

Laws
of the
State of Maryland

At the Session of the General Assembly Begun and Held in the
City of Annapolis on the Eleventh Day of January 2017
and Ending on the Tenth Day of April 2017

Bills vetoed by the Governor appear after the Laws

VOLUME III

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Chapter 254**(House Bill 246)**

AN ACT concerning

**Department of Labor, Licensing, and Regulation – State Occupational
Mechanical Licensing Boards – Fund and Fees**

FOR the purpose of establishing the State Occupational Mechanical Licensing Boards' Fund as a special, nonlapsing fund in the Department of Labor, Licensing, and Regulation; specifying the contents of the Fund; requiring that the Fund be used for certain purposes; requiring the Secretary of Labor, Licensing, and Regulation, or a designee of the Secretary, to administer the Fund; providing for an audit of the Fund; requiring any unspent and unencumbered portion of the Fund in excess of a certain amount to revert to the General Fund at the end of each fiscal year; crediting certain earnings to the General Fund; requiring the Secretary, in consultation with the State Board of Master Electricians, the State Board of Stationary Engineers, the State Board of Plumbing, and the State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors, to calculate annually certain costs; authorizing the State Board of Master Electricians, the State Board of Stationary Engineers, the State Board of Plumbing, and the State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors to set by regulation certain fees based on certain calculations; requiring certain boards to publish certain fee schedules; repealing provisions of law requiring certain boards to pay certain money into the General Fund of the State; repealing a provision of law requiring the Secretary to monitor revenues of the State Board of Master Electricians for a certain purpose; requiring certain boards to pay certain fees to the Comptroller; requiring the Comptroller to distribute certain fees to the Fund; prohibiting certain fees from being increased by more than a certain amount each year; altering certain fees; requiring that certain fees in effect on a certain date shall remain in full force and effect until certain other fees are adopted and become effective; providing for a delayed effective date; and generally relating to the State Occupational Mechanical Licensing Boards' Fund.

BY repealing

Article – Business Occupations and Professions
Section 6-207, 6-606, and 12-209
Annotated Code of Maryland
(2010 Replacement Volume and 2016 Supplement)

BY adding to

Article – Business Occupations and Professions
Section 6-207 and 12-209
Annotated Code of Maryland
(2010 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Business Occupations and Professions

Section 6–309(a)(2)(i), 6–310(c)(2), 6–311(d)(3)(ii), (4)(ii), and (f)(3), 6–312(a)(3) and (b), 6–313(d)(2), 6–401(c)(3)(iii), 6–402(b)(2), 6–503(c)(3), 6.5–207, 6.5–304(a)(2)(i), 6.5–313(a)(3) and (b)(2)(iii), 12–303(2), 12–306(a)(2)(ii), 12–308(c)(2), and 12–503(d)(3)(ii)

Annotated Code of Maryland

(2010 Replacement Volume and 2016 Supplement)

BY adding to

Article – Business Regulation

Section 2–106.9 and 2–106.10

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Business Regulation

Section 9A–207

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

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

Article – Business Occupations and Professions

[6–207.

The State Board shall pay all money collected under this title into the General Fund of the State.]

6–207.

(A) (1) THE STATE BOARD MAY SET BY REGULATION REASONABLE FEES FOR ITS SERVICES.

(2) THE FEES CHARGED SHALL BE:

(I) SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST OF MAINTAINING THE STATE BOARD; AND

(II) BASED ON THE CALCULATIONS PERFORMED BY THE SECRETARY UNDER § 2–106.10 OF THE BUSINESS REGULATION ARTICLE.

(B) THE STATE BOARD SHALL PUBLISH A SCHEDULE OF THE FEES SET BY THE STATE BOARD.

(C) (1) **THE STATE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE TO THE COMPTROLLER.**

(2) **THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE OCCUPATIONAL MECHANICAL LICENSING BOARDS' FUND ESTABLISHED UNDER § 2-106.9 OF THE BUSINESS REGULATION ARTICLE.**

6-309.

(a) If an applicant qualifies for a State license under this subtitle, the State Board shall send the applicant a notice that states that:

(2) the State Board will issue a State license to the applicant on receipt of:

(i) **[\$20] A LICENSE FEE SET BY THE STATE BOARD;** and

6-310.

(c) Before a State license expires, the State licensee periodically may renew it for an additional 2-year term, if the State licensee:

(2) pays to the State Board a renewal fee **[of \$25] SET BY THE STATE BOARD;**

6-311.

(d) (3) Before the inactive status expires, an individual on inactive status periodically may renew it for an additional 2-year term, if the individual:

(ii) except for an electrical inspector, pays to the State Board a renewal fee **[of \$50] SET BY THE STATE BOARD;** and

(4) After an inactive status expires, the former licensee may reapply for inactive status only if the former licensee:

(ii) pays to the Board a reapplication fee **[of \$100] SET BY THE STATE BOARD;** and

(f) The State Board shall reactivate the State license of an individual who is on inactive status, if the individual:

(3) pays to the State Board a reactivation fee **[of \$50] SET BY THE STATE BOARD.**

6-312.

(a) The State Board shall reinstate the State license of a master electrician who is not on inactive status and who has failed to renew the State license for any reason, if the master electrician:

(3) in addition to the renewal fee required under § 6–310 of this subtitle, pays to the State Board a reinstatement fee [of:

(i) \$25 for up to and including a 30–day late renewal;

(ii) \$50 for up to and including a 60–day late renewal; or

(iii) \$100 for a late renewal over 60 days] **SET BY THE STATE**

BOARD.

(b) If a master electrician who has failed to renew the State license for any reason applies for reinstatement more than 2 years after the State license has expired, the State Board shall require the master electrician to pay a reinstatement fee [of \$100] **SET BY THE STATE BOARD**, and comply with the requirements for obtaining a State license under §§ 6–304, 6–307, and 6–503 of this title.

6–313.

(d) The State Board may change the status of an electrical inspector to individual inactive status, if the electrical inspector:

(2) pays an inactive status fee [of \$50] **SET BY THE STATE BOARD.**

6–401.

(c) (3) If, after issuance of a State license to an individual, the individual intends to assign a local license obtained on the basis of the State license, the individual shall:

(iii) pay to the State Board an identification fee [of \$50] **SET BY THE STATE BOARD;**

6–402.

(b) To change an assignment of a local license, an applicant shall:

(2) pay to the State Board a change of status fee [of \$50] **SET BY THE STATE BOARD;**

6–503.

(c) The State Board shall grant a waiver under this section for an applicant who holds a license from a local jurisdiction only if the applicant:

(3) pays any reciprocal license fee [required under this title] **SET BY THE STATE BOARD;**

[6-606.

(a) The General Assembly intends that the revenues of the State Board be sufficient to meet its costs, including reasonably apportioned Department overhead.

(b) The Secretary shall:

(1) monitor the fees and other revenue of the State Board for compliance with the intent of this section; and

(2) recommend adjustments, if necessary.]

6.5-207.

(a) Subject to [subsections (b) and (c)] **SUBSECTION (B)** of this section, the Board may set **BY REGULATION** reasonable fees for its services.

(b) [Except as provided in subsection (c) of this section, revenues generated by the Board shall be at least equal to the direct and indirect costs associated with the operation of the Board.

(c) The Board shall require the following fees for the issuance or renewal of the following licenses:

(1) Grade 1 license – \$65;

(2) Grade 2 or Grade 3 license – \$50; and

(3) Grade 4 or Grade 5 license – \$35.

(d) The Board shall pay all money collected under this title into the General Fund of the State.]

EXCEPT FOR EXAMINATION FEES, WHICH MAY NOT EXCEED THE COSTS OF ADMINISTERING THE EXAMINATION, THE FEES CHARGED SHALL BE:

(1) SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST OF MAINTAINING THE BOARD; AND

(2) BASED ON THE CALCULATIONS PERFORMED BY THE SECRETARY UNDER § 2-106.10 OF THE BUSINESS REGULATION ARTICLE.

(C) THE BOARD SHALL PUBLISH A SCHEDULE OF THE FEES SET BY THE BOARD.

(D) (1) THE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE TO THE COMPTROLLER.

(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE OCCUPATIONAL MECHANICAL LICENSING BOARDS' FUND ESTABLISHED IN § 2-106.9 OF THE BUSINESS REGULATION ARTICLE.

6.5-304.

(a) An applicant for a license shall:

(2) pay to the Board or the Board's designee:

(i) a nonrefundable application fee [of \$25] SET BY THE BOARD;

and

6.5-313.

(a) The Board shall reinstate the license of an individual who, for any reason, has failed to renew the license, if the individual:

(3) except as otherwise provided in subsection (c) of this section, pays to the Board a reinstatement fee [of \$100] SET BY THE BOARD, in addition to all past due renewal fees.

(b) (2) The Board may reinstate a license under paragraph (1)(ii) of this subsection only if the individual:

(iii) except as otherwise provided in subsection (c) of this section, pays to the Board a reinstatement fee [of \$100] SET BY THE BOARD, in addition to all past due renewal fees.

[12-209.

The Board shall pay all money collected under this title into the General Fund of the State.]

12-209.

(A) (1) **THE BOARD MAY SET BY REGULATION REASONABLE FEES FOR ITS SERVICES.**

(2) **THE FEES CHARGED SHALL BE:**

(I) **SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST OF MAINTAINING THE BOARD; AND**

(II) **BASED ON THE CALCULATIONS PERFORMED BY THE SECRETARY UNDER § 2-106.10 OF THE BUSINESS REGULATION ARTICLE.**

(B) **THE BOARD SHALL PUBLISH A SCHEDULE OF THE FEES SET BY THE BOARD.**

(C) (1) **THE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE TO THE COMPTROLLER.**

(2) **THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE OCCUPATIONAL MECHANICAL LICENSING BOARDS' FUND ESTABLISHED IN § 2-106.9 OF THE BUSINESS REGULATION ARTICLE.**

12-303.

An applicant for a license shall:

(2) except as otherwise provided in this subtitle, pay to the Board or the Board's designee an examination fee **SET BY THE BOARD FOR:**

(i) **[for]** a master plumber license, a journey plumber license, or a master natural gas fitters license, in an amount **[set by the Board,]** not to exceed the cost of the required examination;

(ii) **[for]** an apprentice plumber license or apprentice natural gas fitters license **[of \$15];**

(iii) **[for]** a propane gas fitter certificate **[of \$25];**

(iv) **[for]** a journeyman natural gas fitters license **[of \$25];** or

(v) **[for]** a master natural gas fitters license without examination **[of \$50].**

12-306.

(a) If an applicant qualifies for a journey plumber license, a master plumber license, a limited license, a master natural gas fitters license, a journeyman natural gas fitters license, an apprentice natural gas fitters license, or a propane gas fitter certificate under this subtitle, the Board shall send the applicant a notice that states that:

(2) the Board will issue a license to the applicant on receipt of:

(ii) a license fee [of:

1. \$70 for a master plumber license or a limited master plumber license;
2. \$35 for a journey plumber license or a limited journey plumber license;
3. \$35 for a propane gas fitter certificate;
4. \$70 for a master natural gas fitters license; or
5. \$35 for a journeyman natural gas fitters license] **SET BY**

THE BOARD.

12-308.

(c) Before a license expires, the licensee may renew it for an additional 2-year term, if the licensee:

(2) pays to the Board a renewal fee [of:

- (i) \$70 for a master plumber license or a limited master plumber license;
- (ii) \$35 for a journey plumber license or a limited journey plumber license;
- (iii) \$15 for an apprentice plumber license or apprentice natural gas fitters license;
- (iv) \$35 for a propane gas fitter certificate;
- (v) \$35 for a master natural gas fitters license; or
- (vi) \$25 for a journeyman natural gas fitters license] **SET BY THE**

BOARD; and

12-503.

(d) (3) On termination of the appointment or employment of an individual as a plumbing inspector, the Board shall reactivate the master plumber license, journey plumber license, or limited license of an individual who is on inactive status, without examination, if the individual:

(ii) pays to the Board a reactivation fee [of:

1. \$20, for a journey plumber or holder of a limited journey plumber license; or

2. \$50, for a master plumber or holder of a limited master plumber license] **SET BY THE BOARD.**

Article – Business Regulation

2-106.9.

(A) IN THIS SECTION, “FUND” MEANS THE STATE OCCUPATIONAL MECHANICAL LICENSING BOARDS’ FUND.

(B) THIS SECTION APPLIES TO THE FOLLOWING OCCUPATIONAL LICENSING BOARDS:

(1) THE STATE BOARD OF MASTER ELECTRICIANS ESTABLISHED UNDER TITLE 6 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE;

(2) THE STATE BOARD OF STATIONARY ENGINEERS ESTABLISHED UNDER TITLE 6.5 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE;

(3) THE STATE BOARD OF PLUMBING ESTABLISHED UNDER TITLE 12 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE; AND

(4) THE STATE BOARD OF HEATING, VENTILATION, AIR-CONDITIONING, AND REFRIGERATION CONTRACTORS ESTABLISHED UNDER TITLE 9A OF THIS ARTICLE.

(C) (1) THERE IS A STATE OCCUPATIONAL MECHANICAL LICENSING BOARDS’ FUND IN THE DEPARTMENT.

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

(D) (1) EXCEPT AS OTHERWISE PROVIDED BY LAW, EACH OCCUPATIONAL LICENSING BOARD DESCRIBED IN SUBSECTION (B) OF THIS SECTION SHALL PAY ALL FEES COLLECTED TO THE COMPTROLLER.

(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE FUND.

(E) THE FUND SHALL BE USED TO COVER THE ACTUAL DOCUMENTED DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY DUTIES OF EACH OCCUPATIONAL LICENSING BOARD DESCRIBED IN SUBSECTION (B) OF THIS SECTION.

(F) THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL ADMINISTER THE FUND.

(G) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

(H) AT THE END OF EACH FISCAL YEAR, ANY UNSPENT AND UNENCUMBERED PORTION OF THE FUND IN EXCESS OF \$100,000 SHALL REVERT TO THE GENERAL FUND OF THE STATE.

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

2-106.10.

(A) (1) IN CONSULTATION WITH EACH BOARD SPECIFIED UNDER § 2-106.9 OF THIS SUBTITLE, THE SECRETARY SHALL ANNUALLY CALCULATE THE DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO EACH BOARD.

(2) EACH BOARD SHALL ESTABLISH FEES BASED ON THE CALCULATIONS PROVIDED BY THE SECRETARY UNDER THIS SECTION.

(3) EXCEPT FOR THE EXAMINATION FEES UNDER § 12-303(2)(I) OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE, EACH FEE ESTABLISHED BY AN INDIVIDUAL BOARD MAY NOT BE INCREASED ANNUALLY BY MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEE OF THE BOARD.

(B) IN ORDER TO ESTABLISH FEES THAT MORE EQUITABLY DISTRIBUTE THE COSTS ASSOCIATED WITH THE OPERATION OF EACH BOARD AMONG SIMILAR BOARDS, THE SECRETARY MAY AVERAGE THE DIRECT AND INDIRECT COSTS OF ONE OR MORE BOARDS PROVIDED THAT THE BOARDS CONSENT TO HAVING THEIR DIRECT AND INDIRECT COSTS AVERAGED TOGETHER.

9A-207.

(a) [Subject to subsections (b) and (c) of this section, the] **THE** Board may set **BY REGULATION** reasonable fees for its services.

(b) [Except as provided in subsection (c) of this section, revenues generated by the Board shall be at least equal to expenses incurred by the Board.

(c) The Board shall require the following fees for the issuance or renewal of the following licenses:

- (1) master license – \$75;
- (2) master restricted license – \$25 for each area licensed;
- (3) limited license – \$75;
- (4) journeyman license – \$20; and
- (5) apprentice license – \$10.

(d) The Board shall pay all money collected under this title into the General Fund of the State.]

THE FEES CHARGED SHALL BE:

(1) SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST OF MAINTAINING THE BOARD; AND

(2) BASED ON THE CALCULATIONS PERFORMED BY THE SECRETARY UNDER § 2-106.10 OF THIS ARTICLE.

(C) THE BOARD SHALL PUBLISH A SCHEDULE OF THE FEES SET BY THE BOARD.

(D) (1) THE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE TO THE COMPTROLLER.

(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE OCCUPATIONAL MECHANICAL LICENSING BOARDS' FUND ESTABLISHED IN § 2-106.9 OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That the fees set forth in Title 6, Subtitles 3, 4, and 5; Title 6.5, Subtitles 2 and 3; and Title 12, Subtitles 3 and 5 of the Business Occupations and Professions Article and Title 9A, Subtitle 2 of the Business

Regulation Article, respectively, in effect on June 30, ~~2017~~ 2018, shall remain in full force and effect until the fees authorized to be set by the State Board of Master Electricians, the State Board of Stationary Engineers, the State Board of Plumbing, and the State Board of Heating, Ventilation, Air–Conditioning, and Refrigeration Contractors, respectively, under this Act are adopted and become effective.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, ~~2017~~ 2018.

Approved by the Governor, April 18, 2017.

Chapter 255

(House Bill 248)

AN ACT concerning

Maryland Home Improvement Commission – Special Fund and Fees

FOR the purpose of establishing the Maryland Home Improvement Commission Special Fund as a special, nonlapsing fund in the Department of Labor, Licensing, and Regulation; specifying the contents of the Special Fund; requiring that the Special Fund be used for a certain purpose; requiring the Secretary of Labor, Licensing, and Regulation, or a designee of the Secretary, to administer the Special Fund; providing for an audit of the Special Fund; requiring any unspent and unencumbered portion of the Special Fund in excess of a certain amount to revert to the General Fund at the end of each fiscal year; crediting certain earnings to the General Fund; requiring the Secretary, in consultation with the Maryland Home Improvement Commission, annually to calculate certain costs; authorizing the Commission to set by regulation certain fees based on certain calculations; requiring the Commission to publish a certain fee schedule; repealing a provision of law requiring the Commission to pay certain money into the General Fund of the State; requiring the Commission to pay certain fees to the Comptroller; requiring the Comptroller to distribute certain fees to the Special Fund; prohibiting certain fees from being increased by more than a certain amount each year; altering certain fees; requiring the Commission to pay certain penalties into the General Fund of the State; defining certain terms; requiring that certain fees in effect on a certain date remain in full force and effect until certain other fees are adopted and become effective; providing for a delayed effective date; and generally relating to the Maryland Home Improvement Commission Special Fund.

BY adding to

Article – Business Regulation

Section 2–106.9, 2–106.10, and 8–213

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Business Regulation

Section 8–210, 8–303(a) and (f), 8–308(d), 8–308.1(a), (e), and (f), and 8–620(a)

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY repealing

Article – Business Regulation

Section 8–213

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

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

Article – Business Regulation

2–106.9.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “COMMISSION” MEANS THE MARYLAND HOME IMPROVEMENT COMMISSION.

(3) “SPECIAL FUND” MEANS THE MARYLAND HOME IMPROVEMENT COMMISSION SPECIAL FUND.

(B) (1) THERE IS A MARYLAND HOME IMPROVEMENT COMMISSION SPECIAL FUND IN THE DEPARTMENT.

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

(C) THE SPECIAL FUND CONSISTS OF FEES COLLECTED BY THE COMMISSION AND DISTRIBUTED TO THE SPECIAL FUND UNDER TITLE 8 OF THIS ARTICLE.

(D) THE SPECIAL FUND SHALL BE USED TO COVER THE ACTUAL DOCUMENTED DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY DUTIES OF THE COMMISSION.

(E) THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL ADMINISTER THE SPECIAL FUND.

(F) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND TRANSACTIONS OF THE SPECIAL FUND AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

(G) AT THE END OF EACH FISCAL YEAR, ANY UNSPENT AND UNENCUMBERED PORTION OF THE SPECIAL FUND IN EXCESS OF \$100,000 SHALL REVERT TO THE GENERAL FUND OF THE STATE.

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

2-106.10.

(A) IN THIS SECTION, “COMMISSION” MEANS THE MARYLAND HOME IMPROVEMENT COMMISSION.

(B) IN CONSULTATION WITH THE COMMISSION, THE SECRETARY ANNUALLY SHALL CALCULATE THE DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO THE COMMISSION.

(C) THE COMMISSION SHALL ESTABLISH FEES BASED ON THE CALCULATIONS PROVIDED BY THE SECRETARY UNDER THIS SECTION.

(D) EXCEPT FOR THE EXAMINATION FEES, EACH FEE ESTABLISHED BY THE COMMISSION MAY NOT BE INCREASED ANNUALLY BY MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEE OF THE COMMISSION.

8-210.

[The] ON REQUEST OF ANY PERSON AND PAYMENT OF A FEE SET BY THE COMMISSION, THE Commission shall [collect a fee of \$1 for certifying under seal] CERTIFY the licensing status of a person THAT IS THE SUBJECT OF THE REQUEST.

[8-213.

Except as otherwise provided by law, the Commission shall pay all money collected under this title into the General Fund of the State.]

8-213.

(A) (1) THE COMMISSION MAY SET BY REGULATION REASONABLE FEES FOR THE COMMISSION'S SERVICES.

(2) THE FEES CHARGED SHALL BE:

(I) SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST OF MAINTAINING THE COMMISSION; AND

(II) BASED ON THE CALCULATIONS PERFORMED BY THE SECRETARY UNDER § 2-106.10 OF THIS ARTICLE.

(B) THE COMMISSION SHALL PUBLISH A SCHEDULE OF FEES SET BY THE COMMISSION.

(C) EXCEPT AS OTHERWISE PROVIDED BY LAW, THE COMMISSION SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE TO THE COMPTROLLER.

(D) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE MARYLAND HOME IMPROVEMENT COMMISSION SPECIAL FUND ESTABLISHED IN § 2-106.9 OF THIS ARTICLE.

8-303.

(a) [(1)] An applicant for a license shall:

[(i)] (1) submit to the Commission an application on the form that the Commission provides;

[(ii)] (2) submit to the Commission with the license application proof of compliance with the insurance requirement of § 8-302.1 of this subtitle, if the applicant is applying for a contractor license;

[(iii)] (3) pay into the Fund the fee required under § 8-404(a) of this title, if the applicant is applying for a contractor license; and

[(iv)] (4) pay to the Commission an application fee SET BY THE COMMISSION.

[(2)] The application fee:

(i) for a contractor license is \$250 for each place of business of the contractor; or

(ii) for a salesperson is \$100

(3) The fee for processing an application is \$20.]

(f) [Notwithstanding subsection (a) of this section, an] **AN** applicant that is incorporated or has its principal office in another state shall pay to the Commission the fee imposed in that state on a similar nonresident business if that fee is higher than the application fee [under subsection (a) of this section] **SET BY THE COMMISSION.**

8–308.

(d) (1) Before a license expires, the licensee periodically may renew it for an additional 2–year term, if the licensee:

(i) otherwise is entitled to be licensed;

(ii) submits to the Commission a renewal application on the form that the Commission provides;

(iii) submits to the Commission proof of compliance with the insurance requirement of § 8–302.1 of this subtitle, if the licensee is renewing a contractor license;

(iv) submits to the Commission the Department of the Environment lead paint abatement accreditation number and accreditation expiration date, if the licensee provides lead paint abatement services; and

(v) pays to the Commission a renewal fee **SET BY THE COMMISSION.**

(2) [The renewal fee:

(i) for a contractor is \$250 for each place of business of the contractor; or

(ii) for a salesperson license is \$100

(3) Notwithstanding paragraph (2) of this subsection, a] **A** licensee that is incorporated or has its principal office in another state shall pay to the Commission the fee imposed in that state on a similar nonresident business if that fee is higher than the renewal fee [under paragraph (2) of this subsection] **SET BY THE COMMISSION.**

8–308.1.

(a) The Commission shall place the license of a licensee on inactive status, and issue an inactive status certificate to the licensee, if the licensee:

(1) submits to the Commission an application for inactive status on the form that the Commission provides;

(2) pays to the Commission an inactive status application fee [not exceeding \$50 as] set by the Commission;

(3) except for the liability insurance requirement of § 8–302.1 of this subtitle, qualifies for an active license; and

(4) returns the license of the licensee to the Commission.

(e) (1) A licensee whose license is on inactive status remains responsible for renewing the license as required under § 8–308 of this subtitle.

(2) The holder of a contractor license that is on inactive status may renew the license without complying with the liability insurance requirement of § 8–302.1 of this subtitle.

(3) [Notwithstanding § 8–308 of this subtitle, a] **A** licensee whose license is on inactive status shall pay to the Commission a renewal fee [of:

(i) \$112.50 for a contractor license; or

(ii) \$37.50 for a salesperson license] **SET BY THE COMMISSION.**

(f) The Commission shall reactivate the license of a licensee that is on inactive status and reissue the license to the licensee, if the licensee:

(1) submits to the Commission an application for reactivation on the form that the Commission provides:

(2) pays to the Commission a reissuance fee [of \$10] **SET BY THE COMMISSION**; and

(3) meets the requirements for a license, including, in the case of a contractor, the liability insurance requirement under § 8–302.1 of this subtitle.

8–620.

(a) **(1)** The Commission may impose on a person who violates this title, including § 8–607(4) of this subtitle, a civil penalty not exceeding \$5,000 for each violation, whether or not the person is licensed under this title.

(2) THE COMMISSION SHALL PAY ANY PENALTY COLLECTED UNDER THIS SUBSECTION INTO THE GENERAL FUND OF THE STATE.

SECTION 2. AND BE IT FURTHER ENACTED, That the fees set forth in Title 8, Subtitle 3 of the Business Regulation Article in effect June 30, ~~2017~~ 2018, shall remain in full force and effect until the fees authorized to be set by the Maryland Home Improvement Commission under this Act are adopted and become effective.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, ~~2017~~ 2018.

Approved by the Governor, April 18, 2017.

Chapter 256

(House Bill 250)

AN ACT concerning

State Board of Barbers and State Board of Cosmetologists – Special Fund and Fees

FOR the purpose of establishing the State Barbers and Cosmetologists Boards' Fund as a special, nonlapsing fund in the Department of Labor, Licensing, and Regulation; specifying the contents of the Fund; requiring that the Fund be used for certain purposes; requiring the Secretary of Labor, Licensing, and Regulation, or a designee of the Secretary, to administer the Fund; providing for an audit of the Fund; requiring any unspent and unencumbered portion of the Fund in excess of a certain amount to revert to the General Fund at the end of each fiscal year; crediting certain earnings to the General Fund; requiring the Secretary, in consultation with the State Board of Barbers and the State Board of Cosmetologists, to annually calculate certain costs; authorizing the State Board of Barbers and the State Board of Cosmetologists to set by regulation certain fees based on certain calculations; requiring each board to publish a certain fee schedule; repealing provisions of law requiring each board to pay certain money into the General Fund of the State; requiring each board to pay certain fees to the Comptroller; requiring the Comptroller to distribute certain fees to the Fund; prohibiting certain fees from increasing by more than a certain amount each year; altering certain fees; requiring that certain fees in effect on a certain date shall remain in full force and effect until certain other fees are adopted and become effective; providing for a delayed effective date; and generally relating to the State Barbers and Cosmetologists Boards' Fund.

BY repealing and reenacting, with amendments,
Article – Business Occupations and Professions
Section 4–205(a), 4–206, 4–304(a), 5–205, and 5–206
Annotated Code of Maryland
(2010 Replacement Volume and 2016 Supplement)

BY repealing

Article – Business Occupations and Professions
Section 4–207 and 5–208
Annotated Code of Maryland
(2010 Replacement Volume and 2016 Supplement)

BY adding to

Article – Business Occupations and Professions
Section 4–207 and 5–208
Annotated Code of Maryland
(2010 Replacement Volume and 2016 Supplement)

BY adding to

Article – Business Regulation
Section 2–106.9 and 2–106.10
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – Business Occupations and Professions

4–205.

(a) On request of any person and payment of a certification fee **SET BY THE BOARD**, the Board shall certify the licensing, registration, or permit status and qualifications of any person who is the subject of the request.

4–206.

(a) [(1)] In addition to any powers set forth elsewhere, the Board may adopt any regulation to carry out this title.

[(2) (i)] The Board shall establish reasonable fees for examinations, licensing, licensing renewal, reinstatement, certification, applications, preopening inspections, per diem fees for Board members, compensation for inspectors appointed by the Board, and any other service performed by the Board necessary to carry out the provisions of this title.

(ii) 1. Except for examination fees which the Board shall establish in amounts not to exceed the costs of the required examinations and subject to subsubparagraph 2 of this subparagraph, the fees established by the Board shall be set in a manner that will produce funds sufficient to cover the actual direct and indirect costs of regulating the barber industry in this State in accordance with the provisions of this title.

2. The Board may not set fees for licensing and license renewals that exceed \$50.

(iii) The total cost of regulating the barber industry in this State in accordance with the provisions of this title may not be more than the revenues generated by the fees established under subparagraph (i) of this paragraph.]

(b) (1) The Board shall adopt regulations that establish detailed curriculum standards for use by the State Board of Education or the Maryland Higher Education Commission in approving applications for instruction in the practice of barbering and the provision of barber–stylist services at public schools or private career schools.

(2) The curriculum standards established under paragraph (1) of this subsection shall:

(i) incorporate modern methods and practices for the practice of barbering and the provision of barber–stylist services;

(ii) include a reference to each topic and the emphasis of each topic required of a comprehensive barbering and barber–stylist curriculum; and

(iii) be reviewed and updated periodically as determined by the Board.

(c) In addition to any duties set forth elsewhere, the Board shall administer and enforce this title.

[4–207.

The Board shall pay all money collected under this title into the General Fund of the State.]

4–207.

(A) (1) EXCEPT FOR THE EXAMINATION FEES THAT THE BOARD SHALL ESTABLISH IN AMOUNTS NOT TO EXCEED THE COSTS OF THE EXAMINATIONS, THE BOARD MAY SET BY REGULATION REASONABLE FEES FOR ITS SERVICES, INCLUDING APPLICATION FEES, LICENSING FEES, LICENSE RENEWAL FEES, LICENSE REINSTATEMENT FEES, CERTIFICATION FEES, PERMIT FEES, PERMIT RENEWAL FEES, INSPECTION FEES, AND ANY OTHER FEES NECESSARY FOR THE BOARD TO CARRY OUT THE PROVISIONS OF THIS TITLE.

(2) THE FEES CHARGED SHALL BE:

(I) SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST OF MAINTAINING THE BOARD; AND

(II) BASED ON THE CALCULATIONS PERFORMED BY THE SECRETARY UNDER § 2-106.10 OF THE BUSINESS REGULATION ARTICLE.

(B) THE BOARD SHALL PUBLISH A SCHEDULE OF FEES SET BY THE BOARD.

(C) (1) THE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE TO THE COMPTROLLER.

(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE STATE BARBERS AND COSMETOLOGISTS BOARDS' FUND ESTABLISHED IN § 2-106.9 OF THE BUSINESS REGULATION ARTICLE.

4-304.

(a) Except as otherwise provided in § 4-304.1 of this subtitle, an applicant is entitled to be examined as provided in this section if the applicant:

(1) otherwise qualifies for a license under this title; and

(2) pays an examination fee established by the Board in accordance with [§§ 4-206 and] § 4-303 of this title to the Board or the Board's designee.

5-205.

(a) In addition to any duties set forth elsewhere, the Board shall adopt:

(1) bylaws for the conduct of its proceedings;

(2) regulations for qualification and examination of applicants for licenses, registration, and permits and issuance of licenses, certificates of registration, and permits;

(3) regulations to govern the conduct of persons regulated under this title;

(4) regulations to govern sanitation and safety in practicing cosmetology, including regulations that establish precautions to prevent the spread of infectious and contagious diseases; and

(5) regulations to govern the direct supervision of the operation of limited practice beauty salons.

(b) [(1) The Board shall establish reasonable fees for licensing, licensing renewal, examinations, reinstatements, certifications, applications, preopening inspections, per diem fees for Board members, compensation for inspectors appointed by the Board, and for any other service performed by the Board necessary to carry out the provisions of this title.

(2) (i) Except for the examination fees which the Board shall establish in amounts not to exceed the costs of the examinations and subject to subparagraph (ii) of this paragraph, the fees established by the Board shall be set in a manner that will produce funds sufficient to cover the actual direct and indirect costs of regulating the cosmetology industry in the State in accordance with the provisions of this title.

(ii) The Board may not set fees for licensing and license renewals that exceed \$50.

(3) The total cost of regulating the cosmetology industry in the State in accordance with the provisions of this title may not be more than the revenues generated by the fees established under paragraph (1) of this subsection.

(c)] (1) The Board shall adopt regulations that establish detailed curriculum standards for use by the State Board of Education or the Maryland Higher Education Commission in approving applications for instruction in the practice of cosmetology, the provision of esthetic services, the provision of hair services, and the provision of nail technician services at public schools or private career schools.

(2) The curriculum standards established under paragraph (1) of this subsection shall:

(i) incorporate modern methods and practices for:

1. practicing cosmetology;
2. providing esthetic services;
3. providing hair services;
4. providing hair services – blow drying; and
5. providing nail technician services;

(ii) include a reference to each topic and the emphasis of each topic required of a comprehensive curriculum in the appropriate licensing area; and

(iii) be reviewed and updated periodically as determined by the Board.

5–206.

(a) On request of any person and payment of a certification fee established by the Board in accordance with ~~[\\$ 5–205]~~ **§ 5–208** of this subtitle, the Board shall certify the licensing, registration, or permit status and qualifications of any person who is the subject of the request.

(b) Each certification under this section:

(1) shall include a statement of the licensing, registration, or permit status of the person who is the subject of the request; and

(2) may include:

(i) information about the examination results and other qualifications of that person;

(ii) information about the dates of issuance and renewal of the license, registration, or permit of that person;

(iii) information about any disciplinary action taken against that person; and

(iv) if authorized by that person, information about any complaint against that person.

(c) The Board shall collect the certification fee established by the Board in accordance with [§ 5-205] § 5-208 of this subtitle for each certification under this section.

[5-208.

The Board shall pay all money collected under this title into the General Fund of the State.]

5-208.

(A) EXCEPT FOR THE EXAMINATION FEES THAT THE BOARD SHALL ESTABLISH IN AMOUNTS NOT TO EXCEED THE COSTS OF THE EXAMINATIONS, THE BOARD MAY SET BY REGULATION REASONABLE FEES FOR ITS SERVICES, INCLUDING APPLICATION FEES, LICENSING FEES, LICENSE RENEWAL FEES, LICENSE REINSTATEMENT FEES, CERTIFICATION FEES, PERMIT FEES, PERMIT RENEWAL FEES, INSPECTION FEES, AND ANY OTHER FEES NECESSARY FOR THE BOARD TO CARRY OUT THIS TITLE.

(B) THE FEES CHARGED SHALL BE:

(1) SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST OF MAINTAINING THE BOARD; AND

(2) BASED ON THE CALCULATIONS PERFORMED BY THE SECRETARY UNDER § 2-106.10 OF THE BUSINESS REGULATION ARTICLE.

(C) THE BOARD SHALL PUBLISH A SCHEDULE OF FEES SET BY THE BOARD.

(D) (1) THE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE TO THE COMPTROLLER.

(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE STATE BARBERS AND COSMETOLOGISTS BOARDS' FUND ESTABLISHED IN § 2-106.9 OF THE BUSINESS REGULATION ARTICLE.

Article – Business Regulation

2-106.9.

(A) IN THIS SECTION, “FUND” MEANS THE STATE BARBERS AND COSMETOLOGISTS BOARDS' FUND.

(B) THIS SECTION APPLIES TO THE FOLLOWING OCCUPATIONAL LICENSING BOARDS:

(1) THE STATE BOARD OF BARBERS ESTABLISHED UNDER TITLE 4 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE; AND

(2) THE STATE BOARD OF COSMETOLOGISTS ESTABLISHED UNDER TITLE 5 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

(C) (1) THERE IS A STATE BARBERS AND COSMETOLOGISTS BOARDS' FUND IN THE DEPARTMENT.

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

(D) (1) EXCEPT AS OTHERWISE PROVIDED BY LAW, EACH OCCUPATIONAL LICENSING BOARD DESCRIBED IN SUBSECTION (B) OF THIS SECTION SHALL PAY ALL FEES COLLECTED TO THE COMPTROLLER.

(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE FUND.

(E) THE FUND SHALL BE USED TO COVER THE ACTUAL DOCUMENTED DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY DUTIES OF EACH OCCUPATIONAL LICENSING BOARD DESCRIBED IN SUBSECTION (B) OF THIS SECTION.

(F) THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL ADMINISTER THE FUND.

(G) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

(H) AT THE END OF EACH FISCAL YEAR, ANY UNSPENT AND UNENCUMBERED PORTION OF THE FUND IN EXCESS OF \$100,000 SHALL REVERT TO THE GENERAL FUND OF THE STATE.

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

2-106.10.

(A) (1) IN CONSULTATION WITH EACH BOARD SPECIFIED UNDER § 2-106.9 OF THIS SUBTITLE, THE SECRETARY SHALL ANNUALLY CALCULATE THE DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO EACH BOARD.

(2) EACH BOARD SHALL ESTABLISH FEES BASED ON THE CALCULATIONS PROVIDED BY THE SECRETARY UNDER THIS SECTION.

(3) EXCEPT FOR EXAMINATION FEES UNDER §§ 4-303 AND 5-306 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE, EACH FEE ESTABLISHED BY AN INDIVIDUAL BOARD MAY NOT BE INCREASED ANNUALLY BY MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEE OF THE BOARD.

(B) IN ORDER TO ESTABLISH FEES THAT MORE EQUITABLY DISTRIBUTE THE COSTS ASSOCIATED WITH THE OPERATION OF EACH BOARD AMONG SIMILAR BOARDS, THE SECRETARY MAY AVERAGE THE DIRECT AND INDIRECT COSTS OF THE BOARDS PROVIDED THAT THE BOARDS CONSENT TO HAVING THEIR DIRECT AND INDIRECT COSTS AVERAGED TOGETHER.

SECTION 2. AND BE IT FURTHER ENACTED, That the fees set forth in Title 4, Subtitles 2 and 3 and Title 5, Subtitle 2 of the Business Occupations and Professions Article, respectively, in effect on June 30, ~~2017~~ 2018, shall remain in full force and effect until the fees authorized to be set by the State Board of Barbers and the State Board of Cosmetologists, respectively, under this Act are adopted and become effective.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, ~~2017~~ 2018.

Approved by the Governor, April 18, 2017.

Chapter 257**(House Bill 810)**

AN ACT concerning

Apprenticeships – Apprenticeship and Training Council – Revisions

FOR the purpose of requiring the Division of Workforce Development and Adult Learning to adopt regulations to carry out certain provisions of law; providing that the Division is the designated State Apprenticeship Agency under certain provisions of federal law; altering the duties of the Apprenticeship and Training Council; prohibiting certain persons from taking certain actions regarding apprenticeship programs for certain occupations unless the program is first approved by the Division, rather than the Council; requiring that a certain certificate be issued by the Division, rather than jointly by the Council and the Division; providing for certain judicial review if the Division does not issue a certain certificate; ~~authorizing the Division, rather than the Council, to suspend or revoke approval of~~ to deregister a program or course, ~~rather than the Council suspending or revoking the approval of a program or course,~~ under certain circumstances; authorizing certain persons to request a hearing before the United States Department of Labor under certain circumstances; authorizing the Division, rather than the Council, to adopt certain rules and regulations under certain circumstances; ~~authorizing the Council to recommend that the Division apply to a certain court for a certain injunction;~~ authorizing the Division to apply to a certain court for a certain injunction under certain circumstances; requiring the Division to accord reciprocal approval to certain apprentices, apprenticeship programs, and standards that are registered in other states under certain circumstances; prohibiting the Division from according reciprocal approval to a program sponsor that does not meet certain requirements and standards; ~~authorizing~~ repealing a provision that authorizes the Council to recommend that the Division negotiate and adopt certain reciprocity agreements; ~~authorizing the Division to negotiate and adopt certain reciprocity agreements;~~ repealing certain provisions of law rendered obsolete by certain provisions of this Act; requiring the Division, rather than the Council, to report certain information to the General Assembly; providing that the Division will request certain recognition from the Office of Apprenticeship in the U.S. Department of Labor and make certain adjustments; making conforming changes; and generally relating to apprenticeships.

BY repealing and reenacting, with amendments,
Article – Labor and Employment
Section 11–103, 11–403, 11–405, and 11–408
Annotated Code of Maryland
(2016 Replacement Volume)

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

Article – Labor and Employment

11-103.

(a) The Division shall:

- (1) promote apprenticeship and training programs;
- (2) administer job training, placement, and service programs;
- (3) implement the provisions of the federal Workforce Innovation and Opportunity Act;
- (4) administer adult education and literacy services programs;
- (5) conduct educational and job skills training programs in adult correctional facilities;
- (6) oversee any other units established pursuant to State or federal employment, training, or manpower statutes;
- (7) administer those programs assigned to the Division by law or designated by the Secretary; [and]
- (8) administer any community service employment programs delegated to the State under Title V of the federal Older Americans Act of 1965; **AND**

(9) ADOPT REGULATIONS TO CARRY OUT SUBTITLE 4 OF THIS TITLE.

(b) The Division shall meet and confer on a regular basis with representatives of the State's community colleges, appointed by the Maryland Association of Community Colleges, and the adult education community, appointed by the Maryland Association for Adult Continuing and Community Education, to assure that adult education and literacy services and job training activities and resources are effectively coordinated.

11-403.

(a) **THE DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING IS THE DESIGNATED STATE APPRENTICESHIP AGENCY UNDER TITLE 29, C.F.R. PARTS 29 AND 30.**

(B) (1) There is an Apprenticeship and Training Council as part of the Division of Workforce Development and Adult Learning. The Council consists of 12 members all of whom shall be appointed by the Governor of Maryland, with the advice of the Secretary and with the advice and consent of the Senate of Maryland.

(2) Four of the members shall be representatives of employee organizations; one shall be an employee; five shall be representatives of employers; and two shall be appointed from the general public.

(3) The membership of the Council shall, to the extent practicable, reflect the geographic, racial, ethnic, cultural, and gender diversity of the State and shall include representation by individuals with disabilities. Consultants to the Council shall, to the extent practicable, reflect the geographic, racial, ethnic, cultural, and gender diversity of the State and shall include representation by individuals with disabilities.

(4) In advising the Governor, the Secretary shall give consideration to a balanced geographic representation from all of Maryland and a representative sampling and mix of Maryland industry.

(5) One member shall be appointed as Chairman by the Governor, with the advice of the Secretary, and serve as Chairman at the pleasure of the Governor. The Assistant State Superintendent, Career and Technology Education, and the Maryland State Director of the Office of Apprenticeship, U.S. Department of Labor, shall serve as consultants to the Council without vote.

(6) The Governor, with the advice of the Secretary may appoint up to three additional consultants to the Council from the public at large.

[(b)] (C) All appointments as members of the Council shall be for terms of 4 years.

[(c)] (D) (1) Except as provided in paragraph (2) of this subsection and subject to paragraph (3) of this subsection, a member shall be considered to have resigned if the member did not attend at least two-thirds of the Council meetings held during any consecutive 12-month period while the member was serving on the Council.

(2) The Governor may waive a member's resignation and allow the member to continue serving if the member has been unable to attend meetings for reasons satisfactory to the Governor and the reasons are made public.

(3) In accordance with § 8-501 of the State Government Article, the Chairman shall provide notice to the Governor and the Governor shall appoint a successor.

11-405.

(a) **[Subject to subsection (d) of this section, the] THE** duties of the Council[, consistent with the approval of the Division of Workforce Development and Adult Learning,] shall be to:

(1) [determine] **ADVISE THE DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING ON** the apprenticeability of occupations in the State of Maryland;

(2) encourage the establishment of local apprenticeship committees where the committees are needed ~~and approve their programs;~~

(3) [formulate and adopt] **MAKE RECOMMENDATIONS REGARDING THE FORMULATION AND ADOPTION OF** standards of apprenticeship which safeguard the welfare of apprentices, being guided, but not controlled, by the standards of apprenticeship recommended by the federal committee on apprenticeship;

(4) [formulate] **MAKE RECOMMENDATIONS REGARDING THE FORMULATION OF** policies for the overall apprenticeship program;

(5) [register] **MAKE RECOMMENDATIONS REGARDING THE REGISTRATION OF** standards of apprenticeship of the groups or employers that elect to conform with the provisions of this subtitle;

(6) [register] **MAKE RECOMMENDATIONS REGARDING THE REGISTRATION OF** apprenticeship agreements which conform to the standards of apprenticeship adopted by the [Council] **DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING;**

(7) ~~JOINTLY issue WITH THE DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING~~ RECOMMEND THE ISSUANCE OF certificates of completion of apprenticeship to apprentices who are registered with the ~~Council~~ **DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING** when THE DIVISION DETERMINES THAT such apprentices have completed successfully their apprenticeship;

(8) seek all information pertaining to apprenticeship training in the State;

(9) prescribe its rules of procedure and duties of the Chairman, Director, and Secretary subject to the provisions of this law; and

(10) perform other ADVISORY functions as the Governor or the Secretary may direct or as may come within the scope of the Council.

(b) (1) No person, firm, or corporation may offer, establish, maintain, or operate an apprenticeship program for any occupation approved by the [Council and recognized by the] Division of Workforce Development and Adult Learning as an apprenticeable occupation for which tuition, charges, or fees are charged to or are payable by an enrollee or student, or which is financed in whole or in part by State funds, unless

the program is first approved by the [Council or the Secretary under subsection (d) of this section] **DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING.**

(2) **(I)** The [Council and the] Division of Workforce Development and Adult Learning [jointly] shall issue a certificate of approval to an applicant operating or proposing to operate the program if [they are satisfied, or the Secretary under subsection (d) of this section] **THE DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING** is satisfied[,] that the conditions of entrance, the qualifications of the administrators and instructors, the content of the program, the facilities, and the financial aspects of the program are adequate and appropriate for the purpose of the program.

(II) IF THE DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING DOES NOT ISSUE A CERTIFICATE OF APPROVAL TO AN APPLICANT OPERATING OR PROPOSING TO OPERATE A PROGRAM, ANY PERSON, FIRM, OR CORPORATION WHOSE APPLICATION IS REJECTED HAS A RIGHT TO JUDICIAL REVIEW UNDER TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.

(3) **(I)** The [Council] **DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING**, after notice and hearing, may ~~suspend or revoke its approval of~~ **DEREGISTER** a program or course if it[, or the Secretary under subsection (d) of this section,] finds that the program or course has ceased to meet the conditions of approval.

(II) ANY PERSON, ASSOCIATION, COMMITTEE, OR ORGANIZATION THAT OPERATES AN APPRENTICESHIP PROGRAM THAT IS DEREGISTERED BY THE DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING MAY REQUEST A HEARING BEFORE THE UNITED STATES DEPARTMENT OF LABOR.

~~(4) Any person, firm, or corporation whose application for approval is rejected or whose certificate of approval is suspended or revoked has a right of judicial review as provided in the Administrative Procedure Act.~~

~~(5)~~ [Except as otherwise provided in this section,] **AFTER CONSULTING** the Council, [in consultation with] the Division of Workforce Development and Adult Learning, after notice and hearing, may adopt rules and regulations for the implementation of this section, including rules and regulations requiring the furnishing of periodic relevant information about approved and proposed programs and the operator or proposed operator of the approved or proposed programs.

~~(6)~~ **(5)** Any person, firm, or corporation that knowingly offers, establishes, maintains, or operates a program in violation of this section is guilty of a misdemeanor and, upon conviction, shall be fined not more than \$1,000 or be imprisoned for not more than one year, or both.

~~(7) (H) The Council[, consistent with the approval of the Division of Workforce Development and Adult Learning, in addition, shall] MAY RECOMMEND THAT THE DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING apply to any court of competent jurisdiction for an injunction restraining violations of this section.~~

~~(H) (6) IF RECOMMENDED BY THE COUNCIL UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH,~~ THE DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING MAY APPLY TO ANY COURT OF COMPETENT JURISDICTION FOR AN INJUNCTION RESTRAINING VIOLATIONS OF THIS SECTION.

(c) (1) ~~(I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH~~ PARAGRAPH (2) OF THIS SUBSECTION, THE DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING SHALL ACCORD RECIPROCAL APPROVAL TO APPRENTICES, APPRENTICESHIP PROGRAMS, AND STANDARDS THAT ARE REGISTERED IN OTHER STATES BY THE UNITED STATES DEPARTMENT OF LABOR'S OFFICE OF APPRENTICESHIP OR A REGISTRATION AGENCY, IF RECIPROCITY IS REQUESTED BY THE APPRENTICESHIP PROGRAM SPONSOR.

~~(H) (2) THE DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING MAY NOT ACCORD RECIPROCAL APPROVAL TO A PROGRAM SPONSOR THAT DOES NOT MEET THE WAGE AND HOUR REQUIREMENTS AND APPRENTICE RATIO STANDARDS OF THE RECIPROCAL STATE.~~

~~(2) The Council[, consistent with the approval of the Division of Workforce Development and Adult Learning,] may RECOMMEND THAT THE DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING negotiate and adopt agreements permitting reciprocity with apprenticeship and training councils of another state, or the United States Department of Labor, Office of Apprenticeship.~~

~~(2) (3) IF RECOMMENDED BY THE COUNCIL UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING MAY NEGOTIATE AND ADOPT AGREEMENTS PERMITTING RECIPROCITY WITH APPRENTICESHIP AND TRAINING COUNCILS OF ANOTHER STATE, OR THE UNITED STATES DEPARTMENT OF LABOR, OFFICE OF APPRENTICESHIP.~~

(d) [(1) If a disagreement arises between the Council and the Division of Workforce Development and Adult Learning, as a result of a vote taken by the Council with respect to any of the duties and responsibilities in subsections (a) through (c) of this section, the Council may designate three Council members who voted in the majority to present the position of the Council to the Secretary for consideration of the issue on which the Council and the Division disagree.

(2) A representative of the Division of Workforce Development and Adult Learning also shall have an opportunity to present the position of the Division to the Secretary.

(3) (i) After consideration of the positions of the Council and the Division of Workforce Development and Adult Learning, the Secretary shall issue a final decision on the issue.

(ii) The final decision issued under subparagraph (i) of this paragraph shall be the final agency decision.

(4) If a party other than the Council or the Division of Workforce Development and Adult Learning is aggrieved by the decision of the Secretary, the party shall be entitled to judicial review as provided in the Administrative Procedure Act.

(e) (1) On or before June 30 of each year, the [Council] **DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING** shall report to the General Assembly, in accordance with § 2–1246 of the State Government Article, the following information for the immediately preceding calendar year:

(i) the completion and enrollment rates of each apprenticeship program registered in the State; and

(ii) the age, race, sex or gender identity, county of residence, and program enrollment of each individual enrolled in a registered apprenticeship program.

(2) The [Council] **DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING** shall:

(i) sort the information required under paragraph (1) of this subsection by apprenticeship program; and

(ii) publish the report required under paragraph (1) of this subsection on the [Council's] **DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING'S** Web site.

11–408.

In order to assure compliance with federal laws governing wages, hours, and working conditions, the [Maryland Apprenticeship and Training Council] **DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING** will request recognition of its standards and activities by the Office of Apprenticeship, U.S. Department of Labor, and if necessary, make such adjustments in its standards and procedures as will assure conformity.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 258

(House Bill 94)

AN ACT concerning

Maryland E–Nnovation Initiative Program – Requirements for Matching Funds

FOR the purpose of authorizing a nonprofit institution of higher education to deposit certain available institutional funds into the research endowment of the institution under certain circumstances to satisfy a certain deposit requirement to receive matching funds under the Maryland E–Nnovation Initiative Program; and generally relating to the Maryland E–Nnovation Initiative Program.

BY repealing and reenacting, without amendments,
Article – Economic Development
Section 6–601(a), (b), (d), (g), (j), and (l) and 6–613
Annotated Code of Maryland
(2008 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Economic Development
Section 6–619
Annotated Code of Maryland
(2008 Volume and 2016 Supplement)

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

Article – Economic Development

6–601.

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

(b) “Authority” means the Maryland E–Nnovation Initiative Fund Authority established under § 6–605 of this subtitle.

(d) “Fund” means the Maryland E–Nnovation Initiative Fund created under § 6–604 of this subtitle.

(g) (1) “Nonprofit institution of higher education” means an institution of postsecondary education located in the State, that receives State funds in the annual operating budget and that generally limits enrollment to graduates of secondary schools and awards degrees at either the associate, baccalaureate, or graduate level.

(2) “Nonprofit institution of higher education” includes public and private nonprofit institutions of higher education located in the State.

(j) “Qualified donation” means any private donation, gift, irrevocable pledge, or bequest to a research endowment in accordance with § 6–613 of this subtitle.

(l) “Research endowment” means an account established at or administered by a nonprofit institution of higher education in accordance with § 6–612 of this subtitle.

6–613.

(a) Private donations to a research endowment shall be considered a qualified donation if:

(1) the donation or pledge is expressly or specifically restricted by the donor for one or more of the eligible uses under § 6–614 of this subtitle;

(2) the individual donation or pledge is a minimum of \$500,000 or is bundled with other qualified donations to meet the \$500,000 threshold; and

(3) the nonprofit institution of higher education accepts the donation from individuals, partnerships, associations, public or private for-profit and nonprofit corporations, or nongovernmental foundations.

(b) Notwithstanding subsection (a) of this section, a nonprofit institution of higher education may designate unrestricted gifts or bequests, or a portion of an unrestricted gift or bequest, for use as a qualified donation.

(c) A qualified donation excludes:

(1) any donation received by a nonprofit institution of higher education prior to October 1, 2014;

(2) educational or general fees, auxiliary fees, or other student fees generated by the institution;

(3) proceeds from promissory notes, bonds, loans, or other instruments evidencing an indebtedness or any other obligation of repayment by the governing body of a nonprofit institution of higher education to the maker of the instrument; or

(4) any other funds received from the State or federal government.

(d) (1) The president of each nonprofit institution of higher education or the president's designee shall make the initial determination of whether a donation constitutes a qualified donation.

(2) The president of the nonprofit institution of higher education shall provide a report to the governing body of the institution at least once each fiscal year regarding the amount of qualified donations the institution has received.

6-619.

(a) Within 90 days after approval by the Authority of a request for matching funds under § 6-618 of this subtitle, each nonprofit institution of higher education shall deposit an amount of qualified donations equal to or greater than the total amount of funds allocated for distribution to the nonprofit institution of higher education in accordance with § 6-618 of this subtitle.

(b) If a nonprofit institution of higher education fails to have deposited into its research endowments the required amount of qualified donations as required under subsection (a) of this section, any portion of the funds allocated to the institution that has not been distributed shall be reallocated to another nonprofit institution of higher education in accordance with this subtitle.

(c) **(1) THIS SUBSECTION APPLIES TO A NONPROFIT INSTITUTION OF HIGHER EDUCATION THAT ANTICIPATES THAT THE INSTITUTION WILL NOT RECEIVE THE ENTIRE AMOUNT OF A QUALIFIED DONATION ON WHICH THE INSTITUTION INTENDS TO RELY FOR PURPOSES OF REQUESTING MATCHING FUNDS FROM THE AUTHORITY BEFORE THE END OF THE FISCAL YEAR IN WHICH THE RESEARCH ENDOWMENT PLAN IS APPROVED.**

(2) EXCEPT FOR THE TYPE OF FUNDS SET FORTH IN § 6-613(C)(2), (3), AND (4) OF THIS SUBTITLE, A NONPROFIT INSTITUTION OF HIGHER EDUCATION MAY DEPOSIT AVAILABLE FUNDS FROM OTHER SOURCES WITHIN THE NONPROFIT INSTITUTION OF HIGHER EDUCATION INTO THE RESEARCH ENDOWMENT FOR PURPOSES OF SATISFYING THE 90-DAY DEPOSIT REQUIREMENT IN SUBSECTION (A) OF THIS SECTION IF THE NONPROFIT INSTITUTION OF HIGHER EDUCATION HAS DISCLOSED THE FOLLOWING INFORMATION IN THE RESEARCH ENDOWMENT PLAN APPROVED BY THE AUTHORITY:

(I) THE INTENT OF THE NONPROFIT INSTITUTION OF HIGHER EDUCATION TO RELY ON THE OTHER FUNDS;

(II) THE SOURCE OF THE OTHER FUNDS; AND

(III) OTHER INFORMATION THE AUTHORITY MAY HAVE REQUESTED REGARDING OTHER FUNDS AT THE TIME OF ITS CONSIDERATION OF THE APPROVED RESEARCH ENDOWMENT PLAN.

(D) If the Authority fails to allocate the funds in the Fund under this subtitle and a nonprofit institution of higher education has previously received 25% of cumulative program funds from the Fund, the Authority may distribute additional funds to the nonprofit institution in accordance with this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 259

(House Bill 245)

AN ACT concerning

Department of Commerce – Maryland Advisory Commission on Manufacturing Competitiveness – Renaming and Restructuring

FOR the purpose of renaming the Maryland Advisory Commission on Manufacturing Competitiveness in the Department of Commerce to be the Maryland Manufacturing Advisory Board; altering the composition of the Board; and generally relating to the Maryland Manufacturing Advisory Board.

BY repealing and reenacting, with amendments,

Article – Economic Development

Section 3–101 and 3–103 through 3–109 to be under the amended subtitle “Subtitle 1. Maryland Manufacturing Advisory Board”

Annotated Code of Maryland

(2008 Volume and 2016 Supplement)

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

Article – Economic Development

Subtitle 1. Maryland [Advisory Commission on Manufacturing Competitiveness]
MANUFACTURING ADVISORY BOARD.

3–101.

In this subtitle, ["Commission"] **"BOARD"** means the Maryland [Advisory Commission on Manufacturing Competitiveness] **MANUFACTURING ADVISORY BOARD**.

3-103.

There is a Maryland [Advisory Commission on Manufacturing Competitiveness] **MANUFACTURING ADVISORY BOARD** in the Department.

3-104.

(a) (1) The [Commission] **BOARD** consists of:

(i) [two members] **ONE MEMBER** appointed by the President of the Senate of Maryland;

(ii) [two members] **ONE MEMBER** appointed by the Speaker of the House of Delegates;

(iii) the Secretary or the designee of the Secretary; **AND**

(iv) [four other ex officio members representing units of State government:

1. the Secretary of the Environment or the designee of the Secretary of the Environment;

2. the Secretary of Labor, Licensing, and Regulation or the designee of the Secretary of Labor, Licensing, and Regulation;

3. the State Superintendent of Schools or the Superintendent's designee; and

4. a representative of the Maryland Higher Education Commission; and

(v) the following [16] members appointed by the Secretary with the approval of the Governor:

1. one representative of an educational institution in the State;

2. ~~[two representatives]~~ ~~**ONE REPRESENTATIVE**~~ of organized labor;

3. [12] **10** representatives of manufacturing enterprises; and

4. one representative of business organizations.

(2) The members appointed under paragraph (1)(iv) [and (v)] of this subsection shall reflect the racial and gender diversity of the population of the State.

(3) The members appointed under paragraph [(1)(v)3] **(I)(IV)3** of this subsection should generally reflect representation from:

(i) varied geographic regions of the State;

(ii) varied sectors of manufacturing, balancing technology-related and traditional manufacturing industries; and

(iii) the mix of manufacturing enterprises in the State, including those that employ 500 or more employees and those that employ fewer than 500 employees.

(b) (1) The term of a member appointed under subsection [(a)(1)(v)] **(A)(1)(IV)** of this section is 3 years and begins on July 1.

(2) The terms of the members appointed under subsection [(a)(1)(v)] **(A)(1)(IV)** are staggered as required by the terms provided for the members of the [Commission] **BOARD** on October 1, 2008.

(3) A member may be reappointed, but after serving two consecutive 3-year terms, a member may not be reappointed until at least 1 year after the end of the member's previous tenure.

(4) (i) A vacancy shall be filled immediately for the remainder of the unexpired portion of a term.

(ii) At the end of a term, a member continues to serve until a successor has been appointed.

(5) (i) A member appointed by the President of the Senate or the Speaker of the House serves at the pleasure of the appointing officer.

(ii) A member appointed under subsection [(a)(1)(v)] **(A)(1)(IV)** of this section may be removed at any time by the Secretary, with or without cause.

3–105.

The Secretary shall designate a chair from among the private sector members of the [Commission] **BOARD**.

3–106.

The [Commission] **BOARD** shall meet at least 4 times each year.

3–107.

A member of the [Commission] **BOARD** who is a member of the General Assembly may not vote on a matter before the [Commission] **BOARD** that relates to the exercise of a sovereign power of the State.

3–108.

The [Commission] **BOARD** shall advise the Secretary on the best methods to implement the policy directives of the action plan for manufacturing competitiveness in the State, including:

- (1) encouraging the development of new manufacturing enterprises and the expansion and retention of existing manufacturing enterprises;
- (2) encouraging and facilitating training and education of individuals for manufacturing jobs;
- (3) producing a climate conducive to the growth and viability of manufacturing enterprises;
- (4) supporting research necessary to evaluate, plan, and execute effective promotion of manufacturing enterprises; and
- (5) encouraging, assisting, and coordinating the activities of local, regional, and national public or private organizations that promote manufacturing.

3–109.

The [Commission] **BOARD** shall submit a report each year to the Governor and, in accordance with § 2–1246 of the State Government Article, to the General Assembly on the progress of the [Commission] **BOARD** in implementing policies to assist manufacturing in the State.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 260**(Senate Bill 87)**

AN ACT concerning

**Maryland Tourism Development Board – Destination Marketing Organization
Officials – Voting Rights**

FOR the purpose of granting the destination marketing organization officials who are members of the Maryland Tourism Development Board certain voting rights; and generally relating to members of the Maryland Tourism Development Board.

BY repealing and reenacting, without amendments,
Article – Economic Development
Section 4–203
Annotated Code of Maryland
(2008 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Economic Development
Section 4–204(a)
Annotated Code of Maryland
(2008 Volume and 2016 Supplement)

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

Article – Economic Development

4–203.

There is a Maryland Tourism Development Board in the Department.

4–204.

(a) The Board consists of the following 24 members:

(1) 11 members appointed by the Governor in consultation with the Secretary and with the advice and consent of the Senate;

(2) three [nonvoting] members appointed by the Governor who are directors or chief executive officers from among the destination marketing organizations officially recognized by the Office;

(3) five members appointed by the President of the Senate of Maryland as follows:

- (i) at least two members of the Senate; and
 - (ii) at least two members from the private business community; and
- (4) five members appointed by the Speaker of the House of Delegates as follows:
- (i) at least two members of the House of Delegates; and
 - (ii) at least two members from the private business community.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 261

(House Bill 505)

AN ACT concerning

Maryland Tourism Development Board – Destination Marketing Organization Officials – Voting Rights

FOR the purpose of granting the destination marketing organization officials who are members of the Maryland Tourism Development Board certain voting rights; and generally relating to members of the Maryland Tourism Development Board.

BY repealing and reenacting, without amendments,
 Article – Economic Development
 Section 4–203
 Annotated Code of Maryland
 (2008 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
 Article – Economic Development
 Section 4–204(a)
 Annotated Code of Maryland
 (2008 Volume and 2016 Supplement)

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

Article – Economic Development

4–203.

There is a Maryland Tourism Development Board in the Department.

4–204.

(a) The Board consists of the following 24 members:

(1) 11 members appointed by the Governor in consultation with the Secretary and with the advice and consent of the Senate;

(2) three [nonvoting] members appointed by the Governor who are directors or chief executive officers from among the destination marketing organizations officially recognized by the Office;

(3) five members appointed by the President of the Senate of Maryland as follows:

(i) at least two members of the Senate; and

(ii) at least two members from the private business community; and

(4) five members appointed by the Speaker of the House of Delegates as follows:

(i) at least two members of the House of Delegates; and

(ii) at least two members from the private business community.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 262**(Senate Bill 70)**

AN ACT concerning

**Unemployment Insurance – Exemption From Covered Employment – Youth
Sports ~~Organization~~ ~~Volunteers~~ Workers**

FOR the purpose of providing that, under certain circumstances, work that is performed by ~~volunteers~~ certain workers for youth sports organizations is not covered employment under the unemployment insurance law; defining certain terms; and generally relating to exemptions from covered employment under unemployment insurance law.

BY adding to

Article – Labor and Employment
Section 8–206(i)
Annotated Code of Maryland
(2016 Replacement Volume)

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

Article – Labor and Employment

8–206.

(I) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) “COMPENSATION” DOES NOT INCLUDE THE ACTUAL AND NECESSARY EXPENSES THAT ARE:

1. INCURRED BY A ~~VOLUNTEER~~ QUALIFYING YOUTH SPORTS WORKER IN CONNECTION WITH THE SERVICES PROVIDED OR DUTIES PERFORMED FOR THE YOUTH SPORTS ORGANIZATION; AND

2. REIMBURSED TO THE ~~VOLUNTEER~~ QUALIFYING YOUTH SPORTS WORKER ~~OR OTHERWISE PAID BY THE YOUTH SPORTS ORGANIZATION.~~

(III) “~~VOLUNTEER~~ QUALIFYING YOUTH SPORTS WORKER” MEANS AN INDIVIDUAL WHO PROVIDES SERVICES OR PERFORMS DUTIES AS AN ATHLETIC COACH, MANAGER, PROGRAM LEADER, OR TEAM ASSISTANT FOR COMPENSATION NOT EXCEEDING ~~\$5,000~~ \$1,250 PER QUARTER OF A CALENDAR YEAR FOR EITHER THE CURRENT CALENDAR YEAR OR THE PRECEDING CALENDAR YEAR.

(IV) 1. “YOUTH SPORTS ORGANIZATION” MEANS AN ATHLETIC OR RECREATIONAL PROGRAM:

A. ORGANIZED FOR COMPETITION AGAINST ANOTHER TEAM, CLUB, OR ENTITY OR FOR ATHLETIC INSTRUCTION EXCLUSIVELY FOR PARTICIPANTS WHO ARE UNDER THE AGE OF 19 YEARS;

B. ~~ORGANIZED FOR PLEASURE, RECREATION, OR OTHER NONPROFIT PURPOSES~~ THAT IS QUALIFIED UNDER § 501(C)(4) OR § 501(C)(7) OF THE INTERNAL REVENUE CODE IN THE CURRENT CALENDAR QUARTER;

C. THAT DOES NOT HAVE ANY PART OF THE NET EARNINGS BENEFITING ANY PRIVATE SHAREHOLDER; AND

D. THAT HAS AN ADULT EMPLOYEE OR A ~~VOLUNTEER~~ QUALIFYING YOUTH SPORTS WORKER WHO HAS SUPERVISORY OR DISCIPLINARY AUTHORITY OVER YOUTH PARTICIPANTS.

2. “YOUTH SPORTS ORGANIZATION” DOES NOT INCLUDE:

A. A PUBLIC OR PRIVATE EDUCATIONAL INSTITUTION’S ATHLETIC PROGRAM; OR

B. A SCHOOL-ASSOCIATED ATHLETIC ACTIVITY.

(2) ~~WORK THAT IS PERFORMED BY A VOLUNTEER~~ WORK THAT IS PERFORMED BY A VOLUNTEER QUALIFYING YOUTH SPORTS WORKER FOR A YOUTH SPORTS ORGANIZATION IS NOT COVERED EMPLOYMENT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 263

(Senate Bill 72)

AN ACT concerning

Workers’ Compensation – Tiered Rating Plans and Merit Rating Plans

FOR the purpose of authorizing a workers’ compensation insurer to develop a certain tiered rating plan; requiring a workers’ compensation insurer to submit a certain tiered rating plan to the Insurance Commissioner at least a certain number of days in

advance of the tiered rating plan's use; requiring the Commissioner to disapprove a certain tiered rating plan under certain circumstances; authorizing a workers' compensation insurer to use a certain merit rating plan under certain circumstances; and generally relating to workers' compensation insurance.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 11–329

Annotated Code of Maryland

(2011 Replacement Volume and 2016 Supplement)

(As enacted by Chapter 394 of the Acts of the General Assembly of 2016)

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

Article – Insurance

11–329.

(a) Each workers' compensation insurer shall:

- (1) be a member of a workers' compensation rating organization; and
- (2) adhere to the policy forms filed by the rating organization.

(b) (1) Each workers' compensation insurer shall adhere to a uniform classification system and uniform experience rating plan filed with the Commissioner by a rating organization designated by and subject to disapproval by the Commissioner.

(2) (i) An insurer may develop subclassifications of the uniform classification system on which a rate may be made.

(ii) Any subclassification developed under subparagraph (i) of this paragraph shall be filed with the Commissioner at least 30 days before its use.

(iii) If the insurer fails to demonstrate that the data produced under a subclassification can be reported in a manner consistent with the uniform classification system and uniform statistical plan, the Commissioner shall disapprove the subclassification.

(3) (I) AN INSURER MAY DEVELOP A TIERED RATING PLAN CONTAINING TWO OR MORE RISK TIERS TO BE APPLIED TO THE INSURER'S ACCEPTANCE OF RISKS UNDER THE UNIFORM CLASSIFICATION SYSTEM ON WHICH A RATE MAY BE MADE.

(II) A TIERED RATING PLAN UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL:

1. ESTABLISH DISCRETE TIERS FOR THE ACCEPTANCE OF RISKS BASED ON DEFINED RISK ATTRIBUTES THAT:

A. ARE NOT ARBITRARY, CAPRICIOUS, OR UNFAIRLY DISCRIMINATORY; AND

B. ARE REASONABLY RELATED TO THE INSURER'S BUSINESS AND ECONOMIC PURPOSES; AND

2. REQUIRE THAT EACH INSURED BE PLACED IN THE HIGHEST QUALITY TIER FOR WHICH THAT INSURED QUALIFIES.

(III) AN INSURER SHALL FILE A TIERED RATING PLAN DEVELOPED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH WITH THE COMMISSIONER AT LEAST 30 DAYS BEFORE THE TIERED RATING PLAN'S USE.

(IV) IF AN INSURER FAILS TO DEMONSTRATE THAT THE DATA PRODUCED UNDER A TIERED RATING PLAN CAN BE REPORTED IN A MANNER CONSISTENT WITH THE UNIFORM CLASSIFICATION SYSTEM AND THE UNIFORM STATISTICAL PLAN, THE COMMISSIONER SHALL DISAPPROVE THE TIERED RATING PLAN.

(c) Each workers' compensation insurer shall record and report its workers' compensation experience to a rating organization as set forth in the uniform statistical plan approved by the Commissioner.

(d) (1) Subject to the approval of the Commissioner, each rating organization shall develop and file rules reasonably related to the recording and reporting of data under the uniform classification system, uniform statistical plan, and uniform experience rating plan.

(2) In writing and reporting its business, each workers' compensation insurer shall adhere to the approved rules and experience rating plan.

(3) An insurer may not agree with another insurer or rating organization to adhere to rules that are not reasonably related to the recording and reporting of data under the uniform classification system or uniform statistical plan.

(e) The experience rating plan methodology required under § 11-330(d)(4) of this subtitle shall be based on:

(1) reasonable eligibility standards;

- (2) adequate incentives for loss prevention; and
- (3) sufficient premium differentials so as to encourage safety.

(f) (1) Except as provided in paragraphs (2) [and], (3), AND (4) of this subsection, the uniform experience rating plan shall be the exclusive means of providing prospective premium adjustment based on measurement of the loss-producing characteristics of an individual insured.

(2) In addition to any premium adjustment allowed under paragraph (1) of this subsection and pursuant to a filing made by a rating organization and approved by the Commissioner, an insurer may file a rating plan with the Commissioner that provides for prospective premium adjustments up to 25% based upon characteristics of a risk that are not reflected in the uniform experience rating plan.

(3) AN INSURER MAY FILE A RATING PLAN WITH THE COMMISSIONER THAT PROVIDES FOR PROSPECTIVE PREMIUM ADJUSTMENTS BASED ON MERIT FOR AN INSURED THAT DOES NOT MEET MINIMUM PREMIUM REQUIREMENTS TO QUALIFY FOR A UNIFORM EXPERIENCE RATING PLAN.

(4) (i) Except as provided in subparagraph (ii) of this paragraph, in addition to any premium adjustment allowed under paragraphs (1) [and], (2), AND (3) of this subsection and pursuant to a filing made by a rating organization and approved by the Commissioner, an insurer may file a rating plan with the Commissioner that provides for a premium discount for appropriate classifications or subclassifications of a risk of up to 4% to an insured that has an alcohol- and drug-free workplace policy that may include one or more of the following programs:

1. an alcohol and drug testing program;
2. an employee education program on alcohol and drug abuse;
3. a supervisor education program on alcohol and drug abuse;
4. an employee assistance program that includes referrals of employees for appropriate diagnosis, treatment, and assistance;
5. a program requiring an employee who has caused or contributed to an accident while at work to undergo alcohol or drug testing; and
6. any other program that the insurer deems effective to encourage an alcohol- and drug-free workplace.

(ii) An insurer is not required to provide a premium discount under this paragraph if the insured is required under federal or State law to test its employees for drugs or otherwise provide an alcohol- and a drug-free workplace.

[(4)] (5) An insurer may file a rating plan that provides for retrospective premium adjustments based on an insured's past experience.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 264

(House Bill 1315)

AN ACT concerning

Workers' Compensation – Tiered Rating Plans and Merit Rating Plans

FOR the purpose of authorizing a workers' compensation insurer to develop a certain tiered rating plan; requiring a workers' compensation insurer to submit a certain tiered rating plan to the Insurance Commissioner at least a certain number of days in advance of the tiered rating plan's use; requiring the Commissioner to disapprove a certain tiered rating plan under certain circumstances; authorizing a workers' compensation insurer to use a certain merit rating plan under certain circumstances; and generally relating to workers' compensation insurance.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 11-329

Annotated Code of Maryland

(2011 Replacement Volume and 2016 Supplement)

(As enacted by Chapter 394 of the Acts of the General Assembly of 2016)

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

Article – Insurance

11-329.

(a) Each workers' compensation insurer shall:

(1) be a member of a workers' compensation rating organization; and

(2) adhere to the policy forms filed by the rating organization.

(b) (1) Each workers' compensation insurer shall adhere to a uniform classification system and uniform experience rating plan filed with the Commissioner by a rating organization designated by and subject to disapproval by the Commissioner.

(2) (i) An insurer may develop subclassifications of the uniform classification system on which a rate may be made.

(ii) Any subclassification developed under subparagraph (i) of this paragraph shall be filed with the Commissioner at least 30 days before its use.

(iii) If the insurer fails to demonstrate that the data produced under a subclassification can be reported in a manner consistent with the uniform classification system and uniform statistical plan, the Commissioner shall disapprove the subclassification.

(3) (I) AN INSURER MAY DEVELOP A TIERED RATING PLAN CONTAINING TWO OR MORE RISK TIERS TO BE APPLIED TO THE INSURER'S ACCEPTANCE OF RISKS UNDER THE UNIFORM CLASSIFICATION SYSTEM ON WHICH A RATE MAY BE MADE.

(II) A TIERED RATING PLAN UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL:

1. ESTABLISH DISCRETE TIERS FOR THE ACCEPTANCE OF RISKS BASED ON DEFINED RISK ATTRIBUTES THAT:

A. ARE NOT ARBITRARY, CAPRICIOUS, OR UNFAIRLY DISCRIMINATORY; AND

B. ARE REASONABLY RELATED TO THE INSURER'S BUSINESS AND ECONOMIC PURPOSES; AND

2. REQUIRE THAT EACH INSURED BE PLACED IN THE HIGHEST QUALITY TIER FOR WHICH THAT INSURED QUALIFIES.

(III) AN INSURER SHALL FILE A TIERED RATING PLAN DEVELOPED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH WITH THE COMMISSIONER AT LEAST 30 DAYS BEFORE THE TIERED RATING PLAN'S USE.

(IV) IF AN INSURER FAILS TO DEMONSTRATE THAT THE DATA PRODUCED UNDER A TIERED RATING PLAN CAN BE REPORTED IN A MANNER CONSISTENT WITH THE UNIFORM CLASSIFICATION SYSTEM AND THE UNIFORM

STATISTICAL PLAN, THE COMMISSIONER SHALL DISAPPROVE THE TIERED RATING PLAN.

(c) Each workers' compensation insurer shall record and report its workers' compensation experience to a rating organization as set forth in the uniform statistical plan approved by the Commissioner.

(d) (1) Subject to the approval of the Commissioner, each rating organization shall develop and file rules reasonably related to the recording and reporting of data under the uniform classification system, uniform statistical plan, and uniform experience rating plan.

(2) In writing and reporting its business, each workers' compensation insurer shall adhere to the approved rules and experience rating plan.

(3) An insurer may not agree with another insurer or rating organization to adhere to rules that are not reasonably related to the recording and reporting of data under the uniform classification system or uniform statistical plan.

(e) The experience rating plan methodology required under § 11-330(d)(4) of this subtitle shall be based on:

- (1) reasonable eligibility standards;
- (2) adequate incentives for loss prevention; and
- (3) sufficient premium differentials so as to encourage safety.

(f) (1) Except as provided in paragraphs (2) [and], (3), **AND (4)** of this subsection, the uniform experience rating plan shall be the exclusive means of providing prospective premium adjustment based on measurement of the loss-producing characteristics of an individual insured.

(2) In addition to any premium adjustment allowed under paragraph (1) of this subsection and pursuant to a filing made by a rating organization and approved by the Commissioner, an insurer may file a rating plan with the Commissioner that provides for prospective premium adjustments up to 25% based upon characteristics of a risk that are not reflected in the uniform experience rating plan.

(3) AN INSURER MAY FILE A RATING PLAN WITH THE COMMISSIONER THAT PROVIDES FOR PROSPECTIVE PREMIUM ADJUSTMENTS BASED ON MERIT FOR AN INSURED THAT DOES NOT MEET MINIMUM PREMIUM REQUIREMENTS TO QUALIFY FOR A UNIFORM EXPERIENCE RATING PLAN.

(4) (i) Except as provided in subparagraph (ii) of this paragraph, in addition to any premium adjustment allowed under paragraphs (1) [and], (2), **AND (3)** of

this subsection and pursuant to a filing made by a rating organization and approved by the Commissioner, an insurer may file a rating plan with the Commissioner that provides for a premium discount for appropriate classifications or subclassifications of a risk of up to 4% to an insured that has an alcohol- and drug-free workplace policy that may include one or more of the following programs:

1. an alcohol and drug testing program;
2. an employee education program on alcohol and drug abuse;
3. a supervisor education program on alcohol and drug abuse;
4. an employee assistance program that includes referrals of employees for appropriate diagnosis, treatment, and assistance;
5. a program requiring an employee who has caused or contributed to an accident while at work to undergo alcohol or drug testing; and
6. any other program that the insurer deems effective to encourage an alcohol- and drug-free workplace.

(ii) An insurer is not required to provide a premium discount under this paragraph if the insured is required under federal or State law to test its employees for drugs or otherwise provide an alcohol- and a drug-free workplace.

[(4)](5) An insurer may file a rating plan that provides for retrospective premium adjustments based on an insured's past experience.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 265

(Senate Bill 206)

AN ACT concerning

**Financial Institutions – Qualifications of Directors of Commercial
Banks – Residency**

FOR the purpose of altering the percentage of the directors of a commercial bank who are required to be residents of the State; and generally relating to the qualifications of directors of commercial banks.

BY repealing and reenacting, with amendments,
Article – Financial Institutions
Section 3–403
Annotated Code of Maryland
(2011 Replacement Volume and 2016 Supplement)

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

Article – Financial Institutions

3–403.

(a) (1) After the initial issuance of capital stock by a commercial bank, each of its directors shall own in good faith and of record unencumbered shares of the capital stock of:

(i) The commercial bank; or

(ii) A corporation that owns more than 80 percent of the capital stock of the commercial bank.

(2) The unencumbered capital stock owned by the director shall be in the amount of at least:

(i) \$500; or

(ii) \$250, if the commercial bank is a State bank that has \$50,000 or less in capital stock.

(3) To determine the amount of capital stock owned by a director:

(i) Based on the value of the stock on the date of purchase or on the date the director took office, whichever is greater, any 1 or more of the following may be considered:

1. Aggregate par value in the amount required under either paragraph (2)(i) or (ii) of this subsection;

2. Aggregate shareholder's equity in the amount required under either paragraph (2)(i) or (ii) of this subsection; or

3. Aggregate fair market value in the amount required under paragraph (2)(i) or (ii) of this subsection; and

(ii) Debt instruments of the commercial bank or corporation may not be considered.

(b) [A majority] **AT LEAST 30%** of the directors of a commercial bank shall be residents of this State.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 266

(House Bill 718)

AN ACT concerning

Financial Institutions – Qualifications of Directors of Commercial Banks – Residency

FOR the purpose of altering the percentage of the directors of a commercial bank who are required to be residents of the State; and generally relating to the qualifications of directors of commercial banks.

BY repealing and reenacting, with amendments,
Article – Financial Institutions
Section 3–403
Annotated Code of Maryland
(2011 Replacement Volume and 2016 Supplement)

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

Article – Financial Institutions

3–403.

(a) (1) After the initial issuance of capital stock by a commercial bank, each of its directors shall own in good faith and of record unencumbered shares of the capital stock of:

- (i) The commercial bank; or
 - (ii) A corporation that owns more than 80 percent of the capital stock of the commercial bank.
- (2) The unencumbered capital stock owned by the director shall be in the amount of at least:
- (i) \$500; or
 - (ii) \$250, if the commercial bank is a State bank that has \$50,000 or less in capital stock.
- (3) To determine the amount of capital stock owned by a director:
- (i) Based on the value of the stock on the date of purchase or on the date the director took office, whichever is greater, any 1 or more of the following may be considered:
 - 1. Aggregate par value in the amount required under either paragraph (2)(i) or (ii) of this subsection;
 - 2. Aggregate shareholder's equity in the amount required under either paragraph (2)(i) or (ii) of this subsection; or
 - 3. Aggregate fair market value in the amount required under paragraph (2)(i) or (ii) of this subsection; and
 - (ii) Debt instruments of the commercial bank or corporation may not be considered.
- (b) [A majority] **AT LEAST 30%** of the directors of a commercial bank shall be residents of this State.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 267
(Senate Bill 255)

AN ACT concerning

State Retirement Agency and Pension System – Authority to Arrange Custody of Investments and Procurement Exemption

FOR the purpose of exempting from certain procurement law expenditures made by the ~~State Retirement Agency~~ Board of Trustees for the State Retirement and Pension System for the safe custody of investments of the State Retirement and Pension System; transferring the authority to arrange for the safe custody of investments from the State Treasurer to the ~~Chief Investment Officer of the Investment Division in the Agency~~ Board of Trustees; providing for the application of this Act; and generally relating to the custody of investments of the State Retirement and Pension System.

BY repealing and reenacting, with amendments,
 Article – State Finance and Procurement
 Section 11–203(d)
 Annotated Code of Maryland
 (2015 Replacement Volume and 2016 Supplement)

~~BY repealing and reenacting, without amendments,
 Article – State Personnel and Pensions
 Section 21–122(a)(1)
 Annotated Code of Maryland
 (2015 Replacement Volume and 2016 Supplement)~~

BY repealing and reenacting, with amendments,
 Article – State Personnel and Pensions
 Section ~~21–122(d)~~ 21–123 and 21–124
 Annotated Code of Maryland
 (2015 Replacement Volume and 2016 Supplement)

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

Article – State Finance and Procurement

11–203.

(d) Except as provided in Title 12, Subtitle 4 and Title 14, Subtitle 3 of this article, this Division II does not apply to the Board of Trustees of the State Retirement and Pension System for:

(1) services of managers to invest the assets of the State Retirement and Pension System, including real and personal property;

(2) expenditures to manage, maintain, and enhance the value of the assets of the State Retirement and Pension System in accordance with investment guidelines adopted by the Board of Trustees;

(3) services related to the administration of the optional retirement program under Title 30 of the State Personnel and Pensions Article; [and]

(4) services related to the administration of the Postretirement Health Benefits Trust Fund; AND

(5) EXPENDITURES FOR THE SAFE CUSTODY, DOMESTIC OR GLOBAL, OF INVESTMENTS AS PROVIDED UNDER ~~§ 21-122(D)~~ § 21-123(F) OF THE STATE PERSONNEL AND PENSIONS ARTICLE.

Article – State Personnel and Pensions

~~21-122.~~

~~(a) (1) There is an Investment Division in the State Retirement Agency.~~

~~(d) On behalf of the several systems, the Chief Investment Officer:~~

~~(1) may hire external investment managers to invest the assets of the several systems;~~

~~(2) may select and invest in specific investment vehicles, including limited partnerships, private equity fund investments, and private real estate fund investments; [and]~~

~~(3) may terminate the appointment of an external investment manager;~~
AND

~~(4) MAY MAKE ARRANGEMENTS FOR THE SAFE CUSTODY, DOMESTIC OR GLOBAL, OF INVESTMENTS WITH ONE OR MORE DULY QUALIFIED CUSTODIAN BANKS OR TRUST COMPANIES.~~

21-123.

(a) Except for those assets that the law requires another entity or person to control, the State Retirement Agency, under the supervision of the Board of Trustees, shall manage all assets of the several systems.

(b) The Board of Trustees:

(1) is deemed the owner of all the assets of the several systems; but

(2) may delegate some or all incidents of ownership to the State Retirement Agency to administer the investment portfolios of the several systems.

(c) (1) The Board of Trustees may invest assets of the several systems subject to the conditions that it imposes.

(2) The Board of Trustees shall include the conditions that it adopts under paragraph (1) of this subsection in the investment policy manual required by § 21-116(c) of this subtitle.

(d) (1) This subsection applies only to the execution of:

(i) ground rent redemption deeds;

(ii) releases or reassignments of mortgages; and

(iii) satisfactions or reassignments of notes conveying, releasing, or reassigning any interest owned by the State for the use of a fund of the several systems.

(2) An instrument must be executed by any two of:

(i) the State Treasurer;

(ii) the Executive Director of the State Retirement Agency;

(iii) the Chief Investment Officer of the State Retirement Agency; or

(iv) another employee of the State Retirement Agency as the Executive Director designates with the approval of the Board of Trustees.

(e) (1) The Board of Trustees may commingle assets of the several systems, including the Postretirement Health Benefits Trust Fund, if the Board of Trustees keeps separate sets of records for each State system or group of State systems listed in paragraph (2) of this subsection that show:

(i) the percentage of participation of each State system or group of State systems, including the Postretirement Health Benefits Trust Fund;

(ii) the percentage of income, gains, and losses applicable to each State system or group of State systems, including the Postretirement Health Benefits Trust Fund; and

(iii) the total contributions and disbursements applicable to each State system or group of State systems, including the Postretirement Health Benefits Trust Fund.

(2) The Board of Trustees shall keep records required by paragraph (1) of this subsection for each of the following:

(i) the group that consists of the Correctional Officers' Retirement System, the Employees' Pension System, the Employees' Retirement System, and the Legislative Pension Plan;

(ii) the Judges' Retirement System;

(iii) the Law Enforcement Officers' Pension System;

(iv) the State Police Retirement System;

(v) the group that consists of the Teachers' Pension System and the Teachers' Retirement System; and

(vi) the Postretirement Health Benefits Trust Fund.

(F) ON BEHALF OF THE SEVERAL SYSTEMS, THE BOARD OF TRUSTEES SHALL MAKE ARRANGEMENTS FOR THE SAFE CUSTODY, DOMESTIC OR GLOBAL, OF INVESTMENTS WITH ONE OR MORE DULY QUALIFIED CUSTODIAN BANKS OR TRUST COMPANIES.

[(f)] (G) (1) Notwithstanding any other law in force on or after July 1, 1988, unless the law makes specific reference to this subsection, and subject to paragraph (2) of this subsection, the Board of Trustees may keep all analyses, forecasts, negotiations, papers, records, recommendations, and reports closed to public inspection until:

(i) the release of the information would not adversely affect the negotiation for or market price of a security; and

(ii) completion of:

1. a proposed purchase or program of purchases leading to a cumulative position in a security;

2. the making, sale, or prepayment of a loan;

3. any proposed sale or program of sales leading to the elimination of a position in a security; or

4. the sale or purchase of real estate.

(2) The sale or purchase of real estate shall be subject to the approval of a majority of the Comptroller, Treasurer, and Secretary of Budget and Management, in their capacity as members of the Board of Trustees.

[(g)] (H) Any direct owned real estate purchased as an investment by the State Retirement and Pension System shall be managed by an external investment manager selected by the Chief Investment Officer.

[(h)] (I) Title 4, Subtitle 3, Part III and § 10–305 of the State Finance and Procurement Article do not apply to the sale, acquisition, lease, transfer, exchange, or other disposition of any real or personal property acquired by the Board of Trustees in any transaction authorized under this title.

21–124.

(a) (1) The State Treasurer is the custodian of:

(i) the accumulation, annuity savings, and expense funds of the several systems; and

(ii) the assets of the Board of Trustees.

(2) The State Retirement Agency shall make all payments from the accumulation, annuity savings, and expense funds of the several systems in accordance with regulations that the Board of Trustees adopts with the approval of the State Treasurer.

(b) (1) The State Treasurer may make arrangements with one or more duly qualified banks or trust companies in this State, organized under the laws of this State or of the United States, for:

(i) [safe custody of investments;

(ii)] banking services; and

[(iii)] (II) any other function that the State Treasurer considers necessary to safeguard physically the assets that the Board of Trustees manages.

(2) The State Treasurer:

(i) may deposit any of the securities that the Board of Trustees purchases in vaults or in other safe depositories outside the office of the State Treasurer, whether or not in this State; and

(ii) shall deliver to the Board of Trustees a safekeeping receipt that:

1. describes the securities that the State Treasurer deposits;

and

2. is payable on demand and without conditions to the Board of Trustees, to any designated fund of the several systems that the Board of Trustees controls, or to the State Treasurer.

(3) The Board of Trustees shall keep on file any safekeeping receipt that the State Treasurer delivers.

(c) (1) Subject to paragraph (2) of this subsection, to make disbursements, the State Treasurer may keep cash on deposit in one or more duly qualified banks or trust companies in this State that are organized under the laws of this State or of the United States.

(2) The State Treasurer may not:

(i) keep more than 10% of the total amount in the funds of the several systems on deposit as cash; or

(ii) keep cash that exceeds 25% of the paid-up capital and surplus of the bank or trust company in that bank or trust company.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any contract or amendments to any contracts resulting from a request for proposals for global custody services issued by the State Treasurer before the effective date of this Act.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 268

(House Bill 202)

AN ACT concerning

State Retirement ~~Agency~~ and Pension System – Authority to Arrange Custody of Investments and Procurement Exemption

FOR the purpose of exempting from certain procurement law expenditures made by the ~~State Retirement Agency~~ Board of Trustees for the State Retirement and Pension System for the safe custody of investments of the State Retirement and Pension System; transferring the authority to arrange for the safe custody of investments from the State Treasurer to the ~~Chief Investment Officer of the Investment Division~~

~~in the Agency Board of Trustees; providing for the application of this Act; and generally relating to the custody of investments of the State Retirement and Pension System.~~

BY repealing and reenacting, with amendments,
 Article – State Finance and Procurement
 Section 11–203(d)
 Annotated Code of Maryland
 (2015 Replacement Volume and 2016 Supplement)

~~BY repealing and reenacting, without amendments,
 Article – State Personnel and Pensions
 Section 21–122(a)(1)
 Annotated Code of Maryland
 (2015 Replacement Volume and 2016 Supplement)~~

BY repealing and reenacting, with amendments,
 Article – State Personnel and Pensions
 Section ~~21–122(d)~~ 21–123 and 21–124
 Annotated Code of Maryland
 (2015 Replacement Volume and 2016 Supplement)

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

Article – State Finance and Procurement

11–203.

(d) Except as provided in Title 12, Subtitle 4 and Title 14, Subtitle 3 of this article, this Division II does not apply to the Board of Trustees of the State Retirement and Pension System for:

(1) services of managers to invest the assets of the State Retirement and Pension System, including real and personal property;

(2) expenditures to manage, maintain, and enhance the value of the assets of the State Retirement and Pension System in accordance with investment guidelines adopted by the Board of Trustees;

(3) services related to the administration of the optional retirement program under Title 30 of the State Personnel and Pensions Article; [and]

(4) services related to the administration of the Postretirement Health Benefits Trust Fund; AND

(5) EXPENDITURES FOR THE SAFE CUSTODY, DOMESTIC OR GLOBAL, OF INVESTMENTS AS PROVIDED UNDER ~~§ 21-122(D)~~ § 21-123(F) OF THE STATE PERSONNEL AND PENSIONS ARTICLE.

Article – State Personnel and Pensions

~~21-122.~~

~~(a) (1) There is an Investment Division in the State Retirement Agency.~~

~~(d) On behalf of the several systems, the Chief Investment Officer:~~

~~(1) may hire external investment managers to invest the assets of the several systems;~~

~~(2) may select and invest in specific investment vehicles, including limited partnerships, private equity fund investments, and private real estate fund investments; and~~

~~(3) may terminate the appointment of an external investment manager;~~

AND

~~(4) MAY MAKE ARRANGEMENTS FOR THE SAFE CUSTODY, DOMESTIC OR GLOBAL, OF INVESTMENTS WITH ONE OR MORE DULY QUALIFIED CUSTODIAN BANKS OR TRUST COMPANIES.~~

21-123.

(a) Except for those assets that the law requires another entity or person to control, the State Retirement Agency, under the supervision of the Board of Trustees, shall manage all assets of the several systems.

(b) The Board of Trustees:

(1) is deemed the owner of all the assets of the several systems; but

(2) may delegate some or all incidents of ownership to the State Retirement Agency to administer the investment portfolios of the several systems.

(c) (1) The Board of Trustees may invest assets of the several systems subject to the conditions that it imposes.

(2) The Board of Trustees shall include the conditions that it adopts under paragraph (1) of this subsection in the investment policy manual required by § 21-116(c) of this subtitle.

- (d) (1) This subsection applies only to the execution of:
- (i) ground rent redemption deeds;
 - (ii) releases or reassignments of mortgages; and
 - (iii) satisfactions or reassignments of notes conveying, releasing, or reassigning any interest owned by the State for the use of a fund of the several systems.
- (2) An instrument must be executed by any two of:
- (i) the State Treasurer;
 - (ii) the Executive Director of the State Retirement Agency;
 - (iii) the Chief Investment Officer of the State Retirement Agency; or
 - (iv) another employee of the State Retirement Agency as the Executive Director designates with the approval of the Board of Trustees.
- (e) (1) The Board of Trustees may commingle assets of the several systems, including the Postretirement Health Benefits Trust Fund, if the Board of Trustees keeps separate sets of records for each State system or group of State systems listed in paragraph (2) of this subsection that show:
- (i) the percentage of participation of each State system or group of State systems, including the Postretirement Health Benefits Trust Fund;
 - (ii) the percentage of income, gains, and losses applicable to each State system or group of State systems, including the Postretirement Health Benefits Trust Fund; and
 - (iii) the total contributions and disbursements applicable to each State system or group of State systems, including the Postretirement Health Benefits Trust Fund.
- (2) The Board of Trustees shall keep records required by paragraph (1) of this subsection for each of the following:
- (i) the group that consists of the Correctional Officers' Retirement System, the Employees' Pension System, the Employees' Retirement System, and the Legislative Pension Plan;
 - (ii) the Judges' Retirement System;
 - (iii) the Law Enforcement Officers' Pension System;

(iv) the State Police Retirement System;

(v) the group that consists of the Teachers' Pension System and the Teachers' Retirement System; and

(vi) the Postretirement Health Benefits Trust Fund.

(F) ON BEHALF OF THE SEVERAL SYSTEMS, THE BOARD OF TRUSTEES SHALL MAKE ARRANGEMENTS FOR THE SAFE CUSTODY, DOMESTIC OR GLOBAL, OF INVESTMENTS WITH ONE OR MORE DULY QUALIFIED CUSTODIAN BANKS OR TRUST COMPANIES.

[(f)] (G) (1) Notwithstanding any other law in force on or after July 1, 1988, unless the law makes specific reference to this subsection, and subject to paragraph (2) of this subsection, the Board of Trustees may keep all analyses, forecasts, negotiations, papers, records, recommendations, and reports closed to public inspection until:

(i) the release of the information would not adversely affect the negotiation for or market price of a security; and

(ii) completion of:

1. a proposed purchase or program of purchases leading to a cumulative position in a security;

2. the making, sale, or prepayment of a loan;

3. any proposed sale or program of sales leading to the elimination of a position in a security; or

4. the sale or purchase of real estate.

(2) The sale or purchase of real estate shall be subject to the approval of a majority of the Comptroller, Treasurer, and Secretary of Budget and Management, in their capacity as members of the Board of Trustees.

[(g)] (H) Any direct owned real estate purchased as an investment by the State Retirement and Pension System shall be managed by an external investment manager selected by the Chief Investment Officer.

[(h)] (I) Title 4, Subtitle 3, Part III and § 10-305 of the State Finance and Procurement Article do not apply to the sale, acquisition, lease, transfer, exchange, or other disposition of any real or personal property acquired by the Board of Trustees in any transaction authorized under this title.

(a) (1) The State Treasurer is the custodian of:

(i) the accumulation, annuity savings, and expense funds of the several systems; and

(ii) the assets of the Board of Trustees.

(2) The State Retirement Agency shall make all payments from the accumulation, annuity savings, and expense funds of the several systems in accordance with regulations that the Board of Trustees adopts with the approval of the State Treasurer.

(b) (1) The State Treasurer may make arrangements with one or more duly qualified banks or trust companies in this State, organized under the laws of this State or of the United States, for:

(i) [safe custody of investments;

(ii)] banking services; and

[(iii)] (II) any other function that the State Treasurer considers necessary to safeguard physically the assets that the Board of Trustees manages.

(2) The State Treasurer:

(i) may deposit any of the securities that the Board of Trustees purchases in vaults or in other safe depositories outside the office of the State Treasurer, whether or not in this State; and

(ii) shall deliver to the Board of Trustees a safekeeping receipt that:

1. describes the securities that the State Treasurer deposits;
and

2. is payable on demand and without conditions to the Board of Trustees, to any designated fund of the several systems that the Board of Trustees controls, or to the State Treasurer.

(3) The Board of Trustees shall keep on file any safekeeping receipt that the State Treasurer delivers.

(c) (1) Subject to paragraph (2) of this subsection, to make disbursements, the State Treasurer may keep cash on deposit in one or more duly qualified banks or trust companies in this State that are organized under the laws of this State or of the United States.

(2) The State Treasurer may not:

(i) keep more than 10% of the total amount in the funds of the several systems on deposit as cash; or

(ii) keep cash that exceeds 25% of the paid-up capital and surplus of the bank or trust company in that bank or trust company.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any contract or amendments to any contracts resulting from a request for proposals for global custody services issued by the State Treasurer before the effective date of this Act.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 269

(Senate Bill 256)

AN ACT concerning

Employees' and Teachers' Pension Systems – Reformed Contributory Pension Benefit – Service Credit Purchase Clarification

FOR the purpose of clarifying that a member of the Employees' Pension System or the Teachers' Pension System who is subject to the Reformed Contributory Pension Benefit is eligible to purchase service credit for a certain period of employment under certain circumstances; and generally relating to the purchase of service credit for a member of the Employees' Pension System or the Teachers' Pension System who is subject to the Reformed Contributory Pension Benefit.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 23–306.2
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – State Personnel and Pensions

23-306.2.

(a) A member who is subject to the contributory pension benefit, [or] the Alternate Contributory Pension Selection, **OR THE REFORMED CONTRIBUTORY PENSION BENEFIT** may purchase service credit as provided in subsection (b) of this section for periods of employment described in subsection (c) of this section for which the member is not otherwise entitled.

(b) (1) A member who purchases service credit under this section shall:

(i) complete a claim for the service credit and file it with the Board of Trustees on a form that the Board of Trustees provides; and

(ii) pay to the Board of Trustees in a single payment the member contributions the member would have made for the period of employment for which service credit is being purchased if the member had earned the prior service in the same part of the Employees' Pension System or Teachers' Pension System in which the member is currently enrolled, plus regular interest to the date of payment.

(2) A member may pay for service credit purchased under this section at any time before retirement.

(3) Subject to § 414(h)(2) of the Internal Revenue Code, an individual's accumulated contributions in excess of the amount determined under paragraph (1) of this subsection shall be refunded on request.

(c) (1) Except as provided in paragraph (2) of this subsection, a member may purchase service credit for a period of employment as a member of the Employees' Pension System or Teachers' Pension System if the member:

(i) has withdrawn the member's accumulated contributions after a prior termination of membership; and

(ii) was subject to the contributory pension benefit, [or] the Alternate Contributory Pension Selection, **OR THE REFORMED CONTRIBUTORY PENSION BENEFIT** when the member previously terminated membership in the Employees' Pension System or the Teachers' Pension System.

(2) A member may not purchase eligibility service credit that exceeds the member's creditable service credit.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 270**(House Bill 201)**

AN ACT concerning

**Employees' and Teachers' Pension Systems – Reformed Contributory Pension
Benefit – Service Credit Purchase Clarification**

FOR the purpose of clarifying that a member of the Employees' Pension System or the Teachers' Pension System who is subject to the Reformed Contributory Pension Benefit is eligible to purchase service credit for a certain period of employment under certain circumstances; and generally relating to the purchase of service credit for a member of the Employees' Pension System or the Teachers' Pension System who is subject to the Reformed Contributory Pension Benefit.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 23–306.2
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – State Personnel and Pensions

23–306.2.

(a) A member who is subject to the contributory pension benefit, [or] the Alternate Contributory Pension Selection, **OR THE REFORMED CONTRIBUTORY PENSION BENEFIT** may purchase service credit as provided in subsection (b) of this section for periods of employment described in subsection (c) of this section for which the member is not otherwise entitled.

(b) (1) A member who purchases service credit under this section shall:

(i) complete a claim for the service credit and file it with the Board of Trustees on a form that the Board of Trustees provides; and

(ii) pay to the Board of Trustees in a single payment the member contributions the member would have made for the period of employment for which service credit is being purchased if the member had earned the prior service in the same part of the Employees' Pension System or Teachers' Pension System in which the member is currently enrolled, plus regular interest to the date of payment.

(2) A member may pay for service credit purchased under this section at any time before retirement.

(3) Subject to § 414(h)(2) of the Internal Revenue Code, an individual's accumulated contributions in excess of the amount determined under paragraph (1) of this subsection shall be refunded on request.

(c) (1) Except as provided in paragraph (2) of this subsection, a member may purchase service credit for a period of employment as a member of the Employees' Pension System or Teachers' Pension System if the member:

(i) has withdrawn the member's accumulated contributions after a prior termination of membership; and

(ii) was subject to the contributory pension benefit, [or] the Alternate Contributory Pension Selection, **OR THE REFORMED CONTRIBUTORY PENSION BENEFIT** when the member previously terminated membership in the Employees' Pension System or the Teachers' Pension System.

(2) A member may not purchase eligibility service credit that exceeds the member's creditable service credit.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 271

(Senate Bill 401)

AN ACT concerning

State Retirement and Pension System – Membership Elections

FOR the purpose of limiting optional membership in the Employees' Pension System to certain individuals who have not previously been a member of a certain pension and retirement program or who have not had certain previous employment; requiring certain elections for membership in the Employees' Pension System to be made at the commencement of employment; requiring the Secretary of State Police to be a member of the State Police Retirement System as a condition of employment; requiring an individual who is employed by a participating governmental unit as a local detention center officer on or after a certain date to elect membership in the Correctional Officers' Retirement System before a certain event; requiring an election to join the Correctional Officers' Retirement System to be made in a certain

manner; providing that an election to join the Correctional Officers' Retirement System is a one-time, irrevocable election; requiring certain individuals who are employed by a participating governmental unit on or after a certain date to elect membership in the Law Enforcement Officers' Pension System before a certain event; requiring a certain election to join the Law Enforcement Officers' Pension System to be made in a certain manner; providing that an election to join the Law Enforcement Officers' Pension System is a one-time, irrevocable election; altering the eligibility for participation in the Optional Retirement Program; requiring an election to participate in the Optional Retirement Program to be made at the commencement of employment; prohibiting certain individuals from participating in the Optional Retirement Program; providing that an election to join the Optional Retirement Program is a one-time, irrevocable election; requiring an employee who is participating in the Optional Retirement Program to participate in the State Retirement and Pension System under certain circumstances; establishing requirements for employees of an eligible governmental unit to participate in the Employees' Pension System; authorizing an eligible governmental unit to operate a certain local plan after the effective date of participation in the Employees' Pension System under certain circumstances; establishing requirements for employees of an eligible governmental unit to participate in the Law Enforcement Officers' Pension System; authorizing an eligible governmental unit to operate a certain local plan after the effective date of participation in the Law Enforcement Officers' Pension System under certain circumstances; establishing requirements for employees of an eligible governmental unit to participate in the Correctional Officers' Retirement System; authorizing an eligible governmental unit to operate a certain local plan after the effective date of participation in the Correctional Officers' Retirement System under certain circumstances; authorizing an eligible governmental unit that does not satisfy certain requirements to participate in certain State systems to submit a certain request to the Board of Trustees for the State Retirement and Pension System; requiring the Board of Trustees to consider certain requests and make certain recommendations to the Joint Committee on Pensions; establishing certain limitations on the withdrawal of a participating governmental unit from the State Retirement and Pension System; making technical changes; making conforming changes; altering certain definitions; and generally relating to the election of membership in the State Retirement and Pension System.

BY repealing and reenacting, without amendments,

Article – State Personnel and Pensions

Section 20–101(a) and (pp), 31–101(a), 31–2A–01(a), 31–2B–01(a), and 31–301(a)

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section 23–204, 24–202, 24–203, 25–202, 26–202, 30–301, 30–302, 30–303, 30–305, 30–307, 31–101(h), 31–102, 31–113, 31–2A–01(f), 31–2A–05, 31–2B–01(e), 31–2B–05, 31–301(d), and 31–302

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY repealing

Article – State Personnel and Pensions
Section 31–109, 31–2A–03, and 31–2B–03
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY adding to

Article – State Personnel and Pensions
Section 31–109, 31–2A–03, and 31–2B–03
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – State Personnel and Pensions

20–101.

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

(pp) “State system” means a retirement or pension system that is included in the State Retirement and Pension System under § 21–102 of this article.

23–204.

(a) (1) Membership in the Employees’ Pension System is optional for an individual who is:

(i) an official, elected or appointed for a fixed term;

(ii) an employee of the Governor’s office;

(iii) an employee of the Senate or House of Delegates;

(iv) a member of the Prince George’s County Board of License Commissioners;

(v) an employee of Dorchester County who is not **AND HAS NOT PREVIOUSLY BEEN** a member of the county’s general pension and retirement program **OR ANY OTHER PLAN SPONSORED BY DORCHESTER COUNTY**; or

(vi) except as provided in subsection (g) of this section, an employee of a participating governmental unit who is employed by the participating governmental

unit before the effective date of participation and who remains an employee of the participating governmental unit through the effective date of participation.

(2) An individual described under paragraph (1)(i) through (v) of this subsection who elects to join the Employees' Pension System shall make the election at commencement of employment by filing a written application with the Board of Trustees on a form that the Board of Trustees provides.

(3) An individual described under paragraph (1)(vi) of this subsection who elects to join the Employees' Pension System shall make the election prior to the effective date of participation by filing a written application with the Board of Trustees on a form that the Board of Trustees provides.

(4) An election to join the Employees' Pension System under this subsection is a one-time, irrevocable election.

(5) If an election to join the Employees' Pension System is not received by the Board of Trustees within the period of time described in paragraph (2) or (3) of this subsection, the individual may not elect to join the Employees' Pension System while employed in that position.

(6) The Board of Trustees shall adopt regulations to implement this subsection.

(b) (1) Membership in the Employees' Pension System is not optional for individuals who are:

- (i) supportive service employees of the Board of Education of Kent County;
- (ii) employees of the Town of Oakland;
- (iii) employees of the City of Frostburg;
- (iv) employees of the Town of Sykesville; or
- (v) employees of the Town of University Park.

(2) Membership in the Employees' Pension System is not optional for an individual who was employed in a position on or before June 30, 2015, that required the individual to be a member of the Employees' Pension System, while the individual remains in that position.

(c) (1) Subject to paragraph (2) of this subsection, membership in the Employees' Pension System is optional for an individual described in § 23–201(a)(2)(iv) of this subtitle who is elected or appointed as the Baltimore City Sheriff.

(2) An individual who is elected or appointed as the Baltimore City Sheriff and who does not elect to join the Employees' Pension System is a member of the Law Enforcement Officers' Pension System under Title 26 of this article as a condition of employment.

(3) To elect to be a member of the Employees' Pension System under this subsection, an individual shall make the election at commencement of employment by filing a written application with the Board of Trustees on a form that the Board of Trustees provides.

(4) An individual who does not elect membership [within 6 months] AS of the date the individual begins serving as the Baltimore City Sheriff shall become a member of the Law Enforcement Officers' Pension System.

(d) (1) This subsection applies to an individual described in § 23–201(a)(2)(iv) of this subtitle who elects membership in the Employees' Pension System under this section.

(2) An individual described in paragraph (1) of this subsection may elect membership in the Law Enforcement Officers' Pension System if the county employing the individual elects to become an eligible governmental unit in the Law Enforcement Officers' Pension System in accordance with §§ 31–2A–02 through 31–2A–05 of this article.

(3) If an individual transfers to the Law Enforcement Officers' Pension System under this subsection, the eligible governmental unit is responsible for all employer contributions required for the individual under § 21–306.1 of this article.

(e) (1) This subsection applies only to an individual who is an employee of the Town of Berwyn Heights on June 30, 2008.

(2) Subject to paragraph (3) of this subsection, membership in the Employees' Pension System is optional for an individual described in paragraph (1) of this subsection who elects membership on July 1, 2008.

(3) To elect to be a member of the Employees' Pension System, an individual shall file a written application with the Board of Trustees on a form that the Board of Trustees provides.

(f) (1) This subsection applies only to an individual who is an employee of the City of College Park on June 30, 2014.

(2) Subject to paragraph (3) of this subsection, membership in the Employees' Pension System is optional for an individual described in paragraph (1) of this subsection who elects membership on July 1, 2014.

(3) To elect to be a member of the Employees' Pension System, an individual shall file a written application with the Board of Trustees on a form that the Board of Trustees provides.

(g) (1) This subsection applies to an individual who is employed by Prince George's County as:

- (i) the Chief Administrative Officer;
- (ii) a Deputy Chief Administrative Officer;
- (iii) a director of a county office or department;
- (iv) a County Council Administrator;
- (v) a Deputy Director of a county office or department; or
- (vi) an Executive Director.

(2) (i) Membership in the Employees' Pension System is optional for an individual who:

1. begins serving in a position listed in paragraph (1) of this subsection on or after July 1, 2014; **AND**

2. **HAS NOT PREVIOUSLY BEEN EMPLOYED BY PRINCE GEORGE'S COUNTY.**

(ii) An individual described under subparagraph (i) of this paragraph who elects to join the Employees' Pension System shall make the election at commencement of employment by filing a written application with the Board of Trustees on a form that the Board of Trustees provides.

(3) Membership in the Employees' Pension System is mandatory for:

(i) an individual who:

1. is employed in one of the positions listed under paragraph (1) of this subsection on or before June 30, 2014; and

2. is enrolled as a member of the Employees' Pension System;

or

(ii) an individual described under paragraph (2)(i) of this subsection who elected to join the Employees' Pension System under paragraph (2)(ii) of this subsection.

(4) Membership in the Employees' Pension System is prohibited for an individual who:

(i) begins serving in a position listed in paragraph (1) of this subsection on or after July 1, 2004, but before July 1, 2014;

(ii) remains in a position listed in paragraph (1) of this subsection on or after July 1, 2014; and

(iii) is not enrolled in the Employees' Pension System.

(5) (i) An individual's election under paragraph (2)(ii) of this subsection to join the Employees' Pension System or an individual's failure to elect to join the Employees' Pension System within the required time period is a one-time, irrevocable decision.

(ii) An individual employed in one of the positions listed under paragraph (1) of this subsection who does not elect to join the Employees' Pension System under paragraph (2)(ii) of this subsection may not join the Employees' Pension System while employed in one of the positions listed under paragraph (1) of this subsection.

(iii) An individual described under paragraph (4) of this subsection or subparagraph (ii) of this paragraph who changes employment to a different position under paragraph (1) of this subsection, whether or not a break in employment occurs, may not elect to join the Employees' Pension System.

(6) The Board of Trustees shall adopt regulations to implement this section.

24-202.

[Except as provided in § 24-203 of this subtitle, an] **AN** individual described in § 24-201 of this subtitle is a member of the State Police Retirement System as a condition of employment.

24-203.

The Secretary of State Police [may waive membership in] **IS A MEMBER OF** the State Police Retirement System [and elect to become a member of the Employees' Pension System] **AS A CONDITION OF EMPLOYMENT.**

25-202.

(a) Except as provided in subsection (b) of this section, an individual described in § 25-201(a) of this subtitle is a member of the Correctional Officers' Retirement System as a condition of employment.

(b) (1) Subject to paragraph [(2)] (3) of this subsection, membership in the Correctional Officers' Retirement System is optional for an individual described in § 25–201 of this subtitle who was employed by a participating governmental unit as a local detention center officer on the effective date of participation on or after July 1, 2006, **BUT BEFORE JULY 1, 2017**, for that participating governmental unit and who elects membership within 6 months of the effective date of participation.

(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, MEMBERSHIP IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM IS OPTIONAL FOR AN INDIVIDUAL:

(I) DESCRIBED IN § 25–201 OF THIS SUBTITLE WHO WAS EMPLOYED BY A PARTICIPATING GOVERNMENTAL UNIT AS A LOCAL DETENTION CENTER OFFICER ON THE EFFECTIVE DATE OF PARTICIPATION ON OR AFTER JULY 1, 2017, FOR THAT PARTICIPATING GOVERNMENTAL UNIT; AND

(II) WHO ELECTS MEMBERSHIP BEFORE THE EFFECTIVE DATE OF PARTICIPATION.

[(2)] (3) To elect to be a member of the Correctional Officers' Retirement System, an individual shall file a written application with the State Retirement Agency **ON A FORM THAT THE STATE RETIREMENT AGENCY PROVIDES.**

[(3)] (4) (I) AN ELECTION TO JOIN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM UNDER THIS SUBSECTION IS A ONE-TIME, IRREVOCABLE ELECTION.

(II) If an individual does not elect membership during the applicable period specified under paragraph (1) **OR (2)** of this subsection, the individual may not **SUBSEQUENTLY** become a member of the Correctional Officers' Retirement System.

26–202.

(a) Except as provided in subsection (b) of this section, an individual described in § 26–201 of this subtitle is a member of the Law Enforcement Officers' Pension System as a condition of employment.

(b) (1) Subject to paragraph (2) of this subsection, membership in the Law Enforcement Officers' Pension System is optional for an individual described in § 26–201 of this subtitle:

(i) who was employed by the Department of Natural Resources on July 1, 1990 and who elects membership on or before December 31, 2002;

(ii) who was employed by the Field Enforcement Division on June 30, 1995 and who elects membership on or before December 31, 2002;

(iii) who was employed by the Maryland Transportation Authority on June 30, 1997 and who elects membership on or before December 31, 2002;

(iv) who was employed by the Baltimore City Sheriff's Department on June 30, 1997 and who elects membership on or before December 31, 2002;

(v) who was employed by the University System of Maryland Police Force on June 30, 1999 and who elects membership on or before December 31, 2002;

(vi) who is employed by a participating governmental unit on the effective date of participation:

1. on or after July 1, 1999, **BUT BEFORE JULY 1, 2017**, for that participating governmental unit and who elects membership within 6 months of the effective date of participation; **OR**

2. ON OR AFTER JULY 1, 2017, FOR THAT PARTICIPATING GOVERNMENTAL UNIT AND WHO ELECTS MEMBERSHIP BEFORE THE EFFECTIVE DATE OF PARTICIPATION;

(vii) who was employed by the Maryland Port Administration Police Force and was subsequently transferred to and employed by the Maryland Transportation Authority Police Force on July 1, 1998 and who elects membership on or before December 31, 2002;

(viii) who was employed by the office of the State Fire Marshal on June 30, 1998 and who elects membership on or before December 31, 2002;

(ix) who was employed by the Morgan State University Police Force on June 30, 1999 and who elects membership on or before December 31, 2002;

(x) who was employed by the BWI Airport Fire & Rescue Department on June 30, 2000, and who elects membership on or before December 31, 2002;

(xi) who was employed by the Department of General Services, Department of Health and Mental Hygiene, Motor Vehicle Administration, and Department of Labor, Licensing, and Regulation Police Force on June 30, 2000 and who elects membership on or before December 31, 2002;

(xii) who was employed by the Military Department as a firefighter at Martin State Airport on June 30, 2001, and who elects membership on or before December 31, 2002;

(xiii) who was employed on June 30, 2002, by the Division of Rehabilitation Services in the Department of Education as a police officer certified in accordance with the Maryland Police and Correctional Training Commissions, and who elects membership on or before December 31, 2002;

(xiv) who was employed on June 30, 2004, by the Salisbury Fire Department as a firefighter or paramedic and who elects membership on or before December 31, 2004, if eligible under Title 31, Subtitle 2A of this article;

(xv) who was employed on June 30, 2005, by the Department of State Police as an aviator operating an aircraft for the State Emergency Medical System, and who elects membership on or before December 31, 2005;

(xvi) who was employed by the Military Department as a law enforcement officer at Martin State Airport on June 30, 2007, and who elects membership on or before December 31, 2007;

(xvii) who was a member of the Department of Public Safety and Correctional Services Intelligence and Investigative Division who has powers granted to a police officer under § 10–701 of the Correctional Services Article on June 30, 2007, and who elects membership on or before December 31, 2007;

(xviii) who was employed on July 1, 2008, as a police officer by the Baltimore City Community College Police Force and who elects membership on or before December 31, 2008; or

(xix) who was an employee of the Warrant Apprehension Unit of the Division of Parole and Probation in the Department of Public Safety and Correctional Services who has powers granted to a peace officer or police officer under § 6–106 of the Correctional Services Article on June 30, 2015, and who elects membership on or before December 31, 2015.

(2) To elect to be a member of the Law Enforcement Officers' Pension System, an individual shall file a written application with the State Retirement Agency **ON A FORM THAT THE STATE RETIREMENT AGENCY PROVIDES.**

(3) **(I) AN ELECTION TO JOIN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM UNDER THIS SUBSECTION IS A ONE–TIME, IRREVOCABLE ELECTION.**

(II) If an individual does not elect membership during the applicable period specified under paragraph (1) of this subsection, the individual may not **SUBSEQUENTLY** become a member of the Law Enforcement Officers' Pension System.

(a) An individual is eligible to participate in the program **ONLY** if the individual:

(1) is eligible for membership in a retirement system or a pension system;

(2) **HAS NOT PREVIOUSLY PARTICIPATED IN A STATE SYSTEM AS AN EMPLOYEE OF AN EMPLOYING INSTITUTION OR ANY OTHER UNIT OF STATE GOVERNMENT;** and

(3) is:

[(1)] (I) a member of the faculty of an employing institution;

[(2)] (II) a professional employee at a community college or regional community college established under Title 16 of the Education Article;

[(3)] (III) an employee of the University System of Maryland who is in a position designated as exempt under a policy adopted by the University System of Maryland Board of Regents;

[(4)] (IV) an employee of Morgan State University who is in a position designated as executive or professional administrative by the Board of Regents of Morgan State University;

[(5)] (V) an employee of St. Mary's College of Maryland who is in a position determined by the Board of Trustees of the College to be an exempt position; or

[(6)] (VI) an employee of the Maryland Higher Education Commission who is in a position determined by the Secretary of Higher Education to be a professional position.

(b) (1) This subsection applies to an individual who:

(i) on August 22, 2004, was eligible to participate in the program;
and

(ii) is in a position that, as of August 23, 2004, was reclassified by the University System of Maryland Board of Regents or the Board of Regents of Morgan State University and would no longer be eligible for participation in the program under subsection (a) of this section.

(2) An individual described under paragraph (1) of this subsection shall continue to participate in the program if the individual:

(i) would otherwise be eligible for membership in a system under the State Retirement and Pension System; and

(ii) is employed by an employing institution.

(c) (1) This subsection applies to an individual who:

(i) is in a position that was eligible to participate in the program but was reclassified by the governing board of the individual's employing institution or the Secretary of Higher Education to a position that would no longer be eligible for participation in the program under subsection (a) of this section; and

(ii) was a participant in the program on the date immediately preceding the reclassification.

(2) An individual described under paragraph (1) of this subsection shall continue to participate in the program if the individual:

(i) would otherwise be eligible for membership in a system under the State Retirement and Pension System; and

(ii) is employed by an employing institution.

30–302.

(a) An election to participate in the program shall be made by an eligible employee [within 1 year of first becoming an eligible employee of an employing institution] **AT COMMENCEMENT OF EMPLOYMENT.**

(b) An eligible employee's election to participate in the program is a one-time irrevocable election.

(C) AN INDIVIDUAL WHO PREVIOUSLY PARTICIPATED IN A STATE SYSTEM AS AN EMPLOYEE OF AN EMPLOYING INSTITUTION OR ANY OTHER UNIT OF STATE GOVERNMENT MAY NOT ELECT TO PARTICIPATE IN THE PROGRAM.

30–303.

(a) An eligible employee shall elect to:

(1) join a pension or retirement system in accordance with the provisions of this Division II applicable to that system; or

(2) participate in the program.

(b) An eligible employee shall:

(1) make an election under this section in writing; and

(2) file the election with the Board of Trustees and the employing institution [within 1 year of first becoming an eligible employee of an employing institution] **AT COMMENCEMENT OF EMPLOYMENT.**

(c) [An eligible employee may not participate in the program if both the Board of Trustees and the employing institution have not received the eligible employee's written election required under subsection (b) of this section, within 1 year of first becoming an eligible employee with an employing institution.] **AN ELIGIBLE EMPLOYEE'S ELECTION UNDER THIS SECTION IS A ONE-TIME, IRREVOCABLE ELECTION.**

(d) The effective date of the election shall be the [first day of the month after the election] **DAY OF COMMENCEMENT OF EMPLOYMENT.**

30-305.

(a) This section applies only to a State employee who [becomes eligible to elect participation in the program if the employee] is appointed, promoted, transferred, or reclassified to a position [as an eligible employee] **IN WHICH AN EMPLOYEE WOULD BE ELIGIBLE TO PARTICIPATE IN THE PROGRAM.**

(b) A State employee described in subsection (a) of this section may **NOT** elect to participate in the program.

[(c) An eligible employee shall:

(1) make an election under this section in writing; and

(2) file the election with the Board of Trustees and the employing institution within 1 year of first becoming an eligible employee of an employing institution.

(d) An eligible employee may not participate in the program if both the Board of Trustees and the employing institution have not received the eligible employee's written election required under subsection (c) of this section, within 1 year of first becoming an eligible employee with an employing institution.]

30-307.

(a) **(1) THIS SUBSECTION APPLIES TO AN ELECTION TO PARTICIPATE IN THE PROGRAM MADE ON OR BEFORE JUNE 30, 2017.**

(2) Except as otherwise provided in this section, an election to participate in the program is a waiver of all rights and benefits provided by the retirement or pension system in which the participating employee was a member on the effective date of the election.

[(b)] (3) For the purpose of determining eligibility for immediate vested rights or benefits in a retirement system or pension system, an eligible employee who is a member of that State system when the employee elects to participate in the program is deemed to have separated from employment on the effective date of the election.

[(c)] (4) The Board of Trustees may only compute retirement system or pension system benefits on the basis of years of creditable service as a member of that State system.

[(d) (1)] (5) (I) This [section] PARAGRAPH applies only to a participating employee whose last employer prior to joining the program was a participating employer that does not participate in the employer pick-up program as defined in § 414(h)(2) of the Internal Revenue Code.

[(2)] (II) A participating employee may withdraw any accumulated contributions in the annuity savings fund on or after the effective date of the participating employee's election to join the program.

[(3)] (III) If a participating employee withdraws the accumulated contributions, the participating employee forfeits any right to a benefit in the State system from which the accumulated contributions were withdrawn.

[(e)] (B) (1) A participating employee is ineligible for membership in a retirement system or pension system while the participating employee is employed in any eligible position by any employing institution.

(2) A PARTICIPATING EMPLOYEE WHO IS SUBSEQUENTLY APPOINTED, PROMOTED, OR TRANSFERRED TO ANOTHER POSITION THAT IS ELIGIBLE FOR MEMBERSHIP IN A STATE SYSTEM BUT IS NOT ELIGIBLE FOR PARTICIPATION IN THE PROGRAM SHALL PARTICIPATE IN A STATE SYSTEM WITH RESPECT TO THAT POSITION AS A CONDITION OF EMPLOYMENT.

31-101.

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

(h) (1) “Local [pension system] PLAN” means a [retirement or pension system established by the legislative body] PLAN OR ANY OTHER ARRANGEMENT of an eligible governmental unit THAT IS DESCRIBED IN § 219(G)(5) OF THE INTERNAL REVENUE CODE.

(2) “LOCAL PLAN” DOES NOT INCLUDE A PLAN ESTABLISHED UNDER § 457 OF THE INTERNAL REVENUE CODE.

31-102.

Subject to [§] §§ 22–202(b) AND 31–109 of this article, the governmental units that are eligible to participate in the employees' systems are:

- (1) a political subdivision of the State, including:
 - (i) a county;
 - (ii) a municipal corporation; and
 - (iii) a special taxing area; and
- (2) the following governmental units:
 - (i) an agency on aging, as designated by the legislative body of the agency on aging;
 - (ii) the Allegany County Transit Authority;
 - (iii) subject to § 31–104 of this subtitle, the Baltimore Metropolitan Council;
 - (iv) a board or commission created by an Act of the General Assembly for public purpose and not for the profit of a private person;
 - (v) subject to § 31–105 of this subtitle, the Canal Place Preservation and Development Authority;
 - (vi) the Chesapeake Bay Commission;
 - (vii) a cooperative library commission;
 - (viii) subject to § 31–103 of this subtitle, a community action agency, as designated by the legislative body of the community action agency;
 - (ix) a fire department that receives any of its funds from or through a county, municipal corporation, special taxing area, or other political subdivision of the State;
 - (x) the Health Planning Council of Appalachia;
 - (xi) the Howard County Economic Development Authority;
 - (xii) the Interstate Commission on the Potomac River Basin;
 - (xiii) the Lower Shore Private Industry Council, Inc.;
 - (xiv) the Maryland Environmental Service;

- Authority;
- (xv) subject to § 31–106 of this subtitle, the Maryland Stadium Authority;
 - (xvi) a public library association or organization;
 - (xvii) subject to § 31–106.2 of this subtitle, the St. Mary’s Nursing Center, Inc.;
 - (xviii) the Tri–County Council for Western Maryland, Inc.;
 - (xix) the Tri–County Council for Southern Maryland;
 - (xx) subject to § 31–107 of this subtitle, the University of Maryland Medical System Corporation;
 - (xxi) the Upper Potomac River Commission;
 - (xxii) subject to § 31–106.1 of this subtitle, the Maryland African American Museum Corporation;
 - (xxiii) the Garrett County Office for Children, Youth and Families;
 - (xxiv) the Somerset County Economic Development Commission; and
 - (xxv) the Dorchester County Sanitary Commission.

[31–109.

Except as provided in § 31–110 of this subtitle, an employee of an eligible governmental unit is entitled to be a member of the Employees’ Pension System if:

- (1) (i) the employee is not a member of a local pension system; and
 - (ii) the legislative body of the eligible governmental unit approves participation of the eligible governmental unit in the Employees’ Pension System; or
- (2) (i) the employee is a member of a local pension system;
 - (ii) at least 60% of the members of the local pension system petition to become members of the Employees’ Pension System; and
 - (iii) the legislative body of the eligible governmental unit approves participation of the eligible governmental unit in the Employees’ Pension System as though the local pension system were not in operation.]

31–109.

(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE LEGISLATIVE BODY OF AN ELIGIBLE GOVERNMENTAL UNIT MAY APPROVE PARTICIPATION BY ITS EMPLOYEES IN THE EMPLOYEES' PENSION SYSTEM IF:

(1) THE LEGISLATIVE BODY ADOPTS A RESOLUTION IN THE FORM PRESCRIBED BY THE BOARD OF TRUSTEES; AND

(2) THE ELIGIBLE GOVERNMENTAL UNIT OPERATES A LOCAL PLAN, ONLY IF:

(I) AT LEAST 60% OF THE MEMBERS OF THE LOCAL PLAN PETITION TO BECOME MEMBERS OF THE EMPLOYEES' PENSION SYSTEM;

(II) THE ELIGIBLE GOVERNMENTAL UNIT SATISFIES THE REQUIREMENTS IN SUBSECTION (B) OF THIS SECTION; AND

(III) THE LEGISLATIVE BODY APPROVES PARTICIPATION OF THE ELIGIBLE GOVERNMENTAL UNIT IN THE EMPLOYEES' PENSION SYSTEM AS THOUGH THE LOCAL PLAN WERE NOT IN OPERATION.

(B) AN ELIGIBLE GOVERNMENTAL UNIT THAT OPERATES A LOCAL PLAN MAY APPROVE PARTICIPATION BY ITS EMPLOYEES IN THE EMPLOYEES' PENSION SYSTEM ONLY IF:

(1) THE LOCAL PLAN OF THE ELIGIBLE GOVERNMENTAL UNIT REQUIRES MEMBER CONTRIBUTIONS AT THE SAME RATE AS THE MEMBER CONTRIBUTION RATE THAT WOULD BE APPLICABLE TO EMPLOYEES OF THE ELIGIBLE GOVERNMENTAL UNIT IN THE EMPLOYEES' PENSION SYSTEM; OR

(2) THE ELIGIBLE GOVERNMENTAL UNIT:

(I) DOES NOT PROVIDE FOR THE EMPLOYER PICKUP OF MEMBER CONTRIBUTIONS TO THE LOCAL PLAN WITHIN THE MEANING OF § 414(H)(2) OF THE INTERNAL REVENUE CODE; AND

(II) CERTIFIES THAT IT WILL NOT BECOME AN APPROVED EMPLOYER UNDER § 21-313 OF THIS ARTICLE ON OR AFTER THE EFFECTIVE DATE OF PARTICIPATION.

(C) (1) IF AN ELIGIBLE GOVERNMENTAL UNIT DOES NOT SATISFY THE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION, THE ELIGIBLE GOVERNMENTAL UNIT MAY SUBMIT A REQUEST TO THE BOARD OF TRUSTEES TO PARTICIPATE IN THE EMPLOYEES' PENSION SYSTEM.

(2) THE BOARD OF TRUSTEES SHALL CONSIDER A REQUEST MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION AND DETERMINE WHETHER ANY LEGISLATION IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO PARTICIPATE IN THE EMPLOYEES' PENSION SYSTEM.

(3) THE BOARD OF TRUSTEES SHALL MAKE RECOMMENDATIONS TO THE JOINT COMMITTEE ON PENSIONS REGARDING ANY LEGISLATION THAT IT DETERMINES IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO PARTICIPATE IN THE EMPLOYEES' PENSION SYSTEM.

31-113.

(A) THIS SECTION APPLIES ONLY TO A LOCAL PLAN THAT IS A QUALIFIED PLAN UNDER § 401(A) OF THE INTERNAL REVENUE CODE AND PROVIDES A DEFINED BENEFIT TO ITS PARTICIPANTS.

[(a) (B)] Except as provided in subsection **[(b) (C)]** of this section, the operation of the local **[pension system] PLAN** of an eligible governmental unit terminates on the effective date.

[(b) (C)] (1) An eligible governmental unit may elect to continue to operate a local **[pension system] PLAN** after the effective date of participation in the Employees' Pension System to provide benefits to **[a person] AN INDIVIDUAL** who:

- (i)** is receiving benefits from the local **[pension system] PLAN**;
- (ii)** is eligible to receive benefits from the local **[pension system] PLAN** on account of the **[person's] INDIVIDUAL'S** previous employment by the eligible governmental unit; or
- (iii)** did not elect to join the Employees' Pension System under § 23-204(a) of this article.

(2) **[A person] AN INDIVIDUAL** may not be enrolled in the local **[pension system] PLAN** of a participating governmental unit electing to continue to operate its **[system] LOCAL PLAN** under paragraph (1) of this subsection if the **[person] INDIVIDUAL** becomes employed or is rehired by the participating governmental unit on or after the effective date of participation of the participating governmental unit in the Employees' Pension System.

[(c) (D)] The liability for the continuation of benefits under subsection **[(b) (C)]** of this section shall be included in the computation of the special accrued liability as provided by § 21-305.3 of this article.

[(d)] (E) (1) On the effective date:

(i) the assets to the credit of the local [pension system] PLAN of the participating governmental unit that are attributable to the employees of the participating governmental unit who elect to become members of the Employees' Pension System under § 23–204(a) of this article shall be transferred to the Employees' Pension System; and

(ii) the trustee or other administrative head of the local [pension system] PLAN shall certify the proportion of the funds of the local [pension system] PLAN that represents the accumulated contributions of the members as of that date.

(2) The accumulated contributions shall be credited to the respective annuity savings accounts of the members in the Employees' Pension System.

(3) Any balance of the funds transferred to the Employees' Pension System shall be offset against the special accrued liability to be funded by the participating governmental unit as provided by § 21–305.3 of this article.

31–2A–01.

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

(f) **(1)** “Local [pension system] PLAN” means a [retirement or pension system established by the legislative body] PLAN OR ANY OTHER ARRANGEMENT of an eligible governmental unit **THAT IS DESCRIBED IN § 219(G)(5) OF THE INTERNAL REVENUE CODE.**

(2) “LOCAL PLAN” DOES NOT INCLUDE A PLAN ESTABLISHED UNDER § 457 OF THE INTERNAL REVENUE CODE.

[31–2A–03.

(a) If at least 60% of the law enforcement officers of an eligible governmental unit who are members of a local pension system or State system petition to become members of the Law Enforcement Officers' Pension System, the legislative body of the eligible governmental unit may approve the participation of these law enforcement officers in the Law Enforcement Officers' Pension System as though the local pension system were not in operation.

(b) If at least 60% of the firefighters and paramedics employed by the Salisbury Fire Department petition to become members of the Law Enforcement Officers' Pension System, the legislative body of the City of Salisbury, as an eligible governmental unit, may approve the participation of these firefighters and paramedics in the Law Enforcement Officers' Pension System.

(c) If at least 60% of the firefighters of an eligible governmental unit who are members of a local pension system or State system petition to become members of the Law Enforcement Officers' Pension System, the legislative body of the eligible governmental unit may approve the participation of these firefighters in the Law Enforcement Officers' Pension System as though the local pension system were not in operation.]

31-2A-03.

(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE LEGISLATIVE BODY OF AN ELIGIBLE GOVERNMENTAL UNIT MAY APPROVE PARTICIPATION BY ITS LAW ENFORCEMENT OFFICERS OR FIREFIGHTERS IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM IF:

(1) THE LEGISLATIVE BODY ADOPTS A RESOLUTION IN THE FORM PRESCRIBED BY THE BOARD OF TRUSTEES; AND

(2) THE ELIGIBLE GOVERNMENTAL UNIT PARTICIPATES IN A STATE SYSTEM OR OPERATES A LOCAL PLAN, ONLY IF:

(I) AT LEAST 60% OF THE LAW ENFORCEMENT OFFICERS OR FIREFIGHTERS OF THE ELIGIBLE GOVERNMENTAL UNIT PETITION TO BECOME MEMBERS OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM;

(II) THE ELIGIBLE GOVERNMENTAL UNIT SATISFIES THE REQUIREMENTS IN SUBSECTION (B) OF THIS SECTION; AND

(III) THE LEGISLATIVE BODY APPROVES PARTICIPATION OF ITS LAW ENFORCEMENT OFFICERS OR FIREFIGHTERS IN LIEU OF PARTICIPATION IN THE STATE SYSTEM OR LOCAL PLAN.

(B) AN ELIGIBLE GOVERNMENTAL UNIT THAT OPERATES A LOCAL PLAN OR PARTICIPATES IN A STATE SYSTEM MAY APPROVE PARTICIPATION OF ITS LAW ENFORCEMENT OFFICERS OR FIREFIGHTERS IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM ONLY IF:

(1) THE STATE SYSTEM OR LOCAL PLAN OF THE ELIGIBLE GOVERNMENTAL UNIT REQUIRES MEMBER CONTRIBUTIONS AT THE SAME RATE AS THE MEMBER CONTRIBUTION RATE THAT WOULD BE APPLICABLE TO THE LAW ENFORCEMENT OFFICERS OR FIREFIGHTERS OF THE ELIGIBLE GOVERNMENTAL UNIT IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM; OR

(2) THE ELIGIBLE GOVERNMENTAL UNIT:

(I) DOES NOT PROVIDE FOR THE EMPLOYER PICKUP OF MEMBER CONTRIBUTIONS TO THE STATE SYSTEM OR LOCAL PLAN WITHIN THE MEANING OF § 414(H)(2) OF THE INTERNAL REVENUE CODE; AND

(II) CERTIFIES THAT IT WILL NOT BECOME AN APPROVED EMPLOYER UNDER § 21-313 OF THIS ARTICLE ON OR AFTER THE EFFECTIVE DATE OF PARTICIPATION.

(C) (1) IF AN ELIGIBLE GOVERNMENTAL UNIT DOES NOT SATISFY THE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION, THE ELIGIBLE GOVERNMENTAL UNIT MAY SUBMIT A REQUEST TO THE BOARD OF TRUSTEES TO PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.

(2) THE BOARD OF TRUSTEES SHALL CONSIDER A REQUEST MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION AND DETERMINE WHETHER ANY LEGISLATION IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.

(3) THE BOARD OF TRUSTEES SHALL MAKE RECOMMENDATIONS TO THE JOINT COMMITTEE ON PENSIONS REGARDING ANY LEGISLATION THAT IT DETERMINES IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.

31-2A-05.

(A) THIS SECTION APPLIES ONLY TO A LOCAL PLAN THAT IS A QUALIFIED PLAN UNDER § 401(A) OF THE INTERNAL REVENUE CODE AND PROVIDES A DEFINED BENEFIT TO ITS PARTICIPANTS.

[(a)] (B) If an eligible governmental unit approves participation in the Law Enforcement Officers' Pension System, the operation of the local [pension system] PLAN or State system with respect to the law enforcement officers, firefighters, or paramedics terminates on the effective date.

[(b)] (C) (1) On the effective date:

(i) the assets to the credit of the local [pension system] PLAN or State system that relate to the law enforcement officers, firefighters, or paramedics who elect to become members shall be transferred to the Law Enforcement Officers' Pension System; and

(ii) the trustee or other administrative head of the local [pension system] PLAN or State system shall certify the proportion of the funds of the local [pension system] PLAN or State system that represents the accumulated contributions of the members as of that date.

(2) The accumulated contributions shall be credited to the respective annuity savings accounts of the members in the Law Enforcement Officers' Pension System.

(3) The balance of the funds transferred to the Law Enforcement Officers' Pension System shall be offset against the special accrued liability to be funded by the participating governmental unit as provided by § 21–306.1(d) of this article.

31–2B–01.

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

(e) **(1)** “Local [pension system] PLAN” means a [retirement or pension system established by the legislative body] **PLAN OR ANY OTHER ARRANGEMENT** of an eligible governmental unit **THAT IS DESCRIBED IN § 219(G)(5) OF THE INTERNAL REVENUE CODE.**

(2) “LOCAL PLAN” DOES NOT INCLUDE A PLAN ESTABLISHED UNDER § 457 OF THE INTERNAL REVENUE CODE.

[31–2B–03.

If at least 60% of the local detention center officers of an eligible governmental unit who are members of a local pension system or State system petition to become members of the Correctional Officers' Retirement System, the legislative body of the eligible governmental unit may approve the participation of these local detention center officers in the Correctional Officers' Retirement System as though the local pension system were not in operation.]

31–2B–03.

(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE LEGISLATIVE BODY OF AN ELIGIBLE GOVERNMENTAL UNIT MAY APPROVE PARTICIPATION BY ITS LOCAL DETENTION CENTER OFFICERS IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM IF:

(1) THE LEGISLATIVE BODY ADOPTS A RESOLUTION IN THE FORM PRESCRIBED BY THE BOARD OF TRUSTEES; AND

(2) THE ELIGIBLE GOVERNMENTAL UNIT PARTICIPATES IN A STATE SYSTEM OR OPERATES A LOCAL PLAN FOR ITS LOCAL DETENTION CENTER OFFICERS, ONLY IF:

(I) AT LEAST 60% OF THE LOCAL DETENTION CENTER OFFICERS OF THE ELIGIBLE GOVERNMENTAL UNIT PETITION TO BECOME MEMBERS OF THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM;

(II) THE ELIGIBLE GOVERNMENTAL UNIT SATISFIES THE REQUIREMENTS IN SUBSECTION (B) OF THIS SECTION; AND

(III) THE LEGISLATIVE BODY APPROVES PARTICIPATION OF ITS LOCAL DETENTION CENTER OFFICERS IN LIEU OF PARTICIPATION IN THE STATE SYSTEM OR LOCAL PLAN.

(B) AN ELIGIBLE GOVERNMENTAL UNIT THAT OPERATES A LOCAL PLAN OR PARTICIPATES IN A STATE SYSTEM MAY APPROVE PARTICIPATION OF ITS LOCAL DETENTION CENTER OFFICERS IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM ONLY IF:

(1) THE STATE SYSTEM OR LOCAL PLAN OF THE ELIGIBLE GOVERNMENTAL UNIT REQUIRES MEMBER CONTRIBUTIONS AT THE SAME RATE AS THE MEMBER CONTRIBUTION RATE THAT WOULD BE APPLICABLE TO THE LOCAL DETENTION CENTER OFFICERS OF THE ELIGIBLE GOVERNMENTAL UNIT IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM; OR

(2) THE ELIGIBLE GOVERNMENTAL UNIT:

(I) DOES NOT PROVIDE FOR THE EMPLOYER PICKUP OF MEMBER CONTRIBUTIONS TO THE STATE SYSTEM OR LOCAL PLAN WITHIN THE MEANING OF § 414(H)(2) OF THE INTERNAL REVENUE CODE; AND

(II) CERTIFIES THAT IT WILL NOT BECOME AN APPROVED EMPLOYER UNDER § 21-313 OF THIS ARTICLE ON OR AFTER THE EFFECTIVE DATE OF PARTICIPATION.

(C) (1) IF AN ELIGIBLE GOVERNMENTAL UNIT DOES NOT SATISFY THE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION, THE ELIGIBLE GOVERNMENTAL UNIT MAY SUBMIT A REQUEST TO THE BOARD OF TRUSTEES TO PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

(2) THE BOARD OF TRUSTEES SHALL CONSIDER A REQUEST MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION AND DETERMINE WHETHER ANY LEGISLATION IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

(3) THE BOARD OF TRUSTEES SHALL MAKE RECOMMENDATIONS TO THE JOINT COMMITTEE ON PENSIONS REGARDING ANY LEGISLATION THAT IT

DETERMINES IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

31-2B-05.

(A) THIS SECTION APPLIES ONLY TO A LOCAL PLAN THAT IS A QUALIFIED PLAN UNDER § 401(A) OF THE INTERNAL REVENUE CODE AND PROVIDES A DEFINED BENEFIT TO ITS PARTICIPANTS.

[(a)] (B) If an eligible governmental unit approves participation in the Correctional Officers' Retirement System, the operation of the local **[pension system] PLAN** or State system with respect to the local detention center officers terminates on the effective date.

[(b)] (C) (1) On the effective date:

(i) the assets to the credit of the local **[pension system] PLAN** or State system that relate to the local detention center officers who elect to become members shall be transferred to the Correctional Officers' Retirement System; and

(ii) the trustee or other administrative head of the local **[pension system] PLAN** or State system shall certify the proportion of the funds of the local pension system that represents the accumulated contributions of the members as of that date.

(2) The accumulated contributions shall be credited to the respective annuity savings accounts of the members in the Correctional Officers' Retirement System.

(3) The balance of the funds transferred to the Correctional Officers' Retirement System shall be offset against the special accrued liability to be funded by the participating governmental unit as provided by § 21-306.1(d) of this article.

31-301.

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

(d) "Local pension system" means a retirement or pension system established by the legislative body of an eligible governmental unit **THAT IS A QUALIFIED PLAN UNDER § 401(A) OF THE INTERNAL REVENUE CODE AND PROVIDES A DEFINED BENEFIT TO ITS PARTICIPANTS.**

31-302.

(A) [The] SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE legislative body of a participating governmental unit may withdraw from participation in a State system and transfer to a local pension system or another State system any of the following

groups of employees of the governmental unit who consent to the withdrawal, and who qualify for membership in the State system or local pension system:

- (1) all employees of the participating governmental unit;
- (2) fire fighters;
- (3) law enforcement personnel;
- (4) detention center officers; or
- (5) subject to the approval of the Board of Trustees, a homogeneous unit of at least 10 employees.

(B) A PARTICIPATING GOVERNMENTAL UNIT MAY WITHDRAW FROM PARTICIPATION IN A STATE SYSTEM ONLY IF:

(1) THE NEW STATE SYSTEM OR LOCAL PENSION SYSTEM OF THE PARTICIPATING GOVERNMENTAL UNIT REQUIRES MEMBER CONTRIBUTIONS AT THE SAME RATE AS THE MEMBER CONTRIBUTION RATE APPLICABLE TO EMPLOYEES OF THE PARTICIPATING GOVERNMENTAL UNIT IN THE STATE SYSTEM FROM WHICH THE PARTICIPATING GOVERNMENTAL UNIT IS WITHDRAWING; OR

(2) THE PARTICIPATING GOVERNMENTAL UNIT:

(I) DOES NOT PROVIDE FOR THE EMPLOYER PICKUP OF MEMBER CONTRIBUTIONS TO THE CURRENT STATE SYSTEM OF THE PARTICIPATING GOVERNMENTAL UNIT WITHIN THE MEANING OF § 414(H)(2) OF THE INTERNAL REVENUE CODE; AND

(II) CERTIFIES THAT IT WILL NOT BECOME AN APPROVED EMPLOYER UNDER § 21-313 OF THIS ARTICLE ON OR AFTER THE EFFECTIVE DATE OF PARTICIPATION IN THE NEW STATE SYSTEM OR LOCAL PENSION SYSTEM.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 272

(House Bill 815)

AN ACT concerning

State Retirement and Pension System – Membership Elections

FOR the purpose of limiting optional membership in the Employees' Pension System to certain individuals who have not previously been a member of a certain pension and retirement program or who have not had certain previous employment; requiring certain elections for membership in the Employees' Pension System to be made at the commencement of employment; requiring the Secretary of State Police to be a member of the State Police Retirement System as a condition of employment; requiring an individual who is employed by a participating governmental unit as a local detention center officer on or after a certain date to elect membership in the Correctional Officers' Retirement System before a certain event; requiring an election to join the Correctional Officers' Retirement System to be made in a certain manner; providing that an election to join the Correctional Officers' Retirement System is a one-time, irrevocable election; requiring certain individuals who are employed by a participating governmental unit on or after a certain date to elect membership in the Law Enforcement Officers' Pension System before a certain event; requiring a certain election to join the Law Enforcement Officers' Pension System to be made in a certain manner; providing that an election to join the Law Enforcement Officers' Pension System is a one-time, irrevocable election; altering the eligibility for participation in the Optional Retirement Program; requiring an election to participate in the Optional Retirement Program to be made at the commencement of employment; prohibiting certain individuals from participating in the Optional Retirement Program; providing that an election to join the Optional Retirement Program is a one-time, irrevocable election; requiring an employee who is participating in the Optional Retirement Program to participate in the State Retirement and Pension System under certain circumstances; establishing requirements for employees of an eligible governmental unit to participate in the Employees' Pension System; authorizing an eligible governmental unit to operate a certain local plan after the effective date of participation in the Employees' Pension System under certain circumstances; establishing requirements for employees of an eligible governmental unit to participate in the Law Enforcement Officers' Pension System; authorizing an eligible governmental unit to operate a certain local plan after the effective date of participation in the Law Enforcement Officers' Pension System under certain circumstances; establishing requirements for employees of an eligible governmental unit to participate in the Correctional Officers' Retirement System; authorizing an eligible governmental unit to operate a certain local plan after the effective date of participation in the Correctional Officers' Retirement System under certain circumstances; authorizing an eligible governmental unit that does not satisfy certain requirements to participate in certain State systems to submit a certain request to the Board of Trustees for the State Retirement and Pension System; requiring the Board of Trustees to consider certain requests and make certain recommendations to the Joint Committee on Pensions; establishing certain limitations on the withdrawal of a participating governmental unit from the State Retirement and Pension System; making technical changes; making conforming changes; altering certain definitions; and generally relating to the election of membership in the State Retirement and Pension System.

BY repealing and reenacting, without amendments,

Article – State Personnel and Pensions

Section 20–101(a) and (pp), 31–101(a), 31–2A–01(a), 31–2B–01(a), and 31–301(a)

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section 23–204, 24–202, 24–203, 25–202, 26–202, 30–301, 30–302, 30–303, 30–305,

30–307, 31–101(h), 31–102, 31–113, 31–2A–01(f), 31–2A–05, 31–2B–01(e),

31–2B–05, 31–301(d), and 31–302

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY repealing

Article – State Personnel and Pensions

Section 31–109, 31–2A–03, and 31–2B–03

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY adding to

Article – State Personnel and Pensions

Section 31–109, 31–2A–03, and 31–2B–03

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

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

Article – State Personnel and Pensions

20–101.

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

(pp) “State system” means a retirement or pension system that is included in the State Retirement and Pension System under § 21–102 of this article.

23–204.

(a) (1) Membership in the Employees’ Pension System is optional for an individual who is:

(i) an official, elected or appointed for a fixed term;

(ii) an employee of the Governor’s office;

(iii) an employee of the Senate or House of Delegates;

(iv) a member of the Prince George's County Board of License Commissioners;

(v) an employee of Dorchester County who is not **AND HAS NOT PREVIOUSLY BEEN** a member of the county's general pension and retirement program **OR ANY OTHER PLAN SPONSORED BY DORCHESTER COUNTY**; or

(vi) except as provided in subsection (g) of this section, an employee of a participating governmental unit who is employed by the participating governmental unit before the effective date of participation and who remains an employee of the participating governmental unit through the effective date of participation.

(2) An individual described under paragraph (1)(i) through (v) of this subsection who elects to join the Employees' Pension System shall make the election at commencement of employment by filing a written application with the Board of Trustees on a form that the Board of Trustees provides.

(3) An individual described under paragraph (1)(vi) of this subsection who elects to join the Employees' Pension System shall make the election prior to the effective date of participation by filing a written application with the Board of Trustees on a form that the Board of Trustees provides.

(4) An election to join the Employees' Pension System under this subsection is a one-time, irrevocable election.

(5) If an election to join the Employees' Pension System is not received by the Board of Trustees within the period of time described in paragraph (2) or (3) of this subsection, the individual may not elect to join the Employees' Pension System while employed in that position.

(6) The Board of Trustees shall adopt regulations to implement this subsection.

(b) (1) Membership in the Employees' Pension System is not optional for individuals who are:

(i) supportive service employees of the Board of Education of Kent County;

(ii) employees of the Town of Oakland;

(iii) employees of the City of Frostburg;

(iv) employees of the Town of Sykesville; or

(v) employees of the Town of University Park.

(2) Membership in the Employees' Pension System is not optional for an individual who was employed in a position on or before June 30, 2015, that required the individual to be a member of the Employees' Pension System, while the individual remains in that position.

(c) (1) Subject to paragraph (2) of this subsection, membership in the Employees' Pension System is optional for an individual described in § 23-201(a)(2)(iv) of this subtitle who is elected or appointed as the Baltimore City Sheriff.

(2) An individual who is elected or appointed as the Baltimore City Sheriff and who does not elect to join the Employees' Pension System is a member of the Law Enforcement Officers' Pension System under Title 26 of this article as a condition of employment.

(3) To elect to be a member of the Employees' Pension System under this subsection, an individual shall make the election at commencement of employment by filing a written application with the Board of Trustees on a form that the Board of Trustees provides.

(4) An individual who does not elect membership [within 6 months] AS of the date the individual begins serving as the Baltimore City Sheriff shall become a member of the Law Enforcement Officers' Pension System.

(d) (1) This subsection applies to an individual described in § 23-201(a)(2)(iv) of this subtitle who elects membership in the Employees' Pension System under this section.

(2) An individual described in paragraph (1) of this subsection may elect membership in the Law Enforcement Officers' Pension System if the county employing the individual elects to become an eligible governmental unit in the Law Enforcement Officers' Pension System in accordance with §§ 31-2A-02 through 31-2A-05 of this article.

(3) If an individual transfers to the Law Enforcement Officers' Pension System under this subsection, the eligible governmental unit is responsible for all employer contributions required for the individual under § 21-306.1 of this article.

(e) (1) This subsection applies only to an individual who is an employee of the Town of Berwyn Heights on June 30, 2008.

(2) Subject to paragraph (3) of this subsection, membership in the Employees' Pension System is optional for an individual described in paragraph (1) of this subsection who elects membership on July 1, 2008.

(3) To elect to be a member of the Employees' Pension System, an individual shall file a written application with the Board of Trustees on a form that the Board of Trustees provides.

(f) (1) This subsection applies only to an individual who is an employee of the City of College Park on June 30, 2014.

(2) Subject to paragraph (3) of this subsection, membership in the Employees' Pension System is optional for an individual described in paragraph (1) of this subsection who elects membership on July 1, 2014.

(3) To elect to be a member of the Employees' Pension System, an individual shall file a written application with the Board of Trustees on a form that the Board of Trustees provides.

(g) (1) This subsection applies to an individual who is employed by Prince George's County as:

- (i) the Chief Administrative Officer;
- (ii) a Deputy Chief Administrative Officer;
- (iii) a director of a county office or department;
- (iv) a County Council Administrator;
- (v) a Deputy Director of a county office or department; or
- (vi) an Executive Director.

(2) (i) Membership in the Employees' Pension System is optional for an individual who:

1. begins serving in a position listed in paragraph (1) of this subsection on or after July 1, 2014; AND

2. **HAS NOT PREVIOUSLY BEEN EMPLOYED BY PRINCE GEORGE'S COUNTY.**

(ii) An individual described under subparagraph (i) of this paragraph who elects to join the Employees' Pension System shall make the election at commencement of employment by filing a written application with the Board of Trustees on a form that the Board of Trustees provides.

(3) Membership in the Employees' Pension System is mandatory for:

(i) an individual who:

1. is employed in one of the positions listed under paragraph (1) of this subsection on or before June 30, 2014; and

2. is enrolled as a member of the Employees' Pension System;
or

(ii) an individual described under paragraph (2)(i) of this subsection who elected to join the Employees' Pension System under paragraph (2)(ii) of this subsection.

(4) Membership in the Employees' Pension System is prohibited for an individual who:

(i) begins serving in a position listed in paragraph (1) of this subsection on or after July 1, 2004, but before July 1, 2014;

(ii) remains in a position listed in paragraph (1) of this subsection on or after July 1, 2014; and

(iii) is not enrolled in the Employees' Pension System.

(5) (i) An individual's election under paragraph (2)(ii) of this subsection to join the Employees' Pension System or an individual's failure to elect to join the Employees' Pension System within the required time period is a one-time, irrevocable decision.

(ii) An individual employed in one of the positions listed under paragraph (1) of this subsection who does not elect to join the Employees' Pension System under paragraph (2)(ii) of this subsection may not join the Employees' Pension System while employed in one of the positions listed under paragraph (1) of this subsection.

(iii) An individual described under paragraph (4) of this subsection or subparagraph (ii) of this paragraph who changes employment to a different position under paragraph (1) of this subsection, whether or not a break in employment occurs, may not elect to join the Employees' Pension System.

(6) The Board of Trustees shall adopt regulations to implement this section.

24-202.

[Except as provided in § 24-203 of this subtitle, an] AN individual described in § 24-201 of this subtitle is a member of the State Police Retirement System as a condition of employment.

24–203.

The Secretary of State Police [may waive membership in] **IS A MEMBER OF** the State Police Retirement System [and elect to become a member of the Employees' Pension System] **AS A CONDITION OF EMPLOYMENT.**

25–202.

(a) Except as provided in subsection (b) of this section, an individual described in § 25–201(a) of this subtitle is a member of the Correctional Officers' Retirement System as a condition of employment.

(b) (1) Subject to paragraph [(2)] **(3)** of this subsection, membership in the Correctional Officers' Retirement System is optional for an individual described in § 25–201 of this subtitle who was employed by a participating governmental unit as a local detention center officer on the effective date of participation on or after July 1, 2006, **BUT BEFORE JULY 1, 2017,** for that participating governmental unit and who elects membership within 6 months of the effective date of participation.

(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, MEMBERSHIP IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM IS OPTIONAL FOR AN INDIVIDUAL:

(I) DESCRIBED IN § 25–201 OF THIS SUBTITLE WHO WAS EMPLOYED BY A PARTICIPATING GOVERNMENTAL UNIT AS A LOCAL DETENTION CENTER OFFICER ON THE EFFECTIVE DATE OF PARTICIPATION ON OR AFTER JULY 1, 2017, FOR THAT PARTICIPATING GOVERNMENTAL UNIT; AND

(II) WHO ELECTS MEMBERSHIP BEFORE THE EFFECTIVE DATE OF PARTICIPATION.

[(2)] **(3)** To elect to be a member of the Correctional Officers' Retirement System, an individual shall file a written application with the State Retirement Agency **ON A FORM THAT THE STATE RETIREMENT AGENCY PROVIDES.**

[(3)] **(4) (I) AN ELECTION TO JOIN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM UNDER THIS SUBSECTION IS A ONE-TIME, IRREVOCABLE ELECTION.**

(II) If an individual does not elect membership during the applicable period specified under paragraph (1) **OR (2)** of this subsection, the individual may not **SUBSEQUENTLY** become a member of the Correctional Officers' Retirement System.

26–202.

(a) Except as provided in subsection (b) of this section, an individual described in § 26–201 of this subtitle is a member of the Law Enforcement Officers’ Pension System as a condition of employment.

(b) (1) Subject to paragraph (2) of this subsection, membership in the Law Enforcement Officers’ Pension System is optional for an individual described in § 26–201 of this subtitle:

(i) who was employed by the Department of Natural Resources on July 1, 1990 and who elects membership on or before December 31, 2002;

(ii) who was employed by the Field Enforcement Division on June 30, 1995 and who elects membership on or before December 31, 2002;

(iii) who was employed by the Maryland Transportation Authority on June 30, 1997 and who elects membership on or before December 31, 2002;

(iv) who was employed by the Baltimore City Sheriff’s Department on June 30, 1997 and who elects membership on or before December 31, 2002;

(v) who was employed by the University System of Maryland Police Force on June 30, 1999 and who elects membership on or before December 31, 2002;

(vi) who is employed by a participating governmental unit on the effective date of participation:

1. on or after July 1, 1999, BUT BEFORE JULY 1, 2017, for that participating governmental unit and who elects membership within 6 months of the effective date of participation; OR

2. ON OR AFTER JULY 1, 2017, FOR THAT PARTICIPATING GOVERNMENTAL UNIT AND WHO ELECTS MEMBERSHIP BEFORE THE EFFECTIVE DATE OF PARTICIPATION;

(vii) who was employed by the Maryland Port Administration Police Force and was subsequently transferred to and employed by the Maryland Transportation Authority Police Force on July 1, 1998 and who elects membership on or before December 31, 2002;

(viii) who was employed by the office of the State Fire Marshal on June 30, 1998 and who elects membership on or before December 31, 2002;

(ix) who was employed by the Morgan State University Police Force on June 30, 1999 and who elects membership on or before December 31, 2002;

(x) who was employed by the BWI Airport Fire & Rescue Department on June 30, 2000, and who elects membership on or before December 31, 2002;

(xi) who was employed by the Department of General Services, Department of Health and Mental Hygiene, Motor Vehicle Administration, and Department of Labor, Licensing, and Regulation Police Force on June 30, 2000 and who elects membership on or before December 31, 2002;

(xii) who was employed by the Military Department as a firefighter at Martin State Airport on June 30, 2001, and who elects membership on or before December 31, 2002;

(xiii) who was employed on June 30, 2002, by the Division of Rehabilitation Services in the Department of Education as a police officer certified in accordance with the Maryland Police and Correctional Training Commissions, and who elects membership on or before December 31, 2002;

(xiv) who was employed on June 30, 2004, by the Salisbury Fire Department as a firefighter or paramedic and who elects membership on or before December 31, 2004, if eligible under Title 31, Subtitle 2A of this article;

(xv) who was employed on June 30, 2005, by the Department of State Police as an aviator operating an aircraft for the State Emergency Medical System, and who elects membership on or before December 31, 2005;

(xvi) who was employed by the Military Department as a law enforcement officer at Martin State Airport on June 30, 2007, and who elects membership on or before December 31, 2007;

(xvii) who was a member of the Department of Public Safety and Correctional Services Intelligence and Investigative Division who has powers granted to a police officer under § 10–701 of the Correctional Services Article on June 30, 2007, and who elects membership on or before December 31, 2007;

(xviii) who was employed on July 1, 2008, as a police officer by the Baltimore City Community College Police Force and who elects membership on or before December 31, 2008; or

(xix) who was an employee of the Warrant Apprehension Unit of the Division of Parole and Probation in the Department of Public Safety and Correctional Services who has powers granted to a peace officer or police officer under § 6–106 of the Correctional Services Article on June 30, 2015, and who elects membership on or before December 31, 2015.

(2) To elect to be a member of the Law Enforcement Officers' Pension System, an individual shall file a written application with the State Retirement Agency **ON A FORM THAT THE STATE RETIREMENT AGENCY PROVIDES.**

(3) (I) AN ELECTION TO JOIN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM UNDER THIS SUBSECTION IS A ONE-TIME, IRREVOCABLE ELECTION.

(II) If an individual does not elect membership during the applicable period specified under paragraph (1) of this subsection, the individual may not SUBSEQUENTLY become a member of the Law Enforcement Officers' Pension System.

30-301.

(a) An individual is eligible to participate in the program ONLY if the individual:

(1) is eligible for membership in a retirement system or a pension system;

(2) HAS NOT PREVIOUSLY PARTICIPATED IN A STATE SYSTEM AS AN EMPLOYEE OF AN EMPLOYING INSTITUTION OR ANY OTHER UNIT OF STATE GOVERNMENT; and

(3) is:

[(1)] (I) a member of the faculty of an employing institution;

[(2)] (II) a professional employee at a community college or regional community college established under Title 16 of the Education Article;

[(3)] (III) an employee of the University System of Maryland who is in a position designated as exempt under a policy adopted by the University System of Maryland Board of Regents;

[(4)] (IV) an employee of Morgan State University who is in a position designated as executive or professional administrative by the Board of Regents of Morgan State University;

[(5)] (V) an employee of St. Mary's College of Maryland who is in a position determined by the Board of Trustees of the College to be an exempt position; or

[(6)] (VI) an employee of the Maryland Higher Education Commission who is in a position determined by the Secretary of Higher Education to be a professional position.

(b) (1) This subsection applies to an individual who:

(i) on August 22, 2004, was eligible to participate in the program;

and

(ii) is in a position that, as of August 23, 2004, was reclassified by the University System of Maryland Board of Regents or the Board of Regents of Morgan State University and would no longer be eligible for participation in the program under subsection (a) of this section.

(2) An individual described under paragraph (1) of this subsection shall continue to participate in the program if the individual:

(i) would otherwise be eligible for membership in a system under the State Retirement and Pension System; and

(ii) is employed by an employing institution.

(c) (1) This subsection applies to an individual who:

(i) is in a position that was eligible to participate in the program but was reclassified by the governing board of the individual's employing institution or the Secretary of Higher Education to a position that would no longer be eligible for participation in the program under subsection (a) of this section; and

(ii) was a participant in the program on the date immediately preceding the reclassification.

(2) An individual described under paragraph (1) of this subsection shall continue to participate in the program if the individual:

(i) would otherwise be eligible for membership in a system under the State Retirement and Pension System; and

(ii) is employed by an employing institution.

30–302.

(a) An election to participate in the program shall be made by an eligible employee [within 1 year of first becoming an eligible employee of an employing institution] **AT COMMENCEMENT OF EMPLOYMENT.**

(b) An eligible employee's election to participate in the program is a one-time irrevocable election.

(c) AN INDIVIDUAL WHO PREVIOUSLY PARTICIPATED IN A STATE SYSTEM AS AN EMPLOYEE OF AN EMPLOYING INSTITUTION OR ANY OTHER UNIT OF STATE GOVERNMENT MAY NOT ELECT TO PARTICIPATE IN THE PROGRAM.

30–303.

(a) An eligible employee shall elect to:

(1) join a pension or retirement system in accordance with the provisions of this Division II applicable to that system; or

(2) participate in the program.

(b) An eligible employee shall:

(1) make an election under this section in writing; and

(2) file the election with the Board of Trustees and the employing institution [within 1 year of first becoming an eligible employee of an employing institution] **AT COMMENCEMENT OF EMPLOYMENT.**

(c) [An eligible employee may not participate in the program if both the Board of Trustees and the employing institution have not received the eligible employee's written election required under subsection (b) of this section, within 1 year of first becoming an eligible employee with an employing institution.] **AN ELIGIBLE EMPLOYEE'S ELECTION UNDER THIS SECTION IS A ONE-TIME, IRREVOCABLE ELECTION.**

(d) The effective date of the election shall be the [first day of the month after the election] **DAY OF COMMENCEMENT OF EMPLOYMENT.**

30-305.

(a) This section applies only to a State employee who [becomes eligible to elect participation in the program if the employee] is appointed, promoted, transferred, or reclassified to a position [as an eligible employee] **IN WHICH AN EMPLOYEE WOULD BE ELIGIBLE TO PARTICIPATE IN THE PROGRAM.**

(b) A State employee described in subsection (a) of this section may **NOT** elect to participate in the program.

[(c) An eligible employee shall:

(1) make an election under this section in writing; and

(2) file the election with the Board of Trustees and the employing institution within 1 year of first becoming an eligible employee of an employing institution.

(d) An eligible employee may not participate in the program if both the Board of Trustees and the employing institution have not received the eligible employee's written election required under subsection (c) of this section, within 1 year of first becoming an eligible employee with an employing institution.]

30–307.

(a) **(1) THIS SUBSECTION APPLIES TO AN ELECTION TO PARTICIPATE IN THE PROGRAM MADE ON OR BEFORE JUNE 30, 2017.**

(2) Except as otherwise provided in this section, an election to participate in the program is a waiver of all rights and benefits provided by the retirement or pension system in which the participating employee was a member on the effective date of the election.

[(b)] (3) For the purpose of determining eligibility for immediate vested rights or benefits in a retirement system or pension system, an eligible employee who is a member of that State system when the employee elects to participate in the program is deemed to have separated from employment on the effective date of the election.

[(c)] (4) The Board of Trustees may only compute retirement system or pension system benefits on the basis of years of creditable service as a member of that State system.

[(d) (1)] (5) (I) This [section] **PARAGRAPH** applies only to a participating employee whose last employer prior to joining the program was a participating employer that does not participate in the employer pick–up program as defined in § 414(h)(2) of the Internal Revenue Code.

[(2)] (II) A participating employee may withdraw any accumulated contributions in the annuity savings fund on or after the effective date of the participating employee’s election to join the program.

[(3)] (III) If a participating employee withdraws the accumulated contributions, the participating employee forfeits any right to a benefit in the State system from which the accumulated contributions were withdrawn.

[(e)] (B) (1) A participating employee is ineligible for membership in a retirement system or pension system while the participating employee is employed in any eligible position by any employing institution.

(2) A PARTICIPATING EMPLOYEE WHO IS SUBSEQUENTLY APPOINTED, PROMOTED, OR TRANSFERRED TO ANOTHER POSITION THAT IS ELIGIBLE FOR MEMBERSHIP IN A STATE SYSTEM BUT IS NOT ELIGIBLE FOR PARTICIPATION IN THE PROGRAM SHALL PARTICIPATE IN A STATE SYSTEM WITH RESPECT TO THAT POSITION AS A CONDITION OF EMPLOYMENT.

31–101.

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

(h) (1) “Local [pension system] PLAN” means a [retirement or pension system established by the legislative body] PLAN OR ANY OTHER ARRANGEMENT of an eligible governmental unit THAT IS DESCRIBED IN § 219(G)(5) OF THE INTERNAL REVENUE CODE.

(2) “LOCAL PLAN” DOES NOT INCLUDE A PLAN ESTABLISHED UNDER § 457 OF THE INTERNAL REVENUE CODE.

31–102.

Subject to [§] §§ 22–202(b) AND 31–109 of this article, the governmental units that are eligible to participate in the employees’ systems are:

- (1) a political subdivision of the State, including:
 - (i) a county;
 - (ii) a municipal corporation; and
 - (iii) a special taxing area; and
- (2) the following governmental units:
 - (i) an agency on aging, as designated by the legislative body of the agency on aging;
 - (ii) the Allegany County Transit Authority;
 - (iii) subject to § 31–104 of this subtitle, the Baltimore Metropolitan Council;
 - (iv) a board or commission created by an Act of the General Assembly for public purpose and not for the profit of a private person;
 - (v) subject to § 31–105 of this subtitle, the Canal Place Preservation and Development Authority;
 - (vi) the Chesapeake Bay Commission;
 - (vii) a cooperative library commission;
 - (viii) subject to § 31–103 of this subtitle, a community action agency, as designated by the legislative body of the community action agency;

(ix) a fire department that receives any of its funds from or through a county, municipal corporation, special taxing area, or other political subdivision of the State;

(x) the Health Planning Council of Appalachia;

(xi) the Howard County Economic Development Authority;

(xii) the Interstate Commission on the Potomac River Basin;

(xiii) the Lower Shore Private Industry Council, Inc.;

(xiv) the Maryland Environmental Service;

(xv) subject to § 31–106 of this subtitle, the Maryland Stadium Authority;

(xvi) a public library association or organization;

(xvii) subject to § 31–106.2 of this subtitle, the St. Mary’s Nursing Center, Inc.;

(xviii) the Tri–County Council for Western Maryland, Inc.;

(xix) the Tri–County Council for Southern Maryland;

(xx) subject to § 31–107 of this subtitle, the University of Maryland Medical System Corporation;

(xxi) the Upper Potomac River Commission;

(xxii) subject to § 31–106.1 of this subtitle, the Maryland African American Museum Corporation;

(xxiii) the Garrett County Office for Children, Youth and Families;

(xxiv) the Somerset County Economic Development Commission; and

(xxv) the Dorchester County Sanitary Commission.

[31–109.

Except as provided in § 31–110 of this subtitle, an employee of an eligible governmental unit is entitled to be a member of the Employees’ Pension System if:

(1) (i) the employee is not a member of a local pension system; and

(ii) the legislative body of the eligible governmental unit approves participation of the eligible governmental unit in the Employees' Pension System; or

(2) (i) the employee is a member of a local pension system;

(ii) at least 60% of the members of the local pension system petition to become members of the Employees' Pension System; and

(iii) the legislative body of the eligible governmental unit approves participation of the eligible governmental unit in the Employees' Pension System as though the local pension system were not in operation.]

31-109.

(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE LEGISLATIVE BODY OF AN ELIGIBLE GOVERNMENTAL UNIT MAY APPROVE PARTICIPATION BY ITS EMPLOYEES IN THE EMPLOYEES' PENSION SYSTEM IF:

(1) THE LEGISLATIVE BODY ADOPTS A RESOLUTION IN THE FORM PRESCRIBED BY THE BOARD OF TRUSTEES; AND

(2) THE ELIGIBLE GOVERNMENTAL UNIT OPERATES A LOCAL PLAN, ONLY IF:

(I) AT LEAST 60% OF THE MEMBERS OF THE LOCAL PLAN PETITION TO BECOME MEMBERS OF THE EMPLOYEES' PENSION SYSTEM;

(II) THE ELIGIBLE GOVERNMENTAL UNIT SATISFIES THE REQUIREMENTS IN SUBSECTION (B) OF THIS SECTION; AND

(III) THE LEGISLATIVE BODY APPROVES PARTICIPATION OF THE ELIGIBLE GOVERNMENTAL UNIT IN THE EMPLOYEES' PENSION SYSTEM AS THOUGH THE LOCAL PLAN WERE NOT IN OPERATION.

(B) AN ELIGIBLE GOVERNMENTAL UNIT THAT OPERATES A LOCAL PLAN MAY APPROVE PARTICIPATION BY ITS EMPLOYEES IN THE EMPLOYEES' PENSION SYSTEM ONLY IF:

(1) THE LOCAL PLAN OF THE ELIGIBLE GOVERNMENTAL UNIT REQUIRES MEMBER CONTRIBUTIONS AT THE SAME RATE AS THE MEMBER CONTRIBUTION RATE THAT WOULD BE APPLICABLE TO EMPLOYEES OF THE ELIGIBLE GOVERNMENTAL UNIT IN THE EMPLOYEES' PENSION SYSTEM; OR

(2) THE ELIGIBLE GOVERNMENTAL UNIT:

(I) DOES NOT PROVIDE FOR THE EMPLOYER PICKUP OF MEMBER CONTRIBUTIONS TO THE LOCAL PLAN WITHIN THE MEANING OF § 414(H)(2) OF THE INTERNAL REVENUE CODE; AND

(II) CERTIFIES THAT IT WILL NOT BECOME AN APPROVED EMPLOYER UNDER § 21–313 OF THIS ARTICLE ON OR AFTER THE EFFECTIVE DATE OF PARTICIPATION.

(C) (1) IF AN ELIGIBLE GOVERNMENTAL UNIT DOES NOT SATISFY THE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION, THE ELIGIBLE GOVERNMENTAL UNIT MAY SUBMIT A REQUEST TO THE BOARD OF TRUSTEES TO PARTICIPATE IN THE EMPLOYEES’ PENSION SYSTEM.

(2) THE BOARD OF TRUSTEES SHALL CONSIDER A REQUEST MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION AND DETERMINE WHETHER ANY LEGISLATION IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO PARTICIPATE IN THE EMPLOYEES’ PENSION SYSTEM.

(3) THE BOARD OF TRUSTEES SHALL MAKE RECOMMENDATIONS TO THE JOINT COMMITTEE ON PENSIONS REGARDING ANY LEGISLATION THAT IT DETERMINES IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO PARTICIPATE IN THE EMPLOYEES’ PENSION SYSTEM.

31–113.

(A) THIS SECTION APPLIES ONLY TO A LOCAL PLAN THAT IS A QUALIFIED PLAN UNDER § 401(A) OF THE INTERNAL REVENUE CODE AND PROVIDES A DEFINED BENEFIT TO ITS PARTICIPANTS.

[(a)] (B) Except as provided in subsection [(b)] (C) of this section, the operation of the local [pension system] PLAN of an eligible governmental unit terminates on the effective date.

[(b)] (C) (1) An eligible governmental unit may elect to continue to operate a local [pension system] PLAN after the effective date of participation in the Employees’ Pension System to provide benefits to [a person] AN INDIVIDUAL who:

(i) is receiving benefits from the local [pension system] PLAN;

(ii) is eligible to receive benefits from the local [pension system] PLAN on account of the [person’s] INDIVIDUAL’S previous employment by the eligible governmental unit; or

(iii) did not elect to join the Employees' Pension System under § 23-204(a) of this article.

(2) [A person] **AN INDIVIDUAL** may not be enrolled in the local [pension system] **PLAN** of a participating governmental unit electing to continue to operate its [system] **LOCAL PLAN** under paragraph (1) of this subsection if the [person] **INDIVIDUAL** becomes employed or is rehired by the participating governmental unit on or after the effective date of participation of the participating governmental unit in the Employees' Pension System.

[(c)] **(D)** The liability for the continuation of benefits under subsection [(b)] **(C)** of this section shall be included in the computation of the special accrued liability as provided by § 21-305.3 of this article.

[(d)] **(E)** (1) On the effective date:

(i) the assets to the credit of the local [pension system] **PLAN** of the participating governmental unit that are attributable to the employees of the participating governmental unit who elect to become members of the Employees' Pension System under § 23-204(a) of this article shall be transferred to the Employees' Pension System; and

(ii) the trustee or other administrative head of the local [pension system] **PLAN** shall certify the proportion of the funds of the local [pension system] **PLAN** that represents the accumulated contributions of the members as of that date.

(2) The accumulated contributions shall be credited to the respective annuity savings accounts of the members in the Employees' Pension System.

(3) Any balance of the funds transferred to the Employees' Pension System shall be offset against the special accrued liability to be funded by the participating governmental unit as provided by § 21-305.3 of this article.

31-2A-01.

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

(f) **(1)** "Local [pension system] **PLAN**" means a [retirement or pension system established by the legislative body] **PLAN OR ANY OTHER ARRANGEMENT** of an eligible governmental unit **THAT IS DESCRIBED IN § 219(G)(5) OF THE INTERNAL REVENUE CODE**.

(2) "**LOCAL PLAN**" **DOES NOT INCLUDE A PLAN ESTABLISHED UNDER § 457 OF THE INTERNAL REVENUE CODE**.

[31-2A-03.

(a) If at least 60% of the law enforcement officers of an eligible governmental unit who are members of a local pension system or State system petition to become members of the Law Enforcement Officers' Pension System, the legislative body of the eligible governmental unit may approve the participation of these law enforcement officers in the Law Enforcement Officers' Pension System as though the local pension system were not in operation.

(b) If at least 60% of the firefighters and paramedics employed by the Salisbury Fire Department petition to become members of the Law Enforcement Officers' Pension System, the legislative body of the City of Salisbury, as an eligible governmental unit, may approve the participation of these firefighters and paramedics in the Law Enforcement Officers' Pension System.

(c) If at least 60% of the firefighters of an eligible governmental unit who are members of a local pension system or State system petition to become members of the Law Enforcement Officers' Pension System, the legislative body of the eligible governmental unit may approve the participation of these firefighters in the Law Enforcement Officers' Pension System as though the local pension system were not in operation.]

31-2A-03.

(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE LEGISLATIVE BODY OF AN ELIGIBLE GOVERNMENTAL UNIT MAY APPROVE PARTICIPATION BY ITS LAW ENFORCEMENT OFFICERS OR FIREFIGHTERS IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM IF:

(1) THE LEGISLATIVE BODY ADOPTS A RESOLUTION IN THE FORM PRESCRIBED BY THE BOARD OF TRUSTEES; AND

(2) THE ELIGIBLE GOVERNMENTAL UNIT PARTICIPATES IN A STATE SYSTEM OR OPERATES A LOCAL PLAN, ONLY IF:

(I) AT LEAST 60% OF THE LAW ENFORCEMENT OFFICERS OR FIREFIGHTERS OF THE ELIGIBLE GOVERNMENTAL UNIT PETITION TO BECOME MEMBERS OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM;

(II) THE ELIGIBLE GOVERNMENTAL UNIT SATISFIES THE REQUIREMENTS IN SUBSECTION (B) OF THIS SECTION; AND

(III) THE LEGISLATIVE BODY APPROVES PARTICIPATION OF ITS LAW ENFORCEMENT OFFICERS OR FIREFIGHTERS IN LIEU OF PARTICIPATION IN THE STATE SYSTEM OR LOCAL PLAN.

(B) AN ELIGIBLE GOVERNMENTAL UNIT THAT OPERATES A LOCAL PLAN OR PARTICIPATES IN A STATE SYSTEM MAY APPROVE PARTICIPATION OF ITS LAW

ENFORCEMENT OFFICERS OR FIREFIGHTERS IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM ONLY IF:

(1) THE STATE SYSTEM OR LOCAL PLAN OF THE ELIGIBLE GOVERNMENTAL UNIT REQUIRES MEMBER CONTRIBUTIONS AT THE SAME RATE AS THE MEMBER CONTRIBUTION RATE THAT WOULD BE APPLICABLE TO THE LAW ENFORCEMENT OFFICERS OR FIREFIGHTERS OF THE ELIGIBLE GOVERNMENTAL UNIT IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM; OR

(2) THE ELIGIBLE GOVERNMENTAL UNIT:

(I) DOES NOT PROVIDE FOR THE EMPLOYER PICKUP OF MEMBER CONTRIBUTIONS TO THE STATE SYSTEM OR LOCAL PLAN WITHIN THE MEANING OF § 414(H)(2) OF THE INTERNAL REVENUE CODE; AND

(II) CERTIFIES THAT IT WILL NOT BECOME AN APPROVED EMPLOYER UNDER § 21-313 OF THIS ARTICLE ON OR AFTER THE EFFECTIVE DATE OF PARTICIPATION.

(C) (1) IF AN ELIGIBLE GOVERNMENTAL UNIT DOES NOT SATISFY THE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION, THE ELIGIBLE GOVERNMENTAL UNIT MAY SUBMIT A REQUEST TO THE BOARD OF TRUSTEES TO PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.

(2) THE BOARD OF TRUSTEES SHALL CONSIDER A REQUEST MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION AND DETERMINE WHETHER ANY LEGISLATION IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.

(3) THE BOARD OF TRUSTEES SHALL MAKE RECOMMENDATIONS TO THE JOINT COMMITTEE ON PENSIONS REGARDING ANY LEGISLATION THAT IT DETERMINES IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.

31-2A-05.

(A) THIS SECTION APPLIES ONLY TO A LOCAL PLAN THAT IS A QUALIFIED PLAN UNDER § 401(A) OF THE INTERNAL REVENUE CODE AND PROVIDES A DEFINED BENEFIT TO ITS PARTICIPANTS.

[(a)] (B) If an eligible governmental unit approves participation in the Law Enforcement Officers' Pension System, the operation of the local [pension system] PLAN or State system with respect to the law enforcement officers, firefighters, or paramedics terminates on the effective date.

[b] (C) (1) On the effective date:

(i) the assets to the credit of the local [pension system] PLAN or State system that relate to the law enforcement officers, firefighters, or paramedics who elect to become members shall be transferred to the Law Enforcement Officers' Pension System; and

(ii) the trustee or other administrative head of the local [pension system] PLAN or State system shall certify the proportion of the funds of the local [pension system] PLAN or State system that represents the accumulated contributions of the members as of that date.

(2) The accumulated contributions shall be credited to the respective annuity savings accounts of the members in the Law Enforcement Officers' Pension System.

(3) The balance of the funds transferred to the Law Enforcement Officers' Pension System shall be offset against the special accrued liability to be funded by the participating governmental unit as provided by § 21–306.1(d) of this article.

31–2B–01.

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

(e) **(1)** “Local [pension system] PLAN” means a [retirement or pension system established by the legislative body] PLAN OR ANY OTHER ARRANGEMENT of an eligible governmental unit **THAT IS DESCRIBED IN § 219(G)(5) OF THE INTERNAL REVENUE CODE.**

(2) “LOCAL PLAN” DOES NOT INCLUDE A PLAN ESTABLISHED UNDER § 457 OF THE INTERNAL REVENUE CODE.

[31–2B–03.

If at least 60% of the local detention center officers of an eligible governmental unit who are members of a local pension system or State system petition to become members of the Correctional Officers' Retirement System, the legislative body of the eligible governmental unit may approve the participation of these local detention center officers in the Correctional Officers' Retirement System as though the local pension system were not in operation.]

31–2B–03.

(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE LEGISLATIVE BODY OF AN ELIGIBLE GOVERNMENTAL UNIT MAY APPROVE PARTICIPATION BY ITS LOCAL

DETENTION CENTER OFFICERS IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM IF:

(1) THE LEGISLATIVE BODY ADOPTS A RESOLUTION IN THE FORM PRESCRIBED BY THE BOARD OF TRUSTEES; AND

(2) THE ELIGIBLE GOVERNMENTAL UNIT PARTICIPATES IN A STATE SYSTEM OR OPERATES A LOCAL PLAN FOR ITS LOCAL DETENTION CENTER OFFICERS, ONLY IF:

(I) AT LEAST 60% OF THE LOCAL DETENTION CENTER OFFICERS OF THE ELIGIBLE GOVERNMENTAL UNIT PETITION TO BECOME MEMBERS OF THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM;

(II) THE ELIGIBLE GOVERNMENTAL UNIT SATISFIES THE REQUIREMENTS IN SUBSECTION (B) OF THIS SECTION; AND

(III) THE LEGISLATIVE BODY APPROVES PARTICIPATION OF ITS LOCAL DETENTION CENTER OFFICERS IN LIEU OF PARTICIPATION IN THE STATE SYSTEM OR LOCAL PLAN.

(B) AN ELIGIBLE GOVERNMENTAL UNIT THAT OPERATES A LOCAL PLAN OR PARTICIPATES IN A STATE SYSTEM MAY APPROVE PARTICIPATION OF ITS LOCAL DETENTION CENTER OFFICERS IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM ONLY IF:

(1) THE STATE SYSTEM OR LOCAL PLAN OF THE ELIGIBLE GOVERNMENTAL UNIT REQUIRES MEMBER CONTRIBUTIONS AT THE SAME RATE AS THE MEMBER CONTRIBUTION RATE THAT WOULD BE APPLICABLE TO THE LOCAL DETENTION CENTER OFFICERS OF THE ELIGIBLE GOVERNMENTAL UNIT IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM; OR

(2) THE ELIGIBLE GOVERNMENTAL UNIT:

(I) DOES NOT PROVIDE FOR THE EMPLOYER PICKUP OF MEMBER CONTRIBUTIONS TO THE STATE SYSTEM OR LOCAL PLAN WITHIN THE MEANING OF § 414(H)(2) OF THE INTERNAL REVENUE CODE; AND

(II) CERTIFIES THAT IT WILL NOT BECOME AN APPROVED EMPLOYER UNDER § 21-313 OF THIS ARTICLE ON OR AFTER THE EFFECTIVE DATE OF PARTICIPATION.

(C) (1) IF AN ELIGIBLE GOVERNMENTAL UNIT DOES NOT SATISFY THE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION, THE ELIGIBLE

GOVERNMENTAL UNIT MAY SUBMIT A REQUEST TO THE BOARD OF TRUSTEES TO PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

(2) THE BOARD OF TRUSTEES SHALL CONSIDER A REQUEST MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION AND DETERMINE WHETHER ANY LEGISLATION IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

(3) THE BOARD OF TRUSTEES SHALL MAKE RECOMMENDATIONS TO THE JOINT COMMITTEE ON PENSIONS REGARDING ANY LEGISLATION THAT IT DETERMINES IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

31-2B-05.

(A) THIS SECTION APPLIES ONLY TO A LOCAL PLAN THAT IS A QUALIFIED PLAN UNDER § 401(A) OF THE INTERNAL REVENUE CODE AND PROVIDES A DEFINED BENEFIT TO ITS PARTICIPANTS.

[(a)] (B) If an eligible governmental unit approves participation in the Correctional Officers' Retirement System, the operation of the local [pension system] PLAN or State system with respect to the local detention center officers terminates on the effective date.

[(b)] (C) (1) On the effective date:

(i) the assets to the credit of the local [pension system] PLAN or State system that relate to the local detention center officers who elect to become members shall be transferred to the Correctional Officers' Retirement System; and

(ii) the trustee or other administrative head of the local [pension system] PLAN or State system shall certify the proportion of the funds of the local pension system that represents the accumulated contributions of the members as of that date.

(2) The accumulated contributions shall be credited to the respective annuity savings accounts of the members in the Correctional Officers' Retirement System.

(3) The balance of the funds transferred to the Correctional Officers' Retirement System shall be offset against the special accrued liability to be funded by the participating governmental unit as provided by § 21-306.1(d) of this article.

31-301.

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

(d) “Local pension system” means a retirement or pension system established by the legislative body of an eligible governmental unit **THAT IS A QUALIFIED PLAN UNDER § 401(A) OF THE INTERNAL REVENUE CODE AND PROVIDES A DEFINED BENEFIT TO ITS PARTICIPANTS.**

31–302.

(A) [The] SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE legislative body of a participating governmental unit may withdraw from participation in a State system and transfer to a local pension system or another State system any of the following groups of employees of the governmental unit who consent to the withdrawal, and who qualify for membership in the State system or local pension system:

- (1) all employees of the participating governmental unit;
- (2) fire fighters;
- (3) law enforcement personnel;
- (4) detention center officers; or
- (5) subject to the approval of the Board of Trustees, a homogeneous unit of at least 10 employees.

(B) A PARTICIPATING GOVERNMENTAL UNIT MAY WITHDRAW FROM PARTICIPATION IN A STATE SYSTEM ONLY IF:

(1) THE NEW STATE SYSTEM OR LOCAL PENSION SYSTEM OF THE PARTICIPATING GOVERNMENTAL UNIT REQUIRES MEMBER CONTRIBUTIONS AT THE SAME RATE AS THE MEMBER CONTRIBUTION RATE APPLICABLE TO EMPLOYEES OF THE PARTICIPATING GOVERNMENTAL UNIT IN THE STATE SYSTEM FROM WHICH THE PARTICIPATING GOVERNMENTAL UNIT IS WITHDRAWING; OR

(2) THE PARTICIPATING GOVERNMENTAL UNIT:

(I) DOES NOT PROVIDE FOR THE EMPLOYER PICKUP OF MEMBER CONTRIBUTIONS TO THE CURRENT STATE SYSTEM OF THE PARTICIPATING GOVERNMENTAL UNIT WITHIN THE MEANING OF § 414(H)(2) OF THE INTERNAL REVENUE CODE; AND

(II) CERTIFIES THAT IT WILL NOT BECOME AN APPROVED EMPLOYER UNDER § 21–313 OF THIS ARTICLE ON OR AFTER THE EFFECTIVE DATE OF PARTICIPATION IN THE NEW STATE SYSTEM OR LOCAL PENSION SYSTEM.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 273

(Senate Bill 399)

AN ACT concerning

Employees' Pension System – Purchase of Credit for Eligibility Service – Legislative Employees

FOR the purpose of altering the amount that a member of the Employees' Pension System must pay to the Board of Trustees of the State Retirement and Pension System to purchase credit for eligibility service for a certain period of legislative employment; and generally relating to the purchase of credit for eligibility service for a member of the Employees' Pension System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 23–307(d)
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – State Personnel and Pensions

23–307.

(d) (1) A member of the Employees' Pension System who is employed by a member of the State Senate or House of Delegates for at least 130 days per year as a legislative employee before becoming a member is considered to have been a permanent part-time legislative employee.

(2) A member described in paragraph (1) of this subsection may purchase credit for eligibility service for that period of legislative employment by paying to the Board of Trustees:

(i) for a period of employment on or before December 31, 1979, the
sum of:

1. the amount that the member would have been required to contribute for that period of employment; and

2. **5% REGULAR** interest on the member's contributions, compounded annually; and

(ii) for a period of employment on or after January 1, 1980, the sum of:

1. **ONE-HALF OF** the amount that the member would have been required to contribute for that period of employment;

2. **ONE-HALF OF** the amount that the State would have been required to contribute for the member for that period of employment; and

3. **5% REGULAR** interest on the member's and State's contributions, compounded annually.

[(3) The rate of interest to be paid under this subsection is the average for the 5 years preceding the year of payment of the yearly rate of interest computed as the sum of the investment income and the realized gains and losses divided by the book value of the total investments.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 274

(House Bill 817)

AN ACT concerning

Employees' Pension System – Purchase of Credit for Eligibility Service – Legislative Employees

FOR the purpose of altering the amount that a member of the Employees' Pension System must pay to the Board of Trustees of the State Retirement and Pension System to purchase credit for eligibility service for a certain period of legislative employment; and generally relating to the purchase of credit for eligibility service for a member of the Employees' Pension System.

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions
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23–307.

(d) (1) A member of the Employees' Pension System who is employed by a member of the State Senate or House of Delegates for at least 130 days per year as a legislative employee before becoming a member is considered to have been a permanent part-time legislative employee.

(2) A member described in paragraph (1) of this subsection may purchase credit for eligibility service for that period of legislative employment by paying to the Board of Trustees:

(i) for a period of employment on or before December 31, 1979, the sum of:

1. the amount that the member would have been required to contribute for that period of employment; and

2. **5% REGULAR** interest on the member's contributions, compounded annually; and

(ii) for a period of employment on or after January 1, 1980, the sum of:

1. **ONE-HALF OF** the amount that the member would have been required to contribute for that period of employment;

2. **ONE-HALF OF** the amount that the State would have been required to contribute for the member for that period of employment; and

3. **5% REGULAR** interest on the member's and State's contributions, compounded annually.

[(3) The rate of interest to be paid under this subsection is the average for the 5 years preceding the year of payment of the yearly rate of interest computed as the sum of the investment income and the realized gains and losses divided by the book value of the total investments.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 275

(Senate Bill 752)

AN ACT concerning

Optional Retirement Program – Annuity Contract Providers

FOR the purpose of repealing a default inclusion as an optional retirement program annuity contract provider of a company designated by a governing board of an employing institution on or before a certain date; ~~repealing a requirement that a designated company provide certain information regarding compensation of certain employees of the company;~~ altering a certain definition; and generally relating to companies designated to offer annuity contracts in the optional retirement program.

BY repealing and reenacting, with amendments,
 Article – State Personnel and Pensions
 Section 30–101(c), ~~30–202~~, and ~~30–211~~ and 30–202
 Annotated Code of Maryland
 (2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 30–211
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – State Personnel and Pensions

30–101.

(c) “Designated company” means an entity that[:

(1) on or before March 1, 1993, was designated by the governing board of an employing institution to offer annuity contracts under the program; or

(2)] is designated by the Board of Trustees.

30–202.

(a) The Board of Trustees may designate not more than [four companies, in addition to the company that was designated by a governing board of an employing institution on or before March 1, 1993,] **FIVE COMPANIES** from which annuity contracts are to be purchased under the program.

(b) [(1)] The Board of Trustees shall approve the form and contents of annuity contracts to be offered by a company that is designated by the Board of Trustees under subsection (a) of this section.

[(2) The Board of Trustees may also approve the form and contents of additional types of annuity contracts to be offered for the first time after October 1, 1993, by the company designated by the governing board of an employing institution on or before March 1, 1993.]

(c) In making the designation and giving approval under this section, the Board of Trustees shall consider:

(1) the nature and extent of the rights and benefits to be provided by the annuity contracts for participating employees and their beneficiaries;

(2) the relation of those rights and benefits to the amount of contributions to be made;

(3) the suitability of the rights and benefits to the needs of the participating employees and the interests of the employing institutions in the recruitment and retention of participating employees;

(4) the ability of the company to provide for suitable rights and benefits under the annuity contracts;

(5) the selection of annuity contracts offered by the company;

(6) the financial stability of the company and whether the company meets minimum financial criteria, if any, including a minimum net worth requirement, if any, established by the Board of Trustees; and

(7) the effect of any fees, commissions, or other charges imposed or collected in connection with an annuity contract.

30–211.

(a) Before enrolling a participating employee, each designated company shall provide to eligible employees, the Board of Trustees, and the employing institutions any information requested, including ~~¶~~ a full disclosure of the entire compensation provided to the senior executives of the designated company, and any ~~¶~~ information ~~¶~~ requested ~~¶~~ regarding the designated company or the annuity contracts offered by the designated company.

(b) Each designated company shall provide and pay for all administrative, informational, and counseling services with respect to the annuity contracts offered by the designated company.

(c) Each designated company shall cooperate with the employing institution in connection with any concerns that relate to enrollment, termination, or retirement of a participating employee.

(d) Each designated company shall disclose to the Board of Trustees all fees, commissions, or other charges the designated company imposes or collects with respect to an annuity contract.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 276

(House Bill 328)

AN ACT concerning

Optional Retirement Program – Annuity Contract Providers

FOR the purpose of repealing a default inclusion as an optional retirement program annuity contract provider of a company designated by a governing board of an employing institution on or before a certain date; ~~repealing a requirement that a designated company provide certain information regarding compensation of certain employees of the company;~~ altering a certain definition; and generally relating to companies designated to offer annuity contracts in the optional retirement program.

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section ~~30–101(c), 30–202, and 30–211~~ and 30–202

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – State Personnel and Pensions

Section 30–211

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

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

Article – State Personnel and Pensions

30–101.

(c) “Designated company” means an entity that[:

(1) on or before March 1, 1993, was designated by the governing board of an employing institution to offer annuity contracts under the program; or

(2)] is designated by the Board of Trustees.

30–202.

(a) The Board of Trustees may designate not more than [four companies, in addition to the company that was designated by a governing board of an employing institution on or before March 1, 1993,] **FIVE COMPANIES** from which annuity contracts are to be purchased under the program.

(b) [(1)] The Board of Trustees shall approve the form and contents of annuity contracts to be offered by a company that is designated by the Board of Trustees under subsection (a) of this section.

[(2)] The Board of Trustees may also approve the form and contents of additional types of annuity contracts to be offered for the first time after October 1, 1993, by the company designated by the governing board of an employing institution on or before March 1, 1993.]

(c) In making the designation and giving approval under this section, the Board of Trustees shall consider:

(1) the nature and extent of the rights and benefits to be provided by the annuity contracts for participating employees and their beneficiaries;

(2) the relation of those rights and benefits to the amount of contributions to be made;

(3) the suitability of the rights and benefits to the needs of the participating employees and the interests of the employing institutions in the recruitment and retention of participating employees;

(4) the ability of the company to provide for suitable rights and benefits under the annuity contracts;

(5) the selection of annuity contracts offered by the company;

(6) the financial stability of the company and whether the company meets minimum financial criteria, if any, including a minimum net worth requirement, if any, established by the Board of Trustees; and

(7) the effect of any fees, commissions, or other charges imposed or collected in connection with an annuity contract.

30-211.

(a) Before enrolling a participating employee, each designated company shall provide to eligible employees, the Board of Trustees, and the employing institutions any information requested, including ~~¶~~a full disclosure of the entire compensation provided to the senior executives of the designated company, and any~~¶~~ information ~~¶~~requested~~¶~~ regarding the designated company or the annuity contracts offered by the designated company.

(b) Each designated company shall provide and pay for all administrative, informational, and counseling services with respect to the annuity contracts offered by the designated company.

(c) Each designated company shall cooperate with the employing institution in connection with any concerns that relate to enrollment, termination, or retirement of a participating employee.

(d) Each designated company shall disclose to the Board of Trustees all fees, commissions, or other charges the designated company imposes or collects with respect to an annuity contract.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 277

(Senate Bill 913)

AN ACT concerning

State Retirement and Pension System – Death Benefits

FOR the purpose of allowing a certain surviving dependent parent of a member of the Correctional Officers' Retirement System to participate in the State Employee and Retiree Health and Welfare Benefits Program if the surviving dependent parent receives a certain allowance; altering the requirements for a certain surviving minor child to participate in the State Employee and Retiree Health and Welfare Benefits Program if the surviving child receives a certain allowance; altering the distribution of certain survivor benefits to surviving children of certain members of the State Retirement and Pension System; requiring a surviving disabled child to receive certain survivor benefits; allowing a certain death benefit to be paid if certain special death benefits are waived by certain individuals; altering the distribution of certain special death benefits to certain surviving children of certain members of the State Retirement and Pension System; requiring a surviving disabled child to receive certain special death benefits; providing for the distribution of certain special death benefits to surviving children; requiring a surviving dependent parent to receive certain special death benefits; requiring certain death benefits to be paid if the payment of certain special death benefits are waived by certain individuals; making conforming changes; providing for the application of this Act; and generally relating to death benefits in the State Retirement and Pension System.

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section 2–507, 24–403, 26–402, 27–403, 29–202, 29–203, 29–204, 29–204.1, and 29–204.2

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – State Personnel and Pensions

Section 29–201

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

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

Article – State Personnel and Pensions

2–507.

(a) Subject to the regulations adopted under § 2–503 of this subtitle, a State employee may enroll and participate in any of the health insurance or other benefit options established under the Program.

(b) The surviving spouse of a State employee who died while employed by the State may enroll and participate in the health insurance benefit options established under the Program as long as the surviving spouse:

(1) is receiving an allowance under Title 29, Subtitle 2 of this article; or

(2) is the sole primary designated beneficiary and receiving a periodic distribution of benefits under an optional retirement program under Title 30 of this article.

(c) The surviving [minor] child or dependent parent of a State Police officer who died while employed by the State may enroll and participate in the health insurance benefit options established under the Program as long as the child or parent is receiving an allowance under Title 29, Subtitle 2 of this article.

(d) The surviving [minor] child **OR DEPENDENT PARENT** of a correctional officer who at the time of death was a member of the Correctional Officers' Retirement System and who died while employed by the State may enroll and participate in the health insurance benefit options established under the Program as long as the child **OR PARENT** is receiving an allowance under Title 29, Subtitle 2 of this article.

(e) The surviving [minor] child or dependent parent of a State employee who at the time of death was a member of the Employees' Retirement System, Employees' Pension System, Teachers' Retirement System, or Teachers' Pension System and who was killed while employed by the State may enroll and participate in the health insurance benefit options established under the Program as long as the child or parent is receiving an allowance under Title 29, Subtitle 2 of this article.

24-403.

(a) This section applies only to a retiree who has retired with a service retirement allowance or a disability retirement allowance or a former member who has retired with a deferred vested allowance.

(b) On the death of a retiree or former member, the Board of Trustees shall pay 80% of the retiree's retirement allowance:

(1) to the surviving spouse; or

(2) if there is [not a] **NO** surviving spouse ~~for~~, if the surviving spouse dies before the youngest child is ~~[18] 26~~ years old, ~~OR THERE IS A SURVIVING DISABLED CHILD,~~ to any children of the deceased retiree ~~who are under 18 years of age~~ **IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION OR DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.**

(c) (1) [If] EXCEPT AS PROVIDED IN ~~PARAGRAPH (2)~~ PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, IF the Board of Trustees pays an allowance to more than one child, the Board of Trustees shall divide the allowance ~~EQUALLY~~ among the children [under the age of 18 years] in a manner that provides for payments to continue until [each child dies or becomes 18 years old]:

(I) ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS DIED; OR

(II) ~~THE YOUNGEST SURVIVING~~ EACH CHILD BECOMES ~~26~~ 18 YEARS OLD.

(2) NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 18 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.

(3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:

1. ALL OTHER NONDISABLED SURVIVING CHILDREN HAVE DIED; OR

2. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES ~~26~~ 18 YEARS OLD.

(II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE PAYABLE UNDER THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE DISABLED CHILDREN.

26-402.

(a) This section applies to the surviving spouse or a child of a retiree in receipt of a service retirement allowance or a disability retirement allowance.

(b) On the death of a retiree, the Board of Trustees shall pay 50% of the retiree's retirement allowance to:

(1) the surviving spouse; or

(2) if there is no surviving spouse ~~for~~, if the surviving spouse dies ~~before~~ ~~the youngest child of the retiree is [18] 26 years old, [all] OR THERE IS A SURVIVING~~

~~DISABLED CHILD, ANY, TO ANY~~ children of the deceased retiree ~~who are under 18~~ 26 years old] ~~IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION OR DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE.~~

(c) (1) [If] ~~EXCEPT AS PROVIDED IN PARAGRAPH (2)~~ PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, IF the Board of Trustees pays an allowance to more than one child, the Board of Trustees shall divide the allowance ~~EQUALLY~~ among the children [under the age of 18 years] in a manner that provides for payments to continue until [each child dies]:

(I) ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS DIED; or

(II) ~~THE YOUNGEST SURVIVING~~ EACH CHILD becomes [18] 26 years old.

(2) NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 26 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.

(3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:

1. ALL OTHER NONDISABLED SURVIVING CHILDREN HAVE DIED; OR

2. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES 26 YEARS OLD.

(II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE PAYABLE UNDER THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE DISABLED CHILDREN.

27-403.

(a) (1) Except as provided in paragraph (2) of this subsection, on the death of a member, the Board of Trustees shall pay to the surviving spouse 50% of the retirement allowance that would be payable were the member alive and eligible to receive a retirement allowance.

(2) (i) If at the time of death the member does not have a surviving spouse, the Board of Trustees shall pay to the member's designated beneficiary or beneficiaries a lump-sum death benefit consisting of the sum of:

1. the member's accumulated contributions; and
2. an amount equal to the member's annual salary at the time of death.

(ii) If a member has designated more than one beneficiary, the lump-sum death benefit provided in subparagraph (i) of this paragraph shall be divided equally among the beneficiaries.

(b) On the death of a former member or retiree, the Board of Trustees shall pay to the surviving spouse 50% of the retirement allowance that would be payable were the former member or retiree alive and eligible to receive a retirement allowance.

(c) (1) This subsection applies to a member, former member, or retiree who at the time of death:

- (i) does not have a spouse; and
- (ii) has a child under the age of [18] **26** years, **OR A CHILD WHO IS DISABLED.**

(2) [Until each child reaches the age of 18 years, the] **THE** Board of Trustees shall pay to the surviving children of the member, former member, or retiree ~~who are under the age of 18~~ **26** years] **OR ARE DISABLED** the retirement allowance that would have been paid to a surviving spouse under subsection (a) or (b) of this section, ~~SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION.~~

(3) (I) [If] **EXCEPT AS PROVIDED IN ~~SUBPARAGRAPH (II)~~ SUBPARAGRAPHS (II) AND (III) OF THIS PARAGRAPH,** IF the Board of Trustees pays an allowance to more than one child, the Board of Trustees shall divide the allowance equally among the children [who are under the age of 18 years becomes 18 years old] **IN A MANNER THAT PROVIDES FOR PAYMENTS TO CONTINUE UNTIL:**

1. ~~ALL SURVIVING CHILDREN HAVE~~ **EACH CHILD HAS DIED; OR**
2. ~~THE YOUNGEST SURVIVING~~ **EACH CHILD BECOMES 26 YEARS OLD.**

(II) NOTWITHSTANDING PARAGRAPH (3)(I)2 OF THIS SUBSECTION, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE

AN ALLOWANCE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH PAST THE AGE OF 26 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.

(III) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AFTER:

- 1. ALL OTHER NONDISABLED SURVIVING CHILDREN HAVE DIED; OR**
- 2. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES 26 YEARS OLD.**

~~(III)~~ (IV) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE PAYABLE UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE DISABLED CHILDREN.

29-201.

This subtitle does not apply to the Judges' Retirement System.

29-202.

(a) (1) **(I) ~~When~~ SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, WHEN** the Board of Trustees receives proof of death of an individual who died while employed as a member, the Board of Trustees shall pay to the designated beneficiary or, if there is no designated beneficiary, to the member's estate the amounts specified in this subsection.

(II) IF A MEMBER DESIGNATES MORE THAN ONE BENEFICIARY, ON THE DEATH OF THE MEMBER, THE BOARD OF TRUSTEES SHALL PAY THE AMOUNTS SPECIFIED IN THIS SUBSECTION IN EQUAL SHARES TO EACH OF THE DESIGNATED BENEFICIARIES.

(2) Subject to paragraph (1) of this subsection, the Board of Trustees shall pay the member's accumulated contributions.

(3) Subject to paragraph (1) of this subsection, the Board of Trustees shall pay an amount equal to the member's annual earnable compensation at death if the member dies in the course of the performance of duty or the member has at least 1 year of eligibility service.

(b) (1) A death benefit under this section may not be paid for the death of a member of the State Police Retirement System if a special death benefit under § 29–204 of this subtitle is [payable or has been] paid for that death.

(2) A death benefit under this section may not be paid for the death of a member of the Correctional Officers' Retirement System if a special death benefit under § 29–204.1 of this subtitle is [payable or has been] paid for that death.

(3) A death benefit under this section may not be paid for the death of a member of the Employees' Retirement System, Employees' Pension System, Teachers' Retirement System, or Teachers' Pension System if a special death benefit under § 29–204.2 of this subtitle is [payable or has been] paid for that death.

(4) A death benefit under this section may not be paid for the death of a member of the Law Enforcement Officers' Pension System if a special death benefit under § 29–203 of this subtitle is [payable or has been] paid for that death.

(5) IF ALL INDIVIDUALS WHO ARE ELIGIBLE FOR A SPECIAL DEATH BENEFIT UNDER § 29–203, § 29–204, § 29–204.1, OR § 29–204.2 ELECT TO WAIVE THE PAYMENT OF A SPECIAL DEATH BENEFIT, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.

(c) The Board of Trustees may provide the death benefit as group life insurance if the Board of Trustees finds that the designated beneficiaries would receive a more favorable tax treatment of the death benefit.

29–203.

(a) (1) This subsection applies only to an individual who dies while employed as a member of the Law Enforcement Officers' Pension System:

- (i) without willful negligence by the member; and
- (ii) with more than 2 years of eligibility service.

(2) When the Board of Trustees receives proof of death of a member and finds that the death has occurred in the manner described in paragraph (1) of this subsection, the Board of Trustees shall pay:

(i) if the member is survived by a spouse [or], A child under the age of [18] **26** years, A **DISABLED CHILD, OR A DEPENDENT PARENT:**

1. the member's accumulated contributions to the designated beneficiary, or otherwise to the member's estate; and

2. an allowance of 50% of the ordinary disability retirement allowance provided for in § 29–108 of this title:

A. to the surviving spouse; [or]

B. if there is no surviving spouse or if the surviving spouse dies ~~before the youngest child of the member is [18] 26 years old~~, to ~~[any] ALL~~ children of the deceased member ~~[who are under the age of 18 26 years; or] IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

~~C. IF THERE IS NO SURVIVING SPOUSE OR NO CHILD YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

~~D. IF THERE IS NO SURVIVING SPOUSE, NO CHILD YOUNGER THAN 26 YEARS OF AGE, OR NO DISABLED CHILD, TO THE MEMBER'S DEPENDENT PARENT TO CONTINUE AS THE BOARD OF TRUSTEES MAY DIRECT FOR THE REST OF THE PARENT'S LIFE; OR~~

(ii) if the member is not survived by a spouse [or], A child under the age of [18] 26 years, A **DISABLED CHILD, OR A DEPENDENT PARENT**, the death benefit under § 29–202 of this subtitle.

(b) (1) This subsection applies only to an individual who dies while employed as a member of the Law Enforcement Officers' Pension System:

(i) without willful negligence by the member; and

(ii) with death arising out of or in the course of the actual performance of duty.

(2) When the Board of Trustees receives proof of death of a member and finds that the death has occurred in the manner described in paragraph (1) of this subsection, the Board of Trustees shall pay:

(i) if the member is survived by a spouse [or], A child under the age of 26 years, A **DISABLED CHILD, OR A DEPENDENT PARENT**:

1. the member's accumulated contributions to the designated beneficiary, or otherwise to the member's estate; and

2. an allowance of two-thirds of the member's average final compensation:

A. to the surviving spouse; [or]

B. if there is no surviving spouse or if the surviving spouse dies ~~before the youngest child of the member is 26 years old~~, to any children of the deceased member ~~[who are under the age of 26 years; or]~~ **IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR**

~~C. IF THERE IS NO SURVIVING SPOUSE OR NO CHILD YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

~~D. IF THERE IS NO SURVIVING SPOUSE, NO CHILD YOUNGER THAN 26 YEARS OF AGE, OR NO DISABLED CHILD, TO THE MEMBER'S DEPENDENT PARENT TO CONTINUE AS THE BOARD OF TRUSTEES MAY DIRECT FOR THE REST OF THE PARENT'S LIFE; OR~~

(ii) if the member is not survived by a spouse [or], A child under the age of 26 years, A DISABLED CHILD, OR A DEPENDENT PARENT, the death benefit under § 29–202 of this subtitle.

(c) (1) ~~[If] EXCEPT AS PROVIDED IN PARAGRAPH (2)~~ **PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, IF** the Board of Trustees pays an allowance under [subsection (a) of] this section to more than one child, the Board of Trustees shall divide the allowance among the children [under the age of 18 years] in a manner that provides for payments to continue until [each child dies or becomes 18 years old]:

(I) ~~ALL SURVIVING CHILDREN HAVE~~ **EACH CHILD HAS** DIED; OR

(II) ~~THE YOUNGEST SURVIVING~~ **EACH** CHILD BECOMES 26 YEARS OLD.

(2) **NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 26 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.**

(3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:

1. ALL OTHER NONDISABLED SURVIVING CHILDREN HAVE DIED; OR

2. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES 26 YEARS OLD.

(II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE PAYABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE DISABLED CHILDREN.

[(2) If the Board of Trustees pays an allowance under subsection (b) of this section to more than one child, the Board of Trustees shall divide the allowance among the children under the age of 26 years in a manner that provides for payments to continue until each child dies or becomes 26 years old.]

(D) BEFORE THE PAYMENT OF ANY SPECIAL DEATH BENEFIT IS MADE UNDER THIS SECTION, IF ALL INDIVIDUALS ELIGIBLE FOR A SPECIAL DEATH BENEFIT UNDER THIS SECTION ELECT TO WAIVE THE PAYMENT OF THE SPECIAL DEATH BENEFIT, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH § 29-202(A) OF THIS SUBTITLE.

29-204.

(a) (1) This subsection applies only to an individual who dies while employed as a member of the State Police Retirement System:

- (i) without willful negligence by the member; and
- (ii) with more than 2 years of eligibility service.

(2) When the Board of Trustees receives proof of death of a member and finds that the death has occurred in the manner described in paragraph (1) of this subsection, the Board of Trustees shall pay:

(i) if the member is survived by a spouse, a child under the age of [18] 26 years, A DISABLED CHILD, or a dependent parent:

1. the member's accumulated contributions to the designated beneficiary, or otherwise to the member's estate; and

2. an allowance of 50% of the member's average final compensation:

- A. to the surviving spouse;

B. if there is no surviving spouse or if the surviving spouse dies ~~before the youngest child of the member is [18] 26 years old~~, to ~~all ANY children [under the age of 18 years; or]~~ OF THE DECEASED MEMBER IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; WHO ARE UNDER THE AGE OF 26 YEARS OR DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR

~~C. IF THERE IS NO SURVIVING SPOUSE OR NO CHILD YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

~~D.~~ if there is no surviving spouse [or], ~~NO children younger than [18] 26 years of age, OR NO DISABLED CHILD~~, to the member's dependent parent to continue as the Board of Trustees may direct for the rest of the parent's life; or

(ii) if the member is not survived by a spouse, a child under the age of [18] 26 years, ~~A DISABLED CHILD~~, or a dependent parent, the death benefit under § 29–202 of this subtitle.

(b) (1) This subsection applies only to an individual who dies while employed as a member of the State Police Retirement System:

(i) without willful negligence by the member; and

(ii) with death arising out of or in the course of the actual performance of duty.

(2) When the Board of Trustees receives proof of death of a member and finds that the death has occurred in the manner described in paragraph (1) of this subsection, the Board of Trustees shall pay:

(i) if the member is survived by a spouse, a child under the age of [18] 26 years, ~~A DISABLED CHILD~~, or a dependent parent:

1. the member's accumulated contributions to the designated beneficiary, or otherwise to the member's estate; and

2. an allowance of two-thirds of the member's average final compensation:

A. to the surviving spouse;

B. if there is no surviving spouse or if the surviving spouse dies ~~before the youngest child of the member is [18] 26 years old~~, to ~~all ANY children [under the age of 18 years; or]~~ OF THE DECEASED MEMBER IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; WHO ARE UNDER THE AGE OF 26 YEARS OR

DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR

~~C. IF THERE IS NO SURVIVING SPOUSE OR NO CHILD YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

~~D.~~ if there is no surviving spouse [or], NO children younger than [18] 26 years of age, OR NO DISABLED CHILD, to the member's dependent parent to continue as the Board of Trustees may direct for the rest of the parent's life; or

(ii) if the member is not survived by a spouse, a child under the age of [18] 26 years, A DISABLED CHILD, or a dependent parent, the death benefit under § 29-202 of this subtitle.

(c) (1) [If] ~~EXCEPT AS PROVIDED IN PARAGRAPH (2)~~ PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, IF the Board of Trustees pays an allowance under this section to more than one child, the Board of Trustees shall divide the allowance among the children [under the age of 18 years] in a manner that provides for payments to continue until [each child dies or becomes 18 years old]:

(I) ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS DIED; OR

(II) ~~THE YOUNGEST SURVIVING~~ EACH CHILD BECOMES 26 YEARS OLD.

(2) NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 26 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.

(3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:

1. ALL OTHER NONDISABLED SURVIVING CHILDREN HAVE DIED; OR

2. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES 26 YEARS OLD.

(II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE PAYABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE DISABLED CHILDREN.

(D) BEFORE THE PAYMENT OF ANY SPECIAL DEATH BENEFIT IS MADE UNDER THIS SECTION, IF ALL INDIVIDUALS ELIGIBLE FOR A SPECIAL DEATH BENEFIT UNDER THIS SECTION ELECT TO WAIVE THE PAYMENT OF THE SPECIAL DEATH BENEFIT, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH § 29-202(A) OF THIS SUBTITLE.

29-204.1.

(a) This section applies only to an individual who dies while employed as a member of the Correctional Officers' Retirement System:

- (1) without willful negligence by the member; and
- (2) with death arising out of or in the course of the actual performance of duty.

(b) When the Board of Trustees receives proof of death of a member and finds that the death has occurred in the manner described in subsection (a) of this section, the Board of Trustees shall pay:

(1) if the member is survived by a spouse [or], a child under the age of [18] **26** years, **A DISABLED CHILD, OR A DEPENDENT PARENT:**

(i) the member's accumulated contributions to the designated beneficiary, or otherwise to the member's estate; and

(ii) an allowance of two-thirds of the member's average final compensation:

1. to the surviving spouse; or
2. if there is no surviving spouse or if the surviving spouse dies before the youngest child of the member is [18] **26** years old, to [any] **ALL** children of the deceased member [who are under the age of 18 **26** years; or] **IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR**

~~3. IF THERE IS NO SURVIVING SPOUSE OR NO CHILD YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

~~4. IF THERE IS NO SURVIVING SPOUSE, NO CHILD YOUNGER THAN 26 YEARS OF AGE, OR NO DISABLED CHILD, TO THE MEMBER'S DEPENDENT PARENT TO CONTINUE AS THE BOARD OF TRUSTEES MAY DIRECT FOR THE REST OF THE PARENT'S LIFE; OR~~

(2) if the member is not survived by a spouse [or], a child under the age of [18] 26 years, A DISABLED CHILD, OR A DEPENDENT PARENT, the death benefit under § 29-202 of this subtitle.

(c) (1) [If] ~~EXCEPT AS PROVIDED IN PARAGRAPH (2)~~ PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, IF the Board of Trustees pays an allowance under this section to more than one child, the Board of Trustees shall divide the allowance among the children [under the age of 18 years] in a manner that provides for payments to continue until [each child dies or becomes 18 years old]:

(I) ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS DIED; OR

(II) ~~THE YOUNGEST SURVIVING~~ EACH CHILD BECOMES 26 YEARS OLD.

(2) NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 26 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.

(3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:

1. ALL OTHER NONDISABLED SURVIVING CHILDREN HAVE DIED; OR

2. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES 26 YEARS OLD.

(II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE

PAYABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE DISABLED CHILDREN.

(D) BEFORE THE PAYMENT OF ANY SPECIAL DEATH BENEFIT IS MADE UNDER THIS SECTION, IF ALL INDIVIDUALS ELIGIBLE FOR A SPECIAL DEATH BENEFIT UNDER THIS SECTION ELECT TO WAIVE THE PAYMENT OF THE SPECIAL DEATH BENEFIT, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH § 29-202(A) OF THIS SUBTITLE.

29-204.2.

(a) This section applies only to an individual who is killed while a member of the Employees' Retirement System, Employees' Pension System, Teachers' Retirement System, or Teachers' Pension System:

- (1) without willful negligence by the member; and
- (2) with death arising out of or in the course of the actual performance of duty.

(b) When the Board of Trustees receives proof of death of a member and finds that the death has occurred in the manner described in subsection (a) of this section, the Board of Trustees shall pay:

(1) if the member is survived by a spouse, a child under the age of [18] **26** years, **A DISABLED CHILD**, or a dependent parent:

(i) the member's accumulated contributions to the designated beneficiary, or otherwise to the member's estate; and

(ii) an allowance of two-thirds of the member's average final compensation:

1. to the surviving spouse;
2. if there is no surviving spouse or if the surviving spouse dies before the youngest child of the member is ~~[18]~~ **26** years old, to ~~all ANY~~ children of the deceased member ~~[who are under the age of 18 26 years; or] IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

3. ~~IF THERE IS NO SURVIVING SPOUSE OR NO CHILD YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

~~4.~~ if there is no surviving spouse [or children], **NO CHILD** younger than [18] **26** years of age, **OR NO DISABLED CHILD**, to the member's dependent parent to continue as the Board of Trustees may direct for the rest of the parent's life; or

(2) if the member is not survived by a spouse, a child under the age of [18] **26** years, **A DISABLED CHILD**, or a dependent parent, the death benefit under § 29–202 of this subtitle.

(c) (1) [If] EXCEPT AS PROVIDED UNDER ~~PARAGRAPH (2)~~ PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, IF the Board of Trustees pays an allowance under this section to more than one child, the Board of Trustees shall divide the allowance among the children [under the age of 18 years] in a manner that provides for payments to continue until [each child dies or becomes 18 years old]:

(I) ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS DIED; OR

(II) ~~THE YOUNGEST SURVIVING~~ EACH CHILD BECOMES 26 YEARS OLD.

(2) NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 26 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.

(3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:

1. ALL OTHER NONDISABLED SURVIVING CHILDREN HAVE DIED; OR

2. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES 26 YEARS OLD.

(II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE PAYABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE DISABLED CHILDREN.

(D) BEFORE THE PAYMENT OF ANY SPECIAL DEATH BENEFIT IS MADE UNDER THIS SECTION, IF ALL INDIVIDUALS ELIGIBLE FOR A SPECIAL DEATH

BENEFIT UNDER THIS SECTION ELECT TO WAIVE THE PAYMENT OF THE SPECIAL DEATH BENEFIT, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH § 29–202(A) OF THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any death benefits provided for the death of a member or retiree of the State Retirement and Pension System that occurred before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 278

(House Bill 1122)

AN ACT concerning

State Retirement and Pension System – Death Benefits

FOR the purpose of allowing a certain surviving dependent parent of a member of the Correctional Officers' Retirement System to participate in the State Employee and Retiree Health and Welfare Benefits Program if the surviving dependent parent receives a certain allowance; altering the requirements for a certain surviving minor child to participate in the State Employee and Retiree Health and Welfare Benefits Program if the surviving child receives a certain allowance; altering the distribution of certain survivor benefits to surviving children of certain members of the State Retirement and Pension System; requiring a surviving disabled child to receive certain survivor benefits; allowing a certain death benefit to be paid if certain special death benefits are waived by certain individuals; altering the distribution of certain special death benefits to certain surviving children of certain members of the State Retirement and Pension System; requiring a surviving disabled child to receive certain special death benefits; providing for the distribution of certain special death benefits to surviving children; requiring a surviving dependent parent to receive certain special death benefits; requiring certain death benefits to be paid if the payment of certain special death benefits are waived by certain individuals; making conforming changes; providing for the application of this Act; and generally relating to death benefits in the State Retirement and Pension System.

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section 2–507, 24–403, 26–402, 27–403, 29–202, 29–203, 29–204, 29–204.1, and 29–204.2

Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 29–201
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – State Personnel and Pensions

2–507.

(a) Subject to the regulations adopted under § 2–503 of this subtitle, a State employee may enroll and participate in any of the health insurance or other benefit options established under the Program.

(b) The surviving spouse of a State employee who died while employed by the State may enroll and participate in the health insurance benefit options established under the Program as long as the surviving spouse:

(1) is receiving an allowance under Title 29, Subtitle 2 of this article; or

(2) is the sole primary designated beneficiary and receiving a periodic distribution of benefits under an optional retirement program under Title 30 of this article.

(c) The surviving [minor] child or dependent parent of a State Police officer who died while employed by the State may enroll and participate in the health insurance benefit options established under the Program as long as the child or parent is receiving an allowance under Title 29, Subtitle 2 of this article.

(d) The surviving [minor] child **OR DEPENDENT PARENT** of a correctional officer who at the time of death was a member of the Correctional Officers' Retirement System and who died while employed by the State may enroll and participate in the health insurance benefit options established under the Program as long as the child **OR PARENT** is receiving an allowance under Title 29, Subtitle 2 of this article.

(e) The surviving [minor] child or dependent parent of a State employee who at the time of death was a member of the Employees' Retirement System, Employees' Pension System, Teachers' Retirement System, or Teachers' Pension System and who was killed while employed by the State may enroll and participate in the health insurance benefit options established under the Program as long as the child or parent is receiving an allowance under Title 29, Subtitle 2 of this article.

24-403.

(a) This section applies only to a retiree who has retired with a service retirement allowance or a disability retirement allowance or a former member who has retired with a deferred vested allowance.

(b) On the death of a retiree or former member, the Board of Trustees shall pay 80% of the retiree's retirement allowance:

(1) to the surviving spouse; or

(2) if there is [not a] NO surviving spouse ~~for~~, if the surviving spouse dies before the youngest child is ~~[18] 26~~ years old, ~~OR THERE IS A SURVIVING DISABLED CHILD~~, to any children of the deceased retiree ~~[who are under 18 years of age] IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION OR DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.~~

(c) (1) ~~[If] EXCEPT AS PROVIDED IN PARAGRAPH (2) PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, IF~~ the Board of Trustees pays an allowance to more than one child, the Board of Trustees shall divide the allowance ~~EQUALLY~~ among the children [under the age of 18 years] in a manner that provides for payments to continue until [each child dies or becomes 18 years old]:

(I) ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS DIED; OR

(II) ~~THE YOUNGEST SURVIVING~~ EACH CHILD BECOMES 26 18 YEARS OLD.

(2) NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 18 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.

(3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:

1. ALL OTHER NONDISABLED SURVIVING CHILDREN HAVE DIED; OR

2. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES 26 18 YEARS OLD.

(II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE PAYABLE UNDER THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE DISABLED CHILDREN.

26-402.

(a) This section applies to the surviving spouse or a child of a retiree in receipt of a service retirement allowance or a disability retirement allowance.

(b) On the death of a retiree, the Board of Trustees shall pay 50% of the retiree's retirement allowance to:

(1) the surviving spouse; or

(2) if there is no surviving spouse ~~for~~, if the surviving spouse dies ~~before the youngest child of the retiree is [18] 26 years old, [all] OR THERE IS A SURVIVING DISABLED CHILD, ANY, TO ANY~~ children of the deceased retiree ~~who are under 18 26 years old~~ IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION OR DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE.

(c) (1) ~~[If] EXCEPT AS PROVIDED IN PARAGRAPH (2) PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, IF~~ the Board of Trustees pays an allowance to more than one child, the Board of Trustees shall divide the allowance ~~EQUALLY~~ among the children ~~[under the age of 18 years]~~ in a manner that provides for payments to continue until ~~[each child dies]~~:

(I) ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS DIED; or

(II) ~~THE YOUNGEST SURVIVING~~ EACH CHILD becomes ~~[18] 26~~ years old.

(2) NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 26 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.

(3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:

1. ALL OTHER NONDISABLED SURVIVING CHILDREN HAVE DIED; OR
2. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES 26 YEARS OLD.

(II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE PAYABLE UNDER THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE DISABLED CHILDREN.

27-403.

(a) (1) Except as provided in paragraph (2) of this subsection, on the death of a member, the Board of Trustees shall pay to the surviving spouse 50% of the retirement allowance that would be payable were the member alive and eligible to receive a retirement allowance.

(2) (i) If at the time of death the member does not have a surviving spouse, the Board of Trustees shall pay to the member's designated beneficiary or beneficiaries a lump-sum death benefit consisting of the sum of:

1. the member's accumulated contributions; and
2. an amount equal to the member's annual salary at the time of death.

(ii) If a member has designated more than one beneficiary, the lump-sum death benefit provided in subparagraph (i) of this paragraph shall be divided equally among the beneficiaries.

(b) On the death of a former member or retiree, the Board of Trustees shall pay to the surviving spouse 50% of the retirement allowance that would be payable were the former member or retiree alive and eligible to receive a retirement allowance.

(c) (1) This subsection applies to a member, former member, or retiree who at the time of death:

- (i) does not have a spouse; and
- (ii) has a child under the age of [18] 26 years, **OR A CHILD WHO IS DISABLED.**

(2) [Until each child reaches the age of 18 years, the] **THE** Board of Trustees shall pay to the surviving children of the member, former member, or retiree ~~who~~ are under the age of ~~18~~ **26** years ~~]~~ **OR ARE DISABLED** the retirement allowance that would

have been paid to a surviving spouse under subsection (a) or (b) of this section, ~~SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION.~~

(3) (I) [If] ~~EXCEPT AS PROVIDED IN SUBPARAGRAPH (II)~~ SUBPARAGRAPHS (II) AND (III) OF THIS PARAGRAPH, IF the Board of Trustees pays an allowance to more than one child, the Board of Trustees shall divide the allowance equally among the children [who are under the age of 18 years becomes 18 years old] **IN A MANNER THAT PROVIDES FOR PAYMENTS TO CONTINUE UNTIL:**

1. ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS DIED; OR

2. ~~THE YOUNGEST SURVIVING~~ EACH CHILD BECOMES 26 YEARS OLD.

(II) NOTWITHSTANDING PARAGRAPH (3)(I)2 OF THIS SUBSECTION, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH PAST THE AGE OF 26 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.

(III) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AFTER:

1. ALL OTHER NONDISABLED SURVIVING CHILDREN HAVE DIED; OR

2. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES 26 YEARS OLD.

~~(III)~~ (IV) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE PAYABLE UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE DISABLED CHILDREN.

29-201.

This subtitle does not apply to the Judges' Retirement System.

29-202.

(a) (1) **(I) ~~When~~ SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, WHEN** the Board of Trustees receives proof of death of an individual who died while employed as a member, the Board of Trustees shall pay to the designated beneficiary or, if there is no designated beneficiary, to the member's estate the amounts specified in this subsection.

(II) IF A MEMBER DESIGNATES MORE THAN ONE BENEFICIARY, ON THE DEATH OF THE MEMBER, THE BOARD OF TRUSTEES SHALL PAY THE AMOUNTS SPECIFIED IN THIS SUBSECTION IN EQUAL SHARES TO EACH OF THE DESIGNATED BENEFICIARIES.

(2) Subject to paragraph (1) of this subsection, the Board of Trustees shall pay the member's accumulated contributions.

(3) Subject to paragraph (1) of this subsection, the Board of Trustees shall pay an amount equal to the member's annual earnable compensation at death if the member dies in the course of the performance of duty or the member has at least 1 year of eligibility service.

(b) (1) A death benefit under this section may not be paid for the death of a member of the State Police Retirement System if a special death benefit under § 29–204 of this subtitle is [payable or has been] paid for that death.

(2) A death benefit under this section may not be paid for the death of a member of the Correctional Officers' Retirement System if a special death benefit under § 29–204.1 of this subtitle is [payable or has been] paid for that death.

(3) A death benefit under this section may not be paid for the death of a member of the Employees' Retirement System, Employees' Pension System, Teachers' Retirement System, or Teachers' Pension System if a special death benefit under § 29–204.2 of this subtitle is [payable or has been] paid for that death.

(4) A death benefit under this section may not be paid for the death of a member of the Law Enforcement Officers' Pension System if a special death benefit under § 29–203 of this subtitle is [payable or has been] paid for that death.

(5) IF ALL INDIVIDUALS WHO ARE ELIGIBLE FOR A SPECIAL DEATH BENEFIT UNDER § 29–203, § 29–204, § 29–204.1, OR § 29–204.2 ELECT TO WAIVE THE PAYMENT OF A SPECIAL DEATH BENEFIT, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.

(c) The Board of Trustees may provide the death benefit as group life insurance if the Board of Trustees finds that the designated beneficiaries would receive a more favorable tax treatment of the death benefit.

(a) (1) This subsection applies only to an individual who dies while employed as a member of the Law Enforcement Officers' Pension System:

- (i) without willful negligence by the member; and
- (ii) with more than 2 years of eligibility service.

(2) When the Board of Trustees receives proof of death of a member and finds that the death has occurred in the manner described in paragraph (1) of this subsection, the Board of Trustees shall pay:

(i) if the member is survived by a spouse [or], A child under the age of [18] **26** years, **A DISABLED CHILD, OR A DEPENDENT PARENT:**

1. the member's accumulated contributions to the designated beneficiary, or otherwise to the member's estate; and

2. an allowance of 50% of the ordinary disability retirement allowance provided for in § 29-108 of this title:

A. to the surviving spouse; [or]

B. if there is no surviving spouse or if the surviving spouse dies before the youngest child of the member is [18] **26** years old, to ~~any~~ **ALL** children of the deceased member ~~who are under the age of 18 26 years; or~~ **IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR**

~~C. IF THERE IS NO SURVIVING SPOUSE OR NO CHILD YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

~~D. IF THERE IS NO SURVIVING SPOUSE, NO CHILD YOUNGER THAN 26 YEARS OF AGE, OR NO DISABLED CHILD, TO THE MEMBER'S DEPENDENT PARENT TO CONTINUE AS THE BOARD OF TRUSTEES MAY DIRECT FOR THE REST OF THE PARENT'S LIFE; OR~~

(ii) if the member is not survived by a spouse [or], A child under the age of [18] **26** years, **A DISABLED CHILD, OR A DEPENDENT PARENT**, the death benefit under § 29-202 of this subtitle.

(b) (1) This subsection applies only to an individual who dies while employed as a member of the Law Enforcement Officers' Pension System:

(i) without willful negligence by the member; and

(ii) with death arising out of or in the course of the actual performance of duty.

(2) When the Board of Trustees receives proof of death of a member and finds that the death has occurred in the manner described in paragraph (1) of this subsection, the Board of Trustees shall pay:

(i) if the member is survived by a spouse [or], A child under the age of 26 years, **A DISABLED CHILD, OR A DEPENDENT PARENT:**

1. the member's accumulated contributions to the designated beneficiary, or otherwise to the member's estate; and

2. an allowance of two-thirds of the member's average final compensation:

A. to the surviving spouse; [or]

B. if there is no surviving spouse or if the surviving spouse dies ~~before the youngest child of the member is 26 years old~~, to any children of the deceased member [who are under the age of 26 years; or] ~~IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION;~~ **DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR**

~~C. IF THERE IS NO SURVIVING SPOUSE OR NO CHILD YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

~~D. IF THERE IS NO SURVIVING SPOUSE, NO CHILD YOUNGER THAN 26 YEARS OF AGE, OR NO DISABLED CHILD, TO THE MEMBER'S DEPENDENT PARENT TO CONTINUE AS THE BOARD OF TRUSTEES MAY DIRECT FOR THE REST OF THE PARENT'S LIFE; OR~~

(ii) if the member is not survived by a spouse [or], A child under the age of 26 years, **A DISABLED CHILD, OR A DEPENDENT PARENT**, the death benefit under § 29–202 of this subtitle.

(c) (1) **[If EXCEPT AS PROVIDED IN ~~PARAGRAPH (2)~~ PARAGRAPHS (2) AND (3) OF THIS SUBSECTION,** IF the Board of Trustees pays an allowance under [subsection (a) of] this section to more than one child, the Board of Trustees shall divide the allowance among the children [under the age of 18 years] in a manner that provides for payments to continue until [each child dies or becomes 18 years old]:

- (I) ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS DIED; OR
- (II) ~~THE YOUNGEST SURVIVING~~ EACH CHILD BECOMES 26 YEARS

OLD.

(2) NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 26 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.

(3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:

1. ALL OTHER NONDISABLED SURVIVING CHILDREN HAVE DIED; OR
2. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES 26 YEARS OLD.

(II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE PAYABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE DISABLED CHILDREN.

[(2) If the Board of Trustees pays an allowance under subsection (b) of this section to more than one child, the Board of Trustees shall divide the allowance among the children under the age of 26 years in a manner that provides for payments to continue until each child dies or becomes 26 years old.]

(D) BEFORE THE PAYMENT OF ANY SPECIAL DEATH BENEFIT IS MADE UNDER THIS SECTION, IF ALL INDIVIDUALS ELIGIBLE FOR A SPECIAL DEATH BENEFIT UNDER THIS SECTION ELECT TO WAIVE THE PAYMENT OF THE SPECIAL DEATH BENEFIT, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH § 29-202(A) OF THIS SUBTITLE.

29-204.

(a) (1) This subsection applies only to an individual who dies while employed as a member of the State Police Retirement System:

- (i) without willful negligence by the member; and

- (ii) with more than 2 years of eligibility service.

(2) When the Board of Trustees receives proof of death of a member and finds that the death has occurred in the manner described in paragraph (1) of this subsection, the Board of Trustees shall pay:

- (i) if the member is survived by a spouse, a child under the age of **[18] 26** years, **A DISABLED CHILD**, or a dependent parent:

- 1. the member's accumulated contributions to the designated beneficiary, or otherwise to the member's estate; and

- 2. an allowance of 50% of the member's average final compensation:

- A. to the surviving spouse;

- B. if there is no surviving spouse or if the surviving spouse dies before the youngest child of the member is **[18] 26** years old, to all ANY children [under the age of 18 years; or] **OF THE DECEASED MEMBER IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; WHO ARE UNDER THE AGE OF 26 YEARS OR DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR**

- C. ~~IF THERE IS NO SURVIVING SPOUSE OR NO CHILD YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

- ~~D.~~ if there is no surviving spouse [or], **NO** children younger than **[18] 26** years of age, **OR NO DISABLED CHILD**, to the member's dependent parent to continue as the Board of Trustees may direct for the rest of the parent's life; or

- (ii) if the member is not survived by a spouse, a child under the age of **[18] 26** years, **A DISABLED CHILD**, or a dependent parent, the death benefit under § 29–202 of this subtitle.

(b) (1) This subsection applies only to an individual who dies while employed as a member of the State Police Retirement System:

- (i) without willful negligence by the member; and

- (ii) with death arising out of or in the course of the actual performance of duty.

(2) When the Board of Trustees receives proof of death of a member and finds that the death has occurred in the manner described in paragraph (1) of this subsection, the Board of Trustees shall pay:

(i) if the member is survived by a spouse, a child under the age of [18] 26 years, **A DISABLED CHILD**, or a dependent parent:

1. the member's accumulated contributions to the designated beneficiary, or otherwise to the member's estate; and

2. an allowance of two-thirds of the member's average final compensation:

A. to the surviving spouse;

B. if there is no surviving spouse or if the surviving spouse dies ~~before the youngest child of the member is [18] 26 years old~~, to ~~all ANY~~ children [under the age of 18 years; or] **OF THE DECEASED MEMBER IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; WHO ARE UNDER THE AGE OF 26 YEARS OR DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR**

~~C. IF THERE IS NO SURVIVING SPOUSE OR NO CHILD YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

~~D.~~ if there is no surviving spouse [or], **NO** children younger than [18] 26 years of age, **OR NO DISABLED CHILD**, to the member's dependent parent to continue as the Board of Trustees may direct for the rest of the parent's life; or

(ii) if the member is not survived by a spouse, a child under the age of [18] 26 years, **A DISABLED CHILD**, or a dependent parent, the death benefit under § 29-202 of this subtitle.

(c) (1) [If] ~~EXCEPT AS PROVIDED IN PARAGRAPH (2)~~ **PARAGRAPHS (2) AND (3)** OF THIS SUBSECTION, IF the Board of Trustees pays an allowance under this section to more than one child, the Board of Trustees shall divide the allowance among the children [under the age of 18 years] in a manner that provides for payments to continue until [each child dies or becomes 18 years old]:

(I) ~~ALL SURVIVING CHILDREN HAVE~~ **EACH CHILD HAS DIED; OR**

(II) ~~THE YOUNGEST SURVIVING~~ **EACH CHILD BECOMES 26 YEARS OLD.**

(2) NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 26 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.

(3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:

1. ALL OTHER NONDISABLED SURVIVING CHILDREN HAVE DIED; OR

2. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES 26 YEARS OLD.

(II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE PAYABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE DISABLED CHILDREN.

(D) BEFORE THE PAYMENT OF ANY SPECIAL DEATH BENEFIT IS MADE UNDER THIS SECTION, IF ALL INDIVIDUALS ELIGIBLE FOR A SPECIAL DEATH BENEFIT UNDER THIS SECTION ELECT TO WAIVE THE PAYMENT OF THE SPECIAL DEATH BENEFIT, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH § 29–202(A) OF THIS SUBTITLE.

29–204.1.

(a) This section applies only to an individual who dies while employed as a member of the Correctional Officers' Retirement System:

(1) without willful negligence by the member; and

(2) with death arising out of or in the course of the actual performance of duty.

(b) When the Board of Trustees receives proof of death of a member and finds that the death has occurred in the manner described in subsection (a) of this section, the Board of Trustees shall pay:

(1) if the member is survived by a spouse [or], a child under the age of [18] 26 years, A DISABLED CHILD, OR A DEPENDENT PARENT:

(i) the member's accumulated contributions to the designated beneficiary, or otherwise to the member's estate; and

(ii) an allowance of two-thirds of the member's average final compensation:

1. to the surviving spouse; or

2. if there is no surviving spouse or if the surviving spouse dies before the youngest child of the member is ~~[18]~~ **26** years old, to ~~any~~ **ALL** children of the deceased member ~~[who are under the age of 18~~ **26** years; or] **IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR**

~~3. IF THERE IS NO SURVIVING SPOUSE OR NO CHILD YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

~~4. IF THERE IS NO SURVIVING SPOUSE, NO CHILD YOUNGER THAN 26 YEARS OF AGE, OR NO DISABLED CHILD, TO THE MEMBER'S DEPENDENT PARENT TO CONTINUE AS THE BOARD OF TRUSTEES MAY DIRECT FOR THE REST OF THE PARENT'S LIFE; OR~~

(2) if the member is not survived by a spouse [or], a child under the age of [18] **26** years, **A DISABLED CHILD, OR A DEPENDENT PARENT**, the death benefit under § 29-202 of this subtitle.

(c) **(1) [If] EXCEPT AS PROVIDED IN ~~PARAGRAPH (2)~~ PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, IF the Board of Trustees pays an allowance under this section to more than one child, the Board of Trustees shall divide the allowance among the children [under the age of 18 years] in a manner that provides for payments to continue until [each child dies or becomes 18 years old]:**

(I) ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS DIED; OR

(II) ~~THE YOUNGEST SURVIVING~~ EACH CHILD BECOMES **26 YEARS OLD.**

(2) NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 26 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.

(3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:

1. ALL OTHER NONDISABLED SURVIVING CHILDREN HAVE DIED; OR

2. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES 26 YEARS OLD.

(II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE PAYABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE DISABLED CHILDREN.

(D) BEFORE THE PAYMENT OF ANY SPECIAL DEATH BENEFIT IS MADE UNDER THIS SECTION, IF ALL INDIVIDUALS ELIGIBLE FOR A SPECIAL DEATH BENEFIT UNDER THIS SECTION ELECT TO WAIVE THE PAYMENT OF THE SPECIAL DEATH BENEFIT, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH § 29–202(A) OF THIS SUBTITLE.

29–204.2.

(a) This section applies only to an individual who is killed while a member of the Employees' Retirement System, Employees' Pension System, Teachers' Retirement System, or Teachers' Pension System:

(1) without willful negligence by the member; and

(2) with death arising out of or in the course of the actual performance of duty.

(b) When the Board of Trustees receives proof of death of a member and finds that the death has occurred in the manner described in subsection (a) of this section, the Board of Trustees shall pay:

(1) if the member is survived by a spouse, a child under the age of [18] **26** years, **A DISABLED CHILD**, or a dependent parent:

(i) the member's accumulated contributions to the designated beneficiary, or otherwise to the member's estate; and

(ii) an allowance of two-thirds of the member's average final compensation:

1. to the surviving spouse;

2. if there is no surviving spouse or if the surviving spouse dies ~~before the youngest child of the member is [18] 26 years old~~, to ~~all~~ ANY children of the deceased member ~~[who are under the age of 18 26 years; or] IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

3. ~~IF THERE IS NO SURVIVING SPOUSE OR NO CHILD YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

~~4.~~ if there is no surviving spouse [or children], ~~NO CHILD~~ younger than [18] 26 years of age, ~~OR NO DISABLED CHILD~~, to the member's dependent parent to continue as the Board of Trustees may direct for the rest of the parent's life; or

(2) if the member is not survived by a spouse, a child under the age of [18] 26 years, ~~A DISABLED CHILD~~, or a dependent parent, the death benefit under § 29-202 of this subtitle.

(c) (1) [If] ~~EXCEPT AS PROVIDED UNDER PARAGRAPH (2)~~ PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, IF the Board of Trustees pays an allowance under this section to more than one child, the Board of Trustees shall divide the allowance among the children [under the age of 18 years] in a manner that provides for payments to continue until [each child dies or becomes 18 years old]:

(I) ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS DIED; OR

(II) ~~THE YOUNGEST SURVIVING~~ EACH CHILD BECOMES 26 YEARS OLD.

(2) NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 26 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.

(3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:

1. ALL OTHER NONDISABLED SURVIVING CHILDREN HAVE DIED; OR
2. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES 26 YEARS OLD.

(II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE PAYABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE DISABLED CHILDREN.

(D) BEFORE THE PAYMENT OF ANY SPECIAL DEATH BENEFIT IS MADE UNDER THIS SECTION, IF ALL INDIVIDUALS ELIGIBLE FOR A SPECIAL DEATH BENEFIT UNDER THIS SECTION ELECT TO WAIVE THE PAYMENT OF THE SPECIAL DEATH BENEFIT, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH § 29-202(A) OF THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any death benefits provided for the death of a member *or retiree* of the State Retirement and Pension System that occurred before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 279

(House Bill 62)

AN ACT concerning

**State Retirement and Pension System – Disability Retirement – ~~Alterations~~
Reemployment Earnings Limitation**

FOR the purpose of ~~authorizing the Board of Trustees for the State Retirement and Pension System to require certain retirees receiving a disability retirement allowance to undergo a medical examination under certain circumstances; authorizing the Board of Trustees to suspend a disability retirement allowance under certain circumstances and until a certain condition is met; authorizing the Board of Trustees to adopt certain regulations that include certain conditions;~~ altering the amount used in a calculation to determine whether retirees receiving an ordinary disability retirement

allowance from the State Retirement and Pension System are subject to a certain reemployment earnings limitation; and generally relating to ~~alterations to the disability retirement process~~ the reemployment earnings limitation for disability retirees in the State Retirement and Pension System.

~~BY adding to~~

~~Article – State Personnel and Pensions
Section 29–115.1
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)~~

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions
Section 29–116
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – State Personnel and Pensions

~~29–115.1.~~

~~(A) THIS SECTION APPLIES ONLY TO AN INDIVIDUAL WHO FILES AN APPLICATION FOR A DISABILITY RETIREMENT ON OR AFTER JULY 1, 2017, AND IS AWARDED A DISABILITY RETIREMENT ALLOWANCE.~~

~~(B) THE BOARD OF TRUSTEES MAY REQUIRE A DISABILITY RETIREE TO UNDERGO A MEDICAL EXAMINATION IF:~~

~~(1) THE DISABILITY RETIREE IS UNDER NORMAL RETIREMENT AGE;
AND~~

~~(2) GOOD CAUSE EXISTS FOR THE MEDICAL EXAMINATION.~~

~~(C) IF THE MEDICAL BOARD FINDS AFTER A MEDICAL EXAMINATION THAT A DISABILITY RETIREE WHO IS UNDER NORMAL RETIREMENT AGE IS NO LONGER MENTALLY OR PHYSICALLY INCAPACITATED FOR THE FURTHER PERFORMANCE OF THE NORMAL DUTIES OF THE POSITION OF THE RETIREE AT THE TIME OF RETIREMENT, THE BOARD OF TRUSTEES MAY, AFTER GIVING NOTICE AND AN OPPORTUNITY FOR A HEARING, SUSPEND THE RETIREE'S ALLOWANCE UNTIL THE INDIVIDUAL REACHES NORMAL RETIREMENT AGE.~~

~~(D) THE BOARD OF TRUSTEES MAY ADOPT REGULATIONS TO CARRY OUT THIS SECTION, INCLUDING THE CONDITIONS UNDER WHICH THE DISABILITY RETIREMENT ALLOWANCE MAY BE REINSTATED FOR A SUBSEQUENT DISABILITY.~~

29–116.

(a) This section does not apply to a disability retiree:

(1) (i) who is a retiree of:

1. the State Police Retirement System;
2. the Law Enforcement Officers' Pension System;
3. the Local Fire and Police System; or
4. the Employees' Retirement System or the Employees' Pension System, if at the time of retirement the retiree was a law enforcement officer for a participating employer under § 26–201(a) of this article; and

(ii) who is reemployed by a participating employer in any position other than a probationary status law enforcement officer, a law enforcement officer, or chief, as defined in § 3–101 of the Public Safety Article; or

(2) (i) whose average final compensation was less than \$25,000; and

(ii) who is reemployed by a participating employer.

(b) The Board of Trustees shall reduce the pension of a retiree on ordinary disability if:

(1) the retiree is under normal retirement age;

(2) the medical board certifies in a report to the Board of Trustees that the retiree is employed by a participating employer at an annual compensation that is greater than the difference between:

(i) the retiree's retirement allowance at retirement; and

(ii) **THE SUM OF:**

1. the retiree's average final compensation [plus]; AND
2. \$5,000, WHICH SHALL BE ADJUSTED ANNUALLY BY THE PERCENTAGE GROWTH IN THE CONSUMER PRICE INDEX, AS DEFINED IN § 29–401 OF THIS TITLE, IN THE CALENDAR YEAR PRECEDING THE FISCAL YEAR, AND

EACH SUBSEQUENT ADJUSTMENT SHALL BE MADE ON THE AMOUNT CALCULATED IN THE PRIOR FISCAL YEAR;

(3) the Board of Trustees agrees with the medical board's report; and

(4) the retiree's allowance has not been temporarily suspended as provided in § 29-115 ~~OR § 29-115.1~~ of this subtitle.

(c) The Board of Trustees shall reduce the pension of a retiree who has been receiving an ordinary disability retirement allowance for:

(1) less than 10 years, by \$1 for every \$2 that the retiree's current compensation exceeds the limit under subsection (b) of this section; or

(2) at least 10 years, by \$1 for every \$5 that the retiree's current compensation exceeds the limit under subsection (b) of this section.

(d) The pension to be reduced under this section is the pension at retirement without any cost-of-living adjustment.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 280

(Senate Bill 382)

AN ACT concerning

State Employee and Retiree Health and Welfare Benefits Program – Participation by Satellite Organizations

FOR the purpose of altering the definition of “qualifying not-for-profit organization”, for purposes of provisions of law that authorize certain qualifying not-for-profit organizations to participate in the State Employee and Retiree Health and Welfare Benefits Program, to include a corporation, a limited liability company, or any other entity that is wholly owned by the Legal Aid Bureau, Inc.; authorizing the employees of the corporation, limited liability company, or other entity to enroll and participate in the Program under certain circumstances; and generally relating to participation of employees of satellite organizations in the State Employee and Retiree Health and Welfare Benefits Program.

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions
Section 2–512
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – State Personnel and Pensions

2–512.

(a) In this section, “qualifying not–for–profit organization” means an organization that:

(1) (i) receives State funds from the Department of Health and Mental Hygiene that cover more than one–third of the organization’s operating expenses; and

(ii) is:

1. described in § 501(c)(3) of the Internal Revenue Code; and

2. exempt from income tax under § 501(a) of the Internal Revenue Code;

(2) is the Legal Aid Bureau, Inc.; [or]

(3) IS A CORPORATION, A LIMITED LIABILITY COMPANY, OR ANY OTHER ENTITY THAT IS WHOLLY OWNED BY THE LEGAL AID BUREAU, INC.; OR

[(3)] (4) is the Maryland Crime Victims’ Resource Center.

(b) The Secretary shall adopt regulations for the enrollment and participation of employees of a qualifying not–for–profit organization to participate in the Program as a satellite organization.

(c) A qualifying not–for–profit organization that participates in the Program as a satellite organization shall:

(1) pay to the State:

(i) a premium in the amount determined by the Secretary; and

(ii) any costs, as determined by the Secretary, for the administration of this Program; and

(2) determine the extent to which the organization will subsidize participation by its employees in the Program.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 281

(House Bill 1178)

AN ACT concerning

Employees' Pension System – ~~Incorrect Enrollments~~ Membership – Study

FOR the purpose of requiring ~~that, if after a certain requested review by the Board of Trustees for the State Retirement and Pension System, an individual is determined by the Board of Trustees to be incorrectly enrolled as a member of the Employees' Pension System, the individual shall be disenrolled; requiring the Board of Trustees, at the request of an incorrectly enrolled individual, to pay the individual certain contributions in accordance with certain provisions of law; requiring the Board of Trustees, at the request of the participating employer of an incorrectly enrolled individual, to determine the amount of contributions that the employer paid on behalf of the individual; providing that the Board of Trustees may make a certain adjustment to the employer's contributions; providing for the termination of this Act; and generally relating to incorrect enrollments~~ the State Retirement Agency and the Department of Legislative Services to conduct a certain study regarding membership in the Employees' Pension System for certain individuals who are employed in positions for which the budgeted hours are less than a certain number of hours per fiscal year; requiring the study to include certain elements; requiring the State Retirement Agency and the Department of Legislative Services to report their findings and recommendations to the Joint Committee on Pensions on or before a certain date; providing for the termination of this Act; and generally relating to a study regarding the membership of certain individuals in the Employees' Pension System.

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

(a) ~~This section applies only to an individual who:~~

(1) ~~requests the Board of Trustees for the State Retirement and Pension System to review the individual's status as a member of the Employees' Pension System; and~~

~~(2) the Board of Trustees determines, in accordance with § 23-205 of the State Personnel and Pensions Article, has been incorrectly enrolled as a member of the Employees' Pension System.~~

~~(b) An incorrectly enrolled individual shall be disenrolled as soon as practicable after the determination of incorrect enrollment is made by the Board of Trustees.~~

~~(e) (1) At the request of an incorrectly enrolled individual, the Board of Trustees shall pay the individual the amount of the individual's accumulated contributions in accordance with § 29-501 of the State Personnel and Pensions Article.~~

~~(2) For purposes of administering § 29-501 of the State Personnel and Pensions Article, an incorrectly enrolled individual shall be considered to be a member or former member.~~

~~(d) (1) This subsection does not apply to a participating employer that is a unit of State government.~~

~~(2) At the request of the participating employer of an incorrectly enrolled individual, the Board of Trustees shall determine the amount of employer contributions that the participating employer paid on behalf of the incorrectly enrolled individual.~~

~~(3) At the request of the participating employer of an incorrectly enrolled individual, the Board of Trustees may adjust the employer contribution amounts that the participating employer is required to pay for the following fiscal year to compensate the employer for employer contributions paid on behalf of an incorrectly enrolled individual.~~

(a) The State Retirement Agency and the Department of Legislative Services shall:

(1) conduct a study regarding membership in the Employees' Pension System for individuals who are employed in a position for which the budgeted hours per fiscal year are less than 500 hours, including:

(i) the individuals who are required to join the Employees' Pension System under current law as a condition of employment;

(ii) the individuals who have optional membership in the Employees' Pension System under current law; and

(iii) the impact of Chapter 182 of the Acts of 2015 on the enrollment of individuals in the Employees' Pension System; and

(2) make recommendations regarding suggested statutory changes, if necessary, relating to membership in the Employees' Pension System for individuals who

are employed in a position for which the budgeted hours per fiscal year are less than 500 hours.

(b) On or before December 1, 2017, the State Retirement Agency and the Department of Legislative Services shall report their findings and recommendations to the Joint Committee on Pensions.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017. It shall remain effective for a period of 1 year ~~and 6 months~~ and, at the end of ~~December 31~~ June 30, 2018, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, April 18, 2017.

Chapter 282

(Senate Bill 130)

AN ACT concerning

Election Law – Ballot Issues – Contributions or Donations by Foreign Principals

FOR the purpose of prohibiting a foreign principal from making a contribution to a ballot issue committee or making a donation to a person that makes independent expenditures or electioneering communications relating to a ballot issue; defining a certain term; and generally relating to campaign activity concerning ballot issues and contributions and donations by foreign principals.

BY adding to

Article – Election Law

Section 13–236.1

Annotated Code of Maryland

(2010 Replacement Volume and 2016 Supplement)

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

Article – Election Law

13–236.1.

(A) IN THIS SECTION, “FOREIGN PRINCIPAL” HAS THE MEANING STATED IN 22 U.S.C. § 611(B).

(B) A FOREIGN PRINCIPAL MAY NOT:

(1) MAKE A CONTRIBUTION TO A BALLOT ISSUE COMMITTEE; OR

(2) MAKE A DONATION TO A PERSON THAT MAKES INDEPENDENT EXPENDITURES OR ELECTIONEERING COMMUNICATIONS RELATING TO A BALLOT ISSUE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 283

(Senate Bill 18)

AN ACT concerning

Public Ethics – Bicounty Commissions – Financial Disclosure

FOR the purpose of altering certain duties of executive directors of bicounty commissions relating to certain ethics forms; requiring certain financial disclosure statements to be filed electronically with the State Ethics Commission; requiring paper copies of certain financial disclosure statements to be filed with certain officials in certain counties; requiring the Commission to delete certain financial disclosure statements filed by certain applicants for bicounty commissions; and generally relating to the electronic filing of financial disclosure statements with the State Ethics Commission.

BY repealing and reenacting, with amendments,

Article – General Provisions

Section 5–824, 5–825, and 5–826

Annotated Code of Maryland

(2014 Volume and 2016 Supplement)

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

Article – General Provisions

5–824.

(a) In this section, as to the Washington Suburban Transit Commission, “commissioner” includes the members appointed from Montgomery County or Prince George’s County and the members appointed by the Governor.

(b) (1) Each commissioner and each applicant for appointment to a bicounty commission shall file the financial disclosure statement required by § 5–601(a) of this title, except that:

(i) references to “business with the State” are deemed to refer to “business with the State, the appropriate bicounty commission, Montgomery County, or Prince George’s County”; and

(ii) references to “employed by the State” are deemed to refer to “employed by the State, the appropriate bicounty commission, Montgomery County, or Prince George’s County”.

(2) Except as otherwise provided in this section, the statement shall be filed as required in § 5–602 of this title.

[(c) The executive director of a bicounty commission shall:

(1) provide forms for the statements required by this section;

(2) make the forms available in the office of the executive director; and

(3) provide enough forms to the chief administrative officers of Montgomery County and Prince George’s County for use by applicants and commissioners.]

[(d)] **(C)** (1) Each commissioner shall file [the] **A FINANCIAL DISCLOSURE** statement **ELECTRONICALLY** with the [chief administrative officer of the county from which the commissioner is appointed] **ETHICS COMMISSION**.

[(2) Commissioners of the Washington Suburban Transit Commission also shall file a financial disclosure statement with the Ethics Commission.]

(2) ~~EACH~~ EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, EACH COMMISSIONER SHALL ALSO PRINT A PAPER COPY OF THE ELECTRONICALLY FILED FINANCIAL DISCLOSURE STATEMENT AND SUBMIT IT TO THE CHIEF ADMINISTRATIVE OFFICER OF THE COUNTY FROM WHICH THE COMMISSIONER IS APPOINTED.

(3) IN MONTGOMERY COUNTY, EACH COMMISSIONER SHALL ALSO PRINT A PAPER COPY OF THE ELECTRONICALLY FILED FINANCIAL DISCLOSURE STATEMENT AND SUBMIT IT TO THE COUNTY COUNCIL.

[(e) (1) If a commissioner of the Washington Suburban Transit Commission holds another public office and is required to file a financial disclosure statement under another State or local law, the commissioner may comply with subsection (b) of this section by submitting a copy of the statement filed in accordance with the other law.

(2) The statement shall be supplemented to include any additional information required by this section.]

5–825.

(a) An applicant for appointment as commissioner shall file the financial disclosure statement required by this part [in accordance with this section] **ELECTRONICALLY WITH THE ETHICS COMMISSION.**

(b) **(1)** [The statement shall be filed with] ~~AN EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AN APPLICANT SHALL ALSO PRINT A PAPER COPY OF THE ELECTRONICALLY FILED STATEMENT AND SUBMIT IT TO the county council and~~ the chief administrative officer of the county from which the applicant seeks appointment.

(2) IN MONTGOMERY COUNTY, EACH APPLICANT TO THE MARYLAND–NATIONAL CAPITAL PARK AND PLANNING COMMISSION SHALL ALSO PRINT A PAPER COPY OF THE ELECTRONICALLY FILED STATEMENT AND SUBMIT IT TO THE COUNTY COUNCIL.

(c) (1) (i) In Montgomery County, an applicant for appointment or reappointment to the Maryland–National Capital Park and Planning Commission shall [file] **SUBMIT** the statement **TO THE COUNTY COUNCIL AND THE CHIEF ADMINISTRATIVE OFFICER** at least 5 days before the interview conducted under § 15–104 of the Land Use Article.

(ii) The statement shall cover the 12–month period ending 60 days before the day the statement is filed.

(2) (i) In Prince George’s County, an applicant for appointment to the Maryland–National Capital Park and Planning Commission shall [file] **SUBMIT** the statement **TO THE COUNTY COUNCIL AND THE CHIEF ADMINISTRATIVE OFFICER** at least 5 days before the confirmation hearing conducted under § 15–103 of the Land Use Article.

(ii) The statement shall cover the 12–month period ending 60 days before the initial date set for the confirmation hearing.

(d) (1) An applicant for appointment to the Washington Suburban Sanitary Commission shall [file] **SUBMIT** the statement ~~TO THE COUNTY COUNCIL AND THE CHIEF ADMINISTRATIVE OFFICER~~ at least 5 days before the interview conducted under § 17–103 of the Public Utilities Article.

(2) The statement shall cover the 12–month period ending 60 days before the day the statement is filed.

(e) (1) An applicant for appointment to the Washington Suburban Transit Commission shall [file] **SUBMIT** the statement **REQUIRED BY THIS SECTION TO ~~THE COUNTY COUNCIL AND THE CHIEF ADMINISTRATIVE OFFICER~~** at least 10 days before the appointment becomes effective.

(2) The statement shall cover the 12-month period ending not more than 60 days before the day the statement is filed.

5-826.

(a) **(1) ~~The~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE** chief administrative officer of a county shall transmit each financial disclosure statement of a commissioner or appointed applicant to[:

(1) the Ethics Commission; and

(2)] the executive director of the appropriate bicounty commission.

(2) IN MONTGOMERY COUNTY, THE COUNTY COUNCIL SHALL TRANSMIT EACH FINANCIAL DISCLOSURE STATEMENT OF A COMMISSIONER OR APPOINTED APPLICANT TO THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION TO THE EXECUTIVE DIRECTOR OF THE COMMISSION.

(b) The executive director and the chief administrative officer shall retain the statement for the entire term of office of the commissioner.

(c) **(1)** Within 15 days after an appointment to a bicounty commission has become final, the county council and the chief administrative officer of the county involved shall return to each applicant who is not appointed the original and all copies of the statement submitted by that applicant.

(2) ON NOTIFICATION BY THE CHIEF ADMINISTRATIVE OFFICER OF THE COUNTY INVOLVED THAT AN APPLICANT WAS NOT APPOINTED, THE ETHICS COMMISSION SHALL PROMPTLY DELETE THE STATEMENT ELECTRONICALLY FILED BY THE APPLICANT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

AN ACT concerning

Election Law – Campaign Signs at Polling Places

FOR the purpose of altering the time period during which campaign signs shall be allowed on the premises of polling places for an election; and generally relating to campaign signs at polling places during an election.

BY repealing and reenacting, with amendments,
Article – Election Law
Section 10–101(a)
Annotated Code of Maryland
(2010 Replacement Volume and 2016 Supplement)

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

Article – Election Law

10–101.

(a) (1) Each local board shall designate a polling place that meets the requirements of this subsection for each precinct in the county as established by the local board in accordance with Title 2 of this article.

(2) Each polling place shall:

(i) provide an environment that is suitable to the proper conduct of an election;

(ii) be located as conveniently as practicable for the majority of registered voters assigned to that polling place;

(iii) except as authorized in paragraph (4) of this subsection, be in a public building;

(iv) be in the precinct that it serves unless no suitable location for a polling place can be found within that precinct, in which case the board may establish the polling place in an adjacent precinct; and

(v) whenever practicable, be selected and arranged to avoid architectural and other barriers that impede access or voting by elderly and physically disabled voters.

(3) (i) The public official responsible for the use of any public building requested by a local board for a polling place shall make available to the local board, without charge, the space that is needed in the building for the proper conduct of an election.

(ii) Light, heat, and custodial and janitorial services for the space shall be provided to the local board without charge.

(iii) 1. Subject to subsubparagraph 2 of this subparagraph, electioneering shall be allowed on the premises of the public building up to the electioneering boundary established under § 16–206(b) of this article.

2. Campaign signs shall be allowed on the premises of the public building, at a minimum, from:

A. [7] ~~4~~ 5 p.m. the day immediately preceding election day until 8 a.m. on the day immediately following election day; and

B. [7] ~~4~~ 5 p.m. the day before an early voting period begins under § 10–301.1 of this title until 8 a.m. the day after the early voting period ends.

(4) (i) If suitable space in a public building is not available, a local board may pay a reasonable fee for the use of space in a privately owned building.

(ii) A polling place may not be located in a privately owned building unless the owner of the building agrees to:

1. allow electioneering on the premises up to the electioneering boundary established under § 16–206(b) of this article; and

2. allow campaign signs on the premises, at a minimum, from:

A. [7] ~~4~~ 5 p.m. the day immediately preceding election day until 8 a.m. on the day immediately following election day; and

B. [7] ~~4~~ 5 p.m. the day before an early voting period begins under § 10–301.1 of this title until 8 a.m. the day after the early voting period ends.

(iii) Except as provided in subparagraphs (iv) and (v) of this paragraph, an election may not be held in any building or part of any building used or occupied by an establishment that holds an alcoholic beverages license.

(iv) An election may be held in a building that is owned and occupied by an establishment that holds an alcoholic beverages license if:

1. the local board determines that there is no suitable alternative place to hold an election;

2. the licensee agrees not to sell or dispense alcoholic beverages during the period beginning 2 hours before the polls open and ending 2 hours after the polls close; and

3. where applicable, all ballots are removed from the polling place by the local board immediately following the election.

(v) An early voting center may be located in a building that is partially occupied by an establishment that holds an alcoholic beverages license if:

1. the State Board, in collaboration with a local board, determines that the building is a suitable site for an early voting center; and

2. the entrance to a licensee's establishment is at least 100 feet from the entrance to the building that is closest to the part of the building where the early voting center is located.

(5) If a polling place is located in a building owned or leased by a volunteer fire company or rescue squad, the volunteer fire company or rescue squad may require the local board to pay for the use of the space that is needed in the building for the proper conduct of any election.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 285

(House Bill 619)

AN ACT concerning

Election Law – Campaign Signs at Polling Places

FOR the purpose of altering the time period during which campaign signs shall be allowed on the premises of polling places for an election; and generally relating to campaign signs at polling places during an election.

BY repealing and reenacting, with amendments,
Article – Election Law
Section 10–101(a)
Annotated Code of Maryland
(2010 Replacement Volume and 2016 Supplement)

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

Article – Election Law

10–101.

(a) (1) Each local board shall designate a polling place that meets the requirements of this subsection for each precinct in the county as established by the local board in accordance with Title 2 of this article.

(2) Each polling place shall:

(i) provide an environment that is suitable to the proper conduct of an election;

(ii) be located as conveniently as practicable for the majority of registered voters assigned to that polling place;

(iii) except as authorized in paragraph (4) of this subsection, be in a public building;

(iv) be in the precinct that it serves unless no suitable location for a polling place can be found within that precinct, in which case the board may establish the polling place in an adjacent precinct; and

(v) whenever practicable, be selected and arranged to avoid architectural and other barriers that impede access or voting by elderly and physically disabled voters.

(3) (i) The public official responsible for the use of any public building requested by a local board for a polling place shall make available to the local board, without charge, the space that is needed in the building for the proper conduct of an election.

(ii) Light, heat, and custodial and janitorial services for the space shall be provided to the local board without charge.

(iii) 1. Subject to subparagraph 2 of this subparagraph, electioneering shall be allowed on the premises of the public building up to the electioneering boundary established under § 16–206(b) of this article.

2. Campaign signs shall be allowed on the premises of the public building, at a minimum, from:

A. [7] ~~4~~ 5 p.m. the day immediately preceding election day until 8 a.m. on the day immediately following election day; and

B. [7] ~~4~~ 5 p.m. the day before an early voting period begins under § 10–301.1 of this title until 8 a.m. the day after the early voting period ends.

(4) (i) If suitable space in a public building is not available, a local board may pay a reasonable fee for the use of space in a privately owned building.

(ii) A polling place may not be located in a privately owned building unless the owner of the building agrees to:

1. allow electioneering on the premises up to the electioneering boundary established under § 16–206(b) of this article; and

2. allow campaign signs on the premises, at a minimum, from:

A. [7] ~~4~~ 5 p.m. the day immediately preceding election day until 8 a.m. on the day immediately following election day; and

B. [7] ~~4~~ 5 p.m. the day before an early voting period begins under § 10–301.1 of this title until 8 a.m. the day after the early voting period ends.

(iii) Except as provided in subparagraphs (iv) and (v) of this paragraph, an election may not be held in any building or part of any building used or occupied by an establishment that holds an alcoholic beverages license.

(iv) An election may be held in a building that is owned and occupied by an establishment that holds an alcoholic beverages license if:

1. the local board determines that there is no suitable alternative place to hold an election;

2. the licensee agrees not to sell or dispense alcoholic beverages during the period beginning 2 hours before the polls open and ending 2 hours after the polls close; and

3. where applicable, all ballots are removed from the polling place by the local board immediately following the election.

(v) An early voting center may be located in a building that is partially occupied by an establishment that holds an alcoholic beverages license if:

1. the State Board, in collaboration with a local board, determines that the building is a suitable site for an early voting center; and

2. the entrance to a licensee's establishment is at least 100 feet from the entrance to the building that is closest to the part of the building where the early voting center is located.

(5) If a polling place is located in a building owned or leased by a volunteer fire company or rescue squad, the volunteer fire company or rescue squad may require the local board to pay for the use of the space that is needed in the building for the proper conduct of any election.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 286

(Senate Bill 162)

AN ACT concerning

St. Mary's County – Mobile Home Parks – Repeal

FOR the purpose of repealing certain provisions of law that relate to the licensing and operation of mobile home parks in St. Mary's County; and generally relating to the repeal of certain provisions of law on the licensing and operation of mobile home parks in St. Mary's County.

BY repealing

The Public Local Laws of St. Mary's County
Section 136–1 through 136–4, 136–7, 136–11, and 136–13 through 136–19 and the
Chapter "Chapter 136. Trailers"
Article 19 – Public Local Laws of Maryland
(2007 Edition and March 2015 Supplement, as amended)

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

Article 19 – St. Mary's County

[Chapter 136. Trailers]

[136–1.

As used in this chapter, the following terms shall have the meanings indicated:

MOBILE HOME and MOBILE HOME PARK — The meanings stated in Article 8 of the County Zoning Ordinance.

PARK — A mobile home park.

PERSON — An individual, firm, trust, partnership, association, corporation or other entity.]

[136–2.

A person may not maintain or operate within St. Mary’s County a mobile home park unless the person obtains a mobile home park license. Section 136–4 of this chapter does not apply to a mobile home park approved by the St. Mary’s County Department of Health and in existence as of April 1, 1959.]

[136–3.

A. The County Commissioners shall set, by resolution:

- (1) A license fee for mobile home parks; and
- (2) A fee for the transfer of a license for a mobile home park.

B. (1) The fee for the transfer of a license for a mobile home park is to be paid to the County Commissioners before the transfer of license takes effect.

(2) The transferor shall pay to the county all taxes owed by the transferor to the county before the transfer takes effect.]

[136–4.

A. Applications for a mobile home park license shall be filed with and issued by the Board of County Commissioners, sitting as the Board of Health, showing:

- (1) The name and address of the applicant; and
- (2) The location and legal description of the mobile home park.

B. (1) A mobile home park shall be built and maintained according to a plan approved in accordance with the County Zoning Ordinance.

(2) The office of Planning and Zoning shall inspect a mobile home park each year to assure compliance with the approved plan prior to the issuance of a mobile home park license.]

[136–7.

All service buildings and the grounds of the park shall be maintained in a clean sightly condition and kept free of any condition that will menace the health of any occupant or the public or constitute a nuisance.]

[136–11.

An owner or person in charge of a dog, cat or other pet animal may not permit it to run at large or commit any nuisance within the limits of a mobile home park.]

[136–13.

A. A licensee shall keep a register containing a record of all mobile home owners and occupants located within the mobile home park.

B. The register shall contain:

(1) The name and address of each occupant; and

(2) The date of arrival and of departure of each mobile home.

C. The mobile home park shall keep the register available for inspection, at all times, by law enforcement officers, public health officials and other officials whose duties necessitate acquisition of the information contained in the register. The register records shall not be destroyed for a period of three (3) years following the date of registration.]

[136–14.

The Board of County Commissioners may revoke a license to maintain and operate a mobile home park when the licensee has been found guilty by a court of competent jurisdiction of violating any provision of this chapter. After such conviction, the license may be reissued if the circumstances leading to conviction have been remedied and the mobile home park is being maintained and operated in full compliance with law.]

[136–15.

The license certificate shall be conspicuously posted in the office of or on the premises of the mobile home park at all times.]

[136–16.

Should any section or provision of this chapter be declared invalid, such decision shall not affect the validity of the remaining portions of this chapter.]

[136–17.

A. A person who violates a provision of this chapter or of the County Zoning Ordinance is subject to a civil penalty in accordance with a fine schedule adopted by the County Commissioners.

B. A fine authorized under this section shall not exceed five hundred dollars (\$500.00) for each violation.

C. Each day that a violation is permitted to exist shall constitute a separate offense.]

[136–18.

The regulations herein provided may be waived in the discretion of the County Commissioners of St. Mary’s County, sitting as a health board, if the public health will not be adversely affected. The Board of County Commissioners shall have the authority to issue any necessary regulations to implement the performance of this chapter.]

[136–19.

All duties of inspection necessary or relevant to the administration or enforcement of this chapter shall be performed by the office of County Inspector.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 287

(House Bill 163)

AN ACT concerning

St. Mary’s County – Mobile Home Parks – Repeal

FOR the purpose of repealing certain provisions of law that relate to the licensing and operation of mobile home parks in St. Mary’s County; and generally relating to the repeal of certain provisions of law on the licensing and operation of mobile home parks in St. Mary’s County.

BY repealing

The Public Local Laws of St. Mary’s County

Section 136–1 through 136–4, 136–7, 136–11, and 136–13 through 136–19 and the Chapter “Chapter 136. Trailers”

Article 19 – Public Local Laws of Maryland
(2007 Edition and March 2015 Supplement, as amended)

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

Article 19 – St. Mary’s County

[Chapter 136. Trailers]

[136–1.

As used in this chapter, the following terms shall have the meanings indicated:

MOBILE HOME and MOBILE HOME PARK — The meanings stated in Article 8 of the County Zoning Ordinance.

PARK — A mobile home park.

PERSON — An individual, firm, trust, partnership, association, corporation or other entity.]

[136–2.

A person may not maintain or operate within St. Mary’s County a mobile home park unless the person obtains a mobile home park license. Section 136–4 of this chapter does not apply to a mobile home park approved by the St. Mary’s County Department of Health and in existence as of April 1, 1959.]

[136–3.

A. The County Commissioners shall set, by resolution:

- (1) A license fee for mobile home parks; and
- (2) A fee for the transfer of a license for a mobile home park.

B. (1) The fee for the transfer of a license for a mobile home park is to be paid to the County Commissioners before the transfer of license takes effect.

(2) The transferor shall pay to the county all taxes owed by the transferor to the county before the transfer takes effect.]

[136–4.

A. Applications for a mobile home park license shall be filed with and issued by the Board of County Commissioners, sitting as the Board of Health, showing:

- (1) The name and address of the applicant; and
- (2) The location and legal description of the mobile home park.

B. (1) A mobile home park shall be built and maintained according to a plan approved in accordance with the County Zoning Ordinance.

(2) The office of Planning and Zoning shall inspect a mobile home park each year to assure compliance with the approved plan prior to the issuance of a mobile home park license.]

[136–7.

All service buildings and the grounds of the park shall be maintained in a clean slightly condition and kept free of any condition that will menace the health of any occupant or the public or constitute a nuisance.]

[136–11.

An owner or person in charge of a dog, cat or other pet animal may not permit it to run at large or commit any nuisance within the limits of a mobile home park.]

[136–13.

A. A licensee shall keep a register containing a record of all mobile home owners and occupants located within the mobile home park.

B. The register shall contain:

- (1) The name and address of each occupant; and
- (2) The date of arrival and of departure of each mobile home.

C. The mobile home park shall keep the register available for inspection, at all times, by law enforcement officers, public health officials and other officials whose duties necessitate acquisition of the information contained in the register. The register records shall not be destroyed for a period of three (3) years following the date of registration.]

[136–14.

The Board of County Commissioners may revoke a license to maintain and operate a mobile home park when the licensee has been found guilty by a court of competent jurisdiction of violating any provision of this chapter. After such conviction, the license may

be reissued if the circumstances leading to conviction have been remedied and the mobile home park is being maintained and operated in full compliance with law.]

[136–15.

The license certificate shall be conspicuously posted in the office of or on the premises of the mobile home park at all times.]

[136–16.

Should any section or provision of this chapter be declared invalid, such decision shall not affect the validity of the remaining portions of this chapter.]

[136–17.

A. A person who violates a provision of this chapter or of the County Zoning Ordinance is subject to a civil penalty in accordance with a fine schedule adopted by the County Commissioners.

B. A fine authorized under this section shall not exceed five hundred dollars (\$500.00) for each violation.

C. Each day that a violation is permitted to exist shall constitute a separate offense.]

[136–18.

The regulations herein provided may be waived in the discretion of the County Commissioners of St. Mary's County, sitting as a health board, if the public health will not be adversely affected. The Board of County Commissioners shall have the authority to issue any necessary regulations to implement the performance of this chapter.]

[136–19.

All duties of inspection necessary or relevant to the administration or enforcement of this chapter shall be performed by the office of County Inspector.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 288**(House Bill 526)**

AN ACT concerning

St. Mary's County – Alcoholic Beverages – Art Establishment License

FOR the purpose of establishing an art establishment license in St. Mary's County; specifying that the Board of License Commissioners may issue the license to a certain business engaged in certain activities; authorizing a license holder to sell or serve beer and wine at retail for on-premises consumption under certain circumstances; specifying the maximum amount of beer or wine that may be sold or served to a participating client or customer; prohibiting the license from being transferred to another location; making a business for which the license is issued subject to certain alcohol awareness training requirements; providing for an annual license fee; and generally relating to alcoholic beverages licenses in St. Mary's County.

BY renumbering

Article – Alcoholic Beverages
Section 28–1001
to be Section 28–1002
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages
Section 28–102
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY adding to

Article – Alcoholic Beverages
Section 28–1001
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 28–1001 of Article – Alcoholic Beverages of the Annotated Code of Maryland be renumbered to be Section(s) 28–1002.

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

Article – Alcoholic Beverages

28–102.

This title applies only in St. Mary's County.

28-1001.

(A) THERE IS AN ART ESTABLISHMENT LICENSE.

(B) THE BOARD MAY ISSUE THE LICENSE FOR USE BY A FOR-PROFIT RETAIL BUSINESS THAT IS ENGAGED IN:

(1) THE DISPLAY, SALE, OR DEMONSTRATION OF ORIGINAL ART BY AN INDIVIDUAL ARTIST OR A GROUP OF ARTISTS; OR

(2) THE INSTRUCTION OF PARTICIPATING CLIENTS IN CREATING ART.

(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A HOLDER OF THE LICENSE MAY SELL OR SERVE BEER AND WINE AT RETAIL FOR ON-PREMISES CONSUMPTION.

(2) BEER OR WINE MAY NOT BE SOLD OR SERVED AFTER 10 P.M.

(D) THE LICENSE AUTHORIZES THE LICENSE HOLDER TO SELL OR SERVE TO A PARTICIPATING CLIENT OR CUSTOMER NOT MORE THAN TWO 12-OUNCE OFFERINGS OF BEER OR TWO 5-OUNCE OFFERINGS OF WINE.

(E) THE LICENSE MAY NOT BE TRANSFERRED FROM THE LOCATION FOR WHICH THE LICENSE WAS ORIGINALLY ISSUED TO ANOTHER LOCATION.

(F) A BUSINESS FOR WHICH THE LICENSE IS ISSUED IS SUBJECT TO THE ALCOHOL AWARENESS TRAINING REQUIREMENTS UNDER § 4-505 OF THIS ARTICLE.

(G) THE ANNUAL LICENSE FEE IS \$300.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 289

(House Bill 538)

St. Mary's County – Alcoholic Beverages – Beauty Salon License

FOR the purpose of establishing in St. Mary's County a beauty salon beer and wine license; authorizing the Board of License Commissioners to issue the license to a person who holds a beauty salon permit and operates a beauty salon; authorizing a holder of the license to sell or serve not more than a certain amount of beer and wine for on-premises consumption by a beauty salon customer under certain circumstances; prohibiting the license from being transferred to another location; establishing certain hours during which beer and wine may be provided; specifying that an establishment for which the license is issued is subject to certain alcohol awareness training requirements; establishing a certain license fee; and generally relating to alcoholic beverages licenses in St. Mary's County.

BY renumbering

Article – Alcoholic Beverages
Section 28–1001
to be Section 28–1002
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages
Section 28–102
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY adding to

Article – Alcoholic Beverages
Section 28–1001
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Business Occupations and Professions
Section 5–101 and 5–501
Annotated Code of Maryland
(2010 Replacement Volume and 2016 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 28–1001 of Article – Alcoholic Beverages of the Annotated Code of Maryland be renumbered to be Section(s) 28–1002.

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

Article – Alcoholic Beverages

28-102.

This title applies only in St. Mary's County.

28-1001.

(A) THERE IS A BEAUTY SALON BEER AND WINE LICENSE.

(B) THE BOARD MAY ISSUE THE LICENSE TO A PERSON WHO HOLDS A BEAUTY SALON PERMIT UNDER § 5-501 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

(C) THE LICENSE AUTHORIZES THE LICENSE HOLDER TO SELL OR SERVE NOT MORE THAN TWO 12-OUNCE OFFERINGS OF BEER OR TWO 5-OUNCE OFFERINGS OF WINE FOR ON-PREMISES CONSUMPTION BY A BEAUTY SALON CUSTOMER WHILE THE CUSTOMER UNDERGOES A COSMETOLOGY PROCEDURE LISTED UNDER § 5-101(N)(1) OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

(D) THE LICENSE MAY NOT BE TRANSFERRED TO ANOTHER LOCATION.

(E) A HOLDER OF THE LICENSE MAY SELL OR SERVE BEER AND WINE FOR ON-PREMISES CONSUMPTION DURING NORMAL BUSINESS HOURS BUT NOT LATER THAN 9 P.M.

(F) AN ESTABLISHMENT FOR WHICH THE LICENSE IS ISSUED IS SUBJECT TO THE ALCOHOL AWARENESS TRAINING REQUIREMENTS UNDER § 4-505 OF THIS ARTICLE.

(G) THE ANNUAL LICENSE FEE IS \$300.

Article – Business Occupations and Professions

5-101.

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

(b) “Apprentice” means an individual who is learning to practice cosmetology or any limited practice of cosmetology in a beauty salon that holds a beauty salon permit under the supervision of:

(1) if learning to practice cosmetology, a licensed senior cosmetologist;

(2) if learning to provide esthetic services, a licensed senior cosmetologist or a licensed esthetician with 2 years' experience;

(3) if learning to provide hair services, a licensed senior cosmetologist or a licensed hairstylist with 2 years' experience; and

(4) if learning to provide nail technician services, a licensed senior cosmetologist or a licensed nail technician with 2 years' experience.

(c) (1) "Beauty salon" means any commercial establishment, except a barbershop, in which an individual practices cosmetology.

(2) "Beauty salon" includes a mobile beauty salon.

(3) "Beauty salon" does not include a clinic in a cosmetology school.

(d) "Beauty salon permit" means a permit issued by the Board to operate a beauty salon.

(e) "Board" means the State Board of Cosmetologists.

(f) "Cosmetologist" means an individual who practices cosmetology.

(g) "Hairstylist" means an individual who provides hair services.

(h) "Hairstylist – blow dry technician" means an individual who provides hair services – blow drying;

(i) (1) "License" means, unless the context requires otherwise, a license issued by the Board.

(2) "License" includes, unless the context requires otherwise, each of the following licenses:

(i) a license to practice cosmetology;

(ii) a license to practice as a senior cosmetologist;

(iii) a limited license to provide esthetic services;

(iv) a limited license to provide hair services;

(v) a limited license to provide hair services – blow drying; and

(vi) a limited license to provide nail technician services.

(j) "Licensed cosmetologist" means, unless the context requires otherwise, a cosmetologist who is licensed by the Board to practice cosmetology.

(k) “Licensed senior cosmetologist” means a person who:

- (1) has at least 2 years of experience as a licensed cosmetologist; and
- (2) has passed a test approved by the Board.

(l) (1) “Limited license” means a license issued by the Board to practice cosmetology as limited in § 5–301 of this title.

(2) “Limited license” includes, unless the context requires otherwise, each of the following licenses:

- (i) a limited license to provide esthetic services;
- (ii) a limited license to provide hair services;
- (iii) a limited license to provide hair services – blow drying; and
- (iv) a limited license to provide nail technician services.

(m) “Mobile beauty salon” means a beauty salon that is located in a motor vehicle or a trailer that is designed, constructed, and equipped as a place for an individual to practice cosmetology and for use as a conveyance on highways.

(n) (1) “Practice cosmetology” means to engage in any of the following for compensation:

- (i) providing hair services;
- (ii) arching or dyeing eyebrows;
- (iii) dyeing eyelashes;
- (iv) providing esthetic services; or
- (v) providing nail technician services.

(2) The practice of cosmetology does not include:

- (i) the mere sale, fitting, or styling of wigs or hairpieces;
- (ii) the mere shampooing of hair; or
- (iii) a service that results in tension on hair strands or roots by twisting, wrapping, weaving, extending, locking, or braiding by hand or mechanical device, provided that the service does not include the application of dyes, reactive chemicals, or

other preparations to alter the color of the hair or to straighten, curl, or alter the structure of the hair.

(o) “Provide esthetic services” means to provide to an individual, for compensation, the service of:

(1) cleansing, exercising, massaging, stimulating, or performing any other similar procedure on the skin or scalp by electrical, mechanical, or any other means;

(2) applying to the face an alcohol, cream, lotion, astringent, or cosmetic preparation; or

(3) removing superfluous hair by the use of a depilatory, tweezers, or wax.

(p) “Provide hair services” means to provide to an individual for compensation the service of beautifying, cleaning, or embellishing the hair of the individual by:

(1) arranging the hair;

(2) bleaching the hair;

(3) cleansing the hair;

(4) coloring the hair;

(5) curling the hair;

(6) cutting the hair;

(7) dressing the hair;

(8) singeing the hair;

(9) permanent waving the hair;

(10) waving the hair; or

(11) performing any other similar procedure intended to beautify, clean, or embellish the hair.

(q) “Provide hair services – blow drying” means to provide to an individual for compensation the service of beautifying, cleaning, or arranging the hair of the individual by:

(1) arranging the hair;

(2) cleansing the hair;

- (3) curling the hair;
- (4) dressing the hair;
- (5) blow drying the hair;
- (6) singeing the hair; or
- (7) performing any other similar procedure intended to beautify, clean, or arrange the hair.

(r) “Provide nail technician services” means to provide to an individual, for compensation, the service of:

- (1) manicuring or pedicuring the individual’s nails;
- (2) applying artificial nail enhancement products; or
- (3) maintaining artificial nail enhancement products.

5-501.

(a) A person shall hold a beauty salon permit issued by the Board before the person may operate a beauty salon in the State.

(b) A beauty salon may operate as a limited practice beauty salon by offering cosmetology services limited to:

- (1) providing esthetic services;
- (2) providing hair services;
- (3) providing hair services – blow drying; or
- (4) providing nail technician services.

(c) A separate beauty salon permit is required for each beauty salon that a person operates.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 290**(House Bill 187)**

AN ACT concerning

St. Mary's County – Foxes and Hounds – Repeal of Provisions

FOR the purpose of repealing certain provisions of law that relate to trapping or shooting certain foxes or shooting or molesting certain hounds in St. Mary's County.

BY repealing

The Public Local Laws of St. Mary's County
Section 54–1 and 54–2 and the chapter “Chapter 54. Foxes”
Article 19 – Public Local Laws of Maryland
(2007 Edition and March 2014 Supplement, as amended)

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

Article 19 – St. Mary's County

[Chapter 54. Foxes.]

[54–1.

It shall be unlawful in Saint Mary's County for any person in any manner to trap any fox or to set any trap to catch any fox. Any person violating the provisions of this section shall be guilty of a misdemeanor and, upon conviction, shall be fined twenty–five dollars (\$25.00).]

[54–2.

It shall be unlawful in Saint Mary's County for any person to shoot any fox while it is being pursued by hounds or to shoot or molest any hound while chasing a fox. Any person violating the provisions of this section shall be guilty of a misdemeanor and, upon conviction, shall be fined not less than five dollars (\$5.00) nor more than twenty–five dollars (\$25.00) for each and every offense.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 291**(Senate Bill 103)**

AN ACT concerning

St. Mary's County – Foxes and Hounds – Repeal of Provisions

FOR the purpose of repealing certain provisions of law that relate to trapping or shooting certain foxes or shooting or molesting certain hounds in St. Mary's County.

BY repealing

The Public Local Laws of St. Mary's County
Section 54-1 and 54-2 and the chapter "Chapter 54. Foxes"
Article 19 – Public Local Laws of Maryland
(2007 Edition and March 2014 Supplement, as amended)

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

Article 19 – St. Mary's County

[Chapter 54. Foxes.]

[54-1.

It shall be unlawful in Saint Mary's County for any person in any manner to trap any fox or to set any trap to catch any fox. Any person violating the provisions of this section shall be guilty of a misdemeanor and, upon conviction, shall be fined twenty-five dollars (\$25.00).]

[54-2.

It shall be unlawful in Saint Mary's County for any person to shoot any fox while it is being pursued by hounds or to shoot or molest any hound while chasing a fox. Any person violating the provisions of this section shall be guilty of a misdemeanor and, upon conviction, shall be fined not less than five dollars (\$5.00) nor more than twenty-five dollars (\$25.00) for each and every offense.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 292**(Senate Bill 104)**

AN ACT concerning

St. Mary's County – Regulation of Animals – Dogs

FOR the purpose of altering the person in the St. Mary's County government that is required to perform certain duties relating to dog licenses and dog tags; requiring the general shape of dog tags to remain unchanged from year to year; and generally relating to the regulation of dogs in St. Mary's County.

BY repealing and reenacting, with amendments,
Article – Local Government
Section 13–129(a) and (b)
Annotated Code of Maryland
(2013 Volume and 2016 Supplement)

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

Article – Local Government

13–129.

(a) (1) In St. Mary's County, on or before June 30 of each year, a person owning or keeping a dog shall apply to the [county tax collector] **ANIMAL CONTROL DIVISION OF THE DEPARTMENT OF EMERGENCY SERVICES AND TECHNOLOGY** for a license for the dog if the dog is at least 6 months old.

(2) At the time of application, the applicant shall pay the fee for a dog or kennel license set by the County Commissioners of St. Mary's County.

(3) (i) The county commissioners shall appoint agents to collect dog and kennel license fees that are not paid by August 1 of each year.

(ii) A penalty of \$1.00 per license shall be assessed against dog owners whose dog or kennel license fees are not paid by August 1 each year.

(4) Except as provided in § 13–108 of this subtitle, the licenses and fees required under this section shall be the only licenses and fees required for owning or keeping a dog.

(5) The county commissioners shall prepare and supply the form for a license issued under this subsection.

(6) A dog license shall contain the date of issuance, a serial number, and a description of the dog licensed.

(7) A license expires on June 30 of the year after issuance.

(b) (1) In St. Mary's County, the [county tax collector] **ANIMAL CONTROL DIVISION OF THE DEPARTMENT OF EMERGENCY SERVICES AND TECHNOLOGY** shall issue a tag with each dog license to a person owning or keeping a dog when the person pays the license fee for the dog.

(2) The County Commissioners of St. Mary's County shall prepare and supply tags to the [county tax collector] **ANIMAL CONTROL DIVISION OF THE DEPARTMENT OF EMERGENCY SERVICES AND TECHNOLOGY** each year.

(3) The tags shall be:

(i) composed of metal;

(ii) imprinted with a serial number corresponding to the number on the license issued to the owner under subsection (a) of this section;

(iii) imprinted with the calendar year for which the tag is issued;

(iv) 1 inch or less in length; and

(v) equipped with a substantial metal fastener.

(4) The [county commissioners shall change the] general shape of the tags [each year] **SHALL REMAIN UNCHANGED FROM YEAR TO YEAR.**

(5) Tags supplied to owners of kennels shall contain the word "kennel".

(6) The person owning or keeping a dog shall attach the tag to a substantial collar and keep the collar and tag on the dog for which the license was issued at all times, except when the dog is:

(i) confined in a kennel; or

(ii) hunting under the charge of an attendant.

(7) The [county tax collector] **ANIMAL CONTROL DIVISION OF THE DEPARTMENT OF EMERGENCY SERVICES AND TECHNOLOGY** shall replace a lost tag on:

(i) application by the person to whom the original license was issued;

- (ii) the production of the license; and
- (iii) payment of a fee of 25 cents.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 293

(House Bill 108)

AN ACT concerning

St. Mary's County – Regulation of Animals – Dogs

FOR the purpose of altering the person in the St. Mary's County government that is required to perform certain duties relating to dog licenses and dog tags; requiring the general shape of dog tags to remain unchanged from year to year; and generally relating to the regulation of dogs in St. Mary's County.

BY repealing and reenacting, with amendments,
Article – Local Government
Section 13–129(a) and (b)
Annotated Code of Maryland
(2013 Volume and 2016 Supplement)

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

Article – Local Government

13–129.

(a) (1) In St. Mary's County, on or before June 30 of each year, a person owning or keeping a dog shall apply to the [county tax collector] **ANIMAL CONTROL DIVISION OF THE DEPARTMENT OF EMERGENCY SERVICES AND TECHNOLOGY** for a license for the dog if the dog is at least 6 months old.

(2) At the time of application, the applicant shall pay the fee for a dog or kennel license set by the County Commissioners of St. Mary's County.

(3) (i) The county commissioners shall appoint agents to collect dog and kennel license fees that are not paid by August 1 of each year.

(ii) A penalty of \$1.00 per license shall be assessed against dog owners whose dog or kennel license fees are not paid by August 1 each year.

(4) Except as provided in § 13–108 of this subtitle, the licenses and fees required under this section shall be the only licenses and fees required for owning or keeping a dog.

(5) The county commissioners shall prepare and supply the form for a license issued under this subsection.

(6) A dog license shall contain the date of issuance, a serial number, and a description of the dog licensed.

(7) A license expires on June 30 of the year after issuance.

(b) (1) In St. Mary's County, the [county tax collector] **ANIMAL CONTROL DIVISION OF THE DEPARTMENT OF EMERGENCY SERVICES AND TECHNOLOGY** shall issue a tag with each dog license to a person owning or keeping a dog when the person pays the license fee for the dog.

(2) The County Commissioners of St. Mary's County shall prepare and supply tags to the [county tax collector] **ANIMAL CONTROL DIVISION OF THE DEPARTMENT OF EMERGENCY SERVICES AND TECHNOLOGY** each year.

(3) The tags shall be:

(i) composed of metal;

(ii) imprinted with a serial number corresponding to the number on the license issued to the owner under subsection (a) of this section;

(iii) imprinted with the calendar year for which the tag is issued;

(iv) 1 inch or less in length; and

(v) equipped with a substantial metal fastener.

(4) The [county commissioners shall change the] general shape of the tags [each year] **SHALL REMAIN UNCHANGED FROM YEAR TO YEAR.**

(5) Tags supplied to owners of kennels shall contain the word "kennel".

(6) The person owning or keeping a dog shall attach the tag to a substantial collar and keep the collar and tag on the dog for which the license was issued at all times, except when the dog is:

- (i) confined in a kennel; or
- (ii) hunting under the charge of an attendant.

(7) The [county tax collector] **ANIMAL CONTROL DIVISION OF THE DEPARTMENT OF EMERGENCY SERVICES AND TECHNOLOGY** shall replace a lost tag on:

- (i) application by the person to whom the original license was issued;
- (ii) the production of the license; and
- (iii) payment of a fee of 25 cents.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 294

(Senate Bill 124)

AN ACT concerning

St. Mary's County – Vocational Training Facility – Repeal

FOR the purpose of repealing a certain provision of law that relates to the authority of the County Commissioners of St. Mary's County to establish a certain board of directors for the purposes of establishing and overseeing a vocational training facility for certain purposes; and generally relating to the repeal of an obsolete provision of law relating to a vocational training facility in St. Mary's County.

BY repealing

The Public Local Laws of St. Mary's County
Section 144–1 and the chapter “Chapter 144 Vocational Training Facility”
Article 19 – Public Local Laws of Maryland
(2007 Edition and March 2015 Supplement, as amended)

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

Article 19 – St. Mary’s County

[Chapter 144
Vocational Training Facility]

[144–1.

A. The County Commissioners of St. Mary’s County are authorized to establish a Board of Directors for the Sheltered Workshop for the Handicapped for St. Mary’s County, whose purpose it shall be to establish and oversee a vocational training facility to foster and develop gainful employment for the handicapped of St. Mary’s County.

B. The Board of Directors shall consist of twelve (12) members who shall be appointed by the County Commissioners and shall consist of one (1) member of the County Commissioners, the Superintendent of Schools, the Director of Social Service, the Director of Health, the Director of Employment Security, the Vocational Rehabilitation representative of the State Department of Education, the President of the St. Mary’s Association for Retarded Children and five (5) members from the county at large. The Directors, other than the five (5) at-large members, shall serve so long as they hold the position enumerated above. The at-large members shall serve terms of four (4) years from the date of their appointment.

C. The Board shall annually elect a Chairman and a Vice Chairman from its membership, and it shall also elect a Secretary and a Treasurer. The Board may require the Treasurer to give bond in such amount as it may determine. It is further authorized to adopt all necessary rules and regulations for the conduct of its business and for the protection of properties under its control. The Board shall hold such regular and special meetings as it may deem necessary.

D. The Board may employ such personnel as it may consider to administer its functions properly; it shall employ a Director who shall be a person with the training, experience and capacity to initiate and maintain under his general supervision a program of vocational training for the handicapped. The Director and all other personnel shall serve at the pleasure of the Board and at salaries to be fixed by the Board.

E. The County Commissioners, by and through the Board, may join or cooperate with the federal government, the State of Maryland or with any municipality or other governmental agency in providing, establishing, conducting and maintaining programs for the vocational rehabilitation of the handicapped.

F. The Board may accept any real and personal property of all kinds suitable to the running of a vocational rehabilitation training program. The County Commissioners may appropriate in the annual county budget such sums as may be necessary to purchase land, construct improvements and defray expenses for the maintenance of a vocational

rehabilitation training program. The acquisition of property, with the approval of the County Commissioners, may be by purchase, grant, bequest, devise, lease of the fee or any lesser interest and at the termination of the use of the property for purposes of vocational training for the handicapped, any remaining interest shall immediately revert to the County Commissioners.

G. The control of any land, buildings or other acceptable facilities shall be in accord with agreements reached between the Board and the person, corporation or agency having jurisdiction over such properties. No power or authority conferred by this section shall be construed to abridge or limit the power of the County Commissioners, of any governmental agency or of any person or corporation to refuse to permit or limit the use of any ground, building or facility under their control, ownership or jurisdiction.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 295

(House Bill 209)

AN ACT concerning

St. Mary's County – Vocational Training Facility – Repeal

FOR the purpose of repealing a certain provision of law that relates to the authority of the County Commissioners of St. Mary's County to establish a certain board of directors for the purposes of establishing and overseeing a vocational training facility for certain purposes; and generally relating to the repeal of an obsolete provision of law relating to a vocational training facility in St. Mary's County.

BY repealing

The Public Local Laws of St. Mary's County
Section 144–1 and the chapter “Chapter 144 Vocational Training Facility”
Article 19 – Public Local Laws of Maryland
(2007 Edition and March 2015 Supplement, as amended)

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

Article 19 – St. Mary's County

[Chapter 144
Vocational Training Facility]

[144-1.

A. The County Commissioners of St. Mary's County are authorized to establish a Board of Directors for the Sheltered Workshop for the Handicapped for St. Mary's County, whose purpose it shall be to establish and oversee a vocational training facility to foster and develop gainful employment for the handicapped of St. Mary's County.

B. The Board of Directors shall consist of twelve (12) members who shall be appointed by the County Commissioners and shall consist of one (1) member of the County Commissioners, the Superintendent of Schools, the Director of Social Service, the Director of Health, the Director of Employment Security, the Vocational Rehabilitation representative of the State Department of Education, the President of the St. Mary's Association for Retarded Children and five (5) members from the county at large. The Directors, other than the five (5) at-large members, shall serve so long as they hold the positions enumerated above. The at-large members shall serve terms of four (4) years from the date of their appointment.

C. The Board shall annually elect a Chairman and a Vice Chairman from its membership, and it shall also elect a Secretary and a Treasurer. The Board may require the Treasurer to give bond in such amount as it may determine. It is further authorized to adopt all necessary rules and regulations for the conduct of its business and for the protection of properties under its control. The Board shall hold such regular and special meetings as it may deem necessary.

D. The Board may employ such personnel as it may consider to administer its functions properly; it shall employ a Director who shall be a person with the training, experience and capacity to initiate and maintain under his general supervision a program of vocational training for the handicapped. The Director and all other personnel shall serve at the pleasure of the Board and at salaries to be fixed by the Board.

E. The County Commissioners, by and through the Board, may join or cooperate with the federal government, the State of Maryland or with any municipality or other governmental agency in providing, establishing, conducting and maintaining programs for the vocational rehabilitation of the handicapped.

F. The Board may accept any real and personal property of all kinds suitable to the running of a vocational rehabilitation training program. The County Commissioners may appropriate in the annual county budget such sums as may be necessary to purchase land, construct improvements and defray expenses for the maintenance of a vocational rehabilitation training program. The acquisition of property, with the approval of the County Commissioners, may be by purchase, grant, bequest, devise, lease of the fee or any lesser interest and at the termination of the use of the property for purposes of vocational training for the handicapped, any remaining interest shall immediately revert to the County Commissioners.

G. The control of any land, buildings or other acceptable facilities shall be in accord with agreements reached between the Board and the person, corporation or agency having jurisdiction over such properties. No power or authority conferred by this section shall be construed to abridge or limit the power of the County Commissioners, of any governmental agency or of any person or corporation to refuse to permit or limit the use of any ground, building or facility under their control, ownership or jurisdiction.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 296

(House Bill 679)

AN ACT concerning

St. Mary's County – Metropolitan Commission – Personnel

FOR the purpose of altering the type of position of certain personnel in the St. Mary's County Metropolitan Commission; establishing certain personnel positions in the Commission as contractual positions; establishing that the Director of the Commission is the immediate supervisor of certain personnel; and generally relating to personnel in the St. Mary's County Metropolitan Commission.

BY repealing and reenacting, with amendments,
The Public Local Laws of St. Mary's County
Section 113–1C.
Article 19 – Public Local Laws of Maryland
(2007 Edition and October 2014 Supplement, as amended)

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

Article 19 – St. Mary's County

113–1.

C. The Commission shall elect one (1) of its members as Chairman and one (1) of its members as Vice Chairman, who shall serve in the absence or disability of the Chairman. The Commission shall appoint, discharge at pleasure and fix the compensation of a Director, a Secretary, [a Treasurer, a Chief Engineer] and engineering, legal, clerical and other personnel and help which the Commission deems necessary to carry out the provisions of this chapter. The Commission may, **BY CONTRACT**, appoint[, discharge at

pleasure] and fix the compensation of a General Counsel, **TREASURER OR CHIEF FINANCIAL OFFICER, CHIEF ENGINEER, AND ANY OTHER DEPARTMENT DIRECTOR.** The Director may not serve concurrently as the Director and as General Counsel to the Commission. **THE DIRECTOR SHALL BE THE IMMEDIATE SUPERVISOR OF THE GENERAL COUNSEL, TREASURER OR CHIEF FINANCIAL OFFICER, CHIEF ENGINEER, AND ANY OTHER DEPARTMENT DIRECTOR.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 297

(Senate Bill 395)

AN ACT concerning

St. Mary's County – Metropolitan Commission – Personnel

FOR the purpose of altering the type of position of certain personnel in the St. Mary's County Metropolitan Commission; establishing certain personnel positions in the Commission as contractual positions; establishing that the Director of the Commission is the immediate supervisor of certain personnel; and generally relating to personnel in the St. Mary's County Metropolitan Commission.

BY repealing and reenacting, with amendments,
 The Public Local Laws of St. Mary's County
 Section 113–1C.
 Article 19 – Public Local Laws of Maryland
 (2007 Edition and October 2014 Supplement, as amended)

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

Article 19 – St. Mary's County

113–1.

C. The Commission shall elect one (1) of its members as Chairman and one (1) of its members as Vice Chairman, who shall serve in the absence or disability of the Chairman. The Commission shall appoint, discharge at pleasure and fix the compensation of a Director, a Secretary, [a Treasurer, a Chief Engineer] and engineering, legal, clerical and other personnel and help which the Commission deems necessary to carry out the

provisions of this chapter. The Commission may, **BY CONTRACT**, appoint[, discharge at pleasure] and fix the compensation of a General Counsel, **TREASURER OR CHIEF FINANCIAL OFFICER, CHIEF ENGINEER, AND ANY OTHER DEPARTMENT DIRECTOR**. The Director may not serve concurrently as the Director and as General Counsel to the Commission. **THE DIRECTOR SHALL BE THE IMMEDIATE SUPERVISOR OF THE GENERAL COUNSEL, TREASURER OR CHIEF FINANCIAL OFFICER, CHIEF ENGINEER, AND ANY OTHER DEPARTMENT DIRECTOR.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 298

(Senate Bill 102)

AN ACT concerning

St. Mary's County – Farm Fences – Repeal

FOR the purpose of repealing certain provisions of law that relate to joint fences for adjoining farms in St. Mary's County.

BY repealing

The Public Local Laws of St. Mary's County
Section 43–1 through 43–5 and the chapter “Chapter 43. Fences”
Article 19 – Public Local Laws of Maryland
(2007 Edition and March 2014 Supplement, as amended)

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

Article 19 – St. Mary's County

[Chapter 43. Fences.]

[43–1.

This chapter only shall apply to farmers.]

[43–2.

Whenever joint fences may hereafter be established in said county for the mutual benefit of different owners or possessors of adjoining land, each party shall keep in good repair his just proportion thereof in the manner following: All post and rail or plank fences shall be at least four (4) feet high, and all worm and other fences shall be at least four and one-half (4 1/2) feet high, the height in every case to be computed from the ground or base of any embankment upon which said fence may be placed; and there shall be between the bottom rail or plank and the ground or embankment on which said fence is placed no larger interval than eight (8) inches, and between the bottom rail or plank and the rail or plank directly above the same no larger interval than eight (8) inches. When said fence or fences shall be constructed, in whole or in part, of wire, the wires thereof shall not be more than seven (7) inches apart to the height of twenty (20) inches from the ground or embankment on which said fences may be placed.]

[43-3.

If either of the parties making or keeping a joint fence fails to comply with the provisions of § 43-2 and refuses or delays to make or repair the fence within thirty (30) days after notice in writing is given to him or his agent, overseer or tenant, a court of competent jurisdiction may authorize the party aggrieved by the refusal or delay to make or repair the fence, and for so doing he shall be reimbursed the proper proportion of all costs and reasonable expenses necessarily incurred, to be recovered from the party delaying or refusing to make or repair the fence.]

[43-4.

If joint fences are not made and kept in repair according to the provisions of § 43-2, the party aggrieved, instead of pursuing the remedy prescribed in § 43-3, may discontinue said fence by giving three (3) months' notice in writing to the party refusing or delaying to make or repair the same, or his tenant, overseer or agent; in all other cases, unless by mutual consent, twelve (12) months' notice shall be required to discontinue any joint fences.]

[43-5.

On any line of land of adjoining owners where there has been no fence, either of said owners, upon giving notice to the adjoining owner as provided § 43-3 and upon the refusal or delay of said adjoining owner to build said fence, the party giving said notice is hereby authorized to build said fence and recover all proportionate costs and reasonable expenses incurred in building same from the owner so in default according to the provisions and in the manner prescribed by § 43-3.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 299**(House Bill 109)**

AN ACT concerning

St. Mary's County – Farm Fences – Repeal

FOR the purpose of repealing certain provisions of law that relate to joint fences for adjoining farms in St. Mary's County.

BY repealing

The Public Local Laws of St. Mary's County
Section 43–1 through 43–5 and the chapter “Chapter 43. Fences”
Article 19 – Public Local Laws of Maryland
(2007 Edition and March 2014 Supplement, as amended)

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

Article 19 – St. Mary's County**[Chapter 43. Fences.]**

[43–1.

This chapter only shall apply to farmers.]

[43–2.

Whenever joint fences may hereafter be established in said county for the mutual benefit of different owners or possessors of adjoining land, each party shall keep in good repair his just proportion thereof in the manner following: All post and rail or plank fences shall be at least four (4) feet high, and all worm and other fences shall be at least four and one-half (4 1/2) feet high, the height in every case to be computed from the ground or base of any embankment upon which said fence may be placed; and there shall be between the bottom rail or plank and the ground or embankment on which said fence is placed no larger interval than eight (8) inches, and between the bottom rail or plank and the rail or plank directly above the same no larger interval than eight (8) inches. When said fence or fences shall be constructed, in whole or in part, of wire, the wires thereof shall not be more than seven (7) inches apart to the height of twenty (20) inches from the ground or embankment on which said fences may be placed.]

[43–3.

If either of the parties making or keeping a joint fence fails to comply with the provisions of § 43–2 and refuses or delays to make or repair the fence within thirty (30) days after notice in writing is given to him or his agent, overseer or tenant, a court of competent jurisdiction may authorize the party aggrieved by the refusal or delay to make or repair the fence, and for so doing he shall be reimbursed the proper proportion of all costs and reasonable expenses necessarily incurred, to be recovered from the party delaying or refusing to make or repair the fence.]

[43–4.

If joint fences are not made and kept in repair according to the provisions of § 43–2, the party aggrieved, instead of pursuing the remedy prescribed in § 43–3, may discontinue said fence by giving three (3) months' notice in writing to the party refusing or delaying to make or repair the same, or his tenant, overseer or agent; in all other cases, unless by mutual consent, twelve (12) months' notice shall be required to discontinue any joint fences.]

[43–5.

On any line of land of adjoining owners where there has been no fence, either of said owners, upon giving notice to the adjoining owner as provided § 43–3 and upon the refusal or delay of said adjoining owner to build said fence, the party giving said notice is hereby authorized to build said fence and recover all proportionate costs and reasonable expenses incurred in building same from the owner so in default according to the provisions and in the manner prescribed by § 43–3.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 300

(Senate Bill 998)

AN ACT concerning

Baltimore City – Alcoholic Beverages – Beer, Wine, and Liquor Tasting License

FOR the purpose of authorizing the Baltimore City Board of License Commissioners to issue a Class BWLT beer, wine, and liquor (on premises) tasting license in a certain portion of the 43rd legislative district of Baltimore City; making certain stylistic changes; and generally relating to Class BWLT beer, wine, and liquor tasting licenses in Baltimore City.

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section 12–1308
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

12–1308.

(a) This section applies in:

- (1) ward 27, precincts 42 and 44 of the 41st legislative district of the City;
- (2) ward 27, precincts 41 and 48 of the 43rd legislative district of the City;
- (3) **WARD 12, PRECINCT 3 OF THE 43RD LEGISLATIVE DISTRICT OF THE CITY;**
- (4) ward 11, precinct 5 of the 44th legislative district of the City; and

[(4)] (5) [The] **THE** 3000 block of Frederick Avenue in ward 20, precinct 9 of the 44A legislative district of [Baltimore] **THE** City, based on the [legislative districting] **LEGISLATIVE DISTRICTING** Plan of 2012.

(b) There is a Class BWLT beer, wine, and liquor (on premises) tasting license.

(c) The Board may issue the license to a holder of a Class A beer, wine, and liquor license.

(d) The license authorizes the holder to allow on–premises consumption of beer, light wine, and liquor for tasting.

(e) The license may be issued as:

- (1) a daily tasting license, that may be issued not more than 12 times to a single license holder in a license year;
- (2) a 26–day or 52–day tasting license, each of which may be used consecutively or nonconsecutively; and
- (3) a tasting license that may be used daily throughout the year.

(f) (1) An applicant shall apply for the license on a form that the Board provides.

(2) The form shall specify the date or dates on which the tasting is requested to occur.

(3) The application and payment for the daily license shall be submitted at least 7 days before the tasting event.

(4) The application and payment for the 26-day tasting license and the 52-day tasting license shall be made at least 7 days before the first proposed tasting event.

(5) The holder of a 26-day tasting license and the holder of a 52-day tasting license shall notify the Board, on a form that the Board approves, of additional tasting events authorized by the licenses.

(g) The license holder may exercise the privileges under the license during the hours and days provided for under the license holder's Class A license.

(h) An individual may consume beer, light wine, or liquor covered by the license in a quantity of not more than:

(1) 1 ounce of light wine from an offering in a day;

(2) 3 ounces of beer from an offering in a day; and

(3) one-half ounce of liquor from an offering in a day.

(i) At the end of each day for which the license is valid, the license holder shall dispose of any alcoholic beverage that remains in a container opened for tasting.

(j) In addition to the Class A annual license fee, the license fee is:

(1) \$20 for a daily tasting license;

(2) \$200 annually for a 26-day tasting license;

(3) \$300 annually for a 52-day tasting license; and

(4) \$750 annually for a tasting license that may be used daily throughout the year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 301**(House Bill 837)**

AN ACT concerning

Baltimore City – Alcoholic Beverages – Beer, Wine, and Liquor Tasting License

FOR the purpose of authorizing the Baltimore City Board of License Commissioners to issue a Class BWLT beer, wine, and liquor (on premises) tasting license in a certain portion of the 43rd legislative district of Baltimore City; making certain stylistic changes; and generally relating to Class BWLT beer, wine, and liquor tasting licenses in Baltimore City.

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section 12–1308
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

12–1308.

(a) This section applies in:

- (1) ward 27, precincts 42 and 44 of the 41st legislative district of the City;
- (2) ward 27, precincts 41 and 48 of the 43rd legislative district of the City;
- (3) **WARD 12, PRECINCT 3 OF THE 43RD LEGISLATIVE DISTRICT OF THE CITY;**
- (4) ward 11, precinct 5 of the 44th legislative district of the City; and

[(4)] **(5)** [The] **THE** 3000 block of Frederick Avenue in ward 20, precinct 9 of the 44A legislative district of [Baltimore] **THE** City, based on the [legislative districting] **LEGISLATIVE DISTRICTING** Plan of 2012.

(b) There is a Class BWLT beer, wine, and liquor (on premises) tasting license.

(c) The Board may issue the license to a holder of a Class A beer, wine, and liquor license.

(d) The license authorizes the holder to allow on-premises consumption of beer, light wine, and liquor for tasting.

(e) The license may be issued as:

(1) a daily tasting license, that may be issued not more than 12 times to a single license holder in a license year;

(2) a 26-day or 52-day tasting license, each of which may be used consecutively or nonconsecutively; and

(3) a tasting license that may be used daily throughout the year.

(f) (1) An applicant shall apply for the license on a form that the Board provides.

(2) The form shall specify the date or dates on which the tasting is requested to occur.

(3) The application and payment for the daily license shall be submitted at least 7 days before the tasting event.

(4) The application and payment for the 26-day tasting license and the 52-day tasting license shall be made at least 7 days before the first proposed tasting event.

(5) The holder of a 26-day tasting license and the holder of a 52-day tasting license shall notify the Board, on a form that the Board approves, of additional tasting events authorized by the licenses.

(g) The license holder may exercise the privileges under the license during the hours and days provided for under the license holder's Class A license.

(h) An individual may consume beer, light wine, or liquor covered by the license in a quantity of not more than:

(1) 1 ounce of light wine from an offering in a day;

(2) 3 ounces of beer from an offering in a day; and

(3) one-half ounce of liquor from an offering in a day.

(i) At the end of each day for which the license is valid, the license holder shall dispose of any alcoholic beverage that remains in a container opened for tasting.

(j) In addition to the Class A annual license fee, the license fee is:

(1) \$20 for a daily tasting license;

(2) \$200 annually for a 26–day tasting license;

(3) \$300 annually for a 52–day tasting license; and

(4) \$750 annually for a tasting license that may be used daily throughout the year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 302

(Senate Bill 212)

AN ACT concerning

Baltimore Metropolitan Council – Queen Anne’s County – Membership

FOR the purpose of adding to the Baltimore Metropolitan Council a member who is appointed by the Board of County Commissioners of Queen Anne’s County; clarifying that the new member serves at the pleasure of the Board; providing that a Delegate or Senator who represents a district located in Queen Anne’s County may be appointed as a member of the Council; and generally relating to the membership of Queen Anne’s County in the Baltimore Metropolitan Council.

BY repealing and reenacting, without amendments,

Article – Economic Development

Section 13–302

Annotated Code of Maryland

(2008 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Economic Development

Section 13–303

Annotated Code of Maryland

(2008 Volume and 2016 Supplement)

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

Article – Economic Development

13–302.

- (a) There is a Baltimore Metropolitan Council.
- (b) The Council:
 - (1) is a body politic and corporate; and
 - (2) is not a unit of State government.
- (c) The purposes of the Council are to:
 - (1) serve as a forum for local officials and their representatives to identify and address problems in the region;
 - (2) provide a central source of information and coordination for fashioning responses to needs in the region;
 - (3) assist local jurisdictions in developing regional policies, prioritizing regional infrastructure needs, and developing regional strategies; and
 - (4) facilitate coordination and collaboration among local jurisdictions and organizations in the Baltimore region to foster economic growth and development in the region in areas that include:
 - (i) regional transportation;
 - (ii) housing;
 - (iii) workforce development; and
 - (iv) renewable energy projects and usage.

13–303.

- (a) The Council consists of:
 - (1) one member appointed by the County Executive of Anne Arundel County;
 - (2) one member appointed by the Mayor of Baltimore City;
 - (3) one member appointed by the County Executive of Baltimore County;

- (4) one member appointed by the County Commissioners of Carroll County;
- (5) one member appointed by the County Executive of Harford County;
- (6) one member appointed by the County Executive of Howard County;

(7) **ONE MEMBER APPOINTED BY THE BOARD OF COUNTY COMMISSIONERS OF QUEEN ANNE’S COUNTY;**

(8) one member of the House of Delegates who represents a district within Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Harford County, [or] Howard County, **OR QUEEN ANNE’S COUNTY**, appointed by the Speaker of the House;

[(8)] (9) one member of the Senate of Maryland who represents a district within Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Harford County, [or] Howard County, **OR QUEEN ANNE’S COUNTY**, appointed by the President of the Senate; and

[(9)] (10) one representative of the private sector appointed by the Governor.

(b) A member appointed under subsection (a)(1) through [(6)] (7) of this section serves at the pleasure of the appointing authority.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 303

(House Bill 173)

AN ACT concerning

Baltimore Metropolitan Council – Queen Anne’s County – Membership

FOR the purpose of adding to the Baltimore Metropolitan Council a member who is appointed by the Board of County Commissioners of Queen Anne’s County; clarifying that the new member serves at the pleasure of the Board; providing that a Delegate or Senator who represents a district located in Queen Anne’s County may be appointed as a member of the Council; and generally relating to the membership of Queen Anne’s County in the Baltimore Metropolitan Council.

BY repealing and reenacting, without amendments,
Article – Economic Development
Section 13–302
Annotated Code of Maryland
(2008 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Economic Development
Section 13–303
Annotated Code of Maryland
(2008 Volume and 2016 Supplement)

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

Article – Economic Development

13–302.

- (a) There is a Baltimore Metropolitan Council.
- (b) The Council:
 - (1) is a body politic and corporate; and
 - (2) is not a unit of State government.
- (c) The purposes of the Council are to:
 - (1) serve as a forum for local officials and their representatives to identify and address problems in the region;
 - (2) provide a central source of information and coordination for fashioning responses to needs in the region;
 - (3) assist local jurisdictions in developing regional policies, prioritizing regional infrastructure needs, and developing regional strategies; and
 - (4) facilitate coordination and collaboration among local jurisdictions and organizations in the Baltimore region to foster economic growth and development in the region in areas that include:
 - (i) regional transportation;
 - (ii) housing;

- (iii) workforce development; and
- (iv) renewable energy projects and usage.

13–303.

(a) The Council consists of:

(1) one member appointed by the County Executive of Anne Arundel County;

(2) one member appointed by the Mayor of Baltimore City;

(3) one member appointed by the County Executive of Baltimore County;

(4) one member appointed by the County Commissioners of Carroll County;

(5) one member appointed by the County Executive of Harford County;

(6) one member appointed by the County Executive of Howard County;

(7) ONE MEMBER APPOINTED BY THE BOARD OF COUNTY COMMISSIONERS OF QUEEN ANNE’S COUNTY;

(8) one member of the House of Delegates who represents a district within Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Harford County, [or] Howard County, **OR QUEEN ANNE’S COUNTY**, appointed by the Speaker of the House;

[(8)] (9) one member of the Senate of Maryland who represents a district within Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Harford County, [or] Howard County, **OR QUEEN ANNE’S COUNTY**, appointed by the President of the Senate; and

[(9)] (10) one representative of the private sector appointed by the Governor.

(b) A member appointed under subsection (a)(1) through **[(6)] (7)** of this section serves at the pleasure of the appointing authority.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 304**(House Bill 305)**

AN ACT concerning

Kent County – Turkey Hunting on Private Property – Sundays

FOR the purpose of authorizing a person to hunt turkey on private property on certain Sundays in Kent County; making this Act an emergency measure; and generally relating to Sunday turkey hunting in Kent County.

BY repealing and reenacting, without amendments,
Article – Natural Resources
Section 10–410(a)(1)
Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Natural Resources
Section 10–410(a)(2)
Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

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

Article – Natural Resources

10–410.

(a) (1) Except as provided in paragraphs (2), (3), (4), (6), (7), (8), and (9) of this subsection, a person may not hunt any game bird or mammal on Sundays.

(2) The following persons may hunt the specified game birds and mammals on Sundays:

(i) A person using State certified raptors to hunt game birds or mammals during open season;

(ii) An unarmed person participating in an organized fox chase to chase foxes;

(iii) Provided that the provisions of § 10–906(b)(3) of this title are met, a person:

1. Using a regulated shooting ground under § 10–906 of this title to hunt the following pen-reared game birds:

- A. Pheasants;
- B. Bobwhite quail;
- C. Chukar partridge;
- D. Hungarian partridge;
- E. Tower released flighted mallard ducks; and

F. Turkey on a regulated shooting ground that was permitted to release turkey before September 1, 1992; and

2. Having the written permission of the owner of the land or other person designated by the owner of the land, if the land is owned or leased by a person other than the person hunting on Sundays;

(iv) Subject to the provisions of § 10–411 of this subtitle, in Calvert, Caroline, Carroll, Charles, Dorchester, Harford, Queen Anne’s, St. Mary’s, Somerset, Talbot, Wicomico, and Worcester counties, a person hunting deer on private property with a bow and arrow or crossbow during open season on the last three Sundays in October and the second Sunday in November;

(v) In Calvert County, Caroline County, Carroll County, Charles County, Dorchester County, **KENT COUNTY**, and St. Mary’s County, a person hunting turkey on private property on any Sunday during the spring turkey hunting season; and

(vi) In Dorchester County, a person hunting turkey on public land that is designated for hunting by the Department on any Sunday during the spring turkey hunting season.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, April 18, 2017.

Chapter 305

(House Bill 309)

AN ACT concerning

Montgomery County – Beer, Wine, and Liquor Festival License

MC 7-17

FOR the purpose of establishing a Beer, Wine, and Liquor Festival license in Montgomery County; authorizing a certain festival organization to conduct a beer, wine, and liquor festival under the supervision of the Montgomery County Department of Liquor Control; specifying certain conditions under which beer, wine, or liquor may be displayed and sold on or off the festival premises at certain times; requiring a festival organization to choose festival weekends and location and ensure that the primary focus of the festival is the promotion of Maryland beer, wine, or liquor; authorizing a festival organization to contract with holders of certain alcoholic beverages licenses to sell and display beer, wine, or liquor at the festival; allowing certain persons to hold a festival license in addition to another license; establishing a license fee; requiring certain license fees to be deposited into the general fund of Montgomery County; establishing certain penalties; requiring the Montgomery County Board of License Commissioners to adopt certain regulations; defining certain terms; repealing certain provisions of law concerning beer festival licenses and wine festival licenses that are rendered duplicative by this Act; and generally relating to a beer, wine, and liquor festival in Montgomery County.

BY repealing

Article – Alcoholic Beverages
Section 25-1304 and 25-1305
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages
Section 25-102 and 25-401
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY adding to

Article – Alcoholic Beverages
Section 25-1304
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 25-1304 and 25-1305 of Article – Alcoholic Beverages of the Annotated Code of Maryland be repealed.

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

Article – Alcoholic Beverages

25–102.

This title applies only in Montgomery County.

25–401.

(a) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of Division I of this article apply in the county without exception or variation:

- (1) § 2–201 (“Issuance by Comptroller”);
- (2) § 2–202 (“Class 1 distillery license”);
- (3) § 2–203 (“Class 9 limited distillery license”);
- (4) § 2–204 (“Class 2 rectifying license”);
- (5) § 2–206 (“Class 4 limited winery license”);
- (6) § 2–207 (“Class 5 brewery license”);
- (7) § 2–210 (“Class 8 farm brewery license”);
- (8) § 2–211 (“Residency requirement”);
- (9) § 2–212 (“Additional licenses”);
- (10) § 2–213 (“Additional fees”);
- (11) § 2–214 (“Sale or delivery restricted”);
- (12) § 2–216 (“Interaction between manufacturing entities and retailers”);
- (13) § 2–217 (“Distribution of alcoholic beverages — Prohibited practices”);

and

(14) § 2–218 (“Restrictive agreements between producers and retailers — Prohibited”).

(b) Section 2–215 (“Beer sale on credit to retail dealer prohibited”) of Division I of this article does not apply in the county.

(c) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of Division I of this article apply in the county:

- (1) § 2–205 (“Class 3 winery license”), subject to § 25–403 of this subtitle;
- (2) § 2–208 (“Class 6 pub–brewery license”), subject to § 25–404 of this subtitle; and
- (3) § 2–209 (“Class 7 micro–brewery license”), subject to § 25–405 of this subtitle.

25–1304.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “FESTIVAL” MEANS THE MONTGOMERY COUNTY BEER, WINE, AND LIQUOR FESTIVAL.

(3) “FESTIVAL ORGANIZATION” MEANS A NONPROFIT ORGANIZATION THAT:

**(I) IS CHOSEN BY THE COUNTY TO ORGANIZE THE FESTIVAL;
AND**

(II) HAS EXTENSIVE EXPERIENCE IN ORGANIZING AND MANAGING LARGE–SCALE PUBLIC EVENTS.

(B) THERE IS A BEER, WINE, AND LIQUOR FESTIVAL LICENSE.

(C) THE BOARD MAY ISSUE THE LICENSE TO A HOLDER OF A RETAIL LICENSE ISSUED IN THE COUNTY, A CLASS 5 BREWERY LICENSE, A CLASS 6 PUB–BREWERY LICENSE, A CLASS 7 MICRO–BREWERY LICENSE, A STATE CLASS 8 FARM BREWERY LICENSE, A CLASS 3 WINERY LICENSE, A CLASS 4 LIMITED WINERY LICENSE, A CLASS 1 DISTILLERY LICENSE, OR A CLASS 9 LIMITED DISTILLERY LICENSE.

(D) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, THE LICENSE AUTHORIZES THE LICENSE HOLDER TO DISPLAY AND SELL BEER, WINE, OR LIQUOR THAT IS DISTRIBUTED IN THE STATE.

(2) A PERSON MAY NOT SELL, OFFER FOR SALE, OR DISPLAY BEER, WINE, OR LIQUOR AT THE FESTIVAL UNLESS THE PERSON:

(I) HOLDS A BEER, WINE, AND LIQUOR FESTIVAL LICENSE; AND

(II) HAS CONTRACTED WITH A FESTIVAL ORGANIZATION TO DISPLAY AND SELL BEER, WINE, OR LIQUOR AT THE FESTIVAL.

(E) A LICENSE HOLDER SHALL DISPLAY AND SELL BEER, WINE, OR LIQUOR:

(1) AT RETAIL FOR ON- AND OFF-PREMISES CONSUMPTION; AND

(2) DURING THE HOURS AND DAYS DESIGNATED FOR THE FESTIVAL.

(F) A FESTIVAL ORGANIZATION SHALL:

(1) CHOOSE THE WEEKENDS FOR THE FESTIVAL;

(2) CHOOSE A LOCATION REGARDLESS OF WHETHER THE LOCATION IS ALREADY LICENSED; AND

(3) ENSURE THAT THE PRIMARY FOCUS OF THE FESTIVAL IS THE PROMOTION OF MARYLAND BEER, WINE, OR LIQUOR.

(G) A FESTIVAL ORGANIZATION MAY CONTRACT WITH A HOLDER OF A RETAIL LICENSE ISSUED IN THE COUNTY, A CLASS 5 BREWERY LICENSE, A CLASS 6 PUB-BREWERY LICENSE, A CLASS 7 MICRO-BREWERY LICENSE, A STATE CLASS 8 FARM BREWERY LICENSE, A CLASS 3 WINERY LICENSE, A CLASS 4 LIMITED WINERY LICENSE, A CLASS 1 DISTILLERY LICENSE, OR A CLASS 9 LIMITED DISTILLERY LICENSE TO SELL AND DISPLAY BEER, WINE, OR LIQUOR AT THE FESTIVAL.

(H) A PERSON MAY HOLD A BEER, WINE, AND LIQUOR FESTIVAL LICENSE IN ADDITION TO ANOTHER LICENSE.

(I) (1) THE LICENSE FEE IS \$30 FOR EACH DAY OF THE FESTIVAL.

(2) LICENSE FEES COLLECTED UNDER THIS SUBSECTION SHALL BE DEPOSITED INTO THE GENERAL FUND OF THE COUNTY.

(J) (1) THE BOARD MAY DENY A BEER, WINE, AND LIQUOR FESTIVAL LICENSE TO AN APPLICANT OR SUSPEND OR REVOKE A BEER, WINE, AND LIQUOR FESTIVAL LICENSE IF THE APPLICANT OR LICENSE HOLDER VIOLATES A PROVISION OF THIS ARTICLE OR THE REGULATIONS OF THE BOARD.

(2) INSTEAD OF OR IN ADDITION TO DENYING, SUSPENDING, OR REVOKING A LICENSE UNDER THIS SUBSECTION, THE BOARD MAY IMPOSE ON AN APPLICANT OR LICENSE HOLDER A FINE NOT EXCEEDING \$20,000.

(K) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 306

(House Bill 397)

AN ACT concerning

Montgomery County – Alcoholic Beverages – Licenses

MC 17-17

FOR the purpose of authorizing a holder of a Class 7 micro-brewery license ~~to obtain a second location in the State to brew and bottle certain beverages produced at the first micro-brewery location; exempting the holder of a Class 7 micro-brewery license in Montgomery County from a certain provision of law~~ in two locations using the same license under certain conditions; authorizing the license holder to obtain a Class 2 rectifying license for use at the locations; requiring the license holder to request and obtain permission of the Comptroller to brew in certain locations; requiring the Comptroller to make a certain determination and consider certain factors before authorizing brewing in two locations under a single license; prohibiting the license holder from serving or selling certain beverages for on- or off-premises consumption at the second brewing location; and generally relating to alcoholic beverages licenses in Montgomery County.

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages
Section 2-209(a) and (e), 4-203, and 25-102
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages
Section 25-405
Annotated Code of Maryland

(2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

2–209.

(a) There is a Class 7 micro–brewery license.

(e) A license holder:

(1) may not own, operate, or be affiliated with another manufacturer of beer except for a Class 2 rectifying license authorized under subsection (c)(2) of this section; and

(2) may not be granted a wholesaler’s license.

4–203.

(a) Except as otherwise provided in Division II of this article or Title 3, Title 4, or Title 5 of this division, more than one license may not be issued:

(1) to an individual; or

(2) for the use of a partnership, a corporation, an unincorporated association, or a limited liability company.

(b) Except as otherwise provided in Division II of this article or Title 3, Title 4, or Title 5 of this division, an individual may not be issued in the State more than one Class A, Class C, or Class D license for the use of:

(1) that individual; or

(2) a partnership, a corporation, an unincorporated association, or a limited liability company.

25–102.

This title applies only in Montgomery County.

25–405.

(a) This section applies to a Class 7 micro–brewery (on– and off–sale) license in the county.

(b) The license may be issued to the holder of:

(1) a Class B beer, wine, and liquor (on-sale) license that is issued for use on the premises of a restaurant located in the county;

(2) a Class I beer and wine license; or

(3) a Class H beer and wine license.

(c) A holder of the license~~;~~

~~(1) shall enter into a written agreement with the Department of Liquor Control for the sale and resale of malt beverages brewed under the license;~~

~~(2) MAY HAVE A SECOND LOCATION IN THE STATE TO BREW AND BOTTLE THE MALT BEVERAGES PRODUCED AT THE FIRST LOCATION; AND~~

~~(3) IS NOT SUBJECT TO THE MANUFACTURING AND LICENSING PROHIBITIONS UNDER § 2-209(E) OF THIS ARTICLE.~~

(D) (1) SUBJECT TO PARAGRAPHS (2), (3), AND (4) OF THIS SUBSECTION, THE HOLDER OF A CLASS 7 MICRO-BREWERY LICENSE MAY:

(I) BREW IN TWO LOCATIONS USING THE SAME CLASS 7 MICRO-BREWERY LICENSE; AND

(II) OBTAIN A CLASS 2 RECTIFYING LICENSE FOR THE PREMISES AT THE TWO LOCATIONS AUTHORIZED UNDER ITEM (I) OF THIS PARAGRAPH.

(2) THE HOLDER OF A CLASS 7 MICRO-BREWERY LICENSE MAY BREW IN TWO LOCATIONS USING THE SAME CLASS 7 MICRO-BREWERY LICENSE IF THE LICENSE HOLDER:

(I) REQUESTS PERMISSION BY SUBMITTING A WRITTEN APPLICATION TO THE COMPTROLLER; AND

(II) OBTAINS WRITTEN APPROVAL FROM THE COMPTROLLER.

(3) BEFORE AUTHORIZING A HOLDER OF A CLASS 7 MICRO-BREWERY LICENSE TO BREW IN TWO LOCATIONS USING THE SAME CLASS 7 MICRO-BREWERY LICENSE, THE COMPTROLLER SHALL:

(I) MAKE A DETERMINATION THAT A SECOND LOCATION TO BREW ADDITIONAL CAPACITY IS NECESSARY DUE TO INSUFFICIENT SPACE AT THE EXISTING CLASS 7 LICENSE LOCATION; AND

(II) CONSIDER ANY OTHER FACTOR RELEVANT TO APPROVAL OF THE APPLICATION.

(4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, A HOLDER OF A CLASS 7 MICRO-BREWERY LICENSE MAY NOT SERVE OR SELL MALT BEVERAGES FOR ON- OR OFF-PREMISES CONSUMPTION AT THE SECOND BREWING LOCATION AUTHORIZED UNDER THIS SUBSECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 307

(House Bill 677)

AN ACT concerning

Howard County – Noise Control – Outdoor Concert Venues

Ho. Co. 18-17

FOR the purpose of clarifying a certain limitation concerning the electronic amplification of sound at an outdoor concert venue with a certain capacity in Howard County; specifying the point from which certain measurements should be taken concerning the electronic amplification of sound at the venue; specifying that certain limitations concerning the electronic amplification of sound at the venue apply even if a satellite stage is used for an event at the venue; defining a certain term; and generally relating to noise control at a certain outdoor concert venue in Howard County.

BY repealing and reenacting, with amendments,
Article – Environment
Section 3-401
Annotated Code of Maryland
(2013 Replacement Volume and 2016 Supplement)

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

Article – Environment

3–401.

(a) Except as otherwise provided by law, the Department shall adopt environmental noise standards, sound level limits, and noise control rules and regulations as necessary to protect the public health, the general welfare, and property.

(b) In adopting environmental noise standards, the Department or a political subdivision that chooses to adopt environmental noise standards shall consider:

(1) Information published by the Administrator of the United States Environmental Protection Agency on the levels of environmental noise that must be attained and maintained in defined areas under various conditions to protect public health and welfare with an adequate margin of safety; and

(2) Scientific information about the volume, frequency, duration, and other characteristics of noise that may harm public health, safety, or general welfare, including:

- (i) Temporary or permanent hearing loss;
- (ii) Interference with sleep, speech communication, work, or other human activities;
- (iii) Adverse physiological responses;
- (iv) Psychological distress;
- (v) Harm to animal life;
- (vi) Devaluation of or damage to property; and
- (vii) Unreasonable interference with the enjoyment of life or property.

(c) (1) In adopting sound level limits and noise control rules and regulations, the Department or the political subdivision shall consider, among other things:

- (i) The residential, commercial, or industrial nature of the area affected;
- (ii) Zoning;
- (iii) The nature and source of various kinds of noise;
- (iv) The degree of noise reduction that may be attained and maintained using the best available technology;

(v) Accepted scientific and professional methods for measurement of sound levels; and

(vi) The cost of compliance with the sound level limits.

(2) The sound level limits adopted under this subsection shall be consistent with the environmental noise standards adopted by the Department.

(3) The sound level limits and noise control rules and regulations adopted under this subsection may not prohibit trapshooting or other target shooting on any range or other property in Frederick County that the Frederick County Department of Planning and Zoning has approved as a place for those sporting events.

(4) The sound level limits and noise control rules and regulations adopted under this subsection shall be as follows for residential heat pumps and air conditioning units:

(i) Residential heat pumps 75 dba; and

(ii) Residential air conditioning units 70 dba.

(5) (i) The sound level limits and noise control rules and regulations adopted under this subsection may not prohibit trapshooting, skeetshooting, or other target shooting between the hours of 9 a.m. and 10 p.m. on any range or other property of a shooting sports club that is chartered and in operation as of January 1, 2001.

(ii) This paragraph does not apply in Allegany County, Anne Arundel County, Baltimore City, Calvert County, Charles County, Garrett County, Howard County, Montgomery County, St. Mary's County, and Washington County.

(6) (i) Except as provided in subparagraph (ii) of this paragraph, the Department may not adopt sound level limits and noise control rules and regulations under this subsection that prohibit trapshooting, skeetshooting, or other target shooting between the hours of 9 a.m. and 10 p.m. in Allegany County, Anne Arundel County, Garrett County, or Washington County on any range or other property of a shooting sports club that is chartered and in operation as of January 1, 2005.

(ii) 1. Subject to the provisions of subsubparagraph 2 of this subparagraph, the Department may adopt sound level limits and noise control rules and regulations under this subsection that prohibit trapshooting, skeetshooting, or other target shooting between the hours of 9 a.m. and 10 p.m. in Allegany County, Anne Arundel County, Garrett County, or Washington County on any range or other property of a shooting club that the Department determines is not in compliance as of January 1, 2005 with environmental noise standards, sound level limits, or noise control rules and regulations adopted under this title.

2. A sound level limit or noise control rule or regulation adopted under this subsection shall allow trapshooting, skeetshooting, and other target shooting between the hours of 9 a.m. and 10 p.m. by a shooting sports club that the Department determines has become compliant with sound level limits and noise control rules and regulations adopted under this title.

(7) (I) IN THIS PARAGRAPH, “MAIN STAGE” MEANS THE PRIMARY AND USUAL PERFORMANCE SPACE USED BY ARTISTS OR OTHER PERSONS AT AN OUTDOOR CONCERT VENUE WITH A FIXED–SEAT CAPACITY FOR 4,000 OR MORE INDIVIDUALS.

[(i)] (II) Except as provided in subparagraph **[(ii)] (IV)** of this paragraph, in Howard County, the sound level limits and noise control rules and regulations adopted under this subsection may not prohibit the electronic amplification of sound at an outdoor concert venue with a capacity of over 15,000 individuals that:

1. Within the area that is included in a 0.25 mile radius of **THE MAIN STAGE OF** the venue, produces sound that, **AT A RESIDENTIAL PROPERTY LINE,** is:

A. **[95] 85** dba or lower between 9:00 a.m. and 11:00 p.m.;

and

B. 55 dba or lower between 11:00 p.m. and 11:30 p.m.; **[and]**

2. Within the area that is **[outside] BETWEEN** a 0.25 mile radius **AND A 0.75 MILE RADIUS OF THE MAIN STAGE OF** the venue, produces sound that, **AT A RESIDENTIAL PROPERTY LINE,** is:

A. 72.5 dba or lower between 9:00 a.m. and 11:00 p.m.; and

B. 55 dba or lower between 11:00 p.m. and 11:30 p.m.; **AND**

3. WITHIN THE AREA THAT IS OUTSIDE A 0.75 MILE RADIUS OF THE MAIN STAGE OF THE VENUE, PRODUCES SOUND THAT, AT A RESIDENTIAL PROPERTY LINE, IS:

A. **65 DBA OR LOWER BETWEEN 9:00 A.M. AND 11:00 P.M.;**

AND

B. **55 DBA OR LOWER BETWEEN 11:00 P.M. AND 11:30 P.M.**

(III) THE LIMITATIONS CONCERNING THE ELECTRONIC AMPLIFICATION OF SOUND AT AN OUTDOOR CONCERT VENUE UNDER

SUBPARAGRAPH (II) OF THIS PARAGRAPH APPLY EVEN IF THE CONCERT VENUE USES ONE OR MORE SATELLITE STAGES FOR AN EVENT AT THE VENUE.

[(ii)] (IV) 1. Except as provided in subsubparagraph 2 of this subparagraph, an outdoor concert venue with a capacity of over 15,000 individuals may not produce any electronic amplification of sound between 11:30 p.m. and 9:00 a.m.

2. The limitations concerning the electronic amplification of sound at an outdoor concert venue under subsubparagraph 1 of this subparagraph do not apply to an activity sponsored or authorized by the Howard County Public School System between 8:00 a.m. and 9:00 a.m.

[(iii)] (V) Notwithstanding § 3–105(a)(1) and (2) of this title, the noise control ordinances, rules, or regulations adopted by Howard County and in effect on October 1, 2013, do not apply to the electronic amplification of sound at an outdoor concert venue in the county with a capacity of over 15,000 individuals.

(d) (1) This section does not authorize the Department to adopt environmental noise standards, sound level limits, or noise control rules and regulations that apply to noise from:

- (i) Construction or repair work on public property;
- (ii) Fire or rescue station alerting devices; or
- (iii) In Frederick County or Frederick City:

1. A fair listed in the Maryland Agricultural Fairs and Shows Schedule that is maintained by the Maryland Agricultural Fair Board; or

2. Any other event held on the same grounds as a fair under item 1 of this item.

(2) Noise control rules and regulations that apply to Department of Transportation facilities shall be adopted by the Department of Transportation.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2017.

Approved by the Governor, April 18, 2017.

AN ACT concerning

Howard County Board of Education – Elected School Board

Ho. Co. 11–17

FOR the purpose of requiring that, beginning with a certain election, certain members of the Howard County Board of Education shall reside in certain districts and be elected by the voters of the entire county and that certain members may reside anywhere in the county and shall be elected at large by the voters of the entire county; providing that a member elected to the county board from a certain geographic area but whose district boundaries are subsequently altered may remain as a member of the county board for a certain period; providing that in making an appointment to fill a vacancy on the county board the County Executive of Howard County shall endeavor to ensure that the county board reflects certain characteristics of the county population; providing for the termination of the terms of certain members of the county board; providing for the terms of certain members of the county board; providing for the application of this Act; and generally relating to the election of the members of the Howard County Board of Education.

BY repealing and reenacting, with amendments,
 Article – Education
 Section 3–701
 Annotated Code of Maryland
 (2014 Replacement Volume and 2016 Supplement)

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

Article – Education

3–701.

(a) **(1)** The Howard County Board consists of:

[(1)] (I) Seven elected members; and

[(2)] (II) One student member.

(2) THE SEVEN ELECTED MEMBERS SHALL BE ELECTED AS FOLLOWS:

(I) FIVE MEMBERS, EACH OF WHOM RESIDES IN A DIFFERENT ONE OF THE FIVE COUNCILMANIC DISTRICTS IN THE COUNTY; AND

(II) TWO MEMBERS WHO MAY RESIDE ANYWHERE IN THE COUNTY.

(b) (1) A candidate who becomes an elected member of the county board shall be a resident and registered voter of Howard County.

(2) (I) Any elected member who no longer resides in Howard County may not continue as a member of the board.

(II) ANY MEMBER ELECTED FROM A COUNCILMANIC DISTRICT WHO NO LONGER RESIDES IN THAT DISTRICT MAY NOT CONTINUE AS A MEMBER OF THE BOARD.

(3) IF THE BOUNDARY LINE OF A HOWARD COUNTY COUNCIL DISTRICT IS CHANGED, THE TERM OF AN INCUMBENT MEMBER OF THE COUNTY BOARD WHO NO LONGER RESIDES IN THAT COUNCILMANIC DISTRICT BECAUSE OF THE CHANGE IS NOT AFFECTED DURING THIS TERM.

(c) The seven elected members of the Howard County Board shall be elected:

(1) [At] BEGINNING IN 2020, AT the general election every ~~{2}~~ 4 years as required by subsection (d) of this section; and

(2) From Howard County at large BY THE VOTERS OF THE ENTIRE COUNTY.

(d) (1) (i) The terms of the elected members are ~~{staggered}~~ as provided in this subsection.

(ii) Each term of office begins on the first Monday in December after the election of a member and until a successor is elected and qualifies.

(2) (i) 1. The term of office of [the] EACH member elected FROM A COUNCILMANIC DISTRICT, BEGINNING at the [2002] 2020 election, is 4 years.

2. THE TERM OF OFFICE OF EACH MEMBER ELECTED AT LARGE, BEGINNING AT THE 2022 ELECTION, IS 4 YEARS.

(ii) The ~~successor to this office~~ SUCCESSORS TO THE OFFICES ELECTED AT THE 2020 AND 2022 ELECTIONS, RESPECTIVELY, shall serve for a term of 4 years.

[(3) (i) Two members shall be elected at the 2004 election.

(ii) The successors to these offices elected at the 2008 election shall serve a term of 4 years.

(4) (i) Five members shall be elected at the 2006 election.

(ii) Subject to paragraph (5) of this subsection, the successors to these offices shall be elected at the 2010 election and shall serve for a term of 4 years.

(5) (i) Except as provided in subparagraph (ii) of this paragraph, as of the 2006 election, the term of each office is 4 years.

(ii) 1. At the 2006 election, the individual elected as a member who receives the lowest number of votes among the five members elected in that election shall serve for a term of 2 years.

2. The successor to the office for the member elected at the 2006 election who receives the lowest number of votes among the five members elected in that election shall be elected at the 2008 election and shall serve for a term of 4 years.]

[(6)] (3) Except as provided in paragraph [(7)] (4) of this subsection and subject to the confirmation of the County Council, the County Executive of Howard County shall appoint a qualified individual to fill any vacancy **FOR AN ELECTED MEMBER** on the county board for the remainder of that term and until a successor is appointed and qualifies.

[(7)] (4) If a vacancy **FOR AN ELECTED MEMBER** occurs before the date that is 1 year following the date of the member's election, the individual appointed under paragraph [(6)] (3) of this subsection shall serve only until a successor is elected by the voters at the next general election.

[(8)] (5) Candidates for the vacated office may be nominated at a primary election in the same manner as for any other position on the [Howard County Board] **COUNTY BOARD**.

[(9)] When more than two members of the county board are to be elected at an election and the terms of the offices to be filled at the election vary, the elected candidates receiving the greater number of votes shall fill the offices with the longer terms.]

[(10)] (6) The candidate receiving the vacated position shall take office on the first Monday in December after the election and shall continue to serve for the remainder of the vacated term and until a successor is elected and qualifies.

[(11)] (7) Except as provided in this subsection, an election to fill a vacancy on the Howard County Board of Education shall be governed by §§ 8–801 through 8–806 of the Election Law Article.

(E) WHEN MAKING AN APPOINTMENT TO THE COUNTY BOARD, THE COUNTY EXECUTIVE OF HOWARD COUNTY SHALL ENDEAVOR TO ENSURE THAT THE COUNTY BOARD REFLECTS THE RACE, GENDER, AND ETHNIC DIVERSITY OF THE POPULATION OF HOWARD COUNTY.

[(e)] (F) (1) The student member shall be a bona fide resident of Howard County and a regularly enrolled junior or senior year student from a Howard County public high school.

(2) The student member shall serve for a term of 1 year beginning on July 1 after the member's election, subject to confirmation of the election results by the county board.

(3) The nomination and election process for the student member:

(i) Shall be approved by the Howard County Board of Education;

(ii) Shall include a provision that provides for the replacement of one or both of the final candidates if one or both of them are unable, ineligible, or disqualified to proceed in the election; and

(iii) Shall allow for any student in grades 6 through 11 enrolled in a Howard County public school to vote directly for one of the two student member candidates.

(4) The student member candidate who receives the second highest number of votes in the direct election:

(i) Shall become the alternate student member; and

(ii) Shall serve if the student member who is elected is unable, ineligible, or disqualified to complete the student member's term of office.

(5) Except as provided in paragraphs (6) and (7) of this subsection, the student member has the same rights and privileges as an elected member.

(6) Unless invited to attend by the affirmative vote of a majority of the county board, the student member may not attend a closed session addressing a matter on which a student member is prohibited from voting under paragraph (7) of this subsection.

(7) The student member shall vote on all matters except those relating to:

(i) Geographical attendance areas under § 4–109 of this article;

(ii) Acquisition and disposition of real property and matters pertaining to school construction under § 4–115 of this article;

(iii) Employment of architects under § 4–117 of this article;

(iv) Donations under § 4–118 of this article;

(v) Condemnation under § 4–119 of this article;

- (vi) Consolidation of schools and transportation of students under § 4–120 of this article;
- (vii) Appointment and salary of a county superintendent under §§ 4–201 and 4–202 of this article;
- (viii) Employee discipline and other appeals under § 4–205(c) of this article;
- (ix) Budgetary matters under Title 5 of this article;
- (x) Appointment and promotion of staff under § 6–201 of this article;
- (xi) Discipline of certificated staff under § 6–202 of this article;
- (xii) Collective bargaining for certificated employees under Title 6, Subtitle 4 of this article;
- (xiii) Collective bargaining for noncertificated employees under Title 6, Subtitle 5 of this article; and
- (xiv) Student suspension and expulsion under § 7–305 of this article.

(8) The student member may not receive compensation but, after submitting expense vouchers, shall be reimbursed for out-of-pocket expenses incurred in connection with official duties, in accordance with the procedures and regulations established by the county board.

[(f)] (G) Passage of a motion by the county board requires the affirmative vote of:

- (1) Five members if the student member is authorized to vote; or
- (2) Four members if the student member is not authorized to vote ~~OR IS NOT PRESENT.~~

- [(g)] (H)**
- (1) The State Board may remove a member of the county board for:
 - (i) Immorality;
 - (ii) Misconduct in office;
 - (iii) Incompetency; or
 - (iv) Willful neglect of duty.

(2) Before removing a member, the State Board shall send the member a copy of the charges against the member and give the member an opportunity within 10 days to request a hearing.

(3) If the member requests a hearing within the 10–day period:

(i) The State Board promptly shall hold a hearing, but a hearing may not be set within 10 days after the State Board sends the member a notice of the hearing; and

(ii) The member shall have an opportunity to be heard publicly before the State Board in the member’s own defense, in person or by counsel.

(4) A member removed under this subsection has the right to a de novo review of the removal by the Circuit Court for Howard County.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to the election of the members of the Howard County Board of Education for the term of office that begins on December 7, 2020.

SECTION 3. AND BE IT FURTHER ENACTED, That, subject to Section 4 of this Act, the terms of the elected members of the Howard County Board of Education in office on the effective date of this Act shall expire at the end of December 6, 2020.

SECTION 4. AND BE IT FURTHER ENACTED, That the terms of the four members of the Howard County Board of Education elected at the general election in 2018 shall expire as follows:

(1) the two members that receive the highest number of votes at the November 2018 general election shall serve for a term of 4 years, with the later 2 years of that term beginning on December 7, 2020, and expiring at the end of December 4, 2022, to be served as the two at large members of the county board as established under this Act; and

(2) the two members that receive the lowest number of votes at the November 2018 general election shall serve for a term of 2 years, beginning on December 3, 2018, and expiring at the end of December 6, 2020.

SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 309**(House Bill 1343)**

AN ACT concerning

Howard County – Fire and Explosive Investigator – Authority**Ho. Co. 24–17**

FOR the purpose of providing that under certain circumstances, a Howard County fire and explosive investigator operating in Howard County has the same authority as the State Fire Marshal and a full-time investigative and inspection assistant in the Office of the State Fire Marshal to make arrests without a warrant and exercise certain powers of arrest; authorizing a Howard County fire and explosive investigator to exercise certain authority while operating outside Howard County under certain circumstances; authorizing the Howard County Fire Chief to limit certain authority of a fire and explosive investigator and to express the limitation in writing; excluding a Howard County fire and explosive investigator from the definition of “law enforcement officer” under the law relating to the Law Enforcement Officers’ Bill of Rights; including a Howard County fire and explosive investigator in the definition of “police officer” in connection with provisions of law relating to the Maryland Police Training and Standards Commission and in the definition of “law enforcement official” in connection with the authorized carrying of a handgun by a person engaged in law enforcement; defining certain terms; requiring the Maryland Police Training and Standards Commission to certify certain fire and explosive investigators as police officers by a certain date under certain circumstances; and generally relating to the authority of the Howard County fire and explosive investigators.

BY repealing and reenacting, without amendments,
Article – Criminal Law
Section 4–201(a)
Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Criminal Law
Section 4–201(d)
Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,
Article – Criminal Procedure
Section 2–208
Annotated Code of Maryland
(2008 Replacement Volume and 2016 Supplement)

BY adding to

Article – Criminal Procedure
Section 2–208.6
Annotated Code of Maryland
(2008 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Public Safety
Section 3–101(a) and 3–201(a)
Annotated Code of Maryland
(2011 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Public Safety
Section 3–101(e)(2) and 3–201(f)(2)
Annotated Code of Maryland
(2011 Replacement Volume and 2016 Supplement)

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

Article – Criminal Law

4–201.

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

(d) “Law enforcement official” means:

(1) a full–time member of a police force or other unit of the United States, a state, a county, a municipal corporation, or other political subdivision of a state who is responsible for the prevention and detection of crime and the enforcement of the laws of the United States, a state, a county, a municipal corporation, or other political subdivision of a state;

(2) a part–time member of a police force of a county or municipal corporation who is certified by the county or municipal corporation as being trained and qualified in the use of handguns;

(3) a fire and explosive investigator of the Prince George’s County Fire/EMS Department as defined in § 2–208.3 of the Criminal Procedure Article;

(4) a Montgomery County fire and explosive investigator as defined in § 2–208.1 of the Criminal Procedure Article;

(5) an Anne Arundel County or City of Annapolis fire and explosive investigator as defined in § 2–208.2 of the Criminal Procedure Article;

(6) a Worcester County fire and explosive investigator as defined in § 2–208.4 of the Criminal Procedure Article; [or]

(7) a City of Hagerstown fire and explosive investigator as defined in § 2–208.5 of the Criminal Procedure Article; OR

(8) A HOWARD COUNTY FIRE AND EXPLOSIVE INVESTIGATOR AS DEFINED IN § 2–208.6 OF THE CRIMINAL PROCEDURE ARTICLE.

Article – Criminal Procedure

2–208.

(a) (1) The State Fire Marshal or a full-time investigative and inspection assistant of the Office of the State Fire Marshal may arrest a person without a warrant if the State Fire Marshal or assistant has probable cause to believe:

(i) a felony that is a crime listed in paragraph (2) of this subsection has been committed or attempted; and

(ii) the person to be arrested has committed or attempted to commit the felony whether or not in the presence or within the view of the State Fire Marshal or assistant.

(2) The powers of arrest set forth in paragraph (1) of this subsection apply only to the crimes listed in this paragraph and to attempts, conspiracies, and solicitations to commit these crimes:

(i) murder under § 2–201(4) of the Criminal Law Article;

(ii) setting fire to a dwelling or occupied structure under § 6–102 of the Criminal Law Article;

(iii) setting fire to a structure under § 6–103 of the Criminal Law Article;

(iv) a crime that relates to destructive devices under § 4–503 of the Criminal Law Article; and

(v) making a false statement or rumor as to a destructive device under § 9–504 of the Criminal Law Article.

(b) (1) The State Fire Marshal or a full-time investigative and inspection assistant of the Office of the State Fire Marshal may arrest a person without a warrant if the State Fire Marshal or assistant has probable cause to believe:

(i) the person has committed a crime listed in paragraph (2) of this subsection; and

(ii) unless the person is arrested immediately, the person:

1. may not be apprehended;

2. may cause physical injury or property damage to another;

or

3. may tamper with, dispose of, or destroy evidence.

(2) The crimes referred to in paragraph (1) of this subsection are:

(i) a crime that relates to a device that is constructed to represent a destructive device under § 9–505 of the Criminal Law Article;

(ii) malicious burning in the first or second degree under § 6–104 or § 6–105 of the Criminal Law Article;

(iii) burning the contents of a trash container under § 6–108 of the Criminal Law Article;

(iv) making a false alarm of fire under § 9–604 of the Criminal Law Article;

(v) a crime that relates to burning or attempting to burn property as part of a religious or ethnic crime under § 10–304 or § 10–305 of the Criminal Law Article;

(vi) a crime that relates to interference, obstruction, or false representation of fire and safety personnel under § 6–602 or § 7–402 of the Public Safety Article; and

(vii) threatening arson or attempting, causing, aiding, counseling, or procuring arson in the first or second degree or malicious burning in the first or second degree under Title 6, Subtitle 1 of the Criminal Law Article.

(c) (1) The State Fire Marshal or a full-time investigative and inspection assistant in the Office of the State Fire Marshal may act under the authority granted by § 2–102 of this title to police officers as provided under paragraph (2) of this subsection.

(2) When acting under the authority granted by § 2–102 of this title, the State Fire Marshal or a full-time investigative and inspection assistant in the Office of the

State Fire Marshal has the powers of arrest set forth in §§ 2–202, 2–203, and 2–204 of this subtitle.

(d) (1) The State Fire Marshal or a full–time investigative and inspection assistant in the Office of the State Fire Marshal who acts under the authority granted by this section shall notify the following persons of an investigation or enforcement action:

(i) 1. the chief of police, if any, or chief’s designee, when in a municipal corporation;

2. the Police Commissioner or Police Commissioner’s designee, when in Baltimore City;

3. the chief of police or chief’s designee, when in a county with a county police department, except Baltimore City;

4. the sheriff or sheriff’s designee, when in a county without a county police department;

5. the Secretary of Natural Resources or Secretary’s designee, when on property owned, leased, operated by, or under the control of the Department of Natural Resources; or

6. the respective chief of police or chief’s designee, when on property owned, leased, operated by, or under the control of the Maryland Transportation Authority, Maryland Aviation Administration, or Maryland Port Administration; and

(ii) the Department of State Police barrack commander or commander’s designee, unless there is an agreement otherwise with the Department of State Police.

(2) When the State Fire Marshal or a full–time investigative and inspection assistant in the Office of the State Fire Marshal participates in a joint investigation with officials from another state, federal, or local law enforcement unit, the State Fire Marshal or a full–time investigative and inspection assistant in the Office of the State Fire Marshal shall give the notice required under paragraph (1) of this subsection reasonably in advance.

(e) A State Fire Marshal or a full–time investigative and inspection assistant in the Office of the State Fire Marshal who acts under the authority granted by this section:

(1) has the same immunities from liability and exemptions as a State Police officer in addition to any other immunities and exemptions to which the State Fire Marshal or full–time investigative and inspection assistant is otherwise entitled; and

(2) remains at all times and for all purposes an employee of the employing unit.

(f) (1) This section does not impair a right of arrest otherwise existing under the Code.

(2) This section does not deprive a person of the right to receive a citation for a traffic violation as provided in the Maryland Vehicle Law or a criminal violation as provided by law or the Maryland Rules.

2-208.6.

(A) IN THIS SECTION, “FIRE AND EXPLOSIVE INVESTIGATOR” MEANS AN INDIVIDUAL WHO:

(1) IS ASSIGNED FULL-TIME TO THE FIRE INVESTIGATIONS DIVISION OF THE HOWARD COUNTY FIRE MARSHAL’S OFFICE AND IS A PAID EMPLOYEE;

(2) HAS BEEN EMPLOYED BY THE HOWARD COUNTY FIRE DEPARTMENT AS A FIREFIGHTER FOR AT LEAST 5 YEARS;

(3) HAS SUCCESSFULLY COMPLETED A TRAINING PROGRAM FROM A POLICE TRAINING SCHOOL APPROVED BY THE MARYLAND POLICE TRAINING AND STANDARDS COMMISSION ESTABLISHED UNDER TITLE 3, SUBTITLE 2 OF THE PUBLIC SAFETY ARTICLE; AND

(4) AT ALL TIMES MAINTAINS ACTIVE CERTIFICATION BY THE MARYLAND POLICE TRAINING AND STANDARDS COMMISSION.

(B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A FIRE AND EXPLOSIVE INVESTIGATOR HAS THE SAME AUTHORITY GRANTED TO THE STATE FIRE MARSHAL OR A FULL-TIME INVESTIGATIVE AND INSPECTION ASSISTANT IN THE OFFICE OF THE STATE FIRE MARSHAL UNDER § 2-208 OF THIS SUBTITLE:

(1) WHILE OPERATING IN HOWARD COUNTY; AND

(2) WHILE OPERATING OUTSIDE HOWARD COUNTY WHEN:

(I) THE FIRE AND EXPLOSIVE INVESTIGATOR IS PARTICIPATING IN A JOINT INVESTIGATION WITH OFFICIALS FROM ANOTHER STATE, FEDERAL, OR LOCAL LAW ENFORCEMENT UNIT, AT LEAST ONE OF WHICH HAS LOCAL JURISDICTION;

(II) THE FIRE AND EXPLOSIVE INVESTIGATOR IS RENDERING ASSISTANCE TO ANOTHER LAW ENFORCEMENT OFFICER;

(III) THE FIRE AND EXPLOSIVE INVESTIGATOR IS ACTING AT THE REQUEST OF A LAW ENFORCEMENT OFFICER OR STATE LAW ENFORCEMENT OFFICER; OR

(IV) AN EMERGENCY EXISTS.

(C) THE HOWARD COUNTY FIRE CHIEF:

(1) MAY LIMIT THE AUTHORITY OF A FIRE AND EXPLOSIVE INVESTIGATOR UNDER THIS SECTION; AND

(2) SHALL EXPRESS THE LIMITATION IN A WRITTEN POLICY.

Article – Public Safety

3–101.

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

(e) (2) “Law enforcement officer” does not include:

(i) an individual who serves at the pleasure of the Police Commissioner of Baltimore City;

(ii) an individual who serves at the pleasure of the appointing authority of a charter county;

(iii) the police chief of a municipal corporation;

(iv) an officer who is in probationary status on initial entry into the law enforcement agency except if an allegation of brutality in the execution of the officer’s duties is made;

(v) a Montgomery County fire and explosive investigator as defined in § 2–208.1 of the Criminal Procedure Article;

(vi) an Anne Arundel County or City of Annapolis fire and explosive investigator as defined in § 2–208.2 of the Criminal Procedure Article;

(vii) a Prince George’s County fire and explosive investigator as defined in § 2–208.3 of the Criminal Procedure Article;

(viii) a Worcester County fire and explosive investigator as defined in § 2–208.4 of the Criminal Procedure Article; [or]

(ix) a City of Hagerstown fire and explosive investigator as defined in § 2–208.5 of the Criminal Procedure Article; **OR**

(X) A HOWARD COUNTY FIRE AND EXPLOSIVE INVESTIGATOR AS DEFINED IN § 2–208.6 OF THE CRIMINAL PROCEDURE ARTICLE.

3–201.

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

(f) (2) “Police officer” includes:

(i) a member of the Field Enforcement Bureau of the Comptroller’s Office;

(ii) the State Fire Marshal or a deputy State fire marshal;

(iii) an investigator of the Intelligence and Investigative Division of the Department;

(iv) a Montgomery County fire and explosive investigator as defined in § 2–208.1 of the Criminal Procedure Article;

(v) an Anne Arundel County or City of Annapolis fire and explosive investigator as defined in § 2–208.2 of the Criminal Procedure Article;

(vi) a Prince George’s County fire and explosive investigator as defined in § 2–208.3 of the Criminal Procedure Article;

(vii) a Worcester County fire and explosive investigator as defined in § 2–208.4 of the Criminal Procedure Article; **[and]**

(viii) a City of Hagerstown fire and explosive investigator as defined in § 2–208.5 of the Criminal Procedure Article; **AND**

(IX) A HOWARD COUNTY FIRE AND EXPLOSIVE INVESTIGATOR AS DEFINED IN § 2–208.6 OF THE CRIMINAL PROCEDURE ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Police Training and Standards Commission shall certify as a police officer each Howard County fire and explosive investigator who meets the requirements of § 2–208.6 of the Criminal Procedure Article on October 1, 2017.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 310
(House Bill 1423)

AN ACT concerning

**Calvert County – Board of License Commissioners – Notice and Hearing on
Proposed Legislation**

FOR the purpose of requiring the Board of License Commissioners for Calvert County, before submitting a legislative proposal to the Calvert County Delegation for introduction as a bill in a session of the General Assembly, to post notice, send certain e-mails, and hold a public hearing on the proposal at least a certain amount of time before the start of the General Assembly session subject to a certain exception; and generally relating to legislative proposals concerning alcoholic beverages in Calvert County.

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 14–102
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY adding to
Article – Alcoholic Beverages
Section 14–204.1
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

14–102.

This title applies only in Calvert County.

14–204.1.

**(A) ~~AT~~ EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AT
LEAST 3 MONTHS BEFORE SUBMITTING A LEGISLATIVE PROPOSAL TO THE COUNTY**

DELEGATION FOR INTRODUCTION AS A BILL IN A SESSION OF THE GENERAL ASSEMBLY, THE BOARD SHALL:

- (1) POST A NOTICE OF THE PROPOSAL ON THE BOARD'S WEB SITE;
- (2) SEND A NOTICE OF THE PROPOSAL BY E-MAIL TO EACH LICENSE HOLDER; AND
- (3) HOLD A PUBLIC HEARING ON THE PROPOSAL.

(B) SUBSECTION (A) OF THIS SECTION DOES NOT APPLY TO A LEGISLATIVE PROPOSAL TO THE COUNTY DELEGATION FOR INTRODUCTION AS AN EMERGENCY BILL IN A SESSION OF THE GENERAL ASSEMBLY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 311

(House Bill 1576)

AN ACT concerning

Prince George's County – Student Loan Refinancing Authority

PG 419-17

FOR the purpose of expressing the intent of the General Assembly for Prince George's County to study whether a higher education financial assistance program should be offered in the county; requiring Prince George's County, on or before a certain date, to perform certain actions related to a study of a student loan refinancing program in Prince George's County, including reviewing the Prince George's County Supplemental Higher Educational Loan Authority and performing a certain feasibility and demand study; requiring the Authority to meet certain requirements if a certain loan authority is reestablished or established; providing for the termination of this Act; and generally relating to a student loan refinancing authority in Prince George's County.

Preamble

WHEREAS, Chapter 704 of the Acts of the General Assembly of 1986 authorized Prince George's County to create an entity known as the Prince George's County Supplemental Higher Educational Loan Authority; and

WHEREAS, In accordance with Chapter 704 of the Acts of the General Assembly of 1986, the Prince George's County Council created the Prince George's County Supplemental Higher Educational Loan Authority through Council Bill 99-1986; and

WHEREAS, It appears that the Prince George's County Supplemental Higher Educational Loan Authority has been defunct for at least 20 years; and

WHEREAS, Chapter 296 of the Acts of the General Assembly of 2016 authorized Montgomery County to study aspects of implementing a Montgomery County Student Loan Refinancing Authority and Chapter 290 of the Acts of the General Assembly of 2016 requires a study of the expansion or creation of an appropriate bonding authority for the refinancing of student loans in Maryland; and

WHEREAS, The recent legislation regarding the study of higher education loan authorities, both at the county level and statewide, has generated interest in reviewing the Prince George's County Supplemental Higher Educational Loan Authority; now, therefore,

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

(a) It is the intent of the General Assembly that Prince George's County study whether a program of financial assistance consisting of affordable grants, loans, and other aids should be offered in Prince George's County to enable individuals, as determined by the county, to obtain a postsecondary education.

(b) On or before December 1, 2018, Prince George's County shall:

(1) Review and study the Prince George's County Supplemental Higher Educational Loan Authority, including:

(i) Determining the functions the Authority performed and the actions the Authority took when it was a functioning entity;

(ii) Determining the reasons why the Authority is now defunct; and

(iii) 1. Determining whether changes could be made to the Authority that would enable it to be a functioning entity that meets the needs of Prince George's County; or

2. Determining whether the provisions of law for the Authority should be repealed, and if so, whether another entity should be created that would better meet the needs of Prince George's County;

(2) Perform a feasibility and demand study for a student loan refinancing program in Prince George's County, including a determination of categories of individuals who might benefit from the program such as county residents, graduates of the county public school system, and individuals employed by the county government or public school system;

(3) Assess the potential benefit to recruitment and retention of county and school system employees of a student loan refinancing program in Prince George's County;

(4) Study the operation of student loan refinancing programs in other systems, including operating costs; and

(5) (i) Hold public hearings on a student loan refinancing program in Prince George's County; and

(ii) Provide an opportunity for public comment.

(c) (1) If Prince George's County reestablishes the Prince George's County Supplemental Higher Educational Loan Authority or a similar student loan refinancing authority, the authority shall meet the requirements of this subsection.

(2) The authority shall be subject to:

(i) The Prince George's County public ethics law; and

(ii) The Open Meetings Act under Title 3 of the General Provisions Article.

(3) The provisions of the Prince George's County Charter do not apply to the authority unless the governing body of Prince George's County expressly provides by law that a charter provision applies to the authority.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017. It shall remain effective for a period of 2 years and, at the end of June 30, 2019, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, April 18, 2017.

Chapter 312

(House Bill 1201)

AN ACT concerning

Cecil County – Alcoholic Beverages – Beer, Wine, and Liquor Tasting License

FOR the purpose of establishing a beer, wine, and liquor tasting license in Cecil County; authorizing the Board of License Commissioners for Cecil County to issue the beer, wine, and liquor tasting license to a certain license holder; authorizing the license holder to allow on–premises consumption of beer, wine, and liquor for tasting; specifying the term of the license; requiring a license holder to provide certain notice before exercising certain privileges; specifying the amount of beer, wine, and liquor that an individual may sample at each offering; specifying certain license fees; and generally relating to alcoholic beverages in Cecil County.

BY repealing and reenacting, without amendments,
 Article – Alcoholic Beverages
 Section 17–102 and 17–1301
 Annotated Code of Maryland
 (2016 Volume and 2016 Supplement)

BY adding to
 Article – Alcoholic Beverages
 Section 17–1306
 Annotated Code of Maryland
 (2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

17–102.

This title applies only in Cecil County.

17–1301.

Title 4, Subtitle 12 (“Temporary Licenses”) of Division I of this article applies in the county without exception or variation.

17–1306.

(A) THERE IS A BEER, WINE, AND LIQUOR TASTING LICENSE.

(B) THE BOARD MAY ISSUE THE LICENSE TO A HOLDER OF A CLASS A OR CLASS B BEER, WINE, AND LIQUOR LICENSE.

(C) (1) THE LICENSE AUTHORIZES THE HOLDER TO ALLOW ON–PREMISES CONSUMPTION OF BEER, WINE, AND LIQUOR FOR TASTING.

(2) THE LICENSE MAY BE ISSUED FOR A MAXIMUM OF:

- (I) ANY 26 DAYS IN A LICENSING PERIOD;**
- (II) ANY 52 DAYS IN A LICENSING PERIOD; OR**
- (III) AN ENTIRE LICENSING PERIOD.**

(3) IF A LICENSE HOLDER IS ISSUED A LICENSE FOR ANY 26 DAYS IN A LICENSING PERIOD OR ANY 52 DAYS IN A LICENSING PERIOD, THE LICENSE HOLDER SHALL NOTIFY THE BOARD AT LEAST 7 DAYS BEFORE EXERCISING THE PRIVILEGES OF THE LICENSE.

(D) AN INDIVIDUAL MAY CONSUME BEER, WINE, OR LIQUOR COVERED BY THE LICENSE IN A QUANTITY OF NOT MORE THAN:

- (1) 1 OUNCE FROM EACH OFFERING OF BEER OR WINE; AND**
- (2) ONE–HALF OUNCE FROM EACH OFFERING OF LIQUOR.**

(E) IN ADDITION TO THE COST OF A CLASS A OR CLASS B BEER, WINE, AND LIQUOR LICENSE, THE LICENSE FEE IS:

- (1) \$125 FOR A 26–DAY LICENSE;**
- (2) \$200 FOR A 52–DAY LICENSE; AND**
- (3) \$400 FOR A 1–YEAR LICENSE.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 313

(Senate Bill 816)

AN ACT concerning

Cecil County – Alcoholic Beverages – Beer, Wine, and Liquor Tasting License

FOR the purpose of establishing a beer, wine, and liquor tasting license in Cecil County; authorizing the Board of License Commissioners for Cecil County to issue the beer, wine, and liquor tasting license to a certain license holder; authorizing the license holder to allow on–premises consumption of beer, wine, and liquor for tasting; specifying the term of the license; requiring a license holder to provide certain notice before exercising certain privileges; specifying the amount of beer, wine, and liquor that an individual may sample at each offering; specifying certain license fees; and generally relating to alcoholic beverages in Cecil County.

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 17–102 and 17–1301
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY adding to
Article – Alcoholic Beverages
Section 17–1306
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

17–102.

This title applies only in Cecil County.

17–1301.

Title 4, Subtitle 12 (“Temporary Licenses”) of Division I of this article applies in the county without exception or variation.

17–1306.

(A) THERE IS A BEER, WINE, AND LIQUOR TASTING LICENSE.

(B) THE BOARD MAY ISSUE THE LICENSE TO A HOLDER OF A CLASS A OR CLASS B BEER, WINE, AND LIQUOR LICENSE.

(C) (1) THE LICENSE AUTHORIZES THE HOLDER TO ALLOW ON–PREMISES CONSUMPTION OF BEER, WINE, AND LIQUOR FOR TASTING.

(2) THE LICENSE MAY BE ISSUED FOR A MAXIMUM OF:

- (I) ANY 26 DAYS IN A LICENSING PERIOD;
- (II) ANY 52 DAYS IN A LICENSING PERIOD; OR
- (III) AN ENTIRE LICENSING PERIOD.

(3) IF A LICENSE HOLDER IS ISSUED A LICENSE FOR ANY 26 DAYS IN A LICENSING PERIOD OR ANY 52 DAYS IN A LICENSING PERIOD, THE LICENSE HOLDER SHALL NOTIFY THE BOARD AT LEAST 7 DAYS BEFORE EXERCISING THE PRIVILEGES OF THE LICENSE.

(D) AN INDIVIDUAL MAY CONSUME BEER, WINE, OR LIQUOR COVERED BY THE LICENSE IN A QUANTITY OF NOT MORE THAN:

- (1) 1 OUNCE FROM EACH OFFERING OF BEER OR WINE; AND
- (2) ONE-HALF OUNCE FROM EACH OFFERING OF LIQUOR.

(E) IN ADDITION TO THE COST OF A CLASS A OR CLASS B BEER, WINE, AND LIQUOR LICENSE, THE LICENSE FEE IS:

- (1) \$125 FOR A 26-DAY LICENSE;
- (2) \$200 FOR A 52-DAY LICENSE; AND
- (3) \$400 FOR A 1-YEAR LICENSE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 314

(House Bill 42)

AN ACT concerning

Alcoholic Beverages – Class 1 Distillery Licenses

FOR the purpose of altering the activities allowed to be conducted at a plant established and operated by a holder of a Class 1 distillery license; allowing the license holder to acquire alcoholic beverages from a holder of any manufacturer's license or wholesaler's license or a holder of a nonresident dealer's permit for use in manufacturing; repealing a provision of law requiring that the license holder acquire certain alcoholic beverages in bulk; authorizing the license holder to serve at no cost or for a fee certain product samples to certain participants in a guided tour of the licensed premises; altering the amount and contents of product samples that may be served; altering the amount of products that the license holder may sell to certain participants in a guided tour of the licensed premises; altering certain time restrictions on certain activities of license holders who sell products to certain participants in a guided tour; and generally relating to Class 1 distillery licenses.

BY repealing and reenacting, with amendments,
 Article – Alcoholic Beverages
 Section 2–202
 Annotated Code of Maryland
 (2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

2–202.

- (a) There is a Class 1 distillery license.
- (b) The license shall be obtained for each trade name and each distillery in the State.
- (c) A license holder may:
 - (1) establish and operate a plant for distilling, **RECTIFYING, BLENDING, AND BOTTLING, AT THE LOCATION DESCRIBED IN THE LICENSE:**
 - (I) brandy[.];
 - (II) rum[.];
 - (III) whiskey[.];
 - (IV) alcohol[.]; and
 - (V) neutral spirits [at the location described in the license];

- (2) sell and deliver the alcoholic beverages:
- (i) in bulk to a person in the State that is authorized to acquire them; and
 - (ii) to a person outside the State that is authorized to acquire them;
- (3) manufacture an alcoholic beverage listed in item (1) of this subsection in the name of another person or under a trade name if the other person or trade name also holds a Class 1 distillery license;
- (4) acquire alcoholic beverages [in bulk] from the holder of a [Class 1 distillery license, Class 2 rectifying license, Class 3 winery license,] **MANUFACTURER'S LICENSE OR WHOLESALE'S LICENSE** or nonresident dealer's permit **FOR USE IN MANUFACTURING**; and
- (5) (i) conduct guided tours of the licensed premises;
- (ii) **AT NO COST OR FOR A FEE, serve TO AN INDIVIDUAL WHO HAS ATTAINED THE LEGAL DRINKING AGE AND PARTICIPATED IN A GUIDED TOUR OF THE LICENSED PREMISES, not more than [three samples of products manufactured at the licensed premises] 2 OUNCES OF PRODUCTS, with each PRODUCT sample consisting of not more than one-half ounce from a single product MANUFACTURED BY THE LICENSE HOLDER[, to an individual who has attained the legal drinking age and participated in a guided tour of the licensed premises]; [and]**
- (III) SERVE SAMPLES BLENDED WITH OTHER PRODUCTS MANUFACTURED BY THE LICENSE HOLDER OR NONALCOHOLIC INGREDIENTS; AND**
- [(iii)] (IV) sell not more than [three 750-milliliter bottles] 2.25 LITERS of products manufactured on the licensed premises, for off-premises consumption, and related merchandise to an individual who has attained the legal drinking age and participated in a guided tour of the licensed premises.**
- (d) A license holder or entity in which a license holder has a pecuniary interest may not act as a caterer of food.
- (e) Subject to subsection (f) of this section, a license holder may conduct the activities specified in subsection (c)(5) of this section[:
- (1) for off-premises consumption of products manufactured at the licensed premises and for sampling, from 10 a.m. to 10 p.m. each day; and
 - (2) for on-premises consumption of products manufactured at the licensed premises:

- (i) from 10 a.m. to 6 p.m. each day; or
- (ii) if guests are attending a planned promotional event or other organized activity on the licensed premises,] from 10 a.m. to 10 p.m. each day.
- (f) A Class 1 distillery license allows the license holder to operate 7 days a week.
- (g) At least 14 days before holding a planned promotional event after 6 p.m., a license holder shall file a notice of the promotional event with the Comptroller on the form that the Comptroller provides.
- (h) A holder of a caterer's license or privilege under Subtitle 5 of this title or Subtitle 12 of various titles of Division II of this article may exercise the privileges of the license or privilege on the licensed premises of the license holder.
- (i) Nothing in this section limits the application of relevant provisions of Title 21 of the Health – General Article, and regulations adopted under that title, to a license holder.
- (j) The annual license fee is \$2,000.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 315

(House Bill 252)

AN ACT concerning

Alcoholic Beverages – Liquor and Wine

FOR the purpose of adding a definition of “liquor” to the Alcoholic Beverages Article; adding a certain alcohol content limitation on wine that is sold under a beer and wine license in certain jurisdictions; and generally relating to liquor and wine as those terms are used in the Alcoholic Beverages Article.

BY renumbering

Article – Alcoholic Beverages

Section 1–101(p) through (dd), 13–801 through 13–804, 15–801 through 15–805, 16–801 through 16–804, 17–801 through 17–804, 19–801 through 19–804, 20–801 through 20–804, 21–801 through 21–805, 22–801 through 22–807, 22–807.1, 22–808, 24–801 through 25–801 through 25–804, 25–805, 27–801 through 27–804, 28–801 through 28–804, 29–801 through 29–804, 30–801

through 30–804, 32–801 through 32–804, and 33–801 through 33–804, respectively
to be Section 1–101(q) through (ee), 13–802 through 13–805, 15–802 through 15–806, 16–802 through 16–805, 17–802 through 17–805, 19–802 through 19–805, 20–802 through 20–805, 21–802 through 21–806, 22–802 through 22–810, 24–802 through 24–805, 25–802 through 25–806, 27–802 through 27–805, 28–802 through 28–805, 29–802 through 29–805, 30–802 through 30–805, 32–802 through 32–805, and 33–802 through 33–805, respectively
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 1–101(a) and (b), 13–102, 15–102, 16–102, 17–102, 19–102, 20–102, 21–102, 22–102, 24–102, 25–102, 27–102, 28–102, 29–102, 30–102, 32–102, and 33–102
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY adding to
Article – Alcoholic Beverages
Section 1–101(p), 13–801, 15–801, 16–801, 17–801, 19–801, 20–801, 21–801, 22–801, 24–801, 25–801, 27–801, 28–801, 29–801, 30–801, 32–801, and 33–801
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,
Article – Tax – General
Section 5–101(g)
Annotated Code of Maryland
(2016 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That Section(s) 1–101(p) through (dd), 13–801 through 13–804, 15–801 through 15–805, 16–801 through 16–804, 17–801 through 17–804, 19–801 through 19–804, 20–801 through 20–804, 21–801 through 21–805, 22–801 through 22–807, 22–807.1, and 22–808, 24–801 through 24–804, 25–801 through 25–805, 27–801 through 27–804, 28–801 through 28–804, 29–801 through 29–804, 30–801 through 30–804, 32–801 through 32–804, and 33–801 through 33–804, respectively, of Article – Alcoholic Beverages of the Annotated Code of Maryland be renumbered to be Section(s) 1–101(q) through (ee), 13–802 through 13–805, 15–802 through 15–806, 16–802 through 16–805, 17–802 through 17–805, 19–802 through 19–805, 20–802 through 20–805, 21–802 through 21–806, 22–802 through 22–810, 24–802 through 24–805, 25–802 through 25–806, 27–802 through 27–805, 28–802 through 28–805, 29–802 through 29–805, 30–802 through 30–805, 32–802 through 32–805, and 33–802 through 33–805, respectively.

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

Article – Alcoholic Beverages

1–101.

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

(b) (1) “Alcoholic beverage” means a spirituous, vinous, malt, or fermented liquor, liquid, or compound that:

(i) contains at least one-half of 1% of alcohol by volume; and

(ii) is suitable for beverage purposes.

(2) “Alcoholic beverage” includes alcohol, brandy, whiskey, rum, gin, cordial, beer, and wine.

(3) “Alcoholic beverage” does not include a confectionery food product that contains up to 5% of alcohol by volume and is regulated by the Department of Health and Mental Hygiene under § 21–209 of the Health – General Article.

(P) “LIQUOR” HAS THE SAME MEANING AS “DISTILLED SPIRITS” UNDER § 5–101(G) OF THE TAX – GENERAL ARTICLE.

13–102.

This title applies only in Baltimore County.

13–801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 22% OF ALCOHOL BY VOLUME.

15–102.

This title applies only in Caroline County.

15–801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 22% OF ALCOHOL BY VOLUME.

16–102.

This title applies only in Carroll County.

16-801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 22% OF ALCOHOL BY VOLUME.

17-102.

This title applies only in Cecil County.

17-801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 22% OF ALCOHOL BY VOLUME.

19-102.

This title applies only in Dorchester County.

19-801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 22% OF ALCOHOL BY VOLUME.

20-102.

This title applies only in Frederick County.

20-801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 22% OF ALCOHOL BY VOLUME.

21-102.

This title applies only in Garrett County.

21-801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 22% OF ALCOHOL BY VOLUME.

22-102.

This title applies only in Harford County.

22-801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 23% OF ALCOHOL BY VOLUME.

24-102.

This title applies only in Kent County.

24-801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 22% OF ALCOHOL BY VOLUME.

25-102.

This title applies only in Montgomery County.

25-801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 22% OF ALCOHOL BY VOLUME, INCLUDING NATURALLY FERMENTED OR FORTIFIED WINE.

27-102.

This title applies only in Queen Anne's County.

27-801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 22% OF ALCOHOL BY VOLUME.

28-102.

This title applies only in St. Mary's County.

28-801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 22% OF ALCOHOL BY VOLUME.

29-102.

This title applies only in Somerset County.

29–801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 22% OF ALCOHOL BY VOLUME.

30–102.

This title applies only in Talbot County.

30–801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 22% OF ALCOHOL BY VOLUME.

32–102.

This title applies only in Wicomico County.

32–801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 22% OF ALCOHOL BY VOLUME.

33–102.

This title applies only in Worcester County.

33–801.

THE WINE THAT MAY BE SOLD UNDER A BEER AND WINE LICENSE MAY NOT CONTAIN MORE THAN 22% OF ALCOHOL BY VOLUME.

Article – Tax – General

5–101.

- (g) (1) “Distilled spirits” means a distilled alcoholic beverage.
- (2) “Distilled spirits” includes:
 - (i) alcohol;
 - (ii) brandy;

- (iii) cordials;
- (iv) gin;
- (v) liqueur;
- (vi) rum;
- (vii) vodka;
- (viii) whiskey; and
- (ix) solutions or mixtures of distilled spirits except fortified wines.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 316

(Senate Bill 281)

AN ACT concerning

Alcoholic Beverages – Definition of Beer – Hard Cider

FOR the purpose of altering the alcoholic content of hard cider that is part of the definition of beer used in the Alcoholic Beverages Article; and generally relating to the definition of beer under the Alcoholic Beverages Article.

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 1–101(a)
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section 1–101(c)
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

1–101.

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

(c) (1) “Beer” means a brewed alcoholic beverage.

(2) “Beer” includes:

(i) ale;

(ii) porter;

(iii) stout;

(iv) hard cider that:

1. is derived primarily from apples, apple concentrate and water, pears, or pear concentrate and water; and

2. contains no other fruit product but contains at least one-half of 1% and less than [7%] **8.5%** of alcohol by volume; and

(v) an alcoholic beverage that contains:

1. 6% or less alcohol by volume, derived primarily from the fermentation of grain, with not more than 49% of the alcoholic beverage’s overall alcohol content by volume obtained from flavors and other added nonbeverage ingredients containing alcohol; or

2. more than 6% alcohol by volume, derived primarily from the fermentation of grain, with not more than 1.5% of the alcoholic beverage’s overall alcohol content by volume obtained from flavors and other added nonbeverage ingredients containing alcohol.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 317

(House Bill 292)

AN ACT concerning

Alcoholic Beverages – Nonrefillable Containers – Draft Beer

FOR the purpose of establishing in certain jurisdictions a nonrefillable container permit; authorizing a permit holder to sell draft beer for off-premises consumption by packaging the beer in a nonrefillable container that meets certain specifications; specifying certain requirements for permit holders, hours of sale, and ~~license permit~~ fees; prohibiting permit fees to be charged under certain circumstances; and generally relating to nonrefillable containers for alcoholic beverages.

BY adding to

Article – Alcoholic Beverages

Section 4–1106, 10–1103, 11–1103.1, 12–1102.1, 13–1103, 14–1103, 15–1103, 16–1103, 17–1103, 18–1103, 19–1103, 20–1106, 21–1104.1, 22–1104, 23–1104, 25–1104.1, 26–1102.1, 27–1103, 28–1103, 31–1102.1, 32–1103, and 33–1104

Annotated Code of Maryland

(2016 Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages

Section 10–102, 11–102, 12–102, 13–102, 14–102, 15–102, 16–102, 17–102, 18–102, 19–102, 20–102, 21–102, 22–102, 23–102, 25–102, 26–102, 27–102, 28–102, 31–102, 32–102, and 33–102

Annotated Code of Maryland

(2016 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 10–1101, 11–1101, 12–1101, 13–1101, 14–1101, 15–1101, 16–1101, 17–1101, 18–1101, 19–1101, 20–1101, 21–1101, 22–1101, 23–1101, 25–1101, 26–1101, 27–1101, 28–1101, 31–1101, 32–1101, and 33–1101

Annotated Code of Maryland

(2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

4–1106.

(A) **THERE IS A NONREFILLABLE CONTAINER PERMIT.**

(B) **A NONREFILLABLE CONTAINER PERMIT AUTHORIZES THE PERMIT HOLDER TO SELL DRAFT BEER FOR OFF-PREMISES CONSUMPTION BY PACKAGING**

THE BEER IN A NONREFILLABLE CONTAINER THAT MEETS THE STANDARDS SET OUT IN SUBSECTION (D) OF THIS SECTION.

(C) (1) THE TERM OF A NONREFILLABLE CONTAINER PERMIT IS THE SAME AS THAT OF THE UNDERLYING LICENSE.

(2) THE HOURS OF SALE FOR A NONREFILLABLE CONTAINER PERMIT ARE THE SAME AS THOSE FOR THE UNDERLYING LICENSE.

(3) AN APPLICANT WHO HOLDS AN UNDERLYING LICENSE WITHOUT AN OFF-SALE PRIVILEGE SHALL MEET THE SAME ADVERTISING, POSTING OF NOTICE, AND PUBLIC HEARING REQUIREMENTS AS THOSE FOR THE UNDERLYING LICENSE.

(D) ~~(1)~~ TO BE USED AS A NONREFILLABLE CONTAINER FOR DRAFT BEER UNDER THE AUTHORITY OF A NONREFILLABLE CONTAINER PERMIT, A CONTAINER SHALL:

~~(1)~~ (1) BE CONSTRUCTED OUT OF ALUMINUM;

~~(2)~~ (2) BE SEALABLE;

~~(3)~~ (3) HAVE A CAPACITY OF 32 OUNCES;

~~(4)~~ (4) BE BRANDED WITH THE IDENTIFYING MARKS OF THE SELLER OF THE CONTAINER; AND

~~(5)~~ (5) BEAR THE FEDERAL HEALTH WARNING STATEMENT REQUIRED FOR CONTAINERS OF ALCOHOLIC BEVERAGES UNDER 27 C.F.R. ~~16.21~~ § 16.21.

10-102.

This title applies only in the City of Annapolis.

10-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the City without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4–1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the City.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE CITY:**

(1) [Section] § 4–1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the City], subject to § 10–1102 of this subtitle; AND

(2) § 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 10–1103 OF THIS SUBTITLE.

10–1103.

(A) **THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, CLASS B LICENSE, CLASS D LICENSE, OR CLASS E LICENSE.**

(B) **AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.**

(C) **THE HOURS OF SALE FOR A NONREFILLABLE CONTAINER PERMIT:**

(1) **BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND**

(2) **END AT MIDNIGHT.**

(D) **THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.**

(E) **(1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:**

~~(1)~~ **(I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND**

~~(2)~~ **(II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.**

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

11–102.

This title applies only in Anne Arundel County.

11-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 11-1103 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 11-1103.1 OF THIS SUBTITLE.

11-1103.1.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, OR A CLASS D LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

(E) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:

~~(1)~~ **(I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND**

~~(2)~~ **(II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.**

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

12-102.

This title applies only in Baltimore City.

12-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the City without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the City.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE CITY:

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the City], subject to § 12-1102 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 12-1102.1 OF THIS SUBTITLE.

12-1102.1.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF ANY CLASS OF LICENSE EXCEPT A CLASS C LICENSE OR A CLASS M-G LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) RECEIPTS COLLECTED UNDER THE PERMIT ARE TO BE INCLUDED IN THE CALCULATION OF AVERAGE DAILY RECEIPTS FROM THE SALE OF ALCOHOLIC BEVERAGES UNDER § 12–104 OF THIS TITLE.

(E) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

(F) (1) THE EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND

~~(2)~~ (II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

13–102.

This title applies only in Baltimore County.

13–1101.

(a) The following provisions of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4–1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4–1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4–1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) [Section] § 4–1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 13–1102 of this subtitle; AND

(2) § 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 13–1103 OF THIS SUBTITLE.

13–1103.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, OR A CLASS D LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

(E) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE BOARD MAY CHARGE ANNUAL PERMIT FEES OF NOT MORE THAN:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF–SALE PRIVILEGE; AND

~~(2)~~ (II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF–SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

14–102.

This title applies only in Calvert County.

14–1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4–1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4–1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4–1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:

(1) [Section] § 4–1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 14–1102 of this subtitle; AND

(2) § 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 14–1103 OF THIS SUBTITLE.

14–1103.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, OR A CLASS D LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

(E) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:

~~(1)~~ (1) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND

~~(2)~~ **(II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.**

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

15-102.

This title applies only in Caroline County.

15-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article does not apply in the county.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 15-1102 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 15-1103 OF THIS SUBTITLE.

15-1103.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS B OR CLASS H LICENSE.

(B) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(C) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEE IS \$500.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

16-102.

This title applies only in Carroll County.

16-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 16-1102 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 16-1103 OF THIS SUBTITLE.

16-1103.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, OR A CLASS D LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) (1) THE EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND

~~(2)~~ (II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

17-102.

This title applies only in Cecil County.

17-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 17-1102 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 17-1103 OF THIS SUBTITLE.

17-1103.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE OR A CLASS B LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT BEGIN AND END AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE.

(D) RECEIPTS COLLECTED UNDER THE PERMIT ARE TO BE INCLUDED IN THE CALCULATION OF AVERAGE DAILY RECEIPTS FROM THE SALE OF ALCOHOLIC BEVERAGES UNDER § 17-2001 OF THIS TITLE.

(E) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

(F) (1) THE EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEE IS \$50.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

18-102.

This title applies only in Charles County.

18-1101.

(a) The following section of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article applies in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 18-1102 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 18-1103 OF THIS SUBTITLE.

18-1103.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, OR A CLASS C LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND

~~(2)~~ (II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

19-102.

This title applies only in Dorchester County.

19-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4–1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4–1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) [Section] § 4–1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 19–1102 of this subtitle; **AND**

(2) § 4–1106 (“**NONREFILLABLE CONTAINER PERMIT — DRAFT BEER**”), **SUBJECT TO § 19–1103 OF THIS SUBTITLE.**

19–1103.

(A) **THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF:**

- (1) **A CLASS B BEER LICENSE;**
- (2) **A CLASS B BEER AND WINE LICENSE;**
- (3) **A CLASS B BEER, WINE, AND LIQUOR LICENSE;**
- (4) **A CLASS D BEER LICENSE;**
- (5) **A CLASS D BEER AND WINE LICENSE; OR**
- (6) **A CLASS D BEER, WINE, AND LIQUOR LICENSE.**

(B) **AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.**

(C) **THE HOURS OF SALE FOR THE PERMIT:**

- (1) **BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND**
- (2) **END AT MIDNIGHT.**

(D) **IN AN AREA OF THE LICENSED PREMISES THAT IS ACCESSIBLE TO THE PUBLIC, THE PERMIT HOLDER MAY NOT DISPLAY OR PROVIDE SHELVING FOR BEER FOR OFF-PREMISES CONSUMPTION.**

(E) THE BOARD MAY ADOPT REGULATIONS TO CARRY OUT THIS SECTION, INCLUDING LIMITING THE NUMBER OF NONREFILLABLE CONTAINER PERMITS THAT MAY BE ISSUED IN THE COUNTY.

(F) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND

~~(2)~~ (II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

20-102.

This title applies only in Frederick County.

20-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county:

(1) § 4-1104 (“Refillable container permit — Draft beer”), subject to § 20-1104 of this subtitle; [and]

(2) § 4-1105 (“Refillable container permit — Wine”), subject to § 20-1105 of this subtitle; AND

(3) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 20-1106 OF THIS SUBTITLE.

20-1106.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE OR A CLASS B LICENSE.

(B) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEE IS \$50.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

21-102.

This title applies only in Garrett County.

21-1101.

(a) Section 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”) of Division I of this article applies in the county without exception or variation.

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”), in addition to § 21-1102 of this subtitle; [and]

(2) § 4-1104 (“Refillable container permit — Draft beer”), subject to § 21-1104 of this subtitle; AND

(3) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 21-1104.1 OF THIS SUBTITLE.

21-1104.1.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A DRAFT BEER PERMIT WHO ALSO HOLDS ANY OTHER LICENSE EXCEPT A CLASS A LICENSE OR A CLASS C LICENSE.

(B) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 1 YEAR OR A FINE NOT EXCEEDING \$5,000 OR BOTH.

22-102.

This title applies only in Harford County.

22-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county:

(1) § 4-1104 (“Refillable container permit — Draft beer”), subject to § 22-1102 of this subtitle; [and]

(2) § 4-1105 (“Refillable container permit — Wine”), subject to § 22-1103 of this subtitle; AND

(3) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 22-1104 OF THIS SUBTITLE.

22-1104.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF:

(1) A CLASS A-1 LICENSE;

(2) A CLASS A-2 LICENSE;

(3) A CLASS B LICENSE THAT HAS OFF-SALE PRIVILEGES; OR

(4) A CLASS D LICENSE.

(B) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEE IS \$50.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

23-102.

This title applies only in Howard County.

23–1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4–1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4–1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county:

(1) § 4–1104 (“Refillable container permit — Draft beer”), subject to § 23–1102 of this subtitle; [and]

(2) § 4–1105 (“Refillable container permit — Wine”), subject to § 23–1103 of this subtitle; AND

(3) § 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 23–1104 OF THIS SUBTITLE.

23–1104.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF ANY CLASS OF LICENSE EXCEPT A CLASS C LICENSE AND A CLASS GC LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THERE IS NO FEE FOR THE PERMIT.

25–102.

This title applies only in Montgomery County.

25–1101.

(a) Section 4–1103 (“Removal of partially consumed bottle of wine from licensed premises”) of Division I of this article applies in the county without exception or variation.

(b) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county:

(1) § 4–1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”), in addition to § 25–1102 of this subtitle;

(2) § 4–1104 (“Refillable container permit — Draft beer”), subject to § 25–1103 of this subtitle; [and]

(3) § 4–1105 (“Refillable container permit — Wine”), subject to § 25–1104 of this subtitle; AND

(4) § 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 25–1104.1 OF THIS SUBTITLE.

25–1104.1.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS B BEER AND WINE LICENSE, A CLASS D BEER AND WINE LICENSE, OR A CLASS BD–BWL LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT BEGIN AND END AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE.

(D) THE PERMIT MAY BE RENEWED EACH YEAR WITH THE RENEWAL OF THE UNDERLYING LICENSE.

(E) THE BOARD SHALL ISSUE THE PERMIT AT NO COST TO THE APPLICANT.

26–102.

This title applies only in Prince George’s County.

26–1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4–1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4–1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4–1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) [Section] § 4–1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 26–1102 of this subtitle; AND

(2) § 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 26–1102.1 OF THIS SUBTITLE.

26–1102.1.

(A) **THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS B BEER, WINE, AND LIQUOR LICENSE WITH OFF-SALE PRIVILEGES.**

(B) **AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.**

(C) **THE HOURS OF SALE FOR THE PERMIT:**

(1) **BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND**

(2) **END AT MIDNIGHT.**

(D) **THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.**

(E) (1) **THE EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE BOARD SHALL SET AN ANNUAL PERMIT FEE.**

(2) **AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.**

27–102.

This title applies only in Queen Anne’s County.

27–1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 27-1102 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 27-1103 OF THIS SUBTITLE.

27-1103.

(A) **THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, A CLASS C LICENSE, OR A CLASS D LICENSE.**

(B) **AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.**

(C) **THE HOURS OF SALE FOR THE PERMIT:**

(1) **BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND**

(2) **END AT MIDNIGHT.**

(D) **(1) THE EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:**

~~(1)~~ **(I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND**

~~(2)~~ **(II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.**

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

28–102.

This title applies only in St. Mary’s County.

28–1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4–1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4–1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4–1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:

(1) [Section] § 4–1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 28–1102 of this subtitle; AND

(2) § 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 28–1103 OF THIS SUBTITLE.

28–1103.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, OR A CLASS D LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

(E) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE BOARD MAY CHARGE ANNUAL PERMIT FEES OF UP TO:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHO HOLDS AN UNDERLYING LICENSE WITH AN OFF-SALE PRIVILEGE; OR

~~(2)~~ (II) \$500 FOR AN APPLICANT WHO HOLDS AN UNDERLYING LICENSE WITHOUT AN OFF-SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

31-102.

This title applies only in Washington County.

31-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 31-1102 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 31-1102.1 OF THIS SUBTITLE.

31-1102.1.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, OR A CLASS D LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND

~~(2)~~ (II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

32-102.

This title applies only in Wicomico County.

32-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) [Section] § 4–1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 32–1102 of this subtitle; AND

(2) § 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 32–1103 OF THIS SUBTITLE.

32–1103.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF ANY LICENSE ISSUED BY THE BOARD EXCEPT A CLASS C LICENSE, CLASS D LICENSE, CLASS B–CONFERENCE CENTER LICENSE, AND CLASS B–STADIUM LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) RECEIPTS COLLECTED UNDER THE PERMIT ARE TO BE INCLUDED IN THE CALCULATION OF AVERAGE DAILY RECEIPTS FROM THE SALE OF ALCOHOLIC BEVERAGES UNDER A CLASS B RESTAURANT LICENSE, CLASS B HOTEL LICENSE, AND CLASS B GOLF COURSE LICENSE.

(E) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEE IS \$500.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

33–102.

This title applies only in Worcester County.

33–1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4–1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4–1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4–1105 (“Refillable container permit — Wine”) of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article does not apply in the county.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) [Section] § 4–1104 (“Refillable container permit — Draft beer”) [of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article applies in the county], subject to § 33–1103 of this subtitle; AND

(2) § 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 33–1104 OF THIS SUBTITLE.

33–1104.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS B LICENSE OR A CLASS D LICENSE.

(B) (1) BEFORE THE BOARD ISSUES THE PERMIT TO AN APPLICANT, THE APPLICANT SHALL:

~~(1)~~ **(I) COMPLETE THE FORM THAT THE BOARD PROVIDES; AND**

~~(2)~~ **(II) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, PAY AN ANNUAL PERMIT FEE OF \$500.**

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) RECEIPTS COLLECTED UNDER THE PERMIT SHALL BE INCLUDED IN THE CALCULATION OF AVERAGE DAILY RECEIPTS FROM THE SALE OF ALCOHOLIC

BEVERAGES UNDER A CLASS B RESTAURANT LICENSE AND A CLASS B HOTEL LICENSE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 318**(Senate Bill 491)**

AN ACT concerning

Alcoholic Beverages – Nonrefillable Containers – Draft Beer

FOR the purpose of establishing in certain jurisdictions a nonrefillable container permit; authorizing a permit holder to sell draft beer for off-premises consumption by packaging the beer in a nonrefillable container that meets certain specifications; specifying certain requirements for permit holders, hours of sale, and ~~license permit~~ fees; prohibiting permit fees to be charged under certain circumstances; and generally relating to nonrefillable containers for alcoholic beverages.

BY adding to

Article – Alcoholic Beverages

Section 4–1106, 10–1103, 11–1103.1, 12–1102.1, 13–1103, 14–1103, 15–1103, 16–1103, 17–1103, 18–1103, 19–1103, 20–1106, 21–1104.1, 22–1104, 23–1104, 25–1104.1, 26–1102.1, 27–1103, 28–1103, 31–1102.1, 32–1103, and 33–1104

Annotated Code of Maryland

(2016 Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages

Section 10–102, 11–102, 12–102, 13–102, 14–102, 15–102, 16–102, 17–102, 18–102, 19–102, 20–102, 21–102, 22–102, 23–102, 25–102, 26–102, 27–102, 28–102, 31–102, 32–102, and 33–102

Annotated Code of Maryland

(2016 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 10–1101, 11–1101, 12–1101, 13–1101, 14–1101, 15–1101, 16–1101, 17–1101, 18–1101, 19–1101, 20–1101, 21–1101, 22–1101, 23–1101, 25–1101, 26–1101, 27–1101, 28–1101, 31–1101, 32–1101, and 33–1101

Annotated Code of Maryland

(2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

4–1106.

(A) THERE IS A NONREFILLABLE CONTAINER PERMIT.

(B) A NONREFILLABLE CONTAINER PERMIT AUTHORIZES THE PERMIT HOLDER TO SELL DRAFT BEER FOR OFF–PREMISES CONSUMPTION BY PACKAGING THE BEER IN A NONREFILLABLE CONTAINER THAT MEETS THE STANDARDS SET OUT IN SUBSECTION (D) OF THIS SECTION.

(C) (1) THE TERM OF A NONREFILLABLE CONTAINER PERMIT IS THE SAME AS THAT OF THE UNDERLYING LICENSE.

(2) THE HOURS OF SALE FOR A NONREFILLABLE CONTAINER PERMIT ARE THE SAME AS THOSE FOR THE UNDERLYING LICENSE.

(3) AN APPLICANT WHO HOLDS AN UNDERLYING LICENSE WITHOUT AN OFF–SALE PRIVILEGE SHALL MEET THE SAME ADVERTISING, POSTING OF NOTICE, AND PUBLIC HEARING REQUIREMENTS AS THOSE FOR THE UNDERLYING LICENSE.

(D) ~~(1)~~ TO BE USED AS A NONREFILLABLE CONTAINER FOR DRAFT BEER UNDER THE AUTHORITY OF A NONREFILLABLE CONTAINER PERMIT, A CONTAINER SHALL:

~~(1)~~ **(1) BE CONSTRUCTED OUT OF ALUMINUM;**

~~(2)~~ **(2) BE SEALABLE;**

~~(3)~~ **(3) HAVE A CAPACITY OF 32 OUNCES;**

~~(4)~~ **(4) BE BRANDED WITH THE IDENTIFYING MARKS OF THE SELLER OF THE CONTAINER; AND**

~~(5)~~ **(5) BEAR THE FEDERAL HEALTH WARNING STATEMENT REQUIRED FOR CONTAINERS OF ALCOHOLIC BEVERAGES UNDER 27 C.F.R. ~~16.21~~ § 16.21.**

10–102.

This title applies only in the City of Annapolis.

10-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the City without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the City.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE CITY:**

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the City], subject to § 10-1102 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 10-1103 OF THIS SUBTITLE.

10-1103.

(A) **THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, CLASS B LICENSE, CLASS D LICENSE, OR CLASS E LICENSE.**

(B) **AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.**

(C) **THE HOURS OF SALE FOR A NONREFILLABLE CONTAINER PERMIT:**

(1) **BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND**

(2) **END AT MIDNIGHT.**

(D) **THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.**

(E) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND

~~(2)~~ (II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

11-102.

This title applies only in Anne Arundel County.

11-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 11-1103 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 11-1103.1 OF THIS SUBTITLE.

11-1103.1.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, OR A CLASS D LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

(E) (1) THE EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND

~~(2)~~ (II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

12-102.

This title applies only in Baltimore City.

12-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the City without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the City.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE CITY:

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the City], subject to § 12-1102 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 12-1102.1 OF THIS SUBTITLE.

12-1102.1.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF ANY CLASS OF LICENSE EXCEPT A CLASS C LICENSE OR A CLASS M-G LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) RECEIPTS COLLECTED UNDER THE PERMIT ARE TO BE INCLUDED IN THE CALCULATION OF AVERAGE DAILY RECEIPTS FROM THE SALE OF ALCOHOLIC BEVERAGES UNDER § 12-104 OF THIS TITLE.

(E) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

(F) (1) THE EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND

~~(2)~~ (II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

13-102.

This title applies only in Baltimore County.

13-1101.

(a) The following provisions of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4–1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4–1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4–1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:

(1) [Section] § 4–1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 13–1102 of this subtitle; AND

(2) § 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 13–1103 OF THIS SUBTITLE.

13–1103.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, OR A CLASS D LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

(E) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE BOARD MAY CHARGE ANNUAL PERMIT FEES OF NOT MORE THAN:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND

~~(2)~~ **(II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.**

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

14-102.

This title applies only in Calvert County.

14-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 14-1102 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 14-1103 OF THIS SUBTITLE.

14-1103.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, OR A CLASS D LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

(E) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND

~~(2)~~ (II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

15-102.

This title applies only in Caroline County.

15-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article does not apply in the county.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 15-1102 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 15-1103 OF THIS SUBTITLE.

15-1103.

(A) **THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS B OR CLASS H LICENSE.**

(B) **THE HOURS OF SALE FOR THE PERMIT:**

(1) **BEGIN AT THE SAME TIME FOR THE UNDERLYING LICENSE; AND**

(2) **END AT MIDNIGHT.**

(C) **(1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEE IS \$500.**

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

16-102.

This title applies only in Carroll County.

16-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 16-1102 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 16-1103 OF THIS SUBTITLE.

16-1103.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, OR A CLASS D LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND

~~(2)~~ (II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

17-102.

This title applies only in Cecil County.

17-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 17-1102 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 17-1103 OF THIS SUBTITLE.

17-1103.

(A) **THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE OR A CLASS B LICENSE.**

(B) **AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.**

(C) **THE HOURS OF SALE FOR THE PERMIT BEGIN AND END AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE.**

(D) **RECEIPTS COLLECTED UNDER THE PERMIT ARE TO BE INCLUDED IN THE CALCULATION OF AVERAGE DAILY RECEIPTS FROM THE SALE OF ALCOHOLIC BEVERAGES UNDER § 17-2001 OF THIS TITLE.**

(E) **THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.**

(F) **(1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEE IS \$50.**

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

18-102.

This title applies only in Charles County.

18-1101.

(a) The following section of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article applies in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4–1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4–1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) [Section] § 4–1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 18–1102 of this subtitle; AND

(2) § 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 18–1103 OF THIS SUBTITLE.

18–1103.

(A) **THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, OR A CLASS C LICENSE.**

(B) **AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.**

(C) **THE HOURS OF SALE FOR THE PERMIT:**

(1) **BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND**

(2) **END AT MIDNIGHT.**

(D) **(1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:**

~~(1)~~ **(I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND**

~~(2)~~ **(II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.**

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

19–102.

This title applies only in Dorchester County.

19–1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4–1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4–1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4–1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:

(1) [Section] § 4–1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 19–1102 of this subtitle; AND

(2) § 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 19–1103 OF THIS SUBTITLE.

19–1103.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF:

(1) A CLASS B BEER LICENSE;

(2) A CLASS B BEER AND WINE LICENSE;

(3) A CLASS B BEER, WINE, AND LIQUOR LICENSE;

(4) A CLASS D BEER LICENSE;

(5) A CLASS D BEER AND WINE LICENSE; OR

(6) A CLASS D BEER, WINE, AND LIQUOR LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) IN AN AREA OF THE LICENSED PREMISES THAT IS ACCESSIBLE TO THE PUBLIC, THE PERMIT HOLDER MAY NOT DISPLAY OR PROVIDE SHELVING FOR BEER FOR OFF-PREMISES CONSUMPTION.

(E) THE BOARD MAY ADOPT REGULATIONS TO CARRY OUT THIS SECTION, INCLUDING LIMITING THE NUMBER OF NONREFILLABLE CONTAINER PERMITS THAT MAY BE ISSUED IN THE COUNTY.

(F) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND

~~(2)~~ (II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

20-102.

This title applies only in Frederick County.

20-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county:

(1) § 4–1104 (“Refillable container permit — Draft beer”), subject to § 20–1104 of this subtitle; [and]

(2) § 4–1105 (“Refillable container permit — Wine”), subject to § 20–1105 of this subtitle; AND

(3) § 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 20–1106 OF THIS SUBTITLE.

20–1106.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE OR A CLASS B LICENSE.

(B) (1) THE EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEE IS \$50.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

21–102.

This title applies only in Garrett County.

21–1101.

(a) Section 4–1103 (“Removal of partially consumed bottle of wine from licensed premises”) of Division I of this article applies in the county without exception or variation.

(b) Section 4–1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county:

(1) § 4–1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”), in addition to § 21–1102 of this subtitle; [and]

(2) § 4–1104 (“Refillable container permit — Draft beer”), subject to § 21–1104 of this subtitle; AND

(3) § 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 21–1104.1 OF THIS SUBTITLE.

21–1104.1.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A DRAFT BEER PERMIT WHO ALSO HOLDS ANY OTHER LICENSE EXCEPT A CLASS A LICENSE OR A CLASS C LICENSE.

(B) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 1 YEAR OR A FINE NOT EXCEEDING \$5,000 OR BOTH.

22-102.

This title applies only in Harford County.

22-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county:

(1) § 4-1104 (“Refillable container permit — Draft beer”), subject to § 22-1102 of this subtitle; [and]

(2) § 4-1105 (“Refillable container permit — Wine”), subject to § 22-1103 of this subtitle; AND

(3) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 22-1104 OF THIS SUBTITLE.

22-1104.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF:

(1) A CLASS A-1 LICENSE;

(2) A CLASS A-2 LICENSE;

(3) A CLASS B LICENSE THAT HAS OFF-SALE PRIVILEGES; OR

(4) A CLASS D LICENSE.

(B) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEE IS \$50.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

23-102.

This title applies only in Howard County.

23-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county:

(1) § 4-1104 (“Refillable container permit — Draft beer”), subject to § 23-1102 of this subtitle; [and]

(2) § 4-1105 (“Refillable container permit — Wine”), subject to § 23-1103 of this subtitle; AND

(3) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 23-1104 OF THIS SUBTITLE.

23-1104.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF ANY CLASS OF LICENSE EXCEPT A CLASS C LICENSE AND A CLASS GC LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THERE IS NO FEE FOR THE PERMIT.

25-102.

This title applies only in Montgomery County.

25-1101.

(a) Section 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”) of Division I of this article applies in the county without exception or variation.

(b) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”), in addition to § 25-1102 of this subtitle;

(2) § 4-1104 (“Refillable container permit — Draft beer”), subject to § 25-1103 of this subtitle; [and]

(3) § 4-1105 (“Refillable container permit — Wine”), subject to § 25-1104 of this subtitle; AND

(4) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 25-1104.1 OF THIS SUBTITLE.

25-1104.1.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS B BEER AND WINE LICENSE, A CLASS D BEER AND WINE LICENSE, OR A CLASS BD-BWL LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT BEGIN AND END AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE.

(D) THE PERMIT MAY BE RENEWED EACH YEAR WITH THE RENEWAL OF THE UNDERLYING LICENSE.

(E) THE BOARD SHALL ISSUE THE PERMIT AT NO COST TO THE APPLICANT.

26-102.

This title applies only in Prince George’s County.

26-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4–1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4–1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4–1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:

(1) [Section] § 4–1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 26–1102 of this subtitle; AND

(2) § 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 26–1102.1 OF THIS SUBTITLE.

26–1102.1.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS B BEER, WINE, AND LIQUOR LICENSE WITH OFF-SALE PRIVILEGES.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

(E) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE BOARD SHALL SET AN ANNUAL PERMIT FEE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

27-102.

This title applies only in Queen Anne's County.

27-1101.

(a) The following sections of Title 4, Subtitle 11 ("Additional License Privileges") of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 ("Corkage — Consuming wine not purchased from license holder on licensed premises"); and

(2) § 4-1103 ("Removal of partially consumed bottle of wine from licensed premises").

(b) Section 4-1105 ("Refillable container permit — Wine") of Division I of this article does not apply in the county.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 ("ADDITIONAL LICENSE PRIVILEGES") OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) [Section] § 4-1104 ("Refillable container permit — Draft beer") [of Division I of this article applies in the county], subject to § 27-1102 of this subtitle; **AND**

(2) **§ 4-1106 ("NONREFILLABLE CONTAINER PERMIT — DRAFT BEER"), SUBJECT TO § 27-1103 OF THIS SUBTITLE.**

27-1103.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, A CLASS C LICENSE, OR A CLASS D LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND

~~(2)~~ (II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

28-102.

This title applies only in St. Mary's County.

28-1101.

(a) The following sections of Title 4, Subtitle 11 ("Additional License Privileges") of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 ("Corkage — Consuming wine not purchased from license holder on licensed premises"); and

(2) § 4-1103 ("Removal of partially consumed bottle of wine from licensed premises").

(b) Section 4-1105 ("Refillable container permit — Wine") of Division I of this article does not apply in the county.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 ("ADDITIONAL LICENSE PRIVILEGES") OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:

(1) [Section] § 4-1104 ("Refillable container permit — Draft beer") [of Division I of this article applies in the county], subject to § 28-1102 of this subtitle; AND

(2) § 4-1106 ("NONREFILLABLE CONTAINER PERMIT — DRAFT BEER"), SUBJECT TO § 28-1103 OF THIS SUBTITLE.

28-1103.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, OR A CLASS D LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

(E) (1) THE EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE BOARD MAY CHARGE ANNUAL PERMIT FEES OF UP TO:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHO HOLDS AN UNDERLYING LICENSE WITH AN OFF-SALE PRIVILEGE; OR

~~(2)~~ (II) \$500 FOR AN APPLICANT WHO HOLDS AN UNDERLYING LICENSE WITHOUT AN OFF-SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

31-102.

This title applies only in Washington County.

31-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 31-1102 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 31-1102.1 OF THIS SUBTITLE.

31-1102.1.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A LICENSE, A CLASS B LICENSE, OR A CLASS D LICENSE.

(B) AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) (1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEES ARE:

~~(1)~~ (I) \$50 FOR AN APPLICANT WHOSE LICENSE HAS AN OFF-SALE PRIVILEGE; AND

~~(2)~~ (II) \$500 FOR AN APPLICANT WHOSE LICENSE DOES NOT HAVE AN OFF-SALE PRIVILEGE.

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

32-102.

This title applies only in Wicomico County.

32-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4-1105 (“Refillable container permit — Wine”) of Division I of this article does not apply in the county.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) [Section] § 4-1104 (“Refillable container permit — Draft beer”) [of Division I of this article applies in the county], subject to § 32-1102 of this subtitle; AND

(2) § 4-1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 32-1103 OF THIS SUBTITLE.

32-1103.

(A) **THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF ANY LICENSE ISSUED BY THE BOARD EXCEPT A CLASS C LICENSE, CLASS D LICENSE, CLASS B-CONFERENCE CENTER LICENSE, AND CLASS B-STADIUM LICENSE.**

(B) **AN APPLICANT FOR THE PERMIT SHALL COMPLETE THE FORM THAT THE BOARD PROVIDES.**

(C) **THE HOURS OF SALE FOR THE PERMIT:**

(1) **BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND**

(2) **END AT MIDNIGHT.**

(D) **RECEIPTS COLLECTED UNDER THE PERMIT ARE TO BE INCLUDED IN THE CALCULATION OF AVERAGE DAILY RECEIPTS FROM THE SALE OF ALCOHOLIC BEVERAGES UNDER A CLASS B RESTAURANT LICENSE, CLASS B HOTEL LICENSE, AND CLASS B GOLF COURSE LICENSE.**

(E) **(1) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ANNUAL PERMIT FEE IS \$500.**

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

33-102.

This title applies only in Worcester County.

33–1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the county without exception or variation:

(1) § 4–1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4–1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) Section 4–1105 (“Refillable container permit — Wine”) of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article does not apply in the county.

(c) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) [Section] § 4–1104 (“Refillable container permit — Draft beer”) [of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article applies in the county], subject to § 33–1103 of this subtitle; **AND**

(2) **§ 4–1106 (“NONREFILLABLE CONTAINER PERMIT — DRAFT BEER”), SUBJECT TO § 33–1104 OF THIS SUBTITLE.**

33–1104.

(A) THE BOARD MAY ISSUE A NONREFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS B LICENSE OR A CLASS D LICENSE.

(B) (1) BEFORE THE BOARD ISSUES THE PERMIT TO AN APPLICANT, THE APPLICANT SHALL:

~~(1)~~ **(I) COMPLETE THE FORM THAT THE BOARD PROVIDES; AND**

~~(2)~~ **(II) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, PAY AN ANNUAL PERMIT FEE OF \$500.**

(2) AN APPLICANT WHO HAS A REFILLABLE CONTAINER PERMIT MAY NOT BE CHARGED A FEE FOR A NONREFILLABLE CONTAINER PERMIT.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) RECEIPTS COLLECTED UNDER THE PERMIT SHALL BE INCLUDED IN THE CALCULATION OF AVERAGE DAILY RECEIPTS FROM THE SALE OF ALCOHOLIC BEVERAGES UNDER A CLASS B RESTAURANT LICENSE AND A CLASS B HOTEL LICENSE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 319

(House Bill 76)

AN ACT concerning

Baltimore City Public Schools – Capital Project Scoring System

FOR the purpose of requiring the Baltimore City Board of School Commissioners, on or before a certain date, to develop and implement a scoring system for evaluating certain projects; requiring the board, on or before certain dates, to apply the scoring system to projects for certain public school facilities, publish the project scores on the Baltimore City Public School System's Web site, and report the project scores to certain members of the General Assembly; requiring the board, on or before certain dates, to use a certain scoring system to update certain project evaluations and publish and report certain scores; and generally relating to public school facilities in Baltimore City.

BY repealing and reenacting, without amendments,
 Article – Education
 Section 4–301(a), (b), (f), and (g)
 Annotated Code of Maryland
 (2014 Replacement Volume and 2016 Supplement)

BY adding to
 Article – Education
 Section 4–320
 Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

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

Article – Education

4–301.

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

(b) “Board” means the Baltimore City Board of School Commissioners of the Baltimore City Public School System.

(f) “Project” means the acquisition, construction, reconstruction, equipping, maintenance, repair, or renovation of any public school facility.

(g) “Public school facility” means a building, parking facility, athletic facility, testing facility, or other facility in the City of Baltimore, now existing or hereafter acquired or constructed, that is used by the board in relation to the education of students in the Baltimore City Public School System.

4–320.

(A) ON OR BEFORE JANUARY 1, 2018, THE BOARD SHALL:

~~(1)~~ DEVELOP DEVELOP AND IMPLEMENT A SCORING SYSTEM FOR EVALUATING PROJECTS THAT SERVE THE LONG–RANGE PLANS OF THE BALTIMORE CITY PUBLIC SCHOOL ~~SYSTEM;~~ SYSTEM.

(B) ON OR BEFORE JANUARY 1, 2020, THE BOARD SHALL:

~~(2)~~ (1) APPLY THE SCORING SYSTEM DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION TO PROJECTS FOR EACH 75% OF THE PUBLIC SCHOOL ~~FACILITY THAT IS~~ FACILITIES THAT ARE:

(I) ~~OWNED~~ OPERATED BY THE BALTIMORE CITY PUBLIC SCHOOL SYSTEM; AND

(II) UTILIZED BY STUDENTS;

~~(3)~~ (2) PUBLISH THE PROJECT SCORES ON THE BALTIMORE CITY PUBLIC SCHOOL SYSTEM’S WEB SITE; AND

~~(4)~~ (3) REPORT THE PROJECT SCORES TO THE MEMBERS OF THE BALTIMORE CITY DELEGATION TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE.

(C) ON OR BEFORE JANUARY 1, 2021, THE BOARD SHALL:

(1) APPLY THE SCORING SYSTEM DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION TO PROJECTS FOR THE REMAINING 25% OF PUBLIC SCHOOL FACILITIES DESCRIBED UNDER SUBSECTION (B) OF THIS SECTION;

(2) PUBLISH THE PROJECT SCORES ON THE BALTIMORE CITY PUBLIC SCHOOL SYSTEM'S WEB SITE; AND

(3) REPORT THE PROJECT SCORES TO THE MEMBERS OF THE BALTIMORE CITY DELEGATION TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE.

~~(B)~~ (D) ON OR BEFORE JANUARY 1, ~~2020~~ 2021, AND EVERY ~~2~~ 4 YEARS THEREAFTER, THE BOARD SHALL:

(1) UPDATE THE EVALUATION OF PROJECTS FOR EACH PUBLIC SCHOOL FACILITY USING THE SCORING SYSTEM DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION;

(2) PUBLISH THE UPDATED PROJECT SCORES ON THE BALTIMORE CITY PUBLIC SCHOOL SYSTEM'S WEB SITE; AND

(3) REPORT THE UPDATED PROJECT SCORES TO THE MEMBERS OF THE BALTIMORE CITY DELEGATION TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 320

(Senate Bill 701)

AN ACT concerning

**Higher Education – Tuition Waivers for Foster Care Recipients and
Unaccompanied Homeless Youth – Alterations**

FOR the purpose of altering the definition of “foster care recipient” for certain tuition waivers to include an individual who resided in an out-of-home placement at the time the individual graduated from high school or successfully completed a GED; clarifying that the definition of “tuition” includes fees for credit-bearing and noncredit courses; and generally relating to tuition waivers for foster care recipients and unaccompanied homeless youth.

BY repealing and reenacting, with amendments,
Article – Education
Section 15–106.1(a)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,
Article – Education
Section 15–106.1(c)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – Education

15–106.1.

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

(2) (i) “Foster care recipient” means an individual who:

1. Was placed in an out-of-home placement by the Maryland Department of Human Resources; and

2. A. Resided in an out-of-home placement on the individual’s 18th birthday **OR AT THE TIME THE INDIVIDUAL GRADUATED FROM HIGH SCHOOL OR SUCCESSFULLY COMPLETED A GED;**

B. Resided in an out-of-home placement on the individual’s 13th birthday and was placed into guardianship or adopted out of an out-of-home placement after the individual’s 13th birthday; or

C. Resided in an out-of-home placement in the State for at least 1 year on or after the individual’s 13th birthday and returned to live with the individual’s parents after the out-of-home placement ended.

(ii) “Foster care recipient” includes a younger sibling of an individual described in subparagraph (i) of this paragraph if the younger sibling is concurrently placed into guardianship or adopted out of an out-of-home placement by the same guardianship or adoptive family.

(3) “Out-of-home placement” has the meaning stated in § 5-501 of the Family Law Article.

(4) (i) “Tuition” means the charges imposed by a public institution of higher education for enrollment at the institution.

(ii) “Tuition” includes charges for registration and all fees **FOR CREDIT-BEARING AND NONCREDIT COURSES** required as a condition of enrollment.

(5) “Unaccompanied homeless youth” means a child or youth who:

(i) Has had a consistent presence in the State for at least 1 year before enrollment in a public institution of higher education that is documented by school, employment, or other records;

(ii) Is not in the physical custody of a parent or guardian;

(iii) Is a homeless child or youth, as defined by the McKinney-Vento Homeless Assistance Act; and

(iv) Was determined to be a homeless child or youth by:

1. A Maryland local school system homeless liaison, as defined by the McKinney-Vento Homeless Assistance Act;

2. A Director or a designee of the Director of a Maryland-based program funded under the Runaway and Homeless Youth Act;

3. A Director or a designee of the Director of a Maryland-based program funded under Title IV, Subtitle B of the McKinney-Vento Homeless Assistance Act; or

4. The financial aid director at the public institution of higher education in which the youth seeks to enroll.

(6) “Vocational certificate” means a certificate or license awarded by a public institution of higher education on completion of a course of study that prepares an individual to work in a career field by taking credit-bearing courses or noncredit courses.

(c) (1) A foster care recipient or an unaccompanied homeless youth is exempt from paying any tuition at a public institution of higher education, regardless of that foster care recipient's or unaccompanied homeless youth's receipt of any scholarship or grant if:

(i) The foster care recipient or unaccompanied homeless youth is enrolled at the institution on or before the date that the foster care recipient or unaccompanied homeless youth reaches the age of 25 years;

(ii) The foster care recipient or unaccompanied homeless youth is enrolled as a candidate for a vocational certificate, an associate's degree, or a bachelor's degree; and

(iii) The foster care recipient or unaccompanied homeless youth has filed for federal and State financial aid.

(2) If a foster care recipient or an unaccompanied homeless youth receives a scholarship or grant for postsecondary study and is enrolled before the recipient's 25th birthday as a candidate for a vocational certificate, an associate's degree, or bachelor's degree at a public institution of higher education, the scholarship or grant may not be applied to the tuition for the foster care recipient or unaccompanied homeless youth.

(3) A foster care recipient or an unaccompanied homeless youth who is exempt from tuition under this section continues to be exempt until the earlier of:

(i) 5 years after first enrolling as a candidate for an associate's degree or a bachelor's degree at a public institution of higher education in the State; or

(ii) The date that the foster care recipient or unaccompanied homeless youth is awarded a bachelor's degree.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 321

(House Bill 462)

AN ACT concerning

**Higher Education – Tuition Waivers for Foster Care Recipients and
Unaccompanied Homeless Youth – Alterations**

FOR the purpose of altering the definition of “foster care recipient” for certain tuition waivers to include an individual who resided in an out-of-home placement at the time the individual graduated from high school or successfully completed a GED; clarifying that the definition of “tuition” includes fees for credit-bearing and noncredit courses; and generally relating to tuition waivers for foster care recipients and unaccompanied homeless youth.

BY repealing and reenacting, with amendments,
Article – Education
Section 15–106.1(a)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,
Article – Education
Section 15–106.1(c)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – Education

15–106.1.

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

(2) (i) “Foster care recipient” means an individual who:

1. Was placed in an out-of-home placement by the Maryland Department of Human Resources; and

2. A. Resided in an out-of-home placement on the individual’s 18th birthday **OR AT THE TIME THE INDIVIDUAL GRADUATED FROM HIGH SCHOOL OR SUCCESSFULLY COMPLETED A GED;**

B. Resided in an out-of-home placement on the individual’s 13th birthday and was placed into guardianship or adopted out of an out-of-home placement after the individual’s 13th birthday; or

C. Resided in an out-of-home placement in the State for at least 1 year on or after the individual’s 13th birthday and returned to live with the individual’s parents after the out-of-home placement ended.

(ii) “Foster care recipient” includes a younger sibling of an individual described in subparagraph (i) of this paragraph if the younger sibling is concurrently placed

into guardianship or adopted out of an out-of-home placement by the same guardianship or adoptive family.

(3) “Out-of-home placement” has the meaning stated in § 5-501 of the Family Law Article.

(4) (i) “Tuition” means the charges imposed by a public institution of higher education for enrollment at the institution.

(ii) “Tuition” includes charges for registration and all fees **FOR CREDIT-BEARING AND NONCREDIT COURSES** required as a condition of enrollment.

(5) “Unaccompanied homeless youth” means a child or youth who:

(i) Has had a consistent presence in the State for at least 1 year before enrollment in a public institution of higher education that is documented by school, employment, or other records;

(ii) Is not in the physical custody of a parent or guardian;

(iii) Is a homeless child or youth, as defined by the McKinney-Vento Homeless Assistance Act; and

(iv) Was determined to be a homeless child or youth by:

1. A Maryland local school system homeless liaison, as defined by the McKinney-Vento Homeless Assistance Act;

2. A Director or a designee of the Director of a Maryland-based program funded under the Runaway and Homeless Youth Act;

3. A Director or a designee of the Director of a Maryland-based program funded under Title IV, Subtitle B of the McKinney-Vento Homeless Assistance Act; or

4. The financial aid director at the public institution of higher education in which the youth seeks to enroll.

(6) “Vocational certificate” means a certificate or license awarded by a public institution of higher education on completion of a course of study that prepares an individual to work in a career field by taking credit-bearing courses or noncredit courses.

(c) (1) A foster care recipient or an unaccompanied homeless youth is exempt from paying any tuition at a public institution of higher education, regardless of that foster care recipient’s or unaccompanied homeless youth’s receipt of any scholarship or grant if:

(i) The foster care recipient or unaccompanied homeless youth is enrolled at the institution on or before the date that the foster care recipient or unaccompanied homeless youth reaches the age of 25 years;

(ii) The foster care recipient or unaccompanied homeless youth is enrolled as a candidate for a vocational certificate, an associate's degree, or a bachelor's degree; and

(iii) The foster care recipient or unaccompanied homeless youth has filed for federal and State financial aid.

(2) If a foster care recipient or an unaccompanied homeless youth receives a scholarship or grant for postsecondary study and is enrolled before the recipient's 25th birthday as a candidate for a vocational certificate, an associate's degree, or bachelor's degree at a public institution of higher education, the scholarship or grant may not be applied to the tuition for the foster care recipient or unaccompanied homeless youth.

(3) A foster care recipient or an unaccompanied homeless youth who is exempt from tuition under this section continues to be exempt until the earlier of:

(i) 5 years after first enrolling as a candidate for an associate's degree or a bachelor's degree at a public institution of higher education in the State; or

(ii) The date that the foster care recipient or unaccompanied homeless youth is awarded a bachelor's degree.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 322

(Senate Bill 485)

AN ACT concerning

Education – Remote Classroom Technology Grant Program – Establishment (Peyton's Bill)

FOR the purpose of establishing the Remote Classroom Technology Grant Program; providing for the purpose of the Program; requiring the State Department of Education to implement and administer the Program; authorizing the Governor to include ~~a certain~~ an appropriation to the Program in the State budget; authorizing

the Department to adopt certain regulations; and generally relating to the Remote Classroom Technology Grant Program.

BY adding to

Article – Education

Section 7–124

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

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

Article – Education

7–124.

(A) (1) THERE IS A REMOTE CLASSROOM TECHNOLOGY GRANT PROGRAM IN THE STATE.

(2) THE PURPOSE OF THE PROGRAM IS TO PROVIDE GRANTS TO PUBLIC SCHOOLS IN THE STATE TO PURCHASE TECHNOLOGY TO ALLOW STUDENTS WITH MEDICAL CONDITIONS TO PARTICIPATE IN CLASSROOMS REMOTELY IF IN-PERSON ATTENDANCE IS NOT POSSIBLE.

(B) THE GOVERNOR MAY INCLUDE IN THE STATE BUDGET AN ANNUAL APPROPRIATION OF AT LEAST \$500,000 TO THE PROGRAM.

(C) THE DEPARTMENT SHALL IMPLEMENT AND ADMINISTER THE PROGRAM IN ACCORDANCE WITH THIS SECTION.

(D) THE DEPARTMENT MAY ADOPT REGULATIONS TO IMPLEMENT THE REQUIREMENTS OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 323

(Senate Bill 595)

AN ACT concerning

Residential Boarding Education Programs for At-Risk Youth – Eligibility

FOR the purpose of establishing a certain residential boarding education program for students enrolled in certain grades; providing that certain students shall be eligible to participate in the program if an operator files a certain plan; requiring operators of the program to meet certain qualifications, adopt certain standards, submit a certain charter and bylaws, and conduct certain outreach programs; providing that the program may be part of a certain other program; requiring an operator to submit a certain plan to the State Department of Education that includes certain information; requiring the Department to review and approve a plan if it is consistent with certain educational purposes; and generally relating to residential boarding education programs for at-risk youth in grade 7 or higher.

BY repealing and reenacting, without amendments,

Article – Education

Section 8–701, 8–702, and 8–704

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Education

Section 8–703

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY adding to

Article – Education

Section 8–704.1

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

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

Article – Education

8–701.

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

(b) “At-risk youth” means an individual who meets at least two of the eligibility criteria determined by the Department and an operator that may include:

(1) Being eligible for free or reduced price meals;

(2) A record of suspensions, office referrals, or chronic truancy;

(3) A failure to achieve a proficient or advanced level on State assessments in reading or mathematics, or both;

(4) Having a disability;

(5) A referral from a teacher, counselor, social worker, or community-based service organization;

(6) The head of household is a single parent;

(7) The head of household is not a custodial parent;

(8) The adjusted gross family income is below the federally established poverty guidelines;

(9) The family receives temporary cash assistance under the State Family Investment Program; or

(10) A member of the family has been incarcerated.

(c) “Board” means the Board of Trustees of Residential Boarding Education Programs.

(d) “Operator” means a private nonprofit or public entity that develops and operates a program.

(e) “Program” means a residential boarding education program that includes:

(1) A remedial curriculum for middle school grades;

(2) A college-preparatory curriculum for high school grades;

(3) Extracurricular activities such as athletics and cultural events;

(4) College admissions counseling;

(5) Health and mental health services;

(6) Tutoring;

(7) Community service opportunities; and

(8) A residential student life program.

A residential boarding education program for at-risk youth shall be operated under the supervision of the Department.

8-703.

(A) A student shall be eligible to participate in a program if the student is:

(1) A disadvantaged child as defined in § 8-101 of this title;

(2) An at-risk youth;

(3) A resident of the State; and

(4) [Currently] **EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION**, enrolled in grade 5 or grade 6.

(B) NOTWITHSTANDING SUBSECTION (A)(4) OF THIS SECTION, A STUDENT ENROLLED IN GRADE 7 OR HIGHER SHALL BE ELIGIBLE TO PARTICIPATE IN A PROGRAM IF:

(1) THE STUDENT IS OTHERWISE ELIGIBLE UNDER SUBSECTION (A) OF THIS SECTION; AND

(2) AN OPERATOR FILES AN APPROPRIATE PLAN UNDER § 8-704.1 OF THIS SUBTITLE.

8-704.

(a) The Department may contract with an operator to provide at-risk youth in the State with the opportunity to participate in a program.

(b) The operator shall meet the qualifications established by the Department including:

(1) Previous experience with a comparable program;

(2) Measured success with a comparable program; and

(3) The capacity to finance and secure private funds for the development of a campus for the program.

(c) (1) The operator shall adopt written standards for the admission and dismissal of students.

(2) The standards and any amendments shall be submitted to the State Board for approval.

(3) The State Board may require modifications to the standards as it considers necessary.

(d) The operator shall submit its charter and bylaws to the State Board for approval.

(e) The operator shall conduct an outreach program for each local education agency in the State to:

(1) Provide information to the local education agency about the program;
and

(2) Encourage student recruitment and participation from each county in the State.

8-704.1.

(A) THE DEPARTMENT MAY CONTRACT WITH AN OPERATOR WHO MEETS THE REQUIREMENTS OF § 8-704 OF THIS SUBTITLE TO PROVIDE AT-RISK YOUTH IN THE STATE ENROLLED IN GRADE 7 OR HIGHER WITH THE OPPORTUNITY TO PARTICIPATE IN A PROGRAM.

(B) THE PROGRAM UNDER THIS SECTION MAY BE A PART OF THE PROGRAM UNDER § 8-704 OF THIS SUBTITLE.

(C) THE OPERATOR SHALL SUBMIT A PLAN TO THE DEPARTMENT TO ENROLL STUDENTS IN GRADE 7 OR HIGHER THAT INCLUDES:

(1) ALL GRADE LEVELS FROM WHICH STUDENTS SHALL BE ENROLLED;

(2) THE TIME FRAME DURING WHICH ENROLLMENT SHALL OCCUR;

(3) THE CIRCUMSTANCES UNDER WHICH AN OPERATOR SHALL ENROLL STUDENTS;

(4) THE PROCESS BY WHICH STUDENTS SHALL BE SELECTED;

(5) IF APPLICABLE, A DESCRIPTION OF HOW STUDENTS SHALL BE INTEGRATED INTO AN EXISTING EDUCATIONAL CURRICULUM AND RESIDENTIAL STUDENT LIFE; AND

(6) ANY OTHER INFORMATION REQUESTED BY THE DEPARTMENT.

(D) THE DEPARTMENT SHALL REVIEW AND APPROVE THE PLAN IF IT IS CONSISTENT WITH THE EDUCATIONAL PURPOSES OF THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 324

(House Bill 1475)

AN ACT concerning

Residential Boarding Education Programs for At-Risk Youth – Eligibility

FOR the purpose of establishing a certain residential boarding education program for students enrolled in certain grades; providing that certain students shall be eligible to participate in the program if an operator files a certain plan; requiring operators of the program to meet certain qualifications, adopt certain standards, submit a certain charter and bylaws, and conduct certain outreach programs; providing that the program may be part of a certain other program; requiring an operator to submit a certain plan to the State Department of Education that includes certain information; requiring the Department to review and approve a plan if it is consistent with certain educational purposes; and generally relating to residential boarding education programs for at-risk youth in grade 7 or higher.

BY repealing and reenacting, without amendments,

Article – Education

Section 8–701, 8–702, and 8–704

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Education

Section 8–703

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY adding to

Article – Education

Section 8–704.1

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

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

Article – Education

8–701.

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

(b) “At-risk youth” means an individual who meets at least two of the eligibility criteria determined by the Department and an operator that may include:

(1) Being eligible for free or reduced price meals;

(2) A record of suspensions, office referrals, or chronic truancy;

(3) A failure to achieve a proficient or advanced level on State assessments in reading or mathematics, or both;

(4) Having a disability;

(5) A referral from a teacher, counselor, social worker, or community-based service organization;

(6) The head of household is a single parent;

(7) The head of household is not a custodial parent;

(8) The adjusted gross family income is below the federally established poverty guidelines;

(9) The family receives temporary cash assistance under the State Family Investment Program; or

(10) A member of the family has been incarcerated.

(c) “Board” means the Board of Trustees of Residential Boarding Education Programs.

(d) “Operator” means a private nonprofit or public entity that develops and operates a program.

(e) “Program” means a residential boarding education program that includes:

(1) A remedial curriculum for middle school grades;

- (2) A college-preparatory curriculum for high school grades;
- (3) Extracurricular activities such as athletics and cultural events;
- (4) College admissions counseling;
- (5) Health and mental health services;
- (6) Tutoring;
- (7) Community service opportunities; and
- (8) A residential student life program.

8-702.

A residential boarding education program for at-risk youth shall be operated under the supervision of the Department.

8-703.

(A) A student shall be eligible to participate in a program if the student is:

- (1) A disadvantaged child as defined in § 8-101 of this title;
- (2) An at-risk youth;
- (3) A resident of the State; and

(4) **[Currently] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,** enrolled in grade 5 or grade 6.

(B) NOTWITHSTANDING SUBSECTION (A)(4) OF THIS SECTION, A STUDENT ENROLLED IN GRADE 7 OR HIGHER SHALL BE ELIGIBLE TO PARTICIPATE IN A PROGRAM IF:

(1) THE STUDENT IS OTHERWISE ELIGIBLE UNDER SUBSECTION (A) OF THIS SECTION; AND

(2) AN OPERATOR FILES AN APPROPRIATE PLAN UNDER § 8-704.1 OF THIS SUBTITLE.

8-704.

(a) The Department may contract with an operator to provide at-risk youth in the State with the opportunity to participate in a program.

(b) The operator shall meet the qualifications established by the Department including:

(1) Previous experience with a comparable program;

(2) Measured success with a comparable program; and

(3) The capacity to finance and secure private funds for the development of a campus for the program.

(c) (1) The operator shall adopt written standards for the admission and dismissal of students.

(2) The standards and any amendments shall be submitted to the State Board for approval.

(3) The State Board may require modifications to the standards as it considers necessary.

(d) The operator shall submit its charter and bylaws to the State Board for approval.

(e) The operator shall conduct an outreach program for each local education agency in the State to:

(1) Provide information to the local education agency about the program; and

(2) Encourage student recruitment and participation from each county in the State.

8-704.1.

(A) THE DEPARTMENT MAY CONTRACT WITH AN OPERATOR WHO MEETS THE REQUIREMENTS OF § 8-704 OF THIS SUBTITLE TO PROVIDE AT-RISK YOUTH IN THE STATE ENROLLED IN GRADE 7 OR HIGHER WITH THE OPPORTUNITY TO PARTICIPATE IN A PROGRAM.

(B) THE PROGRAM UNDER THIS SECTION MAY BE A PART OF THE PROGRAM UNDER § 8-704 OF THIS SUBTITLE.

(C) THE OPERATOR SHALL SUBMIT A PLAN TO THE DEPARTMENT TO ENROLL STUDENTS IN GRADE 7 OR HIGHER THAT INCLUDES:

- (1) ALL GRADE LEVELS FROM WHICH STUDENTS SHALL BE ENROLLED;
- (2) THE TIME FRAME DURING WHICH ENROLLMENT SHALL OCCUR;
- (3) THE CIRCUMSTANCES UNDER WHICH AN OPERATOR SHALL ENROLL STUDENTS;
- (4) THE PROCESS BY WHICH STUDENTS SHALL BE SELECTED;
- (5) IF APPLICABLE, A DESCRIPTION OF HOW STUDENTS SHALL BE INTEGRATED INTO AN EXISTING EDUCATIONAL CURRICULUM AND RESIDENTIAL STUDENT LIFE; AND
- (6) ANY OTHER INFORMATION REQUESTED BY THE DEPARTMENT.

(D) THE DEPARTMENT SHALL REVIEW AND APPROVE THE PLAN IF IT IS CONSISTENT WITH THE EDUCATIONAL PURPOSES OF THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 325

(House Bill 257)

AN ACT concerning

**Education – Maryland Meals for Achievement In-Classroom Breakfast Program
– Administration
(Maryland Meals for Achievement for Teens Act of 2017)**

FOR the purpose of authorizing participating secondary schools to serve breakfast in any part of the school, including from “Grab and Go” carts; clarifying when breakfast in the classroom should be served; and generally relating to the Maryland Meals for Achievement In-Classroom Breakfast Program.

BY repealing and reenacting, with amendments,
Article – Education
Section 7-704
Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

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

Article – Education

7–704.

(a) In this section, “Program” means the Maryland Meals for Achievement In–Classroom Breakfast Program.

(b) (1) There is a school breakfast program in the State, known as the Maryland Meals for Achievement In–Classroom Breakfast Program.

(2) The Program is a joint effort of the Department and the county boards or sponsoring agencies for eligible nonpublic schools.

(c) (1) The purpose of the Program is to provide funding for a school that makes an in–classroom breakfast available to all students in the school.

(2) The funding is intended to complement the funding received by a school from the federal government for a school breakfast program.

(d) The Department shall:

(1) Develop an application form for a school that desires to participate in the Program;

(2) Ensure that the schools that participate in the Program represent geographic and socioeconomic balance statewide;

(3) Ensure that a school that participates in the Program is a school at which at least 40% of the registered students are eligible for the federal free or reduced price meal program;

(4) Select schools to participate in the Program, ensuring that an annual evaluation of the Program is conducted by the Department;

(5) Annually review and set the meal reimbursement rate for schools that participate in the Program to complement the federal meal reimbursement rate determined under § 7–703 of this subtitle; and

(6) Disburse the Program funds to the county board or the sponsoring agency.

(e) A county board or a sponsoring agency for an eligible nonpublic school shall:

(1) Apply to the Department for funds for schools within the jurisdiction of the board or for schools that are under the sponsoring agency that:

- (i) Are eligible to participate in the Program; and
- (ii) Apply to the board or to the sponsoring agency to participate in the Program; and

(2) Submit an annual report to the Department on the Program, including the manner in which the funds have been expended.

(f) A school that participates in the Program shall:

(1) Implement an in-classroom breakfast program in which all students in the school may participate regardless of family income;

(2) Serve a breakfast that meets the guidelines of the Department and the nutritional standards of the United States Department of Agriculture for schools that participate in the federal school breakfast program;

(3) **[Serve] EXCEPT AS PROVIDED IN SUBSECTION (G) OF THIS SECTION, SERVE** the breakfast in the classroom **[upon] AFTER** the arrival of students to the school;

(4) Collect the data that the county board or the sponsoring agency and the Department require from participants in the Program; and

(5) Submit an annual report to the county board or the sponsoring agency.

(G) SECONDARY SCHOOLS MAY SERVE BREAKFAST IN ANY PART OF THE SCHOOL, INCLUDING FROM “GRAB AND GO” CARTS AFTER THE ARRIVAL OF STUDENTS TO THE SCHOOL.

[(g)](H) The employee organization that is the exclusive representative of the certificated public school employees of a county board and the employee organization that is the exclusive representative of the noncertificated employees of a county board and the county board shall negotiate the terms of the participation of the employees in the Program.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 326**(House Bill 654)**

AN ACT concerning

Education – Statewide Kindergarten Assessment – Completion

FOR the purpose of altering the date by which a certain statewide kindergarten assessment must be completed; and generally relating to the completion date of the statewide kindergarten assessment.

BY repealing and reenacting, with amendments,
Article – Education
Section 7–210
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – Education

7–210.

(a) Except as provided in subsection (b) of this section, a statewide kindergarten assessment that is administered with the purpose of measuring school readiness:

(1) Shall be limited to a representative sample, as determined by the Department of kindergarten students from within each local school system in the State; and

(2) May include an evaluation of:

- (i) Language and literacy skills;
- (ii) Academic knowledge in mathematics, science, and social studies;
- (iii) Physical development; and
- (iv) Social development.

(b) A principal and a teacher who are in mutual agreement, or a county board, may administer a statewide kindergarten assessment with the purpose of measuring school readiness if:

(1) The assessment is completed on or before [October 1] **OCTOBER 10**;
and

(2) The aggregate results are returned within 45 days after administration of the assessment.

(c) (1) Except as provided in paragraph (2) of this subsection, a statewide kindergarten assessment may not be administered to an enrolled prekindergarten student.

(2) A statewide kindergarten assessment may be administered to an enrolled prekindergarten student by a school psychologist or other school-based professional who intends to use the results in order to identify a disability.

(d) The Department shall adopt regulations to implement the requirements of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 327

(House Bill 1061)

AN ACT concerning

~~Task Force to Study Emergency and Evacuation Plans for Students, Staff, and Visitors With Disabilities in Public School Facilities~~
Education – Emergency and Evacuation Plans – Individuals With Disabilities

~~FOR the purpose of establishing the Task Force to Study Emergency and Evacuation Plans for Students, Staff, and Visitors With Disabilities in Public School Facilities; providing for the composition, chair, and staffing of the Task Force; prohibiting a member of the Task Force from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Task Force to study and make recommendations regarding certain matters; requiring the State Department of Education to brief the Task Force on certain emergency planning guidelines and certain procedures for including accommodations for certain students on or before a certain date; requiring the Task Force to report its findings and recommendations to the Governor and the General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to the Task Force to Study Emergency and Evacuation Plans for Students, Staff, and Visitors With Disabilities in Public School Facilities.~~

FOR the purpose of requiring the State Department of Education, on or before a certain date, in consultation with certain individuals, to update certain guidelines to accommodate, safeguard, and evacuate certain individuals with disabilities on public school grounds; requiring each local school system, on or before a certain date, to update the school system's emergency plan based on a certain update of the Department's guidelines and regulations; requiring a student's IEP to include certain accommodations under certain circumstances; requiring a student's 504 team to discuss and address a student's needs under certain circumstances; and generally relating to emergency plans for public schools.

BY adding to

Article – Education

Section 7-435

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

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

~~That:~~

~~(a) There is a Task Force to Study Emergency and Evacuation Plans for Students, Staff, and Visitors With Disabilities in Public School Facilities.~~

~~(b) The Task Force consists of the following members:~~

~~(1) one member of the Senate of Maryland, appointed by the President of the Senate;~~

~~(2) one member of the House of Delegates, appointed by the Speaker of the House;~~

~~(3) the State Superintendent of Schools, or the State Superintendent's designee;~~

~~(4) the President of the State Board of Education, or the President's designee;~~

~~(5) the President of the Maryland Association of Boards of Education, or the President's designee;~~

~~(6) the Secretary of Disabilities, or the Secretary's designee;~~

~~(7) the State Fire Marshal, or the Fire Marshal's designee;~~

~~(8) the Executive Director of the Maryland Commission on Civil Rights, or the Executive Director's designee;~~

~~(9) the Agency Equity Officer for the Maryland State Department of Education, or the Agency Equity Officer's designee;~~

~~(10) the President of the Maryland Association of Student Councils, or the President's designee;~~

~~(11) the President of the Maryland Association of Elementary School Principals, or the President's designee;~~

~~(12) the President of the Maryland Association of Secondary School Principals, or the President's designee;~~

~~(13) the President of the Maryland Association of Secondary School Principals, or the President's designee; and~~

~~(14) the following members, appointed by the Governor:~~

~~(i) one representative of the Special Education and Early Intervention Division of the State Department of Education;~~

~~(ii) one representative of the School Health Services Division of the State Department of Education;~~

~~(iii) one representative of the Division of Student, Family, and School Support of the State Department of Education;~~

~~(iv) one representative of the School Facilities Branch of the State Department of Education;~~

~~(v) one representative of the State Emergency Operations Center of the Maryland Emergency Management Agency;~~

~~(vi) one representative of the Maryland Coordination and Analysis Center of the Maryland State Police;~~

~~(vii) one parent of a student with a disability who attends an elementary school;~~

~~(viii) one parent of a student with a disability who attends a middle school;~~

~~(ix) one parent of a student with a disability who attends a high school;~~

~~(x) one student with a disability who attends high school;~~

- ~~(xi) one student who attends high school who has a sibling with a disability;~~
- ~~(xii) one staff member with a disability who works at a school facility;~~
- ~~(xiii) one faculty member with a disability who works at a school facility; and~~
- ~~(xiv) a representative of the Arc Maryland.~~

~~(e) The State Superintendent of Schools, or the State Superintendent's designee, shall be the chair of the Task Force.~~

~~(d) The State Department of Education shall provide staff for the Task Force.~~

~~(e) A member of the Task Force:~~

~~(1) may not receive compensation as a member of the Task Force; but~~

~~(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.~~

~~(f) The Task Force shall:~~

~~(1) study:~~

~~(i) the current local school system emergency plans developed in accordance with the criteria specified in the Maryland State Department of Education Emergency Planning Guidelines for Local School Systems and Schools (COMAR 13A.02.02.03) to determine if the emergency plans effectively accommodate and safeguard students, staff, and visitors with disabilities who use public school facilities;~~

~~(ii) national best practices for accommodating and safeguarding students, staff, and visitors with disabilities who use public school buildings;~~

~~(iii) national best practices for the systematic and uniform review of school emergency plans;~~

~~(iv) national best practices for engaging school health services in formulating school plans for students with disabilities; and~~

~~(v) national best practices for the inclusion of an individualized evacuation/emergency plan in the individualized education program of a student and the annual review of the plan by the individualized education program team in the school; and~~

~~(2) make recommendations regarding:~~

~~(i) revisions to the Maryland State Department of Education Emergency Planning Guidelines for Local School Systems and Schools to ensure that:~~

~~1. Maryland is in compliance with national best practices for accommodating and safeguarding students, staff, and visitors with disabilities who use public school buildings; and~~

~~2. students, staff, and visitors with disabilities who use public school facilities are effectively accommodated and safeguarded during emergencies;~~

~~(ii) the adoption of regulations that require a student's individualized education program to include accommodations for the student during an emergency; and~~

~~(iii) any other findings of the Task Force.~~

~~(g) On or before October 1, 2017, the State Department of Education shall brief the Task Force on:~~

~~(1) the current Emergency Planning Guidelines for Local School Systems and Schools and the current school emergency plan in each local school system; and~~

~~(2) the current procedures for including accommodations for a student during an emergency in a student's individualized education program.~~

~~(h) On or before January 1, 2018, the Task Force shall report its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017. It shall remain effective for a period of 1 year and, at the end of June 30, 2018, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~

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

Article – Education

7-435.

(A) ON OR BEFORE DECEMBER 1, 2017, THE DEPARTMENT SHALL, IN CONSULTATION WITH DISABILITY ADVOCACY GROUPS, UPDATE THE EMERGENCY PLANNING GUIDELINES FOR LOCAL SCHOOL SYSTEMS AND SCHOOLS TO ACCOMMODATE, SAFEGUARD, AND EVACUATE STUDENTS, STAFF, AND VISITORS

WITH DISABILITIES ON PUBLIC SCHOOL GROUNDS IN ACCORDANCE WITH THE FEDERAL AMERICANS WITH DISABILITIES ACT.

(B) ON OR BEFORE JULY 1, 2018, EACH LOCAL SCHOOL SYSTEM SHALL UPDATE THE LOCAL SCHOOL SYSTEM'S EMERGENCY PLAN TO COMPLY WITH THE UPDATE OF THE DEPARTMENT'S GUIDELINES AND REGULATIONS UNDER SUBSECTION (A) OF THIS SECTION.

(C) IF A STUDENT WITH AN IEP REQUIRES SPECIFIC ACCOMMODATIONS FOR EVACUATION IN AN EMERGENCY, THE STUDENT'S IEP SHALL INCLUDE ACCOMMODATIONS FOR THE STUDENT DURING AN EMERGENCY.

(D) IF A STUDENT WITH A 504 PLAN REQUIRES SPECIFIC ACCOMMODATIONS FOR EVACUATION IN AN EMERGENCY, THE STUDENT'S 504 TEAM SHALL DISCUSS AND ADDRESS THE STUDENT'S NEEDS AS NECESSARY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 328

(House Bill 715)

AN ACT concerning

**Institutions of Higher Education – Teacher Preparation Programs –
Accreditation and Approval**

FOR the purpose of authorizing the State Department of Education to approve the offering of certain teacher preparation programs by certain institutions of higher education under certain circumstances and in addition to certain approval by the Maryland Higher Education Commission; requiring certain institutions of higher education to make certain determinations; requiring the Department and the Commission to consider certain factors when making certain determinations regarding certain accrediting agencies and to jointly agree on certain standards used for certain purposes, and to adopt certain protocols for certain purposes; specifying that a certain program of technical support is available on request; providing for the application of this Act; making certain stylistic and conforming changes; defining certain terms; and generally relating to the accreditation and approval of teacher preparation programs offered by institutions of higher education in the State.

BY repealing and reenacting, without amendments,

Article – Education
Section 1–101(a) and (f)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Education
Section 11–208
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

Preamble

WHEREAS, Current law requires certain institutions of higher education that offer undergraduate and graduate programs that would certify a recipient to teach to be nationally accredited by an accrediting agency recognized by the United States Department of Education and endorsed by the Maryland State Department of Education; and

WHEREAS, As of September 2016, the United States Department of Education no longer recognizes an accrediting agency for teacher preparation programs; and

WHEREAS, Institutions of higher education in the State may no longer offer undergraduate or graduate programs that certify teachers since there is no accrediting agency that meets the requirements of current law; and

WHEREAS, The United States Department of Education is not expected to recognize an accrediting agency for teacher preparation programs for at least 2 years; and

WHEREAS, Graduating from an undergraduate or graduate program that certifies a recipient to teach allows an individual to quickly obtain a teaching certificate in Maryland because those programs meet all certification requirements set by the Maryland State Department of Education; and

WHEREAS, Unless current law is changed to alter the accreditation requirements for programs that certify a recipient to teach, graduates of these programs would have to go through a lengthier review process with the Maryland State Department of Education, which would place additional burdens on the local school districts hiring those graduates to submit certification requests; and

WHEREAS, In order to ensure that our institutions of higher education can continue to offer teacher preparation programs that would certify a recipient to teach and protect students who are currently in those programs that certify teachers, it is necessary to alter the law concerning accreditation of undergraduate and graduate programs that certify a recipient to teach; now, therefore,

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

Article – Education

1–101.

(a) In this article, unless the context requires otherwise, the following words have the meanings indicated.

(f) “Department” means the State Department of Education.

11–208.

(a) In this section, “national accreditation” means teacher education accreditation by an accrediting agency recognized [by the U.S. Department of Education and endorsed] by the Department **AND THE COMMISSION.**

(b) (1) [After July 1, 2004, an] **AN** institution of higher education in this State may not offer a program of undergraduate or graduate studies that would certify a recipient to teach unless the institution has received:

(I) ~~A CERTIFICATE OF APPROVAL ISSUED BY THE COMMISSION UNDER § 11-202 OF THIS SUBTITLE~~ APPROVAL TO OPERATE BY THE COMMISSION OR UNDER OPERATION OF LAW; AND

[(i)] (II) 1. National accreditation; or

[(ii)] 2. [A waiver under paragraph (2) of this subsection] **APPROVAL BY THE DEPARTMENT.**

(2) [The State Superintendent may grant a waiver from the national accreditation requirements to:

(i) Any liberal arts college with a full-time equivalent enrollment of not more than 2,000 students; and

(ii) Any nationally recognized professional school of fine arts specializing in music or art] **AN INSTITUTION OF HIGHER EDUCATION SHALL DETERMINE WHETHER TO SEEK NATIONAL ACCREDITATION OR APPROVAL BY THE DEPARTMENT AS DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

(c) [(1) By July 1, 2000, an institution of higher education in the State that offers a program of undergraduate or graduate studies that would certify a recipient to teach must:

(i) File its intent to seek national accreditation;

- (ii) Certify to the Department that it has national accreditation; or
- (iii) Have received a waiver under subsection (b)(2) of this section]

WHEN DETERMINING WHETHER AN ACCREDITING AGENCY IS RECOGNIZED, THE DEPARTMENT AND THE COMMISSION SHALL CONSIDER WHETHER THE NATIONAL ACCREDITING AGENCY USES NATIONAL PROFESSIONAL STANDARDS THAT ARE COMPARABLE TO THE STANDARDS THAT ARE USED BY THE DEPARTMENT WHEN APPROVING A TEACHER PREPARATION PROGRAM.

(D) THE DEPARTMENT AND THE COMMISSION SHALL JOINTLY AGREE ON THE STANDARDS USED BY THE DEPARTMENT TO DETERMINE APPROVAL UNDER SUBSECTION (B)(1)(II) OF THIS SECTION.

[(2)] (E) The NATIONAL accreditation process for an institution of higher education subject to this section shall be conducted in accordance with the protocol established by a [nationally recognized] NATIONAL accrediting agency and the Department.

[(d)] (F) (1) In conjunction with accrediting agencies, the Department shall develop and administer a program of technical support, **AVAILABLE ON REQUEST**, to assist institutions of higher education in the State that seek NATIONAL accreditation **OR APPROVAL BY THE DEPARTMENT** under **SUBSECTION (B) OF** this section.

(2) In addition to the technical support provided to an institution of higher education under paragraph (1) of this subsection, the Department shall pay:

(i) Any fee that [an] A NATIONAL accrediting agency charges an institution of higher education in connection with the accreditation process;

(ii) Any training fee that [an] A NATIONAL accrediting agency charges a State representative who serves with a review team of an accrediting agency in conjunction with an accreditation visit to an institution of higher education in the State; and

(iii) One-half of the expenses incurred by an institution of higher education in connection with the accreditation visit of a review team of [an] A NATIONAL accrediting agency.

[(e)] (G) The Department shall adopt regulations to implement this section.

[(f)] (H) The Governor shall provide sufficient funds in the Department's annual budget for the additional costs incurred by the Department under this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply prospectively and an institution of higher education that was in compliance with the

provisions of § 11–208 of the Education Article as of July 1, 2016, shall be deemed to have remained in compliance unless and until the institution receives notification from the State Department of Education, in consultation with the Maryland Higher Education Commission, that it is in violation of Section 1 of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That the State Department of Education and the Maryland Higher Education Commission shall adopt written protocols for carrying out the provisions of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 329

(House Bill 685)

AN ACT concerning

~~Baltimore City Board of School Commissioners – Use of Funds~~
Baltimore City – Public Schools and City Council – Logistical and Financial Assistance

FOR the purpose of ~~authorizing the Governor to provide funds to the Baltimore City Board of School Commissioners that exceed a certain required amount; requiring the Baltimore City Board of School Commissioners to spend certain funds for certain purposes; and generally relating to education funds~~ stating the intent of the General Assembly that the Baltimore City Council provide logistical and financial assistance to Baltimore City Public Schools for certain shared services; requiring the Baltimore City Council to report certain information to the General Assembly; making this Act an emergency measure; and generally relating to the assistance by the Baltimore City Council to Baltimore City Public Schools.

~~BY adding to~~

~~Article – Education~~

~~Section 5–218~~

~~Annotated Code of Maryland~~

~~(2014 Replacement Volume and 2016 Supplement)~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That ~~the Laws of Maryland read as follows: it is the intent of the General Assembly that~~ the Baltimore City Council, through the identification of cost efficiencies in shared costs and other financial arrangements, provide logistical and financial assistance to Baltimore

City Public Schools for shared services, such as health, public safety, and fleet management services.

~~Article Education~~

~~5-218.~~

~~(A) THE GOVERNOR MAY PROVIDE STATE FUNDS TO THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS THAT EXCEED THE AMOUNT REQUIRED UNDER THIS SUBTITLE.~~

~~(B) IF THE GOVERNOR PROVIDES FUNDS TO THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS UNDER SUBSECTION (A) OF THIS SECTION, THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS SHALL EXPEND THOSE FUNDS ONLY FOR:~~

- ~~(1) SCHOOL SUPPLIES;~~
- ~~(2) SCHOOL LIBRARIES; AND~~
- ~~(3) TEACHER SALARIES.~~

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31, 2017, the Baltimore City Council shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on the logistical and financial assistance that the Baltimore City Council provides to Baltimore City Public Schools in accordance with Section 1 of this Act.

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.~~

SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, April 18, 2017.

Chapter 330

(Senate Bill 521)

AN ACT concerning

Community Colleges – Small Community Colleges – Funding

FOR the purpose of altering the amount of the unrestricted grant provided to small community colleges; and generally relating to funding for community colleges.

BY repealing and reenacting, with amendments,

Article – Education

Section 16–305(f)

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

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

Article – Education

16–305.

(f) (1) [Beginning in fiscal year 2003, unrestricted] **UNRESTRICTED** grants in the amounts specified in [paragraphs (2) and (3) of] this subsection shall be distributed to the board of each small community college.

(2) Subject to paragraph [(4)] **(5)** of this subsection, [the] **FOR FISCAL YEARS 2003 THROUGH 2018**, unrestricted grants shall be distributed as follows:

- (i) \$500,000 to Allegany College of Maryland;
- (ii) \$500,000 to Garrett College;
- (iii) \$500,000 to Hagerstown Community College;
- (iv) \$250,000 to Carroll Community College;
- (v) \$250,000 to Cecil Community College;
- (vi) \$250,000 to Chesapeake College; and
- (vii) \$250,000 to Wor–Wic Community College.

(3) BEGINNING IN FISCAL YEAR 2019 AND FOR EACH FISCAL YEAR THEREAFTER, SUBJECT TO PARAGRAPH (5) OF THIS SUBSECTION, UNRESTRICTED GRANTS SHALL BE DISTRIBUTED AS FOLLOWS:

(I) ~~\$830,000~~ ~~\$1,071,686~~ \$851,300 TO ALLEGANY COLLEGE OF MARYLAND;

- (II) ~~\$830,000~~ ~~\$1,071,686~~ \$851,300 TO GARRETT COLLEGE;
- (III) ~~\$830,000~~ ~~\$1,071,686~~ \$851,300 TO HAGERSTOWN COMMUNITY COLLEGE;
- (IV) ~~\$830,000~~ ~~\$647,986~~ \$851,300 TO CARROLL COMMUNITY COLLEGE;
- (V) ~~\$830,000~~ ~~\$647,986~~ \$851,300 TO CECIL COMMUNITY COLLEGE;
- (VI) ~~\$830,000~~ ~~\$647,986~~ \$851,300 TO CHESAPEAKE COLLEGE;
- AND
- (VII) ~~\$830,000~~ ~~\$647,986~~ \$851,300 TO WOR-WIC COMMUNITY COLLEGE.

[(3)] (4) [In] BEGINNING IN FISCAL YEAR 2003 AND IN EACH FISCAL YEAR THEREAFTER, IN addition to the amounts specified in [paragraph (2)] PARAGRAPH (2) OR (3) of this subsection, the boards of Allegany College of Maryland and Garrett College shall receive the following unrestricted grants:

- (i) \$360,000 to Allegany College of Maryland; and
- (ii) \$240,000 to Garrett College.

[(4)] (5) The grant amounts specified in [paragraph (2)] PARAGRAPH (2) OR (3) of this subsection shall increase in fiscal year 2004 and each fiscal year thereafter by the same percentage as the percentage increase in funding per full-time equivalent student to the 4-year public institutions of higher education in the State, as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in that fiscal year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 331

(Senate Bill 327)

Public Senior Higher Education Institutions – Financial Aid – Reduction Restrictions

FOR the purpose of ~~regulating how public senior higher education institutions may adjust funds awarded by the institution when the total amount of financial aid awarded to a student exceeds the student's demonstrated financial need;~~ authorizing financial aid awarded by a public senior higher education institution to be reduced only under certain circumstances; ~~and up to a certain amount;~~ ~~prohibiting financial aid awarded by a public senior higher education institution from being reduced under certain circumstances;~~ requiring certain financial aid to be reduced in a specific order; authorizing financial aid awarded by a public senior higher education institution to be reduced up to a certain amount under certain circumstances; defining certain terms; providing for the construction of this Act; making the provisions of this Act severable; and generally relating to financial aid at public senior higher education institutions.

BY adding to

Article – Education

Section 15–121

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

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

Article – Education

15–121.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “COST OF ATTENDANCE” HAS THE MEANING STATED IN 20 U.S.C.A. § 1087LL.

~~(3) “DEMONSTRATED FINANCIAL NEED” MEANS COST OF ATTENDANCE MINUS EXPECTED FAMILY CONTRIBUTION.~~

~~(4)~~ (3) “EXPECTED FAMILY CONTRIBUTION” MEANS THE AMOUNT DETERMINED IN ACCORDANCE WITH 20 U.S.C.A. § 1087NN.

~~(5) “FINANCIAL AID” INCLUDES:~~

~~(i) INSTITUTIONAL BASED FINANCIAL AID;~~

~~(H) SCHOLARSHIPS, GRANTS, WORK STUDY, AND LOANS OFFERED BY ANY INSTRUMENTALITY OF THE FEDERAL OR STATE GOVERNMENT; AND~~

~~(HH) PRIVATE SCHOLARSHIPS.~~

~~(6) (I) "INSTITUTIONAL BASED FINANCIAL AID" MEANS SCHOLARSHIPS, GRANTS, WORK STUDY, AND LOANS OFFERED BY A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION.~~

~~(H) "INSTITUTIONAL BASED FINANCIAL AID" DOES NOT INCLUDE FINANCIAL AID OFFERED BY ANY INSTRUMENTALITY OF THE FEDERAL OR STATE GOVERNMENT.~~

(4) "FINANCIAL NEED" MEANS COST OF ATTENDANCE MINUS EXPECTED FAMILY CONTRIBUTION.

(5) "GIFT AID" MEANS ALL FINANCIAL AID THAT IS NOT A LOAN OR WORK-STUDY PROGRAM, INCLUDING GRANTS, SCHOLARSHIPS, TUITION WAIVERS, AND THIRD PARTY PAYMENTS.

(6) "INSTITUTIONAL GIFT AID" MEANS GIFT AID THAT IS FUNDED BY A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION.

(7) (I) "PRIVATE SCHOLARSHIPS" MEANS SCHOLARSHIPS AWARDED BY COMPANIES, PRIVATE FOUNDATIONS, NONPROFIT ORGANIZATIONS, AND SERVICE GROUPS.

~~(8) "UNMET FINANCIAL NEED" MEANS THE STUDENT'S DEMONSTRATED FINANCIAL NEED IS GREATER THAN THE STUDENT'S:~~

~~(I) INSTITUTIONAL BASED FINANCIAL AID; AND~~

~~(H) SCHOLARSHIPS, GRANTS, WORK STUDY, AND LOANS OFFERED BY ANY INSTRUMENTALITY OF THE FEDERAL OR STATE GOVERNMENT.~~

(II) "PRIVATE SCHOLARSHIPS" DOES NOT INCLUDE AWARDS FUNDED BY A PRIVATE ORGANIZATION THAT:

1. IS AFFILIATED WITH A HIGHER EDUCATION INSTITUTION; AND

2. REQUESTS THE HIGHER EDUCATION INSTITUTION'S ASSISTANCE IN SELECTING RECIPIENTS.

~~(B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION AND SUBJECT TO SUBSECTION (D) OF THIS SECTION, IF THE TOTAL AMOUNT OF FINANCIAL AID AWARDED TO A STUDENT EXCEEDS THE STUDENT'S DEMONSTRATED FINANCIAL NEED, A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION MAY REDUCE THE STUDENT'S INSTITUTIONAL BASED FINANCIAL AID AWARD UP TO THE AMOUNT THAT EXCEEDS THE STUDENT'S DEMONSTRATED FINANCIAL NEED.~~

~~(C) A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION MAY NOT REDUCE A STUDENT'S INSTITUTIONAL BASED FINANCIAL AID AWARD IF:~~

~~(1) THE STUDENT HAS UNMET FINANCIAL NEED AT THE TIME THE INSTITUTION SENDS ITS FINANCIAL AID AWARD NOTICE TO THE STUDENT;~~

~~(2) THE STUDENT RECEIVES ADDITIONAL FINANCIAL AID INTENDED TO FILL ALL OR A PORTION OF THE UNMET FINANCIAL NEED; AND~~

~~(3) THE TOTAL AMOUNT OF FINANCIAL AID AWARDED IS LESS THAN OR EQUAL TO THE STUDENT'S DEMONSTRATED FINANCIAL NEED.~~

~~(D) A REDUCTION AUTHORIZED UNDER SUBSECTION (B) OF THIS SECTION SHALL BE REDUCED IN THE FOLLOWING ORDER:~~

~~(1) LOANS;~~

~~(2) WORK STUDY; AND~~

~~(3) GRANTS AND SCHOLARSHIPS.~~

(B) A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION MAY REDUCE INSTITUTIONAL GIFT AID OFFERS AS A RESULT OF PRIVATE SCHOLARSHIP AWARDS ONLY UNDER THE CIRCUMSTANCES DESCRIBED IN SUBSECTIONS (C) THROUGH (E) OF THIS SECTION.

(C) IF A STUDENT'S TOTAL GIFT AID FROM ALL SOURCES EXCEEDS THE STUDENT'S FINANCIAL NEED, A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION MAY REDUCE THE STUDENT'S INSTITUTIONAL GIFT AID UNTIL THE STUDENT'S TOTAL GIFT AID NO LONGER EXCEEDS THE STUDENT'S FINANCIAL NEED.

(D) IN ADDITION TO THE REDUCTION AUTHORIZED IN SUBSECTION (C) OF THIS SECTION, A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION MAY FURTHER REDUCE A STUDENT'S INSTITUTIONAL GIFT AID IF THE INSTITUTION RECEIVES APPROVAL FROM THE ORGANIZATION THAT AWARDED THE PRIVATE SCHOLARSHIP

FUNDS THAT TRIGGERED THE REDUCTION AUTHORIZED IN SUBSECTION (C) OF THIS SECTION.

(E) A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION MAY REDUCE A STUDENT ATHLETE'S INSTITUTIONAL GIFT AID IN ORDER TO COMPLY WITH THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION'S INDIVIDUAL OR TEAM FINANCIAL AID RESTRICTIONS.

SECTION 2. AND BE IT FURTHER ENACTED, That nothing in this Act may be construed to violate the provisions of federal law or regulations relating to the award of any need-based financial aid or any federal aid.

SECTION 3. AND BE IT FURTHER ENACTED, That, if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act that can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 332

(House Bill 266)

AN ACT concerning

Public Senior Higher Education Institutions – Financial Aid – Reduction Restrictions

FOR the purpose of ~~regulating how public senior higher education institutions may adjust funds awarded by the institution when the total amount of financial aid awarded to a student exceeds the student's demonstrated financial need;~~ authorizing financial aid awarded by a public senior higher education institution to be reduced only under certain circumstances; ~~and up to a certain amount; prohibiting financial aid awarded by a public senior higher education institution from being reduced under certain circumstances; requiring certain financial aid to be reduced in a specific order;~~ authorizing financial aid awarded by a public senior higher education institution to be reduced up to a certain amount under certain circumstances; defining certain terms; providing for the construction of this Act; making the provisions of this Act severable; and generally relating to financial aid at public senior higher education institutions.

BY adding to

Article – Education

Section 15–121

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

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

Article – Education

15–121.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “COST OF ATTENDANCE” HAS THE MEANING STATED IN 20 U.S.C.A. § 1087LL.

~~(3) “DEMONSTRATED FINANCIAL NEED” MEANS COST OF ATTENDANCE MINUS EXPECTED FAMILY CONTRIBUTION.~~

~~(4) (3)~~ “EXPECTED FAMILY CONTRIBUTION” MEANS THE AMOUNT DETERMINED IN ACCORDANCE WITH 20 U.S.C.A. § 1087NN.

~~(5) “FINANCIAL AID” INCLUDES:~~

~~(I) INSTITUTIONAL BASED FINANCIAL AID;~~

~~(II) SCHOLARSHIPS, GRANTS, WORK STUDY, AND LOANS OFFERED BY ANY INSTRUMENTALITY OF THE FEDERAL OR STATE GOVERNMENT; AND~~

~~(III) PRIVATE SCHOLARSHIPS.~~

~~(6) (I) “INSTITUTIONAL BASED FINANCIAL AID” MEANS SCHOLARSHIPS, GRANTS, WORK STUDY, AND LOANS OFFERED BY A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION.~~

~~(II) “INSTITUTIONAL BASED FINANCIAL AID” DOES NOT INCLUDE FINANCIAL AID OFFERED BY ANY INSTRUMENTALITY OF THE FEDERAL OR STATE GOVERNMENT.~~

(4) “FINANCIAL NEED” MEANS COST OF ATTENDANCE MINUS EXPECTED FAMILY CONTRIBUTION.

(5) “GIFT AID” MEANS ALL FINANCIAL AID THAT IS NOT A LOAN OR WORK-STUDY PROGRAM, INCLUDING GRANTS, SCHOLARSHIPS, TUITION WAIVERS, AND THIRD PARTY PAYMENTS.

(6) “INSTITUTIONAL GIFT AID” MEANS GIFT AID THAT IS FUNDED BY A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION.

(7) (I) “PRIVATE SCHOLARSHIPS” MEANS SCHOLARSHIPS AWARDED BY COMPANIES, PRIVATE FOUNDATIONS, NONPROFIT ORGANIZATIONS, AND SERVICE GROUPS.

~~(8) “UNMET FINANCIAL NEED” MEANS THE STUDENT’S DEMONSTRATED FINANCIAL NEED IS GREATER THAN THE STUDENT’S:~~

~~(I) INSTITUTIONAL-BASED FINANCIAL AID; AND~~

~~(II) SCHOLARSHIPS, GRANTS, WORK STUDY, AND LOANS OFFERED BY ANY INSTRUMENTALITY OF THE FEDERAL OR STATE GOVERNMENT.~~

(II) “PRIVATE SCHOLARSHIPS” DOES NOT INCLUDE AWARDS FUNDED BY A PRIVATE ORGANIZATION THAT:

1. IS AFFILIATED WITH A HIGHER EDUCATION INSTITUTION; AND

2. REQUESTS THE HIGHER EDUCATION INSTITUTION’S ASSISTANCE IN SELECTING RECIPIENTS.

~~(B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION AND SUBJECT TO SUBSECTION (D) OF THIS SECTION, IF THE TOTAL AMOUNT OF FINANCIAL AID AWARDED TO A STUDENT EXCEEDS THE STUDENT’S DEMONSTRATED FINANCIAL NEED, A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION MAY REDUCE THE STUDENT’S INSTITUTIONAL-BASED FINANCIAL AID AWARD UP TO THE AMOUNT THAT EXCEEDS THE STUDENT’S DEMONSTRATED FINANCIAL NEED.~~

~~(C) A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION MAY NOT REDUCE A STUDENT’S INSTITUTIONAL-BASED FINANCIAL AID AWARD IF:~~

~~(1) THE STUDENT HAS UNMET FINANCIAL NEED AT THE TIME THE INSTITUTION SENDS ITS FINANCIAL AID AWARD NOTICE TO THE STUDENT;~~

~~(2) THE STUDENT RECEIVES ADDITIONAL FINANCIAL AID INTENDED TO FILL ALL OR A PORTION OF THE UNMET FINANCIAL NEED; AND~~

~~(3) THE TOTAL AMOUNT OF FINANCIAL AID AWARDED IS LESS THAN OR EQUAL TO THE STUDENT'S DEMONSTRATED FINANCIAL NEED.~~

~~(D) A REDUCTION AUTHORIZED UNDER SUBSECTION (B) OF THIS SECTION SHALL BE REDUCED IN THE FOLLOWING ORDER:~~

~~(1) LOANS;~~

~~(2) WORK STUDY; AND~~

~~(3) GRANTS AND SCHOLARSHIPS.~~

(B) A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION MAY REDUCE INSTITUTIONAL GIFT AID OFFERS AS A RESULT OF PRIVATE SCHOLARSHIP AWARDS ONLY UNDER THE CIRCUMSTANCES DESCRIBED IN SUBSECTIONS (C) THROUGH (E) OF THIS SECTION.

(C) IF A STUDENT'S TOTAL GIFT AID FROM ALL SOURCES EXCEEDS THE STUDENT'S FINANCIAL NEED, A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION MAY REDUCE THE STUDENT'S INSTITUTIONAL GIFT AID UNTIL THE STUDENT'S TOTAL GIFT AID NO LONGER EXCEEDS THE STUDENT'S FINANCIAL NEED; UNTIL THE STUDENT'S TOTAL GIFT AID NO LONGER EXCEEDS THE STUDENT'S FINANCIAL NEED.

(1) UNTIL THE STUDENT'S TOTAL GIFT AID NO LONGER EXCEEDS THE STUDENT'S FINANCIAL NEED, IF THE STUDENT COMPLETED THE FREE APPLICATION FOR FEDERAL STUDENT AID; OR

(2) UNTIL THE STUDENT'S TOTAL GIFT AID NO LONGER EXCEEDS THE STUDENT'S COST OF ATTENDANCE, IF THE STUDENT DID NOT COMPLETE A FREE APPLICATION FOR FEDERAL STUDENT AID.

(D) IN ADDITION TO THE REDUCTION AUTHORIZED IN SUBSECTION (C) OF THIS SECTION, A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION MAY FURTHER REDUCE A STUDENT'S INSTITUTIONAL GIFT AID IF THE INSTITUTION RECEIVES APPROVAL FROM THE ORGANIZATION THAT AWARDED THE PRIVATE SCHOLARSHIP FUNDS THAT TRIGGERED THE REDUCTION AUTHORIZED IN SUBSECTION (C) OF THIS SECTION.

(E) A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION MAY REDUCE A STUDENT ATHLETE'S INSTITUTIONAL GIFT AID IN ORDER TO COMPLY WITH THE

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION'S INDIVIDUAL OR TEAM FINANCIAL AID RESTRICTIONS.

SECTION 2. AND BE IT FURTHER ENACTED, That nothing in this Act may be construed to violate the provisions of federal law or regulations relating to the award of any need-based financial aid or any federal aid.

SECTION 3. AND BE IT FURTHER ENACTED, That, if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act that can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 333

(House Bill 548)

AN ACT concerning

Education – Prekindergarten Student Assessment – ~~Moratorium~~

FOR the purpose of ~~placing a moratorium on the assessment of prekindergarten students until a certain audit of the pilot year of the assessment results in certain determinations; and generally relating to a moratorium on~~ authorizing a county board of education to administer a certain assessment of prekindergarten students under certain circumstances; authorizing a certain assessment to be administered to a certain student for a certain purpose; requiring a county board to consult with certain individuals before administering a certain assessment; and generally relating to the assessment of prekindergarten students.

BY repealing and reenacting, with amendments,
 Article – Education
 Section 7–210
 Annotated Code of Maryland
 (2014 Replacement Volume and 2016 Supplement)

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

Article – Education

7-210.

(a) Except as provided in subsection (b) of this section, a statewide kindergarten assessment that is administered with the purpose of measuring school readiness:

(1) Shall be limited to a representative sample, as determined by the Department, of kindergarten students from within each local school system in the State; and

(2) May include an evaluation of:

(i) Language and literacy skills;

(ii) Academic knowledge in mathematics, science, and social studies;

(iii) Physical development; and

(iv) Social development.

(b) A principal and a teacher who are in mutual agreement, or a county board, may administer a statewide kindergarten assessment with the purpose of measuring school readiness if:

(1) The assessment is completed on or before October 1; and

(2) The aggregate results are returned within 45 days after administration of the assessment.

(c) (1) Except as provided in paragraph (2) of this subsection, a statewide kindergarten assessment may not be administered to an enrolled prekindergarten student.

(2) ~~[(A) SUBJECT TO SUBSECTION (D) OF THIS SECTION, A~~ statewide kindergarten assessment OR EARLY LEARNING ASSESSMENT may be administered to an enrolled prekindergarten student by a school psychologist or other school-based professional who intends to use the results in order to identify a disability.

~~(D) (1) A MORATORIUM SHALL BE PLACED ON THE ADMINISTRATION OF THE EARLY LEARNING ASSESSMENT FOR ENROLLED PREKINDERGARTEN STUDENTS UNTIL:~~

~~(1) A COMPLETE AUDIT OF THE 2016-2017 PILOT YEAR OF THE EARLY LEARNING ASSESSMENT IS CONDUCTED IN ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION; AND~~

~~(H) THE AUDIT RESULTS IN A DETERMINATION THAT THE EARLY LEARNING ASSESSMENT IS VALID AND RELIABLE AND IS CONSISTENT WITH THE PURPOSE OF INFORMING INSTRUCTION AND TARGETING INTERVENTIONS AND SUPPORTS.~~

~~(2) AN AUDIT OF THE 2016 2017 PILOT YEAR OF THE EARLY LEARNING ASSESSMENT SHALL BE CONDUCTED TO DETERMINE:~~

~~(I) WHETHER THE ASSESSMENT PROVIDES ACTIONABLE FEEDBACK TO STUDENTS, PARENTS, AND EDUCATORS IN A FORMAT THAT HELPS EDUCATORS IMPROVE THEIR PRACTICE, ENCOURAGES POSITIVE RELATIONSHIPS BETWEEN THE PARTIES, AND HELPS INFORM INSTRUCTION FOR EDUCATORS;~~

~~(II) WHETHER EDUCATORS AND ADMINISTRATORS USE ASSESSMENT DATA TO IMPROVE AND DIFFERENTIATE INSTRUCTION;~~

~~(III) WHETHER THERE IS ANY REDUNDANCY OR DUPLICATION WITH ASSESSMENTS ALREADY REQUIRED AT THE FEDERAL, STATE, OR LOCAL LEVELS;~~

~~(IV) THE AMOUNT OF TIME TEACHERS SPEND ADMINISTERING, COLLECTING, AND ENTERING DATA;~~

~~(V) THE WORKLOAD IMPACT ON EDUCATORS;~~

~~(VI) THE TECHNOLOGY NEEDS OF A SCHOOL DISTRICT OR CLASSROOM IN ORDER TO COLLECT AND ENTER DATA; AND~~

~~(VII) ANY OTHER APPROPRIATE INFORMATION.~~

(1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A COUNTY BOARD MAY ADMINISTER THE EARLY LEARNING ASSESSMENT TO ENROLLED PREKINDERGARTEN STUDENTS IN THE COUNTY.

(2) BEFORE ADMINISTERING THE EARLY LEARNING ASSESSMENT, A COUNTY BOARD SHALL CONSULT WITH PREKINDERGARTEN TEACHERS, INCLUDING TEACHERS NOMINATED BY THE EXCLUSIVE BARGAINING REPRESENTATIVE, IN DETERMINING HOW TO IMPLEMENT THE ASSESSMENT.

[(d)] (E) The Department shall adopt regulations to implement the requirements of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 334

(Senate Bill 667)

AN ACT concerning

Education – Prekindergarten Student Assessment – ~~Moratorium~~

FOR the purpose of ~~placing a moratorium on the a certain assessment of prekindergarten students until a certain audit of the pilot year of the assessment results in certain determinations; and generally relating to a moratorium on~~ authorizing a county board of education to administer a certain assessment of prekindergarten students under certain circumstances; authorizing a certain assessment to be administered to a certain student for a certain purpose; requiring a county board to consult with certain individuals before administering a certain assessment; and generally relating to the assessment of prekindergarten students.

BY repealing and reenacting, with amendments,
Article – Education
Section 7–210
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – Education

7–210.

(a) Except as provided in subsection (b) of this section, a statewide kindergarten assessment that is administered with the purpose of measuring school readiness:

(1) Shall be limited to a representative sample, as determined by the Department, of kindergarten students from within each local school system in the State; and

(2) May include an evaluation of:

(i) Language and literacy skills;

(ii) Academic knowledge in mathematics, science, and social studies;

- (iii) Physical development; and
- (iv) Social development.

(b) A principal and a teacher who are in mutual agreement, or a county board, may administer a statewide kindergarten assessment with the purpose of measuring school readiness if:

- (1) The assessment is completed on or before October 1; and
- (2) The aggregate results are returned within 45 days after administration of the assessment.

(c) (1) Except as provided in paragraph (2) of this subsection, a statewide kindergarten assessment may not be administered to an enrolled prekindergarten student.

(2) ~~[A] SUBJECT TO SUBSECTION (D) OF THIS SECTION,~~ a statewide kindergarten assessment *OR EARLY LEARNING ASSESSMENT* may be administered to an enrolled prekindergarten student by a school psychologist or other school-based professional who intends to use the results in order to identify a disability.

~~(D) (1) A MORATORIUM SHALL BE PLACED ON THE ADMINISTRATION OF THE MANDATORY EARLY LEARNING ASSESSMENT FOR ENROLLED PREKINDERGARTEN STUDENTS UNTIL:~~

~~(I) A COMPLETE AUDIT OF THE 2016-2017 PILOT YEAR OF THE EARLY LEARNING ASSESSMENT IS CONDUCTED IN ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION; AND~~

~~(II) THE AUDIT RESULTS IN A DETERMINATION THAT THE EARLY LEARNING ASSESSMENT IS VALID AND RELIABLE AND IS CONSISTENT WITH THE PURPOSE OF INFORMING INSTRUCTION AND TARGETING INTERVENTIONS AND SUPPORTS.~~

~~(2) AN AUDIT OF THE 2016-2017 PILOT YEAR OF THE MANDATORY EARLY LEARNING ASSESSMENT SHALL BE CONDUCTED TO DETERMINE:~~

~~(I) WHETHER THE ASSESSMENT PROVIDES ACTIONABLE FEEDBACK TO STUDENTS, PARENTS, AND EDUCATORS IN A FORMAT THAT HELPS EDUCATORS IMPROVE THEIR PRACTICE, ENCOURAGES POSITIVE RELATIONSHIPS BETWEEN THE PARTIES, AND HELPS INFORM INSTRUCTION FOR EDUCATORS;~~

~~(II) WHETHER EDUCATORS AND ADMINISTRATORS USE ASSESSMENT DATA TO IMPROVE AND DIFFERENTIATE INSTRUCTION;~~

~~(III) WHETHER THERE IS ANY REDUNDANCY OR DUPLICATION WITH ASSESSMENTS ALREADY REQUIRED AT THE FEDERAL, STATE, OR LOCAL LEVELS;~~

~~(IV) THE AMOUNT OF TIME TEACHERS SPEND ADMINISTERING, COLLECTING, AND ENTERING DATA;~~

~~(V) THE WORKLOAD IMPACT ON EDUCATORS;~~

~~(VI) THE TECHNOLOGY NEEDS OF A SCHOOL DISTRICT OR CLASSROOM IN ORDER TO COLLECT AND ENTER DATA; AND~~

~~(VII) ANY OTHER APPROPRIATE INFORMATION.~~

(1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A COUNTY BOARD MAY ADMINISTER THE EARLY LEARNING ASSESSMENT TO ENROLLED PREKINDERGARTEN STUDENTS IN THE COUNTY.

(2) BEFORE ADMINISTERING THE EARLY LEARNING ASSESSMENT, A COUNTY BOARD SHALL CONSULT WITH PREKINDERGARTEN TEACHERS, INCLUDING TEACHERS NOMINATED BY THE EXCLUSIVE BARGAINING REPRESENTATIVE, IN DETERMINING HOW TO IMPLEMENT THE ASSESSMENT.

[(d)] (E) The Department shall adopt regulations to implement the requirements of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 335

(House Bill 920)

AN ACT concerning

Primary and Secondary Education – *Certificated* School Personnel – Training Requirement

FOR the purpose of requiring the State Board of Education to require, beginning on or before a certain date, certain *certificated* school personnel to complete training on or

before a certain date each year in, by a method determined by each county board of education, certain knowledge and skills required to understand and respond to ~~the social, emotional, and personal development of students~~ youth suicide risk and identify certain resources to help students in crisis; requiring certain training to be provided to certain *certificated* school personnel during in-service training or to be a professional development requirement; requiring the State Board to adopt certain regulations; *providing for the construction of certain provisions of this Act; prohibiting a person from bringing a certain action against a county board except under certain circumstances*; requiring certain training for certain certificate holders applying for renewal of a certificate as a school counselor to meet a certain standard or exceed the standard of certain training required of other school personnel; and generally relating to a training requirement for *certificated* school personnel.

BY adding to

Article – Education

Section 6–122

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Education

Section 6–704.1

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

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

Article – Education

6–122.

(A) EXCEPT AS PROVIDED IN § 6–704.1 OF THIS TITLE AND BEGINNING ON OR BEFORE JULY 1, 2018, THE STATE BOARD SHALL REQUIRE ALL CERTIFICATED SCHOOL PERSONNEL WHO HAVE DIRECT CONTACT WITH STUDENTS ON A REGULAR BASIS TO COMPLETE TRAINING ON OR BEFORE DECEMBER 1 EACH YEAR, BY A METHOD DETERMINED BY EACH COUNTY BOARD, IN THE SKILLS REQUIRED TO:

(1) UNDERSTAND AND RESPOND TO YOUTH SUICIDE RISK; AND

(2) IDENTIFY PROFESSIONAL RESOURCES TO HELP STUDENTS IN CRISIS ~~UNDERSTAND AND RESPOND TO THE SOCIAL, EMOTIONAL, AND PERSONAL DEVELOPMENT OF STUDENTS, INCLUDING KNOWLEDGE AND SKILLS RELATING TO:~~

~~(1) THE RECOGNITION OF INDICATORS OF MENTAL ILLNESS AND BEHAVIORAL DISTRESS, INCLUDING DEPRESSION, TRAUMA, VIOLENCE, YOUTH SUICIDE, AND SUBSTANCE ABUSE; AND~~

~~(2) THE IDENTIFICATION OF PROFESSIONAL RESOURCES TO HELP STUDENTS IN CRISIS.~~

(B) THE TRAINING REQUIRED UNDER SUBSECTION (A) OF THIS SECTION SHALL BE:

(1) PROVIDED TO CERTIFICATED SCHOOL PERSONNEL DURING AN IN-SERVICE PROGRAM; OR

(2) A PROFESSIONAL DEVELOPMENT REQUIREMENT THAT MAY BE MET DURING TIME DESIGNATED FOR PROFESSIONAL DEVELOPMENT.

(C) THE STATE BOARD SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.

(D) (1) THIS SECTION MAY NOT BE CONSTRUED TO IMPOSE A DUTY OF CARE ON CERTIFICATED SCHOOL PERSONNEL WHO COMPLETE TRAINING UNDER SUBSECTION (A) OF THIS SECTION.

(2) UNLESS THE ACTS OR OMISSIONS OF A CERTIFICATED SCHOOL EMPLOYEE WHO COMPLETED TRAINING UNDER SUBSECTION (A) OF THIS SECTION ARE WILLFUL, WANTON, OR GROSSLY NEGLIGENT, A PERSON MAY NOT BRING AN ACTION AGAINST THE COUNTY BOARD FOR PERSONAL INJURY OR WRONGFUL DEATH CAUSED BY ANY ACT OR OMISSION RESULTING FROM:

(I) ANY TRAINING OR LACK OF TRAINING OF CERTIFICATED SCHOOL PERSONNEL UNDER SUBSECTION (A) OF THIS SECTION; OR

(II) THE IMPLEMENTATION OF THE TRAINING REQUIRED UNDER SUBSECTION (A) OF THIS SECTION.

6-704.1.

(a) On or before July 1, 2016, the Board shall require a certificate holder applying for renewal of a certificate as a school counselor to have obtained **TRAINING IN**, by a method determined by the Board, the knowledge and skills required to understand and respond to the social, emotional, and personal development of students, including knowledge and skills relating to:

(1) The recognition of indicators of mental illness and behavioral distress, including depression, trauma, violence, youth suicide, and substance abuse; and

(2) The identification of professional resources to help students in crisis.

(B) THE TRAINING REQUIRED UNDER SUBSECTION (A) OF THIS SECTION SHALL BE COMMENSURATE WITH THE DUTIES OF A SCHOOL COUNSELOR AND MAY EXCEED THE TRAINING REQUIRED OF OTHER SCHOOL PERSONNEL UNDER § 6-122 OF THIS TITLE.

[(b)] (C) The Board shall adopt regulations to implement the provisions of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 336

(House Bill 1568)

AN ACT concerning

Workgroup on Transportation for Middle and High School Students in Prince George's County

PG 415-17

FOR the purpose of establishing the Workgroup on Transportation for Middle and High School Students in Prince George's County; providing for the composition and staffing of the Workgroup; prohibiting a member of the Workgroup from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Workgroup to study and make recommendations regarding certain matters; requiring the Workgroup to report its findings and recommendations to the Prince George's County House Delegation and the Prince George's County Senators on or before a certain date; providing for the termination of this Act; and generally relating to the Workgroup on Transportation for Middle and High School Students in Prince George's County.

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

(a) There is a Workgroup on Transportation for Middle and High School Students in Prince George's County.

(b) The Workgroup consists of the following members:

(1) the Director of the Prince George's County Department of Public Works and Transportation, or the Director's designee or designees;

(2) the Chief Executive Officer of the Prince George's County Public Schools, or the Chief Executive Officer's designee or designees; ~~and~~

(3) the General Manager and Chief Executive Officer of the Washington Metropolitan Area Transit Authority, or the General Manager and Chief Executive Officer's designee or designees;

(4) one representative of AFSCME Local 2250, selected by the President of AFSCME Local 2250;

(5) one representative of AFSCME Local 2467, selected by the President of AFSCME Local 2467; and

(6) one representative of the local union that represents the Washington Metropolitan Area Transit Authority bus drivers, selected by the President of the local union.

(c) The Prince George's County Public Schools shall provide staff for the Workgroup.

(d) A member of the Workgroup:

(1) may not receive compensation as a member of the Workgroup; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(e) The Workgroup shall:

(1) identify where Prince George's County public school buildings and bus routes intersect with bus routes of the Prince George's County Department of Public Works and Transportation and the Washington Metropolitan Area Transit Authority;

(2) identify the software systems currently in use by or available to the Prince George's County Public Schools, the Prince George's County Department of Public Works and Transportation, and the Washington Metropolitan Area Transit Authority to operate and monitor their bus systems;

(3) estimate, if Prince George's County Public Schools students were to be transported by the Prince George's County Department of Public Works and Transportation and the Washington Metropolitan Area Transit Authority, the:

(i) cost savings to the Prince George's County Public Schools; and

(ii) cost increase to the Prince George's County Department of Public Works and Transportation and the Washington Metropolitan Area Transit Authority;

(4) determine the feasibility and cost of implementing a system utilizing Global Positioning System technology and text messages to inform parents of when a bus is expected to arrive and provide notification if a bus will be delayed; and

(5) identify a range of options for transporting Prince George's County Public Schools middle and high school students and the cost of each option.

(f) On or before August 31, 2017, the Workgroup shall report its findings and recommendations to the Prince George's County House Delegation and the Prince George's County Senators in accordance with § 2-1246 of the State Government Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017. It shall remain effective for a period of 1 year and 1 month and, at the end of June 30, 2018, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, April 18, 2017.

Chapter 337

(Senate Bill 587)

AN ACT concerning

Education – Libraries – Reorganization of Governance Structure

FOR the purpose of establishing the Maryland State Library Agency and the Maryland State Library Board; transferring the duties and responsibilities of the Division of Library Development and Services in the State Department of Education to the State Library Agency; transferring the duties and responsibilities of the State Board of Education pertaining to libraries to the State Library Board; making the appointment of the State Librarian subject to the advice and consent of the Senate; providing that the Maryland State Library Agency is the central State library agency; providing that the head of the State Library Agency is the State Librarian; providing for the appointment, term, qualifications, and salary of the State Librarian; authorizing the State Library Agency to employ certain individuals; requiring the State Library Agency to be funded annually in the State budget; requiring certain employees of the State Library Agency to join the Teachers' Pension System of the State of Maryland or the Employees' Pension System of the State of Maryland; requiring the State Library Agency to provide certain professional and technical advice to certain higher education and special library

officials; transferring the duties and responsibilities of the Maryland Advisory Council on Libraries to the State Library Board; requiring the Governor to ensure geographic diversity when making appointments to the State Library Board; requiring the State Library Board to meet a certain number of times each year; authorizing the State Library Board to be funded within the budget of the State Library Agency; authorizing the State Library Board to include in its budget operating funds for the Deaf Culture Digital Library; providing for the transfer of certain services, appropriations, funding, and grants on a certain date; providing for the transfer of certain property, records, fixtures, appropriations, credits, assets, liabilities, obligations, rights, and privileges; abolishing the Division of Library Development and Services in the State Department of Education and providing that the State Library Agency and the State Library Board shall be the successors to the Division; providing that the State Library Board shall be the successor to the Maryland Advisory Council on Libraries; providing that certain employees transferred to the State Library Agency and State Library Board as a result of this Act shall be transferred without diminution of certain rights, benefits, or employment or retirement status; providing for the continuity of certain transactions affected by or flowing from this Act; providing for the continuity of certain laws, rules and regulations, standards and guidelines, policies, orders, and other directives, forms, plans, memberships, contracts, property, investigations, and administrative and judicial responsibilities; providing that this Act may not affect the terms of certain members of the Maryland Advisory Council on Libraries; requiring the publisher of the Annotated Code of Maryland, in consultation with the Department of Legislative Services, to correct cross-references and terminology in the Code that are rendered incorrect by this Act; making the provisions of this Act severable; defining certain terms; making certain technical changes; making certain conforming changes; and generally relating to a reorganization of the library governance structure in Maryland.

BY adding to

Article – Education

Section 23–101

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Education

Section 23–101 through 23–108, 23–202 through 23–205, 23–302, 23–402(a)(4),
23–405, 23–406, 23–504, 23–506, 23–506.1, 23–507, 23–509, 23–510, and
25–302

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Education

Section 23–201, 23–206, and 23–301(a) and (c)

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing

Article – Education

Section 23–508

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 3A–606

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

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

Article – Education

23–101.

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

(B) “STATE LIBRARY AGENCY” MEANS THE MARYLAND STATE LIBRARY AGENCY.

(C) “STATE LIBRARY BOARD” MEANS THE MARYLAND STATE LIBRARY BOARD.

[23–101.] 23–102.

(a) The General Assembly finds:

(1) That public library resources and services are essential components of the educational system; and

(2) That libraries stimulate awareness and understanding of critical social issues, and assist individuals in reaching their highest potential for self–development.

(b) It is the policy of this State:

(1) To continue the orderly development and maintenance of library facilities and services throughout this State, in collaboration with the counties; and

(2) To develop coordinated programs and services among libraries and institutions to:

(i) Provide the widest possible access to the library and information resources of this State; and

(ii) Insure more effective and economical services to all library users.

[23–102.] 23–103.

There is a [Division of Library Development and Services in the Department] **STATE LIBRARY AGENCY AND A STATE LIBRARY BOARD**. The [Division] **STATE LIBRARY AGENCY** is the central State library agency.

[23–103.] 23–104.

(a) The head of the [Division of Library Development and Services] **STATE LIBRARY AGENCY** is the [Assistant Superintendent for Libraries] **STATE LIBRARIAN**, who is appointed by the State **LIBRARY Board** WITH THE ADVICE AND CONSENT OF THE SENATE [on the recommendation of the State Superintendent].

(b) The [Assistant Superintendent for Libraries] **STATE LIBRARIAN** shall:

(1) Hold an advanced degree in library and information service;

(2) Have administrative experience in libraries; and

(3) Have any other qualifications the State [Superintendent] **LIBRARY BOARD** considers necessary.

(C) THE STATE LIBRARIAN SHALL:

(1) SELECT, ORGANIZE, AND DIRECT THE STAFF OF THE STATE LIBRARY AGENCY;

(2) PERFORM THE DUTIES THE STATE LIBRARY BOARD ASSIGNS;

(3) SEE THAT THE POLICIES AND DECISIONS OF THE STATE LIBRARY BOARD ARE CARRIED OUT; AND

(4) SERVE AT THE PLEASURE OF THE STATE LIBRARY BOARD.

(D) THE STATE LIBRARIAN IS ENTITLED TO THE SALARY PROVIDED IN THE STATE BUDGET.

[(c)] (E) (1) The **[Division] STATE LIBRARY AGENCY** may employ the professional and clerical staff provided in the State budget.

(2) Each employee of the **[Division] STATE LIBRARY AGENCY** is entitled to the salary provided in the State budget.

(3) EACH EMPLOYEE OF THE STATE LIBRARY AGENCY SHALL JOIN THE TEACHERS' PENSION SYSTEM OF THE STATE OF MARYLAND OR THE EMPLOYEES' PENSION SYSTEM OF THE STATE OF MARYLAND.

[23-104.] 23-105.

(a) In addition to the other powers granted and duties imposed by this article, the State **LIBRARY** Board has the powers and duties set forth in this section.

(B) THE STATE LIBRARY BOARD SHALL APPOINT THE STATE LIBRARIAN.

[(b)] (C) The State **LIBRARY** Board shall exercise general direction and control of library development in this State and may:

(1) Adopt rules and regulations necessary to administer this title;

(2) After considering the recommendations of the **[Advisory Council on Libraries] STATE LIBRARIAN**, establish library policies and procedures for the statewide system of libraries;

(3) Consider the library needs of this State and recommend to the Governor and the General Assembly desirable legislation; and

(4) With the approval of the Governor, accept, administer, and spend any appropriation, gift, or grant for library purposes from the federal government or from any other person.

[(c)] (D) In accordance with the bylaws, rules, and regulations of the State Board **OF EDUCATION**, the State Superintendent shall certificate professional library personnel.

[(d)] (E) Each year the State **LIBRARY** Board shall report to the Governor and the people of this State on the support, condition, progress, and needs of libraries.

[(e)] (F) The State **LIBRARY** Board shall approve county public library capital projects for State funding in accordance with **[§ 23-510] § 23-509** of this title.

[23-105.] 23-106.

(a) In addition to any other powers granted and duties imposed by this title, and subject to the authority of the State **LIBRARY** Board, the [Division of Library Development and Services] **STATE LIBRARY AGENCY** has the powers and duties set forth in this section.

(b) The [Division of Library Development and Services] **STATE LIBRARY AGENCY** shall:

(1) Provide leadership and guidance for the planning and coordinated development of library and information service in this State;

(2) Develop statewide public and school library services and networks, resource centers, and other arrangements to meet the library and information needs of this State;

(3) Provide professional and technical advice on improving library services in this State to:

(i) Public and school library officials;

(II) HIGHER EDUCATION AND SPECIAL LIBRARY OFFICIALS;

~~[(ii)]~~ **(III)** State government agencies; and

~~[(iii)]~~ **(IV)** Any other person;

(4) (i) Collect library statistics and other data;

(ii) Identify library needs and provide for needed research and studies of them;

(iii) Publish and distribute findings in these areas; and

(iv) Coordinate library services with other information and education services and agencies;

(5) Administer federal and State funds appropriated to it by the State for library purposes;

(6) (i) Develop and recommend professional standards and policies for libraries; and

(ii) Establish requirements and procedures for the certification of librarians and library personnel;

(7) Provide:

(i) Specialized library service to the blind and other physically handicapped individuals in this State; and

(ii) Other desirable specialized library services;

(8) Encourage, advise, and assist in establishing, operating, and coordinating libraries at State institutions and agencies and administer the operation of library and information services for the [Department] **STATE LIBRARY BOARD**;

(9) Administer the State grant program for county public library capital projects, in accordance with [§ 23–510] **§ 23–509** of this title;

(10) Adopt guidelines for the administration of public libraries and recommend to the State **LIBRARY** Board rules and regulations to implement this title;

(11) Cooperate with national library agencies and those of any other state;

(12) Develop a Deaf Culture Digital Library in accordance with [§ 23–108] **§ 23–109** of this title; and

(13) Perform any other duty necessary for its proper operation.

[23–106.] 23–107.

(a) There is a Maryland [Advisory Council on Libraries] **STATE LIBRARY BOARD**.

(b) (1) The [Advisory Council] **STATE LIBRARY BOARD** consists of 12 members, 7 of whom are appointed by the Governor. Each member is entitled to participate fully and equally in the activities of the [Council] **BOARD**.

(2) Each member shall:

(i) Be a resident of this State;

(ii) Be an individual of ability and integrity who is experienced in public or library affairs; and

(iii) Represent the interests of the citizens of this State in better library services.

(3) **(1)** Of the appointed members:

~~(1)~~ **1.** Five shall be selected from the public at large;

~~(ii)~~ **2.** One shall be a professional librarian; and

~~(iii)~~ **3.** One shall be a library trustee.

(II) THE GOVERNOR SHALL ENSURE GEOGRAPHIC DIVERSITY WHEN APPOINTING MEMBERS.

(4) The following officials serve ex officio and each may designate someone to serve in his place:

(i) The Secretary of Higher Education;

(ii) The President of the Board of Trustees of Enoch Pratt Free Library;

(iii) The President of the Maryland Library Association;

(iv) The Dean of the University of Maryland College of Library and Information Services; and

(v) The President of the Maryland [Educational Media Organization] **ASSOCIATION OF SCHOOL LIBRARIANS.**

(5) (i) Each appointed member serves for a term of 5 years and until a successor is appointed and qualifies. These terms are staggered as required by the terms of the members serving on July 1, 1978.

(ii) An appointed member may not serve more than two consecutive terms.

(iii) A member appointed to fill a vacancy in an unexpired term serves only for the remainder of that term and until a successor is appointed and qualifies.

(6) Each member of the [Advisory Council] **STATE LIBRARY BOARD:**

(i) Serves without compensation; and

(ii) Is entitled to reimbursement for expenses in accordance with the Standard State Travel Regulations.

(c) (1) Each year:

(i) The Governor shall appoint a member of the [Advisory Council] **STATE LIBRARY BOARD** as its Chairman; and

(ii) The [Advisory Council] **STATE LIBRARY BOARD** shall elect one of its members as its vice chairman.

(2) The [Assistant Superintendent for Libraries] **STATE LIBRARIAN** shall:

(i) Serve as secretary to the [Advisory Council] **STATE LIBRARY BOARD**;

(ii) Record the proceedings of the [Council] **STATE LIBRARY BOARD**; and

(iii) Provide necessary staff services.

(3) [The Advisory Council shall meet at least once a year at the times and places its Chairman designates] **EACH YEAR, THE STATE LIBRARY BOARD:**

(I) SHALL HOLD AT LEAST FOUR REGULAR MEETINGS; AND

(II) MAY HOLD SPECIAL MEETINGS AS NECESSARY.

(4) Seven members of the [Advisory Council] **STATE LIBRARY BOARD** are a quorum and at least 7 affirmative votes are required for any recommendation to:

(i) The [Division of Library Services] **STATE LIBRARY AGENCY**;

[(ii) The State Superintendent;

(iii) The State Board;] or

[(iv)] **(II)** The Governor.

(d) The [Advisory Council] **STATE LIBRARY BOARD** shall:

(1) Gather information on the needs of libraries throughout this State;

(2) [Advise the Division of Library Development and Services, the State Superintendent, the State Board, and] **OVERSEE THE STATE LIBRARY AGENCY**;

(3) ADVISE the Governor on library matters; and

[(3)] (4) Promote improvement of library services in this State.

(e) The [Advisory Council] **STATE LIBRARY BOARD** may be funded annually as provided in the budget of the [Division of Library Development and Services] **STATE LIBRARY AGENCY**.

[23–107.] 23–108.

(a) Subject to the provisions of subsection (b) of this section, a free association, school, college or university library in this State shall prohibit inspection, use, or disclosure of any circulation record or other item, collection, or grouping of information about an individual that:

- (1) Is maintained by a library;
- (2) Contains an individual's name or the identifying number, symbol, or other identifying particular assigned to the individual; and
- (3) Identifies the use a patron makes of that library's materials, services, or facilities.

(b) A free association, school, college, or university library in the State shall permit inspection, use, or disclosure of the circulation record of an individual only in connection with the library's ordinary business and only for the purposes for which the record was created.

[23–108.] 23–109.

(a) The [Division of Library Development and Services] **STATE LIBRARY AGENCY** shall establish the Deaf Culture Digital Library as the primary information center on deaf resources for library customers and staff in the State.

(b) The Deaf Culture Digital Library shall:

- (1) Conduct a needs assessment to identify gaps in library services for deaf patrons and to implement strategies to fill the gaps and better coordinate library services for the deaf;
- (2) In coordination with the Governor's Office of Deaf and Hard of Hearing, develop and provide sensitivity training for State and county library staff to help them better understand deaf patrons and their needs;
- (3) Develop a Web site that will allow for information sharing and coordination between the Deaf Culture Digital Library and county library systems;
- (4) In coordination with the [Division of Library Development and Services] **STATE LIBRARY AGENCY**, develop deaf-related programs and materials and share them with county library systems and other libraries in the State;

(5) Develop partnerships and strategic alliances with other entities, including:

- (i) The Governor's Office for the Deaf and Hard of Hearing;
- (ii) County library systems;
- (iii) The [Division of Library Development and Services] **STATE LIBRARY AGENCY**;
- (iv) Veterans' groups;
- (v) State and local arts councils;
- (vi) Senior citizens organizations; and
- (vii) Deaf and hard of hearing organizations, including:
 - 1. The National Association of the Deaf;
 - 2. The Hearing Loss Association of America; and
 - 3. The Maryland Association of the Deaf;

(6) Encourage partnerships and collaborations with information service providers to help provide virtual access to information and research;

(7) Form a Deaf Culture Digital Library Advisory Board to provide advice on initiatives that further advance the mission and goals of the Deaf Culture Digital Library and the majority of whose members are deaf or hard of hearing and selected from the following entities:

- (i) County library systems;
- (ii) The [Division of Library Development and Services] **STATE LIBRARY AGENCY**;
- (iii) The Governor's Office for the Deaf and Hard of Hearing;
- (iv) Statewide deaf and hard of hearing organizations; and
- (v) Other organizations as agreed on by the Governor's Office for the Deaf and Hard of Hearing and the [Division of Library Development and Services] **STATE LIBRARY AGENCY**; and

(8) Establish a Deaf Culture Digital Library “Friends of the Library” group composed of individuals who are strongly committed, well-positioned, and able to promote community involvement, advocacy, and funding for the Deaf Culture Digital Library.

(c) The lead employee or coordinator who manages the Deaf Culture Digital Library shall be:

(1) A deaf or hard of hearing individual; and

(2) Knowledgeable and experienced concerning issues affecting deaf and hard of hearing individuals.

23–201.

(a) The Central Library of the Enoch Pratt Free Library System is the State Library Resource Center.

(b) The State Library Resource Center shall provide and expand access to specialized library materials and services that are necessary for coordinated, efficient, and economical library services in this State.

23–202.

(a) The boards of library trustees of at least three public library systems outside the standard metropolitan statistical areas defined by the United States Bureau of the Census may request the [Department] **STATE LIBRARY BOARD** to establish and maintain a regional resource center.

(b) Each regional resource center shall provide, through mutual cooperation and coordination, books, information, and other material and service resources that an individual library cannot provide adequately by itself.

(c) (1) A region to be served by a regional resource center shall have a population of at least 100,000.

(2) Subject to approval by the [Department] **STATE LIBRARY BOARD**, the boards of library trustees of the participating library systems shall designate the library to serve as the resource center.

(3) If possible, the library selected as the regional resource center shall be:

(i) The strongest library in the region; and

(ii) Located so as to be of greatest service to the entire region.

(d) (1) There is a board of advisors for each regional resource center.

(2) The board of advisors consists of two individuals selected by the board of trustees of each participating library system to represent its library.

(3) The board of advisors for each regional resource center shall:

(i) Gather information on the resource needs of its region and this State;

(ii) Before State funds are distributed to it, make an annual report to the [Department and the State Advisory Council on Libraries] **STATE LIBRARY BOARD** that evaluates and makes recommendations on the operation of the center;

(iii) Recommend to the board of trustees of the library designated as the regional resource center and to the [Department] **STATE LIBRARY BOARD** policies and procedures for the development and use of the regional resource center;

(iv) Promote the use of the regional resource center;

(v) Recommend the purchase, condemnation, rental, use, sale, or conveyance of property for any purpose valid under this section; and

(vi) Recommend plans for the regional resource centers, which may include the use of facilities of participating libraries, additions to the facilities of participating libraries, or new facilities separate from the existing facilities of participating libraries.

(e) (1) The head of each regional resource center is the administrator of the library designated as the center.

(2) The administrator shall operate the regional resource center under standards adopted by the [Department] **STATE LIBRARY BOARD**.

(3) The policies and procedures of the regional resource center shall be:

(i) Recommended by the board of trustees of the library designated as the center; and

(ii) Approved by the board of advisors of the center.

(f) Each regional resource center shall:

(1) Make interlibrary loans of books and materials;

(2) Supply collections and exhibits of specialized materials;

(3) Provide consultant services;

- (4) Organize inservice training for library staffs; and
- (5) Develop and operate cooperative services among libraries.

23–203.

(a) The board of library trustees of any public library system that is not participating in a regional resource center may participate in a metropolitan cooperative service program.

(b) Each metropolitan cooperative service program shall conform to standards adopted by the State **LIBRARY** Board.

(c) Each metropolitan cooperative service program shall make an annual report of its operations to the [Department and the State Advisory Council on Libraries] **STATE LIBRARY BOARD**.

23–204.

The [Department] **STATE LIBRARY BOARD** periodically shall evaluate the effectiveness of the services performed by each regional resource center and metropolitan cooperative service program and may request any reports and information necessary for this purpose.

23–205.

(a) Each year, the [Department] **STATE LIBRARY BOARD** may include in its budget operating funds for:

- (1) The State Library Resource Center;
- (2) Each regional resource center;
- (3) The Maryland Library for the Blind and Physically Handicapped;
- (4) **THE DEAF CULTURE DIGITAL LIBRARY**; and
- [(4)] **(5)** Each metropolitan cooperative service program.

(b) (1) The State shall pay all capital expenses for:

- (i) The State Library Resource Center; and
- (ii) Each regional resource center.

(2) Before any money is spent under this subsection, the appropriate board of library trustees shall:

(i) Have the project approved by the [Department] **STATE LIBRARY BOARD**;

(ii) Through the [Department] **STATE LIBRARY BOARD**, submit the request to the Department of Budget and Management for consideration under Title 3, Subtitle 6 of the State Finance and Procurement Article; and

(iii) Agree to reimburse the [Department] **STATE LIBRARY BOARD** an amount the [Department] **STATE LIBRARY BOARD** determines if the facility ceases to be used for a resource center or cooperative service program.

(c) (1) Each year each participating regional resource center shall receive a minimum amount of funding for each resident of the area served, to be used for operating and capital expenses.

(2) The allocation shall be calculated as follows:

(i) For each of fiscal years 2011 through 2015.....\$6.75 per each resident of the area served;

(ii) For fiscal year 2016..... \$6.95 per each resident of the area served;

(iii) For fiscal year 2017..... \$7.15 per each resident of the area served;

(iv) For fiscal year 2018..... \$7.55 per each resident of the area served;

(v) For fiscal year 2019..... \$7.95 per each resident of the area served;

(vi) For fiscal year 2020..... \$8.35 per each resident of the area served;

(vii) For fiscal year 2021..... \$8.55 per each resident of the area served; and

(viii) For fiscal year 2022 and each fiscal year thereafter..... \$8.75 per each resident of the area served.

(d) (1) Each year the State Library Resource Center shall receive a minimum amount of funding for each State resident in the previous fiscal year, to be used for operating and capital expenses.

(2) The allocation shall be calculated as follows:

(i) For each of fiscal years 2010 through 2016.....\$1.67 per State resident;

(ii) For fiscal year 2017\$1.69 per State resident;

(iii) For fiscal year 2018\$1.73 per State resident;

(iv) For fiscal year 2019\$1.77 per State resident;

(v) For fiscal year 2020\$1.81 per State resident; and

(vi) For fiscal year 2021 and each fiscal year thereafter..... \$1.85 per State resident.

(e) Beginning in fiscal year 2016 and in each fiscal year thereafter, the Maryland Library for the Blind and Physically Handicapped shall receive an amount equivalent to at least 25% of the amount received by the State Library Resource Center for the same fiscal year under subsection (d) of this section.

(f) (1) The [Department] **STATE LIBRARY BOARD** shall:

(i) Disburse funds to the State and regional resource centers, the Maryland Library for the Blind and Physically Handicapped, and metropolitan cooperative service programs; and

(ii) Require that these funds be used subject to any conditions specified by the appropriating agency or imposed under this subtitle.

(2) The [Department] **STATE LIBRARY BOARD** may authorize the State Comptroller to withhold funds from any regional resource center or metropolitan cooperative service program that fails to meet the standards adopted by the [Department] **STATE LIBRARY BOARD**.

23–206.

(a) Any two or more boards of library trustees acting as incorporators under this section and the nonstock corporation laws may organize a cooperative library corporation to administer joint library projects in their counties.

(b) (1) The membership of the corporation consists of the members of each board of library trustees that signs the articles of incorporation.

(2) If each of the member boards agree, another county may become a member of the corporation.

(c) The member boards may delegate any of their intracounty powers and duties to the corporation to the extent necessary to enable it to carry out and administer joint library projects.

(d) Professional and clerical employees of a cooperative library corporation shall join the Teachers' Retirement System.

(e) Each cooperative library corporation:

(1) Is entitled to use the library fund;

(2) Shall have the annual audit required for a library;

(3) Shall make the annual report required of a board of library trustees;
and

(4) Is exempt from taxation under § 7–202 of the Tax – Property Article.

23–301.

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

(c) “Program” means the State Publications Depository and Distribution Program.

23–302.

(a) There is created, as part of the State Library Resource Center at the Enoch Pratt Free Library, a State Publications Depository and Distribution Program.

(b) This Program is responsible for:

(1) The collection of State publications;

(2) The distribution of State publications to the depository libraries;

(3) The monthly issuance of a list of all State publications that have been received by the Center. This list shall be sent to all depository libraries and to others upon request and the Center may provide for subscription services; and

(4) Making determinations on exemptions of State publications from the depository requirements of this subtitle.

(c) The Administrator of the Program shall be appointed by the Director of the State Library Resource Center.

(d) Funding for the Program shall be provided in the [aid to education] budget of the State **LIBRARY** Board [of Education] in a program entitled State Publications Depository.

23–402.

(a) (4) (i) For fiscal year 2018 through fiscal year 2022, the Governor shall include in the State operating budget \$3,000,000 in general funds to support the additional operating expenses for the increased hours of operation of the branches of the Enoch Pratt Free Library that, in that fiscal year, will be subject to increased operating hours as provided in paragraph (3) of this subsection.

(ii) 1. To receive any State funds under subparagraph (i) of this paragraph, Baltimore City shall provide a 25% match for each dollar of State funds granted to support the additional operating expenses related to the increased hours of operation of the branches of the Enoch Pratt Free Library that, in that fiscal year, will be subject to increased operating hours as provided in paragraph (3) of this subsection.

2. Baltimore City may use public and private funds to satisfy the requirements of subparagraph 1 of this subparagraph.

(iii) 1. In calculating the additional operating expenses of the increased hours of operation, the baseline hours of operation of all branches of the Enoch Pratt Free Library are those hours of operation in effect as of January 1, 2016.

2. The [Department] **STATE LIBRARY BOARD** shall establish a process to distribute the State grant to Baltimore City or the Enoch Pratt Free Library for the additional operating expenses related to the increased hours of operation.

23–405.

(a) In addition to any other powers granted or duties imposed by this subtitle, each board of library trustees has the powers and duties set forth in this section.

(b) (1) Except as provided in paragraph (2) of this subsection, each board of library trustees:

(i) Shall establish and operate the library to provide free services to residents of the county in which it is located; and

(ii) May permit persons outside of the county to use the library facilities on the terms and conditions it determines.

(2) In Baltimore City and Baltimore, Charles, Montgomery, and Prince George's counties, the board of library trustees in each of these counties may permit a library to charge fees for the rental of [video cassettes] **MEDIA**.

(c) Each board of library trustees may:

(1) Establish and operate libraries at any location in the county;

(2) Determine the policy of the library; and

(3) Adopt reasonable rules, regulations, and bylaws for the use of the library and the conduct of its business.

(d) Each board of library trustees may:

(1) Advise in the preparation of, and approve, the library budget;

(2) Receive, account for, control, and supervise, under the rules and regulations of the county governing body, the spending of all public funds received by the library; and

(3) Use the services of the fiscal agencies of the county governing body.

(e) Each board of library trustees shall:

(1) Provide for an audit at least annually, by an accountant approved by the State [Superintendent] **LIBRARIAN** of its business and financial transactions and of the accounts of its treasurer;

(2) Make public the results of the annual audit; and

(3) Make an annual report to the county governing body and the State [Superintendent] **LIBRARIAN** on or before November 1 of each year, except that a county having a population of more than 500,000 and having a county library agency as provided by § 23–401(b) of this subtitle shall submit their report by January 1. The report shall show:

(i) The amounts of money received from the library fund and other sources;

(ii) The itemized expenses;

(iii) The number of books and periodicals the library has;

(iv) The results of the annual audit; and

(v) Any other information the [Department] **STATE LIBRARY BOARD** requires.

(f) Each board of library trustees may:

(1) Accept any gift, grant, or appropriation for library purposes from any person under any appropriate terms and conditions;

(2) Own and dispose of these gifts, grants, and appropriations;

(3) Recommend to the county governing body the acquisition, use, or conveyance of property, for any purpose valid under this subtitle;

(4) Select the location of and approve plans for the erection of library buildings, subject to the approval of the county governing body;

(5) Make contracts for any library service with any person; and

(6) Do anything else necessary for the proper control and development of the library.

23–406.

(a) Each board of library trustees:

(1) Shall select and appoint a professional librarian eligible for certification as director of the library to serve at the pleasure of the board; and

(2) May delegate to the director its authority to appoint any other necessary employees.

(b) Each board of library trustees shall establish policies for:

(1) Staff classification;

(2) Salaries;

(3) Work conditions;

(4) Suspension with pay;

(5) Grievance procedures;

(6) Benefits, including vacation and sick leave;

(7) Hours of work; and

(8) Any other personnel procedures and practices necessary for the efficient operation of the library.

(c) Each professional public librarian appointee to the professional library staff:

(1) Shall hold a certificate of library qualifications issued by the State Superintendent; or

(2) (i) Shall be eligible for State certification as a professional public librarian; and

(ii) Shall apply for certification within 6 months of starting employment.

(d) (1) The director or the director's designee may suspend a library employee without pay for a specified period up to 10 working days, for the following reasons:

(i) Misconduct in office;

(ii) Insubordination;

(iii) Incompetency; or

(iv) Willful neglect of duty.

(2) (i) The director or the director's designee shall give the suspended employee a written statement that specifies the reasons for the suspension.

(ii) The director or the director's designee shall place a copy of the written statement that specifies the reasons for the suspension in the employee's official personnel file.

(3) (i) The employee shall have the opportunity to reply in writing to the director within 10 working days after the employee receives notice of the suspension.

(ii) The employee may request a hearing before the board of trustees within 10 working days after receiving notice of the suspension.

(iii) If the employee requests a hearing within the 10-day period, the board shall promptly hold a hearing, but a hearing may not be set within 10 working days after the board sends the employee a notice of the hearing.

(4) If an employee is suspended without pay and found not guilty of the reasons for the suspension, the board shall refund all pay benefits lost by reason of the suspension to the employee.

(5) Suspension of an employee with pay shall be as provided by the library's personnel policy.

(e) (1) On written recommendation of the library director, each board of library trustees may dismiss any library employee under its jurisdiction for any of the following reasons:

- (i) Misconduct in office;
- (ii) Insubordination;
- (iii) Incompetency; or
- (iv) Willful neglect of duty.

(2) (i) Before removing an employee, the director shall send the employee a written copy of the charges against the employee and give the employee an opportunity to request a hearing before the board within 10 working days.

(ii) If the employee requests a hearing within the 10-day period the board promptly shall hold a hearing, but a hearing may not be set within 10 working days after the board sends the employee a notice of the hearing.

(iii) The employee shall have an opportunity to be heard publicly before the board in his own defense, in person or by counsel and to bring witnesses to the hearing.

(3) If the board votes to remove the employee and:

(i) The decision is unanimous, the decision of the board is final; or

(ii) The decision is not unanimous, the employee may appeal to the State **LIBRARY** Board [of Education] through the State [Superintendent] **LIBRARIAN**.

(f) The director of each library shall:

(1) Act as the general executive officer of the library and be responsible for the management of its operations in accordance with policies approved by the board of library trustees;

(2) Prepare the annual budget of the library, and present it to the board for approval;

(3) Nominate for appointment all library employees in the county library system; and

(4) Establish reasonable rules and adopt regulations for the use of the library system subject to approval by the board of library trustees.

23-504.

(a) (1) Subject to paragraph (2) of this subsection, a public library shall reimburse the State annually for the employer contributions made by the State for an employee who:

(i) Is a member of the Teachers' Retirement System or the Teachers' Pension System under Division II of the State Personnel and Pensions Article; and

(ii) Is receiving a salary funded by a source other than State or local aid.

(2) To the extent that an employee's salary is funded in part by sources other than State or local aid, the public library shall reimburse the State a pro rata share of the State's payment based on the percentage of the employee's salary funded by a source other than State or local aid.

(b) (1) To ensure that each public library is properly reimbursing the State as provided under subsection (a) of this section, the [Department] **STATE LIBRARY BOARD** or, at the [Department's] **STATE LIBRARY BOARD'S** request, a public library may at any time examine the records of public libraries to determine whether the State's payments for retirement contributions for employees of the public libraries are in accordance with the provisions of Division II of the State Personnel and Pensions Article.

(2) An audit conducted under paragraph (1) of this subsection may be:

(i) Included with an existing annual financial audit as a supplemental part and tested independently;

(ii) Conducted in conjunction with a supplemental federally mandated single audit of federal financial assistance programs and tested independently;
or

(iii) Conducted as a separate independent audit.

(c) (1) (i) If an examination of the records of a public library shows that the State has paid more than is required under Division II of the State Personnel and Pensions Article, within 30 days after the date of the notice to the library of the State overpayment, the public library may appeal the notice of State overpayment to the Secretary of Budget and Management who shall appoint a hearing examiner.

(ii) The hearing examiner shall make recommendations to the Secretary of Budget and Management who shall make a final determination regarding the amount, if any, of the State overpayment.

(2) If a public library does not appeal to the Secretary of Budget and Management or if the Secretary of Budget and Management determines that the State is due reimbursement for excess payments as provided in paragraph (1) of this subsection, at the request of the [Department] **STATE LIBRARY BOARD** the moneys owed shall be deducted from any other State funds that would otherwise be paid to the public library.

(3) For purposes of the Administrative Procedure Act, an appeal taken under this section is not a contested case.

(d) (1) Any reimbursements under subsection (a) of this section:

(i) Shall be applied first to the cost of any audit or portion of any audit relating to subsection (a) of this section to reimburse either the [Department] **STATE LIBRARY BOARD** or the public library for the expenses of the audits; and

(ii) After reimbursement to the [Department] **STATE LIBRARY BOARD** or public library under item (i) of this paragraph, shall be credited to the General Fund.

(2) If an audit under this section is performed by a public library, before the public library is reimbursed under paragraph (1)(i) of this subsection, the public library shall provide documentation to the [Department] **STATE LIBRARY BOARD** that the incremental costs of the audit incurred by the public library are reasonable.

23–506.

(a) The State [Superintendent] **LIBRARIAN** shall authorize the payment of funds under this subtitle:

(1) To the board of library trustees of each county that has a board of trustees; or

(2) In each county that does not have a board of library trustees, to the county.

(b) (1) Current operating funds shall be administered by the county board of library trustees.

(2) Capital expense funds shall be administered by the county council, board of county commissioners, or Mayor and City Council of Baltimore City.

(c) (1) The funds provided under this subtitle may be used only for library purposes.

(2) The State [Superintendent] **LIBRARIAN** shall require that these funds be used subject to any conditions specified by the appropriating agency or imposed under this subtitle.

23-506.1.

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

(2) “Obscene” has the meaning stated in § 11-203 of the Criminal Law Article.

(3) “Child pornography” means a violation of § 11-207 of the Criminal Law Article.

(b) On or before January 1, 2001, each county or board of trustees of a county library shall:

(1) Adopt and implement policies and procedures to prevent minors from obtaining access through the library, by means of the Internet, the World Wide Web, Usenet, or any other interactive computer service to materials that are obscene or constitute child pornography; and

(2) Submit the policies and procedures required under this section to the State [Superintendent] **LIBRARIAN** for review.

(c) The State [Superintendent] **LIBRARIAN** or a designee of the State [Superintendent] **LIBRARIAN** shall regularly monitor the county libraries to determine whether each library is complying with the policies and procedures adopted for preventing a minor from obtaining Internet access to obscene materials through the library.

23-507.

The State [Superintendent] **LIBRARIAN** shall authorize the State Comptroller to withhold State funds from any county that fails:

(1) To appropriate the amount of its share of the minimum program; or

(2) To meet the requirements of the law or of the State **LIBRARY** Board for operating the county library.

[23-508.

Through fiscal year 1983, the State Department of Education shall satisfy its obligation of former Article 77, § 177(e) by equal yearly payments.]

[23-509.] **23-508.**

Remuneration of an employee on account of sickness or accident of the employee shall be paid and treated as sick pay and not as continuation of salary.

[23–510.] 23–509.

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

(2) “Capital project” means the:

(i) Acquisition of land or buildings for a county library; or

(ii) Construction or improvement of a county library.

(3) “Construction or improvement” means planning, design, engineering, alteration, construction, reconstruction, enlargement, expansion, extension, improvement, replacement, rehabilitation, renovation, upgrading, repair, or capital equipping.

(4) “County library” means a library in a county public library system in the State.

(5) [“Division” means the Division of Library Development and Services in the Department] **“STATE LIBRARY AGENCY” MEANS THE MARYLAND STATE LIBRARY AGENCY.**

(b) (1) There is a State grant program for county public library capital projects in the [Division] **STATE LIBRARY AGENCY.**

(2) The grant program is in addition to the county–State minimum library program established under § 23–502 of this subtitle.

(c) (1) The [Division] **STATE LIBRARY AGENCY** shall develop and administer a grant program to assist in the funding of county library capital projects.

(2) The purpose of the grant program is to:

(i) Provide a uniform and objective analysis of proposed capital projects; and

(ii) Support projects that address the library needs in the State.

(3) Grants under the program:

(i) Require a matching fund from any combination of county, municipal, or private sources; and

(ii) May not be for an amount less than \$20,000.

(d) (1) On or before July 15 of each year, a county public library system may submit applications to the [Division] **STATE LIBRARY AGENCY** to receive grants for county library capital projects for the next fiscal year.

(2) In order to apply for a capital project grant, a county public library system shall have:

(i) A countywide library plan that includes a mission statement, needs statement, and multiyear goals and objectives on file with the [Division] **STATE LIBRARY AGENCY**; and

(ii) A master plan that includes a description of the capital project approved by the applicant's governing body.

(3) An application shall include:

(i) A description of the scope and purpose of the project;

(ii) A building plan that includes the estimated total cost of the project; and

(iii) Any other information required by the [Division] **STATE LIBRARY AGENCY**.

(4) A county public library system may not apply for more than three capital project grants in a fiscal year.

(e) (1) The [Division] **STATE LIBRARY AGENCY** shall review grant applications submitted in accordance with subsection (d) of this section.

(2) On or before October 1 of each year, the [Division] **STATE LIBRARY AGENCY** shall make recommendations to the State **LIBRARY** Board regarding capital project grants for the next fiscal year.

(3) In making its recommendations, the [Division] **STATE LIBRARY AGENCY** shall consider:

(i) The public necessity and urgency of a project;

(ii) The need for additional sources of funding for a project;

(iii) The estimated cost and timeliness of executing a project;

(iv) The viability of matching funds for a project; and

(v) Geographic diversity.

(4) On or before November 1 of each year, the State **LIBRARY** Board shall:

(i) Approve capital projects for funding in the State budget for the next fiscal year; and

(ii) Forward the list of approved capital projects to the Department of Budget and Management.

(5) For fiscal year 2008 and each fiscal year thereafter, the Governor shall include in the annual operating or capital budget submission \$5,000,000 for county library capital projects.

(f) (1) The State share percentage for a county library capital project approved under this section shall be calculated by dividing the State share of the minimum program for a county calculated under § 23–505(b) of this subtitle by the library program amount for a county calculated under § 23–503(b) of this subtitle, and multiplying this quotient by 1.25.

(2) (i) The minimum State share of a county library capital project is 50%.

(ii) The maximum State share of a county library capital project is 90%.

(g) The State **LIBRARY** Board shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly, on or before October 1 of each year, on State grants awarded for county public library capital projects for the prior fiscal year.

(h) The State **LIBRARY** Board shall adopt regulations to implement the grant program established under this section.

25–302.

(a) No political subdivision of this State shall be party to a library agreement which provides for the construction or maintenance of a library pursuant to Article III, subdivision (c)(7) of the Compact, nor pledge its credit in support of such a library, or contribute to the capital financing thereof, except after compliance with any laws applicable to such political subdivisions relating to or governing capital outlays and the pledging of credit.

(b) As used in the Compact, “State library agency,” with reference to this State, means the [Division of Library Development and Services of the State Department of Education] **MARYLAND STATE LIBRARY AGENCY**.

(c) An interstate library district lying partly within this State may claim and be entitled to receive State aid in support of any of its functions to the same extent and in the same manner as such functions are eligible for support when carried on by entities wholly within this State. For the purposes of computing and apportioning State aid to an interstate library district, this State will consider that portion of the area which lies within this State as an independent entity for the performance of the aided function or functions and compute and apportion the aid accordingly. Subject to any applicable laws of this State, such a district also may apply for and be entitled to receive any federal aid for which it may be eligible.

(d) The [Assistant Superintendent for Libraries] **STATE LIBRARIAN** shall be the compact administrator pursuant to Article X of the Compact. The State **LIBRARY** Board [of Education] on the recommendation of the State [Superintendent of Schools] **LIBRARIAN** may appoint one or more deputy compact administrators pursuant to said article.

(e) In the event of withdrawal from the Compact the Governor shall send and receive any notices required by Article XI(b) of the Compact.

Article – State Finance and Procurement

3A-606.

(a) The Department in consultation with the Board and the Department of Disabilities shall enter into an agreement with the [State Department of Education, Division of Library Development and Services] **STATE LIBRARY BOARD**, providing for an annual payment to be made to the [Division] **STATE LIBRARY AGENCY** in an amount equal to the cost incurred for the distribution of newspapers in a computerized audio format.

(b) Under the agreement, the [Division of Library Development and Services] **STATE LIBRARY AGENCY** shall provide eligible blind and disabled individuals with access to newspapers in a computerized audio format by a qualified entity.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The duties and responsibilities of the Division of Library Development and Services in the State Department of Education shall be transferred to the State Library Agency and the State Library Board on July 1, 2017.

(b) (1) All appropriations for fiscal year 2018, including State and federal funds, held by the Division of Library Development and Services in the State Department

of Education to carry out the duties and responsibilities transferred under this Act shall be transferred to the State Library Agency and the State Library Board on and after July 1, 2017.

(2) Funding for the services and programs under the State Library Agency and the State Library Board shall be provided for in the fiscal 2019 State budget.

(c) On July 1, 2017, all of the functions, powers, duties, books and records (including electronic records), real and personal property, equipment, fixtures, assets, liabilities, obligations, credits, rights, and privileges of the Division of Library Development and Services that are transferred under this Act shall be transferred to the State Library Agency and the State Library Board.

SECTION 3. AND BE IT FURTHER ENACTED, That, as of July 1, 2017, the Division of Library Development and Services is hereby abolished and the State Library Agency and the State Library Board shall be the successor of the Division.

SECTION 4. AND BE IT FURTHER ENACTED, That all employees who are transferred to the State Library Agency and the State Library Board as a result of this Act shall be transferred without diminution of their rights, benefits, employment, or retirement status.

SECTION 5. AND BE IT FURTHER ENACTED, That, except as expressly provided to the contrary in this Act, any transaction affected by or flowing from any statute added, amended, repealed, or transferred under this Act and validly entered into before the effective date of this Act, and every right, duty, or interest flowing from it remains valid after the effective date of this Act and may be terminated, completed, consummated, or enforced under the law.

SECTION 6. AND BE IT FURTHER ENACTED, That, except as otherwise provided by law, all existing laws, regulations, proposed regulations, standards and guidelines, policies, orders and other directives, forms, plans, memberships, contracts, property, investigations, administrative and judicial responsibilities, rights to sue and be sued, and all other duties and responsibilities associated with the functions of the agencies and units that are the subject of this Act prior to the effective date of this Act shall continue in effect under and, as appropriate, are legal and binding on the State Library Agency and the State Library Board until completed, withdrawn, canceled, modified, or otherwise changed under the law.

SECTION 7. AND BE IT FURTHER ENACTED, That the State Library Board shall be the successor to the Maryland Advisory Council on Libraries and nothing in this Act shall affect the terms of office of a member of the Maryland Advisory Council on Libraries who is serving on the effective date of this Act. An individual who is a member of any such entity on the effective date of this Act shall remain a member for the balance of the term to which the member is appointed, unless the member sooner dies, resigns, or is removed under appropriate provisions of law.

SECTION 8. AND BE IT FURTHER ENACTED, That the publisher of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, shall correct, with no further action required by the General Assembly, cross-references and terminology rendered incorrect by this Act or by any other Act of the General Assembly of 2017 that affects provisions enacted by this Act. The publisher shall adequately describe any such correction in an editor's note following the section affected.

SECTION 9. AND BE IT FURTHER ENACTED, That, if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act that can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 338

(House Bill 1094)

AN ACT concerning

Education – Libraries – Reorganization of Governance Structure

FOR the purpose of establishing the Maryland State Library Agency and the Maryland State Library Board; transferring the duties and responsibilities of the Division of Library Development and Services in the State Department of Education to the State Library Agency; transferring the duties and responsibilities of the State Board of Education pertaining to libraries to the State Library Board; making the appointment of the State Librarian subject to the advice and consent of the Senate; providing that the Maryland State Library Agency is the central State library agency; providing that the head of the State Library Agency is the State Librarian; providing for the appointment, term, qualifications, and salary of the State Librarian; authorizing the State Library Agency to employ certain individuals; requiring the State Library Agency to be funded annually in the State budget; requiring certain employees of the State Library Agency to join the Teachers' Pension System of the State of Maryland or the Employees' Pension System of the State of Maryland; requiring the State Library Agency to provide certain professional and technical advice to certain higher education and special library officials; transferring the duties and responsibilities of the Maryland Advisory Council on Libraries to the State Library Board; requiring the Governor to ensure geographic diversity when making appointments to the State Library Board;

requiring the State Library Board to meet a certain number of times each year; authorizing the State Library Board to be funded within the budget of the State Library Agency; authorizing the State Library Board to include in its budget operating funds for the Deaf Culture Digital Library; ~~requiring county public libraries, the State Library Resource Center, and regional resource centers to pay certain costs; requiring the State Library Board and the State Library Agency to collect certain costs;~~ providing for the transfer of certain services, appropriations, funding, and grants on a certain date; providing for the transfer of certain property, records, fixtures, appropriations, credits, assets, liabilities, obligations, rights, and privileges; abolishing the Division of Library Development and Services in the State Department of Education and providing that the State Library Agency and the State Library Board shall be the successors to the Division; providing that the State Library Board shall be the successor to the Maryland Advisory Council on Libraries; providing that certain employees transferred to the State Library Agency and State Library Board as a result of this Act shall be transferred without diminution of certain rights, benefits, or employment or retirement status; providing for the continuity of certain transactions affected by or flowing from this Act; providing for the continuity of certain laws, rules and regulations, standards and guidelines, policies, orders, and other directives, forms, plans, memberships, contracts, property, investigations, and administrative and judicial responsibilities; providing that this Act may not affect the terms of certain members of the Maryland Advisory Council on Libraries; requiring the publisher of the Annotated Code of Maryland, in consultation with the Department of Legislative Services, to correct cross-references and terminology in the Code that are rendered incorrect by this Act; making the provisions of this Act severable; defining certain terms; making certain technical changes; making certain conforming changes; and generally relating to a reorganization of the library governance structure in Maryland.

BY adding to

Article – Education

Section 23–101

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Education

Section 23–101 through 23–108, 23–202 through 23–205, 23–302, 23–402(a)(4), 23–405, 23–406, 23–504, 23–506, 23–506.1, 23–507, 23–509, 23–510, and 25–302

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Education

Section 23–201, 23–206, and 23–301(a) and (c)

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing

Article – Education

Section 23–508

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 3A–606

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

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

Article – Education

23–101.

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

(B) “STATE LIBRARY AGENCY” MEANS THE MARYLAND STATE LIBRARY AGENCY.

(C) “STATE LIBRARY BOARD” MEANS THE MARYLAND STATE LIBRARY BOARD.

[23–101.] 23–102.

(a) The General Assembly finds:

(1) That public library resources and services are essential components of the educational system; and

(2) That libraries stimulate awareness and understanding of critical social issues, and assist individuals in reaching their highest potential for self–development.

(b) It is the policy of this State:

(1) To continue the orderly development and maintenance of library facilities and services throughout this State, in collaboration with the counties; and

(2) To develop coordinated programs and services among libraries and institutions to:

(i) Provide the widest possible access to the library and information resources of this State; and

(ii) Insure more effective and economical services to all library users.

[23–102.] 23–103.

There is a [Division of Library Development and Services in the Department] **STATE LIBRARY AGENCY AND A STATE LIBRARY BOARD**. The [Division] **STATE LIBRARY AGENCY** is the central State library agency.

[23–103.] 23–104.

(a) The head of the [Division of Library Development and Services] **STATE LIBRARY AGENCY** is the [Assistant Superintendent for Libraries] **STATE LIBRARIAN**, who is appointed by the State **LIBRARY Board** **WITH THE ADVICE AND CONSENT OF THE SENATE** [on the recommendation of the State Superintendent].

(b) The [Assistant Superintendent for Libraries] **STATE LIBRARIAN** shall:

(1) Hold an advanced degree in library and information service;

(2) Have administrative experience in libraries; and

(3) Have any other qualifications the State [Superintendent] **LIBRARY BOARD** considers necessary.

(C) THE STATE LIBRARIAN SHALL:

(1) SELECT, ORGANIZE, AND DIRECT THE STAFF OF THE STATE LIBRARY AGENCY;

(2) PERFORM THE DUTIES THE STATE LIBRARY BOARD ASSIGNS;

(3) SEE THAT THE POLICIES AND DECISIONS OF THE STATE LIBRARY BOARD ARE CARRIED OUT; AND

(4) SERVE AT THE PLEASURE OF THE STATE LIBRARY BOARD.

(D) THE STATE LIBRARIAN IS ENTITLED TO THE SALARY PROVIDED IN THE STATE BUDGET.

[(c)] (E) (1) The [Division] **STATE LIBRARY AGENCY** may employ the professional and clerical staff provided in the State budget.

(2) Each employee of the [Division] STATE LIBRARY AGENCY is entitled to the salary provided in the State budget.

(3) EACH EMPLOYEE OF THE STATE LIBRARY AGENCY SHALL JOIN THE TEACHERS' PENSION SYSTEM OF THE STATE OF MARYLAND OR THE EMPLOYEES' PENSION SYSTEM OF THE STATE OF MARYLAND.

[23–104.] 23–105.

(a) In addition to the other powers granted and duties imposed by this article, the State LIBRARY Board has the powers and duties set forth in this section.

(B) THE STATE LIBRARY BOARD SHALL APPOINT THE STATE LIBRARIAN.

[(b)] (C) The State LIBRARY Board shall exercise general direction and control of library development in this State and may:

(1) Adopt rules and regulations necessary to administer this title;

(2) After considering the recommendations of the [Advisory Council on Libraries] STATE LIBRARIAN, establish library policies and procedures for the statewide system of libraries;

(3) Consider the library needs of this State and recommend to the Governor and the General Assembly desirable legislation; and

(4) With the approval of the Governor, accept, administer, and spend any appropriation, gift, or grant for library purposes from the federal government or from any other person.

[(c)] (D) In accordance with the bylaws, rules, and regulations of the State Board OF EDUCATION, the State Superintendent shall certificate professional library personnel.

[(d)] (E) Each year the State LIBRARY Board shall report to the Governor and the people of this State on the support, condition, progress, and needs of libraries.

[(e)] (F) The State LIBRARY Board shall approve county public library capital projects for State funding in accordance with [§ 23–510] § 23–509 of this title.

[23–105.] 23–106.

(a) In addition to any other powers granted and duties imposed by this title, and subject to the authority of the State LIBRARY Board, the [Division of Library Development

and Services] **STATE LIBRARY AGENCY** has the powers and duties set forth in this section.

(b) The [Division of Library Development and Services] **STATE LIBRARY AGENCY** shall:

(1) Provide leadership and guidance for the planning and coordinated development of library and information service in this State;

(2) Develop statewide public and school library services and networks, resource centers, and other arrangements to meet the library and information needs of this State;

(3) Provide professional and technical advice on improving library services in this State to:

(i) Public and school library officials;

(II) HIGHER EDUCATION AND SPECIAL LIBRARY OFFICIALS;

~~[(ii)]~~ **(III)** State government agencies; and

~~[(iii)]~~ **(IV)** Any other person;

(4) (i) Collect library statistics and other data;
(ii) Identify library needs and provide for needed research and studies of them;

(iii) Publish and distribute findings in these areas; and

(iv) Coordinate library services with other information and education services and agencies;

(5) Administer federal and State funds appropriated to it by the State for library purposes;

(6) (i) Develop and recommend professional standards and policies for libraries; and

(ii) Establish requirements and procedures for the certification of librarians and library personnel;

(7) Provide:

(i) Specialized library service to the blind and other physically handicapped individuals in this State; and

(ii) Other desirable specialized library services;

(8) Encourage, advise, and assist in establishing, operating, and coordinating libraries at State institutions and agencies and administer the operation of library and information services for the [Department] **STATE LIBRARY BOARD**;

(9) Administer the State grant program for county public library capital projects, in accordance with [§ 23–510] **§ 23–509** of this title;

(10) Adopt guidelines for the administration of public libraries and recommend to the State **LIBRARY** Board rules and regulations to implement this title;

(11) Cooperate with national library agencies and those of any other state;

(12) Develop a Deaf Culture Digital Library in accordance with [§ 23–108] **§ 23–109** of this title; and

(13) Perform any other duty necessary for its proper operation.

[23–106.] 23–107.

(a) There is a Maryland [Advisory Council on Libraries] **STATE LIBRARY BOARD**.

(b) (1) The [Advisory Council] **STATE LIBRARY BOARD** consists of 12 members, 7 of whom are appointed by the Governor. Each member is entitled to participate fully and equally in the activities of the [Council] **BOARD**.

(2) Each member shall:

(i) Be a resident of this State;

(ii) Be an individual of ability and integrity who is experienced in public or library affairs; and

(iii) Represent the interests of the citizens of this State in better library services.

(3) **(1)** Of the appointed members:

~~(i)~~ **1.** Five shall be selected from the public at large;

~~(ii)~~ **2.** One shall be a professional librarian; and

~~(iii)~~ **3.** One shall be a library trustee.

(II) THE GOVERNOR SHALL ENSURE GEOGRAPHIC DIVERSITY WHEN APPOINTING MEMBERS.

(4) The following officials serve ex officio and each may designate someone to serve in his place:

(i) The Secretary of Higher Education;

(ii) The President of the Board of Trustees of Enoch Pratt Free Library;

(iii) The President of the Maryland Library Association;

(iv) The Dean of the University of Maryland College of Library and Information Services; and

(v) The President of the Maryland [Educational Media Organization] **ASSOCIATION OF SCHOOL LIBRARIANS.**

(5) (i) Each appointed member serves for a term of 5 years and until a successor is appointed and qualifies. These terms are staggered as required by the terms of the members serving on July 1, 1978.

(ii) An appointed member may not serve more than two consecutive terms.

(iii) A member appointed to fill a vacancy in an unexpired term serves only for the remainder of that term and until a successor is appointed and qualifies.

(6) Each member of the [Advisory Council] **STATE LIBRARY BOARD:**

(i) Serves without compensation; and

(ii) Is entitled to reimbursement for expenses in accordance with the Standard State Travel Regulations.

(c) (1) Each year:

(i) The Governor shall appoint a member of the [Advisory Council] **STATE LIBRARY BOARD** as its Chairman; and

(ii) The [Advisory Council] **STATE LIBRARY BOARD** shall elect one of its members as its vice chairman.

shall:

- (2) The [Assistant Superintendent for Libraries] **STATE LIBRARIAN BOARD;**
- (i) Serve as secretary to the [Advisory Council] **STATE LIBRARY BOARD;**
- (ii) Record the proceedings of the [Council] **STATE LIBRARY BOARD;** and
- (iii) Provide necessary staff services.

(3) [The Advisory Council shall meet at least once a year at the times and places its Chairman designates] **EACH YEAR, THE STATE LIBRARY BOARD:**

- (I) SHALL HOLD AT LEAST FOUR REGULAR MEETINGS; AND**
- (II) MAY HOLD SPECIAL MEETINGS AS NECESSARY.**

(4) Seven members of the [Advisory Council] **STATE LIBRARY BOARD** are a quorum and at least 7 affirmative votes are required for any recommendation to:

- (i) The [Division of Library Services] **STATE LIBRARY AGENCY;**
- [(ii) The State Superintendent;
- (iii) The State Board;] or
- [(iv)] **(II)** The Governor.

(d) The [Advisory Council] **STATE LIBRARY BOARD** shall:

- (1) Gather information on the needs of libraries throughout this State;
- (2) [Advise the Division of Library Development and Services, the State Superintendent, the State Board, and] **OVERSEE THE STATE LIBRARY AGENCY;**
- (3) ADVISE** the Governor on library matters; and
- [(3)] (4)** Promote improvement of library services in this State.

(e) The [Advisory Council] **STATE LIBRARY BOARD** may be funded annually as provided in the budget of the [Division of Library Development and Services] **STATE LIBRARY AGENCY.**

[23–107.] 23–108.

(a) Subject to the provisions of subsection (b) of this section, a free association, school, college or university library in this State shall prohibit inspection, use, or disclosure of any circulation record or other item, collection, or grouping of information about an individual that:

- (1) Is maintained by a library;
- (2) Contains an individual's name or the identifying number, symbol, or other identifying particular assigned to the individual; and
- (3) Identifies the use a patron makes of that library's materials, services, or facilities.

(b) A free association, school, college, or university library in the State shall permit inspection, use, or disclosure of the circulation record of an individual only in connection with the library's ordinary business and only for the purposes for which the record was created.

[23–108.] 23–109.

(a) The [Division of Library Development and Services] **STATE LIBRARY AGENCY** shall establish the Deaf Culture Digital Library as the primary information center on deaf resources for library customers and staff in the State.

(b) The Deaf Culture Digital Library shall:

- (1) Conduct a needs assessment to identify gaps in library services for deaf patrons and to implement strategies to fill the gaps and better coordinate library services for the deaf;
- (2) In coordination with the Governor's Office of Deaf and Hard of Hearing, develop and provide sensitivity training for State and county library staff to help them better understand deaf patrons and their needs;
- (3) Develop a Web site that will allow for information sharing and coordination between the Deaf Culture Digital Library and county library systems;
- (4) In coordination with the [Division of Library Development and Services] **STATE LIBRARY AGENCY**, develop deaf-related programs and materials and share them with county library systems and other libraries in the State;
- (5) Develop partnerships and strategic alliances with other entities, including:

- (i) The Governor's Office for the Deaf and Hard of Hearing;
 - (ii) County library systems;
 - (iii) The [Division of Library Development and Services] **STATE LIBRARY AGENCY**;
 - (iv) Veterans' groups;
 - (v) State and local arts councils;
 - (vi) Senior citizens organizations; and
 - (vii) Deaf and hard of hearing organizations, including:
 1. The National Association of the Deaf;
 2. The Hearing Loss Association of America; and
 3. The Maryland Association of the Deaf;
- (6) Encourage partnerships and collaborations with information service providers to help provide virtual access to information and research;
- (7) Form a Deaf Culture Digital Library Advisory Board to provide advice on initiatives that further advance the mission and goals of the Deaf Culture Digital Library and the majority of whose members are deaf or hard of hearing and selected from the following entities:
- (i) County library systems;
 - (ii) The [Division of Library Development and Services] **STATE LIBRARY AGENCY**;
 - (iii) The Governor's Office for the Deaf and Hard of Hearing;
 - (iv) Statewide deaf and hard of hearing organizations; and
 - (v) Other organizations as agreed on by the Governor's Office for the Deaf and Hard of Hearing and the [Division of Library Development and Services] **STATE LIBRARY AGENCY**; and
- (8) Establish a Deaf Culture Digital Library "Friends of the Library" group composed of individuals who are strongly committed, well-positioned, and able to promote community involvement, advocacy, and funding for the Deaf Culture Digital Library.

(c) The lead employee or coordinator who manages the Deaf Culture Digital Library shall be:

(1) A deaf or hard of hearing individual; and

(2) Knowledgeable and experienced concerning issues affecting deaf and hard of hearing individuals.

23–201.

(a) The Central Library of the Enoch Pratt Free Library System is the State Library Resource Center.

(b) The State Library Resource Center shall provide and expand access to specialized library materials and services that are necessary for coordinated, efficient, and economical library services in this State.

23–202.

(a) The boards of library trustees of at least three public library systems outside the standard metropolitan statistical areas defined by the United States Bureau of the Census may request the [Department] **STATE LIBRARY BOARD** to establish and maintain a regional resource center.

(b) Each regional resource center shall provide, through mutual cooperation and coordination, books, information, and other material and service resources that an individual library cannot provide adequately by itself.

(c) (1) A region to be served by a regional resource center shall have a population of at least 100,000.

(2) Subject to approval by the [Department] **STATE LIBRARY BOARD**, the boards of library trustees of the participating library systems shall designate the library to serve as the resource center.

(3) If possible, the library selected as the regional resource center shall be:

(i) The strongest library in the region; and

(ii) Located so as to be of greatest service to the entire region.

(d) (1) There is a board of advisors for each regional resource center.

(2) The board of advisors consists of two individuals selected by the board of trustees of each participating library system to represent its library.

(3) The board of advisors for each regional resource center shall:

(i) Gather information on the resource needs of its region and this State;

(ii) Before State funds are distributed to it, make an annual report to the [Department and the State Advisory Council on Libraries] **STATE LIBRARY BOARD** that evaluates and makes recommendations on the operation of the center;

(iii) Recommend to the board of trustees of the library designated as the regional resource center and to the [Department] **STATE LIBRARY BOARD** policies and procedures for the development and use of the regional resource center;

(iv) Promote the use of the regional resource center;

(v) Recommend the purchase, condemnation, rental, use, sale, or conveyance of property for any purpose valid under this section; and

(vi) Recommend plans for the regional resource centers, which may include the use of facilities of participating libraries, additions to the facilities of participating libraries, or new facilities separate from the existing facilities of participating libraries.

(e) (1) The head of each regional resource center is the administrator of the library designated as the center.

(2) The administrator shall operate the regional resource center under standards adopted by the [Department] **STATE LIBRARY BOARD**.

(3) The policies and procedures of the regional resource center shall be:

(i) Recommended by the board of trustees of the library designated as the center; and

(ii) Approved by the board of advisors of the center.

(f) Each regional resource center shall:

(1) Make interlibrary loans of books and materials;

(2) Supply collections and exhibits of specialized materials;

(3) Provide consultant services;

(4) Organize inservice training for library staffs; and

(5) Develop and operate cooperative services among libraries.

23–203.

(a) The board of library trustees of any public library system that is not participating in a regional resource center may participate in a metropolitan cooperative service program.

(b) Each metropolitan cooperative service program shall conform to standards adopted by the State **LIBRARY** Board.

(c) Each metropolitan cooperative service program shall make an annual report of its operations to the [Department and the State Advisory Council on Libraries] **STATE LIBRARY BOARD**.

23–204.

The [Department] **STATE LIBRARY BOARD** periodically shall evaluate the effectiveness of the services performed by each regional resource center and metropolitan cooperative service program and may request any reports and information necessary for this purpose.

23–205.

(a) Each year, the [Department] **STATE LIBRARY BOARD** may include in its budget operating funds for:

- (1) The State Library Resource Center;
- (2) Each regional resource center;
- (3) The Maryland Library for the Blind and Physically Handicapped;
- (4) THE DEAF CULTURE DIGITAL LIBRARY; and**
- [(4)] (5) Each metropolitan cooperative service program.**

(b) (1) The State shall pay all capital expenses for:

- (i) The State Library Resource Center; and
- (ii) Each regional resource center.

(2) Before any money is spent under this subsection, the appropriate board of library trustees shall:

(i) Have the project approved by the [Department] **STATE LIBRARY BOARD**;

(ii) Through the [Department] **STATE LIBRARY BOARD**, submit the request to the Department of Budget and Management for consideration under Title 3, Subtitle 6 of the State Finance and Procurement Article; and

(iii) Agree to reimburse the [Department] **STATE LIBRARY BOARD** an amount the [Department] **STATE LIBRARY BOARD** determines if the facility ceases to be used for a resource center or cooperative service program.

(c) (1) Each year each participating regional resource center shall receive a minimum amount of funding for each resident of the area served, to be used for operating and capital expenses.

(2) The allocation shall be calculated as follows:

(i) For each of fiscal years 2011 through 2015.....\$6.75 per each resident of the area served;

(ii) For fiscal year 2016..... \$6.95 per each resident of the area served;

(iii) For fiscal year 2017..... \$7.15 per each resident of the area served;

(iv) For fiscal year 2018..... \$7.55 per each resident of the area served;

(v) For fiscal year 2019..... \$7.95 per each resident of the area served;

(vi) For fiscal year 2020..... \$8.35 per each resident of the area served;

(vii) For fiscal year 2021..... \$8.55 per each resident of the area served; and

(viii) For fiscal year 2022 and each fiscal year thereafter..... \$8.75 per each resident of the area served.

(d) (1) Each year the State Library Resource Center shall receive a minimum amount of funding for each State resident in the previous fiscal year, to be used for operating and capital expenses.

(2) The allocation shall be calculated as follows:

(i) For each of fiscal years 2010 through 2016.....\$1.67 per State resident;

- (ii) For fiscal year 2017.....\$1.69 per State resident;
- (iii) For fiscal year 2018.....\$1.73 per State resident;
- (iv) For fiscal year 2019.....\$1.77 per State resident;
- (v) For fiscal year 2020.....\$1.81 per State resident; and
- (vi) For fiscal year 2021 and each fiscal year thereafter..... \$1.85 per State resident.

(e) Beginning in fiscal year 2016 and in each fiscal year thereafter, the Maryland Library for the Blind and Physically Handicapped shall receive an amount equivalent to at least 25% of the amount received by the State Library Resource Center for the same fiscal year under subsection (d) of this section.

(f) (1) The [Department] **STATE LIBRARY BOARD** shall:

(i) Disburse funds to the State and regional resource centers, the Maryland Library for the Blind and Physically Handicapped, and metropolitan cooperative service programs; and

(ii) Require that these funds be used subject to any conditions specified by the appropriating agency or imposed under this subtitle.

(2) The [Department] **STATE LIBRARY BOARD** may authorize the State Comptroller to withhold funds from any regional resource center or metropolitan cooperative service program that fails to meet the standards adopted by the [Department] **STATE LIBRARY BOARD**.

23–206.

(a) Any two or more boards of library trustees acting as incorporators under this section and the nonstock corporation laws may organize a cooperative library corporation to administer joint library projects in their counties.

(b) (1) The membership of the corporation consists of the members of each board of library trustees that signs the articles of incorporation.

(2) If each of the member boards agree, another county may become a member of the corporation.

(c) The member boards may delegate any of their intracounty powers and duties to the corporation to the extent necessary to enable it to carry out and administer joint library projects.

(d) Professional and clerical employees of a cooperative library corporation shall join the Teachers' Retirement System.

(e) Each cooperative library corporation:

(1) Is entitled to use the library fund;

(2) Shall have the annual audit required for a library;

(3) Shall make the annual report required of a board of library trustees;

and

(4) Is exempt from taxation under § 7–202 of the Tax – Property Article.

23–301.

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

(c) “Program” means the State Publications Depository and Distribution Program.

23–302.

(a) There is created, as part of the State Library Resource Center at the Enoch Pratt Free Library, a State Publications Depository and Distribution Program.

(b) This Program is responsible for:

(1) The collection of State publications;

(2) The distribution of State publications to the depository libraries;

(3) The monthly issuance of a list of all State publications that have been received by the Center. This list shall be sent to all depository libraries and to others upon request and the Center may provide for subscription services; and

(4) Making determinations on exemptions of State publications from the depository requirements of this subtitle.

(c) The Administrator of the Program shall be appointed by the Director of the State Library Resource Center.

(d) Funding for the Program shall be provided in the [aid to education] budget of the State **LIBRARY** Board [of Education] in a program entitled State Publications Depository.

23–402.

(a) (4) (i) For fiscal year 2018 through fiscal year 2022, the Governor shall include in the State operating budget \$3,000,000 in general funds to support the additional operating expenses for the increased hours of operation of the branches of the Enoch Pratt Free Library that, in that fiscal year, will be subject to increased operating hours as provided in paragraph (3) of this subsection.

(ii) 1. To receive any State funds under subparagraph (i) of this paragraph, Baltimore City shall provide a 25% match for each dollar of State funds granted to support the additional operating expenses related to the increased hours of operation of the branches of the Enoch Pratt Free Library that, in that fiscal year, will be subject to increased operating hours as provided in paragraph (3) of this subsection.

2. Baltimore City may use public and private funds to satisfy the requirements of subparagraph 1 of this subparagraph.

(iii) 1. In calculating the additional operating expenses of the increased hours of operation, the baseline hours of operation of all branches of the Enoch Pratt Free Library are those hours of operation in effect as of January 1, 2016.

2. The [Department] **STATE LIBRARY BOARD** shall establish a process to distribute the State grant to Baltimore City or the Enoch Pratt Free Library for the additional operating expenses related to the increased hours of operation.

23–405.

(a) In addition to any other powers granted or duties imposed by this subtitle, each board of library trustees has the powers and duties set forth in this section.

(b) (1) Except as provided in paragraph (2) of this subsection, each board of library trustees:

(i) Shall establish and operate the library to provide free services to residents of the county in which it is located; and

(ii) May permit persons outside of the county to use the library facilities on the terms and conditions it determines.

(2) In Baltimore City and Baltimore, Charles, Montgomery, and Prince George's counties, the board of library trustees in each of these counties may permit a library to charge fees for the rental of [video cassettes] **MEDIA**.

(c) Each board of library trustees may:

(1) Establish and operate libraries at any location in the county;

(2) Determine the policy of the library; and

(3) Adopt reasonable rules, regulations, and bylaws for the use of the library and the conduct of its business.

(d) Each board of library trustees may:

(1) Advise in the preparation of, and approve, the library budget;

(2) Receive, account for, control, and supervise, under the rules and regulations of the county governing body, the spending of all public funds received by the library; and

(3) Use the services of the fiscal agencies of the county governing body.

(e) Each board of library trustees shall:

(1) Provide for an audit at least annually, by an accountant approved by the State [Superintendent] **LIBRARIAN** of its business and financial transactions and of the accounts of its treasurer;

(2) Make public the results of the annual audit; and

(3) Make an annual report to the county governing body and the State [Superintendent] **LIBRARIAN** on or before November 1 of each year, except that a county having a population of more than 500,000 and having a county library agency as provided by § 23–401(b) of this subtitle shall submit their report by January 1. The report shall show:

(i) The amounts of money received from the library fund and other sources;

(ii) The itemized expenses;

(iii) The number of books and periodicals the library has;

(iv) The results of the annual audit; and

(v) Any other information the [Department] **STATE LIBRARY BOARD** requires.

(f) Each board of library trustees may:

(1) Accept any gift, grant, or appropriation for library purposes from any person under any appropriate terms and conditions;

(2) Own and dispose of these gifts, grants, and appropriations;

(3) Recommend to the county governing body the acquisition, use, or conveyance of property, for any purpose valid under this subtitle;

(4) Select the location of and approve plans for the erection of library buildings, subject to the approval of the county governing body;

(5) Make contracts for any library service with any person; and

(6) Do anything else necessary for the proper control and development of the library.

23–406.

(a) Each board of library trustees:

(1) Shall select and appoint a professional librarian eligible for certification as director of the library to serve at the pleasure of the board; and

(2) May delegate to the director its authority to appoint any other necessary employees.

(b) Each board of library trustees shall establish policies for:

(1) Staff classification;

(2) Salaries;

(3) Work conditions;

(4) Suspension with pay;

(5) Grievance procedures;

(6) Benefits, including vacation and sick leave;

(7) Hours of work; and

(8) Any other personnel procedures and practices necessary for the efficient operation of the library.

(c) Each professional public librarian appointee to the professional library staff:

(1) Shall hold a certificate of library qualifications issued by the State Superintendent; or

(2) (i) Shall be eligible for State certification as a professional public librarian; and

(ii) Shall apply for certification within 6 months of starting employment.

(d) (1) The director or the director's designee may suspend a library employee without pay for a specified period up to 10 working days, for the following reasons:

- (i) Misconduct in office;
- (ii) Insubordination;
- (iii) Incompetency; or
- (iv) Willful neglect of duty.

(2) (i) The director or the director's designee shall give the suspended employee a written statement that specifies the reasons for the suspension.

(ii) The director or the director's designee shall place a copy of the written statement that specifies the reasons for the suspension in the employee's official personnel file.

(3) (i) The employee shall have the opportunity to reply in writing to the director within 10 working days after the employee receives notice of the suspension.

(ii) The employee may request a hearing before the board of trustees within 10 working days after receiving notice of the suspension.

(iii) If the employee requests a hearing within the 10-day period, the board shall promptly hold a hearing, but a hearing may not be set within 10 working days after the board sends the employee a notice of the hearing.

(4) If an employee is suspended without pay and found not guilty of the reasons for the suspension, the board shall refund all pay benefits lost by reason of the suspension to the employee.

(5) Suspension of an employee with pay shall be as provided by the library's personnel policy.

(e) (1) On written recommendation of the library director, each board of library trustees may dismiss any library employee under its jurisdiction for any of the following reasons:

- (i) Misconduct in office;
- (ii) Insubordination;

(iii) Incompetency; or

(iv) Willful neglect of duty.

(2) (i) Before removing an employee, the director shall send the employee a written copy of the charges against the employee and give the employee an opportunity to request a hearing before the board within 10 working days.

(ii) If the employee requests a hearing within the 10-day period the board promptly shall hold a hearing, but a hearing may not be set within 10 working days after the board sends the employee a notice of the hearing.

(iii) The employee shall have an opportunity to be heard publicly before the board in his own defense, in person or by counsel and to bring witnesses to the hearing.

(3) If the board votes to remove the employee and:

(i) The decision is unanimous, the decision of the board is final; or

(ii) The decision is not unanimous, the employee may appeal to the State **LIBRARY** Board [of Education] through the State [Superintendent] **LIBRARIAN**.

(f) The director of each library shall:

(1) Act as the general executive officer of the library and be responsible for the management of its operations in accordance with policies approved by the board of library trustees;

(2) Prepare the annual budget of the library, and present it to the board for approval;

(3) Nominate for appointment all library employees in the county library system; and

(4) Establish reasonable rules and adopt regulations for the use of the library system subject to approval by the board of library trustees.

23–504.

(a) (1) Subject to paragraph (2) of this subsection, a public library shall reimburse the State annually for the employer contributions made by the State for an employee who:

(i) Is a member of the Teachers' Retirement System or the Teachers' Pension System under Division II of the State Personnel and Pensions Article; and

(ii) Is receiving a salary funded by a source other than State or local aid.

(2) To the extent that an employee's salary is funded in part by sources other than State or local aid, the public library shall reimburse the State a pro rata share of the State's payment based on the percentage of the employee's salary funded by a source other than State or local aid.

(b) (1) To ensure that each public library is properly reimbursing the State as provided under subsection (a) of this section, the [Department] **STATE LIBRARY BOARD** or, at the [Department's] **STATE LIBRARY BOARD'S** request, a public library may at any time examine the records of public libraries to determine whether the State's payments for retirement contributions for employees of the public libraries are in accordance with the provisions of Division II of the State Personnel and Pensions Article.

(2) An audit conducted under paragraph (1) of this subsection may be:

(i) Included with an existing annual financial audit as a supplemental part and tested independently;

(ii) Conducted in conjunction with a supplemental federally mandated single audit of federal financial assistance programs and tested independently;
or

(iii) Conducted as a separate independent audit.

(c) (1) (i) If an examination of the records of a public library shows that the State has paid more than is required under Division II of the State Personnel and Pensions Article, within 30 days after the date of the notice to the library of the State overpayment, the public library may appeal the notice of State overpayment to the Secretary of Budget and Management who shall appoint a hearing examiner.

(ii) The hearing examiner shall make recommendations to the Secretary of Budget and Management who shall make a final determination regarding the amount, if any, of the State overpayment.

(2) If a public library does not appeal to the Secretary of Budget and Management or if the Secretary of Budget and Management determines that the State is due reimbursement for excess payments as provided in paragraph (1) of this subsection, at the request of the [Department] **STATE LIBRARY BOARD** the moneys owed shall be deducted from any other State funds that would otherwise be paid to the public library.

(3) For purposes of the Administrative Procedure Act, an appeal taken under this section is not a contested case.

(d) (1) Any reimbursements under subsection (a) of this section:

(i) Shall be applied first to the cost of any audit or portion of any audit relating to subsection (a) of this section to reimburse either the [Department] **STATE LIBRARY BOARD** or the public library for the expenses of the audits; and

(ii) After reimbursement to the [Department] **STATE LIBRARY BOARD** or public library under item (i) of this paragraph, shall be credited to the General Fund.

(2) If an audit under this section is performed by a public library, before the public library is reimbursed under paragraph (1)(i) of this subsection, the public library shall provide documentation to the [Department] **STATE LIBRARY BOARD** that the incremental costs of the audit incurred by the public library are reasonable.

23–506.

(a) The State [Superintendent] **LIBRARIAN** shall authorize the payment of funds under this subtitle:

(1) To the board of library trustees of each county that has a board of trustees; or

(2) In each county that does not have a board of library trustees, to the county.

(b) (1) Current operating funds shall be administered by the county board of library trustees.

(2) Capital expense funds shall be administered by the county council, board of county commissioners, or Mayor and City Council of Baltimore City.

(c) (1) The funds provided under this subtitle may be used only for library purposes.

(2) The State [Superintendent] **LIBRARIAN** shall require that these funds be used subject to any conditions specified by the appropriating agency or imposed under this subtitle.

23–506.1.

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

(2) “Obscene” has the meaning stated in § 11–203 of the Criminal Law Article.

(3) “Child pornography” means a violation of § 11–207 of the Criminal Law Article.

(b) On or before January 1, 2001, each county or board of trustees of a county library shall:

(1) Adopt and implement policies and procedures to prevent minors from obtaining access through the library, by means of the Internet, the World Wide Web, Usenet, or any other interactive computer service to materials that are obscene or constitute child pornography; and

(2) Submit the policies and procedures required under this section to the State [Superintendent] **LIBRARIAN** for review.

(c) The State [Superintendent] **LIBRARIAN** or a designee of the State [Superintendent] **LIBRARIAN** shall regularly monitor the county libraries to determine whether each library is complying with the policies and procedures adopted for preventing a minor from obtaining Internet access to obscene materials through the library.

23-507.

The State [Superintendent] **LIBRARIAN** shall authorize the State Comptroller to withhold State funds from any county that fails:

(1) To appropriate the amount of its share of the minimum program; or

(2) To meet the requirements of the law or of the State **LIBRARY** Board for operating the county library.

[23-508.

Through fiscal year 1983, the State Department of Education shall satisfy its obligation of former Article 77, § 177(e) by equal yearly payments.]

[23-509.] **23-508.**

Remuneration of an employee on account of sickness or accident of the employee shall be paid and treated as sick pay and not as continuation of salary.

[23-510.] **23-509.**

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

(2) “Capital project” means the:

(i) Acquisition of land or buildings for a county library; or

(ii) Construction or improvement of a county library.

(3) “Construction or improvement” means planning, design, engineering, alteration, construction, reconstruction, enlargement, expansion, extension, improvement, replacement, rehabilitation, renovation, upgrading, repair, or capital equipping.

(4) “County library” means a library in a county public library system in the State.

(5) [“Division” means the Division of Library Development and Services in the Department] **“STATE LIBRARY AGENCY” MEANS THE MARYLAND STATE LIBRARY AGENCY.**

(b) (1) There is a State grant program for county public library capital projects in the [Division] **STATE LIBRARY AGENCY.**

(2) The grant program is in addition to the county–State minimum library program established under § 23–502 of this subtitle.

(c) (1) The [Division] **STATE LIBRARY AGENCY** shall develop and administer a grant program to assist in the funding of county library capital projects.

(2) The purpose of the grant program is to:

(i) Provide a uniform and objective analysis of proposed capital projects; and

(ii) Support projects that address the library needs in the State.

(3) Grants under the program:

(i) Require a matching fund from any combination of county, municipal, or private sources; and

(ii) May not be for an amount less than \$20,000.

(d) (1) On or before July 15 of each year, a county public library system may submit applications to the [Division] **STATE LIBRARY AGENCY** to receive grants for county library capital projects for the next fiscal year.

(2) In order to apply for a capital project grant, a county public library system shall have:

(i) A countywide library plan that includes a mission statement, needs statement, and multiyear goals and objectives on file with the [Division] **STATE LIBRARY AGENCY**; and

(ii) A master plan that includes a description of the capital project approved by the applicant's governing body.

(3) An application shall include:

(i) A description of the scope and purpose of the project;

(ii) A building plan that includes the estimated total cost of the project; and

(iii) Any other information required by the [Division] **STATE LIBRARY AGENCY**.

(4) A county public library system may not apply for more than three capital project grants in a fiscal year.

(e) (1) The [Division] **STATE LIBRARY AGENCY** shall review grant applications submitted in accordance with subsection (d) of this section.

(2) On or before October 1 of each year, the [Division] **STATE LIBRARY AGENCY** shall make recommendations to the State **LIBRARY** Board regarding capital project grants for the next fiscal year.

(3) In making its recommendations, the [Division] **STATE LIBRARY AGENCY** shall consider:

(i) The public necessity and urgency of a project;

(ii) The need for additional sources of funding for a project;

(iii) The estimated cost and timeliness of executing a project;

(iv) The viability of matching funds for a project; and

(v) Geographic diversity.

(4) On or before November 1 of each year, the State **LIBRARY** Board shall:

(i) Approve capital projects for funding in the State budget for the next fiscal year; and

(ii) Forward the list of approved capital projects to the Department of Budget and Management.

(5) For fiscal year 2008 and each fiscal year thereafter, the Governor shall include in the annual operating or capital budget submission \$5,000,000 for county library capital projects.

(f) (1) The State share percentage for a county library capital project approved under this section shall be calculated by dividing the State share of the minimum program for a county calculated under § 23–505(b) of this subtitle by the library program amount for a county calculated under § 23–503(b) of this subtitle, and multiplying this quotient by 1.25.

(2) (i) The minimum State share of a county library capital project is 50%.

(ii) The maximum State share of a county library capital project is 90%.

(g) The State **LIBRARY** Board shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly, on or before October 1 of each year, on State grants awarded for county public library capital projects for the prior fiscal year.

(h) The State **LIBRARY** Board shall adopt regulations to implement the grant program established under this section.

25–302.

(a) No political subdivision of this State shall be party to a library agreement which provides for the construction or maintenance of a library pursuant to Article III, subdivision (c)(7) of the Compact, nor pledge its credit in support of such a library, or contribute to the capital financing thereof, except after compliance with any laws applicable to such political subdivisions relating to or governing capital outlays and the pledging of credit.

(b) As used in the Compact, “State library agency,” with reference to this State, means the [Division of Library Development and Services of the State Department of Education] **MARYLAND STATE LIBRARY AGENCY**.

(c) An interstate library district lying partly within this State may claim and be entitled to receive State aid in support of any of its functions to the same extent and in the same manner as such functions are eligible for support when carried on by entities wholly within this State. For the purposes of computing and apportioning State aid to an interstate library district, this State will consider that portion of the area which lies within this State as an independent entity for the performance of the aided function or functions and compute and apportion the aid accordingly. Subject to any applicable laws of this State, such a district also may apply for and be entitled to receive any federal aid for which it may be eligible.

(d) The [Assistant Superintendent for Libraries] **STATE LIBRARIAN** shall be the compact administrator pursuant to Article X of the Compact. The State **LIBRARY** Board [of Education] on the recommendation of the State [Superintendent of Schools] **LIBRARIAN** may appoint one or more deputy compact administrators pursuant to said article.

(e) In the event of withdrawal from the Compact the Governor shall send and receive any notices required by Article XI(b) of the Compact.

Article – State Finance and Procurement

3A-606.

(a) The Department in consultation with the Board and the Department of Disabilities shall enter into an agreement with the [State Department of Education, Division of Library Development and Services] **STATE LIBRARY BOARD**, providing for an annual payment to be made to the [Division] **STATE LIBRARY AGENCY** in an amount equal to the cost incurred for the distribution of newspapers in a computerized audio format.

(b) Under the agreement, the [Division of Library Development and Services] **STATE LIBRARY AGENCY** shall provide eligible blind and disabled individuals with access to newspapers in a computerized audio format by a qualified entity.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The duties and responsibilities of the Division of Library Development and Services in the State Department of Education shall be transferred to the State Library Agency and the State Library Board on July 1, 2017.

(b) (1) All appropriations for fiscal year 2018, including State and federal funds, held by the Division of Library Development and Services in the State Department of Education to carry out the duties and responsibilities transferred under this Act shall be transferred to the State Library Agency and the State Library Board on and after July 1, 2017.

(2) Funding for the services and programs under the State Library Agency and the State Library Board shall be provided for in the fiscal 2019 State budget.

~~(3) (i) Any onetime costs incurred to carry out the transfer of duties and responsibilities under subsection (a) of this section shall be paid by county public libraries, the State Library Resource Center, and regional resource centers.~~

~~(ii) The State Library Board and the State Library Agency shall collect any onetime costs from among the entities referenced in subparagraph (i) of this paragraph in proportion to the population in each service area.~~

(c) On July 1, 2017, all of the functions, powers, duties, books and records (including electronic records), real and personal property, equipment, fixtures, assets, liabilities, obligations, credits, rights, and privileges of the Division of Library Development and Services that are transferred under this Act shall be transferred to the State Library Agency and the State Library Board.

SECTION 3. AND BE IT FURTHER ENACTED, That, as of July 1, 2017, the Division of Library Development and Services is hereby abolished and the State Library Agency and the State Library Board shall be the successor of the Division.

SECTION 4. AND BE IT FURTHER ENACTED, That all employees who are transferred to the State Library Agency and the State Library Board as a result of this Act shall be transferred without diminution of their rights, benefits, employment, or retirement status.

SECTION 5. AND BE IT FURTHER ENACTED, That, except as expressly provided to the contrary in this Act, any transaction affected by or flowing from any statute added, amended, repealed, or transferred under this Act and validly entered into before the effective date of this Act, and every right, duty, or interest flowing from it remains valid after the effective date of this Act and may be terminated, completed, consummated, or enforced under the law.

SECTION 6. AND BE IT FURTHER ENACTED, That, except as otherwise provided by law, all existing laws, regulations, proposed regulations, standards and guidelines, policies, orders and other directives, forms, plans, memberships, contracts, property, investigations, administrative and judicial responsibilities, rights to sue and be sued, and all other duties and responsibilities associated with the functions of the agencies and units that are the subject of this Act prior to the effective date of this Act shall continue in effect under and, as appropriate, are legal and binding on the State Library Agency and the State Library Board until completed, withdrawn, canceled, modified, or otherwise changed under the law.

SECTION 7. AND BE IT FURTHER ENACTED, That the State Library Board shall be the successor to the Maryland Advisory Council on Libraries and nothing in this Act shall affect the terms of office of a member of the Maryland Advisory Council on Libraries who is serving on the effective date of this Act. An individual who is a member of any such entity on the effective date of this Act shall remain a member for the balance of the term to which the member is appointed, unless the member sooner dies, resigns, or is removed under appropriate provisions of law.

SECTION 8. AND BE IT FURTHER ENACTED, That the publisher of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, shall correct, with no further action required by the General Assembly, cross-references and terminology rendered incorrect by this Act or by any other Act of the General Assembly of 2017 that affects provisions enacted by this Act.

The publisher shall adequately describe any such correction in an editor's note following the section affected.

SECTION 9. AND BE IT FURTHER ENACTED, That, if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act that can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 339

(Senate Bill 495)

AN ACT concerning

Gaming – Video Lottery Terminals – Transfer of Ownership and Local Impact Grants

FOR the purpose of requiring certain video lottery facilities to own or lease certain video lottery terminals and associated equipment and software by a certain date; altering the distribution of certain proceeds of video lottery terminals ~~if certain conditions are met~~ at certain video lottery facilities; and generally relating to video lottery terminal ownership ~~and leasing~~, leasing, and proceeds.

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–1A–21(a)(2) and 9–1A–27(a)(7) and (c)

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

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

Article – State Government

9–1A–21.

(a) (2) (i) Except as provided in subparagraphs (ii) and (iii) of this paragraph, each video lottery terminal device and the associated equipment and software shall be owned or leased by the video lottery facility.

(ii) 1. Subject to subparagraph 2 of this subparagraph, for a video lottery facility located in Allegany County or Worcester County, each video lottery terminal device and the associated equipment and software shall be owned or leased by the **[Commission] VIDEO LOTTERY FACILITY AFTER MARCH 31, 2020.**

2. A video lottery facility located in Allegany County or Worcester County may apply to the Commission for permission to assume ownership or the right to lease each video lottery terminal device used by the facility.

(iii) For a video lottery facility located in Anne Arundel County or Cecil County, the Commission shall own each video lottery terminal device and the associated equipment and software through March 31, 2015.

9-1A-27.

(a) Except as provided in subsections (b) and (c) of this section and § 9-1A-26(a)(3) of this subtitle, on a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the proceeds of video lottery terminals at each video lottery facility:

(7) (i) except as provided in **[item] ITEMS (ii) AND (III)** of this item, 6% to the video lottery operation licensee if the video lottery operation licensee owns or leases each video lottery terminal device and the associated equipment and software; **[and]**

(ii) 8% to the video lottery operation licensee in Anne Arundel County; **AND**

(III) 10% TO THE VIDEO LOTTERY OPERATION LICENSEE IN ALLEGANY COUNTY OR WORCESTER COUNTY IF THE VIDEO LOTTERY OPERATION LICENSEE ASSUMES OWNERSHIP OR THE RIGHT TO LEASE EACH VIDEO LOTTERY TERMINAL DEVICE AND THE ASSOCIATED EQUIPMENT AND SOFTWARE USED BY THE FACILITY BEFORE JANUARY 1, ~~2018~~ 2019;

(c) (1) For the first 10 years of operations at a video lottery facility in Allegany County, on a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the proceeds of video lottery terminals at a video lottery facility in Allegany County:

(i) ~~[2%]~~ 1% to the State Lottery and Gaming Control Agency for costs as defined in § 9-1A-01 of this subtitle;

(ii) to the video lottery operation licensee, the percentage stated in the accepted application for the location, not to exceed 50%;

(iii) [2.75%] 3.75% in local impact grants, in accordance with § 9-1A-31 of this subtitle;

(iv) 2.5% to the Purse Dedication Account established under § 9-1A-28 of this subtitle;

(v) 0.75% to the Small, Minority, and Women-Owned Businesses Account established under § 9-1A-35 of this subtitle; and

(vi) the remainder to the Education Trust Fund established under § 9-1A-30 of this subtitle.

(2) After the first 10 years of operations at a video lottery facility in Allegany County, the proceeds generated at the facility in Allegany County shall be allocated as provided in subsections (a) and (b) of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~June~~ July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 340

(Senate Bill 4)

AN ACT concerning

Minority Business Enterprises – Program Participation – Requirements and Reauthorization

FOR the purpose of requiring minority business enterprises serving as subcontractors on certain procurement contracts to submit certain documentation to the procurement officer of the unit and to the contractor; ~~clarifying what constitutes good cause for the purposes of removal of a minority business enterprise after commencement of work on a contract;~~ altering the termination date for certain provisions of law concerning the Minority Business Enterprise Program; altering the date by which the final report on a certain study is required to be submitted to the Legislative Policy Committee; altering certain findings of the General Assembly; making a conforming change; and generally relating to minority business enterprise program participation.

BY repealing and reenacting, with amendments,
 Article – State Finance and Procurement
 Section ~~14-302~~ 14-301.1, 14-303, and 14-309
 Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Chapter 154 of the Acts of the General Assembly of 2012, as amended by Chapters 200 and 201 of the Acts of the General Assembly of 2013

Section 2

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

Article – State Finance and Procurement

~~14-302.~~

~~(a) (1) (i) 1. Except for leases of real property, each unit shall structure procurement procedures, consistent with the purposes of this subtitle, to try to achieve an overall percentage goal of the unit's total dollar value of procurement contracts being made directly or indirectly to certified minority business enterprises.~~

~~2. Notwithstanding subsubparagraph 1 of this subparagraph, the following contracts may not be counted as part of a unit's total dollar value of procurement contracts:~~

~~A. a procurement contract awarded in accordance with Subtitle 1 of this title;~~

~~B. a procurement contract awarded to a not for profit entity in accordance with requirements mandated by State or federal law; and~~

~~C. a procurement by the Maryland Developmental Disabilities Administration of the Department of Health and Mental Hygiene for family and individual support services, community residential services, resource coordination services, behavioral support services, vocational and day services, and respite services, as those terms are defined in regulations adopted by the Department of Health and Mental Hygiene.~~

~~(ii) 1. The overall percentage goal shall be established on a biennial basis by the Special Secretary of Minority Affairs, in consultation with the Secretary of Transportation and the Attorney General.~~

~~2. During any year in which there is a delay in establishing the overall goal, the previous year's goal will apply.~~

~~(iii) 1. In consultation with the Secretary of Transportation and the Attorney General, the Special Secretary of Minority Affairs shall establish guidelines on a biennial basis for each unit to consider while determining whether to set subgoals for the minority groups listed in § 14-301(k)(1)(i)1, 2, 3, 4, and 6 of this subtitle.~~

~~2. During any year in which there is a delay in establishing the subgoal guidelines, the previous year's subgoal guidelines will apply.~~

~~(iv) 1. The Special Secretary of Minority Affairs, in consultation with the Secretary of Transportation and the Attorney General, shall establish goals and subgoal guidelines that, to the maximum extent feasible, approximate the level of minority business enterprise participation that would be expected in the absence of discrimination.~~

~~2. In establishing overall goals and subgoal guidelines, the Special Secretary of Minority Affairs shall provide for public participation by consulting with minority, women's, and general contractor groups, community organizations, and other officials or organizations that could be expected to have information concerning:~~

~~A. the availability of minority and women owned businesses;~~

~~B. the effects of discrimination on opportunities for minority and women owned businesses; and~~

~~C. the State's operation of the Minority Business Enterprise Program.~~

~~(v) In establishing overall goals, the factors to be considered shall include:~~

~~1. the relative availability of minority and women owned businesses to participate in State procurement as demonstrated by the State's most recent disparity study;~~

~~2. past participation of minority business enterprises in State procurement, except for procurement related to leases of real property; and~~

~~3. other factors that contribute to constitutional goal setting.~~

~~(vi) Notwithstanding § 12-101 of this article, the Special Secretary of Minority Affairs shall adopt regulations in accordance with Title 10, Subtitle 1 of the State Government Article setting forth the State's overall goal.~~

~~(2) The Special Secretary of Minority Affairs, in consultation with the Secretary of Transportation and the Attorney General, shall establish guidelines for each unit to consider when determining the appropriate minority business enterprise participation percentage goal for a procurement contract in accordance with paragraph (3) of this subsection.~~

~~(3) Each unit shall:~~

~~(i) consider the practical severability of all contracts and, in accordance with § 11-201 of this article, may not bundle contracts;~~

~~(ii) implement a program that will enable the unit to evaluate each contract to determine the appropriate minority business enterprise participation goals, if any, for the contract based on:~~

~~1. the potential subcontract opportunities available in the prime procurement contract;~~

~~2. the availability of certified minority business enterprises to respond competitively to the potential subcontract opportunities;~~

~~3. the contract goal guidelines established under paragraph (2) of this subsection;~~

~~4. the subgoal guidelines established under paragraph (1)(iii) of this subsection; and~~

~~5. other factors that contribute to constitutional goal setting;~~

~~(iii) monitor and collect data with respect to prime contractor compliance with contract goals; and~~

~~(iv) institute corrective action when prime contractors do not make good faith efforts to comply with contract goals.~~

~~(4) Units may not use quotas or any project goal setting process that:~~

~~(i) solely relies on the State's overall numerical goal, or any other jurisdiction's overall numerical goal; or~~

~~(ii) fails to incorporate the analysis outlined in paragraph (3)(ii) of this subsection.~~

~~(5) (i) A woman who is also a member of an ethnic or racial minority group may be certified in that category in addition to the gender category.~~

~~(ii) For purposes of achieving the goals in this subsection, a certified minority business enterprise may participate in a procurement contract and be counted as a woman owned business, or as a business owned by a member of an ethnic or racial group, but not both, if the business has been certified in both categories.~~

~~(6) Each unit shall meet the maximum feasible portion of the State's overall goal established in accordance with this subsection by using race-neutral measures to facilitate minority business enterprise participation in the procurement process.~~

~~(7) If a unit establishes minority business enterprise participation goals for a contract, a contractor, including a contractor that is a certified minority business enterprise, shall:~~

~~(i) identify specific work categories appropriate for subcontracting;~~

~~(ii) at least 10 days before bid opening, solicit minority business enterprises, through written notice that:~~

~~1. describes the categories of work under item (i) of this paragraph; and~~

~~2. provides information regarding the type of work being solicited and specific instructions on how to submit a bid;~~

~~(iii) attempt to make personal contact with the firms in item (ii) of this paragraph;~~

~~(iv) offer to provide reasonable assistance to minority business enterprises to fulfill bonding requirements or to obtain a waiver of those requirements;~~

~~(v) in order to publicize contracting opportunities to minority business enterprises, attend prebid or preproposal meetings or other meetings scheduled by the unit; and~~

~~(vi) upon acceptance of a bid or proposal, provide the unit with a list of minority businesses with whom the contractor negotiated, including price quotes from minority and nonminority firms.~~

~~(8) The Special Secretary of Minority Affairs shall:~~

~~(i) in consultation with the Secretary of Transportation and the Attorney General, establish procedures governing how the participation of minority business enterprise prime contractors is counted toward contract goals; and~~

~~(ii) notwithstanding § 12-101 of this article, adopt regulations setting forth the procedures established in accordance with this paragraph.~~

~~(9) (i) 1. If a contractor, including a certified minority business enterprise, does not achieve all or a part of the minority business enterprise participation goals on a contract, the unit shall make a finding of whether the contractor has demonstrated that the contractor took all necessary and reasonable steps to achieve the goals, including compliance with paragraph (7) of this subsection.~~

~~2. A waiver of any part of the minority business enterprise goals for a contract shall be granted if a contractor provides a reasonable demonstration of good faith efforts to achieve the goals.~~

~~(ii) If the unit determines that a waiver should be granted in accordance with subparagraph (i) of this paragraph, the unit may not require the contractor to renegotiate any subcontract in order to achieve a different result.~~

~~(iii) The head of the unit may waive any of the requirements of this subsection relating to the establishment, use, and waiver of contract goals for a sole source, expedited, or emergency procurement in which the public interest cannot reasonably accommodate use of those requirements.~~

~~(iv) 1. Except for waivers granted in accordance with subparagraph (iii) of this paragraph, when a waiver determination is made, the unit shall issue the determination in writing.~~

~~2. The head of the unit shall:~~

~~A. keep one copy of the waiver determination and the reasons for the determination; and~~

~~B. forward one copy of the waiver determination to the Governor's Office of Minority Affairs.~~

~~(v) On or before July 31 of each year, each unit shall submit directly to the Board of Public Works and the Governor's Office of Minority Affairs an annual report of waivers requested and waivers granted under this paragraph.~~

~~(vi) The report required under subparagraph (v) of this paragraph shall contain the following information on those contracts where the unit considered a contractor's request for waiver of all or a portion of the minority business enterprise goals:~~

~~1. the contract titles, numbers, and dates;~~

~~2. the number of waiver requests received;~~

~~3. the number of waiver requests granted; and~~

~~4. any other information specifically requested by the Board.~~

~~(10) (i) 1. This paragraph applies to a bidder or offeror after submission of a bid or proposal and before the execution of a contract with an expected degree of minority business enterprise participation.~~

~~2. If the bidder or offeror determines that a minority business enterprise identified in the minority business enterprise participation schedule has become or will become unavailable or ineligible to perform the work required under the contract, the bidder or offeror shall notify the unit within 72 hours of making the determination.~~

~~(ii) 1. If a minority business enterprise identified in the minority business enterprise participation schedule submitted with a bid or offer has become or will become unavailable or ineligible to perform the work required under the contract, the bidder or offeror may submit a written request with the unit to amend the minority business enterprise participation schedule.~~

~~2. The request to amend the minority business enterprise participation schedule shall indicate the bidder's or offeror's efforts to substitute another certified minority business enterprise to perform the work that the unavailable or ineligible minority business enterprise would have performed.~~

~~(iii) A minority business enterprise participation schedule may not be amended unless:~~

~~1. the bidder or offeror provides a satisfactory explanation of the reason for inclusion of the unavailable or ineligible firm on the minority business enterprise participation schedule; and~~

~~2. the amendment is approved by the unit's procurement officer after consulting with the unit's minority business enterprise liaison.~~

~~(11) (i) This paragraph applies after execution of a contract with an expected degree of minority business enterprise participation.~~

~~(ii) The minority business enterprise participation schedule, including any amendment, shall be attached to and made a part of the executed contract.~~

~~(iii) 1. A contractor may not terminate or otherwise cancel the contract of a certified minority business enterprise subcontractor listed in the minority business enterprise participation schedule without showing good cause and obtaining the prior written consent of the minority business enterprise liaison and approval of the head of the unit.~~

~~2. FOR PURPOSES OF THIS SECTION, GOOD CAUSE FOR REMOVAL OF A CERTIFIED MINORITY BUSINESS ENTERPRISE AFTER CONTRACT EXECUTION INCLUDES BUT IS NOT LIMITED TO DOCUMENTED NONPERFORMANCE BY THE MINORITY BUSINESS ENTERPRISE OR ELECTION BY THE MINORITY BUSINESS ENTERPRISE TO CEASE WORK ON THE CONTRACT.~~

~~[2.] 3. The unit shall send a copy of the written consent obtained under subsubparagraph 1 of this subparagraph to the Governor's Office of Minority Affairs.~~

~~(iv) A minority business enterprise participation schedule may not be amended after the date of contract execution unless the request is approved by the head of the unit and the contract is amended.~~

~~(12) If, during the performance of a contract, a certified minority business enterprise contractor or subcontractor becomes ineligible to participate in the Minority Business Enterprise Program because one or more of its owners has a personal net worth that exceeds the amount specified in § 14-301(k)(3) of this subtitle:~~

~~(i) that ineligibility alone may not cause the termination of the certified minority business enterprise's contractual relationship for the remainder of the term of the contract; and~~

~~(ii) the certified minority business enterprise's participation under the contract shall continue to be counted toward the program and contract goals.~~

~~(13) (i) Except as provided in subparagraph (ii) of this paragraph, a not for profit entity participating as a minority business enterprise on a procurement contract awarded by a unit before July 1, 2015, may continue to participate in the contract until the contract expires or otherwise terminates, including all options, renewals, and other extensions.~~

~~(ii) 1. The not for profit entity's participation may not be counted toward achieving the minority business enterprise participation goals in this subsection.~~

~~2. The unit may not require that a certified minority business enterprise be substituted for the not for profit entity in order to meet the minority business enterprise goals for the procurement contract.~~

~~(b) (1) The provisions of §§ 14-301(f) and 14-303 of this subtitle and subsection (a) of this section are inapplicable to the extent that any unit determines the provisions to be in conflict with any applicable federal program requirement.~~

~~(2) The determination under this subsection shall be included with the report required under § 14-305 of this subtitle.~~

14-301.1.

The General Assembly finds the following:

(1) the State of Maryland wishes to provide all of its citizens with equal access to business formation and business growth opportunities;

(2) the elimination of discrimination against minority- and women-owned businesses is of paramount importance to the future welfare of the State;

(3) the General Assembly has received and carefully reviewed the disparity study entitled [“The State of Minority– and Women–Owned Business Enterprise: Evidence from Maryland” commissioned by the General Assembly and published on February 17, 2011] “BUSINESS DISPARITIES IN THE MARYLAND MARKET AREA” COMMISSIONED BY THE GENERAL ASSEMBLY AND PUBLISHED ON FEBRUARY 8, 2017 (the Study), and finds that the Study provides a strong basis in evidence demonstrating persistent discrimination against minority– and women–owned businesses;

(4) based on its review of the Study, the General Assembly finds that:

(i) there are substantial and statistically significant adverse disparities [between the availability and utilization of minorities and women] THAT ARE CONSISTENT WITH DISCRIMINATION AGAINST MINORITIES AND NONMINORITY WOMEN IN WAGES, FIRM FORMATION, ENTREPRENEURIAL EARNINGS, AND ACCESS TO CAPITAL in the private sector in the same geographic markets and industry categories in which the State does business;

(ii) the State would become a passive participant in private sector racial and gender discrimination if it ceased or curtailed its remedial efforts, including the operation of the Minority Business Enterprise Program;

(iii) there are substantial and statistically significant adverse disparities [for all racial and ethnic groups and nonminority women combined in all major contracting categories in State procurement] THAT ARE CONSISTENT WITH DISCRIMINATION AGAINST MINORITIES AND NONMINORITY WOMEN IN STATE PROCUREMENT;

(iv) there are substantial and statistically significant adverse disparities [for all individual racial and ethnic groups and for nonminority women in most major industry categories in State procurement] THAT ARE CONSISTENT WITH DISCRIMINATION AGAINST ALL INDIVIDUAL MINORITY GROUPS AND FOR NONMINORITY WOMEN IN MOST MAJOR INDUSTRY CATEGORIES IN STATE PROCUREMENT;

(v) there is ample evidence that discrimination in the private sector has depressed firm formation and firm growth among minority and nonminority women entrepreneurs; and

(vi) there is powerful and persuasive qualitative [and anecdotal] evidence, BOTH STATISTICAL AND ANECDOTAL, of discrimination against minority and nonminority women business owners in both the public and private sectors;

(5) as a result of ongoing discrimination and the present day effects of past discrimination, minority– and women–owned businesses combined continue to be very significantly underutilized relative to their availability to perform work in the [sectors]

OVERWHELMING MAJORITY OF THE PROCUREMENT CATEGORIES in which the State does business;

(6) minority prime contractors also are subject to discrimination and confront especially daunting barriers in attempting to compete with very large and long-established nonminority companies;

(7) despite the fact that the State has employed, and continues to employ, numerous and robust race-neutral remedies, including aggressive outreach and advertising, training and education, small business programs, efforts to improve access to capital, and other efforts, there is a strong basis in evidence that discrimination persists even in public sector procurement where these efforts have been employed;

(8) NOTWITHSTANDING THE LEVELS OF PARTICIPATION ACHIEVED WHEN RACE-CONSCIOUS MEASURES ARE USED, IN THE ABSENCE OF MINORITY BUSINESS ENTERPRISE PARTICIPATION GOALS FOR STATE PROCUREMENT, THERE IS A SUBSTANTIAL DECREASE IN THE OVERALL UTILIZATION OF MINORITY- AND WOMEN-OWNED BUSINESSES;

[(8)] (9) this subtitle ensures that race-neutral efforts will be used to the maximum extent feasible and that race-conscious measures will be used only where necessary to eliminate discrimination that was not alleviated by race-neutral efforts;

[(9)] (10) this subtitle continues and enhances efforts to ensure that the State limits the burden on nonminority businesses as much as possible by ensuring that all goals are developed using the best available data and that waivers are available whenever contractors make good faith efforts; [and]

(11) THIS SUBTITLE ENSURES THAT THE OPERATION OF THE MINORITY BUSINESS ENTERPRISE PROGRAM IS CONSISTENT WITH THE STUDY DATA AND NARROWLY TAILORED TO THE COMPELLING INTERESTS OF THE STATE; AND

[(10)] (12) State efforts to support the development of competitively viable minority- and women-owned business enterprises will assist in reducing discrimination and creating jobs for all citizens of Maryland.

14-303.

(a) (1) (i) In accordance with Title 10, Subtitle 1 of the State Government Article, the Board shall adopt regulations consistent with the purposes of this Division II to carry out the requirements of this subtitle.

(ii) The Board shall keep a record of information regarding any waivers requested in accordance with § 14-302(a)(9)(i) of this subtitle and subsection [(b)(11)] (B)(12) of this section and submit a copy of the record to the General Assembly on

or before October 1 of each year, in accordance with § 2–1246 of the State Government Article.

(iii) The Board shall keep a record of the aggregate number and the identity of minority business enterprises that receive certification under the process established by the Board under subsection (b)(1) of this section and submit a copy of the record to the General Assembly on or before October 1 of each year, in accordance with § 2–1246 of the State Government Article.

(2) The regulations shall establish procedures to be followed by units, prospective contractors, and successful bidders or offerors to maximize notice to, and the opportunity to participate in the procurement process by, a broad range of minority business enterprises.

(b) These regulations shall include:

(1) provisions:

(i) designating one State agency to certify and decertify minority business enterprises for all units through a single process that meets applicable federal requirements, including provisions that promote and facilitate the submission of some or all of the certification application through an electronic process;

(ii) for the purpose of certification under this subtitle, that promote and facilitate certification of minority business enterprises that have received certification from the U.S. Small Business Administration or a county that uses a certification process substantially similar to the process established in accordance with item (i) of this item;

(iii) requiring the agency designated to certify minority business enterprises to complete the agency's review of an application for certification and notify the applicant of the agency's decision within 90 days of receipt of a complete application that includes all of the information necessary for the agency to make a decision; and

(iv) authorizing the agency designated to certify minority business enterprises to extend the notification requirement established under item (iii) of this item once, for no more than an additional 60 days, if the agency provides the applicant with a written notice and explanation;

(2) a requirement that the solicitation document accompanying each solicitation set forth the expected degree of minority business enterprise participation based, in part, on the factors set forth in § 14–302(a)(3)(ii) of this subtitle;

(3) a requirement that bidders or offerors complete a document setting forth the percentage of the total dollar amount of the contract that the bidder or offeror agrees will be performed by certified minority business enterprises;

~~(4) A REQUIREMENT THAT WITHIN 10 DAYS AFTER NOTICE FROM THE STATE OF PRIME CONTRACTOR OF THE STATE'S INTENT TO AWARD A CONTRACT, EACH MINORITY BUSINESS ENTERPRISE SERVING AS A SUBCONTRACTOR ON THE CONTRACT COMPLETE A DOCUMENT SETTING FORTH THE PERCENTAGE AND TYPE OF WORK IT WILL PERFORM ASSIGNED TO THE SUBCONTRACTOR UNDER THE CONTRACT AND SUBMIT COPIES OF THE COMPLETED FORM TO BOTH THE PROCUREMENT OFFICER AND THE CONTRACTOR;~~

[(4)] (5) a requirement that the solicitation documents completed and submitted by the bidder or offeror in connection with its minority business enterprise participation commitment must be attached to and made a part of the contract;

[(5)] (6) a requirement that all contracts containing minority business enterprise participation goals shall contain a liquidated damages provision that applies in the event that the contractor fails to comply in good faith with the provisions of this subtitle or the pertinent terms of the applicable contract;

[(6)] (7) a requirement that the unit provide a current list of certified minority business enterprises to each prospective contractor;

[(7)] (8) provisions to ensure the uniformity of requests for bids on subcontracts;

[(8)] (9) provisions relating to the timing of requests for bids on subcontracts and of submission of bids on subcontracts;

[(9)] (10) provisions designed to ensure that a fiscal disadvantage to the State does not result from an inadequate response by minority business enterprises to a request for bids;

[(10)] (11) provisions relating to joint ventures, under which a bidder may count toward meeting its minority business enterprise participation goal, the minority business enterprise portion of the joint venture;

[(11)] (12) consistent with § 14–302(a)(9) of this subtitle, provisions relating to any circumstances under which a unit may waive obligations of the contractor relating to minority business enterprise participation;

[(12)] (13) provisions requiring a monthly submission to the unit by minority business enterprises acknowledging all payments received in the preceding 30 days under a contract governed by this subtitle;

[(13)] (14) a requirement that a unit shall verify and maintain data concerning payments received by minority business enterprises, including a requirement that, upon completion of a project, the unit shall compare the total dollar value actually

received by minority business enterprises with the amount of contract dollars initially awarded, and an explanation of any discrepancies therein;

[(14)] (15) a requirement that a unit verify that minority business enterprises listed in a successful bid are actually participating to the extent listed in the project for which the bid was submitted;

[(15)] (16) provisions establishing a graduation program based on the financial viability of the minority business enterprise, using annual gross receipts or other economic indicators as may be determined by the Board;

[(16)] (17) a requirement that a bid or proposal based on a solicitation with an expected degree of minority business enterprise participation identify the specific commitment of certified minority business enterprises at the time of submission;

[(17)] (18) provisions promoting and providing for the counting and reporting of certified minority business enterprises as prime contractors;

[(18)] (19) provisions establishing standards to require a minority business enterprise to perform a commercially useful function on a contract;

[(19)] (20) a requirement that each unit work with the Governor's Office of Minority Affairs to designate certain procurements as being excluded from the requirements of § 14-302(a) of this subtitle; and

[(20)] (21) other provisions that the Board considers necessary or appropriate to encourage participation by minority business enterprises and to protect the integrity of the procurement process.

(c) The regulations adopted under this section shall specify that a unit may not allow a business to participate as if it were a certified minority business enterprise if the business's certification is pending.

14-309.

The provisions of §§ 14-301 through 14-305 of this subtitle, and any regulations adopted under those sections, shall be of no effect and may not be enforced after July 1, [2017] ~~2018~~ 2022.

Chapter 154 of the Acts of 2012, as amended by Chapters 200 and 201 of the Acts of 2013

SECTION 2. AND BE IT FURTHER ENACTED, That the Certification Agency, in consultation with the General Assembly and the Office of the Attorney General, shall initiate a study of the Minority Business Enterprise Program to evaluate the Program's continued compliance with the requirements of the Croson decision and any subsequent

federal or constitutional requirements. In preparation for the study, the Board of Public Works may adopt regulations authorizing a unit of State government to require bidders and offerors to submit information necessary for the conduct of the study. The Board of Public Works may designate that certain information received in accordance with regulations adopted under this section shall be confidential. Notwithstanding that certain information may be designated by the Board of Public Works as confidential, the Certification Agency may provide the information to any person that is under contract with the Certification Agency to assist in conducting the study. The study shall also evaluate race-neutral programs and other methods that can be used to address the needs of minority businesses. The final report on the study shall be submitted to the Legislative Policy Committee of the General Assembly, in accordance with § 2-1246 of the State Government Article, before September 30, [2016] ~~2017~~ 2021, so that the General Assembly may review the report before the [2017] ~~2018~~ 2022 Session.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 341

(House Bill 283)

AN ACT concerning

Procurement – Prohibitions on Participation

FOR the purpose of providing that certain prohibitions on participation in procurement apply only for a certain period of time following the issuance of an invitation for bids or a request for proposals; providing that certain prohibitions on participation in procurement do not apply to certain invitations for bids or requests for proposals; and generally relating to the prohibitions on participation in procurement.

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 13-212.1
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – State Finance and Procurement

13-212.1.

(a) [An] **EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION**, AN individual who assists an executive unit in the drafting of specifications, an invitation for bids, a request for proposals for a procurement, or the selection or award made in response to an invitation for bids or a request for proposals, or a person that employs the individual **DURING THE PERIOD OF ASSISTANCE**, may not:

(1) submit a bid or proposal for that procurement; or

(2) assist or represent another person, directly or indirectly, who is submitting a bid or proposal for that procurement.

(b) For purposes of subsection (a) of this section, assisting in the drafting of specifications, an invitation for bids, or a request for proposals for a procurement does not include:

(1) providing descriptive literature, such as catalogue sheets, brochures, technical data sheets, or standard specification “samples”, whether requested by an executive unit or provided unsolicited;

(2) submitting written or oral comments on a specification prepared by an executive unit or on a solicitation for a bid or proposal when comments are solicited from two or more persons as part of a request for information or a prebid or preproposal process;

(3) providing specifications for a sole source procurement made in accordance with § 13–107 of this article;

(4) providing architectural and engineering services for:

(i) programming, master planning, or other project planning services; or

(ii) the design of a construction project if:

1. the design services do not involve lead or prime design responsibilities or construction phase responsibilities on behalf of the State; and

2. A. the anticipated value of the procurement contract at the time of advertisement is at least \$2,500,000 and not more than \$100,000,000; or

B. regardless of the amount of the procurement contract, the payment to the individual or person for the design services does not exceed \$500,000; or

(5) for a procurement of health, human, social, or educational services, comments solicited from two or more persons as part of a request for information, including written or oral comments on a draft specification, an invitation for bids, or a request for proposals.

(c) A unit that receives comments as described in subsection (b)(2) and (5) of this section shall retain:

- (1) any written comments; and
- (2) a record of any oral comments.

(D) (1) THE PROHIBITIONS ESTABLISHED UNDER SUBSECTION (A) OF THIS SECTION APPLY FROM THE DATE OF ISSUANCE OF THE FIRST INVITATION FOR BIDS OR REQUEST FOR PROPOSALS FOR WHICH THE SPECIFICATIONS WERE INITIALLY DRAFTED UNTIL THE LATER OF:

(I) 2 YEARS FROM THE DATE OF ISSUANCE; OR

(II) THE SELECTION OR AWARD OF A PROCUREMENT CONTRACT IN RESPONSE TO THE ISSUANCE OF THE INVITATION FOR BIDS OR REQUEST FOR PROPOSALS OR A REISSUANCE OF THE INVITATION FOR BIDS OR REQUEST FOR PROPOSALS FOR WHICH THE SPECIFICATIONS WERE INITIALLY DRAFTED.

(2) THE PROHIBITIONS ESTABLISHED UNDER SUBSECTION (A) OF THIS SECTION DO NOT APPLY TO A SUBSEQUENT INVITATION FOR BIDS OR REQUEST FOR PROPOSALS FOR WHICH THE SPECIFICATIONS ARE REUSED AFTER THE INITIAL PROHIBITION IS NO LONGER APPLICABLE IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 342

(House Bill 846)

AN ACT concerning

Pricing and Selection Committee for Blind Industries and Services of Maryland and the Employment Works Program – Staff

FOR the purpose of requiring ~~the Department of General Services~~ Blind Industries and Services of Maryland to provide staff for the Pricing and Selection Committee for Blind Industries and Services of Maryland and the Employment Works Program; establishing certain requirements for certain staff; and generally relating to the

Pricing and Selection Committee for Blind Industries and Services of Maryland and the Employment Works Program.

BY repealing and reenacting, with amendments,
 Article – State Finance and Procurement
 Section 14–106
 Annotated Code of Maryland
 (2015 Replacement Volume and 2016 Supplement)

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

Article – State Finance and Procurement

14–106.

(a) In this section, “Committee” means the Pricing and Selection Committee for Blind Industries and Services of Maryland and the Employment Works Program.

(b) There is a Pricing and Selection Committee for Blind Industries and Services of Maryland and the Employment Works Program.

(c) The Committee consists of the following 5 members:

(1) the Secretary of Transportation or a designee;

(2) the Secretary of General Services or a designee;

(3) the Secretary of Public Safety and Correctional Services or a designee;

(4) the Assistant Secretary for Vocational Rehabilitation within the State Department of Education or a designee; and

(5) the Secretary of Labor, Licensing, and Regulation or a designee.

(d) A member of the Committee:

(1) may not receive compensation; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations as provided in the State budget.

(E) (1) ~~THE DEPARTMENT OF GENERAL SERVICES~~ BLIND INDUSTRIES AND SERVICES OF MARYLAND SHALL PROVIDE STAFF FOR THE COMMITTEE.

(2) THE STAFF PROVIDED IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION SHALL:

(I) BE A BLIND OR A VISUALLY IMPAIRED ASSOCIATE OF BLIND INDUSTRIES AND SERVICES OF MARYLAND; AND

(II) COMPLETE WORK RELATED TO THE DUTIES OF THE COMMITTEE REGARDING BLIND INDUSTRIES AND SERVICES OF MARYLAND UNDER THE SUPERVISION AND DIRECTION OF THE COMMITTEE.

[(e)] (F) The Committee shall:

(1) ensure that supplies and services provided by Blind Industries and Services of Maryland or a community service provider create work opportunities for individuals who have a mental or physical disability, including blindness, for which Blind Industries and Services of Maryland or the community service provider was established to assist;

(2) set the prices of supplies and services that Blind Industries and Services of Maryland provides to reflect the fair market prices for the supplies and services;

(3) establish procedures to govern procurement of supplies and services from community service providers and individual with disability owned businesses;

(4) from the State procurement list, choose appropriate supplies and services for community service providers and individual with disability owned businesses to offer for procurement;

(5) provide that the State procure those supplies and services from a community service provider or an individual with disability owned business;

(6) if supplies or services are not available for procurement from a unit of the State government, determine whether supplies or services are available from a community service provider or an individual with disability owned business;

(7) determine the fair market price of supplies and services that community service providers and individual with disability owned businesses provide;

(8) in accordance with market conditions, adjust prices for the supplies and services that community service providers and individual with disability owned businesses provide; and

(9) at the request of a community service provider or an individual with disability owned business, review and, if appropriate, change the price of a supply or service.

[(f)] (G) In addition to the duties specified under subsection **[(e)](F)** of this section, the Committee shall:

(1) establish and periodically review eligibility policies or guidelines for participating community service providers and individual with disability owned businesses;

(2) maintain a current list of community service providers and individual with disability owned businesses;

(3) periodically review and revise its list of community service providers and individual with disability owned businesses; and

(4) send any revised list to the Secretary of General Services who shall make the list available to each person responsible for buying supplies or services for the State or a State aided or controlled entity.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 343

(House Bill 781)

AN ACT concerning

Retail Pet Stores – Animal Seller, Dog Cage Signs, and Records – Requirement Revisions

FOR the purpose of requiring a retail pet store to ensure that a certain person from whom the retail pet store obtains a cat or dog has not received a certain citation on a certain report for a critical violation within a certain period of time; requiring certain information to be posted on or near each dog's cage in a retail pet store; requiring a certain written record about each dog in the possession of a retail pet store to include certain information; making certain conforming changes; and generally relating to requirements for retail pet stores.

BY repealing and reenacting, with amendments,
 Article – Business Regulation
 Section 19–702.1(b) and 19–703
 Annotated Code of Maryland
 (2015 Replacement Volume and 2016 Supplement)

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

Article – Business Regulation

19–702.1.

(b) A retail pet store shall ensure that a person under subsection (a)(3) or (4) of this section from which the retail pet store obtains a dog or cat, as of the day the retail pet store receives the dog or cat:

(1) holds a current license under the Animal Welfare Act from the U.S. Department of Agriculture; and

(2) has not received from the U.S. Department of Agriculture, in accordance with an enforcement action of the laws and regulations under the federal Animal Welfare Act:

(i) a citation on a final inspection report for a ~~direct~~ **OR CRITICAL** violation within the 2–year period before the day the dog or cat is received by the retail pet store;

(ii) citations on two or more consecutive final inspection reports for one or more repeat noncompliant items within the 2–year period before the day the dog or cat is received by the retail pet store;

(iii) a citation on both of the two most recent final inspection reports for a no–access violation; or

(iv) three or more citations on the most recent final inspection report for separate noncompliant items other than no–access violations.

19–703.

(a) A retail pet store that sells dogs shall:

(1) post conspicuously on each dog’s cage:

(i) the breed, age, and date of birth of the dog, if known;

(ii) **IF OBTAINED FROM A BREEDER OR DEALER**, the state in which the breeder and, if applicable, the dealer of the dog is located; **[and]**

(iii) **IF OBTAINED FROM A BREEDER OR DEALER**, the United States Department of Agriculture license number of the breeder and, if applicable, the dealer;

(IV) IF OBTAINED FROM AN ANIMAL CONTROL UNIT, THE NAME OF THE ANIMAL CONTROL UNIT; AND

(V) IF OBTAINED FROM AN ANIMAL WELFARE ORGANIZATION, THE NAME OF THE ANIMAL WELFARE ORGANIZATION AND THE ORGANIZATION'S FEDERAL TAX IDENTIFICATION NUMBER;

(2) POST CONSPICUOUSLY ON EACH DOG'S CAGE OR, IF THE POSTING WOULD BLOCK VIEWING THE DOG IN THE CAGE, NEAR THE DOG'S CAGE, IF OBTAINED FROM A BREEDER OR DEALER, THE FINAL INSPECTION REPORTS FOR THE BREEDER AND, IF APPLICABLE, THE DEALER, ISSUED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE FROM THE 2 YEARS IMMEDIATELY BEFORE THE DATE THE PET STORE RECEIVED THE DOG;

~~(2)~~ **(3)** maintain a written record that includes the following information about each dog in the possession of the retail pet store:

(i) the breed, age, and date of birth of the dog, if known;

(ii) the sex, color, and any identifying markings of the dog;

(iii) documentation of all inoculations, worming treatments, and other medical treatments, if known, including the date of the medical treatment, the diagnoses, and the name and title of the treatment provider;

(iv) **IF OBTAINED FROM A BREEDER OR DEALER**, the name and address of:

1. the breeder and, if applicable, the dealer who supplied the dog;

2. the facility where the dog was born; and

3. the transporter or carrier of the dog, if any;

(v) **IF OBTAINED FROM A BREEDER OR DEALER**, the United States Department of Agriculture license number of the breeder and, if applicable, the dealer;

(VI) IF OBTAINED FROM A BREEDER OR DEALER, THE FINAL INSPECTION REPORTS ISSUED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE FROM THE 2 YEARS IMMEDIATELY BEFORE THE DATE THE PET STORE RECEIVED THE DOG;

~~(VI)~~ **(VII)** IF OBTAINED FROM AN ANIMAL CONTROL UNIT, THE NAME AND ADDRESS OF THE ANIMAL CONTROL UNIT;

~~(VII)~~ **(VIII)** IF OBTAINED FROM AN ANIMAL WELFARE ORGANIZATION, THE NAME AND ADDRESS OF THE ANIMAL WELFARE ORGANIZATION;

[(vi)] ~~(VIII)~~ **(IX)** any identifier information, including a tag, tattoo, collar number, or microchip; and

[(vii)] ~~(IX)~~ **(X)** if the dog is being sold as registered or registrable:

1. the names and registration numbers of the sire and dam;
 2. the litter number; and
- and

~~(3)~~ **(4)** for each dog acquired by the retail pet store, maintain a written record of the health, status, and disposition of the dog, including any documents that are required at the time of sale.

(b) A retail pet store shall maintain a copy of the records required under subsection ~~(a)(2)~~ **(A)(3)** of this section for at least 2 years after the date of sale of the dog.

(c) A retail pet store shall make the records required under subsection ~~(a)(2)~~ **(A)(3)** of this section available to:

- (1) the Division of Consumer Protection of the Office of the Attorney General on reasonable notice;
- (2) any bona fide prospective purchaser on request;
- (3) the purchaser at the time of a sale; and
- (4) an animal control unit.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 344

(Senate Bill 34)

AN ACT concerning

Motor Vehicles – Leased Vehicles – Inspections, Insurance, and Excise Tax

FOR the purpose of exempting from the motor vehicle excise tax a vehicle that is leased by the State or a political subdivision of the State; prohibiting the Motor Vehicle Administration from issuing, reinstating, or renewing a vehicle registration for a motor vehicle lessee who has an unpaid insurance penalty; exempting a leased vehicle transferred to the lessee at the end of the lease term from the requirement to obtain a motor vehicle safety inspection; and generally relating to leased vehicles.

BY repealing and reenacting, with amendments,

Article – Transportation

Section 13–810(a)(3), 17–106(e)(3), and 23–106(a)(7) and (8)

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Transportation

Section 17–106(e)(1) and 23–106(b)(1) and (2)

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

BY adding to

Article – Transportation

Section 23–106(a)(9)

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

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

Article – Transportation

13–810.

(a) On issuance in this State of an original or subsequent certificate of title for a vehicle, the vehicle is exempt from the excise tax imposed by this part, if it is:

(3) A vehicle owned **OR LEASED** by this State or any political subdivision of this State;

17–106.

(e) (1) (i) In addition to any other penalty provided for in the Maryland Vehicle Law, if the required security for a vehicle terminates or otherwise lapses during its

registration year, the Administration may assess the owner of the vehicle with a penalty of \$150 for each vehicle without the required security for a period of 1 to 30 days. If a fine is assessed, beginning on the 31st day the fine shall increase by a rate of \$7 for each day.

(ii) Each period during which the required security for a vehicle terminates or otherwise lapses shall constitute a separate violation.

(iii) The penalty imposed under this subsection may not exceed \$2,500 for each violation in a 12-month period.

(3) If the Administration assesses a vehicle owner, [or] co-owner, **OR LESSEE** with a penalty under this subsection, the Administration may not take any of the following actions until the penalty is paid:

(i) Reinstate a registration suspended under this subsection;

(ii) Except for a temporary registration as provided under § 13-602(a)(2) of this article, issue a new registration for any vehicle that is owned, [or] co-owned, **OR LEASED** by that person and is titled after the violation date; or

(iii) Renew a registration for a vehicle that is owned, [or] co-owned, **OR LEASED** by that person.

23-106.

(a) This section does not apply to:

(7) Any transfer of a used island vehicle, as defined in § 13-935 of this article, registered, or to be registered, as a Class K (farm area/island) vehicle; [or]

(8) Any transfer of an off-highway recreational vehicle; **OR**

(9) ANY TRANSFER OF A LEASED VEHICLE TO THE LESSEE AT THE END OF THE LEASE TERM.

(b) (1) Except as provided in paragraphs (4) and (5) of this subsection, if any licensed dealer that also is an inspection station transfers any used vehicle, it shall:

(i) Prepare an inspection certificate; or

(ii) Have an inspection certificate prepared by another inspection station.

(2) Except as provided in paragraphs (4) and (5) of this subsection, if any other person transfers a used vehicle, the person shall obtain an inspection certificate from an inspection station.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 345

(House Bill 603)

AN ACT concerning

Vehicle Laws – ~~Proof of Insurance for Motor Vehicles Registered in Another State~~ Out-of-State Vehicles – Required Security

FOR the purpose of ~~prohibiting a person from operating or allowing to be operated a motor vehicle registered in another state if the person knows or has reason to know that the motor vehicle does not have a valid motor vehicle insurance policy; prohibiting a person from willfully and knowingly providing false proof of insurance for a motor vehicle registered in another state~~ altering the defined term “required security” as it applies to motor vehicles in the State to include certain security for out-of-state motor vehicles; making certain conforming changes; making a stylistic change; and generally relating to motor vehicle insurance for vehicles registered in another state required security for out-of-state motor vehicles.

BY repealing and reenacting, with amendments,

Article – Transportation

Section ~~17-107(a) and 17-110~~ 17-101 and 17-107

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

BY ~~adding to~~ repealing and reenacting, without amendments,

Article – Transportation

Section ~~17-107(d)~~ 17-110 and 27-101(h)

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

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

Article – Transportation

17-101.

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

(b) “Fleet policy” means an insurance policy issued for a fleet of vehicles that provides coverage that is not based on a schedule of individual vehicles at the time the policy is issued.

(c) “Lapse” and “termination” mean a lapse or termination of required security, as defined in regulations adopted by the Administration.

(d) “Required security” means security in the form and providing for the minimum benefits required:

(1) FOR A VEHICLE REGISTERED IN THE STATE, under this subtitle or any other provisions of the Maryland Vehicle Law; OR

(2) FOR A VEHICLE REGISTERED IN ANOTHER JURISDICTION, UNDER THE LAWS OF THAT JURISDICTION.

17–107.

(a) A person who knows or has reason to know that a motor vehicle is not covered by the required security may not:

(1) Drive the vehicle; or

(2) If [he] **THE PERSON** is an owner of the vehicle, knowingly permit another person to drive it.

~~(D) A PERSON WHO KNOWS OR HAS REASON TO KNOW THAT A MOTOR VEHICLE REGISTERED IN ANOTHER STATE IS NOT COVERED BY A VALID MOTOR VEHICLE INSURANCE POLICY MAY NOT:~~

~~(1) DRIVE THE MOTOR VEHICLE; OR~~

~~(2) IF THE PERSON IS AN OWNER OF THE MOTOR VEHICLE, KNOWINGLY PERMIT ANOTHER PERSON TO DRIVE THE MOTOR VEHICLE.~~

(b) (1) In any prosecution under subsection (a) of this section **FOR A VEHICLE THAT IS REGISTERED IN THE STATE**, the introduction of the official records of the Motor Vehicle Administration showing the absence of a record that the vehicle is covered by the security required under § 17–104 of this subtitle shall be prima facie evidence that a person knows or has reason to know that a motor vehicle is not covered by the required security.

(2) The introduction of evidence of the records of the Administration may not limit the introduction of other evidence bearing upon whether the vehicle was covered by the required security.

(c) An owner or lessee of any motor vehicle registered under Title 13 of this article may not raise the defense of sovereign or governmental immunity as described under § 5-524 of the Courts and Judicial Proceedings Article.

17-110.

~~(A) Whenever evidence of security is required under this subtitle, a person may not willfully and knowingly create, certify, file, or provide false evidence of required security.~~

~~(B) A PERSON MAY NOT WILLFULLY AND KNOWINGLY PROVIDE FALSE EVIDENCE OF A MOTOR VEHICLE INSURANCE POLICY FOR A MOTOR VEHICLE REGISTERED IN ANOTHER STATE.~~

27-101.

(h) Any person who is convicted of a violation of any of the provisions of § 16-113(k) of this article (“Ignition Interlock System Program participant driving vehicle without ignition interlock”), § 16-303(a), (b), (c), (d), (e), (f), or (g) of this article (“Driving while license is canceled, suspended, refused, or revoked”), § 17-107 of this article (“Prohibitions”), or § 17-110 of this article (“Providing false evidence of required security”) is subject to:

(1) For a first offense, a fine of not more than \$1,000, or imprisonment for not more than 1 year, or both; and

(2) For any subsequent offense, a fine of not more than \$1,000, or imprisonment for not more than 2 years, or both.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 346

(House Bill 26)

AN ACT concerning

Real Property – Notices of Foreclosure Sale and Postponement or Cancellation of Foreclosure Sale

FOR the purpose of requiring the person authorized to make a foreclosure sale to give written notice of the proposed sale to a certain condominium or homeowners

association at a certain time and in a certain manner; requiring the trustee, within a certain time after the postponement or cancellation of a foreclosure sale, to send a notice that the sale was postponed or canceled to the record owner of the property and a certain condominium or homeowners association in a certain manner; providing for the application of this Act; and generally relating to notice of a foreclosure sale.

BY repealing and reenacting, with amendments,
Article – Real Property
Section 7–105.2
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – Real Property

7–105.2.

(a) In this section, “record owner” means the person holding record title to property as of the later of:

(1) 30 days before the day on which a foreclosure sale of the property is actually held; and

(2) The date on which an action to foreclose the mortgage or deed of trust is filed.

(b) In addition to any notice required to be given by provisions of the Annotated Code of Maryland or the Maryland Rules, the person authorized to make a sale in an action to foreclose a mortgage or deed of trust shall give written notice of the proposed sale to [the]:

(1) THE record owner of the property to be sold; AND

(2) A CONDOMINIUM OR HOMEOWNERS ASSOCIATION THAT, AT LEAST 30 DAYS BEFORE THE DATE OF THE PROPOSED SALE, HAS RECORDED A STATEMENT OF LIEN AGAINST THE PROPERTY UNDER THE MARYLAND CONTRACT LIEN ACT.

(c) (1) The written notice shall be sent:

(i) By certified mail, postage prepaid, return receipt requested, bearing a postmark from the United States Postal Service, to the record owner **AND, IF APPLICABLE, TO A CONDOMINIUM OR HOMEOWNERS ASSOCIATION AT THE ADDRESS SHOWN ON THE STATEMENT OF LIEN;** and

(ii) By first-class mail.

(2) The notice shall state the time, place, and terms of the sale and shall be sent not earlier than 30 days and not later than 10 days before the date of sale.

(3) The person giving the notice shall file in the proceedings:

(i) A return receipt; or

(ii) An affidavit that:

1. The provisions of this subsection have been complied with;

or

2. The address of the record owner is not reasonably ascertainable.

(4) The person authorized to make a sale in an action to foreclose a mortgage or deed of trust is not required to give notice to a record owner whose address is not reasonably ascertainable.

(d) In the event of postponement **OR CANCELLATION** of **THE** sale, which may be done in the discretion of the trustee, [no new or additional notice need be given pursuant to this section] **THE TRUSTEE SHALL, WITHIN 14 DAYS AFTER THE POSTPONEMENT OR CANCELLATION, SEND A NOTICE THAT THE SALE WAS POSTPONED OR CANCELED TO THE RECORD OWNER AND, IF APPLICABLE, TO A CONDOMINIUM OR HOMEOWNERS ASSOCIATION TO WHICH NOTICE OF THE PROPOSED SALE WAS SENT UNDER SUBSECTION (C) OF THIS SECTION, BY FIRST-CLASS MAIL, POSTAGE PREPAID.**

(e) The right of a record owner to file an action for the failure of the person authorized to make a sale in an action to foreclose a mortgage or deed of trust to comply with the provisions of this section shall expire 3 years after the date of the order ratifying the foreclosure sale.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to any foreclosure sale scheduled to occur on a date after the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 347**(Senate Bill 247)**

AN ACT concerning

Real Property – Notices of Foreclosure Sale and Postponement or Cancellation of Foreclosure Sale

FOR the purpose of requiring the person authorized to make a foreclosure sale to give written notice of the proposed sale to a certain condominium or homeowners association at a certain time and in a certain manner; requiring the trustee, within a certain time after the postponement or cancellation of a foreclosure sale, to send a notice that the sale was postponed or canceled to the record owner of the property and a certain condominium or homeowners association in a certain manner; providing for the application of this Act; and generally relating to notice of a foreclosure sale.

BY repealing and reenacting, with amendments,
Article – Real Property
Section 7–105.2
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – Real Property

7–105.2.

(a) In this section, “record owner” means the person holding record title to property as of the later of:

(1) 30 days before the day on which a foreclosure sale of the property is actually held; and

(2) The date on which an action to foreclose the mortgage or deed of trust is filed.

(b) In addition to any notice required to be given by provisions of the Annotated Code of Maryland or the Maryland Rules, the person authorized to make a sale in an action to foreclose a mortgage or deed of trust shall give written notice of the proposed sale to [the]:

(1) THE record owner of the property to be sold; AND

(2) A CONDOMINIUM OR HOMEOWNERS ASSOCIATION THAT, AT LEAST 30 DAYS BEFORE THE DATE OF THE PROPOSED SALE, HAS RECORDED A STATEMENT OF LIEN AGAINST THE PROPERTY UNDER THE MARYLAND CONTRACT LIEN ACT.

(c) (1) The written notice shall be sent:

(i) By certified mail, postage prepaid, return receipt requested, bearing a postmark from the United States Postal Service, to the record owner **AND, IF APPLICABLE, TO A CONDOMINIUM OR HOMEOWNERS ASSOCIATION AT THE ADDRESS SHOWN ON THE STATEMENT OF LIEN;** and

(ii) By first-class mail.

(2) The notice shall state the time, place, and terms of the sale and shall be sent not earlier than 30 days and not later than 10 days before the date of sale.

(3) The person giving the notice shall file in the proceedings:

(i) A return receipt; or

(ii) An affidavit that:

1. The provisions of this subsection have been complied with;

or

2. The address of the record owner is not reasonably ascertainable.

(4) The person authorized to make a sale in an action to foreclose a mortgage or deed of trust is not required to give notice to a record owner whose address is not reasonably ascertainable.

(d) In the event of postponement **OR CANCELLATION** of **THE** sale, which may be done in the discretion of the trustee, [no new or additional notice need be given pursuant to this section] **THE TRUSTEE SHALL, WITHIN 14 DAYS AFTER THE POSTPONEMENT OR CANCELLATION, SEND A NOTICE THAT THE SALE WAS POSTPONED OR CANCELED TO THE RECORD OWNER AND, IF APPLICABLE, TO A CONDOMINIUM OR HOMEOWNERS ASSOCIATION TO WHICH NOTICE OF THE PROPOSED SALE WAS SENT UNDER SUBSECTION (C) OF THIS SECTION, BY FIRST-CLASS MAIL, POSTAGE PREPAID.**

(e) The right of a record owner to file an action for the failure of the person authorized to make a sale in an action to foreclose a mortgage or deed of trust to comply with the provisions of this section shall expire 3 years after the date of the order ratifying the foreclosure sale.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to any foreclosure sale scheduled to occur on a date after the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 348

(Senate Bill 875)

AN ACT concerning

Residential Property – Notice of Foreclosure

FOR the purpose of requiring a person authorized to sell residential property subject to foreclosure to file a certain notice of foreclosure with the Department of Labor, Licensing, and Regulation under certain circumstances; authorizing a notice of foreclosure to be filed with the Foreclosed Property Registry; requiring a notice of foreclosure to contain certain information; imposing certain limits on access to a notice of foreclosure; establishing that only the State, subject to a certain exception, may enact a certain law concerning residential property that is subject to foreclosure; declaring the intent of the General Assembly; defining certain terms; providing for a delayed effective date; and generally relating to notices of foreclosures on residential property.

BY repealing

Article – Real Property

Section 14–126.1(j)

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY adding to

Article – Real Property

Section 14–126.2 and 14–126.3

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

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

Article – Real Property

14–126.1.

[(j) (1) Except as provided in paragraph (2) of this subsection, only the State may enact a law requiring a notice to be filed with a unit of government to register residential properties that are subject to foreclosure.

(2) This subsection does not restrict or otherwise affect the ability of a unit of government to require a registration or notice to be filed for a purpose other than one relating to foreclosure, even if a property to be identified in the registration or notice is subject to foreclosure.]

14-126.2.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “DEPARTMENT” MEANS THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION.

(3) “FORECLOSED PROPERTY REGISTRY” MEANS THE FORECLOSED PROPERTY REGISTRY ESTABLISHED BY THE DEPARTMENT UNDER § 14-126.1 OF THIS SUBTITLE.

(4) “LOCAL JURISDICTION” MEANS:

(I) A COUNTY; OR

(II) A MUNICIPAL CORPORATION.

(5) “NOTICE OF FORECLOSURE” MEANS THE NOTICE DESCRIBED IN SUBSECTION (B) OF THIS SECTION.

(6) “PERSON AUTHORIZED TO MAKE THE SALE” MEANS THE PERSON DESIGNATED UNDER THE MARYLAND RULES TO SELL RESIDENTIAL PROPERTY SUBJECT TO FORECLOSURE.

(7) “RESIDENTIAL PROPERTY” MEANS REAL PROPERTY IMPROVED BY FOUR OR FEWER DWELLING UNITS THAT ARE DESIGNED PRINCIPALLY AND ARE INTENDED FOR HUMAN HABITATION.

(B) (1) WITHIN 7 DAYS OF THE FILING OF AN ORDER TO DOCKET OR A COMPLAINT TO FORECLOSE A MORTGAGE OR DEED OF TRUST ON A RESIDENTIAL PROPERTY BY A PERSON AUTHORIZED TO MAKE THE SALE OF THE RESIDENTIAL PROPERTY, THE PERSON AUTHORIZED TO MAKE THE SALE SHALL PROVIDE THE DEPARTMENT WITH A NOTICE OF FORECLOSURE AS REQUIRED UNDER THIS SUBSECTION.

(2) THE NOTICE OF FORECLOSURE SHALL:

(i) BE IN THE FORM THE DEPARTMENT REQUIRES, WHICH MAY BE THE FORM OF A REGISTRATION WITH THE FORECLOSED PROPERTY REGISTRY; AND

(ii) CONTAIN THE FOLLOWING INFORMATION REGARDING THE PROPERTY THAT IS SUBJECT TO FORECLOSURE:

- 1. THE STREET ADDRESS;**
- 2. THE TAX ACCOUNT NUMBER, IF KNOWN;**
- 3. WHETHER THE PROPERTY IS VACANT, IF KNOWN;**
- 4. THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE OWNER OR OWNERS OF THE PROPERTY, IF KNOWN;**
- 5. THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE PERSON AUTHORIZED TO MAKE THE SALE; AND**
- 6. THE NAME, ADDRESS, AND TELEPHONE NUMBER OF A PERSON AUTHORIZED TO MANAGE AND MAINTAIN THE PROPERTY BEFORE THE FORECLOSURE SALE, IF KNOWN.**

(c) (1) A NOTICE OF FORECLOSURE:

(i) IS NOT A PUBLIC RECORD AS DEFINED IN § 4-101 OF THE GENERAL PROVISIONS ARTICLE; AND

(ii) IS NOT SUBJECT TO TITLE 4 OF THE GENERAL PROVISIONS ARTICLE.

(2) THE DEPARTMENT MAY AUTHORIZE ACCESS TO A NOTICE OF FORECLOSURE ONLY TO LOCAL JURISDICTIONS, THE AGENCIES OF LOCAL JURISDICTIONS, AND REPRESENTATIVES OF STATE AGENCIES.

(3) NOTWITHSTANDING PARAGRAPHS (1) AND (2) OF THIS SUBSECTION, THE DEPARTMENT OR A LOCAL JURISDICTION MAY PROVIDE INFORMATION FOR A SPECIFIC PROPERTY DESCRIBED IN A NOTICE OF FORECLOSURE TO:

- (i) A PERSON WHO OWNS PROPERTY ON THE SAME BLOCK; OR**

(II) A HOMEOWNERS ASSOCIATION OR CONDOMINIUM IN WHICH THE PROPERTY IS LOCATED.

14-126.3.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ONLY THE STATE MAY ENACT A LAW REQUIRING A NOTICE TO BE FILED WITH A UNIT OF GOVERNMENT TO REGISTER RESIDENTIAL PROPERTIES THAT ARE SUBJECT TO FORECLOSURE.

(B) THIS SECTION DOES NOT RESTRICT OR OTHERWISE AFFECT THE ABILITY OF A UNIT OF GOVERNMENT TO REQUIRE A REGISTRATION OR NOTICE TO BE FILED FOR A PURPOSE OTHER THAN ONE RELATING TO FORECLOSURE, EVEN IF A PROPERTY TO BE IDENTIFIED IN THE REGISTRATION OR NOTICE IS SUBJECT TO FORECLOSURE.

SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that this Act is not intended to repeal any local law that was enacted prior to January 1, 2017, that requires a notice substantially similar to the notice of foreclosure described in this Act to be filed with the local jurisdiction.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, ~~2017~~ 2018.

Approved by the Governor, April 18, 2017.

Chapter 349

(House Bill 1048)

AN ACT concerning

Residential Property – Notice of Foreclosure

FOR the purpose of requiring a person authorized to sell residential property subject to foreclosure to file a certain notice of foreclosure with the Department of Labor, Licensing, and Regulation under certain circumstances; authorizing a notice of foreclosure to be filed with the Foreclosed Property Registry; requiring a notice of foreclosure to contain certain information; imposing certain limits on access to a notice of foreclosure; establishing that only the State, subject to a certain exception, may enact a certain law concerning residential property that is subject to foreclosure; declaring the intent of the General Assembly; defining certain terms; *providing for*

a delayed effective date; and generally relating to notices of foreclosures on residential property.

BY repealing

Article – Real Property

Section 14–126.1(j)

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY adding to

Article – Real Property

Section 14–126.2 and 14–126.3

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

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

Article – Real Property

14–126.1.

[(j) (1) Except as provided in paragraph (2) of this subsection, only the State may enact a law requiring a notice to be filed with a unit of government to register residential properties that are subject to foreclosure.

(2) This subsection does not restrict or otherwise affect the ability of a unit of government to require a registration or notice to be filed for a purpose other than one relating to foreclosure, even if a property to be identified in the registration or notice is subject to foreclosure.]

14–126.2.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “DEPARTMENT” MEANS THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION.

(3) “FORECLOSED PROPERTY REGISTRY” MEANS THE FORECLOSED PROPERTY REGISTRY ESTABLISHED BY THE DEPARTMENT UNDER § 14–126.1 OF THIS SUBTITLE.

(4) “LOCAL JURISDICTION” MEANS:

(I) A COUNTY; OR

(II) A MUNICIPAL CORPORATION.

(5) “NOTICE OF FORECLOSURE” MEANS THE NOTICE DESCRIBED IN SUBSECTION (B) OF THIS SECTION.

(6) “PERSON AUTHORIZED TO MAKE THE SALE” MEANS THE PERSON DESIGNATED UNDER THE MARYLAND RULES TO SELL RESIDENTIAL PROPERTY SUBJECT TO FORECLOSURE.

(7) “RESIDENTIAL PROPERTY” MEANS REAL PROPERTY IMPROVED BY FOUR OR FEWER DWELLING UNITS THAT ARE DESIGNED PRINCIPALLY AND ARE INTENDED FOR HUMAN HABITATION.

(B) (1) WITHIN 7 DAYS OF THE FILING OF AN ORDER TO DOCKET OR A COMPLAINT TO FORECLOSE A MORTGAGE OR DEED OF TRUST ON A RESIDENTIAL PROPERTY BY A PERSON AUTHORIZED TO MAKE THE SALE OF THE RESIDENTIAL PROPERTY, THE PERSON AUTHORIZED TO MAKE THE SALE SHALL PROVIDE THE DEPARTMENT WITH A NOTICE OF FORECLOSURE AS REQUIRED UNDER THIS SUBSECTION.

(2) THE NOTICE OF FORECLOSURE SHALL:

(i) BE IN THE FORM THE DEPARTMENT REQUIRES, WHICH MAY BE THE FORM OF A REGISTRATION WITH THE FORECLOSED PROPERTY REGISTRY; AND

(ii) CONTAIN THE FOLLOWING INFORMATION REGARDING THE PROPERTY THAT IS SUBJECT TO FORECLOSURE:

- 1. THE STREET ADDRESS;**
- 2. THE TAX ACCOUNT NUMBER, IF KNOWN;**
- 3. WHETHER THE PROPERTY IS VACANT, IF KNOWN;**
- 4. THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE OWNER OR OWNERS OF THE PROPERTY, IF KNOWN;**
- 5. THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE PERSON AUTHORIZED TO MAKE THE SALE; AND**

6. THE NAME, ADDRESS, AND TELEPHONE NUMBER OF A PERSON AUTHORIZED TO MANAGE AND MAINTAIN THE PROPERTY BEFORE THE FORECLOSURE SALE, IF KNOWN.

(C) (1) A NOTICE OF FORECLOSURE:

(I) IS NOT A PUBLIC RECORD AS DEFINED IN § 4-101 OF THE GENERAL PROVISIONS ARTICLE; AND

(II) IS NOT SUBJECT TO TITLE 4 OF THE GENERAL PROVISIONS ARTICLE.

(2) THE DEPARTMENT MAY AUTHORIZE ACCESS TO A NOTICE OF FORECLOSURE ONLY TO LOCAL JURISDICTIONS, THE AGENCIES OF LOCAL JURISDICTIONS, AND REPRESENTATIVES OF STATE AGENCIES.

(3) NOTWITHSTANDING PARAGRAPHS (1) AND (2) OF THIS SUBSECTION, THE DEPARTMENT OR A LOCAL JURISDICTION MAY PROVIDE INFORMATION FOR A SPECIFIC PROPERTY DESCRIBED IN A NOTICE OF FORECLOSURE TO:

(I) A PERSON WHO OWNS PROPERTY ON THE SAME BLOCK; OR

(II) A HOMEOWNERS ASSOCIATION OR CONDOMINIUM IN WHICH THE PROPERTY IS LOCATED.

14-126.3.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ONLY THE STATE MAY ENACT A LAW REQUIRING A NOTICE TO BE FILED WITH A UNIT OF GOVERNMENT TO REGISTER RESIDENTIAL PROPERTIES THAT ARE SUBJECT TO FORECLOSURE.

(B) THIS SECTION DOES NOT RESTRICT OR OTHERWISE AFFECT THE ABILITY OF A UNIT OF GOVERNMENT TO REQUIRE A REGISTRATION OR NOTICE TO BE FILED FOR A PURPOSE OTHER THAN ONE RELATING TO FORECLOSURE, EVEN IF A PROPERTY TO BE IDENTIFIED IN THE REGISTRATION OR NOTICE IS SUBJECT TO FORECLOSURE.

SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that this Act is not intended to repeal any local law that was enacted prior to January 1, 2017, that requires a notice substantially similar to the notice of foreclosure described in this Act to be filed with the local jurisdiction.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, ~~2017~~ 2018.

Approved by the Governor, April 18, 2017.

Chapter 350

(House Bill 760)

AN ACT concerning

State Real Estate Commission – Real Estate Brokerage Services – Duties and Obligations

FOR the purpose of specifying that a licensee of the State Real Estate Commission does not breach a certain duty or obligation by showing a lessee certain properties or by discussing certain properties with certain buyers or lessees under certain circumstances; repealing a certain defined term; and generally relating to the duties and obligations of licensees of the State Real Estate Commission when providing real estate brokerage services.

~~BY repealing and reenacting, without amendments,
Article – Business Occupations and Professions
Section 17-532(a) and (b)
Annotated Code of Maryland
(2010 Replacement Volume and 2016 Supplement)~~

BY repealing and reenacting, with amendments,
Article – Business Occupations and Professions
Section ~~17-532(d)~~ 17-532
Annotated Code of Maryland
(2010 Replacement Volume and 2016 Supplement)

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

Article – Business Occupations and Professions

17-532.

~~(a) In this section, “client” includes a prospective buyer or lessee under a presumed buyer’s agency relationship or a presumed lessee’s agency relationship as described in § 17-533 of this subtitle.~~

~~(b)~~ (A) A licensee shall comply with the provisions of this section when providing real estate brokerage services.

~~[(c)]~~ (B) (1) A licensee shall:

(i) act in accordance with the terms of the brokerage agreement;

(ii) promote the interests of the client by:

1. seeking a sale or lease of real estate at a price or rent specified in the brokerage agreement or at a price or rent acceptable to the client;

2. seeking a sale or lease of real estate on terms specified in the brokerage agreement or on terms acceptable to the client; and

3. unless otherwise specified in the brokerage agreement, presenting in a timely manner all written offers or counteroffers to and from the client, even if the real estate is subject to an existing contract of sale or lease;

(iii) disclose to the client all material facts as required under § 17-322 of this title;

(iv) treat all parties to the transaction honestly and fairly and answer all questions truthfully;

(v) in a timely manner account for all trust money received;

(vi) exercise reasonable care and diligence; and

(vii) comply with all:

1. requirements of this title;

2. applicable federal, State, and local fair housing laws and regulations; and

3. other applicable laws and regulations.

(2) Unless the client consents in writing to the disclosure, a licensee may not disclose confidential information received from or about a client to any other party or licensee acting as the agent of that party or other representative of that party.

(3) Unless the client to whom the confidential information relates consents in writing to a disclosure of that confidential information, a licensee who receives confidential information from or about the licensee's own past or present client or a past or present client of the licensee's broker may not disclose that information to:

- (i) any of the licensee's other clients;
- (ii) any of the clients of the licensee's broker;
- (iii) any other party;
- (iv) any licensee acting as an agent for another party; or
- (v) any representative of another party.

(4) Unless otherwise specified in the brokerage agreement, a licensee is not required to seek additional offers to purchase or lease real estate while the real estate is subject to an existing contract of sale or lease.

(5) An intra-company agent may disclose confidential information to the broker or dual agent for whom the intra-company agent works but the broker or dual agent may not disclose that confidential information to the other party or the intra-company agent for the other party, as provided in § 17-530.1(b).

~~(d)~~ **(C)** A licensee does not breach any duty or obligation to the client by:

- (1) showing other available properties to prospective buyers or lessees;
- (2) representing other clients who have or are looking for similar properties for sale or lease;
- (3) representing other sellers or lessors who have similar properties to that sought by the buyer or lessee; **[and]**
- (4) showing the buyer **OR LESSEE** other available properties; **AND**

(5) DURING AN OPEN HOUSE, DISCUSSING OTHER PROPERTIES WITH PROSPECTIVE BUYERS OR LESSEES, IF THE LICENSEE HAS THE WRITTEN CONSENT OF THE SELLER OR LESSOR TO DO SO.

[(e)] (D) This title does not limit the applicability of § 10-702 of the Real Property Article.

[(f)] (E) The requirements of this section are in addition to any other duties required of the agent by law that are not inconsistent with these duties.

[(g)] (F) The duties specified in this section may not be waived or modified.

[(h)] (G) A licensee who performs ministerial acts for a person may not be construed to:

(1) violate the licensee's duties to the client, provided that the client has consented in the brokerage agreement to the licensee's provision of ministerial acts; or

(2) form an agency relationship between the licensee and the person for whom the ministerial acts are performed.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 351

(Senate Bill 265)

AN ACT concerning

Washington Metrorail Safety Commission Membership Act

FOR the purpose of requiring that certain members of the board of directors of the Washington Metrorail Safety Commission be appointed by the Governor with the advice and consent of the Senate; requiring one regular member of the board of directors of the Commission who is appointed by the Governor to be a resident of Montgomery County or Prince George's County; providing that the regular member of the board of directors of the Commission who is a resident of Montgomery County or Prince George's County may not be succeeded by an individual who is a resident of the same county; ~~making this Act contingent on the taking effect of another Act; establishing the Washington Metrorail Safety Commission; establishing the Metrorail Safety Commission Interstate Compact; granting the Commission safety, regulatory, and enforcement authority over the Washington Metropolitan Area Transit Authority Rail System and the power to act as the State safety oversight authority for WMATA; specifying the membership, powers, organization, and duties of the Commission; making the Compact contingent on the adoption of the Compact by certain other jurisdictions; making this Act an emergency measure~~ *making this Act contingent on the taking effect of another Act*; and generally relating to *the membership of the membership* of the Washington Metrorail Safety Commission.

BY adding to

Article – Transportation

Section 7-709 ~~and 10-208~~

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

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

Article – Transportation

7-709.

(A) IN THIS SECTION, “COMMISSION” MEANS THE WASHINGTON METRORAIL SAFETY COMMISSION ESTABLISHED UNDER § 10-208 OF THIS ARTICLE.

(B) TWO REGULAR MEMBERS AND ONE ALTERNATE MEMBER OF THE BOARD OF DIRECTORS OF THE COMMISSION SHALL BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE.

(c) (1) ONE OF THE REGULAR MEMBERS OF THE BOARD OF DIRECTORS OF THE COMMISSION WHO IS APPOINTED BY THE GOVERNOR SHALL BE A RESIDENT OF MONTGOMERY COUNTY OR PRINCE GEORGE’S COUNTY.

(2) THE INDIVIDUAL APPOINTED UNDER THIS SUBSECTION MAY NOT BE SUCCEEDED IN OFFICE BY AN INDIVIDUAL WHO IS A RESIDENT OF THE SAME COUNTY.

~~10-208.~~

PREAMBLE

~~WHEREAS, THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY, A PARTNERSHIP BETWEEN THE DISTRICT OF COLUMBIA, THE COMMONWEALTH OF VIRGINIA, AND THE STATE OF MARYLAND, PROVIDES TRANSPORTATION SERVICES TO MILLIONS OF PEOPLE EACH YEAR AND THE SAFETY OF ITS SYSTEM IS PARAMOUNT; AND~~

~~WHEREAS, AN EFFECTIVE AND SAFE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY SYSTEM IS ESSENTIAL TO THE COMMERCE AND PROSPERITY OF THE NATIONAL CAPITAL REGION; AND~~

~~WHEREAS, THE TRI STATE OVERSIGHT COMMITTEE, CREATED BY A MEMORANDUM OF UNDERSTANDING AMONGST THESE THREE JURISDICTIONS, HAS PROVIDED SAFETY OVERSIGHT OF THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY; AND~~

~~WHEREAS, AN AMENDMENT TO 49 U.S.C. 5329 REQUIRES THE CREATION OF A LEGALLY AND FINANCIALLY INDEPENDENT STATE AUTHORITY FOR SAFETY OVERSIGHT OF ALL FIXED RAIL TRANSIT FACILITIES; AND~~

~~WHEREAS, THE DISTRICT OF COLUMBIA, THE COMMONWEALTH OF VIRGINIA, AND THE STATE OF MARYLAND WANT TO CREATE A WASHINGTON METRORAIL SAFETY COMMISSION TO ACT AS THE STATE SAFETY OVERSIGHT AUTHORITY FOR THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY SYSTEM UNDER 49 U.S.C. 5329; AND~~

~~WHEREAS, THIS ACT IS CREATED FOR THE BENEFIT OF THE PEOPLE OF THE DISTRICT OF COLUMBIA, THE COMMONWEALTH OF VIRGINIA, AND THE STATE OF MARYLAND AND FOR THE INCREASE OF THEIR SAFETY, COMMERCE, AND PROSPERITY;~~

~~NOW, THEREFORE, THE STATE OF MARYLAND, THE COMMONWEALTH OF VIRGINIA, AND THE DISTRICT OF COLUMBIA, HEREAFTER REFERRED TO AS THE SIGNATORIES, COVENANT AND AGREE AS FOLLOWS:~~

ARTICLE I.

DEFINITIONS

~~1. AS USED IN THIS TITLE, THE FOLLOWING WORDS AND TERMS SHALL HAVE THE MEANINGS SET FORTH BELOW, UNLESS THE CONTEXT CLEARLY REQUIRES A DIFFERENT MEANING. CAPITALIZED TERMS USED HEREIN, BUT NOT OTHERWISE DEFINED IN THIS ACT, SHALL HAVE THE DEFINITIONS SET FORTH IN REGULATIONS ISSUED UNDER 49 U.S.C. 5329, AS THEY MAY BE REVISED FROM TIME TO TIME.~~

~~(A) “ALTERNATE MEMBER” MEANS AN ALTERNATE MEMBER OF THE BOARD.~~

~~(B) “BOARD” MEANS THE BOARD OF DIRECTORS OF THE COMMISSION.~~

~~(C) “COMMISSION” MEANS THE WASHINGTON METRORAIL SAFETY COMMISSION.~~

~~(D) “MEMBER” MEANS A MEMBER OF THE BOARD.~~

~~(E) “MSC COMPACT” MEANS THE METRORAIL SAFETY COMMISSION INTERSTATE COMPACT CREATED BY THIS ACT.~~

~~(F) “PUBLIC TRANSPORTATION AGENCY SAFETY PLAN” MEANS THE COMPREHENSIVE AGENCY SAFETY PLAN FOR A RAIL TRANSIT AGENCY REQUIRED UNDER 49 U.S.C. 5329.~~

~~(G) "PUBLIC TRANSPORTATION SAFETY CERTIFICATION TRAINING PROGRAM" MEANS THE FEDERAL CERTIFICATION TRAINING PROGRAM FOR FEDERAL AND STATE EMPLOYEES, OR OTHER DESIGNATED PERSONNEL, WHO CONDUCT SAFETY AUDITS AND EXAMINATIONS OF PUBLIC TRANSPORTATION SYSTEMS, AND EMPLOYEES OF PUBLIC TRANSPORTATION AGENCIES DIRECTLY RESPONSIBLE FOR SAFETY OVERSIGHT AS ESTABLISHED AND AMENDED FROM TIME AND TO TIME BY APPLICABLE FEDERAL LAWS AND REGULATIONS.~~

~~(H) "SAFETY SENSITIVE POSITION" MEANS ANY POSITION HELD BY A WMATA EMPLOYEE OR CONTRACTOR DESIGNATED IN THE PUBLIC TRANSPORTATION AGENCY SAFETY PLAN FOR THE WMATA RAIL SYSTEM AND APPROVED BY THE COMMISSION AS DIRECTLY OR INDIRECTLY AFFECTING THE SAFETY OF THE PASSENGERS OR EMPLOYEES OF THE WMATA RAIL SYSTEM.~~

~~(I) "SIGNATORY" MEANS THE STATE OF MARYLAND, THE COMMONWEALTH OF VIRGINIA, AND THE DISTRICT OF COLUMBIA.~~

~~(J) "STATE", "STATE", "JURISDICTION", AND "JURISDICTION" INCLUDE MEAN THE DISTRICT OF COLUMBIA, THE STATE OF MARYLAND, AND THE COMMONWEALTH OF VIRGINIA.~~

~~(K) "WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY" OR "WMATA" IS THE ENTITY CREATED BY THE WMATA COMPACT, WHICH IS RESPONSIBLE FOR PROVIDING CERTAIN RAIL FIXED GUIDEWAY PUBLIC TRANSPORTATION SYSTEM SERVICES.~~

~~(L) "WMATA COMPACT" MEANS THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY COMPACT (PUBLIC LAW 89 774; 80 STAT. 1324).~~

~~(M) (1) "WMATA RAIL SYSTEM" MEANS AND "METRORAIL" MEAN THE RAIL FIXED GUIDEWAY PUBLIC TRANSPORTATION SYSTEM AND ALL OTHER REAL AND PERSONAL PROPERTY OWNED, LEASED, OPERATED, OR OTHERWISE USED BY WMATA RAIL SERVICES.~~

~~(2) "WMATA RAIL SYSTEM" INCLUDES AND "METRORAIL" INCLUDE THE METRORAIL CAPITAL WMATA RAIL PROJECTS UNDER DESIGN OR CONSTRUCTION BY OWNERS OTHER THAN WMATA, INCLUDING THE DULLES CORRIDOR METRORAIL PROJECT MANAGED BY THE METROPOLITAN WASHINGTON AIRPORTS AUTHORITY.~~

ARTICLE II.

PURPOSE AND FUNCTIONS

~~2. THE SIGNATORIES TO THE WMATA COMPACT HEREBY ADOPT THIS MSC COMPACT PURSUANT TO 49 U.S.C. 5329. THE COMMISSION CREATED UNDER THIS SECTION SHALL HAVE SAFETY, REGULATORY, AND ENFORCEMENT AUTHORITY OVER THE WMATA RAIL SYSTEM AND SHALL ACT AS THE STATE SAFETY OVERSIGHT AUTHORITY FOR WMATA. WMATA SHALL BE SUBJECT TO THE COMMISSION'S RULES, REGULATIONS, ACTIONS, AND ORDERS.~~

~~3. THE PURPOSE OF THIS MSC COMPACT IS TO CREATE A STATE SAFETY OVERSIGHT AUTHORITY FOR THE WMATA RAIL SYSTEM, PURSUANT TO THE MANDATE OF FEDERAL LAW, AS A COMMON AGENCY OF EACH SIGNATORY, EMPOWERED IN THE MANNER HEREINAFTER SET FORTH TO REVIEW, APPROVE, OVERSEE, AND ENFORCE THE SAFETY OF THE WMATA RAIL SYSTEM, INCLUDING, WITHOUT LIMITATION, TO: (I) HAVE EXCLUSIVE SAFETY OVERSIGHT AUTHORITY AND RESPONSIBILITY OVER THE WMATA RAIL SYSTEM, INCLUDING THE POWER TO RESTRICT, SUSPEND, OR PROHIBIT RAIL SERVICE ON ALL OR PART OF THE WMATA RAIL SYSTEM AS SET FORTH IN THIS COMPACT; (II) DEVELOP AND ADOPT A WRITTEN STATE SAFETY OVERSIGHT PROGRAM STANDARD; (III) REVIEW AND APPROVE THE WMATA PUBLIC TRANSPORTATION AGENCY SAFETY PLAN; (IV) INVESTIGATE HAZARDS, INCIDENTS, AND ACCIDENTS ON THE WMATA RAIL SYSTEM; (V) REQUIRE, REVIEW, APPROVE, OVERSEE, AND ENFORCE CORRECTIVE ACTION PLANS DEVELOPED BY WMATA; AND (VI) MEET OTHER REQUIREMENTS OF FEDERAL AND STATE LAW RELATING TO SAFETY OVERSIGHT OF THE WMATA RAIL SYSTEM.~~

ARTICLE III.

ESTABLISHMENT AND ORGANIZATION

A. WASHINGTON METRORAIL SAFETY COMMISSION.

~~4. THERE IS HEREBY CREATED THE WASHINGTON METRORAIL SAFETY COMMISSION, AN INSTRUMENTALITY OF EACH SIGNATORY, WHICH SHALL BE A PUBLIC BODY CORPORATE AND POLITIC, AND WHICH SHALL HAVE THE POWERS AND DUTIES SET FORTH IN THIS MSC COMPACT AND SUCH ADDITIONAL POWERS AND DUTIES AS MAY BE CONFERRED UPON IT PURSUANT TO LAW.~~

~~5. THE COMMISSION SHALL BE FINANCIALLY AND LEGALLY INDEPENDENT FROM WMATA.~~

B. BOARD OF DIRECTORS.

~~6. THE COMMISSION SHALL BE GOVERNED BY A BOARD OF SIX MEMBERS APPOINTED OR REAPPOINTED, INCLUDING TO FILL AN UNEXPIRED TERM, ACCORDING TO EACH SIGNATORY'S APPLICABLE LAWS, AS FOLLOWS:~~

~~(A) TWO MEMBERS SHALL BE APPOINTED BY THE GOVERNOR OF VIRGINIA;~~

~~(B) TWO MEMBERS SHALL BE APPOINTED BY THE GOVERNOR OF MARYLAND; AND~~

~~(C) TWO MEMBERS SHALL BE APPOINTED BY THE MAYOR OF THE DISTRICT OF COLUMBIA;~~

~~7. THE GOVERNOR OF VIRGINIA, GOVERNOR OF MARYLAND, AND MAYOR OF THE DISTRICT OF COLUMBIA SHALL EACH ALSO APPOINT OR REAPPOINT, INCLUDING TO FILL AN UNEXPIRED TERM, ACCORDING TO EACH SIGNATORY'S APPLICABLE LAWS, ONE ALTERNATE MEMBER.~~

~~8. AN ALTERNATE MEMBER SHALL PARTICIPATE AND TAKE ACTION AS A MEMBER ONLY IN THE ABSENCE OF ONE OR BOTH MEMBERS FROM THE SAME JURISDICTION AS THE ALTERNATE MEMBER'S APPOINTING JURISDICTION AND, IN SUCH INSTANCES, SHALL MAY CAST A SINGLE VOTE.~~

~~9. MEMBERS AND ALTERNATE MEMBERS SHALL HAVE BACKGROUNDS IN TRANSPORTATION, TRANSIT, SAFETY, PUBLIC FINANCE, OR ENGINEERING RELEVANT ENGINEERING DISCIPLINES.~~

~~10. NO MEMBER OR ALTERNATE MEMBER SHALL SIMULTANEOUSLY HOLD OTHER ELECTIVE OR APPOINTIVE PUBLIC OFFICE, SERVE ON THE WMATA BOARD OF DIRECTORS, BE EMPLOYED BY WMATA, OR BE A CONTRACTOR TO WMATA.~~

~~11. EACH MEMBER AND ALTERNATE MEMBER SHALL SERVE A FOUR YEAR TERM AND MAY BE REAPPOINTED FOR ADDITIONAL TERMS; EXCEPT THAT, EACH SIGNATORY SHALL MAKE ITS INITIAL APPOINTMENTS AS FOLLOWS:~~

~~(A) ONE MEMBER SHALL BE APPOINTED FOR A FOUR YEAR TERM;~~

~~(B) ONE MEMBER SHALL BE APPOINTED FOR A TWO YEAR TERM; AND~~

~~(C) THE ALTERNATE MEMBER SHALL BE APPOINTED FOR A THREE YEAR TERM.~~

~~12. ANY PERSON APPOINTED TO FILL A VACANCY SHALL SERVE FOR THE UNEXPIRED TERM.~~

~~13. MEMBERS AND ALTERNATE MEMBERS SHALL BE ENTITLED TO REIMBURSEMENT FOR REASONABLE AND NECESSARY EXPENSES AND SHALL BE~~

~~COMPENSATED FOR EACH DAY SPENT MEETING ON THE BUSINESS OF THE COMMISSION AT A PER DIEM RATE OF \$200 PER DAY, OR AS MAY BE ADJUSTED BY APPROPRIATIONS APPROVED BY ALL OF THE SIGNATORIES.~~

~~14. A MEMBER OR AN ALTERNATE MEMBER MAY BE REMOVED OR SUSPENDED FROM OFFICE ONLY FOR CAUSE IN ACCORDANCE WITH THE LAWS OF THE MEMBER'S OR ALTERNATE MEMBER'S APPOINTING JURISDICTION.~~

~~C. QUORUM AND ACTIONS OF THE BOARD.~~

~~15. FOUR MEMBERS SHALL CONSTITUTE A QUORUM, AND THE AFFIRMATIVE VOTE OF FOUR MEMBERS IS REQUIRED FOR ACTION OF THE BOARD, OTHER THAN AS PROVIDED IN SECTION 32. QUORUM AND VOTING REQUIREMENTS UNDER THIS SECTION MAY BE MET WITH ONE OR MORE ALTERNATE MEMBERS PURSUANT TO § 8 OF THIS ARTICLE III.~~

~~16. COMMISSION ACTION SHALL BECOME EFFECTIVE UPON ENACTMENT UNLESS OTHERWISE PROVIDED FOR BY THE COMMISSION.~~

~~D. OATH OF OFFICE.~~

~~17. BEFORE ENTERING OFFICE, EACH MEMBER AND ALTERNATE MEMBER SHALL TAKE AND SUBSCRIBE TO THE FOLLOWING OATH (OR AFFIRMATION) OF OFFICE OR ANY SUCH OTHER OATH OR AFFIRMATION AS THE CONSTITUTION OR LAWS OF THE SIGNATORY THE MEMBER REPRESENTS SHALL PROVIDE:~~

~~“I, _____, HEREBY SOLEMNLY SWEAR (OR AFFIRM) THAT I WILL SUPPORT AND DEFEND THE CONSTITUTION AND THE LAWS OF THE UNITED STATES AS A MEMBER (OR ALTERNATE MEMBER) OF THE BOARD OF THE WASHINGTON METRORAIL SAFETY COMMISSION AND WILL FAITHFULLY DISCHARGE THE DUTIES OF THE OFFICE UPON WHICH I AM ABOUT TO ENTER.”~~

~~E. ORGANIZATION AND PROCEDURE.~~

~~18. THE BOARD SHALL PROVIDE FOR ITS OWN ORGANIZATION AND PROCEDURE. MEETINGS OF THE BOARD SHALL BE HELD AS FREQUENTLY AS THE BOARD DETERMINES, BUT IN NO EVENT LESS THAN QUARTERLY. THE BOARD SHALL KEEP MINUTES OF ITS MEETINGS AND ADOPT RULES AND REGULATIONS GOVERNING ITS TRANSACTIONS AND INTERNAL AFFAIRS, INCLUDING POLICIES REGARDING RECORDS RETENTION THAT ARE NOT IN CONFLICT WITH APPLICABLE FEDERAL LAW.~~

~~19. THE COMMISSION SHALL KEEP COMMERCIALY REASONABLE RECORDS OF ITS FINANCIAL TRANSACTIONS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.~~

~~20. THE COMMISSION SHALL ESTABLISH AN OFFICE FOR THE CONDUCT OF ITS AFFAIRS AT A LOCATION TO BE DETERMINED BY THE COMMISSION.~~

~~21. MEETINGS OF THE BOARD SHALL BE OPEN TO THE PUBLIC UNLESS CLOSED PURSUANT TO ADOPTED BOARD POLICY, AND COMMISSION DOCUMENTS SHALL BE AVAILABLE TO THE PUBLIC UNLESS DEEMED CONFIDENTIAL PURSUANT TO ADOPTED COMMISSION POLICY. THE COMMISSION SHALL ADOPT OPEN MEETING AND FREEDOM OF INFORMATION POLICIES BASED ON THE PRINCIPLES OF TRANSPARENCY AND PUBLIC ACCESS CONTAINED IN THE FEDERAL FREEDOM OF INFORMATION ACT, 5 U.S.C. 552(A) (C) 552(A) (D) AND (G), AND, THEREFORE, SHALL NOT BE SUBJECT TO THE SOMETIMES CONFLICTING OPEN MEETING AND FREEDOM OF INFORMATION LAWS OF ANY INDIVIDUAL SIGNATORY.~~

~~22. REPORTS OF INVESTIGATIONS OR INQUIRIES ADOPTED BY THE BOARD SHALL BE MADE PUBLICLY AVAILABLE. THE COMMISSION SHALL DEVELOP APPROPRIATE POLICIES TO PROTECT THE INTEGRITY OF ITS INVESTIGATIONS AND THE SECURITY OF THE WMATA RAIL SYSTEM. THE COMMISSION'S POLICY SHALL ENSURE THAT THE MAYOR OF THE DISTRICT OF COLUMBIA AND THE GOVERNORS OF MARYLAND AND VIRGINIA AND THEIR DESIGNEES HAVE PROMPT AND FULL ACCESS TO ANY AND ALL RECORDS HELD BY THE COMMISSION. INVESTIGATIVE REPORTS PREPARED PURSUANT TO 49 C.F.R. 674 MAY NOT BE ADMITTED AS EVIDENCE OR USED IN A CIVIL ACTION FOR DAMAGES RESULTING FROM A MATTER MENTIONED IN THE REPORT.~~

~~23. THE COMMISSION SHALL ADOPT A POLICY ON CONFLICT OF INTEREST, WHICH SHALL BE CONSISTENT WITH THE REGULATIONS ISSUED UNDER 49 U.S.C. 5329, AS THEY MAY BE REVISED FROM TIME TO TIME, WHICH, AMONG OTHER THINGS, PLACES APPROPRIATE SEPARATION BETWEEN MEMBERS, OFFICERS, EMPLOYEES, CONTRACTORS, AND AGENTS OF THE COMMISSION AND WMATA.~~

~~24. THE COMMISSION SHALL ADOPT AND UTILIZE ITS OWN ADMINISTRATIVE PROCEDURE AND PROCUREMENT POLICIES IN CONFORMANCE WITH APPLICABLE FEDERAL REGULATIONS AND SHALL NOT BE SUBJECT TO THE ADMINISTRATIVE PROCEDURE OR PROCUREMENT LAWS OF ANY SIGNATORY.~~

~~F. OFFICERS AND EMPLOYEES.~~

~~25. THE BOARD SHALL ELECT A CHAIRMAN AND A VICE CHAIRMAN, VICE CHAIRMAN, SECRETARY, AND TREASURER FROM AMONG ITS MEMBERS FOR A~~

~~TWO YEAR TERM TERMS AND SHALL ELECT, OR APPOINT FROM COMMISSION STAFF, A SECRETARY AND TREASURER, AND PRESCRIBE THEIR POWERS AND DUTIES.~~

~~26. THE BOARD SHALL APPOINT AND FIX THE COMPENSATION AND BENEFITS OF A CHIEF EXECUTIVE OFFICER WHO SHALL BE THE CHIEF ADMINISTRATIVE OFFICER OF THE COMMISSION AND WHO SHALL HAVE A BACKGROUND EXPERTISE IN TRANSPORTATION SAFETY AND ONE OR MORE INDUSTRY RECOGNIZED TRANSPORTATION SAFETY CERTIFICATIONS.~~

~~27. CONSISTENT WITH 49 U.S.C. 5329, AS AMENDED, THE COMMISSION MAY EMPLOY, UNDER THE DIRECTION OF THE CHIEF EXECUTIVE OFFICER, SUCH OTHER TECHNICAL, LEGAL, CLERICAL, AND OTHER EMPLOYEES ON A REGULAR, PART TIME, OR AS NEEDED BASIS AS IN ITS JUDGMENT MAY BE NECESSARY OR DESIRABLE FOR THE DISCHARGE OF ITS DUTIES.~~

~~28. THE COMMISSION SHALL NOT BE BOUND BY ANY STATUTE OR REGULATION OF ANY SIGNATORY IN THE EMPLOYMENT OR DISCHARGE OF ANY OFFICER OR EMPLOYEE OF THE COMMISSION, BUT SHALL DEVELOP ITS OWN POLICIES IN COMPLIANCE WITH FEDERAL LAW. THE MSC SHALL, HOWEVER, CONSIDER THE LAWS OF THE SIGNATORIES IN DEVISING ITS EMPLOYMENT AND DISCHARGE POLICIES, AND WHEN IT DETERMINES IT IS PRACTICAL TO DO SO, DEVISE POLICIES CONSISTENT WITH THE LAWS OF THE SIGNATORIES.~~

~~29. THE BOARD MAY FIX AND PROVIDE POLICIES FOR THE QUALIFICATIONS, APPOINTMENT, REMOVAL, TERM, TENURE, COMPENSATION, BENEFITS, WORKERS' COMPENSATION, PENSION, AND RETIREMENT RIGHTS OF ITS EMPLOYEES SUBJECT TO FEDERAL LAW AND MAY ESTABLISH, IN ITS DISCRETION, A PERSONNEL SYSTEM BASED ON MERIT AND FITNESS AND, SUBJECT TO ELIGIBILITY, PARTICIPATE IN THE PENSION AND RETIREMENT, RETIREMENT, OR WORKERS' COMPENSATION PLANS OF ANY SIGNATORY, OR POLITICAL SUBDIVISION OR AGENCY THEREOF.~~

ARTICLE IV.

POWERS

A. SAFETY OVERSIGHT POWERS.

~~30. IN CARRYING OUT ITS PURPOSES, THE COMMISSION, THROUGH ITS BOARD OR DESIGNATED EMPLOYEES OR AGENTS, SHALL, CONSISTENT WITH 49 U.S.C. 5329, AS AMENDED, AND ANY FEDERAL REGULATIONS PROMULGATED THEREUNDER:~~

~~(A) ADOPT, REVISE, AND DISTRIBUTE A WRITTEN STATE SAFETY OVERSIGHT PROGRAM;~~

~~(B) REVIEW, APPROVE, OVERSEE, AND ENFORCE THE ADOPTION AND IMPLEMENTATION OF THE WMATA PUBLIC TRANSPORTATION AGENCY SAFETY PLAN;~~

~~(C) REQUIRE, REVIEW, APPROVE, OVERSEE, AND ENFORCE THE ADOPTION AND IMPLEMENTATION OF ANY CORRECTIVE ACTION PLANS THE COMMISSION DEEMS APPROPRIATE;~~

~~(D) IMPLEMENT AND ENFORCE RELEVANT FEDERAL AND STATE LAWS AND REGULATIONS RELATING TO SAFETY OF THE WMATA RAIL SYSTEM; AND~~

~~(E) AUDIT EVERY THREE YEARS THE COMPLIANCE OF WMATA WITH THE PUBLIC TRANSPORTATION AGENCY SAFETY PLAN OR CONDUCT SUCH AN AUDIT ON AN ONGOING BASIS OVER A THREE YEAR TIME FRAME.~~

~~31. IN PERFORMING ITS DUTIES, THE COMMISSION, THROUGH ITS BOARD OR DESIGNATED EMPLOYEES OR AGENTS, MAY:~~

~~(A) CONDUCT, OR CAUSE TO BE CONDUCTED, INSPECTIONS, INVESTIGATIONS, EXAMINATIONS, AND TESTING OF THE WMATA PERSONNEL AND CONTRACTORS, PROPERTY, EQUIPMENT, FACILITIES, ROLLING STOCK, AND OPERATIONS OF THE WMATA RAIL SYSTEM, INCLUDING ELECTRONIC INFORMATION AND DATABASES, THROUGH REASONABLE MEANS, WHICH MAY INCLUDE THE ISSUANCE OF SUBPOENAS;~~

~~(B) ENTER UPON THE WMATA RAIL SYSTEM AND, UPON REASONABLE NOTICE AND A FINDING BY THE CHIEF EXECUTIVE OFFICER THAT A NEED EXISTS, UPON ANY LANDS, WATERS, AND PREMISES ADJACENT TO THE WMATA RAIL SYSTEM, INCLUDING PROPERTY OWNED OR OCCUPIED BY THE FEDERAL GOVERNMENT, FOR THE PURPOSE OF CONDUCTING INSPECTIONS, INVESTIGATIONS, EXAMINATIONS, AND TESTING AS THE COMMISSION MAY DEEM NECESSARY TO CARRY OUT THE PURPOSES OF THIS MSC COMPACT, AND THE ENTRY SHALL NOT BE DEEMED A TRESPASS. THE COMMISSION SHALL MAKE REASONABLE REIMBURSEMENT FOR ANY ACTUAL DAMAGE RESULTING TO THE ADJACENT LANDS, WATERS, AND PREMISES AS A RESULT OF SUCH ACTIVITIES;~~

~~(C) COMPEL COMPLIANCE BY WMATA WITH ANY CORRECTIVE ACTION PLAN OR ORDER OF THE COMMISSION BY MEANS THE COMMISSION DEEMS APPROPRIATE, INCLUDING:~~

~~(1) ISSUING SUBPOENAS;~~

~~(2) TAKING LEGAL ACTION IN A COURT OF COMPETENT JURISDICTION;~~

~~(3)(2) ISSUING CITATIONS OR FINES, WITH FUNDS DEPOSITED INTO AN ESCROW ACCOUNT FOR USE BY WMATA ON COMMISSION-DIRECTED SAFETY MEASURES;~~

~~(4)(3) DIRECTING WMATA TO PRIORITIZE SPENDING ON SAFETY-CRITICAL ITEMS;~~

~~(5)(4) REMOVING A SPECIFIC VEHICLE, INFRASTRUCTURE ELEMENT, OR HAZARD FROM THE WMATA RAIL SYSTEM; AND~~

~~(6)(5) RESTRICTING, SUSPENDING, OR PROHIBITING RAIL SERVICE, WITH APPROPRIATE NOTICE, ON ALL OR PART OF THE WMATA RAIL SYSTEM;~~

~~(D) DIRECT WMATA TO SUSPEND OR DISQUALIFY FROM PERFORMING IN A SAFETY SENSITIVE POSITION AN INDIVIDUAL WHO HAS VIOLATED OR IS ALLEGED TO HAVE VIOLATED SAFETY RULES, REGULATIONS, POLICIES, OR LAWS IN A MANNER THAT THE COMMISSION DETERMINES MAKES THAT INDIVIDUAL UNFIT FOR THE PERFORMANCE IN THE POSITION; AND~~

~~(E) COMPEL WMATA'S OFFICE OF THE INSPECTOR GENERAL OR ANY SUCCESSOR OFFICE TO CONDUCT SAFETY-RELATED AUDITS OR INVESTIGATIONS AND TO PROVIDE ITS FINDINGS TO THE COMMISSION; AND~~

~~(F) TAKE ANY OTHER ACTIONS THAT THE COMMISSION DEEMS APPROPRIATE, CONSISTENT WITH ITS PURPOSES AND POWERS.~~

~~32. ACTION BY THE BOARD UNDER SECTION 31(C)(5) SHALL REQUIRE THE UNANIMOUS VOTE OF ALL MEMBERS PRESENT AND VOTING. THE COMMISSION SHALL COORDINATE ITS ENFORCEMENT ACTIVITIES WITH APPROPRIATE FEDERAL AND STATE GOVERNMENTAL AUTHORITIES.~~

~~B. GENERAL POWERS.~~

~~33. IN ADDITION TO THE POWERS AND DUTIES SET FORTH ABOVE, THE COMMISSION MAY:~~

~~(A) SUE AND BE SUED;~~

~~(B) ADOPT, AMEND, AND REPEAL RULES AND REGULATIONS RESPECTING THE EXERCISE OF THE POWERS CONFERRED BY THIS MSC COMPACT;~~

~~(C) CREATE AND ABOLISH OFFICES, EMPLOYMENTS, AND POSITIONS (OTHER THAN THOSE SPECIFICALLY PROVIDED FOR IN THIS MSC COMPACT) AS IT DEEMS NECESSARY OR DESIRABLE FOR THE PURPOSES OF THE COMMISSION;~~

~~(D) DETERMINE A STAFFING LEVEL FOR THE COMMISSION THAT IS COMMENSURATE WITH THE SIZE AND COMPLEXITY OF THE WMATA RAIL SYSTEM, AND REQUIRE THAT EMPLOYEES AND OTHER DESIGNATED PERSONNEL OF THE COMMISSION, WHO ARE RESPONSIBLE FOR SAFETY OVERSIGHT, BE QUALIFIED TO PERFORM SUCH FUNCTIONS THROUGH APPROPRIATE TRAINING, INCLUDING SUCCESSFUL COMPLETION OF THE PUBLIC TRANSPORTATION SAFETY CERTIFICATION TRAINING PROGRAM;~~

~~(E) CONTRACT FOR OR EMPLOY CONSULTING ATTORNEYS, INSPECTORS, ENGINEERS, AND OTHER EXPERTS THAT ARE DEEMED NECESSARY OR DESIRABLE AND WITHIN THE LIMITATIONS PRESCRIBED IN THIS MSC COMPACT, PRESCRIBE THEIR POWERS AND DUTIES, AND FIX THEIR COMPENSATION;~~

~~(F) ENTER INTO AND PERFORM CONTRACTS, LEASES, AND AGREEMENTS AS MAY BE NECESSARY OR DESIRABLE FOR THE PERFORMANCE OF ITS DUTIES AND IN THE EXECUTION OF THE POWERS GRANTED UNDER THIS MSC COMPACT;~~

~~(G) APPLY FOR, RECEIVE, AND ACCEPT PAYMENTS, APPROPRIATIONS, GRANTS, GIFTS, LOANS, ADVANCES, AND OTHER FUNDS, PROPERTIES, AND SERVICES THAT ARE TRANSFERRED OR MADE AVAILABLE TO IT BY THE UNITED STATES GOVERNMENT OR ANY OTHER PUBLIC OR PRIVATE ENTITY OR INDIVIDUAL, SUBJECT TO THE LIMITATIONS SPECIFIED IN § 42 OF ARTICLE V;~~

~~(H) ADOPT AN OFFICIAL SEAL AND ALTER THE SEAL AT ITS PLEASURE;~~

~~(I) ADOPT AND AMEND BYLAWS, POLICIES, AND PROCEDURES GOVERNING THE REGULATION OF ITS AFFAIRS;~~

~~(J) APPOINT ONE OR MORE ADVISORY COMMITTEES; AND~~

~~(K) DO ALL ACTS AND THINGS NECESSARY OR DESIRABLE TO THE PERFORMANCE OF ITS DUTIES AND THE EXECUTION OF ITS POWERS UNDER THIS MSC COMPACT.~~

~~34. CONSISTENT WITH § 24 OF ARTICLE III OF THIS MSC COMPACT, THE COMMISSION SHALL PROMULGATE RULES AND REGULATIONS TO CARRY OUT THE PURPOSES OF THIS MSC COMPACT.~~

ARTICLE V.

GENERAL PROVISIONS

A. ANNUAL SAFETY REPORT.

~~35. THE COMMISSION SHALL MAKE AND PUBLISH ANNUALLY A STATUS REPORT ON THE SAFETY OF THE WMATA RAIL SYSTEM THAT SHALL INCLUDE STATUS UPDATES OF OUTSTANDING CORRECTIVE ACTION PLANS, COMMISSION DIRECTIVES, AND ONGOING INVESTIGATIONS. A COPY OF EACH REPORT SHALL BE PROVIDED TO THE ADMINISTRATOR OF THE FEDERAL TRANSIT ADMINISTRATION, THE GOVERNOR OF VIRGINIA, THE GOVERNOR OF MARYLAND, THE MAYOR OF THE DISTRICT OF COLUMBIA, THE CHAIR OF THE DISTRICT OF COLUMBIA CITY COUNCIL, THE PRESIDENT OF THE MARYLAND SENATE AND THE SPEAKER OF THE MARYLAND HOUSE OF DELEGATES, THE PRESIDENT OF THE VIRGINIA SENATE AND THE SPEAKER OF THE VIRGINIA HOUSE OF DELEGATES, AND THE GENERAL MANAGER AND EACH MEMBER OF THE BOARD OF DIRECTORS OF WMATA.~~

~~36. THE COMMISSION MAY PREPARE, PUBLISH, AND DISTRIBUTE ANY OTHER SAFETY REPORTS THAT IT DEEMS NECESSARY OR DESIRABLE.~~

B. ANNUAL PROGRAMS, OPERATIONS, AND FINANCES REPORT AND OTHER REPORTS.

~~37. THE COMMISSION SHALL MAKE AND PUBLISH AN ANNUAL REPORT ON ITS PROGRAMS, OPERATIONS, AND FINANCES, WHICH SHALL BE DISTRIBUTED IN THE SAME MANNER PROVIDED BY § 35 OF THIS ARTICLE V FOR THE ANNUAL SAFETY REPORT.~~

~~38. THE COMMISSION MAY ALSO PREPARE, PUBLISH, AND DISTRIBUTE ANY OTHER PUBLIC REPORTS AND INFORMATIONAL MATERIALS THAT IT DEEMS NECESSARY OR DESIRABLE.~~

C. ANNUAL AUDIT.

~~39. AN INDEPENDENT ANNUAL AUDIT SHALL BE MADE OF THE FINANCIAL ACCOUNTS OF THE COMMISSION. THE AUDIT SHALL BE MADE BY QUALIFIED CERTIFIED PUBLIC ACCOUNTANTS SELECTED BY THE BOARD, WHO SHALL HAVE NO PERSONAL INTEREST, DIRECT OR INDIRECT, IN THE FINANCIAL AFFAIRS OF THE COMMISSION OR ANY OF ITS OFFICERS OR EMPLOYEES. THE REPORT OF AUDIT~~

~~SHALL BE PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING PRINCIPLES AND SHALL BE DISTRIBUTED IN THE SAME MANNER PROVIDED BY § 35 OF THIS ARTICLE V FOR THE ANNUAL SAFETY REPORT. MEMBERS, EMPLOYEES, AGENTS, AND CONTRACTORS OF THE COMMISSION SHALL PROVIDE ACCESS TO INFORMATION NECESSARY OR DESIRABLE FOR THE CONDUCT OF THE ANNUAL AUDIT.~~

~~D. FUNDING.~~

~~40. COMMISSION OPERATIONS SHALL BE FUNDED, INDEPENDENTLY OF WMATA, BY THE SIGNATORY JURISDICTIONS AND, WHEN AVAILABLE, BY FEDERAL FUNDS. THE COMMISSION SHALL HAVE NO AUTHORITY TO LEVY TAXES.~~

~~41. THE SIGNATORY JURISDICTIONS SHALL UNANIMOUSLY AGREE ON ADEQUATE FUNDING LEVELS FOR THE COMMISSION AND MAKE EQUAL FUNDING CONTRIBUTIONS, SUBJECT TO ANNUAL APPROPRIATION, TO COVER THE PORTION OF COMMISSION OPERATIONS NOT FUNDED BY FEDERAL FUNDS.~~

~~42. THE COMMISSION MAY BORROW UP TO 5% OF ITS LAST APPROPRIATIONS BUDGET IN ANTICIPATION OF RECEIPTS, OR AS OTHERWISE SET FORTH IN THE APPROPRIATIONS BUDGET APPROVED BY ALL OF THE SIGNATORIES, FROM ANY LAWFUL LENDING INSTITUTION FOR ANY PURPOSE OF THIS COMPACT, INCLUDING ADMINISTRATIVE EXPENSES. THE LOANS SHALL BE FOR A TERM NOT TO EXCEED TWO YEARS, OR A LONGER TERM APPROVED BY EACH JURISDICTION PURSUANT TO THEIR LAWS AS EVIDENCED BY THE WRITTEN AUTHORIZATION OF THE MAYOR OF THE DISTRICT OF COLUMBIA AND THE GOVERNORS OF MARYLAND AND VIRGINIA AND AT THE RATES OF INTEREST THAT ARE ACCEPTABLE TO THE COMMISSION.~~

~~43. WITH RESPECT TO THE DISTRICT OF COLUMBIA, THE COMMITMENT OR OBLIGATION TO RENDER FINANCIAL ASSISTANCE TO THE COMMISSION SHALL BE CREATED, FOR EACH FISCAL PERIOD, BY APPROPRIATION OR IN SUCH OTHER MANNER, OR BY SUCH OTHER LEGISLATION, AS THE DISTRICT OF COLUMBIA SHALL DETERMINE, PROVIDED THAT ANY COMMITMENT OR OBLIGATION MUST BE APPROVED BY THE FEDERAL GOVERNMENT PURSUANT TO SECTION 603 OF THE DISTRICT OF COLUMBIA HOME RULE ACT, APPROVED DECEMBER 24, 1973, 87 STAT. 790, PUB. L. 93 198, D.C. OFFICIAL CODE § 1 206.03 (2012 REPL.) CONGRESS.~~

~~44. PURSUANT TO THE PROVISIONS OF (I) THE FEDERAL ANTI DEFICIENCY ACT, 31 U.S.C. §§ 1341, 1342, 1349 1351, AND 1511 1519 (2008) (THE "FEDERAL ADA"), AND D.C. OFFICIAL CODE §§ 1 206.03(E) AND § 47 105; (II) THE DISTRICT OF COLUMBIA ANTI DEFICIENCY ACT, D.C. OFFICIAL CODE §§ 47 355.01 355.08 (THE "D.C. ADA" AND (I) AND (II) COLLECTIVELY, AS AMENDED FROM TIME TO~~

~~TIME, THE “ANTI-DEFICIENCY ACTS”); AND (III) SECTION 446 OF THE DISTRICT OF COLUMBIA HOME RULE ACT, D.C. OFFICIAL CODE § 1-204.46, THE DISTRICT OF COLUMBIA CANNOT OBLIGATE ITSELF TO ANY FINANCIAL COMMITMENT IN ANY PRESENT OR FUTURE YEAR UNLESS THE NECESSARY FUNDS TO PAY THAT COMMITMENT HAVE BEEN APPROPRIATED BY THE CONGRESS OF THE UNITED STATES (THE “CONGRESS”) AND AND ARE LAWFULLY AVAILABLE FOR THE PURPOSE COMMITTED. THUS, PURSUANT TO THE ANTI-DEFICIENCY ACTS, NOTHING IN THIS MSC COMPACT CREATES AN OBLIGATION OF THE DISTRICT OF COLUMBIA IN ANTICIPATION OF AN APPROPRIATION BY CONGRESS FOR SUCH PURPOSE, AND THE DISTRICT OF COLUMBIA’S LEGAL LIABILITY FOR THE PAYMENT OF ANY AMOUNT UNDER THIS MSC COMPACT DOES NOT AND MAY NOT ARISE OR OBTAIN IN ADVANCE OF THE LAWFUL AVAILABILITY OF APPROPRIATED FUNDS FOR THE APPLICABLE FISCAL YEAR AS APPROVED BY CONGRESS.~~

~~IF, PRIOR TO SUCH COMMITMENT BEING MADE BY OR ON BEHALF OF THE DISTRICT OF COLUMBIA, LEGISLATION IS ENACTED BY THE CONGRESS GRANTING THE GOVERNING BODY OF THE DISTRICT OF COLUMBIA PLENARY POWER TO CREATE OBLIGATIONS, THE COMMITMENT BY THE DISTRICT OF COLUMBIA SHALL BE BY CONTRACT OR AGREEMENT BETWEEN THE GOVERNING BODY OF THE DISTRICT OF COLUMBIA AND THE COMMISSION TO UNDERTAKE ITS ROLE IN SAFETY OVERSIGHT.~~

~~**E. EXERCISE OF POWERS.**~~

~~45. THE EXERCISE OF THE POWERS GRANTED BY THIS MSC COMPACT SHALL IN ALL RESPECTS BE FOR THE BENEFIT OF THE PEOPLE OF THE DISTRICT OF COLUMBIA, COMMONWEALTH OF VIRGINIA, AND STATE OF MARYLAND AND FOR THE INCREASE OF THEIR SAFETY, COMMERCE, AND PROSPERITY, AND AS THE ACTIVITIES ASSOCIATED WITH THIS MSC COMPACT SHALL CONSTITUTE THE PERFORMANCE OF ESSENTIAL GOVERNMENTAL FUNCTIONS, THE COMMISSION SHALL NOT BE REQUIRED TO PAY ANY TAXES OR ASSESSMENTS UPON THE SERVICES OR ANY PROPERTY ACQUIRED OR USED BY THE COMMISSION UNDER THE PROVISIONS OF THIS MSC COMPACT OR UPON THE INCOME THEREFROM, AND SHALL AT ALL TIMES BE FREE FROM TAXATION WITHIN THE DISTRICT OF COLUMBIA, COMMONWEALTH OF VIRGINIA, AND STATE OF MARYLAND.~~

~~**F. WMATA RIGHT TO PETITION COMMISSION.**~~

~~46. WMATA SHALL HAVE THE RIGHT TO PETITION THE COMMISSION FOR RECONSIDERATION OF AN ORDER BASED ON RULES AND PROCEDURES DEVELOPED BY THE COMMISSION.~~

~~47. CONSISTENT WITH § 16 OF ARTICLE III, THE FILING OF A PETITION FOR RECONSIDERATION SHALL NOT ACT AS A STAY UPON THE EXECUTION OF A~~

~~COMMISSION ORDER, OR ANY PART OF IT, UNLESS THE COMMISSION ORDERS OTHERWISE. WMATA MAY APPEAL ANY ADVERSE ACTION ON A PETITION FOR RECONSIDERATION AS SET FORTH IN SECTION 48.~~

~~G. COURTS OF JURISDICTION.~~

~~48. THE UNITED STATES DISTRICT COURTS FOR THE EASTERN DISTRICT OF VIRGINIA, ALEXANDRIA DIVISION, UNITED STATES DISTRICT COURTS FOR MARYLAND, SOUTHERN DIVISION, AND UNITED STATES DISTRICT COURTS FOR THE DISTRICT OF COLUMBIA SHALL HAVE EXCLUSIVE AND ORIGINAL JURISDICTION OVER ALL ACTIONS BROUGHT BY OR AGAINST THE COMMISSION AND TO ENFORCE SUBPOENAS UNDER THIS MSC COMPACT.~~

~~49. THE COMMENCEMENT OF A JUDICIAL PROCEEDING SHALL NOT OPERATE AS A STAY OF A COMMISSION ORDER UNLESS SPECIFICALLY ORDERED BY THE COURT.~~

~~H. LIABILITY OF COMMISSION AND ITS MEMBERS, OFFICERS, AGENTS, EMPLOYEES, OR REPRESENTATIVES.~~

~~50. THE COMMISSION AND ITS MEMBERS, ALTERNATE MEMBERS, OFFICERS, AGENTS, EMPLOYEES, OR REPRESENTATIVES SHALL NOT BE LIABLE FOR SUIT OR ACTION OR FOR ANY JUDGMENT OR DECREE FOR DAMAGES, LOSS, OR INJURY RESULTING FROM ACTION TAKEN WITHIN THE SCOPE OF THEIR EMPLOYMENT OR DUTIES UNDER THIS MSC COMPACT, NOR REQUIRED IN ANY CASE ARISING OR ANY APPEAL TAKEN UNDER THIS MSC COMPACT TO GIVE A SUPERSEDEAS BOND OR SECURITY FOR DAMAGES. NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO PROTECT A PERSON FROM SUIT OR LIABILITY FOR DAMAGE, LOSS, INJURY, OR LIABILITY CAUSED BY THE INTENTIONAL OR WILLFUL AND WANTON MISCONDUCT OF THE PERSON.~~

~~51. THE COMMISSION SHALL BE LIABLE FOR ITS CONTRACTS AND FOR ITS TORTS AND THOSE OF ITS MEMBERS, ALTERNATE MEMBERS, OFFICERS, AGENTS, EMPLOYEES, AND REPRESENTATIVES COMMITTED IN THE CONDUCT OF ANY PROPRIETARY FUNCTION, IN ACCORDANCE WITH THE LAW OF THE APPLICABLE SIGNATORY (INCLUDING, WITHOUT LIMITATION, RULES ON CONFLICT OF LAWS) BUT SHALL NOT BE LIABLE FOR ANY TORTS OCCURRING IN THE PERFORMANCE OF A GOVERNMENTAL FUNCTION. THE EXCLUSIVE REMEDY FOR A BREACH OF CONTRACT OR TORT FOR WHICH THE COMMISSION SHALL BE LIABLE, AS HEREIN PROVIDED, SHALL BE BY SUIT AGAINST THE COMMISSION. NOTHING CONTAINED IN THIS MSC COMPACT SHALL BE CONSTRUED AS A WAIVER BY THE DISTRICT OF COLUMBIA, MARYLAND, OR VIRGINIA OF ANY IMMUNITY FROM SUIT.~~

~~I. PLEDGE OF FAITHFUL COOPERATION BY SIGNATORIES.~~

~~52. EACH OF THE SIGNATORIES PLEDGES TO EACH OTHER FAITHFUL COOPERATION IN PROVIDING SAFETY OVERSIGHT FOR THE WMATA RAIL SYSTEM, AND, TO EFFECT SUCH PURPOSES, AGREES TO CONSIDER IN GOOD FAITH AND REQUEST ANY NECESSARY LEGISLATION TO ACHIEVE THE OBJECTIVES OF THIS MSC COMPACT.~~

~~J. AMENDMENTS AND SUPPLEMENTS TO COMPACT.~~

~~53. AMENDMENTS AND SUPPLEMENTS TO THIS MSC COMPACT SHALL BE ADOPTED BY LEGISLATIVE ACTION OF EACH OF THE SIGNATORIES AND THE CONSENT OF CONGRESS. WHEN ONE SIGNATORY ADOPTS AN AMENDMENT OR SUPPLEMENT TO AN EXISTING SECTION OF THIS MSC COMPACT, THAT AMENDMENT OR SUPPLEMENT SHALL NOT BE IMMEDIATELY EFFECTIVE, AND THE PREVIOUSLY ENACTED PROVISION OR PROVISIONS SHALL REMAIN IN EFFECT IN EACH JURISDICTION UNTIL THE AMENDMENT OR SUPPLEMENT IS APPROVED BY THE OTHER SIGNATORIES AND IS CONSENTED TO BY CONGRESS.~~

~~K. WITHDRAWAL FROM COMPACT BY SIGNATORY.~~

~~54. ANY SIGNATORY MAY WITHDRAW FROM THIS MSC COMPACT, WHICH ACTION SHALL CONSTITUTE A TERMINATION OF THIS MSC COMPACT.~~

~~55. WITHDRAWAL FROM THIS MSC COMPACT SHALL BE BY THE ENACTMENT OF LEGISLATION REPEALING THE STATUTORY AUTHORITY FOR THIS MSC COMPACT, BUT THE REPEAL MAY NOT TAKE EFFECT UNTIL ONE YEAR TWO YEARS AFTER THE EFFECTIVE DATE OF THE LEGISLATION AND UNTIL WRITTEN NOTICE OF THE WITHDRAWAL HAS BEEN GIVEN BY THE WITHDRAWING STATE SIGNATORY TO THE EXECUTIVE OF EACH OTHER MEMBER JURISDICTION. IN THE EVENT OF A WITHDRAWAL OF ONE OF THE SIGNATORIES FROM THE WMATA COMPACT, THIS MSC COMPACT SHALL BE TERMINATED AS OF THE SAME DATE.~~

~~56. PRIOR TO TERMINATION OF THIS MSC COMPACT, THE COMMISSION SHALL PROVIDE EACH SIGNATORY:~~

~~(A) A MECHANISM FOR CONCLUDING THE OPERATIONS OF THE COMMISSION;~~

~~(B) A PROPOSAL TO MAINTAIN STATE SAFETY OVERSIGHT OF THE WMATA RAIL SYSTEM IN COMPLIANCE WITH APPLICABLE FEDERAL LAW; AND~~

~~(C) A PLAN TO RETURN SURPLUS FUNDS THAT MAY EXIST UPON THE TERMINATION OF THIS MSC COMPACT AFTER THE PAYMENT OF, AND THE RESERVATION OF FUNDS FOR PAYMENT OF, ALL OF ITS DEBTS AND OBLIGATIONS~~

~~HOLD SURPLUS FUNDS IN A TRUST FOR A SUCCESSOR REGULATORY ENTITY FOR FOUR YEARS AFTER THE TERMINATION OF THIS MSC COMPACT; AND~~

~~(D) A PLAN TO RETURN ANY SURPLUS FUNDS THAT REMAIN 4 YEARS AFTER THE CREATION OF THE TRUST.~~

~~L. LIBERAL CONSTRUCTION.~~

~~57. THIS MSC COMPACT SHALL BE LIBERALLY CONSTRUED TO EFFECTUATE THE PURPOSES FOR WHICH IT IS CREATED.~~

~~58. IF ANY PART OR PROVISION OF THIS MSC COMPACT OR ITS APPLICATION TO ANY PERSON OR CIRCUMSTANCES IS ADJUDGED INVALID BY ANY COURT OF COMPETENT JURISDICTION, THE JUDGMENT SHALL BE CONFINED IN ITS OPERATION TO THE PART, PROVISION, OR APPLICATION DIRECTLY INVOLVED IN THE CONTROVERSY IN WHICH THE JUDGMENT SHALL HAVE BEEN RENDERED AND SHALL NOT AFFECT OR IMPAIR THE VALIDITY OF THE REMAINDER OF THIS MSC COMPACT OR ITS APPLICATION TO OTHER PERSONS OR CIRCUMSTANCES, AND THE SIGNATORIES HEREBY DECLARE THAT THEY WOULD HAVE ENTERED INTO THIS MSC COMPACT OR THE REMAINDER OF THE COMPACT HAD THE INVALIDITY OF THE PROVISION OR ITS APPLICATION BEEN APPARENT.~~

~~M. MANNER OF ADOPTION OF COMPACT.~~

~~59. THIS MSC COMPACT SHALL BE ADOPTED BY THE SIGNATORIES IN THE MANNER PROVIDED BY LAW THEREFOR AND SHALL BE SIGNED AND SEALED IN FOUR DUPLICATE ORIGINAL COPIES. ONE COPY SHALL BE FILED WITH THE SECRETARY OF STATE OF THE STATE OF MARYLAND, ONE COPY WITH THE SECRETARY OF THE COMMONWEALTH OF VIRGINIA, AND ONE COPY WITH THE SECRETARY OF THE DISTRICT OF COLUMBIA IN ACCORDANCE WITH THE LAWS OF EACH JURISDICTION. ONE COPY SHALL BE FILED AND RETAINED IN THE ARCHIVES OF THE COMMISSION UPON ITS ORGANIZATION. THIS MSC COMPACT SHALL BECOME EFFECTIVE UPON THE ENACTMENT OF CONCURRING LEGISLATION BY THE DISTRICT OF COLUMBIA, MARYLAND, AND VIRGINIA, AND CONSENT BY THE CONGRESS OF THE UNITED STATES AND WHEN ALL OTHER ACTS OR ACTIONS HAVE BEEN TAKEN, INCLUDING, WITHOUT LIMITATION, THE SIGNING AND EXECUTION OF THIS MSC COMPACT BY THE GOVERNORS OF MARYLAND AND VIRGINIA AND THE MAYOR OF THE DISTRICT OF COLUMBIA.~~

~~N. CONFLICT OF LAWS.~~

~~60. ANY CONFLICT BETWEEN ANY AUTHORITY GRANTED HEREIN, OR THE EXERCISE OF THE AUTHORITY, AND THE PROVISIONS OF THE WMATA COMPACT~~

~~SHALL BE RESOLVED IN FAVOR OF THE EXERCISE OF THE AUTHORITY BY THE COMMISSION.~~

~~61. ALL OTHER GENERAL OR SPECIAL LAWS INCONSISTENT WITH THIS MSC COMPACT ARE HEREBY DECLARED TO BE INAPPLICABLE TO THE COMMISSION OR ITS ACTIVITIES.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act may not take effect until a similar Act is enacted by the Commonwealth of Virginia and by the District of Columbia; that the Commonwealth of Virginia and the District of Columbia each is requested to concur in this Act of the General Assembly of Maryland by the enactment of a similar Act; that the Department of Legislative Services shall notify the appropriate officials of the Commonwealth of Virginia, the District of Columbia, and the United States Congress of the enactment of this Act; and that upon the concurrence in this Act by the Commonwealth of Virginia and by the District of Columbia and approval by the United States Congress, the Governor of the State of Maryland shall issue a proclamation declaring this Act valid and effective and shall forward a copy of the proclamation to the Director of the Department of Legislative Services.~~

~~SECTION ~~2~~ ~~3~~ 2. AND BE IT FURTHER ENACTED, That, subject to Section 2 of this Act, this Act shall take effect June 1, 2017, contingent on the taking effect of Chapter ~~(S.B. /H.B.)~~ (7lr0013) of the Acts of the General Assembly of 2017, and if Chapter ~~(S.B. /H.B.)~~ (7lr0013) does not become effective, this Act shall be null and void without the necessity of further action by the General Assembly is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted *this Act shall take effect June 1, 2017, contingent on the taking effect of Chapter 3 of the Acts of the General Assembly of 2017, and if Chapter 3 does not become effective, this Act shall be null and void without the necessity of further action by the General Assembly.*~~

Approved by the Governor, April 18, 2017.

Chapter 352

(House Bill 285)

AN ACT concerning

Washington Metrorail Safety Commission Membership Act

FOR the purpose of requiring that certain members of the board of directors of the Washington Metrorail Safety Commission be appointed by the Governor with the advice and consent of the Senate; requiring one regular member of the board of

directors of the Commission who is appointed by the Governor to be a resident of Montgomery County or Prince George's County; providing that the regular member of the board of directors of the Commission who is a resident of Montgomery County or Prince George's County may not be succeeded by an individual who is a resident of the same county; making this Act contingent on the taking effect of another Act; and generally relating to the membership of the Washington Metrorail Safety Commission.

BY adding to

Article – Transportation

Section 7–709

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

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

Article – Transportation

7–709.

(A) IN THIS SECTION, “COMMISSION” MEANS THE WASHINGTON METRORAIL SAFETY COMMISSION ESTABLISHED UNDER § 10–208 OF THIS ARTICLE.

(B) TWO REGULAR MEMBERS AND ONE ALTERNATE MEMBER OF THE BOARD OF DIRECTORS OF THE COMMISSION SHALL BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE.

(C) (1) ONE OF THE REGULAR MEMBERS OF THE BOARD OF DIRECTORS OF THE COMMISSION WHO IS APPOINTED BY THE GOVERNOR SHALL BE A RESIDENT OF MONTGOMERY COUNTY OR PRINCE GEORGE’S COUNTY.

(2) THE INDIVIDUAL APPOINTED UNDER THIS SUBSECTION MAY NOT BE SUCCEEDED IN OFFICE BY AN INDIVIDUAL WHO IS A RESIDENT OF THE SAME COUNTY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017, contingent on the taking effect of Chapter 3 of the Acts of the General Assembly of 2017, and if Chapter 3 does not become effective, this Act shall be null and void without the necessity of further action by the General Assembly.

Approved by the Governor, April 18, 2017.

Chapter 353**(Senate Bill 917)**

AN ACT concerning

Motor Vehicles – ~~Gross Weight and Axle Load and~~ *Seasonal Exceptional Poultry Hauling Permit* – ~~Poultry~~

FOR the purpose of ~~exempting a certain combination of vehicles with a trailer or semitrailer from certain gross weight limits under certain circumstances; establishing the gross weight limit for a certain combination of vehicles with a trailer or semitrailer that is carrying poultry under certain circumstances; authorizing a certain combination of vehicles with a trailer or semitrailer to have a certain axle load limit tolerance and gross weight limit tolerance under certain circumstances; applying certain provisions of law regarding exceptional hauling permits to a certain combination of vehicles with a trailer or semitrailer~~ *authorizing the State Highway Administration to issue a seasonal exceptional poultry hauling permit that authorizes certain axle configurations and certain increased weight limits during a certain time period annually under certain circumstances*; requiring a certain combination of vehicles with a trailer or semitrailer to submit to and pass a certain inspection with a certain frequency; requiring a certain person operating a certain combination of vehicles with a trailer or semitrailer to have a copy of a certain inspection report while operating the combination of vehicles; ~~requiring the State Highway Administration to enter into a certain agreement with a certain poultry processing company for the collection of certain information; requiring that the information specified in the agreement be provided to the Administration with a certain frequency; requiring certain poultry processing facilities to submit certain information to the Administration on or before a certain date each year; establishing certain goals for the percentage of certain combinations of vehicles that have a certain axle configuration; requiring the Administration to use certain information to determine the progress made toward meeting the goals established under this Act; requiring the Administration to submit a certain report to certain committees of the General Assembly on or before a certain date each year~~; providing for the termination *dates* of this Act *under certain circumstances*; ~~making stylistic changes~~; and generally relating to ~~gross weight and axle load and~~ *seasonal* exceptional *poultry* hauling permits for certain poultry carriers.

BY repealing and reenacting, with amendments,
Article – Transportation
Section ~~24-109~~ and 24-113.2
Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

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

Article - Transportation

~~24-100.~~

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

~~(2) "Single axle weight" means the total weight transmitted by all wheels whose centers may be included between 2 parallel transverse vertical planes 40 inches apart extending across the full width of the vehicle.~~

~~(3) "Tandem axle weight" means the total weight transmitted to the road by 2 or more consecutive axles whose centers may be included between parallel vertical planes spaced more than 40 inches apart but not more than 96 inches apart extending across the full width of the vehicle.~~

~~(b) An over the road bus or any vehicle that is regularly and exclusively used as an intrastate public agency passenger bus:~~

~~(1) Is exempt from tandem axle weight limits provided in this section; but~~

~~(2) Shall comply with the vehicle and combination of vehicles weight limits provided in this section that are not tandem axle weight limits.~~

~~(e) Notwithstanding any other provisions of this title, EXCEPT SUBSECTION (C)(3) OF THIS SECTION, the overall gross weight on a group of 2 or more consecutive axles may not exceed an amount produced by application of the following formula:~~

$$\begin{array}{c}
 W = 500 \left(\frac{LN}{N-1} + 12N + 36 \right)
 \end{array}$$

~~where "W" = overall gross weight on any group of 2 or more consecutive axles to the nearest 500 pounds, "L" = distance in feet measured horizontally between the vertical centerlines of the extreme of any group of 2 or more consecutive axles, and "N" = number of axles in group under consideration, except that 2 consecutive sets of tandem axles may carry a gross load of 34,000 pounds each providing the overall distance between the first and last axles of such consecutive sets of tandem axles is 36 feet or more; provided, that such overall gross weight may not exceed eighty thousand (80,000) pounds, including any enforcement or statutory tolerances.~~

~~(d) [The] EXCEPT AS PROVIDED IN SUBSECTION (C)(3) OF THIS SECTION, THE following table indicates the permissible overall gross weights based upon the above formula:~~

Distance in feet between the extremes of any	2 axles	3 axles	4 axles	5 axles	6 axles	7 axles

group of 2 or more consecutive axles						
4	34,000					
5	34,000					
6	34,000					
7	34,000					
8						
and less	34,000	34,000				
More than						
8	38,000	42,000				
9	39,000	42,500				
10	40,000	43,500				
11		44,000				
12		45,000	50,000			
13		45,500	50,500			
14		46,500	51,500			
15		47,000	52,000			
16		48,000	52,500	58,000		
17		48,500	53,500	58,500		
18		49,500	54,000	59,000		
19		50,000	54,500	60,000		
20		51,000	55,500	60,500	66,000	
21		51,500	56,000	61,000	66,500	
22		52,500	56,500	61,500	67,000	
23		53,000	57,500	62,500	68,000	
24		54,000	58,000	63,000	68,500	74,000
25		54,500	58,500	63,500	69,000	74,500
26		55,500	59,500	64,000	69,500	75,000
27		56,000	60,000	65,000	70,000	75,500
28		57,000	60,500	65,500	71,000	76,500
29		57,500	61,500	66,000	71,500	77,000
30		58,500	62,000	66,500	72,000	77,500
31		59,000	62,500	67,500	72,500	78,000
32		60,000	63,500	68,000	73,000	78,500
33			64,000	68,500	74,000	79,000
34			64,500	69,000	74,500	80,000
35			65,500	70,000	75,000	
36	Exception:					
	See					
	subsection					
	(e),					
	this					
	section		(66,000)	70,500	75,500	
37			(66,500)	71,000	76,000	

38	(67,500)	72,000	77,000
39	68,000	72,500	77,500
40	68,500	73,000	78,000
41	69,500	73,500	78,500
42	70,000	74,000	79,000
43	70,500	75,000	80,000
44	71,500	75,500	
45	72,000	76,000	
46	72,500	76,500	
47	73,500	77,500	
48	74,000	78,000	
49	74,500	78,500	
50	75,500	79,000	
51	76,000	80,000	
52	76,500		
53	77,500		
54	78,000		
55	78,500		
56	79,500		
57	80,000		

~~(e) [The] EXCEPT AS PROVIDED IN SUBSECTION (G)(3) OF THIS SECTION, THE gross weight of any vehicle or combination of vehicles may not exceed the following limits:~~

	Number of axles	Gross weight (in pounds)
Three or less		55,000
Four		66,000
Five as provided for in § 13-916 or § 13-923 of this article		80,000

~~(f) A trailer with metal tires and a gross weight of more than 6,000 pounds may not be moved on a highway.~~

~~(g) (1) Except on interstate highways, a single unit vehicle with 3 axles, or a combination of vehicles with a trailer less than 32 feet long or a semitrailer less than 45 feet long, either registered as a farm vehicle or carrying farm products as defined under § 10-601 of the Agriculture Article that were loaded in fields or other off-highway locations, is permitted an axle load limit tolerance of [5 percent] 5% from subsections (c) and (d) of this section, except during harvest time when an axle load limit tolerance of [15 percent] 15% from subsections (c) and (d) of this section is permitted for a vehicle carrying the following agricultural products:~~

~~(i) Wheat, for the period from June 1 to August 15;~~

- ~~(ii) Corn, for the period from July 1 to December 1;~~
- ~~(iii) Soybeans, for the period from September 1 to December 31; and~~
- ~~(iv) Vegetable crops, for the period from June 1 to October 31.~~

~~(2) (i) Except on interstate highways, a single unit vehicle with at least 3 axles or a combination of vehicles with a trailer length of less than 32 feet carrying forest products that have been loaded in forests or other similar off-highway locations is permitted an axle load limit tolerance of [10 percent] 10% from subsections (e) and (d) of this section, except for the period from June 1 through September 30 when an axle load limit tolerance of [15 percent] 15% from subsections (e) and (d) of this section is permitted.~~

~~(ii) Except on interstate highways, a combination of vehicles with a semitrailer length of 45 feet or less carrying forest products that have been loaded in forests or other similar off-highway locations is permitted an axle load limit tolerance of [5 percent] 5% from subsections (e) and (d) of this section, except for the period from June 1 through September 30 when an axle load limit tolerance of [15 percent] 15% from subsections (e) and (d) of this section is permitted.~~

~~(3) (1) THE OVERALL GROSS WEIGHT IS 88,000 POUNDS FOR A COMBINATION OF VEHICLES WITH A TRAILER OR SEMITRAILER THAT:~~

- ~~1. HAS AN AXLE CONFIGURATION OF NOT LESS THAN 5 AXLES;~~
- ~~2. ON AND AFTER MAY 8, 2017, HAS AXLES THAT ARE AT LEAST 96 INCHES APART;~~
- ~~3. SUBMITS TO A MOTOR CARRIER SAFETY INSPECTION UNDER § 25-111 OF THIS ARTICLE;~~
- ~~4. COMPLIES WITH ALL POSTED BRIDGE WEIGHT LIMITS;~~
- ~~5. DOES NOT USE THE INTERSTATE HIGHWAY SYSTEM;~~
- ~~6. IS CARRYING LIVE POULTRY FROM A FARM TO A PROCESSING FACILITY; AND~~
- ~~7. DOES NOT CARRY THE LIVE POULTRY MORE THAN 150 MILES.~~

~~(H) A COMBINATION OF VEHICLES DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY HAVE AN AXLE LOAD LIMIT TOLERANCE OF 3% FROM SUBSECTION (C) OF THIS SECTION AND A GROSS WEIGHT LIMIT TOLERANCE OF 3% FROM SUBPARAGRAPH (I) OF THIS PARAGRAPH IN:~~

- ~~1. CAROLINE COUNTY;~~
- ~~2. CECIL COUNTY;~~
- ~~3. DORCHESTER COUNTY;~~
- ~~4. KENT COUNTY;~~
- ~~5. QUEEN ANNE'S COUNTY;~~
- ~~6. SOMERSET COUNTY;~~
- ~~7. TALBOT COUNTY;~~
- ~~8. WICOMICO COUNTY; OR~~
- ~~9. WORCESTER COUNTY.~~

~~(h) (1) Any vehicle that uses an auxiliary power unit or an idle reduction technology unit in order to promote reduction of fuel use and emissions from engine idling shall be allowed up to an additional 550 pounds total in gross, axle, tandem, or bridge formula weight limits.~~

~~(2) To be eligible for the additional weight limit allowed under paragraph (1) of this subsection, the vehicle operator must:~~

~~(i) Obtain and make available to law enforcement officers written certification of the weight of the auxiliary power unit or idle reduction technology unit; and~~

~~(ii) By demonstration or certification, prove that the idle reduction technology unit is fully functional at all times.~~

~~(3) The additional weight limit allowed under paragraph (1) of this subsection may not exceed the certified weight of the auxiliary power unit or idle reduction technology unit.~~

(a) Unless otherwise provided by federal law, an exceptional hauling permit issued under this section is not valid on the interstate highway system, as defined in § 8–101(j) of this article.

(b) Notwithstanding any other provision of this title, the State Highway Administration may issue an exceptional hauling permit for a combination of vehicles that:

(1) (i) Carries farm products as defined in § 10–601(c) of the Agriculture Article, other than milk, that:

1. Are loaded in fields or other off–highway locations; and
2. Are the only load of the vehicle; and

(ii) Has an axle configuration of not less than six axles and a front–to–rear centerline axle spacing of not less than 50 feet; [or]

(2) (i) Carries to a processing plant raw liquid milk that is the only load on the vehicle and is loaded from bulk liquid milk storage tanks at one or more farm locations; and

(ii) Has an axle configuration of not less than six axles and a front–to–rear centerline axle spacing of not less than 50 feet; OR

~~(3) MEETS THE DESCRIPTION UNDER § 24–109(G)(3) OF THIS SUBTITLE~~

(1) CARRIES LIVE POULTRY FROM A FARM TO A PROCESSING FACILITY FROM NOVEMBER 1 UNTIL APRIL 30 OF THE FOLLOWING YEAR IN:

1. CAROLINE COUNTY;
2. CECIL COUNTY;
3. DORCHESTER COUNTY;
4. KENT COUNTY;
5. QUEEN ANNE’S COUNTY;
6. SOMERSET COUNTY;
7. TALBOT COUNTY;
8. WICOMICO COUNTY; OR

9. WORCESTER COUNTY;

(II) 1. A. HAS AN AXLE CONFIGURATION OF NOT LESS THAN FIVE AXLES; AND

B. ~~HAS AXLES THAT ARE AT LEAST 96 INCHES APART A TRAILER OR SEMITRAILER AXLE SPACING OF AT LEAST 96 INCHES BETWEEN AXLES;~~ OR

2. HAS AN AXLE CONFIGURATION OF NOT LESS THAN SIX AXLES; AND

(III) SUBMITS TO A MOTOR CARRIER SAFETY INSPECTION UNDER § 25-111 OF THIS ARTICLE.

(c) A combination of vehicles operating under the authority of an exceptional hauling permit issued under subsection (b) of this section shall:

(1) Comply with the following weight limits:

(i) A maximum of 20,000 pounds gross weight on a single axle;

(ii) For any consecutive axle configuration of two or more axles on individual vehicles in the combination, the maximum gross weight specified in § 24-109(d) of this subtitle; and

(iii) A maximum of:

1. 87,000 pounds gross combination weight for a combination of vehicles carrying farm products other than milk; [or]

2. 95,000 pounds gross combination weight for a combination of vehicles carrying milk; OR

3. **88,000 POUNDS GROSS COMBINATION WEIGHT FOR A COMBINATION OF VEHICLES DESCRIBED UNDER § 24-109(G)(3) OF THIS SUBTITLE CARRYING LIVE POULTRY;**

(2) (I) Twice each year, submit to and pass a North American Standard Driver/Vehicle Level 1 inspection; OR

(II) **FOR A COMBINATION OF VEHICLES DESCRIBED UNDER § 24-109(G)(3) OF THIS SUBTITLE CARRYING LIVE POULTRY, ONCE TWICE EACH YEAR, SUBMIT TO AND PASS A;**

1. A NORTH AMERICAN STANDARD DRIVER/VEHICLE LEVEL 1 INSPECTION; OR

2. A NORTH AMERICAN STANDARD VEHICLE LEVEL 5 INSPECTION; and

(3) Be allowed a load limit tolerance of only 1,000 pounds for gross combination weight and 15% for axle weights.

(d) While operating a combination of vehicles under the authority of an exceptional hauling permit issued under subsection (b) of this section, a person may not:

(1) Violate a highway restriction issued by a competent authority;

(2) Operate the combination of vehicles on the interstate highway system, as defined in § 8–101(j) of this article;

(3) Operate the combination of vehicles if the combination of vehicles exceeds any tire weight rating or tire speed restriction adopted under § 25–111 of this article; or

(4) Fail to comply with the terms and conditions of the exceptional hauling permit.

(e) While operating a combination of vehicles under the authority of an exceptional hauling permit issued under subsection (b) of this section, a person shall have in the person's possession:

(1) The original exceptional hauling permit issued for the vehicle; and

(2) **(I)** For each vehicle in the combination of vehicles, a copy of a valid North American Standard Driver/Vehicle Level 1 inspection report issued within the preceding 180 days that shows no out-of-service violations; **OR**

(II) FOR EACH VEHICLE IN THE COMBINATION OF VEHICLES DESCRIBED UNDER ~~§ 24-109(C)(3) OF THIS SUBTITLE~~ CARRYING LIVE POULTRY, A COPY OF A VALID NORTH AMERICAN STANDARD DRIVER/VEHICLE LEVEL 1 INSPECTION OR A VALID NORTH AMERICAN STANDARD VEHICLE LEVEL 5 INSPECTION REPORT ISSUED WITHIN THE PRECEDING ~~365~~ 180 DAYS THAT SHOWS NO OUT-OF-SERVICE VIOLATIONS.

(f) (1) A violation of this section, regulations adopted to implement this section, or the terms and conditions of an exceptional hauling permit issued under subsection (b) of this section shall:

(i) Void the authority granted under the exceptional hauling permit;

(ii) Subject the vehicle to all weight requirements and tolerances specified in this article; and

(iii) For a violation of a weight restriction specified in this section that exceeds 5,000 pounds, subject the exceptional hauling permit to immediate confiscation by an officer or authorized civilian employee of the Department of State Police, an officer of the Maryland Transportation Authority Police, or any police officer.

(2) A person who confiscates an exceptional hauling permit under paragraph (1) of this subsection shall immediately notify the State Highway Administration.

(3) On notification of the confiscation of an exceptional hauling permit, the State Highway Administration shall review the confiscation, verify the violation of a weight restriction, and, if the State Highway Administration determines that a violation did occur, revoke the permit.

(4) An owner or operator of a combination of vehicles may appeal the revocation of an exceptional hauling permit to the State Highway Administrator or the Administrator's designee.

(g) (1) On request from the State Highway Administrator or the Administrator's designee, weight and delivery records of the holder of an exceptional hauling permit that are kept in the normal course of business shall be provided by:

(i) The holder of the exceptional hauling permit; or

(ii) A facility that receives farm products, as defined in § 10-601(c) of the Agriculture Article, delivered by a vehicle operating under the authority of an exceptional hauling permit.

(2) If the holder of an exceptional hauling permit or a facility that receives farm products does not comply with a request under this subsection, the State Highway Administration may:

(i) Suspend the holder's exceptional hauling permit; or

(ii) Prohibit a vehicle from delivering farm products under the authority of the exceptional hauling permit to the noncompliant facility.

(h) **(1) THIS ~~SECTION~~ SUBSECTION APPLIES TO POULTRY PROCESSING ~~PLANTS~~ FACILITIES LOCATED IN:**

1 (1) CAROLINE COUNTY;

- ~~2.~~ (II) CECIL COUNTY;
- ~~3.~~ (III) DORCHESTER COUNTY;
- ~~4.~~ (IV) KENT COUNTY;
- ~~5.~~ (V) QUEEN ANNE'S COUNTY;
- ~~6.~~ (VI) SOMERSET COUNTY;
- ~~7.~~ (VII) TALBOT COUNTY;
- ~~8.~~ (VIII) WICOMICO COUNTY; AND
- ~~9.~~ (IX) WORCESTER COUNTY.

~~(2) THE STATE HIGHWAY ADMINISTRATION SHALL ENTER INTO AN AGREEMENT WITH BEFORE OCTOBER 1 EACH YEAR, EACH POULTRY PROCESSING COMPANY FACILITY SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION FOR THE COLLECTION OF INFORMATION RELEVANT TO THE IMPLEMENTATION AND USE OF EXCEPTIONAL HAULING PERMITS ISSUED TO COMBINATIONS OF VEHICLES DESCRIBED UNDER § 24-109(G)(3) OF THIS SUBTITLE SHALL SUBMIT TO THE STATE HIGHWAY ADMINISTRATION A COMPLETE LIST OF REGISTERED COMBINATIONS OF VEHICLES USED FOR CARRYING LIVE POULTRY IN ACCORDANCE WITH THIS SECTION THAT INCLUDES THE FOLLOWING INFORMATION FOR EACH VEHICLE:~~

~~(I) VEHICLE IDENTIFICATION NUMBER;~~

~~(II) NUMBER OF AXLES;~~

~~(III) MOST RECENT DATE OF INSPECTION REQUIRED UNDER PARAGRAPH (C)(2)(II) OF THIS SECTION; AND~~

~~(IV) CURRENT MILEAGE.~~

~~(3) THE GOALS FOR THE PERCENTAGE OF THE POULTRY PROCESSING FACILITY INDUSTRY'S COMBINATIONS OF VEHICLES USED FOR CARRYING LIVE POULTRY IN ACCORDANCE WITH THIS SECTION THAT HAVE AN AXLE CONFIGURATION OF NOT LESS THAN SIX AXLES ARE AS FOLLOWS:~~

~~(I) 15% BY OCTOBER 31, 2018;~~

(II) 30% BY OCTOBER 31, 2019;

(III) 45% BY OCTOBER 31, 2020;

(IV) 60% BY OCTOBER 31, 2021; AND

(V) 75% BY OCTOBER 31, 2022.

(4) THE STATE HIGHWAY ADMINISTRATION SHALL USE THE INFORMATION SUBMITTED UNDER PARAGRAPH (2) OF THIS SUBSECTION TO DETERMINE THE PROGRESS MADE TOWARD MEETING THE GOALS ESTABLISHED IN PARAGRAPH (3) OF THIS SUBSECTION.

~~**(3) A POULTRY PROCESSING PLANT SHALL PROVIDE THE INFORMATION SPECIFIED IN AN AGREEMENT UNDER THIS PARAGRAPH TO THE STATE HIGHWAY ADMINISTRATION ON A QUARTERLY BASIS**~~

(4) ON OR BEFORE DECEMBER 31 EACH YEAR, THE STATE HIGHWAY ADMINISTRATION SHALL REPORT THE INFORMATION SUBMITTED UNDER PARAGRAPH (2) OF THIS SUBSECTION AND THE DETERMINATION MADE UNDER PARAGRAPH (4) OF THIS SUBSECTION TO THE SENATE JUDICIAL PROCEEDINGS COMMITTEE AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE.

(I) (1) An applicant for an exceptional hauling permit shall pay to the State Highway Administration:

(i) 1. \$250 for the issuance of a new annual permit or the annual renewal; or

2. \$30 for the issuance of a 30-day permit;

(ii) \$1,000 for the reinstatement of a permit that was revoked under subsection (f)(3) of this section for a first violation; and

(iii) \$5,000 for the reinstatement of a permit that was revoked under subsection (f)(3) of this section for a second or subsequent violation within the prior 24 months.

(2) A fee paid under this subsection is nonrefundable.

[i] (J) Except as otherwise provided in this section, an exceptional hauling permit is valid for:

(1) 1 year from the date of issuance for an annual permit; or

- (2) 30 consecutive days for a 30-day permit.

[(j)] (K) In consultation with the Secretary of State Police, the State Highway Administration shall adopt regulations to implement this section.

[(k)] (L) (1) An exceptional hauling permit is issued under this section at the discretion of the State Highway Administrator.

(2) The State Highway Administrator may stop issuing or renewing exceptional hauling permits under this section if the Administrator determines that the use of the permits is adversely affecting any part of the State highway system.

(3) The State Highway Administrator shall promptly report to the General Assembly, in accordance with § 2-1246 of the State Government Article, regarding any decision to stop issuing or renewing exceptional hauling permits under this section and the reason for the decision.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The State Highway Administration shall notify the Department of Legislative Services within 5 days after determining that 45% of the poultry processing facility industry's combinations of vehicles used for carrying live poultry have an axle configuration of not less than six axles.

(b) (1) If the notice required under subsection (a) of this section is not received by the Department of Legislative Services on or before October 31, 2020, this Act shall be abrogated and of no further force and effect without the necessity of further action by the General Assembly.

(2) If the notice required under subsection (a) of this section is received by the Department of Legislative Services on or before October 31, 2020, this Act shall, at the end of October 31, 2022, be abrogated and of no further force and effect without the necessity of further action by the General Assembly.

~~SECTION 2 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~June~~ October 1, 2017. ~~It shall remain effective for a period of 3 years and, at the end of May 31, 2020, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~~~

Approved by the Governor, April 18, 2017.

AN ACT concerning

Maryland Trust Act – Representatives of Beneficiaries

FOR the purpose of authorizing a settlor of a trust to designate certain persons to serve as a representative or successor representative of a certain beneficiary of the trust, to designate certain persons who may in turn designate a representative or successor representative of a beneficiary of the trust, and to specify the order of priority among those persons; prohibiting a trustee from serving as a representative of a certain beneficiary except under certain circumstances; providing that a certain representative may be held liable to the beneficiary on whose behalf the representative acts only under certain circumstances; altering a certain provision of the Maryland Trust Act so as to prohibit the terms of a trust from prevailing over the prohibition under this Act; and generally relating to trusts.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 14.5–105
Annotated Code of Maryland
(2011 Replacement Volume and 2016 Supplement)

BY adding to
Article – Estates and Trusts
Section 14.5–306
Annotated Code of Maryland
(2011 Replacement Volume and 2016 Supplement)

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

Article – Estates and Trusts

14.5–105.

The terms of a trust prevail over a provision of this title, except:

- (1) The requirements for creating a trust;
- (2) The duty of a trustee to act reasonably under the circumstances and in accordance with the terms and purposes of the trust and the interests of the beneficiaries;
- (3) The requirement that a trust and the terms of the trust be for the benefit of the beneficiaries of the trust and that the trust have a purpose that is lawful, not contrary to public policy, and possible to achieve;

(4) **THE PROHIBITION UNDER § 14.5–306 OF THIS TITLE AGAINST A PERSON SERVING AS A REPRESENTATIVE OF A BENEFICIARY OF A TRUST WHEN THAT PERSON IS SERVING AS A TRUSTEE OF THE SAME TRUST;**

(5) The power of the court to modify or terminate a trust under §§ 14.5–410, 14.5–411, 14.5–413, and 14.5–414 of this title;

[(5)] (6) The rights of certain creditors and assignees to reach a trust as provided in Subtitle 5 of this title;

[(6)] (7) The power of the court under § 14.5–702 of this title to require, dispense with, modify or terminate a bond;

[(7)] (8) The subject matter jurisdiction and venue for commencing a proceeding as provided by the laws of this State;

[(8)] (9) The power of the court under § 14.5–708(a) of this title to increase or decrease the commissions of a trustee;

[(9)] (10) The duties to provide information, copies, and notices specified under § 14.5–813(a) and (c) of this title;

[(10)] (11) The duty under § 14.5–813(a) and (b) of this title to:

(i) Notify qualified beneficiaries of an irrevocable trust who have attained 25 years of age of the existence of the trust, the identity of the trustee, and their right to request trustee's reports and a copy of the trust; and

(ii) Respond to the request of a qualified beneficiary of an irrevocable trust for reports by the trustee and other information reasonably related to the administration of the trust;

[(11)] (12) The effect of an exculpatory term under § 14.5–906 of this title;

[(12)] (13) The rights under §§ 14.5–908 through 14.5–910 of this title of a person other than a trustee or beneficiary; and

[(13)] (14) The power of the court to take an action and exercise jurisdiction as may be necessary in the interests of justice.

14.5–306.

(A) A SETTLOR MAY:

(1) DESIGNATE ONE OR MORE PERSONS WHO MAY SERVE AS A REPRESENTATIVE OR SUCCESSOR REPRESENTATIVE OF A BENEFICIARY OF THE TRUST;

(2) DESIGNATE ONE OR MORE OTHER PERSONS WHO MAY DESIGNATE A REPRESENTATIVE OR SUCCESSOR REPRESENTATIVE OF A BENEFICIARY OF THE TRUST; AND

(3) SPECIFY THE ORDER OF PRIORITY AMONG TWO OR MORE PERSONS WHO ARE AUTHORIZED UNDER THIS TITLE TO SERVE AS A REPRESENTATIVE OR SUCCESSOR REPRESENTATIVE OF A BENEFICIARY OF THE TRUST.

(B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, EXCEPT AS PROVIDED IN § 14.5-303 OF THIS SUBTITLE, A PERSON DESIGNATED UNDER SUBSECTION (A) OF THIS SECTION MAY NOT SERVE AS A REPRESENTATIVE OF A BENEFICIARY OF A TRUST IF THE PERSON SERVES AS A TRUSTEE OF THE SAME TRUST.

(C) (1) A REPRESENTATIVE DESIGNATED UNDER SUBSECTION (A) OF THIS SECTION MAY BE HELD LIABLE TO THE BENEFICIARY ON WHOSE BEHALF THE REPRESENTATIVE ACTS ONLY IF:

(I) THE REPRESENTATIVE HAS UNDERTAKEN OR AGREED TO REPRESENT THE BENEFICIARY; AND

(II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE REPRESENTATIVE'S ACTION OR FAILURE TO ACT IS PROVEN BY CLEAR AND CONVINCING EVIDENCE TO HAVE BEEN IN BAD FAITH WITH RESPECT TO THE BENEFICIARY.

(2) FOR PURPOSES OF DETERMINING LIABILITY UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION, A REPRESENTATIVE ACTS, OR FAILS TO ACT, IN BAD FAITH ONLY IF:

(I) THE ACTION OR INACTION WAS THE RESULT OF INTENTIONAL WRONGDOING BY THE REPRESENTATIVE; OR

(II) THE REPRESENTATIVE ACTED, OR FAILED TO ACT, WITH RECKLESS INDIFFERENCE TO THE PURPOSES OF THE TRUST OR THE INTERESTS OF THE BENEFICIARY ON WHOSE BEHALF THE REPRESENTATIVE ACTED.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 355

(Senate Bill 793)

AN ACT concerning

Maryland Trust Act – Representatives of Beneficiaries

FOR the purpose of authorizing a settlor of a trust to designate certain persons to serve as a representative or successor representative of a certain beneficiary of the trust, to designate certain persons who may in turn designate a representative or successor representative of a beneficiary of the trust, and to specify the order of priority among those persons; prohibiting a trustee from serving as a representative of a certain beneficiary except under certain circumstances; providing that a certain representative may be held liable to the beneficiary on whose behalf the representative acts only under certain circumstances; altering a certain provision of the Maryland Trust Act so as to prohibit the terms of a trust from prevailing over the prohibition under this Act; and generally relating to trusts.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 14.5–105
Annotated Code of Maryland
(2011 Replacement Volume and 2016 Supplement)

BY adding to
Article – Estates and Trusts
Section 14.5–306
Annotated Code of Maryland
(2011 Replacement Volume and 2016 Supplement)

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

Article – Estates and Trusts

14.5–105.

The terms of a trust prevail over a provision of this title, except:

- (1) The requirements for creating a trust;

(2) The duty of a trustee to act reasonably under the circumstances and in accordance with the terms and purposes of the trust and the interests of the beneficiaries;

(3) The requirement that a trust and the terms of the trust be for the benefit of the beneficiaries of the trust and that the trust have a purpose that is lawful, not contrary to public policy, and possible to achieve;

(4) **THE PROHIBITION UNDER § 14.5–306 OF THIS TITLE AGAINST A PERSON SERVING AS A REPRESENTATIVE OF A BENEFICIARY OF A TRUST WHEN THAT PERSON IS SERVING AS A TRUSTEE OF THE SAME TRUST;**

(5) The power of the court to modify or terminate a trust under §§ 14.5–410, 14.5–411, 14.5–413, and 14.5–414 of this title;

[(5)] (6) The rights of certain creditors and assignees to reach a trust as provided in Subtitle 5 of this title;

[(6)] (7) The power of the court under § 14.5–702 of this title to require, dispense with, modify or terminate a bond;

[(7)] (8) The subject matter jurisdiction and venue for commencing a proceeding as provided by the laws of this State;

[(8)] (9) The power of the court under § 14.5–708(a) of this title to increase or decrease the commissions of a trustee;

[(9)] (10) The duties to provide information, copies, and notices specified under § 14.5–813(a) and (c) of this title;

[(10)] (11) The duty under § 14.5–813(a) and (b) of this title to:

(i) Notify qualified beneficiaries of an irrevocable trust who have attained 25 years of age of the existence of the trust, the identity of the trustee, and their right to request trustee's reports and a copy of the trust; and

(ii) Respond to the request of a qualified beneficiary of an irrevocable trust for reports by the trustee and other information reasonably related to the administration of the trust;

[(11)] (12) The effect of an exculpatory term under § 14.5–906 of this title;

[(12)] (13) The rights under §§ 14.5–908 through 14.5–910 of this title of a person other than a trustee or beneficiary; and

[(13)] (14) The power of the court to take an action and exercise jurisdiction as may be necessary in the interests of justice.

14.5–306.**(A) A SETTLOR MAY:**

(1) DESIGNATE ONE OR MORE PERSONS WHO MAY SERVE AS A REPRESENTATIVE OR SUCCESSOR REPRESENTATIVE OF A BENEFICIARY OF THE TRUST;

(2) DESIGNATE ONE OR MORE OTHER PERSONS WHO MAY DESIGNATE A REPRESENTATIVE OR SUCCESSOR REPRESENTATIVE OF A BENEFICIARY OF THE TRUST; AND

(3) SPECIFY THE ORDER OF PRIORITY AMONG TWO OR MORE PERSONS WHO ARE AUTHORIZED UNDER THIS TITLE TO SERVE AS A REPRESENTATIVE OR SUCCESSOR REPRESENTATIVE OF A BENEFICIARY OF THE TRUST.

(B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, EXCEPT AS PROVIDED IN § 14.5–303 OF THIS SUBTITLE, A PERSON DESIGNATED UNDER SUBSECTION (A) OF THIS SECTION MAY NOT SERVE AS A REPRESENTATIVE OF A BENEFICIARY OF A TRUST IF THE PERSON SERVES AS A TRUSTEE OF THE SAME TRUST.

(C) (1) A REPRESENTATIVE DESIGNATED UNDER SUBSECTION (A) OF THIS SECTION MAY BE HELD LIABLE TO THE BENEFICIARY ON WHOSE BEHALF THE REPRESENTATIVE ACTS ONLY IF:

(I) THE REPRESENTATIVE HAS UNDERTAKEN OR AGREED TO REPRESENT THE BENEFICIARY; AND

(II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE REPRESENTATIVE'S ACTION OR FAILURE TO ACT IS PROVEN BY CLEAR AND CONVINCING EVIDENCE TO HAVE BEEN IN BAD FAITH WITH RESPECT TO THE BENEFICIARY.

(2) FOR PURPOSES OF DETERMINING LIABILITY UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION, A REPRESENTATIVE ACTS, OR FAILS TO ACT, IN BAD FAITH ONLY IF:

(I) THE ACTION OR INACTION WAS THE RESULT OF INTENTIONAL WRONGDOING BY THE REPRESENTATIVE; OR

(II) THE REPRESENTATIVE ACTED, OR FAILED TO ACT, WITH RECKLESS INDIFFERENCE TO THE PURPOSES OF THE TRUST OR THE INTERESTS OF THE BENEFICIARY ON WHOSE BEHALF THE REPRESENTATIVE ACTED.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 356

(House Bill 754)

AN ACT concerning

Maryland Trust Act – Notice and Reporting Requirements – Exemptions

FOR the purpose of exempting certain persons from certain requirements under the Maryland Trust Act to provide certain notice and certain information to themselves; and generally relating to notice and reporting requirements under the Maryland Trust Act.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 14.5–109 and 14.5–813
Annotated Code of Maryland
(2011 Replacement Volume and 2016 Supplement)

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

Article – Estates and Trusts

14.5–109.

(a) (1) Notice to a person under this title or the sending of a document to a person under this title shall be accomplished in a manner reasonably suitable under the circumstances and likely to result in receipt of the notice or document.

(2) Permissible methods of notice to a person or for sending a document to a person under this title include first-class mail, personal delivery, or delivery to the last known place of residence or place of business of the person.

(3) (i) This paragraph applies to:

1. The proposed termination of a trust;
2. The proposed modification of the administrative or dispositive terms of a trust;
3. The proposed combination of two or more trusts into a single trust;
4. The proposed division of a trust into two or more separate trusts;
5. The proposed resignation of a trustee or cotrustee; or
6. The proposed transfer of the principal place of administration of a trust.

(ii) Notwithstanding paragraphs (1) and (2) of this subsection, a trustee shall provide notice to a person under this title:

1. By personal service; or
2. By certified mail, postage prepaid, return receipt requested.

(b) Notice otherwise required under this title or a document otherwise required to be sent under this title need not be provided:

(1) [to] TO a person whose identity or location is unknown to and not reasonably ascertainable by the trustee; **OR**

(2) BY A PERSON TO HIMSELF OR HERSELF.

(c) Notice under this title or the sending of a document under this title may be waived in writing by the person to be notified or sent the document.

(d) Notice of a judicial proceeding under this title shall be given as provided in the applicable rules of civil procedure.

14.5–813.

(a) Unless unreasonable under the circumstances, a trustee shall promptly respond to the request of a qualified beneficiary for information related to the administration of the trust, including a copy of the trust instrument.

(b) (1) A trustee:

(i) Within 60 days after accepting a trusteeship, shall notify the qualified beneficiaries of the acceptance and of the trustee's name, address, and telephone number; and

(ii) Within 90 days after the date the trustee acquires knowledge of the creation of an irrevocable trust, or the date the trustee acquires knowledge that a formerly revocable trust has become irrevocable, whether by the death of the settlor or otherwise, shall notify the qualified beneficiaries of the trust's existence, of the identity of the settlor or settlors, of the right to request a copy of the trust instrument, and of the right to a trustee's report as provided in subsection (c) of this section.

(2) Notwithstanding § 14.5–109 of this title, notice required under this subsection shall be:

(i) To the extent the names and locations of the qualified beneficiaries are known to the trustee:

1. By delivery of the notice to the qualified beneficiaries personally; or

2. By sending the notice to the qualified beneficiaries at their last known address by certified mail, postage prepaid, return receipt requested; and

(ii) If the name, location, or both of a qualified beneficiary is not known to the trustee, by publication in a newspaper of general circulation in the county where the trust property is located once a week for 3 successive weeks.

(c) (1) On request by a qualified beneficiary, a trustee shall send to the qualified beneficiary annually and at the termination of the trust a report of the trust property, liabilities, receipts, and disbursements, including the source and amount of the compensation of the trustee, a listing of the trust assets, and, if feasible, the respective market values of the trust assets.

(2) On a vacancy in a trusteeship, unless a cotrustee remains in office, the former trustee shall send a report to the qualified beneficiaries that request the report.

(3) A personal representative, a guardian, or an attorney-in-fact may send the qualified beneficiaries a report on behalf of the former trustee.

(d) (1) A qualified beneficiary may waive the right to a trustee's report or other information otherwise required to be furnished under this section.

(2) A qualified beneficiary, with respect to future reports and other information, may withdraw a waiver previously given.

(3) IF A TRUSTEE IS A QUALIFIED BENEFICIARY OF THE TRUST FOR WHICH THE TRUSTEE IS SERVING, THE TRUSTEE IS NOT REQUIRED TO PROVIDE

HIMSELF OR HERSELF A TRUSTEE'S REPORT OR OTHER INFORMATION REQUIRED TO BE FURNISHED UNDER THIS SECTION.

(e) Subsection (b) of this section does not apply to a trustee that accepts a trusteeship before January 1, 2015, to an irrevocable trust created before January 1, 2015, or to a revocable trust that becomes irrevocable before January 1, 2015.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 357**(Senate Bill 792)**

AN ACT concerning

Maryland Trust Act – Notice and Reporting Requirements – Exemptions

FOR the purpose of exempting certain persons from certain requirements under the Maryland Trust Act to provide certain notice and certain information to themselves; and generally relating to notice and reporting requirements under the Maryland Trust Act.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 14.5–109 and 14.5–813
Annotated Code of Maryland
(2011 Replacement Volume and 2016 Supplement)

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

Article – Estates and Trusts

14.5–109.

(a) (1) Notice to a person under this title or the sending of a document to a person under this title shall be accomplished in a manner reasonably suitable under the circumstances and likely to result in receipt of the notice or document.

(2) Permissible methods of notice to a person or for sending a document to a person under this title include first-class mail, personal delivery, or delivery to the last known place of residence or place of business of the person.

(3) (i) This paragraph applies to:

1. The proposed termination of a trust;
2. The proposed modification of the administrative or dispositive terms of a trust;
3. The proposed combination of two or more trusts into a single trust;
4. The proposed division of a trust into two or more separate trusts;
5. The proposed resignation of a trustee or cotrustee; or
6. The proposed transfer of the principal place of administration of a trust.

(ii) Notwithstanding paragraphs (1) and (2) of this subsection, a trustee shall provide notice to a person under this title:

1. By personal service; or
2. By certified mail, postage prepaid, return receipt requested.

(b) Notice otherwise required under this title or a document otherwise required to be sent under this title need not be provided:

(1) [to] TO a person whose identity or location is unknown to and not reasonably ascertainable by the trustee; **OR**

(2) BY A PERSON TO HIMSELF OR HERSELF.

(c) Notice under this title or the sending of a document under this title may be waived in writing by the person to be notified or sent the document.

(d) Notice of a judicial proceeding under this title shall be given as provided in the applicable rules of civil procedure.

14.5–813.

(a) Unless unreasonable under the circumstances, a trustee shall promptly respond to the request of a qualified beneficiary for information related to the administration of the trust, including a copy of the trust instrument.

(b) (1) A trustee:

(i) Within 60 days after accepting a trusteeship, shall notify the qualified beneficiaries of the acceptance and of the trustee's name, address, and telephone number; and

(ii) Within 90 days after the date the trustee acquires knowledge of the creation of an irrevocable trust, or the date the trustee acquires knowledge that a formerly revocable trust has become irrevocable, whether by the death of the settlor or otherwise, shall notify the qualified beneficiaries of the trust's existence, of the identity of the settlor or settlors, of the right to request a copy of the trust instrument, and of the right to a trustee's report as provided in subsection (c) of this section.

(2) Notwithstanding § 14.5–109 of this title, notice required under this subsection shall be:

(i) To the extent the names and locations of the qualified beneficiaries are known to the trustee:

1. By delivery of the notice to the qualified beneficiaries personally; or

2. By sending the notice to the qualified beneficiaries at their last known address by certified mail, postage prepaid, return receipt requested; and

(ii) If the name, location, or both of a qualified beneficiary is not known to the trustee, by publication in a newspaper of general circulation in the county where the trust property is located once a week for 3 successive weeks.

(c) (1) On request by a qualified beneficiary, a trustee shall send to the qualified beneficiary annually and at the termination of the trust a report of the trust property, liabilities, receipts, and disbursements, including the source and amount of the compensation of the trustee, a listing of the trust assets, and, if feasible, the respective market values of the trust assets.

(2) On a vacancy in a trusteeship, unless a cotrustee remains in office, the former trustee shall send a report to the qualified beneficiaries that request the report.

(3) A personal representative, a guardian, or an attorney-in-fact may send the qualified beneficiaries a report on behalf of the former trustee.

(d) (1) A qualified beneficiary may waive the right to a trustee's report or other information otherwise required to be furnished under this section.

(2) A qualified beneficiary, with respect to future reports and other information, may withdraw a waiver previously given.

(3) IF A TRUSTEE IS A QUALIFIED BENEFICIARY OF THE TRUST FOR WHICH THE TRUSTEE IS SERVING, THE TRUSTEE IS NOT REQUIRED TO PROVIDE HIMSELF OR HERSELF A TRUSTEE'S REPORT OR OTHER INFORMATION REQUIRED TO BE FURNISHED UNDER THIS SECTION.

(e) Subsection (b) of this section does not apply to a trustee that accepts a trusteeship before January 1, 2015, to an irrevocable trust created before January 1, 2015, or to a revocable trust that becomes irrevocable before January 1, 2015.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 358

(House Bill 759)

AN ACT concerning

Corporations – Formation of a Holding Company by Merger

FOR the purpose of establishing a process for the formation of a certain holding company through the merger of a Maryland parent corporation with or into a certain wholly owned subsidiary of the Maryland parent corporation; providing that a vote of the stockholders of the parent corporation is not necessary to authorize the merger under certain circumstances, unless the charter of the parent corporation expressly provides otherwise; requiring that the merger be approved by a majority of the entire board of directors of the parent corporation; establishing the conditions under which the merger may be effectuated; establishing the effects of the merger; authorizing a merger of a parent real estate investment trust into a certain subsidiary real estate investment trust to be approved in a certain manner, under certain circumstances; defining a certain term; and generally relating to the establishment of a process for forming a holding company through a merger.

BY adding to

Article – Corporations and Associations

Section 3–106.2

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Corporations and Associations

Section 8–501.1(c)

Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – Corporations and Associations

3–106.2.

(A) IN THIS SECTION, “HOLDING COMPANY” MEANS A MARYLAND CORPORATION:

(1) THAT, FROM ITS FORMATION UNTIL CONSUMMATION OF A MERGER GOVERNED BY THIS SECTION, HAS BEEN AT ALL TIMES A DIRECT OR INDIRECT WHOLLY OWNED SUBSIDIARY CORPORATION; AND

(2) ALL OF THE SHARES OF STOCK OF WHICH ARE ISSUED IN THE MERGER.

(B) NOTWITHSTANDING § 3–105 OF THIS SUBTITLE, UNLESS THE CHARTER OF A PARENT CORPORATION EXPRESSLY PROVIDES OTHERWISE, A VOTE OF THE STOCKHOLDERS OF THE PARENT CORPORATION IS NOT NECESSARY TO AUTHORIZE A MERGER WITH OR INTO A SINGLE DIRECT OR INDIRECT WHOLLY OWNED SUBSIDIARY CORPORATION OF THE PARENT CORPORATION IF:

(1) THE PARENT CORPORATION AND THE DIRECT OR INDIRECT WHOLLY OWNED SUBSIDIARY CORPORATION ARE THE ONLY PARTIES TO THE MERGER;

(2) EACH SHARE OR FRACTION OF A SHARE OF THE STOCK OF THE PARENT CORPORATION OUTSTANDING IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER IS CONVERTED IN THE MERGER INTO A SHARE OR EQUAL FRACTION OF A SHARE OF THE STOCK OF A HOLDING COMPANY HAVING THE SAME CONTRACT RIGHTS AS THE SHARE OF STOCK OF THE PARENT CORPORATION BEING CONVERTED IN THE MERGER;

(3) THE HOLDING COMPANY, THE PARENT CORPORATION, AND THE DIRECT OR INDIRECT WHOLLY OWNED SUBSIDIARY CORPORATION THAT IS THE OTHER PARTY TO THE MERGER ARE MARYLAND CORPORATIONS;

(4) THE CHARTER AND BYLAWS OF THE HOLDING COMPANY IMMEDIATELY FOLLOWING THE EFFECTIVE TIME OF THE MERGER ARE IDENTICAL

TO THE CHARTER AND BYLAWS OF THE PARENT CORPORATION IN EFFECT IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER, OTHER THAN:

(I) PROVISIONS, IF ANY, REGARDING THE INCORPORATOR OR INCORPORATORS, THE PRINCIPAL OFFICE, THE RESIDENT AGENT, AND THE INITIAL BOARD OF DIRECTORS;

(II) PROVISIONS AUTHORIZED UNDER § 2-605 OF THIS ARTICLE; AND

(III) ANY AMENDMENT TO THE CHARTER THAT WAS NECESSARY TO EFFECT A CHANGE, EXCHANGE, RECLASSIFICATION, SUBDIVISION, COMBINATION, OR CANCELLATION OF STOCK, IF THE CHANGE, EXCHANGE, RECLASSIFICATION, SUBDIVISION, COMBINATION, OR CANCELLATION OF STOCK HAS BECOME EFFECTIVE;

(5) AS A RESULT OF THE MERGER, THE PARENT CORPORATION OR ITS SUCCESSOR BECOMES A DIRECT OR INDIRECT WHOLLY OWNED SUBSIDIARY CORPORATION OF THE HOLDING COMPANY;

(6) THE DIRECTORS OF THE PARENT CORPORATION BECOME OR REMAIN THE DIRECTORS OF THE HOLDING COMPANY AT THE EFFECTIVE TIME OF THE MERGER;

(7) THE STOCKHOLDERS OF THE PARENT CORPORATION DO NOT RECOGNIZE GAIN OR LOSS FOR FEDERAL INCOME TAX PURPOSES, AS DETERMINED BY THE BOARD OF DIRECTORS OF THE PARENT CORPORATION; AND

(8) A MAJORITY OF THE ENTIRE BOARD OF DIRECTORS OF THE PARENT CORPORATION APPROVES THE MERGER.

(C) FROM AND AFTER THE EFFECTIVE TIME OF A MERGER UNDER SUBSECTION (B) OF THIS SECTION:

(1) IF THE PARENT CORPORATION WAS FORMED BEFORE OCTOBER 1, 1995, AND ITS CHARTER DID NOT EXPRESSLY TERMINATE PREEMPTIVE RIGHTS, AND THE HOLDING COMPANY WAS FORMED ON OR AFTER OCTOBER 1, 1995, THE CHARTER OF THE HOLDING COMPANY SHALL PROVIDE THAT STOCKHOLDERS OF THE HOLDING COMPANY HAVE PREEMPTIVE RIGHTS, TO THE EXTENT PROVIDED IN THE CHARTER OF THE PARENT CORPORATION IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER AND SUBJECT TO § 2-205 OF THIS ARTICLE, TO SUBSCRIBE TO ANY ADDITIONAL SHARES OF STOCK OR ANY SECURITY CONVERTIBLE INTO AN ADDITIONAL ISSUE OF STOCK;

(2) TO THE EXTENT A VOTING TRUST AGREEMENT AUTHORIZED BY § 2-510 OF THIS ARTICLE, A WRITTEN AGREEMENT AUTHORIZED BY § 2-510.1 OF THIS ARTICLE, A PROXY AUTHORIZED BY § 2-507 OF THIS ARTICLE, OR ANY OTHER SIMILAR AGREEMENT OR INSTRUMENT APPLIED TO THE PARENT CORPORATION, ITS STOCK, OR ITS STOCKHOLDERS IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER, THE VOTING TRUST AGREEMENT, WRITTEN AGREEMENT, PROXY, OR OTHER SIMILAR AGREEMENT OR INSTRUMENT SHALL APPLY TO THE HOLDING COMPANY, ITS STOCK, AND ITS STOCKHOLDERS;

(3) TO THE EXTENT THAT THE RESTRICTIONS UNDER § 3-602 OF THIS TITLE APPLIED TO THE PARENT CORPORATION AND THE STOCKHOLDERS OF THE PARENT CORPORATION IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER:

(I) THE RESTRICTIONS SHALL APPLY TO THE HOLDING COMPANY AND THE STOCKHOLDERS OF THE HOLDING COMPANY IMMEDIATELY AFTER THE EFFECTIVE TIME OF THE MERGER AS THOUGH THE HOLDING COMPANY WAS THE PARENT COMPANY;

(II) FOR PURPOSES OF § 3-602 OF THIS TITLE, ALL SHARES OF STOCK OF THE HOLDING COMPANY ACQUIRED IN THE MERGER SHALL BE DEEMED TO HAVE BEEN ACQUIRED AT THE TIME THAT THE SHARES OF STOCK OF THE PARENT CORPORATION CONVERTED IN THE MERGER WERE ACQUIRED; AND

(III) 1. ANY STOCKHOLDER THAT IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER WAS NOT AN INTERESTED STOCKHOLDER, AS DEFINED IN § 3-601 OF THIS TITLE, DOES NOT, SOLELY BY REASON OF THE MERGER, BECOME AN INTERESTED STOCKHOLDER OF THE HOLDING COMPANY; AND

2. ANY STOCKHOLDER THAT IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER WAS AN INTERESTED STOCKHOLDER, AS DEFINED IN § 3-601 OF THIS TITLE, REMAINS AN INTERESTED STOCKHOLDER OF THE HOLDING COMPANY;

(4) TO THE EXTENT THAT, IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER, ANY APPROVAL BY THE STOCKHOLDERS OF THE PARENT CORPORATION UNDER § 3-702(A) OF THIS TITLE APPLIED TO THE PARENT CORPORATION AND ANY CONTROL SHARES OF THE PARENT CORPORATION, THE APPROVAL SHALL APPLY TO THE HOLDING COMPANY AND ANY CONTROL SHARES OF THE HOLDING COMPANY IMMEDIATELY AFTER THE EFFECTIVE TIME OF THE MERGER AS IF THE HOLDING COMPANY WERE THE PARENT CORPORATION;

(5) TO THE EXTENT THAT, IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER, THE BOARD OF DIRECTORS OF THE PARENT CORPORATION HAD ELECTED BY RESOLUTION TO BE SUBJECT TO OR NOT TO BE SUBJECT TO, WHOLLY OR PARTLY, ANY OR ALL PROVISIONS OF SUBTITLE 8 OF THIS TITLE, THE ELECTION SHALL APPLY TO THE HOLDING COMPANY IMMEDIATELY AFTER THE EFFECTIVE TIME OF THE MERGER AS IF THE HOLDING COMPANY WERE THE PARENT CORPORATION;

(6) UNLESS THE BOARD OF DIRECTORS OF THE HOLDING COMPANY HAS AUTHORIZED SHARES OF STOCK OF THE HOLDING COMPANY TO BE ISSUED WITHOUT CERTIFICATES, OR UNTIL CERTIFICATES WITH THE NAME OF THE HOLDING COMPANY HAVE BEEN ISSUED, THE SHARES OF STOCK OF THE HOLDING COMPANY INTO WHICH THE SHARES OF STOCK OF THE PARENT CORPORATION ARE CONVERTED IN THE MERGER MAY CONTINUE TO BE REPRESENTED BY THE STOCK CERTIFICATES THAT PREVIOUSLY REPRESENTED SHARES OF STOCK OF THE PARENT CORPORATION; AND

(7) TO THE EXTENT THAT A STOCKHOLDER OF THE PARENT CORPORATION IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER HAD STANDING TO INSTITUTE OR MAINTAIN DERIVATIVE LITIGATION ON BEHALF OF THE PARENT CORPORATION, THE STOCKHOLDER SHALL HAVE STANDING TO INSTITUTE OR MAINTAIN DERIVATIVE LITIGATION ON BEHALF OF THE HOLDING COMPANY.

8-501.1.

(c) A merger shall be approved in the manner provided by this section, except that:

(1) A foreign business trust, a Maryland business trust, other than a Maryland real estate investment trust, a corporation, a domestic or foreign partnership, or a domestic or foreign limited partnership party to the merger shall have the merger advised, authorized, and approved in the manner and by the vote required by its declaration of trust, governing instrument, charter, or partnership agreement and the laws of the place where it is organized;

(2) (i) A foreign limited liability company party to the merger shall have the merger advised, authorized, and approved in the manner and by the vote required by the laws of the place where it is organized; and

(ii) A domestic limited liability company shall have the merger approved in the manner provided under § 4A-703 of this article;

(3) A merger need be approved by a Maryland real estate investment trust successor only by a majority of its entire board of trustees if the merger does not reclassify or change the terms of any class or series of its shares that are outstanding immediately

before the merger becomes effective or otherwise amend its declaration of trust and the number of shares of such class or series outstanding immediately after the effective time of the merger does not increase by more than 20 percent of the number of its shares of the class or series of shares outstanding immediately before the merger becomes effective;

(4) A merger of a subsidiary with or into its parent need be approved only in the manner provided in § 3–106 of this article, provided the parent owns at least 90 percent of the subsidiary; [and]

(5) A merger of a Maryland real estate investment trust in accordance with § 3–106.1 of this article need be approved only in the manner provided in § 3–106.1 of this article; AND

(6) A MERGER OF A PARENT REAL ESTATE INVESTMENT TRUST WITH OR INTO A SINGLE DIRECT OR INDIRECT WHOLLY OWNED SUBSIDIARY REAL ESTATE INVESTMENT TRUST MAY BE APPROVED IN THE MANNER PROVIDED IN § 3–106.2 OF THIS ARTICLE, PROVIDED THE MERGER OTHERWISE CONFORMS TO THE REQUIREMENTS UNDER § 3–106.2 OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 359

(Senate Bill 398)

AN ACT concerning

Corporations – Formation of a Holding Company by Merger

FOR the purpose of establishing a process for the formation of a certain holding company through the merger of a Maryland parent corporation with or into a certain wholly owned subsidiary of the Maryland parent corporation; providing that a vote of the stockholders of the parent corporation is not necessary to authorize the merger under certain circumstances, unless the charter of the parent corporation expressly provides otherwise; requiring that the merger be approved by a majority of the entire board of directors of the parent corporation; establishing the conditions under which the merger may be effectuated; establishing the effects of the merger; authorizing a merger of a parent real estate investment trust into a certain subsidiary real estate investment trust to be approved in a certain manner, under certain circumstances; defining a certain term; and generally relating to the establishment of a process for forming a holding company through a merger.

BY adding to

Article – Corporations and Associations
Section 3–106.2
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Corporations and Associations
Section 8–501.1(c)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – Corporations and Associations

3–106.2.

(A) IN THIS SECTION, “HOLDING COMPANY” MEANS A MARYLAND CORPORATION:

(1) THAT, FROM ITS FORMATION UNTIL CONSUMMATION OF A MERGER GOVERNED BY THIS SECTION, HAS BEEN AT ALL TIMES A DIRECT OR INDIRECT WHOLLY OWNED SUBSIDIARY CORPORATION; AND

(2) ALL OF THE SHARES OF STOCK OF WHICH ARE ISSUED IN THE MERGER.

(B) NOTWITHSTANDING § 3–105 OF THIS SUBTITLE, UNLESS THE CHARTER OF A PARENT CORPORATION EXPRESSLY PROVIDES OTHERWISE, A VOTE OF THE STOCKHOLDERS OF THE PARENT CORPORATION IS NOT NECESSARY TO AUTHORIZE A MERGER WITH OR INTO A SINGLE DIRECT OR INDIRECT WHOLLY OWNED SUBSIDIARY CORPORATION OF THE PARENT CORPORATION IF:

(1) THE PARENT CORPORATION AND THE DIRECT OR INDIRECT WHOLLY OWNED SUBSIDIARY CORPORATION ARE THE ONLY PARTIES TO THE MERGER;

(2) EACH SHARE OR FRACTION OF A SHARE OF THE STOCK OF THE PARENT CORPORATION OUTSTANDING IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER IS CONVERTED IN THE MERGER INTO A SHARE OR EQUAL FRACTION OF A SHARE OF THE STOCK OF A HOLDING COMPANY HAVING THE SAME

CONTRACT RIGHTS AS THE SHARE OF STOCK OF THE PARENT CORPORATION BEING CONVERTED IN THE MERGER;

(3) THE HOLDING COMPANY, THE PARENT CORPORATION, AND THE DIRECT OR INDIRECT WHOLLY OWNED SUBSIDIARY CORPORATION THAT IS THE OTHER PARTY TO THE MERGER ARE MARYLAND CORPORATIONS;

(4) THE CHARTER AND BYLAWS OF THE HOLDING COMPANY IMMEDIATELY FOLLOWING THE EFFECTIVE TIME OF THE MERGER ARE IDENTICAL TO THE CHARTER AND BYLAWS OF THE PARENT CORPORATION IN EFFECT IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER, OTHER THAN:

(I) PROVISIONS, IF ANY, REGARDING THE INCORPORATOR OR INCORPORATORS, THE PRINCIPAL OFFICE, THE RESIDENT AGENT, AND THE INITIAL BOARD OF DIRECTORS;

(II) PROVISIONS AUTHORIZED UNDER § 2-605 OF THIS ARTICLE; AND

(III) ANY AMENDMENT TO THE CHARTER THAT WAS NECESSARY TO EFFECT A CHANGE, EXCHANGE, RECLASSIFICATION, SUBDIVISION, COMBINATION, OR CANCELLATION OF STOCK, IF THE CHANGE, EXCHANGE, RECLASSIFICATION, SUBDIVISION, COMBINATION, OR CANCELLATION OF STOCK HAS BECOME EFFECTIVE;

(5) AS A RESULT OF THE MERGER, THE PARENT CORPORATION OR ITS SUCCESSOR BECOMES A DIRECT OR INDIRECT WHOLLY OWNED SUBSIDIARY CORPORATION OF THE HOLDING COMPANY;

(6) THE DIRECTORS OF THE PARENT CORPORATION BECOME OR REMAIN THE DIRECTORS OF THE HOLDING COMPANY AT THE EFFECTIVE TIME OF THE MERGER;

(7) THE STOCKHOLDERS OF THE PARENT CORPORATION DO NOT RECOGNIZE GAIN OR LOSS FOR FEDERAL INCOME TAX PURPOSES, AS DETERMINED BY THE BOARD OF DIRECTORS OF THE PARENT CORPORATION; AND

(8) A MAJORITY OF THE ENTIRE BOARD OF DIRECTORS OF THE PARENT CORPORATION APPROVES THE MERGER.

(C) FROM AND AFTER THE EFFECTIVE TIME OF A MERGER UNDER SUBSECTION (B) OF THIS SECTION:

(1) IF THE PARENT CORPORATION WAS FORMED BEFORE OCTOBER 1, 1995, AND ITS CHARTER DID NOT EXPRESSLY TERMINATE PREEMPTIVE RIGHTS, AND THE HOLDING COMPANY WAS FORMED ON OR AFTER OCTOBER 1, 1995, THE CHARTER OF THE HOLDING COMPANY SHALL PROVIDE THAT STOCKHOLDERS OF THE HOLDING COMPANY HAVE PREEMPTIVE RIGHTS, TO THE EXTENT PROVIDED IN THE CHARTER OF THE PARENT CORPORATION IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER AND SUBJECT TO § 2-205 OF THIS ARTICLE, TO SUBSCRIBE TO ANY ADDITIONAL SHARES OF STOCK OR ANY SECURITY CONVERTIBLE INTO AN ADDITIONAL ISSUE OF STOCK;

(2) TO THE EXTENT A VOTING TRUST AGREEMENT AUTHORIZED BY § 2-510 OF THIS ARTICLE, A WRITTEN AGREEMENT AUTHORIZED BY § 2-510.1 OF THIS ARTICLE, A PROXY AUTHORIZED BY § 2-507 OF THIS ARTICLE, OR ANY OTHER SIMILAR AGREEMENT OR INSTRUMENT APPLIED TO THE PARENT CORPORATION, ITS STOCK, OR ITS STOCKHOLDERS IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER, THE VOTING TRUST AGREEMENT, WRITTEN AGREEMENT, PROXY, OR OTHER SIMILAR AGREEMENT OR INSTRUMENT SHALL APPLY TO THE HOLDING COMPANY, ITS STOCK, AND ITS STOCKHOLDERS;

(3) TO THE EXTENT THAT THE RESTRICTIONS UNDER § 3-602 OF THIS TITLE APPLIED TO THE PARENT CORPORATION AND THE STOCKHOLDERS OF THE PARENT CORPORATION IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER:

(I) THE RESTRICTIONS SHALL APPLY TO THE HOLDING COMPANY AND THE STOCKHOLDERS OF THE HOLDING COMPANY IMMEDIATELY AFTER THE EFFECTIVE TIME OF THE MERGER AS THOUGH THE HOLDING COMPANY WAS THE PARENT COMPANY;

(II) FOR PURPOSES OF § 3-602 OF THIS TITLE, ALL SHARES OF STOCK OF THE HOLDING COMPANY ACQUIRED IN THE MERGER SHALL BE DEEMED TO HAVE BEEN ACQUIRED AT THE TIME THAT THE SHARES OF STOCK OF THE PARENT CORPORATION CONVERTED IN THE MERGER WERE ACQUIRED; AND

(III) 1. ANY STOCKHOLDER THAT IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER WAS NOT AN INTERESTED STOCKHOLDER, AS DEFINED IN § 3-601 OF THIS TITLE, DOES NOT, SOLELY BY REASON OF THE MERGER, BECOME AN INTERESTED STOCKHOLDER OF THE HOLDING COMPANY; AND

2. ANY STOCKHOLDER THAT IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER WAS AN INTERESTED STOCKHOLDER, AS DEFINED IN § 3-601 OF THIS TITLE, REMAINS AN INTERESTED STOCKHOLDER OF THE HOLDING COMPANY;

(4) TO THE EXTENT THAT, IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER, ANY APPROVAL BY THE STOCKHOLDERS OF THE PARENT CORPORATION UNDER § 3-702(A) OF THIS TITLE APPLIED TO THE PARENT CORPORATION AND ANY CONTROL SHARES OF THE PARENT CORPORATION, THE APPROVAL SHALL APPLY TO THE HOLDING COMPANY AND ANY CONTROL SHARES OF THE HOLDING COMPANY IMMEDIATELY AFTER THE EFFECTIVE TIME OF THE MERGER AS IF THE HOLDING COMPANY WERE THE PARENT CORPORATION;

(5) TO THE EXTENT THAT, IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER, THE BOARD OF DIRECTORS OF THE PARENT CORPORATION HAD ELECTED BY RESOLUTION TO BE SUBJECT TO OR NOT TO BE SUBJECT TO, WHOLLY OR PARTLY, ANY OR ALL PROVISIONS OF SUBTITLE 8 OF THIS TITLE, THE ELECTION SHALL APPLY TO THE HOLDING COMPANY IMMEDIATELY AFTER THE EFFECTIVE TIME OF THE MERGER AS IF THE HOLDING COMPANY WERE THE PARENT CORPORATION;

(6) UNLESS THE BOARD OF DIRECTORS OF THE HOLDING COMPANY HAS AUTHORIZED SHARES OF STOCK OF THE HOLDING COMPANY TO BE ISSUED WITHOUT CERTIFICATES, OR UNTIL CERTIFICATES WITH THE NAME OF THE HOLDING COMPANY HAVE BEEN ISSUED, THE SHARES OF STOCK OF THE HOLDING COMPANY INTO WHICH THE SHARES OF STOCK OF THE PARENT CORPORATION ARE CONVERTED IN THE MERGER MAY CONTINUE TO BE REPRESENTED BY THE STOCK CERTIFICATES THAT PREVIOUSLY REPRESENTED SHARES OF STOCK OF THE PARENT CORPORATION; AND

(7) TO THE EXTENT THAT A STOCKHOLDER OF THE PARENT CORPORATION IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OF THE MERGER HAD STANDING TO INSTITUTE OR MAINTAIN DERIVATIVE LITIGATION ON BEHALF OF THE PARENT CORPORATION, THE STOCKHOLDER SHALL HAVE STANDING TO INSTITUTE OR MAINTAIN DERIVATIVE LITIGATION ON BEHALF OF THE HOLDING COMPANY.

8-501.1.

(c) A merger shall be approved in the manner provided by this section, except that:

(1) A foreign business trust, a Maryland business trust, other than a Maryland real estate investment trust, a corporation, a domestic or foreign partnership, or a domestic or foreign limited partnership party to the merger shall have the merger advised, authorized, and approved in the manner and by the vote required by its declaration of trust, governing instrument, charter, or partnership agreement and the laws of the place where it is organized;

(2) (i) A foreign limited liability company party to the merger shall have the merger advised, authorized, and approved in the manner and by the vote required by the laws of the place where it is organized; and

(ii) A domestic limited liability company shall have the merger approved in the manner provided under § 4A-703 of this article;

(3) A merger need be approved by a Maryland real estate investment trust successor only by a majority of its entire board of trustees if the merger does not reclassify or change the terms of any class or series of its shares that are outstanding immediately before the merger becomes effective or otherwise amend its declaration of trust and the number of shares of such class or series outstanding immediately after the effective time of the merger does not increase by more than 20 percent of the number of its shares of the class or series of shares outstanding immediately before the merger becomes effective;

(4) A merger of a subsidiary with or into its parent need be approved only in the manner provided in § 3-106 of this article, provided the parent owns at least 90 percent of the subsidiary; [and]

(5) A merger of a Maryland real estate investment trust in accordance with § 3-106.1 of this article need be approved only in the manner provided in § 3-106.1 of this article; AND

(6) A MERGER OF A PARENT REAL ESTATE INVESTMENT TRUST WITH OR INTO A SINGLE DIRECT OR INDIRECT WHOLLY OWNED SUBSIDIARY REAL ESTATE INVESTMENT TRUST MAY BE APPROVED IN THE MANNER PROVIDED IN § 3-106.2 OF THIS ARTICLE, PROVIDED THE MERGER OTHERWISE CONFORMS TO THE REQUIREMENTS UNDER § 3-106.2 OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 360

(Senate Bill 1057)

AN ACT concerning

**Public Information Act – Denials of Inspection – Explanation Regarding
Redaction**

FOR the purpose of requiring, under certain circumstances, a custodian of a public record to include in a certain written statement an explanation of why redacting information would not address the reasons for denying inspection of a public record; and generally relating to the denials of inspection of public records.

BY repealing and reenacting, with amendments,
Article – General Provisions
Section 4–203
Annotated Code of Maryland
(2014 Volume and 2016 Supplement)

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

Article – General Provisions

4–203.

(a) The custodian shall grant or deny the application promptly, but not more than 30 days after receiving the application.

(b) (1) A custodian who approves the application shall produce the public record immediately or within a reasonable period that is needed to retrieve the public record, but not more than 30 days after receipt of the application.

(2) If the custodian reasonably believes that it will take more than 10 working days to produce the public record, the custodian shall indicate in writing or by electronic mail within 10 working days after receipt of the request:

(i) the amount of time that the custodian anticipates it will take to produce the public record;

(ii) an estimate of the range of fees that may be charged to comply with the request for public records; and

(iii) the reason for the delay.

(3) Failure to produce the public record in accordance with this subsection constitutes a denial of an application that may not be considered the result of a bona fide dispute unless the custodian has complied with paragraph (2) of this subsection and is working with the applicant in good faith.

(c) (1) A custodian who denies the application shall:

(i) within 10 working days, give the applicant a written statement that gives:

1. the reasons for the denial [and,];

2. if inspection is denied under § 4–343 of this title[,];

A. a brief explanation of why the denial is necessary; AND

**B. AN EXPLANATION OF WHY REDACTING INFORMATION
WOULD NOT ADDRESS THE REASONS FOR THE DENIAL;**

[2.] 3. the legal authority for the denial;

[3.] 4. without disclosing the protected information, a brief description of the undisclosed record that will enable the applicant to assess the applicability of the legal authority for the denial; and

[4.] 5. notice of the remedies under this title for review of the denial; and

(ii) allow inspection of any part of the record that is subject to inspection.

(2) A custodian may not ignore an application to inspect public records on the grounds that the application was intended for purposes of harassment.

(d) Any time limit imposed under this section:

(1) with the consent of the applicant, may be extended for not more than 30 days; and

(2) if the applicant seeks resolution of a dispute under § 4–1B–04 of this title, shall be extended pending resolution of that dispute.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 361

(House Bill 321)

AN ACT concerning

~~Washington Suburban Sanitary Commission and Maryland–National Capital Park and Planning Commission – Audit Committee and Office of the Inspector General~~

MC/PG 110–17

FOR the purpose of ~~establishing an Office of the Inspector General in the Maryland–National Capital Park and Planning Commission; authorizing the Inspector General to conduct certain investigations; requiring the Inspector General to conduct a certain audit; authorizing the Inspector General or a designated Assistant Inspector General to subpoena certain persons or evidence, administer oaths, and take depositions and other testimony for certain purposes; authorizing a certain court to compel compliance with a certain order or subpoena or compel certain testimony or the production of evidence under certain circumstances; requiring the Inspector General to submit certain information to the Maryland–National Capital Park and Planning Commission and the county executives of Montgomery County and Prince George’s County each year; establishing an Office of the Inspector General in the Washington Suburban Sanitary Commission; authorizing the Inspector General to conduct certain investigations; requiring the Inspector General to conduct a certain audit; authorizing the Inspector General or a designated Assistant Inspector General to subpoena certain persons or evidence, administer oaths, and take depositions and other testimony for certain purposes; authorizing a certain court to compel compliance with a certain order or subpoena or compel certain testimony or the production of evidence under certain circumstances; requiring the Inspector General to submit certain information to the Washington Suburban Sanitary Commission and the county executives of Montgomery County and Prince George’s County each year; and generally relating to the establishment of Offices of the Inspector General in the Maryland–National Capital Park and Planning Commission and the Washington Suburban Sanitary Commission~~ establishing an Audit Committee in the Maryland–National Capital Park and Planning Commission; providing for the membership, terms, chair, and duties of the Audit Committee; providing for the appointment of certain members of the Audit Committee; requiring the Commission to adopt certain regulations regarding the Audit Committee; authorizing the Commission to adopt certain rules of procedure and delegate certain other functions to the Audit Committee; establishing an Office of the Inspector General in the Commission; providing for the appointment, qualifications, and term of the Inspector General; prohibiting the Inspector General from participating in a certain merit system but authorizing the Inspector General to participate in a certain employee benefits program under certain terms and conditions; authorizing the Commission to offer a certain supplemental employee benefits program to an Inspector General under certain circumstances; authorizing the Commission to remove an Inspector General under certain circumstances; prohibiting the Inspector General from holding secondary employment during the term as Inspector General; authorizing the Inspector General to select certain employees as subordinate staff of the Office subject to certain conditions; authorizing the Inspector General to dismiss certain subordinate staff for certain causes; authorizing the Inspector General, subject to

certain conditions, to retain consultants; setting forth the duties of the Office; authorizing the Office to conduct certain investigations, analyses, audits, and reviews, provide management advisories, and utilize the assistance of certain other persons; requiring the Inspector General to comply with generally accepted government auditing standards under certain circumstances; requiring the Inspector General to submit certain written reports to the Audit Committee and the Commission for publication on the Commission's Web site; prohibiting the Inspector General from disclosing certain information that is protected from disclosure; authorizing the Inspector General to make certain oral reports under certain circumstances; requiring the Inspector General to establish and follow procedures for safeguarding the identity of confidential sources and protecting confidential information; requiring the Commission to publish certain reports on its Web site; requiring the Inspector General to report certain allegations to certain persons under certain circumstances; requiring the Inspector General to coordinate with the Audit Committee to develop a certain work plan and establish certain goals and priorities for the Office; requiring the Inspector General to make the work plan available to the public, subject to certain laws; requiring the Inspector General to coordinate with certain persons for certain purposes under certain circumstances; requiring the Commission to include in its annual budget proposal certain amounts for the Office; requiring the Commission's general counsel to provide certain legal services to the Inspector General under certain circumstances; authorizing the Inspector General to employ and be represented by a special legal counsel without the consent of the general counsel under certain circumstances; requiring a Commission employee or official or a vendor of the Commission to promptly provide certain information to the Inspector General under certain circumstances; requiring the Inspector General to notify certain persons if a Commission employee or official fails to provide certain information; requiring the Commission chair, vice-chair, or executive director to take certain action under certain circumstances; requiring the Commission officers to take certain action under certain circumstances; providing that a Commission employee should report any fraud, waste, or abuse to the Office; prohibiting a Commission employee, vendor, or employee of a vendor from being retaliated against, penalized, or threatened with retaliation for certain actions; prohibiting the Inspector General from disclosing the identity of a certain person under certain circumstances; authorizing the Inspector General or a designated assistant Inspector General to administer an oath or affirmation or take an affidavit from any person under certain circumstances; authorizing the Commission to adopt certain regulations; authorizing the Inspector General or a staff member authorized by the Inspector General to administer oaths and take depositions and other testimony for certain purposes; authorizing the Inspector General to subpoena any person or evidence for a certain purpose; authorizing a court of competent jurisdiction to compel compliance with a certain order or subpoena or testimony or the production of evidence; exempting certain employees of the Commission from a certain merit system; setting the terms of the initial voting members of the Audit Committee; transferring the functions, powers, and duties of the Office of Internal Audit of the Commission to the Office of the Inspector General of the Commission on a certain date; providing that certain employees who are transferred to the Office of the Inspector General shall be transferred without any diminution of their rights;

defining certain terms; and generally relating to the Audit Committee and the Office of the Inspector General in the Maryland–National Capital Park and Planning Commission.

BY repealing and reenacting, without amendments,

Article – Land Use

Section 15–101

Annotated Code of Maryland

(2012 Volume and 2016 Supplement)

BY adding to

Article – Land Use

Section 15–401 through 15–405 to be under the new subtitle “Subtitle 4. ~~Office of the Inspector General~~ Audit Committee”; and 15–501 through 15–508 to be under the new subtitle “Subtitle 5. Office of the Inspector General”

Annotated Code of Maryland

(2012 Volume and 2016 Supplement)

~~BY repealing and reenacting, without amendments,~~

~~Article – Public Utilities~~

~~Section 17–101~~

~~Annotated Code of Maryland~~

~~(2010 Replacement Volume and 2016 Supplement)~~

~~BY adding to~~

~~Article – Public Utilities~~

~~Section 17–601 to be under the new subtitle “Subtitle 6. Office of the Inspector General”~~

~~Annotated Code of Maryland~~

~~(2010 Replacement Volume and 2016 Supplement)~~

BY repealing and reenacting, with amendments,

Article – Land Use

Section 16–102 and 16–201(a)

Annotated Code of Maryland

(2012 Volume and 2016 Supplement)

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

Article – Land Use

15–101.

- (a) There is a Maryland–National Capital Park and Planning Commission.
- (b) The Commission is a body politic and corporate and is an agency of the State.

~~SUBTITLE 4. OFFICE OF THE INSPECTOR GENERAL.~~~~15-401.~~~~(A) THERE IS AN OFFICE OF THE INSPECTOR GENERAL IN THE COMMISSION.~~~~(B) THE INSPECTOR GENERAL:~~~~(1) MAY INVESTIGATE MISMANAGEMENT, MISCONDUCT, FRAUD, WASTE, AND ABUSE AT THE COMMISSION; AND~~~~(2) SHALL CONDUCT AN ANNUAL AUDIT OF THE COMMISSION.~~~~(C) (1) THE INSPECTOR GENERAL, OR A DESIGNATED ASSISTANT INSPECTOR GENERAL, MAY SUBPOENA ANY PERSON OR EVIDENCE, ADMINISTER OATHS, AND TAKE DEPOSITIONS AND OTHER TESTIMONY FOR THE PURPOSE OF INVESTIGATING MISMANAGEMENT, MISCONDUCT, FRAUD, WASTE, OR ABUSE AT THE COMMISSION.~~~~(2) IF A PERSON FAILS TO COMPLY WITH A LAWFUL ORDER OR SUBPOENA ISSUED UNDER THIS SUBSECTION, ON PETITION OF THE INSPECTOR GENERAL OR A DESIGNATED ASSISTANT INSPECTOR GENERAL, A COURT OF COMPETENT JURISDICTION MAY COMPEL:~~~~(I) COMPLIANCE WITH THE ORDER OR SUBPOENA; OR~~~~(II) TESTIMONY OR THE PRODUCTION OF EVIDENCE.~~~~(D) ON OR BEFORE JANUARY 1 EACH YEAR, THE INSPECTOR GENERAL SHALL SUBMIT TO THE COMMISSION AND THE COUNTY EXECUTIVES OF MONTGOMERY COUNTY AND PRINCE GEORGE'S COUNTY A COPY OF THE AUDIT AND A SUMMARY OF THE REPORTS AND INVESTIGATIONS MADE BY THE INSPECTOR GENERAL IN ACCORDANCE WITH THIS SECTION.~~~~Article — Public Utilities~~~~17-101.~~~~(a) There is a Washington Suburban Sanitary Commission.~~~~(b) The Commission has jurisdiction over the sanitary district.~~~~SUBTITLE 6. OFFICE OF THE INSPECTOR GENERAL.~~

~~17-601.~~

~~(A) THERE IS AN OFFICE OF THE INSPECTOR GENERAL IN THE COMMISSION.~~

~~(B) THE INSPECTOR GENERAL:~~

~~(1) MAY INVESTIGATE MISMANAGEMENT, MISCONDUCT, FRAUD, WASTE, AND ABUSE AT THE COMMISSION; AND~~

~~(2) SHALL CONDUCT AN ANNUAL AUDIT OF THE COMMISSION.~~

~~(C) (1) THE INSPECTOR GENERAL, OR A DESIGNATED ASSISTANT INSPECTOR GENERAL, MAY SUBPOENA ANY PERSON OR EVIDENCE, ADMINISTER OATHS, AND TAKE DEPOSITIONS AND OTHER TESTIMONY FOR THE PURPOSE OF INVESTIGATING MISMANAGEMENT, MISCONDUCT, FRAUD, WASTE, OR ABUSE AT THE COMMISSION.~~

~~(2) IF A PERSON FAILS TO COMPLY WITH A LAWFUL ORDER OR SUBPOENA ISSUED UNDER THIS SUBSECTION, ON PETITION OF THE INSPECTOR GENERAL OR A DESIGNATED ASSISTANT INSPECTOR GENERAL, A COURT OF COMPETENT JURISDICTION MAY COMPEL:~~

~~(I) COMPLIANCE WITH THE ORDER OR SUBPOENA; OR~~

~~(II) TESTIMONY OR THE PRODUCTION OF EVIDENCE.~~

~~(D) ON OR BEFORE JANUARY 1 EACH YEAR, THE INSPECTOR GENERAL SHALL SUBMIT TO THE COMMISSION AND THE COUNTY EXECUTIVES OF MONTGOMERY COUNTY AND PRINCE GEORGE'S COUNTY A COPY OF THE AUDIT AND A SUMMARY OF THE REPORTS AND INVESTIGATIONS MADE BY THE INSPECTOR GENERAL IN ACCORDANCE WITH THIS SECTION.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.~~

SUBTITLE 4. AUDIT COMMITTEE.

15-401.

THERE IS AN AUDIT COMMITTEE IN THE COMMISSION.

15-402.

(A) THE AUDIT COMMITTEE CONSISTS OF FIVE MEMBERS.

(B) THE FOUR VOTING MEMBERS OF THE AUDIT COMMITTEE SHALL BE APPOINTED AS FOLLOWS:

(1) ONE COMMISSIONER WHO IS A MEMBER OF THE MONTGOMERY COUNTY PLANNING BOARD, APPOINTED BY THE CHAIR OF THE PLANNING BOARD;

(2) ONE COMMISSIONER WHO IS A MEMBER OF THE PRINCE GEORGE'S COUNTY PLANNING BOARD, APPOINTED BY THE CHAIR OF THE PLANNING BOARD;

(3) ONE MEMBER OF THE PUBLIC WHO IS QUALIFIED IN ACCORDANCE WITH SUBSECTION (E) OF THIS SECTION, APPOINTED BY THE MONTGOMERY COUNTY PLANNING BOARD; AND

(4) ONE MEMBER OF THE PUBLIC WHO IS QUALIFIED IN ACCORDANCE WITH SUBSECTION (E) OF THIS SECTION, APPOINTED BY THE PRINCE GEORGE'S COUNTY PLANNING BOARD.

(C) THE CHAIR OF THE COMMISSION SHALL SERVE AS AN EX OFFICIO NONVOTING MEMBER OF THE AUDIT COMMITTEE WHO MAY VOTE ONLY WHEN THERE IS A TIE VOTE AMONG THE VOTING MEMBERS.

(D) (1) THE TERM OF A VOTING MEMBER OF THE AUDIT COMMITTEE IS 2 YEARS.

(2) THE TERMS OF THE VOTING MEMBERS OF THE AUDIT COMMITTEE ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR THE AUDIT COMMITTEE ON OCTOBER 1, 2017.

(3) AT THE END OF A TERM, A VOTING MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(4) IF A VACANCY OCCURS AFTER A TERM HAS BEGUN, THE APPROPRIATE PLANNING BOARD SHALL APPOINT A SUCCESSOR.

(5) A VOTING MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(E) (1) A MEMBER OF THE AUDIT COMMITTEE WHO IS A MEMBER OF THE PUBLIC SHALL POSSESS:

(I) ADVANCED EDUCATION AND EXPERIENCE IN THE MANAGEMENT OF GOVERNMENTAL ENTITIES THAT ARE COMPARABLE TO THE COMMISSION IN SCOPE AND COMPLEXITY;

(II) DEMONSTRATED KNOWLEDGE AND EXPERIENCE IN THE APPLICATION OF:

1. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES;
2. GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS; AND
3. INTERNAL CONTROL SYSTEMS; AND

(III) AN UNDERSTANDING OF THE APPROPRIATE FUNCTIONS OF AN AUDIT COMMITTEE.

(2) A MEMBER OF THE AUDIT COMMITTEE WHO IS A MEMBER OF THE PUBLIC MAY POSSESS DEMONSTRATED KNOWLEDGE AND EXPERIENCE IN THE APPLICATION OF:

(I) SUSTAINABLE FINANCIAL MANAGEMENT PRACTICES FOR PUBLIC ENTITIES; AND

(II) PUBLIC ACCOUNTABILITY.

(3) A MEMBER OF THE AUDIT COMMITTEE WHO IS A MEMBER OF THE PUBLIC MAY NOT HAVE ANY OTHER BUSINESS OR CLOSE PERSONAL RELATIONSHIPS WITH THE COMMISSION OR ITS OFFICERS, MANAGERS, OR EMPLOYEES.

(F) (1) BEFORE APPOINTING ANY MEMBER OF THE PUBLIC TO THE AUDIT COMMITTEE, THE APPROPRIATE PLANNING BOARD SHALL SUBMIT THE NAME AND QUALIFICATIONS OF THE PROPOSED NOMINEE FOR CONSIDERATION BY THE COUNTY COUNCIL OF THAT COUNTY.

(2) ON AND AFTER 30 DAYS AFTER A PLANNING BOARD NOTIFIES THE APPROPRIATE COUNTY COUNCIL OF A PROSPECTIVE NOMINEE TO THE AUDIT COMMITTEE UNDER THIS PARAGRAPH, THE PROPOSED NOMINEE SHALL BE ELIGIBLE FOR APPOINTMENT TO THE AUDIT COMMITTEE UNLESS THE COUNTY COUNCIL NOTIFIES THE PLANNING BOARD IN WRITING OF AN OBJECTION TO THE APPOINTMENT AND THE BASIS FOR THE OBJECTION.

(3) IF THE COUNTY COUNCIL NOTIFIES THE PLANNING BOARD OF AN OBJECTION TO THE APPOINTMENT OF A PROSPECTIVE NOMINEE UNDER THIS

SUBSECTION, THE PLANNING BOARD SHALL SUBMIT THE NAME AND QUALIFICATIONS OF ANOTHER PROSPECTIVE NOMINEE FOR CONSIDERATION.

(G) THE AUDIT COMMITTEE SHALL ELECT A VOTING MEMBER WHO IS ALSO A COMMISSIONER AS CHAIR.

15-403.

THE AUDIT COMMITTEE SHALL SELECT AND APPOINT:

(1) THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT REQUIRED TO AUDIT THE COMMISSION'S ANNUAL FINANCIAL REPORT UNDER § 15-115(A)(2) OF THIS TITLE; AND

(2) THE INSPECTOR GENERAL AS PROVIDED IN SUBTITLE 5 OF THIS TITLE.

15-404.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE NONVOTING MEMBER OF THE AUDIT COMMITTEE MAY VOTE ON A DECISION OF THE AUDIT COMMITTEE IN THE EVENT OF A TIE.

(B) THE APPOINTMENT OF THE INSPECTOR GENERAL MAY BE APPROVED ONLY THROUGH A MAJORITY OF THE VOTING MEMBERS OF THE AUDIT COMMITTEE.

15-405.

(A) THE COMMISSION SHALL ADOPT REGULATIONS TO ENSURE THAT THE AUDIT COMMITTEE OPERATES INDEPENDENTLY FROM THE MANAGEMENT OF THE COMMISSION.

(B) THE COMMISSION MAY:

(1) ADOPT RULES OF PROCEDURE; AND

(2) DELEGATE OTHER APPROPRIATE FUNCTIONS TO THE AUDIT COMMITTEE.

(C) THE REGULATIONS ADOPTED UNDER THIS SECTION MAY PROVIDE FOR A REASONABLE STIPEND TO COMPENSATE ONLY THE MEMBERS OF THE AUDIT COMMITTEE WHO ARE NOT ALSO COMMISSIONERS.

SUBTITLE 5. OFFICE OF THE INSPECTOR GENERAL.

15-501.

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

(B) (1) “ABUSE” MEANS AN EMPLOYEE’S INTENTIONAL MISCONDUCT OR MISUSE OF AUTHORITY OR POSITION:

(I) INVOLVING COMMISSION PROPERTY OR FUNDS THAT IS IMPROPER OR DEFICIENT WHEN COMPARED TO CONDUCT A PRUDENT PERSON WOULD CONSIDER REASONABLE UNDER THE SAME FACTS AND CIRCUMSTANCES; OR

(II) FOR THE PURPOSE OF FURTHERING IMPROPERLY THE PRIVATE INTERESTS OF THE EMPLOYEE, A FAMILY MEMBER, OR A CLOSE PERSONAL OR BUSINESS ASSOCIATE.

(2) “ABUSE” INCLUDES:

(I) THEFT OR MISAPPROPRIATION OF COMMISSION PROPERTY OR FUNDS; AND

(II) DESTRUCTION OR ALTERATION OF OFFICIAL RECORDS.

(C) (1) “FRAUD” MEANS AN INTENTIONAL ACT OR ATTEMPT TO OBTAIN SOMETHING OF VALUE FROM THE COMMISSION OR ANOTHER PERSON THROUGH WILLFUL MISREPRESENTATION.

(2) “FRAUD” INCLUDES A WILLFUL FALSE REPRESENTATION OF A MATERIAL FACT, WHETHER BY WORDS OR BY CONDUCT, BY FALSE OR MISLEADING ALLEGATIONS, OR BY CONCEALMENT OF THAT WHICH SHOULD HAVE BEEN DISCLOSED, WHICH CAUSES THE COMMISSION TO ACT, OR FAIL TO ACT, TO THE DETRIMENT OF THE COMMISSION’S INTEREST.

(D) “OFFICE” MEANS THE OFFICE OF THE INSPECTOR GENERAL.

(E) “VENDOR” MEANS A PARTY OBLIGATED BY CONTRACT OR SUBCONTRACT TO PROVIDE GOODS, SERVICES, OR PROPERTY TO THE COMMISSION FOR CONSIDERATION, INCLUDING CONTRACTS AND SUBCONTRACTS FOR CONSTRUCTION AND PROFESSIONAL SERVICES RELATED TO CONSTRUCTION.

(F) (1) “WASTE” MEANS AN INAPPROPRIATE ACT OR OMISSION BY AN EMPLOYEE WITH CONTROL OVER, OR ACCESS TO, COMMISSION PROPERTY OR FUNDS THAT UNREASONABLY DEPRIVES THE COMMISSION OF VALUE.

(2) "WASTE" INCLUDES MISMANAGEMENT OR OTHER UNINTENTIONAL CONDUCT THAT IS DEFICIENT OR IMPROPER WHEN COMPARED TO CONDUCT A PRUDENT PERSON WOULD CONSIDER NECESSARY TO PRESERVE THE VALUE OF COMMISSION PROPERTY OR FUNDS UNDER THE SAME FACTS AND CIRCUMSTANCES.

15-502.

THERE IS AN OFFICE OF THE INSPECTOR GENERAL IN THE COMMISSION.

15-503.

(A) (1) THE AUDIT COMMITTEE OF THE COMMISSION SHALL APPOINT THE INSPECTOR GENERAL.

(2) (I) THE AUDIT COMMITTEE SHALL SELECT THE INSPECTOR GENERAL SOLELY ON THE BASIS OF PROFESSIONAL ABILITY AND PERSONAL INTEGRITY, WITHOUT REGARD TO POLITICAL AFFILIATION.

(II) THE INSPECTOR GENERAL SHALL BE QUALIFIED PROFESSIONALLY BY EXPERIENCE OR EDUCATION IN AUDITING, GOVERNMENT OPERATIONS, OR FINANCIAL MANAGEMENT.

(B) (1) THE TERM OF THE INSPECTOR GENERAL IS 4 YEARS BEGINNING ON THE DATE OF APPOINTMENT.

(2) AN INDIVIDUAL MAY NOT SERVE AS INSPECTOR GENERAL FOR MORE THAN THREE TERMS.

(3) THE INSPECTOR GENERAL MAY NOT PARTICIPATE IN THE MERIT SYSTEM ADOPTED BY THE COMMISSION UNDER TITLE 16, SUBTITLE 1 OF THIS ARTICLE, BUT:

(I) MAY PARTICIPATE IN ANY EMPLOYEE BENEFITS PROGRAM OFFERED BY THE COMMISSION ON THE SAME TERMS AND CONDITIONS AS IT IS OFFERED GENERALLY TO AN EMPLOYEE PARTICIPATING IN THE MERIT SYSTEM; AND

(II) THE COMMISSION MAY OFFER TO AN INDIVIDUAL APPOINTED AS INSPECTOR GENERAL ANY SUPPLEMENTAL EMPLOYEE BENEFIT PROGRAMS IT DETERMINES ARE NECESSARY TO RECRUIT AND RETAIN AN EMPLOYEE WHO DOES NOT PARTICIPATE IN THE MERIT SYSTEM.

(4) THE COMMISSION MAY REMOVE THE INSPECTOR GENERAL BY RESOLUTION ADOPTED BY THE AFFIRMATIVE VOTE OF NOT LESS THAN THREE OF ITS MEMBERS FROM EACH COUNTY FOR NEGLIGENCE OF DUTY, MALFEASANCE, CONVICTION OF A FELONY, OR OTHER GOOD CAUSE.

(5) THE INSPECTOR GENERAL SHALL DISCHARGE THE DUTIES OF OFFICE ON A FULL-TIME BASIS AND WITH NO SECONDARY EMPLOYMENT OF ANY NATURE DURING THEIR TERM.

(C) (1) SUBJECT TO BUDGET AUTHORIZATION, APPLICABLE LAW, AND THE PERSONNEL REGULATIONS OF THE COMMISSION, THE INSPECTOR GENERAL MAY SELECT AS SUBORDINATE STAFF OF THE OFFICE ONE OR MORE:

(I) TEMPORARY TERM EMPLOYEES WHO DO NOT PARTICIPATE IN THE MERIT SYSTEM ADOPTED BY THE COMMISSION UNDER TITLE 16, SUBTITLE 1 OF THIS ARTICLE; AND

(II) OTHER EMPLOYEES WHO PARTICIPATE IN THE MERIT SYSTEM.

(2) NOTWITHSTANDING ANY PROVISION OF THE PERSONNEL REGULATIONS TO THE CONTRARY, AN AUDITOR, ACCOUNTANT, INVESTIGATOR, OR SIMILAR PROFESSIONAL EMPLOYEE APPOINTED AS SUBORDINATE STAFF OF THE OFFICE SHALL BE SUBJECT TO DISMISSAL BY THE INSPECTOR GENERAL ONLY FOR NEGLIGENCE OF DUTY, MALFEASANCE, CONVICTION OF A FELONY, OR OTHER GOOD CAUSE.

(D) SUBJECT TO BUDGET AUTHORIZATION AND THE APPLICABLE PROCUREMENT REGULATIONS, THE INSPECTOR GENERAL MAY RETAIN CONSULTANTS BY CONTRACT.

15-504.

(A) THE OFFICE SHALL:

(1) ASSIST THE COMMISSION BY PROVIDING INDEPENDENT EVALUATION AND RECOMMENDATIONS REGARDING OPPORTUNITIES TO:

(I) PRESERVE THE COMMISSION'S REPUTATION; AND

(II) IMPROVE THE EFFECTIVENESS, PRODUCTIVITY, OR EFFICIENCY OF COMMISSION PROGRAMS, POLICIES, PRACTICES, AND OPERATIONS;

(2) ENSURE PUBLIC ACCOUNTABILITY BY PREVENTING, INVESTIGATING, AND REPORTING INSTANCES OF FRAUD, WASTE, AND ABUSE OF COMMISSION PROPERTY OR FUNDS;

(3) EXAMINE, EVALUATE, AND REPORT ON THE ADEQUACY AND EFFECTIVENESS OF THE SYSTEMS OF INTERNAL CONTROLS AND THEIR RELATED ACCOUNTING, FINANCIAL, TECHNOLOGY, AND OPERATIONAL POLICIES; AND

(4) REPORT NONCOMPLIANCE WITH AND PROPOSE WAYS TO IMPROVE EMPLOYEE COMPLIANCE WITH APPLICABLE LAW, POLICY, AND ETHICAL STANDARDS OF CONDUCT.

(B) IN DEVELOPING RECOMMENDATIONS, THE OFFICE MAY:

(1) CONDUCT ADMINISTRATIVE INVESTIGATIONS, BUDGETARY ANALYSES, AND FINANCIAL, MANAGEMENT, OR PERFORMANCE AUDITS AND SIMILAR REVIEWS;

(2) PROVIDE MANAGEMENT ADVISORIES; AND

(3) UTILIZE THE ASSISTANCE FROM ANY OTHER GOVERNMENT AGENCY OR PRIVATE PARTY TO COMPLETE A PROJECT INITIATED BY THE OFFICE.

(C) WHEN APPLICABLE, THE INSPECTOR GENERAL SHALL COMPLY WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS.

(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE INSPECTOR GENERAL SHALL SUBMIT WRITTEN REPORTS TO THE AUDIT COMMITTEE AND TO THE COMMISSION FOR PUBLICATION ON THE COMMISSION'S WEB SITE.

(2) THE INSPECTOR GENERAL:

(I) MAY NOT DISCLOSE ANY RECORD, REPORT, OR RELATED INFORMATION THAT IS PROTECTED FROM DISCLOSURE UNDER THE PUBLIC INFORMATION ACT;

(II) MAY PROVIDE AN ORAL REPORT IF APPROPRIATE UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS; AND

(III) SHALL ESTABLISH AND FOLLOW PROCEDURES FOR SAFEGUARDING THE IDENTITY OF CONFIDENTIAL SOURCES AND PROTECTING PRIVILEGED AND CONFIDENTIAL INFORMATION.

(3) THE COMMISSION SHALL PUBLISH WITH ANY REPORT SUBMITTED BY THE INSPECTOR GENERAL ANY OFFICIAL WRITTEN COMMENTS OR RESPONSES OFFERED BY THE COMMISSION'S MANAGEMENT.

(4) THE INSPECTOR GENERAL SHALL ALSO SUBMIT TO THE COMMISSION FOR PUBLICATION ON THE COMMISSION'S WEB SITE PERIODIC REPORTS THAT SUMMARIZE THE ACTIVITIES, FINDINGS, RECOMMENDATIONS, AND ACCOMPLISHMENTS OF THE OFFICE.

(E) IF REASONABLE GROUNDS EXIST TO BELIEVE THAT A SERIOUS VIOLATION OF FEDERAL, STATE, OR LOCAL LAW HAS OCCURRED, THE INSPECTOR GENERAL SHALL REPORT THE ALLEGATION TO:

(1) AN APPROPRIATE LAW ENFORCEMENT AGENCY;

(2) THE STATE ETHICS COMMISSION; OR

(3) ANY OTHER AGENCY WITH JURISDICTION TO ENFORCE THE LAW.

15-505.

(A) (1) THE INSPECTOR GENERAL SHALL COORDINATE WITH THE AUDIT COMMITTEE TO DEVELOP A WRITTEN WORK PLAN AND ESTABLISH PERIODIC GOALS AND PRIORITIES FOR THE OFFICE BASED ON AN ASSESSMENT OF RELATIVE RISKS.

(2) IN DEVELOPING THE WORK PLAN, THE INSPECTOR GENERAL SHALL TAKE INTO CONSIDERATION REQUESTS FROM THE PLANNING BOARDS, COMMISSIONERS, COMMISSION OFFICERS, MANAGERS, AND EMPLOYEES, ELECTED OFFICIALS, AND MEMBERS OF THE PUBLIC.

(3) THE INSPECTOR GENERAL SHALL MAKE THE WRITTEN WORK PLAN AVAILABLE TO THE PUBLIC, SUBJECT TO THE PUBLIC INFORMATION ACT.

(B) IN PERFORMING THE DUTIES AUTHORIZED UNDER THIS SUBTITLE, THE INSPECTOR GENERAL SHALL COORDINATE WITH THE PARK POLICE OR OTHER LAW ENFORCEMENT AGENCY, AGENCY PERSONNEL ADMINISTRATORS, THE STATE ETHICS COMMISSION, AND OTHER INTERNAL OFFICIALS OR EXTERNAL ENTITIES AS APPROPRIATE TO AVOID UNNECESSARY DISRUPTION OR DUPLICATION OF EFFORT IN CONDUCTING ANY AUDIT, ANALYSIS, OR ADMINISTRATIVE INVESTIGATION.

15-506.

(A) THE COMMISSION SHALL INCLUDE IN THE COMMISSION'S ANNUAL OPERATING BUDGET PROPOSAL THE AMOUNTS RECOMMENDED BY THE AUDIT COMMITTEE FOR THE OFFICE.

(B) SUBJECT TO BUDGET AUTHORIZATION AND ADEQUATE FUNDS:

(1) THE COMMISSION'S GENERAL COUNSEL SHALL PROVIDE LEGAL SERVICES TO THE INSPECTOR GENERAL AND MAY EMPLOY SPECIAL COUNSEL IF APPROPRIATE OR REQUIRED BY LAW; AND

(2) THE INSPECTOR GENERAL MAY EMPLOY AND BE REPRESENTED BY A SPECIAL LEGAL COUNSEL WITHOUT CONSENT OF THE GENERAL COUNSEL IF THE AUDIT COMMITTEE APPROVES OF A REQUEST AFTER CONSIDERING ANY RECOMMENDATION OR COMMENT OFFERED BY THE GENERAL COUNSEL RELATING TO THE REQUEST.

15-507.

(A) (1) ON REQUEST FROM THE INSPECTOR GENERAL, A COMMISSION EMPLOYEE OR OFFICIAL SHALL PROMPTLY PROVIDE TO THE INSPECTOR GENERAL ANY AVAILABLE DOCUMENT OR OTHER INFORMATION CONCERNING COMMISSION OPERATIONS, BUDGET, PROGRAMS, OR VENDOR CONTRACTS.

(2) (I) THE INSPECTOR GENERAL SHALL NOTIFY THE AUDIT COMMITTEE AND COMMISSION CHAIR, VICE-CHAIR, AND EXECUTIVE DIRECTOR IF ANY COMMISSION EMPLOYEE OR OFFICIAL FAILS TO PROVIDE ANY INFORMATION OR DOCUMENT REQUESTED UNDER THIS SUBSECTION WITH REASONABLE PROMPTNESS.

(II) THE COMMISSION CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR SHALL TAKE ADMINISTRATIVE ACTION TO PRODUCE COMPLIANCE WITH A PENDING REQUEST FOR INFORMATION BY THE INSPECTOR GENERAL AS WARRANTED AND APPROPRIATE.

(B) (1) A VENDOR OF THE COMMISSION SHALL PROVIDE TO THE INSPECTOR GENERAL ANY AVAILABLE DOCUMENT OR OTHER INFORMATION CONCERNING ANY COMMISSION VENDOR CONTRACT, INCLUDING DOCUMENTS RELATED TO THE PROCUREMENT OF THE CONTRACT.

(2) (I) THE INSPECTOR GENERAL SHALL PROMPTLY NOTIFY THE AUDIT COMMITTEE AND COMMISSION OFFICERS IF ANY VENDOR FAILS TO PROVIDE ANY INFORMATION OR DOCUMENT REQUESTED UNDER THIS SUBSECTION WITH REASONABLE PROMPTNESS.

(II) THE COMMISSION OFFICERS SHALL TAKE APPROPRIATE ADMINISTRATIVE OR CIVIL ACTION TO PRODUCE VENDOR COMPLIANCE WITH A PENDING REQUEST FOR INFORMATION BY THE INSPECTOR GENERAL.

(C) (1) EACH COMMISSION EMPLOYEE SHOULD REPORT ANY FRAUD, WASTE, OR ABUSE TO THE OFFICE.

(2) A COMMISSION EMPLOYEE, VENDOR, OR EMPLOYEE OF ANY VENDOR MAY NOT BE RETALIATED AGAINST OR PENALIZED, OR THREATENED WITH RETALIATION OR PENALTY, FOR PROVIDING INFORMATION TO, COOPERATING WITH, OR IN ANY WAY ASSISTING THE INSPECTOR GENERAL AND STAFF OF THE OFFICE IN CONNECTION WITH ANY ACTIVITY AUTHORIZED UNDER THIS SUBTITLE.

(3) THE INSPECTOR GENERAL MAY NOT DISCLOSE THE IDENTITY OF A PERSON THAT REPORTS AN ALLEGATION OF FRAUD, WASTE, OR ABUSE UNLESS:

(I) THE REPORTING PERSON CONSENTS TO DISCLOSURE OF THE PERSON'S IDENTITY;

(II) DISCLOSURE IS REASONABLY NECESSARY TO COMPLETE AN AUDIT OR INVESTIGATION; OR

(III) ANOTHER PERSON IS LEGALLY ENTITLED TO DISCLOSURE OF THE IDENTITY OF THE REPORTING PERSON.

(D) THE INSPECTOR GENERAL OR A STAFF MEMBER AUTHORIZED BY THE INSPECTOR GENERAL MAY ADMINISTER AN OATH OR AFFIRMATION OR TAKE AN AFFIDAVIT FROM ANY PERSON IF NECESSARY TO PERFORM THE DUTIES UNDER THIS SUBTITLE.

(E) THE COMMISSION MAY ADOPT REGULATIONS TO CARRY OUT THE REQUIREMENTS OF THIS SECTION.

15-508.

(A) THE INSPECTOR GENERAL, OR A STAFF MEMBER AUTHORIZED BY THE INSPECTOR GENERAL, MAY ADMINISTER OATHS AND TAKE DEPOSITIONS AND OTHER TESTIMONY FOR THE PURPOSE OF INVESTIGATING FRAUD, WASTE, OR ABUSE WITHIN THE COMMISSION.

(B) THE INSPECTOR GENERAL MAY SUBPOENA ANY PERSON OR EVIDENCE FOR THE PURPOSE OF INVESTIGATING FRAUD, WASTE, OR ABUSE WITHIN THE COMMISSION.

(C) IF A PERSON FAILS TO COMPLY WITH A LAWFUL ORDER OR SUBPOENA ISSUED UNDER THIS SECTION, ON PETITION OF THE INSPECTOR GENERAL, A COURT OF COMPETENT JURISDICTION MAY COMPEL:

(1) COMPLIANCE WITH THE ORDER OR SUBPOENA; OR

(2) TESTIMONY OR THE PRODUCTION OF EVIDENCE.

16-102.

(a) The Commission shall implement a merit system adopted under this subtitle.

(b) The merit system includes each employee of the Commission, except:

(1) the commissioners;

(2) the executive director, secretary-treasurer, and general counsel appointed by the Commission under § 15-109 of this article;

(3) (I) THE INSPECTOR GENERAL; AND

(II) ANY TEMPORARY TERM EMPLOYEE OF THE OFFICE OF THE INSPECTOR GENERAL APPOINTED UNDER § 15-503 OF THIS ARTICLE;

(4) a part-time or temporary employee under Subtitle 2 or Subtitle 5 of this title;

[(4)] (5) in Montgomery County, each position excluded under § 20-204(b) of this article; and

[(5)] (6) in Prince George's County:

(i) the deputy chief of park police as provided in § 17-305 of this article; and

(ii) each director and deputy director as provided in § 20-204(c) of this article.

16-201.

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

(ii) "Confidential employee" means an employee who acts in a confidential capacity with respect to an individual who formulates, determines, or implements management policies in the field of labor-management relations.

(iii) “Probationary employee” means a merit system employee during the employee’s initial probationary period following employment.

(2) The rights granted to Commission merit system employees under this subtitle do not apply to:

(i) attorneys in the General Counsel’s office;

(ii) confidential employees;

(iii) employees who are at grade J or above;

(iv) park police officers;

(v) 1. THE INSPECTOR GENERAL; AND

2. ANY SUBORDINATE EMPLOYEE OF THE OFFICE OF THE INSPECTOR GENERAL APPOINTED UNDER § 15–503 OF THIS ARTICLE;

(VI) probationary employees; or

[(vi)] (VII) supervisors, as defined in § 2(11) of the National Labor Relations Act, 29 U.S.C. § 152(11).

SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial voting members of the Audit Committee in the Maryland–National Capital Park and Planning Commission created in Section 1 of this Act shall expire as follows:

(1) one voting member appointed by the Montgomery County Planning Board and one voting member appointed by the Prince George’s County Planning Board in 2018; and

(2) one voting member appointed by the Montgomery County Planning Board and one voting member appointed by the Prince George’s County Planning Board in 2019.

SECTION 3. AND BE IT FURTHER ENACTED, That the functions, powers, and duties of the Office of Internal Audit of the Maryland–National Capital Park and Planning Commission shall be transferred to the Office of the Inspector General of the Commission on the effective date of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That all employees who are transferred to the Office of the Inspector General of the Maryland–National Capital Park and Planning Commission as a result of this Act shall be transferred on the effective date

of this Act without any diminution of their rights, including collective bargaining rights, benefits, or employment or retirement status.

SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, April 18, 2017.

Chapter 362

(House Bill 406)

AN ACT concerning

Clean Cars Act of 2017

FOR the purpose of extending and altering, for certain fiscal years, the Electric Vehicle Recharging Equipment Rebate Program and authorization to issue motor vehicle excise tax credits for certain qualified plug-in electric drive vehicles; increasing the total amount of rebates that the Maryland Energy Administration may issue each fiscal year; altering how the rebate is calculated; altering the type of qualified plug-in electric drive vehicle eligible for a certain motor vehicle excise tax credit; altering the calculation of a certain motor vehicle excise tax credit; extending and increasing, for certain fiscal years, the amount required to be transferred from the Strategic Energy Investment Fund to the Transportation Trust Fund to offset certain revenue reductions; extending and increasing, for certain fiscal years, the total amount of motor vehicle excise tax credits that may be issued; and generally relating to the Electric Vehicle Recharging Equipment Rebate Program and motor vehicle excise tax credits for certain qualified plug-in electric drive vehicles.

BY repealing and reenacting, with amendments,
Article – State Government
Section 9–2009
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Transportation
Section 13–815
Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Chapter 359 of the Acts of the General Assembly of 2014
Section 2

BY repealing and reenacting, with amendments,
Chapter 360 of the Acts of the General Assembly of 2014
Section 2

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

Article – State Government

9–2009.

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

(2) “Electric vehicle recharging equipment rebate” means a rebate issued by the Administration under this section for the cost of qualified electric vehicle recharging equipment.

(3) “Qualified electric vehicle recharging equipment” means property in the State that is used for recharging motor vehicles propelled by electricity.

(4) “Retail service station dealer” has the meaning stated in § 10–101 of the Business Regulation Article.

(b) (1) There is an Electric Vehicle Recharging Equipment Rebate Program.

(2) The Administration shall administer the Program.

(c) (1) For fiscal years [2015 through 2017] **2018 THROUGH 2020**, subject to the provisions of this section, an individual, a business entity, or a unit of State or local government may apply to the Administration for an electric vehicle recharging equipment rebate for the costs of acquiring and installing qualified electric vehicle recharging equipment.

(2) For each fiscal year, the total amount of rebates issued by the Administration may not exceed [\$600,000] **\$1,200,000**.

(3) The Administration may allow an applicant to include reasonable installation costs in the cost of qualified electric vehicle recharging equipment for the purpose of calculating the amount of an electric vehicle recharging equipment rebate.

(d) Subject to subsection (e) of this section, the Administration may issue an electric vehicle recharging equipment rebate to:

(1) an individual in an amount equal to the lesser of:

(i) ~~[50%]~~ **40%** of the costs of acquiring and installing qualified electric vehicle recharging equipment; or

(ii) ~~[\$900]~~ **\$700**;

(2) except as provided in item (3) of this subsection, a business entity or unit of State or local government in an amount equal to the lesser of:

(i) ~~[50%]~~ **40%** of the costs of acquiring and installing qualified electric vehicle recharging equipment; or

(ii) ~~[\$5,000]~~ **\$4,000**; or

(3) a retail service station dealer in an amount equal to the lesser of:

(i) ~~[50%]~~ **40%** of the costs of acquiring and installing qualified electric vehicle recharging equipment; or

(ii) ~~[\$7,500]~~ **\$5,000**.

(e) An electric vehicle recharging equipment rebate issued under this section is limited to the acquisition of one recharging system per individual.

(f) (1) The Administration may adopt regulations to carry out this section.

(2) The regulations adopted under this subsection may include:

(i) further limitations on the maximum amount of an electric vehicle recharging equipment rebate that may be claimed by an applicant under subsection (d) of this section;

(ii) a requirement that an applicant demonstrate compliance with a State, local, or federal law that applies to the installation or operation of the qualified electric vehicle recharging equipment; and

(iii) any additional application and qualification requirements deemed appropriate by the Administration.

Article – Transportation

13–815.

(a) In this section, “excise tax” means the tax imposed under § 13–809 of this subtitle.

(b) This section applies only to a plug-in electric drive vehicle that:

- (1) Has not been modified from original manufacturer specifications;
- (2) Is acquired for use or lease by the taxpayer and not for resale; [and]
- (3) HAS A TOTAL PURCHASE PRICE NOT EXCEEDING \$60,000;**
- (4) HAS A BATTERY CAPACITY OF AT LEAST 5.0 KILOWATT-HOURS;**

AND

[(3)] (5) Is purchased new and titled for the first time on or after July 1, **[2014] 2017**, but before July 1, **[2017] 2020**.

(c) Subject to available funding, a credit is allowed against the excise tax imposed for a plug-in electric drive vehicle.

(d) The credit allowed under this section may not exceed the lesser of:

(1) The product of **[\$125] \$100** times the number of kilowatt-hours of battery capacity of the vehicle; or

(2) \$3,000.

(e) The credit allowed under this section is limited to the acquisition of:

(1) One vehicle per individual; and

(2) 10 vehicles per business entity.

(f) A credit may not be claimed under this section:

(1) For a vehicle unless the vehicle is registered in the State; or

(2) Unless the manufacturer has already conformed to any applicable State or federal laws or regulations governing clean-fuel vehicle or electric vehicle purchases applicable during the calendar year in which the vehicle is titled.

(g) The Motor Vehicle Administration shall administer the credit under this section.

Chapter 359 of the Acts of 2014

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal years ~~2015, 2016, [and] 2017,~~ **2018, 2019, AND 2020**, respectively, the lesser of **[\$1,287,000] ~~\$2,400,000 \$3,000,000~~ \$2,400,000** or the actual total amount of credits allowed against the excise tax shall be transferred from the

Strategic Energy Investment Fund established under § 9–20B–05 of the State Government Article to the Transportation Trust Fund to offset a reduction in revenues from the vehicle excise tax credit for qualified plug-in electric drive vehicles under § 13–815 of the Transportation Article, as enacted by this Act. The total amount of credits allowed against the excise tax may not exceed ~~[\$1,800,000] \$2,400,000~~ \$3,000,000 during the course of any fiscal year.

Chapter 360 of the Acts of 2014

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal years ~~2015, 2016, [and] 2017,~~ **2018, 2019, AND 2020**, respectively, the lesser of ~~[\$1,287,000] \$2,400,000 \$3,000,000~~ \$2,400,000 or the actual total amount of credits allowed against the excise tax shall be transferred from the Strategic Energy Investment Fund established under § 9–20B–05 of the State Government Article to the Transportation Trust Fund to offset a reduction in revenues from the vehicle excise tax credit for qualified plug-in electric drive vehicles under § 13–815 of the Transportation Article, as enacted by this Act. The total amount of credits allowed against the excise tax may not exceed ~~[\$1,800,000] \$2,400,000~~ \$3,000,000 during the course of any fiscal year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 363

(Senate Bill 393)

AN ACT concerning

~~Electric Vehicle Excise Tax Credit Extension~~ Clean Cars Act of 2017

FOR the purpose of extending and altering, for certain fiscal years, the Electric Vehicle Recharging Equipment Rebate Program and authorization to issue certain motor vehicle excise tax credits for certain qualified plug-in electric drive vehicles; increasing the total amount of rebates that the Maryland Energy Administration may issue each fiscal year; altering how the calculation of the rebate rebate is calculated; altering the type of qualified plug-in electric drive vehicle eligible for a certain motor vehicle excise tax credit; altering the calculation of a certain motor vehicle excise tax credit; extending the date by which certain qualified plug-in electric drive vehicles must be titled in order to be eligible for a certain credit against

~~the motor vehicle excise tax; extending and increasing, for certain fiscal years, a requirement to transfer a certain amount from *the amount required to be transferred from* the Strategic Energy Investment Fund to the Transportation Trust Fund to offset certain revenue reductions; extending and increasing, for certain fiscal years, the authorization to issue a certain amount of motor vehicle excise tax credits the total amount of motor vehicle excise tax credits that may be issued; requiring the Maryland Department of the Environment and the Maryland Department of Transportation to jointly study the ability of the State to meet the demands of the Maryland Clean Car Program which adopted certain vehicle emission standards; requiring the departments, in conducting the study, to consult with certain representatives; specifying the contents of the study; requiring the departments to report their findings and recommendations to the Governor and the General Assembly on or before a certain date; and generally relating to the electric vehicle excise tax credit the Electric Vehicle Recharging Equipment Rebate Program and motor vehicle excise tax credits for certain qualified plug-in electric drive vehicles.~~

BY repealing and reenacting, with amendments,

Article – State Government
Section 9–2009
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Transportation
 Section 13–815
 Annotated Code of Maryland
 (2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Chapter 359 of the Acts of the General Assembly of 2014
 Section 2

BY repealing and reenacting, with amendments,

Chapter 360 of the Acts of the General Assembly of 2014
 Section 2

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

Article – State Government

9–2009.

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

(2) “Electric vehicle recharging equipment rebate” means a rebate issued by the Administration under this section for the cost of qualified electric vehicle recharging equipment.

(3) “Qualified electric vehicle recharging equipment” means property in the State that is used for recharging motor vehicles propelled by electricity.

(4) “Retail service station dealer” has the meaning stated in § 10–101 of the Business Regulation Article.

(b) (1) There is an Electric Vehicle Recharging Equipment Rebate Program.

(2) The Administration shall administer the Program.

(c) (1) For fiscal years [2015 through 2017] **2018 THROUGH 2020**, subject to the provisions of this section, an individual, a business entity, or a unit of State or local government may apply to the Administration for an electric vehicle recharging equipment rebate for the costs of acquiring and installing qualified electric vehicle recharging equipment.

(2) For each fiscal year, the total amount of rebates issued by the Administration may not exceed [\$600,000] **\$1,200,000**.

(3) The Administration may allow an applicant to include reasonable installation costs in the cost of qualified electric vehicle recharging equipment for the purpose of calculating the amount of an electric vehicle recharging equipment rebate.

(d) Subject to subsection (e) of this section, the Administration may issue an electric vehicle recharging equipment rebate to:

(1) an individual in an amount equal to the lesser of:

(i) [50%] **40%** of the costs of acquiring and installing qualified electric vehicle recharging equipment; or

(ii) [\$900] **\$700**;

(2) except as provided in item (3) of this subsection, a business entity or unit of State or local government in an amount equal to the lesser of:

(i) [50%] **40%** of the costs of acquiring and installing qualified electric vehicle recharging equipment; or

(ii) [\$5,000] **\$4,000**; or

(3) a retail service station dealer in an amount equal to the lesser of:

(i) [50%] 40% of the costs of acquiring and installing qualified electric vehicle recharging equipment; or

(ii) [\$7,500] \$5,000.

(e) An electric vehicle recharging equipment rebate issued under this section is limited to the acquisition of one recharging system per individual.

(f) (1) The Administration may adopt regulations to carry out this section.

(2) The regulations adopted under this subsection may include:

(i) further limitations on the maximum amount of an electric vehicle recharging equipment rebate that may be claimed by an applicant under subsection (d) of this section;

(ii) a requirement that an applicant demonstrate compliance with a State, local, or federal law that applies to the installation or operation of the qualified electric vehicle recharging equipment; and

(iii) any additional application and qualification requirements deemed appropriate by the Administration.

Article – Transportation

13–815.

(a) In this section, “excise tax” means the tax imposed under § 13–809 of this subtitle.

(b) This section applies only to a plug-in electric drive vehicle that:

(1) Has not been modified from original manufacturer specifications;

(2) Is acquired for use or lease by the taxpayer and not for resale; ~~and~~

(3) HAS A TOTAL PURCHASE PRICE NOT EXCEEDING:

~~(I) FOR A COMMERCIAL VEHICLE, \$125,000; AND~~

~~(II) FOR A VEHICLE THAT IS NOT A COMMERCIAL VEHICLE,~~

\$60,000;

(4) HAS A BATTERY CAPACITY OF AT LEAST 5.0 KILOWATT-HOURS;

AND

~~(3)~~ **(5)** Is purchased new and titled for the first time on or after July 1, ~~2014~~ **2017**, but before July 1, ~~[2017]~~ ~~2022~~ **2020**.

(c) Subject to available funding, a credit is allowed against the excise tax imposed for a plug-in electric drive vehicle.

(d) The credit allowed under this section may not exceed the lesser of:

(1) The product of ~~\$125~~ **\$100** times the number of kilowatt-hours of battery capacity of the vehicle; or

(2) \$3,000.

(e) The credit allowed under this section is limited to the acquisition of:

(1) One vehicle per individual; and

(2) 10 vehicles per business entity.

(f) A credit may not be claimed under this section:

(1) For a vehicle unless the vehicle is registered in the State; or

(2) Unless the manufacturer has already conformed to any applicable State or federal laws or regulations governing clean-fuel vehicle or electric vehicle purchases applicable during the calendar year in which the vehicle is titled.

(g) The Motor Vehicle Administration shall administer the credit under this section.

Chapter 359 of the Acts of 2014

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal years ~~2015, 2016, [and] 2017,~~ **2018, 2019, 2020, 2021, AND 2022 AND 2020**, respectively, the lesser of ~~\$1,287,000~~ **\$2,400,000** or the actual total amount of credits allowed against the excise tax shall be transferred from the Strategic Energy Investment Fund established under § 9-20B-05 of the State Government Article to the Transportation Trust Fund to offset a reduction in revenues from the vehicle excise tax credit for qualified plug-in electric drive vehicles under § 13-815 of the Transportation Article, as enacted by this Act. The total amount of credits allowed against the excise tax may not exceed ~~\$1,800,000~~ **\$3,000,000** during the course of any fiscal year.

Chapter 360 of the Acts of 2014

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal years ~~2015, 2016, [and] 2017,~~ **2018, 2019, 2020, 2021, AND 2022 AND 2020**, respectively, the lesser of ~~\$1,287,000~~ **\$2,400,000** or the actual total amount of credits allowed against the excise tax shall be transferred from the Strategic Energy Investment Fund established under § 9–20B–05 of the State Government Article to the Transportation Trust Fund to offset a reduction in revenues from the vehicle excise tax credit for qualified plug-in electric drive vehicles under § 13–815 of the Transportation Article, as enacted by this Act. The total amount of credits allowed against the excise tax may not exceed ~~\$1,800,000~~ **\$3,000,000** during the course of any fiscal year.

~~SECTION 2. AND BE IT FURTHER ENACTED, That:~~

~~(1) The Maryland Department of the Environment and the Maryland Department of Transportation shall jointly study the ability of the State to meet the demands of the Maryland Clean Car Program which adopted the California vehicle emission standards set under the California Low Emission Vehicle Program by the California Air Resources Board.~~

~~(2) In conducting the study, the departments shall consult with representatives of:~~

~~(i) the Alliance of Automobile Manufacturers;~~

~~(ii) the Maryland Automobile Dealers Association;~~

~~(iii) the environmental community;~~

~~(iv) the Maryland Energy Administration; and~~

~~(v) any other interested party, as the departments determine appropriate.~~

~~(3) Under the study, the departments shall:~~

~~(i) evaluate the California zero emission standards and requirements and the status of the State's implementation of, and compliance with, the requirements to meet these standards;~~

~~(ii) evaluate the impact of economic, technological, and other relevant factors since the implementation of California's zero emission vehicle standards in the State, including:~~

~~1. advances made in, and availability and performance of, low emission vehicles, zero emission vehicles, and transitional zero emission vehicle technology;~~

~~2. the cost and retail process of vehicles using this technology;~~

~~3. consumer acceptance of the technology, vehicles that use this technology, and the costs associated with this technology; and~~

~~4. availability of current and future incentives at federal, State, and local government levels;~~

~~(iii) analyze the cost of fuels in the State for low and zero emission vehicles, both electricity and hydrogen, and the residential price to recharge plug-in electric vehicles under available rate structures at private homes and the price to recharge plug-in electric vehicles in public locations;~~

~~(iv) analyze the statewide need for additional infrastructure and recharging stations necessary to support low and zero emission vehicles by comparing the needed infrastructure with the currently available and firmly funded future infrastructure;~~

~~(v) identify the use of low and zero emission vehicles in federal, State, and local government fleets;~~

~~(vi) analyze the impact of the California zero emission standards on the auto manufacturers and car dealers in the State;~~

~~(vii) evaluate the environmental impact of the California zero emission standards on the "State Implementation Plan" pursuant to the federal Clean Air Act;~~

~~(viii) compare the potential amount of CO₂ reduction in the State from the California zero emission standards to all nonCO₂ emitting energy sources in the State;~~

~~(ix) identify the regulatory and statutory obstacles and barriers at the federal, State, and local levels impeding the use of low and zero emission vehicles in the State; and~~

~~(x) analyze the revenue impact to the State on the collection of the motor fuel tax from increased use of low and zero emission vehicles in the State and identify what other states are doing to offset declines in motor fuel tax revenues that may have resulted from the increased use of low and zero emission vehicles.~~

~~(4) On or before December 31, 2018, the departments shall report their findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.~~

SECTION ~~2.~~ ~~3.~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 364

(House Bill 410)

AN ACT concerning

Economic Development – Maryland Energy Innovation Institute

FOR the purpose of establishing a Maryland Energy Innovation Institute for certain purposes; providing that the Institute is a part of the A. James Clark School of Engineering of the University of Maryland; providing that the School shall manage the Institute according to certain policies with advice of the Advisory Board of the Institute; establishing the purposes of the Institute; providing that the exercise of certain powers by the Institute is an essential governmental function; establishing an Advisory Board of the Institute for certain purposes; providing for the membership, ~~terms,~~ powers, and officers of the Institute Board; providing that the Director of the University of Maryland Energy Research Center is the Director of the Institute; providing for the appointment of an Associate Director; establishing the duties of the Institute Director; authorizing the Institute to retain certain staff and consultants; establishing the powers of the Institute; establishing the Maryland Energy Innovation Fund as a special, nonlapsing revolving fund in the University System of Maryland to be used by the Institute and the Maryland Clean Energy Center; specifying the purposes and uses of the Fund; providing that the Institute shall manage and supervise the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; providing for the investment of money in the Fund; requiring interest earnings of the Fund to be credited to the Fund; providing for the audit of the books and records of the Institute in a certain manner; providing that the Institute and the Center are independent entities that are not responsible for each other's debts, liabilities, bonds, or obligations; requiring the Institute to report each year to the Governor, the Maryland Energy Administration, and the General Assembly on certain matters; stating the intent of the General Assembly regarding coordination of functions and avoidance of duplication of effort between the Center and the Administration; altering the purposes of the Maryland Clean Energy Center; altering the membership of the Board of Directors of the Center; providing that the Governor shall appoint the chair of the Board; ~~repealing the function of requiring the Board to establish a Financing Investment Advisory Committee for certain purposes; providing for the membership of the Advisory Committee; requiring the Advisory Committee to review certain matters and make certain recommendations; authorizing certain State economic development units to provide representatives, resources, and expertise to the Advisory Committee for certain purposes; authorizing the Center to disseminate, rather than to act as a clearinghouse, for certain information and materials for certain purposes; providing that the Center shall may~~

consult with the Administration when cooperating with certain entities and coordinating certain activities with certain programs and persons; requiring certain State economic development units to cooperate with the Center and authorizing those units to provide certain resources and expertise for certain purposes; requiring the Center to publish certain audits on its Web site; repealing the Maryland Clean Energy Technology Incubator Program in the Center; exempting the Fund from a certain provision of law requiring interest earnings of State money to accrue to the General Fund of the State; providing that the Institute is exempt from State and local taxes; providing for the transfer of certain funds in each of certain fiscal years to the Fund from the Strategic Energy Investment Fund; ~~providing for the initial terms of the members of the Institute Board~~ requiring the Center to prepare a certain work plan for certain purposes; requiring the Center to report to the Governor, the Administration, and the General Assembly on certain matters on or before a certain date; requiring the Institute to conduct a certain study and report on its findings and recommendations to the Governor, the Administration, and the General Assembly on or before a certain date; defining certain terms; providing that certain obligations or contracts may not be impaired by this Act; providing that certain loan obligations be converted to grants from the Administration to the Center; and generally relating to the Maryland Energy Innovation Institute, the Maryland Clean Energy Center, and economic development.

BY repealing

Article – Economic Development

Section 10–829 through 10–837 and the part “Part III. Maryland Clean Energy Technology Incubator Program”

Annotated Code of Maryland

(2008 Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Economic Development

Section 10–801(a), (b), (c), (e), (f), (h), and (i)

Annotated Code of Maryland

(2008 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Economic Development

Section 10–806, 10–807, 10–808, 10–810, 10–823, and 10–825

Annotated Code of Maryland

(2008 Volume and 2016 Supplement)

BY adding to

Article – Economic Development

Section 10–828 through ~~10–838~~ 10–839 to be under the new part “Part III. Maryland Energy Innovation Institute”

Annotated Code of Maryland

(2008 Volume and 2016 Supplement)

(As enacted by Section 1 of this Act)

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)94. and 95.
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)96.
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That Section(s) 10–829 through 10–837 and the part “Part III. Maryland Clean Energy
Technology Incubator Program” of Article – Economic Development of the Annotated Code
of Maryland be repealed.

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

Article – Economic Development

10–801.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Administration” means the Maryland Energy Administration.
- (c) “Board” means the Board of Directors of the Center.
- (e) “Center” means the Maryland Clean Energy Center.
- (f) “Clean energy” includes:
 - (1) solar photovoltaic technology;
 - (2) solar heating;
 - (3) geothermal;

- Article;
- (4) wind;
 - (5) biofuels;
 - (6) ethanol;
 - (7) other qualifying biomass as defined in § 7-701 of the Public Utilities differences;
 - (8) ocean, including energy from waves, tides, currents, and thermal differences;
 - (9) a fuel cell that produces energy from biofuels, ethanol, or other qualifying biomass;
 - (10) energy efficiency and conservation;
 - (11) any other technology or service that the Center determines will contribute directly or indirectly to the production of energy from renewable or sustainable sources, or to the improvement of efficiency in the use of energy; and
 - (12) deployment of any of the technologies or services listed in items (1) through (11) of this subsection.

(h) “Director” means the Director of the Administration.

(i) “Executive Director” means the Executive Director of the Maryland Clean Energy Center.

10-806.

(a) There is a Maryland Clean Energy Center.

(b) The Center is a body politic and corporate and is an instrumentality of the State.

(c) The exercise by the Center of the powers conferred by this subtitle is the performance of an essential governmental function.

(d) The purposes of the Center are to:

(1) promote economic development and jobs in the clean energy industry sector in the State;

(2) promote the deployment of clean energy technology in the State;

(3) serve as an incubator for the development of clean energy industry in the State;

(4) **IN COLLABORATION WITH THE ADMINISTRATION**, collect, analyze, and disseminate industry data; and

(5) provide outreach and technical support to further the clean energy industry in the State.

(e) ~~The Center shall coordinate with the Maryland Energy Administration and may not duplicate the programs or activities of the Administration without consent of the Administration.~~ **IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT, AS THE CENTER DEVELOPS PROGRAMS AND ACTIVITIES UNDER THIS SUBTITLE, THE CENTER AND THE ADMINISTRATION SHALL WORK COLLABORATIVELY TOGETHER, AS APPROPRIATE, IN ORDER TO COORDINATE SHARED-INTEREST FUNCTIONS AND AVOID DUPLICATION OF EFFORTS.**

10-807.

(a) A Board of Directors shall manage the Center and exercise its corporate powers.

(b) The Board consists of the following ~~nine~~ **11** members:

(1) the Director, or the Director's designee;

~~(2) THE DIRECTOR OF THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION;~~

~~(3) THE DIRECTOR OF THE MARYLAND HEALTH AND HIGHER EDUCATION FACILITIES AUTHORITY;~~ and

~~(2)~~ **(4)** eight members appointed by the Governor with the advice and consent of the Senate:

(i) two representing the not-for-profit clean energy research sector of the State;

(ii) two with expertise in venture capital financing;

(iii) two representing clean energy industries in the State; [and]

(iv) [two members] **ONE CONSUMER MEMBER; AND**

(V) ONE MEMBER of the general public.

- (c) A member of the Board shall reside in the State.
- (d) In making appointments to the Board, the Governor shall consider:
 - (1) diversity; and
 - (2) all geographic regions of the State.
- (e) A member of the Board:
 - (1) may not receive compensation as a member of the Board; but
 - (2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.
- (f)
 - (1) The term of an appointed member is 4 years and begins on July 1.
 - (2) The terms of the appointed members are staggered as required by the terms provided for members on October 1, 2008.
 - (3) At the end of a term, an appointed member continues to serve until a successor is appointed and qualifies.
 - (4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.
- (g) The Governor may remove an appointed member for incompetence, misconduct, or failure to perform the duties of the position.

10-808.

From among [its] **THE** members[,] **OF** the Board [shall elect]:

- (1) THE GOVERNOR SHALL APPOINT a chair[.]; AND**
- (2) THE BOARD SHALL ELECT a vice chair[,] and a treasurer.**

10-810.

- (a)
 - (1) The Board shall establish an Advisory Committee.
 - (2) The Advisory Committee consists of individuals that the Board considers will assist the Center in studying and developing policies to further the purposes of this subtitle.

(b) (1) THE BOARD SHALL ESTABLISH A FINANCING INVESTMENT ADVISORY COMMITTEE.

(2) THE FINANCING INVESTMENT ADVISORY COMMITTEE CONSISTS OF INDIVIDUALS WITH KNOWLEDGE AND EXPERTISE IN FINANCING MATTERS RELEVANT TO BORROWER ELIGIBILITY, TERMS AND CONDITIONS OF SUPPORT, AND OTHER FINANCING EVALUATION CRITERIA OF THE CENTER.

(3) BEFORE THE CENTER PROVIDES FINANCING FOR A PROJECT, INCLUDING A PROJECT TO BE FUNDED BY THE MARYLAND ENERGY INNOVATION FUND UNDER § 10–835 OF THIS SUBTITLE, THE FINANCING INVESTMENT ADVISORY COMMITTEE SHALL REVIEW AND MAKE RECOMMENDATIONS TO THE BOARD FOR QUALIFYING PROJECT APPLICANTS.

(4) THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION AND OTHER STATE ECONOMIC DEVELOPMENT UNITS MAY PROVIDE RESOURCES AND EXPERTISE TO THE FINANCING INVESTMENT ADVISORY COMMITTEE AND THE CENTER TO ASSIST IN EVALUATING PROJECTS, COORDINATING FINANCING FOR PROJECTS, AND OTHER MATTERS.

(C) The Board may establish other committees as appropriate.

[(c)] (D) (1) The membership of a committee may include individuals who are not Board members.

(2) The Board may establish the term and manner of selection of the membership of a committee.

10–823.

(a) ~~¶The Center shall serve as a clearinghouse for~~ MAY DISSEMINATE information and materials ~~that may be~~ pertinent to clean energy technology, ~~education, and deployment~~ FINANCING, AND DEVELOPMENT in the State, for persons engaged in the clean energy industry as developers, manufacturers, and installers, as well as for consumers and financial institutions, including information on available federal, State, and private financial assistance and technical assistance.

~~(b)¶~~ The Center may:

(1) cooperate with and provide assistance to local governments, instrumentalities, and research entities in the State; and

(2) coordinate clean energy technology development, education, and deployment activities with programs of the federal government and of governmental units and public and private entities in and outside the State.

~~(B)~~ (C) THE CENTER ~~SHALL~~ MAY CONDUCT THE ACTIVITIES UNDER THIS SECTION IN CONSULTATION WITH THE ADMINISTRATION.

(D) THE MARYLAND ENVIRONMENTAL SERVICE, THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION, AND OTHER STATE ECONOMIC DEVELOPMENT UNITS SHALL COOPERATE WITH THE CENTER AND MAY MAKE AVAILABLE TO THE CENTER RESOURCES AND EXPERTISE FOR THE EVALUATION OF PROJECT FINANCING AND COORDINATION OF FINANCING BETWEEN THE CENTER AND OTHER ECONOMIC DEVELOPMENT UNITS.

10-825.

(A) The books and records of the Center are subject to audit:

- (1) at any time by the State; and
- (2) each year by an independent auditor.

(B) THE CENTER SHALL PUBLISH ITS ANNUAL AUDITS ON ITS WEB SITE.

PART III. MARYLAND ENERGY INNOVATION INSTITUTE.

10-828.

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

(B) “ACADEMIC INSTITUTION” MEANS A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR AN INDEPENDENT INSTITUTION OF HIGHER EDUCATION IN THE STATE, AS THOSE TERMS ARE DEFINED IN § 10-101 OF THE EDUCATION ARTICLE.

(C) “FUND” MEANS THE MARYLAND ENERGY INNOVATION FUND.

(D) “INSTITUTE” MEANS THE MARYLAND ENERGY INNOVATION INSTITUTE.

(E) “INSTITUTE BOARD” MEANS THE ADVISORY BOARD OF THE MARYLAND ENERGY INNOVATION INSTITUTE.

(F) “INSTITUTE DIRECTOR” MEANS THE DIRECTOR OF THE MARYLAND ENERGY INNOVATION INSTITUTE.

10-829.

(A) THERE IS A MARYLAND ENERGY INNOVATION INSTITUTE.

(B) THE INSTITUTE IS A PART OF THE A. JAMES CLARK SCHOOL OF ENGINEERING OF THE UNIVERSITY OF MARYLAND.

(C) THE A. JAMES CLARK SCHOOL OF ENGINEERING SHALL MANAGE THE INSTITUTE ACCORDING TO THE POLICIES OF THE UNIVERSITY OF MARYLAND AND THE UNIVERSITY SYSTEM OF MARYLAND WITH THE ADVICE OF THE INSTITUTE BOARD.

(D) THE PURPOSES OF THE INSTITUTE ARE TO:

(1) COLLABORATE WITH ACADEMIC INSTITUTIONS IN THE STATE TO PARTICIPATE IN CLEAN ENERGY PROGRAMS; AND

(2) DEVELOP AND ATTRACT PRIVATE INVESTMENT IN CLEAN ENERGY INNOVATION AND COMMERCIALIZATION IN THE STATE.

(E) THE EXERCISE BY THE INSTITUTE OF THE POWERS CONFERRED BY THIS PART IS THE PERFORMANCE OF AN ESSENTIAL GOVERNMENTAL FUNCTION.

10–830.

(A) (1) THERE IS AN ADVISORY BOARD OF THE INSTITUTE.

(2) THE INSTITUTE BOARD ADVISES THE UNIVERSITY OF MARYLAND ON THE MANAGEMENT OF THE INSTITUTE.

(B) THE INSTITUTE BOARD CONSISTS OF THE FOLLOWING NINE MEMBERS:

(1) THE CHAIR OF THE BOARD OF DIRECTORS OF THE MARYLAND CLEAN ENERGY CENTER;

(2) THE DIRECTOR; AND

(3) SEVEN MEMBERS SELECTED BY THE UNIVERSITY OF MARYLAND BASED ON EXPERTISE IN ENERGY TECHNOLOGY COMMERCIALIZATION, THE CLEAN ENERGY INDUSTRY, VENTURE CAPITAL FINANCING, AND ENERGY RESEARCH.

(C) A MEMBER OF THE INSTITUTE BOARD:

(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE INSTITUTE BOARD; BUT

(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

~~(D) (1) THE TERM OF AN APPOINTED MEMBER IS 4 YEARS AND BEGINS ON JULY 1.~~

~~(2) THE TERMS OF THE APPOINTED MEMBERS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS ON JULY 1, 2017.~~

~~(3) AT THE END OF A TERM, AN APPOINTED MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED.~~

~~(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REMAINDER OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED.~~

~~(E)~~ FROM AMONG ITS MEMBERS, THE INSTITUTE BOARD SHALL ELECT A CHAIR AND A VICE CHAIR.

10-831.

(A) THE INSTITUTE BOARD SHALL DETERMINE THE TIMES AND PLACES OF ITS MEETINGS.

(B) (1) SEVEN MEMBERS OF THE INSTITUTE BOARD ARE A QUORUM.

(2) THE INSTITUTE BOARD MAY ACT WITH AN AFFIRMATIVE VOTE OF FIVE MEMBERS.

10-832.

(A) (1) THE DIRECTOR OF THE UNIVERSITY OF MARYLAND ENERGY RESEARCH CENTER, A UNIVERSITY OF MARYLAND FACULTY MEMBER, SHALL BE THE DIRECTOR OF THE INSTITUTE.

(2) THE INSTITUTE DIRECTOR SHALL APPOINT AN ASSOCIATE DIRECTOR WHO SHALL BE A UNIVERSITY OF MARYLAND FACULTY MEMBER.

(B) THE INSTITUTE DIRECTOR, OR THE INSTITUTE DIRECTOR'S DESIGNEE, SHALL:

(1) ATTEND ALL MEETINGS OF THE INSTITUTE BOARD;

(2) ACT AS SECRETARY TO THE INSTITUTE BOARD;

- (3) KEEP MINUTES OF ALL PROCEEDINGS OF THE INSTITUTE BOARD;
- (4) APPROVE ALL SALARIES, PER DIEM PAYMENTS, AND ALLOWABLE EXPENSES OF THE INSTITUTE, ITS EMPLOYEES, AND ITS CONSULTANTS;
- (5) APPROVE ANY EXPENSES INCIDENTAL TO THE OPERATION OF THE INSTITUTE; AND
- (6) PERFORM THE OTHER DUTIES THE INSTITUTE BOARD DIRECTS IN CARRYING OUT THIS PART.

10-833.

THE INSTITUTE MAY RETAIN ANY STAFF OR CONSULTANTS.

10-834.

THE INSTITUTE MAY:

- (1) MAINTAIN OFFICES AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK;
- (2) COORDINATE AND PROMOTE ENERGY RESEARCH AND EDUCATION AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK, INCLUDING ITS RELEVANT ENERGY CENTERS, AS WELL AS AT OTHER ACADEMIC INSTITUTIONS;
- (3) PROVIDE ENERGY POLICY INNOVATION ADVICE TO STATE AND FEDERAL UNITS;
- (4) COLLABORATE WITH OTHER ACADEMIC INSTITUTIONS, GOVERNMENTAL UNITS, FOUNDATIONS, AND INDUSTRIAL COMPANIES FOR CLEAN ENERGY RESEARCH AND INNOVATION;
- (5) PURSUE GRANTS, OTHER FUNDS, AND IN-KIND CONTRIBUTIONS FOR CLEAN ENERGY RESEARCH AND INNOVATION;
- (6) PROVIDE SEED GRANT FUNDING TO ACADEMIC INSTITUTION-BASED ENTREPRENEURS OR ENTITIES, IN ORDER TO PROMOTE THE COMMERCIALIZATION OF CLEAN ENERGY TECHNOLOGIES DEVELOPED WHOLLY OR PARTLY BY AN ACADEMIC INSTITUTION, BUT NOT DUPLICATE EXISTING SEED GRANTS MADE THROUGH THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION;

(7) WORK WITH THE MARYLAND TECHNOLOGY ENTERPRISE INSTITUTE TO JOINTLY MANAGE, OPERATE, AND MAINTAIN FACILITIES FOR A CLEAN ENERGY INCUBATOR AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK;

(8) WORK WITH THE MARYLAND TECHNOLOGY ENTERPRISE INSTITUTE TO EXPAND MARYLAND INDUSTRIAL PARTNERSHIP AWARDS TO PROMOTE THE COMMERCIALIZATION OF CLEAN ENERGY TECHNOLOGIES DEVELOPED WHOLLY OR PARTLY BY AN ACADEMIC INSTITUTION;

(9) WORK WITH THE MARYLAND TECHNOLOGY ENTERPRISE INSTITUTE AND THE UNIVERSITY OF MARYLAND OFFICE OF TECHNOLOGY COMMERCIALIZATION TO:

(I) IDENTIFY ENERGY TECHNOLOGIES AT ACADEMIC INSTITUTIONS THAT MAY BE VIABLE FOR COMMERCIALIZATION; AND

(II) PROVIDE GRANT FUNDING AND INVESTMENT FINANCING TO COVER PATENT, FACILITIES, AND OTHER COSTS NOT ALLOWED UNDER FEDERAL OR STATE RESEARCH GRANTS TO AN ACADEMIC INSTITUTION-BASED ENTREPRENEUR OR ENTITY, IN ORDER TO PROMOTE THE COMMERCIALIZATION OF CLEAN ENERGY TECHNOLOGIES DEVELOPED WHOLLY OR PARTLY BY AN ACADEMIC INSTITUTION;

(10) COORDINATE INCUBATION AND POTENTIAL FINANCING OF ACADEMIC INSTITUTION-BASED ENTREPRENEURS OR ENTITIES WITH RESOURCES PROVIDED BY THE CENTER;

(11) WORK CLOSELY WITH STATE UNITS, INDUSTRIAL PARTNERS, NONGOVERNMENTAL ORGANIZATIONS, AND FEDERAL AGENCIES AND LABORATORIES TO ENSURE EFFECTIVE IMPLEMENTATION AND EXECUTION OF THE STATE'S ENERGY MISSION AND VISION, IN COLLABORATION WITH THE ADMINISTRATION;

(12) UNDERGO PERIODIC REVIEWS EVERY 5 YEARS CONSISTENT WITH UNIVERSITY SYSTEM OF MARYLAND POLICIES; AND

(13) DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT THE POWERS GRANTED BY THIS PART.

10-835.

(A) (1) THERE IS A MARYLAND ENERGY INNOVATION FUND IN THE UNIVERSITY SYSTEM OF MARYLAND.

(2) THE FUND SHALL BE USED BY THE INSTITUTE AND THE CENTER.

(B) (1) THE INSTITUTE:

(I) MAY USE THE FUND TO:

1. CARRY OUT THE PURPOSES OF THIS SUBTITLE, INCLUDING THE PURPOSES LISTED IN § 10-834 OF THIS SUBTITLE;

2. PURCHASE ADVISORY SERVICES AND TECHNICAL ASSISTANCE TO BETTER SUPPORT ECONOMIC DEVELOPMENT; AND

3. PAY THE ADMINISTRATIVE, LEGAL, AND ACTUARIAL EXPENSES OF THE INSTITUTE; AND

(II) SHALL USE THE FUND FOR THE ADMINISTRATIVE AND OPERATING COSTS OF THE CENTER.

(2) THE CENTER MAY USE THE FUND TO:

(I) MAKE A GRANT OR A LOAN UNDER THIS SUBTITLE, AT THE RATE OF INTEREST THE CENTER SETS;

(II) PROVIDE EQUITY INVESTMENT FINANCING FOR A BUSINESS ENTERPRISE UNDER THIS SUBTITLE; AND

(III) GUARANTEE A LOAN, AN EQUITY, AN INVESTMENT, OR ANY OTHER PRIVATE FINANCING TO EXPAND THE CAPITAL RESOURCES OF A BUSINESS ENTERPRISE UNDER THIS SUBTITLE.

(C) THE INSTITUTE SHALL MANAGE AND SUPERVISE THE FUND.

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

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

(E) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED BY THE STATE TO THE FUND;

(2) MONEY ~~MADE AVAILABLE~~ CONTRIBUTED TO THE FUND THROUGH FEDERAL PROGRAMS OR PRIVATE ~~CONTRIBUTIONS~~ ENTITIES;

(3) REPAYMENT OF PRINCIPAL OF A LOAN MADE FROM THE FUND;

(4) PAYMENT OF INTEREST ON A LOAN MADE FROM THE FUND;

(5) PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL BY THE CENTER OF COLLATERAL RELATED TO FINANCING THAT THE CENTER PROVIDES ~~UNDER THIS PART~~ FROM THE FUND;

(6) PREMIUMS, FEES, ROYALTIES, INTEREST, REPAYMENTS OF PRINCIPAL, AND RETURNS ON INVESTMENTS PAID TO THE CENTER BY OR ON BEHALF OF:

(I) A BUSINESS ENTERPRISE IN WHICH THE CENTER HAS MADE AN INVESTMENT ~~UNDER THIS PART~~ FROM THE FUND; OR

(II) AN INVESTOR PROVIDING AN INVESTMENT GUARANTEED BY THE CENTER ~~UNDER THIS PART~~ FROM THE FUND;

(7) RECOVERY OF AN INVESTMENT MADE BY THE CENTER IN A BUSINESS ENTERPRISE ~~UNDER THIS SUBTITLE~~ FROM THE FUND, INCLUDING AN ARRANGEMENT UNDER WHICH THE CENTER'S INVESTMENT IN THE BUSINESS ENTERPRISE IS RECOVERED THROUGH:

(I) A REQUIREMENT THAT THE FUND RECEIVE A PROPORTION OF CASH FLOW, COMMISSION, ROYALTY, OR PAYMENT ON A PATENT; OR

(II) THE REPURCHASE FROM THE CENTER OF ANY EVIDENCE OF INDEBTEDNESS OR OTHER FINANCIAL PARTICIPATION MADE FROM THE FUND, INCLUDING A NOTE, STOCK, BOND, OR DEBENTURE;

(8) REPAYMENT OF A CONDITIONAL GRANT EXTENDED BY THE CENTER FROM THE FUND; AND

(9) ANY OTHER MONEY MADE AVAILABLE TO THE INSTITUTE FOR THE FUND.

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

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

(G) MONEY EXPENDED FROM THE FUND UNDER THIS SUBTITLE IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT

OTHERWISE WOULD BE APPROPRIATED FOR THE CENTER, THE INSTITUTE, OR ANY PART OF THE UNIVERSITY SYSTEM OF MARYLAND.

10–836.

THE INSTITUTE IS EXEMPT FROM STATE AND LOCAL TAXES.

10–837.

THE BOOKS AND RECORDS OF THE INSTITUTE ARE SUBJECT TO AUDIT:

(1) AT ANY TIME BY THE STATE; AND

(2) EACH YEAR BY AN INDEPENDENT AUDITOR THAT THE OFFICE OF LEGISLATIVE AUDITS APPROVES.

10–838.

THE INSTITUTE AND THE CENTER ARE INDEPENDENT ENTITIES THAT ARE NOT LIABLE OR RESPONSIBLE FOR EACH OTHER’S DEBTS, LIABILITIES, BONDS, OR OBLIGATIONS.

10–839.

(A) ON OR BEFORE OCTOBER 1 EACH YEAR, THE INSTITUTE SHALL REPORT TO THE GOVERNOR, THE ADMINISTRATION, AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

(B) THE REPORT SHALL INCLUDE A COMPLETE OPERATING AND FINANCIAL STATEMENT COVERING THE INSTITUTE’S OPERATIONS AND A SUMMARY OF THE INSTITUTE’S ACTIVITIES DURING THE PRECEDING FISCAL YEAR.

Article – State Finance and Procurement

6–226.

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

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

94. the Community Program Fund; [and]

95. the Maryland Corps Program Fund; AND

96. THE MARYLAND ENERGY INNOVATION FUND.

SECTION 3. AND BE IT FURTHER ENACTED, That for fiscal years 2018, 2019, 2020, 2021, and 2022, in each year, \$1,500,000 shall be transferred from the Strategic Energy Investment Fund established under § 9–20B–05 of the State Government Article to the Maryland Energy Innovation Fund established under § 10–835 of the Economic Development Article, as enacted by Section 2 of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That the ~~terms of the initial members of the Advisory Board of the Maryland Energy Innovation Institute shall expire as follows:~~

~~(1) two members in 2019;~~

~~(2) two members in 2020; and~~

~~(3) three members in 2021~~ Maryland Clean Energy Center shall:

(1) establish a work plan to become self-sustaining within 5 years after the effective date of this Act using funding provided under this Act and other funding that the Center may obtain, and projected revenues from project financing activities of the Center under Title 10, Subtitle 8 of the Economic Development Article; and

(2) submit a report, which may be part of its annual report, on or before December 1, 2019, to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly on the Center’s:

(i) progress since enactment of this Act to become self-sustaining with its current activities and funding and revenue levels; and

(ii) recommendations for changes, including additional necessary funding, to continue on the trajectory path to reach the goal to become self-sustaining within 5 years.

SECTION 5. AND BE IT FURTHER ENACTED, That:

(1) the Maryland Energy Innovation Institute, established by Section 2 of this Act, shall study and evaluate:

(i) the availability and efficiency of the use of funds for the development and deployment of clean energy technology in the State and the

commercialization of that technology, including funds from the Strategic Energy Investment Fund, and other practical forms of financing;

(ii) the forecast need, if any, for additional funding or financing options for these purposes; and

(iii) appropriate sources and levels of funding and financing options for these purposes; and

(2) on or before December 1, 2019, the Institute shall submit a report of its findings and recommendations under this section to the Governor, the Maryland Energy Administration, and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION 6. AND BE IT FURTHER ENACTED, That the existing outstanding loan obligations to the Maryland Energy Administration by the Maryland Clean Energy Center as of the effective date of this Act shall be converted to a grant from the Maryland Energy Administration to the Maryland Clean Energy Center.

SECTION ~~6~~ 7. AND BE IT FURTHER ENACTED, That a presently existing obligation or contract right may not be impaired in any way by this Act.

SECTION ~~7~~ 8. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 365

(Senate Bill 313)

AN ACT concerning

Economic Development – Maryland Energy Innovation Institute

FOR the purpose of establishing a Maryland Energy Innovation Institute for certain purposes; providing that the Institute is a part of the A. James Clark School of Engineering of the University of Maryland; providing that the School shall manage the Institute according to certain policies with advice of the Advisory Board of the Institute; establishing the purposes of the Institute; providing that the exercise of certain powers by the Institute is an essential governmental function; establishing an Advisory Board of the Institute for certain purposes; providing for the membership, ~~terms,~~ powers, and officers of the Institute Board; providing that the Director of the University of Maryland Energy Research Center is the Director of the Institute; providing for the appointment of an Associate Director; establishing the

duties of the Institute Director; authorizing the Institute to retain certain staff and consultants; establishing the powers of the Institute; establishing the Maryland Energy Innovation Fund as a special, nonlapsing revolving fund in the University System of Maryland to be used by the Institute and the Maryland Clean Energy Center; specifying the purposes and uses of the Fund; providing that the Institute shall manage and supervise the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; providing for the investment of money in the Fund; requiring interest earnings of the Fund to be credited to the Fund; providing for the audit of the books and records of the Institute in a certain manner; providing that the Institute and the Center are independent entities that are not responsible for each other's debts, liabilities, bonds, or obligations; requiring the Institute to report each year to the Governor, the Maryland Energy Administration, and the General Assembly on certain matters; stating the intent of the General Assembly regarding coordination of functions and avoidance of duplication of effort between the Center and the Administration; altering the purposes of the Maryland Clean Energy Center; altering the membership of the Board of Directors of the Center; providing that the Governor shall appoint the chair of the Board; ~~repealing the function of requiring the Board to establish a Financing Investment Advisory Committee for certain purposes;~~ providing for the membership of the Advisory Committee; requiring the Advisory Committee to review certain matters and make certain recommendations; authorizing certain State economic development units to provide representatives, resources, and expertise to the Advisory Committee for certain purposes; authorizing the Center to disseminate, rather than to act as a clearinghouse, for certain information and materials for certain purposes; providing that the Center ~~shall~~ may consult with the Administration when cooperating with certain entities and coordinating certain activities with certain programs and persons; requiring certain State economic development units to cooperate with the Center and authorizing those units to provide certain resources and expertise for certain purposes; requiring the Center to publish certain audits on its Web site; repealing the Maryland Clean Energy Technology Incubator Program in the Center; exempting the Fund from a certain provision of law requiring interest earnings of State money to accrue to the General Fund of the State; providing that the Institute is exempt from State and local taxes; providing for the transfer of certain funds in each of certain fiscal years to the Fund from the Strategic Energy Investment Fund; ~~providing for the initial terms of the members of the Institute Board~~ requiring the Center to prepare a certain work plan for certain purposes; requiring the Center to report to the Governor, the Administration, and the General Assembly on certain matters on or before a certain date; requiring the Institute to conduct a certain study and report on its findings and recommendations to the Governor, the Administration, and the General Assembly on or before a certain date; defining certain terms; providing that certain obligations or contracts may not be impaired by this Act; providing that certain loan obligations be converted to grants from the Administration to the Center; and generally relating to the Maryland Energy Innovation Institute, the Maryland Clean Energy Center, and economic development.

Article – Economic Development

Section 10–829 through 10–837 and the part “Part III. Maryland Clean Energy
Technology Incubator Program”

Annotated Code of Maryland

(2008 Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Economic Development

Section 10–801(a), (b), (c), (e), (f), (h), and (i)

Annotated Code of Maryland

(2008 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Economic Development

Section 10–806, 10–807, 10–808, 10–810, 10–823, and 10–825

Annotated Code of Maryland

(2008 Volume and 2016 Supplement)

BY adding to

Article – Economic Development

Section 10–828 through ~~10–838~~ 10–839 to be under the new part “Part III. Maryland
Energy Innovation Institute”

Annotated Code of Maryland

(2008 Volume and 2016 Supplement)

(As enacted by Section 1 of this Act)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(i)

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)94. and 95.

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY adding to

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)96.

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That Section(s) 10–829 through 10–837 and the part “Part III. Maryland Clean Energy

Technology Incubator Program” of Article – Economic Development of the Annotated Code of Maryland be repealed.

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

Article – Economic Development

10–801.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Administration” means the Maryland Energy Administration.
- (c) “Board” means the Board of Directors of the Center.
- (e) “Center” means the Maryland Clean Energy Center.
- (f) “Clean energy” includes:
 - (1) solar photovoltaic technology;
 - (2) solar heating;
 - (3) geothermal;
 - (4) wind;
 - (5) biofuels;
 - (6) ethanol;
 - (7) other qualifying biomass as defined in § 7–701 of the Public Utilities Article;
 - (8) ocean, including energy from waves, tides, currents, and thermal differences;
 - (9) a fuel cell that produces energy from biofuels, ethanol, or other qualifying biomass;
 - (10) energy efficiency and conservation;
 - (11) any other technology or service that the Center determines will contribute directly or indirectly to the production of energy from renewable or sustainable sources, or to the improvement of efficiency in the use of energy; and

(12) deployment of any of the technologies or services listed in items (1) through (11) of this subsection.

(h) “Director” means the Director of the Administration.

(i) “Executive Director” means the Executive Director of the Maryland Clean Energy Center.

10–806.

(a) There is a Maryland Clean Energy Center.

(b) The Center is a body politic and corporate and is an instrumentality of the State.

(c) The exercise by the Center of the powers conferred by this subtitle is the performance of an essential governmental function.

(d) The purposes of the Center are to:

(1) promote economic development and jobs in the clean energy industry sector in the State;

(2) promote the deployment of clean energy technology in the State;

(3) serve as an incubator for the development of clean energy industry in the State;

(4) **IN COLLABORATION WITH THE ADMINISTRATION**, collect, analyze, and disseminate industry data; and

(5) provide outreach and technical support to further the clean energy industry in the State.

(e) ~~The Center shall coordinate with the Maryland Energy Administration and may not duplicate the programs or activities of the Administration without consent of the Administration.~~ **IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT, AS THE CENTER DEVELOPS PROGRAMS AND ACTIVITIES UNDER THIS SUBTITLE, THE CENTER AND THE ADMINISTRATION SHALL WORK COLLABORATIVELY TOGETHER, AS APPROPRIATE, IN ORDER TO COORDINATE SHARED-INTEREST FUNCTIONS AND AVOID DUPLICATION OF EFFORTS.**

10–807.

(a) A Board of Directors shall manage the Center and exercise its corporate powers.

(b) The Board consists of the following ~~nine~~ **11** members:

(1) the Director, or the Director's designee;

~~(2) THE DIRECTOR OF THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION;~~

~~(3) THE DIRECTOR OF THE MARYLAND HEALTH AND HIGHER EDUCATION FACILITIES AUTHORITY;~~ and

~~(2)~~ **(4)** eight members appointed by the Governor with the advice and consent of the Senate:

(i) two representing the not-for-profit clean energy research sector of the State;

(ii) two with expertise in venture capital financing;

(iii) two representing clean energy industries in the State; [and]

(iv) [two members] **ONE CONSUMER MEMBER; AND**

(v) ONE MEMBER of the general public.

(c) A member of the Board shall reside in the State.

(d) In making appointments to the Board, the Governor shall consider:

(1) diversity; and

(2) all geographic regions of the State.

(e) A member of the Board:

(1) may not receive compensation as a member of the Board; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) (1) The term of an appointed member is 4 years and begins on July 1.

(2) The terms of the appointed members are staggered as required by the terms provided for members on October 1, 2008.

(3) At the end of a term, an appointed member continues to serve until a successor is appointed and qualifies.

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

(g) The Governor may remove an appointed member for incompetence, misconduct, or failure to perform the duties of the position.

10–808.

From among [its] THE members[,] OF the Board [shall elect]:

(1) THE GOVERNOR SHALL APPOINT a chair[,] AND

(2) THE BOARD SHALL ELECT a vice chair[,] and a treasurer.

10–810.

(a) (1) The Board shall establish an Advisory Committee.

(2) The Advisory Committee consists of individuals that the Board considers will assist the Center in studying and developing policies to further the purposes of this subtitle.

(b) (1) THE BOARD SHALL ESTABLISH A FINANCING INVESTMENT ADVISORY COMMITTEE.

(2) THE FINANCING INVESTMENT ADVISORY COMMITTEE CONSISTS OF INDIVIDUALS WITH KNOWLEDGE AND EXPERTISE IN FINANCING MATTERS RELEVANT TO BORROWER ELIGIBILITY, TERMS AND CONDITIONS OF SUPPORT, AND OTHER FINANCING EVALUATION CRITERIA OF THE CENTER.

(3) BEFORE THE CENTER PROVIDES FINANCING FOR A PROJECT, INCLUDING A PROJECT TO BE FUNDED BY THE MARYLAND ENERGY INNOVATION FUND UNDER § 10–835 OF THIS SUBTITLE, THE FINANCING INVESTMENT ADVISORY COMMITTEE SHALL REVIEW AND MAKE RECOMMENDATIONS TO THE BOARD FOR QUALIFYING PROJECT APPLICANTS.

(4) THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION AND OTHER STATE ECONOMIC DEVELOPMENT UNITS MAY PROVIDE RESOURCES AND EXPERTISE TO THE FINANCING INVESTMENT ADVISORY COMMITTEE AND THE CENTER TO ASSIST IN EVALUATING PROJECTS, COORDINATING FINANCING FOR PROJECTS, AND OTHER MATTERS.

(C) The Board may establish other committees as appropriate.

~~[(c)]~~ **(D)** (1) The membership of a committee may include individuals who are not Board members.

(2) The Board may establish the term and manner of selection of the membership of a committee.

10-823.

(a) ~~¶~~ ~~The Center shall serve as a clearinghouse for~~ **MAY DISSEMINATE** information and materials ~~that may be~~ pertinent to clean energy technology, ~~education, and deployment~~ **FINANCING, AND DEVELOPMENT** in the State, for persons engaged in the clean energy industry as developers, manufacturers, and installers, as well as for consumers and financial institutions, including information on available federal, State, and private financial assistance and technical assistance.

~~(b)¶~~ The Center may:

(1) cooperate with and provide assistance to local governments, instrumentalities, and research entities in the State; and

(2) coordinate clean energy technology development, education, and deployment activities with programs of the federal government and of governmental units and public and private entities in and outside the State.

~~(B)~~ **(C) THE CENTER SHALL MAY CONDUCT THE ACTIVITIES UNDER THIS SECTION IN CONSULTATION WITH THE ADMINISTRATION.**

(D) THE MARYLAND ENVIRONMENTAL SERVICE, THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION, AND OTHER STATE ECONOMIC DEVELOPMENT UNITS SHALL COOPERATE WITH THE CENTER AND MAY MAKE AVAILABLE TO THE CENTER RESOURCES AND EXPERTISE FOR THE EVALUATION OF PROJECT FINANCING AND COORDINATION OF FINANCING BETWEEN THE CENTER AND OTHER ECONOMIC DEVELOPMENT UNITS.

10-825.

(A) The books and records of the Center are subject to audit:

(1) at any time by the State; and

(2) each year by an independent auditor.

(B) THE CENTER SHALL PUBLISH ITS ANNUAL AUDITS ON ITS WEB SITE.

PART III. MARYLAND ENERGY INNOVATION INSTITUTE.**10–828.**

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

(B) “ACADEMIC INSTITUTION” MEANS A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR AN INDEPENDENT INSTITUTION OF HIGHER EDUCATION IN THE STATE, AS THOSE TERMS ARE DEFINED IN § 10–101 OF THE EDUCATION ARTICLE.

(C) “FUND” MEANS THE MARYLAND ENERGY INNOVATION FUND.

(D) “INSTITUTE” MEANS THE MARYLAND ENERGY INNOVATION INSTITUTE.

(E) “INSTITUTE BOARD” MEANS THE ADVISORY BOARD OF THE MARYLAND ENERGY INNOVATION INSTITUTE.

(F) “INSTITUTE DIRECTOR” MEANS THE DIRECTOR OF THE MARYLAND ENERGY INNOVATION INSTITUTE.

10–829.

(A) THERE IS A MARYLAND ENERGY INNOVATION INSTITUTE.

(B) THE INSTITUTE IS A PART OF THE A. JAMES CLARK SCHOOL OF ENGINEERING OF THE UNIVERSITY OF MARYLAND.

(C) THE A. JAMES CLARK SCHOOL OF ENGINEERING SHALL MANAGE THE INSTITUTE ACCORDING TO THE POLICIES OF THE UNIVERSITY OF MARYLAND AND THE UNIVERSITY SYSTEM OF MARYLAND WITH THE ADVICE OF THE INSTITUTE BOARD.

(D) THE PURPOSES OF THE INSTITUTE ARE TO:

(1) COLLABORATE WITH ACADEMIC INSTITUTIONS IN THE STATE TO PARTICIPATE IN CLEAN ENERGY PROGRAMS; AND

(2) DEVELOP AND ATTRACT PRIVATE INVESTMENT IN CLEAN ENERGY INNOVATION AND COMMERCIALIZATION IN THE STATE.

(E) THE EXERCISE BY THE INSTITUTE OF THE POWERS CONFERRED BY THIS PART IS THE PERFORMANCE OF AN ESSENTIAL GOVERNMENTAL FUNCTION.

10-830.

(A) (1) THERE IS AN ADVISORY BOARD OF THE INSTITUTE.

(2) THE INSTITUTE BOARD ADVISES THE UNIVERSITY OF MARYLAND ON THE MANAGEMENT OF THE INSTITUTE.

(B) THE INSTITUTE BOARD CONSISTS OF THE FOLLOWING NINE MEMBERS:

(1) THE CHAIR OF THE BOARD OF DIRECTORS OF THE MARYLAND CLEAN ENERGY CENTER;

(2) THE DIRECTOR; AND

(3) SEVEN MEMBERS SELECTED BY THE UNIVERSITY OF MARYLAND BASED ON EXPERTISE IN ENERGY TECHNOLOGY COMMERCIALIZATION, THE CLEAN ENERGY INDUSTRY, VENTURE CAPITAL FINANCING, AND ENERGY RESEARCH.

(C) A MEMBER OF THE INSTITUTE BOARD:

(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE INSTITUTE BOARD; BUT

(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

(D) ~~(1) THE TERM OF AN APPOINTED MEMBER IS 4 YEARS AND BEGINS ON JULY 1.~~

~~(2) THE TERMS OF THE APPOINTED MEMBERS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS ON JULY 1, 2017.~~

~~(3) AT THE END OF A TERM, AN APPOINTED MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED.~~

~~(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REMAINDER OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED.~~

~~(E)~~ FROM AMONG ITS MEMBERS, THE INSTITUTE BOARD SHALL ELECT A CHAIR AND A VICE CHAIR.

10-831.

(A) THE INSTITUTE BOARD SHALL DETERMINE THE TIMES AND PLACES OF ITS MEETINGS.

(B) (1) SEVEN MEMBERS OF THE INSTITUTE BOARD ARE A QUORUM.

(2) THE INSTITUTE BOARD MAY ACT WITH AN AFFIRMATIVE VOTE OF FIVE MEMBERS.

10-832.

(A) (1) THE DIRECTOR OF THE UNIVERSITY OF MARYLAND ENERGY RESEARCH CENTER, A UNIVERSITY OF MARYLAND FACULTY MEMBER, SHALL BE THE DIRECTOR OF THE INSTITUTE.

(2) THE INSTITUTE DIRECTOR SHALL APPOINT AN ASSOCIATE DIRECTOR WHO SHALL BE A UNIVERSITY OF MARYLAND FACULTY MEMBER.

(B) THE INSTITUTE DIRECTOR, OR THE INSTITUTE DIRECTOR'S DESIGNEE, SHALL:

(1) ATTEND ALL MEETINGS OF THE INSTITUTE BOARD;

(2) ACT AS SECRETARY TO THE INSTITUTE BOARD;

(3) KEEP MINUTES OF ALL PROCEEDINGS OF THE INSTITUTE BOARD;

(4) APPROVE ALL SALARIES, PER DIEM PAYMENTS, AND ALLOWABLE EXPENSES OF THE INSTITUTE, ITS EMPLOYEES, AND ITS CONSULTANTS;

(5) APPROVE ANY EXPENSES INCIDENTAL TO THE OPERATION OF THE INSTITUTE; AND

(6) PERFORM THE OTHER DUTIES THE INSTITUTE BOARD DIRECTS IN CARRYING OUT THIS PART.

10-833.

THE INSTITUTE MAY RETAIN ANY STAFF OR CONSULTANTS.

10-834.

THE INSTITUTE MAY:

(1) MAINTAIN OFFICES AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK;

(2) COORDINATE AND PROMOTE ENERGY RESEARCH AND EDUCATION AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK, INCLUDING ITS RELEVANT ENERGY CENTERS, AS WELL AS AT OTHER ACADEMIC INSTITUTIONS;

(3) PROVIDE ENERGY POLICY INNOVATION ADVICE TO STATE AND FEDERAL UNITS;

(4) COLLABORATE WITH OTHER ACADEMIC INSTITUTIONS, GOVERNMENTAL UNITS, FOUNDATIONS, AND INDUSTRIAL COMPANIES FOR CLEAN ENERGY RESEARCH AND INNOVATION;

(5) PURSUE GRANTS, OTHER FUNDS, AND IN-KIND CONTRIBUTIONS FOR CLEAN ENERGY RESEARCH AND INNOVATION;

(6) PROVIDE SEED GRANT FUNDING TO ACADEMIC INSTITUTION-BASED ENTREPRENEURS OR ENTITIES, IN ORDER TO PROMOTE THE COMMERCIALIZATION OF CLEAN ENERGY TECHNOLOGIES DEVELOPED WHOLLY OR PARTLY BY AN ACADEMIC INSTITUTION, BUT NOT DUPLICATE EXISTING SEED GRANTS MADE THROUGH THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION;

(7) WORK WITH THE MARYLAND TECHNOLOGY ENTERPRISE INSTITUTE TO JOINTLY MANAGE, OPERATE, AND MAINTAIN FACILITIES FOR A CLEAN ENERGY INCUBATOR AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK;

(8) WORK WITH THE MARYLAND TECHNOLOGY ENTERPRISE INSTITUTE TO EXPAND MARYLAND INDUSTRIAL PARTNERSHIP AWARDS TO PROMOTE THE COMMERCIALIZATION OF CLEAN ENERGY TECHNOLOGIES DEVELOPED WHOLLY OR PARTLY BY AN ACADEMIC INSTITUTION;

(9) WORK WITH THE MARYLAND TECHNOLOGY ENTERPRISE INSTITUTE AND THE UNIVERSITY OF MARYLAND OFFICE OF TECHNOLOGY COMMERCIALIZATION TO:

(I) IDENTIFY ENERGY TECHNOLOGIES AT ACADEMIC INSTITUTIONS THAT MAY BE VIABLE FOR COMMERCIALIZATION; AND

(II) PROVIDE GRANT FUNDING AND INVESTMENT FINANCING TO COVER PATENT, FACILITIES, AND OTHER COSTS NOT ALLOWED UNDER FEDERAL OR STATE RESEARCH GRANTS TO AN ACADEMIC INSTITUTION-BASED ENTREPRENEUR OR ENTITY, IN ORDER TO PROMOTE THE COMMERCIALIZATION OF CLEAN ENERGY TECHNOLOGIES DEVELOPED WHOLLY OR PARTLY BY AN ACADEMIC INSTITUTION;

(10) COORDINATE INCUBATION AND POTENTIAL FINANCING OF ACADEMIC INSTITUTION-BASED ENTREPRENEURS OR ENTITIES WITH RESOURCES PROVIDED BY THE CENTER;

(11) WORK CLOSELY WITH STATE UNITS, INDUSTRIAL PARTNERS, NONGOVERNMENTAL ORGANIZATIONS, AND FEDERAL AGENCIES AND LABORATORIES TO ENSURE EFFECTIVE IMPLEMENTATION AND EXECUTION OF THE STATE'S ENERGY MISSION AND VISION, IN COLLABORATION WITH THE ADMINISTRATION;

(12) UNDERGO PERIODIC REVIEWS EVERY 5 YEARS CONSISTENT WITH UNIVERSITY SYSTEM OF MARYLAND POLICIES; AND

(13) DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT THE POWERS GRANTED BY THIS PART.

10-835.

(A) (1) THERE IS A MARYLAND ENERGY INNOVATION FUND IN THE UNIVERSITY SYSTEM OF MARYLAND.

(2) THE FUND SHALL BE USED BY THE INSTITUTE AND THE CENTER.

(B) (1) THE INSTITUTE:

(I) MAY USE THE FUND TO:

1. CARRY OUT THE PURPOSES OF THIS SUBTITLE, INCLUDING THE PURPOSES LISTED IN § 10-834 OF THIS SUBTITLE;

2. PURCHASE ADVISORY SERVICES AND TECHNICAL ASSISTANCE TO BETTER SUPPORT ECONOMIC DEVELOPMENT; AND

3. PAY THE ADMINISTRATIVE, LEGAL, AND ACTUARIAL EXPENSES OF THE INSTITUTE; AND

(II) SHALL USE THE FUND FOR THE ADMINISTRATIVE AND OPERATING COSTS OF THE CENTER.

(2) THE CENTER MAY USE THE FUND TO:

(I) MAKE A GRANT OR A LOAN UNDER THIS SUBTITLE, AT THE RATE OF INTEREST THE CENTER SETS;

(II) PROVIDE EQUITY INVESTMENT FINANCING FOR A BUSINESS ENTERPRISE UNDER THIS SUBTITLE; AND

(III) GUARANTEE A LOAN, AN EQUITY, AN INVESTMENT, OR ANY OTHER PRIVATE FINANCING TO EXPAND THE CAPITAL RESOURCES OF A BUSINESS ENTERPRISE UNDER THIS SUBTITLE.

(C) THE INSTITUTE SHALL MANAGE AND SUPERVISE THE FUND.

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

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

(E) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED BY THE STATE TO THE FUND;

(2) MONEY ~~MADE AVAILABLE~~ CONTRIBUTED TO THE FUND THROUGH FEDERAL PROGRAMS OR PRIVATE ~~CONTRIBUTIONS~~ ENTITIES;

(3) REPAYMENT OF PRINCIPAL OF A LOAN MADE FROM THE FUND;

(4) PAYMENT OF INTEREST ON A LOAN MADE FROM THE FUND;

(5) PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL BY THE CENTER OF COLLATERAL RELATED TO FINANCING THAT THE CENTER PROVIDES ~~UNDER THIS PART~~ FROM THE FUND;

(6) PREMIUMS, FEES, ROYALTIES, INTEREST, REPAYMENTS OF PRINCIPAL, AND RETURNS ON INVESTMENTS PAID TO THE CENTER BY OR ON BEHALF OF:

(I) A BUSINESS ENTERPRISE IN WHICH THE CENTER HAS MADE AN INVESTMENT ~~UNDER THIS PART~~ FROM THE FUND; OR

(II) AN INVESTOR PROVIDING AN INVESTMENT GUARANTEED BY THE CENTER ~~UNDER THIS PART~~ FROM THE FUND;

(7) RECOVERY OF AN INVESTMENT MADE BY THE CENTER IN A BUSINESS ENTERPRISE ~~UNDER THIS SUBTITLE~~ FROM THE FUND, INCLUDING AN

ARRANGEMENT UNDER WHICH THE CENTER'S INVESTMENT IN THE BUSINESS ENTERPRISE IS RECOVERED THROUGH:

(I) A REQUIREMENT THAT THE FUND RECEIVE A PROPORTION OF CASH FLOW, COMMISSION, ROYALTY, OR PAYMENT ON A PATENT; OR

(II) THE REPURCHASE FROM THE CENTER OF ANY EVIDENCE OF INDEBTEDNESS OR OTHER FINANCIAL PARTICIPATION MADE FROM THE FUND, INCLUDING A NOTE, STOCK, BOND, OR DEBENTURE;

(8) REPAYMENT OF A CONDITIONAL GRANT EXTENDED BY THE CENTER FROM THE FUND; AND

(9) ANY OTHER MONEY MADE AVAILABLE TO THE INSTITUTE FOR THE FUND.

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

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

(G) MONEY EXPENDED FROM THE FUND UNDER THIS SUBTITLE IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THE CENTER, THE INSTITUTE, OR ANY PART OF THE UNIVERSITY SYSTEM OF MARYLAND.

10-836.

THE INSTITUTE IS EXEMPT FROM STATE AND LOCAL TAXES.

10-837.

THE BOOKS AND RECORDS OF THE INSTITUTE ARE SUBJECT TO AUDIT:

(1) AT ANY TIME BY THE STATE; AND

(2) EACH YEAR BY AN INDEPENDENT AUDITOR THAT THE OFFICE OF LEGISLATIVE AUDITS APPROVES.

10-838.

THE INSTITUTE AND THE CENTER ARE INDEPENDENT ENTITIES THAT ARE NOT LIABLE OR RESPONSIBLE FOR EACH OTHER'S DEBTS, LIABILITIES, BONDS, OR OBLIGATIONS.

10-839.

(A) ON OR BEFORE OCTOBER 1 EACH YEAR, THE INSTITUTE SHALL REPORT TO THE GOVERNOR, THE ADMINISTRATION, AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

(B) THE REPORT SHALL INCLUDE A COMPLETE OPERATING AND FINANCIAL STATEMENT COVERING THE INSTITUTE'S OPERATIONS AND A SUMMARY OF THE INSTITUTE'S ACTIVITIES DURING THE PRECEDING FISCAL YEAR.

Article – State Finance and Procurement

6-226.

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

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

94. the Community Program Fund; [and]

95. the Maryland Corps Program Fund; AND

96. THE MARYLAND ENERGY INNOVATION FUND.

SECTION 3. AND BE IT FURTHER ENACTED, That for fiscal years 2018, 2019, 2020, 2021, and 2022, in each year, \$1,500,000 shall be transferred from the Strategic Energy Investment Fund established under § 9-20B-05 of the State Government Article to the Maryland Energy Innovation Fund established under § 10-835 of the Economic Development Article, as enacted by Section 2 of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That the ~~terms of the initial members of the Advisory Board of the Maryland Energy Innovation Institute shall expire as follows:~~

~~(1) two members in 2019;~~

~~(2) two members in 2020; and~~

~~(3) three members in 2021~~ Maryland Clean Energy Center shall:

(1) establish a work plan to become self-sustaining within 5 years after the effective date of this Act using funding provided under this Act and other funding that the Center may obtain, and projected revenues from project financing activities of the Center under Title 10, Subtitle 8 of the Economic Development Article; and

(2) submit a report, which may be part of its annual report, on or before December 1, 2019, to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on the Center's:

(i) progress since enactment of this Act to become self-sustaining with its current activities and funding and revenue levels; and

(ii) recommendations for changes, including additional necessary funding, to continue on the trajectory path to reach the goal to become self-sustaining within 5 years.

SECTION 5. AND BE IT FURTHER ENACTED, That:

(1) the Maryland Energy Innovation Institute, established by Section 2 of this Act, shall study and evaluate:

(i) the availability and efficiency of the use of funds for the development and deployment of clean energy technology in the State and the commercialization of that technology, including funds from the Strategic Energy Investment Fund, and other practical forms of financing;

(ii) the forecast need, if any, for additional funding or financing options for these purposes; and

(iii) appropriate sources and levels of funding and financing options for these purposes; and

(2) on or before December 1, 2019, the Institute shall submit a report of its findings and recommendations under this section to the Governor, the Maryland Energy Administration, and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION 6. AND BE IT FURTHER ENACTED, That the existing outstanding loan obligations to the Maryland Energy Administration by the Maryland Clean Energy Center as of the effective date of this Act shall be converted to a grant from the Maryland Energy Administration to the Maryland Clean Energy Center.

SECTION ~~6~~ 7. AND BE IT FURTHER ENACTED, That a presently existing obligation or contract right may not be impaired in any way by this Act.

SECTION ~~7~~ 8. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 366

(House Bill 417)

AN ACT concerning

Clean Water Commerce Act of 2017

FOR the purpose of authorizing funds in the Bay Restoration Fund to be used for the costs associated with the purchase of certain nutrient ~~credits~~ load reductions, not to exceed a certain amount per year in certain years; requiring certain regulations to be adopted in a certain manner and in accordance with certain requirements; requiring the Department of the Environment to consult with the Secretary of ~~Agriculture and Transportation~~, the Secretary of Natural Resources, the Secretary of Commerce, the Secretary of Agriculture, the Secretary of Planning, and certain stakeholders when developing certain regulations; requiring the load reductions purchased under this Act to be consistent with certain accounting procedures; requiring the Department to report to the Bay Restoration Fund Advisory Committee annually on the implementation of this Act; requiring the Department, on or before a certain date, to report to certain committees of the General Assembly on the implementation of this Act; authorizing the Department to enter into any contracts under this Act until a certain date; providing that contracts entered into by the Department under this Act may be funded for a certain period of time; providing for the termination of this Act; and generally relating to the use of funds in the Bay Restoration Fund.

BY repealing and reenacting, without amendments,

Article – Environment

Section 9–1605.2(a)(1) and (i)(1)

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Environment

Section 9–1605.2(i)(2) and (l)

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

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

Article – Environment

9–1605.2.

(a) (1) There is a Bay Restoration Fund.

(i) (1) In this subsection, “eligible costs” means the additional costs that would be attributable to upgrading a wastewater facility from biological nutrient removal to enhanced nutrient removal, as determined by the Department.

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

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

(ii) In fiscal years 2016 and thereafter, for up to 87.5% of the total cost of projects, as approved by the Department, relating to combined sewer overflows abatement, rehabilitation of existing sewers, and upgrading conveyance systems, including pumping stations;

(iii) In fiscal years 2010 and thereafter, for a portion of the operation and maintenance costs related to the enhanced nutrient removal technology, which may not exceed 10% of the total restoration fee collected from users of wastewater facilities under this section by the Comptroller annually;

(iv) In fiscal years 2018 and thereafter, after payment of outstanding bonds and the allocation of funds to other required uses of the Bay Restoration Fund for funding in the following order of priority:

1. For funding an upgrade of a wastewater facility to enhanced nutrient removal at wastewater facilities with a design capacity of 500,000 gallons or more per day;

2. For funding for the most cost-effective enhanced nutrient removal upgrades at wastewater facilities with a design capacity of less than 500,000 gallons per day; and

3. As determined by the Department and based on water quality and public health benefits, for the following:

A. For costs identified under item (ii) of this paragraph;

B. For costs identified under subsection (h)(2)(i)1 of this section; and

C. With respect to a local government that has enacted and implemented a system of charges to fully fund the implementation of a stormwater management program, for grants to the local government for a portion of the costs of the most cost-effective and efficient stormwater control measures, as determined and approved by the Department, from the restoration fees collected annually by the Comptroller from users of wastewater facilities under this section;

(v) As a source of revenue or security for the payment of principal and interest on bonds issued by the Administration if the proceeds of the sale of the bonds will be deposited in the Bay Restoration Fund;

(vi) To earn interest on Bay Restoration Fund accounts;

(vii) For the reasonable costs of administering the Bay Restoration Fund, which may not exceed 1.5% of the total restoration fees imposed on users of wastewater facilities that are collected by the Comptroller annually;

(viii) For the reasonable administrative costs incurred by a local government or a billing authority for a water or wastewater facility collecting the restoration fees, in an amount not to exceed 5% of the total restoration fees collected by that local government or billing authority;

(ix) For future upgrades of wastewater facilities to achieve additional nutrient removal or water quality improvement, in accordance with paragraphs (6) and (7) of this subsection;

(x) For costs associated with the issuance of bonds;

(xi) Subject to the allocation of funds and the conditions under subsection (h) of this section, for projects related to the removal of nitrogen from on-site sewage disposal systems and cover crop activities; [and]

(xii) For costs associated with the implementation of alternate compliance plans authorized in § 4-202.1(k)(3) of this article; AND

(XIII) ~~FOR~~ AFTER FUNDING ANY ELIGIBLE COSTS IDENTIFIED UNDER ITEM (IV)1 AND 2 OF THIS PARAGRAPH, FOR COSTS ASSOCIATED WITH THE PURCHASE OF COST-EFFECTIVE NITROGEN AND, PHOSPHORUS, OR SEDIMENT LOAD REDUCTIONS ~~NUTRIENT CREDITS~~ IN SUPPORT OF THE STATE'S EFFORTS TO RESTORE THE HEALTH OF THE CHESAPEAKE BAY, NOT TO EXCEED \$4,000,000 IN FISCAL YEAR 2018, \$6,000,000 IN FISCAL YEAR 2019, AND \$10,000,000 PER YEAR IN FISCAL YEARS 2020 AND 2021.

(3) THE NITROGEN, PHOSPHORUS, AND SEDIMENT LOAD REDUCTIONS PURCHASED UNDER ~~SUBPARAGRAPH~~ PARAGRAPH (2)(XIII) OF THIS SUBSECTION:

(I) CANNOT BE FROM THE AGRICULTURAL SECTOR; AND

(II) MUST BE CREATED ON OR AFTER JULY 1, 2017.

(l) (1) [The] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE Department shall adopt regulations that are necessary or appropriate to carry out the provisions of this section.

(2) REGULATIONS ADOPTED TO CARRY OUT SUBSECTION (I)(2)(XIII) OF THIS SECTION SHALL ~~BE~~:

(I) BE ADOPTED BEFORE THE PURCHASE OF ANY LOAD REDUCTIONS;

(II) SPECIFY THAT A LOAD REDUCTION PURCHASED SHOULD PROVIDE THE LOWEST COST PER POUND IN REDUCTION AND BE PURCHASED IN ACCORDANCE WITH A COMPETITIVE PROCESS; AND

(III) BE ADOPTED IN CONSULTATION WITH THE SECRETARY OF ~~AGRICULTURE AND TRANSPORTATION~~, THE SECRETARY OF NATURAL RESOURCES, THE SECRETARY OF COMMERCE, THE SECRETARY OF AGRICULTURE, ~~THE SECRETARY OF PLANNING~~, AND PUBLIC AND PRIVATE SECTOR STAKEHOLDERS.

SECTION 2. AND BE IT FURTHER ENACTED, That the nutrient load reductions purchased under § 9–1605.2(i)(2)(xiii) of the Environment Article, as enacted by Section 1 of this Act, must be consistent with the Chesapeake Bay Program Partnership Accounting Procedures.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) Beginning July 1, 2018, the Department of the Environment shall report each year to the Bay Restoration Fund Advisory Committee on the implementation of this Act.

(b) On or before October 1, 2020, the Department of the Environment shall report, in accordance with § 2–1246 of the State Government Article, to the House Environment and Transportation Committee and the Senate Education, Health, and Environmental Affairs Committee on the implementation of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) The Department of the Environment may enter into any contracts for the purchase of nutrient load reductions under this Act until June 30, 2021.

(b) Any contract entered into by the Department of the Environment under this Act may be funded for the expected life of the best management practice resulting from a nutrient load reduction.

SECTION ~~2~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017. It shall remain effective for a period of 4 years and, at the end of June 30, 2021, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 4, 2017.

Chapter 367

(Senate Bill 314)

AN ACT concerning

Clean Water Commerce Act of 2017

FOR the purpose of authorizing funds in the Bay Restoration Fund to be used for the costs associated with the purchase of certain nutrient ~~credits~~ load reductions, not to exceed a certain amount per year in certain years; requiring certain regulations to be adopted in a certain manner and in accordance with certain requirements; requiring the Department of the Environment to consult with the Secretary of Agriculture and Transportation, the Secretary of Natural Resources, the Secretary of Commerce, the Secretary of Agriculture, and certain stakeholders when developing certain regulations; requiring the load reductions purchased under this Act to be consistent with certain accounting procedures; requiring the Department to report to the Bay Restoration Fund Advisory Committee annually on the implementation of this Act; requiring the Department, on or before a certain date, to report to certain committees of the General Assembly on the implementation of this Act; authorizing the Department to enter into any contracts under this Act until a certain date; providing that contracts entered into by the Department under this Act may be funded for a certain period of time; providing for the termination of this Act; and generally relating to the use of funds in the Bay Restoration Fund.

BY repealing and reenacting, without amendments,

Article – Environment

Section 9–1605.2(a)(1) and (i)(1)

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Environment
Section 9–1605.2(i)(2) and (l)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – Environment

9–1605.2.

(a) (1) There is a Bay Restoration Fund.

(i) (1) In this subsection, “eligible costs” means the additional costs that would be attributable to upgrading a wastewater facility from biological nutrient removal to enhanced nutrient removal, as determined by the Department.

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

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

(ii) In fiscal years 2016 and thereafter, for up to 87.5% of the total cost of projects, as approved by the Department, relating to combined sewer overflows abatement, rehabilitation of existing sewers, and upgrading conveyance systems, including pumping stations;

(iii) In fiscal years 2010 and thereafter, for a portion of the operation and maintenance costs related to the enhanced nutrient removal technology, which may not exceed 10% of the total restoration fee collected from users of wastewater facilities under this section by the Comptroller annually;

(iv) In fiscal years 2018 and thereafter, after payment of outstanding bonds and the allocation of funds to other required uses of the Bay Restoration Fund for funding in the following order of priority:

1. For funding an upgrade of a wastewater facility to enhanced nutrient removal at wastewater facilities with a design capacity of 500,000 gallons or more per day;

2. For funding for the most cost-effective enhanced nutrient removal upgrades at wastewater facilities with a design capacity of less than 500,000 gallons per day; and

3. As determined by the Department and based on water quality and public health benefits, for the following:

A. For costs identified under item (ii) of this paragraph;

B. For costs identified under subsection (h)(2)(i)1 of this section; and

C. With respect to a local government that has enacted and implemented a system of charges to fully fund the implementation of a stormwater management program, for grants to the local government for a portion of the costs of the most cost-effective and efficient stormwater control measures, as determined and approved by the Department, from the restoration fees collected annually by the Comptroller from users of wastewater facilities under this section;

(v) As a source of revenue or security for the payment of principal and interest on bonds issued by the Administration if the proceeds of the sale of the bonds will be deposited in the Bay Restoration Fund;

(vi) To earn interest on Bay Restoration Fund accounts;

(vii) For the reasonable costs of administering the Bay Restoration Fund, which may not exceed 1.5% of the total restoration fees imposed on users of wastewater facilities that are collected by the Comptroller annually;

(viii) For the reasonable administrative costs incurred by a local government or a billing authority for a water or wastewater facility collecting the restoration fees, in an amount not to exceed 5% of the total restoration fees collected by that local government or billing authority;

(ix) For future upgrades of wastewater facilities to achieve additional nutrient removal or water quality improvement, in accordance with paragraphs (6) and (7) of this subsection;

(x) For costs associated with the issuance of bonds;

(xi) Subject to the allocation of funds and the conditions under subsection (h) of this section, for projects related to the removal of nitrogen from on-site sewage disposal systems and cover crop activities; [and]

(xii) For costs associated with the implementation of alternate compliance plans authorized in § 4-202.1(k)(3) of this article; AND

(XIII) ~~FOR~~ AFTER FUNDING ANY ELIGIBLE COSTS IDENTIFIED UNDER ITEM (IV)1 AND 2 OF THIS PARAGRAPH, FOR COSTS ASSOCIATED WITH THE

PURCHASE OF COST-EFFECTIVE NITROGEN ~~AND~~, PHOSPHORUS, OR SEDIMENT LOAD REDUCTIONS ~~NUTRIENT CREDITS~~ IN SUPPORT OF THE STATE'S EFFORTS TO RESTORE THE HEALTH OF THE CHESAPEAKE BAY, NOT TO EXCEED \$4,000,000 IN FISCAL YEAR 2018, \$6,000,000 IN FISCAL YEAR 2019, AND \$10,000,000 PER YEAR IN FISCAL YEARS 2020 AND 2021.

(3) THE NITROGEN, PHOSPHORUS, AND SEDIMENT LOAD REDUCTIONS PURCHASED UNDER ~~SUBPARAGRAPH~~ PARAGRAPH (2)(XIII) OF THIS SUBSECTION:

(I) CANNOT BE FROM THE AGRICULTURAL SECTOR; AND

(II) MUST BE CREATED ON OR AFTER JULY 1, 2017.

(1) (1) [The] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE Department shall adopt regulations that are necessary or appropriate to carry out the provisions of this section.

(2) REGULATIONS ADOPTED TO CARRY OUT SUBSECTION (1)(2)(XIII) OF THIS SECTION SHALL ~~BE~~:

(I) BE ADOPTED BEFORE THE PURCHASE OF ANY LOAD REDUCTIONS;

(II) SPECIFY THAT A LOAD REDUCTION PURCHASED SHOULD PROVIDE THE LOWEST COST PER POUND IN REDUCTION AND BE PURCHASED IN ACCORDANCE WITH A COMPETITIVE PROCESS; AND

(III) BE ADOPTED IN CONSULTATION WITH THE SECRETARY OF ~~AGRICULTURE AND~~ TRANSPORTATION, THE SECRETARY OF NATURAL RESOURCES, THE SECRETARY OF COMMERCE, THE SECRETARY OF AGRICULTURE, AND PUBLIC AND PRIVATE SECTOR STAKEHOLDERS.

SECTION 2. AND BE IT FURTHER ENACTED, That the nutrient load reductions purchased under § 9-1605.2(i)(2)(xiii) of the Environment Article, as enacted by Section 1 of this Act, must be consistent with the Chesapeake Bay Program Partnership Accounting Procedures.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) Beginning July 1, 2018, the Department of the Environment shall report each year to the Bay Restoration Fund Advisory Committee on the implementation of this Act.

(b) On or before October 1, 2020, the Department of the Environment shall report, in accordance with § 2-1246 of the State Government Article, to the House Environment

and Transportation Committee and the Senate Education, Health, and Environmental Affairs Committee on the implementation of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) The Department of the Environment may enter into any contracts for the purchase of nutrient load reductions under this Act until June 30, 2021.

(b) Any contract entered into by the Department of the Environment under this Act may be funded for the expected life of the best management practice resulting from a nutrient load reduction.

SECTION ~~2~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017. It shall remain effective for a period of 4 years and, at the end of June 30, 2021, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 4, 2017.

Chapter 368

(Senate Bill 343)

AN ACT concerning

Bay Restoration Fund – Eligible Costs – Expansion

FOR the purpose of altering the definition of “eligible costs” as it relates to projects that receive funding from the Bay Restoration Fund to include any wastewater facility upgrade to enhanced nutrient removal, as determined by the Department of the Environment; making conforming changes; and generally relating to the Bay Restoration Fund.

BY repealing and reenacting, with amendments,
 Article – Environment
 Section 9–1605.2(i)(1) *and* (2)
 Annotated Code of Maryland
 (2014 Replacement Volume and 2016 Supplement)

~~BY repealing and reenacting, without amendments,
 Article – Environment
 Section 9–1605.2(i)(2)
 Annotated Code of Maryland
 (2014 Replacement Volume and 2016 Supplement)~~

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

Article – Environment

9–1605.2.

(i) (1) In this subsection, “eligible costs” means the additional costs that would be attributable to upgrading a wastewater facility [from biological nutrient removal] to enhanced nutrient removal, as determined by the Department.

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

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

(ii) In fiscal years 2016 and thereafter, for up to 87.5% of the total cost of projects, as approved by the Department, relating to combined sewer overflows abatement, rehabilitation of existing sewers, and upgrading conveyance systems, including pumping stations;

(iii) In fiscal years 2010 and thereafter, for a portion of the operation and maintenance costs related to the enhanced nutrient removal technology, which may not exceed 10% of the total restoration fee collected from users of wastewater facilities under this section by the Comptroller annually;

(iv) In fiscal years 2018 and thereafter, after payment of outstanding bonds and the allocation of funds to other required uses of the Bay Restoration Fund for funding in the following order of priority:

1. For funding ~~on~~ **THE ELIGIBLE COSTS TO** upgrade ~~of~~ a wastewater facility to enhanced nutrient removal at wastewater facilities with a design capacity of 500,000 gallons or more per day;

2. For funding ~~for~~ **THE ELIGIBLE COSTS OF** the most cost-effective enhanced nutrient removal upgrades at wastewater facilities with a design capacity of less than 500,000 gallons per day; and

3. As determined by the Department and based on water quality and public health benefits, for the following:

A. For costs identified under item (ii) of this paragraph;

B. For costs identified under subsection (h)(2)(i)1 of this section; and

C. With respect to a local government that has enacted and implemented a system of charges to fully fund the implementation of a stormwater management program, for grants to the local government for a portion of the costs of the most cost-effective and efficient stormwater control measures, as determined and approved by the Department, from the restoration fees collected annually by the Comptroller from users of wastewater facilities under this section;

(v) As a source of revenue or security for the payment of principal and interest on bonds issued by the Administration if the proceeds of the sale of the bonds will be deposited in the Bay Restoration Fund;

(vi) To earn interest on Bay Restoration Fund accounts;

(vii) For the reasonable costs of administering the Bay Restoration Fund, which may not exceed 1.5% of the total restoration fees imposed on users of wastewater facilities that are collected by the Comptroller annually;

(viii) For the reasonable administrative costs incurred by a local government or a billing authority for a water or wastewater facility collecting the restoration fees, in an amount not to exceed 5% of the total restoration fees collected by that local government or billing authority;

(ix) For future upgrades of wastewater facilities to achieve additional nutrient removal or water quality improvement, in accordance with paragraphs (6) and (7) of this subsection;

(x) For costs associated with the issuance of bonds;

(xi) Subject to the allocation of funds and the conditions under subsection (h) of this section, for projects related to the removal of nitrogen from on-site sewage disposal systems and cover crop activities; and

(xii) For costs associated with the implementation of alternate compliance plans authorized in § 4-202.1(k)(3) of this article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 369

(House Bill 384)

AN ACT concerning

Bay Restoration Fund – Eligible Costs – Expansion

FOR the purpose of altering the definition of “eligible costs” as it relates to projects that receive funding from the Bay Restoration Fund to include any wastewater facility upgrade to enhanced nutrient removal, as determined by the Department of the Environment; making conforming changes; and generally relating to the Bay Restoration Fund.

BY repealing and reenacting, with amendments,
Article – Environment
Section 9–1605.2(i)(1) *and* (2)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

~~BY repealing and reenacting, without amendments,
Article – Environment
Section 9–1605.2(i)(2)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)~~

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

Article – Environment

9–1605.2.

(i) (1) In this subsection, “eligible costs” means the additional costs that would be attributable to upgrading a wastewater facility [from biological nutrient removal] to enhanced nutrient removal, as determined by the Department.

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

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

(ii) In fiscal years 2016 and thereafter, for up to 87.5% of the total cost of projects, as approved by the Department, relating to combined sewer overflows abatement, rehabilitation of existing sewers, and upgrading conveyance systems, including pumping stations;

(iii) In fiscal years 2010 and thereafter, for a portion of the operation and maintenance costs related to the enhanced nutrient removal technology, which may

not exceed 10% of the total restoration fee collected from users of wastewater facilities under this section by the Comptroller annually;

(iv) In fiscal years 2018 and thereafter, after payment of outstanding bonds and the allocation of funds to other required uses of the Bay Restoration Fund for funding in the following order of priority:

1. For funding ~~on~~ THE ELIGIBLE COSTS TO upgrade ~~of~~ a wastewater facility to enhanced nutrient removal at wastewater facilities with a design capacity of 500,000 gallons or more per day;

2. For funding ~~for~~ THE ELIGIBLE COSTS OF the most cost-effective enhanced nutrient removal upgrades at wastewater facilities with a design capacity of less than 500,000 gallons per day; and

3. As determined by the Department and based on water quality and public health benefits, for the following:

A. For costs identified under item (ii) of this paragraph;

B. For costs identified under subsection (h)(2)(i)1 of this section; and

C. With respect to a local government that has enacted and implemented a system of charges to fully fund the implementation of a stormwater management program, for grants to the local government for a portion of the costs of the most cost-effective and efficient stormwater control measures, as determined and approved by the Department, from the restoration fees collected annually by the Comptroller from users of wastewater facilities under this section;

(v) As a source of revenue or security for the payment of principal and interest on bonds issued by the Administration if the proceeds of the sale of the bonds will be deposited in the Bay Restoration Fund;

(vi) To earn interest on Bay Restoration Fund accounts;

(vii) For the reasonable costs of administering the Bay Restoration Fund, which may not exceed 1.5% of the total restoration fees imposed on users of wastewater facilities that are collected by the Comptroller annually;

(viii) For the reasonable administrative costs incurred by a local government or a billing authority for a water or wastewater facility collecting the restoration fees, in an amount not to exceed 5% of the total restoration fees collected by that local government or billing authority;

(ix) For future upgrades of wastewater facilities to achieve additional nutrient removal or water quality improvement, in accordance with paragraphs (6) and (7) of this subsection;

(x) For costs associated with the issuance of bonds;

(xi) Subject to the allocation of funds and the conditions under subsection (h) of this section, for projects related to the removal of nitrogen from on-site sewage disposal systems and cover crop activities; and

(xii) For costs associated with the implementation of alternate compliance plans authorized in § 4–202.1(k)(3) of this article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 370

(Senate Bill 440)

AN ACT concerning

Environment – Water Management – Sediment Control at Large Redevelopment Sites

FOR the purpose of prohibiting a county or municipality from issuing a grading or building permit until the developer submits a grading and sediment control plan approved by the Department of the Environment if the property that is the subject of the permit is, or is included in, a certain large redevelopment site; requiring the Department to determine certain criteria for certain large redevelopment sites; providing that the Department is the approval authority for certain large redevelopment sites; defining the term “large redevelopment site”; and generally relating to sediment control at large redevelopment sites.

BY repealing and reenacting, with amendments,
Article – Environment
Section 4–101.1, 4–103(a), and 4–105
Annotated Code of Maryland
(2013 Replacement Volume and 2016 Supplement)

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

Article – Environment

4-101.1.

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

(B) “LARGE REDEVELOPMENT SITE” MEANS ANY REAL PROPERTY:

(1) CONSISTING OF ONE OR MORE CONTIGUOUS PARCELS THAT ARE COLLECTIVELY MORE THAN ~~100~~ 500 ACRES;

(2) THAT IS BEING USED, OR WAS FORMERLY USED, FOR INDUSTRIAL PURPOSES AND MANUFACTURING; AND

(3) FOR WHICH THE DEPARTMENT HAS RECEIVED:

(I) ONE OR MORE APPLICATIONS FOR PARTICIPATION IN THE VOLUNTARY CLEANUP PROGRAM UNDER TITLE 7, SUBTITLE 5 OF THIS ARTICLE; OR

(II) ONE OR MORE PLANS FOR REMEDIAL ACTION BY A RESPONSIBLE PARTY, THE OWNER OR OPERATOR OF THE SITE, OR A PROSPECTIVE PURCHASER OF THE SITE IN ACCORDANCE WITH § 7-222 OF THIS ARTICLE.

[(b)] (C) “Person” includes the federal government, the State, any county, municipal corporation, or other political subdivision of the State, or any of their units.

[(c)] (D) “Pollution” means any contamination or other alteration of the physical, chemical, or biological properties of any waters of this State, including a change in temperature, taste, color, turbidity, or odor of the waters or the discharge or deposit of any organic matter, harmful organism, or liquid, gaseous, solid, radioactive, or other substances into any waters of this State, that will render the waters harmful or detrimental to:

(1) Public health, safety, or welfare;

(2) Domestic, commercial, industrial, agricultural, recreational, or other legitimate beneficial uses;

(3) Livestock, wild animals, or birds; or

(4) Fish or other aquatic life.

[(d)] (E) “Waters of this State” includes:

(1) Both surface and underground waters within the boundaries of this State subject to its jurisdiction, including that part of the Atlantic Ocean within the

boundaries of this State, the Chesapeake Bay and its tributaries, and all ponds, lakes, rivers, streams, storm drain systems, public ditches, tax ditches, and public drainage systems within this State, other than those designed and used to collect, convey, or dispose of sanitary sewage; and

(2) The flood plain of free-flowing waters determined by the Department of Natural Resources on the basis of the 100-year flood frequency.

4-103.

(a) (1) A county or municipality may issue grading and building permits as provided by law.

(2) A grading or building permit may not be issued until the developer:

(i) Submits a grading and sediment control plan approved by:

1. The appropriate soil conservation district; [or]

2. A municipal corporation in Montgomery County that is designated under paragraph (4) of this subsection; [and] **OR**

3. THE DEPARTMENT, IF THE PROPERTY THAT IS THE SUBJECT OF THE GRADING OR BUILDING PERMIT IS, OR IS INCLUDED IN, A LARGE REDEVELOPMENT SITE; AND

(ii) Certifies that all land clearing, construction, and development will be done under the plan.

(3) **(I) [Criteria] EXCEPT FOR LARGE REDEVELOPMENT SITES, CRITERIA** for sediment control and the procedure for referring an applicant to the appropriate soil conservation district shall be acceptable to the soil conservation district and the Department of the Environment.

(II) FOR LARGE REDEVELOPMENT SITES, CRITERIA FOR SEDIMENT CONTROL SHALL BE DETERMINED BY THE DEPARTMENT AND SHALL BE AS PROTECTIVE OF THE ENVIRONMENT AS THE CRITERIA REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(4) A soil conservation district may delegate approval authority of a grading and sediment control plan to a municipal corporation in Montgomery County that:

(i) Has its own sediment control review provisions that are at least as stringent as the provisions of the grading and sediment control plan of the soil conservation district;

(ii) Issues sediment control permits; and

(iii) Meets the necessary performance standards established by written agreement between the district and the municipal corporation.

4–105.

(a) (1) (i) In this section, “construction” means land clearing, grubbing, topsoil stripping, soil movement, grading, cutting and filling, transporting, or otherwise disturbing land for any purpose.

(ii) “Construction” includes land disturbing activities for the purpose of:

1. Constructing buildings;
2. Mining minerals;
3. Developing golf courses; and
4. Constructing roads and installing utilities.

(2) (i) Before any person begins any construction, the appropriate approval authority shall first receive, review, and approve the proposed earth change and the sediment control plan.

(ii) Except as provided in subsection (b) of this section, the approval authority is:

1. The appropriate soil conservation district;
 2. A municipal corporation in Montgomery County that is designated by a soil conservation district under paragraph (6) of this subsection;
 3. Any municipality not within a soil conservation district;
 4. If a State or federal unit undertakes any construction, the Department or the Department’s designee; [or]
 5. For abandoned mine reclamation projects conducted by the Department pursuant to Title 15, Subtitles 5, 6, and 11 of this article, the Department;
- OR**

6. FOR LARGE REDEVELOPMENT SITES, THE DEPARTMENT.

(iii) Criteria used by the Department or the Department's designee for review and approvals under subparagraph (ii)4 of this paragraph:

1. Shall meet or exceed current Maryland standards and specifications for soil erosion and sediment control; or

2. If alternative standards are applied, shall be reviewed and approved by the Department.

(3) A person may not begin or perform any construction unless the person:

(i) Obtains an approved sediment control plan;

(ii) Implements the measures contained in the approved sediment control plan;

(iii) Conducts the construction as specified in the sequence of construction contained in the approved sediment control plan;

(iv) Maintains the provisions of the approved sediment control plan;
and

(v) Implements any sediment control measures reasonably necessary to control sediment runoff.

(4) In consultation with the person responsible for performing the construction, the Department, jurisdictions delegated enforcement authority under § 4-103(e)(2) of this subtitle, or the appropriate approval agency may require modifications to an approved sediment control plan if the approved plan is not adequate to control sediment or erosion.

(5) A person performing construction that proposes a major change to an approved sediment control plan shall submit the proposed change to the appropriate approval authority for review and approval.

(6) A soil conservation district may delegate approval authority under paragraph (2) of this subsection to a municipal corporation in Montgomery County that:

(i) Has its own sediment control review provisions that are at least as stringent as the provisions of the grading and sediment control plan of the soil conservation district;

(ii) Issues sediment control permits; and

(iii) Meets the necessary performance standards established by written agreement between the district and the municipal corporation.

(b) In Montgomery County, notwithstanding the provisions of subsection (c) of this section and § 4–103(a)(1) of this subtitle, the soil conservation district may delegate the authority to review and approve or reject any sediment control plans for nonagricultural construction to the Montgomery County government by written agreement between the district and the county government department authorized by county law or regulation to perform those functions.

(c) In Prince George’s and Montgomery counties, the Washington Suburban Sanitary Commission, after consultation with and advice of the soil conservation districts of the two counties and the Department of the Environment, shall prepare and adopt rules and regulations for erosion and sediment control requirements for utility construction work. The rules and regulations shall be adopted and enforced as are others of the Commission under authority conferred by other laws. These rules and regulations apply to any utility construction work in Prince George’s and Montgomery counties. The provisions of this subsection do not apply until the soil conservation district in each county approves erosion and sediment control requirements for utility construction work in that county.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 371

(House Bill 557)

AN ACT concerning

Environment – Water Management – Sediment Control at Large Redevelopment Sites

FOR the purpose of prohibiting a county or municipality from issuing a grading or building permit until the developer submits a grading and sediment control plan approved by the Department of the Environment if the property that is the subject of the permit is, or is included in, a certain large redevelopment site; requiring the Department to determine certain criteria for certain large redevelopment sites; providing that the Department is the approval authority for certain large redevelopment sites; defining the term “large redevelopment site”; and generally relating to sediment control at large redevelopment sites.

BY repealing and reenacting, with amendments,

Article – Environment

Section 4–101.1, 4–103(a), and 4–105

Annotated Code of Maryland

(2013 Replacement Volume and 2016 Supplement)

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

Article – Environment

4–101.1.

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

(B) “LARGE REDEVELOPMENT SITE” MEANS ANY REAL PROPERTY:

(1) CONSISTING OF ONE OR MORE CONTIGUOUS PARCELS THAT ARE COLLECTIVELY MORE THAN ~~100~~ 500 ACRES;

(2) THAT IS BEING USED, OR WAS FORMERLY USED, FOR INDUSTRIAL PURPOSES AND MANUFACTURING; AND

(3) FOR WHICH THE DEPARTMENT HAS RECEIVED:

(I) ONE OR MORE APPLICATIONS FOR PARTICIPATION IN THE VOLUNTARY CLEANUP PROGRAM UNDER TITLE 7, SUBTITLE 5 OF THIS ARTICLE; OR

(II) ONE OR MORE PLANS FOR REMEDIAL ACTION BY A RESPONSIBLE PARTY, THE OWNER OR OPERATOR OF THE SITE, OR A PROSPECTIVE PURCHASER OF THE SITE IN ACCORDANCE WITH § 7–222 OF THIS ARTICLE.

[(b)] (C) “Person” includes the federal government, the State, any county, municipal corporation, or other political subdivision of the State, or any of their units.

[(c)] (D) “Pollution” means any contamination or other alteration of the physical, chemical, or biological properties of any waters of this State, including a change in temperature, taste, color, turbidity, or odor of the waters or the discharge or deposit of any organic matter, harmful organism, or liquid, gaseous, solid, radioactive, or other substances into any waters of this State, that will render the waters harmful or detrimental to:

(1) Public health, safety, or welfare;

(2) Domestic, commercial, industrial, agricultural, recreational, or other legitimate beneficial uses;

(3) Livestock, wild animals, or birds; or

(4) Fish or other aquatic life.

[(d)] (E) “Waters of this State” includes:

(1) Both surface and underground waters within the boundaries of this State subject to its jurisdiction, including that part of the Atlantic Ocean within the boundaries of this State, the Chesapeake Bay and its tributaries, and all ponds, lakes, rivers, streams, storm drain systems, public ditches, tax ditches, and public drainage systems within this State, other than those designed and used to collect, convey, or dispose of sanitary sewage; and

(2) The flood plain of free-flowing waters determined by the Department of Natural Resources on the basis of the 100-year flood frequency.

4-103.

(a) (1) A county or municipality may issue grading and building permits as provided by law.

(2) A grading or building permit may not be issued until the developer:

(i) Submits a grading and sediment control plan approved by:

1. The appropriate soil conservation district; [or]

2. A municipal corporation in Montgomery County that is designated under paragraph (4) of this subsection; [and] OR

3. THE DEPARTMENT, IF THE PROPERTY THAT IS THE SUBJECT OF THE GRADING OR BUILDING PERMIT IS, OR IS INCLUDED IN, A LARGE REDEVELOPMENT SITE; AND

(ii) Certifies that all land clearing, construction, and development will be done under the plan.

(3) (I) [Criteria] **EXCEPT FOR LARGE REDEVELOPMENT SITES, CRITERIA** for sediment control and the procedure for referring an applicant to the appropriate soil conservation district shall be acceptable to the soil conservation district and the Department of the Environment.

(II) FOR LARGE REDEVELOPMENT SITES, CRITERIA FOR SEDIMENT CONTROL SHALL BE DETERMINED BY THE DEPARTMENT AND SHALL BE AS PROTECTIVE OF THE ENVIRONMENT AS THE CRITERIA REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(4) A soil conservation district may delegate approval authority of a grading and sediment control plan to a municipal corporation in Montgomery County that:

(i) Has its own sediment control review provisions that are at least as stringent as the provisions of the grading and sediment control plan of the soil conservation district;

(ii) Issues sediment control permits; and

(iii) Meets the necessary performance standards established by written agreement between the district and the municipal corporation.

4–105.

(a) (1) (i) In this section, “construction” means land clearing, grubbing, topsoil stripping, soil movement, grading, cutting and filling, transporting, or otherwise disturbing land for any purpose.

(ii) “Construction” includes land disturbing activities for the purpose of:

1. Constructing buildings;
2. Mining minerals;
3. Developing golf courses; and
4. Constructing roads and installing utilities.

(2) (i) Before any person begins any construction, the appropriate approval authority shall first receive, review, and approve the proposed earth change and the sediment control plan.

(ii) Except as provided in subsection (b) of this section, the approval authority is:

1. The appropriate soil conservation district;
 2. A municipal corporation in Montgomery County that is designated by a soil conservation district under paragraph (6) of this subsection;
 3. Any municipality not within a soil conservation district;
 4. If a State or federal unit undertakes any construction, the Department or the Department’s designee; [or]
 5. For abandoned mine reclamation projects conducted by the Department pursuant to Title 15, Subtitles 5, 6, and 11 of this article, the Department;
- OR**

6. FOR LARGE REDEVELOPMENT SITES, THE DEPARTMENT.

(iii) Criteria used by the Department or the Department's designee for review and approvals under subparagraph (ii)4 of this paragraph:

1. Shall meet or exceed current Maryland standards and specifications for soil erosion and sediment control; or

2. If alternative standards are applied, shall be reviewed and approved by the Department.

(3) A person may not begin or perform any construction unless the person:

(i) Obtains an approved sediment control plan;

(ii) Implements the measures contained in the approved sediment control plan;

(iii) Conducts the construction as specified in the sequence of construction contained in the approved sediment control plan;

(iv) Maintains the provisions of the approved sediment control plan; and

(v) Implements any sediment control measures reasonably necessary to control sediment runoff.

(4) In consultation with the person responsible for performing the construction, the Department, jurisdictions delegated enforcement authority under § 4-103(e)(2) of this subtitle, or the appropriate approval agency may require modifications to an approved sediment control plan if the approved plan is not adequate to control sediment or erosion.

(5) A person performing construction that proposes a major change to an approved sediment control plan shall submit the proposed change to the appropriate approval authority for review and approval.

(6) A soil conservation district may delegate approval authority under paragraph (2) of this subsection to a municipal corporation in Montgomery County that:

(i) Has its own sediment control review provisions that are at least as stringent as the provisions of the grading and sediment control plan of the soil conservation district;

(ii) Issues sediment control permits; and

(iii) Meets the necessary performance standards established by written agreement between the district and the municipal corporation.

(b) In Montgomery County, notwithstanding the provisions of subsection (c) of this section and § 4–103(a)(1) of this subtitle, the soil conservation district may delegate the authority to review and approve or reject any sediment control plans for nonagricultural construction to the Montgomery County government by written agreement between the district and the county government department authorized by county law or regulation to perform those functions.

(c) In Prince George’s and Montgomery counties, the Washington Suburban Sanitary Commission, after consultation with and advice of the soil conservation districts of the two counties and the Department of the Environment, shall prepare and adopt rules and regulations for erosion and sediment control requirements for utility construction work. The rules and regulations shall be adopted and enforced as are others of the Commission under authority conferred by other laws. These rules and regulations apply to any utility construction work in Prince George’s and Montgomery counties. The provisions of this subsection do not apply until the soil conservation district in each county approves erosion and sediment control requirements for utility construction work in that county.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 372

(Senate Bill 1158)

AN ACT concerning

~~Power Plant Research Program~~ **Department of Natural Resources – Solar
Generation Facilities – Pollinator-Friendly Designation**

FOR the purpose of requiring the power plant research program of the Department of Natural Resources to include in its research an evaluation of the pollinator benefits that would occur under a certain standard or plan implemented on the land on which a certain solar generation facility is located; requiring the ~~power plant research program~~ Department to designate a certain solar facility as ~~pollinator-friendly~~ pollinator-friendly under certain circumstances; requiring the Department to adopt a certain scorecard for certain solar generation facilities; providing that a solar generation facility may receive a certain designation only by the Department; prohibiting the owner of a solar generation facility from making certain claims unless the facility has received a certain designation; requiring an owner of a pollinator-friendly solar generation facility to provide appropriate maintenance of

the pollinator vegetation; requiring the owner of a certain solar generation facility to make certain standards and plans available to ~~certain entities~~, a certain entity; authorizing the Department to charge an owner of a solar generation facility a certain fee to cover certain costs; requiring the Department of ~~Natural Resources~~ to adopt certain regulations; making stylistic changes; and generally relating to the ~~power plant research program~~ designation of solar generation facilities as pollinator-friendly.

BY repealing and reenacting, with amendments,
 Article – Natural Resources
 Section 3–303
 Annotated Code of Maryland
 (2012 Replacement Volume and 2016 Supplement)

BY adding to
 Article – Natural Resources
 Section 3–303.1
 Annotated Code of Maryland
 (2012 Replacement Volume and 2016 Supplement)

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

Article – Natural Resources

3–303.

(a) **(1)** The Secretary, in consultation with the Director of the Maryland Energy Administration and in cooperation with the Secretaries of the Environment, Agriculture, and Commerce and the Director of Planning and electric company representatives shall implement a continuing research program for electric power plant site evaluation and related environmental and land use considerations.

(2) (I) The Secretary shall seek from additional sources recommendations for related research to be included in the program.

(II) The additional sources shall include appropriate federal and State agencies, electric companies and technical, scientific, or educational institutions or organizations.

(3) (I) The Secretary, in consultation with the Director of the Maryland Energy Administration, shall institute effective procedures for coordinating environmental research assignments to prevent dissipation of money, time, and effort.

(II) To this end, the State's electric companies shall be reimbursed from the Fund for environmental research specifically required to satisfy application and

permit requirements for any federal, State, or local regulatory agencies, if the electric company has requested reimbursement in advance and furnishes an outline of the program and its estimated cost so that the Secretary can budget it in advance.

(b) The program shall include:

(1) General biological and ecological baseline studies, including, but not limited to, appropriate environmental studies of the biology, physics, and chemistry of the Chesapeake Bay and tributaries; sediment and biological surveys to determine and identify essential marine organism nursery areas of the State's waters, including the Chesapeake Bay and tributaries; epibenthos; bottom species; crab; finfish and human use studies;

(2) Research to assist prediction, including but not limited to experimental research, field and laboratory, and the development and provision for physical, mathematical, and biological modeling tools to assist in determining and evaluating the effects of variation of natural waters resulting from electric generating plant operations including changes in temperature, oxygen levels, salinity, biocides, radionuclides, and "heavy" metals. This research also includes collection and organization of relevant information and data necessary to operate physical, mathematical, and biological modeling tools;

(3) Provisions for monitoring operations of electric power facilities located in the State. These provisions include but are not limited to a determination of actual distribution and effect of temperature, salinity, oxygen, radionuclides, "heavy" metals, and biological effects; radiological; "heavy" metals and biocide effects; recreational and commercial fishing gains and losses; and human health and welfare effects;

(4) Research and investigations relating to effects on air resources of electric power plants and effects of air pollutants from power plants on public health and welfare, vegetation, animals, materials, and esthetic values, including baseline studies, predictive modeling, and monitoring of the air mass at sites of proposed or operating electric generating stations, evaluation of new or improved methods for minimizing air pollution from power plants and other matters pertaining to the effect of power plants on the air environment;

(5) An environmental evaluation of electric power plant sites proposed for future development and expansion and their relationship to the waters and air of the State;

(6) **[Evaluation] AN EVALUATION** of the environmental effects of new electric power generation technologies and extraordinary systems related to power plants designed to minimize environmental effects;

(7) Determining the potential for constructive uses of waste energy to be released at proposed electric plant sites; **[and]**

(8) Analysis of the socioeconomic impact of electric power generation facilities on the land uses of the State; **AND**

(9) AN EVALUATION OF THE POLLINATOR BENEFITS THAT WOULD OCCUR UNDER A POLLINATOR-FRIENDLY VEGETATION MANAGEMENT STANDARD OR POLLINATOR HABITAT PLAN IMPLEMENTED ON ~~THE LAND ON~~:

(I) ON WHICH A PROPOSED OR AN EXISTING GROUND-MOUNTED SOLAR GENERATION FACILITY IS LOCATED; AND

(II) THAT DOES NOT INCLUDE LAND THAT IS ADJACENT TO THE LAND ON WHICH THE SOLAR GENERATION FACILITY IS LOCATED.

3-303.1.

(A) THE ~~POWER PLANT RESEARCH PROGRAM~~ DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT OF AGRICULTURE, SHALL DESIGNATE A SOLAR GENERATION FACILITY AS ~~POLLINATOR-FRIENDLY~~ POLLINATOR-FRIENDLY IF THE SOLAR GENERATION FACILITY MEETS THE REQUIREMENTS OF THIS SECTION.

(B) THE DEPARTMENT SHALL ADOPT A SOLAR SITE POLLINATOR HABITAT PLANNING AND ASSESSMENT SCORECARD THAT:

(1) HAS BEEN RECOMMENDED BY THE UNIVERSITY OF MARYLAND BEE LAB;

(2) MAY BE UPDATED OR AMENDED ONLY ONCE EVERY 2 YEARS; AND

(3) APPLIES ONLY TO SOLAR GENERATION FACILITIES.

(C) (1) A SOLAR GENERATION FACILITY MAY BE DESIGNATED AS POLLINATOR-FRIENDLY ONLY BY THE DEPARTMENT.

(2) A SOLAR GENERATION FACILITY MAY BE DESIGNATED BY THE ~~POWER PLANT RESEARCH PROGRAM~~ DEPARTMENT AS ~~POLLINATOR-FRIENDLY~~ POLLINATOR-FRIENDLY IF:

~~(1)~~ (I) THE SOLAR GENERATION FACILITY IS:

~~(1)~~ 1. ~~GROUND-MOUNTED~~ IS GROUND-MOUNTED; AND

~~(1)~~ 2. ~~AT~~ IS AT LEAST 1 ACRE IN SIZE; AND

3. MEETS OR EXCEEDS THE MINIMUM SCORE IDENTIFIED IN THE SOLAR SITE POLLINATOR HABITAT PLANNING AND ASSESSMENT SCORECARD; AND

~~(2)~~ (II) ~~THE LAND THAT ON WHICH~~ THE SOLAR GENERATION FACILITY IS LOCATED ON IS PLANTED AND MANAGED IN ACCORDANCE WITH A POLLINATOR-FRIENDLY VEGETATION MANAGEMENT STANDARD OR POLLINATOR HABITAT PLAN APPROVED EVALUATED UNDER § 3-303(B)(9) OF THIS SUBTITLE BY THE POWER PLANT RESEARCH PROGRAM.

~~(C)~~ (D) ~~THE OWNER OF A SOLAR GENERATION FACILITY MAY NOT CLAIM THAT THE FACILITY IS POLLINATOR-FRIENDLY~~ POLLINATOR-FRIENDLY OR THAT THE FACILITY PROVIDES BENEFITS TO POLLINATORS, SONG BIRDS, OR GAME BIRDS UNLESS THE FACILITY HAS BEEN DESIGNATED AS POLLINATOR-FRIENDLY BY THE POWER PLANT RESEARCH PROGRAM DEPARTMENT IN ACCORDANCE WITH THIS SECTION.

~~(D)~~ (E) ~~THE OWNER OF A POLLINATOR-FRIENDLY SOLAR GENERATION FACILITY SHALL PROVIDE APPROPRIATE MAINTENANCE OF THE POLLINATOR VEGETATION.~~

~~(D)~~ ~~(E)~~ (F) ~~THE OWNER OF A POLLINATOR-FRIENDLY SOLAR GENERATION FACILITY SHALL MAKE THE FACILITY'S POLLINATOR-FRIENDLY VEGETATION MANAGEMENT STANDARD OR POLLINATOR HABITAT PLAN EVALUATED UNDER § 3-303(B)(9) OF THIS SUBTITLE BY THE POWER PLANT RESEARCH PROGRAM AVAILABLE TO:~~

~~(1)~~ ~~THE DEPARTMENT; AND~~

~~(2)~~ ~~THE~~ THE ~~MARYLAND, DC, AND VIRGINIA SOLAR ENERGY INDUSTRIES ASSOCIATION OR OTHER NONPROFIT SOLAR INDUSTRY TRADE ASSOCIATIONS.~~

~~(E)~~ ~~(F)~~ (G) ~~NOTHING IN THIS SECTION RESTRICTS ANY FARMING PRACTICES ON ANY LAND ADJACENT TO THE LAND ON WHICH A SOLAR GENERATION FACILITY IS LOCATED.~~

~~(G)~~ (H) ~~THE DEPARTMENT MAY CHARGE THE OWNER OF A SOLAR GENERATION FACILITY A REASONABLE FEE TO COVER COSTS ASSOCIATED WITH DESIGNATING THE SOLAR GENERATION FACILITY AS POLLINATOR-FRIENDLY.~~

~~(H)~~ (I) ~~THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 373

(House Bill 1063)

AN ACT concerning

Agriculture – Maryland Healthy Soils Program

FOR the purpose of establishing the Maryland Healthy Soils Program for certain purposes; requiring the Department of Agriculture to provide certain incentives to farmers to implement certain farm management practices that contribute to healthy soils; requiring the Department to determine whether the Program may be implemented in a manner to enhance other certain programs; defining certain terms; and generally relating to the Maryland Healthy Soils Program.

BY adding to

Article – Agriculture

Section 2–1901 to be under the new subtitle “Subtitle 19. Maryland Healthy Soils Program”

Annotated Code of Maryland
(2016 Replacement Volume)

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

Article – Agriculture

SUBTITLE 19. MARYLAND HEALTHY SOILS PROGRAM.

2–1901.

(A) (1) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “HEALTHY SOILS” MEANS THE CONTINUING CAPACITY OF SOIL
TO:

(I) FUNCTION AS A BIOLOGICAL SYSTEM;

(II) INCREASE SOIL ORGANIC MATTER;

(III) IMPROVE SOIL STRUCTURE AND WATER AND NUTRIENT HOLDING CAPACITY; AND

(IV) SEQUESTER CARBON AND REDUCE GREENHOUSE GAS EMISSIONS.

(3) “PROGRAM” MEANS THE MARYLAND HEALTHY SOILS PROGRAM.

(B) THERE IS A MARYLAND HEALTHY SOILS PROGRAM.

(C) THE PURPOSE OF THE PROGRAM IS TO:

(1) IMPROVE THE HEALTH, YIELD, AND PROFITABILITY OF THE SOILS OF THE STATE;

(2) INCREASE ~~THE~~ BIOLOGICAL ACTIVITY AND CARBON SEQUESTRATION CAPABILITY OF SEQUESTRATION IN THE SOILS OF THE STATE BY PROMOTING PRACTICES BASED ON EMERGING SOIL SCIENCE, INCLUDING PLANTING MIXED COVER CROPS, ADOPTING NO-TILL OR LOW-TILL FARMING PRACTICES, AND ROTATION GRAZING; AND

(3) PROMOTE ~~MORE~~ WIDESPREAD USE OF HEALTHY SOILS PRACTICES AMONG FARMERS IN THE STATE.

(D) TO CARRY OUT THE PURPOSES OF THE PROGRAM, THE DEPARTMENT SHALL:

(1) PROVIDE INCENTIVES, INCLUDING RESEARCH, EDUCATION, TECHNICAL ASSISTANCE, AND, SUBJECT TO AVAILABLE FUNDING, FINANCIAL ASSISTANCE, TO FARMERS TO IMPLEMENT FARM MANAGEMENT PRACTICES THAT CONTRIBUTE TO HEALTHY SOILS; AND

(2) DETERMINE WHETHER THE PROGRAM MAY BE IMPLEMENTED IN A MANNER TO ENHANCE OTHER STATE AND FEDERAL PROGRAMS THAT PROVIDE FINANCIAL ASSISTANCE TO FARMERS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 374

(House Bill 1349)

AN ACT concerning

Environment – Compostable, Degradable, and Biodegradable Plastic Products – Labeling

FOR the purpose of prohibiting a person from selling in the State a certain plastic product that is labeled as biodegradable, degradable, or decomposable on or after a certain date subject to a certain exception; prohibiting a person from selling a certain plastic product in the State labeled as compostable, ~~marine degradable~~, or home compostable on or after a certain date unless the plastic product meets certain standards; prohibiting a person from selling in the State a certain film plastic product labeled as soil degradable ag mulch film or biodegradable mulch film on or after a certain date unless the product meets certain standards; requiring a person that distributes or sells a certain compostable plastic bag for certain purposes to ensure that the compostable plastic bag is labeled in a certain manner; requiring a person that distributes or sells a certain compostable food or beverage product for certain purposes to ensure that the food or beverage product is labeled in a certain manner; specifying certain provisions of this Act apply to a certain extent; establishing certain penalties for certain violations; providing for the disposition of certain penalties collected under this Act; and generally relating to compostable, degradable, and biodegradable plastic products.

BY adding to

Article – Environment

Section 9–2101 through 9–2105 to be under the new subtitle “Subtitle 21. Plastic Products”

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

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

Article – Environment

SUBTITLE 21. PLASTIC PRODUCTS.

9–2101.

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

(B) “ASTM D6400 STANDARD SPECIFICATION” MEANS THE STANDARD SPECIFICATION FOR LABELING OF PLASTICS DESIGNED TO BE AEROBICALLY COMPOSTED IN MUNICIPAL OR INDUSTRIAL FACILITIES SET BY THE AMERICAN SOCIETY FOR TESTING AND MATERIALS.

(C) “ASTM D6868 STANDARD SPECIFICATION” MEANS THE STANDARD SPECIFICATION FOR LABELING OF END ITEMS THAT INCORPORATE PLASTICS AND POLYMERS AS COATINGS OR ADDITIVES WITH PAPER AND OTHER SUBSTRATES DESIGNED TO BE AEROBICALLY COMPOSTED IN MUNICIPAL OR INDUSTRIAL FACILITIES SET BY THE AMERICAN SOCIETY FOR TESTING AND MATERIALS.

~~(D) “ASTM D7081 STANDARD SPECIFICATION” MEANS THE STANDARD SPECIFICATION FOR NONFLOATING BIODEGRADABLE PLASTICS IN THE MARINE ENVIRONMENT SET BY THE AMERICAN SOCIETY FOR TESTING AND MATERIALS.~~

~~(E)~~ (D) “ASTM D5988 STANDARD TEST METHOD” MEANS THE STANDARD TEST METHOD FOR DETERMINING AEROBIC BIODEGRADATION OF PLASTIC MATERIALS IN SOIL SET BY THE AMERICAN SOCIETY FOR TESTING AND MATERIALS.

~~(F)~~ (E) “BIODEGRADABLE MULCH FILM” OR “SOIL DEGRADABLE AG MULCH FILM” MEANS A FILM PLASTIC PRODUCT USED AS A TECHNICAL TOOL IN COMMERCIAL FARMING THAT BIODEGRADES IN SOIL AFTER BEING USED AND MEETS THE STANDARDS SPECIFIED UNDER § 9-2102(C) OF THIS SUBTITLE.

~~(G)~~ (F) “FEDERAL GUIDES FOR THE USE OF ENVIRONMENTAL MARKETING CLAIMS” MEANS THE FEDERAL GUIDES ESTABLISHED BY THE FEDERAL TRADE COMMISSION UNDER TITLE 20, PART 260 OF THE CODE OF FEDERAL REGULATIONS.

~~(H)~~ (G) “FILM PLASTIC PRODUCT” MEANS A BAG, A SACK, A WRAP, OR ANY OTHER THIN PLASTIC SHEET FILM PRODUCT.

~~(I)~~ (H) (1) “FOOD OR BEVERAGE PRODUCT” MEANS A PRODUCT THAT IS:

(I) USED FOR FOOD AND DRINK; AND

(II) MADE OF PLASTIC OR PAPER WITH A PLASTIC COATING.

(2) “FOOD OR BEVERAGE PRODUCT” INCLUDES:

(I) CONTAINERS;

(II) FOOD SERVICE WARE AND UTENSILS; AND

(III) STRAWS AND LIDS.

~~(H)~~ (I) "ISO 17556 STANDARD TEST METHOD" MEANS THE STANDARD TEST METHOD MEANS FOR DETERMINING THE ULTIMATE AEROBIC BIODEGRADABILITY OF PLASTIC MATERIALS IN SOIL BY MEASURING THE OXYGEN DEMAND IN A CLOSED RESPIROMETER OR THE AMOUNT OF CARBON DIOXIDE EVOLVED SET BY THE INTERNATIONAL ORGANIZATION FOR STANDARDIZATION.

~~(K)~~ (J) (1) "PLASTIC PRODUCT" MEANS A PRODUCT MADE OF PLASTIC, WHETHER ALONE OR IN COMBINATION WITH ANOTHER MATERIAL, INCLUDING PAPERBOARD.

(2) "PLASTIC PRODUCT" INCLUDES:

(I) A PACKAGE OR A PACKAGING COMPONENT;

(II) A FILM PLASTIC PRODUCT;

(III) A FOOD OR BEVERAGE PRODUCT; AND

(IV) ANY OTHER PLASTIC PRODUCT OR PART OF A PLASTIC PRODUCT.

(3) "PLASTIC PRODUCT" DOES NOT INCLUDE A PERSONAL CARE PRODUCT REGULATED UNDER SUBTITLE 20 OF THIS TITLE.

~~(L)~~ (K) "VINCOTTE" MEANS THE BELGIAN-ACCREDITED INSPECTION AND CERTIFICATION ORGANIZATION.

9-2102.

(A) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, ON OR AFTER OCTOBER 1, 2018, A PERSON MAY NOT SELL IN THE STATE A PLASTIC PRODUCT THAT IS LABELED AS BIODEGRADABLE, DEGRADABLE, DECOMPOSABLE, OR WITH ANY OTHER TERM TO IMPLY THAT THE PRODUCT WILL BREAK DOWN, FRAGMENT, BIODEGRADE, OR DECOMPOSE IN A LANDFILL OR ANY OTHER ENVIRONMENT.

(B) ON OR AFTER OCTOBER 1, 2018, A PERSON MAY NOT SELL IN THE STATE A PLASTIC PRODUCT THAT IS LABELED AS COMPOSTABLE, ~~MARINE DEGRADABLE,~~ OR HOME COMPOSTABLE UNLESS THE PLASTIC PRODUCT MEETS THE FOLLOWING STANDARDS:

(1) FOR A PLASTIC PRODUCT LABELED AS COMPOSTABLE, THE PLASTIC PRODUCT SHALL MEET:

- (I) 1. THE ASTM D6400 STANDARD SPECIFICATION; OR
2. THE ASTM D6868 STANDARD SPECIFICATION; AND

(II) ANY APPLICABLE LABELING GUIDELINES IN THE FEDERAL GUIDES FOR THE USE OF ENVIRONMENTAL MARKETING CLAIMS.

~~(2) FOR A PLASTIC PRODUCT LABELED AS MARINE DEGRADABLE, THE PLASTIC PRODUCT SHALL MEET:~~

~~(I) THE ASTM D7081 STANDARD SPECIFICATION; AND~~

~~(II) ANY APPLICABLE LABELING GUIDELINES IN THE FEDERAL GUIDES FOR THE USE OF ENVIRONMENTAL MARKETING CLAIMS.~~

~~(3)~~ FOR A PLASTIC PRODUCT LABELED AS HOME COMPOSTABLE, THE PLASTIC PRODUCT SHALL MEET:

(I) THE OK COMPOST HOME CERTIFICATION STANDARD ADOPTED BY VINCOTTE; AND

(II) ANY APPLICABLE LABELING GUIDELINES IN THE FEDERAL GUIDES FOR THE USE OF ENVIRONMENTAL MARKETING CLAIMS.

(C) ON OR AFTER OCTOBER 1, 2018, A PERSON MAY NOT SELL IN THE STATE A FILM PLASTIC PRODUCT LABELED AS SOIL DEGRADABLE AG MULCH FILM OR BIODEGRADABLE MULCH FILM UNLESS THE PRODUCT:

(1) (I) MEETS THE OK BIODEGRADABLE SOIL CERTIFICATION STANDARD ADOPTED BY VINCOTTE; OR

(II) AT AMBIENT TEMPERATURES AND IN SOIL, SHOWS AT LEAST 90% BIODEGRADATION ABSOLUTE OR RELATIVE TO MICROCRYSTALLINE CELLULOSE IN LESS THAN 2 YEARS' TIME, TESTED ACCORDING TO THE ISO 17556 STANDARD TEST METHOD OR ASTM D5988 STANDARD TEST METHOD; AND

(2) FULFILLS THE PLANT GROWTH AND REGULATED METALS REQUIREMENTS UNDER SECTION 6.4 OF THE ASTM D6400 STANDARD SPECIFICATION.

(A) SUBJECT TO § 9-2102(B) OF THIS SUBTITLE AND SUBSECTION (B) OF THIS SECTION, ON AND AFTER OCTOBER 1, 2018, A PERSON THAT DISTRIBUTES OR SELLS A COMPOSTABLE PLASTIC BAG INTENDED FOR SALE OR DISTRIBUTION BY A RETAILER IN THE STATE SHALL ENSURE THAT THE COMPOSTABLE PLASTIC BAG IS:

(1) LABELED IN A MANNER THAT IS READILY AND EASILY IDENTIFIABLE FROM OTHER PLASTIC BAGS;

(2) LABELED IN A MANNER THAT IS CONSISTENT WITH THE FEDERAL GUIDES FOR THE USE OF ENVIRONMENTAL MARKETING CLAIMS;

(3) LABELED WITH A CERTIFICATION LOGO INDICATING THE BAG MEETS THE ASTM D6400 STANDARD SPECIFICATION; AND

(4) (I) A UNIFORM COLOR OF GREEN AND LABELED WITH THE WORD “COMPOSTABLE” IN AT LEAST A 1 INCH FONT ON ONE SIDE OF THE BAG;

(II) LABELED IN GREEN WRITING WITH THE WORD “COMPOSTABLE” IN AT LEAST A 1 INCH FONT ON BOTH SIDES OF THE BAG; OR

(III) LABELED WITH THE WORD “COMPOSTABLE” IN AT LEAST A ONE-HALF INCH FONT ON BOTH SIDES OF THE BAG WITHIN A GREEN COLOR BAND THAT:

1. CONTRASTS WITH THE COMPOSTABLE BAG’S BACKGROUND COLOR; AND

2. IS AT LEAST 1 INCH IN HEIGHT.

(B) IF A COMPOSTABLE PLASTIC BAG IS SMALLER THAN 14 INCHES BY 14 INCHES, THE COMPOSTABLE BAG MAY BE LABELED IN A MANNER THAT IS IN PROPORTION TO THE SIZE OF THE BAG.

(C) A COMPOSTABLE PLASTIC BAG SOLD OR DISTRIBUTED IN THE STATE MAY NOT BE LABELED AS RECYCLABLE.

(D) A PROVISION OF THIS SECTION HAS EFFECT ONLY TO THE EXTENT THAT THE PROVISION DOES NOT CONFLICT WITH THE FEDERAL GUIDES FOR THE USE OF ENVIRONMENTAL MARKETING CLAIMS.

9-2104.

(A) SUBJECT TO § 9–2102(B) OF THIS SUBTITLE, ON AND AFTER OCTOBER 1, 2018, A PERSON THAT DISTRIBUTES OR SELLS A COMPOSTABLE FOOD OR BEVERAGE PRODUCT INTENDED FOR SALE OR DISTRIBUTION BY A RETAILER IN THE STATE SHALL ENSURE THAT THE COMPOSTABLE FOOD OR BEVERAGE PRODUCT IS LABELED:

(1) IN A MANNER THAT IS READILY AND EASILY IDENTIFIABLE FROM OTHER FOOD OR BEVERAGE PRODUCTS;

(2) IN A MANNER THAT IS CONSISTENT WITH THE FEDERAL GUIDES FOR THE USE OF ENVIRONMENTAL MARKETING CLAIMS; AND

(3) (I) WITH A CERTIFICATION LOGO INDICATING THE COMPOSTABLE FOOD OR BEVERAGE PRODUCT MEETS THE ASTM D6400 STANDARD SPECIFICATION OR ASTM D6868 STANDARD SPECIFICATION; OR

(II) AS COMPOSTABLE.

(B) SUBSECTION (A) OF THIS SECTION HAS EFFECT ONLY TO THE EXTENT THAT THE PROVISION DOES NOT CONFLICT WITH THE FEDERAL GUIDES FOR THE USE OF ENVIRONMENTAL MARKETING CLAIMS.

9–2105.

(A) A PERSON THAT VIOLATES THIS SUBTITLE IS SUBJECT TO:

(1) FOR A FIRST VIOLATION, A CIVIL PENALTY OF \$500;

(2) FOR A SECOND VIOLATION, A CIVIL PENALTY OF \$1,000; AND

(3) FOR A THIRD AND SUBSEQUENT VIOLATION, A CIVIL PENALTY OF \$2,000.

(B) ANY PENALTIES COLLECTED UNDER THIS SECTION SHALL BE PAID TO THE COUNTY, MUNICIPALITY, OR OTHER LOCAL GOVERNMENT THAT BROUGHT THE ENFORCEMENT ACTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 375**(House Bill 121)**

AN ACT concerning

Environment – Hazardous Material Security – Repeal

FOR the purpose of repealing a requirement to deposit certain fees collected by the Department of the Environment for a certain purpose into a certain account within the Community Right-to-Know Fund; repealing a requirement that certain persons analyze the security of certain facilities in accordance with certain requirements; repealing a requirement that a certain analysis be submitted to the Department of the Environment in accordance with certain requirements; repealing a certain fee; repealing a certain fee exemption for counties and municipalities; repealing a provision of law that provides for the confidentiality of certain analyses and documents under certain circumstances; repealing a requirement that the Department of State Police disclose certain information under certain circumstances; repealing the requirement that the Department of the Environment adopt hazardous material security standards in accordance with certain requirements; repealing a requirement that the Department of the Environment, in consultation with the Department of State Police, audit a certain facility in a certain manner; repealing a requirement that the Department of the Environment refer certain violations to the Department of State Police under certain circumstances; repealing a requirement that the Department of the Environment adopt certain regulations; repealing a requirement that the Department of State Police, in consultation with the Department of the Environment, adopt certain regulations to enforce compliance by a certain facility with certain hazardous material security standards; repealing a requirement that funds in the Community Right-to-Know Fund be used by the Department of the Environment for certain purposes; repealing a provision of law that prohibits a person from knowingly submitting certain false information under certain circumstances; repealing certain penalties for certain violations; repealing a provision of law that requires a certain facility to comply with certain federal, State, or local reporting requirements; repealing certain defined terms; and generally relating to repealing provisions of law relating to the reporting and regulation of hazardous material security.

BY repealing and reenacting, without amendments,

Article – Environment

Section 7–604(a)

Annotated Code of Maryland

(2013 Replacement Volume and 2016 Supplement)

BY repealing

Article – Environment

Section 7–604(m); and 7–701 through 7–709 and the subtitle “Subtitle 7. Hazardous Material Security”

Annotated Code of Maryland
(2013 Replacement Volume and 2016 Supplement)

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

Article – Environment

7–604.

(a) Notwithstanding § 7–219 of this title, there is a Community Right-to-Know Fund.

[(m) Notwithstanding subsections (b) through (l) of this section, there shall be a separate account within the Community Right-to-Know Fund consisting of all fees collected by the Department under Subtitle 7 of this title or funds appropriated in the State budget for all costs incurred by the Department for the purposes stated under § 7–706 of this title.]

[Subtitle 7. Hazardous Material Security.]

[7–701.

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

(b) (1) “Facility” means a location in the State in which a hazardous material is stored, dispensed, used, or handled.

(2) “Facility” does not include:

(i) A railroad, rail train, or rail car regulated under 49 U.S.C. Subtitle IV, Part A; or

(ii) A retail distributor whose principal business is to sell or offer for sale, at the retail level, commercial fertilizer intended for agricultural use.

(c) (1) “Hazardous material” means a regulated substance as defined in 40 C.F.R. 68.130 in excess of the threshold quantity specified in that regulation.

(2) “Hazardous material” does not include a substance that is exempt or excluded under 40 C.F.R. 68.125 and 40 C.F.R. 68.126.]

[7–702.

(a) This subtitle applies to any person who owns, operates, maintains, or causes to operate or maintain a facility in this State.

(b) This subtitle does not apply in a local jurisdiction that adopts hazardous material security standards that are at least as stringent as the standards under § 7–703 of this subtitle.

(c) On or before October 1, 2005, and at least every 5 years thereafter, a person subject to this subtitle shall:

(1) Analyze the security of the facility in accordance with the hazardous material security standards adopted by the Department under § 7–703 of this subtitle;

(2) Submit to the Department the analysis required under paragraph (1) of this subsection, including potential security threats, vulnerabilities, and consequences to the facility and any changes taken to implement this subtitle at the facility; and

(3) Except as provided in subsection (d) of this section, submit a fee of \$2,500 to the Department.

(d) Counties and municipal corporations are exempt from submitting the fee required under subsection (c)(3) of this section.

(e) The fees received under subsection (c)(3) of this section shall be paid into a separate account in the Community Right–To–Know Fund.

(f) (1) The analyses prepared and submissions required under subsection (c) of this section, or documents prepared under § 7–703 of this subtitle to comply with subsection (c) of this section, and their supporting documents are confidential and are not public documents that may be disclosed without prior written permission of the person subject to this subtitle in accordance with Title 4 of the General Provisions Article.

(2) (i) Notwithstanding paragraph (1) of this subsection, the Department of State Police shall disclose information related to any investigation and enforcement action taken against a facility under this subtitle if the Department of State Police determines that disclosure would not result in any additional risk to the public.

(ii) If the Department of State Police makes the determination to disclose information under this paragraph, the Department of State Police shall determine which documents related to the enforcement action and investigation may be disclosed as public documents subject to Title 10, Subtitle 6 of the State Government Article.]

[7–703.

On or before January 1, 2005, the Department shall adopt hazardous material security standards that require:

(1) Prioritization and periodic analysis, using accepted methodologies, of potential security threats, vulnerabilities, and consequences;

- (2) Development and implementation of security measures commensurate with risks;
- (3) Documentation of security management programs, processes, and procedures;
- (4) Training, drills, and guidance for employees, contractors, service providers, and others, as appropriate, to enhance awareness and capability;
- (5) Communications, dialogue, and exchange of information with employees, communities, and government agencies and officials;
- (6) Internal audits to assess security programs and processes and the implementation of corrective measures; and
- (7) Third-party verification that owners and operators have implemented the physical security measures that have been identified under the required periodic analysis of potential security threats, vulnerabilities, and consequences.]

[7-704.

(a) The Department, in consultation with the Department of State Police, shall audit a facility, through an inspection or other investigation, to verify the analysis submitted in accordance with § 7-702(c)(2) of this subtitle.

(b) If the Department, through an audit, finds that the facility is not in compliance with the hazardous material security standards of this subtitle, the Department shall refer the violation to the Department of State Police for enforcement.]

[7-705.

(a) Subject to subsection (b) of this section, on or before January 1, 2005, the Department shall adopt regulations to carry out the provisions of this subtitle.

(b) The Department of State Police, in consultation with the Department, shall adopt a regulation or a part of a regulation to enforce compliance by a facility with the hazardous material security standards adopted under this subtitle.]

[7-706.

Funds in the Community Right-to-Know Fund under § 7-604(m) of this title shall be used by the Department for the following purposes:

(1) Processing the information submitted to the Department under this subtitle; and

(2) Regulation of this subtitle, including auditing a facility for compliance with the provisions of this subtitle.]

[7-707.

A person may not knowingly submit false information under this subtitle.]

[7-708.

(a) A person who violates this subtitle or any regulation adopted under this subtitle is subject to a civil penalty not exceeding \$1,000 per violation.

(b) Each day that a violation continues is a separate violation.]

[7-709.

This subtitle does not relieve any facility from any requirement under any federal, State, or local law or ordinance to report to units of federal, State, or local government.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 376

(House Bill 124)

AN ACT concerning

Environment – Solid Waste and Recycling Facilities

FOR the purpose of requiring the Department of the Environment to adopt certain regulations relating to recycling facilities, including conditions for permit exemptions; providing that certain enforcement provisions apply to certain violations; requiring the Department to convene and consult with a certain workgroup in developing certain regulations; requiring the workgroup to include representatives of certain entities; altering certain defined terms; defining certain terms; and generally relating to solid waste and recycling.

BY repealing and reenacting, with amendments,
Article – Environment
Section 9-101(j)

Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,
Article – Environment
Section 9–1701(m), (n), and (o)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY adding to
Article – Environment
Section 9–1713 to be under the amended part “Part II. Recyclable Materials and
Recycling Facilities”
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – Environment

9–101.

(j) (1) “Solid waste” means any garbage, refuse, sludge, or liquid from industrial, commercial, mining, or agricultural operations or from community activities.

(2) “Solid waste” includes:

(i) Scrap tires as defined in § 9–201 of this title; [and]

(ii) Organic material capable of being composted that is not composted in accordance with regulations adopted under § 9–1725(b) of this title;

(III) MATERIALS THAT ARE MANAGED AT A RECYCLING FACILITY AND ARE NOT RECYCLABLE MATERIALS AS DEFINED IN § 9–1701 OF THIS TITLE; AND

(IV) RECYCLABLE MATERIALS AS DEFINED IN § 9–1701 OF THIS TITLE THAT ARE NOT:

1. RETURNED TO THE MARKETPLACE IN THE FORM OF A RAW MATERIAL OR PRODUCT WITHIN 1 CALENDAR YEAR FROM THE TIME THE RECYCLABLE MATERIALS ARE RECEIVED; OR

2. OTHERWISE MANAGED IN ACCORDANCE WITH REGULATIONS ADOPTED UNDER § 9–1713 OF THIS TITLE.

- (3) “Solid waste” does not include:
- (i) Solid or dissolved material in domestic sewage or in irrigation return flows;
 - (ii) Compost as defined in § 9–1701 of this title; [or]
 - (iii) Organic material capable of being composted that is composted in accordance with regulations adopted under § 9–1725(b) of this title; **OR**

(IV) MATERIALS THAT ARE MANAGED AT A RECYCLING FACILITY IN ACCORDANCE WITH REGULATIONS ADOPTED UNDER § 9–1713 OF THIS TITLE.

9–1701.

- (m) “Recyclable materials” means those materials that:
- (1) Would otherwise become solid waste for disposal in a refuse disposal system; and
 - (2) May be collected, separated, composted, or processed and returned to the marketplace in the form of raw materials or products.
- (n) (1) “Recycling” means any process in which recyclable materials are collected, separated, or processed and returned to the marketplace in the form of raw materials or products.
- (2) “Recycling” includes composting.
- (o) “Recycling services” means the services provided by persons engaged in the business of recycling, including the collection, processing, storage, purchase, sale, or disposition of recyclable materials.

Part II. Recyclable Materials AND RECYCLING FACILITIES.

9–1713.

(A) (1) IN THIS SECTION, “RECYCLING FACILITY” MEANS A FACILITY THAT PROVIDES RECYCLING SERVICES.

(2) “RECYCLING FACILITY” DOES NOT INCLUDE:

(I) A COMPOSTING FACILITY;

(II) A FACILITY THAT REQUIRES A NATURAL WOOD WASTE RECYCLING FACILITY PERMIT IN ACCORDANCE WITH THIS SUBTITLE; ~~OR~~

(III) A FACILITY THAT REQUIRES A SEWAGE SLUDGE UTILIZATION PERMIT IN ACCORDANCE WITH SUBTITLE 2 OF THIS TITLE; OR

(IV) A FACILITY THAT SERVES AS A DROP-OFF AND COLLECTION POINT FOR RESIDENTIAL RECYCLABLE MATERIALS.

(B) THE DEPARTMENT SHALL ADOPT REGULATIONS TO:

(1) ESTABLISH CONDITIONS UNDER WHICH A RECYCLING FACILITY DOES NOT REQUIRE A REFUSE DISPOSAL PERMIT UNDER SUBTITLE 2 OF THIS TITLE; AND

(2) EXEMPT CERTAIN MATERIALS THAT ARE MANAGED AT A RECYCLING FACILITY FROM BEING DESIGNATED AS SOLID WASTE.

(C) THE REGULATIONS ADOPTED UNDER SUBSECTION (B) OF THIS SECTION MAY INCLUDE:

(1) DESIGN, CONSTRUCTION, AND OPERATIONAL CONDITIONS FOR RECYCLING FACILITIES TO PROTECT PUBLIC HEALTH AND THE ENVIRONMENT AND MINIMIZE NUISANCES;

(2) A TIERED SYSTEM OF PERMITS OR APPROVALS FOR RECYCLING FACILITIES BASED ON THE ~~QUANTITY OF~~ MATERIAL MANAGED, THE METHODS OF MANAGEMENT AND STORAGE, AND OTHER FACTORS DETERMINED BY THE DEPARTMENT TO BE APPROPRIATE; AND

(3) EXCEPTIONS TO ANY REQUIREMENT TO OBTAIN A RECYCLING FACILITY PERMIT OR APPROVAL.

(D) SECTIONS 9-334 THROUGH 9-342 OF THIS TITLE AND § 10-104 OF THIS ARTICLE APPLY TO VIOLATIONS OF:

(1) THIS SECTION;

(2) ANY REGULATION ADOPTED UNDER THIS SECTION; OR

(3) ANY ORDER OR PERMIT ISSUED UNDER THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) In developing the regulations applicable to recycling facilities required under this Act, the Department of the Environment shall convene and consult with a workgroup of affected stakeholders.

(b) The workgroup convened under subsection (a) of this section shall include representatives from:

- (1) the Maryland Association of Counties;
 - (2) the Maryland–Delaware Solid Waste Association;
 - (3) the Maryland Environmental Service;
 - (4) the Northeast Maryland Waste Disposal Authority;
 - (5) the Maryland Recycling Network;
 - (6) businesses that will be directly impacted by the required regulations;
- and
- (7) any other organization or entity, as determined by the Department.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 377

(House Bill 125)

AN ACT concerning

Environment – Emergency Action Plans for Dams

FOR the purpose of requiring owners of certain dams to prepare and submit to the Department of the Environment an emergency action plan that contains certain information in a certain manner; requiring the Department's approval of an emergency action plan; requiring owners of certain dams to provide a copy of a certain emergency action plan to certain agencies; requiring owners of certain dams to update an emergency action plan on an annual basis; requiring owners of certain dams to perform certain tests of an emergency action plan on a certain schedule; requiring the results of certain tests to be reported in a certain annual update that is submitted in the same year; authorizing the Department to adopt regulations; providing for the application of this Act; authorizing, instead of requiring, the Department to charge a certain owner for certain expenses under certain circumstances; establishing the intent of the General Assembly to require the Department to work with certain owners and consider establishing a certain dam

safety repair and removal program under certain circumstances; making this Act an emergency measure; and generally relating to emergency action plans for dams.

BY adding to

Article – Environment

Section 5–503.1

Annotated Code of Maryland

(2013 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Environment

Section 5–509

Annotated Code of Maryland

(2013 Replacement Volume and 2016 Supplement)

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

Article – Environment

5–503.1.

(A) **(1)** THIS SECTION APPLIES TO ANY DAM THAT:

~~(1)~~ **(I)** HAS THE POTENTIAL TO CAUSE THE LOSS OF HUMAN LIFE OR SUBSTANTIAL PROPERTY DAMAGE IN THE EVENT OF STRUCTURAL FAILURE; AND

~~(2)~~ **(II)** HAS BEEN DESIGNATED OR VERIFIED BY THE DEPARTMENT AS A HIGH HAZARD OR SIGNIFICANT HAZARD DAM, AS DEFINED IN THE CLASSIFICATION OF DAMS UNDER REGULATIONS ADOPTED BY THE DEPARTMENT.

(2) THIS SECTION DOES NOT APPLY TO A DAM THAT IS LICENSED BY, AND SUBJECT TO THE JURISDICTION OF, THE FEDERAL ENERGY REGULATORY COMMISSION IF THE OWNER OF THE DAM SUBMITS TO THE DEPARTMENT:

(I) ON OR BEFORE AUGUST 1, 2017, A COPY OF THE EXISTING EMERGENCY ACTION PLAN FOR THE DAM; AND

(II) WITHIN 30 DAYS AFTER FILING WITH THE FEDERAL ENERGY REGULATORY COMMISSION ANY UPDATE TO THE EMERGENCY ACTION PLAN, A COPY OF THE UPDATE TO THE EMERGENCY ACTION PLAN.

(B) **(1)** AN OWNER OF A DAM SUBJECT TO THIS SECTION SHALL PREPARE AND SUBMIT TO THE DEPARTMENT FOR APPROVAL AN EMERGENCY ACTION PLAN IN ACCORDANCE WITH THIS SECTION TO PROTECT DOWNSTREAM HUMAN LIFE AND

SAFEGUARD PROPERTY IN THE EVENT OF A STRUCTURAL FAILURE OR ANY OTHER EMERGENCY.

(2) AN OWNER OF AN EXISTING DAM SUBJECT TO THIS SECTION SHALL SUBMIT A PLAN TO THE DEPARTMENT FOR APPROVAL ON OR BEFORE AUGUST 1, 2017.

(3) A PERSON PROPOSING TO CONSTRUCT A DAM SUBJECT TO THIS SECTION SHALL SUBMIT A PLAN WITH AN APPLICATION FOR A PERMIT TO CONSTRUCT THE DAM UNDER § 5-503 OF THIS SUBTITLE.

(C) AN EMERGENCY ACTION PLAN SHALL CONTAIN:

(1) A DESCRIPTION OF THE DAM, INCLUDING ITS HAZARD CLASSIFICATION;

(2) MAPS OR OTHER GRAPHIC REPRESENTATIONS OF AREAS DOWNSTREAM THAT HAVE THE POTENTIAL TO BE AFFECTED BY A STRUCTURAL FAILURE OR ANY OTHER EMERGENCY;

(3) A LIST OF AGENCIES AND INDIVIDUALS RESPONSIBLE FOR MONITORING WEATHER AND OPERATING CONDITIONS AT THE DAM DURING EMERGENCIES;

(4) DETAILED OPERATING PROCEDURES FOR MAKING DECISIONS AND TAKING ACTIONS TO PROTECT LIVES AND PROPERTY IN AREAS DOWNSTREAM FROM THE DAM IN THE EVENT OF AN EMERGENCY;

(5) PROCEDURES FOR NOTIFYING JURISDICTIONS, BUSINESSES, AND PERSONS WHO HAVE THE POTENTIAL TO BE AFFECTED BY A DAM FAILURE OR ANY OTHER EMERGENCY;

(6) A LIST OF EMERGENCY MANAGEMENT RESOURCES AND EQUIPMENT THAT COULD BE NEEDED IN THE EVENT OF AN EMERGENCY; AND

(7) ANY ADDITIONAL INFORMATION REQUIRED BY THE DEPARTMENT.

(D) ON APPROVAL OF THE EMERGENCY ACTION PLAN BY THE DEPARTMENT, THE DAM OWNER SHALL PROVIDE COPIES OF THE PLAN TO APPROPRIATE STATE AND LOCAL EMERGENCY MANAGEMENT AGENCIES.

(E) EMERGENCY ACTION PLANS SHALL BE UPDATED ANNUALLY AND SUBMITTED TO THE DEPARTMENT FOR APPROVAL ON OR BEFORE MAY 1 EACH YEAR.

(F) (1) AN OWNER OF A DAM SUBJECT TO THIS SECTION SHALL CONDUCT A FUNCTIONAL EXERCISE OR TEST OF THE APPROVED EMERGENCY ACTION PLAN AT LEAST ONCE EVERY 5 YEARS.

(2) THE RESULTS OF THE FUNCTIONAL EXERCISE OR TEST REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE REPORTED IN THE ANNUAL UPDATE TO THE EMERGENCY ACTION PLAN THAT IS SUBMITTED IN THE SAME YEAR.

(G) THE DEPARTMENT MAY ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.

5-509.

(a) On complaint or the Department's own initiative, the Department may investigate or examine any reservoir, dam, or similar waterway construction. If the Department determines that the reservoir, dam, or similar waterway construction is unsafe, needs repair, or should be removed because the reservoir, dam, or similar waterway construction is unsafe and not repairable, the Department shall notify the owner in writing to repair or remove the object, as the situation warrants. The repair or removal work shall be completed within a reasonable time, which time shall be prescribed in the Department's notice.

(b) If the work is not completed in the time prescribed in the notice[.];

(1) [the] THE Department may have the work completed at the expense of the owner[.];

(2) [The] UNLESS THE OWNER DEMONSTRATES AN INABILITY TO PAY, AS DETERMINED BY THE DEPARTMENT, THE Department shall charge the owner for [this] THE expense TO COMPLETE THE WORK[.]; and

(3) [if] IF [the] repayment is not made within 30 days after written demand, the Department may bring an action in the proper court to recover [this] THE expense TO COMPLETE THE WORK.

(c) This section does not apply to farm ponds used for agricultural purposes.

SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that, if the Department of the Environment determines that a reservoir, dam, or similar waterway construction is unsafe, needs repair, or should be removed because the reservoir, dam, or similar waterway construction is unsafe and not repairable and the owner

of the reservoir, dam, or similar waterway construction demonstrates an inability to pay for the work the Department determines is needed, the Department shall:

(1) work with the owner to pursue cost-effective market-based solutions such as nutrient and sediment credit generation that address the needed work; and

(2) consider establishing a dam safety repair and removal program to assist an owner of a reservoir, dam, or similar waterway construction in funding the needed work.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act ~~shall take effect July 1, 2017~~ is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, May 4, 2017.

Chapter 378

(House Bill 133)

AN ACT concerning

Environment – Reduction of Lead Risk in Housing – Notification of Elevated Blood Lead Level

FOR the purpose of requiring the Department of the Environment or a local health department to notify certain persons on receipt of the results of a blood lead test having a certain elevated blood lead level; and generally relating to the reduction of lead risk in housing.

BY repealing and reenacting, with amendments,
 Article – Environment
 Section 6–304 and 6–846
 Annotated Code of Maryland
 (2013 Replacement Volume and 2016 Supplement)

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

Article – Environment

6–304.

(a) The Secretary shall assist local governments, if necessary, to provide case management of children with elevated blood lead levels greater than or equal to [15] 10 micrograms per deciliter ($\mu\text{g}/\text{dl}$).

(b) [A local health department that receives the] **ON RECEIPT OF THE** results of a blood test for lead poisoning indicating that a child under 6 years of age has an elevated blood lead level greater than or equal to [15] 10 $\mu\text{g}/\text{dl}$ [and less than 20 $\mu\text{g}/\text{dl}$], **THE DEPARTMENT OR A LOCAL HEALTH DEPARTMENT** shall notify:

(1) The child's [parents] **PARENT OR LEGAL GUARDIAN**; and

(2) In the case of a child who lives in a rental dwelling unit, the owner of the rental dwelling unit where the child resides.

6–846.

(a) [A local health department that receives] **ON RECEIVING** the results of a blood lead test under § 6–303 of this title indicating that a person at risk has an EBL greater than or equal to 15 $\mu\text{g}/\text{dl}$ before February 24, 2006, or greater than or equal to 10 $\mu\text{g}/\text{dl}$ on or after February 24, 2006, **THE DEPARTMENT OR A LOCAL HEALTH DEPARTMENT** shall notify:

(1) The person at risk, or in the case of a minor, the parent **OR LEGAL GUARDIAN** of the person at risk, of the results of the test; and

(2) The owner of the affected property in which the person at risk resides or regularly spends at least 24 hours per week of the results of the test.

(b) The notices to be provided to the parent or owner under subsection (a) of this section shall be on the forms prepared by the Department, and shall contain any information required by the Department.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 379

(Senate Bill 304)

AN ACT concerning

Taxpayer Protection Act

FOR the purpose of prohibiting a person from employing certain individuals not registered with the State Board of Individual Tax Preparers to provide certain services; ~~altering the statute of limitations for certain offenses arising under the Tax – General Article;~~ providing certain employees of the Field Enforcement Bureau of the Comptroller’s Office with certain police powers when enforcing certain laws; repealing the authority of certain employers or payors to submit certain information to the Comptroller in a certain format; requiring all employers or payors required to submit certain information to the Comptroller to submit the information in a certain format; providing that a certain definition of “tax information” includes certain information contained on certain types of returns filed with the Comptroller; altering a certain definition of “taxing official” to include certain attorneys; authorizing the Comptroller to disclose certain information to the State Board of Individual Tax Preparers; altering a certain penalty the tax collector is required to impose; requiring a tax collector to impose a certain penalty on certain paid tax preparers; requiring the Comptroller to assess a certain penalty on a person required to provide a certain annual report if the person fails to provide the report or provides a false report; authorizing the Attorney General to bring a certain civil action to enjoin a person from acting as an income tax preparer under certain circumstances; providing when a court may enjoin a person from acting as an income tax preparer; requiring the Attorney General to bring a civil action in certain counties; imposing a certain penalty on certain income tax preparers for certain offenses; ~~providing for the application of a certain provision of this Act;~~ making stylistic changes; and generally relating to the collection and enforcement of taxes.

BY repealing and reenacting, with amendments,
Article – Business Occupations and Professions
Section 21–401
Annotated Code of Maryland
(2010 Replacement Volume and 2016 Supplement)

~~BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 5–106(l)
Annotated Code of Maryland
(2013 Replacement Volume and 2016 Supplement)~~

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 2–107(a), 10–911, 13–201, 13–203, 13–703, and 13–1004
Annotated Code of Maryland
(2016 Replacement Volume)

BY adding to
Article – Tax – General
Section 13–706.1 and 13–715(c)
Annotated Code of Maryland

(2016 Replacement Volume)

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

Article – Business Occupations and Professions

21–401.

(A) Except as otherwise provided in this title, [a person] **AN INDIVIDUAL** may not provide, attempt to provide, or offer to provide individual tax preparation services in the State unless registered by the Board.

(B) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, A PERSON MAY NOT EMPLOY AN INDIVIDUAL TO PROVIDE, ATTEMPT TO PROVIDE, OR OFFER TO PROVIDE INDIVIDUAL TAX PREPARATION SERVICES IN THE STATE UNLESS THE INDIVIDUAL IS REGISTERED BY THE BOARD.

~~Article – Courts and Judicial Proceedings~~

~~5–106.~~

~~(1) A prosecution for an offense arising under the Tax General Article with respect to the sales and use, admissions and amusement, financial institution franchise, income, or motor fuel tax shall be instituted within [3] 6 years after the date on which the offense was committed.~~

Article – Tax – General

2–107.

(a) Authorized employees of the Field Enforcement Bureau of the Comptroller's Office:

(1) shall be individuals who are sworn police officers; and

(2) have all the powers, duties, and responsibilities of a peace officer for the purpose of enforcing the laws pertaining to:

(i) **ADMISSIONS AND AMUSEMENT TAX;**

(II) alcoholic beverage tax;

[(ii) tobacco tax;]

(III) **INCOME TAX;**

(IV) MOTOR CARRIER TAX;

(V) MOTOR FUEL AND LUBRICANTS;

[(iii)] (VI) motor fuel tax;

[(iv) motor carrier tax;

(v) motor fuel and lubricants; and]

(VII) SALES AND USE TAX;

(VIII) TOBACCO TAX; AND

[(vi)] (IX) transient vendors within the meaning of Subtitle 20A of Title 17 of the Business Regulation Article.

10-911.

(a) Each employer or payor required under § 10-906 of this subtitle to withhold income tax for an employee or a person who receives a payment subject to withholding shall prepare a statement that shows for the previous calendar year:

(1) the name of the employer or payor;

(2) the name of the employee or person who receives the payment subject to withholding;

(3) the total amount that the employer paid to the employee as wages or the total amount that the payor has paid to the person;

(4) the total amount of tips that the employee reported;

(5) the total amount of income tax that has been withheld under this subtitle;

(6) any amount by which income tax required to be withheld on tips exceeds the other net wages paid to the employee; and

(7) any other information that the Comptroller requires by regulation.

(b) On or before January 31 of each year an employer or payor of a payment subject to withholding shall:

(1) provide 2 copies of the statement required under subsection (a) of this section to the employee or person who receives a payment subject to withholding; and

(2) submit 1 copy of the statement to the Comptroller.

(c) (1) Except as provided in paragraph (2) of this subsection, an employer or payor shall submit statements required under subsection (a) of this section [on magnetic media or in other machine-readable or] **IN AN** electronic format that the Comptroller requires by regulation[, if:

(i) the total number of statements of that statement type that the employer or payor is required to submit equals or exceeds 25; or

(ii) a lower threshold applies for federal income tax purposes].

(2) The Comptroller:

(i) shall adopt regulations to provide a process for an employer or payor that is required to submit statements [on magnetic media or in other machine-readable or] **IN AN** electronic format under paragraph (1) of this subsection to request a waiver from the requirement; and

(ii) may waive the requirement that an employer or payor submit statements [on magnetic media or in other machine-readable or] **IN AN** electronic format under paragraph (1) of this subsection if the Comptroller determines that the requirement will result in undue hardship to the employer or payor.

13–201.

In this subtitle, “tax information” means:

(1) the amount of income or any other particulars disclosed in a tax return required under this article, if the return contains return information, as defined in § 6103 of the Internal Revenue Code;

(2) any return information, as defined in § 6103 of the Internal Revenue Code, required to be attached to or included in a tax return required under this article; or

(3) any information contained in:

(i) an admissions and amusement tax return; [or]

(II) AN ALCOHOLIC BEVERAGE TAX RETURN;

(III) A BAY RESTORATION FEE RETURN;

- (IV) A BOXING AND WRESTLING TAX RETURN;
- (V) AN E-9-1-1 FEE RETURN;
- (VI) A FINANCIAL INSTITUTION FRANCHISE TAX RETURN;
- (VII) AN INHERITANCE TAX RETURN;
- (VIII) A MARYLAND ESTATE TAX RETURN;
- (IX) A MOTOR CARRIER TAX RETURN;
- (X) A MOTOR FUEL TAX RETURN;
- (XI) AN OTHER TOBACCO PRODUCTS TAX RETURN;
- (XII) A PUBLIC SERVICE COMPANY FRANCHISE TAX RETURN;
- [(ii)] (XIII) a sales and use tax return;
- (XIV) A SAVINGS AND LOAN ASSOCIATION FRANCHISE TAX RETURN;
- (XV) A TIRE RECYCLING FEE RETURN;
- (XVI) A TOBACCO TAX RETURN; OR
- (XVII) A TRANSPORTATION SERVICES ASSESSMENT RETURN.

13-203.

(a) (1) In this subsection, "taxing official" means:

- (i) a unit or official of another state whom the laws of that state charge with the imposition, assessment, or collection of state taxes;
- (ii) an employee of the United States Treasury Department; [or]
- (iii) a collector of United States taxes; OR
- (IV) A UNITED STATES DEPARTMENT OF JUSTICE ATTORNEY, INCLUDING A UNITED STATES ATTORNEY.

(2) The Comptroller or Department may disclose to a taxing official tax information that is contained in any tax report or return, audit of a tax return, or report of

a tax investigation and relates to the imposition, assessment, and collection of taxes or to any other matter about taxation generally if:

(i) the Comptroller or Department is satisfied that the tax information is to be used only for tax purposes;

(ii) the taxing official's jurisdiction makes similar information available to the appropriate officials of this State; and

(iii) in the case of another state, its laws provide for adequate confidentiality of Maryland tax returns or other information.

(b) Tax information may be disclosed in accordance with a proper judicial order or a legislative order.

(c) Tax information may be disclosed to:

(1) an employee or officer of the State who, by reason of that employment or office, has the right to the tax information;

(2) another tax collector;

(3) the Maryland Tax Court;

(4) a legal representative of the State, to review the tax information about a taxpayer:

(i) who applies for review under this title;

(ii) who appeals from a determination under this title; or

(iii) against whom an action to recover tax or a penalty is pending or will be initiated under this title;

(5) any license issuing authority of the State required by State law to verify through the Comptroller that an applicant has paid all undisputed taxes and unemployment insurance contributions payable to the Comptroller or the Secretary of Labor, Licensing, and Regulation or that the applicant has provided for payment in a manner satisfactory to the unit responsible for collection;

(6) a local official as defined in § 13–925 of this title to the extent necessary to administer Subtitle 9, Part V of this title;

(7) a federal official as defined in § 13–930 of this title to the extent necessary to administer Part VI of this subtitle; [and]

(8) the Department of Health and Mental Hygiene in accordance with:

(i) the federal Children's Health Insurance Program Reauthorization Act of 2009; and

(ii) § 10-211.1 of this article; AND

(9) THE STATE BOARD OF INDIVIDUAL TAX PREPARERS.

(d) Tax information may be disclosed and published as statistics that are classified in a manner that prevents the identification of a particular return and the information contained in a particular return.

13-703.

(A) If, with the intent to evade the payment of tax, a person, including an officer of a corporation, or a governmental unit makes a false tax return, the tax collector shall assess a penalty not exceeding 100% of the [underpayment of] tax DUE.

(B) IF, WITH THE INTENT TO EVADE THE PAYMENT OF TAX, A PERSON HIRED TO PREPARE A TAX RETURN MAKES A FALSE TAX RETURN, THE TAX COLLECTOR SHALL ASSESS THE HIRED PREPARER A PENALTY NOT EXCEEDING 100% OF THE TAX DUE.

13-706.1.

IF A PERSON IS REQUIRED TO PROVIDE AN ANNUAL WITHHOLDING RECONCILIATION REPORT UNDER § 10-911 OF THIS ARTICLE, THE COMPTROLLER SHALL ASSESS A PENALTY OF \$100 FOR EACH VIOLATION IF THE PERSON WILLFULLY:

(1) FAILS TO PROVIDE A REQUIRED ANNUAL WITHHOLDING RECONCILIATION REPORT; OR

(2) PROVIDES A FALSE ANNUAL WITHHOLDING RECONCILIATION REPORT.

13-715.

(C) (1) THE ATTORNEY GENERAL MAY BRING AN ACTION IN THE NAME OF THE STATE OR THE COMPTROLLER TO ENJOIN A PERSON FROM ACTING AS AN INCOME TAX RETURN PREPARER AS DEFINED IN § 7701 OF THE INTERNAL REVENUE CODE.

(2) A COURT MAY ENJOIN A PERSON FROM ACTING AS AN INCOME TAX RETURN PREPARER IF THE COURT DETERMINES:

(I) THAT THE INCOME TAX RETURN PREPARER:

1. FAILED TO COMPLY WITH § 10-804(B)(2) OR (C)(3) OF THIS ARTICLE;
2. MISREPRESENTED THE INCOME TAX RETURN PREPARER'S EXPERIENCE, EDUCATION, OR REGISTRATION AS AN INCOME TAX RETURN PREPARER;
3. GUARANTEED THE PAYMENT OF A TAX REFUND OR A TAX CREDIT; OR
4. ENGAGED IN ANY OTHER FRAUDULENT OR DECEPTIVE CONDUCT THAT SUBSTANTIALLY INTERFERES WITH THE PROPER ADMINISTRATION OF THIS ARTICLE; AND

(II) THAT INJUNCTIVE RELIEF IS APPROPRIATE TO PREVENT THE RECURRENCE OF THE CONDUCT SPECIFIED IN THIS PARAGRAPH.

(3) THE ATTORNEY GENERAL SHALL BRING THE ACTION IN THE COUNTY WHERE THE DEFENDANT:

(I) RESIDES; OR

(II) ENGAGES IN THE PRACTICE OF INCOME TAX RETURN PREPARATION.

13-1004.

(A) An income tax return preparer who willfully prepares, assists in preparing, or causes the preparation of a false income tax return or claim for refund with fraudulent intent or the intent to evade income tax is guilty of a misdemeanor and, on conviction, is subject to a fine not exceeding \$10,000 or imprisonment not exceeding 5 years or both.

(B) AN INCOME TAX RETURN PREPARER WHO WILLFULLY ATTEMPTS TO EVADE ANY TAX IMPOSED UNDER THIS ARTICLE OR THE PAYMENT THEREOF IS GUILTY OF A MISDEMEANOR AND, ON CONVICTION, IS SUBJECT TO A FINE NOT EXCEEDING \$10,000 OR IMPRISONMENT NOT EXCEEDING 5 YEARS OR BOTH.

~~SECTION 2. AND BE IT FURTHER ENACTED, That § 5-106(d) of the Courts and Judicial Proceedings Article as enacted by Section 1 of this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any offense arising before the effective date of this Act.~~

SECTION ~~2~~ ~~2~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 380

(Senate Bill 964)

AN ACT concerning

Aquaculture – Leases – Submerged Aquatic Vegetation

FOR the purpose of requiring the Department of Natural Resources, in consultation with interested stakeholders, to ~~study~~ review certain conflicts that arise related to aquaculture and submerged aquatic vegetation, develop certain solutions to these conflicts, and report its findings and recommendations to the Governor and the General Assembly on or before a certain date; requiring the Department of Natural Resources, notwithstanding certain provisions of law, to adopt regulations that establish standards and a process under which the Department may assess and evaluate certain aquaculture leases in order to make certain determinations; making this Act an emergency measure; providing for the termination of this Act; and generally relating to aquaculture leases and submerged aquatic vegetation.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Department of Natural Resources, in consultation with interested stakeholders, shall:

- (1) ~~study~~ review the conflicts that arise when implementing its policies of protecting submerged aquatic vegetation and promoting aquaculture in the State;
- (2) develop solutions to these conflicts that take into account the benefits provided by both submerged aquatic vegetation and aquaculture; and
- (3) report its findings and recommendations, including any proposed legislation, to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on or before December 1, 2017.

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding the provisions of Title 4 of the Natural Resources Article, the Department of Natural Resources may adopt regulations that establish standards and a process under which the Department may assess and evaluate an aquaculture lease on which submerged aquatic vegetation has encroached to determine if aquaculture activity on the lease shall be restricted or prohibited due to the circumstances of the encroachment.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted. It shall remain effective through May 31, 2018, and, at the end of May 31, 2018, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 4, 2017.

Chapter 381

(House Bill 1200)

AN ACT concerning

Aquaculture – Leases – Submerged Aquatic Vegetation

FOR the purpose of requiring the Department of Natural Resources, in consultation with interested stakeholders, to ~~study~~ review certain conflicts that arise related to aquaculture and submerged aquatic vegetation, develop certain solutions to these conflicts, and report its findings and recommendations to the Governor and the General Assembly on or before a certain date; requiring the Department of Natural Resources, notwithstanding certain provisions of law, to adopt regulations that establish standards and a process under which the Department may assess and evaluate certain aquaculture leases in order to make certain determinations; making this Act an emergency measure; providing for the termination of this Act; and generally relating to aquaculture leases and submerged aquatic vegetation.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Department of Natural Resources, in consultation with interested stakeholders, shall:

- (1) ~~study~~ review the conflicts that arise when implementing its policies of protecting submerged aquatic vegetation and promoting aquaculture in the State;
- (2) develop solutions to these conflicts that take into account the benefits provided by both submerged aquatic vegetation and aquaculture; and
- (3) report its findings and recommendations, including any proposed legislation, to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on or before December 1, 2017.

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding the provisions of Title 4 of the Natural Resources Article, the Department of Natural Resources

may adopt regulations that establish standards and a process under which the Department may assess and evaluate an aquaculture lease on which submerged aquatic vegetation has encroached to determine if aquaculture activity on the lease shall be restricted or prohibited due to the circumstances of the encroachment.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted. It shall remain effective through May 31, 2018, and, at the end of May 31, 2018, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 4, 2017.

Chapter 382

(House Bill 773)

AN ACT concerning

Clean Energy – Energy Storage Technology Study

FOR the purpose of requiring the ~~Maryland Clean Energy Center~~ Power Plant Research Program to conduct a study of regulatory reforms and market incentives that may be necessary *or beneficial* to increase the use of energy storage devices in the State; requiring the ~~Center Program~~ to consult with certain entities and interests in conducting the study; providing certain required considerations and criteria to be used in conducting the study; ~~requiring the Center Program to consider certain benefits for certain purposes;~~ *prohibiting the cost of the study from exceeding a certain amount per fiscal year;* requiring the ~~Center Program~~ to submit ~~an interim report and a final~~ *a* report on the study to certain standing committees on or before *a* certain ~~dates~~ *date*; and generally relating to the ~~Maryland Clean Energy Center~~ Power Plant Research Program and the study of energy storage systems.

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

(a) (1) The ~~Maryland Clean Energy Center~~ Power Plant Research Program shall conduct a study to determine what regulatory reforms and market incentives are necessary *or beneficial* to increase the use of energy storage devices in the State in a manner that is fair and open to all stakeholders.

(2) In conducting the study required under this section, the ~~Center~~ Program shall consult with:

- (i) the Public Service Commission;
- (ii) the Office of People’s Counsel;
- (iii) the Maryland Energy Administration;
- (iv) environmental organizations;
- (v) electric companies;
- (vi) third-party providers of energy storage devices;
- (vii) associations of third-party providers;
- (viii) the University of Maryland Energy Research Center;
- (ix) the Maryland Clean Energy Center;
- (x) developers and owners of electricity generation; and
- ~~(x)~~ (xi) other interested parties.

(b) In conducting the study and in collaboration with the consulted parties, the ~~Center~~ Program shall:

(1) consider the types and viability of different energy storage technologies and cases for their use, including projects deployed in the State and other states, ~~and the potential applicability of these technologies to different service territories of the State;~~

~~(2) consider existing operational data and results of testing and trial pilot projects from existing energy storage facilities;~~

~~(3)~~ (2) consider wholesale market factors, including available information from PJM Interconnection, LLC, derived from PJM’s testing and evaluation procedures, and the Federal Energy Regulatory Commission;

~~(4) consider the integration of energy storage technologies with other programs, including demand side management or other means of achieving the purposes identified in the “Ten-Year Plan of Maryland Electric Utilities” prepared by the Commission and the Regional Transmission Expansion Plan process of PJM, that will result in the most economically efficient use of generation resources for society and cost-effective, energy-efficient grid integration and management;~~

~~(5)~~ (3) review energy storage regulatory policies, ownership models, cost recovery mechanisms, procurement targets, and market incentives in other states and use any data or results that are available from those states, as appropriate;

~~(6)~~ (4) review existing State regulatory policies and definitions and determine appropriate revisions to facilitate the expansion of energy storage in the State including considering issues of:

~~(i)~~ ~~whether costs for energy storage can be subject to rate recovery and the standard for rate recovery;~~

~~(ii)~~ removal of any policy-related barriers that restrict the ability to capture all of the societal benefits of energy storage;

~~(iii)~~ (ii) encouraging the expansion of energy storage in the State through a variety of cost recovery mechanisms, including cost recovery through electric distribution rates; and

~~(iv)~~ (iii) encouraging the efficient and timely approval of interconnection of energy storage systems owned by an electric company, a customer, or a third party that are:

1. connected to customer facilities; or
2. directly connected to transmission and distribution facilities;

~~(7)~~ ~~consider how to ensure that any energy storage policies that are established are technologically viable and cost effective, including standards for the capacity, efficiency, useful life, and charging characteristics of the systems;~~

~~(8)~~ (5) examine whether and how pumped hydropower should be included in any regulatory policies or market incentives;

~~(9)~~ (6) consider policies to incentivize deployment of energy storage systems that are connected to customers' facilities and of systems that are directly connected to transmission and distribution facilities;

~~(10)~~ (7) identify appropriate metrics and standards for energy storage systems such as energy capacity, charge and discharge rates, round trip efficiency, durability, and other appropriate metrics and standards; and

~~(11)~~ (8) consider any policies, procurement targets, or other market incentives that would allow for diverse ownership models including ownership of an energy storage system by an electric company, an electric supplier, or another party;

~~(12)~~ ~~consider the following purposes for energy storage:~~

~~(i) integrating intermittent generation from eligible renewable energy resources into the safe and reliable operation of the transmission and distribution grid;~~

~~(ii) allowing intermittent generation from eligible renewable energy resources to operate at or near full capacity;~~

~~(iii) reducing the need for fossil fuel powered peaking generation facilities by using stored electricity to meet peak demand;~~

~~(iv) reducing transmission and distribution line losses, including increased losses during periods of congestion on the grid;~~

~~(v) reducing the demand for electricity during peak periods and achieving permanent load shifting;~~

~~(vi) providing back up power and grid resiliency;~~

~~(vii) avoiding or delaying investments in the transmission and distribution system upgrades;~~

~~(viii) using energy storage systems to provide the ancillary services otherwise provided by fossil fueled generating facilities;~~

~~(ix) as a grid modernization tool that enhances reliability, resiliency, and power quality for electricity consumers; and~~

~~(x) integrating distributed energy resources more efficiently at customer sites and on the transmission and distribution systems;~~

~~(13) consider necessary steps to maintain a safe work environment where energy storage systems are deployed and the associated expenses to customers, electric companies, or other parties;~~

~~(14) consider necessary steps for electric companies to efficiently support storage being connected to the transmission and distribution grid, including those related to customer service, regional transmission operator coordination, interconnection, other relevant issues, and the costs associated with those requirements; and~~

~~(15) consider any other relevant aspect relating to green banks and clean bank financing initiatives that the Center or the Maryland Energy Administration determines appropriate; and~~

~~(16) consider whether barriers to the deployment of energy storage systems in the State exist in PJM markets and programs and what changes are needed to eliminate those barriers;~~

~~(e) When examining the cost effectiveness issue of energy storage or market incentives under subsection (b)(7) of this section, the Center Program shall consider benefits including:~~

~~(1) cost savings to ratepayers from the provision of services such as energy price arbitrage, ancillary services, capacity, transmission, and distribution asset deferral or offsets;~~

~~(2) direct cost savings to customers that deploy energy storage systems and to others;~~

~~(3) an improved ability to integrate renewable resources;~~

~~(4) improved reliability and power quality;~~

~~(5) the effect on retail electric rates over the life of a given energy storage system compared to the impact on retail electric rates of using a nonenergy storage system alternative over the life of the nonenergy storage system alternative including system wide impacts, such as long term costs of avoided peak capacity, transmission, and distribution replacement deferral, and market price reductions or efficiency improvements;~~

~~(6) the economic, noneconomic, and environmental benefits of avoided use of fossil fuels through the deployment of energy storage systems;~~

~~(7) the benefits of the ability to site storage systems compared with generation, transmission, or distribution assets; and~~

~~(8) the ability of storage systems to be deployed quickly and expanded easily.~~

~~(c) *The cost of the study required under this section may not exceed \$125,000 per fiscal year.*~~

~~(d) (1) On or before December 1, 2017, the Maryland Clean Energy Center Power Plant Research Program shall present an interim report to the Senate Finance Committee, the Senate Budget and Taxation Committee, the House Economic Matters Committee, and the House Appropriations Committee, in accordance with § 2-1246 of the State Government Article, of the findings of the study required under this section and any recommended policy actions.~~

~~(2) On or before December 1, 2018, the Maryland Clean Energy Center Power Plant Research Program shall present a final report to the Senate Finance Committee, the Senate Budget and Taxation Committee, the House Economic Matters Committee, and the House Appropriations Committee, in accordance with § 2-1246 of the State Government Article, of the findings of the study required under this section and any recommended policy actions.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 383

(Senate Bill 99)

AN ACT concerning

Department of the Environment – Yard Waste, ~~and~~ Food Residuals, and Other Organic Materials Diversion and Infrastructure – Study

FOR the purpose of requiring the Department of the Environment, in consultation with certain persons, to study, review, explore, identify, and make recommendations regarding certain matters that relate to the diversion of yard waste, food residuals, and other organic materials from refuse disposal facilities, including certain infrastructure; requiring the Department to report its interim and final findings and recommendations to the Governor and the General Assembly on or before certain dates; and generally relating to yard waste, ~~and~~ food residuals, and other organic materials diversion and infrastructure.

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

(a) The Department of the Environment shall:

(1) study the diversion of yard waste, ~~and~~ food residuals, and other organic materials from refuse disposal facilities in the State, including any State laws or regulations governing the diversion of yard waste, ~~or~~ food residuals, or other organic materials;

(2) study the laws and regulations of other states, including the laws and regulations of Massachusetts, Connecticut, Vermont, California, and Rhode Island, governing the diversion of yard waste, ~~or~~ food residuals, or other organic materials;

(3) review the status of infrastructure for the diversion of yard waste, ~~and~~ food residuals, and other organic materials in the State and other states, including the availability of infrastructure in relation to:

(i) large generators of food waste, identified by type, quantity of food waste generated by entity, and geographic distribution; and

(ii) organizations that use surplus food, identified by type and geographic distribution;

(4) explore ways to promote composting of yard waste and food residuals and other methods of organic waste reduction and diversion, including ways to encourage:

(i) a decentralized and diverse infrastructure; and

(ii) the prevention of organic waste generation;

(5) identify the infrastructure needs and challenges related to yard waste, food residuals, and other organic materials composting and diversion that are unique to the different geographic regions of the State;

~~(5)~~ (6) identify means to encourage investment in infrastructure and provide economic incentives to expand capacity for yard waste, ~~and~~ food residuals, and other organic materials diversion in the State, including ~~identification of~~:

(i) the development of, in consultation with local governments, model guidelines and best practices for the local identification of properties or development zones where diversion infrastructure may be developed; and

(ii) the identification of any tax, grant, or other incentives that already exist to encourage and support infrastructure and economic development;

(7) identify any applicable sanitary and public health concerns related to yard waste, food residuals, and other organic materials composting and diversion;

~~(6)~~ ~~recommend a refuse disposal fee to finance a grant program that provides financial assistance to develop infrastructure and expand capacity for yard waste and food residuals diversion in the State;~~

(8) identify the current process for permitting anaerobic digestion facilities and recommend improvements that should be made to the anaerobic digestion permitting process;

~~(7)~~ (9) recommend measures to promote the diversion of yard waste, ~~and~~ food residuals, and other organic materials in the State, including any necessary programmatic, legislative, or regulatory changes; and

~~(8)~~ (10) subject to the approval of the affected local governments, recommend a pilot program for the region in which Elkridge and Jessup are located to prioritize infrastructure development and food waste recovery from large food waste generators.

(b) In conducting the activities required under subsection (a) of this section, the Department shall consult with:

- (1) the Department of Agriculture;
- (2) the Department of Commerce;
- (3) the Maryland Environmental Service;
- (4) the MD–DC Compost Council;
- (5) the American Biogas Council;
- (6) the Restaurant Association of Maryland;
- (7) the Maryland Retailers Association;
- (8) the Maryland Food Bank;
- (9) the Institute for Local Self–Reliance;
- (10) the Maryland Recycling Network;
- (11) the Maryland Farm Bureau;
- (12) the Maryland–Delaware Solid Waste Association;
- (13) the Chesapeake Foodshed Network;
- (14) the Maryland Horse Council;
- (15) the Johns Hopkins University Center for a Livable Future;
- (16) the Future Harvest/Chesapeake Alliance for Sustainable Agriculture;
- (17) the Maryland Association of Counties;
- (18) the Maryland Municipal League; ~~and~~
- (19) the Chesapeake Sustainable Business Council;
- (20) the University of Maryland, College Park;
- (21) the Chesapeake Bay Foundation;
- (22) the Food Waste Reduction Alliance;
- (23) other environmental organizations; and

~~(19)~~ (24) a private business based in the State that provides food waste collection services.

(c) On or before July 1, 2018, the Department shall report its interim findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

(d) On or before July 1, 2019, the Department shall report its final findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 384

(House Bill 171)

AN ACT concerning

**Department of the Environment – Yard Waste, ~~and~~ Food Residuals, and Other
Organic Materials Diversion and Infrastructure – Study**

FOR the purpose of requiring the Department of the Environment, in consultation with certain persons, to study, review, explore, identify, and make recommendations regarding certain matters that relate to the diversion of yard waste, food residuals, and other organic materials from refuse disposal facilities, including certain infrastructure; requiring the Department to report its interim and final findings and recommendations to the Governor and the General Assembly on or before certain dates; and generally relating to yard waste, ~~and~~ food residuals, and other organic materials diversion and infrastructure.

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

(a) The Department of the Environment shall:

(1) study the diversion of yard waste, ~~and~~ food residuals, and other organic materials from refuse disposal facilities in the State, including any State laws or regulations governing the diversion of yard waste, ~~or~~ food residuals, or other organic materials;

(2) study the laws and regulations of other states, including the laws and regulations of Massachusetts, Connecticut, Vermont, California, and Rhode Island, governing the diversion of yard waste, ~~or~~ food residuals, or other organic materials;

(3) review the status of infrastructure for the diversion of yard waste, ~~and~~ food residuals, and other organic materials in the State and other states, including the availability of infrastructure in relation to:

(i) large generators of food waste, identified by type, quantity of food waste generated by entity, and geographic distribution; and

(ii) organizations that use surplus food, identified by type and geographic distribution;

(4) explore ways to promote composting of yard waste and food residuals and other methods of organic waste reduction and diversion, including ways to encourage:

(i) a decentralized and diverse infrastructure; and

(ii) the prevention of organic waste generation;

(5) identify the infrastructure needs and challenges related to yard waste, food residuals, and other organic materials composting and diversion that are unique to the different geographic regions of the State;

~~(5)~~ (6) identify means to encourage investment in infrastructure and provide economic incentives to expand capacity for yard waste, ~~and~~ food residuals, and other organic materials diversion in the State, including ~~identification of:~~

(i) the development of, in consultation with local governments, model guidelines and best practices for the local identification of properties or development zones where diversion infrastructure may be developed; and

(ii) the identification of any tax, grant, or other incentives that already exist to encourage and support infrastructure and economic development;

(7) identify any applicable sanitary and public health concerns related to yard waste, food residuals, and other organic materials composting and diversion;

~~(6)~~ recommend a refuse disposal fee to finance a grant program that provides financial assistance to develop infrastructure and expand capacity for yard waste and food residuals diversion in the State;

(8) identify the current process for permitting anaerobic digestion facilities and recommend improvements that should be made to the anaerobic digestion permitting process;

~~(7)~~ (9) recommend measures to promote the diversion of yard waste, ~~and~~ food residuals, ~~and other organic materials~~ in the State, including any necessary programmatic, legislative, or regulatory changes; and

~~(8)~~ (10) subject to the approval of the affected local governments, recommend a pilot program for the region in which Elkridge and Jessup are located to prioritize infrastructure development and food waste recovery from large food waste generators.

(b) In conducting the activities required under subsection (a) of this section, the Department shall consult with:

- (1) the Department of Agriculture;
- (2) ~~the Department of Natural Resources;~~
- ~~(3)~~ the Department of Commerce;
- ~~(3)~~ ~~(4)~~ (3) the Maryland Environmental Service;
- ~~(4)~~ ~~(5)~~ (4) the MD–DC Compost Council;
- ~~(5)~~ ~~(6)~~ (5) the American Biogas Council;
- ~~(6)~~ ~~(7)~~ (6) the Restaurant Association of Maryland;
- ~~(7)~~ ~~(8)~~ (7) the Maryland Retailers Association;
- ~~(8)~~ ~~(9)~~ (8) the Maryland Food Bank;
- ~~(9)~~ ~~(10)~~ (9) the Institute for Local Self–Reliance;
- ~~(10)~~ ~~(11)~~ (10) the Maryland Recycling Network;
- ~~(11)~~ ~~(12)~~ (11) the Maryland Farm Bureau;
- ~~(12)~~ ~~(13)~~ (12) the Maryland–Delaware Solid Waste Association;
- ~~(13)~~ ~~(14)~~ (13) the Chesapeake Foodshed Network;
- ~~(14)~~ ~~(15)~~ (14) the Maryland Horse Council;
- ~~(15)~~ ~~(16)~~ (15) the Johns Hopkins University Center for a Livable Future;
- ~~(16)~~ ~~(17)~~ (16) the Future Harvest/Chesapeake Alliance for Sustainable Agriculture;
- ~~(17)~~ ~~(18)~~ (17) the Maryland Association of Counties;

~~(18)~~ ~~(19)~~ (18) the Maryland Municipal League; ~~and~~

~~(19)~~ ~~(20)~~ (19) the Chesapeake Sustainable Business Council;

~~(20)~~ ~~(21)~~ (20) the University of Maryland, College Park;

~~(21)~~ ~~(22)~~ (21) the Chesapeake Bay Foundation;

~~(22)~~ ~~(23)~~ (22) the Food Waste *Reduction Alliance*;

~~(23)~~ ~~(24)~~ (23) other environmental organizations; and

~~(19)~~ ~~(24)~~ ~~(25)~~ (24) a private business based in the State that provides food waste collection services.

(c) On or before July 1, 2018, the Department shall report its interim findings and recommendations to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly.

(d) On or before July 1, 2019, the Department shall report its final findings and recommendations to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 385

(House Bill 66)

AN ACT concerning

Environment – Lead and Mercury Wheel Weights – Prohibited

FOR the purpose of prohibiting certain persons from using, allowing to be used, or selling certain lead or mercury wheel weights after ~~certain dates~~ a certain date; requiring the State to ensure that no vehicle ~~is~~ purchased for the State fleet after a certain date is equipped with certain lead or mercury wheel weights ~~after a certain date~~; prohibiting a tire on a vehicle in the State fleet that is balanced or replaced after a certain date from being equipped with certain lead or mercury wheel weights; requiring lead and mercury wheel weights removed and collected to be properly recycled; providing for the enforcement of this Act, including the required issuance

of a warning for an initial violation; and generally relating to the prohibition against the use or sale of lead or mercury wheel weights in the State.

BY adding to

Article – Environment

Section 6–501 to be under the new subtitle “Subtitle 5. Lead and Mercury Wheel Weights”

Annotated Code of Maryland

(2013 Replacement Volume and 2016 Supplement)

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

Article – Environment

SUBTITLE 5. LEAD AND MERCURY WHEEL WEIGHTS.

6–501.

(A) (1) A MOTOR VEHICLE OR TIRE MANUFACTURER, WHOLESALER, OR RETAILER, MOTOR VEHICLE REPAIR FACILITY, OR ANY OTHER PERSON WHO INSTALLS WHEEL WEIGHTS MAY NOT USE, ALLOW TO BE USED, OR SELL AN EXTERNALLY ATTACHED LEAD WHEEL WEIGHT THAT IS COMPOSED OF GREATER THAN 0.1% LEAD BY WEIGHT OR GREATER THAN 0.1% MERCURY BY WEIGHT DURING THE FIRST TIRE INSTALLATION, REPLACEMENT, OR BALANCING AFTER:

~~(I) JANUARY 1, 2019, FOR ALL USED VEHICLES REGISTERED IN THE STATE; AND~~

~~(II) JANUARY 1, 2020, FOR ALL NEW AND USED VEHICLES REGISTERED IN THE STATE.~~

(2) THE STATE SHALL ENSURE THAT NO VEHICLE ~~IN~~ PURCHASED FOR THE STATE FLEET AFTER JANUARY 1, 2019, IS EQUIPPED WITH AN EXTERNALLY ATTACHED LEAD WHEEL WEIGHT THAT IS COMPOSED OF GREATER THAN 0.1% LEAD BY WEIGHT OR GREATER THAN 0.1% MERCURY BY WEIGHT ~~AFTER JANUARY 1, 2019~~.

(3) EACH TIRE ON A VEHICLE IN THE STATE FLEET THAT IS BALANCED OR REPLACED AFTER JANUARY 1, 2018, MAY NOT BE EQUIPPED WITH A LEAD WHEEL WEIGHT THAT IS COMPOSED OF GREATER THAN 0.1% LEAD BY WEIGHT OR GREATER THAN 0.1% MERCURY BY WEIGHT.

(B) LEAD AND MERCURY WHEEL WEIGHTS REMOVED AND COLLECTED SHALL BE PROPERLY RECYCLED.

(c) (1) THE DEPARTMENT SHALL SEND A WARNING NOTICE TO A PERSON THAT VIOLATES THIS SECTION.

(2) IF THE PERSON CONTINUES TO FAIL TO COMPLY WITH THIS SECTION 1 YEAR AFTER RECEIPT OF THE WARNING NOTICE, THE PERSON IS SUBJECT TO A CIVIL FINE NOT EXCEEDING \$1,000 FOR EACH SUBSEQUENT OFFENSE AFTER THE WARNING PERIOD.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 386

(House Bill 270)

AN ACT concerning

Environment – Testing for Lead in Drinking Water – Public and Nonpublic Schools

FOR the purpose of requiring the Department of the Environment, in consultation with the State Department of Education, the Department of General Services, and Maryland Occupational Safety and Health, to adopt certain regulations, ~~on or before a certain date~~ under certain circumstances, to require periodic testing for the presence of lead in each drinking water outlet located in an occupied public or nonpublic school building; requiring the Department of the Environment, before adopting certain regulations, to gather information about certain testing processes, protocols, and efforts to establish safe and lead-free school environments; authorizing the Department of the Environment, in consultation with the State Department of Education, to provide a waiver from certain testing requirements under certain circumstances; requiring the Department of the Environment and the State Department of Education jointly to submit a report to the Governor and the General Assembly on or before a certain date each year, beginning on or before a certain date; requiring the Department of the Environment to establish a certain stakeholder group to provide advice and make recommendations regarding the development of certain regulations; providing for the application of this Act; defining certain terms; and generally relating to testing for lead in drinking water in public and nonpublic schools.

BY adding to

Article – Environment

Section 6–1501 and 6–1502 to be under the new subtitle “Subtitle 15. Lead in Drinking Water”
Annotated Code of Maryland
(2013 Replacement Volume and 2016 Supplement)

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

Article – Environment

SUBTITLE 15. LEAD IN DRINKING WATER.

6–1501.

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

(B) (1) “DRINKING WATER OUTLET” MEANS A POTABLE WATER FIXTURE THAT IS USED ~~OR POTENTIALLY USED~~ FOR DRINKING OR FOOD PREPARATION.

(2) “DRINKING WATER OUTLET” INCLUDES:

(I) A WATER FOUNTAIN, FAUCET, OR TAP THAT IS USED OR POTENTIALLY USED FOR DRINKING OR FOOD PREPARATION; AND

(II) ICE-MAKING AND HOT DRINK MACHINES.

(C) “ELEVATED LEVEL OF LEAD” MEANS A LEAD CONCENTRATION IN DRINKING WATER THAT EXCEEDS THE STANDARD RECOMMENDED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY IN TECHNICAL GUIDANCE.

(D) “PUBLIC WATER SYSTEM” HAS THE MEANING STATED IN § 9–401 OF THIS ARTICLE.

(E) (1) “TECHNICAL GUIDANCE” MEANS THE MOST RECENT TECHNICAL GUIDANCE ISSUED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY FOR REDUCING LEAD IN DRINKING WATER IN SCHOOLS.

(2) “TECHNICAL GUIDANCE” INCLUDES:

(I) 3Ts FOR REDUCING LEAD IN DRINKING WATER IN SCHOOLS (2006); AND

(II) ANY SUBSEQUENT TECHNICAL GUIDANCE ISSUED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY FOR REDUCING LEAD IN DRINKING WATER IN SCHOOLS.

6-1502.

(A) THIS SECTION DOES NOT APPLY TO A PUBLIC OR NONPUBLIC SCHOOL THAT IS CLASSIFIED AS A PUBLIC WATER SYSTEM.

(B) ~~(1) ON OR BEFORE OCTOBER 1, 2017~~ SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE DEPARTMENT, IN CONSULTATION WITH THE STATE DEPARTMENT OF EDUCATION, THE DEPARTMENT OF GENERAL SERVICES, AND MARYLAND OCCUPATIONAL SAFETY AND HEALTH, SHALL ADOPT REGULATIONS TO REQUIRE PERIODIC TESTING FOR THE PRESENCE OF LEAD IN EACH DRINKING WATER OUTLET LOCATED IN AN OCCUPIED PUBLIC OR NONPUBLIC SCHOOL BUILDING.

(2) BEFORE ADOPTING THE REGULATIONS REQUIRED UNDER THIS SECTION, THE DEPARTMENT SHALL GATHER INFORMATION ABOUT THE TESTING PROCESSES, PROTOCOLS, AND EFFORTS BEING UNDERTAKEN BY EACH COUNTY SCHOOL SYSTEM AND PRIVATE SCHOOL TO ESTABLISH A SAFE AND LEAD-FREE ENVIRONMENT, INCLUDING WHETHER THE SCHOOL SYSTEM OR SCHOOL HAS A PLAN FOR TESTING AND, IF APPROPRIATE, REMEDIAL MEASURES.

(C) REGULATIONS ADOPTED UNDER THIS SECTION SHALL:

(1) REQUIRE INITIAL TESTING TO BE CONDUCTED ON OR BEFORE ~~JANUARY~~ JULY 1, 2018;

(2) PHASE IN THE IMPLEMENTATION OF THE REQUIRED TESTING BEGINNING WITH:

(i) SCHOOL BUILDINGS CONSTRUCTED BEFORE 1988; AND

(ii) SCHOOL BUILDINGS SERVING STUDENTS IN A PREKINDERGARTEN PROGRAM OR ANY GRADE FROM KINDERGARTEN THROUGH GRADE 5;

~~(2)~~ (3) ESTABLISH A SAMPLING METHOD FOR THE REQUIRED TESTING THAT IS CONSISTENT WITH TECHNICAL GUIDANCE;

~~(3)~~ (4) ESTABLISH THE FREQUENCY FOR THE REQUIRED TESTING;

(5) ADDRESS BEST PRACTICES AND COST-EFFECTIVE TESTING;

~~(4)~~ (6) REQUIRE TEST SAMPLES FROM DRINKING WATER OUTLETS TO BE ANALYZED BY AN ENTITY APPROVED BY THE DEPARTMENT; AND

~~(5) PROVIDE AN EXEMPTION FOR SCHOOLS CONSTRUCTED WITH PLUMBING MATERIALS THAT MEET THE DEFINITION OF "LEAD-FREE" UNDER THE FEDERAL SAFE DRINKING WATER ACT; AND~~

~~(6)~~ (7) IF AN ANALYSIS OF A TEST SAMPLE INDICATES AN ELEVATED LEVEL OF LEAD IN A DRINKING WATER OUTLET, REQUIRE THAT:

(I) THE RESULTS OF THE ANALYSIS BE REPORTED TO THE DEPARTMENT, THE STATE DEPARTMENT OF EDUCATION, THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, AND THE APPROPRIATE LOCAL HEALTH DEPARTMENT;

(II) ACCESS TO THE DRINKING WATER OUTLET BE CLOSED;

(III) AN ADEQUATE SUPPLY OF SAFE DRINKING WATER BE PROVIDED TO SCHOOL OCCUPANTS;

(IV) THE SCHOOL TAKE APPROPRIATE REMEDIAL MEASURES, INCLUDING:

1. PERMANENTLY SHUTTING OR CLOSING OFF ACCESS TO THE DRINKING WATER OUTLET;

2. MANUAL OR AUTOMATIC FLUSHING OF THE DRINKING WATER OUTLET;

3. INSTALLING AND MAINTAINING A FILTER AT THE DRINKING WATER OUTLET; ~~AND~~ OR

4. REPAIRING OR REPLACING THE DRINKING WATER OUTLET, PLUMBING, OR SERVICE LINE CONTRIBUTING TO THE ELEVATED LEVEL OF LEAD;

(V) THE SCHOOL CONDUCT FOLLOW-UP TESTING; AND

(VI) NOTICE OF THE ELEVATED LEVEL OF LEAD BE:

1. PROVIDED TO THE PARENT OR LEGAL GUARDIAN OF EACH STUDENT ATTENDING THE SCHOOL; AND

2. POSTED ON THE WEB SITE OF THE SCHOOL.

(D) THE DEPARTMENT, IN CONSULTATION WITH THE STATE DEPARTMENT OF EDUCATION, MAY GRANT A WAIVER FROM THE TESTING REQUIRED UNDER THIS SECTION IF:

(1) (I) THE DRINKING WATER OUTLETS IN THE SCHOOL BUILDING HAVE BEEN TESTED FOR THE PRESENCE OF LEAD IN A MANNER THAT SUBSTANTIALLY COMPLIES WITH REGULATIONS ISSUED UNDER THIS SECTION; AND

~~(2)~~ (II) THE TEST RESULTS INDICATE NO ELEVATED LEVELS OF LEAD IN ANY OF THE DRINKING WATER OUTLETS IN THE SCHOOL BUILDING;

(2) (I) STUDENTS IN THE SCHOOL BUILDING DO NOT HAVE ACCESS TO ANY DRINKING WATER OUTLET; AND

(II) BOTTLED WATER IS THE ONLY SOURCE OF WATER FOR DRINKING OR FOOD PREPARATION IN THE SCHOOL BUILDING;

(3) A PLAN IS IN PLACE FOR TESTING THE DRINKING WATER OUTLETS AND ADDRESSING ANY ELEVATED LEVEL OF LEAD IN A DRINKING WATER OUTLET IN THE SCHOOL BUILDING IN A MANNER THAT SUBSTANTIALLY COMPLIES WITH THE REGULATIONS REQUIRED UNDER THIS SECTION; OR

(4) THE LOCAL SCHOOL SYSTEM HAS:

(I) COMPLETED COMPREHENSIVE LEAD TESTING OF THE DRINKING WATER FROM PLUMBING FIXTURES; AND

(II) A COMPREHENSIVE MONITORING PROGRAM TO ENSURE SAFE DRINKING WATER IN ITS SCHOOLS.

(E) ON OR BEFORE DECEMBER 1, 2018, AND ON OR BEFORE DECEMBER 1 EACH YEAR THEREAFTER, THE DEPARTMENT AND THE STATE DEPARTMENT OF EDUCATION JOINTLY SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE FINDINGS OF THE TESTING REQUIRED UNDER THIS SECTION, INCLUDING:

(1) THE NAME AND ADDRESS OF EACH SCHOOL FOUND TO HAVE ELEVATED LEVELS OF LEAD IN ITS DRINKING WATER; AND

(2) THE TYPE, LOCATION IN THE BUILDING, AND USE OF EACH DRINKING WATER OUTLET WITH AN ELEVATED LEVEL OF LEAD.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Department of the Environment shall establish a stakeholder group to provide advice and make recommendations regarding the development of the regulations required under § 6–1502 of the Environment Article, as enacted by Section 1 of this Act.

(b) The stakeholder group established under subsection (a) of this section shall include representatives of:

- (1) advocates;
- (2) county school systems;
- (3) private schools;
- (4) the Maryland Association of Boards of Education;
- (5) the Public School Superintendents of Maryland; and
- (6) other State agencies.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 387

(Senate Bill 1040)

AN ACT concerning

Environment – Water and Sewer and Solid Waste Management Plan Approval

FOR the purpose of reducing the number of days that the Department of the Environment has to take certain actions on a certain proposed plan or a proposed revision or amendment to a certain plan; reducing the number of days of a certain extension of a certain review period; authorizing an additional extension of time for a certain review period, subject to certain notice requirements; requiring a certain notice to include certain information; requiring the Department to provide certain notice to a county of a certain approval under certain circumstances; and generally relating to approval of county water and sewer plans and solid waste management plans by the Department of the Environment.

BY repealing and reenacting, with amendments,

Article – Environment
Section 9–507
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – Environment

9–507.

(a) When a county governing body submits its proposed county plan or a proposed revision or amendment of its county plan to the Department, the Department may:

- (1) Approve the proposal;
- (2) Disapprove the proposal;
- (3) If the part approved includes all of the required elements of a county plan, approve the proposal in part and disapprove it in part; or
- (4) Modify or take other appropriate action on the proposal.

(b) Before the Department approves or disapproves, in whole or in part, a proposed county plan or a proposed revision or amendment of a county plan, the Department shall submit the proposal:

- (1) To the Department of Natural Resources for advice on natural resources matters;
- (2) To the Department of Planning for advice on the consistency of the proposal with the local master plan and other appropriate matters; and
- (3) To the Department of Agriculture for advice on the impact of water and sewerage service and solid waste facilities on productive or potentially productive agricultural land.

(c) (1) Except as otherwise provided in this subsection, the Department shall approve, disapprove, or partially approve and partially disapprove each proposed county plan or proposed revision or amendment to a county plan within ~~[90]~~ **60** days after the proposal is submitted to the Department.

(2) For good cause and after notice to the county involved, the Department may extend the ~~[90–day]~~ **60–DAY** review period of paragraph (1) of this subsection for an additional ~~[90]~~ ~~**30**~~ **45** days.

(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, IF THE DEPARTMENT REQUIRES ADDITIONAL TIME FOR REVIEW BEYOND WHAT IS PROVIDED IN PARAGRAPHS (1) AND (2) OF THIS SUBSECTION, A SUPPLEMENTAL ~~60-DAY~~ 45-DAY REVIEW PERIOD MAY BE ADDED AT THE EXPIRATION OF THE ~~30-DAY~~ 45-DAY EXTENSION AUTHORIZED IN PARAGRAPH (2) OF THIS SUBSECTION.

(II) 1. IF THE DEPARTMENT ADDS THE SUPPLEMENTAL ~~60-DAY~~ 45-DAY REVIEW PERIOD AUTHORIZED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, THEY MUST PROVIDE WRITTEN NOTICE TO THE AFFECTED COUNTY, THE COUNTY DELEGATION MEMBERS OF THE GENERAL ASSEMBLY, AND THE GOVERNOR NOT LESS THAN 10 DAYS BEFORE THE EXPIRATION OF THE ~~30-DAY~~ 45-DAY EXTENSION AUTHORIZED IN PARAGRAPH (2) OF THIS SUBSECTION.

2. THE WRITTEN NOTICE REQUIRED BY SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH SHALL INCLUDE ALL ADDITIONAL REVIEW TIME REQUESTED BY THE DEPARTMENT, INCLUDING THE REASONS FOR FAILING TO COMPLETE THE REVIEW WITHIN THE TIME PERIODS PROVIDED IN THIS SECTION.

(d) (1) If the Department does not disapprove, in whole or in part, a proposed county plan or a proposed revision or amendment of a county plan within the review period provided in subsection (c) of this section, the proposal is approved.

(2) THE DEPARTMENT SHALL PROVIDE WRITTEN NOTICE OF APPROVAL, ~~WITHOUT CONDITIONS OR RESERVATIONS,~~ TO THE COUNTY IN THE EVENT THAT A LOCAL PLAN, REVISION, OR AMENDMENT RECEIVES APPROVAL IN ACCORDANCE WITH ~~THIS SECTION~~ PARAGRAPH (1) OF THIS SUBSECTION.

(e) (1) Before the Department takes any action under subsection (a) of this section, a county may use its proposed county plan or proposed revision or amendment of its county plan at the county's own risk, if the county governing body has adopted the proposed county plan, revision, or amendment.

(2) After the county governing body adopts the proposed county plan, a person shall follow the provisions of that plan except to the extent that the Department modifies or disapproves that plan.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 388**(Senate Bill 355)**

AN ACT concerning

Gas Companies – Rate Regulation – Environmental Remediation Costs

FOR the purpose of authorizing the Public Service Commission, when determining certain expenses while setting a just and reasonable rate for a gas company, to include certain costs incurred by the gas company for performing certain environmental remediation of certain real property; authorizing that certain environmental remediation costs be included in a gas company's certain expenses regardless of certain circumstances; prohibiting inclusion of certain environmental remediation costs in a gas company's certain expenses if a court of competent jurisdiction makes a certain determination; requiring the Commission to balance certain interests when setting a certain recovery schedule; requiring certain financial benefits accruing to a gas company to be credited to certain customers under a certain circumstance and in a certain manner; defining a certain term; and generally relating to natural gas rate regulations and environmental remediation.

BY adding to

Article – Public Utilities

Section 4–211

Annotated Code of Maryland

(2010 Replacement Volume and 2016 Supplement)

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

Article – Public Utilities**4–211.**

(A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, WHEN DETERMINING NECESSARY AND PROPER EXPENSES WHILE SETTING A JUST AND REASONABLE RATE FOR A GAS COMPANY, THE COMMISSION MAY INCLUDE ALL COSTS REASONABLY INCURRED BY THE GAS COMPANY FOR PERFORMING ENVIRONMENTAL REMEDIATION OF REAL PROPERTY IN RESPONSE TO A STATE OR FEDERAL LAW, REGULATION, OR ORDER IF:

(I) THE REMEDIATION RELATES TO THE CONTAMINATION OF THE REAL PROPERTY; AND

(II) THE REAL PROPERTY IS OR WAS USED TO PROVIDE MANUFACTURED OR NATURAL GAS SERVICE DIRECTLY OR INDIRECTLY TO THE GAS COMPANY'S CUSTOMERS OR THE GAS COMPANY'S PREDECESSORS.

(2) ENVIRONMENTAL REMEDIATION COSTS INCURRED BY A GAS COMPANY MAY BE INCLUDED IN THE GAS COMPANY'S NECESSARY AND PROPER EXPENSES REGARDLESS OF WHETHER:

(I) THE REAL PROPERTY IS CURRENTLY USED AND USEFUL IN PROVIDING GAS SERVICE; OR

(II) THE GAS COMPANY OWNS THE REAL PROPERTY WHEN THE RATE IS SET.

(3) ENVIRONMENTAL REMEDIATION COSTS INCURRED BY A GAS COMPANY MAY NOT BE INCLUDED IN THE GAS COMPANY'S NECESSARY AND PROPER EXPENSES IF A COURT OF COMPETENT JURISDICTION DETERMINES THAT THE PROXIMATE CAUSE OF THE ENVIRONMENTAL CONTAMINATION IS A RESULT OF THE GAS COMPANY'S FAILURE TO COMPLY WITH A STATE OR FEDERAL LAW, REGULATION, OR ORDER IN EFFECT WHEN THE CONTAMINATION OCCURRED.

(B) THE COMMISSION SHALL BALANCE THE INTERESTS OF A GAS COMPANY WITH THOSE OF THE GAS COMPANY'S CUSTOMERS WHEN SETTING THE RECOVERY SCHEDULE FOR THE ENVIRONMENTAL REMEDIATION COSTS INCURRED BY THE GAS COMPANY.

(C) (1) IN THIS SUBSECTION, "FINANCIAL BENEFIT" INCLUDES ANY MONETARY GAIN ON THE CONVEYANCE OF REAL PROPERTY, OR ANY PORTION OF REAL PROPERTY THAT WAS SUBJECT TO ENVIRONMENTAL REMEDIATION, TO A THIRD PARTY AND ANY OTHER FINANCIAL BENEFIT OF THE PROPERTY OR PORTION OF THE PROPERTY THAT SUBSEQUENTLY INURES TO THE GAS COMPANY, INCLUDING INCOME FROM RENTALS AND TAX CREDITS, DEDUCTIONS, OR OTHER FINANCIAL BENEFITS, LESS ANY ENVIRONMENTAL REMEDIATION COSTS RELATING TO THE PROPERTY THAT THE GAS COMPANY WAS NOT ALLOWED TO RECOVER FROM THE GAS COMPANY'S CUSTOMERS.

(2) IF A GAS COMPANY IS ALLOWED TO RECOVER ENVIRONMENTAL REMEDIATION COSTS UNDER THIS SECTION, ANY FINANCIAL BENEFIT ACCRUING TO THE GAS COMPANY AS A RESULT OF THE REMEDIATION OF REAL PROPERTY SHALL BE CREDITED TO THE GAS COMPANY'S CUSTOMERS IN A MANNER DETERMINED BY THE COMMISSION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 389

(Senate Bill 758)

AN ACT concerning

Income Tax Credit – Energy Storage Systems

FOR the purpose of ~~allowing a credit against the State income tax for certain costs of certain energy storage systems; providing that the credit may not exceed a certain amount; providing that the credit may not be carried forward to another taxable year; requiring a taxpayer claiming the credit to attach certain proof to the taxpayer's return; defining a certain term;~~ allowing a credit against the State income tax for certain costs of a taxpayer that installs an energy storage system and obtains a tax credit certificate from the Maryland Energy Administration; requiring the Administration to issue tax credit certificates not exceeding certain amounts; prohibiting the Administration from issuing more than a certain aggregate amount of tax credit certificates in a taxable year; requiring the Administration to approve applications for tax credit certificates in a certain manner; providing that the credit may not exceed the State income tax for the taxable year; providing that the credit may not be carried forward to another taxable year; requiring the Administration to report certain information to the Comptroller on or before a certain date each year; requiring the Administration, in consultation with the Comptroller, to adopt regulations to carry out the tax credit; defining certain terms; providing for the application of this Act; and generally relating to an income tax credit for certain energy storage systems.

BY adding to

Article – Tax – General

Section 10–719

Annotated Code of Maryland

(2016 Replacement Volume)

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

Article – Tax – General

10–719.

~~(A) IN THIS SECTION, “ENERGY STORAGE SYSTEM” MEANS A SYSTEM USED TO STORE ELECTRICAL ENERGY, OR MECHANICAL, CHEMICAL, OR THERMAL~~

~~ENERGY THAT WAS ONCE ELECTRICAL ENERGY, FOR USE AS ELECTRICAL ENERGY AT A LATER TIME OR IN A PROCESS THAT OFFSETS ELECTRICITY USE AT PEAK TIMES.~~

~~(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE TOTAL INSTALLED COSTS OF AN ENERGY STORAGE SYSTEM PAID OR INCURRED DURING THE TAXABLE YEAR.~~

~~(C) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE LESSER OF:~~

~~(1) (I) FOR AN ENERGY STORAGE SYSTEM INSTALLED ON A RESIDENTIAL PROPERTY, \$5,000; OR~~

~~(II) FOR AN ENERGY STORAGE SYSTEM INSTALLED ON A COMMERCIAL PROPERTY, \$150,000; OR~~

~~(2) 30% OF THE TOTAL INSTALLED COSTS OF THE ENERGY STORAGE SYSTEM.~~

~~(D) (1) THE TOTAL AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION FOR ANY TAXABLE YEAR MAY NOT EXCEED THE STATE INCOME TAX FOR THAT TAXABLE YEAR, CALCULATED BEFORE THE APPLICATION OF THE CREDITS UNDER THIS SECTION AND §§ 10-701 AND 10-701.1 OF THIS SUBTITLE, BUT AFTER THE APPLICATION OF OTHER CREDITS ALLOWABLE UNDER THIS SUBTITLE.~~

~~(2) THE UNUSED AMOUNT OF CREDIT FOR ANY TAXABLE YEAR MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.~~

~~(E) THE CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED FOR AN ENERGY STORAGE SYSTEM INSTALLED BEFORE JANUARY 1, 2017 2018, OR AFTER DECEMBER 31, 2021 2022.~~

~~(F) A TAXPAYER CLAIMING THE CREDIT ALLOWED UNDER THIS SECTION SHALL ATTACH TO THE TAXPAYER'S RETURN, FOR EACH ENERGY STORAGE SYSTEM FOR WHICH THE CREDIT IS CLAIMED, PROOF OF THE TOTAL INSTALLED COSTS OF THE ENERGY STORAGE SYSTEM.~~

~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) "ADMINISTRATION" MEANS THE MARYLAND ENERGY ADMINISTRATION.~~

(3) “ENERGY STORAGE SYSTEM” MEANS A SYSTEM USED TO STORE ELECTRICAL ENERGY, OR MECHANICAL, CHEMICAL, OR THERMAL ENERGY THAT WAS ONCE ELECTRICAL ENERGY, FOR USE AS ELECTRICAL ENERGY AT A LATER DATE OR IN A PROCESS THAT OFFSETS ELECTRICITY USE AT PEAK TIMES.

(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A TAXPAYER THAT RECEIVES A TAX CREDIT CERTIFICATE MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE TOTAL INSTALLED COSTS OF AN ENERGY STORAGE SYSTEM PAID OR INCURRED DURING THE TAXABLE YEAR.

(C) ON APPLICATION BY A TAXPAYER, THE ADMINISTRATION SHALL ISSUE A TAX CREDIT CERTIFICATE THAT MAY NOT EXCEED THE LESSER OF:

(1) (I) FOR AN ENERGY STORAGE SYSTEM INSTALLED ON A RESIDENTIAL PROPERTY, \$5,000; OR

(II) FOR AN ENERGY STORAGE SYSTEM INSTALLED ON A COMMERCIAL PROPERTY, ~~\$150,000~~ \$75,000; OR

(2) 30% OF THE TOTAL INSTALLED COSTS OF THE ENERGY STORAGE SYSTEM.

(D) THE ADMINISTRATION MAY NOT ISSUE AN AGGREGATE AMOUNT OF TAX CREDIT CERTIFICATES EXCEEDING \$750,000 IN A TAXABLE YEAR.

(E) THE ADMINISTRATION SHALL APPROVE ALL APPLICATIONS THAT QUALIFY FOR A TAX CREDIT CERTIFICATE:

(1) ON A FIRST-COME, FIRST-SERVED BASIS; AND

(2) IN A TIMELY MANNER.

(F) (1) THE TOTAL AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION FOR ANY TAXABLE YEAR MAY NOT EXCEED THE STATE INCOME TAX FOR THAT TAXABLE YEAR, CALCULATED BEFORE THE APPLICATION OF THE CREDITS UNDER THIS SECTION AND §§ 10-701 AND 10-701.1 OF THIS SUBTITLE, BUT AFTER THE APPLICATION OF OTHER CREDITS ALLOWABLE UNDER THIS SUBTITLE.

(2) THE UNUSED AMOUNT OF CREDIT FOR ANY TAXABLE YEAR MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

(G) THE CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED FOR AN ENERGY STORAGE SYSTEM INSTALLED BEFORE JANUARY 1, 2018, OR AFTER DECEMBER 31, 2022.

(H) ON OR BEFORE JANUARY 31 EACH TAXABLE YEAR, THE ADMINISTRATION SHALL REPORT TO THE COMPTROLLER ON THE TAX CREDIT CERTIFICATES ISSUED UNDER THIS SECTION DURING THE PRIOR TAXABLE YEAR.

(I) THE ADMINISTRATION, IN CONSULTATION WITH THE COMPTROLLER, SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017, and shall be applicable to all taxable years beginning after December 31, ~~2016~~ 2017.

Approved by the Governor, May 4, 2017.

Chapter 390

(Senate Bill 158)

AN ACT concerning

Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and Oil Contaminated Site Environmental Cleanup Fund

FOR the purpose of altering the basis for calculating a certain license fee credited to the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund; expanding, for certain fiscal years, the purposes for which the Department of the Environment may use money in the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund; extending the deadline by which the owner of a certain eligible heating oil tank may apply for reimbursement of certain costs from the Oil Contaminated Site Environmental Cleanup Fund; and generally relating to the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and Oil Contaminated Site Environmental Cleanup Fund.

BY repealing and reenacting, with amendments,
 Article – Environment
 Section 4-411 and 4-705
 Annotated Code of Maryland
 (2013 Replacement Volume and 2016 Supplement)

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

Article – Environment

4-411.

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

(2) “Barrel” means any measure of petroleum products or its by-products which consists of 42.0 U.S. gallons of liquid measure.

(3) “Fund” means the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund.

(4) “Transfer” means the offloading or unloading of oil in the State from or to any commercial vessel, barge, tank truck, tank car, pipeline, or any other means used for transporting oil.

(b) A person other than a vessel or barge may not transfer oil in the State without a license.

(c) (1) A license required under this section shall be secured from the Department of the Environment subject to the terms and conditions set forth in this section. The fee on any barrel shall be imposed only once, at the point of first transfer in the State. The license fee shall be:

(i) Credited to the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and based on:

1. Before [July 1, 2017] **JULY 1, 2019**, a 7.75 cents per barrel fee for oil transferred in the State; and

2. On or after [July 1, 2017] **JULY 1, 2019**, a 5 cents per barrel fee for oil transferred in the State; and

(ii) Until [July 1, 2017] **JULY 1, 2019**, based on an additional 0.25 cent per barrel fee for oil transferred in the State and credited to the Oil Contaminated Site Environmental Cleanup Fund as described in Subtitle 7 of this title.

(2) The license fee shall be paid quarterly to the Department and on receipt by the Comptroller, credited to the proper fund. The licensee shall certify to the Department, on forms as may be prescribed by the Department, the number of barrels of oil transferred by the licensee during the fee quarter no later than the last day of the month following the fee quarter. These records shall be kept confidential by the Department.

(3) When the balance in the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund from the monthly license fees paid under paragraph (1)(i) of this subsection into the Fund equals or exceeds a maximum limit of \$5,000,000, collection of subsequent monthly license fees under paragraph (1)(i) of this subsection shall be abated until:

(i) The balance in the Fund from the license fees becomes less than or equal to \$4,000,000; or

(ii) There is evidence that the balance in the Fund could be significantly reduced by the recent occurrence of a major discharge or series of discharges.

(4) If a licensee fails to remit the fee and accompanying certification required by this section, the amount of the license fee due shall be determined by the Department from information as may be available. Notice of this determination shall be given to the licensee liable for payment of the license fee. The determination shall finally and irrevocably fix the fee unless the licensee against whom it is assessed, within 30 days after receiving notice of the determination, shall apply to the Department for a hearing or unless the Department, on its own, shall redetermine the fee.

(5) The Department shall promulgate rules and regulations, establish audit procedures for the audit of licensees, and prescribe and publish forms as may be necessary to effectuate the purposes of this section.

(d) As a condition precedent to the issuance or renewal of a license, the Department shall require satisfactory evidence that the applicant has implemented or is in the process of implementing State and federal plans and regulations to control pollution related to oil, petroleum products, and their by-products and the abatement thereof when a discharge occurs.

(e) Any person who violates subsection (b) or subsection (c) of this section is guilty of a misdemeanor and upon conviction in a court of competent jurisdiction is subject to a fine not exceeding \$10,000 plus any accrued but unpaid license fees.

(f) (1) There is a Maryland Oil Disaster Containment, Clean-Up and Contingency Fund for the Department to use to develop equipment, personnel, and plans; for contingency actions to respond to, contain, clean-up, and remove from the land and waters of the State discharges of oil, petroleum products, and their by-products into, upon, or adjacent to the waters of the State; and restore natural resources damaged by discharges. The Fund may also be used by the Department for oil-related activities in water pollution control programs. The cost of containment, clean-up, removal, and restoration, including attorneys' fees and litigation costs, shall be reimbursed to the State by the person responsible for the discharge. The reimbursement shall be credited to the Fund. The Fund shall be limited in accordance with the limits set forth in this section. To this sum shall be credited every license fee, fine, if imposed by the circuit court for any county, and any other charge related to this subtitle. To this Fund shall be charged every expense the Department of the Environment has which relates to this section.

(2) Notwithstanding any other provision of this section, in fiscal years [2015 and 2016] **2018 AND 2019** only, the Fund may be used to pay costs associated with the purposes of the Oil Contaminated Site Environmental Cleanup Fund specified in § 4-704 of this title.

(g) Money in the Fund not needed currently to meet the Department of the Environment's obligations in the exercise of its responsibility under this section shall be deposited with the State Treasurer to the credit of the Fund, and may be invested as provided by law. Interest received on the investment shall be credited to the Fund. The Secretary of the Environment shall determine the proper allocation of the moneys credited to the Fund only for the following purposes:

(1) Administrative expenses, personnel expenses, and equipment costs of the Department related to the purposes of this section;

(2) Prevention, control, containment, clean-up, and removal of discharges into, upon, or adjacent to waters of the State of discharges of oil, petroleum products and their by-products, and the restoration of natural resources damaged by such discharges;

(3) Development of containment and clean-up equipment, plans, and procedures in accordance with the purposes of this section;

(4) Paying insurance costs by the State to extend or implement the benefits of the Fund;

(5) Expenses related to oil-related activities in the Department's water pollution control programs; and

(6) In fiscal years [2015 and 2016] **2018 AND 2019** only, paying costs associated with the purposes of the Oil Contaminated Site Environmental Cleanup Fund specified in § 4-704 of this title.

(h) The Department shall provide the standing committees of the Maryland General Assembly with primary jurisdiction over this section with a status report on the Fund on or before January 1 of each year in accordance with § 2-1246 of the State Government Article. The report shall include an accounting of all moneys expended for each of the purposes specified in subsection (g) of this section.

4-705.

(a) The owner or operator of an underground oil storage tank eligible under § 4-704(b)(1)(ii) of this subtitle may apply to the Fund for reimbursement, until December 31, 2007, for usual, customary, and reasonable costs incurred on or after October 1, 2000 in performing site rehabilitation.

(b) Until [June 30, 2017] **JUNE 30, 2019**, the owner of a heating oil tank eligible under § 4-704(b)(1)(iii) of this subtitle may apply to the Fund for reimbursement no later than 6 months after the completion of rehabilitation for usual, customary, and reasonable costs incurred on or after October 1, 2000 in performing site rehabilitation.

(c) (1) Any reimbursement from the Fund for applications approved on or after July 1, 1996 is subject to:

- (i) For owners or operators of six tanks or fewer, a deductible of \$7,500;
 - (ii) For owners or operators of more than 6 but not more than 15 tanks, a deductible of \$10,000;
 - (iii) For owners or operators of more than 15 but not more than 30 tanks, a deductible of \$15,000;
 - (iv) For owners or operators of more than 30 tanks, a deductible of \$20,000; and
 - (v) For residential owners of heating oil tanks, a deductible of \$500; and
- (2) The maximum amount to be reimbursed from the Fund shall be:
- (i) \$125,000 for underground oil storage tanks per occurrence; and
 - (ii) \$20,000 for heating oil tanks per occurrence.
- (d) To be eligible for reimbursement from the Fund, an owner or operator shall:
- (1) Certify that the discharge is not the result of a willful or deliberate act;
 - (2) Submit a corrective action plan, schedule, and cost estimate to the Department that shall include provisions for the environmentally sound treatment or disposal of contaminated soils that meet all federal and State requirements and standards; and
 - (3) Except for heating oil tanks, certify that the discharge is from a tank registered under § 4-411.1 of this title.
- (e) If the owner or operator knowingly submits a false certification under subsection (d) of this section, that owner or operator is not eligible for reimbursement under this subtitle.
- (f) Only expenses that are cost-effective, reasonable, and consistent with a corrective action plan approved by the Department may be eligible for reimbursement from the Fund.
- (g) The cost for replacement or retrofitting of underground oil storage tanks or heating oil tanks and associated piping is not eligible for reimbursement, and the Department may not incur these costs or expend moneys from the Fund for these purposes.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 391
(House Bill 1045)

AN ACT concerning

On-Site Sewage Disposal Systems – Membrane Bioreactor (MBR) Technology – Regulations

FOR the purpose of requiring the Department of the Environment, on or before a certain date ~~and for a certain purpose, to adopt regulations that~~, to propose certain regulations that encourage the use of certain treatment technologies in on-site sewage disposal systems for nonresidential uses; requiring certain regulations adopted proposed by the Department to update certain evaluation criteria and increase a certain hydraulic loading rate that may be considered for a certain nonresidential system; and generally relating to on-site sewage disposal systems for nonresidential uses.

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

(a) On or before ~~October 1, 2018~~ January 1, 2019, the Department of the Environment shall ~~adopt~~ propose regulations that encourage the use ~~in on-site sewage disposal systems~~ of permeable micro- or ultra-filtration membrane bioreactor (MBR) or other treatment technology technologies in on-site sewage disposal systems for nonresidential uses that:

(1) ~~is~~ meet the Department's guidelines for use of class IV reclaimed water;
and

(2) are more effective than the Best Available Technology for Removal of Nitrogen (BAT) approved by the Department, ~~and~~

~~(2) uses permeable micro- or ultra-filtration membrane technology for solids separation instead of gravity separation/sedimentation or conventional media filtration systems such as sand or cloth.~~

(b) The regulations required under subsection (a) of this section shall:

(1) update the evaluation criteria used in reviewing the design of an on-site sewage disposal system for a nonresidential use and determining whether a sewage disposal area is appropriately sized; and

(2) increase the maximum hydraulic loading rate that may be considered to 2.5 gallons per day per square foot (gpd/ft²) for a nonresidential system using MBR technology and adjusted based on site-specific factors, including nutrient reduction requirements, percolation rates, and other site conditions and constraints.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 392

(House Bill 1350)

AN ACT concerning

Public Service Commission – Application for Certificate of Public Convenience and Necessity – Consistency With Comprehensive Plan

FOR the purpose of requiring the Public Service Commission, rather than the Department of Planning, to provide a copy of certain application materials for a certificate of public convenience and necessity to each appropriate unit of local government in which the construction of a generating station or of a certain overhead transmission line is proposed to be located and to certain public officials; requiring each unit of local government to review the application materials and make a certain determination as to whether the Commission to take final action on the application only after due consideration of the consistency of the application is consistent with the jurisdiction's comprehensive plan and zoning and of certain efforts to resolve certain issues; prohibiting the Commission from holding a public hearing on an application or issuing a certificate of public convenience and necessity if any unit of local government determines that an application is not consistent with the comprehensive plan; applying certain provisions of law regarding consistency with a comprehensive plan to a determination made under this Act; altering a certain definition; and generally relating to an application for a certificate of public convenience and necessity.

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

~~Article – Land Use~~

~~Section 1-301 and 1-302~~

~~Annotated Code of Maryland~~

~~(2012 Volume and 2016 Supplement)~~

~~BY repealing and reenacting, without amendments,
 Article – Land Use
 Section 1-303
 Annotated Code of Maryland
 (2012 Volume and 2016 Supplement)~~

BY repealing and reenacting, with amendments,
 Article – Public Utilities
 Section ~~7-207(d)~~ 7-207(c) and (e)
 Annotated Code of Maryland
 (2010 Replacement Volume and 2016 Supplement)

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

~~Article – Land Use~~

~~1-301.~~

~~In this subtitle, “action” means:~~

- ~~(1) the adoption of a local law or regulation concerning:~~
- ~~(i) a special exception under § 1-101(p) of this title (Definitions – “Special exception”); or~~
- ~~(ii) plan implementation and review under § 1-417 of this title or § 3-303 of this article;~~
- ~~(2) a requirement under § 9-505(a)(1) of the Environment Article and § 4-415(e) of the Local Government Article (Municipal annexation); [or]~~
- ~~(3) a required finding under §§ 9-506(a)(1) and 9-507(b)(2) of the Environment Article (Water and sewer plan review); OR~~
- ~~(4) A DETERMINATION UNDER § 7-207(D)(1) OF THE PUBLIC UTILITIES ARTICLE (CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY REVIEW).~~

~~1-302.~~

~~This subtitle applies to:~~

- ~~(1) a special exception under § 1-101(p) of this title (Definitions – “Special exception”);~~

~~(2) plan implementation and review under § 1-417 of this title or § 3-303 of this article;~~

~~(3) §§ 9-505(a)(1), 9-506(a)(1), and 9-507(b)(2) of the Environment Article (Water and sewer plan review); [and]~~

~~(4) § 4-414(e) of the Local Government Article (Annexation plan); AND~~

~~(5) A DETERMINATION UNDER § 7-207(D)(1) OF THE PUBLIC UTILITIES ARTICLE (CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY REVIEW).~~

~~1-303.~~

~~Except as provided in § 1-304 of this subtitle, when a provision in a statute listed under § 1-302 of this subtitle requires an action to be “consistent with” or have “consistency with” a comprehensive plan, the term shall mean an action taken that will further, and not be contrary to, the following items in the plan:~~

- ~~(1) policies;~~
- ~~(2) timing of the implementation of the plan;~~
- ~~(3) timing of development;~~
- ~~(4) timing of rezoning;~~
- ~~(5) development patterns;~~
- ~~(6) land uses; and~~
- ~~(7) densities or intensities.~~

Article – Public Utilities

~~7-207.~~

~~(d) (1) (i) BEFORE HOLDING A PUBLIC HEARING, THE COMMISSION SHALL PROVIDE A COPY OF ALL APPLICATION MATERIALS RECEIVED FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO EACH APPROPRIATE UNIT OF LOCAL GOVERNMENT IN WHICH ANY PORTION OF THE CONSTRUCTION OF A GENERATING STATION OR OF AN OVERHEAD TRANSMISSION LINE DESIGNED TO CARRY A VOLTAGE IN EXCESS OF 69,000 VOLTS IS PROPOSED TO BE LOCATED.~~

~~(ii) EACH UNIT OF LOCAL GOVERNMENT SHALL:~~

~~1. REVIEW THE APPLICATION MATERIALS PROVIDED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH; AND~~

~~2. DETERMINE WHETHER THE APPLICATION IS CONSISTENT WITH THE JURISDICTION'S COMPREHENSIVE PLAN AS SPECIFIED IN § 1-303 OF THE LAND USE ARTICLE.~~

~~(H) IF ANY UNIT OF LOCAL GOVERNMENT DETERMINES THAT AN APPLICATION IS NOT CONSISTENT WITH THE JURISDICTION'S COMPREHENSIVE PLAN, THE COMMISSION MAY NOT HOLD A PUBLIC HEARING ON THE APPLICATION.~~

~~{(1)}(2) [The] IF AN APPLICATION IS DETERMINED TO BE CONSISTENT WITH A JURISDICTION'S COMPREHENSIVE PLAN IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION, THE Commission shall provide an opportunity for public comment and hold a public hearing on the application for a certificate of public convenience and necessity in each county and municipal corporation in which any portion of the construction of a generating station, an overhead transmission line designed to carry a voltage in excess of 69,000 volts, or a qualified generator lead line is proposed to be located.~~

~~{(2)}(3) The Commission shall hold the public hearing jointly with the governing body of the county or municipal corporation in which any portion of the construction of the generating station, overhead transmission line, or qualified generator lead line is proposed to be located, unless the governing body declines to participate in the hearing.~~

~~{(3)}(4) (i) Once in each of the 4 successive weeks immediately before the hearing date, the Commission shall provide weekly notice of the public hearing and an opportunity for public comment:~~

~~1. by advertisement in a newspaper of general circulation in the county or municipal corporation affected by the application;~~

~~2. on two types of social media; and~~

~~3. on the Commission's Web site.~~

~~(ii) Before a public hearing, the Commission shall coordinate with the governing body of the county or municipal corporation in which any portion of the construction of the generating station, overhead transmission line, or qualified generator lead line is proposed to be located to identify additional options for providing, in an efficient and cost-effective manner, notice of the public hearing through other types of media that are familiar to the residents of the county or municipal corporation.~~

~~[(4)] (5) (i) On the day of a public hearing, an informational sign shall be posted prominently at or near each public entrance of the building in which the public hearing will be held.~~

~~(ii) The informational sign required under subparagraph (i) of this paragraph shall:~~

~~1. state the time, room number, and subject of the public hearing; and~~

~~2. be at least 17 by 22 inches in size.~~

~~[(5)] (6) (i) The Commission shall ensure presentation and recommendations from each interested State unit, and shall allow representatives of each State unit to sit during hearing of all parties.~~

~~(ii) The Commission shall allow each State unit 15 days after the conclusion of the hearing to modify the State unit's initial recommendations.~~

(c) (1) On receipt of an application for a certificate of public convenience and necessity under this section, the Commission shall provide notice immediately or require the applicant to provide notice immediately of the application to:

(i) the Department of Planning;

(ii) the governing body, AND IF APPLICABLE THE EXECUTIVE, of each county or municipal corporation in which any portion of the generating station, overhead transmission line, or qualified generator lead line is proposed to be constructed;

(iii) the governing body, AND IF APPLICABLE THE EXECUTIVE, of each county or municipal corporation within 1 mile of the proposed location of the generating station, overhead transmission line, or qualified generator lead line;

(iv) each member of the General Assembly representing any part of a county in which any portion of the generating station, overhead transmission line, or qualified generator lead line is proposed to be constructed;

(v) each member of the General Assembly representing any part of each county within 1 mile of the proposed location of the generating station, overhead transmission line, or qualified generator lead line; and

(vi) all other interested persons.

(2) The [Department of Planning] COMMISSION, WHEN SENDING THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION, shall forward A COPY OF the application to:

(I) each appropriate State unit and unit of local government for review, evaluation, and comment regarding the significance of the proposal to State, area-wide, and local plans or programs; AND

(II) EACH MEMBER OF THE GENERAL ASSEMBLY INCLUDED UNDER PARAGRAPH (1)(IV) AND (V) OF THIS SUBSECTION WHO REQUESTS A COPY OF THE APPLICATION.

(e) ~~(1)~~ The Commission shall take final action on an application for a certificate of public convenience and necessity only after due consideration of:

~~{(1)}~~ ~~(I)~~ the recommendation of the governing body of each county or municipal corporation in which any portion of the construction of the generating station, overhead transmission line, or qualified generator lead line is proposed to be located; ~~and~~

~~{(2)}~~ ~~(II)~~ the effect of the generating station, overhead transmission line, or qualified generator lead line on:

~~{(i)}~~ ~~1.~~ the stability and reliability of the electric system;

~~{(ii)}~~ ~~2.~~ economics;

~~{(iii)}~~ ~~3.~~ esthetics;

~~{(iv)}~~ ~~4.~~ historic sites;

~~{(v)}~~ ~~5.~~ aviation safety as determined by the Maryland Aviation Administration and the administrator of the Federal Aviation Administration;

~~{(vi)}~~ ~~6.~~ when applicable, air and water pollution; and

~~{(vii)}~~ ~~7.~~ the availability of means for the required timely disposal of wastes produced by any generating station; AND

(3) FOR A GENERATING STATION:

(I) THE CONSISTENCY OF THE APPLICATION WITH THE COMPREHENSIVE PLAN AND ZONING OF EACH COUNTY OR MUNICIPAL CORPORATION WHERE ANY PORTION OF THE GENERATING STATION IS PROPOSED TO BE LOCATED; AND

(II) THE EFFORTS TO RESOLVE ANY ISSUES PRESENTED BY A COUNTY OR MUNICIPAL CORPORATION WHERE ANY PORTION OF THE GENERATING STATION IS PROPOSED TO BE LOCATED.

~~(2) IF ANY UNIT OF LOCAL GOVERNMENT DETERMINES THAT AN APPLICATION IS NOT CONSISTENT WITH THE JURISDICTION'S COMPREHENSIVE PLAN AS REQUIRED UNDER SUBSECTION (D)(1) OF THIS SECTION, THE COMMISSION MAY NOT ISSUE A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 393

(House Bill 1414)

AN ACT concerning

Renewable Energy Portfolio Standard – Study

FOR the purpose of requiring the ~~Maryland Clean Energy Center and the University of Maryland Energy Research Center jointly~~ Power Plant Research Program to conduct a study on the renewable energy portfolio standard and certain related matters; providing for the scope of the study; providing certain specific subjects that the study must address; requiring certain State and local units to cooperate with the ~~centers~~ Program in the conduct of the study; requiring the ~~centers~~ Program to report to the Governor and certain committees on or before certain dates; providing for the termination of this Act; and generally relating to the renewable energy portfolio standard and the State's energy policies.

BY repealing and reenacting, without amendments,
 Article – Public Utilities
 Section 7-701(a), (b), (i), (n), (o), and (p)
 Annotated Code of Maryland
 (2010 Replacement Volume and 2016 Supplement)

BY adding to
 Article – Public Utilities
 Section 7-714
 Annotated Code of Maryland
 (2010 Replacement Volume and 2016 Supplement)

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

Article – Public Utilities

7-701.

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

(b) “Administration” means the Maryland Energy Administration.

(i) “PJM region” means the control area administered by the PJM Interconnection, as the area may change from time to time.

(n) “Renewable energy credit” or “credit” means a credit equal to the generation attributes of 1 megawatt-hour of electricity that is derived from a Tier 1 renewable source or a Tier 2 renewable source that is located:

(1) in the PJM region;

(2) outside the area described in item (1) of this subsection but in a control area that is adjacent to the PJM region, if the electricity is delivered into the PJM region; or

(3) on the outer continental shelf of the Atlantic Ocean in an area that:

(i) the United States Department of the Interior designates for leasing after coordination and consultation with the State in accordance with § 388(a) of the Energy Policy Act of 2005; and

(ii) is between 10 and 30 miles off the coast of the State.

(o) “Renewable energy portfolio standard” or “standard” means the percentage of electricity sales at retail in the State that is to be derived from Tier 1 renewable sources and Tier 2 renewable sources in accordance with § 7-703(b) of this subtitle.

(p) “Renewable on-site generator” means a person who generates electricity on site from a Tier 1 renewable source or a Tier 2 renewable source for the person’s own use.

7-714.

(A) ~~THE MARYLAND CLEAN ENERGY CENTER AND THE UNIVERSITY OF MARYLAND ENERGY RESEARCH CENTER~~ POWER PLANT RESEARCH PROGRAM SHALL ~~JOINTLY~~ CONDUCT A STUDY OF THE RENEWABLE ENERGY PORTFOLIO STANDARD AND RELATED MATTERS IN ACCORDANCE WITH THIS SECTION.

(B) THE STUDY SHALL BE A COMPREHENSIVE REVIEW OF THE HISTORY, IMPLEMENTATION, OVERALL COSTS AND BENEFITS, AND EFFECTIVENESS OF THE RENEWABLE ENERGY PORTFOLIO STANDARD IN RELATION TO THE ENERGY POLICIES OF THE STATE, INCLUDING:

(1) THE AVAILABILITY OF ALL CLEAN ENERGY SOURCES AT REASONABLE AND AFFORDABLE RATES, INCLUDING IN-STATE AND OUT-OF-STATE RENEWABLE ENERGY OPTIONS;

(2) THE ECONOMIC AND ENVIRONMENTAL IMPACTS OF THE DEPLOYMENT OF RENEWABLE ENERGY SOURCES IN THE STATE AND IN SURROUNDING AREAS OF THE PJM REGION;

(3) THE EFFECTIVENESS OF THE STANDARD IN ENCOURAGING DEVELOPMENT AND DEPLOYMENT OF RENEWABLE ENERGY SOURCES;

(4) THE IMPACT OF ALTERATIONS THAT HAVE BEEN MADE IN THE COMPONENTS OF EACH TIER OF THE STANDARD, THE IMPLEMENTATION OF DIFFERENT SPECIFIC GOALS FOR PARTICULAR SOURCES, AND THE EFFECT OF DIFFERENT PERCENTAGES AND ALTERNATIVE COMPLIANCE PAYMENT SCALES FOR ENERGY IN THE TIERS;

(5) AN ASSESSMENT OF ALTERNATIVE MODELS OF REGULATION AND MARKET-BASED TOOLS THAT MAY BE AVAILABLE OR ADVISABLE TO PROMOTE THE GOALS OF THE STANDARD AND THE ENERGY POLICIES OF THE STATE; AND

(6) THE POTENTIAL TO ALTER OR OTHERWISE EVOLVE THE STANDARD IN ORDER TO INCREASE AND MAINTAIN ITS EFFECTIVENESS IN PROMOTING THE STATE'S ENERGY POLICIES.

(C) PARTICULAR SUBJECTS TO BE ADDRESSED IN THE STUDY INCLUDE:

(1) THE ROLE AND EFFECTIVENESS THAT THE STANDARD MAY HAVE IN REDUCING THE CARBON CONTENT OF IMPORTED ELECTRICITY AND WHETHER EXISTING OR NEW ADDITIONAL COMPLEMENTARY POLICIES OR PROGRAMS COULD HELP ADDRESS THE CARBON EMISSIONS ASSOCIATED WITH ELECTRICITY IMPORTED INTO THE STATE;

(2) THE NET ENVIRONMENTAL AND FISCAL IMPACTS THAT MAY BE ASSOCIATED WITH LONG-TERM CONTRACTS TIED TO CLEAN ENERGY PROJECTS, INCLUDING:

(I) RATEPAYER IMPACTS THAT RESULTED IN OTHER STATES FROM THE USE OF LONG-TERM CONTRACTS FOR THE PROCUREMENT OF RENEWABLE ENERGY FOR THE OTHER STATES' STANDARD OFFER SERVICE AND WHETHER THE USE OF LONG-TERM CONTRACTS INCENTIVIZED NEW RENEWABLE ENERGY GENERATION DEVELOPMENT; AND

(II) RATEPAYER IMPACTS THAT MAY RESULT IN THE STATE FROM THE USE OF LONG-TERM CONTRACTS FOR EACH ENERGY SOURCE IN THE STATE'S TIER 1 AND WHETHER, FOR EACH OF THE SOURCES, THE USE OF LONG-TERM CONTRACTS WOULD INCENTIVIZE NEW RENEWABLE ENERGY GENERATION DEVELOPMENT IN THAT SOURCE;

(3) WHETHER THE STANDARD IS ABLE TO MEET CURRENT AND POTENTIAL FUTURE TARGETS WITHOUT THE INCLUSION OF CERTAIN TECHNOLOGIES;

(4) WHAT INDUSTRIES ARE PROJECTED TO GROW, AND TO WHAT EXTENT, AS A RESULT OF INCENTIVES ASSOCIATED WITH THE STANDARD;

(5) WHETHER THE PUBLIC HEALTH AND ENVIRONMENTAL BENEFITS OF THE GROWING CLEAN ENERGY INDUSTRIES SUPPORTED BY THE STANDARD ARE BEING EQUITABLY DISTRIBUTED ACROSS OVERBURDENED AND UNDERSERVED ENVIRONMENTAL JUSTICE COMMUNITIES;

(6) WHETHER THE STATE IS LIKELY TO MEET ITS EXISTING GOALS UNDER THE STANDARD AND, IF THE STATE WERE TO INCREASE THOSE GOALS, WHETHER ELECTRICITY SUPPLIERS SHOULD EXPECT TO FIND AN ADEQUATE SUPPLY TO MEET THE ADDITIONAL DEMAND FOR CREDITS;

(7) ADDITIONAL OPPORTUNITIES THAT MAY BE AVAILABLE TO PROMOTE LOCAL JOB CREATION WITHIN THE INDUSTRIES THAT ARE PROJECTED TO GROW AS A RESULT OF THE STANDARD;

(8) SYSTEM FLEXIBILITY THAT THE STATE WOULD NEED UNDER FUTURE GOALS UNDER THE STANDARD, INCLUDING THE QUANTITIES OF SYSTEM PEAKING AND RAMPING THAT MAY BE REQUIRED;

(9) ~~WHETHER AND~~ HOW ENERGY STORAGE TECHNOLOGY AND OTHER FLEXIBILITY RESOURCES SHOULD CONTINUE TO BE ADDRESSED IN SUPPORT OF RENEWABLE ENERGY AND STATE ENERGY POLICY, INCLUDING:

(I) ~~WHETHER THE RESOURCES SHOULD BE INCLUDED IN THE STANDARD OR SHOULD BE ADDRESSED BY A SEPARATE STANDARD OR~~ ENCOURAGED THROUGH A PROCUREMENT MECHANISM, A PRODUCTION, OR AN INSTALLATION INCENTIVE;

(II) ~~WHETHER RESOURCES SUCH AS~~ THE ADVISABILITY OF PROVIDING INCENTIVES FOR ENERGY STORAGE DEVICES THAT TO INCREASE HOSTING CAPACITY OF INCREASED RENEWABLE ON-SITE GENERATION ON THE DISTRIBUTION SYSTEM SHOULD BE INCLUDED AS PART OF THE STANDARD; AND

~~(III) WHAT OWNERSHIP MODELS MAY BE APPROPRIATE FOR ENERGY STORAGE RECOGNIZED UNDER THE STANDARD OR AN ALTERNATIVE MECHANISM; AND~~

~~(IV) A COMPARISON OF THE NET RATEPAYER DISCUSSION OF THE COSTS AND BENEFITS OF ENERGY STORAGE DEPLOYMENT IN THE STATE UNDER FUTURE GOALS SCENARIOS, AND HOW MUCH OF THOSE BENEFITS CAN BE MONETIZED BY EITHER STORAGE RESOURCE OWNERS OR ELECTRIC DISTRIBUTION UTILITIES FOR RENEWABLE GENERATION; AND~~

(10) THE ROLE OF IN-STATE CLEAN ENERGY IN ACHIEVING GREENHOUSE GAS EMISSION REDUCTIONS AND PROMOTING LOCAL JOBS AND ECONOMIC ACTIVITY IN THE STATE;

(11) AN ASSESSMENT OF ANY CHANGE IN SOLAR RENEWABLE ENERGY CREDIT PRICES OVER THE IMMEDIATE 24 MONTHS PRECEDING THE SUBMISSION OF THE INTERIM REPORT REQUIRED UNDER SUBSECTION (E) OF THIS SECTION; AND

(12) ANY OTHER MATTERS THE ~~CENTERS~~ PROGRAM CONSIDERS RELEVANT TO THE ANALYSIS OF THE ISSUES OUTLINED IN THIS SECTION.

(D) (1) THE COMMISSION, THE ADMINISTRATION, THE DEPARTMENT OF THE ENVIRONMENT, THE DEPARTMENT OF NATURAL RESOURCES, AND OTHER STATE AND LOCAL UNITS SHALL COOPERATE WITH THE ~~CENTERS~~ PROGRAM IN THE CONDUCT OF THE STUDY UNDER THIS SECTION, INCLUDING SHARING OF INFORMATION, DATA, AND RESOURCES, SUBJECT TO APPROPRIATE LEGAL PROTECTION OF COMMERCIALY SENSITIVE AND OTHER INFORMATION.

(2) THE PROGRAM SHALL CONSULT WITH REPRESENTATIVES OF VARIOUS SEGMENTS OF THE CLEAN ENERGY INDUSTRY AND OTHER STAKEHOLDERS.

(E) (1) (1) ON OR BEFORE DECEMBER 1, 2018, THE ~~CENTERS~~ PROGRAM SHALL SUBMIT AN INTERIM REPORT ON ANY PRELIMINARY FINDINGS OF THE STUDY UNDER THIS SECTION, INCLUDING ANY OBSERVATIONS AND REQUESTS FOR ALTERATION OR CLARIFICATION OF THE SCOPE, SUBJECTS, PROCEDURES, AND INTERGOVERNMENTAL COOPERATION THAT MAY BE REQUIRED TO COMPLETE THE STUDY AND SUBMIT A FINAL REPORT UNDER THIS SUBSECTION.

(II) IF THE PROGRAM DETERMINES THAT ANY PRELIMINARY FINDINGS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH WARRANT REPORTING EARLIER THAN DECEMBER 1, 2018, THE PROGRAM MAY SUBMIT A PRELIMINARY INTERIM REPORT ON THOSE PRELIMINARY FINDINGS.

(2) ON OR BEFORE DECEMBER 1, 2019, THE ~~CENTERS~~ **PROGRAM** SHALL SUBMIT A FINAL REPORT ON THE FINDINGS OF THE STUDY, INCLUDING PROPOSALS FOR ANY ALTERATION OF THE RENEWABLE PORTFOLIO STANDARD, ALTERNATIVE MECHANISMS FOR FURTHERING THE STATE’S ENERGY POLICIES, AND RELATED MATTERS, AND ANY PROPOSED LEGISLATIVE OR REGULATORY CHANGES RECOMMENDED TO IMPLEMENT THE FINDINGS OF THE STUDY.

(3) THE INTERIM, ~~ANY PRELIMINARY INTERIM~~, AND FINAL REPORTS SHALL BE SUBMITTED TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE SENATE FINANCE COMMITTEE AND THE HOUSE ECONOMIC MATTERS COMMITTEE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017. It shall remain effective for a period of 3 years and 1 month and, at the end of June 30, 2020, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 4, 2017.

Chapter 394

(Senate Bill 703)

AN ACT concerning

Maryland Agricultural Land Preservation Foundation – Participation in the Readiness and Environmental Protection Integration Program

FOR the purpose of ~~authorizing~~ *requiring* certain agricultural land preservation easements to be included as part of a partnership under a certain federal program under certain circumstances; ~~requiring the Maryland Agricultural Land Preservation Foundation to attempt to form a partnership under a certain federal program when making certain agricultural land preservation easement purchases~~; and generally relating to the purchase of certain easements.

BY adding to

Article – Agriculture
Section 2-513(e)
Annotated Code of Maryland
(2016 Replacement Volume)

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

Article – Agriculture

2-513.

(E) ~~(1)~~ AN AGRICULTURAL LAND PRESERVATION EASEMENT PURCHASED UNDER THIS SUBTITLE ~~MAY~~ SHALL BE INCLUDED AS PART OF A PARTNERSHIP UNDER THE READINESS AND ENVIRONMENTAL PROTECTION INTEGRATION PROGRAM ESTABLISHED UNDER 10 U.S.C. § 2684A IF:

(1) THE LAND THAT IS SUBJECT TO AN EASEMENT IS IN THE VICINITY OF, OR ECOLOGICALLY RELATED TO, THE ATLANTIC TEST RANGE;

(2) THE LANDOWNER WHOSE LAND IS SUBJECT TO AN EASEMENT AGREES TO ANY RESTRICTIONS IMPOSED ON THE EASEMENT UNDER THE READINESS AND ENVIRONMENTAL PROTECTION INTEGRATION PROGRAM ESTABLISHED UNDER 10 U.S.C. § 2684A; AND

(3) FUNDING IS AVAILABLE TO THE FOUNDATION TO ENTER INTO AN AGREEMENT UNDER THE READINESS AND ENVIRONMENTAL PROTECTION INTEGRATION PROGRAM ESTABLISHED UNDER 10 U.S.C. § 2684A.

~~(2) WHEN PURCHASING AN AGRICULTURAL LAND PRESERVATION EASEMENT UNDER THIS SUBTITLE, THE MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION SHALL ATTEMPT TO FORM A PARTNERSHIP UNDER THE READINESS AND ENVIRONMENTAL PROTECTION INTEGRATION PROGRAM ESTABLISHED UNDER 10 U.S.C. § 2684A.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 395

(House Bill 586)

AN ACT concerning

Maryland Farms and Families Act

FOR the purpose of establishing the Maryland Farms and Families Program in the Department of Agriculture; establishing the purpose of the Program; establishing a

Maryland Farms and Families Fund in accordance with certain requirements; requiring the Fund to be used for a certain purpose and in a certain manner; requiring the Governor to include a certain appropriation to the Fund each fiscal year subject to certain limitations; establishing certain qualifications for certain nonprofit organizations to receive a certain grant under the Program; requiring certain grant recipients to report certain information to the Department; authorizing the Department to adopt certain regulations; defining certain terms; and generally relating to grants to nonprofit organizations to match federal nutrition benefits.

BY adding to

Article – Agriculture

Section 10–2001 through 10–2005 to be under the new subtitle “Subtitle 20. Maryland Farms and Families Program”

Annotated Code of Maryland
(2016 Replacement Volume)

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

Article – Agriculture

SUBTITLE 20. MARYLAND FARMS AND FAMILIES PROGRAM.

10–2001.

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

(B) “FMNP” MEANS THE FEDERAL FARMERS MARKET NUTRITION PROGRAM.

(C) “FUND” MEANS THE MARYLAND FARMS AND FAMILIES FUND.

(D) “PROGRAM” MEANS THE MARYLAND FARMS AND FAMILIES PROGRAM.

(E) “SNAP” MEANS THE FEDERAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

(F) “WIC” MEANS THE FEDERAL SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

10–2002.

(A) THERE IS A MARYLAND FARMS AND FAMILIES PROGRAM IN THE DEPARTMENT.

(B) THE PURPOSE OF THE PROGRAM IS TO DOUBLE THE PURCHASING POWER OF FOOD-INSECURE MARYLAND RESIDENTS WITH LIMITED ACCESS TO FRESH FRUITS AND VEGETABLES AND TO INCREASE REVENUE FOR FARMERS THROUGH REDEMPTION OF FEDERAL NUTRITION BENEFITS AT MARYLAND FARMERS MARKETS.

10-2003.

(A) THERE IS A MARYLAND FARMS AND FAMILIES FUND.

(B) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS TO NONPROFIT ORGANIZATIONS THAT MATCH PURCHASES MADE WITH FMNP, SNAP, AND WIC BENEFITS AT PARTICIPATING FARMERS MARKETS THROUGHOUT THE STATE.

(C) THE SECRETARY SHALL ADMINISTER THE FUND.

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

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

(E) THE FUND CONSISTS OF:

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

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

(F) (1) IN ACCORDANCE WITH THIS SUBSECTION, THE FUND SHALL BE USED TO PROVIDE GRANTS TO NONPROFIT ORGANIZATIONS THAT MEET THE QUALIFICATIONS ESTABLISHED IN § 10-2004 OF THIS SUBTITLE.

(2) A QUALIFIED NONPROFIT ORGANIZATION THAT RECEIVES A GRANT UNDER THIS SECTION:

(I) SHALL DISTRIBUTE AT LEAST 70% OF THE GRANT MONEY IT RECEIVES TO PARTICIPATING MARYLAND FARMERS MARKETS FOR HEALTHY LOCAL FOOD INCENTIVES; AND

(II) MAY NOT USE MORE THAN 30% OF THE GRANT MONEY IT RECEIVES FOR STATEWIDE PROGRAM DEVELOPMENT, PROMOTION AND OUTREACH,

FARMERS MARKET TRAINING AND CAPACITY BUILDING, TECHNICAL ASSISTANCE, PROGRAM DATA COLLECTION, EVALUATION, ADMINISTRATION, AND REPORTING.

(G) ~~THE~~ SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL A PROPOSED GENERAL FUND APPROPRIATION TO THE FUND OF \$500,000 FOR EACH FISCAL YEAR.

10-2004.

(A) A NONPROFIT ORGANIZATION IS QUALIFIED TO RECEIVE A GRANT IN ACCORDANCE WITH THIS SUBTITLE IF THE DEPARTMENT DETERMINES THAT THE NONPROFIT ORGANIZATION HAS A DEMONSTRATED RECORD OF:

- (1) BUILDING A STATEWIDE NETWORK;
- (2) DESIGNING AND IMPLEMENTING SUCCESSFUL HEALTHY FOOD INCENTIVE PROGRAMS THAT CONNECT FEDERAL FOOD BENEFITS RECIPIENTS WITH LOCAL PRODUCERS;
- (3) IMPLEMENTING FUNDS DISTRIBUTING AND REPORTING PROCESSES;
- (4) PROVIDING TRAINING AND TECHNICAL ASSISTANCE TO FARMERS MARKETS;
- (5) CONDUCTING COMMUNITY OUTREACH AND DATA COLLECTION, INCLUDING CUSTOMER SURVEYS; AND
- (6) PROVIDING A FULL ACCOUNTING AND ADMINISTRATION OF FUNDS DISTRIBUTED TO FARMERS MARKETS.

(B) WITHIN 90 DAYS AFTER THE END OF A GRANT CYCLE, A QUALIFIED NONPROFIT ORGANIZATION THAT RECEIVED A GRANT IN ACCORDANCE WITH THIS SUBTITLE SHALL SUBMIT A REPORT TO THE DEPARTMENT THAT INCLUDES THE FOLLOWING INFORMATION:

- (1) THE NAMES AND LOCATIONS OF MARYLAND FARMERS MARKETS THAT RECEIVED FUNDS UNDER THE PROGRAM;
- (2) THE DOLLAR AMOUNT OF FUNDS AWARDED TO EACH PARTICIPATING FARMERS MARKET;

(3) THE DOLLAR AMOUNT OF FMNP, SNAP, AND WIC BENEFITS, AND FUNDS PROVIDED UNDER THE PROGRAM THAT WERE SPENT AT PARTICIPATING FARMERS MARKETS, AS WELL AS ANY UNSPENT FUNDS;

(4) THE NUMBER OF FMNP, SNAP, AND WIC TRANSACTIONS CARRIED OUT AT PARTICIPATING FARMERS MARKETS; AND

(5) THE IMPACT OF THE PROGRAM ON INCREASING THE QUANTITY OF FRESH FRUITS AND VEGETABLES CONSUMED BY FMNP, SNAP, AND WIC FAMILIES, AS DETERMINED BY CUSTOMER SURVEYS.

10–2005.

THE DEPARTMENT MAY ADOPT REGULATIONS TO IMPLEMENT THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 396

(Senate Bill 278)

AN ACT concerning

Maryland Farms and Families Act

FOR the purpose of establishing the Maryland Farms and Families Program in the Department of Agriculture; establishing the purpose of the Program; establishing a Maryland Farms and Families Fund in accordance with certain requirements; requiring the Fund to be used for a certain purpose and in a certain manner; requiring the Governor to include a certain appropriation to the Fund each fiscal year subject to certain limitations; establishing certain qualifications for certain nonprofit organizations to receive a certain grant under the Program; requiring certain grant recipients to report certain information to the Department; authorizing the Department to adopt certain regulations; defining certain terms; and generally relating to grants to nonprofit organizations to match federal nutrition benefits.

BY adding to

Article – Agriculture

Section 10–2001 through 10–2005 to be under the new subtitle “Subtitle 20. Maryland Farms and Families Program”

Annotated Code of Maryland

(2016 Replacement Volume)

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

Article – Agriculture

SUBTITLE 20. MARYLAND FARMS AND FAMILIES PROGRAM.

10–2001.

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

(B) “FMNP” MEANS THE FEDERAL FARMERS MARKET NUTRITION PROGRAM.

(C) “FUND” MEANS THE MARYLAND FARMS AND FAMILIES FUND.

(D) “PROGRAM” MEANS THE MARYLAND FARMS AND FAMILIES PROGRAM.

(E) “SNAP” MEANS THE FEDERAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

(F) “WIC” MEANS THE FEDERAL SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

10–2002.

(A) THERE IS A MARYLAND FARMS AND FAMILIES PROGRAM IN THE DEPARTMENT.

(B) THE PURPOSE OF THE PROGRAM IS TO DOUBLE THE PURCHASING POWER OF FOOD-INSECURE MARYLAND RESIDENTS WITH LIMITED ACCESS TO FRESH FRUITS AND VEGETABLES AND TO INCREASE REVENUE FOR FARMERS THROUGH REDEMPTION OF FEDERAL NUTRITION BENEFITS AT MARYLAND FARMERS MARKETS.

10–2003.

(A) THERE IS A MARYLAND FARMS AND FAMILIES FUND.

(B) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS TO NONPROFIT ORGANIZATIONS THAT MATCH PURCHASES MADE WITH FMNP, SNAP, AND WIC BENEFITS AT PARTICIPATING FARMERS MARKETS THROUGHOUT THE STATE.

(C) THE SECRETARY SHALL ADMINISTER THE FUND.

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

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

(E) THE FUND CONSISTS OF:

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

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

(F) (1) IN ACCORDANCE WITH THIS SUBSECTION, THE FUND SHALL BE USED TO PROVIDE GRANTS TO NONPROFIT ORGANIZATIONS THAT MEET THE QUALIFICATIONS ESTABLISHED IN § 10-2004 OF THIS SUBTITLE.

(2) A QUALIFIED NONPROFIT ORGANIZATION THAT RECEIVES A GRANT UNDER THIS SECTION:

(i) SHALL DISTRIBUTE AT LEAST 70% OF THE GRANT MONEY IT RECEIVES TO PARTICIPATING MARYLAND FARMERS MARKETS FOR HEALTHY LOCAL FOOD INCENTIVES; AND

(ii) MAY NOT USE MORE THAN 30% OF THE GRANT MONEY IT RECEIVES FOR STATEWIDE PROGRAM DEVELOPMENT, PROMOTION AND OUTREACH, FARMERS MARKET TRAINING AND CAPACITY BUILDING, TECHNICAL ASSISTANCE, PROGRAM DATA COLLECTION, EVALUATION, ADMINISTRATION, AND REPORTING.

(G) ~~THE~~ SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL A PROPOSED GENERAL FUND APPROPRIATION TO THE FUND OF \$500,000 FOR EACH FISCAL YEAR.

10-2004.

(A) A NONPROFIT ORGANIZATION IS QUALIFIED TO RECEIVE A GRANT IN ACCORDANCE WITH THIS SUBTITLE IF THE DEPARTMENT DETERMINES THAT THE NONPROFIT ORGANIZATION HAS A DEMONSTRATED RECORD OF:

(1) BUILDING A STATEWIDE NETWORK;

(2) DESIGNING AND IMPLEMENTING SUCCESSFUL HEALTHY FOOD INCENTIVE PROGRAMS THAT CONNECT FEDERAL FOOD BENEFITS RECIPIENTS WITH LOCAL PRODUCERS;

(3) IMPLEMENTING FUNDS DISTRIBUTING AND REPORTING PROCESSES;

(4) PROVIDING TRAINING AND TECHNICAL ASSISTANCE TO FARMERS MARKETS;

(5) CONDUCTING COMMUNITY OUTREACH AND DATA COLLECTION, INCLUDING CUSTOMER SURVEYS; AND

(6) PROVIDING A FULL ACCOUNTING AND ADMINISTRATION OF FUNDS DISTRIBUTED TO FARMERS MARKETS.

(B) WITHIN 90 DAYS AFTER THE END OF A GRANT CYCLE, A QUALIFIED NONPROFIT ORGANIZATION THAT RECEIVED A GRANT IN ACCORDANCE WITH THIS SUBTITLE SHALL SUBMIT A REPORT TO THE DEPARTMENT THAT INCLUDES THE FOLLOWING INFORMATION:

(1) THE NAMES AND LOCATIONS OF MARYLAND FARMERS MARKETS THAT RECEIVED FUNDS UNDER THE PROGRAM;

(2) THE DOLLAR AMOUNT OF FUNDS AWARDED TO EACH PARTICIPATING FARMERS MARKET;

(3) THE DOLLAR AMOUNT OF FMNP, SNAP, AND WIC BENEFITS, AND FUNDS PROVIDED UNDER THE PROGRAM THAT WERE SPENT AT PARTICIPATING FARMERS MARKETS, AS WELL AS ANY UNSPENT FUNDS;

(4) THE NUMBER OF FMNP, SNAP, AND WIC TRANSACTIONS CARRIED OUT AT PARTICIPATING FARMERS MARKETS; AND

(5) THE IMPACT OF THE PROGRAM ON INCREASING THE QUANTITY OF FRESH FRUITS AND VEGETABLES CONSUMED BY FMNP, SNAP, AND WIC FAMILIES, AS DETERMINED BY CUSTOMER SURVEYS.

10-2005.

THE DEPARTMENT MAY ADOPT REGULATIONS TO IMPLEMENT THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 397

(Senate Bill 1190)

AN ACT concerning

Bay Restoration Fund – Upgraded ~~Municipal~~ Wastewater Facilities – Grants to Counties and Municipalities

FOR the purpose of authorizing the Department of the Environment to use ~~certain~~ funds from the Bay Restoration Fund to provide grants to a county or municipality that upgraded a ~~municipal~~ wastewater facility to enhanced nutrient removal before a certain date under certain circumstances; specifying the total amount of the grants that may be awarded under this Act; specifying that the grants awarded under this Act be provided on a certain basis; providing for the termination of this Act; and generally relating to the use of the Bay Restoration Fund.

~~BY repealing and reenacting, without amendments,
Article – Environment
Section 9-1605.2(h)(2)(i)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)~~

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

~~Article – Environment~~

~~9-1605.2.~~

~~(h) (2) The Comptroller shall:~~

~~(i) Deposit 60% of the funds in the separate account to be used for:~~

~~1. Subject to paragraphs (3), (4), (5), and (6) of this subsection, with priority first given to failing systems and holding tanks located in the Chesapeake and Atlantic Coastal Bays Critical Area and then to failing systems that the Department determines are a threat to public health or water quality, grants or loans for up to 100% of:~~

~~A. The costs attributable to upgrading an on-site sewage disposal system to the best available technology for the removal of nitrogen;~~

~~B. The cost difference between a conventional on-site sewage disposal system and a system that utilizes the best available technology for the removal of nitrogen;~~

~~C. The cost of repairing or replacing a failing on-site sewage disposal system with a system that uses the best available technology for nitrogen removal;~~

~~D. The cost, up to the sum of the costs authorized under item B of this item for each individual system, of replacing multiple on-site sewage disposal systems located in the same community with a new community sewerage system that is owned by a local government and that meets enhanced nutrient removal standards; or~~

~~E. The cost, up to the sum of the costs authorized under item C of this item for each individual system, of connecting a property using an on-site sewage disposal system to an existing municipal wastewater facility that is achieving enhanced nutrient removal or biological nutrient removal level treatment, including payment of the principal, but not interest, of debt issued by a local government for such connection costs;~~

~~2. The reasonable costs of the Department, not to exceed 8% of the funds deposited into the separate account, to:~~

~~A. Implement an education, outreach, and upgrade program to advise owners of on-site sewage disposal systems and holding tanks on the proper maintenance of the systems and tanks and the availability of grants and loans under item 1 of this item;~~

~~B. Review and approve the design and construction of on-site sewage disposal system or holding tank upgrades;~~

~~C. Issue grants or loans as provided under item 1 of this item;~~
and

~~D. Provide technical support for owners of upgraded on-site sewage disposal systems or holding tanks to operate and maintain the upgraded systems;~~

~~3. A portion of the reasonable costs of a local public entity that has been delegated by the Department under § 1-301(b) of this article to administer and enforce environmental laws, not to exceed 10% of the funds deposited into the separate account, to implement regulations adopted by the Department for on-site sewage disposal systems that utilize the best available technology for the removal of nitrogen; and~~

~~4. Subject to paragraph (7) of this subsection, financial assistance to low-income homeowners, as defined by the Department, for up to 50% of the~~

~~cost of an operation and maintenance contract of up to 5 years for an on-site sewage disposal system that utilizes nitrogen removal technology; and~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding~~

(a) ~~Notwithstanding any other provision of law, the Department of the Environment may use funds from the Bay Restoration Fund that are deposited into the account under § 9-1605.2(h)(2)(i) of the Environment Article to award a grant of up to \$2,000,000 to a county or municipality that upgraded a municipal wastewater facility to enhanced nutrient removal before July 1, 2013, if:~~

(1) ~~the county or municipality did not receive a grant for the upgrade from the Bay Restoration Fund; and~~

(2) ~~the customers of the wastewater facility pay the Bay Restoration Fee.~~

~~(b) The Department of the Environment may award up to \$2,000,000 in grants under this section on a first-come, first-served basis.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017. It shall remain effective for a period of 2 years and, at the end of September 30, 2019, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~

Approved by the Governor, May 4, 2017.

Chapter 398

(House Bill 211)

AN ACT concerning

Cownose Ray Fishing Contests—Prohibition Fishery Management Plan and Moratorium on Contests

FOR the purpose of ~~prohibiting a person from sponsoring, conducting, or participating in a cownose ray fishing contest in State waters; requiring the Secretary of Natural Resources to adopt certain regulations; defining a certain term; and generally relating to cownose ray fishing contests~~ requiring the Department of Natural Resources to prepare a certain fishery management plan for the cownose ray species; requiring the Department to prepare a certain fishery management plan for the cownose ray species on or before a certain date, subject to available funding; prohibiting a person from sponsoring, conducting, or participating in a certain cownose ray fishing contest in State waters until a certain date; establishing certain

penalties for certain violations; making this Act an emergency measure; and generally relating to the cownose ray fishery.

BY repealing and reenacting, with amendments,

Article – Natural Resources

Section 4-215(b)(23) and (24)

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

BY adding to

Article – Natural Resources

Section ~~4-748~~ 4-215(b)(25)

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

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

Article – Natural Resources

~~4-748.~~

~~(A) IN THIS SECTION, “COWNOSE RAY FISHING CONTEST” MEANS ANY COMPETITION, TOURNAMENT, OR DERBY WITH THE OBJECTIVE OF CATCHING OR KILLING COWNOSE RAYS FOR:~~

~~(1) PRIZES OR OTHER INDUCEMENTS; OR~~

~~(2) ENTERTAINMENT PURPOSES.~~

~~(B) A PERSON MAY NOT SPONSOR, CONDUCT, OR PARTICIPATE IN A COWNOSE RAY FISHING CONTEST IN STATE WATERS.~~

~~(C) THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.~~

4-215.

(b) The Department shall prepare fishery management plans for the following species:

(23) Hard shell clams; [and]

(24) Catfish; AND

(25) COWNOSE RAY.

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31, 2018, subject to funding made available to the Department of Natural Resources to implement Section 1 of this Act, the Department shall prepare the cownose ray fishery management plan required by § 4-215(b)(25) of the Natural Resources Article, as enacted by Section 1 of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) In this section, “cownose ray fishing contest” means any competition, tournament, or derby with the objective of catching or killing cownose rays for:

(1) prizes or other inducements; or

(2) entertainment purposes.

(b) Until July 1, 2019, a person may not sponsor, conduct, or participate in a cownose ray fishing contest in State waters.

(c) A person who violates subsection (b) of this section is guilty of a misdemeanor, and on conviction is subject to the penalties provided in § 4-1201(a) and (b) of the Natural Resources Article.

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017.~~

SECTION 4. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, May 4, 2017.

Chapter 399

(Senate Bill 268)

AN ACT concerning

**Cownose Ray ~~Fishing Tournaments—Prohibition~~ Fishery Management Plan
and Moratorium on ~~Tournaments~~ Contests**

FOR the purpose of ~~prohibiting a person from organizing, sponsoring, promoting, conducting, or participating in a cownose ray fishing tournament in State waters;~~

~~requiring the Secretary of Natural Resources to adopt certain regulations; defining a certain term; and generally relating to cownose ray fishing tournaments requiring the Department of Natural Resources to prepare a certain fishery management plan for the cownose ray species on or before a certain date; requiring the Department to prepare a certain fishery management plan for the cownose ray species on or before a certain date, subject to available funding; prohibiting a person from organizing, sponsoring, promoting, conducting, or participating in a certain cownose ray fishing tournament contest in State waters until a certain date; establishing certain penalties for certain violations; making this Act an emergency measure; and generally relating to the cownose ray fishery.~~

BY repealing and reenacting, with amendments,

Article – Natural Resources

Section 4-215(b)(23) and (24)

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

BY adding to

Article – Natural Resources

Section ~~4-748~~ 4-215(b)(25)

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

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

Article – Natural Resources

~~4-748.~~

~~(A) IN THIS SECTION, “COWNOSE RAY FISHING TOURNAMENT” MEANS ANY TOURNAMENT, CONTEST, COMPETITION, OR DERBY WITH THE OBJECTIVE OF CATCHING OR KILLING COWNOSE RAYS FOR:~~

~~(1) PRIZES OR OTHER INDUCEMENTS; OR~~

~~(2) ENTERTAINMENT PURPOSES.~~

~~(B) A PERSON MAY NOT ORGANIZE, SPONSOR, PROMOTE, CONDUCT, OR PARTICIPATE IN A COWNOSE RAY FISHING TOURNAMENT IN STATE WATERS.~~

~~(C) THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.~~

4-215.

(b) The Department shall prepare fishery management plans for the following species:

(23) Hard shell clams; [and]

(24) Catfish; AND

(25) COWNOSE RAY.

SECTION 2. AND BE IT FURTHER ENACTED, That on or before December 31, ~~2017,~~ 2018, subject to funding made available to the Department of Natural Resources to implement Section 1 of this Act, the Department of Natural Resources shall prepare the cownose ray fishery management plan required by § 4-215(b)(25) of the Natural Resources Article, as enacted by Section 1 of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) In this section, “cownose ray fishing ~~tournament~~ contest” means any competition, tournament ~~contest,~~ ~~competition,~~ or derby with the objective of catching or killing cownose rays for:

(1) prizes or other inducements; or

(2) entertainment purposes.

(b) Until July 1, ~~2018~~ 2019, a person may not organize, sponsor, promote, conduct, or participate in a cownose ray fishing ~~tournament~~ contest in State waters.

(c) A person who violates subsection (b) of this section is guilty of a misdemeanor, and on conviction is subject to the penalties provided in § 4-1201(a) and (b) of the Natural Resources Article.

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017.~~

SECTION 4. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, May 4, 2017.

Chapter 400

(House Bill 1314)

AN ACT concerning

Crabs – ~~Holiday Harvest Times – Trotlines and Crab Pots~~ Harvest Times – Holidays

FOR the purpose of requiring the Department of Natural Resources to adopt regulations that ~~allow~~ ~~provide~~ authorize a tidal fish licensee authorized to catch crabs using ~~trotlines or crab pots~~ all legal gear to work ~~certain hours during certain time periods~~ 1 additional early hour on certain days; and generally relating to harvest times for catching crabs using trotlines and crab pots.

BY repealing and reenacting, with amendments,
 Article – Natural Resources
 Section 4–803
 Annotated Code of Maryland
 (2012 Replacement Volume and 2016 Supplement)

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

Article – Natural Resources

4–803.

(a) The Department may adopt rules and regulations to effectuate the following purposes:

- (1) To restrict catching and possessing any blue crab;
- (2) The methods by which crabs are taken;
- (3) To close or open any specified area to catch crabs;
- (4) To prohibit or restrict devices used to catch crabs;
- (5) To establish seasons to catch crabs;
- (6) To establish that the workday for tidal fish licensees who catch crabs using trotline gear may begin earlier than 1 hour before sunrise; and
- (7) To establish minimum size limits for hard, soft, and peeler crabs. However, this section does not permit the Department to change existing license fees for catching, picking, canning, packing, or shipping cooked hard or soft crabs or crab meat; or

for selling, or shipping live hard or soft crabs by barrel or crate. The Department may set license fees on types of gear or equipment if not otherwise set by law.

(b) (1) The Department may not adopt regulations to:

(i) Restrict a tidal fish licensee who catches crabs using trotline gear to a workday of less than 8 hours per day, excluding time spent setting or taking up gear; or

(ii) Establish time restrictions on a tidal fish licensee using trotline gear for setting and taking up gear.

(2) ~~IF EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, IF~~ the Department authorizes the workday to begin earlier than 1 hour before sunrise, then:

(i) ~~{The} SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE~~ Department may not adopt regulations to restrict a tidal fish licensee who catches crabs using trotline gear to a workday of less than 11 hours per day, including time spent setting or taking up gear; and

(ii) Trotline gear may not be set earlier than the catch time established by the Department.

(C) THE DEPARTMENT SHALL ADOPT REGULATIONS THAT ~~ALLOW PROVIDE~~ AUTHORIZE A TIDAL FISH LICENSEE WHO IS AUTHORIZED TO CATCH CRABS USING ~~TROT LINES OR CRAB POTS~~ ALL LEGAL GEAR TO WORK ~~THE FOLLOWING HOURS~~ 1 ADDITIONAL EARLY HOUR ON LABOR DAY, MEMORIAL DAY, INDEPENDENCE DAY JULY 4, LABOR DAY, AND THE WEEKEND EITHER DAY BEFORE OR AFTER EACH OF THESE HOLIDAYS IN A LICENSE YEAR:

~~(1) FOR A LICENSEE WHO USES TROTLINE GEAR, HOURS THAT BEGIN 2 HOURS BEFORE SUNRISE AND END 8 HOURS AFTER SUNRISE, NOT INCLUDING TIME SPENT SETTING OR TAKING UP GEAR; OR~~

~~(2) FOR A LICENSEE WHO USES CRAB POTS, HOURS THAT BEGIN 1.5 HOURS BEFORE SUNRISE AND END 6.5 HOURS AFTER SUNRISE.~~

~~[(c)] (D)~~ The Department's regulations may not become effective under this section until the Department first holds public hearings. The Department shall advertise the time, place, and purpose of the hearings in one newspaper of general daily circulation in the State, and at least in one newspaper circulated in the affected region of each county whose waters may be directly affected by the proposed regulations at least once per week for 2 successive weeks in advance of the hearings.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~June~~ July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 401

(Senate Bill 59)

AN ACT concerning

Crabs – Harvest Times – ~~Trotlines and Crab Pots~~ Holidays

FOR the purpose of requiring the Department of Natural Resources to adopt regulations that ~~provide~~ authorize the option to a tidal fish licensee authorized to catch crabs using ~~trotlines and crab pots~~ all legal gear to work certain hours during certain time periods 1 additional early hour on certain days; ~~requiring a licensee who chooses a certain hours of work option to notify the Department of that choice by a certain date; prohibiting a licensee who chooses a certain hours of work option from changing that option until the following license year; requiring a licensee who chooses a certain hours of work option to affix a certain display on the licensee's vessel signifying the choice of that option;~~ and generally relating to harvest times for catching crabs using trotlines and crab pots.

BY repealing and reenacting, with amendments,
Article – Natural Resources
Section 4–803
Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

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

Article – Natural Resources

4–803.

(a) The Department may adopt rules and regulations to effectuate the following purposes:

- (1) To restrict catching and possessing any blue crab;
- (2) The methods by which crabs are taken;
- (3) To close or open any specified area to catch crabs;
- (4) To prohibit or restrict devices used to catch crabs;

(5) To establish seasons to catch crabs;

(6) To establish that the workday for tidal fish licensees who catch crabs using trotline gear may begin earlier than 1 hour before sunrise; and

(7) To establish minimum size limits for hard, soft, and peeler crabs. However, this section does not permit the Department to change existing license fees for catching, picking, canning, packing, or shipping cooked hard or soft crabs or crab meat; or for selling, or shipping live hard or soft crabs by barrel or crate. The Department may set license fees on types of gear or equipment if not otherwise set by law.

(b) (1) The Department may not adopt regulations to:

(i) Restrict a tidal fish licensee who catches crabs using trotline gear to a workday of less than 8 hours per day, excluding time spent setting or taking up gear; or

(ii) Establish time restrictions on a tidal fish licensee using trotline gear for setting and taking up gear.

(2) ~~IF EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, IF~~ the Department authorizes the workday to begin earlier than 1 hour before sunrise, then:

(i) ~~{The} SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE~~ Department may not adopt regulations to restrict a tidal fish licensee who catches crabs using trotline gear to a workday of less than 11 hours per day, including time spent setting or taking up gear; and

(ii) Trotline gear may not be set earlier than the catch time established by the Department.

(C) ~~(1)~~ THE DEPARTMENT SHALL ADOPT REGULATIONS THAT ~~PROVIDE~~ AUTHORIZE THE OPTION TO A TIDAL FISH LICENSEE WHO IS AUTHORIZED TO CATCH CRABS USING TROT LINES OR CRAB POTS ALL LEGAL GEAR TO WORK THE FOLLOWING HOURS 1 ADDITIONAL EARLY HOUR ON LABOR DAY, MEMORIAL DAY, JULY 4, AND THE DAY BEFORE EACH OF THESE HOLIDAYS IN A LICENSE YEAR:

~~(I) FOR A LICENSEE WHO USES TROTLINE GEAR, HOURS THAT BEGIN 2 HOURS BEFORE SUNRISE AND END 8 HOURS AFTER SUNRISE, NOT INCLUDING TIME SPENT SETTING OR TAKING UP GEAR; OR~~

~~(II) FOR A LICENSEE WHO USES CRAB POTS, HOURS THAT BEGIN 1.5 HOURS BEFORE SUNRISE AND END 6.5 HOURS AFTER SUNRISE.~~

~~(2) (I) A LICENSEE WHO CHOOSES THE OPTION OF WORKING THE EARLIER HOURS UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR A LICENSE YEAR SHALL NOTIFY THE DEPARTMENT OF THAT CHOICE BY AUGUST 31 OF THE PREVIOUS LICENSE YEAR.~~

~~(II) AFTER A LICENSEE CHOOSES THE EARLY HOURS OPTION FOR THE LICENSE YEAR, THE LICENSEE MAY NOT CHANGE OPTIONS UNTIL THE FOLLOWING LICENSE YEAR.~~

~~(3) A LICENSEE WHO CHOOSES THE EARLY HOURS OPTION SHALL AFFIX A DISPLAY ON THE LICENSEE'S VESSEL IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT TO SIGNIFY THE CHOICE OF THE EARLY HOURS OPTION.~~

[(c)] (D) The Department's regulations may not become effective under this section until the Department first holds public hearings. The Department shall advertise the time, place, and purpose of the hearings in one newspaper of general daily circulation in the State, and at least in one newspaper circulated in the affected region of each county whose waters may be directly affected by the proposed regulations at least once per week for 2 successive weeks in advance of the hearings.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 402

(Senate Bill 66)

AN ACT concerning

Hunter Safety Courses – Application of Requirement and Establishment of Incentives Program – ~~Establishment~~

FOR the purpose of requiring a certain person to make, in order to procure a certain hunting license under certain circumstances, an affidavit that the person hunted before a certain date rather than that the person had a certain hunting license; limiting the exemption from the application of this Act to a certain person who purchases a certain hunting license; authorizing the Department of Natural Resources to adopt regulations to establish a program of incentives for the completion of a hunter safety course by a certain individual; providing that the program may include discounts on hunting licenses and any other incentive the Department determines to be appropriate; making certain stylistic changes; and generally relating to hunter safety courses.

BY repealing and reenacting, with amendments,
 Article – Natural Resources
 Section 10–301.1
 Annotated Code of Maryland
 (2012 Replacement Volume and 2016 Supplement)

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

Article – Natural Resources

10–301.1.

(a) (1) (i) On or after July 1, 1977 a person under 18 years of age may not procure a hunting license or hunt in the State, unless the person has first been issued a certificate of competency in firearms and hunter safety.

(ii) On or after July 1, 1977 a person, regardless of age, may not procure a hunting license without producing a certificate of competency or a hunting license issued ~~prior to~~ **BEFORE** July 1, 1977 or making out an affidavit that the person ~~had such a license~~ **HUNTED BEFORE JULY 1, 1977.**

(2) (I) This section does not apply to nonresidents of Maryland who purchase a **NONRESIDENT 3–DAY** hunting license in the State to hunt wild waterfowl.

(II) [However, this does apply] **THIS SECTION APPLIES** to nonresidents of Maryland who purchase hunting licenses in the State to hunt [other] wildlife **OTHER THAN WILD WATERFOWL.**

(b) (1) The Department shall prescribe a course of instruction in conservation and in competency and safety in the handling of firearms.

(2) (I) The Department shall designate those persons or agencies authorized to give the course of instruction, and this designation shall be valid until revoked by the Department.

(II) Those designated persons shall submit to the Department validated listings naming all persons who have successfully completed the course of instruction.

(3) The Department shall issue a certificate of competency and safety to each person who successfully completes the course of instruction, and the certificate shall be valid until revoked by the Department.

(4) The Department may not issue a certificate of competency and safety to an individual under the age of 18 unless the individual has completed satisfactorily the course of instruction, or produces a certificate of competency or a hunting license issued prior to July 1, 1978 or makes out an affidavit that the individual had such a license.

(c) (1) The Department shall institute and coordinate a statewide course of instruction in conservation and in competency and safety in the handling of firearms, and in so doing, the Department may cooperate with any political subdivision or with any reputable organization having as one of its objectives the promotion of competency and safety in the handling of firearms, such as the National Rifle Association and local rod and gun clubs.

(2) The Department may conduct the course in hunter safety and issue the certificates, using Department personnel or other persons at times and in areas where other competent agencies are unable or unwilling to meet the demand for instruction.

(3) Any similar certificate, or hunting license, issued outside the State by a governmental agency, shall be accepted as complying with the requirements of paragraph (1) of this subsection, if the privileges are reciprocal for Maryland residents.

(d) The Department shall adopt regulations to provide for the course of instruction and the issuance of the certificates consistent with the purpose of this section.

(e) (1) On or after July 1, 1977 any person who obtains a hunting license by presenting a fictitious certificate of competency or who attempts to obtain a certificate of competency or hunting license through fraud shall have his hunting privileges revoked by the Department for a period not to exceed 1 year.

(2) Any applicant who is refused a certificate of competency under this section may appeal the decision or action of the issuing unit to the Secretary.

(f) (1) The Department or a person designated by the Department may issue a 1-year gratis hunting license to a Maryland resident under the age of 16 years who has successfully completed a hunter safety course.

(2) A hunting license issued under this subsection shall include all applicable hunting stamps, except for migratory game bird stamps and bonus deer stamps.

(3) An individual may be issued only one such license during the individual's lifetime.

(g) (1) The Department or a person designated by the Department shall issue a complimentary hunting license each year to an individual who:

(i) Has been authorized by the Department to give the course of instruction in conservation and in competency and safety in the handling of firearms under subsection (b) of this section;

- course;
- (ii) Has completed at least 5 years of service as an instructor of this course;
 - (iii) Maintains active certification as an instructor of this course;
 - (iv) Has taught two hunter safety courses during the fiscal year preceding the issuance of the license; and
 - (v) Has indicated to the Department an interest in receiving a complimentary hunting license.

(2) A hunting license issued under this subsection shall include all applicable hunting stamps, except for migratory game bird stamps and bonus deer stamps.

(H) (1) THE DEPARTMENT MAY ADOPT REGULATIONS TO ESTABLISH A PROGRAM TO PROVIDE INCENTIVES FOR THE SUCCESSFUL COMPLETION OF A HUNTER SAFETY COURSE BY AN INDIVIDUAL WHO IS NOT REQUIRED BY LAW TO COMPLETE A HUNTER SAFETY COURSE.

(2) THE PROGRAM MAY INCLUDE:

- (I) DISCOUNTS ON HUNTING LICENSES; AND**
- (II) ANY OTHER INCENTIVE THE DEPARTMENT DETERMINES TO BE APPROPRIATE.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 403

(House Bill 1427)

AN ACT concerning

Natural Resources – Apprentice Hunting License – Establishment

FOR the purpose of establishing an apprentice hunting license that confers certain rights on a purchaser of the license; authorizing a person to obtain an apprentice hunting license on *satisfactory* completion of a certain course; authorizing certain persons to hunt under an apprentice hunting license only if accompanied and directly

supervised by certain other persons; requiring a person who accompanies and directly supervises an apprentice hunting licensee to maintain certain contact with, provide certain direction to, and be in a certain physical position related to the apprentice hunting licensee; authorizing certain apprentice hunting licensees to hunt without supervision under certain circumstances; limiting to a certain amount the number of apprentice hunting licenses that may be issued to a person in the person's lifetime; prohibiting the renewal of an apprentice hunting license; prohibiting the issuance of an apprentice hunting license to certain persons; establishing certain fees for resident and nonresident apprentice hunting licenses; and generally relating to the establishment of the apprentice hunting license.

BY repealing and reenacting, without amendments,

Article – Natural Resources

Section 10–301(b)

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Natural Resources

Section 10–301(g)

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

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

Article – Natural Resources

10–301.

(b) To provide a fund to pay the expense of protecting and managing wildlife, and preventing unauthorized persons from hunting them, a person may not hunt or attempt to hunt during open season and in any permitted manner any game birds and mammals in the State without first having procured either a resident or nonresident hunter's license. A person may not hunt or attempt to hunt nongame birds and mammals in Baltimore County or Frederick County without first obtaining a license. A permanent resident of a government reservation may obtain a resident hunter's license.

(g) (1) There shall be the following types of hunting licenses in the State:

(i) A resident hunting license that enables the purchaser to hunt all legal game birds and mammals during any appropriate season in Maryland without the purchase of additional stamps, unless the purchaser is hunting migratory game birds or deer during bow and arrow season or black powder season. To hunt migratory game birds the purchaser must also buy a Maryland migratory game bird stamp and to hunt wild waterfowl the purchaser must buy both a Maryland migratory game bird stamp and a federal migratory bird hunting and conservation stamp. To hunt deer during bow and arrow

season and black powder season the purchaser must also purchase a bow and arrow or black powder stamp.

(ii) A nonresident hunting license that enables the purchaser to hunt all legal game birds and mammals during any appropriate season without the purchase of additional stamps unless the purchaser is hunting migratory game birds or deer during bow and arrow season or black powder season. This license enables the purchaser to hunt migratory game birds only with the purchase of a Maryland migratory game bird stamp and to hunt wild waterfowl only with the purchase of both a Maryland migratory game bird stamp and a federal migratory bird hunting and conservation stamp. This license enables the purchaser to hunt deer during bow and arrow season and black powder season only with the purchase of a nonresident bow and arrow or black powder stamp.

(iii) A nonresident 3-day hunting license that enables the purchaser to hunt all legal game birds and mammals except deer and turkey for the 3 consecutive legal hunting days in a single season that are specified on the license by the issuing agent. The purchaser must also purchase a Maryland migratory game bird stamp to hunt migratory game birds and a federal migratory bird hunting and conservation stamp to hunt wild waterfowl with this license. Under no circumstance does this license authorize the purchaser to hunt deer and turkey.

(IV) 1. AN APPRENTICE ~~3-DAY~~ HUNTING LICENSE THAT ENABLES THE PURCHASER TO HUNT ALL LEGAL GAME BIRDS AND MAMMALS ~~FOR THE 3 CONSECUTIVE LEGAL HUNTING DAYS~~ IN A SINGLE SEASON ~~THAT ARE SPECIFIED ON THE LICENSE~~ WITHOUT THE PURCHASE OF ADDITIONAL STAMPS UNLESS THE PURCHASER IS HUNTING MIGRATORY GAME BIRDS OR DEER DURING BOW AND ARROW SEASON OR BLACK POWDER SEASON. THIS LICENSE ENABLES THE PURCHASER TO HUNT MIGRATORY GAME BIRDS ONLY WITH THE PURCHASE OF A MARYLAND MIGRATORY GAME BIRD STAMP AND TO HUNT WILD WATERFOWL ONLY WITH THE PURCHASE OF BOTH A MARYLAND MIGRATORY GAME BIRD STAMP AND A FEDERAL MIGRATORY BIRD HUNTING AND CONSERVATION STAMP. THIS LICENSE ENABLES THE PURCHASER TO HUNT DEER DURING BOW AND ARROW SEASON AND BLACK POWDER SEASON ONLY WITH THE PURCHASE OF A BOW AND ARROW OR BLACK POWDER STAMP.

2. A. A PERSON MAY OBTAIN AN APPRENTICE HUNTING LICENSE ON SATISFACTORY COMPLETION OF A SHORT ONLINE OR ELECTRONIC COURSE OF INSTRUCTION IN COMPETENCY IN FIREARMS AND HUNTER SAFETY APPROVED BY THE DEPARTMENT.

B. A PERSON MAY HUNT UNDER AN APPRENTICE HUNTING LICENSE ONLY IF ACCOMPANIED AND DIRECTLY SUPERVISED BY ANOTHER PERSON WHO IS AT LEAST 18 YEARS OF AGE AND POSSESSES A VALID RESIDENT NONAPPRENTICE HUNTING LICENSE ISSUED UNDER THIS SUBTITLE.

C. A PERSON WHO ACCOMPANIES AND DIRECTLY SUPERVISES AN APPRENTICE HUNTING LICENSEE SHALL MAINTAIN CLOSE VISUAL AND VERBAL CONTACT WITH, PROVIDE ADEQUATE DIRECTION TO, AND BE IN A POSITION TO IMMEDIATELY ASSUME CONTROL OF THE FIREARM OF THE APPRENTICE HUNTING LICENSEE.

3. EXCEPT FOR A PERSON PARTICIPATING IN A JUNIOR HUNT APPROVED BY THE DEPARTMENT, AN APPRENTICE HUNTING LICENSEE WHO HAS OBTAINED A CERTIFICATE OF COMPETENCY IN FIREARMS AND HUNTER SAFETY UNDER § 10-301.1 OF THIS SUBTITLE MAY HUNT WITHOUT SUPERVISION.

4. AN APPRENTICE HUNTING LICENSE:

A. MAY BE ISSUED TO A PERSON ONLY ONCE IN THE PERSON’S LIFETIME;

B. MAY NOT BE RENEWED; AND

C. MAY NOT BE ISSUED TO A PERSON WHO HAS PREVIOUSLY BEEN ISSUED ANY HUNTING LICENSE UNDER THIS SUBTITLE.

(2) Residents and nonresidents may purchase a senior hunting license beginning in the calendar year in which they attain the age of 65.

(3) A nonresident of any age must purchase either a nonresident hunting license or a nonresident 3-day hunting license to hunt in the State.

(4) The fees for hunting licenses are according to the following schedule:

- (i) Resident, junior, under the age of 16 years..... \$ 10.50
- (ii) Resident, regular, at least 16 years old and under the age of 65 years.....\$ 24.50
- (iii) Resident, senior, at least 65 years old..... \$ 5.00
- (iv) Nonresident, regular, at least 16 years old..... \$ 130.00
- (v) Nonresident, junior, under the age of 16 years..... \$ 32.50
- (vi) Nonresident, senior, at least 65 years old..... \$ 65.00
- (vii) Complimentary license authorized to be issued under § 10-303 of this subtitle.....No fee
- (viii) Nonresident 3-day hunting license..... \$ 45.00

(IX) RESIDENT APPRENTICE.....\$ 10.00

(X) NONRESIDENT APPRENTICE.....\$ 20.00

(5) The fees for individual hunting stamps are according to the following schedule:

(i) Bow and arrow stamp.....\$ 6.00

(ii) Nonresident bow and arrow stamp.....\$ 25.00

(iii) Black powder stamp.....\$ 6.00

(iv) Nonresident black powder stamp.....\$ 25.00

(v) Maryland migratory game bird stamp..... \$ 9.00

(vi) Resident bonus antlered deer stamp.....\$ 10.00

(vii) Nonresident bonus antlered deer stamp for each type of deer hunting season.....\$ 25

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 404

(House Bill 477)

AN ACT concerning

Natural Resources – Protection and Restoration of State–Owned Lakes

FOR the purpose of establishing the State Lakes Protection and Restoration Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Secretary of Natural Resources to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; requiring interest earnings of the Fund to be credited to the Fund; requiring the Department of Natural Resources to develop a certain budget; requiring the Department to develop, in coordination with local governments, organizations, and citizens, a certain annual work plan; exempting the Fund from a certain provision of law requiring interest

earnings on State money to accrue to the General Fund of the State; defining a certain term; and generally relating to the protection and restoration of State-owned lakes.

BY adding to

Article – Natural Resources
Section 8–205 and 8–206
Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement
Section 6–226(a)(2)(ii)94. and 95.
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY adding to

Article – State Finance and Procurement
Section 6–226(a)(2)(ii)96.
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – Natural Resources

8–205.

(A) IN THIS SECTION, “FUND” MEANS THE STATE LAKES PROTECTION AND RESTORATION FUND.

(B) THERE IS A STATE LAKES PROTECTION AND RESTORATION FUND.

(C) THE PURPOSE OF THE FUND IS TO PROTECT AND RESTORE STATE-OWNED LAKES.

(D) THE SECRETARY SHALL ADMINISTER THE FUND.

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

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

(F) THE FUND CONSISTS OF:

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

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

(G) THE FUND MAY BE USED ONLY FOR THE PROTECTION OR RESTORATION OF STATE-OWNED LAKES.

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

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

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

(J) MONEY EXPENDED FROM THE FUND FOR THE PROTECTION OR RESTORATION OF STATE-OWNED LAKES IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT WOULD OTHERWISE BE APPROPRIATED FOR THE PROTECTION OR RESTORATION OF STATE-OWNED LAKES.

8-206.

(A) THE DEPARTMENT SHALL DEVELOP A WORKING BUDGET FOR THE FUNDS RECEIVED FROM THE STATE LAKES PROTECTION AND RESTORATION FUND ESTABLISHED UNDER § 8-205 OF THIS SUBTITLE.

(B) THE DEPARTMENT SHALL DEVELOP, IN COORDINATION WITH LOCAL GOVERNMENTS, ORGANIZATIONS, AND CITIZENS, AN ANNUAL WORK PLAN THAT PRIORITIZES AND DETAILS PROJECTS THAT WILL RECEIVE FUNDING FROM THE STATE LAKES PROTECTION AND RESTORATION FUND.

6–226.

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

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

94. the Community Program Fund; [and]

95. the Maryland Corps Program Fund; AND

96. THE STATE LAKES PROTECTION AND RESTORATION FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 405

(Senate Bill 396)

AN ACT concerning

Natural Resources – Protection and Restoration of State–Owned Lakes

FOR the purpose of establishing the State Lakes Protection and Restoration Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Secretary of Natural Resources to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; requiring interest earnings of the Fund to be credited to the Fund; requiring the Department of Natural Resources to develop a certain budget; requiring the Department to develop, in coordination with local governments, organizations, and citizens, a certain annual work plan; exempting the Fund from a certain provision of law requiring interest earnings on State money to accrue to the General Fund of the State; defining a

certain term; and generally relating to the protection and restoration of State-owned lakes.

BY adding to

Article – Natural Resources
Section 8–205 and 8–206
Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement
Section 6–226(a)(2)(ii)94. and 95.
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY adding to

Article – State Finance and Procurement
Section 6–226(a)(2)(ii)96.
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – Natural Resources

8–205.

(A) IN THIS SECTION, “FUND” MEANS THE STATE LAKES PROTECTION AND RESTORATION FUND.

(B) THERE IS A STATE LAKES PROTECTION AND RESTORATION FUND.

(C) THE PURPOSE OF THE FUND IS TO PROTECT AND RESTORE STATE-OWNED LAKES.

(D) THE SECRETARY SHALL ADMINISTER THE FUND.

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

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

(F) THE FUND CONSISTS OF:

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

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

(G) THE FUND MAY BE USED ONLY FOR THE PROTECTION OR RESTORATION OF STATE-OWNED LAKES.

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

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

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

(J) MONEY EXPENDED FROM THE FUND FOR THE PROTECTION OR RESTORATION OF STATE-OWNED LAKES IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT WOULD OTHERWISE BE APPROPRIATED FOR THE PROTECTION OR RESTORATION OF STATE-OWNED LAKES.

8-206.

(A) THE DEPARTMENT SHALL DEVELOP A WORKING BUDGET FOR THE FUNDS RECEIVED FROM THE STATE LAKES PROTECTION AND RESTORATION FUND ESTABLISHED UNDER § 8-205 OF THIS SUBTITLE.

(B) THE DEPARTMENT SHALL DEVELOP, IN COORDINATION WITH LOCAL GOVERNMENTS, ORGANIZATIONS, AND CITIZENS, AN ANNUAL WORK PLAN THAT PRIORITIZES AND DETAILS PROJECTS THAT WILL RECEIVE FUNDING FROM THE STATE LAKES PROTECTION AND RESTORATION FUND.

Article – State Finance and Procurement

6-226.

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

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

94. the Community Program Fund; [and]

95. the Maryland Corps Program Fund; AND

96. THE STATE LAKES PROTECTION AND RESTORATION FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 406

(Senate Bill 116)

AN ACT concerning

Program Open Space – Attainment of Acquisition Goals – Local Government Apportionment and Use of Funds

FOR the purpose of altering the amount a certain local government may spend on development projects and capital renewal after it has ~~attained~~ exceeded its acquisition goals under Program Open Space; repealing a certain limitation on the use of certain funds for a certain local government; requiring the Joint Subcommittee on Program Open Space and Agricultural Land Preservation to review a certain standard, make a certain determination, and report to certain committees of the General Assembly on or before a certain date; and generally relating to the apportionment and use of local government funds for Program Open Space.

BY repealing and reenacting, with amendments,
 Article – Natural Resources
 Section 5–905(c)(1)
 Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

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

Article – Natural Resources

5–905.

(c) (1) (i) One half of any local governing body's annual apportionment shall be used for acquisition or development projects provided that up to 20 percent of the funds authorized for acquisition or development projects under this subparagraph may be used for capital renewal as defined in § 5–901 of this subtitle.

(ii) **1. ~~IF EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, IF~~ the Department and the Department of Planning certify that acquisition goals set forth in the current, approved local land preservation and recreation plan have been met and that such acreage attainment equals or exceeds the minimum recommended acreage goals developed for that jurisdiction under the Maryland Land Preservation and Recreation Plan, a local governing body may use up to ~~75~~ **100** percent of its future annual apportionment for development projects ~~for a period of 5 years after attainment, provided that up to 20 percent of the funds authorized for use for development projects under this subparagraph may be used for~~ **AND** capital renewal.**

2. IF THE DEPARTMENT AND THE DEPARTMENT OF PLANNING CERTIFY THAT ACQUISITION GOALS SET FORTH IN THE CURRENT, APPROVED LOCAL LAND PRESERVATION AND RECREATION PLAN HAVE BEEN EXCEEDED AND THAT THE ACREAGE ATTAINMENT EXCEEDS THE MINIMUM RECOMMENDED ACREAGE GOALS DEVELOPED FOR THAT JURISDICTION UNDER THE MARYLAND LAND PRESERVATION AND RECREATION PLAN, THE LOCAL GOVERNING BODY OF A JURISDICTION THAT HAS MORE THAN 65,000 ACRES OF LAND WITHIN THE JURISDICTION CONSISTING OF STATE FORESTS, STATE PARKS, OR WILDLIFE MANAGEMENT AREAS MAY USE UP TO 100 PERCENT OF ITS FUTURE ANNUAL APPORTIONMENT FOR DEVELOPMENT PROJECTS AND CAPITAL RENEWAL.

(iii) If a county determines that it qualifies for the additional funds for development and capital renewal projects under subparagraph (ii) of this paragraph, before the due date for all local governing bodies to submit revised local land preservation and recreation plans, that county may submit an interim local land preservation and recreation plan:

1. Prior to the submission under subsection (b)(2) of this section; and
2. In addition to the submission required under subsection (b)(2) of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That the Joint Subcommittee on Program Open Space and Agricultural Land Preservation shall:

(1) review the State's standard for land acquisition of 30 acres per 1,000 people to determine whether adjustments may be made to the standard to encourage the additional acquisition of land under Program Open Space; and

(2) on or before October 1, 2018, report its findings and recommendations, in accordance with § 2-1246 of the State Government Article, to the Senate Education, Health, and Environmental Affairs Committee and the House Environment and Transportation Committee.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 407

(House Bill 1154)

AN ACT concerning

Program Open Space – Baltimore City Grants – Use of Grant Funds

FOR the purpose of altering the capital projects for which a certain statutory minimum grant to Baltimore City, payable from the State's share of the proceeds of Program Open Space, may be used; and generally relating to the use of a certain grant to Baltimore City under Program Open Space.

BY repealing and reenacting, without amendments,
 Article – Natural Resources
 Section 5-903(a)(2)(ii)1.
 Annotated Code of Maryland
 (2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
 Article – Natural Resources
 Section 5-903(a)(2)(ii)4.
 Annotated Code of Maryland
 (2012 Replacement Volume and 2016 Supplement)

BY adding to
Article – Natural Resources

Section 5-903(a)(2)(ii)5.Annotated Code of Maryland(2012 Replacement Volume and 2016 Supplement)

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

Article – Natural Resources

5-903.

(a) (2) (ii) 1. As specified in subsubparagraph 2 of this subparagraph, a portion of the State's share of funds available under subparagraph (i)1A of this paragraph for this program shall be utilized to make grants to Baltimore City for projects which meet park purposes. The grants shall be in addition to any funds Baltimore City is eligible to receive under subsection (b) of this section, and may be used for acquisition or development. In order for Baltimore City to be eligible for a State grant, the Department shall review projects or land to be acquired within Baltimore City, and upon the Department's recommendation, the Board of Public Works may approve projects and land including the cost. Title to the land shall be in the name of the Mayor and City Council of Baltimore City. The State is not responsible for costs involved in the development or maintenance of the land.

4. For fiscal year 2018, the grant funds to Baltimore City in excess of \$1,500,000 under subsubparagraph 1 of this subparagraph may only be used for capital purposes related to the following projects in the amounts specified:

A. ~~\$500,000~~ \$400,000 for Herring Run Park;

B. ~~\$600,000~~ \$500,000 for Clifton Park;

C. \$300,000 for Druid Hill Park Trail Head;

D. \$300,000 for [James Mosher Park] **ATHLETIC FIELD RENOVATIONS AT GWYNNNS FALLS PARK; and**

E. \$300,000 for Patterson Park; **AND**

F. \$200,000 FOR FIELD LIGHTS AND OTHER IMPROVEMENTS AT FREDERIC B. LEIDIG RECREATION CENTER.

5. FOR FISCAL YEAR 2019, A PORTION OF THE GRANT FUNDS TO BALTIMORE CITY IN EXCESS OF \$1,500,000 UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH MAY ONLY BE USED FOR CAPITAL PURPOSES RELATED TO THE FOLLOWING PROJECTS IN THE AMOUNTS SPECIFIED:

A. \$100,000 FOR HERRING RUN PARK;

B. \$100,000 FOR CLIFTON PARK; AND

C. \$100,000 FOR FIELD LIGHTS AND OTHER IMPROVEMENTS AT FREDERIC B. LEIDIG RECREATION CENTER.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 408

(House Bill 1253)

AN ACT concerning

State Boat Act – Removal of Abandoned or Sunken Vessels

FOR the purpose of altering the definition of “abandoned vessel” to include a sunken vessel but exclude certain historic property or submerged archaeological historic property; clarifying that certain provisions of law relating to the removal and disposal of abandoned vessels apply to sunken vessels; extending liability protections for damage that may occur during removal, storage, or custody of an abandoned or sunken vessel to a person that removes, preserves, or stores the abandoned or sunken vessel on behalf of the Department of Natural Resources; authorizing the Department, in consultation with the Director of the Maryland Historical Trust, to adopt certain regulations; making certain stylistic changes; and generally relating to the removal of abandoned or sunken vessels.

BY repealing and reenacting, with amendments,
 Article – Natural Resources
 Section 8–721
 Annotated Code of Maryland
 (2012 Replacement Volume and 2016 Supplement)

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

Article – Natural Resources

8–721.

(a) In this section, “abandoned OR SUNKEN vessel” means any vessel that:

(1) Is left illegally or has remained without permission for more than 30 days on public property, including public marinas, docks, or boatyards;

(2) Has remained at the following locations for more than 90 days without the consent of the owner or person in control of the property:

(i) A private marina or property operated by a private marina; or

(ii) A private boatyard or property operated by a private boatyard;

(3) Has remained at the following locations for more than 30 days without the consent of the owner or person in control of the property:

(i) A private dock; or

(ii) At or near waters’ edge on private property;

(4) Has remained on private property other than the private property described in items (2) and (3) of this subsection for more than 180 days without the consent of the owner or person in control of the property; or

(5) **(I)** Has been found adrift or unattended in or upon the waters of the State, and is found in a condition of disrepair as to constitute a hazard or obstruction to the use of the waters of the State or presents a potential health or environmental hazard; **AND**

(II) **IS NOT:**

1. HISTORIC PROPERTY AS DEFINED IN § 5A–301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; OR

2. SUBMERGED ARCHAEOLOGICAL HISTORIC PROPERTY AS DEFINED IN § 5A–333 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(b) **(1)** The Department may seize, remove, and take into custody any abandoned OR SUNKEN vessel.

(2) For this purpose, the Department may use its own personnel, equipment, and facilities or use other persons, equipment, and facilities for removing, preserving, or storing abandoned OR SUNKEN vessels.

(3) The Department, **OR A PERSON REMOVING, PRESERVING, OR STORING AN ABANDONED OR SUNKEN VESSEL ON BEHALF OF THE DEPARTMENT,** may not be held liable for any damage to an abandoned OR SUNKEN vessel which may occur during removal, storage, or custody of the vessel.

(c) (1) No later than 15 days before an abandoned **OR SUNKEN** vessel is seized, removed, or taken into custody under subsection (b) of this section, the Department shall send a notice, by certified mail, return receipt requested, bearing a postmark from the United States Postal Service to the last known registered owner of the vessel, as shown on the records of the Department.

(2) As soon as reasonably possible but not later than 15 days after the Department takes an abandoned **OR SUNKEN** vessel into custody, the Department shall send a notice, by certified mail, return receipt requested, bearing a postmark from the United States Postal Service to the last known registered owner of the vessel and to each secured party, as shown on the records of the Department.

(d) The notices required by subsection (c) of this section shall:

(1) Describe the vessel;

(2) Give the location where the vessel is being held;

(3) Inform the owner and secured party of a right to reclaim the vessel within 3 weeks of receipt of the notice required in subsection (c)(2) of this section upon payment to the Department of any expenses incurred during removal and custody of the vessel; and

(4) State that failure to claim the vessel will constitute:

(i) A waiver of all right, title, and interest in the vessel; and

(ii) A consent to the Department's disposition of the vessel.

(e) (1) If the Department is unable to determine the last registered owner or the identity of any secured party of the abandoned **OR SUNKEN** vessel, or if the certified mail notice required under subsection (c) of this section is returned as undeliverable, the Department shall give the required notice by publication in at least 1 newspaper of general circulation in the area where the abandoned **OR SUNKEN** vessel was found.

(2) The notice by publication shall contain the information required under subsection (d) of this section and shall be published within 30 days of the seizure of the abandoned **OR SUNKEN** vessel, or within 15 days of the return of the certified mail notice as undeliverable.

(f) If the owner or secured party fails to claim the abandoned **OR SUNKEN** vessel within 3 weeks after the certified mail notice or after the notice by publication is given, the Department may sell the vessel at public auction, proceed to receive title to the vessel pursuant to § 8-722 of this subtitle, or otherwise dispose of the vessel.

(g) If the abandoned **OR SUNKEN** vessel is in such a condition of disrepair that the Department cannot remove the vessel intact, the Department may dispose of the vessel in whatever manner is reasonable without providing the notice required under subsections (c) through (e) of this section.

(h) The Department may delegate the Department's authority to remove and dispose of abandoned **OR SUNKEN** vessels under this section to any local jurisdiction that consents to the delegation.

(I) THE DEPARTMENT, IN CONSULTATION WITH THE DIRECTOR OF THE MARYLAND HISTORICAL TRUST, MAY ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 409

(House Bill 626)

AN ACT concerning

Agriculture – Animal Shelters – Standards of Care and Protocol Implementation and Enforcement

FOR the purpose of requiring an animal shelter to follow ~~a certain written veterinary care protocol for dogs and cats and~~ a certain written protocol for reclaiming animals; requiring the Department of Agriculture, on or before a certain date, to adopt certain minimum standards of care for dogs and cats in animal shelters; requiring an animal shelter to follow certain minimum standards of care; requiring the Department to adopt certain regulations on or before a certain date; and generally relating to animal shelters.

BY renumbering

Article – Agriculture

Section 2–1705 to be Section 2–1707

Annotated Code of Maryland

(2016 Replacement Volume)

BY repealing and reenacting, without amendments,

Article – Agriculture

Section 2–1701

Annotated Code of Maryland
(2016 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – Agriculture
Section ~~2–1703~~ and 2–1704
Annotated Code of Maryland
(2016 Replacement Volume)

BY adding to
Article – Agriculture
Section ~~2–1705~~ and 2–1706
Annotated Code of Maryland
(2016 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That Section(s) 2–1705 of Article – Agriculture of the Annotated Code of Maryland be renumbered to be Section(s) 2–1707.

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

Article – Agriculture

2–1701.

In this subtitle, “animal shelter” means:

- (1) A county or municipal animal control facility;
- (2) An organization that contracts with a county or municipality for animal control; or
- (3) An organization that shelters animals and has received a grant from the Spay/Neuter Fund under Subtitle 16 of this title during the previous year.

~~2–1703.~~

~~(a) On or before January 1, 2017, an animal shelter shall establish a written veterinary care protocol for dogs and cats that is consistent with guidelines set forth in the most recent Association of Shelter Veterinarians’ Guidelines for Standards of Care in Animal Shelters with respect to:~~

- ~~(1) Basic care;~~
- ~~(2) Sanitation;~~

- ~~(3) Population management;~~
 - ~~(4) Disease control and prevention;~~
 - ~~(5) Behavioral health and mental well-being; and~~
 - ~~(6) Euthanasia.~~
- ~~(b) The written veterinary care protocol shall include:~~
- ~~(1) Standards that are necessary to protect sheltered dogs' and cats' health, safety, and well-being; and~~
 - ~~(2) A plan for:~~
 - ~~(i) Quality of life enrichment;~~
 - ~~(ii) Veterinary care;~~
 - ~~(iii) Prevention and control of contagious and other diseases; and~~
 - ~~(iv) Any other health and environmental factors that materially affect sheltered dogs' and cats' health, safety, and well-being.~~
- ~~(c) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN ANIMAL SHELTER SHALL FOLLOW ITS WRITTEN VETERINARY CARE PROTOCOL FOR DOGS AND CATS.~~
- ~~(2) An animal shelter may disregard its written veterinary care protocol for a dog or cat that is deemed to be too vicious or dangerous to permit safe handling.~~
- ~~(d) An animal shelter shall update its written veterinary care protocol as necessary to reasonably accommodate any subsequent updates to the Association of Shelter Veterinarians' Guidelines for Standards of Care in Animal Shelters.~~
- ~~(e) On request, an animal shelter shall make its written veterinary care protocol available to the public and the Department.~~

2-1704.

(A) On or before January 1, 2017, an animal shelter shall establish and make available to the public on the animal shelter's Web site or in a conspicuous location within the animal shelter's facility:

(1) A written protocol for reclaiming animals from the animal shelter that includes:

- (i) The minimum holding period for stray animals;
 - (ii) The hours of operation during which an animal may be reclaimed by the animal's owner or caregiver;
 - (iii) The fees associated with reclaiming an animal; and
 - (iv) Any identification or documentation that must be provided to the animal shelter before an animal may be reclaimed; and
- (2) An annual summary of intake and disposition data reported to the Department in accordance with § 2-1602 of this title.

(B) AN ANIMAL SHELTER SHALL FOLLOW ITS WRITTEN PROTOCOL FOR RECLAIMING ANIMALS.

2-1705.

(A) ON OR BEFORE JANUARY 1, 2018, THE DEPARTMENT SHALL ADOPT MINIMUM STANDARDS OF CARE FOR DOGS AND CATS IN ANIMAL SHELTERS THAT ARE CONSISTENT WITH:

(1) THE MOST RECENT ASSOCIATION OF SHELTER VETERINARIANS' GUIDELINES FOR STANDARDS OF CARE IN ANIMAL SHELTERS; AND

(2) THE MOST RECENT GUIDELINES FOR STANDARDS OF CARE IN ANIMAL SHELTERS PREPARED BY THE PROFESSIONAL ANIMAL WORKERS OF MARYLAND.

(B) AN ANIMAL SHELTER SHALL FOLLOW THE MINIMUM STANDARDS OF CARE ADOPTED BY THE DEPARTMENT.

2-1706.

ON OR BEFORE JANUARY 1, 2018, THE DEPARTMENT SHALL ADOPT REGULATIONS TO ENFORCE THIS SUBTITLE.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 410**(House Bill 941)**

AN ACT concerning

Criminal Law – Animal Abuse Emergency Compensation Fund – Establishment

FOR the purpose of requiring certain fines to be remitted to the Animal Abuse Emergency Compensation Fund; establishing the Animal Abuse Emergency Compensation Fund; providing for the uses, purposes, sources of funding, investment of money, and auditing of the Fund; requiring the Executive Director of the Governor's Office of Crime Control and Prevention (GOCCP) to administer the Fund; providing that the Fund is a continuing, nonlapsing fund not subject to certain provisions of law; requiring interest earnings of the Fund to be credited to the Fund; exempting the Fund from a certain provision of law requiring interest on State money in special funds to accrue to the General Fund of the State; defining certain terms; providing for the termination of this Act; and generally relating to the Animal Abuse Emergency Compensation Fund.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 7–302(a)
Annotated Code of Maryland
(2013 Replacement Volume and 2016 Supplement)

BY adding to
Article – Courts and Judicial Proceedings
Section 7–302(h)
Annotated Code of Maryland
(2013 Replacement Volume and 2016 Supplement)

BY adding to
Article – Criminal Law
Section 10–626
Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)94. and 95.

Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY adding to

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)96.

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

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

Article – Courts and Judicial Proceedings

7–302.

(a) Except as provided in subsections (b) through [(g)] **(H)** of this section, the clerks of the District Court shall:

(1) Collect costs, fines, forfeitures, or penalties imposed by the court; and

(2) Remit them to the State under a system agreed upon by the Chief Judge of the District Court and the Comptroller.

(H) THE CLERKS OF THE DISTRICT COURT SHALL:

(1) COLLECT THE FINES, FORFEITURES, AND PENALTIES IMPOSED BY THE COURT FOR VIOLATIONS OF §§ 10–604, 10–606, 10–607, AND 10–608 OF THE CRIMINAL LAW ARTICLE; AND

(2) REMIT THE FINES, FORFEITURES, AND PENALTIES TO THE ANIMAL ABUSE EMERGENCY COMPENSATION FUND ESTABLISHED UNDER § 10–626 OF THE CRIMINAL LAW ARTICLE.

Article – Criminal Law

10–626.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “ANIMAL CONTROL UNIT” HAS THE MEANING STATED IN § 10–617 OF THIS SUBTITLE.

(3) “ANIMAL WELFARE ORGANIZATION” MEANS A NOT–FOR–PROFIT ORGANIZATION ESTABLISHED TO PROMOTE ANIMAL WELFARE THAT HAS RECEIVED

TAX EXEMPT STATUS UNDER § 501(C)(3) OF THE U.S. INTERNAL REVENUE CODE AND IS REGISTERED TO DO BUSINESS IN THE STATE.

(4) “FUND” MEANS THE ANIMAL ABUSE EMERGENCY COMPENSATION FUND ESTABLISHED UNDER THIS SECTION.

(5) “GOCCP” MEANS THE GOVERNOR’S OFFICE OF CRIME CONTROL AND PREVENTION.

(B) THERE IS AN ANIMAL ABUSE EMERGENCY COMPENSATION FUND.

(C) THE PURPOSE OF THE FUND IS TO ASSIST IN PAYING COSTS ASSOCIATED WITH THE REMOVAL AND CARE OF ANIMALS IMPOUNDED UNDER THIS SUBTITLE.

(D) (1) THE EXECUTIVE DIRECTOR OF GOCCP SHALL ADMINISTER THE FUND.

(2) THE EXECUTIVE DIRECTOR SHALL RECEIVE FROM THE FUND EACH FISCAL YEAR THE AMOUNT, NOT EXCEEDING \$50,000 IN A FISCAL YEAR, NECESSARY TO OFFSET ITS COSTS IN ADMINISTERING THIS SUBTITLE.

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

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

(F) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

(2) INTEREST EARNINGS OF THE FUND;

(3) FINES LEVIED AS A RESULT OF CONVICTION OF AN ANIMAL ABUSE CRIME; AND

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

(G) THE FUND MAY BE USED ONLY TO DEFRAY THE REASONABLE COSTS INCURRED BY AN ANIMAL CONTROL UNIT OR ANIMAL WELFARE ORGANIZATION IN CARING FOR AN ANIMAL FROM THE TIME OF SEIZURE UNTIL THE OUTCOME OF THE CRIMINAL CASE INCLUDING:

- (1) IMPOUND;
- (2) TRANSPORTATION;
- (3) MEDICAL CARE;
- (4) FOOD;
- (5) ROUTINE CARE; AND
- (6) SHELTERING.

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

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

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

Article – State Finance and Procurement

6–226.

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

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

94. the Community Program Fund; [and]

95. the Maryland Corps Program Fund; AND

96. THE ANIMAL ABUSE EMERGENCY COMPENSATION FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017. It shall remain effective for a period of 3 years and, at the end of September 30, 2020, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 4, 2017.

Chapter 411

(Senate Bill 269)

AN ACT concerning

Emergency Veterinary Care – Immunity From Liability

FOR the purpose of providing that certain prohibitions relating to the practice of veterinary medicine do not apply to certain acts or omissions for which a person may not be held civilly liable; providing immunity from civil liability for a certain person providing veterinary aid, care, or assistance to an animal under certain circumstances; making certain stylistic changes; and generally relating to liability for acts or omissions in giving emergency veterinary care.

BY repealing and reenacting, with amendments,

Article – Agriculture

Section 2–313(a) and 2–314

Annotated Code of Maryland

(2016 Replacement Volume)

BY repealing

Article – Courts and Judicial Proceedings

Section 5–614

Annotated Code of Maryland

(2013 Replacement Volume and 2016 Supplement)

BY adding to

Article – Courts and Judicial Proceedings

Section 5–614

Annotated Code of Maryland

(2013 Replacement Volume and 2016 Supplement)

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

Article – Agriculture

2–313.

(a) **(1) THIS SUBSECTION DOES NOT APPLY TO AN ACT OR OMISSION IN GIVING EMERGENCY VETERINARY AID, CARE, OR ASSISTANCE FOR WHICH A PERSON MAY NOT BE HELD CIVILLY LIABLE UNDER § 5-614 OF THE COURTS ARTICLE.**

(2) A person may not:

[(1)] (I) Practice veterinary medicine unless [he] **THE PERSON** is licensed, registered, and authorized to engage in the practice under the provisions of this subtitle;

[(2)] (II) Practice veterinary medicine under a name other than the one on [his] **THE PERSON'S** license and registration, or induce any person to so practice in violation of this subtitle;

[(3)] (III) Practice veterinary medicine unless [his] **THE PERSON'S** license and registration are displayed in [his] **THE PERSON'S** regularly established office and place of practice;

[(4)] (IV) Own, maintain, conduct, operate, or manage a veterinary office, veterinary dental office, veterinary hospital, or a dog, cat, or animal hospital, unless [(i) he]:

1. **THE PERSON** is a licensed veterinarian[,]; or[(ii) the]

2. **THE** office or hospital is under the direct supervision and control of a licensed and registered veterinarian and a licensed or registered veterinarian is employed in the office or hospital;

[(5)] (V) Advertise any veterinary office, veterinary dental office, veterinary hospital, or a dog, cat, or animal hospital except in accordance with the rules and regulations of the Board;

[(6)] (VI) Except as provided in subsections (b) and (c) of this section, practice veterinary medicine and sell or dispense any medication, which is not in the original manufacturer's container;

[(7)] (VII) Advertise as a Board registered veterinary technician unless registered with the Board as required by this subtitle; or

[(8)] (VIII) Practice as a veterinary technician unless employed by a veterinary practitioner.

A person licensed by the State of Maryland to provide veterinary care [or], a student of veterinary medicine who works under the responsible direct supervision of a veterinary practitioner as defined by § 2–301(c) of this subtitle [who, for no fee or compensation, renders veterinary aid, care, or assistance in an emergency situation in which the owner or custodian of the animal is not available to grant permission], **OR A VETERINARY TECHNICIAN REGISTERED BY THE STATE UNDER § 2–309 OF THIS SUBTITLE** shall have the immunity from liability described under § 5–614 of the Courts and Judicial Proceedings Article.

Article – Courts and Judicial Proceedings

[5–614.

A person licensed by the State to provide veterinary care or a student of veterinary medicine who works under the responsible direct supervision of a veterinary practitioner as defined by § 2–301(c) of the Agriculture Article who, for no fee or compensation, renders veterinary aid, care, or assistance in an emergency situation in which the owner or custodian of the animal is not available to grant permission, is not liable for any civil damages as the result of any professional act or omission by the person not amounting to gross negligence.]

5–614.

(A) THIS SECTION APPLIES TO:

(1) AN INDIVIDUAL LICENSED BY THE STATE TO PROVIDE VETERINARY CARE, A STUDENT OF VETERINARY MEDICINE WHO WORKS UNDER THE RESPONSIBLE DIRECT SUPERVISION OF A VETERINARY PRACTITIONER AS DEFINED BY § 2–301(C) OF THE AGRICULTURE ARTICLE, OR A VETERINARY TECHNICIAN REGISTERED BY THE STATE UNDER § 2–309 OF THE AGRICULTURE ARTICLE;

(2) AN INDIVIDUAL WHO IS LICENSED BY THIS STATE TO PROVIDE MEDICAL CARE;

(3) A MEMBER OF ANY STATE, COUNTY, MUNICIPAL, OR VOLUNTEER FIRE DEPARTMENT, AMBULANCE AND RESCUE SQUAD, OR LAW ENFORCEMENT AGENCY, OR A CORPORATE FIRE DEPARTMENT;

(4) A VOLUNTEER FIRE DEPARTMENT OR AMBULANCE AND RESCUE SQUAD WHOSE MEMBERS HAVE IMMUNITY; ~~AND~~

(5) A CORPORATION WHEN ITS FIRE DEPARTMENT PERSONNEL ARE IMMUNE UNDER ITEM ~~(2)~~ (3) OF THIS SUBSECTION; AND

(6) AN INDIVIDUAL EMPLOYED OR DESIGNATED BY A LOCAL GOVERNMENT AS AN ANIMAL CONTROL OFFICER WHILE RESPONDING IN THE INDIVIDUAL'S OFFICIAL CAPACITY TO A CALL IN THE COMMUNITY.

(B) A PERSON IS NOT CIVILLY LIABLE FOR ANY ACT OR OMISSION IN GIVING ANY VETERINARY AID, CARE, OR ASSISTANCE TO AN ANIMAL WHERE THE OWNER OR CUSTODIAN OF THE ANIMAL IS NOT AVAILABLE TO GRANT PERMISSION IF:

(1) THE ACT OR OMISSION IS NOT ONE OF GROSS NEGLIGENCE;

(2) THE VETERINARY AID, CARE, OR ASSISTANCE IS PROVIDED WITHOUT FEE OR OTHER COMPENSATION FROM THE OWNER OR CUSTODIAN OF THE ANIMAL; AND

(3) THE VETERINARY AID, CARE, OR ASSISTANCE IS PROVIDED:

(I) AT THE SCENE OF AN EMERGENCY;

(II) IN TRANSIT TO A VETERINARY FACILITY; OR

(III) THROUGH COMMUNICATIONS WITH LICENSED VETERINARY PERSONNEL PROVIDING EMERGENCY VETERINARY ASSISTANCE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 412

(House Bill 216)

AN ACT concerning

Emergency Veterinary Care – Immunity From Liability

FOR the purpose of providing that certain prohibitions relating to the practice of veterinary medicine do not apply to certain acts or omissions for which a person may not be held civilly liable; providing immunity from civil liability for a certain person providing veterinary aid, care, or assistance to an animal under certain circumstances; making certain stylistic changes; and generally relating to liability for acts or omissions in giving emergency veterinary care.

BY repealing and reenacting, with amendments,

Article – Agriculture
Section 2–313(a) and 2–314
Annotated Code of Maryland
(2016 Replacement Volume)

BY repealing

Article – Courts and Judicial Proceedings
Section 5–614
Annotated Code of Maryland
(2013 Replacement Volume and 2016 Supplement)

BY adding to

Article – Courts and Judicial Proceedings
Section 5–614
Annotated Code of Maryland
(2013 Replacement Volume and 2016 Supplement)

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

Article – Agriculture

2–313.

(a) **(1) THIS SUBSECTION DOES NOT APPLY TO AN ACT OR OMISSION IN GIVING EMERGENCY VETERINARY AID, CARE, OR ASSISTANCE FOR WHICH A PERSON MAY NOT BE HELD CIVILLY LIABLE UNDER § 5–614 OF THE COURTS ARTICLE.**

(2) A person may not:

[(1)] (I) Practice veterinary medicine unless **[he] THE PERSON** is licensed, registered, and authorized to engage in the practice under the provisions of this subtitle;

[(2)] (II) Practice veterinary medicine under a name other than the one on **[his] THE PERSON’S** license and registration, or induce any person to so practice in violation of this subtitle;

[(3)] (III) Practice veterinary medicine unless **[his] THE PERSON’S** license and registration are displayed in **[his] THE PERSON’S** regularly established office and place of practice;

[(4)] (IV) Own, maintain, conduct, operate, or manage a veterinary office, veterinary dental office, veterinary hospital, or a dog, cat, or animal hospital, unless **[(i) he]:**

1. **THE PERSON** is a licensed veterinarian[,]; or[(ii) the]

2. **THE** office or hospital is under the direct supervision and control of a licensed and registered veterinarian and a licensed or registered veterinarian is employed in the office or hospital;

[(5)] **(V)** Advertise any veterinary office, veterinary dental office, veterinary hospital, or a dog, cat, or animal hospital except in accordance with the rules and regulations of the Board;

[(6)] **(VI)** Except as provided in subsections (b) and (c) of this section, practice veterinary medicine and sell or dispense any medication, which is not in the original manufacturer's container;

[(7)] **(VII)** Advertise as a Board registered veterinary technician unless registered with the Board as required by this subtitle; or

[(8)] **(VIII)** Practice as a veterinary technician unless employed by a veterinary practitioner.

2-314.

A person licensed by the State of Maryland to provide veterinary care [or], a student of veterinary medicine who works under the responsible direct supervision of a veterinary practitioner as defined by § 2-301(c) of this subtitle [who, for no fee or compensation, renders veterinary aid, care, or assistance in an emergency situation in which the owner or custodian of the animal is not available to grant permission], **OR A VETERINARY TECHNICIAN REGISTERED BY THE STATE UNDER § 2-309 OF THIS SUBTITLE** shall have the immunity from liability described under § 5-614 of the Courts and Judicial Proceedings Article.

Article – Courts and Judicial Proceedings

[5-614.

A person licensed by the State to provide veterinary care or a student of veterinary medicine who works under the responsible direct supervision of a veterinary practitioner as defined by § 2-301(c) of the Agriculture Article who, for no fee or compensation, renders veterinary aid, care, or assistance in an emergency situation in which the owner or custodian of the animal is not available to grant permission, is not liable for any civil damages as the result of any professional act or omission by the person not amounting to gross negligence.]

5-614.

(A) THIS SECTION APPLIES TO:

(1) AN INDIVIDUAL LICENSED BY THE STATE TO PROVIDE VETERINARY CARE, A STUDENT OF VETERINARY MEDICINE WHO WORKS UNDER THE RESPONSIBLE DIRECT SUPERVISION OF A VETERINARY PRACTITIONER AS DEFINED BY § 2-301(C) OF THE AGRICULTURE ARTICLE, OR A VETERINARY TECHNICIAN REGISTERED BY THE STATE UNDER § 2-309 OF THE AGRICULTURE ARTICLE;

(2) AN INDIVIDUAL WHO IS LICENSED BY THIS STATE TO PROVIDE MEDICAL CARE;

(3) A MEMBER OF ANY STATE, COUNTY, MUNICIPAL, OR VOLUNTEER FIRE DEPARTMENT, AMBULANCE AND RESCUE SQUAD, OR LAW ENFORCEMENT AGENCY, OR A CORPORATE FIRE DEPARTMENT;

(4) A VOLUNTEER FIRE DEPARTMENT OR AMBULANCE AND RESCUE SQUAD WHOSE MEMBERS HAVE IMMUNITY; ~~AND~~

(5) A CORPORATION WHEN ITS FIRE DEPARTMENT PERSONNEL ARE IMMUNE UNDER ITEM ~~(2)~~ (3) OF THIS SUBSECTION; AND

(6) AN INDIVIDUAL EMPLOYED OR DESIGNATED BY A LOCAL GOVERNMENT AS AN ANIMAL CONTROL OFFICER WHILE RESPONDING IN THE INDIVIDUAL'S OFFICIAL CAPACITY TO A CALL IN THE COMMUNITY.

(B) A PERSON IS NOT CIVILLY LIABLE FOR ANY ACT OR OMISSION IN GIVING ANY VETERINARY AID, CARE, OR ASSISTANCE TO AN ANIMAL WHERE THE OWNER OR CUSTODIAN OF THE ANIMAL IS NOT AVAILABLE TO GRANT PERMISSION IF:

(1) THE ACT OR OMISSION IS NOT ONE OF GROSS NEGLIGENCE;

(2) THE VETERINARY AID, CARE, OR ASSISTANCE IS PROVIDED WITHOUT FEE OR OTHER COMPENSATION FROM THE OWNER OR CUSTODIAN OF THE ANIMAL; AND

(3) THE VETERINARY AID, CARE, OR ASSISTANCE IS PROVIDED:

(I) AT THE SCENE OF AN EMERGENCY;

(II) IN TRANSIT TO A VETERINARY FACILITY; OR

(III) THROUGH COMMUNICATIONS WITH LICENSED VETERINARY PERSONNEL PROVIDING EMERGENCY VETERINARY ASSISTANCE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 413

(Senate Bill 143)

AN ACT concerning

Injury to or Death of Pet – Damages

FOR the purpose of providing that a person who tortiously causes an injury to or death of a pet while acting through an animal under the person's ownership is liable to the owner of the pet for certain compensatory damages; ~~repealing~~ increasing a certain cap on the compensatory damages for which a person who tortiously causes an injury to or death of a pet is liable; providing for the application of this Act; and generally relating to civil liability for causing injury to or death of a pet.

BY repealing and reenacting, with amendments,
 Article – Courts and Judicial Proceedings
 Section 11–110
 Annotated Code of Maryland
 (2013 Replacement Volume and 2016 Supplement)

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

Article – Courts and Judicial Proceedings

11–110.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Compensatory damages” means:
 - (i) In the case of the death of a pet, the fair market value of the pet before death and the reasonable and necessary cost of veterinary care; and
 - (ii) In the case of an injury to a pet, the reasonable and necessary cost of veterinary care.
- (3) (i) “Pet” means a domesticated animal.

(ii) “Pet” does not include livestock.

(b) ~~¶(1)~~ A person who tortiously causes an injury to or death of a pet while acting individually or through an animal under the person’s **OWNERSHIP**, direction, or control is liable to the owner of the pet for compensatory damages.

~~¶(2)~~ The damages awarded under paragraph (1) of this subsection may not exceed ~~\$7,500~~ **\$10,000.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any cause of action arising before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 414

(House Bill 334)

AN ACT concerning

Local Government – Regulation of Animals – Kennel Licenses

FOR the purpose of altering the conditions under which a person is required to obtain a kennel license from a local licensing agency; and generally relating to kennel licenses.

BY repealing and reenacting, without amendments,

Article – Local Government
Section 13–108(a)
Annotated Code of Maryland
(2013 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Local Government
Section 13–108(b)
Annotated Code of Maryland
(2013 Volume and 2016 Supplement)

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

Article – Local Government

13–108.

(a) This section applies to all counties, including Baltimore City.

(b) Notwithstanding any other provisions of this subtitle, a person shall obtain a kennel license from the local licensing agency if the person:

(1) owns or has custody of [15] ~~§ 6~~ or more unspayed female dogs over the age of 6 months kept for the purpose of breeding the dogs and selling their offspring; [and]
OR

(2) sells dogs from six or more litters in a year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 415

(Senate Bill 573)

AN ACT concerning

Local Government – Regulation of Animals – Kennel Licenses

FOR the purpose of altering the conditions under which a person is required to obtain a kennel license from a local licensing agency; and generally relating to kennel licenses.

BY repealing and reenacting, without amendments,

Article – Local Government
 Section 13–108(a)
 Annotated Code of Maryland
 (2013 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Local Government
 Section 13–108(b)
 Annotated Code of Maryland
 (2013 Volume and 2016 Supplement)

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

Article – Local Government

13–108.

(a) This section applies to all counties, including Baltimore City.

(b) Notwithstanding any other provisions of this subtitle, a person shall obtain a kennel license from the local licensing agency if the person:

(1) owns or has custody of [15] ~~§ 6~~ or more unspayed female dogs over the age of 6 months kept for the purpose of breeding the dogs and selling their offspring; [and]
OR

(2) sells dogs from six or more litters in a year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 416

(Senate Bill 441)

AN ACT concerning

Veterans Affairs – Maryland Veterans Service Animal Program – Establishment

FOR the purpose of establishing the Maryland Veterans Service Animal Program in the Department of Veterans Affairs; specifying the purposes of the Program; requiring the Department to select certain nonprofit entities to implement a certain training protocol, select certain Program participants, and provide certain training and services to certain veterans; establishing certain criteria that a nonprofit entity must meet to be eligible for selection under the Program; authorizing, under certain circumstances, a nonprofit training entity to disqualify a Program participant from participating in the Program; authorizing a Program participant to discontinue involvement in the Program for any reason; establishing the Maryland Veterans Service Animal Program Fund; specifying the sources of revenue and uses for the Fund; authorizing the Department to accept donations for the Fund; requiring the Department to publish the names of certain donors to the Fund on an annual basis; requiring the Department to adopt certain regulations; defining certain terms; requiring the Department, on or before a certain date, to report certain information

to the General Assembly; and generally relating to the Maryland Veterans Service Animal Program.

BY adding to

Article – State Government

Section 9–957 to be under the new part “Part VIII. Maryland Veterans Service Animal Program”

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

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

Article – State Government

9–955. RESERVED.

9–956. RESERVED.

PART VIII. MARYLAND VETERANS SERVICE ANIMAL PROGRAM.

9–957.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “ELIGIBLE VETERAN” MEANS AN INDIVIDUAL WHO:

(I) SERVED ON ACTIVE DUTY IN:

1. THE ARMED FORCES OF THE UNITED STATES, ~~OTHER THAN FOR TRAINING, AND WAS DISCHARGED OR RELEASED UNDER CONDITIONS OTHER THAN DISHONORABLE;~~

2. THE NATIONAL GUARD; OR

3. A RESERVE COMPONENT OF THE ARMED FORCES OF THE UNITED STATES;

(II) SERVED IN A CAPACITY OTHER THAN FOR TRAINING;

(III) WAS DISCHARGED OR RELEASED UNDER CONDITIONS OTHER THAN DISHONORABLE; AND

~~(H)~~ (IV) 1. IS A RESIDENT OF THE STATE; OR

2. RECEIVES TREATMENT OR CARE FROM A VETERANS' ADMINISTRATION HOSPITAL IN THE STATE.

(3) "FUND" MEANS THE MARYLAND VETERANS SERVICE ANIMAL PROGRAM FUND ESTABLISHED UNDER SUBSECTION (F) OF THIS SECTION.

(4) "NONPROFIT TRAINING ENTITY" MEANS A CORPORATION, A FOUNDATION, OR ANY OTHER LEGAL ENTITY THAT:

(I) IS QUALIFIED UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE;

(II) ENGAGES IN THE TRAINING OF SERVICE DOGS OR SUPPORT DOGS FOR USE BY VETERANS; AND

(III) HAS BEEN SELECTED BY THE DEPARTMENT TO PROVIDE SERVICES UNDER THIS SECTION.

(5) "PROGRAM" MEANS THE MARYLAND VETERANS SERVICE ANIMAL PROGRAM ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION.

(6) "PROGRAM PARTICIPANT" MEANS AN ELIGIBLE VETERAN WHO PARTICIPATES IN THE PROGRAM.

(7) "SUCCESSFUL PROGRAM PARTICIPANT" MEANS A PROGRAM PARTICIPANT WHO SUCCESSFULLY COMPLETES THE TRAINING PROTOCOL SPECIFIED BY A NONPROFIT TRAINING ENTITY.

(B) THERE IS A MARYLAND VETERANS SERVICE ANIMAL PROGRAM IN THE DEPARTMENT.

(C) THE PURPOSES OF THE PROGRAM ARE TO:

(1) ~~IDENTIFY~~ REFER ELIGIBLE VETERANS WHO ~~MAY PARTICIPATE INQUIRE ABOUT PARTICIPATION IN THE PROGRAM AND BE PAIRED WITH SERVICE DOGS OR SUPPORT DOGS THAT HAVE BEEN IDENTIFIED BY A NONPROFIT TRAINING ENTITY IN CONJUNCTION WITH THE PROGRAM PARTICIPANTS~~ TO ONE OR MORE NONPROFIT TRAINING ENTITIES;

(2) PROVIDE ADDITIONAL FUNDING MECHANISMS TO ASSIST ~~IN~~ VETERANS PARTICIPATING IN THE PROGRAM;

(3) ENCOURAGE SUCCESSFUL PROGRAM PARTICIPANTS TO ASSIST IN OUTREACH AND ~~IDENTIFICATION~~ REFERRAL OF OTHER ELIGIBLE VETERANS WHO COULD BENEFIT FROM PARTICIPATION IN THE PROGRAM; ~~AND~~

(4) ASSIST IN THE REDUCTION OF THE MARYLAND VETERAN SUICIDE RATE; AND

~~(4) (5) EXPAND THE PROGRAM BY IDENTIFYING~~ IDENTIFY POTENTIAL CAPITAL PROJECTS AND SERVICES TO FACILITATE MORE SERVICES FOR VETERANS IN THE STATE.

(D) (1) THE DEPARTMENT SHALL SELECT AT LEAST ONE NONPROFIT TRAINING ENTITY TO:

(I) IMPLEMENT A TRAINING PROTOCOL FOR THE PURPOSES OF THE PROGRAM THAT WILL TEACH EACH PROGRAM PARTICIPANT METHODOLOGIES, STRATEGIES, AND TECHNIQUES FOR PARTNERING WITH SERVICE DOGS OR SUPPORT DOGS;

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

(III) SELECT AN APPROPRIATE SERVICE DOG OR SUPPORT DOG FOR EACH PROGRAM PARTICIPANT;

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

(V) PARTNER EACH SUCCESSFUL PROGRAM PARTICIPANT WITH THE SERVICE DOG OR SUPPORT DOG ON THE PROGRAM PARTICIPANT'S SUCCESSFUL COMPLETION OF THE NONPROFIT TRAINING ENTITY'S TRAINING PROTOCOL; ~~AND.~~

~~(VI) ASSIST SUCCESSFUL PROGRAM PARTICIPANTS WITH LEARNING AND APPLYING METHODOLOGIES, STRATEGIES, AND TECHNIQUES FOR PARTNERING WITH SERVICE DOGS AND SUPPORT DOGS.~~

(2) TO BE ELIGIBLE FOR SELECTION UNDER PARAGRAPH (1) OF THIS SUBSECTION, A NONPROFIT ENTITY MUST:

(I) BE BASED IN THE STATE;

(II) SERVE THE NEEDS OF THE VETERAN POPULATION IN THE STATE; AND

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

(E) (1) A NONPROFIT TRAINING ENTITY MAY DISQUALIFY A PROGRAM PARTICIPANT FROM PARTICIPATION IN THE PROGRAM IF THE NONPROFIT TRAINING ENTITY DETERMINES THAT THE PROGRAM PARTICIPANT'S INVOLVEMENT IN THE PROGRAM:

(I) PRESENTS A DANGER TO THE PROGRAM PARTICIPANT'S MENTAL OR PHYSICAL WELLBEING;

(II) HAS CAUSED OR MAY POTENTIALLY CAUSE HARM TO OTHERS, AN ANIMAL, OR PROPERTY;

(III) PRESENTS A DANGER TO THE SERVICE DOG'S OR SUPPORT DOG'S MENTAL OR PHYSICAL WELL-BEING; OR

(IV) DOES NOT MEET THE TRAINING REQUIREMENT OF THE NONPROFIT.

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

(F) (1) THERE IS A MARYLAND VETERANS SERVICE ANIMAL PROGRAM FUND.

(2) THE DEPARTMENT SHALL USE REVENUE FROM THE FUND TO PAY A NONPROFIT TRAINING ENTITY.

(3) REVENUE FROM THE FUND MAY BE USED ONLY TO PAY:

(I) A NONPROFIT TRAINING ENTITY; AND

(II) ADMINISTRATIVE COSTS OF THE PROGRAM.

(4) THE SECRETARY SHALL ADMINISTER THE FUND.

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

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

(6) THE FUND CONSISTS OF:

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

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

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

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

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

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

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

(G) (1) FOR THE PURPOSE OF IMPLEMENTING THIS SECTION, THE DEPARTMENT MAY ACCEPT GIFTS OR GRANTS FOR DONATION TO THE FUND.

(2) ON OR BEFORE OCTOBER 1, 2018, AND EACH OCTOBER 1 THEREAFTER, THE DEPARTMENT SHALL POST AND MAINTAIN ON ITS WEB SITE A LIST OF THE NAMES OF THE PERSONS WHO HAVE DONATED TO THE FUND IN THE PREVIOUS YEAR AND HAVE NOT REQUESTED ANONYMITY.

(H) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION, INCLUDING REGULATIONS ESTABLISHING PROCEDURES FOR THE DEPARTMENT TO:

(1) ~~ADVERTISE~~ PROMOTE THE PROGRAM TO ELIGIBLE VETERANS THROUGH THE DEPARTMENT'S OUTREACH METHODS;

~~(2) CREATE AN APPLICATION AND SELECTION PROCESS FOR ELIGIBLE VETERANS; AND~~

~~(3) ESTABLISH A PROCESS TO SHARE APPROVED APPLICATIONS OF POTENTIAL PROGRAM PARTICIPANTS WITH THE SELECTED NONPROFIT.~~

(2) REFER ELIGIBLE VETERANS TO SELECTED NONPROFIT ENTITIES;

(3) RECEIVE DONATIONS FOR THE FUND THROUGH A LINK PLACED IN A PROMINENT LOCATION ON THE DEPARTMENT'S WEB SITE; AND

(4) USE REVENUE FROM THE FUND TO PAY SELECTED NONPROFIT ENTITIES FOR SERVICES THAT ARE PROVIDED THROUGH THE PROGRAM.

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31, 2019, the Department of Veterans Affairs shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, the following information regarding the Maryland Veterans Service Animal Program established under § 9-957 of the State Government Article, as enacted by Section 1 of this Act:

(1) the number of Program participants involved in the Program;

(2) the nonprofit training entity or entities selected by the Department for involvement in the Program;

(3) an accounting of the money deposited into and redeemed out of the Maryland Veterans Service Animal Program Fund established under § 9-957 of the State Government Article, as enacted by Section 1 of this Act; and

(4) any other information related to the Maryland Veterans Service Animal Program that the Department considers relevant.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 417

(House Bill 1463)

AN ACT concerning

Veterinary Practitioners – Animal Cruelty and Animal Fighting – Reporting

FOR the purpose of repealing certain provisions of law requiring the State Board of Veterinary Medical Examiners to adopt regulations encouraging a veterinary

practitioner to report suspected instances of certain animal cruelty to certain agencies; repealing certain provisions of law providing immunity from civil liability for a veterinary practitioner who reports suspected animal cruelty to certain agencies; requiring a veterinary practitioner who has reason to believe that an animal that has been treated by the veterinary practitioner has been subjected to cruelty or fighting in violation of certain provisions of law to report the suspected animal cruelty or animal fighting to a certain law enforcement agency or county animal control agency in a certain manner; authorizing the Board to impose certain disciplinary actions on a veterinary practitioner for failure to comply with certain animal cruelty and animal fighting reporting requirements; providing immunity from civil liability or criminal prosecution for a veterinary practitioner who reports suspected animal cruelty or animal fighting or participates in an investigation of suspected animal cruelty or animal fighting; requiring the Board to adopt certain regulations; and generally relating to the reporting of animal cruelty and animal fighting by veterinary practitioners.

BY repealing and reenacting, without amendments,

Article – Agriculture

Section 2–301(a), (d), (h), and (i)

Annotated Code of Maryland

(2016 Replacement Volume)

BY repealing

Article – Agriculture

Section 2–304(f)

Annotated Code of Maryland

(2016 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Agriculture

Section 2–310(10) and (11)

Annotated Code of Maryland

(2016 Replacement Volume)

BY adding to

Article – Agriculture

Section 2–310(12) and 2–313.1

Annotated Code of Maryland

(2016 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Courts and Judicial Proceedings

Section 5–424

Annotated Code of Maryland

(2013 Replacement Volume and 2016 Supplement)

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

Article – Agriculture

2–301.

- (a) In this subtitle the following words have the meanings indicated.
- (d) “License” means a license to practice veterinary medicine in the State.
- (h) “Veterinarian” means any person who is a graduate of a college of veterinary medicine.
- (i) “Veterinary practitioner” means a licensed and registered veterinarian engaged in the practice of veterinary medicine.

2–304.

[(f) (1) The Board shall adopt regulations encouraging a veterinary practitioner to report suspected instances of animal cruelty, including suspected animal fighting, to a local law enforcement or county animal control agency.

(2) A veterinary practitioner shall be immune from any civil liability that results from a report in good faith to a local law enforcement or county animal control agency under this subsection.]

2–310.

The Board may refuse, suspend, or revoke any application or license, and censure or place on probation any licensee after a hearing, if the veterinarian or veterinary practitioner:

(10) Is determined by four members to be professionally incompetent as a veterinary practitioner; [or]

(11) Is disciplined by a licensing authority of another state, including the suspension or revocation of a license to practice veterinary medicine, for an act that would be grounds for disciplinary action under this section; **OR**

(12) FAILS TO COMPLY WITH ANIMAL CRUELTY OR ANIMAL FIGHTING REPORTING REQUIREMENTS UNDER § 2–313.1 OF THIS SUBTITLE.

2–313.1.

(A) A VETERINARY PRACTITIONER WHO HAS REASON TO BELIEVE THAT AN ANIMAL THAT HAS BEEN TREATED BY THE VETERINARY PRACTITIONER HAS BEEN SUBJECTED TO CRUELTY OR FIGHTING IN VIOLATION OF § 10-604, § 10-606, § 10-607, OR § 10-608 OF THE CRIMINAL LAW ARTICLE SHALL REPORT THE SUSPECTED ANIMAL CRUELTY OR ANIMAL FIGHTING TO THE APPROPRIATE LAW ENFORCEMENT AGENCY OR COUNTY ANIMAL CONTROL AGENCY IN A TIMELY MANNER.

(B) A VETERINARY PRACTITIONER WHO MAKES A REPORT UNDER SUBSECTION ~~(B)~~ (A) OF THIS SECTION SHALL INCLUDE IN THE REPORT:

(1) THE NAME, AGE, AND LOCATION OF THE ANIMAL;

(2) THE NAME AND HOME ADDRESS OF THE OWNER OR CUSTODIAN OF THE ANIMAL;

(3) THE LOCATION OF THE ANIMAL;

(4) THE NATURE AND EXTENT OF THE SUSPECTED ANIMAL CRUELTY OR ANIMAL FIGHTING, INCLUDING ANY EVIDENCE OR INFORMATION AVAILABLE TO THE VETERINARY PRACTITIONER CONCERNING POSSIBLE PREVIOUS INSTANCES OF ANIMAL CRUELTY OR ANIMAL FIGHTING; AND

(5) ANY OTHER INFORMATION THAT WOULD HELP DETERMINE:

(i) THE CAUSE OF THE SUSPECTED ANIMAL CRUELTY OR ANIMAL FIGHTING; AND

(ii) THE IDENTITY OF ANY INDIVIDUAL RESPONSIBLE FOR THE SUSPECTED ANIMAL CRUELTY OR ANIMAL FIGHTING.

(C) A VETERINARY PRACTITIONER WHO REPORTS IN GOOD FAITH SUSPECTED ANIMAL CRUELTY OR ANIMAL FIGHTING OR PARTICIPATES IN AN INVESTIGATION OF SUSPECTED ANIMAL CRUELTY OR ANIMAL FIGHTING IS IMMUNE FROM:

(1) CIVIL LIABILITY THAT RESULTS FROM THE REPORT OR PARTICIPATION IN THE INVESTIGATION; OR

(2) CRIMINAL PROSECUTION FOR THE REPORT OR PARTICIPATION IN THE INVESTIGATION.

(D) THE BOARD SHALL ADOPT REGULATIONS ESTABLISHING:

(1) CONFIDENTIALITY PROCEDURES FOR PROTECTING THE IDENTITY OF THE VETERINARY PRACTITIONER MAKING A REPORT UNDER THIS SECTION;

(2) CONFIDENTIALITY PROCEDURES FOR PROTECTING THE SUBSTANCE OF A REPORT MADE UNDER THIS SECTION AND ANY RECORDS ASSOCIATED WITH THE REPORT; AND

(3) CONDITIONS UNDER WHICH THE SUBSTANCE OF A REPORT MAY BE DISCLOSED.

Article – Courts and Judicial Proceedings

5–424.

A licensed veterinary practitioner is immune from any civil liability that results from:

(1) The actions of a licensed acupuncturist that practices in accordance with § 2–301(g)(11) of the Agriculture Article;

(2) The actions of a person that:

(i) Is licensed, certified, or otherwise authorized to practice a health occupation under the Health Occupations Article; and

(ii) Is authorized to practice the health occupation on an animal in accordance with § 2–304 of the Agriculture Article; [or]

(3) A report in good faith of suspected animal cruelty **OR ANIMAL FIGHTING** to a local law enforcement or county animal control agency under **[§ 2–304(f)] § 2–313.1** of the Agriculture Article; **OR**

(4) THE LICENSED VETERINARY PRACTITIONER’S PARTICIPATION IN AN INVESTIGATION OF SUSPECTED ANIMAL CRUELTY OR ANIMAL FIGHTING AS PROVIDED IN § 2–313.1(C) OF THE AGRICULTURE ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 418**(House Bill 710)**

AN ACT concerning

Charles County – Alcoholic Beverages – Alcohol Awareness Certification

FOR the purpose of requiring in Charles County a holder of certain alcoholic beverages licenses or an individual designated by the license holder who is employed in a supervisory capacity to be certified by an approved alcohol awareness program and to be present on the licensed premises at all times when alcoholic beverages may be sold; providing certain penalties; and generally relating to holders of alcoholic beverages licenses in Charles County.

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 18–102
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section 18–1901
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY adding to
Article – Alcoholic Beverages
Section 18–1902.1
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

18–102.

This title applies only in Charles County.

18–1901.

(a) The following sections of Title 4, Subtitle 5 (“Conduct of Local License Holders”) of Division I of this article apply in the county without exception or variation:

- (1) § 4–502 (“Storage of alcoholic beverages”);
- (2) § 4–503 (“Solicitations and sales outside of licensed premises”);
- (3) [§ 4–505 (“Alcohol awareness program”);
- (4)] § 4–506 (“Evidence of purchaser’s age”);
- [(5)] (4) § 4–507 (“Retail delivery of alcoholic beverages”); and
- [(6)] (5) § 4–508 (“Display of license”).

(b) [Section] **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 5 (“CONDUCT OF LOCAL LICENSE HOLDERS”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) § 4–504 (“Employment of underage individuals”) [of Division I of this article applies in the county], subject to § 18–1902 of this subtitle; **AND**

(2) § 4–505 (“ALCOHOL AWARENESS PROGRAM”), SUBJECT TO § 18–1902.1 OF THIS SUBTITLE.

18–1902.1.

(A) **THE LICENSE HOLDER OR AN INDIVIDUAL DESIGNATED BY THE LICENSE HOLDER WHO IS EMPLOYED IN A SUPERVISORY CAPACITY SHALL:**

(1) **BE CERTIFIED BY AN APPROVED ALCOHOL AWARENESS PROGRAM;**
AND

(2) **BE PRESENT ON THE LICENSED PREMISES AT ALL TIMES WHEN ALCOHOLIC BEVERAGES MAY BE SOLD.**

(B) **A LICENSE HOLDER WHO VIOLATES THIS SECTION IS SUBJECT TO:**

(1) **FOR A FIRST OFFENSE, A \$100 FINE; AND**

(2) **FOR EACH SUBSEQUENT OFFENSE, A FINE NOT EXCEEDING \$500 OR A SUSPENSION OR REVOCATION OF THE LICENSE OR BOTH.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July~~
October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 419**(House Bill 1300)**

AN ACT concerning

Charles County – Garbage Disposal Services – Provider Displacement

FOR the purpose of requiring the County Commissioners of Charles County to hold a certain public hearing and provide certain notice before taking any action that results in a certain displacement of a person that has been providing garbage collection, removal, or disposal services in Charles County; requiring the county commissioners to provide written notice of a certain displacement to a certain person within a certain time period under certain circumstances; defining a certain term; providing for the application of this Act; and generally relating to the provision of garbage collection, removal, and disposal services in Charles County.

BY repealing and reenacting, without amendments,

Article – Local Government
Section 9–302(a)
Annotated Code of Maryland
(2013 Volume and 2016 Supplement)

BY adding to

Article – Local Government
Section 13–402.1
Annotated Code of Maryland
(2013 Volume and 2016 Supplement)

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

Article – Local Government

9–302.

(a) (1) There are four classes of code counties, based on the geographic region of the State where the county is located.

(2) The geographic regions of the State are:

(i) Central Maryland, consisting of Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Frederick County, Harford County, Howard County, Montgomery County, and Prince George’s County;

(ii) Eastern Shore, consisting of Caroline County, Cecil County, Dorchester County, Kent County, Queen Anne’s County, Somerset County, Talbot County, Wicomico County, and Worcester County;

(iii) Southern Maryland, consisting of Calvert County, Charles County, and St. Mary’s County; and

(iv) Western Maryland, consisting of Allegany County, Garrett County, and Washington County.

13-402.1.

(A) (1) IN THIS SECTION, “DISPLACEMENT” MEANS THE PROVISION OF GARBAGE COLLECTION, REMOVAL, OR DISPOSAL SERVICES BY A GOVERNING BODY OF A COUNTY IN A MANNER THAT PRECLUDES A PRIVATE PERSON THAT HAS BEEN PROVIDING THE SERVICES AND IS LICENSED AND INSPECTED BY THE CHARLES COUNTY HEALTH DEPARTMENT FROM CONTINUING TO PROVIDE THE SERVICES.

(2) “DISPLACEMENT” DOES NOT INCLUDE CIRCUMSTANCES IN WHICH:

(I) A GOVERNING BODY OF A COUNTY:

1. DOES NOT RENEW A CONTRACT FOR GARBAGE COLLECTION, REMOVAL, OR DISPOSAL SERVICES AND, AT THE END OF THE CONTRACT TERM, PROVIDES THE SERVICES ITSELF OR CONTRACTS WITH ANOTHER PERSON TO PROVIDE THE SERVICES; OR

2. ENTERS INTO A CONTRACT WITH ANOTHER PERSON TO PROVIDE OTHER GARBAGE COLLECTION, REMOVAL, OR DISPOSAL SERVICES;

(II) THE PERSON THAT HAS BEEN PROVIDING THE GARBAGE COLLECTION, REMOVAL, OR DISPOSAL SERVICES:

1. HAS ACTED IN A MANNER THREATENING TO PUBLIC HEALTH OR SAFETY;

2. HAS ACTED IN A MANNER RESULTING IN A SUBSTANTIAL PUBLIC NUISANCE;

3. HAS COMMITTED A MATERIAL BREACH OF A CONTRACT FOR GARBAGE COLLECTION, REMOVAL, OR DISPOSAL SERVICES;

4. REFUSES TO CONTINUE TO PROVIDE GARBAGE COLLECTION, REMOVAL, OR DISPOSAL SERVICES UNDER THE TERMS AND CONDITIONS OF AN EXISTING AGREEMENT; OR

5. HAS BEEN AUTHORIZED TO PROVIDE GARBAGE COLLECTION, REMOVAL, OR DISPOSAL SERVICES UNDER A LICENSE OR PERMIT THAT WILL EXPIRE AND NOT BE RENEWED; OR

(III) A MAJORITY OF THE PROPERTY OWNERS IN THE DEFINED SERVICE AREA REQUEST IN WRITING THAT THE GOVERNING BODY OF THE COUNTY TAKE OVER THE GARBAGE COLLECTION, REMOVAL, OR DISPOSAL SERVICES.

(B) THIS SECTION APPLIES ONLY TO A CODE COUNTY IN THE SOUTHERN MARYLAND CLASS, AS PROVIDED IN § 9-302(A) OF THIS ARTICLE.

(C) BEFORE TAKING ANY ACTION THAT RESULTS IN THE DISPLACEMENT OF A PERSON THAT HAS BEEN PROVIDING GARBAGE COLLECTION, REMOVAL, OR DISPOSAL SERVICES IN THE COUNTY, THE COUNTY COMMISSIONERS SHALL:

(1) HOLD AT LEAST ONE PUBLIC HEARING ON THE ADVISABILITY OF THE COUNTY PROVIDING THE GARBAGE COLLECTION, REMOVAL, OR DISPOSAL SERVICES; AND

(2) PROVIDE NOTICE OF THE HEARING TO:

(I) EACH PERSON THAT PROVIDES THE SERVICES IN THE COUNTY, IN WRITING SENT BY FIRST-CLASS MAIL AT LEAST 45 DAYS BEFORE THE HEARING; AND

(II) THE PUBLIC, BY PUBLISHING A NOTIFICATION IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY ONCE EACH WEEK FOR 2 SUCCESSIVE WEEKS BEFORE THE HEARING.

(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, WITHIN 1 YEAR AFTER THE PUBLIC HEARING, AND AT LEAST ~~5~~ 3 YEARS BEFORE ANY DISPLACEMENT, THE COUNTY COMMISSIONERS SHALL PROVIDE WRITTEN NOTICE BY REGISTERED MAIL OF THE DISPLACEMENT TO THE PERSON PROVIDING THE GARBAGE COLLECTION, REMOVAL, OR DISPOSAL SERVICES.

(2) THE COUNTY MAY BEGIN PROVIDING GARBAGE COLLECTION, REMOVAL, OR DISPOSAL SERVICES OR CONTRACT WITH ANOTHER PERSON TO PROVIDE THE SERVICES LESS THAN ~~5~~ 4 YEARS AFTER PROVIDING THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION IF:

(I) THE COUNTY PAYS THE DISPLACED PERSON THAT HAS BEEN PROVIDING THE SERVICES AN AMOUNT EQUAL TO THE PERSON'S GROSS RECEIPTS FOR PROVIDING THE SERVICES IN THE COUNTY FOR THE PRECEDING ~~15-MONTH~~ 12-MONTH PERIOD;

(II) THE COUNTY COMMISSIONERS AND THE PERSON THAT HAS BEEN PROVIDING THE SERVICES AGREE TO A DIFFERENT NOTICE PERIOD OR COMPENSATION AMOUNT; OR

(III) THE PERSON STOPS PROVIDING THE SERVICES IN THE COUNTY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 420

(House Bill 556)

AN ACT concerning

Higher Education – St. Mary's College of Maryland – Funding

FOR the purpose of ~~altering the calculation of the General Fund grant for St. Mary's College of Maryland, beginning in a certain fiscal year; requiring the amount of the grant to be augmented by certain funds for a certain portion of the grant that supports certain costs; requiring the amount of the grant to be augmented by certain funds~~ providing additional funds to St. Mary's College of Maryland if certain funding is provided for certain wage increases for certain University System of Maryland employees; requiring the amount of the grant to be augmented by certain funds if certain funding is provided to the University System of Maryland to pay for State employees in certain fiscal years; providing additional funds to the College for a certain increase in certain health and retirement costs for certain employees insurance costs of the College; authorizing requiring the amount of the grant to include certain funds General Fund grant to increase by a certain percent if a certain condition is met; stating the goal of the State legislative intent regarding certain appropriations for the purpose of stabilizing moderating tuition costs for certain students at the College in a certain fiscal year; requiring the Governor to include in the State budget for a certain fiscal year a certain appropriation to the College for certain expenses; requiring the inclusion of certain appropriations to the College in a certain fiscal year in the calculation of the General Fund grant in the following fiscal year; prohibiting the inclusion of a certain appropriation appropriations to the College in

~~a certain fiscal year~~ certain fiscal years in the calculation of the General Fund grant for any following fiscal year; ~~defining a certain term;~~ and generally relating to funding for St. Mary's College of Maryland.

BY repealing and reenacting, with amendments,
 Article – Education
 Section 14-405 ~~and 14-410~~
 Annotated Code of Maryland
 (2014 Replacement Volume and 2016 Supplement)

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

Article – Education

14-405.

(a) The Board of Trustees shall prepare and implement both a capital and operating budget for the management of the College.

(b) (1) In order to [establish] ENSURE a STABLE AND predictable level of funding, the Governor shall include in the annual budget submission a General Fund grant to St. Mary's College of Maryland.

(2) ~~[(i)]~~ For fiscal year 1993, the grant shall be as provided for in the State fiscal year 1993 appropriation.

~~[(ii)] (3)~~ For fiscal ~~[year]~~ YEARS 1994 ~~[and each year thereafter]~~ THROUGH 2018, the proposed grant shall be equal to the grant of the prior year augmented by funds required to offset inflation as indicated by the implicit price deflator for State and local government.

~~(4) (i) FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER, THE PROPOSED GRANT SHALL BE EQUAL TO THE GRANT OF THE PRIOR FISCAL YEAR AUGMENTED BY FUNDS AS PROVIDED IN SUBPARAGRAPHS (ii) THROUGH (v) OF THIS PARAGRAPH.~~

~~(ii) 1. IN THIS SUBPARAGRAPH, "NONPERSONNEL COSTS" MEANS ALL OF THE COLLEGE'S EDUCATIONAL AND GENERAL EXPENSES EXCEPT FOR EXPENSES FOR WAGES AND BENEFITS OF FULL-TIME EMPLOYEES OF THE COLLEGE.~~

~~2. THE STATE SHALL PROVIDE TO THE COLLEGE FUNDS REQUIRED TO OFFSET INFLATION AS INDICATED BY THE IMPLICIT PRICE DEFLATOR FOR STATE AND LOCAL GOVERNMENT FOR THAT PORTION OF THE GRANT THAT SUPPORTS NONPERSONNEL COSTS.~~

~~(III) FOR EACH FISCAL YEAR IN WHICH THE STATE PROVIDES FUNDS TO THE UNIVERSITY SYSTEM OF MARYLAND FOR WAGE INCREASES TO STATE-SUPPORTED EMPLOYEES OF THE UNIVERSITY SYSTEM OF MARYLAND, INCLUDING COST-OF-LIVING ADJUSTMENTS, MERIT ADJUSTMENTS, OR ANY OTHER WAGE INCREASE, THE STATE SHALL PROVIDE TO THE COLLEGE THE SAME PROPORTION OF ADDITIONAL STATE FUNDING PER EMPLOYEE FOR STATE-SUPPORTED EMPLOYEES OF THE COLLEGE.~~

~~(IV) FOR EACH FISCAL YEAR IN WHICH THE STATE PROVIDES FUNDS TO PAY FOR THE INCREASE IN HEALTH AND RETIREMENT COSTS FOR THE STATE-SUPPORTED EMPLOYEES OF THE UNIVERSITY SYSTEM OF MARYLAND, THE STATE SHALL PROVIDE TO THE COLLEGE FUNDS TO PAY FOR THE INCREASE IN HEALTH AND RETIREMENT COSTS FOR THE STATE-SUPPORTED EMPLOYEES OF THE COLLEGE.~~

~~(V) IF A NEW ACADEMIC BUILDING AT THE COLLEGE WILL BECOME OPERATIONAL DURING THE UPCOMING FISCAL YEAR, THE PROPOSED GRANT FOR THE UPCOMING FISCAL YEAR MAY INCLUDE FUNDS, TO THE EXTENT POSSIBLE, SUFFICIENT TO OPERATE THE BUILDING.~~

(III) BEGINNING IN FISCAL YEAR 2019, IF THE COLLEGE'S 6-YEAR GRADUATION RATE AS REPORTED BY THE MARYLAND HIGHER EDUCATION COMMISSION IS 82% OR GREATER IN THE SECOND PRECEDING FISCAL YEAR, THE PROPOSED GRANT FOR THE UPCOMING FISCAL YEAR SHALL BE INCREASED BY 0.25%.

(3) (I) BEGINNING IN FISCAL YEAR 2019, IN ADDITION TO THE GRANT PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE COLLEGE SHALL RECEIVE THE AMOUNTS SPECIFIED UNDER THIS PARAGRAPH.

(II) FOR EACH FISCAL YEAR, THE STATE SHALL PROVIDE TO THE COLLEGE FUNDS TO PAY FOR THE INCREASE IN STATE-SUPPORTED HEALTH INSURANCE COSTS OF THE COLLEGE.

(III) FOR EACH FISCAL YEAR IN WHICH THE STATE PROVIDES A COST-OF-LIVING ADJUSTMENT FOR STATE EMPLOYEES, THE STATE SHALL PROVIDE TO THE COLLEGE 50% OF THE COST-OF-LIVING ADJUSTMENT WAGE INCREASE FOR STATE-SUPPORTED EMPLOYEES OF THE COLLEGE.

(IV) FOR EACH FISCAL YEAR IN WHICH THE STATE PROVIDES FUNDS TO OTHER PUBLIC SENIOR HIGHER EDUCATION INSTITUTIONS TO MODERATE UNDERGRADUATE RESIDENT TUITION INCREASES, IT IS THE INTENT OF THE

GENERAL ASSEMBLY THAT THE STATE SHALL PROVIDE TO THE COLLEGE FUNDS FOR THE SAME PURPOSE.

(4) FUNDING PROVIDED UNDER PARAGRAPH (3) OF THIS SUBSECTION:

(I) MAY NOT BE INCLUDED IN THE CALCULATION OF THE PROPOSED GRANT UNDER PARAGRAPH (2) OF THIS SUBSECTION FOR ANY FOLLOWING FISCAL YEAR; AND

(II) SHALL BE PROVIDED IN THE SAME AMOUNT IN EACH FOLLOWING FISCAL YEAR.

[(3)] (5) The State shall pay the General Fund grants under this subsection to the College on a quarterly basis.

[(4)] (6) Nothing in this subsection may be construed to restrict the budgetary power of the General Assembly.

[(5)] (7) ~~The~~ **EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE** College shall support all operating costs, including personnel and retirement costs, from its General Fund grant and the other revenue sources of the College.

(c) (1) Subject to the approval of the Board of Public Works, the Board may acquire, lease, encumber, sell, or otherwise dispose of real property held by the State for the use of St. Mary's College of Maryland.

(2) The Board may acquire, lease, encumber, sell, or otherwise dispose of personal property.

(3) The title to any land acquired by St. Mary's College of Maryland shall be held by the State of Maryland for the use of St. Mary's College of Maryland.

(d) (1) The Board may borrow money for the purposes and on the terms that the Board determines.

(2) The Board may secure a loan with property acquired by the Board or with revenues derived from the property.

(3) A loan under this section does not:

(i) Create or constitute a debt or obligation of the State or any unit of the State other than the College; or

(ii) Create or constitute a debt or obligation contracted by the General Assembly or pledge the faith and credit of the State within the meaning of Article III, § 34 of the Maryland Constitution.

(e) (1) (i) The income of the College shall be deposited in the State Treasury or as the State Treasurer directs.

(ii) The State Treasurer shall invest the funds and credit to the College any interest or other income from the investment of the funds.

(2) The College may spend or encumber, within the fiscal year they are received, revenues received in excess of those estimated for any fiscal year.

(3) Any unexpended or unencumbered balances of the College's revenues shall not revert to the General Fund of the State at the end of each fiscal year.

(f) (1) Except as provided in § 11–203(e) of the State Finance and Procurement Article, the College is exempt from Division II of the State Finance and Procurement Article.

(2) (i) Subject to review and approval by the Board of Public Works and the Administrative, Executive, and Legislative Review Committee of the General Assembly, the Board of Trustees shall develop policies and procedures governing procurements by the College.

(ii) The policies and procedures developed under subparagraph (i) of this paragraph shall promote the purposes of the State procurement law as set forth in § 11–201 of the State Finance and Procurement Article.

~~14-410.~~

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

~~(2) "Academic year" means the period commencing with the fall semester and continuing through the immediately following summer session at St. Mary's College of Maryland.~~

~~(3) "Fund" means the Higher Education Investment Fund established in § 15-106.6 of this article.~~

~~(4) (i) "Tuition" means the charges approved by the Board of Trustees of St. Mary's College of Maryland that are required of all undergraduate resident students by the institution as a condition of enrollment regardless of the student's degree program, field of study, or selected courses.~~

~~(ii) "Tuition" does not include:~~

~~1. Fees that are required of all undergraduate resident students by the institution as a condition of enrollment regardless of the student's degree program, field of study, or selected courses;~~

~~2. Fees dedicated to support auxiliary enterprises and other self-funded activities of the institution; or~~

~~3. A fee required only for enrollment in a specific degree program, field of study, or course when that fee is not required of undergraduate resident students at the institution for enrollment in other degree programs, fields of study, or courses.~~

~~(b) Notwithstanding any other provision of law, for the academic years beginning in the fall of 2013 and the fall of 2014, the Board of Trustees may not approve and may not impose an increase in the tuition charged for an academic year to a resident undergraduate student at the institution over the amount charged for tuition at the institution in the preceding academic year.~~

~~(c) From the Fund, the Governor shall appropriate to St. Mary's College of Maryland:~~

~~(1) For fiscal year 2014, \$800,000; and~~

~~(2) For fiscal year 2015, \$1,616,000.~~

~~(d) The calculation made under § 14-405 of this subtitle for the fiscal year 2016 General Fund grant shall include the fiscal year 2015 appropriation from the Fund made under this section.~~

~~**(E) IT IS THE GOAL OF THE STATE THAT ST. MARY'S COLLEGE OF MARYLAND RECEIVE GENERAL FUND APPROPRIATIONS OR APPROPRIATIONS FROM THE FUND FOR THE PURPOSE OF STABILIZING TUITION COSTS OF RESIDENT UNDERGRADUATE STUDENTS IN THE SAME PROPORTION AS THE UNIVERSITY SYSTEM OF MARYLAND IN THE SAME FISCAL YEAR.**~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Governor shall include in the State budget for fiscal year 2019 an appropriation of \$720,000 to St. Mary's College of Maryland to reimburse the College for expenses incurred during previous fiscal years that were not covered by the General Fund grants to St. Mary's College of Maryland under § 14-405 of the Education Article for those fiscal years. The amount provided in fiscal year 2019 may not be included for the purpose of calculating the General Fund grant for any following fiscal year.~~

~~SECTION 3. 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.~~

Approved by the Governor, May 4, 2017.

Chapter 421

(House Bill 561)

AN ACT concerning

Higher Education – St. Mary’s College of Maryland – Governing Authority

FOR the purpose of providing that the authority of the Board of Trustees of St. Mary’s College of Maryland may not be superseded by any State agency or office in certain management affairs except by a provision of law that specifically references the College; and generally relating to the governing authority of St. Mary’s College of Maryland.

BY repealing and reenacting, without amendments,
Article – Education
Section 14–402(a) and 14–404(b)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Education
Section 14–404(a)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – Education

14–402.

(a) The government of St. Mary’s College of Maryland is vested in the Board of Trustees of St. Mary’s College of Maryland.

14–404.

(a) In addition to any other powers granted and duties imposed by this title, and subject to the provisions of Title 11 of this article and any other restrictions [expressly] imposed by law **BY SPECIFIC REFERENCE TO ST. MARY’S COLLEGE OF MARYLAND** or by any trust agreement involving a pledge of property or money, the Board of Trustees is responsible for the governance and management of the College, and has all the powers,

rights, and privileges that go with that responsibility, including the powers and duties set forth in this section.

(b) The Board of Trustees:

(1) Has the care, control, and management of the College and all of its property and assets;

(2) May not be superseded in its authority by any State agency or office in managing the affairs of the College except as provided for in this article or any other provision of law by specific reference to the College; and

(3) May appoint a President of the College who shall be the Chief Executive Officer of the College and the Chief of Staff for the Board.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 422

(Senate Bill 435)

AN ACT concerning

Higher Education – St. Mary’s College of Maryland – Governing Authority

FOR the purpose of providing that the authority of the Board of Trustees of St. Mary’s College of Maryland may not be superseded by any State agency or office in certain management affairs except by a provision of law that specifically references the College; and generally relating to the governing authority of St. Mary’s College of Maryland.

BY repealing and reenacting, without amendments,
 Article – Education
 Section 14–402(a) and 14–404(b)
 Annotated Code of Maryland
 (2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
 Article – Education
 Section 14–404(a)
 Annotated Code of Maryland
 (2014 Replacement Volume and 2016 Supplement)

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

Article – Education

14–402.

(a) The government of St. Mary's College of Maryland is vested in the Board of Trustees of St. Mary's College of Maryland.

14–404.

(a) In addition to any other powers granted and duties imposed by this title, and subject to the provisions of Title 11 of this article and any other restrictions [expressly] imposed by law **BY SPECIFIC REFERENCE TO ST. MARY'S COLLEGE OF MARYLAND** or by any trust agreement involving a pledge of property or money, the Board of Trustees is responsible for the governance and management of the College, and has all the powers, rights, and privileges that go with that responsibility, including the powers and duties set forth in this section.

(b) The Board of Trustees:

(1) Has the care, control, and management of the College and all of its property and assets;

(2) May not be superseded in its authority by any State agency or office in managing the affairs of the College except as provided for in this article or any other provision of law by specific reference to the College; and

(3) May appoint a President of the College who shall be the Chief Executive Officer of the College and the Chief of Staff for the Board.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 423

(House Bill 243)

AN ACT concerning

St. Mary's County – Auditing Requirements – Repeal

FOR the purpose of repealing certain provisions of law that relate to the appointment, salary, removal, and powers of a county auditor for St. Mary's County; repealing certain provisions of law concerning a certain annual audit and an accounting system in the county; and generally relating to auditing in St. Mary's County.

BY repealing

The Public Local Laws of St. Mary's County
 Section 8-1, 8-2, and 8-4 and the chapter "Chapter 8. Auditor"
 Article 19 – Public Local Laws of Maryland
 (2007 Edition and March 2015 Supplement, as amended)

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

Article 19 – St. Mary's County

[Chapter 8.

Auditor.]

[8-1.

For the purpose of an annual audit of the official financial affairs of all persons and offices handling funds of St. Mary's County, on or before June 1 in each year, the County Commissioners of the county shall appoint a competent and reputable certified public accountant as Auditor, to conduct an audit in that year, at a salary which they shall determine and pay, together with his expenses, from a sum to be included for that purpose in the annual levy of taxes. The audit for that year shall be submitted to the County Commissioners by November 1. The Commissioners shall direct the Auditor to make an audit for the preceding fiscal year of the books, vouchers, accounts and records of each official who collects, receives, holds, deposits or disburses funds of the county, including the Treasurer, Sheriff and any other official handling the funds. The Commissioners may remove the auditor, in their discretion, and shall fill immediately all vacancies created by removal, death, resignation or otherwise.]

[8-2.

The officials whose finances are being so audited shall upon request produce, and the Auditor may require the production of, any and all books, vouchers, accounts and other records and papers in any way pertaining to said funds or an audit thereof; and the Auditor may summon, with or without directions to produce such books and records, and examine under oath or affirmation which he may administer, officials whose affairs are being so audited or any other person deemed necessary by him, upon the matters pertaining to said county funds or relating to the matters being audited; and for these purposes he shall have power to issue process compelling such witness to attend before him and produce his records

and papers, which process shall be directed to, and served promptly by, the Sheriff of said county; and any person who shall refuse or neglect to produce any such books, vouchers, accounts or other records and papers, as required, or shall refuse to respond to the summons, or to be sworn or affirmed, or, being sworn or affirmed, to answer the questions of said Auditor relating to said funds or the matters and finances to be audited, shall be guilty of a misdemeanor and, on conviction thereof before any court of competent jurisdiction, shall be fined, for each offense, not more than one hundred dollars (\$100.00), provided that said Auditor must, wherever possible, require such production or such attendance and testimony at the office or place where the books and records are kept or where the official duties of the officials whose finances are being audited are principally carried on.]

[8–4.

Upon recommendation by said Auditor, the County Commissioners may direct and require the installation and maintenance of any system of bookkeeping or accounting by the officials subject to audit hereunder.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 424

(Senate Bill 737)

AN ACT concerning

**St. Mary's County – Bonds and Other Evidences of Indebtedness
– Limitations and Repayment**

FOR the purpose of altering certain limits on debt in St. Mary's County ~~to reflect the changes in the computation of assessments as a result of the transition to full value assessments;~~ subjecting certain bonds and other evidences of indebtedness issued under the authority of the St. Mary's County Sanitary Commission Act to a certain limitation and requiring the responsibility for repayment to remain with the St. Mary's County Metropolitan Commission; and generally relating to limitations on and repayment of debt issued under the approval of the County Commissioners of St. Mary's County.

BY repealing and reenacting, with amendments,
The Public Local Laws of St. Mary's County
Section 27–11
Article 19 – Public Local Laws of Maryland

(2007 Edition and October 2014 Supplement, as amended)

BY repealing and reenacting, with amendments,
 The Public Local Laws of St. Mary's County
 Section 113-6
 Article 19 – Public Local Laws of Maryland
 (2007 Edition and October 2014 Supplement, as amended)
 (As enacted by Chapter 284 of the Acts of the General Assembly of 2016)

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

Article 19 – St. Mary's County

27-11.

A. Unless and until otherwise provided by ordinance of the County Commissioners within the limitations provided by public general law, the aggregate amount of bonds and other evidences of indebtedness outstanding at any ONE time may not exceed [five (5) percent upon the assessable basis of the county] **A TOTAL OF THE SUM OF ~~ONE AND EIGHT TENTHS (1.8)~~ TWO AND FIFTEEN HUNDREDTHS (2.15) PERCENT UPON THE ASSESSABLE REAL PROPERTY IN THE COUNTY OTHER THAN THE OPERATING REAL PROPERTY OF A PUBLIC UTILITY AND FIVE (5) PERCENT UPON THE ASSESSABLE PERSONAL PROPERTY AND OPERATING REAL PROPERTY OF A PUBLIC UTILITY.** However, tax anticipation notes or other evidences of indebtedness having a maturity not in excess of twelve (12) months, bonds or other evidences of indebtedness issued or guaranteed by the county, payable primarily or exclusively from taxes levied in or on or other revenues of special taxing areas or districts heretofore or hereafter established by law, [and] bonds or other evidences of indebtedness issued for self-liquidating and other projects payable primarily or exclusively from the proceeds of assessments or charges for special benefits or services, and agreements or other evidences of indebtedness executed or guaranteed by the county, payable primarily or exclusively from investment instruments purchased by the county, that are guaranteed to yield proceeds equal to or exceeding the amount of the county's indebtedness, are not subject to or to be included as bonds or evidences of indebtedness in computing or applying the percent limitations above provided.

B. All bonds or other evidences of indebtedness issued under the authority of the Sanitary Commission Act shall be [construed as exempt, under Subsection A above, from] **SUBJECT TO** the percent limitation **SET FORTH** in **SUBSECTION A OF** this section [provided but shall continue as heretofore to be subject to the percent limitation as from time to time provided in said Act]. **RESPONSIBILITY FOR REPAYMENT SHALL REMAIN WITH THE ST. MARY'S COUNTY METROPOLITAN COMMISSION.**

C. All bonds or other evidences of indebtedness issued by the County Commissioners for the benefit of St. Mary's Hospital of St. Mary's County may not be

included as bonds or other evidences of indebtedness in computing or applying the percent limitation provided in Subsection A of this section.

113–6.

A. For the purpose of providing funds for the design, construction, establishment, purchase or condemnation of water supply and sewerage systems in any of the sanitary districts, the Commission, upon the approval of the County Commissioners of St. Mary's County **AND IN ACCORDANCE WITH § 27–11 OF THE ST. MARY'S COUNTY CODE**, is authorized and empowered to issue bonds, from time to time, upon the full faith and credit of St. Mary's County, in such amounts as it may deem to be necessary to carry on its work, but at no time shall the total issue of bonds for all purposes under this chapter exceed twenty–five (25) percent of the total value of the property assessed for County taxation purposes within all of the sanitary districts in which public water or sewer facilities are located. Subject to the conditions contained herein, the form, tenor, manner of selling and all other matters relating to the issuance of bonds under this chapter shall be prescribed in a resolution to be adopted by the St. Mary's County Metropolitan Commission prior to sale of the bonds. **[The] EXCEPT AS PROVIDED IN § 27–11 OF THE ST. MARY'S COUNTY CODE, THE** issuance of such bonds may not be subject to any limitations or conditions contained in any other law, and the Commission may sell such bonds in such manner, either at public or private sale, and for such price, as it may determine to be for the best interests of the Commission and the County Commissioners of St. Mary's County. The bonds shall be serial bonds issued upon the serial maturing plan and in such denominations as shall be determined by the Commission. The bonds may be redeemable before maturity at the option of the Commission at such price and under such terms and conditions as may be fixed by the Commission prior to the issuance of the bonds, shall bear interest at such rate or rates payable semiannually, as shall be determined by a resolution of the St. Mary's County Metropolitan Commission adopted prior to the delivery of the bonds, and shall mature in not more than forty (40) years after date of issue and shall be forever exempt from State, City and County taxation as hereinafter provided. They shall be issued under the signature and seal of the Commission and shall be unconditionally guaranteed as to payment of both principal and interest by the County Commissioners of St. Mary's County, a political subdivision of the State of Maryland, which guaranty shall be endorsed on each of the bonds in the following language: "The payment of interest when due and the principal at maturity is guaranteed by the County Commissioners of St. Mary's County, Maryland." Such endorsement shall be signed on each of the bonds by the President and by the Clerk of the Board of County Commissioners of the County, or another person lawfully assigned to the functions of the Clerk, within ten (10) days after the bonds are presented by the Commission to them for endorsement.

B. The principal amount of bonds issued hereunder, the interest payable thereon, their transfer and any income derived therefrom, including any profit made in the sale or transfer thereof, shall be and remain exempt from taxation by the State of Maryland and by the several counties and municipal corporations of this State.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 425

(House Bill 404)

AN ACT concerning

St. Mary's County – Land Records – Repeal

FOR the purpose of repealing a certain provision of law concerning the preparation of certain documents submitted for inclusion in the land records of St. Mary's County; and generally relating to land records in St. Mary's County.

BY repealing

The Public Local Laws of St. Mary's County
Section 73–1 and the chapter “Chapter 73. Land Records”
Article 19 – Public Local Laws of Maryland
(2007 Edition and March 2015 Supplement, as amended)

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

Article 19 – St. Mary's County

[Chapter 73.
Land Records]

[73–1.

The Clerk of the Circuit Court for St. Mary's County shall not accept for inclusion among the land records of St. Mary's County any deed, assignment, mortgage, deed of trust or other document concerning real property unless such instrument has been prepared by an attorney, duly admitted to practice before the Court of Appeals of Maryland, or by an employee of such attorney or by one (1) of the parties named in the instrument.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 426**(Senate Bill 735)**

AN ACT concerning

St. Mary's County – Metropolitan Commission – Authority to Borrow Money

FOR the purpose of requiring the Board of County Commissioners of St. Mary's County, when the St. Mary's County Metropolitan Commission plans to borrow any money, to review and approve any loan application before the Commission submits the loan application to a lender; ~~authorizing the Board to direct certain repayment of loans under certain circumstances;~~ and generally relating to the authority to borrow money of the St. Mary's County Metropolitan Commission.

BY repealing and reenacting, with amendments,
The Public Local Laws of St. Mary's County
Section 113-2
Article 19 – Public Local Laws of Maryland
(2007 Edition and October 2014 Supplement, as amended)

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

Article 19 – St. Mary's County

113-2.

A. The members of the Commission are a body politic and corporate, by the name of the "St. Mary's County Metropolitan Commission" (referred to elsewhere in this chapter as the "Commission"), with the right to use a common seal, to sue and be sued and to do any and all other corporate acts for the purpose of carrying out the provisions of this chapter, including, without limiting the generality of the foregoing, the right and power to make and enter into all contracts or agreements as the Commission determines with the Federal government, the State of Maryland or any agency or instrumentality of either thereof or with any municipal corporation, county, private corporation, copartnership, association or individual, on terms and conditions which the Commission approves, relating to the performance of the Commission's duties, the execution of its rights and powers, the use by the Federal government, the State government or any Federal or State agency, municipal corporation, county or private entity or individual of any water supply or sewerage system constructed or acquired by the Commission under this chapter or the services therefrom or the facilities thereof or the use by the Commission of any water supply or sewerage systems owned or operated other than by the Commission.

B. Whenever it is deemed necessary by the Commission to take or acquire any land, structure or buildings, or any streambed, waterway, water rights or watershed, either in fee or as an easement, within or outside of St. Mary's County, for the construction,

extension or maintenance of any water main, sewer or appurtenance thereof, or any sewage treatment plant, reservoir, water treatment plant, storage tank or pumping station, or for the execution by the Commission of any other power or function vested in it by this chapter, the Commission may purchase it from the owners or, failing to agree with the owner or owners thereof, may condemn it by proceedings in the Circuit Court for the county in which the land, structures or buildings, streambed, waterway, water rights or watershed is located, as are provided for condemnation of land by public service corporations in the Public General Laws of Maryland. The Commission may likewise condemn the interest of any tenant, lessee or other person having any right or interest in the land, structures or buildings, streambed, waterway, water rights or watershed. At any time after ten (10) days after the return and recordation of the verdict or award in the proceedings, the Commission may enter and take possession of the property so condemned, upon first paying to the Clerk of the Court the amount of the award and all costs taxed to that date, notwithstanding any appeal or further proceedings upon the part of the defendant. At the time of payment, however, the Commission shall give its corporate undertaking to abide by and fulfill any judgment in such appeal or further proceedings.

C. ~~(1)~~ WHEN THE COMMISSION PLANS TO BORROW ANY MONEY, THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY SHALL REVIEW AND APPROVE ANY LOAN APPLICATION BEFORE THE COMMISSION SUBMITS THE LOAN APPLICATION TO A LENDER.

~~**(2) IF THE COMMISSION HAS NOT EFFECTIVELY OBLIGATED THE MONEY IN A TIMELY MANNER, THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY MAY DIRECT PARTIAL OR COMPLETE REPAYMENT OF LOANS.**~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 427

(House Bill 892)

AN ACT concerning

St. Mary's County – Public Facility Bonds

FOR the purpose of authorizing and empowering the County Commissioners of St. Mary's County, from time to time, to borrow not more than \$26,300,000 in order to finance the construction, improvement, or development of certain public facilities in St. Mary's County, as herein defined, and to effect such borrowing by the issuance and sale at public or private sale of its general obligation bonds in like par amount;

empowering the County to fix and determine, by resolution, the form, tenor, interest rate or rates or method of determining the same, terms, conditions, maturities, and all other details incident to the issuance and sale of the bonds; empowering the County to issue refunding bonds for the purchase or redemption of bonds in advance of maturity; empowering and directing the County to levy, impose, and collect, annually, ad valorem taxes in rate and amount sufficient to provide funds for the payment of the maturing principal of and interest on the bonds; exempting the bonds and refunding bonds and the interest thereon and any income derived therefrom from all State, county, municipal, and other taxation in the State of Maryland; providing that nothing in this Act shall prevent the County from authorizing the issuance and sale of bonds the interest on which is not excludable from gross income for federal income tax purposes; ~~making this Act subject to a certain contingency;~~ and generally relating to the issuance and sale of such bonds.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That, as used herein, the term “County” means the body politic and corporate of the State of Maryland known as the County Commissioners of St. Mary’s County, and the term “construction, improvement, or development of public facilities” means the acquisition, alteration, construction, reconstruction, enlargement, equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading, and repair of public buildings and facilities and public works projects, including, but not limited to, public works projects such as highways, roads, bridges and storm drains, public school buildings and facilities, boating facilities, shore erosion and other marine property, landfills, and recycling facilities, public operational buildings and facilities such as buildings and facilities for County administrative use, capital improvements to the Wicomico Shores Taxing District, County athletic facilities, the community college, community swimming pools, public safety, health, and social services, libraries, commuter air service facilities, refuse disposal buildings and facilities, and parks and recreation buildings and facilities, together with the costs of acquiring land or interests in land as well as any related architectural, financial, legal, planning, or engineering services.

SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby authorized to finance any part or all of the costs of the public facilities described in Section 1 of this Act, and to borrow money and incur indebtedness for that purpose, at one time or from time to time, in an amount not exceeding, in the aggregate, \$26,300,000 and to evidence such borrowing by the issuance and sale upon its full faith and credit of general obligation bonds in like par amount, which may be issued at one time or from time to time, in one or more groups or series, as the County may determine.

SECTION 3. AND BE IT FURTHER ENACTED, That the bonds shall be issued in accordance with a resolution of the County, which shall describe generally the construction, improvement, or development of public facilities for which the proceeds of the bond sale are intended and the amount needed for those purposes. The County shall have and is hereby granted full and complete authority and discretion in the resolution to fix and determine with respect to the bonds of any issue: the designation, date of issue, denomination or denominations, form or forms, and tenor of the bonds which, without limitation, may be issued in registered form within the meaning of § 19–204 of the Local Government Article

of the Annotated Code of Maryland, as amended; the rate or rates of interest payable thereon, or the method of determining the same, which may include a variable rate; the date or dates and amount or amounts of maturity, which need not be in equal par amounts or in consecutive annual installments, provided only that no bond of any issue shall mature later than 30 years from the date of its issue; the manner of selling the bonds, which may be at either public or private sale, for such price or prices as may be determined to be in the best interests of St. Mary's County; the manner of executing and sealing the bonds, which may be by facsimile; the terms and conditions, if any, under which bonds may be tendered for payment or purchase prior to their stated maturity; the terms or conditions, if any, under which bonds may or shall be redeemed prior to their stated maturity; the place or places of payment of the principal of and the interest on the bonds, which may be at any bank or trust company within or without the State of Maryland; covenants relating to compliance with applicable requirements of federal income tax law, including (without limitation) covenants regarding the payment of rebate or penalties in lieu of rebate; covenants relating to compliance with applicable requirements of federal or state securities laws; and generally all matters incident to the terms, conditions, issuance, sale, and delivery thereof.

The bonds may be made redeemable before maturity, at the option of the County, at such price or prices and under such terms and conditions as may be fixed by the County prior to the issuance of the bonds, either in the resolution or in a bond order pursuant to the bond resolution. The bonds may be issued in registered form and provision may be made for the registration of the principal only. In case any officer whose signature appears on any bond ceases to be such officer before the delivery thereof, such signature shall nevertheless be valid and sufficient for all purposes as if he had remained in office until such delivery. The bonds and the issuance and sale thereof shall be exempt from the provisions of §§ 19–205 and 19–206 of the Local Government Article of the Annotated Code of Maryland, as amended.

The County may enter into agreements with agents, banks, fiduciaries, insurers, or others for the purpose of enhancing the marketability of any security for the bonds and for the purpose of securing any tender option that may be granted to holders of the bonds, all as may be determined and presented in the aforesaid resolution, which may (but need not) state as security for the performance by the County of any monetary obligations under such agreements the same security given by the County to bondholders for the performance by the County of its monetary obligations under the bonds.

If the County determines in the resolution to offer any of the bonds by solicitation of competitive bids at public sale, the resolution shall fix the terms and conditions of the public sale and shall adopt a form of notice of sale, which shall outline the terms and conditions, and a form of advertisement, which shall be published in one or more daily or weekly newspapers having a general circulation in the County and which may also be published in one or more journals having a circulation primarily among banks and investment bankers. At least one publication of the advertisement shall be made not less than 10 days before the sale of the bonds.

Upon delivery of any bonds to the purchaser or purchasers, payment therefor shall be made to the Treasurer of St. Mary's County or such other official of St. Mary's County as may be designated to receive such payment in a resolution passed by the County before such delivery.

SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the sale of bonds shall be used and applied exclusively and solely for the acquisition, construction, improvement, or development of public facilities for which the bonds are sold. If the amounts borrowed shall prove inadequate to finance the projects described in the resolution, the County may issue additional bonds with the limitations hereof for the purpose of evidencing the borrowing of additional funds for such financing, provided the resolution authorizing the sale of additional bonds shall so recite, but if the net proceeds of the sale of any issue of bonds exceed the amount needed to finance the projects described in the resolution, the excess funds so borrowed and not expended shall be applied to the payment of the next principal maturity of the bonds or to the redemption of any part of the bonds which have been made redeemable or to the purchase and cancellation of bonds, unless the County shall adopt a resolution allocating the excess funds to the acquisition, construction, improvement, or development of other public facilities, as defined and within the limits set forth in this Act.

SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby authorized shall constitute, and they shall so recite, an irrevocable pledge of the full faith and credit and unlimited taxing power of the County to the payment of the maturing principal of and interest on the bonds as and when they become payable. In each and every fiscal year that any of the bonds are outstanding, the County shall levy or cause to be levied ad valorem taxes upon all the assessable property within the corporate limits of the County in rate and amount sufficient to provide for or assure the payment, when due, of the principal of and interest on all the bonds maturing in each such fiscal year and, in the event the proceeds from the taxes so levied in any such fiscal year shall prove inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up any such deficiency. The County may apply to the payment of the principal of and interest on any bonds issued hereunder any funds received by it from the State of Maryland, the United States of America, any agency or instrumentality thereof, or from any other source, if such funds are granted for the purpose of assisting the County in financing the acquisition, construction, improvement, or development of the public facilities defined in this Act and, to the extent of any such funds received or receivable in any fiscal year, the taxes that are required to be levied under this Act may be reduced accordingly.

SECTION 6. AND BE IT FURTHER ENACTED, That the County is further authorized and empowered, at any time and from time to time, to issue its bonds in the manner hereinabove described for the purpose of refunding, by payment at maturity or upon purchase or redemption, any bonds issued hereunder. The validity of any such refunding bonds shall in no way be dependent upon or related to the validity or invalidity of the obligations so refunded. The powers herein granted with respect to the issuance of bonds shall be applicable to the issuance of refunding bonds. Such refunding bonds may be issued by the County in such an amount as shall be necessary for the purpose of providing it with funds to pay any of its outstanding bonds issued hereunder at maturity, for the

purpose of providing it with funds to purchase in the open market any of its outstanding bonds issued hereunder, prior to the maturity thereof, or for the purpose of providing it with funds for the redemption prior to maturity of any outstanding bonds issued hereunder which are, by their terms, redeemable, for the purpose of providing it with funds to pay interest on any outstanding bonds issued hereunder prior to their payment at maturity of purchase or redemption in advance of maturity, or for the purpose of providing it with funds to pay any redemption or purchase premium in connection with the refunding of any of its outstanding bonds issued hereunder. The proceeds of the sale of any such refunding bonds shall be segregated and set apart by the County as a separate trust fund to be used solely for the purpose of paying the purchase or redemption prices of the bonds to be refunded.

SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior to the preparation of definitive bonds, issue interim certificates or temporary bonds, exchangeable for definitive bonds when such bonds have been executed and are available for such delivery, provided, however, that any such interim certificates or temporary bonds shall be issued in all respects subject to the restrictions and requirements set forth in this Act. The County may, by appropriate resolution, provide for the replacement of any bonds issued hereunder which shall have become mutilated or lost or destroyed upon such conditions and after receiving such indemnity as the County may require.

SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations issued pursuant to the authority of this Act, their transfer, the interest payable thereon, and any income derived therefrom in the hands of the holders thereof from time to time (including any profit made in the sale thereof) shall be and are hereby declared to be at all times exempt from State, county, municipal, or other taxation of every kind and nature whatsoever within the State of Maryland. Nothing in this Act shall prevent the County from authorizing the issuance and sale of bonds the interest on which is not excludable from gross income for federal income tax purposes.

SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow money and issue bonds conferred on the County by this Act shall be deemed to provide an additional and alternative authority for borrowing money and shall be regarded as supplemental and additional to powers conferred upon the County by other laws and shall not be regarded as in derogation of any power now existing; and all Acts of the General Assembly of Maryland heretofore passed authorizing the County to borrow money are hereby continued to the extent that the powers contained in such Acts have not been exercised, and nothing contained in this Act may be construed to impair, in any way, the validity of any bonds that may have been issued by the County under the authority of any said Acts, and the validity of the bonds is hereby ratified, confirmed, and approved. This Act, being necessary for the welfare of the inhabitants of St. Mary's County, shall be liberally construed to effect the purposes hereof. All Acts and parts of Acts inconsistent with the provisions of this Act are hereby repealed to the extent of such inconsistency.

~~SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect contingent on the County Commissioners of St. Mary's County repealing the ordinance imposing the sales and use tax on energy or fuel used or consumed in St. Mary's County authorized under § 20-606 of the Local Government Article. If the County Commissioners~~

~~repeal the sales and use tax on or before June 1, 2022, the County Commissioners shall deliver copy of the ordinance to the Department of Legislative Services. If the County Commissioners do not repeal the sales and use tax on or before June 1, 2022, this Act, with no further action required by the General Assembly, shall be null and void and of no further force and effect. The County Commissioners, within 5 days after repealing the sales and use tax, shall forward a copy of the ordinance to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.~~

SECTION ~~11.~~ 10. AND BE IT FURTHER ENACTED, That, ~~subject to Section 10 of this Act,~~ this Act shall take effect June 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 428

(Senate Bill 298)

AN ACT concerning

St. Mary's County – Sheriff, County Treasurer, and State's Attorney – Salaries

FOR the purpose of altering the salary of the Sheriff of St. Mary's County, the County Treasurer of St. Mary's County, and the State's Attorney for St. Mary's County; providing for the application of this Act; and generally relating to the salaries of public officials of St. Mary's County.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 2–309(t)
Annotated Code of Maryland
(2013 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,
Article – Criminal Procedure
Section 15–419(a)
Annotated Code of Maryland
(2008 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Criminal Procedure
Section 15–419(b)
Annotated Code of Maryland
(2008 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Local Government
 Section 16–203
 Annotated Code of Maryland
 (2013 Volume and 2016 Supplement)

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

Article – Courts and Judicial Proceedings

2–309.

(t) (1) The annual salary of the Sheriff of St. Mary’s County shall be:

(i) \$100,000 for the calendar year 2015;

(ii) \$102,000 for the calendar year 2016;

(iii) \$104,040 for the calendar year 2017; and

(iv) [\$106,120 for the calendar year 2018] **BEGINNING IN CALENDAR YEAR 2018, EQUAL TO THE SALARY OF A DEPARTMENT OF STATE POLICE LIEUTENANT COLONEL, ~~AT THE HIGHEST AVAILABLE STEP FOR A LIEUTENANT COLONEL UNDER THE DEPARTMENT OF STATE POLICE PAY PLAN IN EFFECT ON THE DAY BEFORE THE DAY THAT THE SHERIFF BEGINS A TERM OF OFFICE (STEP 12).~~**

(2) The Sheriff shall devote full time to the duties of office.

Article – Criminal Procedure

15–419.

(a) This section applies only in St. Mary’s County.

(b) (1) (i) The State’s Attorney’s salary is [90% of] **EQUAL TO** the salary of a ~~judge of the District Court of Maryland~~ **CIRCUIT COURT JUDGE** and shall be paid biweekly.

(ii) A salary increase shall take effect at the beginning of the elected term of office and may not increase during the term of office.

(2) (i) The county commissioners shall provide for the administrative support staff, independent office facilities, office equipment, supplies, books, and other items necessary for the operation of the office.

(ii) The State's Attorney shall present vouchers to the county commissioners for the payment of office expenses.

Article – Local Government

16–203.

(a) The annual salary of the County Treasurer of St. Mary's County is:

- (1) \$50,000 for calendar year 2015;
- (2) \$50,500 for calendar year 2016;
- (3) \$51,005 for calendar year 2017; and
- (4) [~~\$51,515~~] **\$63,000** for calendar year 2018.

(b) The County Treasurer of St. Mary's County shall devote full time to the duties of office.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the Sheriff of St. Mary's County, the County Treasurer of St. Mary's County, or the State's Attorney for St. Mary's County while serving in a term of office beginning before the effective date of this Act, but the provisions of this Act concerning the salary or compensation of the Sheriff of St. Mary's County, the County Treasurer of St. Mary's County, and the State's Attorney for St. Mary's County shall take effect at the beginning of the next following term of office. This limitation does not apply to an individual appointed or elected after the effective date of this Act to fill out an unexpired term.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 429

(House Bill 1430)

AN ACT concerning

Washington County – Alcoholic Beverages – Class CT (Cinema/Theater License)

FOR the purpose of altering the requirements for a Class CT (cinema/theater) license in Washington County so that the license may be issued only for a cinema or theater

that is in a stand-alone building with certain characteristics; altering certain requirements for the sale of beer, wine, and liquor by the license holder; altering the days that a license holder may exercise the privileges of the license; establishing a Sunday permit and ~~a~~ an annual Sunday permit fee; repealing the termination provisions of certain Acts regarding cinema/theater licenses; and generally relating to alcoholic beverages licenses in Washington County.

BY repealing and reenacting, without amendments,
 Article – Alcoholic Beverages
 Section 31–102
 Annotated Code of Maryland
 (2016 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
 Article – Alcoholic Beverages
 Section 31–1001.1
 Annotated Code of Maryland
 (2016 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
 Chapter 586 of the Acts of the General Assembly of 2016
 Section 2

BY repealing and reenacting, with amendments,
 Chapter 587 of the Acts of the General Assembly of 2016
 Section 2

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

Article – Alcoholic Beverages

31–102.

This title applies only in Washington County.

31–1001.1.

- (a) There is a Class CT (cinema/theater) (on-sale) beer, wine, and liquor license.
- (b) The Board may issue the license for use in a cinema or theater that:

- (1) is in a **STAND-ALONE** building that is designed or used primarily for the exhibition of motion pictures to the public;

- (2) has a capacity to hold at least 100 permanently installed seats; and

(3) has a minimum of six movie theater rooms.

(c) (1) Subject to paragraph (2) of this subsection, the license authorizes the license holder to sell beer, wine, and liquor for on-premises consumption[:

(i)] by the drink, bottle, and can[;]:

[(ii)] (I) 1. in a designated area of the lobby, for 45 minutes before a movie starts; and

2. in a VIP room that holds special events, for the 45 minutes before a movie starts and during the showing of the movie; [and] OR

[(iii)] (II) to an individual who has a ticket to a movie and proper identification.

(2) A license holder may exercise the privileges of the license [only on Thursdays]:

(I) FROM MONDAY THROUGH SATURDAY; AND

(II) ON SUNDAY, IF THE LICENSE HOLDER IS ISSUED A SUNDAY PERMIT.

(3) A license holder may sell beer, wine, and liquor without serving food.

(4) An individual serving beer, wine, and liquor:

(i) may not mix the contents of one bottle with the contents of another bottle; and

(ii) shall dispose of or destroy all empty bottles and cans.

(d) (1) A license holder shall:

(i) obtain a crowd control training certificate from a program that is certified by the Board; and

(ii) while selling beer, wine, and liquor, have one certified crowd control manager on the licensed premises for every 250 individuals present.

(2) Notwithstanding § 31-1903(a) of this title, a license holder shall require one individual who has completed a certified alcohol awareness program to be on the licensed premises at all times when alcohol is being served.

(e) (1) The annual license fee is \$1,000.

(2) THE ANNUAL SUNDAY PERMIT FEE IS \$250.**Chapter 586 of the Acts of 2016**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect on July 1, 2016. [It shall remain effective for a period of 15 months and, at the end of October 1, 2017, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.]

Chapter 587 of the Acts of 2016

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect on July 1, 2016. [It shall remain effective for a period of 15 months and, at the end of October 1, 2017, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 430
(Senate Bill 1039)

AN ACT concerning

Washington County – Alcoholic Beverages – Hotel and Motel Licenses

FOR the purpose of altering the privileges of Class B beer, wine, and liquor hotel and restaurant licenses issued in Washington County so that the privileges may be exercised for on- and off-premises consumption for certain licenses and for on-premises consumption only for all other licenses; *requiring the license holder to notify the Board before constructing or altering an area on the premises where beer, wine, and liquor are sold*; making certain conforming changes; and generally relating to alcoholic beverages licenses in Washington County.

BY repealing and reenacting, without amendments,
 Article – Alcoholic Beverages
 Section 31–102
 Annotated Code of Maryland
 (2016 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section 31–903
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

31–102.

This title applies only in Washington County.

31–903.

(a) There is a Class B beer, wine, and liquor [(on–sale)] hotel and restaurant license.

(b) The Board may issue the license to the owner of a hotel or motel that:

(1) is in a building at least three stories tall that was originally constructed for hotel or motel purposes;

(2) has a capital investment of at least \$500,000; and

(3) contains:

(i) at least one passenger elevator;

(ii) at least 100 rooms to accommodate the public;

(iii) a lobby with a registration and mail desk and seating facilities;

and

(iv) a ballroom, conference room, or banquet room.

(c) The license authorizes the license holder to sell beer, wine, and liquor at a hotel or restaurant at retail at the place described in the license[, for on–premises consumption]:

(1) through room service or otherwise to registered guests; or

(2) by the glass, bottle, or can to individuals attending an event in a ballroom, conference room, or banquet room.

(D) THE PRIVILEGES OF THE LICENSE MAY BE EXERCISED:

(1) ~~IF THE LICENSE WAS ISSUED ON OR BEFORE JUNE 30, 2016, AND HAD AN OFF-SALE PRIVILEGE, FOR ON- AND OFF-PREMISES CONSUMPTION; AND, IF:~~

(I) THE LICENSE WAS ISSUED ON OR BEFORE JUNE 30, 2016, WITH AN OFF-SALE PRIVILEGE; AND

(II) THE LICENSE HOLDER HAS OPERATED A RETAIL STORE ON THE LICENSED PREMISES SINCE AT LEAST JUNE 30, 2016; AND

(2) ~~FOR ALL OTHER LICENSES,~~ FOR ON-PREMISES CONSUMPTION ONLY, FOR ALL OTHER LICENSES.

(E) THE LICENSE HOLDER SHALL NOTIFY THE BOARD BEFORE CONSTRUCTING OR ALTERING AN AREA ON THE PREMISES WHERE BEER, WINE, AND LIQUOR ARE SOLD.

[(d)] ~~(E)~~ **(F)** Except as provided in regulations adopted by the Board under subsection [(f)] ~~(G)~~ **(H)** of this section, the license holder may sell beer, wine, and liquor during the hours and days as set out for a Class B beer, wine, and liquor (on-sale) license under § 31-2004(c) of this title.

[(e)] ~~(F)~~ **(G)** (1) The annual license fee is \$1,000.

(2) The fee for a Sunday permit is \$250.

[(f)] ~~(G)~~ **(H)** The Board may adopt regulations to carry out this section, including regulations that:

(1) provide for the manner of dispensing beer, wine, and liquor under the license;

(2) provide for the hours and days of sale; and

(3) limit the quantity of alcoholic beverages that may be sold to an individual as a single serving or during a 24-hour period.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 431**(House Bill 1480)**

AN ACT concerning

Washington County – Alcoholic Beverages – Penalties

FOR the purpose of providing that ~~for a first offense for selling or providing alcoholic beverages to an individual under the age of 21 years, a license holder or an employee of the license holder is guilty of a misdemeanor and is subject to a certain fine; providing that for each subsequent offense, a license holder or an employee of the license holder who violates a certain provision of law is guilty of a misdemeanor and is subject to a certain fine;~~ in Washington County a violation of the prohibition against selling or providing alcoholic beverages to an individual under the age of 21 years is a misdemeanor; authorizing the Board of License Commissioners to impose certain penalties on an employee of a license holder or a license holder who violates the prohibition; authorizing the Board to suspend or revoke a license under certain conditions; and generally relating to alcoholic beverages in Washington County.

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 31–102
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section 31–2702
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

31–102.

This title applies only in Washington County.

31–2702.

~~(A) FOR A FIRST OFFENSE, A LICENSE HOLDER OR AN EMPLOYEE OF A LICENSE HOLDER WHO VIOLATES § 6-304 OF THIS ARTICLE IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$200.~~

~~[(a)] (B)~~ A license holder or an employee of a license holder who is charged with a violation of § 6-304 of this article:

(1) shall receive a summons to appear in court on a certain day to answer the charges placed against the license holder or employee; and

(2) may not be required to post bail pending trial in any court in the State.

~~[(b)] (C)~~ A license holder or an employee of a license holder may not be found guilty of a violation of § 6-304 of this article if:

(1) the license holder or employee establishes to the satisfaction of the finder of fact that the license holder or employee used due caution to establish that the individual was not under the age of 21 years; and

(2) the individual was not a resident of the State.

~~[(c)] (D)~~ ~~[If an employee of a license holder violates § 6-304 of this article, the Board may impose on the employee a fine not exceeding \$200] FOR EACH SUBSEQUENT OFFENSE, A LICENSE HOLDER OR AN EMPLOYEE OF A LICENSE HOLDER WHO VIOLATES § 6-304 OF THIS ARTICLE IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$500.~~

(C) (1) A VIOLATION OF § 6-304 OF THIS ARTICLE IS A MISDEMEANOR.

(2) IF AN EMPLOYEE OF A LICENSE HOLDER VIOLATES § 6-304 OF THIS ARTICLE, THE BOARD MAY IMPOSE ON THE EMPLOYEE A FINE NOT EXCEEDING:

(I) FOR A FIRST OFFENSE, \$200; AND

(II) FOR EACH SUBSEQUENT OFFENSE, \$500.

(3) IF A LICENSE HOLDER VIOLATES § 6-304 OF THIS ARTICLE, THE BOARD MAY IMPOSE A FINE NOT EXCEEDING \$2,500, SUSPEND OR REVOKE THE LICENSE, OR IMPOSE BOTH A FINE AND SUSPEND OR REVOKE THE LICENSE.

~~[(d)] (E)~~ The granting of probation before judgment to a license holder or an employee of the license holder for a violation of § 6-304 of this article does not bar the Board from proceeding administratively against the license holder for the violation.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 432**(Senate Bill 620)**

AN ACT concerning

**Washington County – Alcoholic Beverages – ~~Sales at Winery Special Events~~
Wineries – Special Event Permits**

FOR the purpose of ~~authorizing a holder of a Class 3 winery license or a Class 4 limited winery license in Washington County to sell beer, light wine produced at the winery or at another winery, and liquor for on-premises consumption at a special event that is approved by the Board of License Commissioners~~ establishing a special event permit in Washington County; authorizing a holder of a Class 3 winery license or a Class 4 limited winery license in the county to sell beer, wine produced by the holder, and liquor for on-premises consumption at certain events; requiring the permit holder to notify the Board of License Commissioners on or before a certain time before using the permit; establishing a certain limit on the number of times the permit may be used; providing for a certain permit fee; providing for the termination of this Act; and generally relating to sales of alcoholic beverages in Washington County.

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages
Section 31–102
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages
Section 31–401 ~~and 31–701~~
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY adding to

Article – Alcoholic Beverages
Section 31–402.1
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

31-102.

This title applies only in Washington County.

31-401.

(a) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of Division I of this article apply in the county without exception or variation:

- (1) § 2-201 (“Issuance by Comptroller”);
- (2) § 2-202 (“Class 1 distillery license”);
- (3) § 2-203 (“Class 9 limited distillery license”);
- (4) § 2-204 (“Class 2 rectifying license”);
- (5) [§ 2-205 (“Class 3 winery license”);
- (6) § 2-206 (“Class 4 limited winery license”);
- (7)] § 2-207 (“Class 5 brewery license”);
- [(8)] **(6)** § 2-210 (“Class 8 farm brewery license”);
- [(9)] **(7)** § 2-211 (“Residency requirement”);
- [(10)] **(8)** § 2-212 (“Additional licenses”);
- [(11)] **(9)** § 2-213 (“Additional fees”);
- [(12)] **(10)** § 2-214 (“Sale or delivery restricted”);
- [(13)] **(11)** § 2-216 (“Interaction between manufacturing entities and
retailers”);
- [(14)] **(12)** § 2-217 (“Distribution of alcoholic beverages — Prohibited
practices”); and
- [(15)] **(13)** § 2-218 (“Restrictive agreements between producers and
retailers — Prohibited”).

(b) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of Division I of this article apply in the county:

(1) § 2–205 (“CLASS 3 WINERY LICENSE”), SUBJECT TO § 31–402.1 OF THIS SUBTITLE;

(2) § 2–206 (“CLASS 4 LIMITED WINERY LICENSE”), SUBJECT TO § 31–402.1 OF THIS SUBTITLE;

[(1)] (3) § 2–208 (“Class 6 pub–brewery license”), subject to § 31–403 of this subtitle;

[(2)] (4) § 2–209 (“Class 7 micro–brewery license”), subject to § 31–404 of this subtitle; and

[(3)] (5) § 2–215 (“Beer sale on credit to retail dealer prohibited”), subject to § 31–405 of this subtitle.

31–402.1.

~~AT A SPECIAL EVENT SUCH AS A WEDDING RECEPTION THAT THE BOARD APPROVES, A HOLDER OF A CLASS 3 WINERY LICENSE OR A CLASS 4 LIMITED WINERY LICENSE MAY SELL FOR ON PREMISES CONSUMPTION BEER, LIGHT WINE PRODUCED AT THE WINERY OR AT ANOTHER WINERY, AND LIQUOR.~~

~~31–701.~~

(a) ~~There is a Class A light wine license in the county.~~

(b) ~~The license may be issued to a holder of a Class 3 winery license or a Class 4 limited winery license.~~

(c) (1) ~~The license authorized the license holder to sell at retail at the place described in the license light wine produced at the winery.~~

(2) ~~Light wine shall be sold in a sealed package or container that may not be opened or its contents consumed on the licensed premises.~~

~~(D) AT A SPECIAL EVENT SUCH AS A WEDDING RECEPTION THAT THE BOARD APPROVES, THE LICENSE HOLDER MAY SELL FOR ON PREMISES CONSUMPTION BEER, LIGHT WINE PRODUCED AT THE WINERY OR AT ANOTHER WINERY, AND LIQUOR.~~

[(d)] (E) ~~The annual license fee is \$50.~~

(A) THERE IS A SPECIAL EVENT PERMIT.

(B) THE BOARD MAY ISSUE THE PERMIT TO A HOLDER OF A CLASS 3 WINERY LICENSE OR A CLASS 4 LIMITED WINERY LICENSE.

(C) THE PERMIT AUTHORIZES THE HOLDER TO SELL FOR ON-PREMISES CONSUMPTION BEER, WINE PRODUCED BY THE HOLDER, AND LIQUOR AT:

(1) AN EVENT FOR WHICH THE ENTIRE LICENSED PREMISES HAS BEEN RENTED; OR

(2) AN EVENT THAT THE BOARD APPROVES.

(D) THE LICENSE HOLDER WHO INTENDS TO USE THE PERMIT SHALL NOTIFY THE BOARD AT LEAST 1 WEEK BEFORE THE EVENT IS TO OCCUR.

(E) THE LICENSE HOLDER MAY USE THE PERMIT NOT MORE THAN 60 TIMES IN A YEAR.

(F) THE ANNUAL PERMIT FEE IS \$1,000.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017. It shall remain effective for a period of 2 years and, at the end of June 30, 2019, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 4, 2017.

Chapter 433

(House Bill 218)

AN ACT concerning

Carroll County – Huckster, Hawker, or Peddler License – Repeal

FOR the purpose of repealing certain provisions of law that relate to licenses issued to hucksters, hawkers, or peddlers selling fruits or vegetables in Carroll County.

BY repealing

The Public Local Laws of Carroll County

Section 6–101

Article 7 – Public Local Laws of Maryland

(2014 Edition and January 2016 Supplement, as amended)

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

Article 7 – Carroll County

[6–101.

(a) No huckster, hawker or peddler shall sell or offer for sale any fruits or vegetables in Carroll County until the huckster, hawker or peddler shall have first taken out a license for that purpose in accordance with the provisions of this section; provided, however, that this section shall not apply to the farmers or growers selling their own fruits or vegetables.

(b) For every such license, the Clerk of the Circuit Court of Carroll County shall be paid fifteen dollars per annum. The receipts from the licenses shall be paid to the County Treasurer for the use of the county. Any person violating the provisions of this section shall, upon conviction, be fined not less than twenty–five dollars nor more than one hundred dollars, to be recovered as other fines are recovered.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 434

(Senate Bill 324)

AN ACT concerning

**Carroll County – Mechanical Musical Devices – Licensing Requirements –
Repeal**

FOR the purpose of repealing a licensing requirement for certain mechanical musical devices in Carroll County; and generally relating to licensing requirements in Carroll County.

BY repealing

The Public Local Laws of Carroll County

Section 6–103

Article 7 – Public Local Laws of Maryland

(2014 Edition and January 2016 Supplement, as amended)

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

Article 7 – Carroll County

[6–103.

Every person, firm or corporation keeping, maintaining or operating for public entertainment in Carroll County any music box, mechanical player piano, graphophone, or other similar mechanical musical device played by the insertion of a coin or token, shall obtain an annual county license from the Clerk of the Circuit Court of county, and shall pay the sum of twenty dollars for each machine or device, and the sum of three dollars additional for each independent coin-operated speaker delivering music on the same premises. Each machine or device licensed shall have affixed to it a metal tag issued by the Clerk, showing that the fee for current year has been paid. All licenses shall expire on the thirtieth day of April of each year, shall be transferable, and shall be prorated monthly. Any person, firm, or corporation keeping, maintaining or operating any such machine or device without a license, shall be guilty of a misdemeanor, and upon conviction, shall be fined one hundred dollars. All license fees collected under the provisions of this section shall be paid to the County Commissioners of Carroll County and credited to the general funds of the County.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 435**(House Bill 251)**

AN ACT concerning

Carroll County – Public Facilities Bonds

FOR the purpose of authorizing and empowering the County Commissioners of Carroll County, from time to time, to borrow not more than \$25,000,000 in order to finance the construction, improvement, or development of certain public facilities in Carroll County, including water and sewer projects, to finance loans for fire or emergency-related equipment, buildings, and other facilities of volunteer fire departments in the County, and to effect such borrowing by the issuance and sale at public or private sale of its general obligation bonds in like par amount; empowering the County to fix and determine, by resolution, the form, tenor, interest rate or rates or method of determining the same, terms, conditions, maturities, and all other details incident to the issuance and sale of the bonds; empowering the County to issue refunding bonds for the purchase or redemption of bonds in advance of maturity; providing that such borrowing may be undertaken by the County in the

form of installment purchase obligations executed and delivered by the County for the purpose of acquiring agricultural land and woodland preservation easements; empowering and directing the County to levy, impose, and collect, annually, ad valorem taxes in rate and amount sufficient to provide funds for the payment of the maturing principal of and interest on the bonds; exempting the bonds and refunding bonds and the interest thereon and any income derived therefrom from all State, County, municipal, and other taxation in the State of Maryland; providing that nothing in this Act shall prevent the County from authorizing the issuance and sale of bonds the interest on which is not excludable from gross income for federal income tax purposes; and generally relating to the issuance and sale of such bonds.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That, as used herein, the term “County” means the body politic and corporate of the State of Maryland known as the County Commissioners of Carroll County, and the term “construction, improvement, or development of public facilities” means the acquisition, alteration, construction, reconstruction, enlargement, equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading, and repair of public buildings and facilities and public works projects, including, but not limited to, public works projects such as roads, bridges and storm drains, public school buildings and facilities, landfills, Carroll Community College buildings and facilities, public operational buildings and facilities such as buildings and facilities for County administrative use, public safety, health and social services, libraries, refuse disposal buildings and facilities, water and sewer infrastructure facilities, easements or similar or related rights in land that restrict the use of agricultural land or woodland to maintain the character of the land as agricultural land or woodland, and parks and recreation buildings and facilities, together with the costs of acquiring land or interests in land as well as any related architectural, financial, legal, planning, or engineering services.

SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby authorized to finance any part or all of the costs of the construction, improvements or development of public facilities described in Section 1 of this Act, to make loans to each and every volunteer fire department in the County upon such terms and conditions as may be determined by the County for the purpose of financing certain fire or emergency–related equipment, buildings, or other facilities of volunteer fire departments, and to borrow money and incur indebtedness for those purposes, at one time or from time to time, in an amount not exceeding, in the aggregate, \$25,000,000 and to evidence such borrowing by the issuance and sale upon its full faith and credit of general obligation bonds in like par amount, which may be issued at one time or from time to time, in one or more groups or series, as the County may determine.

SECTION 3. AND BE IT FURTHER ENACTED, That the bonds shall be issued in accordance with a resolution of the County, which shall describe generally the construction, improvement, or development of public facilities, including water and sewer projects, the fire or emergency–related equipment, buildings, or other facilities of volunteer fire departments in the County for which the proceeds of the bond sale are intended and the amount needed for those purposes. The County shall have and is hereby granted full and complete authority and discretion in the resolution to fix and determine with respect to the

bonds of any issue: the designation, date of issue, denomination or denominations, form or forms, and tenor of the bonds which, without limitation, may be issued in registered form within the meaning of § 19–204 of the Local Government Article, as amended; the rate or rates of interest payable thereon, or the method of determining the same, which may include a variable rate; the date or dates and amount or amounts of maturity, which need not be in equal par amounts or in consecutive annual installments, provided only that no bond of any issue shall mature later than 30 years from the date of its issue; the manner of selling the bonds, which may be at either public or private sale, for such price or prices as may be determined to be for the best interests of Carroll County; the manner of executing and sealing the bonds, which may be by facsimile; the terms and conditions of any loans made to volunteer fire departments; the terms and conditions, if any, under which bonds may be tendered for payment or purchase prior to their stated maturity; the terms or conditions, if any, under which bonds may or shall be redeemed prior to their stated maturity; the place or places of payment of the principal of and the interest on the bonds, which may be at any bank or trust company within or without the State of Maryland; covenants relating to compliance with applicable requirements of federal income tax law, including (without limitation) covenants regarding the payment of rebate or penalties in lieu of rebate; covenants relating to compliance with applicable requirements of federal or State securities laws; and generally all matters incident to the terms, conditions, issuance, sale, and delivery thereof.

The bonds may be made redeemable before maturity, at the option of the County, at such price or prices and under such terms and conditions as may be fixed by the County prior to the issuance of the bonds, either in the resolution or in subsequent resolutions. The bonds may be issued in registered form, and provision may be made for the registration of the principal only. In case any officer whose signature appears on any bond ceases to be such officer before the delivery thereof, such signature shall nevertheless be valid and sufficient for all purposes as if the officer had remained in office until such delivery. The bonds and the issuance and sale thereof shall be exempt from the provisions of §§ 19–205 and 19–206 of the Local Government Article, as amended.

The borrowing authorized by this Act may also be undertaken by the County in the form of installment purchase obligations executed and delivered by the County for the purpose of acquiring easements or similar or related rights in land that restrict the use of agricultural land or woodland to maintain the character of the land as agricultural or woodland. The form of installment purchase obligations, the manner of accomplishing the acquisition of easements, which may be the direct exchange of installment purchase obligations for easement, and all matters incident to the execution and delivery of the installment purchase obligations and acquisition of the easements by the County shall be determined in the resolution. Except where the provisions of this Act would be inapplicable to installment purchase obligations, the term “bonds” used in this Act shall include installment purchase obligations and matters pertaining to the bonds under this Act, such as the security for the payment of the bonds, the exemption of the bonds from State, County, municipal, or other taxation, and authorization to issue refunding bonds and the limitation on the aggregate principal amount of bonds authorized for issuance, shall be applicable to installment purchase obligations.

The County may enter into agreements with agents, banks, fiduciaries, insurers, or others for the purpose of enhancing the marketability of any security for the bonds and for the purpose of securing any tender option that may be granted to holders of the bonds, all as may be determined and presented in the aforesaid resolution, which may (but need not) state as security for the performance by the County of any monetary obligations under such agreements the same security given by the County to bondholders for the performance by the County of its monetary obligations under the bonds.

If the County determines in the resolution to offer any of the bonds by solicitation of competitive bids at public sale, the resolution shall fix the terms and conditions of the public sale and shall adopt a form of notice of sale, which shall outline the terms and conditions, and a form of advertisement, which shall be published in one or more daily or weekly newspapers having a general circulation in the County and which may also be published in one or more journals having a circulation primarily among banks and investment bankers. At least one publication of the advertisement shall be made not less than 10 days before the sale of the bonds.

Upon delivery of any bonds to the purchaser or purchasers, payment therefor shall be made to the Comptroller of Carroll County or such other official of Carroll County as may be designated to receive such payment in a resolution passed by the County before such delivery.

SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the sale of bonds shall be used and applied exclusively and solely for the acquisition, construction, improvement, or development of public facilities, including water and sewer projects, to make loans to volunteer fire departments for the financing of fire or emergency-related equipment, buildings, or other facilities of volunteer fire departments in the County for which the bonds are sold. If the amounts borrowed shall prove inadequate to finance the projects described in the resolution, the County may issue additional bonds with the limitations hereof for the purpose of evidencing the borrowing of additional funds for such financing, provided the resolution authorizing the sale of additional bonds shall so recite, but if the net proceeds of the sale of any issue of bonds exceed the amount needed to finance the projects described in the resolution, the excess funds so borrowed and not expended shall be applied to the payment of the next principal maturity of the bonds or to the redemption of any part of the bonds which have been made redeemable or to the purchase and cancellation of bonds, unless the County shall adopt a resolution allocating the excess funds to the acquisition, construction, improvement, or development of other public facilities, including water and sewer projects, or to the making of loans for fire or emergency-related equipment, buildings, or other facilities of volunteer fire departments in the County, as defined and within the limits set forth in this Act.

SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby authorized shall constitute, and they shall so recite, an irrevocable pledge of the full faith and credit and unlimited taxing power of the County to the payment of the maturing principal of and interest on the bonds as and when they become payable. In each and every fiscal year that any of the bonds are outstanding, the County shall levy or cause to be levied ad valorem taxes upon all the assessable property within the corporate limits of the County in rate and

amount sufficient to provide for or assure the payment, when due, of the principal of and interest on all the bonds maturing in each such fiscal year and, in the event the proceeds from the taxes so levied in any such fiscal year shall prove inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up any such deficiency. The County may apply to the payment of the principal of and interest on any bonds issued hereunder any funds received by it as loan repayments from volunteer fire departments and any funds received by it from the State of Maryland, the United States of America, any agency or instrumentality thereof, or from any other source, if such funds are granted for the purpose of assisting the County in financing the acquisition, construction, improvement, or development of the public facilities defined in this Act, including the water and sewer projects or the making of loans for the aforementioned fire or emergency-related equipment, buildings, or other facilities for volunteer fire departments in the County and, to the extent of any such funds received or receivable in any fiscal year, the taxes that are required to be levied may be reduced accordingly.

SECTION 6. AND BE IT FURTHER ENACTED, That the County is further authorized and empowered, at any time and from time to time, to issue its bonds in the manner herein above described for the purpose of refunding, by payment at maturity or upon purchase or redemption, any bonds issued hereunder. The validity of any such refunding bonds shall in no way be dependent upon or related to the validity or invalidity of the obligations so refunded. The powers herein granted with respect to the issuance of bonds shall be applicable to the issuance of refunding bonds. Such refunding bonds may be issued by the County for the purpose of providing it with funds to pay any of its outstanding bonds issued hereunder at maturity, for the purpose of providing it with funds to purchase in the open market any of its outstanding bonds issued hereunder, prior to the maturity thereof, or for the purpose of providing it with funds for the redemption prior to maturity of any outstanding bonds issued hereunder which are, by their terms, redeemable, for the purpose of providing it with funds to pay interest on any outstanding bonds issued hereunder prior to their payment at maturity of purchase or redemption in advance of maturity, or for the purpose of providing it with funds to pay any redemption or purchase premium in connection with the refunding of any of its outstanding bonds issued hereunder. The proceeds of the sale of any such refunding bonds shall be segregated and set apart by the County as a separate trust fund to be used solely for the purpose of paying the purchase or redemption prices of the bonds to be refunded.

SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior to the preparation of definitive bonds, issue interim certificates or temporary bonds, exchangeable for definitive bonds when such bonds have been executed and are available for such delivery, provided, however, that any such interim certificates or temporary bonds shall be issued in all respects subject to the restrictions and requirements set forth in this Act. The County may, by appropriate resolution, provide for the replacement of any bonds issued hereunder which shall have become mutilated or lost or destroyed upon such conditions and after receiving such indemnity as the County may require.

SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations issued pursuant to the authority of this Act, their transfer, the interest payable thereon, and any income derived therefrom in the hands of the holders thereof from time to time (including

any profit made in the sale thereof) shall be and are hereby declared to be at all times exempt from State, County, municipal, or other taxation of every kind and nature whatsoever within the State of Maryland. Nothing in this Act shall prevent the County from authorizing the issuance and sale of bonds the interest on which is not excludable from gross income for federal income tax purposes.

SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow money and issue bonds conferred on the County by this Act shall be deemed to provide an additional and alternative authority for borrowing money and shall be regarded as supplemental and additional to powers conferred upon the County by other laws and shall not be regarded as in derogation of any power now existing; and all Acts of the General Assembly of Maryland heretofore passed authorizing the County to borrow money are hereby continued to the extent that the powers contained in such Acts have not been exercised, and nothing contained in this Act may be construed to impair, in any way, the validity of any bonds that may have been issued by the County under the authority of any said Acts, and the validity of the bonds is hereby ratified, confirmed, and approved. This Act, being necessary for the welfare of the inhabitants of Carroll County, shall be liberally construed to effect the purposes hereof. All Acts and parts of Acts inconsistent with the provisions of this Act are hereby repealed to the extent of such inconsistency.

SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 436

(Senate Bill 457)

AN ACT concerning

Carroll County – Sheriff's Salary

FOR the purpose of altering the salary of the Sheriff of Carroll County; providing for the application of this Act; and generally relating to the Sheriff of Carroll County.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 2–309(h)(1)
Annotated Code of Maryland
(2013 Replacement Volume and 2016 Supplement)

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

Article – Courts and Judicial Proceedings

2–309.

(h) (1) The Sheriff of Carroll County shall receive an annual salary [of] AS FOLLOWS:

- (I) \$90,000 beginning on December 1, 2014;
- (II) **\$100,000 BEGINNING DECEMBER 4, 2018; AND**
- (III) **\$110,000 BEGINNING DECEMBER 3, 2019**, and thereafter.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the Sheriff of Carroll County while serving in a term of office beginning before the effective date of this Act, but the provisions of this Act concerning the salary or compensation of the Sheriff of Carroll County shall take effect at the beginning of the next following term of office. This limitation does not apply to an individual appointed or elected after the effective date of this Act to fill out an unexpired term.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 437

(Senate Bill 456)

AN ACT concerning

Carroll County – State’s Attorney – Salary

FOR the purpose of altering the salary of the State’s Attorney for Carroll County; providing for the application of this Act; and generally relating to the Office of the State’s Attorney for Carroll County.

BY repealing and reenacting, without amendments,
 Article – Criminal Procedure
 Section 15–407(a)
 Annotated Code of Maryland
 (2008 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Criminal Procedure
Section 15–407(b)(1)
Annotated Code of Maryland
(2008 Replacement Volume and 2016 Supplement)

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

Article – Criminal Procedure

15–407.

(a) This section applies only in Carroll County.

(b) (1) (i) The State’s Attorney’s salary is [80%] **THE FOLLOWING PERCENTAGES** of the salary of a judge of the District Court of Maryland:

- 1. 80%, ENDING ON DECEMBER 3, 2018;**
- 2. 90%, BEGINNING ON DECEMBER 4, 2018; AND**
- 3. 100%, BEGINNING ON DECEMBER 3, 2019, AND**

THEREAFTER.

(ii) A salary increase shall take effect at the beginning of the elected term of office and may not increase during the term of office.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the State’s Attorney for Carroll County while serving in a term of office beginning before the effective date of this Act, but the provisions of this Act concerning the salary or compensation of the State’s Attorney for Carroll County shall take effect at the beginning of the next following term of office. This limitation does not apply to an individual appointed or elected after the effective date of this Act to fill out an unexpired term.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 438

(Senate Bill 309)

AN ACT concerning

State Finance and Procurement – Small and Minority Business Participation

FOR the purpose of incorporating certain findings and evidence associated with a certain Minority Business Enterprise Program; requiring that approved applicants for certain wind projects comply with the Minority Business Enterprise Program to a certain extent; requiring the Governor’s Office of Minority Affairs, in consultation with the Office of the Attorney General and a certain approved applicant, to establish a certain plan; requiring a certain approved applicant to submit a certain progress report to the Public Service Commission under certain circumstances; clarifying what constitutes good cause for the purpose of removal of a certified minority business enterprise after the execution of a contract; prohibiting the failure of a certified minority business to provide a certain bond from being considered nonperformance; authorizing a certain unit to apply a certain percentage of certain costs toward achieving certain goals under certain circumstances; authorizing a certain unit to apply the total amount of certain fees or commissions toward certain goals under certain circumstances; prohibiting a certain unit from applying any portion of certain costs toward certain goals; repealing the definition of “designated procurement unit” in the Small Business Reserve Program; altering a requirement that certain units structure certain procurement procedures to achieve a certain minimum percentage of the unit’s total dollar value of certain contracts to be made directly to small businesses; providing that a certain unit may apply only certain payments toward its overall annual Small Business Reserve payment; requiring the Special Secretary of Minority Affairs, in consultation with the Attorney General, to establish certain standards and guidelines at a certain regular interval; defining a certain term; making conforming changes; requiring a certain certification agency to initiate a certain analysis and report to a certain committee of the General Assembly on or before a certain date; making this Act an emergency measure; providing for the effective date of certain provisions of this Act; providing for the termination of certain provisions of this Act; and generally relating to small and minority business participation in State procurement.

BY adding to

Article – Public Utilities

Section 7-704.1(e)(3)

Annotated Code of Maryland

(2010 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 14-302 and 14-502 through 14-505

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement
Section 14–501
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)
(As enacted by Chapter 8 of the Acts of the General Assembly of 2016)

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

Article – Public Utilities

7–704.1.

(e) (3) (I) THE FINDINGS AND EVIDENCE RELIED ON BY THE GENERAL ASSEMBLY FOR THE CONTINUATION OF THE MINORITY BUSINESS ENTERPRISE PROGRAM UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE ARE INCORPORATED IN THIS PARAGRAPH.

(II) TO THE EXTENT PRACTICABLE AND AUTHORIZED BY THE UNITED STATES CONSTITUTION, APPROVED APPLICANTS FOR A PROPOSED OFFSHORE WIND PROJECT SHALL COMPLY WITH THE STATE’S MINORITY BUSINESS ENTERPRISE PROGRAM.

(III) 1. ON OR BEFORE 6 MONTHS AFTER THE ISSUANCE OF AN ORDER APPROVING AN OREC APPLICATION, THE GOVERNOR’S OFFICE OF MINORITY AFFAIRS, IN CONSULTATION WITH THE OFFICE OF THE ATTORNEY GENERAL AND AN APPROVED APPLICANT, SHALL ESTABLISH A CLEAR PLAN FOR SETTING REASONABLE AND APPROPRIATE MINORITY BUSINESS ENTERPRISE PARTICIPATION GOALS AND PROCEDURES FOR EACH PHASE OF THE QUALIFIED OFFSHORE WIND PROJECT.

2. TO THE EXTENT PRACTICABLE, THE GOALS AND PROCEDURES SPECIFIED IN SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH SHALL BE BASED ON THE REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE AND THE REGULATIONS IMPLEMENTING THAT SUBTITLE.

3. EVERY 6 MONTHS FOLLOWING THE ISSUANCE OF AN ORDER APPROVING AN OREC APPLICATION, AN APPROVED APPLICANT SHALL SUBMIT A REPORT ON ITS PROGRESS ESTABLISHING AND IMPLEMENTING MINORITY BUSINESS ENTERPRISE PARTICIPATION GOALS AND PROCEDURES TO THE COMMISSION.

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

Article – State Finance and Procurement

14–302.

(a) (1) (i) 1. Except for leases of real property, each unit shall structure procurement procedures, consistent with the purposes of this subtitle, to try to achieve an overall percentage goal of the unit's total dollar value of procurement contracts being made directly or indirectly to certified minority business enterprises.

2. Notwithstanding subparagraph 1 of this subparagraph, the following contracts may not be counted as part of a unit's total dollar value of procurement contracts:

A. a procurement contract awarded in accordance with Subtitle 1 of this title;

B. a procurement contract awarded to a not-for-profit entity in accordance with requirements mandated by State or federal law; and

C. a procurement by the Maryland Developmental Disabilities Administration of the Department of Health and Mental Hygiene for family and individual support services, community residential services, resource coordination services, behavioral support services, vocational and day services, and respite services, as those terms are defined in regulations adopted by the Department of Health and Mental Hygiene.

(ii) 1. The overall percentage goal shall be established on a biennial basis by the Special Secretary of Minority Affairs, in consultation with the Secretary of Transportation and the Attorney General.

2. During any year in which there is a delay in establishing the overall goal, the previous year's goal will apply.

(iii) 1. In consultation with the Secretary of Transportation and the Attorney General, the Special Secretary of Minority Affairs shall establish guidelines on a biennial basis for each unit to consider while determining whether to set subgoals for the minority groups listed in § 14–301(k)(1)(i)1, 2, 3, 4, and 6 of this subtitle.

2. During any year in which there is a delay in establishing the subgoal guidelines, the previous year's subgoal guidelines will apply.

(iv) 1. The Special Secretary of Minority Affairs, in consultation with the Secretary of Transportation and the Attorney General, shall establish goals and subgoal guidelines that, to the maximum extent feasible, approximate the level of minority business enterprise participation that would be expected in the absence of discrimination.

2. In establishing overall goals and subgoal guidelines, the Special Secretary of Minority Affairs shall provide for public participation by consulting with minority, women's, and general contractor groups, community organizations, and other officials or organizations that could be expected to have information concerning:

A. the availability of minority- and women-owned businesses;

B. the effects of discrimination on opportunities for minority- and women-owned businesses; and

C. the State's operation of the Minority Business Enterprise Program.

(v) In establishing overall goals, the factors to be considered shall include:

1. the relative availability of minority- and women-owned businesses to participate in State procurement as demonstrated by the State's most recent disparity study;

2. past participation of minority business enterprises in State procurement, except for procurement related to leases of real property; and

3. other factors that contribute to constitutional goal setting.

(vi) Notwithstanding § 12-101 of this article, the Special Secretary of Minority Affairs shall adopt regulations in accordance with Title 10, Subtitle 1 of the State Government Article setting forth the State's overall goal.

(2) The Special Secretary of Minority Affairs, in consultation with the Secretary of Transportation and the Attorney General, shall establish guidelines for each unit to consider when determining the appropriate minority business enterprise participation percentage goal for a procurement contract in accordance with paragraph (3) of this subsection.

(3) Each unit shall:

(i) consider the practical severability of all contracts and, in accordance with § 11-201 of this article, may not bundle contracts;

(ii) implement a program that will enable the unit to evaluate each contract to determine the appropriate minority business enterprise participation goals, if any, for the contract based on:

1. the potential subcontract opportunities available in the prime procurement contract;

2. the availability of certified minority business enterprises to respond competitively to the potential subcontract opportunities;
3. the contract goal guidelines established under paragraph (2) of this subsection;
4. the subgoal guidelines established under paragraph (1)(iii) of this subsection; and
5. other factors that contribute to constitutional goal setting;

(iii) monitor and collect data with respect to prime contractor compliance with contract goals; and

(iv) institute corrective action when prime contractors do not make good-faith efforts to comply with contract goals.

(4) Units may not use quotas or any project goal-setting process that:

(i) solely relies on the State's overall numerical goal, or any other jurisdiction's overall numerical goal; or

(ii) fails to incorporate the analysis outlined in paragraph (3)(ii) of this subsection.

(5) (i) A woman who is also a member of an ethnic or racial minority group may be certified in that category in addition to the gender category.

(ii) For purposes of achieving the goals in this subsection, a certified minority business enterprise may participate in a procurement contract and be counted as a woman-owned business, or as a business owned by a member of an ethnic or racial group, but not both, if the business has been certified in both categories.

(6) Each unit shall meet the maximum feasible portion of the State's overall goal established in accordance with this subsection by using race-neutral measures to facilitate minority business enterprise participation in the procurement process.

(7) If a unit establishes minority business enterprise participation goals for a contract, a contractor, including a contractor that is a certified minority business enterprise, shall:

(i) identify specific work categories appropriate for subcontracting;

(ii) at least 10 days before bid opening, solicit minority business enterprises, through written notice that:

1. describes the categories of work under item (i) of this paragraph; and

2. provides information regarding the type of work being solicited and specific instructions on how to submit a bid;

(iii) attempt to make personal contact with the firms in item (ii) of this paragraph;

(iv) offer to provide reasonable assistance to minority business enterprises to fulfill bonding requirements or to obtain a waiver of those requirements;

(v) in order to publicize contracting opportunities to minority business enterprises, attend prebid or preproposal meetings or other meetings scheduled by the unit; and

(vi) upon acceptance of a bid or proposal, provide the unit with a list of minority businesses with whom the contractor negotiated, including price quotes from minority and nonminority firms.

(8) The Special Secretary of Minority Affairs shall:

(i) in consultation with the Secretary of Transportation and the Attorney General, establish procedures governing how the participation of minority business enterprise prime contractors is counted toward contract goals; and

(ii) notwithstanding § 12–101 of this article, adopt regulations setting forth the procedures established in accordance with this paragraph.

(9) (i) 1. If a contractor, including a certified minority business enterprise, does not achieve all or a part of the minority business enterprise participation goals on a contract, the unit shall make a finding of whether the contractor has demonstrated that the contractor took all necessary and reasonable steps to achieve the goals, including compliance with paragraph (7) of this subsection.

2. A waiver of any part of the minority business enterprise goals for a contract shall be granted if a contractor provides a reasonable demonstration of good–faith efforts to achieve the goals.

(ii) If the unit determines that a waiver should be granted in accordance with subparagraph (i) of this paragraph, the unit may not require the contractor to renegotiate any subcontract in order to achieve a different result.

(iii) The head of the unit may waive any of the requirements of this subsection relating to the establishment, use, and waiver of contract goals for a sole source, expedited, or emergency procurement in which the public interest cannot reasonably accommodate use of those requirements.

(iv) 1. Except for waivers granted in accordance with subparagraph (iii) of this paragraph, when a waiver determination is made, the unit shall issue the determination in writing.

2. The head of the unit shall:

A. keep one copy of the waiver determination and the reasons for the determination; and

B. forward one copy of the waiver determination to the Governor's Office of Minority Affairs.

(v) On or before July 31 of each year, each unit shall submit directly to the Board of Public Works and the Governor's Office of Minority Affairs an annual report of waivers requested and waivers granted under this paragraph.

(vi) The report required under subparagraph (v) of this paragraph shall contain the following information on those contracts where the unit considered a contractor's request for waiver of all or a portion of the minority business enterprise goals:

1. the contract titles, numbers, and dates;

2. the number of waiver requests received;

3. the number of waiver requests granted; and

4. any other information specifically requested by the Board.

(10) (i) 1. This paragraph applies to a bidder or offeror after submission of a bid or proposal and before the execution of a contract with an expected degree of minority business enterprise participation.

2. If the bidder or offeror determines that a minority business enterprise identified in the minority business enterprise participation schedule has become or will become unavailable or ineligible to perform the work required under the contract, the bidder or offeror shall notify the unit within 72 hours of making the determination.

(ii) 1. If a minority business enterprise identified in the minority business enterprise participation schedule submitted with a bid or offer has become or will become unavailable or ineligible to perform the work required under the contract, the bidder or offeror may submit a written request with the unit to amend the minority business enterprise participation schedule.

2. The request to amend the minority business enterprise participation schedule shall indicate the bidder's or offeror's efforts to substitute another

certified minority business enterprise to perform the work that the unavailable or ineligible minority business enterprise would have performed.

(iii) A minority business enterprise participation schedule may not be amended unless:

1. the bidder or offeror provides a satisfactory explanation of the reason for inclusion of the unavailable or ineligible firm on the minority business enterprise participation schedule; and

2. the amendment is approved by the unit's procurement officer after consulting with the unit's minority business enterprise liaison.

(11) (i) This paragraph applies after execution of a contract with an expected degree of minority business enterprise participation.

(ii) The minority business enterprise participation schedule, including any amendment, shall be attached to and made a part of the executed contract.

(iii) 1. **A. ~~FOR~~ EXCEPT AS PROVIDED IN SUBSUBSUBPARAGRAPH B OF THIS SUBSUBPARAGRAPH, FOR PURPOSES OF THIS SUBPARAGRAPH, GOOD CAUSE FOR REMOVAL OF A CERTIFIED MINORITY BUSINESS ENTERPRISE AFTER CONTRACT EXECUTION INCLUDES DOCUMENTED NONPERFORMANCE BY THE MINORITY BUSINESS ENTERPRISE OR ELECTION BY THE CERTIFIED MINORITY BUSINESS ENTERPRISE TO CEASE WORK ON THE CONTRACT.**

B. FAILURE OF A CERTIFIED MINORITY BUSINESS ENTERPRISE TO PROVIDE A BOND REQUESTED BY A CONTRACTOR IN VIOLATION OF § 13-227 OF THIS ARTICLE MAY NOT BE CONSIDERED NONPERFORMANCE BY THE MINORITY BUSINESS ENTERPRISE.

[1.] 2. A contractor may not terminate or otherwise cancel the contract of a certified minority business enterprise subcontractor listed in the minority business enterprise participation schedule without showing good cause and obtaining the prior written consent of the minority business enterprise liaison and approval of the head of the unit.

[2.] 3. The unit shall send a copy of the written consent obtained under subparagraph [1] 2 of this subparagraph to the Governor's Office of Minority Affairs.

(iv) A minority business enterprise participation schedule may not be amended after the date of contract execution unless the request is approved by the head of the unit and the contract is amended.

(12) If, during the performance of a contract, a certified minority business enterprise contractor or subcontractor becomes ineligible to participate in the Minority Business Enterprise Program because one or more of its owners has a personal net worth that exceeds the amount specified in § 14–301(k)(3) of this subtitle:

(i) that ineligibility alone may not cause the termination of the certified minority business enterprise's contractual relationship for the remainder of the term of the contract; and

(ii) the certified minority business enterprise's participation under the contract shall continue to be counted toward the program and contract goals.

(13) (i) Except as provided in subparagraph (ii) of this paragraph, a not-for-profit entity participating as a minority business enterprise on a procurement contract awarded by a unit before July 1, 2015, may continue to participate in the contract until the contract expires or otherwise terminates, including all options, renewals, and other extensions.

(ii) 1. The not-for-profit entity's participation may not be counted toward achieving the minority business enterprise participation goals in this subsection.

2. The unit may not require that a certified minority business enterprise be substituted for the not-for-profit entity in order to meet the minority business enterprise goals for the procurement contract.

(14) (I) FOR PURPOSES OF THIS PARAGRAPH AND PARAGRAPH (15) OF THIS SUBSECTION, "REGULAR DEALER":

1. MEANS A FIRM THAT OWNS, OPERATES, OR MAINTAINS A STORE, A WAREHOUSE, OR ANY OTHER ESTABLISHMENT IN WHICH THE MATERIALS, SUPPLIES, ARTICLES, OR EQUIPMENT ARE OF THE GENERAL CHARACTER DESCRIBED BY THE SPECIFICATIONS REQUIRED UNDER THE CONTRACT AND ARE BOUGHT, KEPT IN STOCK, OR REGULARLY SOLD OR LEASED TO THE PUBLIC IN THE USUAL COURSE OF BUSINESS; AND

2. DOES NOT INCLUDE A PACKAGER, A BROKER, A MANUFACTURER'S REPRESENTATIVE, OR ANY OTHER PERSON THAT ARRANGES OR EXPEDITES TRANSACTIONS.

(II) A UNIT MAY APPLY ONLY 60% OF THE COSTS OF THE MATERIALS AND SUPPLIES PROVIDED BY THE CERTIFIED MINORITY BUSINESS ENTERPRISE IF THE CERTIFIED MINORITY BUSINESS ENTERPRISE IS A REGULAR DEALER FOR PURPOSES OF ACHIEVING THE MINORITY BUSINESS ENTERPRISE CONTRACT GOAL.

(15) (I) WITH RESPECT TO MATERIALS OR SUPPLIES PURCHASED FROM A CERTIFIED MINORITY BUSINESS ENTERPRISE THAT IS NEITHER A MANUFACTURER NOR A REGULAR DEALER, A UNIT MAY APPLY THE ENTIRE AMOUNT OF FEES OR COMMISSIONS CHARGED FOR ASSISTANCE IN THE PROCUREMENT OF THE MATERIALS AND SUPPLIES, FEES, OR TRANSPORTATION CHARGES FOR THE DELIVERY OF MATERIALS AND SUPPLIES REQUIRED ON A PROCUREMENT TOWARD MINORITY BUSINESS ENTERPRISE CONTRACT GOALS, PROVIDED A UNIT DETERMINES THE FEES TO BE REASONABLE AND NOT EXCESSIVE AS COMPARED WITH FEES CUSTOMARILY ALLOWED FOR SIMILAR SERVICES.

(II) A UNIT MAY NOT APPLY ANY PORTION OF THE COSTS OF THE MATERIALS AND SUPPLIES TOWARD MINORITY BUSINESS ENTERPRISE GOALS.

(b) (1) The provisions of §§ 14–301(f) and 14–303 of this subtitle and subsection (a) of this section are inapplicable to the extent that any unit determines the provisions to be in conflict with any applicable federal program requirement.

(2) The determination under this subsection shall be included with the report required under § 14–305 of this subtitle.

14–501.

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

(b) [“Designated procurement unit” means:

- (1) the State Treasurer;
- (2) the Department of Information Technology;
- (3) the Department of Commerce;
- (4) the Department of the Environment;
- (5) the Department of General Services;
- (6) the Department of Health and Mental Hygiene;
- (7) the Department of Housing and Community Development;
- (8) the Department of Human Resources;
- (9) the Department of Juvenile Services;
- (10) the Department of Labor, Licensing, and Regulation;

- (11) the Department of Natural Resources;
- (12) the State Department of Education;
- (13) the Department of State Police;
- (14) the Department of Public Safety and Correctional Services;
- (15) the Department of Transportation;
- (16) the University System of Maryland;
- (17) the Maryland Port Commission;
- (18) the State Retirement Agency;
- (19) the Maryland Insurance Administration;
- (20) the Maryland Stadium Authority;
- (21) the State Lottery and Gaming Control Agency;
- (22) the Morgan State University; and
- (23) the Maryland Transportation Authority.

(c)] “Small business” means:

(1) a certified minority business enterprise, as defined in § 14–301 of this title, that meets the criteria specified under item (2) of this subsection; or

(2) a business, other than a broker, that meets the following criteria:

(i) the business is independently owned and operated;

(ii) the business is not a subsidiary of another business;

(iii) the business is not dominant in its field of operation; and

(iv) 1. A. the wholesale operations of the business did not employ more than 50 persons in its most recently completed 3 fiscal years;

B. the retail operations of the business did not employ more than 25 persons in its most recently completed 3 fiscal years;

C. the manufacturing operations of the business did not employ more than 100 persons in its most recently completed 3 fiscal years;

D. the service operations of the business did not employ more than 100 persons in its most recently completed 3 fiscal years;

E. the construction operations of the business did not employ more than 50 persons in its most recently completed 3 fiscal years; and

F. the architectural and engineering services of the business did not employ more than 100 persons in its most recently completed 3 fiscal years; or

2. A. the gross sales of the wholesale operations of the business did not exceed an average of \$4,000,000 in its most recently completed 3 fiscal years;

B. the gross sales of the retail operations of the business did not exceed an average of \$3,000,000 in its most recently completed 3 fiscal years;

C. the gross sales of the manufacturing operations of the business did not exceed an average of \$2,000,000 in its most recently completed 3 fiscal years;

D. the gross sales of the service operations of the business did not exceed an average of \$10,000,000 in its most recently completed 3 fiscal years;

E. the gross sales of the construction operations of the business did not exceed an average of \$7,000,000 in its most recently completed 3 fiscal years; and

F. the gross sales of the architectural and engineering services of the business did not exceed an average of \$4,500,000 in its most recently completed 3 fiscal years.

[(d)] (C) “Small business reserve” means those procurements that are limited to responses from small businesses under § 14–502(b) of this subtitle.

14–502.

(a) Except as provided in subsection (d) of this section, this subtitle applies to all procurements by a [designated procurement] unit.

(b) This subsection does not apply to procurements subject to Subtitle 1 of this title.

(c) [A designated procurement] **TO THE EXTENT PRACTICABLE, A** unit shall structure its procurement procedures to achieve a minimum of [10%] **15%** of the unit’s total dollar value of goods, supplies, services, maintenance, construction,

construction-related services, and architectural and engineering service contracts to be made directly to small businesses.

(d) The total dollar value of procurements by a [designated procurement] unit does not include the value of contracts to which this section does not apply because of a conflict with federal law.

(E) A UNIT MAY APPLY TOWARD THE UNIT'S OVERALL ANNUAL SMALL BUSINESS RESERVE PAYMENT ACHIEVEMENT ONLY THOSE PAYMENTS RESULTING FROM A PROCUREMENT THAT IS DESIGNATED A SMALL BUSINESS RESERVE PROCUREMENT.

(F) THE SPECIAL SECRETARY OF MINORITY AFFAIRS, IN CONSULTATION WITH THE ATTORNEY GENERAL, SHALL ESTABLISH STANDARDS AND GUIDELINES FOR PARTICIPATION IN THE SMALL BUSINESS RESERVE PROGRAM EVERY 5 YEARS.

14-503.

(a) The Governor's Office of Minority Affairs shall adopt regulations to establish procedures for compiling and maintaining a comprehensive bidder's list of qualified small businesses that shall be posted on the Internet.

(b) The Governor's Office of Minority Affairs shall:

(1) establish guidelines for Small Business Reserve Program administration;

(2) ensure agency compliance with the Small Business Reserve Program;

(3) provide training and technical assistance to agency personnel; and

(4) collect data regarding the State's utilization of small business reserve vendors.

(c) Each [designated procurement] unit shall ensure compliance with the regulations set forth in subsection (a) of this section.

14-504.

(a) Any procurement by a [designated procurement] unit of goods, supplies, services, maintenance, construction, construction-related services, architectural services, and engineering services shall be eligible for designation for the small business reserve.

(b) A solicitation for procurement that has been designated for a small business reserve shall be published in the same manner as required for an invitation for bids as set forth in § 13-103(c) of this article.

(c) The procurement officer of a [designated procurement] unit shall award a procurement contract designated for a small business reserve to the small business that submits a responsive bid that:

(1) is the lowest bid price;

(2) if the invitation for bids so provides, is the lowest evaluated bid price;

or

(3) is the bid or proposal most favorable to the State within the small business reserve.

14-505.

(a) Within 60 days after the enactment of the budget bill by the General Assembly, each [designated procurement] unit shall submit a report to the Governor's Office of Minority Affairs that complies with the reporting requirements set forth in COMAR 21.11.01.06.

(b) (1) Within 90 days after the end of each fiscal year, each unit shall submit a report to the Governor's Office of Minority Affairs that complies with the requirements of paragraph (2) of this subsection.

(2) For the preceding fiscal year, the report shall:

(i) state the total number and the dollar value of payments the unit made to small businesses under designated small business reserve contracts;

(ii) state the total number and the dollar value of payments the unit made to small businesses under nondesignated small business reserve contracts, including purchase card procurements;

(iii) state the total dollar value of payments the unit made under procurement contracts; and

(iv) contain other such information as required by the Governor's Office of Minority Affairs.

(c) On or before December 31 of each year, the Governor's Office of Minority Affairs shall submit to the Board of Public Works and, subject to § 2-1246 of the State Government Article, to the Legislative Policy Committee a report summarizing the information the Office receives under subsection (b) of this section.

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.~~

SECTION 3. AND BE IT FURTHER ENACTED, That the Certification Agency designated by the Board of Public Works under § 14-303(b) of the State Finance and Procurement Article to certify and decertify minority business enterprises, in consultation with the Office of the Attorney General and the Maryland Public Service Commission, shall initiate an analysis of the disparity study entitled “Business Disparities in the Maryland Market Area” published on February 8, 2017, to determine if it applies to the type of work that will likely be performed by an approved applicant with respect to an offshore wind project under § 7-704.1 of the Public Utilities Article and submit a report on the analysis to the Legislative Policy Committee of the General Assembly, in accordance with § 2-1246 of the State Government Article, before December 1, 2017.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect October 1, 2017.

SECTION 5. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and, except as provided in Section 4 of this Act, shall take effect from the date it is enacted. Sections 1 and 3 of this Act shall remain effective through June 30, 2018, and, at the end of June 30, 2018, with no further action required by the General Assembly, Sections 1 and 3 of this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 4, 2017.

Chapter 439

(House Bill 1382)

AN ACT concerning

Election Law – Candidate for Circuit Court Judge Defeated in Primary Election

FOR the purpose of prohibiting a candidate for the office of judge of the circuit court who is defeated for the nomination at a primary election in certain contests from appearing on the ballot at the next succeeding general election as a candidate for any office; making a conforming change; and generally relating to a candidate for circuit court judge defeated in a primary election.

BY repealing and reenacting, with amendments,

Article – Election Law

Section 5-706

Annotated Code of Maryland

(2010 Replacement Volume and 2016 Supplement)

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

Article – Election Law

5–706.

(a) This section does not apply to:

(1) [a candidate for the office of judge of the circuit court;

(2)] a candidate selected by a political party to fill a vacancy in nomination under Subtitle 9 or Subtitle 10 of this title; or

[(3)] (2) a candidate defeated in a presidential preference primary.

(b) [The] **EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE** name of a candidate who is defeated for the nomination for a public office may not appear on the ballot at the next succeeding general election as a candidate for any office.

(C) THE NAME OF A CANDIDATE FOR THE OFFICE OF JUDGE OF THE CIRCUIT COURT WHO IS DEFEATED IN THE PRIMARY ELECTION IN EACH CONTEST FOR THE OFFICE OF CIRCUIT COURT JUDGE IN WHICH THE CANDIDATE APPEARS ON THE BALLOT MAY NOT APPEAR ON THE BALLOT AT THE SUCCEEDING GENERAL ELECTION AS A CANDIDATE FOR ANY OFFICE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 440

(Senate Bill 1121)

AN ACT concerning

Election Law – Candidate for Circuit Court Judge Defeated in Primary Election

FOR the purpose of prohibiting a candidate for the office of judge of the circuit court who is defeated for the nomination at a primary election in certain contests from appearing on the ballot at the next succeeding general election as a candidate for any office; and generally relating to a candidate for circuit court judge defeated in a primary election.

BY repealing and reenacting, with amendments,
 Article – Election Law
 Section 5–706
 Annotated Code of Maryland
 (2010 Replacement Volume and 2016 Supplement)

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

Article – Election Law

5–706.

(a) This section does not apply to:

(1) [a candidate for the office of judge of the circuit court;

(2)] a candidate selected by a political party to fill a vacancy in nomination under Subtitle 9 or Subtitle 10 of this title; or

[(3)] (2) a candidate defeated in a presidential preference primary.

(b) [The] **EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE** name of a candidate who is defeated for the nomination for a public office may not appear on the ballot at the next succeeding general election as a candidate for any office.

(C) THE NAME OF A CANDIDATE FOR THE OFFICE OF JUDGE OF THE CIRCUIT COURT WHO IS DEFEATED IN THE PRIMARY ELECTION IN EACH CONTEST FOR THE OFFICE OF CIRCUIT COURT JUDGE IN WHICH THE CANDIDATE APPEARS ON THE BALLOT MAY NOT APPEAR ON THE BALLOT AT THE SUCCEEDING GENERAL ELECTION AS A CANDIDATE FOR ANY OFFICE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 441

(House Bill 353)

AN ACT concerning

**Election Law – Change in Administrative Policy Affecting Voting Rights –
Notice**

FOR the purpose of requiring the State Board of Elections or a local board of elections to provide certain public notice in advance of a meeting at which a change in an administrative policy affecting voting rights will be considered; requiring the State Board of Elections or a local board of elections that adopts a change in an administrative policy affecting voting rights to provide certain public notice of the change; providing for the form, content, and timing of the public notice; ~~providing that an individual's right to vote may not be denied or abridged because the individual failed to comply with a change in an administrative policy affecting voting rights if the State Board or local board did not provide public notice of the change; clarifying that existing prohibitions on voter fraud and voter suppression apply to a person acting under color of law;~~ defining a certain term; and generally relating to notice of changes in administrative policies affecting voting rights.

BY adding to

Article – Election Law

Section 1–101(b–2) and 1–305

Annotated Code of Maryland

(2010 Replacement Volume and 2016 Supplement)

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

~~Article – Election Law~~

~~Section 16–201~~

~~Annotated Code of Maryland~~

~~(2010 Replacement Volume and 2016 Supplement)~~

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

Article – Election Law

1–101.

(B–2) “ADMINISTRATIVE POLICY AFFECTING VOTING RIGHTS” MEANS ANY ACTION RELATING TO VOTER REGISTRATION, PROVISIONAL VOTING, ABSENTEE VOTING, OR THE LOCATION OF A POLLING PLACE OR EARLY VOTING CENTER.

1–305.

(A) THE STATE BOARD OR A LOCAL BOARD MAY NOT CONSIDER A CHANGE IN AN ADMINISTRATIVE POLICY AFFECTING VOTING RIGHTS AT A MEETING UNLESS THE BOARD HAS POSTED A PROMINENT PUBLIC NOTICE ON ITS WEB SITE AT LEAST 48 HOURS IN ADVANCE OF THE MEETING STATING THAT THE BOARD WILL CONSIDER AN ADMINISTRATIVE POLICY AFFECTING VOTING RIGHTS AT THE MEETING.

(B) IF THE STATE BOARD OR A LOCAL BOARD ADOPTS A CHANGE IN AN ADMINISTRATIVE POLICY AFFECTING VOTING RIGHTS, THE STATE BOARD AND, IF APPLICABLE, THE LOCAL BOARD THAT ADOPTED THE CHANGE SHALL PROVIDE REASONABLE PUBLIC NOTICE OF THE CHANGE AS PROVIDED IN SUBSECTION (C) OF THIS SECTION.

(C) THE PUBLIC NOTICE SHALL:

(1) BE IN A REASONABLY CONVENIENT AND ACCESSIBLE FORMAT;

(2) BE PROMINENTLY POSTED ON THE WEB SITE OF THE:

(I) STATE BOARD; AND

(II) LOCAL BOARD THAT ADOPTED THE CHANGE, IF APPLICABLE;

(3) INCLUDE A CONCISE DESCRIPTION OF THE CHANGE, INCLUDING THE DIFFERENCE BETWEEN THE NEW ADMINISTRATIVE POLICY AFFECTING VOTING RIGHTS AND THE ADMINISTRATIVE POLICY AFFECTING VOTING RIGHTS THAT WAS PREVIOUSLY IN EFFECT; AND

(4) BE PROVIDED WITHIN 48 HOURS OF THE ADOPTION OF THE CHANGE.

~~(D) THE RIGHT TO VOTE OF AN INDIVIDUAL MAY NOT BE DENIED OR ABRIDGED BECAUSE THE INDIVIDUAL FAILS TO COMPLY WITH A CHANGE IN AN ADMINISTRATIVE POLICY AFFECTING VOTING RIGHTS IF THE STATE BOARD AND, IF APPLICABLE, THE LOCAL BOARD THAT ADOPTED THE CHANGE DID NOT PROVIDE THE PUBLIC NOTICES REQUIRED UNDER THIS SECTION.~~

~~16-201.~~

~~(a) A person, INCLUDING A PERSON ACTING UNDER COLOR OF LAW, may not willfully and knowingly:~~

~~(1) (i) impersonate another person in order to vote or attempt to vote;~~

~~or~~

~~(ii) vote or attempt to vote under a false name;~~

~~(2) vote more than once for a candidate for the same office or for the same ballot question;~~

~~(3) vote or attempt to vote more than once in the same election, or vote in more than one election district or precinct;~~

~~(4) vote in an election district or precinct without the legal authority to vote in that election district or precinct;~~

~~(5) influence or attempt to influence a voter's voting decision through the use of force, threat, menace, intimidation, bribery, reward, or offer of reward;~~

~~(6) influence or attempt to influence a voter's decision whether to go to the polls to cast a vote through the use of force, fraud, threat, menace, intimidation, bribery, reward, or offer of reward; or~~

~~(7) engage in conduct that results or has the intent to result in the denial or abridgement of the right of any citizen of the United States to vote on account of race, color, or disability.~~

~~(b) Except as provided in § 16-1002 of this title, a person who violates this section is guilty of a misdemeanor and on conviction is subject to a fine of not more than \$5,000 or imprisonment for not more than 5 years or both.~~

~~(e) A person who violates this section is subject to § 5-106(b) of the Courts Article.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 442

(House Bill 315)

AN ACT concerning

Montgomery County – Alcoholic Beverages – ~~Class A Agency Store Beer, Wine, and Liquor Licenses~~ Contracts to Sell Liquor for Off-Premises Consumption

MC 18-17

FOR the purpose of ~~authorizing the Montgomery County Board of License Commissioners to adopt regulations establishing a Class A agency store beer, wine, and liquor license, subject to the approval of the Montgomery County Executive; specifying the scope of a Class A agency store beer, wine, and liquor license; requiring certain regulations to establish certain terms and conditions that govern the sale of beer, wine, and liquor by certain license holders; authorizing the Board to issue a Class A~~

~~agency store beer, wine, and liquor license to a holder of a Class A beer and wine license who completes a certain application and surrenders a certain license, subject to a certain provision of law; specifying that a certain license holder may purchase liquor only from the Montgomery County Department of Liquor Control; requiring the Board and the Department of Liquor Control to establish certain criteria for the issuance of a certain license; authorizing the Board and the Department of Liquor Control to adopt limitations on the total number of licenses that may be issued and to impose certain distance restrictions; providing for the termination of a Class A agency store beer, wine, and liquor license and requiring the Board to reissue a Class A beer and wine license on termination of a certain agency relationship with the Department of Liquor Control; specifying a certain annual license fee; authorizing the Montgomery County Department of Liquor Control to contract with certain retail outlets to sell liquor for off-premises consumption under certain circumstances; requiring the Department to adopt regulations to establish criteria for contracting with retail outlets; repealing certain provisions relating to the sale of certain items by a retail outlet; and generally relating to the sale of alcoholic beverages in Montgomery County.~~

~~BY renumbering~~

~~Article — Alcoholic Beverages
Section 25-901
to be Section 25-901.1
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)~~

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages
Section 25-102
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

~~BY adding to~~

~~Article — Alcoholic Beverages
Section 25-901
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)~~

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages
Section 25-310
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
~~That Section(s) 25-901 of Article — Alcoholic Beverages of the Annotated Code of Maryland
be renumbered to be Section(s) 25-901.1.~~

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

Article – Alcoholic Beverages

25–102.

This title applies only in Montgomery County.

~~25–901.~~

~~(A) (1) SUBJECT TO THE APPROVAL OF THE COUNTY EXECUTIVE, THE BOARD MAY ADOPT REGULATIONS ESTABLISHING A CLASS A AGENCY STORE BEER, WINE, AND LIQUOR LICENSE.~~

~~(2) SUBJECT TO PARAGRAPH (1) OF THIS SUBSECTION, THE LICENSE AUTHORIZES THE LICENSE HOLDER TO SELL AT THE PLACE DESCRIBED IN THE LICENSE:~~

~~(I) BEER AND WINE AT RETAIL; AND~~

~~(II) LIQUOR AS AN AGENT FOR THE DEPARTMENT OF LIQUOR CONTROL.~~

~~(3) THE REGULATIONS SHALL ESTABLISH THE TERMS AND CONDITIONS THAT GOVERN THE SALE OF BEER, WINE, AND LIQUOR BY THE LICENSE HOLDER.~~

~~(B) SUBJECT TO SUBSECTION (A) OF THIS SECTION, THE BOARD MAY ISSUE A CLASS A AGENCY STORE BEER, WINE, AND LIQUOR LICENSE TO A CLASS A BEER AND WINE LICENSE HOLDER WHO:~~

~~(1) COMPLETES THE APPLICATION THAT THE BOARD PROVIDES;~~

~~(2) MEETS THE CRITERIA ESTABLISHED BY THE BOARD AND THE DEPARTMENT OF LIQUOR CONTROL UNDER SUBSECTION (D) OF THIS SECTION; AND~~

~~(3) SUBJECT TO SUBSECTION (E) OF THIS SECTION, SURRENDERS THE CLASS A BEER AND WINE LICENSE.~~

~~(C) THE HOLDER OF A CLASS A AGENCY STORE BEER, WINE, AND LIQUOR LICENSE MAY PURCHASE LIQUOR ONLY FROM THE DEPARTMENT OF LIQUOR CONTROL.~~

~~(D) THE BOARD AND THE DEPARTMENT OF LIQUOR CONTROL:~~

~~(1) SHALL ESTABLISH CRITERIA FOR THE ISSUANCE OF A CLASS A AGENCY STORE BEER, WINE, AND LIQUOR LICENSE UNDER SUBSECTION (A) OF THIS SECTION; AND~~

~~(2) MAY ADOPT:~~

~~(I) LIMITATIONS ON THE TOTAL NUMBER OF CLASS A AGENCY STORE BEER, WINE, AND LIQUOR LICENSES THAT MAY BE ISSUED; AND~~

~~(II) DISTANCE RESTRICTIONS ON THE ISSUANCE OF A LICENSE FOR AN ESTABLISHMENT THAT IS LOCATED WITHIN A SPECIFIED DISTANCE OF A COUNTY OWNED STORE.~~

~~(E) ON TERMINATION OF AN AGENCY RELATIONSHIP BETWEEN THE LICENSE HOLDER AND THE DEPARTMENT OF LIQUOR CONTROL FOR THE SALE OF LIQUOR:~~

~~(1) THE CLASS A AGENCY STORE BEER, WINE, AND LIQUOR LICENSE SHALL TERMINATE; AND~~

~~(2) THE BOARD SHALL REISSUE THE CLASS A BEER AND WINE LICENSE TO THE LICENSE HOLDER.~~

~~(F) THE ANNUAL FEE FOR A CLASS A AGENCY STORE BEER, WINE, AND LIQUOR LICENSE IS \$5,000.~~

25-310.

(a) With the approval of the County Executive, the Director may establish a dispensary at one or more locations that the Director determines.

(b) (1) The Department may sell its inventory through:

(i) dispensaries selling at wholesale and retail; and

(ii) subject to subsection (c) of this section, retail outlets operated by individuals with whom the Department contracts.

(2) Notwithstanding any other law, the Director may sell at wholesale or retail alcoholic beverages in whole cases or in individual bottles through dispensaries to a license holder in the county.

(3) The Department may not sell alcoholic beverages at different prices to different license holders or classes of license holders.

(c) (1) The Director may not contract with a person to operate:

(i) a dispensary; or

(ii) except as provided in paragraph (2) of this subsection, a retail outlet for the sale of beer, wine, and liquor.

(2) The Director may enter into a contract with a person to operate a retail outlet for the sale of [beer, wine, and] liquor **FOR OFF-PREMISES CONSUMPTION if THE PERSON HOLDS ANY LICENSE FOR OFF-PREMISES CONSUMPTION OR FOR ON- AND OFF-PREMISES CONSUMPTION**[:

(i) the Board of License Commissioners determines that the person is fit to operate the retail outlet; and

(ii) the Director had a contract with a person to operate the retail outlet on January 1, 1997].

(3) THE DEPARTMENT SHALL ESTABLISH CRITERIA FOR CONTRACTING WITH RETAIL OUTLETS.

(d) A dispensary [or a retail outlet operated under contract with the Director]:

(1) may sell only:

(i) for off-premises consumption, nonchilled beer, wine, and liquor;

(ii) ice;

(iii) bottled water; and

(iv) items commonly associated with the serving or consumption of alcoholic beverages, including bottle openers, corkscrews, drink mixes, and lime juice; and

(2) may not sell snack foods or soft drinks.

(e) The Department may sell or deliver alcoholic beverages to a retail license holder from 6 a.m. to midnight on every day except Sunday.

(f) A manager of a dispensary, an individual who contracts to operate a retail outlet as authorized under subsection (c) of this section, or an employee of a dispensary or retail outlet who commits a prohibited act related to the sale or providing of alcoholic beverages to individuals under the age of 21 years under this article or the Criminal Law Article is subject to:

(1) any penalty authorized by law, including a civil citation issued under § 10–119 of the Criminal Law Article; and

(2) a fine and suspension or revocation of employment by the Board in the same manner as a license holder or employee of a license holder would be subject to a fine and suspension or revocation of the license for the violation.

(g) Title 4, Subtitle 2 of this article does not apply to this section.

SECTION ~~2~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 443

(House Bill 313)

AN ACT concerning

Montgomery County – Archery Hunting – Safety Zone

MC 10–17

FOR the purpose of altering the size of the safety zone for archery hunters in Montgomery County within which archery hunting may not take place except under certain circumstances; requiring archery hunters in Montgomery County to use a tree stand when hunting certain animals within a certain distance of certain buildings; and generally relating to archery hunting in Montgomery County.

BY repealing and reenacting, with amendments,
 Article – Natural Resources
 Section 10–410(g)
 Annotated Code of Maryland
 (2012 Replacement Volume and 2016 Supplement)

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

Article – Natural Resources

10–410.

(g) (1) Except as provided in paragraphs (2) and (3) of this subsection, a person, other than the owner or occupant, while hunting for any wild bird or mammal may

not shoot or discharge any firearm or other deadly weapon within 150 yards, known as the “safety zone”, of a dwelling house, residence, church, or other building or camp occupied by human beings, or shoot at any wild bird or mammal while it is within this area, without the specific advance permission of the owner or occupant.

(2) A person, while hunting for any wild bird or mammal, may not shoot or discharge any firearm within 300 yards of a public or nonpublic school during school hours or at a time when a school–approved activity is taking place.

(3) (i) For archery hunters in Calvert County, Carroll County, Frederick County, Harford County, **MONTGOMERY COUNTY**, or St. Mary’s County, the safety zone described in paragraph (1) of this subsection extends for 50 yards from a dwelling house, residence, church, or any other building or camp occupied by human beings.

(ii) For archery hunters in Anne Arundel County [or Montgomery County], the safety zone described in paragraph (1) of this subsection extends for 100 yards from a dwelling house, residence, church, or any other building or camp occupied by human beings.

(4) During any open hunting season, a person, other than the owner or occupant, may not hunt or chase willfully any wild bird or mammal within the safety zone without the specific advance permission of the owner or occupant.

(5) In Harford County OR MONTGOMERY COUNTY, an archery hunter shall use a tree stand when hunting any wild bird or mammal within 50 to 100 yards of a dwelling house, residence, church, public or nonpublic school, or other building or camp occupied by human beings.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 444

(House Bill 386)

AN ACT concerning

**Montgomery County – Economic Development – Business Improvement
Districts**

MC 12–17

FOR the purpose of removing Montgomery County from the scope of law governing the establishment of business improvement districts; authorizing Montgomery County or a municipal corporation in Montgomery County to create certain business improvement districts; providing for the legislative purposes of a district; requiring the county or a municipal corporation in the county to adopt certain local laws to provide for the creation and organization of a district; providing for the governance of the business improvement district corporation; providing that the net earnings of a district corporation may benefit only the district corporation; authorizing a district corporation to receive certain money, charge certain fees, have certain employees, and use certain services; providing for the creation of a district; requiring that before a district may be created a certain public hearing must be held; providing for the imposition of a certain tax in a certain manner under certain circumstances; providing for the expansion of a district; requiring the governing body of the county or a municipal corporation in the county in which a district is established to review and evaluate the desirability of continuing the existence of a district at certain times and to develop policies; and generally relating to business improvement districts and district corporations in Montgomery County.

BY adding to

Article – Economic Development

Section 12–402.1; and 12–601 through 12–612 to be under the new subtitle “Subtitle 6. Montgomery County – Business Improvement Districts”

Annotated Code of Maryland

(2008 Volume and 2016 Supplement)

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

Article – Economic Development

12–402.1.

THIS SUBTITLE DOES NOT APPLY IN MONTGOMERY COUNTY.

SUBTITLE 6. MONTGOMERY COUNTY – BUSINESS IMPROVEMENT DISTRICTS.

12–601.

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

(B) “BOARD” MEANS THE BOARD OF DIRECTORS OF A DISTRICT CORPORATION.

(C) “COMMERCIAL TENANT” MEANS A LESSEE OR OTHER LAWFUL OCCUPANT, OTHER THAN THE OWNER, OF NONEXEMPT PROPERTY WITHIN A DISTRICT.

(D) “CONDOMINIUM” HAS THE MEANING STATED IN § 11-101 OF THE REAL PROPERTY ARTICLE.

(E) “COOPERATIVE HOUSING CORPORATION” HAS THE MEANING STATED IN § 5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.

~~(D)~~ (F) “DISTRICT” MEANS A BUSINESS IMPROVEMENT DISTRICT ESTABLISHED UNDER THIS SUBTITLE.

~~(E)~~ (G) “DISTRICT CORPORATION” MEANS A BUSINESS IMPROVEMENT DISTRICT CORPORATION FORMED IN ACCORDANCE WITH THIS SUBTITLE.

(H) “HOMEOWNERS ASSOCIATION” HAS THE MEANING STATED IN § 11B-101 OF THE REAL PROPERTY ARTICLE.

~~(F)~~ (I) “MEMBERS OF THE DISTRICT” MEANS OWNERS OF NONEXEMPT PROPERTY IN THE DISTRICT.

~~(G)~~ (J) “NONEXEMPT PROPERTY” MEANS ALL REAL PROPERTY THAT IS NOT EXEMPT FROM PAYING REAL PROPERTY TAXES EXCEPT:

(1) ~~RESIDENTIAL~~ CONDOMINIUM UNITS AND ~~CO-OP~~ COOPERATIVE HOUSING CORPORATION UNITS THAT EXIST ON OR BEFORE THE DATE OF ESTABLISHMENT OF A DISTRICT;

(2) HOMEOWNERS ASSOCIATIONS; OR

(3) RESIDENTIAL PROPERTY WITH FEWER THAN FOUR DWELLING UNITS.

12-602.

THE LEGISLATIVE PURPOSES OF THIS SUBTITLE ARE TO:

(1) PROVIDE FOR THE CREATION OF BUSINESS IMPROVEMENT DISTRICTS WITHIN MONTGOMERY COUNTY; AND

(2) PROMOTE THE GENERAL WELFARE OF THE RESIDENTS, EMPLOYERS, EMPLOYEES, PROPERTY OWNERS, COMMERCIAL TENANTS,

CONSUMERS, AND THE GENERAL PUBLIC WITHIN THE GEOGRAPHIC AREA OF THE BUSINESS IMPROVEMENT DISTRICTS.

12-603.

THIS SUBTITLE APPLIES ONLY IN MONTGOMERY COUNTY.

12-604.

(A) SUBJECT TO A PUBLIC HEARING UNDER § 12-609 OF THIS SUBTITLE AND TO ACCOMPLISH A LEGISLATIVE PURPOSE LISTED IN § 12-602 OF THIS SUBTITLE, THE ~~LEGISLATIVE~~ GOVERNING BODY OF THE COUNTY OR A MUNICIPAL CORPORATION IN THE COUNTY MAY ADOPT A LOCAL LAW TO CREATE A BUSINESS IMPROVEMENT DISTRICT IN ACCORDANCE WITH THIS SUBTITLE.

(B) SUBSECTION (A) OF THIS SECTION IS SELF-EXECUTING AND FULLY AUTHORIZES THE COUNTY OR A MUNICIPAL CORPORATION IN THE COUNTY TO ESTABLISH A DISTRICT, NOTWITHSTANDING ANY OTHER STATUTORY OR CHARTER PROVISION.

(C) A LOCAL LAW ADOPTED UNDER SUBSECTION (A) OF THIS SECTION SHALL INCLUDE:

- (1) THE NAME OF THE DISTRICT CORPORATION;
- (2) THAT THE DISTRICT CORPORATION IS FORMED UNDER THIS SUBTITLE;
- (3) THE NAMES, ADDRESSES, AND TERMS OF OFFICE OF THE INITIAL MEMBERS OF THE BOARD OF DIRECTORS OF THE DISTRICT CORPORATION;
- (4) THE ADDRESS OF THE PRINCIPAL OFFICE OF THE DISTRICT CORPORATION;
- (5) THE PURPOSES FOR WHICH THE DISTRICT IS FORMED;
- (6) THE POWERS OF THE DISTRICT, SUBJECT TO THE LIMITATIONS ON THE POWERS OF DISTRICTS UNDER THIS SUBTITLE; AND
- (7) IF APPLICABLE, ARTICLES OF INCORPORATION OF THE DISTRICT CORPORATION.

12-605.

(A) A BOARD OF DIRECTORS SHALL GOVERN THE DISTRICT CORPORATION.

(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE BOARD OF A DISTRICT CORPORATION CONSISTS OF AT LEAST FIVE MEMBERS, BUT NO MORE THAN NINE MEMBERS, APPOINTED BY THE MEMBERS OF THE DISTRICT.

(2) APPOINTMENT PROCEDURES SHALL BE PROVIDED IN THE LOCAL LAW ESTABLISHING THE DISTRICT.

(C) FROM AMONG ITS MEMBERS, THE BOARD SHALL ELECT A CHAIR AND OTHER OFFICERS.

(D) (1) ~~THREE~~ A MAJORITY OF THE VOTING MEMBERS OF THE BOARD ARE A QUORUM.

(2) THE BOARD MAY ACT ON A RESOLUTION ONLY BY THE AFFIRMATIVE VOTE OF ~~AT LEAST THREE~~ A MAJORITY OF THE VOTING MEMBERS.

(E) A MEMBER OF THE BOARD:

(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD;
BUT

(2) SHALL BE REIMBURSED FOR EXPENSES INCURRED IN PERFORMING THE MEMBER'S DUTIES.

(F) THE BOARD SHALL EXERCISE ITS POWERS BY RESOLUTION.

(G) THE BOARD SHALL FILE AN ANNUAL REPORT WITH THE GOVERNING BODY OF THE COUNTY OR A MUNICIPAL CORPORATION IN THE COUNTY THAT INCLUDES:

(1) A FINANCIAL STATEMENT FOR THE PRECEDING YEAR;

(2) A PROPOSED OPERATING BUDGET FOR THE CURRENT FISCAL YEAR;

(3) ANY PROPOSED REVISIONS TO THE BUSINESS PLAN; AND

(4) A NARRATIVE STATEMENT OR CHART SHOWING THE RESULTS OF OPERATIONS IN COMPARISON TO STATED GOALS AND OBJECTIVES.

THE NET EARNINGS OF A DISTRICT CORPORATION MAY BENEFIT ONLY THE DISTRICT CORPORATION.

12-607.

(A) (1) EXCEPT AS LIMITED BY ITS ARTICLES OF INCORPORATION, A DISTRICT CORPORATION HAS ALL THE POWERS SET FORTH IN THIS SUBTITLE.

(2) A DISTRICT CORPORATION MAY:

(I) RECEIVE MONEY FROM ITS INCORPORATING COUNTY OR MUNICIPAL CORPORATION, THE STATE, OTHER GOVERNMENTAL UNITS, OR NOT-FOR-PROFIT ORGANIZATIONS;

(II) CHARGE FEES FOR ITS SERVICES;

(III) HAVE EMPLOYEES AND CONSULTANTS AS IT CONSIDERS NECESSARY; AND

(IV) USE THE SERVICES OF OTHER GOVERNMENTAL UNITS.

(B) A DISTRICT CORPORATION SHALL OPERATE AND EXERCISE ITS POWERS SOLELY TO ACCOMPLISH ONE OR MORE OF THE LEGISLATIVE PURPOSES OF THIS SUBTITLE.

12-608.

(A) THE OWNERS OF NONEXEMPT PROPERTY WHO SEEK TO ESTABLISH A DISTRICT CORPORATION SHALL SUBMIT APPROPRIATE DOCUMENTATION AS DESCRIBED IN SUBSECTION (B) OF THIS SECTION TO:

(1) THE GOVERNING BODY OF THE COUNTY; AND

(2) IF THE PROPOSED DISTRICT IS LOCATED WITHIN A MUNICIPAL CORPORATION IN THE COUNTY, THE GOVERNING BODY OF THE MUNICIPAL CORPORATION.

(B) THE APPROPRIATE DOCUMENTATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION SHALL CONTAIN:

(1) A STATEMENT SETTING FORTH:

(I) THE PROPOSED NAME AND ADDRESS OF THE DISTRICT CORPORATION; AND

(II) THE STREET ADDRESS OF EACH OWNER OF NONEXEMPT PROPERTY WITHIN THE PROPOSED DISTRICT;

(2) A STATEMENT EXPRESSING THE INTENT TO ESTABLISH A DISTRICT CORPORATION THAT IS SIGNED BY:

(I) OWNERS OF AT LEAST 51% INTEREST IN THE ASSESSED VALUE OF THE NONEXEMPT PROPERTY AND, SUBJECT TO SUBSECTION (C) OF THIS SECTION, A DESIGNATED BOARD MEMBER OF A CONDOMINIUM OR COOPERATIVE HOUSING CORPORATION WITHIN THE PROPOSED DISTRICT; AND

(II) OWNERS OF AT LEAST 51% OF THE TOTAL NUMBER OF PARCELS OF NONEXEMPT PROPERTY AND, SUBJECT TO SUBSECTION (C) OF THIS SECTION, A DESIGNATED BOARD MEMBER OF A CONDOMINIUM OR COOPERATIVE HOUSING CORPORATION WITHIN THE PROPOSED DISTRICT;

(3) A PROPOSED 3–YEAR BUSINESS PLAN THAT CONTAINS:

(I) THE GOALS AND OBJECTIVES OF THE PROPOSED DISTRICT;

(II) THE ANNUAL PROPOSED BUSINESS IMPROVEMENT DISTRICT TAX FOR THE PROPOSED DISTRICT’S COMMON OPERATIONS AND THE FORMULA USED TO DETERMINE EACH MEMBER’S DISTRICT TAX; AND

(III) THE MAXIMUM AMOUNT AND THE NATURE OF START–UP COSTS INCURRED BEFORE THE DISTRICT’S ESTABLISHMENT;

(4) A TAX ASSESSOR’S MAP OF THE GEOGRAPHIC AREA OF THE PROPOSED DISTRICT;

(5) A LIST OF THE PROPOSED INITIAL BOARD OF THE PROPOSED DISTRICT CORPORATION;

(6) THE PROPOSED ARTICLES OF INCORPORATION AND THE BYLAWS OF THE DISTRICT CORPORATION; AND

(7) FOR ALL NONEXEMPT PROPERTY WITHIN THE PROPOSED DISTRICT:

(I) THE NAME AND MAILING ADDRESS OF EACH OWNER; AND

(II) THE MOST RECENT ASSESSED VALUE.

(C) (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A CONDOMINIUM OR COOPERATIVE HOUSING CORPORATION THAT IS LOCATED IN THE PROPOSED DISTRICT MAY PETITION TO JOIN THE DISTRICT CORPORATION.

(2) A CONDOMINIUM OR COOPERATIVE HOUSING CORPORATION DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY PETITION TO JOIN THE DISTRICT ONLY IF:

(I) THE CONDOMINIUM OR COOPERATIVE HOUSING CORPORATION IS GOVERNED BY A BOARD;

(II) THE BOARD VOTES TO JOIN THE DISTRICT CORPORATION;
AND

(III) THE BOARD HAS A REPRESENTATIVE MEMBER OF THE BOARD SIGN THE APPROPRIATE DOCUMENTS REQUIRED UNDER SUBSECTION (B)(2) OF THIS SECTION.

(3) FOR THE PURPOSES OF THE VOTES CAST UNDER SUBSECTION (B)(2) OF THIS SECTION:

(I) A CONDOMINIUM OR COOPERATIVE HOUSING CORPORATION SHALL BE CONSIDERED A SINGLE PARCEL; AND

(II) THE DECISION REACHED BY THE BOARD SHALL CONSTITUTE THE VOTE OF THE CONDOMINIUM OR COOPERATIVE HOUSING CORPORATION.

~~(C)~~ (D) WITHIN 45 DAYS AFTER RECEIVING ALL APPROPRIATE DOCUMENTATION UNDER SUBSECTION (B) OF THIS SECTION, THE GOVERNING BODY OF THE COUNTY OR A MUNICIPAL CORPORATION IN THE COUNTY SHALL SCHEDULE A PUBLIC HEARING ON THE APPLICATION.

12-609.

(A) AT LEAST 21 DAYS BEFORE THE PUBLIC HEARING, THE GOVERNING BODY OF THE COUNTY OR A MUNICIPAL CORPORATION IN THE COUNTY SHALL PUBLISH NOTICE OF THE PUBLIC HEARING IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE GEOGRAPHIC AREA OF THE PROPOSED DISTRICT.

(B) AT LEAST 21 DAYS BEFORE THE PUBLIC HEARING, THE OWNERS OF NONEXEMPT PROPERTY WHO SEEK TO ESTABLISH A DISTRICT SHALL SEND NOTICE

OF THE PUBLIC HEARING AND A SUMMARY OF THE APPLICATION TO EACH OWNER OF NONEXEMPT PROPERTY WITHIN THE PROPOSED DISTRICT.

(C) BEFORE THE PUBLIC HEARING, THE APPLICATION SHALL BE MADE AVAILABLE FOR REVIEW DURING NORMAL BUSINESS HOURS IN AT LEAST ONE LOCATION IN THE PROPOSED DISTRICT.

(D) WITHIN 10 DAYS AFTER THE PUBLIC HEARING, IF THE GOVERNING BODY OF THE COUNTY OR A MUNICIPAL CORPORATION IN THE COUNTY DETERMINES, IN THE SOLE DISCRETION OF THE GOVERNING BODY, THAT THE NEEDS OF THE DISTRICT MEET A PURPOSE OF THIS SUBTITLE, THE GOVERNING BODY MAY AUTHORIZE THE DISTRICT IN ACCORDANCE WITH § 12-604 OF THIS SUBTITLE.

12-610.

(A) WITHIN 10 DAYS AFTER THE AUTHORIZATION OF THE DISTRICT BY THE GOVERNING BODY OF THE COUNTY OR A MUNICIPAL CORPORATION IN THE COUNTY, THE DISTRICT CORPORATION SHALL PROVIDE THE GOVERNING BODY OF THE COUNTY OR A MUNICIPAL CORPORATION IN THE COUNTY WITH A PRELIMINARY BUSINESS IMPROVEMENT DISTRICT TAX ROLL.

(B) (1) THE GOVERNING BODY OF THE COUNTY OR A MUNICIPAL CORPORATION IN THE COUNTY SHALL IMPOSE A BUSINESS IMPROVEMENT DISTRICT TAX TO PROVIDE FUNDS FOR THE OPERATION OF THE DISTRICT.

(2) THE GOVERNING BODY OF THE COUNTY OR A MUNICIPAL CORPORATION IN THE COUNTY SHALL IMPOSE ON MEMBERS OF THE DISTRICT THE DISTRICT TAX AT A RATE SPECIFIED BY THE BOARD AND APPROVED BY THE GOVERNING BODY.

(3) THE TAX IMPOSED UNDER THIS SUBSECTION MAY NOT COUNT AGAINST A COUNTY OR MUNICIPAL CORPORATION TAX CAP.

(C) THE DISTRICT TAX SHALL BE COLLECTED IN THE SAME MANNER AS REAL PROPERTY TAXES ARE COLLECTED AND DISTRIBUTED EACH QUARTER TO THE DISTRICT.

(D) A DISTRICT SHALL REIMBURSE THE GOVERNING BODY OF THE COUNTY OR A MUNICIPAL CORPORATION IN THE COUNTY FOR THE COSTS INCURRED IN COLLECTING THE DISTRICT TAX.

12-611.

(A) AN ESTABLISHED DISTRICT MAY EXPAND THE GEOGRAPHIC AREA OF THE DISTRICT IF:

(1) A PETITION FOR INCLUSION IS SUBMITTED FROM:

(I) OWNERS OF AT LEAST 51% INTEREST IN THE ASSESSED VALUE OF THE NONEXEMPT PROPERTY AND, SUBJECT TO SUBSECTION (B) OF THIS SECTION, A DESIGNATED BOARD MEMBER OF A CONDOMINIUM OR COOPERATIVE HOUSING CORPORATION PROPOSED FOR INCLUSION IN THE DISTRICT; AND

(II) OWNERS OF AT LEAST 51% OF THE TOTAL NUMBER OF PARCELS OF NONEXEMPT PROPERTY AND, SUBJECT TO SUBSECTION (B) OF THIS SECTION, A DESIGNATED BOARD MEMBER OF A CONDOMINIUM OR COOPERATIVE HOUSING CORPORATION PROPOSED FOR INCLUSION IN THE DISTRICT;

(2) THE PETITION UNDER ITEM (1) OF THIS SUBSECTION IS ACCEPTED BY A MAJORITY VOTE OF THE BOARD OF THE DISTRICT CORPORATION; AND

(3) THE APPROPRIATE DOCUMENTS, AS APPLICABLE, ARE SUBMITTED UNDER § 12-608 OF THIS SUBTITLE AND A HEARING IS HELD UNDER § 12-609 OF THIS SUBTITLE.

(B) (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE AND SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A CONDOMINIUM OR COOPERATIVE HOUSING CORPORATION THAT IS LOCATED IN THE PROPOSED EXPANDED GEOGRAPHIC AREA OF THE DISTRICT MAY PETITION TO JOIN THE EXPANSION.

(2) A CONDOMINIUM OR COOPERATIVE HOUSING CORPORATION DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY PETITION TO JOIN THE EXPANSION ONLY IF:

(I) THE CONDOMINIUM OR COOPERATIVE HOUSING CORPORATION IS GOVERNED BY A BOARD;

(II) THE BOARD VOTES TO JOIN THE DISTRICT CORPORATION;
AND

(III) THE BOARD HAS A REPRESENTATIVE MEMBER OF THE BOARD SIGN THE APPROPRIATE DOCUMENTS REQUIRED UNDER § 12-608 OF THIS SUBTITLE.

(3) FOR THE PURPOSES OF THE VOTES CAST UNDER SUBSECTION (A)(1) OF THIS SECTION:

(I) A CONDOMINIUM OR COOPERATIVE HOUSING CORPORATION SHALL BE CONSIDERED A SINGLE PARCEL; AND

(II) THE DECISION REACHED BY THE BOARD SHALL CONSTITUTE THE VOTE OF THE CONDOMINIUM OR COOPERATIVE HOUSING CORPORATION.

12-612.

(A) THE GOVERNING BODY OF THE COUNTY OR A MUNICIPAL CORPORATION IN THE COUNTY IN WHICH A DISTRICT IS ESTABLISHED UNDER THIS SUBTITLE SHALL:

(1) REVIEW THE EFFECTIVENESS AND DESIRABILITY OF CONTINUING THE DISTRICT EVERY 3 YEARS FROM THE TIME THE DISTRICT IS AUTHORIZED BY LOCAL LAW UNDER § 12-604 OF THIS SUBTITLE; AND

(2) DEVELOP POLICIES AND PROCEDURES FOR EVALUATING THE DESIRABILITY OF CONTINUING THE DISTRICT IF REQUESTED BY OWNERS OF NONEXEMPT PROPERTY IN THE DISTRICT.

(B) IF THE CONTINUING EXISTENCE OF THE DISTRICT IS NOT APPROVED BY THE GOVERNING BODY:

(1) THE DISTRICT SHALL CEASE TO EXIST AS DIRECTED BY THE GOVERNING BODY; AND

(2) THE DISTRICT CORPORATION SHALL CONTINUE ITS EXISTENCE ONLY AS LONG AS NECESSARY TO TERMINATE OPERATION IN A REASONABLE MANNER.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 445

(Senate Bill 496)

AN ACT concerning

Gaming – Reconciliation of Proceeds – Licensee Payments

FOR the purpose of altering a certain definition to allow a video lottery operation licensee, under certain circumstances, to reduce the amount of proceeds received from video lottery terminals and table games on a following day; requiring that the State Lottery and Gaming Control Commission adopt regulations to allow a licensee, under certain circumstances, to reduce the amount of proceeds the licensee receives on a given day; and generally relating to the proceeds from certain video lottery terminals and table games.

BY repealing and reenacting, without amendments,
Article – State Government
Section 9–1A–01(a) and 9–1A–26(a)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – State Government
Section 9–1A–01(u)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY adding to
Article – State Government
Section 9–1A–26(d)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – State Government

9–1A–01.

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

(u) (1) “Proceeds” means the part of the amount of money bet through video lottery terminals and table games that is not returned to successful players but is otherwise allocated under this subtitle.

(2) (I) **“PROCEEDS” MAY BE REDUCED CONSISTENT WITH REGULATIONS ADOPTED BY THE COMMISSION IN ACCORDANCE WITH SUBPARAGRAPH (II) OF THIS PARAGRAPH.**

(II) IF A VIDEO LOTTERY OPERATION LICENSEE RETURNS TO SUCCESSFUL PLAYERS MORE THAN THE AMOUNT OF MONEY BET THROUGH VIDEO LOTTERY TERMINALS OR TABLE GAMES ON A GIVEN DAY, THE VIDEO LOTTERY LICENSEE MAY SUBTRACT THAT AMOUNT FROM THE PROCEEDS OF A FOLLOWING DAY.

(3) (i) Subject to subparagraph (ii) of this paragraph, “proceeds” does not include money given away by a video lottery operation licensee as free promotional play and used by players to bet in a video lottery terminal or at a table game.

(ii) After the first fiscal year of operations, the exclusion specified in subparagraph (i) of this paragraph may not exceed a percentage established by the Commission by regulation of the proceeds received from video lottery terminals and table games in the prior fiscal year by the video lottery operation licensee under § 9–1A–27(a)(2), (c)(1)(ii), and (d)(1) of this subtitle.

9–1A–26.

(a) (1) Except as provided in paragraphs (2) and (3) of this subsection, all proceeds from the operation of video lottery terminals and table games shall be electronically transferred daily into the State Lottery Fund established under Subtitle 1 of this title and distributed as provided under § 9–1A–27 of this subtitle.

(2) The requirement under paragraph (1) of this subsection does not apply on a day when State government is closed.

(3) The amount from the proceeds of video lottery terminals to be paid to video lottery operation licensees under § 9–1A–27(a)(2) and (7), (b), and (c)(1)(ii) and (2) of this subtitle shall be retained by the licensee.

(D) THE COMMISSION SHALL ADOPT REGULATIONS THAT:

(1) ALLOW A VIDEO LOTTERY OPERATION LICENSEE TO REDUCE THE AMOUNT OF PROCEEDS WHEN A VIDEO LOTTERY OPERATION LICENSEE RETURNS TO SUCCESSFUL PLAYERS MORE THAN THE AMOUNT OF MONEY BET THROUGH VIDEO LOTTERY TERMINALS OR TABLE GAMES ON A GIVEN DAY; AND

(2) ESTABLISH THE LENGTH OF TIME FOR WHICH A REDUCTION UNDER ITEM (1) OF THIS SUBSECTION MAY CONTINUE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 446

(Senate Bill 497)

AN ACT concerning

Gaming – Video Lottery Operation License – Renewal Term Facilities – Operation License Renewal Term and Local Development Council Membership

FOR the purpose of altering the period of time by which a video lottery operation licensee must notify the State Lottery and Gaming Control Commission of its intent to reapply for a video lottery operation license; altering the membership of certain video lottery facility local development councils; and generally relating to video lottery operation licenses and the membership of certain local development councils.

BY repealing and reenacting, with amendments,
 Article – State Government
 Section 9–1A–13(c) and 9–1A–31(c)(2)
 Annotated Code of Maryland
 (2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,
 Article – State Government
 Section 9–1A–13(d)
 Annotated Code of Maryland
 (2014 Replacement Volume and 2016 Supplement)

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

Article – State Government

9–1A–13.

(c) [One year] **TWO YEARS** before the expiration of the term of a video lottery operation license, the licensee shall file with the Commission a notice of intent to reapply for the license under this subtitle.

(d) Within 1 year of the end of the initial 15–year license term, a video lottery operation licensee may reapply for a license that has a license term of 10 years and a license fee to be established by statute.

9–1A–31.

(c) (2) Subject to paragraph (3) of this subsection, a local development council shall consist of the following 15 members appointed by the chief executive of the county in

which the local development council is located, in consultation with the Senators and Delegates who represent the communities surrounding the facility and the respective county councils, city councils, or county commissioners:

(i) one Senator who represents the district where the facility is located OR THE SENATOR’S DESIGNEE;

(ii) two Delegates who represent the districts where the communities surrounding the facility are located OR THE DELEGATES’ DESIGNEES;

(iii) one representative of the video lottery operation licensee;

(iv) seven residents of the communities in immediate proximity to the facility; and

(v) four representatives of businesses or institutions located in immediate proximity to the facility.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 447

(House Bill 813)

AN ACT concerning

State Lottery Tickets – Internet Sales – Prohibition

FOR the purpose of prohibiting the State Lottery and Gaming Control Agency from allowing the establishment of any system or program that allows a person to purchase a State lottery ticket through an electronic device that connects to the Internet; and generally relating to the sale of State lottery tickets.

BY repealing and reenacting, without amendments,

Article – State Government

Section 9–101(b)

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY adding to

Article – State Government

Section 9–111(e)

Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – State Government

9–101.

(b) “Agency” means the State Lottery and Gaming Control Agency.

9–111.

(E) THE AGENCY MAY NOT ALLOW THE ESTABLISHMENT OF ANY SYSTEM OR PROGRAM THAT ALLOWS A PERSON TO PURCHASE A STATE LOTTERY TICKET THROUGH AN ELECTRONIC DEVICE THAT CONNECTS TO THE INTERNET, SUCH AS A PERSONAL COMPUTER OR MOBILE DEVICE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 448

(Senate Bill 438)

AN ACT concerning

State Lottery Tickets – Internet Sales – Prohibition

FOR the purpose of prohibiting the State Lottery and Gaming Control Agency from allowing *the establishment of any system or program that allows* a person to purchase a State lottery ticket through an electronic device that connects to the Internet; and generally relating to the sale of State lottery tickets.

BY repealing and reenacting, without amendments,
Article – State Government
Section 9–101(b)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY adding to
Article – State Government

Section 9–111(e)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – State Government

9–101.

(b) “Agency” means the State Lottery and Gaming Control Agency.

9–111.

(E) THE AGENCY MAY NOT ALLOW THE ESTABLISHMENT OF ANY SYSTEM OR PROGRAM THAT ALLOWS A PERSON TO PURCHASE A STATE LOTTERY TICKET THROUGH AN ELECTRONIC DEVICE THAT CONNECTS TO THE INTERNET, SUCH AS A PERSONAL COMPUTER OR MOBILE DEVICE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 449

(House Bill 1537)

AN ACT concerning

Video Lottery Facilities – Donation of Coins From Gaming Payouts – Expansion

FOR the purpose of requiring the State Lottery and Gaming Control Commission to adopt regulations that require each video lottery operator to adopt certain procedures to offer certain players the opportunity to donate coins when receiving cash on payout to the Maryland Veterans Trust Fund under certain circumstances; and generally relating to gaming payouts and revenues for the Maryland Veterans Trust Fund.

BY repealing and reenacting, without amendments,
Article – State Government
Section 9–1A–01(a) and (cc)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – State Government
Section 9–1A–04(d)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – State Government

9–1A–01.

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

(cc) “Video lottery operator” means a person licensed to operate a video lottery facility under this subtitle.

9–1A–04.

(d) The Commission shall adopt regulations that include the following specific provisions in accordance with this subtitle:

(1) establishing the methods and forms of application that an applicant for any license required under this subtitle shall follow and complete before consideration of the application by the Commission;

(2) establishing the methods, procedures, and form for delivery of information from an applicant or licensee concerning any person’s family, habits, character, associates, criminal record, business activities, and financial affairs;

(3) establishing the procedures for the fingerprinting of an applicant for any license required under this subtitle or other methods of identification that may be necessary in the judgment of the Commission to accomplish effective enforcement of the provisions of this subtitle;

(4) establishing the manner and procedure of hearings conducted by the Commission;

(5) establishing the manner and method of collection of taxes, fees, and civil penalties;

(6) defining and limiting the areas of operation for video lottery terminals and table games, rules of video lottery terminals and table games, odds for video lottery terminals and table games, the types and values of promotional items that may be given away to encourage play of video lottery terminals and table games, the method of operation of the video lottery terminals and table games, and the number and types of table games;

(7) regulating the practice and procedures for negotiable transactions involving players, including limitations on the circumstances and amounts of negotiable transactions and the establishment of forms and procedures for negotiable instrument transactions, redemptions, and consolidations;

(8) prescribing the grounds and procedures for reprimands of licensees or the revocation or suspension of licenses issued under this subtitle;

(9) governing the manufacture, distribution, sale, and servicing of video lottery terminals and table games;

(10) establishing the procedures, forms, and methods of management controls;

(11) providing for minimum uniform standards of accountancy methods, procedures, and forms as are necessary to assure consistency, comparability, and effective disclosure of all financial information, including percentages of profit for video lottery terminals and table games;

(12) establishing periodic financial reports and the form of the reports, including an annual audit prepared by a certified public accountant licensed to do business in the State, disclosing whether the accounts, records, and control procedures examined are maintained by the video lottery operation licensee as required by this subtitle and the regulations that shall be issued under this subtitle;

(13) requiring licensees under this subtitle to demonstrate and maintain financial viability;

(14) ensuring that the operation of video lottery terminals, table games, and video lottery facilities is conducted legally;

(15) establishing procedures for the removal of video lottery terminals from a video lottery facility;

(16) determining the suitability of:

(i) the use of any variations or composites of the table games authorized under this subtitle after an appropriate test or experimental period under terms and conditions that the Commission may deem appropriate; and

(ii) any other game that is compatible with the public interest and suitable for casino use after an appropriate test or experimental period deemed appropriate by the Commission;

(17) establishing procedures for accounting for all money exchanged at each table game;

(18) establishing the number of video lottery terminals that may be removed from a video lottery facility to accommodate table games;

(19) requiring [one licensee] **EACH VIDEO LOTTERY OPERATOR** under this subtitle to:

(i) establish procedures to offer players the opportunity to donate coins, when receiving cash on payout, to the Maryland Veterans Trust Fund established under § 9–913 of this article; and

(ii) attach donation boxes near the exits from [the] A video lottery facility, with the proceeds dedicated to the Maryland Veterans Trust Fund; and

(20) otherwise carrying out the provisions of this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 450

(Senate Bill 1125)

AN ACT concerning

Video Lottery Facilities – Donation of Coins From Gaming Payouts – Expansion

FOR the purpose of requiring the State Lottery and Gaming Control Commission to adopt regulations that require each video lottery operator to adopt certain procedures to offer certain players the opportunity to donate coins when receiving cash on payout to the Maryland Veterans Trust Fund under certain circumstances; and generally relating to gaming payouts and revenues for the Maryland Veterans Trust Fund.

BY repealing and reenacting, without amendments,

Article – State Government
Section 9–1A–01(a) and (cc)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government
Section 9–1A–04(d)
Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

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

Article – State Government

9–1A–01.

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

(cc) “Video lottery operator” means a person licensed to operate a video lottery facility under this subtitle.

9–1A–04.

(d) The Commission shall adopt regulations that include the following specific provisions in accordance with this subtitle:

(1) establishing the methods and forms of application that an applicant for any license required under this subtitle shall follow and complete before consideration of the application by the Commission;

(2) establishing the methods, procedures, and form for delivery of information from an applicant or licensee concerning any person’s family, habits, character, associates, criminal record, business activities, and financial affairs;

(3) establishing the procedures for the fingerprinting of an applicant for any license required under this subtitle or other methods of identification that may be necessary in the judgment of the Commission to accomplish effective enforcement of the provisions of this subtitle;

(4) establishing the manner and procedure of hearings conducted by the Commission;

(5) establishing the manner and method of collection of taxes, fees, and civil penalties;

(6) defining and limiting the areas of operation for video lottery terminals and table games, rules of video lottery terminals and table games, odds for video lottery terminals and table games, the types and values of promotional items that may be given away to encourage play of video lottery terminals and table games, the method of operation of the video lottery terminals and table games, and the number and types of table games;

(7) regulating the practice and procedures for negotiable transactions involving players, including limitations on the circumstances and amounts of negotiable

transactions and the establishment of forms and procedures for negotiable instrument transactions, redemptions, and consolidations;

(8) prescribing the grounds and procedures for reprimands of licensees or the revocation or suspension of licenses issued under this subtitle;

(9) governing the manufacture, distribution, sale, and servicing of video lottery terminals and table games;

(10) establishing the procedures, forms, and methods of management controls;

(11) providing for minimum uniform standards of accountancy methods, procedures, and forms as are necessary to assure consistency, comparability, and effective disclosure of all financial information, including percentages of profit for video lottery terminals and table games;

(12) establishing periodic financial reports and the form of the reports, including an annual audit prepared by a certified public accountant licensed to do business in the State, disclosing whether the accounts, records, and control procedures examined are maintained by the video lottery operation licensee as required by this subtitle and the regulations that shall be issued under this subtitle;

(13) requiring licensees under this subtitle to demonstrate and maintain financial viability;

(14) ensuring that the operation of video lottery terminals, table games, and video lottery facilities is conducted legally;

(15) establishing procedures for the removal of video lottery terminals from a video lottery facility;

(16) determining the suitability of:

(i) the use of any variations or composites of the table games authorized under this subtitle after an appropriate test or experimental period under terms and conditions that the Commission may deem appropriate; and

(ii) any other game that is compatible with the public interest and suitable for casino use after an appropriate test or experimental period deemed appropriate by the Commission;

(17) establishing procedures for accounting for all money exchanged at each table game;

(18) establishing the number of video lottery terminals that may be removed from a video lottery facility to accommodate table games;

(19) requiring [one licensee] **EACH VIDEO LOTTERY OPERATOR** under this subtitle to:

(i) establish procedures to offer players the opportunity to donate coins, when receiving cash on payout, to the Maryland Veterans Trust Fund established under § 9–913 of this article; and

(ii) attach donation boxes near the exits from [the] A video lottery facility, with the proceeds dedicated to the Maryland Veterans Trust Fund; and

(20) otherwise carrying out the provisions of this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 451

(House Bill 300)

AN ACT concerning

Video Lottery Terminals – Disposition of Unclaimed Winnings

FOR the purpose of specifying that a jackpot won at a video lottery terminal that is not claimed by the winner within a certain number of days after the jackpot is won shall become the property of the State and be distributed in a certain manner; and generally relating to video lottery gaming in the State.

BY repealing and reenacting, with amendments,
Article – State Government
Section 9–1A–26
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – State Government

9–1A–26.

(a) (1) Except as provided in paragraphs (2) and (3) of this subsection, all proceeds from the operation of video lottery terminals and table games shall be electronically transferred daily into the State Lottery Fund established under Subtitle 1 of this title and distributed as provided under § 9-1A-27 of this subtitle.

(2) The requirement under paragraph (1) of this subsection does not apply on a day when State government is closed.

(3) The amount from the proceeds of video lottery terminals to be paid to video lottery operation licensees under § 9-1A-27(a)(2) and (7), (b), and (c)(1)(ii) and (2) of this subtitle shall be retained by the licensee.

(b) (1) The Commission shall account to the Comptroller for all of the revenue under this subtitle.

(2) The proceeds from video lottery terminals and table games shall be under the control of the Comptroller and, **EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION**, shall be distributed as provided under § 9-1A-27 of this subtitle.

(C) A JACKPOT WON AT A VIDEO LOTTERY TERMINAL THAT IS NOT CLAIMED BY THE WINNER WITHIN 182 DAYS AFTER THE JACKPOT IS WON SHALL:

(1) BECOME THE PROPERTY OF THE STATE; AND

(2) BE DISTRIBUTED AS FOLLOWS:

(I) 2.5% TO THE SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES ACCOUNT ESTABLISHED UNDER § 9-1A-35 OF THIS SUBTITLE;

(II) 9.5% IN LOCAL IMPACT GRANTS, IN ACCORDANCE WITH § 9-1A-31 OF THIS SUBTITLE;

(III) 10% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE;

(IV) 1.5% TO THE RACETRACK FACILITY RENEWAL ACCOUNT ESTABLISHED UNDER § 9-1A-29 OF THIS SUBTITLE; AND

(V) THE REMAINDER TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-30 OF THIS SUBTITLE.

[(c)] (D) The admissions and amusement tax may not be imposed on any proceeds from the operation of video lottery terminals and table games.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 452

(Senate Bill 228)

AN ACT concerning

Video Lottery Terminals – Disposition of Unclaimed Winnings

FOR the purpose of specifying that a jackpot won at a video lottery terminal that is not claimed by the winner within a certain number of days after the jackpot is won shall become the property of the State and be distributed in a certain manner; and generally relating to video lottery gaming in the State.

BY repealing and reenacting, with amendments,
Article – State Government
Section 9–1A–26
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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

Article – State Government

9–1A–26.

(a) (1) Except as provided in paragraphs (2) and (3) of this subsection, all proceeds from the operation of video lottery terminals and table games shall be electronically transferred daily into the State Lottery Fund established under Subtitle 1 of this title and distributed as provided under § 9–1A–27 of this subtitle.

(2) The requirement under paragraph (1) of this subsection does not apply on a day when State government is closed.

(3) The amount from the proceeds of video lottery terminals to be paid to video lottery operation licensees under § 9–1A–27(a)(2) and (7), (b), and (c)(1)(ii) and (2) of this subtitle shall be retained by the licensee.

(b) (1) The Commission shall account to the Comptroller for all of the revenue under this subtitle.

(2) The proceeds from video lottery terminals and table games shall be under the control of the Comptroller and, **EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION**, shall be distributed as provided under § 9–1A–27 of this subtitle.

(C) A JACKPOT WON AT A VIDEO LOTTERY TERMINAL THAT IS NOT CLAIMED BY THE WINNER WITHIN 182 DAYS AFTER THE JACKPOT IS WON SHALL:

(1) BECOME THE PROPERTY OF THE STATE; AND

(2) BE DISTRIBUTED AS FOLLOWS:

(I) 2.5% TO THE SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES ACCOUNT ESTABLISHED UNDER § 9–1A–35 OF THIS SUBTITLE;

(II) 9.5% IN LOCAL IMPACT GRANTS, IN ACCORDANCE WITH § 9–1A–31 OF THIS SUBTITLE;

(III) 10% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9–1A–28 OF THIS SUBTITLE;

(IV) 1.5% TO THE RACETRACK FACILITY RENEWAL ACCOUNT ESTABLISHED UNDER § 9–1A–29 OF THIS SUBTITLE; AND

(V) THE REMAINDER TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9–1A–30 OF THIS SUBTITLE.

[(c)] (D) The admissions and amusement tax may not be imposed on any proceeds from the operation of video lottery terminals and table games.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved by the Governor, May 4, 2017.

Chapter 453

(Senate Bill 498)

AN ACT concerning

**Video Lottery Terminals – Small, Minority, and Women-Owned Businesses
Account – Transfer of Authority**

FOR the purpose of transferring the authority for the administration of the Small, Minority, and Women–Owned Businesses Account from the Board of Public Works to the Department of Commerce; making conforming changes; and generally relating to the authority for the Small, Minority, and Women–Owned Businesses Account.

BY transferring

Article – State Government
Section 9–1A–35
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

to be

Article – Economic Development
Section 5–1501
Annotated Code of Maryland
(2008 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Economic Development
Section 5–1501 to be under the new subtitle “Subtitle 15. Small, Minority, and Women–Owned Businesses Account”
Annotated Code of Maryland
(2008 Volume and 2016 Supplement)
(As enacted by Section 1 of this Act)

BY repealing and reenacting, with amendments,

Article – State Government
Section 9–1A–27(a)(6) and (c)(1)(v)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 9–1A–35 of Article – State Government of the Annotated Code of Maryland be transferred to be Section(s) 5–1501 of Article – Economic Development of the Annotated Code of Maryland.

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

Article – Economic Development

SUBTITLE 15. SMALL, MINORITY, AND WOMEN–OWNED BUSINESSES ACCOUNT.

5–1501.

(a) There is a Small, Minority, and Women–Owned Businesses Account under the authority of the [Board of Public Works] **DEPARTMENT**.

(b) (1) The Account shall receive money as required under § 9–1A–27 of [this subtitle] **THE STATE GOVERNMENT ARTICLE**.

(2) Money in the Account shall be invested and reinvested by the Treasurer and interest and earnings shall accrue to the Account.

(3) The Comptroller shall:

(i) account for the Account; and

(ii) on a properly approved transmittal prepared by the [Board of Public Works] **DEPARTMENT**, issue a warrant to pay out money from the Account in the manner provided under this section.

(4) The Account is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(5) Expenditures from the Account shall only be made on a properly approved transmittal prepared by the [Board of Public Works] **DEPARTMENT** as provided under subsection (c) of this section.

(c) (1) In this subsection, “eligible fund manager” means an entity that has significant financial or investment experience, under criteria developed by the [Board of Public Works] **DEPARTMENT**.

(2) Subject to the provisions of paragraph (3) of this subsection, the [Board of Public Works] **DEPARTMENT** shall make grants to eligible fund managers to provide investment capital and loans to small, minority, and women–owned businesses in the State.

(3) The [Board of Public Works] **DEPARTMENT** shall ensure that eligible fund managers allocate at least 50% of the funds from this Account to small, minority, and women–owned businesses in the jurisdictions and communities surrounding a video lottery facility.

(d) Fund managers receiving grants under this section shall:

(1) keep proper records of funds and accounts;

(2) provide an annual report to the Governor and, in accordance with § 2–1246 of [this article] **THE STATE GOVERNMENT ARTICLE**, the General Assembly on investment capital and loans made pursuant to subsection (c) of this section; and

(3) be subject to audit by the Office of Legislative Audits of the Department of Legislative Services.

(e) (1) Subject to paragraph (2) of this subsection, an eligible fund manager may use money from grants received under this section to pay expenses for administrative, actuarial, legal, and technical services.

(2) The [Board of Public Works] **DEPARTMENT** shall set the maximum amount of grant money that each eligible fund manager may use under paragraph (1) of this subsection.

(f) The Legislative Auditor shall audit the utilization of the funds that are allocated to small, minority, and women-owned businesses by eligible fund managers under subsection (c)(3) of this section during an audit of the applicable State unit as provided in § 2-1220 of [this article] **THE STATE GOVERNMENT ARTICLE**.

Article – State Government

9-1A-27.

(a) Except as provided in subsections (b) and (c) of this section and § 9-1A-26(a)(3) of this subtitle, on a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the proceeds of video lottery terminals at each video lottery facility:

(6) 1.5% to the Small, Minority, and Women-Owned Businesses Account established under [§ 9-1A-35 of this subtitle] **§ 5-1501 OF THE ECONOMIC DEVELOPMENT ARTICLE**;

(c) (1) For the first 10 years of operations at a video lottery facility in Allegany County, on a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the proceeds of video lottery terminals at a video lottery facility in Allegany County:

(v) 0.75% to the Small, Minority, and Women-Owned Businesses Account established under [§ 9-1A-35 of this subtitle] **§ 5-1501 OF THE ECONOMIC DEVELOPMENT ARTICLE**; and

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.
