell wine to a specified personal consumer in the State by receiving and filling orders that the personal consumer transmits by electronic or other means; requiring that a direct wine seller file a specified tax return at a specified time; etc.

EFFECTIVE JULY 1, 2002**Delegate McIntosh, et al**

HB 812 Motor Clubs – Required Security – Letters of Credit

Authorizing an applicant for a license to provide motor club service, in addition to other types of security, to deposit a specified letter of credit in a specified amount as the security required for the license; providing for the conditions of, liability under, and cancellation of, the letters of credit; authorizing the Insurance Commissioner to adopt regulations relating to letters of credit; authorizing a licensed motor club to substitute one type of required security for another, subject to approval by the Commissioner; etc.

Delegate Donoghue

HB 849 Task Force on Resource Industry Business Development

Establishing the Task Force on Resource Industry Business Development; providing for the membership of the Task Force; requiring the Task Force to establish a specified workgroup, perform specified functions, and report to specified persons by September 30, 2003; authorizing the Task Force to appoint ad hoc committees; providing for the Task Force staff; providing for the termination of the Act on October 31, 2003; etc.

EFFECTIVE JUNE 1, 2002

Delegate McClenahan (Chairman Task Force on Resource Based Industry in Maryland) and Delegate Glassman

HB 874 Harford County – Alcoholic Beverages – Stadium License – Sale of Liquor

Expanding the scope of the Harford County stadium alcoholic beverages license to include the sale of liquor under specified circumstances; expanding the scope of the individuals and entities to whom the stadium license may be issued; setting forth specified limitations with respect to where liquor may be served during baseball games, the kinds of containers that alcoholic beverages must be served in, and the kinds of dispensers to be used for alcoholic beverages; increasing the annual fee for the stadium alcoholic beverages license; etc.

EFFECTIVE JUNE 1, 2002

Harford County Delegation

HB 887 Workers' Compensation – Partly Dependent Individuals – Death Benefit

Modifying the calculation of the weekly death benefits payable to a partly dependent individual; and increasing the maximum limit of specified death benefits payable to a partly dependent individual and to a surviving spouse who remarries from \$45,000 to \$60,000.

Delegate McHale

HB 1001 Cigarette Business Licensing Law – Cigarette Nonresident Dealers

Defining “cigarette nonresident dealer” for the cigarette business licensing law; substituting the term “cigarette nonresident dealer” for the term “manufacturer”; requiring a person who acts as a cigarette nonresident dealer in the State to have a specified license; exempting specified persons from obtaining a cigarette nonresident dealer license under specified circumstances; prohibiting a licensed cigarette nonresident dealer from having specified interests in a wholesaler; etc.

Delegate Mitchell

HB 1002 Motor Vehicle Liability Insurance – Premium Increases – Consumer Information

Requiring an insurer that provides a private passenger automobile insurance policy to provide information about policy premiums to a policyholder at specified times; prohibiting an insurer from requiring a particular payment plan for an insured based on the credit history of the insured; requiring an insurer that markets private passenger automobile insurance through insurance producers to make a copy of a specified statement available to its producers; requiring a notice of proposed adverse action to contain specified information; etc.

CONTINGENT

Delegate Mitchell

HB 1087 Caroline County – Alcoholic Beverages – Sales to Underage Drinkers and Intoxicated Persons

Exempting Caroline County from specified procedures and penalties regarding the charging of a licensee or an employee of a licensee with the sale or furnishing of alcoholic beverages to an underage drinker or to a person who is visibly under the influence of an alcoholic beverage.

EFFECTIVE JULY 1, 2002

Delegate Eckardt

HB 1089 Task Force to Study Moving Overhead Utility Lines Underground

Establishing a Task Force to Study Moving Overhead Utility Lines Underground; providing for the composition, duties, and staff of the Task Force; requiring the Task Force to report to the Governor and the General Assembly by December 31, 2003; providing for a delayed effective date; and providing for the termination of the Act.

EFFECTIVE JANUARY 1, 2003

Delegate Boutin, et al

HB 1104 Worcester County – Alcoholic Beverages

Authorizing the Worcester County Board of License Commissioners to renew a Class A alcoholic beverages license issued prior to January 1, 2002; and making the Act an emergency measure.

EMERGENCY BILL

Delegate Bozman, et al

HB 1116 Maryland Security Systems Technicians Act - Licensing and Registration

Requiring the Secretary of State Police to issue a licensing certificate to specified individuals under specified circumstances; authorizing the State Department of Education, in conjunction with the Secretary, to establish by regulation a cooperative education program under which a minor may leave the security systems trade with on-site supervision by a security systems registrate; exempting individuals in specified apprenticeship or cooperative education programs from meeting criminal background check and fingerprint requirements; etc.

Delegate McHale

HB 1130 Universal Service Program Fund - Retention

Authorizing the Public Service Commission to retain specified funds in the universal service program fund at the end of June 30, 2002 and make the funds available for disbursement through June 30, 2003, to electric customers who qualify for assistance during fiscal year 2002 and apply for assistance before July 1, 2002; requiring the Commission and the Department of Human Resources to report to the Governor, the General Assembly, and specified committees on specified matters pertaining to the universal service program and fund; etc.

EFFECTIVE JUNE 30, 2002

Delegate D Davis

HB 1148 Public Service Commission - Enforcement - Cease and Desist Orders

Authorizing the Public Service Commission to issue specified types of cease and desist orders under specified circumstances; providing that a cease and desist order shall be served in a specified manner, be effective under specified situations, and contain specified information; providing guidelines for requests and completion of evidentiary hearings under specified circumstances; etc.

Chairman ENV (Dept)

HB 1164 Public Service Commission - Standards and Procedures

Requiring that a specified decision and order of the Public Service Commission be issued within 180 days; specifying that the time period for appeal of a proposed decision or order by a hearing examiner or panel shall be between 7 and 30 days; and clarifying the Commission's authority to adopt policies and regulations governing the development of competition in the telecommunications service market, consistent with federal law, policies, and regulations of the Federal Communications Commission and state law.

Delegates Stern and D Davis

HB 1188 Department of Housing and Community Development – Settlement Expense Loan Program – Homebuyer Education

Requiring Settlement Expense Loan Program loan recipients to complete specified homebuyer education or housing counseling; authorizing the Department of Housing and Community Development to require local jurisdictions to provide the Department with specified homebuyer education or housing counseling information under specified circumstances; etc.

Delegate Krysiak

HB 1217 Housing and Community Development – Maryland Home Financing Program – Mortgage Sales

Allowing the Department of Housing and Community Development to sell loans on terms acceptable to the Department; allowing the Department to transfer money to the Homeownership Programs Fund; and allowing money to be placed in the Fund from the sale of mortgages.

EFFECTIVE JUNE 1, 2002

Delegate Shriver, et al

HB 1236 Homeowner’s Insurance – Cancellation

Authorizing an insurer to cancel a policy of homeowner’s insurance under which a one-time guaranteed fully refundable deposit is required for a stated amount of coverage, if the cancellation takes effect on the anniversary date of the inception of the policy, is not based on a claim that occurred more than 3 years before the anniversary date of the policy, and is in accordance with specified provisions of law.

Delegate Brown

HB 1256 Maryland Stadium Authority – Hippodrome Performing Arts Center

Increasing the amount of the authorized bond issuance by the Maryland Stadium Authority for the acquisition, construction, and related expenses of the Hippodrome Performing Arts Center facility; increasing the amount of commitment that the Authority must secure to fund specified costs; increasing the amount of bond proceeds that the Authority must use for specified purposes; repealing provisions authorizing the Maryland Stadium Authority to transfer or allow an Authority affiliate to transfer specified tax credits; etc.

EFFECTIVE JUNE 1, 2002

Delegates Rawlings and Rosenberg

HB 1318 Workers’ Compensation Commission – Continuing Jurisdiction

Prohibiting the Workers’ Compensation Commission from modifying specified awards unless the modification is within 5 years after the later of the date of the accident, the date of disablement or the last compensation payment.

Delegate McClenahan

HB 1379 Baltimore City – Bingo – Prize Limit

Increasing to \$5,000 the maximum value for the total of all prizes of money or merchandise that may be awarded by an organization conducting bingo in Baltimore City.

Delegate Kirk, et al

HB 1397 Dorchester County – Alcoholic Beverages – Class B Licenses

Reducing to 75 the minimum seating capacity required for bona fide restaurants, motels, and hotels with restaurant facilities in Dorchester County to qualify for a Class B beer, wine and liquor license.

EFFECTIVE JULY 1, 2002

Dorchester County Delegation

HB 1455 Allegany County – Alcoholic Beverages – Nudity and Sexual Displays

Including Allegany County among those jurisdictions in which specified sexual acts and attire, conduct, and visual reproductions featuring nudity or exposure of specified body parts are prohibited at premises or locations for which alcoholic beverages licenses are issued; and making the Act an emergency measure.

EMERGENCY BILL

Allegany County Delegation

HB 1456 Insurance – Certificate of Authority – Penalties

Altering the penalties for an insurer who fails to renew its certificate of authority on or before June 30; authorizing the Insurance Commissioner to determine the amount of specified penalties or forfeitures; requiring the Commissioner to consider specified factors in making that determination; and making the Act an emergency measure.

EMERGENCY BILL

Delegate Gordon

SJ 18 Ethanol Production in Maryland

Urging specified State agencies to provide financial and technical support for the production of fuel grade ethanol production in the State; and requiring the Department of Agriculture, the Department of Business and Economic Development, and the Maryland Energy Administration to submit a specified report to the General Assembly on or before December 1, 2002.

Senator Middleton, et al

HJ 33 Ethanol Production in Maryland

Urging specified State agencies to provide financial and technical support for the production of fuel grade ethanol production in the State; and requiring the Department of Agriculture, the Department of Business and Economic Development, and the Maryland Energy Administration, to submit a specified report to the General Assembly on or before December 1, 2002.

Delegate Conway, et al

Part I
Financial Institutions, Commercial Law, and Corporations

SB 25 Commercial Law – Payment Devices – Receipts

Prohibiting a person that accepts a credit card number or other payment device number for the transaction of business from printing more than eight digits of said number on a receipt provided to the holder of the credit card or payment device; providing for a civil penalty not exceeding \$25 for each violation; and providing for the application of the Act.

Senator Lawlah, et al

SB 119 Commercial Law – Dishonored Instruments – Notice of Dishonor

Requiring a holder of a dishonored instrument to certify mailing of a notice of dishonor to the maker or drawer by executing an affidavit of service.

Senator Baker

SB 129 Electric Cooperatives

Revising, restating, and codifying the laws relating to electric cooperatives.

The President (Department of Legislative Services)

SB 482 Credit Regulation – Credit Grantor Revolving Credit Provisions – Amendment of Plan Agreement

Repealing a requirement that a credit grantor give a specified notice to a borrower when the credit grantor amends an agreement governing a revolving credit plan if the amendment has the effect of altering the manner of computing specified fees and charges; repealing a requirement that the credit grantor send a second notice of a specified amendment of a plan agreement to the borrower; repealing a requirement that the Commissioner of Financial Regulation approve the form of a specified notice; etc.

Senator Kelley

SB 538 Commercial Law - Electronic Mail - Unauthorized, False, or Misleading Information

Prohibiting a person from transmitting, conspiring to transmit, or assisting in the transmission of specified commercial electronic mail that is from a specified computer or is sent to a specified electronic mail address and that contains unauthorized, misleading, or false information; specifying a presumption; authorizing an interactive computer service provider to block commercial electronic mail in a specified manner; etc.

Senator Teitelbaum, et al

SB 543 Maryland Service Contracts and Consumer Products Guaranty Act

Requiring service contracts for consumer products to be in writing; requiring service contracts to contain specified information and terms; authorizing the cancellation of a service contract by a specified person under specified circumstances; providing that specified service contracts are void under specified circumstances; requiring a provider of a service contract to pay to or credit the account of a specified person who has canceled a service contract a specified amount under specified circumstances; etc.

Senator Astle

SB 631 Commercial Law - Uniform Commercial Code - Secured Transactions - Scope

Exempting specified claims or rights to receive compensation for injuries or sickness and specified claims or rights to receive benefits under specified special needs trusts from specified provisions governing the assignment of specified rights under Title 9 of the Maryland Uniform Commercial Code.

Senator Della

SB 774 Maryland Money Transmission Act

Prohibiting a person from engaging in the business of money transmission unless licensed by the Commission of Financial Regulation; altering the scope of specified provisions of law relating to money transmission; establishing a Money Transmission Fund; requiring an applicant to provide specified business and financial information, pay specified application and license fees, file evidence of a surety device, and provide fingerprints; imposing requirements and restrictions on an authorized delegate of a licensee; etc.

Senator Bromwell

SB 776 Credit Unions – Credit Union Insurance Corporation – Credit Union Share Guaranty Corporations

Prohibiting the Credit Union Insurance Corporation (CUIC) from accepting new members after the date the Commissioner of Financial Regulation issues the first certificate of authority to a private credit union share guaranty corporation; requiring each member of CUIC to obtain either federal or private share guaranty insurance within 2 years from the date private insurance is available; requiring CUIC to dissolve and transfer specified assets to a specified corporation under specified circumstances; etc.

EFFECTIVE JULY 1, 2002

Senator Astle (Co-Chairman Task Force to Study the Modernization of Credit Union Law) and Senator Hafer

HB 153 Electric Cooperatives

Revising, restating, and codifying the laws relating to electric cooperatives.

The Speaker (Department of Legislative Services)

HB 182 Commercial Law – Dishonored Instruments – Notice of Dishonor

Requiring a holder of a dishonored instrument to certify mailing of a notice of dishonor to the maker or drawer by executing an affidavit of service.

Delegates Mitchell and Crouse

HB 379 Limited Liability Companies – Membership and Activities

Expanding the definition of a member of a limited liability company to include a person admitted as a member of a state or foreign limited liability company; authorizing a limited liability company to conduct specified lawful activities in any state whether for profit or not; authorizing a person to be a member of a limited liability company or to be the sole member of a limited liability company under specified circumstances; etc.

Delegates Barve and Brown

HB 438 Credit Regulation – Credit Grantor Revolving Credit Provisions – Amendment of Plan Agreement

Repealing a requirement that a credit grantor give a specified notice to a borrower when the credit grantor amends an agreement governing a revolving credit plan if the amendment has the effect of altering the manner of computing specified fees and charges; repealing a requirement that the credit grantor send a second notice of a specified amendment of a plan agreement to the borrower; repealing a requirement that the Commissioner of Financial Regulation approve the form of a specified notice; etc.

Delegate Arnick

HB 649 Credit Regulation – Extensions of Credit

Prohibiting specified lenders and credit grantors from financing specified single premium insurance as part of specified mortgage loans; prohibiting specified lenders and credit grantors from making specified loans without giving due regard to the specified borrower's ability to repay the loans; requiring specified borrowers to be provided with specified home buyer education or housing counseling information under specified circumstances; etc.

VARIOUS EFFECTIVE DATES

Delegates McIntosh and Wood

HB 715 Maryland Money Transmission Act

Prohibiting a person from engaging in the business of money transmission unless licensed by the Commission of Financial Regulation; altering the scope of specified provisions of law relating to money transmission; establishing a Money Transmission Fund; requiring an applicant to provide specified business and financial information, pay specified application and license fees, file evidence of a surety device, and provide fingerprints; imposing requirements and restrictions on an authorized delegate of a licensee; etc.

Delegate Wood

HB 728 Credit Unions – Credit Union Insurance Corporation – Credit Union Share Guaranty Corporations

Prohibiting the Credit Union Insurance Corporation (CUIC) from accepting new members after the date the Commissioner of Financial Regulation issues the first certificate of authority to a private credit union guaranty corporation; requiring each member of CUIC to obtain either federal or private share guaranty insurance within 2 years from the date private insurance is available; requiring CUIC to dissolve and transfer its assets within 2 years from the date CUIC no longer has members; etc.

EFFECTIVE JULY 1, 2002

Delegate McIntosh (Co-Chairman Task Force to Study the Modernization of Credit Union Law) and Delegate Brinkley

HB 863 Maryland Service Contracts and Consumer Products Guaranty Act

Making specified provisions that apply to guaranties of consumer products applicable to service contracts; requiring service contracts to be in writing and to include specified information and terms; authorizing the cancellation of a service contract by the person guaranteed under specified circumstances; providing that specified service contracts are void under specified circumstances; etc.

Delegate La Vay, et al

HB 888 Commercial Law – Uniform Commercial Code – Secured Transactions – Scope

Exempting specified claims or rights to receive compensation for injuries or sickness and specified claims or rights to receive benefits under specified special needs trusts from specified provisions governing the assignment of specified rights under Title 9 of the Maryland Uniform Commercial Code.

Delegate McHale

HB 915 Commercial Law – Electronic Mail – Unauthorized, False, or Misleading Information

Prohibiting a person from initiating the transmission, conspiring with another person to initiate the transmission, or assisting in the transmission of commercial electronic mail that is from a specified computer or is sent to a specified electronic mail address and that contains unauthorized, misleading, or false information; authorizing an interactive computer service provider to block specified commercial electronic mail in a specified manner; etc.

Delegate Pitkin, et al

HB 1193 Credit Regulation – Credit Services Businesses

Prohibiting a credit services business, its employees, and specified independent contractors from assisting a consumer to obtain an extension of credit at a rate of interest which, except for federal preemption of State law, would be prohibited under specified provisions of law governing credit regulation; repealing a specified definition; and making conforming changes.

EFFECTIVE JUNE 1, 2002

Delegates Bobo and McIntosh

HB 1357 Limited Liability Companies – Mergers

Authorizing a domestic limited liability company to merge into one or more foreign limited liability companies; authorizing one or more foreign limited liability companies to merge into a domestic limited liability company; and requiring a domestic limited liability company to approve a merger by the consent of the members holding at least two-thirds of the interests in profits of the limited liability company, unless otherwise provided in the operating agreement of the limited liability company.

Delegates Barve and Brown

SJ 7 Consumer Protection – Payday Loan Prohibition

Urging the Maryland Congressional Delegation to support legislation that would prohibit an insured depository institution from making a payday loan either directly or through an agent or affiliate.

Senator Lawlah, et al

Part J Health

SB 5 Nursing Home Residents – Increase in Personal Needs Allowance

Specifying the amount of the personal needs allowance for a nursing home resident who is a recipient of medical assistance, subject to a specified contingency; providing for an annual cost of living increase in the personal needs allowance; requiring that the personal needs allowance be deducted after computing eligible income for medical assistance; and requiring the Secretary of Health and Mental Hygiene to adopt specified regulations.

EFFECTIVE JULY 1, 2002

Senator Hafer

SB 22 Department of Health and Mental Hygiene – Osteoporosis Prevention and Education Task Force

Establishing an Osteoporosis Prevention and Education Task Force in the Department of Health and Mental Hygiene; providing for the composition of the Task Force; requiring the Secretary of Health and Mental Hygiene to designate the chairman of the Task Force; requiring the Department to provide staff for the Task Force; requiring the Task Force to conduct a needs assessment and make recommendations to the Department about osteoporosis initiatives; requiring the Department to submit an annual report; etc.

Senator Lawlah, et al

SB 46 Statewide Commission on the Crisis in Nursing – Study of the Use of Technology to Assist Nurses in Caring for Patients

Requiring the Statewide Commission on the Crisis in Nursing to identify a technology driven point of care application, in consultation with an individual with expertise in technology driven point of care applications, to maximize nursing productivity and increase the quality of patient care and improve the work environment infrastructure in health care facilities; and generally relating to the Commission and the use of technology in nursing.

EFFECTIVE JULY 1, 2002

Senator Teitelbaum

SB 90 Health Insurance - Health Maintenance Organizations and Managed Care Organizations - Application of Acquisitions Disclosure and Control Act

Providing that the Maryland Insurance Acquisitions Disclosure and Control Act applies to health maintenance organizations and managed care organizations under specified circumstances; requiring the Maryland Insurance Commissioner to consult with the Secretary of Health and Mental Hygiene before approving specified transactions; requiring the Commissioner to adopt regulations establishing a reporting materiality threshold; authorizing the Commissioner to adopt regulations to implement specified provisions; etc.

Chairman FIN (Dept)

SB 126 Health Occupations - Regulatory Boards - Sunset Extension and Program Evaluation

Continuing specified health occupations regulatory boards and an advisory committee in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to specified dates the termination provisions relating to the statutory and regulatory authority; and requiring that an evaluation of the specified boards and advisory committee and the statutes and regulations that relate to them be performed on or before specified dates.

The President (Department of Legislative Services)

SB 180 Continuing Care Communities - Direct Admissions Into Comprehensive Care Nursing Bed - Repeal of Abrogation Provision

Repealing the abrogation provision relating to definitions for health planning and development that apply to specified health care facilities; and repealing the abrogation provision relating to specified provisions that allow a continuing care community that is exempted from a certificate of need to admit a subscriber directly to a comprehensive care nursing bed if at admission time the subscriber may be transferred to an independent living unit or an assisted living unit.

EFFECTIVE JULY 1, 2002

Senator Bromwell

SB 234 Catastrophic Health Emergencies - Powers of the Governor and the Secretary of Health and Mental Hygiene

Providing for emergency powers of the Governor and the Secretary of Health and Mental Hygiene whenever an imminent threat of extensive loss of life or of serious disability exists due to exposure to specified diseases, chemicals, or radiation; requiring specified public units and officials to develop plans and procedures; specifying the contents of an order; requiring the Secretary to issue a specified directive in a specified manner; etc.

EMERGENCY BILL

The President (Administration), et al

SB 261 Oral Health – Dental Hygienists – Access to Care

Authorizing specified licensees to practice dental hygiene under the general supervision of a dentist in specified places; requiring a dental facility in which a dental hygienist is authorized to practice under general supervision to ensure that specified criteria are met; requiring a facility to report that the facility is operating under general supervision and to report the identity of each supervising dentist and each dental hygienist to the State Board of Dental Examiners before it operates under general supervision; etc.

EMERGENCY BILL**Senator Pinsky****SB 269 Health Care – Programs and Facilities – Pain Management**

Adding the right to have pain assessed, managed, and treated to the patient's bill of rights for hospitals and related institutions; requiring other health care facilities to add pain management to any patient's bill of rights or similar document distributed; establishing a State Advisory Council on Pain Management; specifying the membership, terms, and purpose of the Council; authorizing the Council to consult with specified individuals or organization representatives; etc.

Senator Hollinger, et al**SB 289 Community Services Reimbursement Rate Commission – Termination Date Extension and Modifications**

Extending the termination date for the Community Services Reimbursement Rate Commission; authorizing the Governor, with the advice and consent of the Senate, to appoint three members of the Commission for a third consecutive term; requiring the Commission to assess the impact of specified consumer safety costs and other rate system issues determined by the Commission to be appropriate; requiring the Commission to develop specified methodologies and to develop performance measures; etc.

EFFECTIVE JULY 1, 2002**Senator Hoffman, et al****SB 327 State Board of Examiners of Psychologists – Powers and Duties**

Altering the number of days from 60 to 120 within which the State Board of Examiners of Psychologists must forward a complaint filed against a licensed psychologist; altering the number of days within which a complaint against a licensed psychologist must be disposed from 60 to 120; providing that a decision of the Board to enforce a suspension of a psychologist's license for more than 1 year may not be stayed pending judicial review; etc.

Senator Dyson

SB 331 Assisted Living Programs - Implementation of Regulations Concerning Survey and Complaint Reporting

Requiring the Secretary of Health and Mental Hygiene to adopt regulations requiring that an assisted living program facility's statement of deficiencies for the most recent survey, any subsequent complaint investigations conducted by federal, State, or local surveyors, and any plans of correction in effect with respect to the survey or complaint investigation be posted within the facility in a conspicuous place visible to actual or potential residents of the facility and other interested parties.

Senator Hollinger

SB 388 Maryland Group Health Insurance Plan - Repeal

Repealing the Maryland Group Health Insurance Plan.

EFFECTIVE JUNE 1, 2002

Senator Bromwell

SB 412 Maryland Health and Higher Educational Facilities Authority - Nonprofit Health Service Plans

Altering the definition of hospital under the Maryland Health and Higher Educational Facilities Authority Act to include nonprofit health service plans.

Senator Neall, et al

SB 418 Health Occupations - State Board of Pharmacy - Sunset Extension

Continuing the State Board of Pharmacy in accordance with the Maryland Program Evaluation Act (Sunset Law) by extending the termination date until July 1, 2013; repealing the requirement for manufacturing permits; requiring an annual inspection of each pharmacy that holds a pharmacy permit; limiting discovery by establishing a pharmacy permit holder designee as a medical review committee; requiring an evaluation of the Board on or before July 1, 2012; requiring the Board to submit a certain report on or before October 1, 2002; etc.

EFFECTIVE JULY 1, 2002

Senator Hollinger (Chairman, Health Subcommittee)

SB 420 State Board of Morticians - Sunset Extension and Program Evaluation

Continuing the State Board of Morticians in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending the termination provisions relating to the authority of the Board until July 1, 2008; requiring the Board to submit a report to the Senate Education, Health, and Environmental Affairs Committee and the House Environmental Matters Committee or before October 1, 2002; etc.

EFFECTIVE JULY 1, 2002

Senator Hollinger (Chairman, Health Subcommittee)

- SB 421 Health Occupations – Physicians – Medical Review Committees**
Adding a freestanding ambulatory care facility to the list of alternative health care systems that have medical review committees; and providing for what constitutes a contribution to the function of a medical review committee for the purpose of determining specified civil immunity.
Senator Hollinger
- SB 451 Maryland Health Care Foundation – Health Disparities**
Authorizing the Maryland Health Care Foundation to provide financial support to programs that expand access to health care services for uninsured and underinsured Marylanders and reduce health disparities for Marylanders; requiring the Foundation to develop specified criteria for awarding grants to programs that may include programs addressing health care disparities; requiring that the Foundation consider a geographical balance by county and region and that the geographical balance consider specified provisions; etc.
Senator Exum, et al
- SB 458 State Board of Examiners of Psychologists – Sunset Extension**
Continuing the State Board of Examiners of Psychologists in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending the termination provisions relating to the statutory and regulatory authority of the Board, until July 1, 2013; requiring the Board to submit a report to the Senate Education, Health, and Environmental Affairs Committee and the House Environmental Matters Committee on or before October 1, 2002; etc.
EFFECTIVE JULY 1, 2002
Senator Hollinger (Chairman, Health Subcommittee)
- SB 459 State Board of Nursing – Sunset Extension and Program Evaluation**
Continuing the State Board of Nursing in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending the termination provisions relating to the authority of the Board until July 1, 2013; requiring the Board to submit a report to specified committees regarding implementation of the recommendations made by the Department of Legislative Services on or before October 1, 2002; etc.
EFFECTIVE JULY 1, 2002
Senator Hollinger (Chairman, Health Subcommittee)
- SB 466 Reimbursement of Health Care Providers**
Identifying a specified rate that health maintenance organizations pay to specified health care providers; repealing an obsolete reference; extending the termination date of a provision requiring a health maintenance organization to reimburse specified health care providers at a specified rate; extending the termination of a provision requiring a health maintenance organization to reimburse specified trauma physicians at a specified rate in a specified manner; requiring the State Board of Nursing to make a report; etc.
EFFECTIVE JUNE 1, 2002
Senator Astle

SB 481 Department of Health and Mental Hygiene - Reimbursement Rates

Altering the reimbursement under the Maryland Pharmacy Assistance Program for specified prescription drugs; requiring the Department of Health and Mental Hygiene in developing a specified process to annually set reimbursement rates for the Maryland Medical Assistance Program and the Maryland Children's Health Program that considers specified systems and codes; requiring the Department to establish a specified annual process to set reimbursement rates for the public mental health system that considers specified costs; etc.

EFFECTIVE JULY 1, 2002

Senator Kelley

SB 487 Acquisition of Nonprofit Health Entity - Conditions for Approval

Altering the standard for determining whether to approve the acquisition of a nonprofit health entity; eliminating a provision deeming an acquisition application approved under specified circumstances; and making the Act an emergency measure.

EMERGENCY BILL

Senator Miller, et al

SB 537 Labor and Employment - Nurses - Involuntary Overtime Prohibition

Prohibiting an employer from requiring a nurse to work more than the scheduled hours according to a predetermined work schedule; providing that a nurse may not be considered to be responsible for the care of a patient beyond the nurse's predetermined work schedule under specified circumstances; requiring an employer to exhaust all good faith, reasonable attempts to ensure that appropriate staff is available to accept responsibility for care of a patient beyond a nurse's predetermined work schedule; etc.

Senator Hollinger, et al

SB 556 Mental Hygiene - Maryland Mental Health Crisis Response System

Establishing the Maryland Mental Health Crisis Response System in the Mental Hygiene Administration; requiring the Crisis Response System to use and coordinate specified services to develop an effective crisis response system to serve all individuals in the State; requiring the Crisis Response System to include specified services; providing that the State may not expend more than \$250,000 in State general funds in each fiscal year to implement the Crisis Response System; etc.

CONTINGENT

Senators Exum and Dorman

SB 572 Arthritis Prevention and Control Act

Establishing the Arthritis Prevention and Control Program in the Department of Health and Mental Hygiene; providing for the purposes of the Program; altering the powers and duties of the State Advisory Council on Arthritis and Related Diseases; providing for the duties of the Secretary of the Department of Health and Mental Hygiene in administering the Program; providing for the funding of the Program; etc.

Senator Hollinger, et al

SB 575 Health Occupations – Graduate Licenses

Authorizing the State Board of Professional Counselors and Therapists to adopt regulations to allow individuals to practice, under supervision, as licensed graduate alcohol and drug counselors, licensed graduate marriage and family therapists, or licensed graduate professional counselors; providing for the qualifications and requirements to practice as a specified therapist or counselor; requiring applicants for a provisional graduate social worker license to meet specified qualifications; etc.

Senator Jacobs

SB 617 Maryland Youth Camps – Days of Operation and Regulations

Reducing from 7 to 5 the number of consecutive operational days required for a camp to be defined a residential camp, travel camp, or trip camp; requiring the Department of Health and Mental Hygiene to issue regulations on minimum standards for the supervision of campers during routine activities; prohibiting the Secretary from adopting regulations that set ratios for camper to medical staff personnel except under specified circumstances; etc.

Senator Hoffman, et al

SB 651 Health Insurance – Nonrenewal of Individual Health Benefit Plans – Requirements for Carriers with Affiliates

Requiring carriers to provide notice to affected individuals who are nonrenewed that the individual may purchase all other health benefits plans offered by an affiliate of the carrier; requiring specified carriers to offer coverage to an individual whose health benefit plan has been nonrenewed by an affiliate; prohibiting carriers from rating on a substandard basis coverage that is offered to an individual whose health benefit plan has been nonrenewed; etc.

EFFECTIVE JUNE 1, 2002

Senator Bromwell

SB 672 Nuisance Control – Authority to Investigate and File a Complaint – Penalties for Violations

Authorizing local health officers to file a complaint for nuisance abatement under specified circumstances; defining the term “nuisance”; requiring a notice for abatement of a nuisance; specifying the terms of a notice for abatement of a nuisance; authorizing the Secretary of Health and Mental Hygiene, a local health officer, or the representative of the Secretary or local health officer, to summarily abate a nuisance under specified circumstances; specifying provisions that may be included in a request for a court order; etc.

Senator Munson, et al

SB 676 Physicians and Pharmacists – Therapy Management Contracts

Requiring a licensed physician and a licensed pharmacist to enter into a specified agreement before entering into a therapy management contract; requiring the Board of Physician Quality Assurance and the Board of Pharmacy to approve the agreements under specified circumstances; requiring a therapy management contract to include specified provisions; requiring the Board of Physician Quality Assurance and the Board of Pharmacy to adopt regulations; providing for the termination of the Act; etc.

Senators Hollinger and Bromwell

SB 718 State Board of Examiners of Nursing Home Administrators – Sunset Extension and Program Evaluation

Continuing the State Board of Examiners of Nursing Home Administrators in accordance with the provisions of the Maryland Program Evaluation Act by extending to July 1, 2013, the termination provisions relating to the statutory and regulatory authority of the Board; extending the statute of limitations for the prosecution of misdemeanor offenses under the Health Occupations Article; expanding the definition of unauthorized practice; requiring the Board to submit specified reports; etc.

EFFECTIVE JULY 1, 2002

Chairman FIN

SB 746 Assisted Living Programs – Alzheimer’s Special Care Unit or Program – Disclosure of Services

Requiring specified assisted living programs with an Alzheimer’s Special Care Unit or Program to disclose how the form of care and treatment provided by the Alzheimer’s Special Care Unit or Program is specifically designed for the specialized care of individuals diagnosed with Alzheimer’s disease or a related disorder; requiring a specified description to be made in writing at a specified time; requiring disclosure of the written description to specified persons and the Department of Health and Mental Hygiene; etc.

Senators Collins and Hollinger

SB 788 Statewide Advisory Commission on Immunizations

Establishing the Statewide Advisory Commission on Immunizations; providing for the composition of the Commission; requiring the Secretary of the Department of Health and Mental Hygiene to appoint the members of the Commission; requiring a specified member to chair the Commission, establish specified subcommittees, and appoint specified subcommittee chairs; prohibiting a member from receiving compensation but allowing members to be reimbursed for expenses; providing for the termination of the Act; etc.

EFFECTIVE JUNE 1, 2002

Senators Conway and Hollinger

SB 819 Hospitals – Uniform Standard Credentialing Form

Requiring a hospital to use a uniform standard credentialing form as a condition of licensure; requiring hospitals to use the uniform standard credentialing form as the initial application of a physician seeking to be credentialed; providing that the use of the uniform standard credentialing form does not preclude a hospital from requiring additional information; providing for a delayed effective date for specified provisions of the Act; etc.

VARIOUS EFFECTIVE DATES

Senator Dorman, et al

SB 820 Health – Managed Care Organizations – Credentialing

Authorizing a managed care organization to deem a health care provider credentialed for a specified period of time under specified circumstances and upon specified verification; prohibiting a specified entity from refusing to verify specified information for a managed care organization; etc.

Senator Dorman

SB 888 Health Insurance – Small Group – Open Enrollment Period

Altering the open enrollment period for self-employed individuals in the small group health insurance market from two 30-consecutive day periods each year to one 30-consecutive day period each year; and repealing a specified provision allowing a carrier to deny coverage to self-employed individuals who apply for a health benefit plan at a time other than the carrier's annual open enrollment period.

Senator Bromwell

SB 899 Prince George's Hospital System Improvement Task Force

Establishing the Prince George's Hospital System Improvement Task Force; providing for the composition and staffing of the Task Force; requiring the Governor to appoint the chairman of the Task Force; requiring the Task Force to study and make recommendations about specified issues; providing that if specified entities are subject to acquisition before July 1, 2003, the Secretary of Health and Mental Hygiene may require a specified grant to become immediately payable to the State; providing for the termination of a portion of the Act; etc.

EFFECTIVE JUNE 1, 2002

Senator Lawlah, et al

HB 2 Acquisition of Nonprofit Health Entity – Conditions for Approval

Altering the standard for determining whether to approve the acquisition of a nonprofit health entity; eliminating a provision deeming an acquisition application approved under specified circumstances; and making the Act an emergency measure.

EMERGENCY BILL

Delegate Busch, et al

- HB 84 Maryland Children's Health Program - Employer-Sponsored Health Benefit Plans - Employer Contribution**
Altering the amount that an employer must contribute to family health insurance coverage under the MCHP private option plan of the Maryland Children's Health Program; and requiring that employer-sponsored health benefit plans be cost-effective.
EFFECTIVE JULY 1, 2002
Chairman ECM (Dept)
- HB 85 Health Insurance - Small Group Market - Producer Commissions**
Prohibiting specified health insurance carriers from varying the amount of commission payable to specified producers based on the size of a specified small employer group except under specified circumstances; etc.
EFFECTIVE JUNE 1, 2002
Chairman ECM (Dept)
- HB 86 Health - Maryland AIDS Insurance Assistance Program - Sunset Extension**
Extending the termination date of the Maryland AIDS Insurance Assistance Program until June 30, 2010; etc.
EFFECTIVE JULY 1, 2002
Chairman ENV (Dept)
- HB 149 Health Occupations - Regulatory Boards and Committees - Sunset Extension and Program Evaluation**
Continuing specified health occupations regulatory boards and an advisory committee in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to specified dates the termination provisions relating to the statutory and regulatory authority; and requiring that an evaluation of the specified boards and advisory committee and the statutes and regulations that relate to them be performed on or before specified dates.
The Speaker (Department of Legislative Services)
- HB 210 Health - Blood Donation - Minors**
Altering a specified provision relating to consent for blood donation by a specified minor; and altering the age at which a minor may donate blood, with the consent of a parent or legal guardian, to 16 years old.
Delegate Morhaim, et al
- HB 235 Nursing Homes - Notice of Closure - Penalties**
Authorizing the Office of Health Care Quality in the Department of Health and Mental Hygiene to impose specified penalties on a nursing home when the nursing home closes without providing the required 30-day notice to residents and their families or guardians; providing that the nursing home is subject to specified appellate procedures when a civil money penalty is imposed; etc.
Delegate Hammen

HB 247 Arthritis Prevention and Control Act

Establishing the Arthritis Prevention and Control Program in the Department of Health and Mental Hygiene; providing for the purposes of the Program; altering the powers and duties of the State Advisory Council on Arthritis and Related Diseases; providing for the duties of the Secretary of Health and Mental Hygiene in administering the Program; providing for the funding of the Program; etc.

Delegate Hammen, et al

HB 253 Mental Hygiene – Emergency Evaluation Petitions – Licensed Clinical Professional Counselors

Adding licensed clinical professional counselors to the list of professionals authorized to diagnose a mental disorder for purposes of seeking an emergency evaluation of an individual; allowing licensed clinical professional counselors to petition for an emergency evaluation; allowing licensed clinical professional counselors to sign and submit those petitions to peace officers; etc.

Delegate Hubbard

HB 296 Catastrophic Health Emergencies – Powers of the Governor and the Secretary of Health and Mental Hygiene

Providing for emergency powers of the Governor and the Secretary of Health and Mental Hygiene whenever an imminent threat of extensive loss of life or of serious disability exists due to exposure to specified diseases, chemicals, or radiation; requiring specified public units and officials to develop plans and procedures; specifying the contents of an order; requiring the Secretary to issue a specified directive in a specified manner; making the Act an emergency measure; etc.

EMERGENCY BILL

The Speaker (Administration), et al

HB 321 Continuing Care Communities – Direct Admissions Into Comprehensive Care Nursing Bed – Repeal of Abrogation Provision

Repealing the abrogation provision relating to definitions for health planning and development that apply to specified health care facilities; and repealing the abrogation provision relating to specified provisions that allow a continuing care community that is exempted from a certificate of need to admit a subscriber directly to a comprehensive care nursing bed if at admission time the subscriber may be transferred to an independent living unit or an assisted living unit.

EFFECTIVE JULY 1, 2002

Delegate Malone, et al

HB 329 Health Care Worker Whistleblower Protection Act

Prohibiting an employer from taking or refusing to take specified personnel actions against a licensed or certified employee who discloses unlawful behavior or refuses to participate in unlawful behavior; providing that specified protections under the Act apply only if a licensed or certified employee has a good faith belief that the employer is engaged in unlawful activity and that the unlawful activity poses a substantial and specific danger to public health or safety; etc.

Delegate Mandel, et al

HB 361 Department of Health and Mental Hygiene – Biological Agents Registry Program

Establishing a program in the Department of Health and Mental Hygiene for the registration of biological agents; requiring the Department to administer the program; providing for the contents of the registry; requiring the Department to adopt specified regulations; requiring specified persons to report specified information to the Department for inclusion in the registry; providing for an exemption for specified biological agents and laboratories from inclusion in the registry; etc.

Delegate Hubbard

HB 420 Department of Health and Mental Hygiene – Asthma Control Program

Creating an Asthma Control Program in the Department of Health and Mental Hygiene; requiring the Secretary to appoint a director for the Program; providing for the powers and duties of the director; requiring the Secretary to adopt regulations to implement the Program; providing for the funding of the Program; and requiring the Secretary to report to specified committees and a specified council on or before December 1, 2005 and each year thereafter.

Delegate Hubbard, et al

HB 421 State Board of Professional Counselors and Therapists

Authorizing the State Board of Professional Counselors and Therapists to adopt regulations to allow individuals to practice, under supervision, as licensed alcohol and drug counselors, licensed graduate marriage and family therapists, or as licensed graduate professional counselors; providing for the qualifications and requirements to practice as a specified therapist or counselor; authorizing the use of specified titles and representations by specified therapists and counselors; etc.

Delegate Hubbard

HB 422 Nursing Home Residents – Increase in Personal Needs Allowance

Specifying the amount of the personal needs allowance for a nursing home resident who is a recipient of medical assistance, subject to a specified contingency; providing for an annual cost of living increase in the personal needs allowance; requiring that the personal needs allowance be deducted after computing eligible income for medical assistance; and requiring the Secretary of Health and Mental Hygiene to adopt specified regulations.

EFFECTIVE JULY 1, 2002

Delegate Taylor

HB 423 Health Care – Programs and Facilities – Pain Management

Adding the right to have pain assessed, managed, and treated to the patient's bill of rights for hospitals and related institutions; requiring specified other health care facilities to add pain management to any patient's bill of rights or similar document distributed; establishing a State Advisory Council on Pain Management; specifying the membership, terms, and purpose of the Council; providing for the termination of a portion of the Act; etc.

Delegate Pitkin, et al

HB 454 Community Services Reimbursement Rate Commission – Termination Date Extension and Modifications

Extending the termination date for the Community Services Reimbursement Rate Commission; authorizing the Governor, with the advice and consent of the Senate, to appoint three members of the Commission for a third consecutive term; requiring the Commission to assess the impact of specified consumer safety costs and other rate system issues determined by the Commission to be appropriate; requiring the Commission to develop specified methodologies and to develop performance measures; etc.

EFFECTIVE JULY 1, 2002

Delegate Pitkin, et al

HB 461 State Board of Nursing – Sunset Extension and Program Evaluation

Continuing the Maryland Board of Nursing in accordance with the provisions of the Maryland Program Evaluation Act by extending to July 1, 2013, the termination provisions relating to the statutory and regulatory authority of the Board; authorizing the Board to determine the compensation for Board members; and requiring the Board to submit a report on or before October 1, 2002.

EFFECTIVE JULY 1, 2002

Chairman ENV

HB 462 Health Occupations – State Board of Pharmacy – Sunset Extension

Continuing the State Board of Pharmacy in accordance with the Maryland Program Evaluation Act (Sunset Law) by extending the termination date until July 1, 2013; repealing the requirement for manufacturing permits; requiring an annual inspection of each pharmacy that holds a pharmacy permit; limiting discovery by establishing a pharmacy permit holder designee as a medical review committee; requiring an evaluation of the Board on or before July 1, 2012; requiring the Board to submit a specified report on or before October 1, 2002; etc.

EFFECTIVE JULY 1, 2002

Chairman ENV

HB 463 State Board of Examiners of Psychologists – Sunset Extension

Continuing the State Board of Examiners of Psychologists, in accordance with the provisions of the Maryland Program Evaluation Act, by extending the termination date until July 1, 2013; requiring that an evaluation of the Board, and the statutes and regulations that relate to the Board, be performed on or before July 1, 2012; requiring the Board to submit specified reports to both the Senate Education, Health, and Environmental Affairs Committee and the House Environmental Matters Committee on or before specified dates; etc.

EFFECTIVE JULY 1, 2002

Chairman ENV

HB 465 State Board of Morticians – Sunset Extension and Program Evaluation

Clarifying policy relating to inspections of funeral establishments; extending the termination date of the State Board of Morticians to July 1, 2008; requiring that an evaluation of the Board be prepared on or before July 1, 2007; and requiring the Board to report to the General Assembly on or before October 1, 2002.

EFFECTIVE JUNE 1, 2002

Chairman ENV

HB 483 Mental Hygiene – Maryland Mental Health Crisis Response System

Establishing the Maryland Mental Health Crisis Response System in the Mental Hygiene Administration; requiring the Crisis Response System to use and coordinate specified services to develop an effective crisis response system to serve all individuals in the State; requiring the Crisis Response System to include specified services; providing that the State may not expend more than \$250,000 in State general funds in each fiscal year to implement the Crisis Response System; making the Act subject to a contingency; etc.

CONTINGENT

Delegate Rosenberg

HB 516 Personal Representative of Deceased Mortician’s Estate – License Required

Requiring an executor license of an individual who makes funeral arrangements as a personal representative of a deceased mortician’s estate; specifying that a personal representative may sell or continue a mortuary business; requiring a licensed mortician to provide embalming services and direct supervision; providing that an executor license is valid for 6 months and that upon expiration, a personal representative must qualify for and obtain a mortuary industry license to continue a mortuary operation; etc.

Delegate Boutin, et al

HB 518 State Board of Physician Quality Assurance – Radiation Oncology/Therapy, Medical Radiation, and Nuclear Medicine Technologists

Requiring the State Board of Physician Quality Assurance (the Board) to adopt regulations related to radiation oncology/therapy, medical radiation, and nuclear medicine technologists; requiring the Board to set fees and pay fees collected to the Comptroller of the State; establishing a Radiation Oncology/Therapy, Medical Radiation, and Nuclear Medicine Technology Advisory Committee within the Board; requiring specified technologists to only practice under the supervision of a licensed physician; etc.

EFFECTIVE JULY 1, 2002

Chairman ENV

HB 532 Department of Health and Mental Hygiene – Osteoporosis Prevention and Education Task Force

Establishing an Osteoporosis Prevention and Education Task Force in the Department of Health and Mental Hygiene; providing for the composition of the Task Force; requiring the Secretary to designate the chairman of the Task Force; requiring the Department to provide staff for the Task Force; requiring the Task Force to conduct a specified needs assessment; etc.

Delegate C Davis

HB 533 Maryland Physician Assistants Act – Revisions

Clarifying the practice responsibilities of a physician assistant and a supervising physician; adding items to be included in a delegation agreement between the physician assistant and supervising physician; altering the actions that the State Board of Physician Quality Assurance may take after reviewing a delegation agreement; altering provisions pertaining to physician assistants and medication orders; providing that physician assistants are not to be prevented from performing specified general anesthesia medical acts; etc.

Delegate Redmer, et al

HB 571 Maryland Group Health Insurance Plan – Repeal

Repealing the Maryland Group Health Insurance Plan.

EFFECTIVE JUNE 1, 2002

Delegate Busch

HB 590 Statewide Commission on the Crisis in Nursing – Study of the Use of Technology to Assist Nurses in Caring for Patients

Requiring the Statewide Commission on the Crisis in Nursing to identify a technology driven point of care application, in consultation with an individual with expertise in technology driven point of care applications, to accomplish specified goals.

EFFECTIVE JULY 1, 2002

Delegate Mandel, et al

HB 685 Nuisance Control – Authority to Investigate and File a Complaint – Penalties for Violations

Authorizing local health officers to file a complaint for nuisance abatement under specified circumstances; defining the term “nuisance”; requiring a notice for abatement of a nuisance; specifying the terms of a notice for abatement of a nuisance; authorizing the Secretary of Health and Mental Hygiene, a local health officer, or the representative of the Secretary or local health officer, to summarily abate a nuisance under specified circumstances; specifying provisions that may be included in a request for a court order; etc.

Delegates Owings and Hubbard

HB 686 State Board of Examiners of Psychologists – Powers and Duties

Altering the number of days from 60 to 120 within which the State Board of Examiners of Psychologists must forward a complaint filed against a licensed psychologist; altering the number of days within which a complaint against a licensed psychologist must be disposed from 60 to 120; providing that a decision of the Board to enforce a suspension of a psychologist's license for more than 1 year may not be stayed pending judicial review; etc.

Delegate Owings

HB 692 Health Insurance – Habilitative Services – Modification and Clarification

Specifying diseases and conditions that constitute congenital or genetic birth defects; providing that specified determinations are considered adverse decisions; defining a specified term; providing for the application of the Act; etc.

Delegate Goldwater, et al

HB 750 Medical Assistance Program – Waivers – Notice of Applications and Modifications

Requiring the Department of Health and Mental Hygiene to publish in the Maryland Register notice of any application for a Medical Assistance Program waiver or modification to an existing Medical Assistance Program waiver; requiring the Department to provide an opportunity for public comments on any Medical Assistance Program waiver application for which notice was published; etc.

Delegate Hubbard

HB 754 Health Insurance – Nonrenewal of Individual Health Benefit Plans – Requirements for Carriers with Affiliates

Requiring carriers to provide notice to affected individuals who are nonrenewed that the individual may purchase all other health benefits plans offered by an affiliate of the carrier; requiring specified carriers to offer coverage to an individual whose health benefit plan has been nonrenewed by an affiliate; prohibiting carriers from rating on a substandard basis coverage that is offered to an individual whose health benefit plan has been nonrenewed; etc.

EFFECTIVE JUNE 1, 2002

Delegate Busch, et al

HB 781 Physicians and Pharmacists – Therapy Management Contracts

Requiring a licensed physician and a licensed pharmacist to enter into a specified agreement before entering into a therapy management contract; requiring the Board of Physician Quality Assurance and the Board of Pharmacy to approve the agreements under specified circumstances; requiring a therapy management contract to include specified provisions; requiring the Board of Physician Quality Assurance and the Board of Pharmacy to adopt regulations; providing for termination of the Act; etc.

Delegate Hammen, et al

HB 805 Reimbursement of Health Care Providers

Identifying a specified rate that health maintenance organizations pay to specified health care providers; repealing an obsolete reference; extending the termination date of a provision requiring a health maintenance organization to reimburse specified health care providers at a specified rate; extending the termination of a provision requiring a health maintenance organization to reimburse specified trauma physicians at a specified rate in a specified manner; requiring the State Board of Nursing to make a report; etc.

EFFECTIVE JUNE 1, 2002

Delegate Donoghue, et al

HB 845 Milk Products – Length of Sell-by Period

Requiring the Secretary of the Department of Health and Mental Hygiene to establish the sell-by period, of up to 17 days, for specified milk products.

Delegate Stull, et al

HB 847 State Board of Examiners of Nursing Home Administrators – Sunset Extension and Program Evaluation

Continuing the State Board of Examiners of Nursing Home Administrators in accordance with the provisions of the Maryland Program Evaluation Act by extending to July 1, 2013, the termination provisions relating to the statutory and regulatory authority of the Board; extending the statute of limitations for the prosecution of misdemeanor offenses under the Nursing Home Administrators title; expanding the definition of unauthorized practice; requiring the Board to submit specified reports; etc.

EFFECTIVE JULY 1, 2002

Chairman ENV

HB 896 Health Insurance – Mental Illness – Coverage for Residential Crisis Services

Requiring specified insurers, nonprofit health service plans, and health maintenance organizations to provide coverage for medically necessary residential crisis services; providing that specified services may be delivered under a managed care system; defining the term “residential crisis services”; and applying the Act.

Delegate Rosenberg, et al

HB 917 Human Subject Research – Institutional Review Boards

Requiring a person conducting human subject research to comply with federal regulations on the protection of human subjects; providing that the minutes of an institutional review board shall be made available upon request within 30 days of receipt of a request; authorizing the Attorney General to seek injunctive or other relief to prevent the conduct of human subject research in violation of federal regulations; etc.

Delegate Hubbard, et al

HB 1141 State Advisory Council on Quality Care at the End of Life

Establishing the State Advisory Council on Quality Care at the End of Life; providing for the composition of the Advisory Council; providing for the terms of members; requiring the Governor to appoint a successor if a vacancy occurs; requiring the Governor to appoint the chair; providing for a quorum; requiring the Advisory Council to meet two times each year; prohibiting members from receiving compensation but allowing members to receive reimbursement for specified expenses; etc.

Delegate Frush, et al

HB 1157 Hospitals – Uniform Standard Credentialing Form

Requiring a hospital to use a uniform standard credentialing form as a condition of licensure; requiring hospitals to use the uniform standard credentialing form as the initial application of a physician seeking to be credentialed; providing that the use of the uniform standard credentialing form does not preclude a hospital from requiring additional information; providing for a delayed effective date for specified provisions of the Act; etc.

VARIOUS EFFECTIVE DATES

Delegate Klausmeier, et al

HB 1158 Health Insurance – Continuation Coverage – Voluntary Termination of Employment

Altering, for purposes of continuation coverage under health insurance, the definition of “change in status” to include voluntary termination of the insured’s employment by the insured employee; requiring group contracts of health insurance to provide continuation coverage to the insured after the voluntary termination of the insured’s employment for a specified period of time and in a specified manner; providing for the application of the Act; etc.

Delegates Redmer and Ports

HB 1163 Office for Children, Youth, and Families – Codification of the Maryland School-Based Health Center Policy Advisory Council

Codifying the Maryland School-Based Health Center Policy Advisory Council; providing for the membership, chairman, purpose, and duties of the Advisory Council; defining a term; specifying the terms of the initial members; prohibiting a member from receiving compensation but allowing members to be reimbursed for expenses; etc.

Delegate Hubbard

HB 1192 Health Insurance – Coverage Under Medical Support Notices

Prohibiting specified entities from refusing to enroll a child because the child is receiving or is eligible to receive specified benefits; requiring carriers, within 20 business days after receipt of medical support notices, to make specified determinations, enroll an eligible child, and send notices and information to specified persons; authorizing and requiring a child support agency to issue a medical support notice under specified circumstances; establishing the priority of a medical support notice; etc.

EFFECTIVE JULY 1, 2002

Delegate Hubbard

HB 1228 Health Insurance Safety Net Act of 2002

Establishing the Maryland Health Insurance Plan to provide comprehensive health benefits to individuals with preexisting medical conditions; establishing a Board of Directors for the Plan; granting the Board regulatory authority; authorizing the Board to aggregate the purchase of prescription drugs for enrollees in the plan and in the Senior Prescription Drug Program for a specified purpose; establishing a fund of the Plan; specifying the uses of the fund; requiring the Board to establish premium rates for the Plan; etc.

VARIOUS EFFECTIVE DATES

Delegate Taylor, et al

HB 1254 Acquisition of a Nonprofit Health Entity – Determination by Regulating Entity

Prohibiting a nonprofit health service plan formed or organized under the laws of the State from forming or organizing under the laws of another jurisdiction unless the Insurance Commissioner determines that it is in the public interest; prohibiting a nonprofit health service plan from altering its structure, operations, or affiliations under specified circumstances; etc.

EFFECTIVE JUNE 1, 2002

Delegate Pendergrass, et al

HB 1427 Health Insurance – Small Group – Open Enrollment Period

Altering the open enrollment period for self-employed individuals in the small group health insurance market from two 30 consecutive-day periods each year to one 30 consecutive-day period each year; and repealing a specified provision allowing a carrier to deny coverage to self-employed individuals who apply for a health benefit plan at a time other than the carrier's annual open enrollment period.

Delegate Busch, et al

HJ 35 HIV/AIDS in the Caribbean

Urging Congress to oppose cutting the \$20 million designated in fiscal year 2002 for HIV/AIDS prevention and education programs in the Caribbean.

Delegate Nathan-Pulliam

Part K

Natural Resources, Environment, and Agriculture

SB 18 Riparian Property – Potomac River – Stationary Blind and Blind Site Licensing

Altering a prohibition on the licensing of specified stationary blinds or blind sites by owners of riparian property adjacent to the Potomac River; and authorizing the licensing of specified stationary blinds or blind sites by owners of riparian property adjacent to the Potomac River.

EFFECTIVE JUNE 1, 2002

Senator Miller

SB 87 Natural Resources – Fisheries Management Plans – Catfish

Requiring the Department of Natural Resources to prepare a fishery management plan for catfish.

Chairman EHE (Dept)

SB 195 Natural Resources – Submerged Aquatic Vegetation

Requiring the Department of Natural Resources to update every 3 years the delineations of submerged aquatic vegetation (SAV) protection zones that were completed in 2001; requiring the Department to utilize buoys or other visible landmarks as appropriate to mark SAV protection zones; prohibiting the use of a hydraulic clam dredge, a traditional bottom dredge, and a shinnecock rake in a SAV protection zone; etc.

EFFECTIVE JULY 1, 2002

Senators Frosh and Stoltzfus

SB 236 Agriculture – Infectious and Contagious Diseases – Administrative Search Warrants

Providing for administrative search warrants allowing the Secretary of Agriculture or the Secretary's designee to inspect premises as part of the control of specified diseases of livestock and poultry; allowing specified courts to issue the warrants under specified conditions; providing for confidentiality; making the Act an emergency measure; etc.

EMERGENCY BILL

The President (Administration), et al

SB 246 Drinking Water Security Act

Authorizing the Secretary of the Department of the Environment to adopt and enforce State primary drinking water regulations for a contaminant if the Secretary determines that the contaminant poses a significant risk to public health and that specified federal regulations for the contaminant are not in effect; requiring the Secretary to prepare a report concerning the proposed regulations for the contaminant; and providing for the construction of a provision of law.

The President (Administration), et al

SB 247 Atlantic Coastal Bays Protection Act

Preserving, protecting, and improving the water quality and natural habitats of the Atlantic Coastal Bays and specified tributaries and streams by designating specified lands and waters as critical areas that require especially sensitive consideration with regard to development; renaming the Chesapeake Bay Critical Area Commission to be the Critical Area Commission for the Chesapeake and Atlantic Coastal Bays; requiring specified local programs to classify specified areas as intensely developed areas; etc.

EFFECTIVE JUNE 1, 2002

The President (Administration)

SB 248 Environmental Standing - Judicial Review - Title V Operating Permits

Expanding who has standing to seek judicial review of specified final decisions by the Department of the Environment on specified air quality operating permits; specifying how the judicial review shall be conducted; specifying where the judicial review shall be conducted; and making the Act an emergency measure.

EMERGENCY BILL

President (Administration), et al

SB 262 Maryland Water Quality Financing Administration - Loans - Lenders

Expanding specified definitions, for purposes of the Linked Deposit Program, to include an institution of the Farm Credit System organized under the Farm Credit Act of 1971; etc.

Senators Stoltzfus and Frosh

SB 285 Public Service Commission - Generation and Emissions Studies

Requiring electric companies in Maryland to update specified generation and emissions studies relating to electric restructuring; and requiring the updated studies to be submitted to the Public Service Commission and the Department of the Environment on or before December 31, 2003 and December 31, 2005.

EFFECTIVE JULY 1, 2002

Chairman FIN (Dept)

SB 326 Chesapeake Bay Critical Area Protection Program

Altering requirements for local critical area programs to include specified variance provisions; providing that a variance may not be granted unless specified conditions are met; requiring a local jurisdiction, in considering an application for a variance, to consider reasonable use of the entire parcel or lot for which the variance is requested; providing that specified provisions of the Act do not apply to building permits or activities that comply with specified buffer exemption plans or buffer management plans; etc.

EFFECTIVE JUNE 1, 2002

Senator Dyson (Joint Committee on Chesapeake Bay Critical Areas), et al

SB 391 Maryland Agricultural Land Preservation Foundation – Easement Sale Application

Authorizing the board of the Maryland Agricultural Land Preservation Foundation to determine specified easement sale application deadlines.

Senators Middleton and Stoltzfus

SB 490 Board of Environmental Sanitarians – Sunset Extension and Program Evaluation

Continuing the Board of Environmental Sanitarians in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2013 the termination provisions relating to statutory and regulatory authority of the Board; requiring that an evaluation of the Board and the statutes and regulations that relate to the Board be performed on or before July 1, 2012; altering the membership of the Board; etc.

EFFECTIVE JULY 1, 2002

Senator Frosh (Chairman Environment Subcommittee)

SB 493 Oysters – Nonnative and Native Species – Research and Report

Requiring the Department of Natural Resources to authorize a specified study of specified nonnative species of oyster; requiring the study to include a specified analysis and proceed in accordance with specified findings; authorizing, under a specified circumstance, the research and experimentation in Maryland waters with live, nonnative oysters; etc.

EMERGENCY BILL

Senator Harris, et al

SB 544 Task Force to Study the Maryland Agricultural Land Preservation Foundation

Creating a Task Force to Study the Maryland Agricultural Land Preservation Foundation; specifying the membership and duties of the Task Force; providing for a chairman, meetings, compensation of members, and staff of the Task Force; requiring the Task Force to issue a report; and terminating the Task Force.

EFFECTIVE JUNE 1, 2002

Senators Middleton and Stoltzfus

SB 552 Natural Resources – Wildlands – Savage Ravines and South Savage

Designating Savage Ravines Wildland and South Savage Wildland as State Wildlands; authorizing the Department of Natural Resources to allow a specified research study in the South Savage Wildland area, if the Department determines that the activities will not cause adverse impacts to the wildland resources and the ecological values of the site; and requiring the Department and the University System of Maryland to develop a plan for specified site research activities.

Senator Van Hollen, et al

SB 599 Natural Resources – Hunting Licenses and Stamps

Eliminating the resident basic hunting license and the wild waterfowl stamp; altering specified hunting licenses and stamps; creating a Maryland migratory game bird stamp; altering the fees paid to license agents for selling hunting licenses and stamps; providing that a portion of the funds from the sale of specified licenses be used for processing deer for the needy; repealing specified licensing exemptions for specified persons; specifying the intent of the General Assembly for the use of specified revenues; etc.

EFFECTIVE AUGUST 1, 2002

Senator Astle

SB 643 Environment – Wastewater Infrastructure Improvement – Study

Requiring the Department of the Environment to conduct specified inflow and infiltration studies on wastewater treatment systems in fiscal years 2004 and 2005; requiring the Department to finance a utility rate study for each locality with a wastewater treatment system in fiscal year 2006; providing for the effective date of the Act; etc.

EFFECTIVE JULY 1, 2003

Senators Baker and Middleton

SB 726 Reclaimed Water

Declaring specified State policy requiring the Department of the Environment to encourage the use of reclaimed water for specified purposes; authorizing the Department to consult with the State Plumbing Board on specified matters; authorizing the use of reclaimed water for specified irrigation purposes; providing for the application of the Act; etc.

Senator Stoltzfus, et al

SB 813 Natural Resources – Angler’s Licenses

Repealing the requirement that an application for an angler’s license contain the applicant’s age and height; increasing specified license fees; creating a nonresident short-term 3-day license with a fee the greater of \$5 or the amount equal to that charged a Maryland resident by the nonresident’s home state for a 3-day license or the next higher number of days; increasing the compensation a license agent may retain from 50 cents to \$1 for each license issued; etc.

EFFECTIVE JUNE 1, 2002

Senator Astle

SB 848 Environment – Permits – Contested Case Hearings

Requiring the Department of the Environment to transmit a request for a contested case hearing to the Office of Administrative Hearings within a specified time period; requiring specified contested case hearings to be concluded and closed within a specified time period; requiring the administrative law judge to issue specified decisions within a specified time period; providing that specified deadlines in the Act are mandatory and not directory; providing for the application of the Act; etc.

EFFECTIVE JULY 1, 2002

Senator Miller

HB 5 Environmental Standing – Judicial Review – Title V Operating Permits

Expanding who has standing to seek judicial review of specified final decisions by the Department of the Environment on specified air quality operating permits; specifying how the judicial review shall be conducted; specifying where the judicial review shall be conducted; and making the Act an emergency measure.

EMERGENCY BILL

Delegate Hurson, et al

HB 9 Deer Management Plans – Increased Harvest

Extending the deer firearms season to at least 21 days, including the first Sunday of the season; exempting a specified region from a specified Sunday hunting provision; authorizing specified harvest methods under specified circumstances; authorizing the donation of specified meat to specified organizations and the payment of specified costs in specified ways; requiring the Department to report to specified persons on its deer management plans; etc.

EFFECTIVE JULY 1, 2002

Delegate Owings, et al

HB 32 Veterinarians – Animal Cruelty – Reporting

Requiring the State Board of Veterinary Medical Examiners to adopt regulations encouraging a veterinary practitioner to report suspected instances of animal cruelty, including animal fighting, to specified local or county agencies; and establishing civil immunity for a veterinary practitioner who reports suspected animal cruelty.

Delegates Frush and Clagett

HB 69 Riparian Property – Potomac River – Stationary Blind and Blind Site Licensing

Altering a specified prohibition on the licensing of specified stationary blinds or blind sites by owners of specified riparian property adjacent to the Potomac River; authorizing the licensing of specified stationary blinds or blind sites by owners of specified riparian property adjacent to the Potomac River; etc.

EFFECTIVE JUNE 1, 2002

Delegate Weir

- HB 90 Forest Conservation Management Agreements – Notice Required**
Requiring an owner of land that is subject to a Forest Conservation and Management Agreement to provide specified notice to specified persons at a specified time; requiring a specified landowner to provide specified notice to the Department of Natural Resources within 30 days of a sale or transfer; specifying the applicability of notice requirements to specified persons; etc.
Chairman ENV and Chairman W&M (Dept)
- HB 91 State Agricultural Mediation Program**
Authorizing the Secretary of Agriculture to establish a federally certified State agricultural mediation program for the purpose of mediating agriculturally related disputes; authorizing the Secretary to adopt regulations; and requiring that mediation records be confidential.
Chairman ENV (Dept)
- HB 92 Maryland Egg Law**
Altering the definition of the term “shell eggs” to include treated chicken eggs; defining the term “treated egg”; including donated eggs under specified regulations; prohibiting specified activities related to specified eggs; requiring the Secretary of Agriculture to establish specified standards; establishing specified refrigeration requirements; authorizing the Secretary to establish specified voluntary standards and repealing the Secretary’s authorization to adopt specified regulations; etc.
Chairman ENV (Dept)
- HB 291 Community Right-to-Know Fund**
Establishing a Community Right-to-Know Fund in the Department of the Environment; specifying the composition and uses of the Fund; requiring the Department to establish fees for specified entities that must be paid to the Department; authorizing specified persons to inspect specified facilities and records; providing for the application of the Act; etc.
EFFECTIVE JULY 1, 2002
The Speaker (Administration), et al
- HB 295 Air Quality and Radiation – Penalties**
Providing for a three year statute of limitations for a criminal prosecution or a civil action to collect a civil penalty for violations of specified air quality and radiation laws; and providing for the application of the Act.
EFFECTIVE JULY 1, 2002
The Speaker (Administration)

HB 301 Atlantic Coastal Bays Protection Act

Preserving, protecting, and improving the water quality and natural habitats of the Atlantic Coastal Bays and specified tributaries and streams by designating specified lands and waters as critical areas that require especially sensitive consideration with regard to development; renaming the Chesapeake Bay Critical Area Commission to be the Critical Area Commission for the Chesapeake and Atlantic Coastal Bays; requiring specified local programs to classify specified areas as intensely developed areas; etc.

EFFECTIVE JUNE 1, 2002

Delegates Morhaim and Weir, et al

HB 304 Agriculture – Infectious and Contagious Diseases – Administrative Search Warrants

Providing for administrative search warrants allowing the Secretary of Agriculture or the Secretary's designee to inspect premises as part of the control of specified diseases of livestock and poultry; allowing specified courts to issue the warrants under specified conditions; providing for confidentiality; making the Act an emergency measure; etc.

EMERGENCY BILL

The Speaker (Administration), et al

HB 339 Commuter Benefits Act 2002

Increasing the maximum tax credit per employee that a business entity may claim for specified costs of providing specified commuter benefits to the business entity's employees; requiring the Secretary of the Environment, in consultation with the Secretary of Transportation, to include a specified tax credit in a specified State plan; requiring the Department of the Environment and the Department of Transportation to implement a marketing plan and submit a report; applying the Act to the years after 2001; etc.

EFFECTIVE JULY 1, 2002

Delegate Carlson, et al

HB 350 Drinking Water Security Act

Authorizing the Secretary of the Environment to adopt and enforce State primary drinking water regulations for a contaminant if the Secretary determines that contaminant poses a significant risk to public health and that specified federal regulations concerning that contaminant are not in effect; etc.

Delegate Billings, et al

HB 353 Oysters – Nonnative and Native Species – Research and Report

Requiring the Department of Natural Resources to authorize a study of specified nonnative species of oyster; requiring the study to include a specified analysis and proceed in accordance with specified findings; authorizing, under a specified circumstance, the research and experimentation in Maryland waters with live, nonnative oysters; requiring the Department to ensure that biosecurity measures are followed in order to ensure that research with nonnative oysters does not result in de facto introduction of a nonnative species; etc.

EMERGENCY BILL

Delegate Schisler, et al

HB 466 Dental Facilities – Radiation Monitoring and Regulation – Fees

Altering for specified years the limits on fees established by regulation by the Secretary of the Environment to offset the costs of monitoring and regulating sources of radiation within dental offices and facilities; and requiring the Secretary to reduce fees proportionately to reflect the balance of any unspent or unencumbered fees collected in the previous fiscal year.

EFFECTIVE JULY 1, 2002

Chairman ENV (Dept)

HB 467 Maryland Horse Industry Fund – Assessments on Commercial Equine Feed

Authorizing the Secretary of Agriculture to establish an assessment on commercial equine feed; providing that the assessment be paid by the person registering the feed according to specified guidelines; providing that any funds from the assessment be paid into the Maryland Horse Industry Fund to be used for specified purposes related to the Maryland equine industry; repealing a specified provision relating to the contents of the Fund; and requiring the Secretary to establish specified regulations relating to reimbursement of any assessment paid

EFFECTIVE JULY 1, 2002

Chairman ENV (Dept)

HB 468 Agriculture – Manure Transportation Pilot Project – Repeal of Termination Date

Removing the June 30, 2002 termination date for the Manure Transportation Pilot Project.

EFFECTIVE JUNE 1, 2002

Chairman ENV (Dept)

HB 469 Oyster Sanctuaries and Reserves – Penalties for Taking Oysters

Establishing specified penalties to be imposed on a person who unlawfully takes oysters from specified oyster sanctuaries or reserves that are designated and marked by buoys or other signage, and who knew or should have known that taking of oysters from the sanctuary or reserve was unlawful.

EFFECTIVE JULY 1, 2002

Chairman ENV (Dept)

HB 470 Forest Conservation

Changing the notice requirement so that an applicant who submits a forest conservation plan will be notified if the plan is complete; requiring the State to develop specified forest conservation program provisions; and requiring the deposit of specified funds in the Forest Conservation Fund.

Chairman ENV (Dept)

HB 498 Environment – Maryland Water Quality Financing Administration Loans – Lenders

Altering the definition of “lender” to allow an institution of the Farm Credit System organized under the Farm Credit Act of 1971 to participate in the Linked Deposit Program.

Delegate Conway, et al

HB 519 Board of Environmental Sanitarians – Sunset Extension and Program Evaluation

Continuing the Board of Environmental Sanitarians in accordance with the provisions of the Maryland Program Evaluation Act by extending to July 1, 2013 the termination provisions relating to the statutory and regulatory authority of the Board; altering the membership of the Board; requiring the Board to report to the Senate Education, Health, and Environmental Affairs Committee and the House Environmental Matters Committee on or before October 1, 2002; etc.

EFFECTIVE JULY 1, 2002

Chairman ENV

HB 528 Chesapeake Bay Critical Area Protection Program

Altering requirements for local critical area programs to include specified variance provisions; providing that a variance may not be granted unless specified conditions are met; requiring a local jurisdiction, in considering an application for a variance, to consider reasonable use of the entire parcel or lot for which the variance is requested; providing for the application of the Act; etc.

EFFECTIVE JUNE 1, 2002

Delegate Weir (Chairman, Joint Committee on Chesapeake Bay Critical Areas), et al

HB 536 Natural Resources – Submerged Aquatic Vegetation

Requiring the Department of Natural Resources to update every 3 years the delineations of submerged aquatic vegetation (SAV) protection zones that were completed in 2001; requiring the Department to utilize buoys or other visible landmarks as appropriate to mark SAV protection zones; prohibiting the use of a hydraulic clam dredge, a traditional bottom dredge, and a shinneck rake in a SAV protection zone; etc.

EFFECTIVE JULY 1, 2002

Delegate McClenahan, et al

HB 567 Maryland Agricultural Land Preservation Foundation – Allegany and Garrett Counties – Natural Gas Rights

Requiring that regulations and procedures adopted by the Maryland Agricultural Land Preservation Foundation for the establishment and monitoring of agricultural districts may not require, in Garrett County or Allegany County, a natural gas rights owner or lessee to subordinate its interest to the Foundation’s interest if the Foundation determines that exercise of the gas rights will not interfere with an agricultural operation on district land; etc.

Delegate Edwards

- HB 617 Natural Resources – Wildlands – Savage Ravines and South Savage**
Designating Savage Ravines Wildland and South Savage Wildland as State Wildlands; etc.
Delegates Edwards and Morhaim
- HB 659 Environment – Water Security and Sewerage Systems Advisory Council – Committee on Wastewater Treatment Systems**
Establishing an Advisory Council on Water Security and Sewerage Systems and an Interagency Technical Assistance Committee on Wastewater Treatment Systems in the State; specifying the membership and duties of the Advisory Council and of the Committee; providing for the appointment of the chairman of the Advisory Council and of the Committee; providing for Advisory Council and Committee staff; providing for the termination of specified provisions of the Act; requiring a specified report; etc.
Delegate Morhaim, et al
- HB 662 Task Force to Study the Economic Development of the Maryland Seafood and Aquaculture Industries**
Establishing a Task Force to Study the Economic Development of the Maryland Seafood and Aquaculture Industries; specifying the membership and duties of the Task Force, specified workgroups, and a specified executive committee; prohibiting a member from participating in specified Task Force or workgroup functions under a specified circumstance; prohibiting a member from receiving specified compensation; authorizing the reimbursement of specified expenses; etc.
EFFECTIVE JUNE 1, 2002
Delegate Klausmeier, et al
- HB 693 Maryland Water Conservation Act**
Requiring specified public water systems to include a description of water conservation practices when applying for a new or expanded water appropriation permit; requiring the Department of the Environment to issue, on or before October 1, 2003, to public water systems and sewage treatment plants guidelines on best management practices for improving water conservation; etc.
Delegate Frush, et al
- HB 810 Task Force to Study the Maryland Agricultural Land Preservation Foundation**
Creating a Task Force to Study the Maryland Agricultural Land Preservation Foundation; specifying the membership and duties of the Task Force; providing for a chairman, meetings, compensation of members, and staff of the Task Force; requiring the Task Force to issue a report; and terminating the Task Force.
EFFECTIVE JUNE 1, 2002
Delegate Stocksdale (Task Force to Study the Maryland Agricultural Land Preservation Foundation), et al

HB 895 Natural Resources – Forest Retention Banks – Pilot Program

Requiring the Department of Natural Resources to establish a 2-year pilot program that authorizes a landowner to use a forested stream buffer established under a contract with the federal Conservation Reserve Enhancement Program to create a forest retention bank; requiring Carroll County and Frederick County to administer the program; requiring the Department to conduct an inspection, evaluate the program, and make a report on or before December 31, 2004; etc.

EFFECTIVE JULY 1, 2002

Delegates Hecht and Stull

HB 994 Organically Produced Commodities

Requiring the Department of Agriculture to establish an organic certification program that meets the requirements of the federal Organic Food Production Act; repealing specified fees and requiring the Secretary of Agriculture to set a fee, not to exceed \$500, to defray the cost of conducting field inspections and laboratory analysis as required by the United States Department of Agriculture's organic food program for accredited certifying agents; etc.

EFFECTIVE JUNE 1, 2002

Chairman ENV (Dept)

HB 999 Maryland Agricultural Land Preservation Foundation – Easement Sale Application

Authorizing the board of the Maryland Agricultural Land Preservation Foundation to determine specified easement sale application deadlines.

Delegate W Baker (Task Force to Study the Maryland Agricultural Land Preservation Foundation), et al

HB 1000 Agricultural Land Preservation – Easements – Dwelling House

Requiring the Maryland Agricultural Land Preservation Foundation to release 1 acre to a landowner who originally sold an easement or to a subsequent landowner in Carroll County for the purpose of constructing a dwelling house under specified circumstances; prohibiting a landowner from subdividing a dwelling house from the property covered by the easement; and generally relating to agricultural land preservation.

Delegates Getty and Stocksdales

HB 1026 Agriculture – Weights and Measures – Sale of Frozen Desserts

Allowing hand dipped frozen desserts to be sold by weight, fluid volume, or the serving.

Delegate Stull, et al

HB 1044 Vessel Excise Tax - Amnesty for Unpaid Taxes

Requiring the Secretary of Natural Resources to declare an amnesty period for delinquent taxpayers from September 1, 2002, through October 31, 2002, for penalties attributable to nonpayment, nonreporting, or underreporting of the excise tax on vessels that are paid during the amnesty period; increasing specified criminal penalties under the vessel excise tax laws, effective at the end of the amnesty period; etc.

EFFECTIVE JULY 1, 2002

Delegate Conway, et al

HB 1051 Environment - Wastewater Infrastructure Improvement - Study

Requiring the Department of the Environment to conduct specified inflow and infiltration studies on wastewater treatment systems in fiscal years 2004 and 2005; requiring the Department to finance a utility rate study for each locality with a wastewater treatment system in fiscal year 2006; providing for the effective date of the Act.

EFFECTIVE JULY 1, 2003

Delegate Conway, et al

HB 1107 Disease Prevention - Permits - Turtles

Allowing the breeding, raising, keeping, and possession of turtles for scientific or educational purposes by a properly accredited person of known scientific attainment who has obtained a specified permit.

Delegate Weir

HB 1149 Natural Resources - Angler's Licenses

Repealing the requirement that an application for an angler's license contain the applicant's age and height; increasing specified license fees; creating a nonresident short-term 3-day license with a fee the greater of \$5 or the amount equal to that charged a Maryland resident by the nonresident's home state for a 3-day license or the next higher number of days; increasing the compensation a license agent may retain from 50 cents to \$1 for each license issued; etc.

EFFECTIVE JUNE 1, 2002

Delegates Edwards and Crouse

HB 1161 Water Pollution - Penalties - Statute of Limitations

Altering the statute of limitations for the criminal prosecution of and suits for civil penalties for violations of specified water pollution provisions of law; and providing for the application of the Act.

Delegate Redmer, et al

HB 1190 Natural Resources – State Boat Act

Authorizing the Department of Natural Resources to use specified money to recover specified interest and penalties; authorizing the Department to establish a fee, not to exceed \$1, for temporary certificates; extending the time period within which a licensed boat dealer shall send the Department a temporary certificate copy from 3 to 30 days; extending the expiration date for temporary certificates issued by dealers from 60 to 90 days; exempting fire department or rescue squad fire boats from registration fees; etc.

Delegate W Baker, et al

HB 1229 Environment – Permits – Contested Case Hearings

Requiring the Department of the Environment to transmit a request for a contested case hearing to the Office of Administrative Hearings within a specified time period; requiring specified contested case hearings to be concluded and closed within a specified time period; requiring the administrative law judge to issue specified decisions within a specified time period; providing that specified deadlines in the Act are mandatory and not directory; providing for the application of the Act; etc.

EFFECTIVE JULY 1, 2002

Delegate Hubbard, et al

SJ 10 Preservation of Agricultural Land

Establishing a statewide goal to triple the existing number of acres of productive agricultural land preserved by the Maryland Agricultural Land Preservation Foundation, GreenPrint, Rural Legacy, and local preservation programs by the year 2022.

Senators Middleton and Stoltzfus

SJ 15 Natural Resources – Mute Swans – Federal Agency Control Measures

Urging the U.S. Fish and Wildlife Service to act with expedience to craft and conduct appropriate regulatory processes which will allow Maryland to establish a method of controlling the mute swan population and to mitigate the mute swan population's impact permanently and statewide; and urging the U.S. Department of the Interior to appeal the holding of the U.S. Court of Appeals for the District of Columbia that declared the mute swan to be a migratory bird protected under international treaties.

Senator Frosh

HJ 12 Natural Resources – Mute Swans – Federal Agency Control Measures

Urging the U.S. Fish and Wildlife Service to act with expedience to craft and conduct appropriate regulatory processes which will allow Maryland to establish a method of controlling the mute swan population and to mitigate the mute swan population's impact permanently and statewide; and urging the U.S. Department of the Interior to appeal the holding of the U. S. Court of Appeals for the District of Columbia that declared the mute swan to be a migratory bird protected under international treaties.

Delegates Weir and Hurson

HJ 22 Preservation of Agricultural Land

Establishing a statewide goal to triple the existing number of acres of productive agricultural land preserved by the Maryland Agricultural Land Preservation Foundation, GreenPrint, Rural Legacy, and local preservation programs by the year 2022.

Delegate W Baker (Task Force to Study the Maryland Agricultural Land Preservation Foundation), et al

Part L Education

SB 83 Education – Special Education – Transfer of Rights at Age of Majority

Requiring the transfer of parental rights to a child with disabilities at the age of majority under specified circumstances; authorizing the filing of an action; requiring that notice be given to both a child with disabilities and a parental surrogate under specified circumstances; and requiring that rights of a parental surrogate be transferred under specified circumstances; etc.

EFFECTIVE JULY 1, 2002

Chairman EHE (Dept)

SB 85 Higher Education – University System of Maryland – Approval of New Programs – Sunset Extension

Extending until June 30, 2004 the termination date for specified provisions relating to procedures for the approval of new programs at the University System of Maryland; modifying the procedures for the approval of specified new programs; requiring specified presidents of institutions to take a specified action or provide a specified explanation; and extending the date for the Maryland Higher Education Commission to submit a specified report to the Governor and the Board of Regents to January 1, 2004.

EFFECTIVE JULY 1, 2002

Chairman EHE (Dept)

SB 174 Higher Education – Developmental Disabilities and Mental Health Tuition Assistance Program

Altering specified definitions to expand the types of positions and community programs that satisfy a specified employment requirement for tuition assistance under the Developmental Disabilities and Mental Health Tuition Assistance Program; clarifying that the academic year includes summer sessions for specified purposes relating to eligibility for tuition assistance under the Program and a requirement that funds be repaid under specified circumstances; etc.

VARIOUS EFFECTIVE DATES

Senator Hollinger

- SB 226 Education – Technology for Education Program – Equivalent Access for Students with Disabilities**
Requiring the State Superintendent of Education and the Department of Business and Economic Development to include a specified clause in any grant or contract awarded under the Technology for Education Program; requiring the State and each local school system to ensure that equivalent access standards are included in grant and procurement contract specifications and in guidelines concerning instructional products; requiring the State Department of Education to monitor compliance with requirements and make a report each year; etc.
Senator Conway, et al
- SB 233 Education – Negotiations Between Public School Employers and Employee Organizations**
Prohibiting a public school employer from negotiating with an employee organization on the school calendar, the maximum number of students assigned to a class or any matter precluded by applicable statutory law; providing that specified matters may not be raised in a specified action to resolve an impasse; specifying the circumstances under which negotiation is allowed; expanding to all counties the applicability of the laws governing negotiations; specifying that due process for discipline and discharge may be negotiated; etc.
The President (Administration), et al
- SB 237 Higher Education – Edward T. Conroy Memorial Scholarship Program – Eligibility**
Expanding the Edward T. Conroy Memorial Scholarship Program to include children of or surviving spouses of victims of specified terrorist attacks; establishing a limit on the amount of the Edward T. Conroy Memorial Scholarship that may be awarded to a child or spouse of a victim of specified terrorist attacks; etc.
EFFECTIVE JULY 1, 2002
The President (Administration), et al
- SB 272 Howard County and Prince George’s County – Laurel College Center – Tuition Ho. Co. 14-02**
Providing that a student who resides in Howard County or Prince George’s County and attends the Laurel College Center is deemed an in-county student; prohibiting specified students from being subject to specified out-of-county fees; and providing that the Act applies to specified students who attend the Laurel College Center on or after August 1, 2001.
EFFECTIVE JULY 1, 2002
Senator Dorman
- SB 295 Education – New Baltimore City Board of School Commissioners – Bonds**
Increasing the maximum allowable aggregate principal amount of outstanding bonds issued by the New Baltimore City Board of School Commissioners from \$25,000,000 to \$75,000,000; etc.
Senators McFadden and Hughes

- SB 310 Higher Education – Community Colleges – Unrestricted Grants**
Altering the fiscal year in which unrestricted grants of specified amounts shall be distributed to the board of each small community college; requiring that Allegany College of Maryland and Garrett Community College receive additional unrestricted grants in the amounts of \$360,000 and \$240,000, respectively, in fiscal years 2003, 2004, and 2005; and providing for the termination of the Act.
EFFECTIVE JULY 1, 2002
Senator Hafer, et al
- SB 419 Maryland Infants and Toddlers Act of 2002**
Establishing a Maryland Infants and Toddlers Program in the Maryland State Department of Education; providing for the purpose of the Program; requiring the Department to distribute funds to counties for the Program according to a specified formula; requiring the State to provide a specified percentage of the funds for the Program in specified years, subject to a specified condition; requiring the Department to submit a report to the Governor and General Assembly on or before December 15, 2005; etc.
EFFECTIVE JULY 1, 2002
Senator Hollinger, et al
- SB 453 College Readiness for Disadvantaged and Capable Students Act of 2002**
Changing the name of the State Scholarship Administration to the Office of Student Financial Assistance within the Maryland Higher Education Commission; requiring the State Department of Education to distribute a grant in specified amounts to specified counties for the administration of the Preliminary Scholastic Aptitude Test; providing for students to qualify in grades 9 and 10 for a Guaranteed Access Grant; establishing the College Readiness Outreach Program in the Commission and the Department; etc.
EFFECTIVE JULY 1, 2002
Senator Lawlah (Task Force to Study College Readiness for Disadvantaged and Capable Students), et al
- SB 480 School Buying Consortium – County Boards of Education – Procurement – Exceptions**
Authorizing a county board to participate in specified contracts for goods or commodities awarded by other public agencies or intergovernmental purchasing organizations; authorizing the advertisement of bids for specified procurements in specified media; authorizing specified nonpublic schools to participate in specified contracts for goods or commodities; and requiring the Department of Education to establish a process that allows access to specified information; etc.
Senator Van Hollen, et al
- SB 557 Education – Harford County Public Library Board of Trustees**
Altering the number of members on the Harford County Public Library Board of Trustees from 7 to not more than 11; and requiring the members of the Board to be appointed on a fiscal year basis.
EFFECTIVE JULY 1, 2002
Senator Collins, et al

SB 622 Higher Education – Institutions of Higher Education – Graduate Professional Certificate Program

Authorizing institutions of higher education that offer specified degree programs that meet specified educational requirements established by specified licensing or certifying entities to establish a Graduate Professional Certificate Program under specified circumstances; requiring the President of an institution of higher education to notify the institution's governing board and the Maryland Higher Education Commission of the institution's intent to establish a Graduate Professional Certificate Program; etc.

CONTINGENT

Senator Hoffman

SB 687 Primary and Secondary Education – Baltimore City-State Partnership

Altering specified provisions relating to the Baltimore City Board of School Commissioners; requiring the State Department of Education and the Baltimore City Public School System to design a specified principal development initiative; declaring the intent of the General Assembly with respect to specified educational funding; requiring the Governor to include specified amounts in specified State budgets subject to specified contingencies; etc.

EFFECTIVE JUNE 1, 2002

Senator Hoffman, et al

SB 700 Dorchester County – Board of Education – Selection of Members – Straw Ballot

Requiring that a question be placed on the ballot in Dorchester County at the November general election of 2002 to determine the sense of the voters of the county on the issue of changing the method of selecting members of the Dorchester County Board of Education; and providing for carrying out the straw ballot.

EFFECTIVE JULY 1, 2002

Senator Colburn

SB 734 Higher Education – Student Financial Assistance – Maryland Teacher Scholarship

Expanding the eligibility and renewability requirements for the Maryland Teacher Scholarship to specified part-time students who are pursuing an undergraduate degree in teaching; making specified teaching assistants eligible for the Maryland Teacher Scholarship program; and specifying the amount for a specified scholarship award.

EFFECTIVE JULY 1, 2002

Senators Middleton and Hollinger

SB 737 Education – Adult Education and Literacy Services

Requiring the Maryland State Department of Education to distribute specified grants for adult education, based on specified factors, and in accordance with a specified plan; providing that funding for competitive grants for adult education and literacy services shall be as provided in the State Budget; requiring the Department to create a method for funding adult education services; requiring the Department to submit a report of its methodology to the Legislative Policy Committee of the General Assembly by September 15, 2002; etc.

EFFECTIVE JULY 1, 2002

Senator Middleton, et al

SB 856 Bridge to Excellence in Public Schools Act

Requiring the results of specified audits of county boards of education to report to committees of the General Assembly; requiring each county board to provide full-day kindergarten to all kindergarten students by the 2007–2008 school year; increasing the tobacco tax rate for cigarettes to \$1.00; providing for the distribution of tobacco tax revenues for fiscal year 2003 to a special fund, to be used only for specified education aid purposes; making the provisions of the Act severable; etc.

EFFECTIVE JUNE 1, 2002

Delegate Hoffman, et al (Commission on Education Finance, Equity, and Excellence)

HB 7 Education – Principal Training Pilot Program

Establishing the Principal Training Pilot Program; requiring that the State Board of Education (State Board) provide specified incentive funding under the Program to provide school principals with specified topics of instruction and training; establishing eligibility requirements for applicants; requiring applicants, as a condition for receiving incentive funding, to submit specified proposals to the State Board that include specified information; requiring the State Board to approve or disapprove of an applicant's plan; etc.

EFFECTIVE JULY 1, 2002

Delegate Campbell, et al

HB 15 Education – Teacher Salary Signing Bonus – Eligibility Requirements

Altering an eligibility requirement for the teacher salary signing bonus to require a grade point average of at least 3.5 on a 4.0 scale or its equivalent from an accredited institution of higher education; etc.

Delegate Campbell

HB 93 Higher Education – Private Donation Incentive Program – University of Maryland Baltimore County

Increasing the maximum payments allowed by the State under the Private Donation Incentive Program for the University of Maryland Baltimore County to \$1,250,000; providing for the application of the Act; etc.

EFFECTIVE JULY 1, 2002

Chairman APP (Dept)

HB 179 Higher Education – Community Colleges – Unrestricted Grants

Altering the fiscal year in which unrestricted grants of specified amounts shall be distributed to the boards of each small community college; requiring that Allegany College of Maryland and Garrett Community College receive additional unrestricted grants in the amount of \$360,000 and \$240,000, respectively, in fiscal years 2003, 2004, and 2005; and providing for the termination of the Act.

EFFECTIVE JULY 1, 2002

Delegate Taylor, et al

HB 218 Education – High School Diplomas – Korean Conflict Veterans

Allowing honorably discharged veterans of the Korean Conflict to obtain a high school diploma by applying to the county board where the individual resides if the individual withdrew from a State Board accredited full-time public or private school during the individual's senior year in high school to enlist in the Korean Conflict.

Delegate Edwards, et al

HB 267 Calvert County Board of Education – Term Limits and Compensation

Altering the term limit on consecutive terms of a member of the Calvert County Board of Education from 2 terms to 3 terms; altering the compensation received by the president of the Board and the other members of the Board; providing that the Act does not apply to the salary or compensation of the incumbent members of the Board; altering the starting date of the student member from July 1 to June 1; etc.

Calvert County Delegation

HB 300 Higher Education – Edward T. Conroy Memorial Scholarship Program – Eligibility

Expanding the Edward T. Conroy Memorial Scholarship Program to include children of or surviving spouses of victims of the September 11, 2001, attacks; establishing a limit on the amount of the Scholarship that may be awarded to a child or spouse of a victim of the September 11, 2001, terrorist attacks; providing that a specified award may not exceed a specified amount when combined with any other scholarship received by a student based on the student's status as a child or spouse of a victim of specified terrorist attacks; etc.

EFFECTIVE JULY 1, 2002

The Speaker (Administration), et al

HB 316 Higher Education – Maryland Science and Technology Scholarship, Maryland Teacher Scholarship, and Maryland HOPE Scholarship – Eligibility

Altering the manner in which grade point averages are reported and calculated by the Maryland Higher Education Commission to determine eligibility for specified scholarship programs.

Delegate Hixson

HB 371 Maryland Infants and Toddlers Act of 2002

Establishing a Maryland Infants and Toddlers Program in the Maryland State Department of Education; providing for the purpose of the Program; requiring the Department to distribute funds to counties for the Program according to a specified formula; requiring the State to provide a specified percentage of the necessary funds for the Program in specified years, subject to a specified condition; requiring the Department to submit a report on the Program to the Governor and the General Assembly on or before December 15, 2005: etc.

EFFECTIVE JULY 1, 2002

Delegate Hixson, et al

HB 399 Higher Education – Student Financial Assistance – Eligibility

Allowing a recipient of specified State scholarships and grants to hold specified other State scholarships and grants subject to specified conditions; requiring a student who holds multiple State scholarships and grants that have a service obligation requirement to fulfill the terms of each of the service obligations, subject to a specified condition; altering the maximum amount of financial assistance that a recipient may receive under specified scholarship and grant programs; etc.

EFFECTIVE JULY 1, 2002

Delegates Hixson and Giannetti

HB 492 School Buying Consortium – County Boards of Education – Procurement – Exceptions

Authorizing a county board to participate in specified contracts for goods or commodities awarded by other public agencies or intergovernmental purchasing organizations; authorizing the advertisement of bids for specified procurements in specified media; authorizing nonpublic schools to participate in specified contracts for goods or commodities; and requiring the Department of Education to establish a process that allows access to specified information.

Delegates Morhaim and Heller, et al

HB 522 Howard County and Prince George’s County – Laurel College Center – Tuition

Providing that a student who resides in Howard County or Prince George’s County and attends the Laurel College Center is deemed an in-county student; prohibiting specified students from being subject to specified out-of-county fees; and providing that the Act applies to specified students who attend the Laurel College Center on or after a specified date.

EFFECTIVE JULY 1, 2002

Delegate Giannetti, et al

HB 529 Baltimore City – School Police Force – Weapons

Allowing specified Baltimore City school police officers to carry firearms during specified times; requiring the New Baltimore City Board of School Commissioners to establish specified policies relating to carrying firearms by specified Baltimore City school police officers; and eliminating a prohibition on specified Baltimore City school police officers carrying specified weapons during specified times.

Delegate C Davis

HB 554 Anne Arundel County – Board of Education – Districts

Clarifying that the membership of the Anne Arundel County Board of Education shall be based on the legislative districts as those districts existed on January 1, 2002; making the Act an emergency measure; and providing for the termination of the Act.

EMERGENCY BILL

Delegates Leopold and Sophocleus

HB 569 Education – Schools and Other Educational Programs – Task Force to Propose Regulations Regarding Student Behavior Intervention

Requiring the State Department of Education to create a task force to propose specified regulations regarding the implementation of standards for student behavior intervention practices; requiring the Department to submit proposed regulations to the State Board of Education on or before December 31, 2002; requiring each local school system, State operated program, and nonpublic school to develop policies and procedures in compliance with standards for student behavior intervention practices; etc.

Delegate Campbell, et al

HB 572 Community Colleges – Baltimore County – Procurement

Authorizing the Board of Trustees of the Community College of Baltimore County to conduct noncompetitive negotiations for specified procurements, contracts in amounts not exceeding \$100,000; establishing procurements by noncompetitive negotiation as an exception to the general requirements for procurements by community colleges; requiring the Board of Trustees of the Community College for Baltimore County to establish standards and procedures relating to noncompetitive negotiation procurements; etc.

Delegate A Jones, et al

HB 577 Education – New Baltimore City Board of School Commissioners – Bonds

Increasing the maximum allowable aggregate principal amount of outstanding bonds issued by the New Baltimore City Board of School Commissioners from \$25,000,000 to \$75,000,000; etc.

Delegate Marriott, et al

HB 644 Prince George’s County – Education – Home and Hospital Teacher Representation and Junior Reserve Officer Training Corps Instructors PG 403-02

Including Prince George’s County home and hospital teachers and Junior Reserve Officer Training Corps (JROTC) instructors in the definition of “public school employees”.

Prince George’s County Delegation

HB 661 College Readiness for Disadvantaged and Capable Students Act of 2002

Requiring the State Department of Education to distribute grants in specified amounts to specified counties for the administration of the Preliminary Scholastic Aptitude Test; changing the name of the State Scholarship Administration to the Office of Student Financial Assistance within the Maryland Higher Education Commission; providing for students to qualify in grades 9 and 10 for a Guaranteed Access Grant; establishing the College Readiness Outreach Program in the Commission and the Department of Education; etc.

EFFECTIVE JULY 1, 2002

Delegate Rawlings (Task Force to Study College Readiness for Disadvantaged and Capable Students), et al

HB 706 Montgomery County – Board of Education – Compensation MC 204-02

Altering the compensation received by an elected member of the Montgomery County Board of Education from \$12,000 to \$18,500; altering the additional compensation to which the President of the Board is entitled from \$2,000 to \$4,000 annually; providing health insurance and other fringe benefits to elected members of the Board; establishing a \$5,000 scholarship for the student member of the Board who fulfills a specified requirement; providing that the Act does not apply to the incumbent President and Board members; etc.

Montgomery County Delegation

HB 712 Montgomery County – Board of Education Districts – Redistricting MC 205-02

Redistricting the board of education districts of Montgomery County; and specifying the boundaries of the board of education districts within specified precinct boundaries.

EFFECTIVE JUNE 1, 2002

Montgomery County Delegation

HB 731 Higher Education - University System of Maryland - Approval of New Programs - Sunset Extension

Extending until June 30, 2004 the termination date for specified provisions relating to procedures for the approval of new programs at the University System of Maryland; modifying the procedures for the approval of specified new programs; requiring specified presidents of institutions to take specified action or provide a specified explanation; etc.

EFFECTIVE JULY 1, 2002

Delegates Kopp and Rawlings

HB 743 Howard County - Board of Education - Elections Ho. Co. 12-02

Altering the terms of office for specified members of the Howard County Board of Education; providing for staggered terms for specified members of the Board; etc.

EFFECTIVE JULY 1, 2002

Howard County Delegation

HB 853 Primary and Secondary Education - Baltimore City-State Partnership

Altering specified provisions relating to the Baltimore City Board of School Commissioners; requiring the State Department of Education and the Baltimore City Public School System to design a specified principal development initiative; declaring the intent of the General Assembly with respect to specified educational funding; requiring the Governor to include specified amounts in specified State budgets subject to specified contingencies; etc.

EFFECTIVE JUNE 1, 2002

Delegate Rawlings, et al

HB 902 Education - Harford County Public Library Board of Trustees

Altering the number of members on the Harford County Public Library Board of Trustees from 7 to not more than 11; and requiring the members of the Board to be appointed on a fiscal year basis.

EFFECTIVE JULY 1, 2002

Harford County Delegation

HB 937 Education - Public School Facilities

Establishing a new allocation method for specified grants distributed to county boards of education under the Aging Schools program; establishing a Task Force to Study Public School Facilities; requiring the Task Force to submit findings and recommendations to the Governor and General Assembly on or before December 31, 2002; providing for the termination of the Task Force on December 31, 2002; and providing that, if there is any conflict between the Act and a specified other Act, the provisions of the Act shall govern.

EFFECTIVE JUNE 1, 2002

Delegates Busch and Rudolph

HB 949 Prince George’s County School System – Education – Management, Governance, and Financing PG 415-02

Establishing the New Prince George’s County Board of Education (Board); specifying the membership of the Board and qualifications of specified members; repealing specified provisions of law relating to the election of the Prince George’s County Board of Education; requiring the County Council to impose, by ordinance, and collect a sales and use tax on telecommunications service in the county, the proceeds to be used only for operating expenses of the county public school system; etc.

VARIOUS EFFECTIVE DATES**Prince George’s County Delegation****HB 958 Prince George’s County – School Facilities Surcharge PG 427-02**

Exempting specified properties from the imposition of a school facilities surcharge in Prince George’s County; and making the Act an emergency measure.

EMERGENCY BILL**Prince George’s County Delegation****HB 965 Morgan State University – Establishment and Funding of Distinguished Scholar Position**

Authorizing the establishment of the Clarence W. Blount Chair of Public Policy and Urban Politics as a distinguished scholar position at Morgan State University; authorizing the President of Morgan State University to select a distinguished scholar for a specified term and establish specified salary and employment contract terms and conditions for the position; authorizing the use of specified funds to cover specified costs; and establishing a delayed effective date.

EFFECTIVE JULY 1, 2003**Delegate Gladden, et al****HB 1172 Higher Education – Teaching Assistants – Eligibility for the Maryland Teacher Scholarship Program**

Making specified teaching assistants eligible for the Maryland Teacher Scholarship program; expanding the eligibility and renewability requirements for the Maryland Teacher Scholarship to specified part-time students who are pursuing an undergraduate degree on teaching; and specifying the award amounts based on full-time and part-time enrollment.

EFFECTIVE JUNE 1, 2002**Delegate D’Amato, et al**

HB 1197 Public Schools – Technology for Education

Altering the definition of technology to include computer–based technology and web–based resources and courses; altering specified findings; providing for the purpose of this subtitle; permitting the State Superintendent of Schools to procure and develop specified resources, develop standards for the offering of courses or services on the Internet or through other developing technologies, and review courses and courseware to assure quality and alignment with the Maryland content standards and other appropriate standards; etc.

Delegates McIntosh and Rosenberg

HB 1221 Education – Disabled Children – Nonpublic Educational Programs and Related Services

Providing that a child with a disability who needs special education and related services is eligible for an appropriate nonpublic educational placement if a State or local agency provides documentation that the child cannot attend a local public school because of the child’s home circumstances, or subject to a specified provision, because of a medical necessity; etc.

EFFECTIVE JULY 1, 2002

Delegate Shriver

HB 1237 Higher Education – Community Colleges – Innovative Partnerships for Technology Program

Extending the Innovative Partnerships for Technology Program for State community colleges for a specified number of years; altering the institutions eligible under the program; etc.

Delegate Turner, et al

HB 1370 Education – Maryland Educational Opportunity Summer Pilot Program – Expansion and Extension

Expanding the Maryland Educational Opportunity Summer Pilot Program to apply statewide if additional federal funding becomes available for the Pilot Program; and extending to June 30, 2007 the termination provisions for the Pilot Program.

EFFECTIVE JUNE 1, 2002

Delegate Zirkin, et al

HB 1400 Carroll County – Board of Education – Start of Term

Requiring that a member elected to the Carroll County Board of Education begin the member’s term on the first Monday in December immediately following the member’s election.

EFFECTIVE JULY 1, 2002

Carroll County Delegation

HB 1409 Maryland Meals for Achievement In-Classroom Breakfast Program

Repealing the termination date of the Maryland Meals for Achievement In-Classroom Breakfast Program; and requiring the Department of Education to evaluate the Program each year.

EFFECTIVE JULY 1, 2002

Chairman W&M (Dept)

SJ 2 American Patriotism in Maryland Schools

Urging the boards of education in Maryland to introduce instruction to encourage patriotism by including curriculum on or before Veterans' Day and Memorial Day regarding the sacrifices made by veterans in serving our country.

Senator Harris, et al

HJ 9 American Patriotism in Maryland Schools

Urging the boards of education in Maryland to introduce instruction to encourage patriotism by including curriculum on or before Veterans' Day and Memorial Day regarding the sacrifices made by veterans in serving our country.

Delegate Ports, et al

Part M

Human Resources

SB 39 Joint Committee on Children, Youth, and Families – Extension of Sunset

Extending the termination date of the Act that established the Joint Committee on Children, Youth, and Families; and making the Act an emergency measure.

EMERGENCY BILL

Senator Kasemeyer, et al

SB 53 Family Investment Program – Earned Income Disregard

Altering the amount of the earned income that will be disregarded for the purposes of determining the amount of assistance an individual may receive under the Family Investment Program; repealing a specified provision requiring the Secretary of Human Resources to monitor specified federal legislative and regulatory actions and to make specified certifications under specified circumstances; repealing a provision of law providing for the abrogation of a specified enactment subject to a specified certification; etc.

Senator Lawlah, et al

SB 130 Office for Individuals with Disabilities – Sunset Extension and Program Evaluation

Continuing the Governor’s Office for Individuals with Disabilities in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2015 the termination provisions relating to the statutory and regulatory authority of the Office; and requiring that an evaluation of the Office and the statutes and regulations that relate to the Office be performed on or before July 1, 2014.

The President (Department of Legislative Services)

SB 230 Developmental Disabilities Administration – Private Providers – Reporting Requirements

Requiring the Developmental Disabilities Administration to advise private providers before withholding payment; requiring the Administration to publish cost centers used to determine the funding amount for rates set in regulation; requiring private providers to submit specified information on or before a specified date; authorizing the Administration to withhold payment from or impose monetary penalties on private providers for failure to comply with specified reporting requirements; etc.

EFFECTIVE JULY 1, 2002

Senator Kasemeyer

SB 355 Department of Aging – Continuing Care Retirement Communities – Regulation

Requiring that a governing board of a continuing care retirement community include a subscriber of the continuing care retirement community; requiring a continuing care retirement community to make specified information available to its subscribers; modifying the requirements relating to operating reserves; requiring a facility's disclosure statement to include specified items; requiring the Department of Aging to approve a continuing care agreement within a specified time period under specified circumstances; etc.

Chairman FIN (Dept)

SB 535 The Elderly – Naturally Occurring Retirement Community Demonstration Program

Establishing the Naturally Occurring Retirement Community Demonstration Program; stating the purpose of the Program; requiring the Secretary of Aging to set eligibility criteria, in consultation with specified parties; requiring Program applicants to provide specified information; restricting the total amount of grant money that may be awarded to a project within a 12-month period to \$150,000; prohibiting the State from expending any State general funds to implement the Program; etc.

CONTINGENT-VARIOUS EFFECTIVE DATES

Senator Green

SB 658 Developmental Disabilities Administration – Supplemental Security Income – Cost-of-Living Increase

Prohibiting the Developmental Disabilities Administration from retaining cost-of-living increases in the Supplemental Security Income of individuals receiving residential services provided by the Administration for a developmental disability; requiring the Administration to add the cost-of-living increase to the individual's personal needs allowance; allowing the Administration to use specified funds from the Waiting List Equity Fund for a specified purpose; making the Act an emergency measure; etc.

EMERGENCY BILL

Senator Ruben, et al

HB 45 Joint Committee on Children, Youth, and Families – Extension of Sunset

Extending the termination date of the Acts that established the Joint Committee on Children, Youth, and Families to June 30, 2009; and making the Act an emergency measure.

EMERGENCY BILL

Delegate Shriver, et al

HB 134 Office for Individuals with Disabilities – Sunset Extension and Program Evaluation

Continuing the Governor’s Office for Individuals with Disabilities in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2015 the termination provisions relating to the statutory and regulatory authority of the Office; and requiring that an evaluation of the Office and the statutes and regulations that relate to the Office be performed on or before July 1, 2014.

The Speaker (Department of Legislative Services)

HB 234 Developmental Disabilities Administration – Private Providers – Reporting Requirements

Requiring the Developmental Disabilities Administration to publish the cost centers used to determine the funding amount for rates set in regulation; requiring private providers under contract with the Administration to provide community-based services to submit specified information to the Administration on or before a specified date; authorizing the Administration to withhold payment from or impose monetary penalties on private providers for failure to comply with specified reporting requirements; etc.

EFFECTIVE JULY 1, 2002

Delegate Hammen, et al

HB 495 Department of Human Resources – Welfare Reform and Child Support Enforcement – Repeal of Sunset

Repealing the termination date of specified provisions of law relating to the Child Support Enforcement Privatization Pilot Program; altering the scope of the Child Support Enforcement Privatization Pilot Program; requiring the Secretary of Human Resources to establish specified demonstration sites according to a specified schedule; providing for the termination of the Act; etc.

EFFECTIVE JULY 1, 2002

Delegate Branch, et al

HB 530 Family Investment Program – Earned Income Disregard

Altering the amount of the earned income that will be disregarded for the purposes of determining the amount of assistance an individual may receive under the Family Investment Program; repealing a specified provision requiring the Secretary of Human Resources to monitor specified federal legislative and regulatory actions and to make specified certifications under specified circumstances; repealing a provision of law providing for the abrogation of a specified enactment subject to a specified certification; etc.

Delegate McIntosh, et al

HB 752 Health – Nursing Facilities – Information About Home–Based and Community–Based Services

Requiring a social worker at a nursing facility to provide information to residents about home– or community–based waiver programs at specified times; requiring the information to contain specified information on referrals; requiring the Department of Health and Mental Hygiene to prepare specified information; requiring a specified case manager at a local department of social services to provide specified assistance and information to residents; etc.

Delegate Hubbard

HB 827 Higher Education – Waiver of Tuition and Fees – Clarifying Foster Care Recipients

Clarifying the definition of a foster care recipient to limit eligibility to individuals placed in a foster care home by the Maryland Department of Human Resources and to include individuals residing in foster care homes in the State at the time the individuals graduated from high school or successfully completed a general equivalency development examination.

EFFECTIVE JULY 1, 2002

Chairman APP (Dept)

HB 986 Child Care Quality Incentive Grant Program

Establishing a Child Care Quality Incentive Grant Program in the Department of Human Resources; authorizing the Department to award grants as an incentive for child care providers to improve the quality of care being provided to children; establishing eligibility and application requirements; authorizing the Department to set the terms and conditions for direct incentive grants; making it a misdemeanor to make or cause specified false statements; and defining specified terms.

Chairman APP (Dept)

HB 1014 Developmental Disabilities Administration – Supplemental Security Income – Cost-of-Living Increase

Prohibiting the Developmental Disabilities Administration from retaining cost-of-living increases in the Supplemental Security Income of individuals receiving residential services provided by the Administration for a developmental disability; requiring the Administration to add the cost-of-living increase to the individual's personal needs allowance; allowing the Administration to use specified funds from the Waiting List Equity Fund for specified purposes; making the Act an emergency measure; etc.

EMERGENCY BILL

Delegates Shriver and Hurson

HB 1386 Office for Children, Youth, and Families – Revisions

Specifying the units included in the Office for Children, Youth, and Families; requiring the Special Secretary to adopt regulations about local management boards; specifying the duties of the State Coordinating Council and local coordinating councils; specifying the circumstances for out-of-state placement for specified children; codifying the Maryland School-Based Health Center Policy Advisory Council; extending to July 1, 2005, the termination provisions relating to the statutory and regulatory authority of the Office; etc.

EFFECTIVE JULY 1, 2002

Chairman APP (Dept)