

(C) TO BE COVERED UNDER THIS SECTION, A ~~CHEMOTHERAPY~~ HAIR PROSTHESIS MUST BE PRESCRIBED BY THE ONCOLOGIST IN ATTENDANCE.

~~(D) A POLICY OR CONTRACT SUBJECT TO THIS SECTION MAY NOT IMPOSE A DEDUCTIBLE ON THE COVERAGE REQUIRED UNDER THIS SECTION.~~

Article - Health - General

19-706.

(i) The provisions of §§ 12-203(g), 15-105, 15-112, 15-113, 15-804, 15-812, 15-826, [and] 15-828, AND 15-835 of the Insurance Article shall apply to health maintenance organizations.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all policies and contracts issued, delivered, or renewed in the State on or after October 1, 2000. ~~Any policy or contract in effect before October 1, 2000 shall comply with the provisions of this Act by October 1, 2001.~~

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2000.

May 17, 2000

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
State House
Annapolis MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed Senate Bill 408 - Sales and Use Tax - Exemption for Bottled Water.

Senate Bill 408 exempts from the sales and use tax the sale of water for human consumption sold in containers of one gallon or more. The measure will result in a revenue loss to the general fund of \$2.2 million in fiscal year 2001 and \$11.7 million over a five-year period.

As originally introduced, Senate Bill 408 would exempt almost all bottled water from the sales and use tax, regardless of the size of the container. The measure was subsequently amended to limit the tax exemption to water sold in containers of one gallon or greater. During the floor debate on Senate Bill 408, supporters emphasized that the measure was necessary to provide tax relief to rural residents who cannot use their well water and must rely on bottled water for drinking. The reasons most often cited for this condition are contaminated ground water and dry wells due to seasonal droughts. The General Assembly's concern for rural homeowners who live with contaminated groundwater is one that I share. That is precisely why I proposed targeted grants and tax credits during the 2000 Session to offset all or most of the cost of upgrading failed septic systems for lower-income homeowners.

My objection to this legislation is that these rural families will receive very little of the \$2.2 million in annual foregone revenues. Of the estimated 50 million gallons of