- (2) In Anne Arundel County, if the County Board negotiates a structure of fees as authorized under this subsection:
 - (i) Each party shall:
 - 1. Confer in good faith, at all reasonable times; and
- 2. Reduce to writing the matters agreed on as a result of the negotiations; and
- $\mbox{\ \ (ii)\ \ }$ Neither party is required to agree to any proposal or to make any concession.
- (3) (i) The provisions of this paragraph apply if an agency or representation fee is negotiated in Baltimore County.
- (ii) 1. Subject to the provisions of sub-subparagraph 2 of this subparagraph, the employee organization designated as the exclusive representative for the public school employees shall indemnify and hold harmless the Board of Education of Baltimore County against any and all claims, demands, suits, or any other forms of liability that may arise out of, or by reason of, action taken by the Board for the purpose of complying with any of the agency or representation fee provisions of the negotiated agreement.
- 2. The Board shall retain without charge to the Board the services of counsel that are designated by the exclusive representative with regard to any claim, demand, suit, or any other liability that may arise out of, or by reason of, action taken by the Board for the purpose of complying with any of the agency or representation fee provisions of the negotiated agreement.
- (iii) The employee organization designated as the exclusive representative shall submit to the Board an annual audit from an external auditor that reflects the operational expenses of the employee organization and explains how the representation fee is calculated based on the audit.
- (iv) 1. The agency or representation fee shall be based only on the expenses incurred by the employee organization in its representation in negotiations, contract administration, including the handling of grievances, and other activities as required under § 6-509 of this subtitle; and
- 2. Any political activities of the employee organization designated as the exclusive representative may not be financed by the funds collected from the agency or representation fee.
- (e) In Baltimore City, the public school employer shall negotiate with the employee organization designated as the exclusive representative for the public school employees in a unit, a reasonable service or representation fee to be charged to nonmembers for representing them in negotiations in the same manner that any such fee was permitted under law and bargained for prior to January 1, 1997.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2005.