

Department of Legislative Services  
Office of the Executive Director  
Maryland General Assembly

April 17, 1998

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

Ladies and Gentlemen:

I am pleased to present you with the first edition of *The 90 Day Report - A Review of Legislation in the 1998 Session*.

In previous years, the Departments of Fiscal Services and Legislative Reference each produced reports summarizing the activities of the General Assembly during its most recent legislative session. This year, the Department of Legislative Services has produced this single detailed report which incorporates the best features of the Sine Die Report and the Session Review.

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

I hope that you will find *The 90 Day Report* as helpful this year as you have found the Sine Die Report and the Session Review to be in the past. Further, the Department of Legislative Services will make available the *Fact Book* and *Citizen's Tax Guide* shortly. *The Effects of the 1998 Legislative Program on the Financial Condition of the State* will be issued after the Governor has taken final action on all bills.

Sincerely,  
Karl S. Aro  
Executive Director

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# Part A

## BUDGETS AND STATE AID

### OVERVIEW OF THE OPERATING BUDGET

#### Budget in Brief

The budget adopted at the 1998 Session provides \$16.6 billion in appropriations for fiscal year 1999, an increase of \$890 million over fiscal year 1998. General fund appropriations for fiscal year 1999 are \$607 million greater than current spending authority. The budget's estimate of special funds in fiscal year 1999 is nominally higher than the current fiscal year. Federal fund appropriations increase by 4.8% due largely to the new Children's Health Initiative Program (CHIPs), Medicaid inflation and utilization trends, and additional funding for the food stamp program, offset by decreases in the welfare caseload and project completions in the transportation capital program.

State agency spending accounts for the largest growth in the general fund portion of the budget. Funding for enhancements and initiatives was provided to establish or expand programs to combat pfiesteria, enhance public safety through development of the community court and Break the Cycle programs, enhance the State's institutions of higher education, improve services to individuals with developmental disabilities, provide additional funding for foster care, and to support economic development through information technology programs. The first general salary increase in three years adds \$58.3 million. This fiscal year 1999 increase will be a flat \$1,275 per position, phased in as a \$900 increase on July 1, 1998, and a \$375 increase on January 1, 1999. An additional \$5 million is provided for faculty recruitment and retention in University System of Maryland institutions as part of a two-year \$10 million enhancement. State Police receive a 4% salary increase, at a cost of \$3.2 million, as the third year of a six-year program to make salaries competitive with the top third of police regionally. An increase of \$11,275 for all Maryland judges was approved, consistent with the recommendations of the Judicial Compensation Commission.

Education programs continue to fare well in the fiscal year 1999 budget as general funds for local education spending grew by 6.4%, and community college grants increased by 3.1%. State college and university funding increased by 8.0%, and aid to private colleges grew by 5.4%. The operating budget includes \$88.5 million for public school construction. In combination with funding in the capital budget, \$222.0 million will be available for school construction this year.

Modifications to the State's tax structure were adopted as well during the session, to accelerate the implementation of the income tax reduction (*Senate Bill 750*) (Ch. 4), to provide a refundable earned income tax credit to those with dependents who are eligible for the federal credit (*Senate Bill 223* (passed) and *House Bill 66* (Ch. 5)), and to expand eligibility for low income homeowners to receive property tax credits (*House Bill 1244*) (Ch. 6). Additional funding was placed in the State Reserve Fund specifically for the purpose of providing for anticipated tax relief measures. The aggregate impact of these actions will require a transfer of \$185.2 million in fiscal year 1999. *House Bill 1244* would not affect revenues until fiscal year 2000.

#### GOVERNOR'S BUDGET PROPOSAL

The Governor submitted the original budget and three supplemental budgets totaling \$16.7 billion. The Administration's fiscal program benefited from higher than anticipated revenue growth in fiscal year 1998, which was incorporated into the fiscal year 1999 proposal. In combination with projected fiscal year 1999 revenues, surplus moneys from the prior year allowed the Governor to submit a budget which provided a 6.3% rate of growth. The allowance included additional funds for local aid, State agency operations, entitlement programs, and debt service. Additional spending for pay-as-you-go capital projects and the transfer of \$100.0 million to the State Reserve Fund were also included, partly in deference to the parameters established by the Spending Affordability Committee's recommendations and in recognition of implications of potential tax relief efforts. The following summarizes some of the major operating initiatives in the operating budget which were not contingent upon the enactment of legislation.

#### Family Law Divisions

Consistent with Chapter 198, Acts of 1993, the Judiciary promulgated Rule 16-204 which establishes family divisions in Baltimore City and Baltimore, Anne Arundel, Montgomery, and Prince George's Counties. The family divisions seek to expedite family law matters and provide a full complement of services which include: dissolution of marriage; child custody and visitation; alimony, spousal support, and child support; termination of parent-child relationship; criminal nonsupport and desertion; name changes; guardianship; involuntary admission to State facilities; family legal-medical issues; actions involving domestic violence; and certain juvenile cases. The fiscal year 1999 budget includes \$4.3 million in general fund direct grants and 24 additional personnel to support the creation of the family divisions. Prior to the establishment of official family divisions, financial support for family law services came in the form of a direct State grant appropriation of \$1.5 million allocated among 20 of the State's 24 circuit courts. This appropriation will continue in fiscal year 1999 as part of the overall expansion of the Family Law Services Program bringing the total fiscal year 1999 funding for the Family Law Division to \$5.8 million.

### **Break the Cycle of Crime and Addiction**

The goal of this pilot program is to decrease drug abuse and crime rates associated with drug abuse. The pilot program will test offenders sentenced to probation for drug use biweekly and impose immediate sanctions for drug use, while also offering treatment services. It will be run by the Division of Parole and Probation which will site and operate two urinalysis labs and three reporting centers. This pilot will be run in federally classified High Intensity Drug Trafficking Areas (HIDTAs), including Baltimore City, and Baltimore, Howard, Prince George's, Montgomery, Charles, and Washington Counties. The federal government will provide the software and some treatment for the program. The pilot program will cost \$2.9 million in general funds the first year, including 63 contractual full-time equivalent personnel. The target population projection is almost 15,000, approximately 64% of the State's eligible population.

### **Community Court**

The General Assembly endorsed the adoption of a community court to be located in the downtown district of Baltimore City at 33 South Gay Street. Modeled after the Midtown Community Court in New York City, the Baltimore City community court is a public/private cooperative effort that seeks innovative approaches to reducing nuisance crimes like aggressive panhandling, vandalism, and prostitution in the downtown business district. The community court is intended to provide defendants with swift and visible justice (with most cases to be adjudicated on the day of arrest and most sentences involving community service), and to exploit the "moment of crisis" in offenders' lives by channeling them into the social service system where they can receive help for problems such as substance abuse, homelessness, and illness.

To support the community court, the fiscal year 1999 budget includes general fund appropriations to the District Court, the Office of the Public Defender, and the Department of Public Safety and Correctional Services in the aggregate amount of \$1.9 million. The fiscal year 1999 appropriation includes funding for 47 new personnel assigned to community court operations. The City of Baltimore and various private sources will provide additional fiscal year 1999 funding approximating \$7.2 million. The General Assembly adopted restrictive budget language that will withhold all State funding for the community court until such time that: (1) the Department of Budget and Management documents the level and extent of actual private sector funding; (2) a signed memorandum of understanding evidencing the funding commitments from Baltimore City, the greater Baltimore Committee, and private sector sources has been provided; and (3) comprehensive detailed plans have been provided to the budget committees for the implementation of the Baltimore City downtown community court.

### **Safe Schools Initiative**

The Department of Juvenile Justice's (DJJ) fiscal year 1999 appropriation includes \$750,000 for the statewide Safe Schools initiative. The program provides DJJ support at local high-risk schools. DJJ juvenile counselors will be placed in the schools to serve at-risk students. The Department has indicated that the Safe Schools initiative will work in conjunction with the Hot Spots program, which targets State and federal resources in specially designated at-risk neighborhoods. The Department will assign experienced agents to designated schools. The budget includes 26 new contractual positions to replace experienced positions which are being transferred to the Safe Schools initiative.

## **Dental Health**

The fiscal year 1999 budget includes \$1.7 million (\$850,000 in general funds) to expand Medicaid dental benefits to pregnant women and increase payments to managed care organizations for dental services provided to children. The enhanced reimbursement rate is expected to increase the quality of dental services provided to children.

## **Waiting List Initiative for the Developmentally Disabled**

The fiscal year 1999 budget for the Developmental Disabilities Administration reflects the first year of a five-year program to significantly reduce the existing waiting list for services for the developmentally disabled and their families. The initiative proposes a total of \$118.8 million in additional funds over the next five years to provide a variety of services to nearly 6,000 individuals on the waiting list. The fiscal year 1999 budget includes \$34.2 million and will provide services for an estimated 2,177 individuals. The proposal will not eliminate the waiting list but will reduce it to a level at which sustained levels of funding will be able to prevent future families from facing the long-term uncertainty that today's families have faced. However, to achieve this, several obstacles must be overcome: (1) modification and expansion of the current Medicaid waiver; (2) transition to a client-based rather than provider-based service system; (3) establishment of an administrative framework to assure efficient and effective implementation; and (4) continuing commitment by the legislature over the next four years to ensure adequate funding.

## **Maryland Applied Information Technology Initiative**

The General Assembly appropriated \$1.3 million for the Maryland Applied Information Technology Initiative (MAITI). This grant will assist the development of information technology programs at The Johns Hopkins University, University of Maryland Baltimore County, Morgan State University, Bowie State University, and the University of Maryland, Baltimore and will be housed at the University of Maryland, College Park. Fiscal year 1999 funds will be used to establish a coordinating and marketing office and faculty at the institutions initially involved. The MAITI initiative plans to increase the number of graduates in Information Technology (IT) fields to meet the needs of Maryland businesses. The plan also includes: (1) making IT more available to government agencies; (2) conducting IT research jointly with the public and private sectors; and (3) changing the way IT learning is done in K-12 classrooms.

Funding for the program is budgeted in the Maryland Higher Education Commission (MHEC). MHEC will administer the funds for the program through the evaluation of program plans submitted by the participating institutions. Though the program consists of a small number of schools, it is expected that both funding and the number of participating institutions will increase each of the next five years.

## **Flagship Enhancements**

The 1988 Charter for Higher Education designated the University of Maryland, College Park (UMCP) the flagship institution and comprehensive public research university for the State. The charter directs the university to become one of the nation's premier public research universities recognized nationally and internationally for excellence in research, instruction, and service to the State. The significant reduction of State support in the early 1990s and limited growth in subsequent years have diminished the University's standing relative to its aspirational peers. Funding in fiscal year 1999 puts the institution in a better position to achieve national eminence. The fiscal year 1999 appropriation for UMCP increases \$34.5 million, or 4.4% over the fiscal year 1998 working appropriation. Total budgeted expenditures increase to \$813 million. The general fund appropriation increases 9.8% to \$276.4 million and represents 34% of expenditures at the University. Funding in fiscal year 1999 will be used to enhance undergraduate and graduate education, libraries, academic and research facilities maintenance, graduate assistant support, and technological capabilities. The University will add 113 new permanent positions in fiscal year 1999, raising the total to 6,874.

## **Access/Success Program**

In response to narrative in the 1997 Joint Chairmen's Report, the Maryland Higher Education Commission published *Access and Success: A Plan of Action for Maryland's Historically Black Institutions*. The report addressed the management strategies, teaching practices, and administrative procedures which could assist in increasing the graduation and retention rates at the State's four historically black institutions (HBIs). The result of the report is the Access/Success program. In fiscal year 1999 there is \$2.0 million in the MHEC budget for the program to be divided equally among the four participating institutions. The program establishes criteria for which the HBIs are to identify and request funding. Under the plan, funding will continue at this level for five years, after which the institutions are expected to maintain services. The institutions submit individual plans for the expenditure of the funds each year. MHEC will evaluate the funding requests based on the proposed programs and the extent to which they are meeting the goals established in the prior year.

### **Public Broadcasting**

In April 1997, the Federal Communications Commission issued a mandate requiring that all broadcasting stations convert to digital programming by 2003. Analog channels must be turned in by 2006. Although public broadcasting stations have a year longer than commercial stations to complete the conversion, many public stations will convert long before the 2003 deadline to remain competitive with surrounding markets. The federal government will provide some funding to assist public stations in their conversion efforts; President Clinton included \$450 million in the budget submitted to the U.S. Congress. The Maryland Public Broadcasting Commission is hopeful that federal support will provide up to 40% of the total estimated conversion costs of about \$40 million required to upgrade six transmitters and modify or replace six towers which are not digital ready. The State will be expected to provide a large portion of the remaining costs, largely through the capital budget. Digital conversion is already funded in the fiscal year 1999 appropriation with equipment valued at \$4 million being purchased over a six-year period in installment payments.

### **Legislative Consideration of the Budget**

In March, the Board of Revenue Estimates advised that the general fund revenue collections, particularly the income tax, were exceeding estimates. As a result, revenue estimates were increased \$143 million (\$69.7 million in fiscal year 1998 and \$73.2 million in fiscal year 1999). The additional revenues together with budget reductions of \$100 million enabled the legislature to reduce taxes and to approve increased spending for education and other programs.

In sum, the legislature reduced the Governor's fiscal year 1999 allowance by \$100 million, including \$75 million in general funds. Reductions occurred largely in the Medicaid budget based on caseload estimates and prior year overaccruals. There were across-the-budget reductions reflecting expected levels of vacant positions during the upcoming fiscal year and overbudgeted funds for heating oil and desktop computer purchases. Cutbacks to the Break the Cycle program were made to implement a pilot program. Funding for a 12th MEDEVAC helicopter was reduced, with the expectation that funding would come from the Maryland Emergency Medical System Operations Fund as a loan to be repaid in the future. Horse racing aid was reduced \$5 million with the contingency that the balance could be provided via excess lottery revenues. A \$10 million reduction to the Reserve Fund was made to increase the expected General Fund balance at the end of the fiscal year to about \$23 million for unexpected funding needs.

The budget submitted by the Governor included many items which were contingent on legislation. The legislature made certain other budget items contingent. Items which are contingent include funding for non- and limited-English proficient students, funding for effective schools, a Targeted Improvement Program for public school systems, library aid, the Extended Elementary Education Program, funds for aging schools, grants to small community colleges, legal counsel for the Joint Committee on Ethics, personnel and programs to combat pfiesteria, and numerous smaller programs. A reduction of \$4.1 million in general funds for higher education would be made upon the enactment of legislation to implement an early retirement program.

### **Final Budget**

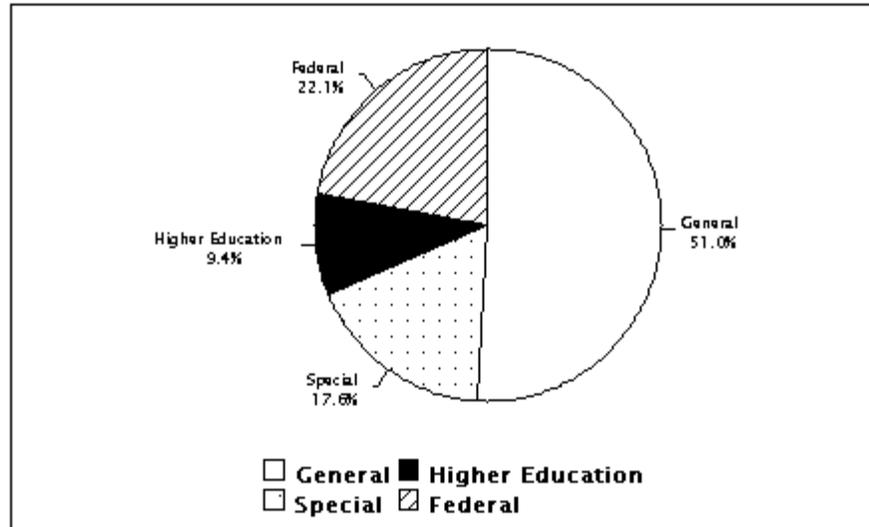
The final budget for fiscal year 1999 appropriates \$16.6 billion. Exhibit A.1 illustrates funding by type of revenue. Just over half is supported by general funds, with lesser proportions supported by dedicated special funds, federal aid, and higher education dollars. Less than half of the budget supports State agency operations. Aid to local jurisdictions

accounts for about 22% of the budget, and 19% provides mandatory entitlement spending. Remaining appropriations pay debt service on general obligation bonds, fund portions of the capital program, and increase the balance in the State Reserve Fund.

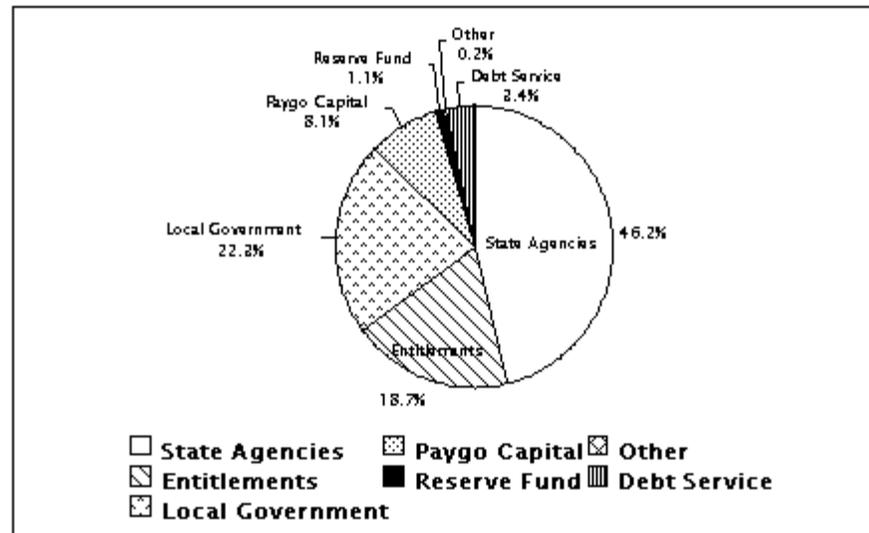
### Exhibit A.1

### Maryland's \$16.6 Billion Budget

#### Where it comes from: **Budget by Fund Source**



#### Where it goes: **Budget by Purpose**



### Transportation Program

The transportation program totals \$2.4 billion in fiscal year 1999. This includes \$830 million in operating funds, \$993 million for the capital program, \$407 million in local aid, and \$140 million for debt service on consolidated transportation bonds. The agency has a total of 9,356 full-time positions.

Highlights in the operating budget include funding increases and moneys for the entire year of operation for new facilities/services which began operating on a limited basis in fiscal year 1998. The appropriation provides funds for the new international pier at BWI Airport, the Washington Metropolitan Area Transit Authority Metrorail 1.4 mile Wheaton to Glenmont extension on the Red Line, a new Motor Vehicle Administration (MVA) branch office in the

metropolitan Washington region, and conversion of a limited service office in Essex to a full-service branch. Other increases are provided for new transit service that is statutorily exempt from fare box recovery and higher costs for State Highway Administration mowing and landscaping activities.

Based on revised estimates, \$281 million was added to the fiscal year 1998 - 2003 transportation capital program. New projects added to the program include a parking garage at the Shady Grove Metro Station totaling \$9 million, a runway deicing facility at the BWI Airport totaling \$12.8 million, and a mid-life overhaul pilot project for the Baltimore Metro totaling \$3.6 million. Projects moved from the development and evaluation program to the capital program include modifications to piers A and B at BWI (\$72.8 million), constructing the Masonville Automobile Facility at the Port of Baltimore (\$19.8 million), and improvements to U.S. 113 in Worcester County (\$28.8 million). Costs of some projects already in the Consolidated Transportation Program also increased including another \$6 million for new MARC electrical locomotive purchases and \$4.4 million to upgrade fare box equipment for Mass Transit Administration buses. A final statutorily required repayment from the General Fund to the trust fund of \$15 million is also included in the fiscal year 1999 budget.

## **By the Numbers**

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

Exhibit A.2 provides perspective on total budget change, General Fund changes, and spending affordability. Appropriations for fiscal year 1999 are about 5.7% higher than spending levels authorized for the current fiscal year. Expenditures measured under the spending affordability concept have grown by 4.8%, remaining below the 4.9% growth limit established by the Spending Affordability Committee.

Exhibit A.3 shows the impact of the legislative budget on the General Fund for fiscal years 1998 and 1999. The fiscal year 1998 estimated ending balance of \$283.1 million was increased to \$318.1 million, largely due to legislative reductions to deficiencies. This balance, together with \$8.2 billion of new revenues, will support \$8.5 billion of fiscal year 1999 spending. After estimated reversions of \$20 million, the projected balance at the close of the year is \$20 million. A total of \$224.9 million was added to the Reserve Fund to be available for additional tax reductions enacted during the 1998 Session. Of this amount, \$185.2 million will be transferred to the General Fund.

Exhibit A.4, the fiscal note on the budget bill, depicts the Governor's allowance, legislative reductions, and final appropriations for fiscal year 1998 and 1999 by fund. The Governor's original budget request provided for \$16.6 billion in fiscal year 1999 expenditures and fiscal year 1998 deficiencies, increased by \$233.9 million through Supplemental Budgets 1, 2 and 3. The legislature made \$151.4 million of reductions to the total budget request, resulting in appropriations of \$32.4 million for fiscal year 1998 and \$16.645 billion for fiscal year 1999.

Exhibit A.5 illustrates budget changes by major expenditure category by fund. Total spending grows by 5.7%. Debt service increases by 0.9%, aid to local governments increases by 6.3%, State agency spending rises 5.7%, and entitlements grow by 7.5%. Capital expenditures (PAYGO) decrease by 2.7%. \$314.5 million was appropriated to reserve funds in the fiscal year 1998 and 1999 budgets.

## **State Reserve Fund**

As set forth in Exhibit A.6, the Revenue Stabilization Account of the State Reserve Fund will have a balance of \$616.2 million as of June 30, 1998, equivalent to 7.75% of general fund revenues for that year. After transfers of \$185.2 mandated by tax reduction legislation enacted at the 1998 Session, additional appropriations and interest will increase the balance to \$632.4 million as of June 30, 1999. About \$224 million of this balance will be in excess of 5% of general fund revenues projected for the fiscal year.

**Senate Bill 355** (passed) permits funds from the Dedicated Purpose Account to be appropriated as special funds through the budget bill. Previously, funds could only be transferred through approved budget amendment to the expenditure account of the appropriate unit of State government. The bill also subjects proposed transfers of Dedicated Purpose Account appropriations to the Revenue Stabilization Account to review by the budget committees and approval by the Legislative Policy Committee. The bill repeals provisions of law concerning the Citizen Tax

Reduction and Fiscal Reserve Account, and provides that any funds in that account on June 30, 1998 be credited to the Dedicated Purpose Account to be used to offset revenue losses attributable to: the reduction of the State income tax; changes in federal income tax law; significant changes in the economy affecting employment of Maryland residents; and losses of federal funds due to changes in federal law or policy. The current balance in the Citizen Tax Reduction and Fiscal Reserve Account is \$10 million. The bill is effective July 1, 1998.

## **State Personnel**

The final budget authorized a total of 72,390 positions for fiscal year 1999, representing an increase of 1,007 positions over fiscal year 1998. The legislature reduced the Governor's fiscal year 1999 request by 43 positions, mostly in the Department of Human Resources and the Judiciary. Exhibit A.7 details personnel actions taken in the fiscal year 1998 and 1999 budgets by the Governor and the legislature and portrays a history of State positions by department for fiscal years 1991 through 1999.

During fiscal year 1998 a total of 362 positions were created, mostly in agencies with independent personnel authority. The Board of Public Works created 21 positions across ten agencies. Five positions were abolished. From fiscal year 1998 to fiscal year 1999, 1,117 new positions were proposed, offset somewhat by the abolition of 144 positions, mostly in State hospitals and correctional facilities. Public education positions increase by 354 due to enrollment increases and new facilities. Public Safety and Corrections positions increase 205 due to a new correctional facility and efforts for increased security staffing levels. Department of Human Resources positions increase 125, mostly to expedite adoptions and permanency planning for Children in Need of Assistance and for child abuse investigations.

The fiscal year 1999 budget includes a cost of living increase for regular State employees, the first since fiscal year 1996, when a 2% adjustment was provided. Rather than a fixed percentage, however, the fiscal year 1999 increase will be a flat \$1,275 per position, phased in as a \$900 increase on July 1, 1998, and a \$375 increase on January 1, 1999. Due to the phase-in, employees will actually receive \$1,088 during fiscal year 1999. The average increase in take-home salary for fiscal year 1999 is about 3%.

Overall, budgeted expenditures for salaries and fringe benefits increase \$243.6 million, or 6.4% from fiscal year 1998 to fiscal year 1999, more than twice the previous year's increase. The higher rate of growth is primarily attributable to the inclusion of the \$1,275 general salary increase for regular positions.

Individuals promoted into or within the executive pay plans are limited to a salary increase of 6%, unless otherwise approved by the Board of Public Works. As in the past, the fiscal year 1999 budget subjects the creation of additional positions by the Board of Public Works to the "Rule of 50". However, if contractual employees are converted to permanent positions at a rate of 1.5 to 1, this limit can be extended to create an additional 250 positions. Other language included in the budget requires full time equivalent position counts of contractual employees to continue to be provided with the Governor's budget submission.

## **Outlook for Future Budgets**

In spite of the upward adjustment of revenue projections to reflect additional revenues, tax reductions enacted at the 1997 Session and accelerated at the 1998 Session contribute to a challenging fiscal outlook for the near term. As shown in Exhibit A.8, for each of the fiscal years 1999 through 2003, projected expenditures exceed available revenues. Assuming no significant changes to State agency programs and expenditures, and even after drawing down the State Reserve Fund to the 5% of general fund revenue statutory target, additional adjustments in the magnitude of \$100 to \$115 million a year will be necessary to ensure a balanced spending plan. This shortfall will need to be made up through a combination of programmatic reductions, revenue increases, or both.

Exhibit A.2  
PERSPECTIVE ON BUDGET CHANGES  
(\$ in Millions)

## Governor's Budget As Amended by the General Assembly

	<u>Fiscal 1998*</u>	<u>Fiscal 1999</u>	<u>\$ Change</u>	<u>% Chg</u>
<b><i>Funds</i></b>				
General**	\$7,836	\$8,465	\$628	8.0%
Special	2,879	2,920	41	1.4%
Higher Ed.	1,503	1,554	50	3.4%
Federal	3,504	3,674	170	4.8%
<b><i>Appropriations</i></b>	<b><i>15,723</i></b>	<b><i>16,613</i></b>	<b><i>890</i></b>	<b><i>5.7%</i></b>

### General Fund Changes

	<u>Fiscal 1998*</u>	<u>Fiscal 1999</u>	<u>\$ Change</u>	<u>% Chg</u>
Operations	\$7,640	\$8,088	\$448	5.9%
Capital	90	210	120	133.4%
Reserve Fund	125	170	45	35.9%
Transfers	23	17	(6)	-25.7%
<b><i>Appropriations</i></b>	<b><i>7,878</i></b>	<b><i>8,485</i></b>	<b><i>607</i></b>	<b><i>7.7%</i></b>
Medicaid Accrual	(30)	0	30	
Reversions	(11)	(20)	(9)	75.4%
<b><i>Expenditures</i></b>	<b><i>7,836</i></b>	<b><i>8,465</i></b>	<b><i>628</i></b>	<b><i>8.0%</i></b>

### Budget Growth Under Spending Affordability Concept

<u>Funds</u>	<u>1997 Session</u>	<u>1998 Session*</u>	<u>\$ Change</u>	<u>% Chg</u>
General	\$7,627	\$7,992	\$365	4.8%
Special	1,951	2,035	84	4.3%
Higher Education	931	988	57	6.1%
<b><i>TOTAL</i></b>	<b><i>10,509</i></b>	<b><i>11,015</i></b>	<b><i>506</i></b>	<b><i>4.8%</i></b>
<b><i>1998 SESSION LIMIT (4.90% Increase)</i></b>			<b><i>515</i></b>	
<b><i>SPENDING OVER (UNDER) LIMIT</i></b>			<b><i>(9)</i></b>	***

\* Includes FY 1998 deficiency appropriations.

\*\* Includes reversions of \$11.4 million in fiscal 1998 and \$20 million in fiscal 1999.

\*\*\*Note: Spending Affordability accounting considers only general, special, and certain current unrestricted funds. Capital and reserve funds are excluded. FY 98 deficiencies are counted as spending at the 1998 session and are included in the 1998 session total.

**Exhibit A.3**  
**General Assembly Budget Actions**  
(\$ Thousands)

**Fiscal 1998**

*Estimated Ending Balance 1998 (after regular budget deficiencies)* **283,130**

BRE March 1998 Estimated Additional Revenues 69,722

Supplemental Deficiency Appropriations (62,635)

General Assembly Reductions to Deficiencies 27,884

**Fiscal 1999**

*Revised Balance from Fiscal 1998* **318,101**

***Revenues***

BRE December 1997 Estimate 8,095,265

BRE March 1998 Estimated Additional Revenues 73,157

Supplemental Budget No. 2 - Workers' Compensation 56

Lottery - GF Revenues from Special Fund Reduction 1,060

Tax Legislation Enacted at the 1998 Session (3,000)

8,166,538

***Available*** **8,484,640**

***Spending***

Original Budget (8,397,117)

Supplemental Budget No. 1

Additional Appropriations Made by Governor (301)

Supplemental Budget No. 2

Additional Appropriations Made by Governor (29,132)

Supplemental Budget No. 3

Additional Appropriations Made by Governor (132,608)

General Assembly Actions

Reductions to Original Budget 72,934

Reductions to Supplemental Budget No. 1 0

Reductions to Supplemental Budget No. 2 30

Reductions to Supplemental Budget No. 3 1,690

Additional Spending (97)

74,557

Estimated Reversions 20,000

**Total Spending (8,464,600)**

**Projected Balance 20,040**

**1998 Session Reserve Fund Appropriations Available for Tax Reductions 224,879**

Exhibit A.4  
Fiscal Note  
Summary of the Budget Bill - Senate Bill 125

	General Funds	Special Funds	Federal Funds	Education Funds	Total Funds
<b>Governor's Request:</b>					
FY 1998 Deficiency Budget	\$40,706,553	(\$3,935,555)	(\$15,083,701)	\$0	\$21,687,297
FY 1999 Budget *	8,377,116,519	2,919,160,220	3,690,408,760	1,554,373,872	16,541,059,371
<b>Original Budget Request</b>	<b>8,417,823,072</b>	<b>2,915,224,665</b>	<b>3,675,325,059</b>	<b>1,554,373,872</b>	<b>16,562,746,668</b>
<i>Supplemental Budget 1</i>					
FY 1999 Budget	300,500	0	0	0	300,500
<i>Supplemental Budget 2</i>					
FY 1999 Budget	29,131,533	7,851,135	1,338,757	0	38,321,425
FY 1998 Deficiency	882,734	0	0	0	882,734
<i>Supplemental Budget 3</i>					
FY 1999 Budget	132,608,184	0	0	0	132,608,184
FY 1998 Deficiency	61,752,000	0	0	0	61,752,000
<b>Supplemental Budget Request</b>	<b>224,674,951</b>	<b>7,851,135</b>	<b>1,338,757</b>	<b>0</b>	<b>233,864,843</b>
<b>Reductions by the General Assembly:</b>					
FY 1998 Deficiency Budget	27,883,710	0	24,000,000	0	51,883,710
FY 1999 Budget**	68,712,666	6,577,332	17,676,960	736,500	93,703,458
FY 1999 Supplemental Budget	1,719,878	0	0	0	1,719,878
FY 1999 Contingent Reduction***	4,124,633	0	0	0	4,124,633
<b>Total Reductions</b>	<b>102,440,887</b>	<b>6,577,332</b>	<b>41,676,960</b>	<b>736,500</b>	<b>151,431,679</b>
<b>Appropriations:</b>					

FY 1998 Deficiency Budget	75,457,577	(3,935,555)	(39,083,701)	0	32,438,321
FY 1999 Budget	8,464,599,559	2,920,434,023	3,674,070,557	1,553,637,372	16,612,741,511
<b>Total Appropriation</b>	<b>8,540,057,136</b>	<b>2,916,498,468</b>	<b>3,634,986,856</b>	<b>1,553,637,372</b>	<b>16,645,179,832</b>

\* Includes general fund reversions of \$20 million.

\*\* Includes \$97,000 in general funds added to the General Assembly budget for staff to the Joint Committee on Legislative Ethics contingent on the enactment of HB 1248 and \$6.0 million in special funds added to the judiciary's budget for a grant to the Maryland Legal Services Corporation contingent on the enactment of SB 332.

\*\*\* This reduction is contingent on legislation (HB 199) enacting a early retirement program for the University System of Maryland.

### Exhibit A.5 - State Expenditures

<u>General Funds</u>	<u>Special and Higher Education Funds</u>	<u>Federal Funds</u>	<u>All State Funds</u>	<u>All Funds</u>
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<b>Exhibit A.5 State Expenditures -- General Funds (\$ in Millions)</b>					
<u>Category</u>	<u>Actual FY 1997</u>	<u>Work App. FY 1998</u>	<u>Leg. Appr. FY 1999</u>	<u>\$ Diff. 98 to 99</u>	<u>% Diff. 98 to 99</u>
Debt Service	\$155.9	\$172.1	\$151.8	(\$20.3)	-11.8%
<b>Aid to Local Governments</b>					
General Government	115.6	134.0	136.0	2.0	1.5%
Community Colleges	119.9	125.6	129.5	3.9	3.1%
Education & Libraries	2,238.1	2,410.6	2,565.7	155.1	6.4%
Health	40.7	42.5	43.8	1.3	3.0%
	2,514.3	2,712.7	2,875.0	162.4	6.0%
<b>Entitlements</b>					
Foster Care Payments	100.7	107.3	115.9	8.6	8.0%
Assistance Payments	116.5	101.9	83.3	(18.6)	-18.3%
Medical Assistance #	1,075.6	1,085.1	1,168.1	83.0	7.6%
Property Tax Credits	60.3	53.7	53.3	(0.4)	-0.7%
	1,353.1	1,348.1	1,420.7	72.6	5.4%
<b>State Agencies</b>					
Health	753.5	762.6	801.0	38.4	5.0%
Human Resources	234.9	217.6	232.9	15.3	7.0%
Systems Reform Initiative	36.3	52.9	52.8	(0.1)	-0.2%
Juvenile Justice	110.6	110.6	122.3	11.7	10.6%

Public Safety & Police	672.8	703.1	745.1	42.0	6.0%
State Colleges & Universities	643.6	668.5	721.9	53.4	8.0%
Agric./Natl Res./Environ.	86.6	90.5	99.5	9.1	10.0%
Other	535.9	584.9	631.2	46.3	7.9%
Judicial & Legislative	209.9	216.3	240.7	24.4	11.3%
Across-the-Board Cuts	0.0	0.0	(6.8)	(6.8)	n.a.
	3,284.1	3,406.8	3,640.4	233.6	6.9%
Capital	66.8	89.8	209.6	119.8	133.5%
Transfers	6.0	23.0	17.1	(5.9)	-25.8%
<b>Subtotal</b>	<b>7,380.3</b>	<b>7,752.5</b>	<b>8,314.6</b>	<b>562.2</b>	<b>7.3%</b>
Reserve Fund	0.0	125.1	170.0	44.8	35.8%
<b>Appropriations</b>	<b>7,380.3</b>	<b>7,877.6</b>	<b>8,484.6</b>	<b>607.0</b>	<b>7.7%</b>
Reversions	0.0	(11.4)	(20.0)	(8.6)	75.7%
Medicaid Overaccrual	0.0	(30.0)	0.0	30.0	-100.0%
<b>Grand Total</b>	<b>\$7,380.3</b>	<b>\$7,836.2</b>	<b>\$8,464.6</b>	<b>\$628.4</b>	<b>8.0%</b>

NOTE: Detail may not add to total due to rounding. FY 1998 includes deficiency appropriations.  
# Includes Medicaid funds budgeted in the Mental Hygiene Administration.

<b>Exhibit A.5 (continued)</b>					
<b>State Expenditures -- Special and Higher Education Funds **</b>					
<b>(\$ in Millions)</b>					
<u>Category</u>	<u>Actual FY 1997</u>	<u>Work App. FY 1998</u>	<u>Leg. Appr. FY 1999</u>	<u>\$ Diff. 98 to 99</u>	<u>% Diff. 98 to 99</u>
Debt Service	\$367.2	\$381.6	\$406.8	\$25.2	6.6%
<b>Aid to Local Governments</b>					
General Government	407.4	408.4	414.9	6.5	1.6%
Community Colleges	0.2	0.0	0.0	0.0	n.a.
Education & Libraries	0.3	0.3	0.0	(0.3)	-100.0%
Health	0.0	0.0	0.0	0.0	n.a.
	407.9	408.6	414.9	6.2	1.5%
<b>Entitlements</b>					
Foster Care Payments	1.8	0.0	1.8	1.7	3572.7%
Assistance Payments	29.1	39.8	22.8	(17.0)	-42.7%
Medical Assistance	6.9	16.0	16.3	0.3	2.0%
Property Tax Credits	0.0	0.0	0.0	0.0	n.a.
	37.8	55.9	40.9	(15.0)	-26.8%

<b>State Agencies</b>					
Health	34.5	71.0	77.2	6.2	8.7%
Human Resources	19.8	10.4	14.4	4.0	38.4%
Systems Reform Initiative	0.0	0.3	0.3	0.0	0.0%
Juvenile Justice	0.2	0.2	0.3	0.1	22.5%
Public Safety & Police	96.0	109.5	115.7	6.2	5.7%
State Colleges & Universities	1,379.1	1,507.2	1,558.7	51.5	3.4%
Transportation	751.2	791.4	807.6	16.1	2.0%
Agric./Natl Res./Environ.	87.1	87.1	84.7	(2.4)	-2.7%
Other	200.7	203.5	188.7	(14.8)	-7.3%
Judicial & Legislative	1.6	5.0	11.1	6.1	121.1%
Across-the-Board Cuts	0.0	0.0	(4.1)	(4.1)	n.a.
	2,570.3	2,785.6	2,854.7	69.0	2.5%
Capital	575.9	718.8	708.4	(10.3)	-1.4%
Transfer to MDTA	25.0	0.0	0.0	0.0	n.a.
Local Funds (*)	29.8	31.8	33.4	1.6	5.0%
<b>Subtotal</b>	<b>\$4,014.0</b>	<b>\$4,382.4</b>	<b>\$4,459.1</b>	<b>\$76.7</b>	<b>1.8%</b>
Reserve Fund	0.0	0.0	15.0	15.0	n.a.
<b>Grand Total</b>	<b>\$4,014.0</b>	<b>\$4,382.4</b>	<b>\$4,474.1</b>	<b>\$91.7</b>	<b>2.1%</b>

NOTE: Detail may not add to total due to rounding. FY 1998 includes deficiency appropriations.  
\*\* Includes higher education funds (current unrestricted & current restricted) net of general and special funds.  
(\*) Consists of local spending for the health formula.

<b>Exhibit A.5 (continued)</b>					
<b>State Expenditures -- Federal Funds</b>					
<b>(\$ in Millions)</b>					
<b>Category</b>	<b>Actual FY 1997</b>	<b>Work App. FY 1998</b>	<b>Leg. Appr. FY 1999</b>	<b>\$ Diff. 98 to 99</b>	<b>% Diff. 98 to 99</b>
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	n.a.
<b>Aid to Local Governments</b>					
General Government	38.4	23.9	39.5	15.6	65.1%
Community Colleges	0.0	0.0	0.0	0.0	n.a.
Education & Libraries	321.9	331.6	366.7	35.1	10.6%
Health	4.5	4.5	4.5	0.0	0.0%
	364.8	360.0	410.7	50.6	14.1%

<b>Entitlements</b>					
Foster Care Payments	48.3	43.7	54.8	11.1	25.5%
Assistance Payments	449.4	379.8	425.6	45.8	12.1%
Medical Assistance #	1,073.5	1,064.5	1,167.7	103.2	9.7%
Property Tax Credits	0.0	0.0	0.0	0.0	n.a.
	1,571.2	1,487.9	1,648.1	160.2	10.8%
<b>State Agencies</b>					
Health	271.8	286.0	320.4	34.5	12.0%
Human Resources	324.1	364.5	438.9	74.4	20.4%
Systems Reform Initiative	1.0	18.3	19.3	1.0	5.3%
Juvenile Justice	9.4	9.9	10.1	0.1	1.2%
Public Safety & Police	9.3	9.0	5.2	(3.8)	-42.2%
State Colleges & Universities	0.0	0.0	0.0	0.0	n.a.
Transportation	15.8	15.9	15.7	(0.2)	-1.5%
Agric./Natl Res./Environ.	40.0	39.6	46.9	7.2	18.3%
Other	306.6	331.9	330.1	(1.8)	-0.5%
Judicial & Legislative	2.0	1.8	2.0	0.2	10.5%
Across-the-Board Cuts	0.0	0.0	(1.5)	(1.5)	n.a.
	980.0	1,077.0	1,187.1	110.1	10.2%
Capital	473.6	574.8	428.2	(146.7)	-25.5%
<b>Subtotal</b>	<b>\$3,389.6</b>	<b>\$3,499.8</b>	<b>\$3,674.1</b>	<b>\$174.3</b>	<b>5.0%</b>
Reserve Fund	0.0	4.4	0.0	(4.4)	-100.0%
<b>Grand Total</b>	<b>\$3,389.6</b>	<b>\$3,504.2</b>	<b>\$3,674.1</b>	<b>\$169.9</b>	<b>4.8%</b>
NOTE: Detail may not add to total due to rounding. FY 1998 includes deficiency appropriations. # Includes Medicaid funds budgeted in the Mental Hygiene Administration.					

<b>Exhibit A.5 (continued)</b>					
<b>State Expenditures -- All State Funds</b>					
<b>(\$ in Millions)</b>					
<b>Category</b>	<b>Actual FY 1997</b>	<b>Work App. FY 1998</b>	<b>Leg. Appr. FY 1999</b>	<b>\$ Diff. 98 to 99</b>	<b>% Diff. 98 to 99</b>
Debt Service	\$523.1	\$553.7	\$558.6	\$4.9	0.9%
<b>Aid to Local Governments</b>					
General Government	523.0	542.3	550.9	8.5	1.6%
Community Colleges	120.1	125.6	129.5	3.9	3.1%

Education & Libraries	2,238.5	2,410.9	2,565.7	154.9	6.4%
Health	40.7	42.5	43.8	1.3	3.0%
	2,922.3	3,121.3	3,289.9	168.6	5.4%
<b>Entitlements</b>					
Foster Care Payments	102.5	107.4	117.7	10.3	9.6%
Assistance Payments	145.5	141.8	106.2	(35.6)	-25.1%
Medical Assistance #	1,082.6	1,101.2	1,184.5	83.3	7.6%
Property Tax Credits	60.3	53.7	53.3	(0.4)	-0.7%
	1,390.9	1,404.0	1,461.6	57.6	4.1%
<b>State Agencies</b>					
Health	788.0	833.6	878.1	44.6	5.3%
Human Resources	254.7	228.0	247.3	19.3	8.5%
Systems Reform Initiative	36.3	53.2	53.1	(0.1)	-0.2%
Juvenile Justice	110.8	110.8	122.5	11.7	10.6%
Public Safety & Police	768.9	812.6	860.8	48.2	5.9%
State Colleges & Universities	2,022.6	2,175.7	2,280.6	104.9	4.8%
Transportation	751.2	791.4	807.6	16.1	2.0%
Agric./Natl Res./Environ.	173.7	177.5	184.2	6.7	3.8%
Other	736.7	788.4	819.9	31.5	4.0%
Judicial & Legislative	211.5	221.3	251.8	30.5	13.8%
Across-the-Board Cuts	0.0	0.0	(10.9)	(10.9)	n.a.
	5,854.5	6,192.5	6,495.1	302.6	4.9%
<b>Capital</b>					
Capital	642.7	808.5	918.0	109.5	13.5%
Transfer to MDTA	25.0	0.0	0.0	0.0	n.a.
Transfers	6.0	23.0	17.1	(5.9)	-25.8%
Local Funds (*)	29.8	31.8	33.4	1.6	5.0%
<b>Subtotal</b>					
<b>Subtotal</b>	<b>11,394.3</b>	<b>12,134.8</b>	<b>12,773.7</b>	<b>638.9</b>	<b>5.3%</b>
Reserve Fund	0.0	125.1	185.0	59.8	47.8%
<b>Appropriations</b>	<b>11,394.3</b>	<b>12,260.0</b>	<b>12,958.7</b>	<b>698.7</b>	<b>5.7%</b>
Reversions	0.0	(11.4)	(20.0)	(8.6)	75.7%
Medicaid Overaccrual	0.0	(30.0)	0.0	30.0	-100.0%
<b>Grand Total</b>	<b>\$11,394.3</b>	<b>\$12,218.6</b>	<b>\$12,938.7</b>	<b>\$720.1</b>	<b>5.9%</b>
NOTE: Detail may not add to total due to rounding. FY 1998 includes deficiency appropriations.					
(*) Consists of local spending for the health formula.					
# Includes Medicaid funds budgeted in the Mental Hygiene Administration.					

**Exhibit A.5 (continued)**  
**State Expenditures -- All Funds**  
**(\$ in Millions)**

<u>Category</u>	<b>Actual FY 1997</b>	<b>Work App. FY 1998</b>	<b>Leg. Appr. FY 1999</b>	<b>\$ Diff. 98 to 99</b>	<b>% Diff. 98 to 99</b>
Debt Service	\$523.1	\$553.7	\$558.6	\$4.9	0.9%
<b>Aid to Local Governments</b>					
General Government	561.4	566.3	590.4	24.1	4.3%
Community Colleges	120.1	125.6	129.5	3.9	3.1%
Education & Libraries	2,560.3	2,742.5	2,932.4	189.9	6.9%
Health	45.2	47.0	48.3	1.3	2.7%
	3,287.0	3,481.3	3,700.6	219.2	6.3%
<b>Entitlements</b>					
Foster Care Payments	150.8	151.0	172.5	21.5	14.2%
Assistance Payments	594.9	521.5	531.8	10.2	2.0%
Medical Assistance #	2,156.0	2,165.6	2,352.2	186.6	8.6%
Property Tax Credits	60.3	53.7	53.3	(0.4)	-0.7%
	2,962.1	2,891.9	3,109.8	217.8	7.5%
<b>State Agencies</b>					
Health	1,059.8	1,119.6	1,198.6	79.0	7.1%
Human Resources	578.8	592.5	686.3	93.8	15.8%
Systems Reform Initiative	37.4	71.5	72.4	0.9	1.2%
Juvenile Justice	120.2	120.7	132.6	11.9	9.8%
Public Safety & Police	778.1	821.6	866.0	44.4	5.4%
State Colleges & Universities	2,022.6	2,175.7	2,280.6	104.9	4.8%
Transportation	767.0	807.3	823.2	15.9	2.0%
Agric./Natl Res./Environ.	213.7	217.2	231.1	14.0	6.4%
Other	1,043.3	1,120.3	1,150.0	29.7	2.7%
Judicial & Legislative	213.5	223.1	253.7	30.6	13.7%
Across-the-Board Cuts	0.0	0.0	(12.4)	(12.4)	n.a.
	6,834.5	7,269.4	7,682.1	412.7	5.7%
Capital	1,116.3	1,383.4	1,346.2	(37.2)	-2.7%
Transfer to MDTA	25.0	0.0	0.0	0.0	n.a.
Transfers	6.0	23.0	17.1	(5.9)	-25.8%
Local Funds (*)	29.8	31.8	33.4	1.6	5.0%

<b>Subtotal</b>	<b>14,783.9</b>	<b>15,634.6</b>	<b>16,447.8</b>	<b>813.2</b>	<b>5.2%</b>
Reserve Fund	0.0	129.5	185.0	55.4	42.8%
<b>Appropriations</b>	<b>14,783.9</b>	<b>15,764.1</b>	<b>16,632.7</b>	<b>868.6</b>	<b>5.5%</b>
Reversions	0.0	(11.4)	(20.0)	(8.6)	75.7%
Medicaid Overaccrual	0.0	(30.0)	0.0	30.0	-100.0%
<b>Grand Total</b>	<b>\$14,783.9</b>	<b>\$15,722.8</b>	<b>\$16,612.7</b>	<b>\$890.0</b>	<b>5.7%</b>

NOTE: Detail may not add to total due to rounding. FY 1998 includes deficiency appropriations.

(\*) Consists of local spending for the health formula.

# Includes Medicaid funds budgeted in the Mental Hygiene Administration.

**Exhibit A.6  
Revenue Stabilization Account  
(Rainy Day Fund)**

	\$ millions	Balance as a % of GF Revenue	Balance in Excess of 5% GF Revenues
<b>Fiscal 1995</b>			
Beginning Balance	161.8		
Appropriation	110.0		
Interest	14.3		
Balance 6/30/95	286.1	4.03%	
<b>Fiscal 1996</b>			
Beginning Balance	\$286.1		
Appropriation	200.0		
Transfer to General Fund	(77.6)		
Return of Excess Revenue	21.1		
Interest	31.6		
Balance 6/30/96	\$461.2	6.40%	\$100.7
<b>Fiscal 1997</b>			
Beginning Balance	\$461.2		
Appropriation	0.0		
Interest	28.8		
Balance 6/30/97	\$490.1	6.43%	\$109.2
<b>Fiscal 1998</b>			
Beginning Balance	\$490.1		
Appropriation	30.2		
Balance 7/1/97	520.3		

Interest (est. 5.45%)	34.2		
Deficiency Appropriation	61.7		
Balance 6/30/98	\$616.2	7.75% (3)	\$218.9

### Fiscal 1999

Beginning Balance	\$616.2		
Appropriation (1)	163.2		
Transfer to General Fund (2)	(185.2)		
Interest (est. 5.45%) (3)	38.2		
Balance 6/30/99	\$632.4	7.74% (4)	\$224.0

Interest earnings include interest earned on all Reserve Fund accounts.

(1) Represents \$100 million allowance reduced by \$10 million and \$73.2 million Supplemental No. 3.

(2) Senate Bill 750 provides for the transfer of \$170.7 million to the General Fund. House Bill 66 / Senate Bill 223 provides for the transfer of \$14.5 million to the General Fund.

(3) Interest earnings calculated by multiplying the assumed interest rate by the sum of the ending balances for each of the funds plus 1/2 of the annual appropriation to the Sunny Day fund.

(4) Board of Revenue Estimates March 1998 figures were used in this calculation.

## Exhibit A.7 Fiscal 1998 and Fiscal 1999 Position Summary

Agency	Fiscal 1998 Legislative Approp.	Attrition/BPW Adj Transfers	Fiscal 1998 Working	Position Transfer	Abolished Positions	New Positions	Fiscal 1999 Allowance	Legislative Reductions	Fiscal 1999 Approp.
General Assembly	668		668				668		668
Judicial Review and Legal Executive Department	3,729	(2)	3,727	(4)		100	3,841	(11)	3,830
Financial and Revenue Administration	1,300	17	1,317			22	1,346	(3)	1,343
Budget and Management	2,078	(2)	2,076			3	2,079	(1)	2,078
Retirement and Pension Systems	382	2	384			21	405		405
General Services	155		155			3	158	(1)	157
Transportation	597		597	4		29	630		630
Natural Resources	8,993		8,993			92	9,085		9,085
Agriculture	1,363		1,363			7	1,389		1,389
Health and Mental Hygiene	404	3	407			28	435		435
Human Resources	8,270		8,270		(107)	25	8,188	(1)	8,187
Labor, Licensing, and Regulation	6,448	2	6,450			145	6,595	(20)	6,575
Public Safety and Correctional Services	1,530	4	1,534		(1)	13	1,546		1,546
State Department of	10,506	2	10,508		(27)	232	10,713		10,713

Education	1,337		1,337			7	1,380	(4)	1,376
Higher Education (2-4 Yr.)	18,275	334	18,609		(9)	322	18,922		18,922
Other Education	521		521			2	523		523
Housing and Community Development	382		382				382	(1)	381
Business and Economic Development	235	1	236			9	245		245
Environment	870	3	874			52	926	(1)	925
Juvenile Justice	1,037		1,037				1,037		1,037
State Police	2,481	(2)	2,479			6	2,485		2,485
<b>Subtotal</b>	<b>71,559</b>	<b>362</b>	<b>71,922</b>	<b>0</b>	<b>(144)</b>	<b>1,117</b>	<b>72,973</b>	<b>(43)</b>	<b>72,930</b>
Non-Budgeted*	2,786	(77)	2,709		(1)	5	2,713		2,713
<b>Total</b>	<b>74,345</b>	<b>285</b>	<b>74,631</b>	<b>0</b>	<b>(145)</b>	<b>1,122</b>	<b>75,687</b>	<b>(43)</b>	<b>75,644</b>

\*Non-Budgeted includes the Transportation Authority, the Automobile Insurance Fund, the Stadium Authority, the Food Center Authority, the Injured Workers' Insurance Fund, the Maryland Environmental Service, MHEIP and MSDE HQ (1 pos.).

Note: Detail may not add to total due to rounding.

Source: Department of Budget and Management, Legislative Database

Exhibit A.7 (continued)  
Summary of Personnel Detail by Major Areas of Government  
Authorized Positions  
Fiscal 1991 through Fiscal 1999

Department/Function	1991	1992	1993	1994	1995	1996	1997	Working Approp. 1998	Leg. Approp. 1999	Change 1998 to 1999
Legislative	665	661	655	656	656	668	673	668	668	0
Judicial Review & Legal	3,709	3,690	3,641	3,616	3,652	3,693	3,646	3,727	3,830	103
Executive & Administrative Control	1,130	1,085	931	1,182	1,306	1,304	1,304	1,317	1,343	26
Financial & Revenue Administration	2,426	2,319	2,211	2,204	2,167	2,130	2,074	2,076	2,078	2
Budget and Management #	159	145	139	146	214	211	370	384	405	21
Personnel & Retirement #	407	358	366	363	317	311	154	155	157	2
General Services #	911	812	767	760	773	755	598	597	630	33
Transportation	9,960	9,921	9,554	9,505	9,576	9,345	9,035	8,993	9,085	92
Natural Resources	1,896	1,751	1,683	1,576	1,436	1,436	1,399	1,363	1,389	27
Agriculture	582	514	449	439	438	427	411	407	435	28
Health & Mental Hygiene	11,261	10,284	10,026	9,393	9,270	9,058	8,379	8,270	8,187	(83)
Human Resources	7,205	6,961	6,856	6,770	6,980	7,345	6,942	6,450	6,575	125
Labor, Licensing & Regulation	746	644	581	406	1,482	1,609	1,531	1,534	1,546	12
Public Safety & Corrections	8,424	9,192	9,497	9,377	10,012	10,410	10,288	10,508	10,713	205
Public Education	20,430	19,241	19,008	18,817	19,006	18,717	19,780	20,467	20,821	354
Housing & Community Development	483	449	412	416	427	421	381	382	381	(1)
Business & Economic Development	1,441	1,441	1,424	1,422	257	249	242	236	245	9
Environment	864	809	763	759	857	841	870	874	925	51
Juvenile Justice	1,584	1,077	1,046	1,038	1,076	1,059	1,039	1,037	1,037	0
State Police	2,550	2,456	2,437	2,401	2,411	2,424	2,481	2,479	2,485	6
<b>Total Budgeted Positions</b>	<b>76,831</b>	<b>73,807</b>	<b>72,443</b>	<b>71,244</b>	<b>72,313</b>	<b>72,412</b>	<b>71,594</b>	<b>71,922</b>	<b>72,930</b>	<b>1,007</b>

Non-Budgeted *	2,054	2,066	2,078	2,676	2,742	2,734	2,679	2,709	2,713	5
<b>Grand Total</b>	<b>78,885</b>	<b>75,873</b>	<b>74,521</b>	<b>73,920</b>	<b>75,055</b>	<b>75,146</b>	<b>74,274</b>	<b>74,631</b>	<b>75,644</b>	<b>1,013</b>

Notes:

All data as of June 30 except fiscal 1998 and fiscal 1999

# Portions of these departments were reorganized July 1, 1996. Fiscal 1997, 1998 and 1999 reflect positions after reorganization.

\* Non-Budgeted includes: Md. Transportation Authority, MAIF, MES, IWIF, MHEIP,MSDE HQ (1 pos.), and Food Center and Stadium Authorities.

Source: Department of Budget and Management, Annual Budget Books, BPW actions, and Legislative Budget Database

Exhibit A.7 (continued)  
 Summary of Personnel Detail by Major Areas of Government  
 Authorized Positions  
 Fiscal 1991 through Fiscal 1999

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Budget and Management #	159	145	139	146	214	211	370	384	405	21
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General Services #	911	812	767	760	773	755	598	597	630	33
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Public Education	20,430	19,241	19,008	18,817	19,006	18,717	19,780	20,467	20,821	354
Housing & Community Development	483	449	412	416	427	421	381	382	381	(1)
Business & Economic Development	1,441	1,441	1,424	1,422	257	249	242	236	245	9
Environment	864	809	763	759	857	841	870	874	925	51
Juvenile Justice	1,584	1,077	1,046	1,038	1,076	1,059	1,039	1,037	1,037	0
State Police	2,550	2,456	2,437	2,401	2,411	2,424	2,481	2,479	2,485	6

<b>Total Budgeted Positions</b>	<b>76,831</b>	<b>73,807</b>	<b>72,443</b>	<b>71,244</b>	<b>72,313</b>	<b>72,412</b>	<b>71,594</b>	<b>71,922</b>	<b>72,930</b>	<b>1,007</b>
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<b>Grand Total</b>	<b>78,885</b>	<b>75,873</b>	<b>74,521</b>	<b>73,920</b>	<b>75,055</b>	<b>75,146</b>	<b>74,274</b>	<b>74,631</b>	<b>75,644</b>	<b>1,013</b>

Notes:

All data as of June 30 except fiscal 1998 and fiscal 1999

# Portions of these departments were reorganized July 1, 1996. Fiscal 1997, 1998 and 1999 reflect positions after reorganization.

\* Non-Budgeted includes: Md. Transportation Authority, MAIF, MES, IWIF, MHEIP,MSDE HQ (1 pos.), and Food Center and Stadium Authorities.

Source: Department of Budget and Management, Annual Budget Books, BPW actions, and Legislative Budget Database

## Exhibit A.8 Pro Forma Legislative Budget Outlook Budget Forecast Fiscal 1999 - 2003

	<b>Allowance Fiscal 1999</b>	Estimate Fiscal 2000	Estimate Fiscal 2001	Estimate Fiscal 2002	Estimate Fiscal 2003
<b>Revenues</b>					
BRE Revenues December	8,095.3	8,336.9	8,564.5	8,815.2	9,099.7
BRE March Revision	142.9	73.6	60.7	56.8	58.7
Lottery Reduction	1.1				
Balance forward January	283.1	20.0	0.0	0.0	0.0
	<b>8,522.3</b>	<b>8,430.5</b>	<b>8,625.2</b>	<b>8,872.0</b>	<b>9,158.4</b>
<b>Allowance</b>					
Original Budget	8,377.1	8,528.9	8,909.8	9,264.6	9,628.9
Supplemental 1	0.3	0.3	0.3	0.3	0.3
Supplemental 2	30.0	35.8	36.5	37.2	38.0
Supplemental 3	194.5				
	<b>8,601.8</b>	<b>8,565.0</b>	<b>8,946.6</b>	<b>9,302.1</b>	<b>9,667.2</b>
<b>Budget Reductions</b>					
Original Budget &S2 and 3	92.4	36.1	36.8	37.6	38.3
Reserve Fund	10.0				
	<b>102.4</b>	<b>36.1</b>	<b>36.8</b>	<b>37.6</b>	<b>38.3</b>
<b>Revenue Modifications</b>					
Other	(3.0)	(4.0)	(5.0)	(5.0)	(5.0)
Super Circuit Breaker	0.0	(9.2)	(9.0)	(8.8)	(8.6)
EITC Phased 10/10/12.5/15/15 @ 85%	(14.5)	(15.1)	(24.7)	(37.4)	(37.4)
SB 750	(170.7)	(45.3)	0.0	0.0	0.0
	<b>(188.2)</b>	<b>(73.6)</b>	<b>(38.7)</b>	<b>(51.2)</b>	<b>(51.0)</b>
<b>Transfers</b>					
Reserve Fund Interest	0.0	36.0	31.6	26.8	24.9
from Reserve Fund	185.2	36.3	81.7	87.0	36.7
	<b>185.2</b>	<b>72.3</b>	<b>113.3</b>	<b>113.8</b>	<b>61.6</b>

***Incremental Future Budget Actions***

FY 2000		100.0	105.0	110.0	115.0
FY 2001			105.0	110.0	115.0
FY 2002				110.0	115.0
FY 2003					115.0
	0.0	100.0	210.0	330.0	460.0
Balance	20.0	0.4	0.0	0.0	0.1
Rainy Day Fund Ending Balance	632	596	574	487	451
As a percent of GF Revenues	7.8%	7.2%	6.7%	5.5%	5.0%

# Part A BUDGETS AND STATE AID

## CAPITAL BUDGET

### SUMMARY

The 1998 General Assembly enacted a capital budget totaling \$1.8 billion including a \$1.0 billion transportation program. Of the total amount, \$443 million is funded with general obligation bonds; \$1.2 billion is funded on a pay-as-you-go (Paygo) basis in the operating budget; and \$190 million is funded with revenue bonds, including higher education academic bonds (\$31.5 million) and transportation bonds (\$160 million). Exhibit A.9 presents an overview of the State's capital program for fiscal 1998. Exhibit A.10 shows the sources and uses of funds for the nontransportation capital program.

General obligation bonds totaling \$443 million are authorized in the Maryland Consolidated Capital Bond Loan of 1998, *Senate Bill 217*, (passed), and various individual bond bills for independent colleges and universities, private hospitals, and legislative initiatives. This is offset by deauthorizations of \$13 million in previously authorized general obligation debt for a net new debt authorization of \$430 million. The Maryland Consolidated Capital Bond Loan includes projects for:

State facilities including State colleges and universities and State correctional facilities;

Health and social facilities such as senior citizen and adult day care centers, juvenile services facilities, and community mental health, disabilities and addictions facilities;

Environmental programs such as the Chesapeake Bay Water Quality, asbestos abatement, and underground fuel tank replacement programs; and

Public school construction, economic development, local jail construction and housing programs.

Exhibit A.11 lists capital projects by fund source. The individual bond bills are listed in Exhibit A.12.

### Exhibit A.9

Summary of the Capital Program as Enacted for the 1998 Session							
(\$ in Millions)							
Function	Bonds			Current Funds (Paygo)			Total
	General Obligation	Agency	Recycled	General	Special	Federal	
State Facilities							\$36.8
State Facilities	\$0.0	\$0.0	\$0.0	\$0.5	\$0.0	\$0.0	
Facilities Renewal	14.2	0.0	0.0	0.0	0.3	0.0	
Other	13.6	0.0	0.0	5.0	0.0	3.2	
Health/Social							\$93.6
State Facilities	61.1	0.0	0.0	0.0	5.0	0.0	
Private Hospitals	3.7	0.0	0.0	0.4	0.0	0.0	
Other	22.7	0.0	0.0	0.7	0.0	0.0	
Environment							\$165.2
Natural Resources	5.2	0.0	0.0	11.0	57.3	0.0	
Agriculture	0.0	0.0	0.0	5.9	15.5	0.0	
Environment	22.0	0.0	0.0	6.1	31.9	0.0	
MD Envir. Services	0.9	0.0	0.0	0.0	0.0	0.0	
Energy	0.0	0.0	0.0	0.0	2.1	0.0	
Other	4.0	0.0	0.0	2.4	1.0	0.0	
Public Safety							\$27.3

State Corrections	11.8	0.0	0.0	0.0	2.3	0.0	
Local Jails	10.1	0.0	0.0	0.0	0.0	0.0	
State Police	3.0	0.0	0.0	0.0	0.0	0.0	
Education							\$220.4
School Construction	129.5	0.0	0.0	88.5	0.0	0.0	
Other	2.4	0.0	0.0	0.0	0.0	0.0	
Higher Education							\$127.0
University System	51.5	31.5	0.0	10.0	0.0	0.0	
Morgan State University	9.3	0.0	0.1	1.2	0.0	0.0	
Community Colleges	16.0	0.0	0.0	0.0	0.0	0.0	
Private Colleges/Univers.	6.0	0.0	0.0	0.0	0.0	0.0	
Other	1.1	0.0	0.0	0.3	0.0	0.0	
Housing/Community Development							\$52.2
Housing	15.4	0.0	0.0	18.0	14.8	0.0	
Other	3.6	0.0	0.0	0.0	0.5	0.0	
Economic Development							\$68.5
Economic Development	2.0	0.0	0.0	31.1	22.0	0.0	
Stadia/Convention Centers	0.0	0.0	0.0	0.0	13.4	0.0	
Local Projects							\$62.6
Administration	6.1	0.0	0.0	28.6	0.0	0.0	
Legislative	28.0	0.0	0.0	0.0	0.0	0.0	
Transportation							\$993.1
Other	0.0	160.0	0.0	0.0	408.1	425.0	
Deauthorizations							\$-14.5
Deauthorization	-13.0	-1.5	0.0	0.0	0.0	0.0	
<b>Total FY 98</b>	<b>\$430.0</b>	<b>\$190.0</b>	<b>\$0.1</b>	<b>\$209.6</b>	<b>\$574.1</b>	<b>\$428.2</b>	<b>\$1,832.1</b>

**Note: Numbers may not sum to total due to rounding**

**Exhibit A.10**

# Non-Transportation Capital

\$839 Million

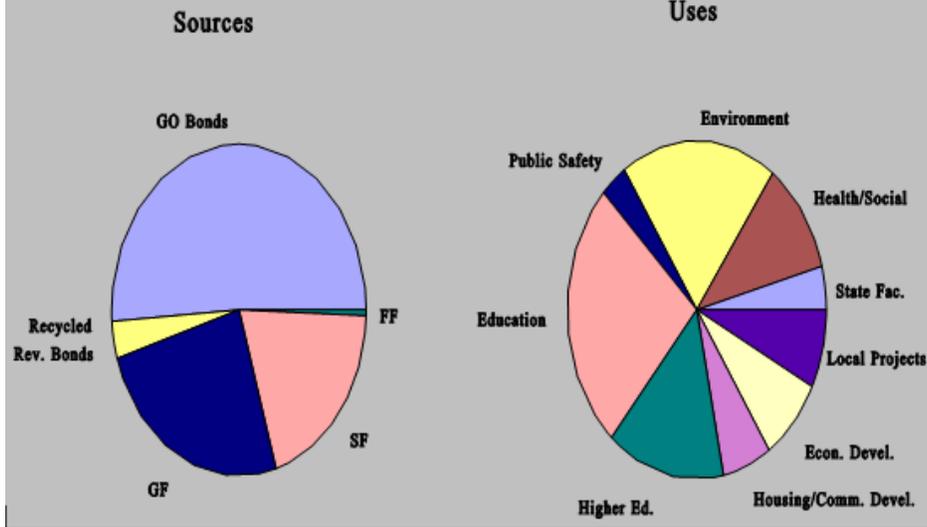


Exhibit A.11

## Capital Program As Enacted - 1998 Session

Budget Code	Project Title	Bonds			Current Funds (Paygo)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
<b>State Facilities</b>								
DA01A	Accessibility for the Disabled	\$0	\$0	\$0	\$2,000,000	\$0	\$0	\$2,000,000
DE02.01.S27	Carroll Co. District Court	0	0	0	500,000	0	0	500,000
DE02.01A	Legislative Facilities	2,300,000	0	0	0	0	0	2,300,000
DE02.01B	Capital Facilities Renewal	14,203,000	0	0	0	0	0	14,203,000
DE02.01C	CFC Mitigation Fund	4,000,000	0	0	0	0	0	4,000,000
DE02.01D	Asbestos Abatement	0	0	0	1,900,000	0	0	1,900,000
DE02.01E	Underground Storage Tank Replace.	1,000,000	0	0	0	0	0	1,000,000
DE02.01F	Washington Co. Dist. Court	5,284,000	0	0	0	0	0	5,284,000
DE02.01G	Construction Contingency Fund	0	0	0	1,000,000	0	0	1,000,000
DH01.04A	Military: Camp Fretterd	273,000	0	0	0	0	88,000	361,000
DH01.04B	Military: Annapolis	578,000	0	0	0	0	2,909,000	3,487,000





UB00A	MES: Water & Wastewater Facil.	850,000	0	0	0	0	0	850,000
ZA00J	Western MD Flood Mitigation	3,252,000	0	0	0	0	0	3,252,000
ZA00K	Western MD Flood Warning Sys.	33,000	0	0	0	0	0	33,000
	Subtotal	\$32,070,000	\$0	\$0	\$25,395,000	\$107,764,000	\$0	\$165,229,000
<b>Public Safety</b>								
QA01.05	PCTC: Public Safety Training Ctr.	0	0	0	0	2,325,000	0	2,325,000
QB04.01A	MCI-H: Upholstery Shop	887,000	0	0	0	0	0	887,000
QB04.02A	MCTC: Perimeter Security	290,000	0	0	0	0	0	290,000
QB05A	MCI-W: Medium Security Housing	7,572,000	0	0	0	0	0	7,572,000
QB05B	MCI-W: Kitchen & Dining Room	290,000	0	0	0	0	0	290,000
QB06A	Central Laundry: Boiler Plant	207,000	0	0	0	0	0	207,000
QB08A	WCI: Maximum Security Compound	1,600,000	0	0	0	0	0	1,600,000
QD01A	Patuxent: Visitor Reg.\Perimeter Sec.	424,000	0	0	0	0	0	424,000
QD01B	Patuxent: Kitchen & Dining Hall	563,000	0	0	0	0	0	563,000
WA01A	DMSP: Waldorf Barrack & Garage	2,960,000	0	0	0	0	0	2,960,000
ZB02A	Jail: Allegany Co. Detention Ctr.	1,321,000	0	0	0	0	0	1,321,000
ZB02B	Jail: Anne Arundel Co. Detention Ctr.	200,000	0	0	0	0	0	200,000
ZB02C	Jail: Montgomery Co. Detention Ctr.	8,318,000	0	0	0	0	0	8,318,000
ZB02D	Jail: Wicomico Co. Detention Ctr.	300,000	0	0	0	0	0	300,000
	Subtotal	\$24,932,000	\$0	\$0	\$0	\$2,325,000	\$0	\$27,257,000
<b>Education</b>								
DE02.02A	Public School Construction	129,500,000	0	0	88,500,000	0	0	218,000,000
RA01A	MSDE: State Library Resource Ctr.	2,365,000	0	0	0	0	0	2,365,000
	Subtotal	\$131,865,000	\$0	\$0	\$88,500,000	\$0	\$0	\$220,365,000
<b>Higher Education</b>								
	UB: Property							

DE02.01.S18	Acquisition	0	0	0	2,000,000	0	0	2,000,000
DE02.01.S19	MSU: Pentridge Apartments	0	0	0	1,165,000	0	0	1,165,000
DE02.01.S20	UMB: School of Pharm. - Prefab.	0	0	0	3,000,000	0	0	3,000,000
DE02.01.S21	TSU: Campuswide Improvements	0	0	0	1,700,000	0	0	1,700,000
DE02.01.S23	BSU: Ductbank & Telecomm.	0	0	0	640,000	0	0	640,000
DE02.01.S24	S. MD Higher Education Ctr.	0	0	0	300,000	0	0	300,000
RB21.rb	UMB: Law School & Library	0	0	1,654,000	0	0	0	1,654,000
RB21A	UMB: School of Nursing	500,000	0	1,500,000	0	0	0	2,000,000
RB21B	UMB: University Center	350,000	0	0	0	0	0	350,000
RB22.rb	UMCP: Symons Hall Renovation	0	0	1,265,000	0	0	0	1,265,000
RB22A	UMCP: Performing Arts	852,000	0	3,048,000	0	0	0	3,900,000
RB22B	UMCP: MFRI Upper E. Shore	3,451,000	0	0	0	0	0	3,451,000
RB22C	UMCP: Resrch. Greenhouse Complex	6,694,000	0	0	0	0	0	6,694,000
RB22D	UMCP: Chemistry Bldg.	847,000	0	0	0	0	0	847,000
RB22E	UMCP: Engin. & Applied Sci. Bldg.	1,207,000	0	0	0	0	0	1,207,000
RB22F	UMCP: New Arena	4,500,000	0	0	0	0	0	4,500,000
RB23A	BSU: Ctr. for Learning & Tech.	18,065,000	0	0	0	0	0	18,065,000
RB24A	TU: 7800 York Road Renovation	292,000	0	0	0	0	0	292,000
RB24B	TU: 7720 York Road Renovation	4,615,000	0	0	2,700,000	0	0	7,315,000
RB24C	TU: Maintenance & Storage Bldg.	1,553,000	0	0	0	0	0	1,553,000
RB31.rb	UMBC: Central Power Plant	0	0	10,298,000	0	0	0	10,298,000
RB31A	UMBC: Physics Bldg.	4,600,000	0	0	0	0	0	4,600,000
RB31B	UMBC: Biological Sci. Bldg.	1,525,000	0	0	0	0	0	1,525,000
RB31C	UMBC: Technology Enterprise Ctr.	450,000	0	0	0	0	0	450,000
RB34A	UMCES: Appalachian Environ. Lab	2,000,000	0	0	0	0	0	2,000,000

RB36.rb	USM: Capital Facilities Renewal	0	0	13,735,000	0	0	0	13,735,000
RC00A	BCCC: Renovate Main Bldg.	1,070,000	0	0	0	0	0	1,070,000
RI00A	Community Colleges Grant Prgm.	15,952,000	0	0	0	0	0	15,952,000
RM00A	MSU: Hughes Stadium	8,527,000	0	0	0	0	0	8,527,000
RM00B	MSU: Hill Field House	169,000	0	0	0	0	0	169,000
RM00C	MSU: Research Facil. & Greenhouse	449,000	138,000	0	0	0	0	587,000
RM00D	MSU: Campuswide Site Improvements	190,000	0	0	0	0	0	190,000
ZE00A	MICUA: Washington College	3,000,000	0	0	0	0	0	3,000,000
ZE00B	MICUA: JHU Shady Grove Campus	3,000,000	0	0	0	0	0	3,000,000
	Subtotal	\$83,858,000	\$138,000	\$31,500,000	\$11,505,000	\$0	\$0	\$127,001,000
<b>Housing/Community Development</b>								
SA23.06	MHT: Revolving Loan Fund	0	0	0	0	450,000	0	450,000
SA23A	MHT: Grant Fund	1,000,000	0	0	0	0	0	1,000,000
SA25.07	DHCD: Rental Housing Programs	0	0	0	6,939,000	5,061,000	0	12,000,000
SA25.08	DHCD: Home Ownership Programs	0	0	0	1,868,000	5,367,000	0	7,235,000
SA25.09	DHCD: Special Loan Programs	0	0	0	1,714,000	4,338,000	0	6,052,000
SA25.12	DHCD: Neighborhood Revital.	0	0	0	7,000,000	0	0	7,000,000
SA25A	DHCD: Partnership Rental Housing	13,174,000	0	0	0	0	0	13,174,000
SA25B	DHCD: Shelter & Transitional Housing	2,250,000	0	0	432,000	0	0	2,682,000
ZA00A	African American Museum	1,580,000	0	0	0	0	0	1,580,000
ZA00B	Baltimore Children's Museum	1,000,000	0	0	0	0	0	1,000,000
	Subtotal	\$19,004,000	\$0	\$0	\$17,953,000	\$15,216,000	\$0	\$52,173,000
<b>Economic Development</b>								

DAO3.02	MSA: Football Stadium	0	0	0	0	13,419,000	0	13,419,000
DU00.02A	Canal Place Improvements	2,024,000	0	0	0	0	0	2,024,000
TF00.09	MSBDFA: Sm. Business Dev. Fin.	0	0	0	1,750,000	4,250,000	0	6,000,000
TF00.10	Day Care Facil. Direct Loan Prg.	0	0	0	0	1,000,000	0	1,000,000
TF00.11	MICRF: Indust. & Comm. Redev.	0	0	0	0	12,100,000	0	12,100,000
TF00.12	MILA: Industrial Land Act	0	0	0	0	4,000,000	0	4,000,000
TF00.14	MIDFA: Bond Insurance Fund	0	0	0	2,750,000	0	0	2,750,000
TF00.15	Seafood & Acqua. Loan Fund	0	0	0	100,000	400,000	0	500,000
TF00.17	Enterprise Fund	0	0	0	2,000,000	250,000	0	2,250,000
TF00.19	Challenge Program	0	0	0	750,000	0	0	750,000
TI00.02	Brownfields Revitalization Fund	0	0	0	500,000	0	0	500,000
YA03.01	Sunny Day Fund	0	0	0	23,200,000	0	0	23,200,000
	Subtotal	\$2,024,000	\$0	\$0	\$31,050,000	\$35,419,000	\$0	\$68,493,000
<b>Local Projects</b>								
DA03.60.S	MSA: Hippodrome Perform. Arts Ctr.	0	0	0	1,700,000	0	0	1,700,000
DA03.61.S	MSA: Memorial Stadium Demol.	0	0	0	850,000	0	0	850,000
DE02.01.S02	Brooklyn Park Comm. Ctr.	0	0	0	2,200,000	0	0	2,200,000
DE02.01.S03	Highlandtown Revitalization	0	0	0	1,000,000	0	0	1,000,000
DE02.01.S04	MD Maritime Center	0	0	0	500,000	0	0	500,000
DE02.01.S06	Bloomsbury Center	0	0	0	1,500,000	0	0	1,500,000
DE02.01.S07	Chesapeake Village Prop. Acquisition	0	0	0	1,600,000	0	0	1,600,000
DE02.01.S09	Riverdale Acquisition & Demolition	0	0	0	1,800,000	0	0	1,800,000
DE02.01.S10	Indian Head Comm. Ctr.	0	0	0	750,000	0	0	750,000
DE02.01.S11	Oakland Railroad Station Restoration	0	0	0	226,000	0	0	226,000
DE02.01.S13	Gaithersburg Town Center	0	0	0	2,000,000	0	0	2,000,000
DE02.01.S14	Strathmore Hall	0	0	0	1,700,000	0	0	1,700,000

DE02.01.S15	Takoma Park Revitalization	0	0	0	800,000	0	0	800,000
DE02.01.S17	Mt. Rainier Police Station	0	0	0	850,000	0	0	850,000
DE02.01.S25	Lonaconing Library	0	0	0	300,000	0	0	300,000
DE02.01.S26	Meyerhoff Symphony Hall	0	0	0	1,500,000	0	0	1,500,000
DE02.01.S28	Kent Co. Govt. Offices	0	0	0	250,000	0	0	250,000
DE02.01.S29	Chelsea School	0	0	0	750,000	0	0	750,000
DE02.01.S30	Olney Theatre	0	0	0	1,500,000	0	0	1,500,000
DE02.01.S31	Rockville Sci.\Cult'l\Busnss. Res. Ctr.	0	0	0	200,000	0	0	200,000
DE02.01.S34	Laurel - Dept. of Public Works Bldg.	0	0	0	300,000	0	0	300,000
DE02.01.S39	Pocomoke City-Demol'n Derelict Bldg.	0	0	0	33,000	0	0	33,000
ZA00C	E. Balt. Recreation Facil. Impr.	200,000	0	0	0	0	0	200,000
ZA00F	George Lucas Art Collection	850,000	0	0	0	0	0	850,000
ZA00H	Silver Spring Redevelopment	5,000,000	0	0	5,000,000	0	0	10,000,000
ZA00I	South Baltimore Parking Facil.	0	0	0	1,260,000	0	0	1,260,000
ZC00	Legislative Initiatives	27,977,000	0	0	0	0	0	27,977,000
	Subtotal	\$34,027,000	\$0	\$0	\$28,569,000	\$0	\$0	\$62,596,000
<b>Transportation</b>								
ZG00	Transportation	0	0	160,000,000	0	408,100,000	425,000,000	993,100,000
	Subtotal	\$0	\$0	\$160,000,000	\$0	\$408,100,000	\$425,000,000	\$993,100,000
<b>Deauthorizations</b>								
ZF00 A	Deauthorizations As Introduced	-11,649,000	0	-1,500,000	0	0	0	-13,149,000
ZF00 B	Deauth. Hospice of P.G. Co., Inc.	-1,350,000	0	0	0	0	0	-1,350,000
	Subtotal	\$-12,999,000	\$0	\$0	\$0	\$0	\$0	\$-14,499,000
<b>Total</b>		<b>\$430,000,000</b>	<b>\$138,000</b>	<b>\$190,000,000</b>	<b>\$209,597,000</b>	<b>\$574,124,000</b>	<b>\$428,220,000</b>	<b>\$1,832,079,000</b>

Exhibit A.12

Legislative Projects - 1998 Session Final Action						
HB	House Sponsor	SB	Senate Sponsor	Project Title	Co.	Final Action
Private Higher Education						
790	Kopp	328	Ruben	JHU - Montgomery Co. Campus	State	3,000,000

771	Guns	403	Baker	Washington College (Kent Co.)	State	3,000,000
				Statewide		\$6,000,000
				Private Higher Education		\$6,000,000
MHA Hospitals						
146	Edwards	209	Hafer	Garrett Co. Memorial Hosp.	State	361,000
439	Murphy	111	Della	Harbor Hospital Ctr. (Balt. City)	State	700,000
619	Kirk	338	Conway	Maryland General (Balt. City)	State	480,000
1104	McClenahan	477	Stoltzfus	McCready Memorial Hosp. (Somers.)	State	115,000
1241	Marriott	453	Hoffman	Mercy Medical Center (Balt. City)	State	350,000
366	Faulkner	286	McCabe	Montgomery General Hosp.	State	500,000
789	Love	746	Jimeno	North Arundel Hospital (AA Co.)	State	800,000
				Statewide		\$3,306,000
				MHA Hospitals		\$3,306,000
Bond Bills - Statewide						
235	Morhaim	244	Hoffman	American Visionary Art Museum	State	1,750,000
793	McHale	110	Della	Baltimore Museum of Industry	State	500,000
441	Rawlings	350	Hoffman	BSO - Jos. Meyerhoff Symphony Hall	State	1,000,000
960	Dewberry	516	Middleton	Maryland Historical Soc.	State	850,000
1172	Heller	432	Hogan	Olney Theater for the Arts	State	475,000
				Statewide		\$4,575,000
				Bond Bills - Statewide		\$4,575,000
Local Projects						
326	Delegation	211	Hafer	Allegheny Co. Ag. Expo. & Fairgrounds	Alleg	400,000
				Allegheny		\$400,000
588	Delegation	630	AASens	Benson-Hammond\Wm. Downs Hses.	AA	100,000
387	Cadden	410	Jimeno	Hancock's Resolution	AA	150,000
388	Delegation	287	AASens	London Town Archeo. Learning Ctr.	AA	750,000
93	Busch	140	AASens	MD Hall for the Creative Arts	AA	250,000
1127	Busch	546	Astle	Stanton Center	AA	150,000
190	Delegation	162	Astle	Wiley H. Bates High School	AA	1,000,000
				Anne Arundel		\$2,400,000
163	Doory	296	BCSens	Balt. City FOP Memorial	BCity	50,000
264	Dewberry	166	Hoffman	Caritas House Assisted Living Fac.	BCity	500,000
683	Rosenberg	348	Hoffman	Center Stage	BCity	250,000
597	Doory	405	Conway	Epiphany House	BCity	150,000
693	Branch	456	McFadden	Fair Chance Center	BCity	200,000
953	Harrison	458	McFadden	Human & Community Devel. Ctrs.	BCity	200,000
1261	Nathan-Pulliam	706	Blount	King Mem. Child Care Family Ctr.	BCity	150,000
774	Marriott	597	Hughes	MD Comm. Resource Ctr., Inc.	BCity	500,000
681	Davis	465	McFadden	MD Ctr. for Veterans' Edu. & Trng.	BCity	136,000
1326	Montague	733	McFadden	Morgan Christian Center	BCity	150,000
788	Rawlings	768	Jefferies	Payne Mem. Outreach, Inc.	BCity	500,000

1420	Montague	792	Conway	Pen Lucy Community Ctr.	BCity	100,000
802	Rosenberg	311	Hoffman	Police Athletic League Center	BCity	500,000
1134	McIntosh	600	Neall	Pride of Baltimore II	BCity	65,000
573	Dewberry	430	Blount	Project Liberty Ship	BCity	350,000
1148	Fulton	599	Hughes	Sandtown-Winchester Sen. Ctr.	BCity	600,000
786	Rawlings	598	Hughes	St. Ambrose Fam. Outreach Ctr.	BCity	500,000
858	Branch	455	McFadden	St. Frances Academy	BCity	500,000
1309	Kirk	678	Blount	St. James Academy Educ. Ctr.	BCity	500,000
133	Doory	593	Fry	U.S.S. Constellation	BCity	525,000
787	Rawlings	578	Hughes	Village Learning Place	BCity	156,000
1149	Rawlings	753	Jefferies	YMCA Central MD-Druid Hill	BCity	350,000
				Baltimore City		\$6,932,000
636	Minnick	247	Collins	Benjamin Banneker Historic Park	Balt	1,350,000
592	Kach	334	Boozer	Camp Puh"Tok	Balt	250,000
165	Klima	98	Boozer	Hampton Nat. Historic Site	Balt	200,000
646	Dewberry	362	Della	Islamic Society of Baltimore, Inc.	Balt	200,000
409	Minnick	245	Collins	Shady Spring Ring PAL/Recreation Ctr.	Balt	475,000
215	Minnick	246	Collins	Woodmoor PAL/Recreation Ctr	Balt	475,000
				Baltimore		\$2,950,000
604	Delegation	278	Miller	Calvert Co. Hist. Soc. - "Linden Proj."	Cal	300,000
291	Delegation	86	Dyson	Calvert Marine Museum	Cal	75,000
601	Delegation	751	Dyson	United Way of Calvert Co.	Cal	100,000
				Calvert		\$475,000
1004	Eckardt	567	Colburn	Choptank Comm. Health Syst., Inc.	Carol	75,000
				Caroline		\$75,000
1396	Rudolph	551	Fry	Bell Manor	Cecil	200,000
919	Delegation	559	Baker	Elk River - Dredging	Cecil	200,000
				Cecil		\$400,000
719	Delegation	380	Middleton	Lions Camp Merrick	Chas	200,000
720	Delegation	281	Middleton	Thos. Stone National Hist. Site	Chas	100,000
				Charles		\$300,000
1297	Delegation	749	Colburn	Liberty Village Empowerment Ctr.	Dor	200,000
944	Eckardt	748	Colburn	Stanley Inst.: Rock Sch. Hse. Restor.	Dor	50,000
				Dorchester		\$250,000
516	Delegation	497	Derr	Bur.\Comms. Middletown-Comm. Fac.	Fred	250,000
991	Delegation	741	FCSens.	Fed. Charities Corp. of Frederick	Fred	300,000
1340	Delegation	672	Derr	Frederick Arts Council	Fred	75,000
				Frederick		\$625,000
1296	Edwards	713	Hafer	Garrett Information Enterprise Ctr.	Gar	250,000
				Garrett		\$250,000
1405	Preis	594	Craig	Gr. Havre de Grace Museum Alliance	Har	75,000
1406	Harkins			Havre de Grace Community Ctr.	Har	75,000
1404	Preis	769	Fry	Historical Society of Harford Co.	Har	150,000

965	Delegation	591	Fry	Sen. Wm. Amoss Agric. Edu.	Har	100,000
1378	Delegation	234	Craig	The Ripken Stadium	Har	200,000
				Harford		\$600,000
101	Delegation	469	Madden	Guilford Comm. Found., Inc.	How	300,000
				Howard		\$300,000
473	Walkup	270	Baker	Town of Chestertown Visitors' Ctr.	Kent	150,000
				Kent		\$150,000
1018	Heller	219	Dorman	Ches. Wildlife Sanctuary. Ed. Fac.	Mont	100,000
1335	Hurson	615	Van Hollen	Ctr. for Children & Families	Mont	1,000,000
152	Hixson	103	Ruben	Flower Ave./Long Branch Revitalization	Mont	200,000
769	Cryor	182	Hogan	Germantown Cultural Arts Ctr.	Mont	700,000
303	Shriver	229	Ruben	Hadley's Outdoor Children's Center	Mont	350,000
304	Kopp	155	Ruben	Jewish Comm. Ctr. of Greater Wash.	Mont	600,000
1253	Hurson	719	Ruben	Joseph White House	Mont	200,000
455	Barve	322	Forehand	Kentlands Cultural Arts Center	Mont	50,000
895	Barve	249	Forehand	Mental Health Assoc. of Mont. Co.	Mont	100,000
791	Kagan	494	Forehand	Mont. Co. Agricultural Ctr.	Mont	400,000
508	Petzold	377	Teitelbaum	National Capital Trolley Museum	Mont	125,000
1082	Franchot	773	Ruben	Old Town Takoma Park	Mont	50,000
211	Hixson	718	Ruben	Takoma Park	Mont	75,000
587	Kopp	616	Van Hollen	The Writer's Center	Mont	150,000
				Montgomery		\$4,100,000
197	Pitkin	180	Green	Greenbelt Comm. Ctr.	PG	325,000
1428	B. Hughes			Kettering Community Center	PG	200,000
1182	B. Hughes	755	Trotter	Mission of Love Center	PG	150,000
1033	B. Hughes	418	Currie	MNCPPC - Golf Course for Disabled	PG	150,000
624	Patterson	765	Lawlah	MNCPPC - Tucker Rd. Ice Rink	PG	500,000
688	Healey	459	Pinsky	NAFEO Comm. Ctr.	PG	350,000
739	Proctor	528	Currie	Showplace Arena (Equestrian Ctr.)	PG	250,000
				Prince George's		\$1,925,000
530	Baker	696	Baker	Chesapeake Exploration Center	QA	250,000
67	Baker	39	Baker	Hospice of Queen Anne's Co.	QA	130,000
				Queen Anne's		\$380,000
526	Delegation	756	Dyson	Tudor Hall	SM	65,000
				St. Mary's		\$65,000
52	Baker	49	Colburn	YMCA Therapeutic Pool	Tal	450,000
				Talbot		\$450,000
811	Delegation	725	Munson	Girls Inc. of Wash. Co. - Gymnasium	Wash	250,000
813	Delegation	714	Munson	Rohrersville Band	Wash	25,000
				Washington		\$275,000
1269	Conway	789	Stoltzfus	Dry Hydrant System	Wic	100,000
				Wicomico		\$100,000
				Local Projects		\$23,402,000

				<b>Subtotal - Statewide and Local Projects</b>		<b>\$27,977,000</b>
				<b>Total - New Projects</b>		<b>\$37,283,000</b>
<b>5/7/1998</b>						

## DEBT AFFORDABILITY

The Capital Debt Affordability Committee recommended a limit of \$430 million in general obligation bonds to be authorized for fiscal 1999. The General Assembly authorized \$443 million in new general obligation bond debt, offset by the deauthorization of \$13 million in previously authorized debt, for a net new general obligation bond debt authorization of \$430 million. This amount conforms to the recommendation of the Capital Debt Affordability Committee.

## PUBLIC SCHOOL CONSTRUCTION

The funds available in fiscal 1999 for public school construction totals \$222 million. Funding is provided through a general obligation bond authorization of \$129.5 million, \$88.5 million in general fund Paygo funding, and \$4 million available from prior year authorizations. The following table shows the distribution.

<b>Subdivision</b>	<b>Public Schools</b>
Allegany	\$4,351,000
Anne Arundel	7,889,000
Baltimore City	9,783,000
Baltimore County	9,445,000
Calvert	3,104,000
Caroline	946,000
Carroll	5,135,000
Cecil	3,936,000
Charles	5,735,000
Dorchester	942,000
Frederick	5,158,000
Garrett	263,000
Harford	6,012,000
Howard	6,012,000
Kent	460,000
Montgomery	10,692,000
Prince George's	12,641,000
Queen Anne's	2,375,000
St. Mary's	6,029,000
Somerset	680,000
Talbot	135,000
Washington	4,480,000
Wicomico	7,375,000
Worcester	2,712,000

<b>Subtotal</b>	\$116,290,000
Statewide/Unallocated	105,710,000
<b>Total</b>	\$222,000,000

<b>Funding Sources</b>	
Consolidated Capital Bond Bill	\$129,500,000

General Fund Paygo	88,500,000
Available From Previous Years	4,000,000
<b>Total</b>	\$222,000,000

## PROGRAM OPEN SPACE

The fiscal 1999 budget includes \$60.5 million for Program Open Space (POS) land acquisition and development made up of \$54.5 million in property transfer tax revenues and \$6 million in general fund revenues. The following table shows the allocations among the various categories.

<b>Land Acquisition</b>	<b>Amount</b>
Local Grants	\$24,174,000
Eastern Coastal Bays	750,000
Parker's Creek	738,000
Patapsco Valley Greenway	1,000,000
Gunpowder Falls State Park	1,000,000
Patuxent River Greenway	2,000,000
Scenic Rivers	2,100,000
Chesapeake Bay Access	700,000
Chapman's Landing	5,000,000
Smith Farm	1,000,000
Advance Option and Purchase Fund	3,215,000
Baltimore City Direct Grant	1,500,000
Heritage Conservation Fund	1,182,000
Outdoor Land Loan Debt	1,000,000
<b>Subtotal</b>	\$45,359,000

<b>Capital Improvements</b>	
Rocky Gap State Park	\$180,000
Gunpowder Falls State Park	168,000
Patapsco State Park	485,000
King's Landing NRMA	691,000
Fair Hill NRMA	199,000
Deep Creek Lake State Park	637,000
Seneca Creek State Park	115,000
Isle of Wight WMA	264,000
Park Improvements Incentive Fund	500,000
>Critical Maintenance Projects	1,500,000
Dam Rehabilitation	150,000
Ocean City Beach Maintenance - State Share	1,000,000
<b>Subtotal</b>	\$5,889,000
Rural Legacy	8,339,000
<b>Total</b>	\$59,587,000

## PROPERTY TRANSFER TAX REVENUE ADJUSTMENTS

Annual appropriations for Program Open Space are based on an estimate of property transfer tax revenues. Since appropriations are based on estimates of transfer tax revenue, revenue shortfalls result in Program Open Space projects which have authorizations but no funds. In order to reconcile Program Open Space authorizations with actual transfer tax revenue attainment, Tax - Property Article Section 13-209 requires up to \$3 million in transfer tax revenues from the subsequent fiscal year to be used to cover revenue shortfalls. The transfer tax revenue attainment for 1997 was \$3.9 million less than the estimate upon which the fiscal 1997 budget was built. The fiscal 1997 POS deficiency of \$3.9 million is reconciled in the fiscal 1999 budget through a reduction of \$3 million in transfer tax revenues and deauthorization of \$945,514 previously authorized for Western Maryland State forests.

In addition to the \$945,514 deauthorized to cover revenue shortfalls, the department deauthorized some projects in order to transfer the authorization to other projects. This new practice allows funds sitting in dormant accounts to be reprogrammed to the areas where land is actually available for purchase. The following table shows the projects being deauthorized and the new authorizations.

<b>Deauthorized Projects</b>		<b>Reauthorized Projects</b>	
Patuxent State Park	\$278,316	Chesapeake Bay Access	\$2,213,879
Elk Neck State Park	1,000,000	Adv. Option & Purchase Fund	1,000,000
Wye Island State Park	799,350		
Carroll Creek State Park	1,114		
Southern Maryland State Forest	17,700		
Point Lookout State Park	157,594		

The \$155,547 difference between the deauthorized projects and reauthorized funding eliminates the last of the authorized but unfunded projects which resulted when POS funds were transferred to the general fund during the fiscal crisis of the early 1990s.

#### **ACADEMIC FACILITIES REVENUE BONDS**

*Senate Bill 708* (passed) authorizes \$31.5 million in academic revenue bonds for projects at various campuses of the University System of Maryland. The bill also raises the debt cap for the System from \$647.3 million to \$747.0 million. Finally, the bill includes language stating the intent of the General Assembly that the University System of Maryland limit its fiscal 2000 request for academic bonding authority to \$25 million.

# Part A BUDGETS AND STATE AID

## AID TO LOCAL GOVERNMENT

### OVERVIEW OF STATE ASSISTANCE TO LOCAL GOVERNMENTS

State assistance to local governments accounts for about 25 percent of the State's budget, exclusive of federal funds. This assistance includes direct aid to county and municipal governments, school boards, library boards, community colleges, and local health departments. In fiscal year 1999, \$2.8 billion in direct aid will be distributed through more than 45 different programs, an increase of 7.6 percent over fiscal year 1998. More than \$2.1 billion or 74 percent of this direct aid is earmarked for the public schools. In addition, the State will pay another \$443 million for the employer's share of retirement costs for local teachers, librarians, and community college faculty who are members of either the teachers' retirement or pension systems maintained and operated by the State.

The State assumption of functions or responsibilities performed by local governments is another aspect of State/local fiscal year relationships. In the 1990's the State assumed responsibility for the Baltimore City jail and community college and increased funding for the Washington Metropolitan area transit systems. In the case of the jail and community college, State costs were partially offset by reductions in direct State aid to the city. Beginning with fiscal year 1995, the State also assumed responsibility for processing Baltimore City arrests through a State-run central booking facility. In addition, new legislation passed this year (*Senate Bill 205* and *Senate Bill 207*) will increase State support for Washington area transit systems by \$7.2 million beginning with fiscal year 2000.

Overall assistance to local governments, including the recently assumed costs, totals over \$3.4 billion in fiscal year 1999. This amount is a \$173.8 million or 5.4 percent increase over fiscal year 1998. Annual growth in aid, including the cost of assumed functions, has averaged 6.0 percent between fiscal years 1994 and 1999. (See Exhibit A.13 for a summary of State aid over this period and Exhibit A.14 for county-by-county changes in aid for fiscal year 1997 through 1999.)

**Exhibit A.13  
Summary of State Assistance to Local Governments  
FY 1994 - FY 1999  
(\$ in Millions)**

Fiscal Year	Direct Aid	State Assistance Retirement	Subtotal	Recently Assumed Costs	Total	Percent Change
1994	2,085.3	383.8	2,469.1	80.7	2,549.8	
1995	2,217.0	423.1	2,640.1	87.5	2,727.6	7.0
1996	2,327.2	455.6	2,782.8	102.3	2,885.0	5.8
1997	2,441.4	479.7	2,921.2	108.9	3,030.1	5.0
1998	2,646.4	474.9	3,121.3	113.9	3,235.2	6.8
1999	2,847.3	442.6	3,289.9	119.1	3,409.0	5.4

**Exhibit A.14  
Summary of State Assistance to Local Governments FY 1997 - FY 1999  
(\$ in thousands)**

Counties	FY 1997 Actual	FY 1998 Working App	FY 1999 Appropriation	Difference	% Difference FY 97-FY 98
Allegany	53,472	57,274	59,080	1,806	3.2
Anne Arundel	215,303	228,875	233,779	4,904	2.1

Baltimore City	684,871	716,437	763,127	46,690	6.5
Baltimore County	315,892	343,677	356,019	12,342	3.6
Calvert	39,826	43,063	45,456	2,393	5.6
Caroline	25,032	27,704	28,615	910	3.3
Carroll	86,159	92,434	96,539	4,105	4.4
Cecil	53,243	56,935	59,850	2,915	5.1
Charles	73,156	77,297	79,588	2,291	3.0
Dorchester	23,267	25,042	25,426	384	1.5
Frederick	107,868	116,726	120,912	4,187	3.6
Garrett	26,514	28,236	29,184	948	3.4
Harford	126,149	134,726	139,145	4,419	3.3
Howard	105,702	114,175	119,224	5,048	4.4
Kent	10,711	11,221	11,652	432	3.8
Montgomery	279,339	295,138	305,984	10,847	3.7
Prince George's	436,754	476,950	513,842	36,892	7.7
Queen Anne's	20,926	22,150	23,151	1,001	4.5
St. Mary's	50,324	53,489	55,589	2,101	3.9
Somerset	17,854	18,948	19,907	959	5.1
Talbot	10,970	11,283	11,970	687	6.1
Washington	75,000	79,301	81,182	1,882	2.4
Wicomico	53,358	57,126	59,832	2,706	4.7
Worcester	15,121	14,656	16,805	2,149	14.7
Unallocated	14,350	18,461	34,061	15,600	84.5
<b>Statewide</b>	<b>2,921,160</b>	<b>3,121,322</b>	<b>3,289,920</b>	<b>168,598</b>	<b>5.4</b>

**Local Costs Recently Assumed by the State  
FY 1997 - FY 1999  
(\$ in thousands)**

	<b>FY 1997</b>	<b>FY 1998</b>	<b>FY 1999</b>
BaltimoreCity Com. College <sup>1</sup>	17,162	17,959	19,805
Baltimore City Jail <sup>2</sup>	63,744	66,833	69,138
WMATA Montgomery Prince George's	14,908 13,081	15,466 13,637	15,986 14,183

Notes:

1) Beginning in FY 1991, the state assumed responsibility for the New Community College of Baltimore and the city no longer received aid under the community college formula or for fringe benefits (\$10.8 million in FY 1990). Amounts shown represent total

state spending for the community college.

2) Beginning in FY 1992, the state assumed responsibility for the Baltimore City Jail and Baltimore City no longer received aid under the police aid formula (\$37.7 million in FY 1991). The amounts also include additional state costs for the state-run Baltimore City central booking facility.

As **Exhibit A.15** indicates, the overall composition of aid changes slightly between fiscal year 1998 and 1999. Aid for the public schools increases 6.4 percent, raising education's share of total aid to about 77 percent. County and municipal governments receive 17 percent of the aid, primarily for public safety, transportation, and park land acquisition or development. Community colleges, libraries, and local health departments account for the remaining 6 percent of aid.

**Exhibit A.15**  
**Changes in State Aid Patterns**  
**(dollars in millions)**

	Estimated FY 1998	% of Total	Approp. FY 1999	% of Total	% Increase
Public Schools	\$2,373.9	76.0%	\$2,526.8	76.8%	6.4%
Libraries	37.0	1.2	39.0	1.2	5.3
Community Colleges	125.6	4.0	129.5	3.9	3.1
Local Health	42.5	1.4	43.8	1.3	3.0
General Government	542.3	17.4	550.9	16.8	1.6

Notes: Public schools, libraries, and community colleges include State paid teachers' retirement costs. General government includes grants to the counties for public safety, transportation, program open space, and income tax disparities. A portion of these grants is shared with municipalities in the county.

The \$168.6 million increase in State aid primarily results from ongoing growth in existing formula programs and new funding for several education aid programs. The significant State aid increases in the fiscal year 1999 budget include the following:

- Current expense education aid, distributed inverse to local property and income wealth, increases \$66.5 million or 4.6 percent.
- Compensatory education aid, based on the number of children from low income households, rises \$20.8 million or 25.7 percent.
- Additional funding (\$20.0 million) for the Baltimore City schools is provided in the State budget consistent with the legislation (Senate Bill 795 - Chapter 105, Acts of 1997) enacted in the 1997 session restructuring the management of the school system.
- The fiscal year 1999 State budget includes enhancements to several education aid programs required under the School Accountability for Funding Excellence (*Senate Bill 171/House Bill 1*) legislation passed this year. These enhancements total \$61.5 million.
- Grants for school bus transportation total \$112.2 million, an increase of \$5.7 million or 5.3 percent.
- The State budget includes \$5.0 million in additional formula funds for Maryland's community colleges, an increase of 5.3 percent.
- Legislation (*Senate Bill 168/House Bill 94*) passed this year increases library aid funding by \$3.2 million or 16.3 percent.
- State grants for fire, rescue, and ambulance services increase over 33 percent, from \$5.8 million in fiscal year 1998 to \$7.8 million in fiscal year 1999.

Exhibit A.16 summarizes the county-by-county distribution of \$2.8 billion in direct State aid by governmental entity. It also shows estimated State retirement payments for local employees based on actual 1997 employee salaries.

Exhibit A.17 compares total aid distributed to the local governments in fiscal year 1998 and 1999 by program. Following Exhibit A.17 is a more detailed review of the changes in fiscal year 1999 aid as enacted by the 1998 General Assembly.



George's	48,433	12,384	376,354	5,639	6,776	449,585	64,256	513,842	36,892
Queen Anne's	4,369	827	14,235	116	395	19,943	3,208	23,151	1,001
St. Mary's	6,027	852	40,418	430	912	48,639	6,950	55,589	2,101
Somerset	5,781	350	11,446	189	455	18,221	1,687	19,907	959
Talbot	3,776	588	5,057	70	256	9,747	2,223	11,970	687
Washington	10,334	3,835	54,747	737	1,391	71,044	10,138	81,182	1,882
Wicomico	7,912	1,960	41,493	484	918	52,767	7,065	59,832	2,706
Worcester	5,681	941	6,183	91	183	13,078	3,727	16,805	2,149
Unallocated	5,839	3,406	19,734	5,082	0	34,061	0	34,061	15,600
<b>TOTAL</b>	<b>\$550,877</b>	<b>\$111,976</b>	<b>\$2,111,103</b>	<b>\$29,573</b>	<b>\$43,786</b>	<b>\$2,847,314</b>	<b>\$442,606</b>	<b>\$3,289,920</b>	<b>\$168,598</b>

NOTE: Detail may not add to total due to rounding. General government includes the municipal share of police aid, highway user revenue and fire aid.

**Exhibit A.16 (continued)**  
**State Assistance to Local Governments**  
**Percent Difference between FY 1999 Leg. Appropriation and FY 1998 Working Appropriation**

	Direct State Aid						Retirement	Total
	General Government	Community Colleges	Education	Libraries	Health	Subtotal		
Allegany	3.7%	7.0%	4.3%	15.9%	2.1%	4.5%	-7.3%	3.2%
Anne Arundel	0.8%	12.7%	4.1%	16.4%	3.3%	4.2%	-6.9%	2.1%
Baltimore City	0.5%	n.a.	11.4%	12.0%	3.1%	7.6%	-6.7%	6.5%
Baltimore County	0.3%	2.4%	7.5%	16.6%	2.1%	6.0%	-7.0%	3.6%
Calvert	2.0%	7.5%	9.1%	30.5%	4.6%	8.2%	-6.7%	5.6%
Caroline	3.7%	9.7%	4.5%	17.7%	1.6%	4.5%	-6.8%	3.3%
Carroll	1.6%	7.7%	7.0%	23.6%	2.7%	6.3%	-6.8%	4.4%
Cecil	1.5%	5.8%	8.0%	18.7%	2.5%	7.0%	-6.8%	5.1%
Charles	0.4%	7.5%	4.9%	26.8%	1.4%	4.6%	-6.9%	3.0%
Dorchester	2.5%	9.7%	2.3%	11.0%	1.8%	2.6%	-6.8%	1.5%
Frederick	1.4%	5.8%	6.1%	13.9%	2.5%	5.4%	-6.8%	3.6%
Garrett	3.2%	15.7%	3.8%	20.8%	1.9%	4.6%	-7.0%	3.4%
Harford	1.0%	3.4%	5.7%	16.3%	1.0%	5.0%	-6.9%	3.3%
Howard	1.5%	7.8%	8.9%	15.2%	1.5%	7.5%	-6.9%	4.4%
Kent	2.5%	9.7%	7.1%	8.5%	-0.6%	5.8%	-6.8%	3.8%
Montgomery	0.6%	5.8%	11.1%	17.0%	9.0%	8.2%	-6.6%	3.7%
Prince George's	-0.1%	7.5%	12.1%	2.8%	1.8%	10.2%	-6.8%	7.7%
Queen Anne's	2.0%	9.7%	7.9%	24.5%	2.0%	6.6%	-6.8%	4.5%
St. Mary's	1.6%	7.5%	6.2%	17.5%	1.5%	5.7%	-6.7%	3.9%
Somerset	5.2%	11.6%	6.7%	19.7%	1.7%	6.3%	-6.7%	5.1%
Talbot	2.0%	9.7%	16.1%	16.2%	5.3%	9.5%	-6.8%	6.1%

Washington	0.8%	7.3%	4.2%	12.9%	2.3%	3.9%	-6.9%	2.4%
Wicomico	5.1%	11.6%	6.4%	15.9%	7.2%	6.5%	-6.7%	4.7%
Worcester	2.1%	11.6%	54.3%	20.2%	8.8%	22.7%	-6.7%	14.7%
Unallocated	190.8%	-17.1%	171.8%	0.0%	n.a.	84.5%	n.a.	84.5%
<b>TOTAL</b>	<b>1.6%</b>	<b>5.8%</b>	<b>9.4%</b>	<b>10.1%</b>	<b>3.0%</b>	<b>7.6%</b>	<b>-6.8%</b>	<b>5.4%</b>

NOTE: Detail may not add to total due to rounding. General government includes the municipal share of police aid, highway user revenue and fire aid.

<b>Exhibit A.17</b>			
<b>Total State Assistance for Local Governments</b>			
<b>Direct State Aid</b>			
<b>Program</b>	<b>Fiscal Year 1998</b>	<b>Fiscal Year 1999</b>	<b>Difference</b>
*Current Expense Aid	1,452,268,977	1,518,742,199	66,473,222
*Compensatory Aid	80,909,997	101,683,163	20,773,166
*Transportation Aid	102,571,931	107,457,160	4,885,229
*Transportation Aid - Special Ed.	4,012,000	4,792,500	780,500
*Special Education - formula	81,253,347	81,253,347	0
*Special Education - nonpublic	61,183,434	63,125,899	1,942,465
Magnet/Effective Schools	14,100,000	16,100,000	2,000,000
Challenge Grants/Marginal Schools	7,638,827	5,638,827	(2,000,000)
Adult Education	753,602	753,602	0
*Targeted Poverty Grants	8,000,000	8,000,000	0
Additional Poverty Grants	18,163,360	18,163,360	0
Targeted Improvement Grants	0	16,317,455	16,317,455
Teacher Development Grants	0	10,488,000	10,488,000
Extended Elementary	14,896,739	19,262,500	4,365,761
Food Service Aid	4,336,664	4,336,664	0
Gifted and Talented Program	4,434,829	4,934,829	500,000
*Limited English Proficiency Grant	7,802,000	23,550,750	15,748,750
Maryland's Tomorrow	9,997,189	9,997,189	0
*Out-of-County Foster Placements	3,550,000	3,950,000	400,000
Aging Schools	4,350,000	10,370,000	6,020,000
Baltimore City Partnership #	30,971,040	50,000,000	19,028,960
School Reconstitution #	3,719,200	9,797,400	6,078,200
Education Modernization Initiative	3,161,000	5,375,000	2,214,000
Baltimore County Mentoring	2,900,000	2,900,000	0
School Library Media Incentive Program	0	3,000,000	3,000,000
Teacher Certification/Student Services Support Pilot	0	4,000,000	4,000,000
Other Programs	7,867,203	7,113,088	(754,115)
<b>EDUCATION</b>	<b>1,928,841,339</b>	<b>2,111,102,932</b>	<b>182,261,593</b>

*Library Aid	19,773,907	22,990,884	3,216,977
Prince George's County Library Grant	2,000,000	1,500,000	(500,000)
State Library Network	5,081,942	5,081,942	0
<b>LIBRARIES</b>	<b>26,855,849</b>	<b>29,572,826</b>	<b>2,716,977</b>
*Community College Formula	94,880,398	99,919,633	5,039,235
*TIAA-CREF	5,140,583	5,407,348	266,765
Grants for ESOL Programs	1,000,000	1,000,000	0
Advanced Technology Centers	2,815,000	1,815,000	(1,000,000)
Hold Harmless/Small College Grant	739,498	2,242,981	1,503,483
Statewide	1,296,000	1,591,242	295,242
<b>COMMUNITY COLLEGES</b>	<b>105,871,479</b>	<b>111,976,204</b>	<b>6,104,725</b>
<b>*LOCAL HEALTH FORMULA</b>	<b>42,521,100</b>	<b>43,785,576</b>	<b>1,264,476</b>
*State Aid for Police Protection	57,190,536	57,646,722	456,186
Fire, Rescue Ambulance Services	5,245,000	7,500,000	2,255,000
911 Grants	1,460,448	3,138,630	1,678,182
Violent Crime Grants	5,000,000	5,000,000	0
Foot Patrol/Drug Enforcement Grants	4,462,500	4,462,500	0
Community Policing	2,000,000	2,000,000	0
Body Armor for Police	100,000	100,000	0
Prince George's County Fire Apparatus	552,642	300,000	(252,642)
Vehicle Theft Prevention	2,600,000	2,600,000	0
Baltimore City State's Attorney	175,000	0	(175,000)
<b>PUBLIC SAFETY</b>	<b>78,786,126</b>	<b>82,747,852</b>	<b>3,961,726</b>
<b>*PROGRAM OPEN SPACE</b>	<b>24,556,000</b>	<b>25,674,000</b>	<b>1,118,000</b>
Elderly/Handicapped Transportation	2,403,180	2,403,180	0
Paratransit Grants	3,382,051	3,382,051	0
*Highway User Grant	366,970,982	368,509,398	1,538,416
<b>TRANSPORTATION</b>	<b>372,756,213</b>	<b>374,294,629</b>	<b>1,538,416</b>
*Horse Racing Impact Aid	1,344,300	1,246,200	(98,100)
Security Interest fees/Other	2,868,250	2,798,200	(70,050)
<b>OTHER DIRECT AID</b>	<b>4,212,550</b>	<b>4,044,400</b>	<b>(168,150)</b>
<b>*DISPARITY GRANT</b>	<b>62,025,702</b>	<b>64,116,025</b>	<b>2,090,323</b>
<b>TOTAL DIRECT STATE AID</b>	<b>2,646,426,358</b>	<b>2,847,314,444</b>	<b>200,888,086</b>

<b>Payments-On-Behalf</b>			
*Retirement - Libraries	10,175,422	9,426,570	(748,852)
*Retirement - Boards of Education	445,017,687	415,664,912	(29,352,775)
*Retirement - Community Colleges	19,702,334	17,514,318	(2,188,016)
<b>TOTAL PAYMENTS-ON-BEHALF</b>	<b>474,895,443</b>	<b>442,605,800</b>	<b>(32,289,643)</b>
<b>TOTAL STATE ASSISTANCE</b>	<b>3,121,321,801</b>	<b>3,289,920,244</b>	<b>168,598,443</b>
<i>General Fund State Assistance</i>	2,712,674,840	2,875,048,585	162,373,745
<i>Special Fund State Assistance</i>	408,646,961	414,871,659	6,224,698
* Programs mandated by statute. # The Baltimore City Partnership funding in FY 1998 included \$2 million for school reconstitution. In FY 1999 those funds were budgeted with other school reconstitution funds rather than with the partnership. For this chart, the \$2 million in FY 1998 is included under school reconstitution and deducted from the partnership funding.			

**Compensatory Aid.** The compensatory aid formula distributes aid to local school boards on the basis of the number of students from economically disadvantaged environments (as measured by the student counts used for federal Title I aid). Increases in compensatory aid are tied to increases in the current expense formula. In fiscal year 1999 compensatory aid grows \$20.8 million or 25.7 percent. Most of this large increase results from a recent revision to the federal Title I student counts. Based on this update, Maryland's Title I count increased 22 percent, from 87,000 to 106,252.

**School Bus Transportation Grants.** Each county receives a grant for student transportation based on the county's grant in the previous year increased by the change in the Baltimore area consumer price index for private transportation. Increases can not exceed 8 percent or be less than 3 percent. As a result of legislation enacted in 1996, counties with enrollment increases receive additional funds. The fiscal year 1999 budget includes \$107.5 million, reflecting a 3.0 percent transportation CPI growth factor and an enrollment increase of 1.6 percent. The State also provides a grant for transporting handicapped students. Each school board receives \$500 per special education student in excess of the number transported in fiscal year 1981. The fiscal year 1999 grant level of \$4.8 million is based on 9,585 students.

**Special Education.** State aid for special education recognizes the additional costs associated with providing programs for students with disabilities. Most special education students receive services in the public schools; however, if an appropriate program is not available in the public schools students may be placed in a private school offering more specialized services. The State and local school systems share the costs of these nonpublic placements. The \$1.9 million increase in special education funding in fiscal year 1999 is for nonpublic placements.

**Teachers' Retirement Costs.** The State pays the employers' retirement costs for local teachers who are members of either the teachers' retirement or pension systems maintained and operated by the State. The \$29.4 million decrease in fiscal year 1999 results from a 3.4 percent increase in the salary base and a 9.6 percent decrease in the employer contribution rate. The large decrease in the contribution rate is driven primarily by retirement fund investment earnings.

**Baltimore City Partnership Funding.** Legislation enacted in 1997 (Senate Bill 795 -- Chapter 105, Acts of 1997) restructured the management of the Baltimore City Public Schools. The legislation included a requirement that the State provide an additional \$30 million in the fiscal year 1998 State budget and \$50 million in subsequent years for the city schools. The fiscal year 1999 budget includes the \$50 million for the Baltimore City Partnership program, consistent with the 1997 legislation.

The fiscal year 1998 budget included an additional \$1.5 million related to the city school management changes. Budget bill language specified that the \$1.5 million be expended as follows: \$600,000 for a comprehensive audit of the city school system; \$550,000 for orientation of the new school board and monitoring of the restructuring by the State Department of Education; and \$350,000 for consultants to assist in the development of the transition plan the master plan required under

the city school legislation. The \$550,000 for coordination and monitoring was transferred to the Department of Education's budget. The one-time grants for plan development and the audit are not included in the fiscal year 1999 budget.

**Targeted Improvement Grants:** The SAFE legislation (*Senate Bill 171/House Bill 1*) establishes this new grant program (\$16.3 million). The grants are based on 85% of the number of children eligible for free and reduced-price meals for the second prior fiscal year multiplied by 2.5% of the per-pupil foundation under the basic current expense formula. Each county's initial allocation is adjusted by a factor relating each county's wealth per full-time equivalent student to the statewide wealth per student. Under the SAFE legislation as introduced Baltimore City received 50% of its formula allocation. The final version of the legislation eliminated this provision; however, the \$4.3 million in additional funding required by this change is not included in the fiscal year 1999 budget. The Governor is not required to include this funding until fiscal year 2000, but could submit a fiscal year 1999 deficiency appropriation at the 1999 legislative session.

**Teacher Development Program:** This new program (\$10.5 million) is also established by the SAFE legislation (*Senate Bill 171/House Bill 1*). It provides funds to enhance teacher development programs in schools with a free or reduced-price meal count of 25% or more of their student population. Each eligible school will receive an \$8,000 grant to enhance teacher training in instructing at-risk students. In addition, Baltimore County will receive an additional \$5 million to enhance its teacher mentoring program. The legislation also includes \$2 million to establish a similar program in Prince George's County; however, the legislation as introduced did not include this grant and funds are not in the fiscal year 1999 budget. The Governor is not required to include this funding until fiscal year 2000, but could submit a fiscal year 1999 deficiency appropriation at the 1999 legislative session.

**Limited English Proficiency.** The State provides grants to local school systems for programs for students with limited English proficiency. The significant increase in this program results from the SAFE legislation (*Senate Bill 171/House Bill 1*) passed this year. The legislation increases the grant from \$500 to \$1,350 per limited English proficient student and repeals the current two-year restriction on students being included in the count.

**Extended Elementary.** The extended elementary program supports public school prekindergarten for four-year-old children who may be at risk of failure. The SAFE legislation (*Senate Bill 171/House Bill 1*) enhances this program by \$4.4 million: \$3.4 million for establishing an additional 24 sites and increasing funding for 204.5 existing sites to \$65,000 per site and \$1 million for addressing early intervention strategies for four-year-old children whose needs are not fully met by the existing program. With this enhancement, 273 extended elementary sites will be funded in fiscal year 1999.

**Aging School Repair Program.** This year's State budget includes \$10.4 million to provide funds to local school systems for the improvements, repairs, and deferred maintenance of public school buildings exceeding 15 years of age. Each school system's share of the total funding is generally consistent with the school system's share of school building square footage constructed prior to 1960. The \$6.0 enhancement to this program this year is required under the SAFE legislation (*Senate Bill 171/House Bill 1*).

**School Library Media Incentive Program:** This new program provides \$3.0 million for elementary school libraries. Under the SAFE legislation (*Senate Bill 171/House Bill 1*) establishing the grants, amounts to be received by each school board are based on September 1997 enrollment. The legislation requires the school systems to provide new and equal matching funds for elementary school library programs.

**Effective Schools, Teacher Certification, Student Support Pilot Program:** Another \$6.0 million in this year's budget is also provided under the SAFE legislation (*Senate Bill 171/House Bill 1*). Of this amount \$5.5 million is for specific programs in Prince George's County. There is \$2 million for effective schools programs, \$1 million for a pilot integrated student support services project, and \$2.5 million for provisional teacher certification and teacher development initiatives. Another \$500,000 is for statewide provisional teacher certification and teacher development initiatives.

**School Reconstitution Funds.** Under the Maryland School Performance Program, the State may mandate changes in the management of poorly performing schools. This year the State identified another 38 schools eligible for reconstitution: 29 in Baltimore City and 9 in Prince George's County. In previous years, the State has provided funding for reconstitution eligible schools. The fiscal year 1999 budget includes an additional \$6.1 million for the newly identified schools.

Funding is based on \$60,000 per school and \$200 per student. Baltimore City will receive \$4.5 million and Prince George's County will receive \$1.6 million. The 38 additional schools identified this year brings to 90 the number of schools eligible for reconstitution.

***Education Modernization Initiative.*** The fiscal year 1999 State budget includes \$5.4 million for the third year of this multi-year initiative, a \$2.2 million increase over fiscal year 1998. The initiative provides schools access to on-line computer resources and capacity for data, voice, and video equipment. This year's funds will be used for equipment purchases, software, and staff development at 153 schools. Another \$6.2 million is included under the school construction program to upgrade the wiring in schools.

### **Libraries**

State library formula aid will be \$23.0 million in fiscal year 1999, an increase of \$3.2 million. This 16 percent increase in library aid results from new legislation (***Senate Bill 168/House Bill 94***), which raises the formula funding from \$9.25 to \$10.75 per capita. In addition, the budget includes a grant of \$1.5 million for the Prince George's County library system. As with the public schools, the State pays 100 percent of the retirement costs for library employees. These payments decrease \$748,852, primarily due to the 9.6 percent decrease in the employer contribution rate.

The State supports three regional library resource centers that provide coordination and other services to libraries outside the metropolitan areas. The three regional resource centers are in Salisbury (Eastern Shore), Charlotte Hall (Southern Maryland), and Hagerstown (Western Maryland). The fiscal year 1999 budget includes \$1.2 million for these regional library centers. New legislation (***House Bill 1233***) establishes a minimum funding level for the regional libraries equivalent to \$1.70 for each resident in the region. This minimum funding level would require an additional \$115,000 in fiscal year 1999, but the Governor is not required to include the funding in the budget until fiscal year 2000.

### **Community Colleges**

Total State funding for community colleges increases \$3.9 million for fiscal year 1999. Formula grants are \$5.3 million higher, reflecting legislation enacted in 1996 significantly increasing community college formula funding. New legislation (***House Bill 258***) provides additional grants to seven small community colleges. Allegany, Garrett and Hagerstown community colleges each receive \$400,000 and Carroll, Cecil, Chesapeake, and Wor-Wic community colleges each receive \$200,000; however, the grants are offset by any funds a college receives under the Baltimore City school legislation (Senate Bill 795 -- Chapter 105, Acts of 1997). For a more detailed discussion of the small community college grants see Part L - Education of this volume.

State paid retirement costs decrease \$2.2 million, resulting from a 1.6 percent decline in the salary base and a 9.6 percent decrease in the teachers retirement system contribution rate. This year's budget also includes \$1.8 million for the third year of funding for advanced technology centers at the community colleges, a decrease of \$1.0 million. These centers provide technology information, education, and training resources for companies seeking to implement advanced technologies.

### **Local Health Programs**

Funding for local health services increases by \$1.3 million to \$43.8 million. This increase reflects inflation and population growth.

### **General Government Aid**

The State provides grants to counties and municipalities for various governmental functions, including public safety, transportation, and recreation. In addition, the disparity grant program targets aid to low income wealth jurisdictions. Overall, general government aid is estimated to increase \$8.5 million in fiscal year 1999.

***Police Aid Grants.*** Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis and jurisdictions with higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. The modest growth in formula funding of .8 percent reflects population growth.

***Fire, Rescue, and Ambulance Services.*** The State provides formula grants to the counties, Baltimore City, and qualifying municipalities for local and volunteer fire, rescue, and ambulance services. The grants are for equipment and renovations, not operating costs. The fiscal year 1999 budget includes an additional \$2.3 million in formula funds. In addition, the budget provides a \$300,000 grant to Prince George's County for fire apparatus, equipment, and capital improvements.

***Program Open Space Grants.*** Under the Program Open Space program, the State provides grants to the counties and Baltimore City for land acquisition and the development of park and recreation facilities. State property transfer tax revenues fund Program Open Space and related programs. The fiscal year 1999 increase reflects growth in transfer tax revenues and a \$300,000 increase in the special grant for Baltimore City (\$1.5 million in fiscal year 1999).

***Transportation.*** The State shares receipts from motor fuel taxes, vehicle excise (titling) taxes, registration fees, and corporate income taxes with local governments, primarily for the construction and maintenance of transportation facilities. Counties, municipalities, and Baltimore City receive 30 percent of these "highway user" revenues. The Maryland Department of Transportation projects a modest increase in these grants (\$1.5 million) based on estimated growth in tax revenues.

***Disparity Grant.*** The disparity grant targets aid to those counties whose per capita piggyback income tax revenue is less than 75 percent of the State average. In fiscal year 1999 \$64.1 million will be apportioned among eight counties. The eight jurisdictions receiving a disparity grant in fiscal year 1999 are Allegany, Caroline, Dorchester, Garrett, Somerset, Washington, and Wicomico counties and Baltimore City.

## **COUNTY LEVEL DETAIL**

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

### **Direct Aid/Shared Revenues, Retirement Payments and Capital Grants**

***Direct Aid/Shared Revenues.*** The State distributes aid or shares revenue with the counties, municipalities, and Baltimore City through more than 45 different programs. The fiscal year 1999 State operating budget includes \$2.8 billion to fund these programs. Part A, Section 1 compares aid distributed to the county in fiscal years 1998 and 1999.

***Retirement Payments.*** County teachers, librarians, and community college faculty are members of either the teachers' retirement or pension systems maintained and operated by the State. The State pays the employer share of the retirement costs on behalf of the counties for these local employees. These payments total \$442.6 million in fiscal year 1999. Although these funds are not paid to the local governments, it is possible to estimate each county's allocation from salary information collected by the State retirement systems. These estimates are presented in Part A, Section 2.

***Selected State Grants for Capital Projects.*** The State provides capital grants for schools, community colleges, local jails, community health facilities, adult day care centers, water quality projects, waterway improvements, homeless shelters, and other cultural, historical, and economic development projects. Projects are funded from either bond sales or current revenues. Part A, Section 3 lists projects in the counties authorized by the fiscal year 1999 State operating and capital budgets. Projects at regional community colleges are shown for each county that the college serves. For some loans (adult day care and community mental health facilities), funding was not provided for all requested projects. Since it is not known which projects will be funded, all requested projects for these loans are shown in this report.

The fiscal year 1999 budget includes \$222.0 million in funding for local school construction: \$88.5 million in general funds (paygo), \$129.5 million in bond funds and \$4.0 million will be used from the contingency account. As of the publication of this report, \$116.3 million of the total fiscal year 1999 funding has been allocated to specific projects. These projects are listed in Part A, Section 3 for each county.

### **Estimated State Spending on Selected Health and Social Services**

The State funds the provision of health and social services in the counties either through the local government, private

providers, or State agencies in the counties. Part B shows fiscal year 1999 allocation estimates of general fund appropriations which are divided into three categories: health services, social services, and senior citizen services.

***Health Services.*** The Department of Health and Mental Hygiene, through its various administrations, funds in whole or part community health programs that are provided in the local subdivisions. These programs are described below. General fund spending totals \$401.2 million statewide for these programs in fiscal year 1999. This amount does not include spending at the State mental health hospitals, developmental disability facilities, or chronic disease centers.

***Alcohol and Drug Abuse.*** The Alcohol and Drug Abuse Administration funds community-based programs that include primary and emergency care, intermediate care facilities, halfway houses and long-term care programs, outpatient care, and prevention programs. The fiscal year 1999 budget includes \$32.1 million in general funds for these programs. In addition, the budget includes \$27 million in federal funds for addiction treatment services.

***Family Health and Primary Care Services.*** The Community and Public Health Administration funds community-based programs through the local health departments in each of the subdivisions. These programs include maternal health (family planning, pregnancy testing, prenatal and perinatal care, etc.), and infant and child health (disease prevention, child health clinics, specialty services, etc.). Primary care services are funded for those people who previously received State-only medical assistance. Fiscal year 1999 funding for these family health programs totals \$12.5 million in general funds.

***Geriatric and Children's Services.*** The Medical Care Policy Administration provides funding for community-based programs that serve senior citizens and children. The geriatric services include operating grants to adult day care centers and an evaluation program administered by the local health departments to assess the physical and mental health needs of elderly individuals. The children's services includes the Early, Periodic Screening Diagnosis and Treatment (EPSDT) program and the Adolescent Case Coordinator program that assures at-risk or pregnant teenagers receive needed health services. The fiscal year 1999 funding for these programs totals \$16.2 million in general funds.

***Mental Health.*** The Mental Hygiene Administration (MHA) oversees a wide range of community mental health services which are developed and monitored at the local level by Core Service Agencies (CSAs). These Core Service Agencies have the clinical, fiscal, and administrative responsibility to develop a coordinated network of services for all public mental health clients of any age within a given jurisdiction. In fiscal year 1999 these services include in-patient and out-patient hospital services, in-patient and out-patient mental health services, psychiatric rehabilitation services, targeted case management services, rental assistance, pharmacy services, private practitioners, and other clinic services. General funds totaling \$114.8 million have been appropriated in fiscal year 1999. The fiscal year 1999 budget also includes \$49.4 million in federal funds for these services.

***Prevention and Disease Control.*** As part of a reorganization within the Department of Health and Mental Hygiene, the Office of Epidemiology and Disease Control has been transferred to the newly established Community and Public Health Administration (formerly Local and Family Health). The program is responsible for chronic and hereditary disease prevention (cancer, heart disease, diabetes, etc.). This office also provides for the promotion of safe and effective immunization practices, the investigation of disease outbreaks, and continuous disease surveillance and monitoring with the support of local health departments and the medical community. General fund appropriations in fiscal year 1999 total \$6.4 million, while federal funds total \$13.1 million.

***Developmental Disabilities.*** The Developmental Disabilities Administration's community-based programs include residential services, day programs, transportation services, summer recreation for children, individual and family support services, including respite care, individual family care, behavioral support services, and community supported living arrangements. The fiscal year 1999 budget includes \$216.4 million in general funds for these programs. The budget also contains \$84.5 million in federal funds for developmental disability community services.

***AIDS.*** The AIDS Administration funds counseling, testing, education, and risk reduction services through the local health departments. Fiscal year 1999 funds for these services total \$2.7 million in general funds. The budget for the AIDS Administration also includes \$20.1 million in federal funds.

***Social Services.*** The Department of Human Resources provides funding for various social and community services in the

subdivisions. Part B shows fiscal year 1999 estimates of funding for those programs that were available by subdivision. Note that fiscal year 1999 funding for homeless services and the women's services programs was allocated among the subdivisions on the basis of each jurisdiction's share of fiscal year 1998 funding.

*Homeless Services Program.* The Community Services Administration funds the homeless services program (including the housing counselor program) to provide emergency and transitional housing, food, and transportation for homeless families and individuals in the subdivisions. The fiscal year 1999 budget includes \$3.6 million in general funds for this program.

*Women's Services Program.* The Community Services Administration provides funding for a variety of community-based programs for women. These include the battered spouse program, rape crisis centers, displaced homemakers program, and crime victim's services. Total fiscal year 1999 funding for these programs equals \$5 million in general funds. In addition, the fiscal year 1999 budget includes \$9 million in federal funds for women's services.

*Adult Services.* The State social services departments in each of the subdivisions provide a variety of services to disabled, elderly, neglected, and exploited adults. Services include information and referral, crisis intervention, case management, protective services, in-home aid, and respite care for families. The fiscal year 1999 budget includes \$7.2 million in general funds and \$20.5 million in federal funds for adult services.

*Child Welfare Services.* The State social services departments in each of the subdivisions offer programs to support the healthy development of families, assist families and children in need, and protect abused and neglected children. Services include adoptive services, foster care programs, family preservation programs, and child protective services. The fiscal year 1999 budget includes \$26.8 million in general funds and \$70.8 million in federal funds.

*Senior Citizens Services.* The Office on Aging funds a variety of services for senior citizens mostly through local agencies on aging. In Part B these programs have been combined into three broad categories: long-term care, consumer services, and community services. The total fiscal year 1998 funding is \$10 million in general funds. The fiscal year 1999 funding was allocated among the subdivisions on the basis of each jurisdiction's share of fiscal year 1998 funding.

*Long-Term Care.* This category includes the following programs: frail elderly, senior care, and senior guardianship. The total fiscal year 1999 funding is \$7.3 million in general funds.

*Consumer Services.* This category is the senior health insurance program, with total fiscal year 1999 funding of \$73,000 in general funds.

*Community Services.* Included in this category are the senior information and assistance program and the senior nutrition program. Fiscal year 1999 funding for these programs totals \$2.7 million in general funds.

### **Capital Projects for State Facilities Located in the County**

Part C shows capital projects, authorized by the fiscal year 1999 operating and capital budgets, at State facilities and public colleges and universities by the county in which the facility is located. For facilities that are located in more than one county, such as a State park, the total amount of the capital project is shown for all relevant counties. For each capital project, the total authorized amount is given, regardless of funding source although federally funded projects are generally shown separately. For the universities, projects funded from both academic and auxiliary revenue bonds are included.

## **County Level Detail**

# ALLEGANY COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	27,454	27,975	521	1.9
Compensatory Aid	2,820	3,081	261	9.3
Transportation Aid	2,411	2,481	70	2.9
Special Education Aid	1,340	1,344	4	.3
Limited English Prof. Grants	2	7	5	350.0
Targeted Poverty Grants	781	774	-7	-.9
Extended Elementary	272	348	76	27.8
Aging Schools	150	355	205	136.7
Targeted Improvement Program	721	721		
Other Education Aid	675	379	-296	-43.8
	35,904	37,464	1,561	4.3
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	460	533	73	15.9
COMMUNITY COLLEGES	3,489	3,734	245	7.0
HEALTH FORMULA GRANTS	785	802	17	2.1
<u>Public Safety</u>				
State Aid for Police Protection*	856	846	-9	-1.1
Fire, Rescue & Ambulance Service*	119	170	51	43.0
	974	1,016	42	4.3
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	261	270	9	3.5
TRANSPORTATION GRANTS*	5,409	5,441	33	.6
DISPARITY GRANT	3,593	3,886	293	8.2
TOTAL DIRECT AID	50,874	53,145	2,272	4.5
Aid Per Capita	705	741	36	5.1
Property Tax Equivalent (\$)	4.34	4.49	0.15	3.5

Note: Detail may not add to total due to rounding.

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

## 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for ALLEGANY COUNTY teachers and librarians are estimated to be \$5,934,877.

## 3. Selected State Grants for Capital Projects

### Public Schools

Mt. Savage School - construction	3,500,000
Beall High School - renovations (roof)	272,000
Oldtown School - renovations (roof)	239,000
Braddock Middle School - wiring	67,000
Fort Hill High School - wiring	129,000
South Penn Elementary School - wiring	44,000
Washington Middle School - wiring	62,000
Westernport Elementary School - wiring	38,000

### Allegheny Community College

Science Building - renovate	139,257
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### Local Jails

Allegheny County Detention Center - new 190-bed center	1,321,000
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### Shelter & Transitional Housing Facilities

Family Crisis Center	78,000
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### Chesapeake Bay Water Quality Loan

Celanese WWTP - nutrient removal	1,350,000
Cumberland WWTP - nutrient removal	400,000
Evitts Creek - stream restoration	52,500

### Comprehensive Flood Management Program

Braddock Run Watershed	70,000
Evitts Creek Watershed II	75,000
George's Creek Watershed	229,500
Jennings Run Watershed	166,000
Tom's Hollow Watershed	5,750
Town Creek Watershed	33,750

Warrior Run Watershed	17,875
Wills Creek Watershed	125,250

### Water Supply Facilities

Carlos/Shaft	500,000
Oldtown Road	500,000

### Waterway Improvement

National Park Service Boat Ramps - facility maintenance	10,000
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### Other Projects

Allegany County Agricultural Expo & Fairgrounds (HB 326)	400,000
Construct Canal Place Improvements	2,024,000
Lonaconing Library	300,000
Western Maryland Flood Mitigation	3,252,000

## **B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES**

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

### Health Services (DHMH)

Alcohol and Drug Abuse	1,510,000
Family Health & Primary Care	111,000
Geriatric & Children's Services	524,000
Mental Health	3,277,000
Prevention & Disease Control	221,000
Developmental Disabilities	2,309,000
AIDS	41,000

### Social Services (DHR)

Homeless Services Program	63,000
Women's Services Program	142,000
Adult Services	175,000
Child Welfare Services	447,000

### Senior Citizen Services (Office on Aging)

Long Term Care	234,000
Community Services	83,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**Department of Public Safety and Corrections**

Western Correctional Inst. - maximum security compound	1,600,000
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**University of Maryland System \***

CEES - construct Appalachian Environmental Laboratory	2,000,000
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\* includes academic and auxiliary revenue bonds

**Department of Natural Resources**

Rocky Gap State Park - construct trail bridge	180,000
Rocky Gap State Park - dam rehabilitation	31,000

# ANNE ARUNDEL COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	112,259	115,371	3,112	2.8
Compensatory Aid	2,215	3,372	1,158	52.3
Transportation Aid	10,185	10,679	495	4.9
Special Education Aid	10,750	10,874	124	1.2
Limited English Prof. Grants	220	660	440	200.1
Targeted Poverty Grants	1,397	1,414	17	1.2
Extended Elementary	1,027	1,295	268	26.1
Aging Schools	240	570	330	137.5
Targeted Improvement Program	845	845		
Other Education Aid	2,767	1,698	-1,070	-38.7
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TOTAL PRIMARY/SECONDARY EDUCATION	141,060	146,779	5,719	4.1
LIBRARIES	1,425	1,659	234	16.4
COMMUNITY COLLEGES	11,536	12,997	1,461	12.7
HEALTH FORMULA GRANTS	3,366	3,478	112	3.3
Public Safety				
State Aid for Police Protection*	5,514	5,561	47	.9
Fire, Rescue & Ambulance Service*	425	610	185	43.4
Other Public Safety	110		-110	-100.0
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TOTAL PUBLIC SAFETY	6,049	6,171	122	2.0
PROGRAM OPEN SPACE	2,818	2,910	92	3.2
TRANSPORTATION GRANTS*	20,421	20,545	124	.6
HORSE RACING IMPACT AID/OTHER*	480	385	-95	-19.8
TOTAL DIRECT AID	187,156	194,925	7,768	4.2
Aid Per Capita	392	403	11	2.8
Property Tax Equivalent (\$)	1.37	1.39	0.02	1.5

Note: Detail may not add to total due to rounding.

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

## 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for ANNE ARUNDEL COUNTY teachers and librarians are estimated to be \$38,854,725.

## 3. Selected State Grants for Capital Projects

### Public Schools

Belvedere Elementary School - construction	1,000,000
Brooklyn Park Middle School - construction	2,000,000
Crofton Elementary School - construction	453,000
Crofton Middle School - construction	513,000
CAT - North - renovations (roof)	540,000
Georgetown East Elementary School - renovations (roof)	246,000
Linthicum Elementary School - renovations (roof)	105,000
Riviera Beach Elementary School - renovations (HVAC)	600,000
South River High School - renovations (roof)	785,000
Old Mill High School - science facilities	1,116,000
Annapolis Middle School - wiring	57,000
Arundel Middle School - wiring	50,000
Bates Middle School - wiring	53,000
Chesapeake Bay Middle School - wiring	68,000
Corkran Middle School - wiring	46,000
George Fox Middle School - wiring	54,000
Magothy River Middle School - wiring	51,000
Old Mill South Middle School - wiring	46,000
Severn River Middle School - wiring	51,000
Severna Park Middle School - wiring	55,000

### Anne Arundel Community College

Gymnasium - renovate	85,000
Student Services Building - renovate	205,000

### Local Jails

Anne Arundel Detention Center - expansion and renovation	200,000
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### Community Mental Health Centers\*

Supported Housing Developers, Inc.	825,000
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\* Full funding was not requested as part of the capital budget as not all projects will be ready in FY 1999. Since it is not known which will be ready, all requested projects are included in this report.

**Chesapeake Bay Water Quality Loan**

Spa Creek Quality Retrofit	262,500
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**Waterway Improvement**

City of Annapolis - maintenance	25,000
City of Annapolis - promenade, drage study, moorings	57,000
North County - boat ramp construction	50,000
Yantz Cove - dredging	82,500

**Other Projects**

Benson-Hammond & William Downs Houses (SB 630)	100,000
Brooklyn Park Community Center	2,200,000
Hancock's Resolution (SB 410)	150,000
London Town Archaeological Learning Center (HB 388)	750,000
Maryland Hall for the Creative Arts (HB 93)	250,000
North Arundel Hospital (HB 789)	800,000
Stanton Center (SB 546)	150,000
Wiley H. Bates High School (HB 190)	1,000,000

**B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES**

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

**Health Services (DHMH)**

Alcohol and Drug Abuse	1,307,000
Family Health & Primary Care	247,000
Geriatric & Children's Services	847,000
Mental Health	7,907,000
Prevention & Disease Control	154,000
Developmental Disabilities	14,362,000
AIDS	11,000

**Social Services (DHR)**

Homeless Services Program	143,000
Women's Services Program	314,000
Adult Services	292,000
Child Welfare Services	1,451,000

**Senior Citizen Services (Office on Aging)**

Long Term Care	501,000
Community Services	135,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**General Government**

State Government Center - Annapolis	2,300,000
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**Department of Public Safety and Corrections**

Correctional Inst. for Women - kitchen & dining room	290,000
Correctional Inst. for Women - medium security housing	7,572,000

**Department of Natural Resources**

Patuxent River Greenway - land acquisition	2,000,000
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**Military**

Annapolis Armory	578,000
Annapolis Armory (federal funds)	2,909,000

# BALTIMORE CITY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	% Diff.
	(thousands of dollars)			
<u>Public Schools</u>				
Current Expense Aid	274,872	281,064	6,192	2.3
Compensatory Aid	48,098	56,936	8,838	18.4
Transportation Aid	8,905	9,247	342	3.8
Special Education Aid	47,067	47,846	778	1.7
Limited English Prof. Grants	228	825	597	261.8
Targeted Poverty Grants	2,296	2,269	-28	-1.2
Extended Elementary	3,221	4,135	914	28.4
Baltimore City Partnership	32,971	50,000	17,029	51.6
Aging Schools	120	1,635	1,515	1262.5
Targeted Improvement Program	5,720	5,720		
Other Education Aid	7,109	13,740	6,630	93.3
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TOTAL PRIMARY/SECONDARY EDUCATION	424,887	473,415	48,528	11.4
LIBRARIES	4,495	5,034	539	12.0
HEALTH FORMULA GRANTS	8,427	8,692	265	3.1
Public Safety				
State Aid for Police Protection	345	332	-12	-3.6
Fire, Rescue & Ambulance Service	552	779	227	41.1
Other Public Safety	7,997	7,300	-697	-8.7
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TOTAL PUBLIC SAFETY	8,894	8,412	-483	-5.4
PROGRAM OPEN SPACE	3,055	3,432	376	12.3
TRANSPORTATION GRANTS	157,747	157,977	230	.1
HORSE RACING/SECURITY INTEREST FEES	3,398	3,337	-61	-1.8
DISPARITY GRANT	50,506	51,473	967	1.9
TOTAL DIRECT AID	661,409	711,771	50,362	7.6
Aid Per Capita	1,013	1,110	97	9.6
Property Tax Equivalent (\$)	7.90	8.39	0.49	6.2

Note: Detail may not add to total due to rounding.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for BALTIMORE CITY teachers and librarians are estimated to be \$51,355,608.

## 3. Selected State Grants for Capital Projects

### Public Schools

Mergenthaler Vo Tech #410 - construction	5,000,000
Forest Park High School - renovations (roof)	383,000
Hampden Elementary School #55 - renovations (roof)	230,000
Henderson Elementary School #101 - renovations (boiler)	225,000
Lois T. Murray Elementary #313 - renovations (roof)	140,000
Northwood Elementary School #242 - renovations (boiler)	244,000
Patterson High School #405 - renovations (roof)	1,052,000
Robert Coleman Elementary School - renovations (roof)	179,000
Waverly Elementary School #51 - renovations (roof)	204,000
Edmonston High School #400 - science facilities	729,000
Southwestern High School #412 - science facilities	685,000
Booker T. Washington Middle School #130 - wiring	142,000
Canton Middle School #230 - wiring	66,000
Curtis Bay Elementary #207 - wiring	53,000
Hamilton Middle School #41 - wiring	91,000
Lake Clifton-Eastern High School #40 - wiring	150,000
Moravia Park Primary School #105 - wiring	60,000
Northern High School #402 - wiring	150,000

### Juvenile Services Bond Program

Good Shepard Center	750,000
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### Community Mental Health Centers\*

Alliance, Inc.	876,000
Community Housing Associates, Inc.	685,000

\* Full funding was not requested as part of the capital budget as not all projects will be ready in FY 1999. Since it is not known which will be ready, all requested projects are included in this report.

### Adult Day Care Centers\*

Payne Memorial Outreach, Inc.	272,000
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United Baptist Missionary Convention of Maryland, Inc.	375,000
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\* Full funding was not requested as part of the capital budget as not all projects will be ready in FY 1999. Since it is not known which will be ready, all requested projects are included in this report.

### Senior Citizen Activity Centers

Korean Senior Center	300,000
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### Shelter & Transitional Housing Facilities

Cottage Avenue Village	440,835
Druid House	350,000
Marian House	1,100,000

### Other Projects

African American Museum	1,580,000
American Visionary Art Museum (SB 244)	1,750,000
Balt. City Fraternal Order of Police Memorial (SB 296)	50,000
Baltimore Children's Museum	1,000,000
Baltimore Museum of Industry (HB 793)	500,000
BSO - Joseph Meyerhoff Symphony Hall (SB 350)	1,000,000
BSO - Joseph Meyerhoff Symphony Hall (general funds)	1,500,000
Caritas House Assisted Living Facility (HB 264)	500,000
Center Stage (SB 348)	250,000
East Baltimore Recreation Facility Improvement	200,000
Epiphany House (SB 405)	150,000
Fair Chance Center (HB 693)	200,000
George Lucas Art Collection	850,000
Harbor Hospital Center (SB 111)	700,000
Highlandtown Revitalization	1,000,000
Hippodrome Performing Arts Center - renovate & construct	1,700,000
Human & Community Development Centers (SB 458)	200,000
Johns Hopkins University - Cancer Research Center	4,000,000
Kennedy Krieger Institute	1,000,000
King Memorial Child Care Family Center (SB 706)	150,000
Maryland Community Resource Center, Inc. (HB 774)	500,000
Maryland General Hospital (SB 338)	480,000
Maryland Historical Society (SB 516)	850,000
Maryland Maritime Center	500,000
MD Center for Veterans' Education & Training (HB 681)	136,000
Memorial Stadium Demolition	850,000
Mercy Medical Center (HB 1241)	350,000
Morgan Christian Center (HB 1326)	150,000
Payne Memorial Outreach, Inc. (HB 788)	500,000

Pen Lucy Community Center (HB 1420)	100,000
Police Athletic League Center (HB 802)	500,000
Pride of Baltimore II (HB 1134)	65,000
Project Liberty Ship (SB 430)	350,000
Sandtown-Winchester Senior Center (HB 1148)	600,000
South Baltimore Parking Garage	1,260,000
St. Ambrose Family Outreach Center (HB 786)	500,000
St. Frances Academy (SB 455)	500,000
St. James Academy Education Center (SB 678)	500,000
U.S.S. Constellation (HB 133)	525,000
Village Learning Place (SB 578)	156,000
YMCA of Central MD - Druid Hill Family Branch (HB 1149)	350,000

## **B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES**

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

### **Health Services (DHMH)**

Alcohol and Drug Abuse	9,163,000
Family Health & Primary Care	153,000
Geriatric & Children's Services	4,239,000
Mental Health	26,988,000
Prevention & Disease Control	1,110,000
Developmental Disabilities	39,883,000
AIDS	314,000

### **Social Services (DHR)**

Homeless Services Program	1,695,000
Housing Counselor Program	52,000
Women's Services Program	1,053,000
Adult Services	2,674,000
Child Welfare Services	11,859,000

### **Senior Citizen Services (Office on Aging)**

Long Term Care	1,540,000
Community Services	867,000
Consumer Services	7,000

## C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY

### Department of Juvenile Justice

Baltimore City Juvenile Justice Center	43,143,000
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### Maryland Department of Education

State Library Resource Center	2,365,000
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### Morgan State University

Campuswide Site Improvements	190,000
Hill Field House - equipment	169,000
Hughes Stadium - renovations	8,527,000
Pentridge Apartments	1,165,000
Science Research Building & Greenhouse - planning	449,000

### University of Maryland System \*

UMD at Baltimore - Law School & Library	1,654,000
UMD at Baltimore - property acquisition	2,000,000
UMD at Baltimore - School of Nursing	2,000,000
UMD at Baltimore - School of Pharmacy	3,000,000
UMD at Baltimore - University Center	350,000

\* includes academic and auxiliary revenue bonds

### Baltimore City Community College

Baltimore City Community College - renovate main bldg.	1,070,000
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### Department of Natural Resources

Patapsco Valley Greenway - land acquisition	1,000,000
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### Other

UMD Medical System - diagnostic & treatment facilities	9,000,000
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# BALTIMORE COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	% Diff.
	(thousands of dollars)			
<u>Public Schools</u>				
Current Expense Aid	162,075	165,996	3,921	2.4
Compensatory Aid	4,200	6,088	1,888	44.9
Transportation Aid	12,711	13,194	483	3.8
Special Education Aid	12,633	12,825	192	1.5
Limited English Prof. Grants	666	1,824	1,158	173.9
Targeted Poverty Grants	3,315	3,336	21	.6
Extended Elementary	1,027	1,190	163	15.9
Aging Schools	1,750	2,940	1,190	68.0
Targeted Improvement Program	7,102	7,102		
Other Education Aid	8,224	7,667	-557	-6.8
<b>TOTAL PRIMARY/SECONDARY EDUCATION</b>	<b>206,601</b>	<b>222,163</b>	<b>15,562</b>	<b>7.5</b>
LIBRARIES	2,637	3,074	437	16.6
COMMUNITY COLLEGES	22,425	22,962	537	2.4
HEALTH FORMULA GRANTS	5,714	5,836	122	2.1
<u>Public Safety</u>				
State Aid for Police Protection	9,155	9,188	33	.4
Fire, Rescue & Ambulance Service	639	912	273	42.7
Other Public Safety	491		-491	-100.0
<b>TOTAL PUBLIC SAFETY</b>	<b>10,285</b>	<b>10,099</b>	<b>-185</b>	<b>-1.8</b>
PROGRAM OPEN SPACE	3,179	3,291	112	3.5
TRANSPORTATION GRANTS	29,171	29,352	181	.6
HORSE RACING/SEC. INTEREST FEES	50	50		
<b>TOTAL DIRECT AID</b>	<b>280,062</b>	<b>296,828</b>	<b>16,765</b>	<b>6.0</b>
Aid Per Capita	387	409	22	5.7
Property Tax Equivalent (\$)	1.61	1.67	0.06	3.7

Note: Detail may not add to total due to rounding.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for BALTIMORE COUNTY teachers and librarians are estimated to be \$59,191,149.

## 3. Selected State Grants for Capital Projects

### Public Schools

Catonsville High School - construction	308,000
Franklin High School - construction	1,010,000
Glyndon Elementary School - construction	470,000
Western School of Technology - construction	891,000
Carver Center School - renovations (roof)	518,000
Cedarmere Elementary School - renovations (roof)	247,000
Gunpowder Elementary School - renovations (roof)	216,000
Halethorpe Elementary School - renovations (roof)	201,000
Hampton Elementary School - renovations (roof)	178,000
Kenwood High School - renovations (boiler)	188,000
Mars Estates Elementary School - renovations (roof)	239,000
Middlesex Elementary School - renovations (roof)	147,000
Oakleigh Elementary School - renovations (roof)	190,000
Owings Mills High School - renovations (roof)	449,000
Pinewood Elementary School - renovations (roof)	247,000
Rodgers Forge Elementary School - renovations (roof)	172,000
Southeast Technological High School - renovations (roof)	354,000
Sussex Elementary School - renovations (roof)	279,000
Timonium Elementary School - renovations (roof)	276,000
Victory Villa Elementary School - renovations (roof)	230,000
White Oak School - renovations (roof)	196,000
Dundalk High School - science facilities	950,000
Eastern Technological School - science facilities	350,000
Kenwood High School - science facilities	350,000
Catonsville High School - wiring	74,000
Chesapeake High School - wiring	93,000
Eastern Technological High School - wiring	98,000
Franklin High School - wiring	71,000
Franklin Middle School - wiring	58,000
Loch Raven High School - wiring	86,000
Overlea High School - wiring	92,000
Owings Mills High School - wiring	80,000
Pikesville High School - wiring	84,000
Southeast Technological School - wiring	53,000

### **Community Mental Health Centers\***

Baltimore Association for Retarded Citizens, Inc.	635,000
Interval Residential Services, Inc.	832,000
Southwestern Community Mental Health Center	1,036,000

\* Full funding was not requested as part of the capital budget as not all projects will be ready in FY 1999. Since it is not known which will be ready, all requested projects are included in this report.

### **Senior Citizen Activity Centers**

Edgemere Senior Center	100,000
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### **Shelter & Transitional Housing Facilities**

760 Charing Cross	52,150
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### **Chesapeake Bay Water Quality Loan**

Bird River Stormwater Management Facilities	143,750
Gunpowder River Water Quality Retrofit	50,000
Herring Run - stream restoration	75,000
Middle River Stormwater Quality Retrofit	175,000
Redhouse Run - stream restoration	107,600

### **Waterway Improvement**

Hart-Miller Island	25,000
Middle River - dredging secondary channels	250,000
Rocky Point Park - ADA site improvements	15,000
Rocky Point Park - boat ramp and pier repairs	30,000

### **Other Projects**

Benjamin Banneker Historic Park (SB 247)	1,350,000
Bloomsbury Center	1,500,000
Camp Puh'Tok (SB 334)	250,000
Chesapeake Village Property Acquisition	1,600,000
Hampton National Historic Site (HB 165)	200,000
Islamic Society of Balt., Inc. - Community Ctr. (HB 646)	200,000
Riverdale Acquisition and Demolition	1,800,000
Shady Spring PAL/Recreation Center (HB 409)	475,000
Woodmoor PAL/Recreation Center (SB 246)	475,000

## **B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES**

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

**Health Services (DHMH)**

Alcohol and Drug Abuse	1,631,000
Family Health & Primary Care	1,514,000
Geriatric & Children's Services	1,342,000
Mental Health	11,806,000
Prevention & Disease Control	196,000
Developmental Disabilities	37,145,000
AIDS	51,000

**Social Services (DHR)**

Homeless Services Program	132,000
Housing Counselor Program	52,000
Women's Services Program	615,000
Adult Services	726,000
Child Welfare Services	1,919,000

**Senior Citizen Services (Office on Aging)**

Long Term Care	878,000
Community Services	322,000
Consumer Services	17,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**General Government**

Capital Facilities Renewal - Woodstock Center	300,000
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**Maryland Veterans Commission**

Fort Howard Veterans Home - planning	100,000
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**University of Maryland System \***

Baltimore County - Biological Sciences Building	1,525,000
Baltimore County - Central Power Plant	10,298,000

Baltimore County - Physics Building	4,600,000
Baltimore County - Technology Enterprise Center	450,000
Towson State - 7720 York Road renovation	7,315,000
Towson State - 7800 York Road renovation	292,000
Towson State - campuswide improvements	1,700,000
Towson State - Maintenance & Storage Building	1,553,000
* includes academic and auxiliary revenue bonds	

**Department of Natural Resources**

Gunpowder Falls State Park - construct parking lot	168,000
Gunpowder Falls State Park - land acquisition	1,000,000
Patapsco State Park - construct greenway trail bridge	485,000
Patapsco Valley Greenway - land acquisition	1,000,000
Police Central Regional Headquarters - construction	44,000

**Military**

Camp Fretterd	273,000
Camp Fretterd (federal funds)	88,000

# CALVERT COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	25,760	27,882	2,122	8.2
Compensatory Aid	447	620	173	38.7
Transportation Aid	1,759	1,895	136	7.7
Special Education Aid	800	813	13	1.6
Limited English Prof. Grants	10	24	15	155.8
Targeted Poverty Grants	249	251	2	.8
Extended Elementary	287	454	167	58.1
Aging Schools	25	65	40	160.0
Targeted Improvement Program	140	140		
Other Education Aid	376	261	-115	-30.7
	29,713	32,405	2,692	9.1
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	166	216	50	30.5
COMMUNITY COLLEGES	624	671	47	7.5
HEALTH FORMULA GRANTS	273	286	12	4.6
<u>Public Safety</u>				
State Aid for Police Protection*	613	631	18	2.9
Fire, Rescue & Ambulance Service*	105	150	45	43.0
	718	781	63	8.8
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	282	293	10	3.7
TRANSPORTATION GRANTS*	3,764	3,787	23	.6
TOTAL DIRECT AID	35,540	38,438	2,898	8.2
Aid Per Capita	496	519	23	4.6
Property Tax Equivalent (\$)	1.26	1.34	0.08	6.3

Note: Detail may not add to total due to rounding.

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

### 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for CALVERT COUNTY teachers and librarians are estimated to be \$7,018,177.

### 3. Selected State Grants for Capital Projects

#### Public Schools

South Central Elementary School - construction	2,500,000
Mt. Harmony Elementary School - renovations (roof)	140,000
Calvert High School - science facilities	285,000
Beach Elementary School - wiring	28,000
Northern High School - wiring	70,000
Plum Point Elementary School - wiring	28,000
Southern Middle School - wiring	53,000

#### Waterway Improvement

Breezy Point Marina - engineering jetties & breakwaters	40,000
Chesapeake Beach - boat ramp lease	30,000
Chesapeake Beach - boat ramp repairs	50,000
Lore Oyster House - bulkhead repairs	50,000

#### Other Projects

Calvert Co. Historical Society - Linden Project (SB 278)	300,000
Calvert Marine Museum (HB 291)	75,000
United Way of Calvert County (SB 751)	100,000

## **B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES**

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

#### Health Services (DHMH)

Alcohol and Drug Abuse	135,000
Family Health & Primary Care	147,000
Geriatric & Children's Services	281,000
Mental Health	1,988,000
Prevention & Disease Control	114,000

Developmental Disabilities	4,882,000
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**Social Services (DHR)**

Homeless Services Program	32,000
Women's Services Program	145,000
Adult Services	97,000
Child Welfare Services	260,000

**Senior Citizen Services (Office on Aging)**

Long Term Care	97,000
Community Services	19,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**Department of Housing and Community Development**

Jefferson Patterson Park & Museum - shore erosion	365,000
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**Department of Natural Resources**

King's Landing NMRA - renovate multi-purpose bldg.	691,000
Parker's Creek - land acquisition	738,000
Patuxent River Greenway - land acquisition	2,000,000

**Other**

Southern Maryland Higher Education Center	300,000
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# CAROLINE COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	% Diff.
	(thousands of dollars)			
<u>Public Schools</u>				
Current Expense Aid	14,170	14,736	566	4.0
Compensatory Aid	754	918	164	21.7
Transportation Aid	1,218	1,265	47	3.8
Special Education Aid	485	481	-4	-.8
Limited English Prof. Grants	27	88	61	230.9
Targeted Poverty Grants	340	339	-1	-.3
Extended Elementary	283	351	68	24.1
Aging Schools	35	85	50	142.9
Targeted Improvement Program	333	333		
Other Education Aid	859	390	-469	-54.6
<b>TOTAL PRIMARY/SECONDARY EDUCATION</b>	<b>18,171</b>	<b>18,986</b>	<b>815</b>	<b>4.5</b>
LIBRARIES	166	195	29	17.7
COMMUNITY COLLEGES	573	628	56	9.7
HEALTH FORMULA GRANTS	466	473	8	1.6
<u>Public Safety</u>				
State Aid for Police Protection*	294	293	-1	-.4
Fire, Rescue & Ambulance Service*	105	150	45	43.0
<b>TOTAL PUBLIC SAFETY</b>	<b>399</b>	<b>443</b>	<b>44</b>	<b>11.0</b>
PROGRAM OPEN SPACE	123	127	5	3.8
TRANSPORTATION GRANTS*	3,402	3,423	21	.6
DISPARITY GRANT	1,493	1,626	132	8.9
<b>TOTAL DIRECT AID</b>	<b>24,792</b>	<b>25,901</b>	<b>1,109</b>	<b>4.5</b>
Aid Per Capita	829	858	29	3.5
Property Tax Equivalent (\$)	5.13	5.17	0.04	0.8

Note: Detail may not add to total due to rounding.

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

## 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for CAROLINE COUNTY teachers and librarians are estimated to be \$2,713,741.

## 3. Selected State Grants for Capital Projects

### Public Schools

Col. Richardson Middle School - renovations (roof)	270,000
Col. Richardson High School - science facilities	560,000
Col. Richardson Middle School - wiring	43,000
Lockerman Middle School - wiring	73,000

### Chesapeake College

Student Services and Administration Building - construct	140,000
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### Chesapeake Bay Water Quality Loan

Goldsboro Sewerage Project	500,000
South Main Street Shoreline - restoration	15,000

### Waterway Improvement

Choptank Marina - dredging	120,000
Choptank Marina - duel system upgrade	30,000
Crouse Memorial Park - boat ramp expansion	50,000

### Other Projects

Choptank Community Health System, Inc. (HB 1004)	75,000
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## B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

### Health Services (DHMH)

Alcohol and Drug Abuse	227,000
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Family Health & Primary Care	102,000
Geriatric & Children's Services	284,000
Mental Health	945,000
Prevention & Disease Control	99,000
Developmental Disabilities	1,917,000

**Social Services (DHR)**

Homeless Services Program	20,000
Women's Services Program	243,000
Adult Services	66,000
Child Welfare Services	146,000
Women's services amount funds services in Caroline, Dorchester, Talbot, Kent and Queen Anne's counties.	

**Senior Citizen Services (Office on Aging)**

Long Term Care	118,000
Community Services	84,000
Funding supports services in Caroline, Kent and Talbot counties.	

# CARROLL COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	54,902	58,357	3,455	6.3
Compensatory Aid	660	922	262	39.7
Transportation Aid	3,937	4,165	228	5.8
Special Education Aid	2,613	2,661	49	1.9
Limited English Prof. Grants	38	97	59	156.3
Targeted Poverty Grants	293	293	-1	-.2
Extended Elementary	148	172	23	15.8
Aging Schools	180	385	205	113.9
Targeted Improvement Program	236	236		
Other Education Aid	391	299	-92	-23.5
	63,163	67,588	4,426	7.0
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	535	661	126	23.6
COMMUNITY COLLEGES	3,199	3,444	245	7.7
HEALTH FORMULA GRANTS	1,300	1,335	35	2.7
<u>Public Safety</u>				
State Aid for Police Protection*	1,350	1,391	41	3.0
Fire, Rescue & Ambulance Service*	132	189	58	43.7
	1,482	1,580	98	6.6
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	637	658	21	3.3
TRANSPORTATION GRANTS*	8,942	8,997	55	.6
TOTAL DIRECT AID	79,257	84,264	5,007	6.3
Aid Per Capita	529	551	22	4.2
Property Tax Equivalent (\$)	2.29	2.35	0.06	2.6

Note: Detail may not add to total due to rounding.

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

### 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for CARROLL COUNTY teachers and librarians are estimated to be \$12,275,493.

### 3. Selected State Grants for Capital Projects

#### Public Schools

Francis Scott Key High School - construction	4,118,000
Eldersburg Elementary School - renovations (HVAC)	520,000
Liberty High School - science facilities	138,000
Westminster High School - science facilities	138,000
Carroll Career and Technological School - wiring	33,000
Charles Carroll Elementary School - wiring	20,000
Friendship Valley Elementary School - wiring	20,000
Manchester Elementary School - wiring	23,000
Mt. Airy Elementary School - wiring	23,000
North Carroll High School - wiring	49,000
North Carroll Middle School - wiring	33,000
Piney Ridge Elementary School - wiring	20,000

#### Community Mental Health Centers\*

Flying Colors of Success, Inc.	249,000
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\* Full funding was not requested as part of the capital budget as not all projects will be ready in FY 1999. Since it is not known which will be ready, all requested projects are included in this report.

#### Chesapeake Bay Water Quality Loan

Mt. Airy WWTP - nutrient removal	150,000
Taneytown WWTP - nutrient removal	165,000
Westminster WWTP - nutrient removal	925,000

#### Waterway Improvement

Piney Run Park - ADA site improvements	20,000
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### B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

**Health Services (DHMH)**

Alcohol and Drug Abuse	1,114,000
Family Health & Primary Care	127,000
Geriatric & Children's Services	299,000
Mental Health	3,119,000
Prevention & Disease Control	164,000
Developmental Disabilities	7,264,000

**Social Services (DHR)**

Homeless Services Program	54,000
Women's Services Program	285,000
Adult Services	95,000
Child Welfare Services	409,000

**Senior Citizen Services (Office on Aging)**

Long Term Care	200,000
Community Services	48,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**General Government**

Carroll County District Court	500,000
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**Department of Public Safety and Corrections**

Central Laundry - construct steam plant	207,000
Public Safety Training Center	2,325,000

**Department of Natural Resources**

Patapsco Valley Greenway - land acquisition	1,000,000
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# CECIL COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	32,937	34,822	1,885	5.7
Compensatory Aid	983	1,347	365	37.1
Transportation Aid	2,207	2,318	111	5.0
Special Education Aid	1,517	1,518	1	.1
Limited English Prof. Grants	14	46	32	226.4
Targeted Poverty Grants	408	404	-4	-1.0
Extended Elementary	605	810	204	33.7
Aging Schools	150	355	205	136.7
Targeted Improvement Program	366	366		
Other Education Aid	364	322	-42	-11.4
	39,185	42,308	3,123	8.0
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	341	405	64	18.7
COMMUNITY COLLEGES	2,541	2,687	147	5.8
HEALTH FORMULA GRANTS	778	797	19	2.5
<u>Public Safety</u>				
State Aid for Police Protection*	766	772	7	.9
Fire, Rescue & Ambulance Service*	107	154	46	43.0
	873	926	53	6.0
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	326	338	12	3.6
TRANSPORTATION GRANTS*	5,059	5,090	31	.6
TOTAL DIRECT AID	49,102	52,551	3,449	7.0
Aid Per Capita	600	634	34	5.7
Property Tax Equivalent (\$)	2.73	2.87	0.14	5.1

Note: Detail may not add to total due to rounding.

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

### 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for CECIL COUNTY teachers and librarians are estimated to be \$7,299,109.

### 3. Selected State Grants for Capital Projects

#### Public Schools

Holly Hall Elementary School - construction	2,972,000
Cherry Hill Middle School - renovations (roof)	790,000
Leeds Elementary School - renovations (roof)	100,000
Bay View Elementary School - wiring	35,000
Perryville Elementary School - wiring	39,000

#### Waterway Improvement

Charlestown - dredging for fire boat pier	15,000
Chesapeake City - engineering boating access pier	8,000
North East Park - engineering boating access pier	5,000
Perryville - boat ramp construction	35,000
Port Deposit - boating access pier	50,000
Port Deposit - stone revetment	25,000
River Point Landing - boat ramp and bulkhead repair	30,000

#### Other Projects

Bell Manor (SB 551)	200,000
Elk River - Dredging (SB 559)	200,000

### **B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES**

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

#### Health Services (DHMH)

Alcohol and Drug Abuse	518,000
Family Health & Primary Care	134,000
Geriatric & Children's Services	325,000
Mental Health	2,325,000
Prevention & Disease Control	188,000

Developmental Disabilities	3,637,000
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**Social Services (DHR)**

Homeless Services Program	39,000
Women's Services Program	117,000
Adult Services	116,000
Child Welfare Services	634,000

**Senior Citizen Services (Office on Aging)**

Long Term Care	113,000
Community Services	35,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**Department of Natural Resources**

Fair Hill NRMA - construct show barn	199,000
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# CHARLES COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	43,457	45,246	1,789	4.1
Compensatory Aid	863	1,235	371	43.0
Transportation Aid	4,139	4,317	179	4.3
Special Education Aid	2,904	2,922	18	.6
Limited English Prof. Grants	41	108	67	162.4
Targeted Poverty Grants	607	603	-5	-.8
Extended Elementary	871	1,070	199	22.9
Aging Schools	25	65	40	160.0
Targeted Improvement Program	449	449		
Other Education Aid	866	405	-461	-53.3
	53,773	56,418	2,645	4.9
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	408	517	109	26.8
COMMUNITY COLLEGES	3,327	3,576	249	7.5
HEALTH FORMULA GRANTS	983	996	14	1.4
<u>Public Safety</u>				
State Aid for Police Protection*	1,030	1,049	19	1.8
Fire, Rescue & Ambulance Service*	112	162	50	44.6
Other Public Safety	97		-97	-100.0
	1,239	1,211	-28	-2.3
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	575	594	19	3.3
TRANSPORTATION GRANTS*	6,033	6,070	37	.6
TOTAL DIRECT AID	66,338	69,382	3,045	4.6
Aid Per Capita	567	584	17	3.0
Property Tax Equivalent (\$)	2.14	2.22	0.08	3.7

Note: Detail may not add to total due to rounding.

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

## 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for CHARLES COUNTY teachers and librarians are estimated to be \$10,205,294.

## 3. Selected State Grants for Capital Projects

### Public Schools

Lackey High School - construction	1,500,000
Thomas Stone High School - construction	3,000,000
Piccowaxen Middle School - renovations (roof)	394,000
Barnhart Elementary School - relocatable classrooms	31,000
Gustavus Brown Elementary School - relocatable classroom	31,000
Lackey High School - relocatable classrooms	374,000
Mattawoman Middle School - relocatable classrooms	62,000
Charles Career and Technological Center - wiring	43,000
Dr. James Craik Elementary School - wiring	33,000
Eva Turner Elementary School - wiring	33,000
Gale-Bailey Elementary School - wiring	33,000
Gustavus Brown Elementary School - wiring	33,000
LaPlata High School - wiring	102,000
T.C. Martin Elementary School - wiring	33,000
Walter J. Mitchell Elementary School - wiring	33,000

### Senior Citizen Activity Centers

Greater Waldorf Jaycees Community Center	40,000
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### Chesapeake Bay Water Quality Loan

Indian Head WWTP - nutrient removal	65,000
Mattawoman WWTP - nutrient removal	150,000

### Waterway Improvement

Maxwell Hall - boat ramp construction	25,000
Neale Sound - jetty construction	228,640

### Other Projects

Chapman's Landing	5,000,000
Indian Head Community Center	750,000
Lions Camp Merrick (SB 380)	200,000

**B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES**

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

**Health Services (DHMH)**

Alcohol and Drug Abuse	630,000
Family Health & Primary Care	194,000
Geriatric & Children's Services	325,000
Mental Health	2,410,000
Prevention & Disease Control	85,000
Developmental Disabilities	3,997,000

**Social Services (DHR)**

Homeless Services Program	77,000
Women's Services Program	155,000
Adult Services	134,000
Child Welfare Services	721,000

**Senior Citizen Services (Office on Aging)**

Long Term Care	104,000
Community Services	36,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY****Maryland State Police**

Waldorf Barrack & Garage	2,960,000
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**Other**

Southern Maryland Higher Education Center	300,000
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# DORCHESTER COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	11,648	11,647	-1	
Compensatory Aid	801	992	190	23.8
Transportation Aid	1,221	1,260	38	3.1
Special Education Aid	469	461	-8	-1.7
Limited English Prof. Grants	17	51	35	211.5
Targeted Poverty Grants	357	357		
Extended Elementary	320	412	92	28.8
Aging Schools	25	65	40	160.0
Targeted Improvement Program	277	277		
Other Education Aid	538	235	-303	-56.3
	15,396	15,756	360	2.3
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	154	171	17	11.0
COMMUNITY COLLEGES	505	554	49	9.7
HEALTH FORMULA GRANTS	410	417	7	1.8
<u>Public Safety</u>				
State Aid for Police Protection*	330	327	-3	-1.0
Fire, Rescue & Ambulance Service*	119	171	51	43.0
	449	497	48	10.7
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	106	109	3	3.3
TRANSPORTATION GRANTS*	3,906	3,930	24	.6
DISPARITY GRANT	1,291	1,357	66	5.1
TOTAL DIRECT AID	22,217	22,792	575	2.6
Aid Per Capita	743	765	22	3.0
Property Tax Equivalent (\$)	3.35	3.36	0.01	0.3

Note: Detail may not add to total due to rounding.

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

## 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for DORCHESTER COUNTY teachers and librarians are estimated to be \$2,633,778.

## 3. Selected State Grants for Capital Projects

### Public Schools

Maple Elementary School - renovations (roof)	321,000
N. Dorchester High School - renovations (HVAC)	474,000
Warwick Elementary School - renovations (roof)	100,000
North Dorchester Middle School - wiring	47,000

### Chesapeake College

Student Services and Administration Building - construct	140,000
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### Community Mental Health Centers\*

Delmarva Community Services, Inc.	269,000
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\* Full funding was not requested as part of the capital budget as not all projects will be ready in FY 1999. Since it is not known which will be ready, all requested projects are included in this report.

### Senior Citizen Activity Centers

Cambridge Community Center	60,000
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### Chesapeake Bay Water Quality Loan

Cambridge WWTP - nutrient removal	1,700,000
Hurlock WWTP - nutrient removal	700,000

### Waterway Improvement

City of Cambridge - dredging Great Marsh ramp	15,000
Ragged Point Ramp - parking lot overlay	30,000
Shorter's Wharf Boat Ramp - relocate & improve ramp	50,000
Town of Secretary - Warwick River dredging	100,000
Wallace Creek - dredging	75,000

### Other Projects

Cambridge - Liberty Village Empowerment Center (HB 1297)	200,000
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**B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES**

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

**Health Services (DHMH)**

Alcohol and Drug Abuse	315,000
Family Health & Primary Care	121,000
Geriatric & Children's Services	354,000
Mental Health	945,000
Prevention & Disease Control	240,000
Developmental Disabilities	1,543,000
AIDS	133,000

**Social Services (DHR)**

Homeless Services Program	38,000
Women's Services Program	243,000
Adult Services	114,000
Child Welfare Services	312,000
Women's services amount funds services in Caroline, Dorchester, Talbot, Kent and Queen Anne's counties.	

**Senior Citizen Services (Office on Aging)**

Long Term Care	173,000
Community Services	235,000
Consumer Services	9,000
Amounts fund services in Dorchester, Somerset, Wicomico and Worcester counties.	

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY****Health and Social Programs**

Eastern Shore Hospital Center - replacement facility	21,240,000
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# FREDERICK COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	68,893	72,257	3,364	4.9
Compensatory Aid	1,122	1,564	442	39.4
Transportation Aid	3,846	4,093	247	6.4
Special Education Aid	3,352	3,400	47	1.4
Limited English Prof. Grants	65	197	132	205.3
Targeted Poverty Grants	602	606	4	.6
Extended Elementary	590	812	222	37.7
Aging Schools	35	85	50	142.9
Targeted Improvement Program	440	440		
Other Education Aid	559	427	-132	-23.6
	79,064	83,881	4,817	6.1
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	639	728	89	13.9
COMMUNITY COLLEGES	3,546	3,752	206	5.8
HEALTH FORMULA GRANTS	1,527	1,564	38	2.5
<u>Public Safety</u>				
State Aid for Police Protection*	1,777	1,806	29	1.6
Fire, Rescue & Ambulance Service*	173	251	78	45.4
	1,949	2,057	107	5.5
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	667	691	24	3.7
TRANSPORTATION GRANTS*	12,115	12,187	71	.6
TOTAL DIRECT AID	99,508	104,860	5,353	5.4
Aid Per Capita	527	541	14	2.7
Property Tax Equivalent (\$)	2.20	2.29	0.09	4.1

Note: Detail may not add to total due to rounding.

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

### 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for FREDERICK COUNTY teachers and librarians are estimated to be \$16,052,208.

### 3. Selected State Grants for Capital Projects

#### Public Schools

Middletown High School - construction	1,100,000
Walkersville High School - construction	900,000
Whittier Elementary School - construction	2,804,000
Walkersville Elementary School - renovations (roof)	69,000
Ballenger Creek Elementary School - wiring	37,000
Brunswick Elementary School - wiring	35,000
Linganore High School - wiring	113,000
Middletown Elementary School - wiring	33,000
New Market Middle School - wiring	67,000

#### Frederick Community College

Athletic Fields and Field House - renovate	112,000
Science/Tech Halls - renovate	40,000

#### Chesapeake Bay Water Quality Loan

Frederick City WWTP - nutrient removal	1,200,000
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#### Water Supply Facilities

Braddock Heights	1,000,000
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#### Waterway Improvement

National Park Service Boat Ramps - facility maintenance	10,000
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#### Other Projects

Federated Charities Corporation of Frederick (HB 991)	300,000
Frederick Arts Council (SB 672)	75,000
Middletown - Community Facility (HB 516)	250,000

### B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the

provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

**Health Services (DHMH)**

Alcohol and Drug Abuse	703,000
Family Health & Primary Care	163,000
Geriatric & Children's Services	356,000
Mental Health	3,814,000
Prevention & Disease Control	180,000
Developmental Disabilities	10,796,000
AIDS	28,000

**Social Services (DHR)**

Homeless Services Program	100,000
Women's Services Program	120,000
Adult Services	192,000
Child Welfare Services	542,000

**Senior Citizen Services (Office on Aging)**

Long Term Care	152,000
Community Services	61,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**Department of Natural Resources**

Frank Bentz Pond - dam rehabilitation	46,000
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# GARRETT COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	11,984	12,003	20	.2
Compensatory Aid	895	1,013	118	13.2
Transportation Aid	1,555	1,609	55	3.5
Special Education Aid	546	542	-4	-.7
Targeted Poverty Grants	346	346	-1	-.2
Extended Elementary	259	311	53	20.4
Aging Schools	35	85	50	142.9
Targeted Improvement Program	307	307		
Other Education Aid	207	203	-4	-1.9
	15,826	16,420	594	3.8
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	134	162	28	20.8
COMMUNITY COLLEGES	1,984	2,296	312	15.7
HEALTH FORMULA GRANTS	367	373	7	1.9
<u>Public Safety</u>				
State Aid for Police Protection*	246	242	-4	-1.5
Fire, Rescue & Ambulance Service*	105	150	45	43.0
	351	392	42	11.8
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	130	135	5	3.5
TRANSPORTATION GRANTS*	4,355	4,382	27	.6
DISPARITY GRANT	2,029	2,178	149	7.3
TOTAL DIRECT AID	25,175	26,337	1,162	4.6
Aid Per Capita	851	887	36	4.2
Property Tax Equivalent (\$)	3.32	3.35	0.03	0.9

Note: Detail may not add to total due to rounding.

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

### 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for GARRETT COUNTY teachers and librarians are estimated to be \$2,846,698.

### **3. Selected State Grants for Capital Projects**

#### **Public Schools**

Grantsville Elementary School - renovations (roof)	112,000
Northern Middle School - wiring	43,000
Southern Garrett High School - wiring	108,000

#### **Garrett Community College**

Campus Accessibility and Improvements	200,000
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#### **Chesapeake Bay Water Quality Loan**

Jennings Sewerage Project	749,739
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#### **Comprehensive Flood Management Program**

North Branch Potomac Watershed	59,500
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#### **Waterway Improvement**

Broadford Lake Boat Ramp - ADA site improvements	16,680
Little Youghiogheny River - boat ramp construction	15,000

#### **Other Projects**

Garrett County Memorial Hospital (SB 209)	361,000
Garrett Information Enterprise Center (HB 1296)	250,000
Oakland Railroad Restoration	226,000
Western Maryland Flood Warning System	33,000

### **B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES**

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

**Health Services (DHMH)**

Alcohol and Drug Abuse	412,000
Family Health & Primary Care	135,000
Geriatric & Children's Services	333,000
Mental Health	962,000
Prevention & Disease Control	24,000
Developmental Disabilities	1,694,000

**Social Services (DHR)**

Homeless Services Program	18,000
Women's Services Program	32,000
Adult Services	31,000
Child Welfare Services	218,000

**Senior Citizen Services (Office on Aging)**

Long Term Care	103,000
Community Services	54,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**Department of Natural Resources**

Deep Creek Lake State Park - amphitheater & nature cntr.	637,000
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# HARFORD COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	79,780	83,141	3,361	4.2
Compensatory Aid	1,728	2,229	502	29.0
Transportation Aid	5,122	5,386	264	5.1
Special Education Aid	4,465	4,527	62	1.4
Limited English Prof. Grants	58	197	140	243.3
Targeted Poverty Grants	820	824	4	.5
Extended Elementary	636	850	215	33.8
Aging Schools	180	400	220	122.2
Targeted Improvement Program	631	631		
Other Education Aid	697	609	-88	-12.7
	93,485	98,795	5,310	5.7
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	896	1,042	146	16.3
COMMUNITY COLLEGES	4,882	5,048	166	3.4
HEALTH FORMULA GRANTS	2,034	2,055	21	1.0
<u>Public Safety</u>				
State Aid for Police Protection*	2,011	2,025	14	.7
Fire, Rescue & Ambulance Service*	181	263	82	45.0
Other Public Safety	64		-64	-100.0
	2,256	2,288	32	1.4
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	939	977	39	4.1
TRANSPORTATION GRANTS*	10,427	10,491	64	.6
TOTAL DIRECT AID	114,920	120,697	5,778	5.0
Aid Per Capita	531	548	17	3.2
Property Tax Equivalent (\$)	2.42	2.45	0.03	1.2

Note: Detail may not add to total due to rounding.

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

## 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for HARFORD COUNTY teachers and librarians are estimated to be \$18,447,567.

## 3. Selected State Grants for Capital Projects

### Public Schools

Bakerfield Elementary School - construction	1,000,000
Harford Technological High School - construction	2,500,000
Edgewood Elementary School - renovations (roof)	204,000
Abingdon Elementary School - relocatable classrooms	31,000
Church Creek Elementary School - relocatable classrooms	31,000
Bel Air High School - science facilities	426,000
C. Milton Wright High School - science facilities	395,000
Havre de Grace High School - science facilities	254,000
North Harford High School - science facilities	371,000
Bel Air Elementary School - prekindergarten	95,000
Prospect Mill Elementary School - prekindergarten	95,000
Aberdeen Middle School - wiring	115,000
Bel Air Elementary School - wiring	33,000
Bel Air Middle School - wiring	96,000
Havre de Grace High School - wiring	85,000
John Archer School - wiring	37,000
Meadowvale Elementary School - wiring	36,000
North Harford High School - wiring	106,000
North Harford Middle School - wiring	102,000

### Harford Community College

Convert Library to Student Services Center	202,000
Joint HS/College Theater - construct	1,200,000
New Regional Research Library - equip	500,000

### Shelter & Transitional Housing Facilities

Harford Transitional Housing	141,150
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### Chesapeake Bay Water Quality Loan

Aberdeen WWTP - nutrient removal	175,000
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### Waterway Improvement

Flying Point Park - extend boat ramp	20,000
Foster Branch - maintenance dredging	10,000
Gunpowder River - maintenance dredging main channel	165,000
Havre de Grace - City Yacht Basin - maintenance dredging	10,000
Havre de Grace - City Yacht Basin - pier and utilities	28,000
Mariner Point Park - DMP site restoration	50,000
Rumsey Island - maintenance dredging	15,000

### **Other Projects**

Greater Havre de Grace Museum Alliance (HB 1405)	75,000
Havre de Grace - water distribution system improvements	500,000
Havre de Grace Community Center (HB 1406)	75,000
Historical Society of Harford County (SB 769)	150,000
Sen. Wm. Amoss Agricultural Education Project (SB 591)	100,000
The Ripken Stadium (SB 234)	200,000

## **B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES**

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

### **Health Services (DHMH)**

Alcohol and Drug Abuse	585,000
Family Health & Primary Care	187,000
Geriatric & Children's Services	439,000
Mental Health	2,962,000
Prevention & Disease Control	114,000
Developmental Disabilities	3,958,000
AIDS	46,000

### **Social Services (DHR)**

Homeless Services Program	39,000
Women's Services Program	193,000
Adult Services	150,000
Child Welfare Services	796,000

### **Senior Citizen Services (Office on Aging)**

Long Term Care	310,000
Community Services	67,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**Department of Natural Resources**

Gunpowder Falls State Park - land acquisition	1,000,000
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# HOWARD COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	56,667	60,813	4,146	7.3
Compensatory Aid	642	882	241	37.5
Transportation Aid	4,636	4,994	358	7.7
Special Education Aid	3,977	4,005	28	.7
Limited English Prof. Grants	382	1,213	832	218.0
Targeted Poverty Grants	450	459	9	2.1
Extended Elementary	170	255	85	50.2
Aging Schools	25	65	40	160.0
Targeted Improvement Program	228	228		
Other Education Aid	573	643	70	12.2
<b>TOTAL PRIMARY/SECONDARY EDUCATION</b>	<b>67,521</b>	<b>73,558</b>	<b>6,037</b>	<b>8.9</b>
LIBRARIES	430	495	66	15.2
COMMUNITY COLLEGES	5,107	5,506	399	7.8
HEALTH FORMULA GRANTS	1,403	1,424	21	1.5
<u>Public Safety</u>				
State Aid for Police Protection	2,484	2,650	166	6.7
Fire, Rescue & Ambulance Service	190	275	86	45.2
Other Public Safety	149		-149	-100.0
<b>TOTAL PUBLIC SAFETY</b>	<b>2,822</b>	<b>2,925</b>	<b>103</b>	<b>3.6</b>
PROGRAM OPEN SPACE	1,663	1,724	61	3.7
TRANSPORTATION GRANTS	10,426	10,488	63	.6
HORSE RACING IMPACT AID	104	96	-8	-7.5
<b>TOTAL DIRECT AID</b>	<b>89,476</b>	<b>96,217</b>	<b>6,741</b>	<b>7.5</b>
Aid Per Capita	379	397	18	4.7
Property Tax Equivalent (\$)	1.21	1.27	0.06	5.0

Note: Detail may not add to total due to rounding.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for HOWARD COUNTY teachers and librarians are estimated to be \$23,006,432.

## 3. Selected State Grants for Capital Projects

### Public Schools

Dunloggin Middle School - construction	1,591,000
Glenelg High School - construction	1,546,000
Jeffers Hill Elementary School - construction	965,000
Swansfield Elementary School - construction	906,000
Waterloo Elementary School - construction	860,000
Mt. Hebron High School - wiring	73,000
Oakland Mills High School - wiring	71,000

### Howard Community College

Renovate HVAC	700,000
Smith Theater & Nursing Building - reroof	215,000

### Community Mental Health Centers\*

Developmental Services Group	155,000
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\* Full funding was not requested as part of the capital budget as not all projects will be ready in FY 1999. Since it is not known which will be ready, all requested projects are included in this report.

### Senior Citizen Activity Centers

Ellicott City Senior Center	261,000
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### Waterway Improvement

Centennial Lake - install pier decking	10,000
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### Other Projects

Guilford Community Foundation, Inc. (HB 101)	300,000
Smith Farm Acquisition	1,000,000

## B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the

provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

**Health Services (DHMH)**

Alcohol and Drug Abuse	544,000
Family Health & Primary Care	218,000
Geriatric & Children's Services	271,000
Mental Health	2,974,000
Prevention & Disease Control	98,000
Developmental Disabilities	10,508,000
AIDS	42,000

**Social Services (DHR)**

Homeless Services Program	79,000
Women's Services Program	158,000
Adult Services	62,000
Child Welfare Services	456,000

**Senior Citizen Services (Office on Aging)**

Long Term Care	300,000
Community Services	45,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**Department of Public Safety and Corrections**

Patuxent Inst. - renovate kitchen & dining hall	563,000
Patuxent Inst. - visitor center & perimeter security	424,000

**Department of Natural Resources**

Patapsco State Park - construct greenway trail bridge	485,000
Patapsco Valley Greenway - land acquisition	1,000,000

# KENT COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	4,447	4,582	135	3.0
Compensatory Aid	196	240	44	22.4
Transportation Aid	810	836	26	3.2
Special Education Aid	355	352	-3	-.8
Limited English Prof. Grants	21	48	27	128.8
Targeted Poverty Grants	129	130	1	.4
Extended Elementary	209	280	70	33.5
Aging Schools	25	65	40	160.0
Targeted Improvement Program	116	116		
Other Education Aid	158	154	-4	-2.8
	6,351	6,803	452	7.1
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	65	71	6	8.5
COMMUNITY COLLEGES	371	407	36	9.7
HEALTH FORMULA GRANTS	312	310	-2	-.6
<u>Public Safety</u>				
State Aid for Police Protection*	190	188	-2	-1.3
Fire, Rescue & Ambulance Service*	109	156	47	43.0
	300	344	45	14.9
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	80	82	3	3.2
TRANSPORTATION GRANTS*	1,986	1,998	12	.6
TOTAL DIRECT AID	9,465	10,016	551	5.8
Aid Per Capita	496	519	23	4.6
Property Tax Equivalent (\$)	1.79	1.86	0.07	3.9

Note: Detail may not add to total due to rounding.

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

### 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for KENT COUNTY teachers and librarians are estimated to be \$1,636,349.

### 3. Selected State Grants for Capital Projects

#### Public Schools

Kent County High School - renovations (roof)	375,000
Chestertown Middle School - wiring	35,000
Galena Middle School - wiring	25,000
Rock Hall Middle School - wiring	25,000

#### Chesapeake College

Student Services and Administration Building - construct	140,000
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#### Waterway Improvement

Spring Cove - dredging	87,000
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#### Other Projects

Kent County Governmental Offices	250,000
Town of Chestertown Visitors' Center (HB 473)	150,000
Washington College (HB 771)	3,000,000

## B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

#### Health Services (DHMH)

Alcohol and Drug Abuse	920,000
Family Health & Primary Care	84,000
Geriatric & Children's Services	250,000
Mental Health	945,000
Prevention & Disease Control	163,000
Developmental Disabilities	658,000

**Social Services (DHR)**

Women's Services Program	243,000
Adult Services	35,000
Child Welfare Services	131,000
Women's services amount funds services in Caroline, Dorchester, Talbot, Kent and Queen Anne's counties.	

**Senior Citizen Services (Office on Aging)**

Long Term Care	116,000
Community Services	84,000
Funding supports services in Caroline, Kent and Talbot counties.	

# MONTGOMERY COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	90,435	94,844	4,408	4.9
Compensatory Aid	2,416	3,332	916	37.9
Transportation Aid	12,234	13,211	977	8.0
Special Education Aid	14,929	15,156	227	1.5
Limited English Prof. Grants	3,818	10,942	7,125	186.6
Targeted Poverty Grants	3,328	3,339	11	.3
Extended Elementary	886	1,266	380	42.8
Aging Schools	510	1,170	660	129.4
Targeted Improvement Program	1,627	1,627		
Other Education Aid	5,226	3,811	-1,415	-27.1
<b>TOTAL PRIMARY/SECONDARY EDUCATION</b>	133,782	148,697	14,915	11.1
<b>LIBRARIES</b>	1,515	1,773	258	17.0
<b>COMMUNITY COLLEGES</b>	17,559	18,569	1,010	5.8
<b>HEALTH FORMULA GRANTS</b>	3,358	3,660	302	9.0
<b>Public Safety</b>				
State Aid for Police Protection*	13,205	13,319	114	.9
Fire, Rescue & Ambulance Service*	682	979	297	43.5
Other Public Safety	424		-424	-100.0
<b>TOTAL PUBLIC SAFETY</b>	14,310	14,297	-13	-.1
<b>PROGRAM OPEN SPACE</b>	4,224	4,367	144	3.4
<b>TRANSPORTATION GRANTS*</b>	30,557	30,740	183	.6
<b>TOTAL DIRECT AID</b>	205,305	222,104	16,799	8.2
Aid Per Capita	247	264	17	6.9
Property Tax Equivalent (\$)	0.66	0.70	0.04	6.1

Note: Detail may not add to total due to rounding.

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

## 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for MONTGOMERY COUNTY teachers and librarians are estimated to be \$83,880,247.

## 3. Selected State Grants for Capital Projects

### Public Schools

Bethesda Elementary School - construction	1,126,000
Montgomery Blair High School - construction	5,500,000
Northeast Area High School - construction	2,301,000
Carderock Springs Elementary School - renovations (roof)	108,000
Diamond Elementary School - renovations (roof)	195,000
Neelsville Middle School - renovations (roof)	249,000
Poolesville High School - renovations (roof)	163,000
Potomac Elementary School - renovations (roof)	158,000
Rockville High School - renovations (roof)	158,000
Col. Zadok Magruder High School - relocatable classrooms	48,000
Farmland Elementary School - relocatable classrooms	12,000
Herbert Hoover Middle School - relocatable classrooms	12,000
Parkland Middle School - relocatable classrooms	24,000
Ronald McNair Elementary School - relocatable classrooms	48,000
Watkins Mill High School - relocatable classrooms	24,000
Winston Churchill High School - relocatable classrooms	48,000
Briggs Chaney Middle School - wiring	52,000
Cabin John Middle School - wiring	54,000
Herbert Hoover Middle School - wiring	62,000
Redland Middle School - wiring	50,000
Ridgeview Middle School - wiring	61,000
Robert Frost Middle School - wiring	53,000
Sligo Middle School - wiring	66,000
Tilden Middle School - wiring	68,000
William Farquhar Middle School - wiring	52,000

### Montgomery College

Rockville - alter Art Building	1,010,000
Rockville - alter Music Building	94,000
Takoma Park - reroof Resource & Communications Arts Ctr.	148,500

### Local Jails

Montgomery County Detention Center - new 900-bed center	8,318,000
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**Community Mental Health Centers\***

Jewish Foundation for Group Homes	225,000
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\* Full funding was not requested as part of the capital budget as not all projects will be ready in FY 1999. Since it is not known which will be ready, all requested projects are included in this report.

**Chesapeake Bay Water Quality Loan**

Rabbit Road Water Quality Retrofit	112,500
Streams (5 locations) - restoration	55,000
Upper Paint Branch I Stormwater Management Facilities	56,250
Victory Farms Water Quality Retrofit	183,000

**Other Projects**

Center for Children and Families (SB 615)	1,000,000
Chelsea School - acquisition, renovation & construction	750,000
Chesapeake Wildlife Sanctuary Education Fac. (SB 219)	100,000
Flower Avenue/Long Branch Revitalization (HB 152)	200,000
Gaithersburg Town Center	2,000,000
Germantown Cultural Arts Center (SB 182)	700,000
Hadley's Outdoor Children's Center (HB 303)	350,000
Jewish Community Center of Greater Washington (SB 155)	600,000
Johns Hopkins Univ. - Montgomery County Campus (HB 790)	3,000,000
Joseph White House (HB 1253)	200,000
Kentlands Cultural Arts Center (HB 455)	50,000
Mental Health Association of Montgomery County (SB 249)	100,000
Montgomery County Agricultural Center (SB 494)	400,000
Montgomery General Hospital (SB 286)	500,000
National Capital Trolley Museum (HB 508)	125,000
Old Town Takoma Park (SB 773)	50,000
Olney Theater Center for the Arts (HB 1172)	475,000
Olney Theatre for the Arts - construction & site improv.	1,500,000
Rockville Science/Cultural/Business Ctr. - const.	200,000
Silver Spring Redevelopment	10,000,000
Strathmore Hall	1,700,000
Takoma Park (HB 211)	75,000
Takoma Park Revitalization	800,000
The Writer's Center (HB 587)	150,000

**B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES**

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the

provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

**Health Services (DHMH)**

Alcohol and Drug Abuse	2,145,000
Family Health & Primary Care	96,000
Geriatric & Children's Services	1,131,000
Mental Health	12,277,000
Prevention & Disease Control	558,000
Developmental Disabilities	14,122,000
AIDS	205,000

**Social Services (DHR)**

Homeless Services Program	258,000
Housing Counselor Program	25,000
Women's Services Program	354,000
Adult Services	791,000
Child Welfare Services	1,631,000

**Senior Citizen Services (Office on Aging)**

Long Term Care	681,000
Community Services	192,000
Consumer Services	10,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**Department of Natural Resources**

Patuxent River Greenway - land acquisition	2,000,000
Seneca Creek State Park - dam rehabilitation	28,000
Seneca Creek State Park - road, parking lot & trail	115,000

# PRINCE GEORGE'S COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	253,169	274,358	21,189	8.4
Compensatory Aid	5,977	9,281	3,304	55.3
Transportation Aid	17,135	18,207	1,073	6.3
Special Education Aid	27,180	27,599	419	1.5
Limited English Prof. Grants	1,926	6,470	4,545	236.0
Targeted Poverty Grants	7,740	7,742	2	
Magnet/Effective Schools	14,100	16,100	2,000	14.2
Extended Elementary	1,304	1,732	428	32.8
Aging Schools	420	970	550	131.0
Targeted Improvement Program	5,049	5,049		
Other Education Aid	6,873	8,845	1,972	28.7
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TOTAL PRIMARY/SECONDARY EDUCATION	335,823	376,354	40,531	12.1
LIBRARIES	5,486	5,639	153	2.8
COMMUNITY COLLEGES	11,522	12,384	862	7.5
HEALTH FORMULA GRANTS	6,658	6,776	117	1.8
Public Safety				
State Aid for Police Protection*	12,776	12,753	-24	-.2
Fire, Rescue & Ambulance Service*	1,150	1,147	-3	-.3
Other Public Safety	4,458	4,163	-296	-6.6
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TOTAL PUBLIC SAFETY	18,384	18,062	-323	-1.8
PROGRAM OPEN SPACE	3,594	3,712	118	3.3
TRANSPORTATION GRANTS*	26,323	26,483	160	.6
HORSE RACING IMPACT AID*	180	176	-4	-2.4
TOTAL DIRECT AID	407,972	449,585	41,613	10.2
Aid Per Capita	520	570	50	9.6
Property Tax Equivalent (\$)	2.39	2.60	0.21	8.8

Note: Detail may not add to total due to rounding.

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

## 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for PRINCE GEORGE'S COUNTY teachers and librarians are estimated to be \$64,256,418.

## 3. Selected State Grants for Capital Projects

### Public Schools

Ardmore High School - construction	4,500,000
Northwestern High School - construction	4,500,000
Deerfield Run Elementary School - renovations (roof)	447,000
High Bridge Elementary School - renovations (roof)	316,000
James McHenry Elementary School - renovations (roof)	280,000
Samuel Ogle Middle School - renovations (roof)	618,000
Seabrook Elementary School - renovations (roof)	235,000
Walker Mill Middle School - renovations (roof)	531,000
William Wirt Middle School - renovations (roof)	307,000
Wm. Schmidt Environmental Ctr. - renovations (roof)	105,000
Friendly High School - science facilities	264,000
Howard B. Owens Center - science facilities	215,000
Andrew Jackson Middle School - wiring	63,000
Avalon Elementary School - wiring	29,000
Buck Lodge Middle School - wiring	64,000
Kenilworth Elementary School - wiring	28,000
Mt. Rainier Elementary School - wiring	28,000
Oaklands Elementary School - wiring	23,000
Templeton Elementary School - wiring	24,000
Walker Mill Middle School - wiring	64,000

### Prince George's Community College

Bladen/Lanham Halls - renovate	1,344,000
New Science Building - equip	337,800
Replace HVAC	536,000

### Community Mental Health Centers\*

ARC of Prince George's Co.	960,000
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\* Full funding was not requested as part of the capital budget as not all projects will be ready in FY 1999. Since it is not known which will be ready, all requested projects are included in this report.

### Adult Day Care Centers\*

Mt. Ephriam Adult Day Center	1,200,000
* Full funding was not requested as part of the capital budget as not all projects will be ready in FY 1999. Since it is not known which will be ready, all requested projects are included in this report.	

### Chesapeake Bay Water Quality Loan

Greenleaf Road Water Quality Retrofit	195,000
Western Branch Watershed - stream stabilization	188,900

### Waterway Improvement

Magruder's Ferry - boat ramp replacement	50,000
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### Other Projects

Bladensburg Waterfront Park	850,000
Greenbelt Community Center (HB 197)	325,000
Kettering Community Center (HB 1428)	200,000
Laurel - Dept. of Public Works Bldg. - site improvements	300,000
Mission of Love Center (HB 1182)	150,000
MNCPPC - Golf Course for Disabled Therapy Fac. (HB 1033)	150,000
MNCPPC - Showplace Arena/Equestrian Center (SB 528)	250,000
MNCPPC - Tucker Road Ice Rink (HB 624)	500,000
Mt. Rainier Police Station	850,000
NAFEO Community Center (HB 688)	350,000
Prince George's Hospital Center - helipad	793,000
Transitional Housing - Hillcrest Heights	432,000

## **B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES**

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

### Health Services (DHMH)

Alcohol and Drug Abuse	2,891,000
Family Health & Primary Care	103,000
Geriatric & Children's Services	1,720,000
Mental Health	14,680,000
Prevention & Disease Control	439,000

Developmental Disabilities	32,774,000
AIDS	344,000

**Social Services (DHR)**

Homeless Services Program	356,000
Women's Services Program	523,000
Adult Services	729,000
Child Welfare Services	2,429,000

**Senior Citizen Services (Office on Aging)**

Long Term Care	539,000
Community Services	197,000
Consumer Services	13,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**Department of Juvenile Justice**

Cheltenham Staff Dorm - renovation	1,305,000
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**University of Maryland System \***

Bowie State - Center for Learning & Technology	18,065,000
Bowie State - electrical improvements	640,000
Bowie State - Kennard Hall - renovation	1,000,000
College Park - Cambridge Dining Hall - conversion	695,000
College Park - Cambridge Residence Hall - renovation	1,035,000
College Park - Centerville Hall - renovation	440,000
College Park - Chemistry Building	847,000
College Park - Engineering & Applied Sciences Bldg.	1,207,000
College Park - HJ Patterson Lab - renovation	1,050,000
College Park - International Center	7,300,000
College Park - new arena	4,500,000
College Park - Performing Arts Center	3,900,000
College Park - Research Greenhouse Complex	6,694,000
College Park - Student Union - renovation	20,000,000
College Park - Symons Hall renovation	1,265,000

\* includes academic and auxiliary revenue bonds

**Department of Natural Resources**

Patuxent River Greenway - land acquisition	2,000,000
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# QUEEN ANNE'S COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	10,360	11,030	670	6.5
Compensatory Aid	279	339	60	21.4
Transportation Aid	1,341	1,412	71	5.3
Special Education Aid	565	573	8	1.4
Limited English Prof. Grants	12	29	18	155.2
Targeted Poverty Grants	155	154	-2	-1.0
Extended Elementary	273	351	78	28.5
Aging Schools	35	85	50	142.9
Targeted Improvement Program	102	102		
Other Education Aid	169	160	-8	-4.9
	13,189	14,235	1,046	7.9
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	93	116	23	24.5
COMMUNITY COLLEGES	754	827	73	9.7
HEALTH FORMULA GRANTS	387	395	8	2.0
<u>Public Safety</u>				
State Aid for Police Protection*	303	316	13	4.2
Fire, Rescue & Ambulance Service*	105	150	45	43.0
	408	466	58	14.2
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	172	177	5	2.8
TRANSPORTATION GRANTS*	3,704	3,726	23	.6
TOTAL DIRECT AID	18,707	19,943	1,235	6.6
Aid Per Capita	477	500	23	4.8
Property Tax Equivalent (\$)	1.67	1.75	0.08	4.8

Note: Detail may not add to total due to rounding.

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

### 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for QUEEN ANNE'S COUNTY teachers and librarians are estimated to be \$3,208,242.

### 3. Selected State Grants for Capital Projects

#### Public Schools

Kent Island High School - construction	1,501,000
Sudlersville Elementary School - construction	874,000

#### Chesapeake College

Student Services and Administration Building - construct	140,000
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#### Waterway Improvement

Corsica River - dredging	100,000
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#### Other Projects

Chesapeake Exploration Center (HB 530)	250,000
Hospice of Queen Anne's County (HB 67)	130,000

## B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

#### Health Services (DHMH)

Alcohol and Drug Abuse	354,000
Family Health & Primary Care	428,000
Geriatric & Children's Services	361,000
Mental Health	945,000
Prevention & Disease Control	152,000
Developmental Disabilities	853,000

#### Social Services (DHR)

Homeless Services Program	14,000
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Women's Services Program	243,000
Adult Services	38,000
Child Welfare Services	205,000
Women's services amount funds services in Caroline, Dorchester, Talbot, Kent and Queen Anne's counties.	

**Senior Citizen Services (Office on Aging)**

Long Term Care	103,000
Community Services	27,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**University of Maryland System \***

College Park - MFRI Upper Eastern Shore	3,451,000
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\* includes academic and auxiliary revenue bonds

# ST. MARY'S COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	30,422	31,825	1,402	4.6
Compensatory Aid	1,157	1,439	282	24.4
Transportation Aid	2,717	2,847	131	4.8
Special Education Aid	2,060	2,075	15	.7
Limited English Prof. Grants	28	84	56	201.1
Targeted Poverty Grants	475	471	-4	-.9
Extended Elementary	566	873	307	54.2
Aging Schools	35	85	50	142.9
Targeted Improvement Program	380	380		
Other Education Aid	586	339	-247	-42.1
	38,046	40,418	2,372	6.2
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	366	430	64	17.5
COMMUNITY COLLEGES	793	852	59	7.5
HEALTH FORMULA GRANTS	898	912	14	1.5
<u>Public Safety</u>				
State Aid for Police Protection*	744	751	7	1.0
Fire, Rescue & Ambulance Service*	105	150	45	43.0
	849	901	52	6.2
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	319	331	12	3.7
TRANSPORTATION GRANTS*	4,767	4,796	29	.6
TOTAL DIRECT AID	46,037	48,639	2,602	5.7
Aid Per Capita	548	574	26	4.7
Property Tax Equivalent (\$)	2.49	2.56	0.07	2.8

Note: Detail may not add to total due to rounding.

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

### 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for ST. MARY'S COUNTY teachers and librarians are estimated to be \$6,950,161.

### 3. Selected State Grants for Capital Projects

#### Public Schools

Chopticon High School - construction	3,500,000
Esperanza Middle School - construction	2,000,000
Green Holly Elementary School - renovations (roof)	282,000
Esperanza Middle School - relocatable classrooms	134,000
Leonardtown Elementary School - prekindergarten	91,000
Carver Elementary School - wiring	5,000
Leonardtown Elementary School - wiring	9,000
Oakville Elementary School - wiring	8,000

#### Charles Community College

St. Mary's - Academic Building - construct	4,594,000
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#### Chesapeake Bay Water Quality Loan

Leonardtown WWTP - nutrient removal	1,181,000
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#### Waterway Improvement

Bushwood Wharf - bulkhead and ramp replacement	25,000
Chaptico Wharf - bulkhead and ramp replacement	25,000
Forest Landing - bulkhead and ramp replacement	35,000

#### Other Projects

Tudor Hall (HB 526)	65,000
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### B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

#### Health Services (DHMH)

Alcohol and Drug Abuse	525,000
Family Health & Primary Care	137,000
Geriatric & Children's Services	341,000
Mental Health	2,567,000
Prevention & Disease Control	102,000
Developmental Disabilities	1,037,000

**Social Services (DHR)**

Homeless Services Program	61,000
Women's Services Program	170,000
Adult Services	136,000
Child Welfare Services	435,000

**Senior Citizen Services (Office on Aging)**

Long Term Care	101,000
Community Services	60,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**Charlotte Hall Veterans Home**

Charlotte Hall Veterans Home - Phase 4	134,000
Charlotte Hall Veterans Home - Phase 4 (federal funds)	223,000

**Department of Natural Resources**

Patuxent River Greenway - land acquisition	2,000,000
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**Other**

Southern Maryland Higher Education Center	300,000
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# SOMERSET COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	7,686	7,780	94	1.2
Compensatory Aid	610	825	215	35.3
Transportation Aid	944	982	39	4.1
Special Education Aid	413	413	.1	
Limited English Prof. Grants	16	46	30	186.6
Targeted Poverty Grants	270	268	-2	-.8
Extended Elementary	255	310	54	21.3
Aging Schools	25	65	40	160.0
Targeted Improvement Program	257	257		
Other Education Aid	506	501	-5	-1.0
	10,724	11,446	722	6.7
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	158	189	31	19.7
COMMUNITY COLLEGES	313	350	36	11.6
HEALTH FORMULA GRANTS	448	455	7	1.7
<u>Public Safety</u>				
State Aid for Police Protection*	216	218	1	.6
Fire, Rescue & Ambulance Service*	105	150	45	43.0
	321	368	46	14.4
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	75	78	3	3.6
TRANSPORTATION GRANTS*	2,367	2,381	14	.6
DISPARITY GRANT	2,734	2,955	221	8.1
TOTAL DIRECT AID	17,140	18,221	1,081	6.3
Aid Per Capita	694	732	38	5.5
Property Tax Equivalent (\$)	5.61	5.85	0.24	4.3

Note: Detail may not add to total due to rounding.

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

## 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for SOMERSET COUNTY teachers and librarians are estimated to be \$1,686,640.

## 3. Selected State Grants for Capital Projects

### Public Schools

Marion/Payton Elementary School - renovation mechanical	480,000
Deal Island School - wiring	40,000
Ewell School - wiring	40,000
J.M. Tawes Technological School - wiring	40,000
Princess Anne Primary School - wiring	40,000
Whittington Primary School - wiring	40,000

### Chesapeake Bay Water Quality Loan

Crisfield WWTP - nutrient removal	700,000
Crisfield WWTP Upgrade	500,000
Princess Anne II - WWTP	219,000
Smith Island - environmental restoration	100,000

### Waterway Improvement

Rumbley Boat Ramp - erosion protection	25,000
Smith Island - erosion protection	292,000

### Other Projects

McCready Memorial Hospital (HB 1104)	115,000
Smith Island Environmental Restoration & Protection	200,000

## B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

### Health Services (DHMH)

Alcohol and Drug Abuse	314,000
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Family Health & Primary Care	101,000
Geriatric & Children's Services	335,000
Mental Health	439,000
Prevention & Disease Control	320,000
Developmental Disabilities	1,391,000
AIDS	5,000

**Social Services (DHR)**

Homeless Services Program	7,000
Women's Services Program	276,000
Adult Services	59,000
Child Welfare Services	239,000
Women's services amount funds services in Somerset, Wicomico and Worcester counties.	

**Senior Citizen Services (Office on Aging)**

Long Term Care	152,000
Community Services	235,000
Consumer Services	9,000
Amounts fund services in Dorchester, Somerset, Wicomico and Worcester counties.	

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**University of Maryland System \***

Eastern Shore - energy performance contracting	4,000,000
Eastern Shore - Somerset Hall - renovation	230,000
Eastern Shore - Wicomico Hall - renovation	200,000
* includes academic and auxiliary revenue bonds	

# TALBOT COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	2,443	2,821	379	15.5
Compensatory Aid	179	234	55	30.7
Transportation Aid	771	805	34	4.4
Special Education Aid	269	270	1	.3
Limited English Prof. Grants	18	39	22	125.4
Targeted Poverty Grants	148	147	-.2	
Extended Elementary	279	315	35	12.6
Aging Schools	60	155	95	158.3
Targeted Improvement Program	92	92		
Other Education Aid	190	177	-13	-6.8
	4,357	5,057	700	16.1
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	60	70	10	16.2
COMMUNITY COLLEGES	536	588	52	9.7
HEALTH FORMULA GRANTS	243	256	13	5.3
<u>Public Safety</u>				
State Aid for Police Protection*	352	350	-2	-.7
Fire, Rescue & Ambulance Service*	118	168	51	43.0
	470	518	48	10.3
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	180	188	8	4.3
TRANSPORTATION GRANTS*	3,051	3,070	19	.6
TOTAL DIRECT AID	8,898	9,747	849	9.5
Aid Per Capita	271	295	24	8.9
Property Tax Equivalent (\$)	0.70	0.74	0.04	5.7

Note: Detail may not add to total due to rounding.

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

### 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for TALBOT COUNTY teachers and librarians are estimated to be \$2,223,196.

### 3. Selected State Grants for Capital Projects

#### Public Schools

Easton Middle School - renovations (roof)	135,000
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#### Chesapeake College

Student Services and Administration Building - construct	140,000
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#### Waterway Improvement

Bellevue Harbor - dredging	75,000
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#### Other Projects

YMCA Therapeutic Pool (HB 52)	450,000
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### B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

#### Health Services (DHMH)

Alcohol and Drug Abuse	293,000
Family Health & Primary Care	87,000
Geriatric & Children's Services	214,000
Mental Health	945,000
Prevention & Disease Control	152,000
Developmental Disabilities	1,759,000
AIDS	37,000

#### Social Services (DHR)

Homeless Services Program	35,000
Women's Services Program	243,000

Adult Services	51,000
Child Welfare Services	205,000
Women's services amount funds services in Caroline, Dorchester, Talbot, Kent and Queen Anne's counties.	

**Senior Citizen Services (Office on Aging)**

Long Term Care	294,000
Community Services	84,000
Funding supports services in Caroline, Kent and Talbot counties.	

# WASHINGTON COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	43,122	44,154	1,032	2.4
Compensatory Aid	1,860	2,178	318	17.1
Transportation Aid	3,060	3,198	139	4.5
Special Education Aid	2,410	2,405	-5	-.2
Limited English Prof. Grants	90	243	153	170.2
Targeted Poverty Grants	757	745	-12	-1.5
Extended Elementary	464	599	135	29.0
Aging Schools	90	200	110	122.2
Targeted Improvement Program	664	664		
Other Education Aid	710	361	-349	-49.2
	52,563	54,747	2,184	4.2
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	653	737	84	12.9
COMMUNITY COLLEGES	3,576	3,835	259	7.3
HEALTH FORMULA GRANTS	1,359	1,391	31	2.3
<u>Public Safety</u>				
State Aid for Police Protection*	1,277	1,273	-4	-.3
Fire, Rescue & Ambulance Service*	119	170	50	42.0
	1,396	1,442	46	3.3
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	495	513	18	3.7
TRANSPORTATION GRANTS*	8,134	8,182	49	.6
DISPARITY GRANT	229	196	-33	-14.6
TOTAL DIRECT AID	68,405	71,044	2,639	3.9
Aid Per Capita	533	552	19	3.6
Property Tax Equivalent (\$)	2.68	2.69	0.01	0.4

Note: Detail may not add to total due to rounding.

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

## 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for WASHINGTON COUNTY teachers and librarians are estimated to be \$10,138,244.

## 3. Selected State Grants for Capital Projects

### Public Schools

South Hagerstown High School - construction	4,075,000
Boonsboro High School - renovations (boiler)	129,000
E. Russell Hicks Middle School - renovations (chiller)	78,000
E. Russell Hicks Middle School - wiring	60,000
Smithburg Middle School - wiring	64,000
Western Heights Middle School - wiring	74,000

### Hagerstown College

Convert Library to Student Services Building	53,471
New Library - equip	470,525
Upgrade HVAC	374,447

### Community Mental Health Centers\*

Anita Lynne Home, Inc.	306,000
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\* Full funding was not requested as part of the capital budget as not all projects will be ready in FY 1999. Since it is not known which will be ready, all requested projects are included in this report.

### Chesapeake Bay Water Quality Loan

Beaver Creek - stream restoration	80,000
Clear Spring Sewer Collection	250,261
Hagerstown WWTP - nutrient removal	1,500,000

### Comprehensive Flood Management Program

Funkstown - acquisitions	77,000
Williamsport - acquisitions	109,375

### Water Supply Facilities

Boonsboro/Keedysville	1,000,000
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### Waterway Improvement

National Park Service Boat Ramps - facility maintenance	10,000
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**Other Projects**

Girls Inc. of Washington County - Gymnasium (HB 811)	250,000
Rohrersville Band (SB 714)	25,000

**B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES**

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

**Health Services (DHMH)**

Alcohol and Drug Abuse	1,418,000
Family Health & Primary Care	166,000
Geriatric & Children's Services	662,000
Mental Health	4,629,000
Prevention & Disease Control	176,000
Developmental Disabilities	13,970,000
AIDS	54,000

**Social Services (DHR)**

Homeless Services Program	128,000
Housing Counselor Program	26,000
Women's Services Program	146,000
Adult Services	254,000
Child Welfare Services	766,000

**Senior Citizen Services (Office on Aging)**

Long Term Care	361,000
Community Services	94,000

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**General Government**

Washington Cnty District Court - construct new courtroom	5,284,000
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**Department of Public Safety and Corrections**

Correctional Inst. Hagerstown - upholstery shop	887,000
MD Correctional Training Center - perimeter security	290,000

**Department of Natural Resources**

Greenbrier State Park - dam rehabilitation	45,000
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# WICOMICO COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	32,021	32,993	972	3.0
Compensatory Aid	1,762	2,233	471	26.7
Transportation Aid	2,326	2,407	81	3.5
Special Education Aid	1,085	1,061	-25	-2.3
Limited English Prof. Grants	89	248	159	179.8
Targeted Poverty Grants	596	595	-.1	
Extended Elementary	727	790	63	8.6
Aging Schools	150	355	205	136.7
Targeted Improvement Program	558	558		
Other Education Aid	234	253	19	7.9
	38,990	41,493	2,502	6.4
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	418	484	66	15.9
COMMUNITY COLLEGES	1,756	1,960	204	11.6
HEALTH FORMULA GRANTS	856	918	62	7.2
<u>Public Safety</u>				
State Aid for Police Protection*	842	832	-10	-1.2
Fire, Rescue & Ambulance Service*	115	164	49	43.0
	957	996	39	4.1
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	335	343	9	2.6
TRANSPORTATION GRANTS*	6,089	6,127	38	.6
DISPARITY GRANT	150	446	296	196.9
TOTAL DIRECT AID	49,551	52,767	3,216	6.5
Aid Per Capita	616	651	35	5.7
Property Tax Equivalent (\$)	3.06	3.18	0.12	3.9

Note: Detail may not add to total due to rounding.

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

## 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for WICOMICO COUNTY teachers and librarians are estimated to be \$7,064,787.

## 3. Selected State Grants for Capital Projects

### Public Schools

Salisbury Middle School - construction	4,500,000
Westside Intermediate School - construction	2,000,000
Mardela Middle/High School - renovations (mechanical)	114,000
Mardela Middle/High School - renovations (roof)	126,000
Pinehurst Elementary School - renovations (roof)	80,000
Pittsville Elementary/Middle School - renovations (roof)	288,000
Wicomico High School - renovations (roof)	89,000
Beaver Run Elementary School - wiring	35,000
Glen Avenue Elementary School - wiring	35,000
Pinehurst Elementary School - wiring	39,000
Wicomico Middle School - wiring	69,000

### Wor-Wic Tech

Allied Health/Math & Science Building & add Campus Road	3,922,000
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### Local Jails

Wicomico Detention Center - addition & central booking	300,000
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### Adult Day Care Centers\*

Shore Up! Inc.	810,000
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\* Full funding was not requested as part of the capital budget as not all projects will be ready in FY 1999. Since it is not known which will be ready, all requested projects are included in this report.

### Chesapeake Bay Water Quality Loan

Delmar WWTP - nutrient removal	175,000
Fruitland WWTP - nutrient removal	200,000
Pittsville WWTP - nutrient removal	500,000
Salisbury WWTP - nutrient removal	2,300,000

### Waterway Improvement

Nanticoke Harbor - bulkhead replacement	50,000
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### **Other Projects**

Dry Hydrant System (HB 1269)	100,000
Wicomico Drill Academy for Youth - residential facility	725,000

## **B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES**

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

### **Health Services (DHMH)**

Alcohol and Drug Abuse	802,000
Family Health & Primary Care	115,000
Geriatric & Children's Services	544,000
Mental Health	2,121,000
Prevention & Disease Control	256,000
Developmental Disabilities	4,611,000
AIDS	52,000

### **Social Services (DHR)**

Homeless Services Program	32,000
Housing Counselor Program	26,000
Women's Services Program	276,000
Adult Services	92,000
Child Welfare Services	367,000

Women's services amount funds services in Somerset, Wicomico and Worcester counties.

### **Senior Citizen Services (Office on Aging)**

Long Term Care	211,000
Community Services	235,000
Consumer Services	9,000

Amounts fund services in Dorchester, Somerset, Wicomico and Worcester counties.

## **C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**Department of Juvenile Justice**

Wicomico Detention Center

373,000

# WORCESTER COUNTY

## A. DIRECT AID, RETIREMENT PAYMENTS & CAPITAL PROJECTS

### 1. Direct Aid/Shared Revenues

	FY 1998	FY 1999	Difference	%
	(thousands of dollars)			Diff.
<u>Public Schools</u>				
Current Expense Aid	1,306	3,045	1,739	133.1
Compensatory Aid	247	383	136	55.1
Transportation Aid	1,394	1,439	45	3.2
Special Education Aid	252	256	4	1.8
Limited English Prof. Grants	22	63	41	185.0
Targeted Poverty Grants	304	299	-5	-1.7
Extended Elementary	216	282	66	30.7
Aging Schools	25	65	40	160.0
Targeted Improvement Program	166	166		
Other Education Aid	241	186	-55	-22.9
	4,007	6,183	2,176	54.3
TOTAL PRIMARY/SECONDARY EDUCATION				
LIBRARIES	75	91	15	20.2
COMMUNITY COLLEGES	843	941	98	11.6
HEALTH FORMULA GRANTS	168	183	15	8.8
<u>Public Safety</u>				
State Aid for Police Protection*	516	536	20	3.8
Fire, Rescue & Ambulance Service*	125	180	54	43.6
	641	716	74	11.6
TOTAL PUBLIC SAFETY				
PROGRAM OPEN SPACE	321	333	12	3.9
TRANSPORTATION GRANTS*	4,604	4,632	28	.6
TOTAL DIRECT AID	10,659	13,078	2,419	22.7
Aid Per Capita	248	298	50	20.2
Property Tax Equivalent (\$)	0.44	0.53	0.09	20.5

Note: Detail may not add to total due to rounding.

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

### 2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the state. Community college faculty may also be members of these systems. The state pays the employer share on behalf of the subdivision for these local employees. Fiscal year 1999 state payments for WORCESTER COUNTY teachers and librarians are estimated to be \$3,726,662.

### **3. Selected State Grants for Capital Projects**

#### **Public Schools**

Stephen Decatur High School - construction	2,500,000
Berlin Intermediate School - renovations (HVAC)	111,000
Berlin Intermediate School - wiring	45,000
Cedar Chapel School - wiring	15,000
Snow Hill Middle School - wiring	41,000

#### **Wor-Wic Tech**

Allied Health/Math & Science Building & add Campus Road	3,922,000
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#### **Chesapeake Bay Water Quality Loan**

Pocomoke City WWTP - nutrient removal	500,000
Snow Hill WWTP - nutrient removal	400,000

#### **Waterway Improvement**

Cedar Hall - boat ramp improvements	50,000
Ocean City - Back Bays Study	62,500
Town of Snow Hill - Byrd Park ramp & parking lot improv.	50,000
West Ocean City Harbor - repairs to rental slips	26,000
West Ocean City Harbor - rest room construction	25,000

#### **Other Projects**

Pocomoke City - demolition of derelict building	33,000
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## **B. ESTIMATED STATE SPENDING ON SELECTED HEALTH AND SOCIAL SERVICES**

The Office on Aging and the Departments of Human Resources and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or state agencies in the counties. What follows are estimates of FY 1999 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior prior year funding (FY 1998) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the state.

#### **Health Services (DHMH)**

Alcohol and Drug Abuse	748,000
Family Health & Primary Care	204,000
Geriatric & Children's Services	373,000
Mental Health	698,000
Prevention & Disease Control	256,000
Developmental Disabilities	1,320,000

**Social Services (DHR)**

Homeless Services Program	32,000
Women's Services Program	276,000
Adult Services	56,000
Child Welfare Services	211,000
Women's services amount funds services in Somerset, Wicomico and Worcester counties.	

**Senior Citizen Services (Office on Aging)**

Long Term Care	166,000
Community Services	235,000
Consumer Services	9,000
Amounts fund services in Dorchester, Somerset, Wicomico and Worcester counties.	

**C. CAPITAL PROJECTS FOR STATE FACILITIES LOCATED IN THE COUNTY**

**Department of Natural Resources**

Eastern Coastal Bays - land acquisition	750,000
Isle of Wight WMA - construct phase 1 development	264,000
Ocean City Beach Maintenance	2,000,000

# Part B TAXES

## PROPERTY TAX

### HOMEOWNERS' PROPERTY TAX CREDITS

The homeowners' circuit breaker property tax credit program is a State funded program that provides credits against State and local real property taxation for qualifying homeowners. Originally enacted in 1975, the program was designed primarily to provide tax credits for elderly and disabled homeowners. Only the taxes associated with the first \$60,000 of assessed valuation of an individual's principal residence may qualify for the credit. Any taxpayer with a net worth of more than \$200,000, excluding the value of the home, is currently ineligible for a credit. The program limits a homeowner's liability to a specified proportion of household income. A credit is granted for the difference between this amount and the total taxes owed on the first \$60,000 in value.

**House Bill 1244** (Ch. 6) increases the amount of the tax credit by decreasing the liability percentages applied to the second, third, and fourth income brackets as indicated:

0 - \$4,000 of income	0% (No change)
\$4,001 - 8,000 of income	reduced from 2.5% to 1%
\$8,001 - 12,000 of income	reduced from 5.5% to 4.5%
\$12,001 - 16,000 of income	reduced from 7.5% to 6.5%
Over \$16,000	9% (No change)

State expenditures are expected to increase by \$9.2 million in fiscal year 2000, with future expenditures decreasing by 3% annually.

**House Bill 1244** requires the Department of Assessments and Taxation to study the effects of the adjustment to the homeowners' property tax credit and report the results of the study to the Governor and the General Assembly by December 1, 1999.

Various other proposals to alter the Homeowners' Tax Credit Program or provide additional property tax relief to elderly homeowners were introduced. **House Bill 287** (failed) would have increased the first four income brackets for the calculation of a credit from \$4,000 to \$5,000, and increased the fifth bracket from \$16,000 to \$20,000. **House Bill 397** (failed) would have increased the net worth limitation for credit eligibility from \$200,000 to \$300,000. **Senate Bill 438** (failed) would have altered the definition of "gross income" used to determine credit eligibility to include certain investment or interest income that is not taxable at the federal level but is taxable at the State level. **Senate Bill 692** (failed) would have altered the definition of "gross income" to exclude the part of any amount received as an annuity that is included in gross income for federal income tax purposes. **Senate Bill 550** (failed) would have prohibited increases in the assessed value of residential property owned and occupied by an individual who is at least 68 years old with gross income of \$60,000 or less and a net worth not exceeding \$200,000.

### PROPERTY TAX SALES

In 1997, a number of counties experienced problems with high bidding on properties that were offered for tax sale. Tax sales in these counties were contentious and disruptive, and at least four civil actions were filed in the courts to challenge the efforts of county tax collectors to control tax sales in their counties. **Senate Bill 378/House Bill 1016** (both passed) attempt to address these problems by providing that a tax collector may establish a high-bid premium to be applied to all properties offered for tax sale. Any high-bid premium would be 20% of the amount by which a property's highest bid exceeds 40% of that property's full cash value. In addition, a

tax collector or auctioneer is allowed to refuse any bids that are not made in good faith, and a potential bidder must meet certain eligibility requirements in order to bid on properties.

Two other proposals also addressed the issue of high bidding at tax sales. *Senate Bill 21* (failed) would have allowed a county tax collector to establish a high-bid amount and high-bid premium rate for each property offered for tax sale. Any high-bid amount would have been at least 500% of a property's assessed value with a high-bid premium rate not to exceed 3% of a property's highest bid. *Senate Bill 582* (failed) would have required a bidder at a tax sale to pay the full amount of any property bid to the tax collector no later than the day after a tax sale.

Several bills regarding plaintiffs foreclosing rights of redemption on properties as well as the rights of property tenants and owners were introduced. *House Bill 1289* (passed) requires a plaintiff foreclosing a right of redemption on a property to provide written notification, by certified mail, of the action to foreclose to any known tenant of the property. A plaintiff must also give a tenant written notice of the plaintiff's intention to obtain possession of the property and that the tenant must vacate the property within 30 days after the notice. This notice must be sent by first-class mail, after issuance of the judgment foreclosing the right of redemption and at least 30 days before taking possession of the property. *House Bill 362* (failed) would have required a plaintiff in an action to foreclose a right of redemption on property to provide written notification of the action to foreclose to any tenant of the property. *House Bill 1342* (failed) would have provided that the tenant of a property sold at a tax sale would have the same rights and remedies against the new property owner as that tenant had against the previous owner on the date of the tax sale, and that the new property owner would have the same rights and remedies against a tenant as the original owner on the date of the sale.

*House Bill 1362* (Ch. 107) provides that a plaintiff in an action to foreclose on a right of redemption or a tax sale certificate holder in Somerset County is not entitled to reimbursement for expenses incurred in an action to or preparation for any action to foreclose a right of redemption on a property within four months of a tax sale. *Senate Bill 624* (passed) does the same for Carroll County.

*House Bill 1397* (passed) allows the Allegany County Sanitary Commission to request the county tax collector to conduct a sale of real property at a county tax sale to enforce a lien for any unpaid benefit assessment or other charges. Any sale would be conducted according to the same procedures for the sale of property with delinquent property taxes.

## **PROPERTY TAX SETOFFS**

*Senate Bill 113/House Bill 216* (both passed) alter the process used by counties and municipalities to evaluate and determine property tax setoffs. Any municipality desiring a property tax setoff from a county is required to submit a proposal that states the desired level of the setoff at least 180 days before the required date of approval of the county's annual budget. The municipality would be required to provide the county with financial records, documentation of municipal revenues and expenditures, and a description of the services or programs provided by the municipality in lieu of similar services provided by the county.

The county is then required to provide the municipality with financial information regarding county revenues and expenditures. At least 90 days prior to the required date of approval of the county's annual budget, representatives from both the county and the municipality must meet and discuss the tax setoff request. Prior to the release of the proposed county budget to the public, a statement of intent regarding tax setoffs, including an explanation of the proposed tax setoff, would be submitted to each municipality requesting a setoff. Provisions are also included authorizing counties and municipalities to bypass these timing and informational requirements in the event that alternative processes result from negotiations that are satisfactory to both participants. Counties and municipalities are authorized to determine tax setoffs by any other process that is mutually agreeable.

## **STATE PROPERTY TAX**

The Maryland State Constitution requires that State debt be guaranteed by the imposition of a tax. State property tax revenues are credited to the Annuity Bond Fund and dedicated to pay the debt service on State general obligation bonds. The State property tax rate is established by the Board of Public Works, which is required by

statute to calculate the rate necessary to support the debt service on general obligation bonds by May 1 of each year. The rate is set after taking into account the funds available from other sources for debt service, and then applied to the State assessable property base. Any additional funds needed for debt service are provided through an appropriation of general funds. The tax rate has remained a constant \$0.21 per \$100 of assessed value since fiscal year 1982, and is applied only to the real property assessable base as the State does not impose a personal property tax. *House Joint Resolution 1* (failed) would have recommended that the Governor include sufficient funds in the fiscal year 1999 State budget to allow a reduction in the State property tax rate of at least five cents. This would have required an additional General Fund appropriation of \$58 million for debt service requirements in fiscal year 1999.

## **PROPERTY TAX RELIEF**

### **Combination of Exemption and Credits**

*Senate Bill 203* (passed) broadens the definition of "conservation land" used to determine eligibility for a local option property tax credit to include property owned by the Western Shore Conservancy. It also provides an exemption from State property taxes for certain property owned by a land trust, and allows a county or municipality to grant a property tax credit for qualifying property owned by a land trust. A land trust must be certified as a trust in good standing and have a cooperative agreement with the Maryland Environmental Trust to be eligible for an exemption or credit.

### **Tax Credits**

#### Foreign Trade Zones

*Senate Bill 507* (passed) allows a county or municipality to grant a property tax credit against property taxes imposed on personal property, excluding public utility operating personal property, located in a federally designated foreign trade zone within that local jurisdiction. Federally designated foreign trade zones in Maryland include BWI Airport, the Collington Center in Prince George's County, and the area around Sparrows Point in Baltimore City.

#### New Job Creation by Businesses

*Senate Bill 619* (passed) extends the termination of the authorization for local governments to grant property tax credits for businesses that create new jobs from December 31, 2000 to December 31, 2002. It also requires that, to qualify for this tax credit and to be consistent with the "Smart Growth Initiative," the new or expanded premises of a business must be located in a State priority funding area.

#### Installation of Fire Sprinkler Systems

*House Bill 311* (passed) allows a county or municipality to grant a credit against county or municipal property taxes imposed on real property improvements if an automatic sprinkler system used for fire protection is installed in the improvements. A county or municipality may provide for the amount and duration of any credits, as well as the application of a credit to existing automatic fire protection sprinkler systems.

#### Residential Building Renovations for Computer and Telecommunications Systems

*House Bill 447* (Ch. 72) allows a county or municipality to grant a credit against county or municipal property taxes imposed on a residential building located in a Neighborhood Business Development Program area to which qualifying renovations have been made to meet state-of-the-art communications and utility standards. These standards are for accommodating advanced computer and telecommunications systems, which include fiber-optic cable, emergency electrical capacity, and emergency backup power.

#### Brownfields and Enterprise Zone Tax Credits

**House Bill 629** (passed) provides that a property qualifying for both an enterprise zone tax credit and a brownfields tax credit will receive the enterprise zone tax credit first, with the brownfields credit applied to the remaining amount. It also clarifies that local governments have the authority to vary the percentage of and establish additional eligibility criteria for any additional credits.

## **Tax Exemptions**

### Personal Property of Small Businesses

**Senate Bill 147/House Bill 420** (both passed) provide that personal property is exempt from valuation or taxation if: (1) the property is owned by a business, occupation, or profession located at an individual's principal residence; and (2) the sum total of the property had a total original cost of less than \$10,000, excluding the cost of vehicles exempt under current law.

### Abatement of Property Tax for Charitable Organizations

**Senate Bill 148/House Bill 461** (both passed) provide that property with a value of less than \$300,000 that is exempt from property taxes and is transferred to a nonprofit charitable organization qualified under Internal Revenue Code 501(c)(3) is exempt from property taxes effective on the date that the property transfer is recorded. This type of property tax abatement is currently only available to disabled veterans, blind individuals, and governmental entities. While the specific decrease in revenues cannot be reliably estimated at this time, State and local revenues would have decreased by \$485,000 had this exemption been in effect for fiscal year 1998.

### Manufacturing Exemption for Biotechnology and Computer Software

**Senate Bill 273/House Bill 5** (both passed) repeal the partial property tax exemption for research and development property and reclassify this property as manufacturing property for tax exemption purposes. The definition of manufacturing property would include the identification, design, or genetic engineering of biological materials for sale or manufacture as well as the design, development, or creation of computer software for sale, lease, or license. Local revenues will decrease by an estimated \$636,000 in fiscal year 2000.

### Personal Property Exemptions and Assessment Percentages

**Senate Bill 74** (Ch. 14) codifies various local personal property tax assessment percentages and repeals the authority of municipal corporations to assess livestock and farm implements owned by a farmer.

## **PROPERTY TAX ADMINISTRATION**

### **Use of Local Tax Returns for Property Valuation**

**Senate Bill 75** (Ch. 15) allows a county or municipal employee to provide to a county supervisor of assessments the income amount or any particulars disclosed in a tax return filed with a county or municipality when the information is requested by the supervisor for property valuation purposes.

### **Tax Liability for Transferred Property**

**Senate Bill 76** (Ch. 16) clarifies current law regarding the time when the liability for property taxes on transferred property shifts from the transferor to the transferee.

### **Personal Property Tax - Unpaid Tax Liens**

**Senate Bill 536/House Bill 585** (both passed) make any liens placed on real property for unpaid personal property taxes subordinate to any previously filed liens.

# Part B TAXES

## LOCAL PROPERTY TAXES

### BALTIMORE CITY

*Senate Bill 359* (passed) allows Baltimore City to grant a credit against county property taxes imposed on a "newly constructed dwelling" for which a building permit was issued on or after July 1, 1994, but before October 1, 1994. Any credit application must be submitted by August 31, 1998. *Senate Bill 539/House Bill 1123* (both passed) provide an exemption from county property taxes imposed on vacant and underutilized commercial buildings under a development plan in Baltimore City if the real property meets certain criteria.

*House Bill 1140* (passed) provides that in Baltimore City, when the holder of a tax sale certificate on a vacant or abandoned property files an action to foreclose the owner's right of redemption but fails to pursue the action, after two years the tax sale certificate is void, absent a showing of circumstances beyond the holder's control. *House Bill 1140* also authorizes the courts to strike a final judgment if a holder proceeds to obtain a deed but fails to record the deed within 30 days of its execution.

*Senate Bill 109* (passed) allows Baltimore City to grant a credit against county property taxes imposed on property owned by the South Baltimore Little League that is used for amateur sports and located at 1101 E. Fort Avenue in Baltimore.

*Senate Bill 496/House Bill 1291* (both passed) allow Baltimore City to grant a credit against county property taxes imposed on personal property owned by the Northwest Family Sport Center, Inc.

### CHARLES COUNTY

*Senate Bill 770* (passed) allows the governing bodies of Harford County and Charles County to grant a credit against county property taxes imposed on real property that is located in a Rural Legacy Area and for which the property owner has sold the development rights under the Rural Legacy Program.

### DORCHESTER COUNTY

*Senate Bill 563* (passed) allows Dorchester County to grant a credit against county property taxes imposed on agricultural land that is subject to a nutrient management plan or agricultural land for which a nutrient management plan is being developed for implementation. A credit may also be granted for county property taxes imposed on forest land that is subject to a forest management plan or similar agreement.

### GARRETT COUNTY

*House Bill 600* (Ch. 83) requires Garrett County to advertise and sell any real property on which municipal property taxes are delinquent if a municipality notifies the county that the taxes are delinquent.

*House Bill 1011* (passed) allows Garrett County to grant a credit against county property taxes imposed on certain property owned by the Board of Governors of the Garrett County Memorial Hospital. Any property that is undeveloped, for use by the hospital, or under a lease with the hospital to provide health care related services on a nonprofit basis, would be eligible for a credit.

### HARFORD COUNTY

*Senate Bill 770* (passed) allows the governing bodies of Harford County and Charles County to grant a credit against county property taxes imposed on real property that is located in a Rural Legacy Area and for which the property owner has sold the development rights under the Rural Legacy Program.

**House Bill 967** (passed) exempts certain property owned by the Harford Land Trust from State property taxes. Any property used to assist in the preservation of a wild nature area, establish a nature reserve or other protected area, provide environmental education, or promote conservation would be considered exempt property.

#### **HOWARD COUNTY**

**House Bill 342** (passed) authorizes Howard County to grant a credit against property taxes imposed on real property used as a therapeutic riding facility by a nonprofit organization that:

- (1) is exempt from taxation under Internal Revenue Code § 501(c)(3);
- (2) provides services to disabled individuals; and
- (3) has as its clientele at least 85% disabled individuals.

#### **SOMERSET COUNTY**

**House Bill 1275** (Ch. 105) allows Somerset County to grant a credit against county property taxes imposed on the real property of the J. Millard Tawes Foundation.

# Part B TAXES

## INCOME TAX

### INCOME TAX REDUCTION

Chapter 4 of the Acts of 1997, the 1997 Tax Reduction Act, provided a 10% reduction in State income taxes beginning in tax year 1998, phased in at 2% per year for 5 years. The reduction was divided evenly between the top marginal rate and the personal exemption, resulting in a new top marginal tax rate of 4.75% (down from 5%) and a new personal exemption of \$2,400 (up from \$1,200). At the time, it was estimated that when fully phased in (fiscal 2003), this tax reduction would return about \$460 million to taxpayers.

The cornerstone of the 1998 General Assembly's tax reduction package was *Senate Bill 750* (Ch. 4), which speeds up the phase-in of the income tax cut enacted in 1997. *Senate Bill 750* accelerates the first 2 years of the current income tax reduction, structured in a similar fashion (half through a rate reduction and half through an exemption increase). The 1998 tax reduction is 5% rather than 2%; the 1999 reduction is 6% rather than 4%. These changes will result in an estimated return to taxpayers above the amount authorized in 1997 of \$170.7 million in fiscal year 1999 and \$45.3 million in fiscal year 2000. Since the 1997 Tax Reduction Act "decoupled" the counties from the State income tax reduction, these changes do not affect the local income tax.

Revised revenue estimates from the Board of Revenue Estimates issued in March of 1998 helped make this acceleration possible. General Fund revenue estimates were revised upwards by \$69.7 million for fiscal year 1998 and by \$73.2 million for fiscal year 1999. *Senate Bill 750* requires the Spending Affordability Committee to include a recommendation in its final report of the 1999 interim on the fiscal prudence of further accelerating the 1997 reduction or increasing it above 10%. In addition, to improve the likelihood of either of those scenarios becoming a reality, the bill requires the Governor to dedicate any unappropriated general fund surplus in excess of \$10 million at the end of each of the next four fiscal years to the Revenue Stabilization Account of the State Reserve Fund. To offset the fiscal year 1999 cost of *Senate Bill 750*, the Governor is required to transfer \$170.7 million from the Revenue Stabilization Account to the General Fund.

### REFUNDABLE EARNED INCOME CREDIT

Since 1987, Maryland's income tax law has provided an earned income credit against the State income tax equal to 50% of the federal earned income credit. For federal income tax purposes, the earned income credit, which provides tax relief to low income wage earners, is "refundable" - if the amount of the federal credit exceeds an individual's income tax liability, the individual may receive a refund. Since its enactment in 1987, the State earned income credit has not been refundable.

*Senate Bill 223* (passed)/*House Bill 66* (Ch. 5) provide additional tax relief to low income wage earners by making part of the earned income credit refundable for State income purposes. Under the bills, for tax years 1998 and 1999 taxpayers with dependents may claim a refund of the amount by which 10% of the federal earned income credit exceeds the State income tax. The percentage of the federal earned income credit on which the refund is based is phased up to 12.5% for tax year 2000 and to 15% for tax years after 2000. Individuals not eligible for a refund may still claim the nonrefundable earned income credit based on 50% of the federal earned income credit. The bills provide that refunds are only allowed against the State income tax and do not affect the computation of the county income tax.

*Senate Bill 223/House Bill 66* also convert the poverty level subtraction under current law to a poverty level credit that provides essentially the same tax relief as under the current subtraction modification, but prevents the duplication of benefits that would otherwise occur as a result of the refundability of the earned income credit.

As with the income tax reduction, *Senate Bill 223/House Bill 66* require the Spending Affordability Committee

to include a recommendation in its final report of the 1999 interim as to the fiscal prudence of accelerating the phase-in of the refundable earned income credit refund. The bills also require the transfer of \$14.5 million from the Revenue Stabilization Account to the general fund to offset the cost of these bills in fiscal year 1999. When the 15% credit is phased in for tax year 2001, up to \$41.5 million will be returned to taxpayers under the refundable earned income credit.

## **EMPLOYER-PROVIDED LONG-TERM CARE INSURANCE**

*Senate Bill 638/House Bill 1003* (both passed) create a tax credit for employers in the amount of 5% of the costs of providing long-term care insurance to employees. The credit may not exceed the lesser of \$5,000 or \$100 for each employee covered by long-term care insurance. The credit may be claimed against the individual and corporate income taxes, the public service company franchise tax, the financial institution franchise tax, or the insurance premium tax. Other proposals that were introduced but failed would have provided additional tax incentives for individuals to purchase long-term care insurance. *Senate Bill 638/House Bill 1003* also require the Department of Health and Mental Hygiene to study the effects of the tax credit for employers on increasing sales of long-term care insurance and to study alternative incentives that might directly encourage individuals to purchase long-term care insurance.

## **MARYLAND HIGHER EDUCATION INVESTMENT PROGRAM**

Two bills were passed providing tax benefits for those participating in the State's prepaid tuition program (the Maryland Higher Education Investment Program). *Senate Bill 268* (passed) allows taxpayers a subtraction modification of up to \$2,500 of the amounts contributed for the purchase of a prepaid tuition contract. *House Bill 257* (passed) provides a subtraction modification for benefits furnished under a prepaid tuition contract to the extent they are included in federal adjusted gross income. Taken together, these bills can provide Maryland residents a method of saving for college tuition free from State taxes. The subtraction modification for contributions is estimated to cost the State approximately \$1.1 million in fiscal year 1999, increasing to \$4.3 million in fiscal year 2003, while the subtraction modification for benefits will not have a significant impact until fiscal year 2010.

## **WORK, NOT WELFARE TAX CREDIT**

*Senate Bill 292/House Bill 565* (both passed) modify and extend the Work, Not Welfare tax credit which is allowed against the income tax and several other taxes. See the discussion under the heading "Miscellaneous Taxes" within this Part of *The 90 Day Report*.

## **WATER QUALITY IMPROVEMENT ACT OF 1998 - TAX PROVISIONS**

*Senate Bill 178/House Bill 599* (both passed), the Water Quality Improvement Act of 1998, following up on interim studies of the pfiesteria outbreaks that occurred in some of the State's rivers in the summer of 1997, require the development and implementation of nutrient management plans for farms in the State. (See the discussion of these bills generally under the "Agriculture" heading of Part K - "Natural Resources and Agriculture" of *The 90 Day Report*.)

To help pay for the costs associated with the substantive requirements under the bills, *Senate Bill 178/House Bill 599* provide certain tax benefits for farmers. The bills provide a subtraction modification under the Maryland income tax for 100% of the cost of poultry or livestock manure spreading equipment used on a farm to comply with a nutrient management plan. The subtraction modification may be carried over for up to 5 years if it exceeds the taxpayer's Maryland taxable income computed without the modification.

*Senate Bill 178/House Bill 599* also allow a credit against the State income tax in an amount equal to 50% of the certified additional commercial fertilizer costs necessary to convert agricultural production to comply with a nutrient management plan. The credit may not exceed \$4,500 in any taxable year and may only be claimed for up to 3 consecutive taxable years. The credit remains in effect for 10 years and may not be earned for tax years after 2008. The total cost of this credit to the State over the life of the credit is estimated to be about \$20.3 million.

## **OTHER INCOME TAX BILLS**

### **Tax Exempt Organizations - Credits Against Withholding Taxes**

Tax exempt organizations are currently eligible to claim the Work, Not Welfare tax credit and the Qualifying Employees with Disabilities tax credit against any income tax they might owe on their unrelated business taxable income. *Senate Bill 452/House Bill 1155* (both passed) allow tax exempt organizations to apply these credits to the income tax withheld from wages of employees. Under the bills, these credits may only be claimed by tax exempt organizations for individuals hired on or after July 1, 1998.

### **Volunteer Police, Fire, Rescue, and Emergency Medical Services Personnel**

*Senate Bill 396* (passed) increases the subtraction modification for qualifying volunteer police, fire, rescue, and emergency medical services personnel from \$3,000 to \$3,500.

### **Income Tax Credits for Alternative-Fuel Vehicles**

*House Bill 705* (passed) extends the sunset date for allowing income tax credits for alternative-fuel vehicles from June 30, 1998 to June 30, 2001.

### **Income Tax Administration**

*Senate Bill 80* (Ch. 19) allows the Comptroller to withhold some or all of the Maryland income tax refund of an individual who has a delinquent tax liability in another state at the request of that state, if the other state allows reciprocal privileges for Maryland. *Senate Bill 81* (passed) repeals the requirement that the Comptroller design income tax forms for the separate payment of State and local income taxes. *Senate Bill 79* (Ch. 18) delays the due date for the Statistics of Income report from January 1 of the year after returns are received for a tax year to January 1 of the second year after returns are received for a tax year.

### **County Income Tax - Rate Changes**

Under current law, changes in a county's income tax rate generally must be made in increments of 5 percentage points, with the exception of a rate in excess of 50%, which may be a multiple of 2 percentage points above 50% instead of 5 percentage points above 50%. *Senate Bill 487* (passed) enables a county to increase or decrease its county income tax rate in increments of 2 percentage or 5 percentage points, regardless of whether the rate is above or below 50%. The bill also allows the counties to change their rates for calendar year 1998 on or before June 1, 1998, using either 2 percentage point or 5 percentage point increments, notwithstanding provisions that would otherwise require a change to be made by July 1 before the calendar year for which the change is to apply.

# **Part B**

## **TAXES**

### **RECORDATION AND TRANSFER TAXES**

**House Bill 141** (passed) exempts transfers of property between spouses or former spouses from recordation and transfer taxes. Current law only exempts these transfers if they are part of a divorce decree or property settlement.

**Senate Bill 291** (passed) allows the county tax collectors, rather than the clerks of the courts, to collect recordation taxes beginning in fiscal year 1999. In fiscal year 1999 only, any county, with the exception of Prince George's, that does not have the clerk of the court collect recordation taxes, must remit to the Comptroller a fee equal to the fee that the clerk would otherwise deduct. Assuming all counties decide to collect the taxes themselves, general fund revenues could decrease by \$5 million in fiscal year 2000, with local revenues increasing by a corresponding amount.

# Part B TAXES

## MISCELLANEOUS TAXES

### SALES AND USE TAX

#### Nonprofit Organizations Located in Adjacent States

Under current law, the exemption under the sales and use tax for sales to nonprofit organizations applies to organizations located in adjacent jurisdictions only if the organization provides its services within Maryland on a routine and regular basis. *Senate Bill 478* (passed) extends eligibility for the exemption to organizations located in adjacent jurisdictions if those jurisdictions do not impose a sales tax on sales to a nonprofit organization made to carry on the organization's work, or if those jurisdictions allow a reciprocal exemption.

#### Separately Stated Charge for Admissions and Amusement Tax

*House Bill 147* (passed) alters the definition of "taxable price" under the sales and use tax to exclude a separately stated charge for admissions and amusement tax. Under current law, if both taxes apply to a transaction, the sales and use tax applies to total consideration paid by the buyer, including any admissions and amusement tax passed along to the buyer whether or not the charge for the admissions and amusement tax is separately stated.

### TAX CREDITS

#### Work, Not Welfare Tax Credit

In 1995, the General Assembly enacted the Work Not Welfare Tax Credit to encourage employers to hire welfare recipients. The credit was enacted with a 3-year sunset provision. *Senate Bill 292/House Bill 565* (both passed) modify the tax credit and extend the sunset date for the program for 3 additional years, so that the program applies to employees hired before July 1, 2001.

Under *Senate Bill 292/House Bill 565*, the Work Not Welfare credit is limited to the first 2 years of employment (3 years under current law). The bills add an enhanced credit for employment of individuals who have been on welfare for 18 of the last 48 months, equal to 40% of up to the first \$10,000 in wages paid. In addition, the bills add transportation expenses incurred on the employee's behalf as an eligible expense for which an employer is allowed a credit. The bills also add several reporting requirements to enhance the program's accountability.

#### Employment of Individuals with Disabilities

*Senate Bill 537* (passed) extends the sunset date for the tax credit for employment of individuals with disabilities from December 31, 2000 to December 31, 2002. The credit is available for qualified employees hired before January 1, 2003, rather than before January 1, 2001, and the Department of Legislative Services is required to report on the efficacy and effectiveness of the credit by December 1, 2001, rather than December 1, 1999. The Department of Education is required to report annually on the marketing and use of the credit.

#### Approved Paid Work-Based Learning Programs for Students

*House Bill 6* (passed) creates a tax credit program for work-based learning programs. The Department of Education may approve up to 1,000 student participants each year. Employers may receive a credit for 15% of wages paid to eligible students, up to \$1,500 per student. State revenues could decrease by up to \$1.5 million beginning in fiscal year 2000. This program sunsets June 30, 2001.

#### Job Creation Tax Credits for County-Designated Priority Funding Areas

**House Bill 13** (passed), for purposes of the job creation tax credit, expands the definition of "State priority funding area" to include one county-designated priority funding area per county, consistent with "Smart Growth" criteria.

Heritage Structure Rehabilitation Credits

**House Bill 1199** (passed) is discussed in the Economic and Community Development section of Part H.

## **BOAT EXCISE TAX**

**House Bill 531** (passed) excludes from the definition of "fair market value" the value of any vessel that is traded in as part of a sale by a licensed dealer. The trade-in value may not exceed the value for the trade-in vessel as shown in a national publication of used vessel values. In addition, the Department of Natural Resources (DNR) is required to decrease the amount of Waterway Improvement Fund revenues it spends on marine operations in the Natural Resources Police by \$750,000 per year until the amount spent for these purposes does not exceed the \$1,000,000 limit allowed by law. The Governor is required to include \$750,000 in general funds in the annual budget for DNR to use to replace that amount of Waterway Improvement Fund revenues. Special fund revenues could decrease by \$1.1 million in fiscal year 1999, with a commensurate decrease in expenditures.

## **INHERITANCE TAX EXEMPTION FOR PUBLIC, CHARITABLE, OR RELIGIOUS ORGANIZATIONS**

**House Bill 1142** (passed) broadens the current inheritance tax exemption for property passing to nonprofit organizations by including nonprofit organizations that have similar tax exempt purposes as organizations that qualify under Section 501(c)(3) of the Internal Revenue Code, those that operate under the lodge system, and certain veterans organizations, all of which are referenced in Section 2055 of the Internal Revenue Code. Under current law, property passing to "501(c)(3)" organizations is exempt from the inheritance tax.

## **SHORT-TERM RENTAL VEHICLES**

**House Bill 724** (passed) revises the tax treatment of short-term rental vehicles in the State, effective July 1, 1999. Under current law, short-term rental vehicles are technically subject to both the motor vehicle excise tax (which is dedicated to the Transportation Trust Fund) and the State sales and use tax (which goes to the State General Fund). However, under current law, the rental car company is allowed to recover the amount of the motor vehicle excise tax the vendor has paid on short-term rental vehicles by means of a credit against the sales and use tax that the vendor is required to remit to the Comptroller. This credit structure allows for the distribution of revenues to the Transportation Trust Fund while relieving the burden of the imposition of two different taxes. Under the current law, the existing tax structure would sunset on June 30, 1999, and after that date, the sales tax credit for motor vehicle excise tax would be eliminated.

**House Bill 724** simplifies the existing double taxation/credit system by exempting short-term rental vehicles from the motor vehicle excise tax. To offset the loss of revenue to the Transportation Trust Fund that would result from this exemption, the bill provides for a distribution to the Transportation Trust Fund of 45% of the sales and use tax collected on short-term rental vehicles, with 80% of that amount going to the Gasoline and Motor Vehicle Revenue Account (shared with local governments) as currently occurs with motor vehicle excise tax revenues. The credit provision under the sales and use tax is repealed, except for credits resulting from titling tax on vehicles titled before the effective date of the bill. The bill also makes permanent the 11.5% sales and use tax rate applicable to short-term rentals of passenger cars and multipurpose vehicles, repealing the sunset date applicable to that provision.

## **ELECTRIC UTILITY TAX REFORM**

As has occurred in the telecommunications, natural gas, and airline industries, the electric utility industry is in the process of transition from a regulated monopoly industry to a competitive market. (See the discussion of proposals related to retail electric competition generally in *The 90 Day Report* under the subpart "Public Service

Companies" under Part H - Business and Economic Issue.) The current structure of Maryland State and local taxation of the electric industry is ill-suited for retail electric competition, because the tax structure is tied to the current monopoly structure of the industry. Without changes to the existing tax structure, retail electric competition would result in disparate taxation with respect to competing providers, creating competitive inequities and distorting the "level playing field" desired for a competitive industry. The prospect of retail electric competition in the State also will have significant revenue implications for the State's public service company franchise tax and for local property taxes.

While there was consensus that significant further study would be required before undertaking a major revision of the State's taxes relating to electric utilities, the issue was formally put before the General Assembly during the 1998 Session by the introduction of two bills that would have addressed several of the tax issues presented by retail electric competition. **House Bill 1322** (failed) and **House Bill 1323** (failed) would have made significant changes to the taxation of electric utilities in the State. Among other changes, the bills would have:

- (1) replaced the existing public service company franchise tax imposed on electric utilities (a 2% gross receipts tax) with a tax based on the kilowatt hours of electricity delivered for final consumption within the State;
- (2) imposed the 7% corporate income tax on electric utilities; and
- (3) allowed credits against State taxes for 60% of the total local property taxes paid on machinery and equipment used to generate electricity in the State.

The State and local tax implications of retail electric competition will be further studied during the legislative interim and legislation addressing these issues is expected to be before the General Assembly in the 1999 Session.

# **Part B**

## **TAXES**

### **MISCELLANEOUS TAXES - LOCAL**

#### **MONTGOMERY COUNTY - ADMISSIONS AND AMUSEMENT TAX**

***House Bill 904*** (passed) prohibits Montgomery County from imposing an admissions and amusement tax on gross receipts received in an enterprise zone and derived from a charge for: (1) admission to a nightclub or room in a hotel, restaurant, hall, or other place where dancing privileges, music, or other entertainment is provided; or (2) merchandise, refreshment, or a service sold or served in connection with entertainment at a nightclub or room in a hotel, restaurant, hall, or other place where dancing privileges, music, or other entertainment is provided.

# Part C

## STATE GOVERNMENT

### STATE AGENCIES, OFFICES, AND OFFICIALS

#### State Agencies

##### Department of Aging

The Office on Aging originated in 1959 as the State Coordinating Commission on the Problems of the Aging and was renamed in 1971 as the Commission on Aging. In 1974, the Governor established the Governor's Coordinating Office on Problems of the Aging. In the following year, this Office and the Commission merged to form the Office on Aging, a cabinet-level unit. *Senate Bill 176/House Bill 269* (both passed) remove the Office on Aging from the Executive Department and create the Department of Aging as a principal department of the State government. The head of the Department is the Secretary of Aging, appointed by the Governor with the advice and consent of the Senate. By July 1, 1999, the Secretary must report to the Governor and the General Assembly concerning a strategic plan to prepare the State for the growth of the elderly population over the next 30 years. Components of the strategic plan must include recommendations for: (1) using information technology to provide the elderly with user-friendly computerized access to State, local, and private services; (2) streamlining and coordinating systems for processing requests for information about services for the elderly provided by State and local agencies; (3) using senior centers and public-private partnerships to promote education concerning health care, disease prevention, financial preparation for later life (including long-term care), and available services; and (4) promoting and developing service information and education programs delivered by volunteer retirees.

##### Interagency Committee on Aging Services

For the purpose of providing the Interagency Committee on Aging Services with greater flexibility in scheduling meetings which the participating agency heads may attend, *House Bill 228* (passed) requires the Chairman of the Committee to designate at least one of the Committee's mandatory quarterly meetings as an executive meeting and authorizes a member of the Committee to send a designee to represent that member at any meeting that is not an executive meeting. Among other duties, the Committee is charged under current law with annually updating a plan for providing coordinated health, social, transportation, housing, and employment services to the elderly in the State, consistent with the priorities established by the Office on Aging.

##### Maryland Insurance Administration

*Senate Bill 705* (passed) alters the funding mechanism of the Maryland Insurance Administration by making the Administration a special fund agency and requires the Maryland Insurance Commissioner to collect an annual assessment from insurers in the State to support this unit's regulatory responsibilities. The assessment equals the approved annual budget for the Administration, less the amount of fees that the Administration collects, and cannot exceed 40% of the agency's approved budget appropriation. For insurers, the amount of the assessment varies depending on whether the insurer is a health, life, property and casualty, or multiple-type insurer and is based on the extent of gross direct premium written by the insurer in the prior calendar year compared to the total amount of gross direct premiums written by all insurers in the same line for that year. The minimum assessment for each authorized insurer is \$300. The total amount of the assessment collected by the Commissioner is deposited into an Insurance Regulation Fund along with revenues received from other specified sources. The Fund is under the supervision of the State Treasurer, with expenditures from the Fund used to pay all the costs and expenses of the Insurance Administration related to its regulatory responsibilities over insurers in the State. (A more extensive description of this bill may be found in Part H - "Business and Economic Issues" of *The 90 Day Report*).

##### Maryland Public Broadcasting Commission

**Senate Bill 83** (passed) codifies current practice by authorizing the Maryland Public Broadcasting Commission to appoint a President to serve as chief executive officer for the Commission. The President serves at the pleasure of the Commission, is entitled to compensation established by the Commission, and directs the Commission's staff to carry out the responsibilities of the unit in developing, operating, and maintaining a system for educational and cultural radio and television programming throughout the State. In recognition of the unique duties of individuals who are employed with the Commission, and the fact that the Commission receives only 28% of its operating revenues from the State, the bill also grants the Commission independent personnel authority to fix the compensation of its executive service, management service, and special appointment employees on the recommendation of the President and, when possible, in accordance with the State Pay Plan.

## **OFFICIALS**

### **Governor**

#### Salary

**Senate Joint Resolution 1** (passed) maintains the annual salaries of the Governor and the Lieutenant Governor at their current levels of \$120,000 and \$100,000 respectively for the next term of office beginning January 20, 1999. These amounts are \$15,000 less than the increase recommended by the Governor's Salary Commission for each official.

#### Office on Volunteerism

The Governor's Office on Volunteerism, which was established in 1986, provides support for volunteer programs in the public and private sector throughout the State. To enhance the coordination of volunteer and service efforts at the State level, **Senate Bill 272** (passed) changes the name of this office to the Governor's Office on Service and Volunteerism.

#### Term

The Maryland Constitution currently specifies that the Governor's term of office begins on the third Wednesday of January next ensuing the Governor's election. The General Assembly convenes the second Wednesday of January. For the purpose of authorizing the Governor's term to commence before the commencement of the General Assembly to allow the Governor more time to put the budget together in the first year of the term and, in many instances, to settle into office, **House Bill 158** (failed), would have amended the Constitution to require the Governor's term to commence on the first Wednesday in January, effective with the term that begins in 2003.

#### Pardons

In an attempt to limit the authority of the Governor to grant reprieves and pardons and to commute criminal sentences, **Senate Bill 267/House Bill 69** (both failed) would have amended the Maryland Constitution to prohibit the exercise of these powers during the following time periods: (1) after the last general election that is held during the final term of the Governor; (2) the period between a primary election in which the Governor is not renominated and the inauguration of the next succeeding Governor; and (3) the second term of the Governor, if the request for a pardon is made during that term and the information on which the requested pardon is based was available at any time during the Governor's first term. The Governor's authority to grant pardons has been subject to greater scrutiny after former Governor William D. Schaefer, on his last day in office in January of 1995, commuted the life sentences of a convicted murderer to one 45-year term, thereby making the individual eligible for parole.

### **Treasurer**

#### Investment Authority

Under current law, the State Treasurer is authorized to invest or reinvest unexpended or surplus money over

which the Treasurer has custody in money market mutual funds registered with the federal Securities and Exchange Commission and operated in accordance with rules established under federal law. Local governments are also subject under current law to the same requirement. **Senate Bill 415** (passed) further limits investment authority in money market mutual funds by requiring the Treasurer, and indirectly local governments, to invest only in those funds that contain government-backed securities. Accordingly, the bill effectively eliminates investment in "prime" money market funds, which are relatively more risky than other types of funds in this investment category, and ensures that local governments do not exceed current restrictions concerning the amount of portfolio holdings invested in commercial paper, which often are included within prime money market funds.

### Collateral for Public Fund Deposits

For the purpose of clarifying that obligations of certain government-sponsored private enterprises are acceptable collateral to secure public funds on deposit with financial institutions, **Senate Bill 414/House Bill 694** (both passed) recognize the obligations of the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association (Freddie Mac), Farm Credit System, Federal Agricultural Mortgage Corporation, and the Student Loan Marketing Association (Sally Mae). The bills are in response to a 1994 Opinion of the State Attorney General clarifying that the State Treasurer may invest in government-sponsored enterprises and the additional opinion of the Treasurer's counsel that these investments are similarly acceptable as collateral for public funds on deposit at financial institutions.

### Staff

Under current law, State employees in the skilled service and professional service are hired through the State recruitment process and terminated only for "just cause". As a means of providing the State Treasurer with greater flexibility to recruit and retain experienced professionals who have experience and expertise in banking, investments, finance, and insurance, **Senate Bill 416** (failed) would have provided that members of the staff of the State Treasurer are deemed special appointment employees who serve at the pleasure of the Treasurer. The Treasurer's Office has 50 employees, of whom 35 are skilled service or professional service employees who would have been affected by the bill.

### Miscellaneous Officials

#### Special Police Officers

Under current law, the Governor may appoint and deputize special police officers for special police commissions to protect property, such as government buildings. Individuals appointed by the Governor for this purpose are deemed to be employees of the State, agency, governing body, school system, or business concern that requests the officer's appointment. **Senate Bill 71** (passed) fills a gap in the current law by authorizing the Governor to *suspend* a commission, in addition to terminating a commission, as the law presently allows. Similarly, the Governor will be permitted to delegate authority to revoke or suspend a commission to the Secretary of State, the Assistant Secretary of State, or both. The bill also requires a special police officer who receives a commission to surrender to the officer's employer any identification or badge that identifies the individual as a special police officer within 48 hours after the termination or suspension of the employment of the officer or of the officer's commission. Finally, the bill prohibits the termination of a commission where the employer no longer needs the services of the officer because the business property described in the officer's commission has been transferred to another person for legitimate and legal business purposes and the transferee executes a proper form indicating that the transferee will employ the officer to protect that property and will assume all responsibilities of the original applicant employer.

#### Deputy Secretaries of Public Safety and Correctional Services

In light of the significant expansion in new responsibilities and increased workload of the Department of Public Safety and Correctional Services in recent years, particularly in connection with the management and accommodation of the State's prison population, **House Bill 184** (passed) requires the Secretary of Public Safety and Correctional Services to appoint two deputy secretaries to serve at the pleasure of the Secretary. Current law

requires the Secretary to appoint only one deputy secretary. Of the two deputy secretaries, one is designated to be the acting Secretary of Public Safety and Correctional Services when the Secretary is absent from the State or otherwise unavailable. The creation of a second deputy secretary is expected to strengthen the organizational structure and administrative functioning of this department.

## **MILITIA - HONOR GUARD AT FUNERALS OF VETERANS**

Owing to the downsizing of the active armed forces and associated budget cuts, honor guards composed of active members of the armed forces have not been available in many areas of the State to attend the funerals of all deceased veterans who were eligible for this traditional service. In response to this situation, *Senate Bill 693/House Bill 1052* (both passed) authorize the Adjutant General of the State to organize a uniformed honor guard from the National Guard or the organized militia to attend the burial service of a deceased veteran. The Adjutant General could take this action if the commander of an accredited veterans' organization or a friend or relative of the deceased veteran so requests, a uniformed honor guard from the active armed forces or veterans' organization is not available, and the Adjutant General determines that provision of the honor guard will not have a detrimental effect on the readiness of the National Guard in the event of an emergency or on the employment of the member of the National Guard. The bills further permit the Adjutant General to request an honor guard from a veterans' organization to attend the burial service if an honor guard from the active armed forces is unavailable.

## **LOTTERY**

### **Advertisements and Promotions**

For advertising and promotional purposes, current law requires the Director of the State Lottery Agency to contract for the use of space on tickets or publications distributed by the Agency, subject to the approval of the State Lottery Commission and applicable requirements of the State procurement law. Although the Agency must implement an advertising campaign on lottery tickets and publications, this activity is currently not cost effective. Accordingly, *House Bill 234* (passed) further qualifies the Director's authority in this regard by specifying that, in the discretion of the Director, the contract must be fiscally prudent and in the best interest of the State lottery.

### **Commission Compensation and Reimbursement**

*Senate Bill 197* (passed) allows members of the State Lottery Commission to receive compensation as payment for attendance at meetings of the Commission or other lottery functions. The amount of annual compensation may not exceed \$165 per meeting attended for the Chairman or \$125 per meeting attended for other members of the Commission. The bill reflects the growth in the lottery over the past 25 years and a legislative intent to recognize the commitment of time and resources made by the State's lottery commissioners. A majority of the lottery agencies in other states compensate their lottery commissioners.

### **Compensation for Agents**

Current law prohibits a lottery agent in the State from receiving a commission that exceeds 5% of the agent's gross receipts from ticket sales in each year. Under the State Lottery Agency's regulations, however, the Agency has been paying agents 4% of gross receipts for sales commissions and a 3% "cashing-out" fee, with agents receiving a total of about 5.3% in total sales from these two sources. *House Bill 305* (passed) clarifies that the 5% limitation under current law applies only to sales commissions and explicitly allows agents to receive a separate cashing-out fee not to exceed 3% of valid prizes paid for services the agent renders in cashing winning lottery tickets. Additionally, the Agency is required to pay an agent a commission of 5% of the agent's gross receipts on the sale of instant tickets. The bill further repeals a requirement under existing law that the Agency annually appropriate funds from its operating budget for bonuses and incentives for agents.

## **GOVERNMENT FORMS - RACIAL DESIGNATION**

In the Fall of 1997 the federal Office of Management and Budget issued Revised Standards for the Classification of Federal Data on Race and Ethnicity. In order to conform State forms with these revised standards, *House Bill*

253 (passed) authorizes that, in the preparation of a form that requires identification of individuals by race, a department or independent unit of State government will include the following racial categories, of which respondents may pick more than one: (1) American Indian or Alaskan Native; (2) Asian; (3) Black or African American; (4) Native Hawaiian or Other Pacific Islander; and (5) White. The bill also requires that there be a separate question about whether a respondent is of Hispanic or Latino origin, with the question preceding the racial category question. All relevant data forms must reflect these standards no later than January 1, 2002.

## **AFRICAN AMERICAN HISTORY**

### **Task Force on Slavery**

Slavery existed in the 13 American colonies and the United States between 1619 and 1865. Congress has pending before it a bill that would establish a Commission to Study Reparation Proposals for African Americans. The Commission would examine slavery and discrimination in the United States from 1619 to the present and recommend appropriate remedies. In conjunction with the federal legislation, **House Bill 923** (passed) creates a Task Force to Study the History and Legacy of Slavery in Maryland. The Task Force will study the history and effects of slavery and identify the contributions made by African Americans despite the barriers of the institution of slavery.

### **African American Museum**

The Governor's fiscal year 1999 capital budget includes \$1.58 million in bonds to be administered by the Department of Housing and Community Development for the preparation of detailed plans to construct an African American Museum. As a result of this initiative, **Senate Bill 716/House Bill 1299** (both passed) establishes a Maryland African American Museum Corporation as an independent unit in the Executive Branch. The Corporation will plan, develop, and manage a Maryland Museum of African American History and Culture in Baltimore City with the support of the Mayor and City Council, affected State agencies, and other institutions. The total capital project cost is estimated at \$24.7 million, with an estimated completion date of August 2001.

### **Buffalo Soldiers**

**Senate Joint Resolution 12** (passed) acknowledges the contributions of African American soldiers in defending the United States of America in every major conflict in which the United States has been involved by designating February 20 of each year to be "Buffalo Soldier Day" in Maryland.

## **STATE DESIGNATIONS**

Maryland currently has a State sport (jousting), a State tree (the white oak), a State boat (the skipjack), a State theater (Center Stage in Baltimore) and a summer theater (the Olney Theater in Montgomery County), a State fossil shell (eophora gardnerae gardnerae), a State folk dance (square dancing), a State reptile (the diamondback terrapin), a State insect (the Baltimore Checkerspot Butterfly), a State crustacean (the Baltimore Blue Crab), a State bird (the Baltimore Oriole), a State dog (the Chesapeake Bay retriever), a State fish (the striped bass or rockfish), a State flower (the Black-Eyed Susan), and a State song (Maryland! My Maryland!). This session, the list was expanded to include two more.

### **State Drink**

**House Bill 166** (passed) designates milk as the State drink.

### **State Dinosaur**

**Senate Bill 520/House Bill 1170** (both passed) designate the *Astrodon johnstoni* as the State dinosaur. The *Astrodon johnstoni* was the first dinosaur to be identified in Maryland. Teeth from the dinosaur were first recovered by Philip Tyson, the State Agricultural Chemist, from an iron mine in Bladensburg in 1859. Mr. Tyson presented the teeth to Dr. Christopher Johnston, who subsequently described the teeth, and after whom the

Astrodon (star-tooth) johnstoni was named.

## MISCELLANEOUS

### English Language

By the beginning of 1998, 23 states had designated English as their official language. *Senate Bill 236/House Bill 443* (both failed) would have designated English as the official language of the government of Maryland. English would have been the language of government functions and actions. The bills would have applied to the Legislative, Executive, and Judicial Branches of government and would have required all official documents (with certain exceptions) to be written and published in English.

### Digital Signature Technology

Digital signature technology is a means of facilitating electronic commerce through the Internet. Electronic commerce is transacted across state, national, and international boundaries through computer networks and is predicted to be the method that most organizations will use to conduct business in the future. Although the business world is working to effectively utilize digital signature technology, there is no legal infrastructure that comprehensively addresses the many issues surrounding digital signatures. As a result of the emergence of this new technology, the Governor created a Digital Signature Task Force. The work of that Task Force is embodied in *House Bill 523* (passed) which creates a digital signature pilot program in State government. The bill authorizes the Secretary of State, the State Archives, the Department of General Services, the Department of Budget and Management, and any other agency authorized by the Governor to utilize digital signatures. Digital signatures may be used in any communication within the agency, with other participating agencies or other governmental entities (including units of federal or local government). Governmental entities are not required to accept digital signatures, although if they are accepted they will have the same effect as manual signatures.

### Telecommuting

During the 1995 session, a pilot program was established to study the feasibility of allowing State employees to purchase low-cost computers in order to permit the employees to telecommute under certain circumstances. The pilot program was to terminate on September 30, 1998. As a result of the continued studies of this issue by the Department of Budget and Management, *House Bill 983* (passed) reestablishes the State Telecommuting Pilot Program for an additional 3 years, until September 30, 2001. This legislation allows State employees to work in nontraditional locations through the use of telecommunications technology. The bill also creates a State employee computer purchasing program to allow telecommuting State employees to purchase computers at discount prices or through low-interest loans provided by the State Employees Credit Union.

# Part C

## STATE GOVERNMENT

### ELECTIONS

#### GENERAL REVISION OF ELECTION LAWS

##### The Work of the Commission to Revise the Election Code

The State's Election Code has been noted for years for its poor organization, ambiguity, and numerous obsolete provisions.

The long-anticipated goal of enacting a totally revised State Election Code was finally achieved in the 1998 Session. *Senate Bill 118* (passed) is the product of 2 years of work by the Commission to Revise the Election Code. The nine-member bipartisan Commission, created by legislation during the 1996 Session, was composed of appointees of the Governor, the Speaker and the Minority Leader of the House, and the President and the Minority Leader of the Senate. The Commission was established pursuant to the recommendation of the 1995 Task Force to Review the State's Election Law, which had been appointed after the 1994 general election to examine the State's election process and make recommendations to improve it.

The Commission was directed by law to make a comprehensive revision of the Election Code (Article 33 of the Annotated Code of Maryland), based on a full review of the current law and the election process in all of its aspects. Archaic provisions were to be removed, and omissions and contradictions were to be resolved. The revised Code was to be characterized by "... clarity, precision, consistence, conformity, completeness, and effectiveness ..." and to include "... substantive structural changes ... the Commission considers necessary to meet the needs of modern election administration".

In developing the revised Election Code, the Commission was guided by several policies and goals that had been recommended by the 1995 Task Force, including:

To make the Election Code understandable and to lend itself to easy reference;

To enhance the effectiveness of the State Board of Elections and clearly define its authority and responsibilities;

To establish high standards of performance for all aspects of election administration and to apply the standards uniformly throughout the State to the extent practicable, feasible, and necessary, given the vast differences between and among the 24 jurisdictions of the State; and

To maximize the use of technology in election administration by developing a total election administration system in which the variety of administrative functions in the election process are tied together in an integrated computer-based system.

*Senate Bill 118* reflects the work of the Commission to incorporate these goals and policies in the new Election Code. The bill provides a rational organization to the Election Code; sets policy; authorizes the State Administrative Board of Election Laws (renamed to be the State Board of Elections) to adopt regulations and establish procedures to carry out the policies; standardizes nomenclature for all election processes, concepts, documents, officials, and other entities; leaves unchanged the numerous "local" provisions in the current law that were enacted over the years at the request of a single county or Baltimore City and apply only to that subdivision; and makes no substantive changes to the provisions in the current law relating to campaign finance and disclosure by persons doing public business. The effective date of the bill is January 1, 1999, the beginning of the quadrennial election cycle that starts after the next gubernatorial election.

##### Summary of Substantive Changes

A summary overview showing the structure and highlighting some of the specific provisions in the 16 titles of the new Election Code is set forth below.

#### Title 1: Definitions and General Provisions

Definitions are added, deleted, or amended to reflect changes in the revised article; a statement of purpose, expressing legislative intent, has been added; and the law is changed to authorize the filing of any document by "fax" (facsimile machine) transmittal unless the document is required to contain a signed affidavit.

#### Title 2: Powers and Duties of the State and Local Boards

Authority of the State Board of Elections is broadened and clarified. For example, the State Board is specifically empowered and directed to "direct, support, monitor, and evaluate the activities of each local board".

The State Administrator, a professional staff director, will be appointed by and serve at the pleasure of the State Board. Under current law the State Administrator is appointed by the Governor for a 6-year term.

Each local election board will be headed by an election director appointed by the members of the board. Specific duties previously assigned to the local board have been changed to be duties of (or made delegable to) the election director. The terms of members of local boards is changed from 2 years to 4 years.

#### Title 3: Voter Registration

Provisions relating to registration are clarified and will be supplemented by regulations to be adopted by the State Board of Elections.

#### Title 4: Political Parties

If there is a conflict between State law and party constitution and bylaw, the party position prevails unless there is a compelling State interest (reflecting the U.S. Supreme Court position in Eu v. San Francisco County Democratic Central Committee).

#### Title 5: Candidates

The use of nicknames on the ballot are allowed, subject to specified standards. The bill also modifies the requirements for nomination of candidates by petition, and the standards were further altered in a separate bill discussed below.

#### Title 6: Petitions

The State Board of Elections is to adopt regulations covering the form and content of petitions, circulation procedures, and verification and counting of signatures. Verification by random sample will be allowed, if approved by the State Board.

#### Title 7: Questions

The law relating to ballot questions is clarified and modernized.

#### Title 8: Elections

The process for filling vacancies in the U.S. Senate and House of Representatives has been clarified under the new Election Code. In the case of a Senate seat, the individual appointed by the Governor to fill a vacancy will serve the remainder of the term if the vacancy occurs later than 21 days before the filing deadline for the congressional election held in the fourth year of the term. If the vacancy occurs before the 21st day preceding the filing deadline, the Governor will issue a proclamation declaring that a special primary and special general election will be held concurrent with the next regular statewide primary and general elections. If a vacancy occurs

less than 21 days before the filing deadline in the second year of the term, the special election will take place in the fourth year of the term.

If a House of Representatives vacancy occurs during the period beginning 120 days before the regular primary election and ending 40 days before the regular primary election, the special primary election will be merged with the regular primary election. Candidates filing certificates of candidacy for a regular primary election will be deemed to have filed certificates for the special primary election. The winner will be the nominee in both the special general election and the subsequent regular general election. (This process was used to fill the vacancy in the Seventh Congressional District in 1996, in accordance with a special law enacted for that election.)

#### Title 9: Voting

The State Board of Elections is charged with the responsibility to adopt regulations to govern all types of voting systems. The regulations will replace numerous archaic provisions of the current statute repealed by the revised Election Code.

#### Title 10: Polling Places

The State Board of Elections is required to develop a program of instruction for election judges. Detailed procedures for election judges will be in an instruction manual developed by the State Board.

#### Title 11: Canvassing

Canvassing of votes is governed by regulations, providing a uniform statewide process.

#### Title 12: Contested Elections

The revision provides for the first time for a recount of the certified results of a question.

#### Title 13: Campaign Finance

The *only* change made to this title is to include, as "campaign material", information transmitted by or appearing on an electronic medium, such as the Internet.

#### Title 14: Disclosure by Persons Doing Public Business

No substantive change is made to this title.

#### Title 15: Public Financing Act

No substantive change is made to this title.

#### Title 16: Offenses and Penalties

The law dealing with election-related offenses is reorganized and consolidated. A new provision is added establishing a felony offense with a penalty of up to a \$50,000 fine and 10 years in jail for tampering with electronic voting system.

### **ADDITIONAL BILLS SPONSORED BY THE COMMISSION TO REVISE THE ELECTION CODE**

In addition to the general revision of the Election Code embodied in *Senate Bill 118* (passed), the Commission also proposed eight separate bills to address several other potentially controversial issues that the Commission opted not to include in the general revision. Four of these measures were passed by the General Assembly.

#### **Political Parties and Nomination of Candidates - Petition Signature Requirements**

Unaffiliated candidates and advocates for new or "minor" political parties long have complained that Maryland laws are among the most restrictive in the country in the requirements for establishing and maintaining official status as a party, as well as for gaining access to the ballot by the petition process. *Senate Bill 123* (passed) addresses those concerns by altering several requirements regarding petition signatures and the qualification of political parties.

The law relating to political parties is changed to:

- (1) Allow a new political party to nominate its candidates by convention, if at least 1% of the State's registered voters, as of January 1st in the year of the election, are affiliated with the political party;
- (2) After qualification, allow a new political party to continue as a recognized political party through the next two statewide general elections, regardless of the election results or the party's voter registration figures; and
- (3) At the conclusion of the second general election following recognition, allow the party to continue to be a recognized political party if:
  - (i) the party's candidate for the highest office on the ballot in a statewide general election received at least 1% of the total vote for that office; or
  - (ii) the most current voter registration totals showed that at least 1% of the State's registered voters were affiliated with that party. The determination would be made on the December 31 following the election.

*Senate Bill 123*, in concert with *Senate Bill 118*, also reduces the petition requirements for an unaffiliated or minor party candidate from 3% to 1% of the registered voters eligible to vote in the contest.

#### **Close of Voter Registration Books Prior to an Election**

In order to increase the opportunity for citizens to participate in the electoral process, *Senate Bill 121/House Bill 121* (both passed) shorten from 29 days to 24 days the period of time prior to an election during which voter registration is closed, commencing with the primary election in the year 2000. The bill also provides that the period of time when the voter registration books will be closed prior to an election will be shortened even further - to 21 days - prior to the 2002 primary election.

#### **Waiver of Costs for Election Recounts**

*Senate Bill 122/House Bill 122* (both passed) provide for the waiver of costs for a vote recount following an election by mandating a recount if the margin of difference in the number of votes received by an apparent winner and the losing candidate with the highest number of votes for an office (or, in the case of a question, the margin of difference between the number of votes cast for and the number of votes cast against the question) is 0.1% or less.

#### **Assumption of Nomination by Lt. Governor Nominee in the Event of a Late Vacancy by the Nominee for Governor**

*Senate Bill 126/House Bill 123* (both passed) provide that if a gubernatorial nominee dies, declines the nomination, or is disqualified less than 15 days before a scheduled election, the Lieutenant Governor nominee may assume the status of gubernatorial nominee and thereafter campaign for the office of Governor.

#### **Proposals Endorsed by the Commission That Were Not Passed**

Four of the separate election law proposals endorsed by the Commission were not passed: *Senate Bill 120/House Bill 124* (both failed), which would have repealed the provision in State law that requires a candidate's county of residence to appear on the ballot if the contest is for an office that represents more than one county; *Senate Bill 124/House Bill 120* (both failed), which would have aided in the identification of voters by requiring a voter

registration applicant to provide election officials with the last four digits of the applicant's Social Security number; *Senate Bill 127/House Bill 119* (both failed), which would have repealed all filing fees in connection with the filing of a certificate of candidacy for public or party office; and *Senate Bill 128/House Bill 125* (both failed), a constitutional amendment which would have eliminated specific publication requirements for ballot questions proposing amendments to the Maryland Constitution and certain referendum.

## **CAMPAIGN FINANCE REPORTS**

The General Assembly passed several bills governing the information contained in campaign finance reports filed by candidates and political committees.

### **Surplus Campaign Funds Held by Former Officeholders**

In order to address concerns raised because some former officeholders continue to maintain campaign fund accounts that hold significant amounts of money for many years after leaving office, *House Bill 1006* (passed) sets a time limit on the retention of such funds by an individual who:

- (1) is not an officeholder or a candidate for election to public or party office, and each political committee affiliated with that individual; and
- (2) after payment of all outstanding debts or deficits in connection with an election campaign, has a balance of surplus funds in a campaign account.

Under the bill, an individual or entity subject to the retention limitation must file a final campaign report to close out the campaign accounts of the individual, and of each political committee affiliated with the individual, by the expiration of the 8th year following the latter of:

- (1) the end of the individual's most recent term of office;
- (2) the date of the election for which the individual last was a candidate; or
- (3) the extinguishment of every debt or the deficit incurred in connection with the campaign that is payable from the account.

Surplus campaign funds must be disposed of in accordance with, and for the purposes directed under, the Election Code. A political committee that continues in existence from year to year that becomes subject to the restrictions of the bill on January 1, 1999, must comply with the requirements for the disposition of surplus campaign funds by December 31, 2006.

### **Audit of Campaign Fund Reports of Political Committees**

Current law provides that the State Administrator of Election Laws shall receive and may audit any financial reports of *candidates*. *Senate Bill 70* (passed) authorizes the State Administrator to audit the campaign reports of *political committees*. Historically, the State Administrator has conducted audits of political committees. However, in 1994 a noncandidate political committee challenged the absence of a direct reference to political committees in the current law. Additionally, the Office of Legislative Audits has recommended that the State Board of Elections seek to amend the law to clearly specify its authority to audit all campaign-related financial reports subject to its jurisdiction.

### **Attribution of Campaign Contributions to Non-Corporate Business Entities**

Under current law, it is "... unlawful for an individual, association, unincorporated association, corporation, or any other entity, directly or indirectly, to contribute any money or thing of value greater than \$4,000 to any candidate or political committee ..." or to make aggregate contributions in excess of \$10,000 in any 4-year election cycle. The law further provides that campaign contributions made by a *corporation* and any wholly owned subsidiary of

the corporation or two or more corporations owned by the same stockholder are considered as having been made by a single contributor for purposes of establishing the campaign contribution limits that apply to the corporation.

**House Bill 1144** (failed) would have treated affiliates of *limited liability companies, real estate investment trusts, and partnerships*, in the same manner as affiliates of corporations for purposes of determining the campaign contribution limitations that apply to those entities. Under the bill, contributions by a corporation, limited liability company, real estate investment company, or partnership, and the respective affiliates of each of these entities, all would have been treated as a single donor for purposes of establishing the contribution limitations that apply to the entity. Limited liability companies would be deemed affiliated if they consist of the same members; real estate investment trusts, if they consist of the same shareholders; and partnerships, if they consist of the same partners under the Maryland Uniform Partnership Act or consist of the same general partners under the Maryland Limited Partnership Act.

### **Prohibitions on the Use of Information from Campaign Reports**

**House Bill 877** (failed) would have prohibited the sale or use of information obtained solely from reports, statements, or accounts relating to campaign contributions for commercial purposes or to solicit charitable contributions. The prohibition would not have applied, however, to the candidate or political committee filing the campaign finance reports, statements, or accounts; that individual or entity would have been authorized to use the information for any purpose.

### **ELECTION JUDGES**

**House Bill 907** (passed) authorizes the local election boards in the State to appoint election judges, other than the chief judge, to serve for less than a full day and to be paid a pro rata amount of the salary that is set for a judge who works for a full day.

Local election boards currently appoint at least four judges for each precinct. The appointees may include representatives of the majority party, the principal minority party, and individuals who decline to affiliate with a political party. If an election judge is not present after the polls have been open for 15 minutes, the judges present are empowered to select a replacement of the same political party as the absent judge. When a judge must be excused after the polls have opened, the judge must also appoint a replacement from the same political party until the judge returns.

In the December 31, 1995, Report of the Task Force to Review the State's Election Law, it was reported that many jurisdictions throughout the State have difficulty finding a sufficient number of qualified persons to serve as election judges at the polls and that additional measures were needed to address the shortfalls.

### **VOTER REGISTRATION**

In an effort to increase the voter registration rolls and promote voter registration among the young adult population, while also providing a convenient opportunity for individuals attending institutions of higher education in the State to register to vote, **House Bill 1341** (passed) designates each State institution of higher education as a voter registration agency. At the student's request, an institution would be required to provide, or cause to be provided, a voter registration application to the individual at the time the individual enrolls, registers, or pays for course work.

The current election law designates all offices in the State that provide public assistance and that provide State-funded programs primarily engaged in providing services to individuals with disabilities as voter registration agencies. Qualified individuals also may apply to register to vote at public agencies and nongovernmental agencies designated as voter registration agencies and may register to vote in conjunction with the issuance or renewal of a driver's license and by mail.

# Part C

## STATE GOVERNMENT

### ETHICS

#### LEGISLATIVE ETHICS LAW REFORM

Legislative ethics was the focus of considerable attention during the 1998 Session. Early in the Session, the Senate voted to expel one of its members on the basis of findings of violations of the Public Ethics Law, as set forth in the Report of the Joint Committee on Legislative Ethics issued on January 12, 1998. Later in the Session, a member of the House of Delegates resigned while under investigation by the Joint Committee on Legislative Ethics.

#### Special Study Commission

The apparent uncertainty regarding the standards to which legislators should be held in balancing their legislative duties with their private lives highlighted the need for a careful examination of the Maryland Public Ethics Law. *Senate Joint Resolution 4/House Joint Resolution 4* (both passed) establish a Special Study Commission to review and make recommendations regarding the Ethics Law as it relates to the General Assembly and its members.

The Maryland Public Ethics Law was enacted almost 20 years ago. The legislative environment in Annapolis has changed during that time, and some of these changes have had an impact on ethics issues. The Study Commission is directed to make a broad examination of the Public Ethics Law, particularly as it relates to:

- (1) The relationship of members of the General Assembly with businesses, lobbyists, and nonlegislative State agencies, boards, and commissions;
- (2) The use of offices, staff, equipment, and resources provided to members of the General Assembly by the State;
- (3) The use of title and prestige of office for certain purposes;
- (4) Conflicts of interest, including employment with State agencies and businesses with issues before the General Assembly;
- (5) The disclosure of interests;
- (6) The authority and powers of the Joint Committee on Legislative Ethics; and
- (7) Any other matters related to legislative ethics that the Commission considers appropriate.

In addition, the Study Commission will review compliance with the "Guidelines for Compensation and Expenses for Legislators" to better identify, monitor, and enforce the appropriate standards for the use of public funds to pay legislative district office, telephone, and other expenses of members of the General Assembly.

The Study Commission will consist of six legislators and nine public members, with staff to be provided by the Department of Legislative Services. Any recommendations for legislative changes made by the Study Commission will be introduced during the 1999 legislative session. The Study Commission is required to report its findings and any recommendations for legislation to the President of the Senate and the Speaker of the House on or before February 1, 1999.

#### Joint Committee on Legislative Ethics - Advisory Services and Disclosure

Currently, the Joint Committee on Legislative Ethics is staffed by attorneys assigned on a part-time basis by the

Department of Legislative Services and, in extraordinary circumstances and when approved by the presiding officers, by outside independent counsel. The increased activities of the Joint Committee during this Session highlighted the Joint Committee's potential need for additional legal resources. ***House Bill 1248*** (failed) would have required the presiding officers to appoint a full-time attorney to serve as counsel to the Joint Committee. The duties of the ethics counsel would have included advising members about the requirements of applicable ethics laws or rules and helping members in preparing statements and reports that must be filed with the Joint Committee.

Under current law, members of the General Assembly are required to file annual financial disclosure statements with the State Ethics Commission in Baltimore. ***House Bill 1248*** would have required the State Ethics Commission to forward a copy of the financial disclosure statement of each legislator to the Joint Committee on Legislative Ethics, which would have maintained the financial disclosure statements of members in its public files in Annapolis. ***House Bill 1248*** also would have required the Joint Committee to keep a record of inspection activity relating to members' public files and to notify members when their files were examined or copied.

# Part C

## STATE GOVERNMENT

### PROCUREMENT

#### NONVISUAL ACCESS TO INFORMATION TECHNOLOGY

Currently, the State has no law requiring nonvisual access for information technology purchased through the State procurement process. *Senate Bill 240/House Bill 185* (both passed) require the Chief of Information Technology in the Department of Budget and Management to develop a clause for inclusion in State procurement contracts regarding nonvisual access. The nonvisual access clause must be included in each invitation for bids or request for proposals issued after December 31, 1998, unless the information technology is not available with nonvisual access because the essential elements of the technology are visual, and nonvisual equivalence cannot be developed; or the cost of modifying the information technology for compatibility with software and hardware for nonvisual access would increase the cost of the procurement by more than 5 percent.

The Department of Legislative Services estimates that any actual expenditure increase would be significantly less than 5 percent of procurement costs. For some procurements no additional expense would be necessary to meet the requirements. In other cases, additional expenses in an amount less than 5 percent would meet the requirements of the bills. Finally, the nonvisual access clause could be excluded under some contracts because the information technology simply is not available with nonvisual access. Further, any increase in expenditures could be offset to the extent that the inclusion of the nonvisual access clause results in a decrease in State expenditures to retrofit equipment that is not accessible.

#### HIGH-SPEED NETWORK DEVELOPMENT

In some parts of the country, developments involving high-speed computer networking are spurring both academic research and practical economic development. There is concern that the lack of high-speed networking capacity in Maryland limits the ability of institutions of higher education, resident federal agencies, and commercial ventures from interacting, particularly in areas outside the Baltimore-Washington corridor. *House Bill 847* (passed) establishes a 28-member task force to study network developments in other parts of the country, including North Carolina, California, Virginia, and West Virginia, and to assess the need for high-speed network development in Maryland. An initial report is due to the Governor and the General Assembly by January 1, 1999, and a final report is due January 1, 2000.

#### PAYMENT AND PERFORMANCE SECURITY FOR CONSTRUCTION CONTRACTS

The Maryland Little Miller Act provides that the State and local governments must require a contractor to provide both payment and performance security under a construction contract exceeding specified statutory thresholds. Payment security guarantees payment for labor and materials. Performance security guarantees the performance of the contract. Payment or performance security may be a bond, cash, or other security that is satisfactory to the public body awarding the contract. *Senate Bill 675/House Bill 1117* (both passed) amend the Little Miller Act by increasing the threshold amount requiring payment and performance security from \$50,000 to \$100,000. The bills also increase the maximum amount of construction contracts not involving State money where Baltimore City has discretion to determine security requirements. Under its program, Baltimore City may require security for contracts under \$200,000. However, under contracts for which security is required, the contractor must provide for payment security of at least 50 percent of the contract value.

#### PAYMENT OF SUBCONTRACTORS

For several years, subcontractors working on State projects have expressed concerns regarding the timeliness of their payments from prime contractors despite contract language intended to protect subcontractors and statutory provisions intended to assure prompt payment of subcontractors. *House Bill 1400* (failed) would have required a

general contractor for a State construction project to pay any subcontractor used in performance of the contract within 10 days after payment by the State to the general contractor, provided that the work by the subcontractor has been done in accordance with the generally accepted standards of the appropriate industry. The bill would have authorized the State to impose monetary penalties against a prime contract that failed to comply. The bill also would have required that the State Board of Contract Appeals adjudicate claims between contractors and subcontractors involving nonpayment for work. Although **House Bill 1400** failed, the Governor has been requested to have the relevant State agencies meet with representatives of the affected industries to explore how this problem might be appropriately addressed.

## **SANCTIONS AGAINST NIGERIA**

Prompted by concerns over human rights abuses by Nigeria's military government, **Senate Bill 354/House Bill 1273** (both failed) would have imposed sanctions against companies that do business in Nigeria similar to those imposed in the 1980s to protest South African apartheid. Nigeria is the fifth largest supplier of petroleum to the United States, accounting for 9 percent of all U.S. oil, 20 percent on the East Coast. Half of Nigeria's oil exports go to the United States. Opponents said the policy would raise oil prices and put Maryland at an economic disadvantage to its neighbors. According to officials from the United States Department of State, by acting alone, Maryland may have violated international trade agreements and undermined the federal government's efforts to address the problems in Nigeria in conjunction with other members of the international community.

# Part C

## STATE GOVERNMENT

### REGULATIONS AND ADMINISTRATIVE PROCEDURE ACT

#### ACCESS TO PUBLIC RECORDS

Several proposals on public access to State documents and records generated interest and debate in the 1998 General Assembly. However, all bills but one failed during this Session.

##### Denials - State Correctional Facilities

In the area of public safety, *House Bill 134* (passed) expands the protection of security measures for State correctional facilities. The bill allows a custodian of public records to deny inspection of records containing intelligence information or security procedures of those facilities if the inspection would interfere with law enforcement proceedings, constitute an invasion of privacy, or endanger an individual.

##### Electronic Records

###### Maryland Regulations

Consistent with the general trend toward increasing electronic access to governmental records through the Internet, *Senate Bill 573* (failed) would have required the Division of State Documents to make the *Maryland Register* and the *Code of Maryland Regulations* (COMAR) available to the public, at no cost, with direct on-line search capability. Under the bill, access would have been limited to personal, noncommercial use of the material, subject to a fine for each violation. Uncertainty relating to the effect of the proposal on current licensing arrangements and on the agency budget led to the defeat of the bill.

###### Other Public Records

The General Assembly considered several proposals on electronic materials as public records, but failed to achieve a consensus. *Senate Bill 387/House Bill 386* and *House Bill 1250* (all failed) would have declared electronic materials or reproductions of State records to be public records for purposes of public access. The bills would have limited the fees that an agency would have been able to charge for reproducing these materials and providing them to the public.

#### ADMINISTRATIVE PRACTICE

The two primary bills dealing with administrative practice during this Session both dealt with insurance.

##### Insurance Hearings

###### Insurer Representation

As an exception to the general rule that corporations must be represented in legal proceedings by an attorney, *Senate Bill 581/House Bill 816* (both passed) allow an insurer that is party to an administrative hearing on an insurance issue to designate an individual to appear on its behalf who is employed by the insurer in claims, underwriting, or as otherwise provided by the Insurance Commissioner. The insurer must grant to the designated representative the authority to resolve all issues involved in the hearing. The designated representative may appear on behalf of the insurer in proceedings before both the Maryland Insurance Administration and the Office of Administrative Hearings.

###### Appeal from Hearing

As a convenience to individuals in administrative insurance matters, in cases in which an individual is a party to the appeal, *Senate Bill 370* (Ch. 27) requires an appeal from an order entered in a hearing held by the Insurance Commissioner, or from a decision by the Commissioner not to hold a hearing, to be taken to the circuit court of the county in which the individual resides. Under current law, most appeals from a decision of the Commissioner must be taken to the Circuit Court for Baltimore City, whether the parties involved are individuals or other entities.

### **Open Meetings**

In order to increase accountability of "quasi-public" corporations, *Senate Bill 340* (failed) would have expanded the entities subject to the Open Meetings Law by including Maryland corporations in which at least 50% of the members of the corporation's governing body are required to be appointees of a public officer or employee. Several specific groups would have been excluded from the law.

# Part C

## STATE GOVERNMENT

### PERSONNEL

#### CONTRACTUAL EMPLOYEES

As the result of the State Personnel Management System Reform Act of 1996, the Department of Budget and Management was required to study the issue of long-term contractual employment. The Department submitted a report and developed several recommendations addressing long-term contractual employment. One recommendation was that the law should be changed to convert contractual employees to permanent positions after 6 months, instead of the current 24 months, of satisfactory on-the-job performance. *House Bill 767* (passed) allows the Department to convert contractual employees to permanent positions after 6 months of satisfactory job performance if: there is a continuing need for the function to be performed, the agency can document a competitive hiring process, the budgeted position was not available at the time the contractual employee was hired, and the employee meets the minimum qualifications for the budgeted position.

#### DISTRICT COURT EMPLOYEES

Clerical, administrative, and constabular employees of the District Court were included in the State Personnel Management System at a time when the Judiciary did not have its own personnel system. Currently, other District Court employees are under the personnel system of the Judicial Branch. Accordingly, the District Court has had to deal with two personnel systems.

*House Bill 1265* (passed) removes about 840 employees of the District Court from the State Personnel Management System and places them in the personnel system of the Judicial Branch along with the District Court's other employees. The bill also removes the authority of the Secretary of Budget and Management to set the salaries of District Court commissioners. In some aspects, these employees were already exempt under the 1996 Personnel Reform from certain provisions of the State Personnel Management System, including hiring, termination, and grievances. This bill reduces the Judiciary's administrative burden of dealing with two personnel systems.

# Part C

## STATE GOVERNMENT

### PENSIONS AND RETIREMENT

#### **BENEFIT ENHANCEMENT FOR EMPLOYEES' PENSION SYSTEM AND TEACHERS' PENSION SYSTEM**

To improve pension benefits for members of the Employees' Pension System (EPS) and the Teachers' Pension System (TPS), *House Bill 987* (passed) increases the benefit formula for both systems, provides an enhanced cost-of-living adjustment, and for the first time provides a State match to State employees' defined contribution plans. Except for the defined contribution component, which is effective July 1, 1999, the bill will take effect July 1, 1998.

The bill, as originally introduced, reflected a proposal for benefit enhancement from the Board of Trustees of the Maryland State Retirement and Pension System (MSRPS). The Board of Trustees was responding to a survey by the State Retirement Agency indicating that Maryland's teachers' and employees' systems rank among the lowest in the nation, as measured by total estimated benefits. While a subsequent analysis by the Department of Legislative Services showed that the agency's survey failed to take into account employee contributions, it was generally felt that the current pension benefits were inadequate and that certain features in particular, such as the simple COLA formula and integration with Social Security, needed to be addressed. The existing two-tiered benefit formula, provides lower benefits to lower-paid employees. In addition, benefit levels are actually eroding due to wages growing slower than the Social Security Wage Base. (Under the current formula, average final compensation below the Social Security Integration Level is subject to a 0.8% multiplier, while compensation above the integration level is subject to a 1.5% multiplier.)

#### **Defined Benefit Enhancements - Future Service**

All active TPS and EPS members (except employees of participating local governments and members who transfer from the old retirement systems after April 1, 1998) will receive 1.4% of average final compensation for each year of service earned after July 1, 1998. This represents an increase in future service benefits for all members earning less than \$200,000 per year. For employees earning less than \$29,300 per year (the current Social Security Integration Level) who receive a 0.8% multiplier under the current pension system formula, the new multiplier represents a 75% increase.

All of the TPS and EPS members described above are now required to contribute 2% of earnable compensation to help offset the costs of the enhanced multiplier. Highly-compensated employees are no longer required to contribute 5% of compensation above the Social Security Wage Base.

#### **Defined Benefit Enhancements - Past Service**

For the TPS and EPS members described above, service earned prior to July 1, 1998 is now calculated as the greater of:

1.2% of average final compensation for each year of service; or

the previous two-tiered 0.8%/1.5% benefit formula.

The new formula increases past service benefits for all employees who earn less than \$68,000. Employees who earn more than that are held harmless. No "vesting" period is required for employees to take advantage of the enhancements.

#### **3% Compound Cost-of-Living Adjustment**

All TPS and EPS members, except employees of current or withdrawn participating local governments, will now receive a compound COLA up to a maximum of 3%, versus the previous 3% maximum simple COLA. A compound COLA is an increase based on the previous year's benefit and hence takes into account the compounding effect, while the simple COLA is based on the amount of the original benefit.

### **Deferred Vested Members**

Deferred vested members -- those who vested in one of the pension systems but who have since left State service prior to full retirement -- will receive benefits under the old pension system formula if they separated from employment on or before June 30, 1998. Those who leave after that date will receive the enhanced past-service benefit for their service credit. All deferred vested members, however, will receive the 3% compound COLA.

### **Defined Contribution Program**

All State members of the EPS (except retirement system transferees after April 1, 1998) are eligible for the optional defined contribution program, in which the State will match deferred compensation contributions, up to a maximum of \$600. This component of *House Bill 987* will not take effect until July 1, 1999. It is estimated that if all EPS members participate and take full advantage of the matching program, the State's cost will be \$29 million. The Governor is required to include in the budget an appropriation sufficient to pay the employer contributions for participating employees. *House Bill 987* authorizes the Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans to negotiate a contract for the administration of a plan qualified under Section 401(a) of the Internal Revenue Code for the employer contributions made under the bill.

### **Costs and Funding**

It is estimated that the defined benefit enhancements will increase the liabilities of the MSRPS by \$2.3 billion. These liabilities will be funded over 20 years beginning on July 1, 1999. The State's actuary estimates that the additional liabilities will result in increased annual employer contributions of \$121 million per year. Prior to the legislative session, the Board of Trustees of the MSRPS proposed making certain actuarial changes, such as increasing the assumed investment return, that would offset the increased costs of a benefit enhancement. It is assumed that the Board will make such changes and, as a result, there will be no increase in employer contributions for the EPS and TPS. *House Bill 987* does not mandate that the Board make actuarial changes, but indicates the General Assembly's intent that the Board modify the actuarial assumptions of the State systems in a manner consistent with sound actuarial principles and independent of any increase in accrued liability under the bill.

The benefit enhancements do not take effect, however, unless the State's actuary certifies the actuarial costs of the enhancements to the Board of Trustees, and the Board in turn adopts a resolution by June 30, 1998 certifying that the enhancements can be implemented without adversely affecting the MSRPS's funding or the State's fiscal year 2000 aggregate employer contribution rate (after taking into account the enhancements and the Board's proposed actuarial changes).

### **Items for Further Study**

To address several related pension issues considered worthy of further study, *House Bill 987* directs the Joint Committee on Pensions to study seven items in consultation with the boards of trustees of the MSRPS and the Supplemental Retirement Plans. These study items are as follows:

the feasibility of creating a stand-alone defined contribution plan for State employees and teachers as a portable alternative to the defined benefit plan;

issues related to local governments that currently participate in the EPS or have withdrawn from participation but continue to make unfunded liability payments to the MSRPS;

the appropriateness of member benefits and employer contribution rates for any system within the MSRPS which

is over 100% funded;

actuarial valuation procedures related to the crediting of unused sick leave and military service credit at the time of retirement, service credit for part-time employees, and mortality assumptions;

a comparison of the benefits under *House Bill 987* to the benefits provided to state employees and teachers in all other states;

the advisability of eliminating the State subsidy for health insurance benefits for retirees who are hired in the future; and

the unfunded liabilities of the MSRPS.

## **UNIVERSITY SYSTEM OF MARYLAND EARLY RETIREMENT PLAN**

*House Bill 199* (passed) provides an early retirement incentive program for employees of the University System of Maryland (USM) who are members of the Employees' Retirement System or the Employees' Pension System, including employees of USM and the University Medical System who are separated from employment between January 1, 1998 and June 30, 1999.

Employees' systems members as of January 1, 1998 who are USM employees on June 1, 1998 are eligible if they have 30 years of creditable service, or 25 years of such service and they are at least 50 years old, or if they are otherwise eligible to retire on or before June 30, 1999. These are generally the same eligibility criteria as under the Workforce Reduction Act of 1996, the early retirement incentive program for State employees (*Senate Bill 1*, Chapter 353 of 1996). Members who participate will receive one month of additional service credit for each year of creditable service (excluding service credit earned through unused sick leave). Up to 18% (3 years) of the reduction for early retirement will be eliminated.

Under *House Bill 199*, all eligible members, other than some of those who are being separated from employment, would have from July 1, 1998 through August 31, 1998 to apply for early retirement. The members who are separated from employment on or after August 1, 1998 have 30 days after separation to apply. An application to take early retirement is irrevocable, with exceptions. All eligible applicants will retire on October 1, 1998, or the first day of the month following the month in which they become eligible.

Sixty percent of the vacated employees' systems positions must be abolished. USM's general fund allocation will be reduced by an amount equal to at least 60% of the total salaries and fringe benefits of the positions eliminated. It is estimated that these abolishments will result in fiscal year 1999 savings of approximately \$4.1 million, which is reflected in the State budget.

No more than 2% of employees' systems members may be reemployed in a contractual or temporary position in any branch of State government; any reemployment by an employees' systems member requires Board of Public Works approval. Each USM institution may defer the retirement of up to 50% of retiring employees' systems members to no later than June 30, 1999. The retirement allowance for these members is based on the higher of the allowance of the date they were first eligible to retire or the date they actually retired.

Any increased liability will be funded over 5 years and will be the obligation of USM. USM will have the option to pay the liability in less than 5 years if it chooses. Employees of the University of Maryland Medical System who are currently State employees and meet the criteria described above would be eligible for early retirement; the Medical System would be liable for the actuarial costs of these early retirements.

The bill also allows employees of USM and the Medical System who are separated from employment (laid off) and who have at least 20 years of service to participate in the early retirement program. Laid-off employees who do not participate in the early retirement are entitled to up to 1 year of free health insurance. The costs of this health insurance will be deducted from USM's general fund reduction discussed above.

**House Bill 199** also clarifies that anyone who retires under the early retirement plan is not eligible for any enhanced benefit under **House Bill 987** and that any member contributions that are made as required under **House Bill 987** would be refunded with regular interest on retirement.

## LAW ENFORCEMENT OFFICERS

In 1996, the Natural Resources Pension Plan was renamed the Law Enforcement Officers' Pension System (LEOPS) to allow other groups of law enforcement officers to become members and thus be entitled to retire with 25 years of service or at age 50. This year several additional groups of law enforcement officers were authorized to become members of LEOPS.

**House Bill 1298** (passed) adds the State Fire Marshal and Deputy Fire Marshals to LEOPS. **Senate Bill 434** (passed) adds the University of Maryland police officers. **House Bill 795** (passed) adds current Maryland Port Administration police officers to LEOPS as part of the consolidation of that police force into the Maryland Transportation Authority Police Force. For a more detailed discussion of the consolidation of the police forces, see the "Transportation" heading of Part G - Transportation and Motor Vehicles of *The 90 Day Report*.

Local law enforcement officers were authorized to join LEOPS under **Senate Bill 466/House Bill 622** (both passed). These bills provide for the procedures to be followed for a county or municipal corporation to elect participation in LEOPS. The procedures are similar to the procedures followed by governmental units that participate in the employees' systems. **Senate Bill 466/House Bill 622** also require for the local governments to pay for the costs of participation in LEOPS. The provisions are similar to the funding provisions for local governments that participate in the Local Fire and Police System.

## JOINT COMMITTEE ON PENSIONS LEGISLATION

Each year, the Joint Committee on Pensions introduces pension legislation on behalf of the Board of Trustees of the Maryland State Retirement and Pension System (MSRPS). This year, the Joint Committee, at the Board's request, introduced seven bills that make primarily technical changes to the various retirement and pension systems that compose the MSRPS.

**House Bill 332** (passed) limits enrollment by State university employees in the Teachers' Pension System to faculty members only. Previously, certain high-level administrative employees were eligible for the teachers' system; all other employees were enrolled in the Employees' Pension System. Because the employees' system and the teachers' system offer the same benefit structure, the fiscal effect of placing nonfaculty employees in the employees' system is minimal.

**House Bill 333** (passed) imposes a \$250 penalty on local governments that participate in the MSRPS but do not provide supporting payroll data when they transfer employee contributions to the State Retirement Agency. The legislation was sought because a small number of participating employers have not provided this payroll data on a timely basis.

**House Bill 334** (passed) makes technical changes to the disability retirement provisions, as follows:

provides that a physical examination of a disability retiree will occur at a place agreed on by the retiree and the Retirement Agency (rather than at the retiree's residence);

clarifies that the Board of Trustees may permanently revoke the entire disability retirement allowance (rather than the employer provided portion) for retirees who continue to refuse a medical examination for at least 1 year;

provides that the Board (after giving notice and opportunity for hearing) may suspend the disability retirement allowance if:

(1) the retiree is employed by a participating employer at a salary equal to or greater than the average final salary at retirement; or

(2) the retiree is employed by a participating employer in a similar position to the one held before retirement, even if the salary is less than the average final compensation at retirement;

provides that a disability retiree is required to submit medical and earnings information only until the retiree reaches normal retirement age;

for disability retirees who earn more than the allowable amount under § 29-116 of the State Personnel and Pensions Article (reemployment offset for ordinary disability), clarifies that the pension to be reduced under this section is the pension at retirement without any cost-of-living adjustment.

Early retirement for retirement system members who opted for Selection C (combination formula) is addressed in **House Bill 335** (passed). The bill provides that Selection C members who take early retirement are subject to an early retirement reduction of no greater than 42% for the portion of their benefit earned under the pension system formula. Previously, these employees could potentially receive no value for their pension system service because of an unlimited early retirement reduction.

For the purposes of the reemployment earnings limitation, **House Bill 336** (passed) clarifies that a vested allowance is treated the same as a service retirement and is thus subject to an offset for earnings from reemployment with a participating employer.

**House Bill 337** (passed) deals with a different offset issue. Employees of local governments participating in the MSRPS who are disabled as a result of work-related accidents are entitled to both workers' compensation benefits and disability retirement benefits. The law makes clear, however, that one of these benefits must be reduced, or offset, to take account of the other. Prior to 1997, the law stated that, as a universal policy, the disability retirement benefit would be reduced to offset the workers' compensation benefit for all MSRPS members. Chapter 279 of the Acts of 1997, however, prohibits the Retirement Agency from offsetting disability benefits that are paid to the "non-teacher" members of participating boards of education against workers' compensation awards that are paid or payable after the date of retirement. Instead, the boards of education reduce the workers' compensation benefit to offset against the disability pension benefit. **House Bill 337** applies the same offset policy to other local governmental units that participate in the MSRPS and pay their own retirement contributions. Under the legislation, approximately \$68,400 more in disability benefits will be paid because fewer disability benefits would be offset for workers' compensation payments. Meanwhile, local governments that participate in the MSRPS will recover about the same amount in workers' compensation benefits. Such savings may result in a rate reduction for these affected employers.

**House Bill 338** (passed) provides that most members of the Maryland State Retirement and Pension System have a 6-year window after the end of their service to apply for disability benefits. This was done to make the window period for application for disability benefits uniform across most systems. The bill does not apply to members of the Judges' Retirement System and the Legislative Pension Plan.

## **ADMINISTRATION AND FUNDING**

**House Bill 1336** (passed) alters the amount, from 0.3% to 0.6% of payroll, that the Board of Trustees may pay from the expense funds of the systems to provide for administration and operation expenses. The increase is only for fiscal year 1999, but any amounts not spent may be carried over through fiscal year 2001. The additional money is needed to upgrade the computer system of the MSRPS.

**House Bill 1212** (passed) changes the procedures for local school systems to appeal a determination by the State Retirement Agency that the State has overpaid retirement contributions for employees of the local school system. Under **House Bill 1212**, the Secretary of Budget and Management is required to appoint a hearing examiner who is an attorney to make a recommendation to the Secretary. After the Secretary makes a determination about the overpayment, the local school system may appeal to the Office of Administrative Hearings (OAH). **House Bill 1212** provides that a decision of OAH is binding on all parties and is not subject to judicial review. The bill also provides that at the request of the Department of Education, the amount of the overpayment shall be deducted if

the local system does not file an appeal or if OAH finds the State is due reimbursement.

In 1997, some of the governmental units that participate in the employees' systems had their deficit payments reduced in connection with their participation in the employees' systems. Under **House Bill 430** (passed), the deficit payment of a participating governmental unit is reduced again to 40% of its aggregate annual earnable compensation as of June 30, 1995. To compensate for the reduction in local contributions to the local pool for the employees' systems, the State is required to transfer \$4.45 million from the State's asset pool within the MSRPS to the local government's pool. This transfer could increase the State's employer contribution rate by approximately one basis point (0.01%).

# Part C

## STATE GOVERNMENT

### GENERAL ASSEMBLY

#### LEGISLATIVE ETHICS

Reflecting the increasing concern of legislators over public ethics laws and pursuant to a recommendation of the Joint Committee on Legislative Ethics ("Report of the Joint Committee on Legislative Ethics in Re: State Senator Larry Young" issued on January 12, 1998), *Senate Joint Resolution 4/House Joint Resolution 4* (both passed) establish a Special Study Commission on the Maryland Public Ethics Law. The Study Commission is to consist of 15 members: the majority and minority floor leaders of the Senate and House of Delegates, the co-chairmen of the Joint Committee on Legislative Ethics, and nine members of the general public appointed by the President and the Speaker.

The Study Commission is charged with examining the Maryland Public Ethics Law as it relates to the General Assembly and its members, including the following matters:

the relationship of members of the General Assembly with businesses, lobbyists, and nonlegislative State agencies, boards, and commissions;

the use of offices, staff, equipment, and resources provided to members of the General Assembly by the State;

the use of title and prestige of office for certain purposes;

conflict of interest, including employment with State agencies and businesses with issues before the General Assembly;

the disclosure of interests;

the authority and powers of the Joint Committee on Legislative Ethics; and

any other matters related to legislative ethics that the Study Commission considers appropriate.

The Study Commission is required to report its findings and any recommendations for legislation that it considers appropriate on or before February 1, 1999.

#### COMPENSATION

The process for setting the salaries of the members of the General Assembly is governed by Article III, Section 15 of the Maryland Constitution. That provision establishes a nine-member General Assembly Compensation Commission that is required to submit salary and allowance recommendations to the legislature every four years. The Commission includes five individuals appointed by the Governor, two appointed by the President of the Senate, and two appointed by the Speaker of the House of Delegates. Members of the General Assembly and other State and local government officers and employees are not eligible for appointment to the Commission.

The Commission is required by the Constitution to submit its compensation, allowance, and pension recommendations for members of the General Assembly by formal resolution within 15 days after the beginning of the last regular General Assembly session in a four-year term of office. The General Assembly may amend the Commission's resolution only to *decrease* the recommended salaries. No legislative action is required to effectuate the recommendations of the Commission.

During the 1998 Session there was a legislative joint resolution, *House Joint Resolution 14* (failed), that would have rejected the recommended increases in the members' salaries, allowances, and other benefits contained.

Because the resolution was not successful, the General Assembly Compensation Commission's recommendations apply.

For the next term of the General Assembly, the salaries that the members will receive are as follows; they represent a 3% increase per year in the *first* and *third* years of the next term of office and maintain the \$10,000 differential between the members and the presiding officers that had been previously established:

	<u>Members</u>	<u>President/Speaker</u>
1999	\$30,591	\$40,591
2000	\$30,591	\$40,591
2001	\$31,509	\$41,509
2002	\$31,509	\$41,509

(Note: The current salary of the members is \$29,700, and the current salary of the President and the Speaker is \$39,700.)

## **REDISTRICTING**

### **Single-Member Districts**

Article III, § 3 of the Maryland Constitution provides that each legislative district contain one Senator and three Delegates. This provision does not prohibit the subdivision of any one or more of the legislative districts for the purpose of electing members of the House of Delegates into three single-member delegate districts or one single-member delegate district and one two-member delegate district. According to the National Conference of State Legislatures, 38 states have single-member districts only. There are no states that have only multimember districting schemes. Twelve states have a combination of multimember and single-member districts. Of these 12, there are six states in which single-member or multimember districts are nested within Senate districts. Maryland is among these six.

Under the Legislative Districting Plan of 1992, there are 34 legislative districts from which members of the House of Delegates are elected at-large. Only the 1st, 2nd, and 29th legislative districts are divided into 3 single-member delegate districts. However, ten other districts contain a single-member delegate district and a two-member delegate district. As to the Maryland House of Delegates, 102 members are elected from at-large districts, 19 from single-member delegate districts, and 20 from two-member delegate districts. While Eastern Shore districts may be subdivided under the current constitutional provisions, they are also subject to the resident delegate requirement. Essentially, the resident delegate requirement states that when a legislative district is comprised of more than two counties or parts of more than two counties and delegates are to be elected at-large, a county or part of a county may only have one delegate residing in it. In 1994, the resident delegate requirement was extended to two-member delegate districts that meet the same criteria. (State Government Article, § 2-201(d)).

**House Joint Resolution 6** (failed) would have established a Commission to Study Single-Member Legislative Districting for the General Assembly. The Commission would have assessed the feasibility and desirability of proposing that the voters of the State consider a Constitutional amendment instituting a system of single-member legislative districts for the General Assembly.

**House Bill 536** (failed), a constitutional amendment, would have required the subdivision of a legislative district into delegate districts if the majority of a legislative district's population resides in one county and the remaining portion of its population resides in another. The bill would have required that the subdivision require the lesser population to be contained within a single-member delegate district and would have allowed a single-member delegate district to contain population from both counties in order to meet equal population standards.

Finally, **House Bill 537** (failed), a constitutional amendment, would have required the subdivision of each

General Assembly legislative district into three single-member House of Delegates districts. Under the bill, if a legislative district is configured so that its population resides in more than one county, the legislative district would be divided into single-member districts.

### Legislators' Redistricting Plans

Another unsuccessful bill, *Senate Bill 158* (failed), a constitutional amendment, would have allowed any member of the General Assembly to draft a plan for legislative redistricting following each decennial census. In the second year after the decennial census of the United States, any legislator would have been allowed to introduce a plan for legislative redistricting as a bill. Once a legislative redistricting bill passed the General Assembly, it would have been subject to gubernatorial signature or veto as any other bill. Under current law, the Governor is required to prepare a legislative redistricting plan for the General Assembly following each decennial United States census. The Governor presents the plan to the President of the Senate and the Speaker of the House. They introduce the plan as a joint resolution, not later than the first day of the regular session in the second year following the census. The General Assembly then has 45 days to act on the resolution, although the Governor may call a special session to present his plan in advance of the regular session. *Senate Bill 158* would have shifted initiation of the legislative redistricting process from the Governor to the General Assembly, allowing the legislature greater influence over the distribution of legislative seats in their houses, without waiting for the Governor to develop a plan.

### TERM LIMITS

The Maryland Constitution provides in Article III, Section 6 that a member of the General Assembly serve a term of 4 years, but places no limit on the number of terms a member may serve. Currently, 19 states have adopted some form of term limitation. *Senate Bill 215* (failed) would have amended the Constitution of Maryland to limit the number of terms an individual may serve in the House of Delegates or in the Senate to not more than three consecutive terms. The bill provided that a person who previously has served three consecutive terms in either chamber could again hold office in that chamber if at least four years had elapsed since the expiration of the person's last term; however, the individual would remain subject to the limitations on consecutive terms. Similarly, *House Bill 160* (failed) would have provided that an individual may not serve more than three consecutive terms in the Senate or three consecutive terms in the House of Delegates, commencing with the term of office beginning in January 2003.

### DURATION OF SESSION

The Maryland Constitution provides that the General Assembly may continue its session for a period not longer than 90 days in each year. The 90 days must be consecutive. The General Assembly may extend its session beyond 90 days, for a period not to exceed 30 days, by resolution concurred in by a three-fifths vote of the membership in each House. *House Bill 1156* (failed) would have eliminated the 90-day limitation on the General Assembly annual session.

### LEGISLATIVE FACILITIES

The 1998 Capital Budget contains funds that may be used for the design and planning of a new Senate office building to accommodate committee hearing rooms, along with renovations to the existing Senate Office Building.

### FISCAL NOTES

*House Bill 1242* (failed) would have required that fiscal notes of bills, as introduced or amended, that impose or alter a funding mandate on the State must contain a statement that clearly identifies the imposition or alteration of the mandate. The bill also would have required that the fiscal note indicate the current level of all mandated State funding in the State budget, as well as clear indication of the effect that the funding mandate would have on future levels of all mandated funding if the bill were enacted into law.

### LEGISLATIVE COMMITTEES

## **Joint Committee on Legislative Ethics - Advisory Services**

**House Bill 1248** (failed) would have required the President of the Senate of Maryland and the Speaker of the House of Delegates jointly to appoint an attorney to serve as full-time counsel to the Joint Committee on Legislative Ethics to advise members of the General Assembly about the applicability of the ethics laws and assist members in preparing statements and reports required to be filed under the ethics laws. The bill also would have required that the Joint Committee on Legislative Ethics maintain and make available financial disclosure statements for members of the General Assembly.

## **Joint Committee on Mandated Health Insurance Benefits**

**House Bill 248** (passed), as originally introduced, would have created the Joint Committee on Mandated Health Insurance Services to be composed of five members of the House of Delegates and five members of the Senate. The new Committee was to review the cost of all mandated health insurance services. However, as passed, the bill assigns this task to the existing Health Care Access and Cost Commission in the Executive Branch.

## **NEW TASK FORCES**

The General Assembly passed a number of legislative proposals to create new task forces and commissions to study or address a variety of issues, including the following:

Automotive-Related Industries, Task Force to Study the Comprehensive Licensing of (*Senate Bill 344* - passed)

Education - Class Size Reduction Program - Special Committee (*House Joint Resolution 15* - passed)

Cult Activities on Public Senior Higher Education Institutions, Task Force to Study Effects of (*House Joint Resolution 22* - passed)

High-Speed Network Development, Task Force on (*House Bill 847* - passed)

History and Legacy of Slavery in Maryland, Task Force to Study (*House Bill 923* - passed)

Maryland Higher Education - Maryland Charter for Higher Education Governance, Coordination, and Funding of the University System of Maryland (*Senate Joint Resolution 8/House Joint Resolution 12* - both passed)

Maryland Public Ethics Law, Special Study Commission on the (*Senate Joint Resolution 4/House Joint Resolution 4* - both passed)

School Construction Work-Based Learning and Apprenticeship Program, Task Force to Study ( *Senate Bill 791* - passed)

Washington Suburban Sanitary Commission - Task Force on Privatization (*House Bill 832* - passed)

Public Charter Schools, Task Force on (*House Bill 999* - passed)

## **IN MEMORIAM**

The General Assembly passed several legislative proposals honoring two distinguished Senators who died while serving in office.

**Senate Joint Resolution 13** (passed) requests the State Highway Administration to take all necessary steps, in consultation with appropriate federal highway officials, to place a sign or other appropriate memorial declaring that Interstate Route 97 is dedicated by the State of Maryland in memory of Senator John A. Cade.

**Senate Bill 282** (Ch.3) names the State Fire, Rescue, and Ambulance Fund in memory of the late Senator William

H. Amoss.

Also in memory of Senator Amoss, *Senate Bill 230* (Ch.1) creates the William H. Amoss Organ and Tissue Donation Act that will require hospitals to contact an appropriate organ, tissue, or eye recovery agency on or before each death in a hospital in order to determine a patient's suitability for organ, tissue, or eye donation. The bill also creates an Organ and Tissue Donation Awareness Fund.

# **Part D**

## **LOCAL GOVERNMENT**

### **LOCAL GOVERNMENT - GENERALLY**

This Part of *The 90 Day Report* provides a discussion of legislation of general application to county and municipal government, regional agencies, and select local laws applicable to individual political subdivisions. Other issues of significance to local government are covered in detail in other parts of this document and, to avoid duplication, are not repeated here. For a discussion on legislation affecting property tax setoffs for municipal corporations and changes in the tax sale process, see the "Property Tax" heading of Part B - "Taxes" of *The 90 Day Report*. For a discussion on State aid to local government, see the "Capital Budget" and "Aid to Local Government" headings of Part A - "Budget and State Aid". For legislation affecting the unfunded liability of select local governments that participate in the State Retirement and Pension System, see the "Pensions and Retirement" heading of Part C - "State Government".

### **AIRPORTS - DEVELOPMENT RIGHTS - EASEMENTS**

**House Bill 1303** (passed) authorizes a county or municipal corporation that contains a commercial or public use airport to establish "airport districts" by local ordinance and purchase easement rights relating to those districts to guard against development of the property in a manner that would be inconsistent with airport use. Local governments may establish airport districts, acquire an easement for development rights in an airport district, and alter or abolish an easement in an airport district. An easement, however, may not restrict a property owner from engaging in activities that are compatible with future development of an airport. The bill is intended to promote the preservation of airports in the local jurisdictions by working with affected landowners to preserve the land for future airport development or for open space.

### **VEHICLE LAWS - IMPROPERLY REGISTERED MOTOR VEHICLES - REGISTRATION ENFORCEMENT PROGRAM**

**Senate Bill 184/House Bill 548** (both passed) establish the Motor Vehicle Registration Enforcement Fund as a special nonlapsing fund from which grants may be made to law enforcement agencies to target motor vehicles improperly registered out of state. This legislation was one of the top priorities of the Maryland Municipal League this year as an effort to enhance the resources from which State, county, and municipal police may draw funds to enforce the laws of the State relating to improperly registered motor vehicles. For a detailed discussion of this topic, see Part G - "Transportation and Motor Vehicles" of *The 90 Day Report*.

# Part D

## LOCAL GOVERNMENT

### COUNTIES GENERALLY

#### CHARTER COUNTIES - PROPOSED CHARTER AMENDMENTS - NUMBER OF PETITION SIGNATURES

*Senate Bill 216/House Bill 540* (both failed) would have proposed an amendment to the Constitution of Maryland to authorize Baltimore City and the charter home rule counties to modify the number of signatures required for a petition to initiate a charter amendment. Specifically, the bills would have authorized Baltimore City and the charter home rule counties to set, by charter amendment, the number of petition signatures required to propose a charter amendment to any number not exceeding 20% of the registered voters of Baltimore City or of the county, but not less than 5% of the registered voters of the applicable jurisdiction.

Currently, under Article XI-A, § 5 of the Constitution of Maryland, the citizens of the jurisdictions that have adopted home rule under Article XI-A (Baltimore City and eight charter counties) have the right to place a charter amendment on the ballot with the signatures of not less than 20% of the registered voters in the City or county, or of 10,000 registered voters, whichever is less. According to 1998 voter registration figures from the State Board of Elections, there are only two charter counties, Talbot and Wicomico, for which 20% of registered voters is less than 10,000. The impact of the bills would have depended upon the percentage adopted by the charter counties.

The number of registered voters in most of the larger charter home rule counties has grown to be between 7 and 9 times the number of registered voters in those counties when Article XI-A was added to the Constitution in 1915. Thus, while the 10,000 signature ceiling may well have been comparable to the 20% provision, today 10,000 registered voters represent less than 3 percent of the total registered voters in three jurisdictions (Baltimore City, Baltimore County, and Montgomery County). Since 1970, citizens have initiated charter amendments through petition drives on 44 occasions, 21 of which have been in Montgomery County. *Senate Bill 216/House Bill 540* would have allowed charter counties and Baltimore City to keep the threshold for a ballot measure at a level comparable to that envisioned at the time Article XI-A of the Constitution of Maryland was ratified.

# **Part D**

## **LOCAL GOVERNMENT**

### **MUNICIPAL GOVERNMENT**

#### **INCORPORATION PROCESS**

*Senate Bill 317/House Bill 213* (both passed) alter the statutory provisions that govern the process by which communities may seek incorporation and exercise home rule powers as municipal corporations under Article XI-E of the Constitution of Maryland.

The bills permit at least 20% of the residents and at least 25% of landowners in an area, or at least 25% of the residents of an area, to initiate a proposal to incorporate by presenting a valid petition to the county governing body, on a standard petition form developed by the Office of the Attorney General. The petition must be submitted within 18 months from the date that an organizing community receives the petition form from the county board of supervisors of elections. Within 60 days of receiving the petition, the county governing body shall verify that the signatures and the petition meet the statutory requirements and, if the requirements are met, appoint a county liaison. Within 90 days after certification of the petition, the organizing committee is required to hold a public meeting and present a report to the county on issues related to the proposed incorporation. The organizing community must ensure that the county liaison has an opportunity to participate in its meetings; the county government in turn is obligated to fully cooperate with the community's organizing committee. The county governing body then has a 45-day opportunity to comment on the proposed incorporation.

Within 45 days of receipt of comments from the county, or within 90 days of submitting the report, the organizing committee is to present to the county governing body a proposed charter for submission to referendum. Within 40 to 60 days of receipt of the proposed charter, the county governing body may specify by resolution the day and hours of the referendum on the incorporation or decline to schedule a referendum. If the county governing body rejects the request to submit the proposed charter to referendum, the county shall provide in writing the reasons for the rejection and establish reasonable procedures for reconsideration. Then by resolution the county governing body must grant the referendum request or affirm its rejection.

Initially, the county governing body shall defray the costs of the referendum election and other related expenses; however, if the referendum results in incorporation, the new municipal corporation shall reimburse the county within one year. The bills provide for a three-year phase-in to the new municipal corporation of its share of the county income tax payments unless the county governing body agrees to an accelerated schedule. Finally, the bills require a county and a new municipal corporation that is eligible to assume planning and zoning authority to cooperate in developing the first comprehensive land use plan of the municipal corporation.

#### **TOWN OF BLADENSBURG (PRINCE GEORGE'S COUNTY) - URBAN RENEWAL AUTHORITY FOR SLUM CLEARANCE**

*House Bill 652* (passed) authorizes the Town of Bladensburg to undertake urban renewal projects for slum clearance and redevelopment under the provisions of Article III, § 61 of the Constitution of Maryland. The bill adds an appendix to the charter of the municipal corporation addressing the municipality's powers relating to urban renewal projects, creation of an urban renewal agency, approval of an urban renewal plan, disposal and condemnation of property in an urban renewal area, and the issuance of general obligation and revenue bonds.

With the passage of this bill, 50 out of 156 municipal corporations now have urban renewal powers under the Constitution. This type of legislation is one of the few exceptions to the otherwise broad home rule authority of municipal corporations under Article XI-E, adopted in 1954, which forbids the General Assembly from enacting local laws for particular municipal corporations. The Urban Renewal Amendment to the Constitution, Article III, § 61, adopted in 1960, expressly provides that the General Assembly's power to enact local laws regarding local urban renewal projects for slum clearance prevails over the restrictions in Article XI-E.

Once a municipal corporation has been granted urban renewal authority for slum clearance under the Constitution, the municipal corporation may exercise eminent domain powers for individual blighted properties under Article 23A, § 2(b)(24) of the Annotated Code of Maryland. This power was recently added to the express powers of municipal corporations by Chapter 519 of the Acts of 1995.

# Part D

## LOCAL GOVERNMENT

### BI-COUNTY AGENCIES

Although the General Assembly considered quite a number of bills in the 1998 legislative session dealing with the organization and operation of the bi-county agencies operating in Montgomery and Prince George's Counties, few of the bills passed.

#### MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

##### Montgomery County

The sole bill to pass concerning the operations of the Maryland-National Capital Park and Planning Commission deals with the capital budget process in Montgomery County. **House Bill 825** (passed) requires the Commission to submit a capital improvements program for projects in Montgomery County to the county government every 2 years, rather than every year. The change puts the planning for these projects on the same schedule as other capital projects in the county. The bill also allows the Montgomery Council to amend an approved 6-year capital improvements program at any time by an affirmative vote of 6 members.

#### WASHINGTON SUBURBAN SANITARY COMMISSION

##### Construction of Water and Sewer Subdivision Lines

**House Bill 824** (passed) requires water and sewer pipelines or facilities necessary to provide service to new development in the Washington Suburban Sanitary District (other than "major projects" as defined in the law) to be constructed by and at the expense of the owner or developer. The owner or developer is required to enter into an agreement with the Washington Suburban Sanitary Commission (WSSC) requiring that lines be constructed under plans approved by the WSSC. The WSSC must inspect subdivision lines before the lines are placed in service. The bill requires the owner or developer to provide performance security, and payment security to protect utility contractors, subcontractors, and suppliers. The bill does not apply to authorizations for water or sewer service that are applied for on or before June 30, 1999, and for which the WSSC enters into a contract for construction of subdivision lines with notice to proceed on or before June 30, 2001. Also exempt is service for the relief of health hazards.

Traditionally, the WSSC has been responsible for constructing new water and sewer subdivision lines in the Washington Suburban Sanitary District. The WSSC issues approximately \$40 million in bonds each year to cover construction costs for subdivision lines to serve new residential, commercial, and industrial development, for which the WSSC imposes an annual front foot benefit charge. At the request of developers, the WSSC has recently successfully allowed private construction and financing of water and sewer subdivision lines. By shifting the construction and financing of most subdivision lines to property owners and developers, **House Bill 830** eliminates the need for new bond issues and front-foot benefit charges for the lines.

##### Omnibus Reform Legislation

Introduced as legislation to study the operations of the WSSC and options for privatizing some or all of its functions within the next 2 years, **House Bill 832** (passed) in the end included several changes affecting the operations of the agency. **House Bill 832** takes effect July 1, 1998, and sunsets on December 31, 1999. Therefore, it is anticipated the General Assembly will revisit issues addressed in the bill during the 1999 Session.

##### Task Force on Privatization

**House Bill 832** establishes a task force to study and report on the advantages and disadvantages of privatizing each of the operations and functions of the WSSC. The task force must study the agency and its facilities, options

for increasing the role of the private sector in agency operations, options for turning portions of the agency over to the private sector or to each county, rate making, and the benefits and costs of the options to the customers, local governments, agency employees, regulated entities, taxpayers, and bondholders. The bill requires the task force to conduct public meetings in the Washington Suburban Sanitary District. The bill also requires the task force to retain the services of an independent consultant with expertise in financial operations and management and valuation of public utilities. The task force is required to produce a final report July 1, 1999.

### System Development Charge

Originally considered as separate legislation in *House Bill 831* (failed), *House Bill 832* was amended to alter the method of assessing the system development charge imposed by the WSSC on new residential construction. The system development charge was established in 1994 in order for the WSSC to raise additional revenue to cover the cost of new infrastructure required in response to rapid growth in the Washington Suburban Sanitary District. The system development charge is imposed on individuals seeking permits for new construction, not on existing WSSC customers.

The current system development charge is not sufficient to fully cover growth-related capital costs. Over the last four years, the gap between the amount of the system development charge collected and the infrastructure needs resulting from new growth has totaled around \$21.3 million. Under the current system, for new development to cover the costs of its infrastructure completely, the charge per fixture would have to rise to \$254.

Instead of delaying the construction of needed facilities, the WSSC has been financing additional infrastructure through the issuance of debt supported by all rate payers in the Sanitary District. As passed, *House Bill 832* reduces the amount of growth-related infrastructure which must be borne by the entire WSSC rate base.

In general, *House Bill 832* increases the maximum system development charge from \$160 to \$200 per "fixture unit". In addition, for the majority of residential properties, those in apartment units and residences with 5 or fewer toilets, *House Bill 832* changes the basis for calculating the system development charge to a charge on the number of toilets at the property, rather than on the number of "fixture units". This simplifies the calculation of the charge. The charges for other residential properties, as well as all commercial and industrial properties, are still calculated on the fixture-unit basis. Specified classes of retirement development, elderly housing, and biotech research, development, and manufacturing may be exempted from the increase in the systems development charge by joint action of the county councils.

The bill also alters the system development charge payment schedule for residential properties by requiring 50% of the payment at the time the application is filed and 50% within 12 months of filing a plumbing permit application or before transfer of title to the property, whichever occurs first. Under current law, the system development charge has to be paid at the time of filing the permit.

### Employee Salary Adjustments

In the area of agency administration, *House Bill 832* prohibits the WSSC from granting its employees salary increases that exceed the amount provided to State employees. However, this limitation does not apply to employees who are subject to a collective bargaining agreement or who receive a base salary or annualized wage of less than \$25,000 per year.

### House Connections

In the past, existing property owners who may have safe well or septic systems have been required to connect to WSSC facilities constructed along their properties. Under *House Bill 832*, hookup to WSSC facilities will be optional for those properties, unless the WSSC finds a health emergency requiring abandonment of the existing well or septic system.

# Part D

## LOCAL GOVERNMENT

### PUBLIC LOCAL LAWS

During the 1998 Session, the General Assembly passed numerous bills applicable to individual political subdivisions. Although this subpart includes local bills for several subdivisions, other bills that affect single jurisdictions are discussed in other parts of *The 90 Day Report* and, to avoid duplication, are not repeated here. For State bond bills for projects in local jurisdictions and a breakdown of State aid to individual jurisdictions, see the "Capital Budget" and "Aid to Local Government" headings of Part A - "Budget and State Aid" of *The 90 Day Report*. For a discussion of local bills concerning property tax credits, see the "Property Tax" heading under Part B - "Taxes". For a discussion of local alcoholic beverage bills, see the "Alcoholic Beverages" heading under Part H "Business and Economic Issues".

#### ALLEGANY COUNTY

##### Sanitary Commission - Collection of Delinquent Charges - Tax Sales

*House Bill 1397* (passed) authorize the Allegany County Sanitary Commission to request the county tax collector to conduct a sale of real property at a county tax sale to enforce a lien for any unpaid benefit assessment or other charges. Current law provides that unpaid assessments become a lien on the benefitted property.

#### BALTIMORE CITY

##### Property Tax Exemption - Residential Conversion of Commercial Buildings

*Senate Bill 539/House Bill 1123* (both passed) authorizes the City of Baltimore to provide a property tax exemption for certain vacant or underutilized commercial buildings located in the City's downtown management district that will be converted to rental housing units. This legislation complements Baltimore City's efforts to encourage the revitalization of aging and declining urban neighborhoods.

##### Public Subsidies for Hotels and Lodging Establishments

For over a year, the City of Baltimore has been involved in negotiations concerning the construction of two new hotels in downtown Baltimore. Early in 1998, City officials approved the construction of a 750-room Wyndham Hotel to be constructed at Inner Harbor East by John Paterakis, and an 800-room Grand Hyatt to be built by Orioles owner, Peter G. Angelos, which would connect to the Convention Center. Both hotels are scheduled to receive approximately \$50 million in tax breaks and public money. *Senate Bill 417/House Bill 317* (both failed) would have prohibited the Mayor and City Council of Baltimore from providing a public subsidy of \$5,000,000 or more for hotel construction at specified locations unless the subsidy had been approved by a voter referendum in Baltimore.

#### BALTIMORE COUNTY

##### Work Release and Home Detention Program

*Senate Bill 530* (passed) authorizes establishment of a work release program and a home detention program for Baltimore County. Under the bill, the administrator of the program collects the participant's earnings to make court-ordered payments to dependents, pay court-ordered costs and restitution, and to reimburse the State for court-appointed counsel and public defenders. Remaining balances are paid to the participant upon release from the detention facility.

##### Reorganization of Community Colleges

**House Bill 730** (passed) provides for the reorganization of the community colleges in Baltimore County by establishing the Community College of Baltimore County. Under current law, Baltimore County operates three distinct community colleges (Catonsville, Dundalk, and Essex). Pursuant to this legislation, these community colleges will become campuses under the new community college system. The governance of the community college system will remain the same.

## **CALVERT COUNTY**

### **Economic Development Authority - Powers**

**House Bill 660** (passed) authorizes the Calvert County Economic Development Authority (EDA) to borrow funds from any public or private source to carry out its duties and powers. Any loans obtained would be under terms deemed appropriate by the authority, and unless otherwise agreed to, without recourse to the Calvert County Commissioners. Currently, the Economic Development Authority lacks authority to borrow funds.

## **CARROLL COUNTY**

### **Subdivision Approval Process - Required Adequate Facilities Test - Repeal**

**Senate Bill 670** (passed) repeals a provision under Article 66B of the Annotated Code of Maryland which mandates a public facilities review as part of the subdivision approval process in Carroll County. There is already a provision of current law which authorizes counties and Baltimore City to enact ordinances or other laws relating to the planning, staging, and provision of adequate public facilities for subdivisions.

## **CECIL COUNTY**

### **Public School Bonds**

**Senate Bill 295** (Ch. 25) authorizes the Cecil County Commissioners to issue up to \$5 million in general obligation bonds to finance the costs of public school facilities.

## **CHARLES COUNTY**

### **Land Use - Administrative Adjustments**

**House Bill 715** (Ch. 89) authorizes the Charles County Commissioners to designate authority to the county planning director or another designee to grant adjustments to requirements under the County's zoning ordinance. The Act also requires the local legislative body to consult with the planning commission and the board of appeals in developing criteria and procedures for administrative adjustments and appeals. Currently, the County Commissioners carry out these functions.

### **Transportation - Towing or Removing Vehicles from Parking Lots**

**House Bill 721** (Ch. 91) authorizes the Charles County Commissioners to adopt ordinances and regulations relating to the towing or removal of vehicles from privately owned parking lots.

## **DORCHESTER COUNTY**

### **Eastern Shore Hospital Center Redevelopment Bonds**

**Senate Bill 778/House Bill 1401** (both passed) authorize the Dorchester County Commissioners to issue up to \$3.0 million in general obligation bonds for construction and improvement of the Eastern Shore Hospital Center site for economic redevelopment.

## **FREDERICK COUNTY**

## **Elected Board of Education**

**House Bill 519** (passed) alters the selection process for the seven members of the Frederick County Board of Education from appointment by the Governor to county-wide elections. The bill establishes a four-year term and prohibits members from serving more than two consecutive terms. Currently, board members serve for a term of five years. However, the change in selection method on the ballot is subject to approval by the legally qualified voters of Frederick County at a referendum during the 1998 general election.

## **GARRETT COUNTY**

### **Financing the Purchase of Real Property and Capital Improvements**

Currently, the Garrett County Commissioners may finance up to \$500,000 through a financial institution for the purchase of real property. **Senate Bill 702** (passed) expands the financing authority of the County Commissioners to allow up to \$1.5 million debt for the purchase of property or to construct or renovate a building for any public purpose through a financial institution.

### **Collection of Delinquent Municipal Property Taxes**

There are eight municipalities in Garrett County, each of which does its own property tax billing. As a result, municipal property taxes for a property may go unpaid even when State and county taxes have been paid. **House Bill 600** (Ch. 83) requires the Treasurer of Garrett County to advertise and sell any property on which municipal property taxes are delinquent if a municipality notifies the county that the taxes have not been paid.

## **PRINCE GEORGE'S COUNTY**

### **State's Attorney's Office - Assistant State's Attorneys**

**House Bill 1048** (passed) increases the annual salary of the State's Attorney for Prince George's County. For 1999 and 2000, the salary is increased from the current \$104,000 to \$107,775. The salary is then adjusted to \$111,000 in 2001, and to \$114,300 in 2002. The bill also raises the maximum allowable salaries of the deputy State's Attorneys from the current \$86,500 to \$90,000, and raises the maximum salary of assistant State's Attorneys from the current \$77,850 to \$81,000. Additionally, the bill raises the maximum allowable salary of the administrative assistant from the current \$47,000 to \$52,000. Finally, the bill increases the maximum number of assistant State's Attorneys from 57 to 62.

### **AIDS Prevention Sterile Needle and Syringe Exchange**

**House Bill 626** (passed) authorizes Prince George's County to establish a local needle exchange program to reduce the incidences of the human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), and hepatitis B. For a more detailed discussion, see the "Public Health - Generally" heading of Part J - "Health" of *The 90 Day Report*.

## **ST. MARY'S COUNTY**

### **St. Mary's County Metropolitan Commission - Public Sewer Use Regulations - Enforcement Remedies**

**House Bill 644** (Ch. 85) specifies administrative and judicial enforcement remedies that the St. Mary's County Metropolitan Commission may utilize for violations of rules or regulations concerning public sewer use.

## **SOMERSET COUNTY**

### **Right to Farm**

**House Bill 1247** (passed) authorizes the Somerset County Commissioners to adopt an ordinance or regulation, or take any other action necessary, to protect a person's right to farm or engage in agricultural or forestry operations.

## **Rights of Redemption - Limit on Reimbursement of Foreclosure Expenses**

*House Bill 1362* (Ch. 107) provides that a plaintiff in an action to foreclose on a right of redemption or a tax sale certificate holder in Somerset County is not entitled to reimbursement for specified expenses incurred in an action to foreclose a right of redemption on a property within four months of a tax sale.

## **WASHINGTON COUNTY**

### **Gaming Commission - Tip Jar Regulation**

*House Bill 296* (passed) repeals the termination for the Washington County Gaming Commission, which regulates tip jars in the County. The Gaming Commission was first established in 1995 to regulate tip jar gambling, subject to a 22-month sunset. In 1996, the authority for the Commission was extended through June 30, 1999.

*House Bill 1188* (passed) requires, in part, that 15% of annual gross profits from tip jars operated by fraternal, civic, veterans, or charitable organizations must be credited to the Washington County Gaming Fund. Current law requires a 10% distribution to the Fund in fiscal year 1999, and an additional 10% distribution directly for charitable purposes. Of these proceeds, 60% would be distributed to charities in the County and 40% would be distributed to the Washington County Volunteer Fire and Rescue Association (WCVFRA). Requirements of direct distributions of these tip jar proceeds to charities are repealed.

### **Procurement - Intergovernmental Cooperative Purchasing**

*House Bill 1131* (passed) authorizes the Washington County Commissioners to participate in intergovernmental cooperative procurement. The bill allows other government entities to procure goods or services under contracts entered into by Washington County. The bill also allows the County Commissioners to procure goods or services through contracts entered into by other governmental entities, including instrumentalities of political subdivisions, according to the terms of the contract. The options under the bill are intended to allow the County to experience savings due to economies of scale and reduce administrative costs by purchasing in cooperation with other governmental entities.

# Part E

## CRIMES, CORRECTIONS, AND PUBLIC SAFETY

### CRIMINAL LAW

#### VIOLENT CRIMES

##### Homicide - Death Penalty

*House Bill 1067* (passed) expands the scope of one of the aggravating circumstances that must be considered by a court or jury in deciding whether to impose the death penalty. In doing so, the bill places all persons involved in the crime of first degree murder of a law enforcement officer performing official duties in jeopardy of receiving the death penalty. Under current law, only the actual "trigger man" (i.e., a principal in the first degree) is eligible for the death penalty. A person who is present and aids in the murder, but does not actually pull the trigger (a second degree principal) is not eligible for the death penalty.

The bill specifies that a principal in the second degree would be subject to the death penalty if that person: (1) willfully, deliberately, and with premeditation intended the death of the officer; (2) was a major participant in the murder; and (3) was actually present at the time and place of the murder. Both in 1990 and 1995, Maryland State Troopers were killed after making a traffic stop. In both of these incidents, persons who allegedly were present and participated in the murders, but did not do the actual shooting, were not eligible for the death penalty. This bill will allow a judge or jury to decide whether to impose the death penalty on these persons.

##### Solicitation to Commit Murder

*House Bill 638* (failed) would have included the common-law offense of solicitation to commit murder among the list of crimes that are considered "crimes of violence" for the purpose of sentencing and parole. Solicitation consists of a person's oral or written efforts to activate another to commit a criminal offense. The person who is solicited need not actually commit, attempt to commit, or even intend to commit the act sought by the solicitor. The solicitation is complete when the incitement is made.

##### Child Abuse - Death of a Child

*Senate Bill 329/House Bill 1080* (both passed) increase, from 20 to 30 years, the maximum term of imprisonment that may be imposed on a person convicted of felony child abuse if the crime results in the death of the victim. Current law also provides that a person can be sentenced for the underlying offense as well. Therefore, a person convicted of felony child abuse could receive an additional sentence for murder or manslaughter.

##### Child Sexual Offenses and Kidnapping

*Senate Bill 368* (passed) establishes that a person who kidnaps a child under the age of 16 years and commits first degree rape or sexual offense in the first degree to that child is subject to a penalty of not more than imprisonment for life without the possibility of parole. The bill does not apply to the parent of a child. If a prosecutor intends to seek imprisonment for life without the possibility of parole, the prosecutor must notify the defendant at least 30 days prior to trial. The bill applies only to those offenses committed on or after October 1, 1998.

##### Sexual Offenses - Correctional Employees

*Senate Bill 156/House Bill 1359* (both passed) make it a crime for a correctional employee to engage in vaginal intercourse or a sexual act with an inmate of a State or local correctional facility and provide for a maximum penalty of \$3,000, imprisonment for 3 years, or both. A sentence for such an offense may be imposed either separate from and consecutive to or concurrent with a sentence for any other sexual offense involving the use of force or lack of consent. There is no requirement that the sexual act be against the will and without the consent of the inmate. This offense will not require registration under Maryland's current sexual offender registration law.

## **HANDGUNS**

*Senate Bill 402* (passed) authorizes any federally licensed gun manufacturer that was licensed as a regulated firearms dealer in the State of Maryland as of January 1, 1998, to manufacture in the State a handgun that is not on the handgun roster for direct sale to a unit of the federal government, governmental units outside the State of Maryland, or out-of-state law enforcement agencies.

## **ASSISTED SUICIDE**

In a 1993 opinion, the Attorney General concluded that assisted suicide, whether the assistance is rendered by a physician or someone else, may constitute a common-law crime in Maryland, i.e., accessory before the fact of a felony or second degree principal to a felony. See 78 Opinions of the Attorney General (1993) [Opinion No. 93-036 (September 8, 1993)]. However, the Maryland Court of Appeals has never addressed the question of assisted suicide. If the Court of Appeals did not recognize suicide as a crime, assisted suicide per se would not be a crime because one cannot be charged with criminally aiding and abetting an act that is not itself a crime. There remains a question, however, of whether a person who assists a suicide nevertheless could be indicted on another charge.

*Senate Bill 220/House Bill 1209* (both failed) would have prohibited an individual or a licensed health care professional from knowingly assisting another person to commit suicide or to attempt to commit suicide. The bills would not have subjected a licensed health care professional to criminal liability for this offense if the licensed health care professional:

- (1) administered, prescribed, or dispensed medications or procedures to relieve pain, even if the medication or procedure may have hastened or increased the risk of death, unless the medications or procedures were knowingly administered, prescribed, or dispensed to cause death; or
- (2) withheld or withdrew a medically administered life-sustaining procedure under authorization in accordance with the Health Care Decisions Act or in accordance with reasonable medical practice.

Under *Senate Bill 220/House Bill 1209* certain persons (i.e., close relatives, persons entitled to inherit, legal guardians, persons providing medical care, a State's Attorney, or the Attorney General) would have been given standing to petition for injunctive relief and to maintain a cause of action for compensatory and punitive damages against a person who was reasonably believed to have had the intention to commit assisted suicide. A person who violated these bills would have been guilty of a felony and subject to a fine not exceeding \$10,000 or imprisonment not exceeding 3 years, or both.

## **COMMITTEE TO REVISE ARTICLE 27**

The Committee to Revise Article 27 was appointed by the President and the Speaker in 1991 and charged with revising both substantively and stylistically the State's criminal laws. The Committee is composed of members of the House and Senate, judges, and lawyers. In past years, the Committee has successfully sponsored legislation to revise the State's explosive laws, assault laws, victim's rights laws, arson laws, and burglary laws. The following bills were sponsored by the Committee during the 1998 Session.

### **Disturbance of the Public Peace and Disorderly Conduct**

*Senate Bill 390/House Bill 859* (both passed) revise the laws on disturbing the peace and disorderly conduct. They repeal four existing sections of law and add one new section. The bills add definitions of "public conveyance" and "public place" and establish the following five prohibitions:

- (1) A person may not willfully and without lawful purpose obstruct or hinder the free passage of another in a public place or on a public conveyance;
- (2) A person may not willfully act in a disorderly manner to the disturbance of the public peace;

(3) A person may not willfully fail to obey a reasonable and lawful order of a law enforcement officer made to prevent a disturbance to the public peace;

(4) A person who has entered the land or premises of another, whether the other is the owner or lessee, or a beach adjacent to residential riparian property may not willfully disturb the peace of persons on the land, premises, or beach by unreasonably loud noise or acting in a disorderly manner; and

(5) A person from any location may not by unreasonably loud noise willfully disturb the peace of another on the other's land or premises, in a place of business, in a public place or on a public conveyance.

In addition, a sixth prohibition that is applicable only in Worcester County prohibits the building of a bonfire on any beach or other property between the hours of 1 a.m. and 5 a.m. A violation of the bills is a misdemeanor and on conviction a person is subject to a fine of not more than \$500, imprisonment for not more than 60 days, or both.

### **Trespass - Revision**

*Senate Bill 391/House Bill 670* (both passed) revise and consolidate the current trespass laws. There are few substantive changes, but many of the various diverse sections in the current trespass subheading are incorporated into two sections, one dealing primarily with various offenses concerning private property and the other dealing with offenses involving public property.

The bills add a new definitional section and contain a prohibition, based on current law, against wanton trespass after a person has been duly notified by the owner or the owner's agent not to enter. A requirement that the landowner or tenant institute proceedings was repealed. Provisions dealing with suspension of hunting and fishing licenses have been moved to the Natural Resources Article.

The use of off-road vehicles on private property is prohibited without the written permission of the owner or tenant and on property owned by the State or a political subdivision with knowledge that the property is owned or leased by the State or a political subdivision, unless permitted by law. Entry on cultivated land without permission of the owner or the owner's agent is prohibited.

Entering or remaining in the stable area of a racetrack after having been duly notified by an official that the person is not allowed in that area is prohibited. Entering on the land or premises of another for the purpose of invading the privacy of the occupants of any building or enclosure by looking into any window, door, or other aperture of the building or enclosure is also prohibited.

The bills make stylistic changes to current law concerning refusing or failing to leave public buildings or grounds. In addition, the current prohibitions against entry on the property of the Government House (the Governor's Mansion) are added to this section. The former provision that allowed persons having lawful business at the Government House to have entry on that property has been eliminated. The Committee Note in the bill indicates that the new requirement that the entry be wanton eliminates the need for this exception. The penalty for violating this section is a fine of not more than \$1,000 or imprisonment for not more than 6 months or both.

Existing provisions of law found in the Trespass Subheading of Article 27 of the Annotated Code concerning interfering with access to or egress from a medical facility and visual surveillance in a private place are not changed by this bill.

### **Offensive Conduct**

*Senate Bill 439/House Bill 668* (both failed) would have created and defined the misdemeanor crime of "offensive conduct", which would occur when a person: (1) intentionally causes unreasonable physical contact that does not result in physical injury to another who does not consent to the contact; (2) engages in unreasonable conduct intending to put another in fear of imminent offensive physical contact; or (3) attempts to cause unreasonable physical contact to another who does not consent to the attempted contact. The bill would have

imposed a maximum penalty of a fine of \$500, imprisonment for 90 days, or both.

### **Resisting Arrest and Interference with Law Enforcement Officers**

*Senate Bill 342/House Bill 669* (both failed) would have prohibited a person from: (1) resisting a lawful arrest; (2) knowingly and intentionally interfering with a law enforcement officer attempting to arrest another person; and (3) knowingly and willfully interfering with a law enforcement officer engaged in the lawful performance of duty. Violators would have been guilty of a misdemeanor and subject to a maximum fine of \$2,500, imprisonment for 3 years, or both. The bills would have allowed consecutive or concurrent sentencing for this offense and any other offense arising out of the same act (typically an assault).

### **Manslaughter - Penalties**

Current law provides that a person convicted of manslaughter is subject to imprisonment for up to 10 years or a maximum fine of \$500.

*Senate Bill 347/House Bill 671* (both failed) would have created a statutory distinction between voluntary and involuntary manslaughter. The maximum fine for involuntary manslaughter would have been increased to a fine of \$5,000. The maximum term of imprisonment would have remained 10 years. The maximum penalty for voluntary manslaughter would have been increased to a fine of \$10,000, imprisonment for 15 years, or both. In addition, the bills would have provided that in certain cases a judge must make determinations relating to whether a convicted defendant should be found guilty of involuntary or voluntary manslaughter.

### **MALICIOUS DESTRUCTION OF PROPERTY**

*Senate Bill 429* (passed) alters and expands penalty provisions applicable to the criminal misdemeanor known as malicious destruction of property. The bill provides, with specified exceptions, that two or more acts of malicious destruction of property pursuant to one scheme or continuing course of conduct may be considered one offense and that the value of the damage to the various properties may be aggregated in determining the application of penalty provisions.

The bill also provides that the value of damage is not a substantive element of a malicious destruction offense and need not be included in the charging document. A determination of valuation must be based on the evidence and applied for the purpose of imposing penalties. If the determination cannot be made as to whether the damage is more or less than \$300, the value must be determined to be less than \$300. Under current law, if the amount of damage is less than \$300, violators are subject to maximum penalties of a fine of \$500, imprisonment for 60 days, or both. If the amount of damage is \$300 or more, violators are subject to maximum penalties of a fine of \$2,500, imprisonment for 3 years, or both.

### **MOTOR VEHICLES**

#### **Possession of Vehicle Identification Numbers**

*Senate Bill 54/House Bill 620* (both passed) prohibit the possession or sale of stolen manufacturer's serial numbers or vehicle identification plates or labels. The bills also prohibit the possession of such items with the intent that they be affixed to stolen property or used for fraudulent intent. The bills alter the existing misdemeanor penalty provisions applicable to these and related infractions involving a manufacturer's serial number by increasing the maximum fine from \$300 to \$500, and increasing the maximum term of imprisonment from 1 year to 18 months.

#### **Fraudulent Title**

*Senate Bill 53* (passed) adds the title to a motor vehicle to the list of documents for which, with fraudulent intent, it is a felony to: (1) falsely make, forge, or counterfeit; (2) cause or procure to be falsely made, forged, or counterfeited; (3) willfully aid or assist in falsely making, forging, altering, or counterfeiting; or (4) utter or

publish as true a false, forged, altered, or counterfeited version of the document. A person convicted of any of these felonies is subject to a term of imprisonment for not more than 10 years, a fine of not more than \$1,000, or both.

In addition, this bill makes it a misdemeanor to knowingly possess, with unlawful intent, any forged, counterfeited, or altered title to a motor vehicle. A person convicted of this misdemeanor is subject to imprisonment for not more than 3 years, a fine of not more than \$1,000, or both.

### **Eluding Police**

*Senate Bill 738* (passed) increases certain criminal penalties for attempting to elude a police officer by willfully failing to stop a vehicle or by fleeing on foot or by other means that results in bodily injury to, or death of, another person. If the offense of fleeing a police officer results in bodily injury to another person, the penalty is a fine of not more than \$5,000, or imprisonment for not more than 3 years, or both. If the offense results in the death of another person, the penalty is a fine of not more than \$5,000, imprisonment for not more than 10 years, or both.

## **TELECOMMUNICATIONS AND ELECTRONIC CRIMES**

### **Telecommunications Act**

*House Bill 1178* (passed) expands the scope of the law concerning telecommunications crimes and provides for penalties. The bill's provisions do not apply to a law enforcement officer or other authorized person who possesses an access device in the course of an official police investigation.

#### **Obtaining a Telecommunications Service to Avoid a Service Charge**

The bill prohibits a person from knowingly obtaining or attempting to obtain a telecommunications service with the intent to avoid a lawful fee for that service by use of a telecommunications access device without the authority of the owner. Violators are guilty of a misdemeanor and subject to a fine of not more than \$2,500, imprisonment for not more than 3 years, or both.

#### **Possessing and Distributing a Counterfeit Communication Device**

A person who knowingly possesses or uses a counterfeit telecommunications device is guilty of a misdemeanor and subject to a fine of not more than \$2,500 and/or imprisonment for not more than 3 years. A person who knowingly possesses with the intent to distribute, manufacture, or sell a counterfeit communication device is guilty of a felony and subject to a fine of not more than \$10,000, imprisonment for not more than 5 years, or both.

#### **Electronic Serial Numbers and Mobile Identification Numbers**

A person may not knowingly possess a combination of electronic serial numbers and mobile identification numbers that will facilitate telecommunications service without the consent of the lawful owner. Violators are guilty of a misdemeanor and subject to a fine of not more than \$2,500, imprisonment for not more than 3 years, or both.

A person may not knowingly possess electronic serial numbers and mobile identification numbers in sufficient quantities that would indicate an intent to distribute, manufacture, or sell an electronic serial number and mobile identification number combination. Violators are guilty of a felony and subject to a fine of not more than \$10,000, imprisonment for not more than 5 years, or both.

### **Electronic Mail Misuse**

*Senate Bill 222/House Bill 140* (both passed) prohibit a person from using electronic mail for a communication intended to harass people, or to send lewd, lascivious, or obscene materials. "Electronic mail" is defined to mean "the transmission of information or a communication by the use of a computer or other electronic means, sent to a

person identified by a unique address and received by that person". The bills provide an exception for certain persons authorized by federal or State law to intercept or provide electronic mail communications or to conduct electronic mail surveillance. Peaceable activity intended to express political views or provide information to others is also not a violation of this provision. A person who violates this provision is guilty of a misdemeanor and on conviction is subject to a fine of not more than \$500, imprisonment for not more than 1 year, or both.

### **Computer Access**

**House Bill 925** (passed) expands the provision of law pertaining to computer access to prohibit a person from intentionally, willfully, and without authorization exceeding the person's authorized access to computer systems or services. A violation of this offense is a misdemeanor punishable by a fine not to exceed \$3,000, imprisonment not to exceed 1 year, or both. The bill also prohibits a person from intentionally, willfully, and without authorization possessing any valid access codes. The penalty for this misdemeanor offense is a fine up to \$5,000, imprisonment for up to 5 years, or both. A 3-year statute of limitations is applied to all unauthorized access offenses of this subsection.

# Part E

## CRIMES, CORRECTIONS, AND PUBLIC SAFETY

### CRIMINAL PROCEDURE

#### VICTIMS' RIGHTS

During the 1995 Interim, the Speaker of the House of Delegates and the President of the Senate appointed the Task Force to Examine Maryland's Crime Victims' Rights Laws. Since its creation, the objective of the Task Force has been to implement the 1994 amendment to the Maryland Declaration of Rights relating to the rights of victims of crime to be notified of their constitutional rights and to participate in criminal justice proceedings. During the 1996 and 1997 Sessions, the General Assembly passed a number of legislative initiatives that were proposed by the Task Force.

#### Parole Releases

The Task Force recommended a number of bills this Session, including *Senate Bill 241/House Bill 505* (both passed), which expand the definition of "victim" in provisions of current law relating to the rights of victims with regard to parole release hearings to include victims of child abuse and designated representatives of disabled or minor victims in addition to victims of violent crime. The bills entitle these types of victims to: (1) request that a parole release hearing be open to the public; and (2) present oral testimony at a parole release hearing, if the victim has made a request for a hearing to be open to the public.

#### Plea Agreements - Prior Notification of Victim

*Senate Bill 242/House Bill 506* (both passed) require a State's Attorney to send a victim prior notice, if practicable, of the terms and conditions of a plea agreement. *Senate Bill 280/House Bill 501* (both passed) require a judicial review panel to hold a hearing before changing a sentence. The bills also require that: (1) a victim be given notice before any hearing to increase, modify, or reduce a sentence; and (2) before any change in the sentence, the victim or victim's representative be given the right to attend the proceeding and address the panel.

#### Presence at Trial

*Senate Bill 343/House Bill 500* (both passed) expand current provisions that give victims and their representatives the right to be present at trial by making these provisions applicable to juvenile proceedings as well. In addition, the definition of "victim" is expanded to include the victim of any crime or delinquent act. The bills give a victim's representative the right to be present at a trial or juvenile delinquency hearing unless the court orders sequestration. The bills give a victim the right to be present at a trial or juvenile delinquency hearing after initially testifying at the trial or hearing unless the court orders sequestration. The bills authorize a court to order sequestration of a victim or representative only after a determining, with special findings of fact on the record, that: (1) there is reason to believe that the victim will be recalled or the representative will be called to testify; and (2) the presence of the victim or representative would influence the victim's or representative's future testimony at the trial or adjudicatory hearing in a manner that would materially affect the defendant's right to a fair trial.

#### Transportation of Homicide Victims - State Payment

*Senate Bill 742/House Bill 113* (both passed) require that the State budget include the necessary appropriations to pay for the transportation of homicide victims from the site of the autopsy or examination to a location within the State designated by the victim's family. *House Bill 1109* (passed) expands provisions of current law that require a commitment agency to notify a victim or witness of a defendant's release, transfer, death, escape, or recapture to make these provisions applicable to witnesses in cases involving crimes of violence.

## **Failure to Consider Victims' Rights - Appeal of Cases**

*Senate Bill 279/House Bill 504* (both failed) would have altered the circumstances under which an appeal is taken to the Court of Special Appeals from an order that denies or fails to consider certain victims' rights. Specifically, the bills sought to: (1) broaden the class of victims and other parties entitled to file an application for leave to appeal to the Court of Special Appeals for interlocutory or final orders that deny or do not consider victims' rights; and (2) extend the list of victims' rights that, if denied or not considered, may form the basis for such an appeal.

## **SENTENCING**

### **Maryland Commission on Criminal Sentencing Policy**

*Senate Bill 389/House Bill 842* (both passed) extend for six months, to July 1, 1999, the termination date of the Maryland Commission on Criminal Sentencing Policy. The Commission was established by the General Assembly in 1996 to evaluate the State's sentencing and correctional laws and policies and make certain recommendations to the Governor and the General Assembly.

### **Reprieves, Pardons, and Commutations**

The authority and procedures used by the Governor to grant reprieves and pardons and to commute the sentences of convicted criminals have been closely scrutinized in the past year due to the 1995 commutation of the sentence of a double murderer. The General Assembly considered several bills this year that relate to the pardon and commutation authority of the Governor during the final days of a term of office and the notice requirements relating to a pardon or commutation.

*Senate Bill 267/House Bill 69* (both failed) would have proposed a constitutional amendment to prohibit the Governor from exercising the powers to grant a reprieve or pardon or to remit fines and forfeitures for offenses against the State during: (1) the period after the general election during the final term of the Governor; (2) the period between a primary loss by the Governor and the inauguration of the succeeding Governor; or (3) the second term of the Governor if the request to act and the information on which the act is based was available during the first term of office. *Senate Bill 555* (failed) would have required the Governor to provide notice in a newspaper and to the General Assembly before deciding to grant a reprieve or pardon, remit a fine, commute or change a death sentence, or remit part of the time of a convicted person's sentence. *House Bill 661* (failed) would have required the State Parole Commission to provide public notice to the victim's community when recommendations on sentence alterations are made to the Governor.

## **CONTROLLED DANGEROUS SUBSTANCES - FORFEITURES**

*House Bill 666* (passed) makes several changes to the provisions authorizing forfeiture of property in connection with controlled dangerous substance offenses. The bill: (1) repeals the requirement that an application for the forfeiture of money or currency contraband include a show cause order; (2) extends from 10 to 20 days the deadline for mailing copies of the summons and complaint and posting and publishing a notice regarding the property that has been seized; (3) requires that an answer to a complaint for forfeiture include a request for a prompt hearing; (4) adds "evidence that the motor vehicle was acquired by use of proceeds from a transaction involving a controlled dangerous substance" to the list of circumstances justifying a seizure and forfeiture; and (5) repeals authorization for seizure if there is corroborated information indicating that the violator is a recent seller or frequently associates with distributors of drugs.

*House Bill 666* also alters the bond posting requirements for motor vehicles. The bill allows the forfeiting authority and the owner to agree to a bond. If there is no agreement, the bill requires that the court, and not the sheriff, determine the bond amount. Additionally, unless there is a lien on a motor vehicle, the bond amount for the motor vehicle is the value of the motor vehicle in the National Automobile Dealer's Association (NADA) Official Used Car Guide. If there is a lien, the bond amount is the value of the vehicle as determined in the NADA guide less the amount owed on the lien. The bond may be secured by cash, through a surety, through a lien on real property, or other security approved by the clerk of the court.

## CRIMINAL RECORDS

### Arrest Warrant Inspection

Under current law, unserved arrest warrants and charging documents are available for public inspection. Recently, there have been concerns that individuals are searching these records and offering legal services to defendants based on warrants even before the defendants are aware that warrants have been issued for their arrest. This practice could alert a defendant to the fact that an arrest warrant is forthcoming and may lead to destruction of evidence, flight, or a violent confrontation with law enforcement personnel.

*Senate Bill 172/House Bill 270* (both passed) limit public inspection of an issued arrest warrant and the underlying charging document until: (1) the warrant has been served; or (2) 90 days have elapsed after the issuance of the warrant. However, under this legislation, certain law enforcement and court personnel retain the ability to inspect and use arrest warrant and charging document information as soon as issued. The bills also allow the release of statistical information on arrest warrants and charging documents by State's Attorneys or other law enforcement personnel prior to the lapse of time designated in the legislation. *Senate Bill 172/House Bill 270* codify restrictions relating to the inspection of issued but unserved arrest warrants and charging documents that are consistent with recommendations of the Court of Appeals' Standing Committee on Rules of Practice and Procedure.

### Expungement of Records - Motor Vehicle Offenses

*House Bill 645* (passed) makes provisions governing expungement of court and police records applicable to motor vehicle offenses that are punishable by imprisonment. This bill authorizes an individual charged with a motor vehicle offense that is punishable by imprisonment to file a petition to expunge the court or police record pertaining to the charge if the individual is acquitted, the charge is dismissed, or a *nolle prosequi* or judgment of probation before judgment is entered by the court. The authorization does not apply, however, if the individual is given probation before judgment on a charge of driving while intoxicated, intoxicated per se, or driving under the influence of alcohol or drugs. This bill does not affect administrative records of vehicle law violations maintained by the Motor Vehicle Administration.

### Warrantless Arrests and Citations - Misdemeanor Offenses

*Senate Bill 341/House Bill 14* (both failed) would have expanded the list of misdemeanor offenses for which a police officer may make warrantless arrests to include disturbing the peace, disorderly conduct, interference with athletic events, trespass, disturbing activities at school or college, and trespass on the grounds of a public school or college. The bills also would have expanded the list of crimes for which a police officer could charge by citation to include prostitution, interference with athletic events, littering, trespass, disturbing activities at school or college, trespass on the grounds of a public school or college, and violations relating to second hand precious metal dealers.

## CRIMINAL EVIDENCE

### Interception of Wire or Electronic Communication

#### Child Pornography

The rapid growth of computer and electronic video technology has expanded the means for selling and distributing child pornography. Traditionally, this offense was largely limited to publications distributed by mail or parcel service. *Senate Bill 553/House Bill 914* (both passed) authorize an investigative or law enforcement officer or another person acting under the officer's prior direction and supervision to intercept a wire, oral, or electronic communication to provide evidence of an offense of child pornography.

#### Telephone Solicitation Theft

**House Bill 607** (passed) authorizes an investigative or law enforcement officer or another person acting under the officer's prior direction and supervision, to intercept a wire, oral, or electronic communication in the course of a law enforcement investigation of possible telephone solicitation theft if the officer or investigator is a party to the communication through the use of a telephone instrument. Under the bill, "telephone solicitation theft" is defined as theft or attempted theft involving the use of a telephone to solicit the payment of money. This bill is an attempt to address concerns about telemarketing fraud that often targets vulnerable populations.

### **Out-of-Court Statements - Child Abuse**

**Senate Bill 688/House Bill 590** (both passed) allow, in certain juvenile court and criminal proceedings, the admission into evidence of out-of-court statements of a child victim that are made to and offered by a nurse, principal, vice principal, or school counselor at a public or private school. For a detailed discussion of **Senate Bill 688/House Bill 590**, see the "Family Law" heading in Part F of *The 90 Day Report*.

### **Public Defender - Representation of Indigent Defendants at Bail Review Hearings**

**House Bill 1092** (failed) would have required the Office of the Public Defender to provide legal representation to indigent defendants during bail review hearings. The Public Defender would have been required to provide legal representation at the hearings when a defendant had been denied pretrial release by a court commissioner.

### **State Prosecutor - Immunity and Subpoena Power**

**Senate Bill 331/House Bill 171** (both failed) would have authorized the State Prosecutor to issue subpoenas to obtain documents to further an ongoing criminal investigation, in the same manner as authorized for a State's Attorney. The bills also would have authorized the State Prosecutor to request a court to issue subpoenas compelling the testimony or documents of a person under certain circumstances. Additionally, Senate Bill 331/House Bill 171 would have authorized the State Prosecutor to enter a written motion for contempt if a witness refused to comply with an order to testify or provide information before a grand jury.

## **BOMB THREATS**

In response to a recent wave of false bomb threats, particularly involving juveniles, a number of bills were proposed this Session. **House Bill 1307** (failed) would have added the Anne Arundel County Board of Education to the list of entities entitled to receive restitution in connection with convictions for destructive device violations. **Senate Bill 101** (failed) would have required the suspension of the driver's license of an individual convicted of a destructive device violation. The bill also would have entitled local boards of education to restitution in connection with destructive device violations and eliminated the juvenile court's jurisdiction over children at least 16 years old alleged to have committed destructive device violations. Finally, the bill would further have required courts to order restitution in connection with convictions for destructive device violations. Under current law, a restitution order is optional in these types of cases. **Senate Bill 100** (failed) and **House Bill 219** (failed) would have imposed similar requirements. **House Bill 72** (failed) would have added local boards of education to the list of entities entitled to receive restitution in connection with convictions for destructive device violations.

# Part E

## CRIMES, CORRECTIONS, AND PUBLIC SAFETY

### JUVENILE LAW

#### JUVENILE JUSTICE ACT OF 1998

In March of 1996, the General Assembly convened a juvenile justice summit to examine the nature and extent of juvenile delinquency in Maryland and to discover innovative solutions to the problems posed by juveniles. In order to increase the accountability of juvenile offenders and of the juvenile justice system, legislation was enacted in the 1997 Session to open court hearings for any juvenile alleged to have committed a delinquent act that would be a felony if committed by an adult. Additionally, legislation was passed to require the revocation of driving privileges for the commission of auto theft or "joyriding" by juveniles and to require the suspension or revocation of driving privileges for the commission of drunk or drugged driving offenses by juveniles. The General Assembly also enacted legislation to change the purpose of the juvenile justice law from that of protecting the juvenile from the "taint of criminality" and the consequences of juvenile behavior to an approach that incorporates the philosophy of restorative justice and balances the principles of public safety, offender accountability, and competency and character development.

Despite these recent initiatives, according to a 1997 report by the Maryland Task Force on Juvenile Justice Reform, Maryland currently has the nation's fifth highest juvenile violent crime arrest rate, surpassed only by New York, Florida, New Jersey, and California. The juvenile delinquency problem, therefore, continues to receive a significant amount of attention from the General Assembly. *Senate Bill 68/House Bill 309* (both passed) contain the following four provisions relating to the juvenile justice system.

#### **Juvenile Court Jurisdiction**

The bills exclude a child who has been previously convicted as an adult of a felony and is subsequently alleged to have committed another felony from the exclusive original jurisdiction of the juvenile court; however, the adult court would be able to waive the case back to juvenile court if the waiver is in the best interests of the child or society. This provision is intended to keep some of the more difficult offenders out of juvenile detention facilities and to ensure that youths that already have criminal histories will continue to be held accountable in the criminal justice system.

#### **Juvenile Records**

Law enforcement agencies are authorized under the bills to include relevant information concerning an outstanding juvenile writ of attachment in any law enforcement computer information system for the purpose of apprehending the juvenile named in the writ. In addition, the juvenile court is required to report the issuance or withdrawal of a writ of attachment to the Criminal Justice Information System Central Repository.

These provisions are intended to aid police in identifying and arresting youths who are "wanted" by the juvenile court and to help ensure that police do not face excessive risks when apprehending juvenile offenders. Under current law, a police record concerning a child is confidential and generally may not be divulged except by order of court upon a showing of good cause.

#### **Capital Bond Program**

The eligibility requirements for participation in the Juvenile Justice Facilities Capital Program are amended to return youth services bureaus to eligibility.

#### **Commission on Juvenile Justice Jurisdiction**

A 23-member, two-year Commission on Juvenile Justice Jurisdiction is established to study juvenile and adult

court jurisdiction issues and other aspects of the juvenile justice system and to recommend changes. The Commission must submit a report to the Governor and the General Assembly by September 30, 2000.

## **JUVENILE COURT JURISDICTION**

A number of other bills proposing to alter the jurisdiction of the juvenile court were introduced this Session. **House Bill 21** (failed) would have narrowed the jurisdiction of the juvenile court by making robbery and attempted robbery adult offenses for children at least 16 years old. **House Bill 230** (failed) would have narrowed the jurisdiction of the juvenile court by making offenses involving destructive devices (e.g., the manufacture, possession, or use of an explosive and the making of a false bomb threat) adult offenses for children at least 16 years old. **Senate Bill 684/House Bill 893** (both failed) would have narrowed the jurisdiction of the juvenile court by making offenses involving distribution of controlled dangerous substances adult offenses for children at least 17 years old. **House Bill 1272** (failed) would have divested the juvenile court of jurisdiction over subsequent acts of a child who has been previously charged as an adult with a crime.

## **FALSE BOMB THREATS BY JUVENILES**

In response to a recent wave of false bomb threats, particularly involving juveniles, a number of bills were introduced to strengthen penalties against individuals who make false bomb threats, including **Senate Bill 100** (failed), **Senate Bill 101/House Bill 219** (failed), **House Bill 72** (failed), and **House Bill 1307** (failed). These bills are discussed in detail under the Criminal Procedure heading of this Part E of *The 90 Day Report*.

## **SAFE SCHOOLS INITIATIVE**

The fiscal year 1999 appropriation for the Department of Juvenile Justice includes \$750,000 for a Statewide Safe Schools Initiative. For a more detailed discussion of this initiative, see the "Operating Budget" heading of Part A - "Budget and State Aid" of *The 90 Day Report*.

# Part E

## CRIMES, CORRECTIONS, AND PUBLIC SAFETY

### PUBLIC SAFETY

#### REGULATION OF PRIVATE HOME DETENTION COMPANIES

##### Generally

Home detention is a type of confinement that is used for persons in pretrial status as well as those who have been convicted of a crime. It allows the person to continue to live in the person's residence and continue to work, but is designed to provide supervision over the person's activities. Electronic monitoring, usually by way of an anklet, is designed to ensure that the person is at home when not working. Monitoring is also usually done either in person or over the telephone.

Private home detention companies are nongovernmental entities providing detention and monitoring services. Currently, there is no State regulation of private home detention companies. During the past year, concern about private home detention companies has grown, in particular due to an incident in Prince George's County involving Brian Lamont Sowell. Sowell had been released pretrial to a private home detention company while awaiting trial for armed robbery. While on release, after bribing an employee of the home detention company, Sowell sexually assaulted four women and robbed two others. A grand jury investigating these incidents urged the State to adopt regulations governing the operations of these companies.

*Senate Bill 633* (passed) allows the Department of Public Safety and Correctional Services (DPSCS) to regulate private home detention companies. It also authorizes a court, as a condition of a defendant's pretrial release, to require that the defendant be monitored by a private home detention monitoring agency. The bill creates a framework for State regulation and licensing of private home detention monitoring agencies for both postconviction and pretrial release detainees.

##### Minimum Standards

Under the bill, the Secretary of DPSCS is required to adopt regulations:

- (1) establishing minimum standards for electronic equipment to monitor a detainee 24 hours a day;
- (2) establishing minimum training and experience requirements for a private home detention monitoring agency licensee and for a private home detention monitor; and
- (3) requiring minimum staffing requirements in relation to the number of defendants being monitored.

##### Rosters and Information

The Secretary must maintain a roster and 24-hour contact numbers for the operators of private home detention monitoring agencies and annually disclose the information to the administrative judges of the District and circuit courts and the Administrative Office of the Courts. The bill requires that a person be licensed by the Secretary before operating a business that provides monitoring services for a fee to individuals who are under a court order that requires monitoring by a private home detention monitoring agency. In addition to submitting an application on a form that the Secretary provides, an applicant for a license must submit an initial application fee of \$500, a bond of at least \$2,500, and subject to regulations that may be adopted by the Secretary, proof of liability insurance in a certain minimum amount.

##### Criminal History Records Check of Monitors

Before an individual may begin working as a private home detention monitor, the individual must apply for a

State and national criminal history records check and submit a set of fingerprints to the Criminal Justice Information System Central Repository of DPSCS. The bill includes procedures under which an individual may contest the finding of a criminal history records check.

### **Denial, Suspension, and Revocation of Licenses**

Subject to certain hearing provisions, the Secretary may deny a license to any applicant, reprimand any licensee, or suspend or revoke a license if the applicant or licensee commits any of a variety of offenses, including fraud, providing monitoring services without a license, and employing a monitor after being notified by the Secretary of DPSCS that the individual has a felony conviction.

The Secretary of DPSCS is required to begin proceedings against an applicant or licensee on the Secretary's own complaint or on a complaint made to the Secretary by any other person. On determining to suspend or revoke a license of an agency, the Secretary immediately must notify:

- (1) the administrative judge for the circuit court in the counties where the agency monitors detainees; and
- (2) the administrative judge for the District Court where the agency monitors detainees.

### **Monitoring Duties**

A private home detention monitoring agency must:

- (1) monitor in accordance with court orders;
- (2) monitor 24 hours a day and 7 days a week a detainee who is under a court order that requires monitoring by a private home detention monitoring agency; and
- (3) use electronic equipment or other monitoring methods that meet or exceed standards that the Secretary establishes.

### **Missing Detainees - Notification**

*Senate Bill 633* also requires a monitoring agency to notify the court or the Division of Parole and Probation on the next business day after the agency determines that a detainee has been missing for 24 hours. Finally, if a court requests that it be notified whenever a defendant violates any condition of pretrial release, the agency responsible for monitoring the defendant must provide that notice.

### **Penalties**

A person who willfully and knowingly violates any provision in the bill is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000, imprisonment not exceeding 1 year, or both.

### **Deadlines**

The bill provides that agencies in operation when the bill takes effect must register with the Secretary of DPSCS before August 1, 1998. Registered agencies will be given until June 30, 1999, to meet the licensing requirements under the bill. DPSCS must report by July 1, 2000 on the cost of administering the program.

## **PATUXENT INSTITUTION**

Patuxent Institution, a State correctional facility in Jessup, is part of the Department of Public Safety and Correctional Services (DPSCS). Unlike all other State correctional facilities, the Institution is not part of the Division of Correction. The Secretary of DPSCS appoints the Director, who administers the Institution. Patuxent Institution treats and rehabilitates eligible prisoners who are mentally disordered or physically impaired, including some chronic youthful offenders. The Institution offers medical, psychiatric, psychological, and social casework

services, as well as academic, vocational, recreational, and religious services. Treatment also is provided for individuals on preparole and parole status.

**Senate Bill 732/House Bill 1353** (both failed) would have altered inmate eligibility requirements, program selection, staff composition, and the Authority of the Board of Review at Patuxent Institution. The bills would have abolished the mental health program at the Institution and provided that all inmates in the current program would no longer retain eligible person status. In addition, the bills would have transferred the authority to grant parole to Patuxent inmates from the Patuxent Institution Board of Review to the Maryland Parole Commission.

## **SEX OFFENDERS**

In 1995, the General Assembly enacted a version of "Megan's Law", which required persons convicted of sexual offenses involving children to register annually for 10 years with the State and local law enforcement officials following release from custody. In 1997, this law was expanded to make it applicable to persons convicted of any type of sexual offense and to persons convicted of certain nonsexual offenses involving children. The 1997 legislation also required lifetime registration for those persons determined to be sexually violent predators, unless a court, after 10 years, determined that the person was no longer a danger to the community. In the 1998 Session, several bills were introduced to deal further with the problem of sex offenders on release to the community.

### **Registration of Sex Offenders**

**House Bill 875** (passed) expands the definition of "registrant" for purposes of registering under Maryland's sexual offender registration law. The bill establishes that the term "registrant" includes a child sexual offender who, before moving to this State, was required to register in another state for an offense that occurred before October 1, 1995. The bill also establishes that the term "registrant" includes sexually violent offenders, sexually violent predators, and other specified offenders who, before moving to the State, was required to register in another state for an offense that occurred before July 1, 1997.

Currently, registrants who committed offenses in another jurisdiction and who are either imprisoned in the State or move to the State must register with DPSCS. Under current law, child sexual offenders are only required to register if the offense occurred on or after October 1, 1995. All other registrants are required to register if the offense occurred on or after July 1, 1997. Testimony indicated that persons whose offenses were committed out-of-state before the dates specified in Maryland law and who are required to register under the laws of the other state were attempting to register after moving to the State. They are currently unable to do so because State law only applies to offenses committed after certain dates. These persons were therefore in violation of their terms of parole or probation in the state where they committed the offense. The bill will further the policy designed to protect the citizens of our State by requiring registration in this State if an offender was required to register in another state.

**House Bill 398** (passed) makes many stylistic and clarifying changes to the law requiring sex offenders and offenders who commit crimes against children to register. The bill substitutes the term "registrant" for the term "offender" each time the term "registrant" is intended. A registrant means a person who is: (1) a child sexual offender; (2) a person who is convicted of certain crimes against children; (3) a sexually violent offender; or (4) a sexually violent predator.

The bill requires the authority that supervises a registrant who is in custody to send, within 5 days of obtaining a registration statement, in addition to a copy of the registrant's registration statement, the registrant's fingerprints, and a photograph of the registrant to the local law enforcement agency in the county where the registrant will reside once released from the custody of the supervising authority. It eliminates the requirement that the DPSCS also provide this information to local law enforcement.

The bill specifies that the provisions of the Maryland Tort Claims Act or the Local Government Tort Claims Act apply to public officials, employees, or agencies, unless it is shown that the official, the employee, or the agency acted either with gross negligence or in bad faith. Current law applies this immunity only to the required notice provisions concerning educators and others whom the DPSCS determines have need of the information to protect

the public. The bill requires the Secretary of DPSCS to adopt regulations to implement the provisions of this bill with advice from the Criminal Justice Information Advisory Board established under Article 27, § 744 of the Code.

### **Post Release Date Custody**

*Senate Bill 117/Senate Bill 186/House Bill 26* (all failed) would have provided a mechanism for keeping in custody past the term of any imposed sentence an individual determined by a court to be a sexually violent predator. The bills would have defined a "sexually violent predator" as a person who:

- (1) has been convicted of a sexually violent offense; and
- (2) suffers from a mental abnormality or personality disorder that makes the person likely to engage in a predatory act involving a sexually violent offense.

The bills would have required the State, when an offender was due to be released, to prove at another hearing that the person was a sexually violent predator in order to keep the person in custody. The bills were prompted by a Kansas law that allows for the involuntary commitment of individuals who, because of a "mental abnormality" or "personality disorder" are likely to continue endangering children. The Supreme Court held that the Kansas law was constitutional and that states have the power to confine sex offenders in mental institutions even though they have served their full prison terms.

### **STATE FIRE MARSHAL**

During the 1998 Session, several bills were introduced concerning the Office of the State Fire Marshal.

### **Extrajurisdictional Arrest Authority**

*House Bill 1399* (passed) authorizes the State Fire Marshal and the Fire Marshal's assistants to make warrantless arrests without limitations as to jurisdiction if:

- (1) they are participating in a joint investigation with officials from any other State, federal, or local law enforcement agency at least one of which shall have local jurisdiction;
- (2) they are rendering assistance to a police officer;
- (3) they are acting at the request of a local police officer or a State Police officer; or
- (4) an emergency exists.

The bill further requires that the State Fire Marshal and the Fire Marshal's assistants be acting in accordance with regulations adopted by their agency under these circumstances. Under the above circumstances, *House Bill 1399* gives the State Fire Marshal and the assistants the same powers of arrest for criminal violations as those that are held by regular police officers. Finally, the bill makes the Law Enforcement Officers' Bill of Rights and the laws relating to the Police Training Commission applicable to the State Fire Marshal and investigative and inspection assistants.

Currently, the State Fire Marshal and a full-time assistant have the power of making warrantless arrests only under more limited circumstances. They have authority to make warrantless arrests for offenses relating to fires, explosives, and interfering with investigations by the State Fire Marshal. The bill gives the same power to full-time investigative and inspection assistants of the Office of the State Fire Marshal. The full-time investigative and inspection assistants of the Office of the State Fire Marshal are already required to take police training required by the Maryland Police Training Commission. Testimony indicated that 36 persons would be included under the provisions of the bill. In 1997, these persons made 300 felony arrests.

## **Citation Authority in Lieu of Arrest**

**Senate Bill 63** (passed) authorizes a fire marshal to issue a criminal citation for the following misdemeanor offenses:

- (1) discharging fireworks without a permit;
- (2) possessing fireworks with intent to discharge or permitting the discharge of fireworks; and
- (3) maintaining a fire hazard.

A fire marshal may issue a citation if: (1) the defendant furnishes satisfactory evidence of identity; and (2) the fire marshal has reasonable grounds to believe that the defendant will comply with the citation. The penalty for unlawful discharge of fireworks is a fine of not more than \$250. The penalty for maintaining a fire hazard is a fine of not more than \$1,000.

## **Deceased Members - Issuance of Flags**

**Senate Bill 192** (passed) requires the Secretary of State to issue a Maryland flag to the family of a sworn member of the State Fire Marshal's Office if the member is killed in the line of duty. The State Senator of the legislative district in which the member served or resided is entitled to present the flag to the family.

## **Fees - Exemptions**

**House Bill 1097** (passed) prohibits the State Fire Marshal from collecting fees for inspections of property owned by the State or a local government or of a government affiliated or volunteer fire, rescue, or emergency medical services entity. Current law requires the State Fire Marshal to collect a fee established by the State Fire Prevention Commission for each inspection of any property and to deposit the fees into the State General Fund. The fiscal note indicates that the bill will result in an annual General Fund loss of \$53,500.

## **CORRECTIONAL OFFICERS**

### **Training**

**House Bill 1235** (failed) would have expanded the definition of the term "correctional officer" by including employees of private contractors or vendors who perform duties that relate to the care and supervision of incarcerated persons. The bill would have required that these employees meet the same minimum qualifications that are set for governmental correctional officers by the Correctional Training Commission.

### **Sexual Offenses - Correctional Employees**

**Senate Bill 156/House Bill 1359** (both passed) prohibit a correctional officer and the head and deputy head of a correctional facility from engaging in vaginal intercourse or a sexual act with an inmate. A violation of the bill is a misdemeanor subjecting the person to a fine of not more than \$3,000, imprisonment for not more than 3 years, or both. For a further discussion of this issue, see the "Criminal Law" heading of this Part E of *The 90 Day Report*.

### **Prince George's County - Correctional Officer Applicants - Lie Detector Tests**

In general, an employer is prohibited by law from requiring an applicant for employment or a current employee to submit to a lie detector test as a condition of employment. There are exceptions to this prohibition for certain individuals involved in the field of public safety, such as law enforcement officers and correctional officers in some counties. The reason for this exception is to ensure that these employees will not engage in illegal activities while they are trusted with guarding the public safety. **House Bill 755** (passed) authorizes the Department of Corrections in Prince George's County to require an applicant for employment as a correctional officer to submit

to a lie detector test as a condition of prospective employment.

## LAW ENFORCEMENT OFFICERS

### Law Enforcement Officers' Bill of Rights

The Law Enforcement Officers' Bill of Rights (LEOBR) is designed to guarantee certain procedural safeguards and employment protection to law enforcement officers. The LEOBR provides an officer's exclusive remedy in matters of departmental discipline. During the 1998 Session, two bills were enacted concerning the LEOBR.

#### Procedures During Interrogation

*Senate Bill 250* (passed) provides that when a law enforcement officer is subject to interrogation by a law enforcement agency conducting an investigation of the officer, the counsel or other responsible representative of the law enforcement officer may:

- (1) request a recess during the interrogation to consult with the officer;
- (2) enter an objection to any question posed during the interrogation; and
- (3) state on the record the reason for an objection outside the presence of the officer.

Under current law, at the request of any law enforcement officer under interrogation, the officer has the right to be represented by counsel or any other responsible representative of the officer's choosing who shall be present and available for consultation at all times during the interrogation, unless waived by the officer. Current law does not expressly authorize the counsel or representative of an officer to request a recess during the interrogation to consult with the officer or to object to or explain an objection to questions posed during the interrogation.

#### Scope of LEOBR

*House Bill 1042* (passed) applies the provisions of the LEOBR to the police forces of the Department of Transportation and the police officers of the Departments of: (1) Health and Mental Hygiene; (2) General Services; and (3) Labor, Licensing, and Regulation. In addition, full-time investigative and inspection assistants in the State Fire Marshal's Office are now covered by the LEOBR (this provision is also included in *House Bill 1399*, discussed above).

Under current law, the officers affected by *House Bill 1042* are covered by the grievance procedure established under Title 12 of the State Personnel and Pensions Article. The change in coverage made by *House Bill 1042* was the result of negotiations conducted under the auspices of the Governor's Executive Order on Collective Bargaining between the State and the bargaining representative of the affected officers.

### Extrajurisdictional Authority

*Senate Bill 526* (failed) would have authorized a police officer to arrest a person outside the officer's jurisdiction if:

- (1) a warrant had been issued against the person;
- (2) the police officer was participating in a joint operation that had been created by an agreement between the primary law enforcement officers;
- (3) the arrest occurred and was initiated within one of the participating jurisdictions; and
- (4) the police officer was acting in accordance with regulations adopted by the police officer's employing agency to implement this provision of law.

Currently, a police officer is authorized to make arrests outside the officer's jurisdiction if:

- (1) the police officer is participating in a joint investigation with officials from any other State, federal, or local law enforcement agency, at least one of which has local jurisdiction;
- (2) the police officer is rendering assistance to a police officer;
- (3) the police officer is acting at the request of a local police officer or a State Police officer; or
- (4) an emergency exists.

In addition, current law authorizes counties and municipalities to enter into police mutual aid agreements with other counties or municipalities in emergency situations. Under these agreements, the county or municipality determines under what conditions their police may exercise police powers outside of the jurisdiction. In a letter of advice, the Attorney General stated that these existing provisions of law did not allow a law enforcement officer to serve a warrant in another jurisdiction.

## **FIRE AND RESCUE**

### **Volunteer Firefighters and Rescue Squad Personnel - Death Benefits**

**House Bill 433** (passed) alters provisions relating to the obligation of the Board of Trustees of the Maryland State Firemen's Association to pay death benefits of at least \$2,000 if a volunteer firefighter or individual serving on a volunteer rescue squad dies. The bill extends coverage to a volunteer firefighter or rescue squad worker who dies while actively participating in advanced life support. The Board of Public Works gives the Board of Trustees of the Maryland State Firemen's Association, a private association, an annual grant for purposes that include these death benefits. The fiscal year 1999 budget allocates a grant to the association of \$791,244.

The bill provides that entitlement to these death benefits is regardless of the district or State (adjacent to Maryland) in which the decedent died or whether the decedent died while acting alone or at the direction of or with a fire company or rescue squad. In addition, the bill expands the list of persons eligible for the death benefit to include a decedent's grandparents. Also, the children and parents do not have to be dependent to be eligible.

The bill was introduced to address an inequity in the State's death benefits law for public safety and emergency services personnel. The change is designed to address cases such as Donald Trice, a Sharptown volunteer firefighter who was tragically killed while providing emergency assistance at the scene of a traffic accident. The legislation broadens the incidences when a firefighter or rescue squad member is eligible for death benefits and allows the benefit to be paid to the decedent's estate in certain cases. The provisions of the bill are retroactive to deaths occurring on or after July 1, 1996 to ensure that the Trice family receives the benefits.

### **Volunteer Firefighters and Rescue Squad Personnel - Disability Benefits**

**House Bill 1205** (passed) alters provisions relating to the obligation of the Maryland State Firemen's Association to pay a benefit to a volunteer firefighter or rescue squad member who is disabled when performing his or her duties. The bill provides that this benefit be paid regardless of: (1) the district or State (adjacent to Maryland) in which the person was disabled; or (2) whether the person was injured while acting alone or at the direction of a fire, ambulance, or rescue company or advanced life support unit. These volunteer workers are also eligible for workers' compensation benefits.

It is unclear whether the annual State grant discussed above may be used to cover disbursements for disability pension payments. Also, there is no reliable information to confirm whether the bill's potential to increase the number of eligible disability pensioners could affect future budget/grant requests from the association. In any event, any future change in the association's State grant would be subject to the normal budgetary processes.

### **Public Safety and Emergency Services Personnel - Death Benefits**

**Senate Bill 173/House Bill 268** (both passed) are Administration bills requiring State payment of death benefits (\$50,000) and funeral benefits (\$10,000) if a volunteer or career firefighter or rescue squad member is killed or dies while in the "performance of duties". In addition, the bill alters provisions relating to the payment of those benefits by: (1) adding the "estate" of an entitled decedent as an entity that must receive each of the benefits; (2) replacing the term "professional" as a description of entitled firefighters with the term "career"; (3) replacing reference to "line of duty" with "performance of duties"; and (4) eliminating specified age and dependency requirements for beneficiaries who are children or parents of the decedent. The bill is effective July 1, 1998, and is applied to deaths occurring on or after July 1, 1996.

### **Public Safety Personnel - Death Benefits and Funeral Expenses**

**House Bill 89** (passed) clarifies that death and funeral benefits must be paid by the DPSCS to surviving members of State and county employees who are responsible for the care, custody, control, or supervision of offenders placed under community supervision and who are killed in the line of duty.

### **Prince George's County - Powers of Fire Investigators**

**House Bill 776** (passed) authorizes fire investigators of the Prince George's County Fire Department to carry a handgun without a permit and to execute arrests for violations relating to fires and explosives without a warrant in the course of their duties. The bill also requires that a Prince George's County fire investigator who seeks to carry a handgun and make a warrantless arrest must meet the minimum qualifications and satisfactorily complete the training required by the Police Training Commission. Since 1979, local law has authorized fire investigators in Prince George's County to conduct arson and explosive investigations and make arrests under warrant in connection with their investigations. A recent opinion by the County Attorney stated that this authority must come from the State. The bill affects only the seven current fire investigators in Prince George's County.

## **MISCELLANEOUS**

### **Emergency Preparedness Plan**

Under current law, each county and Baltimore City is required to have an Emergency Preparedness Plan for responding to an emergency that involves hazardous materials or controlled hazardous substances. **House Bill 1301** (Ch. 106) requires that each county and Baltimore City review its Emergency Preparedness Plan annually and submit any changes in the plan to the Director of the Maryland Emergency Management Agency within the Military Department. The Act requires that the plan be submitted by October 1, 1998.

### **Presentence Reports**

Currently, a parole or probation officer must provide a presentence report or other reports to a judge on the request of the judge. These reports are confidential and not open to public inspection, except with a court order. There are exceptions that allow certain persons to inspect a parole or probation officer's presentence reports without a court order. **House Bill 179** (passed) adds a community substance abuse treatment provider to the list of parties that must be provided with a parole or probation officer's presentence report, if the treatment provider, as a condition of probation, will be treating or evaluating for treatment the individual who is the subject of the report.

### **Probation Before Judgment - Allegany and Garrett Counties**

**House Bill 265** (passed) authorizes a court in Allegany and Garrett Counties to impose a sentence of confinement as a condition of probation before judgment. Under current law, when a person pleads guilty or nolo contendere or is found guilty of an offense, the court may stay the judgment and place the person on probation subject to reasonable terms and conditions as appropriate. Currently, a court in Calvert, Charles, and St. Mary's Counties may impose a sentence of confinement as a condition of probation.

### **Baltimore County Work Release and Home Detention Programs**

**Senate Bill 530** (passed) authorizes the establishment of a work release program and a home detention program for Baltimore County. Under the bill, the administrator of the Baltimore County detention facilities, or the administrator's designee, is authorized to establish and administer a work release and home detention program, establish rules and regulations governing the program, establish criteria for participation in the program, make recommendations to a judge for the selection of participants, and collect reasonable fees for participation. The court, upon a recommendation from the administrator, may authorize the individual to participate in the work release or home detention program when the court imposes a sentence, commits an individual to the Baltimore County detention facility, or during any portion of the individual's incarceration. A person is not eligible for the home detention program if the person has other charges pending, except minor traffic violations, or if the person has been convicted of any crime of violence, child abuse, or escape.

Currently, State law authorizes all counties to establish work release programs. In addition, some counties have laws concerning work release that are applicable only in that county. Also, eight counties are specifically authorized by law to operate home detention programs (Carroll, Cecil, Dorchester, Harford, Frederick, Kent, Washington, and Wicomico Counties). The bill codifies existing practice in Baltimore County.

### **Prince George's County - Inmates - Conditions of Work Release**

**House Bill 743** (passed) applies to Prince George's County a set of provisions that relate to the employment of prisoners outside of local detention centers. These provisions, which concern such topics as the awarding of diminution credits, sanctions for violation of conditions of work release, and expense and mileage allowances for sheriffs, now apply to all counties in the State except Prince George's and Montgomery Counties. The bill, however, specifically provides that in Prince George's County, the representative of the Prince George's County Detention Center will still be assigned certain responsibilities, such as collecting earnings from prisoners and setting down certain guidelines and rules.

### **Senator William H. Amoss Fire, Rescue, and Ambulance Fund**

**Senate Bill 282** (Ch. 3) renames the State Fire, Rescue, and Ambulance Fund as the Senator William H. Amoss Fire, Rescue, and Ambulance Fund. This special fund was created in 1985 to supplement local funding for the acquisition and rehabilitation of durable goods and capital equipment/facilities related to fire, rescue, and ambulance services. The Fund currently receives approximately \$5 million annually. The fiscal year 1999 budget includes an increase of \$2,255,000. The Fund is supported entirely by a portion of the \$8 surcharge placed on all motor vehicle tag renewals and registrations. This surcharge is then dedicated to the Maryland Emergency Medical Services Operation Fund.

## **BUDGET INITIATIVES**

### **Break the Cycle of Crime and Addiction**

The General Assembly established a pilot program aimed at decreasing drug abuse and crime rates associated with drug abuse. The pilot will test offenders who are placed on probation for drug use on a bi-weekly basis and impose immediate sanctions for drug use, while also offering treatment services. It will be run by the Division of Parole and Probation, which will site and operate two urinalysis labs and three reporting centers. This pilot will be run in federally classified High Intensity Drug Trafficking Areas, including Baltimore City, and Baltimore, Howard, Prince George's, Montgomery, Charles, and Washington Counties. The federal government will provide the software and some treatment for the program. The pilot program will cost \$2.9 million in general funds the first year, including 63 contractual full-time equivalent personnel. The target population projection is almost 15,000, approximately 64% of the State's eligible population.

### **Community Court**

The General Assembly endorsed the adoption of a community court to be located in the downtown district of Baltimore City at 33 South Gay Street. Modeled after the Midtown Community Court in New York City, the Baltimore City community court is a public/private cooperative effort that seeks innovative approaches to reducing

nuisance crimes like aggressive panhandling, vandalism, and prostitution in the downtown business district. For a detailed discussion of the community court, see the "Operating Budget" heading of Part A - "Budget and State Aid" of *The 90 Day Report*.

# Part F

## COURTS AND CIVIL PROCEEDINGS

### JUDGES AND COURT ADMINISTRATION

#### CREATION OF JUDGESHIPS

In 1979, the Chief Judge of the Court of Appeals began an annual procedure of formally certifying to the General Assembly the need for additional judges in the State. This certification process was suggested by the Legislative Policy Committee prior to the 1979 Session. The annual certification is prepared after a statistical analysis of the workload and performance of the circuit courts and the District Court of Maryland and consideration of the comments of the circuit administrative judges and the Chief Judge of the District Court.

For fiscal year 1999, the Judiciary certified the need for five additional circuit court judges, and six additional District Court judges, but submitted legislation, *Senate Bill 167/House Bill 259* (both failed), requesting only one new District Court judge to sit in the new Baltimore City community court. The Baltimore City community court judgeship and most of the other judgeships certified by the Chief Judge were incorporated into *Senate Bill 300/House Bill 852* (both passed), which create four new District Court judgeships: two in Baltimore City, one in Montgomery County, and one in Howard County. The bills also create three new circuit court judgeships: two in Prince George's County and one in St. Mary's County. All judgeships are created effective October 1, 1998.

For a further discussion of the Baltimore City community court, see Part A - "Budget and State Aid" or Part E - "Crimes, Correction, and Public Safety" of *The 90 Day Report*.

#### JUDICIAL COMPENSATION

Under current law, the Judicial Compensation Commission is required to review judges' salaries at least every two years and to make recommendations to the Governor and General Assembly at least every four years. The salary recommendations made by the Commission are introduced as a joint resolution in each chamber of the General Assembly. The General Assembly may amend the joint resolution to decrease any recommendations, but may not increase the recommended salaries. If the General Assembly fails to adopt or amend the joint resolution within 50 days after its introduction, the salaries recommended by the Commission will go into effect in the new fiscal year. If the joint resolution is adopted or amended within 50 days after its introduction, the salaries so provided will go into effect. If the General Assembly rejects the Commission's recommendation, the salaries of the judges affected remain unchanged.

This year, the Judicial Compensation Commission recommended that judicial salaries be increased by \$11,275 annually. Those recommendations were contained in *Senate Joint Resolution 2/House Joint Resolution 2* (both failed). Because the joint resolutions were not adopted or amended by both chambers, the Commission's recommended salaries will go into effect on July 1, 1998.

The current salaries of the judges and the increases proposed by the Commission which will go into effect on July 1, 1998 are as follows:

	Current	New Salary July 1, 1998	Percent Increase July 1, 1998
<b>Court of Appeals</b>			
Chief Judge	\$124,500	\$135,775	9.06%
Associate Judge	107,300	118,575	10.51%
<b>Court of Special Appeals</b>			

Chief Judge		\$103,000	\$114,275	10.95%
Associate Judge		100,300	111,575	11.24%
<b>Circuit Court</b>	\$ 96,500	\$107,775	11.68%	
<b>District Court</b>				
Chief Judge	\$100,300	\$111,575	11.24%	
Associate Judge	89,200	100,475	12.64%	

## **CIVIL COURT FEES - MARYLAND LEGAL SERVICES CORPORATION FUND**

*Senate Bill 332* (passed) requires that the District Court of Maryland and the circuit courts assess and collect a surcharge on civil cases filed in the courts. For civil cases filed in circuit court, the surcharge may not exceed \$10 per case. For civil cases filed in the District Court, the surcharge may not exceed \$2 per case. The surcharge will be deposited into a special nonlapsing fund established under the bill, the Maryland Legal Services Corporation Fund and dedicated to the Maryland Legal Services Corporation (MLSC) for civil legal services to indigent persons. The surcharges are expected to generate approximately \$2.8 million beginning in fiscal year 1999.

*Senate Bill 332* also requires the existing funding sources (i.e., interest on lawyers' trust accounts and unclaimed property funds) for the MLSC to be dedicated to the Fund and made subject to the annual budget process.

## **COURTS - EFFICIENCY AND EQUITY**

*Senate Bill 592* (passed) requires the State to provide funding to the circuit courts for interpreter services and juror fees. The bill establishes a State juror per diem of \$5, and requires each county to supplement this per diem so that total juror payment does not fall below the amount required of the county prior to the effective date of this bill, unless it is modified by local ordinance. The bill also requires the State to provide the funding for interpreter services in the circuit courts. In addition, the Administrative Office of the Courts must report to the General Assembly on the use of judicial masters in the circuit courts, the standards and qualifications for court interpreters, and the process of juror selection and assignment in each circuit court.

## **LAWYERS - SOLICITATION OF CLIENTS**

*House Bill 562* (passed) expands the current restriction on lawyers' targeted solicitation of clients by written communication to include solicitation using other forms of communication, including audio and video recordings, computer on-line transmissions, facsimiles, and telephone calls. The bill also repeals a provision prohibiting targeted solicitation of potential clients for 30 days after the charging document is filed in criminal prosecutions or prosecutions for jailable traffic offenses, which was found unconstitutional on First Amendment grounds by the United States Court of Appeals for the Fourth Circuit. *Ficker v. Curran*, 950 F. Supp. 123 (D. Md. 1996), *aff'd*, 119 F. 3d 1150 (4th Cir. 1997).

*Senate Bill 25/House Bill 468* (both passed) place restrictions on targeted solicitations by lawyers in civil and criminal cases, in order to prevent confusing and misleading communications from being sent to accident victims and criminal defendants. A communication must include the free standing words "This is an advertisement," in a prominent place at the beginning and end of each communication and on the outside of the envelope, if any. A targeted communication may not be in the form of, or include, legal pleadings or legal documents. The bills also prohibit a targeted communication from revealing to others on the envelope (or otherwise) the nature of the prospective client's legal matter. Lastly, the bills require that copies of the targeted communications be filed with the Bar Counsel.

*Senate Bill 172/House Bill 270* (both passed) prohibit the inspection of court records concerning arrest warrants issued, but not yet served on the defendants named in the warrants. The prohibition is intended to prevent attorneys and others from inspecting these court records in order to send targeted communications to the

defendants. For further discussion of these bills, see Part E - "Crimes, Corrections, and Public Safety" of *The 90 Day Report*.

### **SALARIES OF CIRCUIT COURT CLERKS AND REGISTERS OF WILLS**

The Board of Public Works sets the annual salary of the circuit court clerks and registers of wills. The Board must set a salary for these positions within a statutory limit. *Senate Bill 131/House Bill 175* (both passed) increase the maximum salary for a circuit court clerk from \$64,000 to \$75,000 annually, and *Senate Bill 130/House Bill 250* (both passed) raise the maximum salary for a register of wills from \$64,000 to \$75,000 annually.

### **COURTS OF APPEALS - NAME CHANGE**

*House Bill 187* (failed) would have proposed an amendment to the Maryland Constitution to change the names of the Court of Appeals and Court of Special Appeals to the Supreme Court of Maryland and the Maryland Appellate Court, respectively.

# Part F

## COURTS AND CIVIL PROCEEDINGS

### CIVIL ACTIONS AND PROCEDURES

#### MANUFACTURERS OF TOBACCO PRODUCTS - STATE CLAIMS

One of the most controversial measures that the General Assembly considered this session concerned litigation against tobacco manufacturers by the State for the costs incurred by the State in treating victims of smoking-related illnesses through the Medicaid Program. *Senate Bill 652* (passed) was proposed by the Attorney General to improve the State's chances of prevailing in its lawsuit against tobacco manufacturers.

On May 1, 1996, the State of Maryland filed suit in the Circuit Court for Baltimore City against a number of manufacturers of tobacco products for monetary damages, civil penalties, declaratory and injunctive relief, and restitution. The State's suit is similar to civil suits filed by the attorneys general of 39 states and Puerto Rico and several local governments. Cases brought by Mississippi, Florida, and Texas have been settled; the trial of the Minnesota suit is underway. The complaint in Maryland's suit alleged that over many years, the State has paid \$3 billion in medical assistance for smoking-related health care costs. In addition, the State is seeking \$10 billion in punitive damages.

On May 21, 1997, the Circuit Court for Baltimore City dismissed all of the State's common law counts, holding that the remedy of subrogation is the exclusive remedy available to the State in seeking to recover reimbursement for funds expended through the Medicaid Program for the smoking-related illnesses of Program recipients.

In effect overturning the Baltimore City Circuit Court ruling, *Senate Bill 652* clarifies that any action brought under the Medical Assistance Program (Medicaid) subrogation statute is not exclusive and is independent of and in addition to any right, remedy, or cause of action available to the State or any State agency or individual. This provision of the bill is not limited to suits against tobacco manufacturers, but the clarification allows the State to maintain a direct cause of action against the tobacco manufacturers, rather than relying on a subrogation claim in which the State would "stand in the shoes" of individual smokers against whom the tobacco manufacturers could raise the defenses of contributory negligence and assumption of risk.

The bill further establishes that in a State action against a tobacco manufacturer, causation and the amount of Medicaid expenditures attributable to the use of a tobacco product may be proved or disproved by evidence of statistical analysis. Proof of the causation or the amount of expenditures for particular individuals is not needed.

"Manufacturer of a tobacco product" is defined in the bill to mean a designer, producer, or processor of a tobacco product engaged in the marketing or promotion of a tobacco product. The term, however, does not include a grower, buyer, dealer, distributor, or wholesaler of leaf tobacco or a retailer, distributor, or wholesaler of a tobacco product. "Tobacco product" is defined to mean cigarettes or smokeless tobacco.

The bill applies to any case pending or filed on or after the July 1, 1998, effective date, but does not apply to any case for which a final judgment has been rendered and for which appeals, if any, have been exhausted.

This bill also contains a provision stating that the Law Offices of Peter G. Angelos and the Attorney General agree that the contract between those parties for the provision of legal services in connection with the State's litigation against the tobacco industry, dated March 27, 1996, be modified to reduce the fee for legal services from 25% to 12.5% of any funds recovered. The bill also expressly states that it does not prohibit or limit the application of Rule 1.5 of the Maryland Lawyers' Rules of Professional Conduct, which requires legal fees to be reasonable and sets forth several factors to be considered in determining the reasonableness of a fee.

Finally, the bill contains a statement of intent of the General Assembly that a portion of any recovery that the State may receive in the State's suit against tobacco manufacturers be allocated to a program to be established to

offset any losses suffered by Maryland tobacco farmers.

A group of 6 attorneys general (Connecticut, Florida, Indiana, Mississippi, New York, and Washington) reached an agreement with tobacco industry representatives in June 1997 to propose goals for federal legislation that would include greater regulation by the Food and Drug Administration, marketing restrictions, and payments in exchange for settlement of the various states' suits for Medicaid reimbursement. The original proposal was shelved by the U.S. Senate Commerce Committee, which has developed its own proposal with much less favorable provisions for tobacco manufacturers. The future of any federal settlement was put into doubt on April 8, 1998, when RJR Nabisco Chief Executive Officer Steven F. Goldstone announced that his company would no longer negotiate with President Clinton and Congress on national tobacco legislation. Soon after Mr. Goldstone's announcement, the other four of the nation's leading cigarette manufacturers declared they were also abandoning the negotiations.

In a separate attempt to control attorney's fees in connection with the tobacco lawsuit, **House Bill 995** (failed) would have required the Attorney General to immediately terminate the contract with the Law Offices of Peter G. Angelos to provide legal services in connection with the State's litigation against the tobacco industry and to compensate the Angelos firm on the basis of quantum merit for services rendered under the contract.

Another proposal related to the pending tobacco litigation, **House Bill 568** (failed), would have established a Cigarette Restitution Fund funded by revenues received by Maryland as a result of judgments or settlements with the tobacco industry.

**House Bill 1255** (failed) would have authorized an appeal from an interlocutory order of a circuit court if the order dismisses at any time a count in the complaint in a case in which the State is a party. This bill was intended to allow the State to appeal immediately from the order of the Circuit Court for Baltimore City dismissing its common law courts against the tobacco manufacturers.

## **IMMUNITY AND LIABILITY**

### **Architects**

**Senate Bill 330/House Bill 394** (both passed) limit the liability of licensed architects who perform voluntary architectural services at disaster sites.

The bills provide that a licensed architect is not personally liable in damages beyond the limits of any applicable insurance or self-insurance for any personal injury, wrongful death, property damage, or other loss caused by the licensed architect while practicing architecture with regard to any public or private structure or other architectural design. There is no immunity if the licensed architect's conduct was wanton, willful, intentionally tortious, or grossly negligent.

### **Veterinary Board**

**House Bill 511** (passed) grants immunity from civil liability to a person who, acting in good faith, provides information about a veterinarian to the State Board of Veterinary Medical Examiners or otherwise participates in its activities.

### **Agricultural Nuisance Suits**

**Senate Bill 404** (passed) strengthens the existing "right to farm" law that protects farmers and their agricultural operations from private nuisance suits if those operations are conducted in compliance with federal, State, or local health, environmental, zoning, and permit requirements and are not conducted in a negligent manner.

The definition of an "agricultural operation" is expanded to include additional types of protected activities and products. Specifically, the bill defines "agricultural operation" to mean an operation for the processing of agricultural crops or on-farm production, harvesting, or marketing of any agricultural, horticultural, silvicultural,

aquacultural, or apicultural product that has been grown, raised, or cultivated by the farmer.

The bill also establishes that if the agricultural operation has been under way for at least 1 year and if the agricultural operation is in compliance with all governmental health, environmental, zoning, and permit requirements and is not conducted in a negligent manner, then the operation, including any resulting noise, dust, odors, or insects, cannot be held liable in a public or private nuisance action or in a private action claiming that the operation interferes with the use and enjoyment of other property, whether public or private.

### **Historical and Cultural Reenactments**

**House Bill 112** (passed) protects from civil liability landowners who allow their property to be used by persons who participate in or observe historical re-enactments, such as Civil War battles, as part of an educational or cultural program. The bill establishes that owners of land who either directly or indirectly invite or permit persons to use their property for reenactments, without charge, do not:

- (1) extend any assurance that the premises are safe for any purpose;
- (2) confer upon the person the legal status of invitee or licensee, to whom a duty of care is owed; or
- (3) assume responsibility for or incur liability as a result of any injury to the person or property of the person caused by an act or omission of that person.

### **Liability of Insurers and Health Maintenance Organizations (HMOs)**

A number of bills attempted in several ways to make health maintenance organizations (HMOs) and other carriers accountable for their decisions regarding the health care services they provide.

**Senate Bill 401/House Bill 3** (both passed) establish grievance and complaint procedures for consumers who are refused or denied preauthorization for health care services and establish a certification requirement for medical directors of HMOs.

The bills establish a complaint process for consumers who are dissatisfied with an adverse decision made by a private review agent, carrier, or health care provider acting on behalf of a carrier or a grievance decision made by a carrier. The bills create a 24-hour emergency procedure for filing an internal grievance at the carrier level and with the Insurance Commissioner, and a 30-day period for all other cases. For a more extensive discussion of these bills, please see Part H - "Business and Economic Issues" of *The 90 Day Report*.

**House Bill 1030** (failed) would have entitled an insured to recover costs, expenses, and interest at double the 6% legal rate on all costs and expenses incurred by the insured in an action between an insured and an insurer over coverage or payment for a covered loss.

**House Bill 78** (failed) would have made an HMO liable in a civil action for any damages arising out of the HMO's failure to approve a covered service or benefit if the service or benefit was recommended by a provider that has a contract with the HMO to provide health care services to its enrollees or subscribers.

**House Bill 1020** (failed) would have allowed an enrollee of a health benefit plan to bring a health care malpractice action against a medical director of a health care carrier if the enrollee's injury or death was proximately caused wholly or partly by the failure of the carrier to provide or approve a covered service. The bill would have required that an enrollee name the medical director of a carrier and not the carrier itself as the party defendant in the suit. However, the carrier would have indemnified the medical director for any judgment against the director unless the director had contravened the carrier's established procedures and protocol.

### **COMPARATIVE NEGLIGENCE**

For the past several sessions, attempts to change Maryland from a contributory negligence state to a comparative

negligence state have been unsuccessful.

**Senate Bill 618** (failed) would have established comparative negligence as the method for awarding damages in negligence actions, prohibited contributory negligence of the claimant from barring all recovery, and altered the rule of joint and several liability, except in certain categories of cases. Specifically, the bill would have provided that in an action for damages based on negligence resulting in death or injury to person or property, contributory negligence of the plaintiff or, in a wrongful death action, contributory negligence of the decedent does not bar recovery if the contributory negligence was less than the combined negligence of:

- (1) the persons against whom recovery is sought; and
- (2) all persons with whom the plaintiff has entered into a release, covenant not to sue, settlement, or similar agreement.

Damages would have been diminished under the bill in proportion to the percentage of negligence attributable to the plaintiff or, in a wrongful death action, the decedent.

## **EVIDENCE**

### **Slayer's Rule**

**Senate Bill 29/House Bill 245** (both passed) establish that after all right to appeal has been exhausted, a judgment of conviction establishing criminal accountability for the felonious and intentional killing of a decedent:

- (1) is admissible in a subsequent civil proceeding in which the common law slayer's rule is raised as an issue; and
- (2) conclusively establishes that the convicted individual feloniously and intentionally killed the decedent.

Maryland recognizes a common law "slayer's rule" which prohibits a person who feloniously and intentionally kills another from sharing in the distribution of the decedent's estate and collecting any proceeds under the decedent's life insurance policy. See Ford v. Ford, 307 Md. 105, 512 A.2d 389 (1986). In addition, with respect to jointly held property, a felonious and intentional killing severs the cotenancy and a constructive trust is required to be imposed upon one-half of the property held by the killer in favor of the heirs of the victim. See Pannone v. McLaughlin, 37 Md. App. 395 (1977).

These bills were prompted by the case of James G. Finneyfrock, who was convicted of murdering his parents and subsequently sought to share with his sister the proceeds of the insurance policy on the life of his father. The bills are intended to eliminate the time and expense of a civil trial to disinherit a convicted murderer.

### **Certificates of Merit - Licensed Professionals**

**Senate Bill 213/House Bill 188** (both passed) require persons who file claims against certain licensed professionals to file a certificate of a qualified expert in the same profession attesting that the defendant failed to meet professional standards of care.

The bills apply to civil actions originally filed in circuit court (including an original claim, cross-claim, or third-party claim) based on the alleged negligent act or omission of a licensed professional in rendering professional services for others. The bills cover licensed architects, interior designers, landscape architects, professional engineers, land surveyors, and property line surveyors. An action against one of these professionals is required to be dismissed, without prejudice, unless the claimant obtains and files with the circuit court a certificate from a qualified expert stating that the defendant failed to meet professional standards of care.

However, upon written request by the claimant and a finding of good cause, a circuit court may modify or waive the requirement to file a certificate. The bills also provide that, on written request by the claimant, the defendant must produce documentary evidence that is reasonably necessary in order to obtain a certificate of a qualified

expert.

### **Records of Health Care Providers**

**House Bill 578** (passed) makes records and writings of certain health care providers admissible without the oral testimony of the provider in certain types of cases filed in the District Court or transferred to a circuit court from the District Court. The bill applies the current law covering a medical, dental, or hospital writing or record to the records or writings of osteopaths, optometrists, chiropractors, nurses, psychologists, licensed certified social worker-clinical, and physical therapists.

The bill applies to a case filed in the District Court or transferred to a circuit court for a claim for:

- (1) damages for personal injury;
- (2) medical, hospital, or disability benefits (PIP);
- (3) first party motor vehicle medical payments (UM); and
- (4) first party health insurance benefits.

### **DISTRICT COURT JURISDICTION**

**House Bill 194** (passed) increases the civil jurisdiction of the District Court to include any disputes in contract or tort or matters of attachment before judgment where the amount in controversy does not exceed \$25,000, exclusive of prejudgment or postjudgment interest, costs, and attorney fees. The bill applies only to cases filed on or after October 1, 1998.

Under current law, the civil jurisdictional limit of the District Court is \$20,000, exclusive of prejudgment or postjudgment interest, costs, and attorney fees.

### **CIVIL JURY TRIALS**

**House Bill 192** (passed) proposes a constitutional amendment to increase the amount in controversy necessary in a civil proceeding in order for the right of trial by jury to attach from an amount exceeding \$5,000 to an amount exceeding \$10,000. Currently, Article 23 of the Maryland Declaration of Rights provides that a party is entitled to a jury trial in a civil action in which the amount in controversy exceeds \$5,000.

Under current law, the District Court has jurisdiction of cases up to \$20,000. This amendment is intended to expedite trials of cases filed originally in the District Court involving disputes of \$10,000 or less by allowing the District Court to retain jurisdiction rather than allowing a party to delay the trial and increase the expenses of litigation by requesting a jury trial.

### **JUDGMENTS - EXEMPTIONS FROM CREDITORS' CLAIMS - ROTH IRA**

**Senate Bill 333** (passed) adds benefits from, or interests in, a retirement plan qualified under § 408A of the United States Internal Revenue Code (i.e., a Roth IRA) to the types of retirement plans that are exempt from the claims of creditors.

# Part F

## COURTS AND CIVIL PROCEEDINGS

### FAMILY LAW

#### ADOPTION

##### Children in Out-of-Home Placements

Prompted by the requirements of the federal Adoption and Safe Families Act of 1997 (P.L. 105-89), *House Bill 1093* (passed) is intended to make it easier to remove children from abusive families and speed up their adoptions. Failure to implement the necessary measures under the federal law might have jeopardized Maryland's federal Title IV-E (foster care and adoption) funding. The bill makes a number of changes to the State's laws governing termination of parental rights and adoption for children in state custody and in out-of-home placements to bring Maryland into compliance with the federal mandates. The most significant changes to State law include the following:

Declaring a legislative finding that the purpose of State adoption and guardianship law is to provide children with stable homes that protect their safety and health;

Clarifying that a child's safety and health are the primary concerns of a local department of social services in making "reasonable efforts" to preserve and reunify families: (1) prior to the placement of a child in an out-of-home placement in order to prevent or eliminate the need for removing the child from the child's home; and (2) to make it possible for a child to safely return to the child's home;

Requiring a court to consider certain aggravating circumstances before the court determines whether to terminate parental rights or is required to waive the obligation of a local department to provide reunification services to the natural parent. These aggravating circumstances are evidence that a natural parent has: (1) subjected the child to torture, chronic abuse, or sexual abuse, or chronic and life-threatening neglect; (2) been convicted of a crime of violence against the child, the other natural parent of the child, another child of the natural parent, or any person who resides in the household of the natural parent; or (3) involuntarily lost parental rights of a sibling of the child;

Requiring, with certain exceptions, a local department of social services to which a child is committed to file a petition for termination of parental rights or join a termination of parental rights action that has been filed if: (1) the child has been in an out-of-home placement for 15 of the most recent 22 months; (2) the court finds that the child has been abandoned; or (3) the natural parent has been convicted of a crime of violence against the child, the other natural parent of the child, another child of the natural parent, or any person who resides in the household of the natural parent;

Requiring a court, in determining whether it is in the best interest of a child to terminate a natural parent's rights as to a child and grant an adoption or guardianship with the right to consent to adoption, to give primary consideration to the safety and health of the child; and

Expediting permanency planning hearings for children in out-of-home placements by requiring the juvenile court to conduct the hearing within 30 days after a determination is made that reasonable efforts to reunify the child with the natural parent are not required.

##### Independent Adoptions

*Senate Bill 648* (passed) extends provisions of law adopted in *House Bill 1093* regarding the factors a court must consider when determining whether to terminate parental rights for children in state custody to provisions of law concerning independent adoptions. Independent adoptions are those in which the arrangement is not made by a child placement agency.

Currently, a court may grant an independent adoption without the consent of the natural parent to a stepparent, relative, or other individual who has exercised care or custody of a child for at least six months if certain factors are proven by clear and convincing evidence. These factors include proof that it is in the best interest of the child to terminate the natural parent's rights, and that the natural parent has not maintained meaningful contact with the child or has repeatedly failed to contribute to the physical care and support of the child.

*Senate Bill 648* adds to these factors the conviction of the natural parent of a crime of violence against the child, the other natural parent of the child, another child of the natural parent, or any other person who resides in the household of the natural parent. The bill also requires a court to consider whether the natural parent has subjected the child to torture, chronic abuse, or sexual abuse, or whether the natural parent has involuntarily lost parental rights of a sibling of the child. Additionally, the court must give primary consideration to the safety and health of the child in determining whether it is in the best interest of the child to grant the adoption.

### **Adoption Records**

Generally, adoption records are closed in Maryland. The original birth certificate and court records of an adopted individual are under seal and are not open to inspection by any person, except upon court order. However, an adopted individual or a birth parent of an adopted adult may have access to medical or nonidentifying information contained in agency adoption records and court records. Additionally, adopted individuals, natural parents, and siblings may register with the Mutual Consent Voluntary Adoption Registry in the Social Services Administration to exchange identifying information.

*House Bill 214* (passed) expands access to adoption records and information by providing for contact between adopted individuals and biological parents of adopted individuals through a confidential intermediary within the Social Services Administration. For adoptions finalized after the year 2000, the bill authorizes adopted individuals and biological parents to apply to the Secretary of Health and Mental Hygiene to receive a copy of birth and adoption records under seal, unless a disclosure veto has been filed prohibiting the disclosure of any information contained in a record that relates to the individual who filed the veto.

### **Foster Care Review Boards**

Under current law, the juvenile court is required to conduct a hearing to review the implementation of a permanency plan for each child adjudicated to be in need of assistance and committed to the custody of a local department of social services. Many of the children committed to the custody of a local department are placed in foster care.

There is at least one local board of review of foster care in each county. One of the goals of the local boards is to review the cases of foster care children to determine what efforts have been made toward placing the children for adoption or acquiring another permanent and stable placement. Each local board is required to report in writing to the juvenile court and the local department of social services for each minor child whose case is reviewed by the local board. In the report, the local board may make recommendations consistent with the best interest of the child for the future placement of the child.

In some cases, the local foster care review board does not agree with the permanency plan of the local department to reunify a child with the child's parents. However, there is currently no requirement that the juvenile court consider the written report of a local board. *Senate Bill 611/House Bill 35* (both passed) mandate the court's consideration of these reports at any hearing to review the implementation of the child's permanency plan.

## **CHILD ABUSE AND NEGLECT**

### **Confidentiality Requirements**

Each local department of social services for a county is required to make a thorough investigation of any report of suspected child abuse or neglect. Except under limited circumstances, all reports and records of a local department of social services concerning child abuse and neglect are confidential.

**Senate Bill 529/House Bill 59** (both passed) authorize a director of a local department of social services or the Secretary of Human Resources to disclose information concerning child abuse or neglect if the director or the Secretary determines that: (1) the disclosure is not contrary to the best interests of the child; (2) the alleged abuser or neglector has been charged with a crime related to a report of abuse or neglect; or (3) the child has died or suffered a serious physical injury.

Before disclosing any information, the director or the Secretary must consult with one another and with the primary law enforcement agency and the State's Attorney to ensure that the disclosure would not jeopardize or prejudice any related investigation or prosecution. The bills prohibit the director or the Secretary from disclosing: (1) the identity of the person who made the report; (2) the name of the child's siblings, parent, individual legally responsible for the child, or other household or family members, other than the alleged abuser or neglector; (3) a medical report, except as related to the cause of the child's injury or death as a result of the abuse or neglect; or (4) except for the information specifically authorized under the bills, the file relating to the allegedly abused or neglected child.

### **Admission of Out of Court Statements**

**Senate Bill 688/House Bill 590** (both passed) expand the categories of individuals who may offer hearsay statements concerning alleged abuse of child victims in court proceedings. The legislation is intended to permit more persons in whom children often confide concerning incidents of abuse to testify as to the statements made by these children.

Under current law, a court may admit into evidence in certain juvenile court or criminal proceedings an out of court statement, to prove the truth of the matter asserted in the statement, made by a child victim under the age of 12 years if the statement is made to and is offered in court by one of the following individuals in a professional capacity: a licensed physician, a licensed psychologist, a licensed social worker, or a teacher.

The bills allow the admission into evidence of out of court statements of a child victim that were made to and are offered by a nurse, or by a principal, vice principal, or school counselor at a public or private preschool, elementary school, or secondary school. Additionally, the bills repeal the requirement that the out of court statement be made to and be offered by a physician, psychologist, or social worker who is licensed, and allow any of these individuals to testify as long as they were lawfully acting in the course of their professions when the statements were made.

## **DOMESTIC VIOLENCE**

### **Grounds for Absolute Divorce**

The Maryland Attorney General and the Lieutenant Governor created the Family Violence Council in November 1995 to prevent and reduce family violence and to break the cycle of violence between generations. Three of the five recommendations of the Council that were included in a package of proposed legislation introduced in the 1997 Session were passed by the General Assembly that session. One of the Council's proposals that failed in 1997 was passed by the General Assembly this session.

**Senate Bill 194/House Bill 9** (both passed) add two new grounds for absolute divorce without a waiting period based on acts of domestic violence. Under current law, all grounds for divorce, with the exception of adultery, impose a waiting period before the filing of the action for divorce. A spouse who is a victim of domestic violence could file for a divorce on the ground of constructive desertion. However, the spouse relying on this ground must wait one year before filing the complaint.

The bills authorize a party to file immediately for an absolute divorce based on the grounds of cruelty of treatment or excessively vicious conduct, if there is no reasonable expectation of reconciliation. These two grounds are derived from the current grounds for a limited divorce, which is merely a judicial recognition of the right of the parties to live separate and apart. There are few reported judicial decisions regarding the ground of excessively

vicious conduct, and the courts have generally made little distinction between that ground and the ground of cruelty of treatment. "Cruelty of treatment" entitling a spouse to a limited divorce has been defined as such conduct as will endanger the life, person, or health of a party, or will cause reasonable apprehension of bodily suffering. It is conduct that would render cohabitation physically unsafe, justifying a refusal to continue it. Timanus v. Timanus, 177 Md. 686, 10 A. 2d 322 (1940).

### **Violations of Ex Parte or Protective Orders**

Under current law, a person who fails to comply with the provisions of an ex parte order or protective order issued by a court in a proceeding for relief from domestic abuse that order the person to refrain from further abuse, to refrain from contacting the victim, or to vacate the family home, is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$500 or imprisonment not exceeding 90 days or both. *Senate Bill 43/House Bill 339* (both passed) increase, from \$500 to \$1,000, the maximum fine that may be imposed on a person convicted for failing to comply with relief granted in a domestic violence order. The bills also increase from \$500 to \$2,500, the maximum fine, and from 90 days to 1 year, the maximum term of imprisonment that may be imposed for a second or subsequent offense.

The violation of a domestic violence order is an offense over which the District Court has exclusive original jurisdiction. The bills make the violation an offense over which the District Court has concurrent jurisdiction with the circuit court. Additionally, because the term of imprisonment is increased to a period of over 90 days for a second or subsequent offense under the bills, the defendant would have the right to demand a jury trial.

### **MARRIAGE**

Two pieces of legislation were introduced relating to the issue of marriage between couples of the same gender.

*House Bill 1259* (failed) would have provided that a marriage between two consenting adults is valid in this State.

*Senate Bill 565* (failed) would have provided that a marriage between two individuals of the same sex that is validly entered into in another state or in a foreign country is not valid in this State. Additionally, the bill would have established that a marriage between a same-sex couple entered into in another state may not be recognized by this State as being entitled to the benefits of marriage, and that any contractual rights or obligations created by a marriage between two individuals of the same sex are void.

### **FAMILY DIVISIONS**

Consistent with Chapter 198, Acts of 1993, on January 13, 1998, the Court of Appeals adopted Maryland Rule 16-204, which establishes family divisions in the circuit courts in Baltimore City and Baltimore, Anne Arundel, Montgomery, and Prince George's counties. The intended purpose of the family divisions is to expedite family law matters and provide a full complement of family support services in the matters assigned to the family divisions, which include: dissolution of marriage; child custody and visitation; alimony, spousal support, and child support; termination and establishment of the parent-child relationship; criminal nonsupport and desertion; name changes; guardianship; involuntary admission to State facilities; family legal-medical issues; actions involving domestic violence; and certain juvenile cases.

The fiscal year 1999 budget includes \$4.3 million in General Fund direct grants and 24 additional personnel to support the creation of the family divisions. Prior to the establishment of official family divisions, financial support for family services came in the form of a direct State grant appropriation of \$1.5 million allocated among 20 of the State's 24 circuit courts. This appropriation will continue in fiscal year 1999 as part of the overall expansion of the Family Law Services program, bringing the total fiscal year 1999 funding for the family divisions to \$5.8 million.

# Part F

## COURTS AND CIVIL PROCEEDINGS

### HUMAN RELATIONS

#### DISCRIMINATION IN EMPLOYMENT

Under current law, the Maryland Human Relations Commission (MHRC) does not have jurisdiction in employment discrimination cases over employers with less than 15 employees. In Molesworth v. Brandon (1996), the Maryland Court of Appeals held that an at-will employee of an employer with less than 15 employees has a common law cause of action for wrongful discharge. The Court held that small employers are merely excluded from the administrative process of the MHRC law, but not from the public policy underlying the law. The effect of the Molesworth case is that small employers are exposed to greater liability in wrongful discharge cases than large employers. First, employees of small businesses may assert their claims in State court without first filing a claim with the MHRC, as employees of large businesses are required to do under the Fair Employment Practices Act. Second, employees of small businesses may recover compensatory damages in the courts while employees of the larger businesses may only be awarded back pay in the administrative process. Third, employees of small businesses have a longer statute of limitations under which to file a common law claim.

*Senate Bill 119/House Bill 1143, House Bill 137, and House Bill 1066* were introduced in response to the Molesworth decision, and were referred by the Commerce and Government Matters Committee for interim study.

*House Bill 137* (failed) would have given the MHRC jurisdiction over employment discrimination complaints filed against an employer in the State with one or more employees. The bill would have authorized the MHRC to award compensatory damages, up to \$50,000, in cases involving employment discrimination.

*Senate Bill 119/House Bill 1143* (both failed) also would have given the MHRC jurisdiction over employment discrimination complaints filed against an employer in the State with one or more employees. These bills would have authorized the MHRC to award compensatory damages to a complainant and attorney fees and witness fees to the MHRC. Compensatory damages would have been capped according to the number of employees of the employer, ranging from \$25,000 for an employer with less than 15 employees to \$300,000 for an employer with more than 500 employees.

*House Bill 1066* (failed) would have created a private cause of action for an employee who is discharged by an employer with fewer than 15 employees, if the employer discharged the employee on the basis of race, color, religion, sex, age, national origin, marital status, or physical or mental handicap unrelated in nature and extent so as to reasonably preclude the performance of the employment. The bill would have permitted a court to award an aggrieved plaintiff the same type of remedies the MHRC currently is authorized to grant, i.e., injunctive relief, including reinstatement or hiring and back pay, but not compensatory or punitive damages.

#### RELIGIOUS FREEDOM

In Employment Division v. Smith (1990), the United States Supreme Court held that states may prohibit or regulate conduct of general applicability even if the prohibition incidentally interferes with a person's religious practices unless it can be shown that the law was motivated by a desire to interfere with religion. In Smith, the Supreme Court held that two members of the Native American Church were not exempt from a law prohibiting the use of peyote on religious freedom grounds.

In response to the Smith decision, the United States Congress passed the 1993 Religious Freedom Restoration Act (RFRA), which provided that governments may not substantially burden a person's exercise of religion even if the burden results from a rule of general applicability unless it demonstrates that application of the burden to the person is in furtherance of a compelling state interest and is the least restrictive means of furthering that compelling state interest.

In Flores v. City of Boerne (1997), a decision by a local zoning authority to deny a church a building expansion permit was challenged under RFRA. The United States Supreme Court held that RFRA exceeded the power of Congress and was therefore unconstitutional. Maryland and many other states have responded to the Flores decision by introducing RFRA-like legislation at the state level of government.

**Senate Bill 515/House Bill 1041** (both withdrawn) would have prohibited government from substantially burdening a person's religious exercise, even if the burden resulted from governmental action of general applicability, unless the governmental authority demonstrated that the application of the burden to the person was the least restrictive means of achieving a compelling governmental interest.

**Senate Joint Resolution 11/House Joint Resolution 13** (both withdrawn) would have urged the United States Congress to enact and the United States President to sign legislation that would undo the effect of Employment Division v. Smith and City of Boerne v. Flores, and that would restore the religious-liberty guarantee of the United States Constitution to its fullest capacity.

To address concerns regarding the accommodation of an employee's religious beliefs and practices in the workplace, **House Bill 1219** (failed) would have required an employer to accommodate the religious observance, practice, or belief of an employee or applicant for employment unless, after engaging in an affirmative or bona fide effort, the employer cannot reasonably accommodate the employee without causing undue hardship (i.e., significant difficulty or expense) on the employer's business.

In evaluating whether an accommodation would cause an employer "undue hardship", an employer would have been required to consider the following factors: (1) the identifiable cost of the accommodation in relation to the size and operating cost of the employer; (2) the number of individuals who will need that particular accommodation; (3) the nature and extent of conflict between the accommodation and a collective bargaining agreement; and (4) the nature and extent of the burden that the accommodation places on other employees.

# Part F

## COURTS AND CIVIL PROCEEDINGS

### REAL PROPERTY

#### CONDOMINIUMS, HOMEOWNERS ASSOCIATIONS, AND COOPERATIVES

##### Rights and Restrictions

*Senate Bill 18/House Bill 38* (both passed) expand and clarify the ability of unit owners in condominiums and lot owners in homeowners associations to participate in the internal governance of their common interest communities. The bills make three major changes.

##### Meeting Rights

The bills authorize unit and lot owners to assemble to discuss the operation of the condominium or homeowners association in any common elements or areas that the governing body of the condominium or homeowners association uses for scheduled meetings, subject to reasonable rules adopted by the governing body.

##### Right to Comment

The bills require a governing body of a condominium or homeowners association to provide a designated period of time during a meeting held at least once a year to allow unit owners or lot owners an opportunity to comment on any matter relating to the condominium or homeowners association. For all other meetings, the unit and lot owners' comments may be limited to the topics on the meeting agenda. The governing body may adopt reasonable rules governing these comment periods at meetings.

##### Right to Distribute Information and Circulate Petitions

The bills prohibit a recorded covenant or restriction, a provision in a declaration, or a provision of the bylaws or rules of a condominium or homeowners association from preventing a unit or lot owner from distributing information or circulating petitions to other owners regarding the operation of the common interest development in any place or manner in which the governing body distributes written information or materials to unit and lot owners. However, reasonable restrictions as to the time of distribution may be adopted. For purposes of determining the manner in which a governing body distributes information, the door-to-door distribution of information regarding assessments and meeting notices may not be considered.

##### Political Signs

*House Bill 36* (passed) prohibits common interest developments from placing unlimited restrictions on the display of signs on behalf of candidates or slates of candidates for public office or signs that advertise the support or defeat of a question submitted to the voters in accordance with State election laws. Specifically, the bill allows common interest developments to restrict such signs in the common elements or areas of the community, impose any restrictions that are in accordance with federal, State, or local law, and in the absence of local laws on the matter, limit the display of the signs to no more than 30 days before and 7 days after a primary election, general election, or vote on a ballot question.

##### No-Impact Home-Based Businesses

*Senate Bill 94* (passed) provides that a general prohibition or restriction on commercial or business activity in a condominium, homeowners association, or cooperative housing corporation may not be construed to prohibit or restrict a "no-impact home-based business". However, the common interest development may expressly prohibit no-impact home-based businesses, if the prohibition is approved by a simple majority of the total eligible voters. Such a prohibition may also be eliminated by a simple majority. A no-impact home-based business is defined to

mean a business that: (1) is consistent with the residential character of the dwelling unit; (2) is subordinate to the residential use of the unit and requires no external modifications that detract from the residential appearance of the unit; (3) uses no equipment or process that creates noise, vibration, glare, fumes, odors, or interference detectable by neighbors or, in the case of condominiums and homeowners associations, that causes an increase in common expenses; and (4) does not involve the use, storage, or disposal of a hazardous material.

A common interest development may opt out of the provisions of the bill by adopting procedures, prior to July 1, 1999, for the regulation or prohibition of no-impact home-based businesses.

### **Priority of Liens**

*Senate Bill 202* (failed) would have provided that a contract lien consisting of up to 6 months of unpaid assessments imposed on a lot subject to a homeowners association has priority over a first mortgage or deed of trust in a foreclosure sale. *Senate Bill 428* (failed) would have granted similar priority for up to 6 months of unpaid assessments imposed a condominium unit.

### **TIME-SHARE ESTATES**

*House Bill 1037* (passed) clarifies that liens against time-share estates may be enforced and foreclosed under the Maryland Contract Lien Act. The bill provides that the liens may be enforced and foreclosed in a separate proceeding against an individual time share estate or in a single proceeding against some or all time-share estates in the same project. The enforcement and foreclosure of a number of liens under a single proceeding would not alter the individual rights of an owner, including the right to receive any surplus from the sale that the owner would be entitled to receive under a separate proceeding, or the rights of the persons enforcing the liens.

### **NEW HOMES AND CUSTOM HOME BUILDERS**

Under current law, if the vendor or builder of a new single-family residential home requires the purchaser to pay a deposit before the home is completed and transferred to the purchaser, the vendor or builder must: (1) deposit or hold the sum in an escrow account; (2) obtain and maintain a corporate surety bond; or (3) obtain and maintain an irrevocable letter of credit. The irrevocable letter of credit must be payable to the Department of Labor, Licensing, and Regulation (DLLR) for the use and benefit of every person protected by the law governing deposits on new homes. DLLR is also required to adopt regulations for the administration of the provisions of the law relating to bonds and letters of credit. However, if a new home builder chooses to obtain and maintain a corporate surety bond, the bond must be deposited with and in a form approved by the Maryland Insurance Administration. Similar requirements concerning advance payments apply to custom home builders. *Senate Bill 56* (passed) consolidates in one department, the Department of Labor, Licensing, and Regulation, the responsibility for approving the form of and holding surety bonds and letters of credit in the new and custom home building industry.

### **RECORDATION**

#### **Transfer of Property on Assessment Records**

Under current law, in 18 of the 24 jurisdictions in the State, upon a sale or transfer of property, the person offering the deed or instrument for transfer must mail or deliver a statement to the Department of Assessment and Taxation (SDAT) of any building and improvement on the property granted. The Department then transfers the property on the assessment records and provides an endorsement of the transfer on the deed or instrument, if there is a certificate from a collecting agent that all taxes, assessments, and charges have been paid. Next, the endorsed deed or instrument is taken to the clerk of the circuit court, who is then authorized to record the deed or instrument in the land records.

*House Bill 128* (Ch. 45), *House Bill 370* (Ch. 63), and *House Bill 552* (Ch. 78) change the order of the process in Howard, Montgomery, and St. Mary's Counties, respectively, so that SDAT is at the end of the recordation process, rather than the beginning, in order to speed up the recording of instruments in the land records. This

alternative process was established in 1996 as a pilot program in Harford County. In 1997, this process was adopted for Baltimore, Cecil, Charles, Dorchester, Washington, and Worcester Counties.

### **Conveyances to Trusts and Estates**

According to the title industry, many attorneys routinely convey title to real property to a "trust" instead of the trustee or trustees of the trust. Although such conveyances may be upheld in equity for their intended purposes, marketable title depends upon a conveyance of legal title. Thus, conveying title to a "trust" will not produce a marketable title in the trustee for the trust. Title insurers routinely reject such conveyances. Similarly, attorneys will occasionally convey title to the "estate" of a decedent, rather than the personal representative of the estate.

**Senate Bill 668** (passed) provides that when a title to real property is granted to a "trust" or an "estate" it has the same effect as if the property had been granted to the trustee appointed and acting for the trust or the personal representative of the estate. The bill will prevent the consumer from having to obtain a confirmatory deed or take other corrective measures to cure, essentially, a technical problem.

### **SALES OF PROPERTY**

Under current law, the State Real Estate Commission may take disciplinary action against licensees and deny licenses to applicants on various grounds, including the failure to disclose material facts in real estate transactions. **House Bill 737** (passed) provides that an accidental death on a property may not be considered a material fact relating to the sale or lease of that property for the purposes of these disciplinary proceedings. The bill also provides an accidental death on a property may not be considered a material fact or latent defect for purposes of determining the liability of an owner, seller, or seller's agent for failure to disclose the accidental death in the sale or lease of property. Current law provides that it is not a material fact that a homicide, suicide, natural death or felony occurred on the property, or that an owner or occupant was infected with HIV or diagnosed with AIDS.

# Part F

## COURTS AND CIVIL PROCEEDINGS

### ESTATES AND TRUSTS

#### TRUSTS - RULE AGAINST PERPETUITIES

*Senate Bill 406/House Bill 495* (both passed) exempt from the common-law rule against perpetuities a trust in which the governing instrument states that the rule against perpetuities does not apply to the trust and under which the trustee, or other person to whom the power is properly granted or delegated, has the power under the governing instrument, applicable statute, or common law to sell, lease, or mortgage property for any period of time beyond the period of the rule against perpetuities. The bills apply to all trusts created by will or inter vivos agreement executed or amended on or after October 1, 1998, and to all trusts created by exercise of a power of appointment granted under instruments executed or amended on or after October 1, 1998.

The rule against perpetuities is a restriction on the creation of future interests. Under the rule against perpetuities at common law, an interest or estate within its scope is not good unless it must vest, if at all, not later than 21 years, plus the period of gestation, after some life or lives in being at the time of the creation of the interest or estate. See Ringgold v. Carvel, 196 Md. 262 (1950); Ryan v. Ward, 192 Md. 342 (1949).

*Senate Bill 406/House Bill 495* are intended to facilitate the creation of perpetual dynasty trusts in Maryland. A perpetual dynasty trust is a trust that descends to a person's future generations, and can be used as an estate planning tool to minimize federal estate taxes. Because there is a \$1 million exemption from the 55% federal generation skipping tax, placing that amount in a perpetual dynasty trust can generate significant assets for future generations without being depleted by taxes. However, due to the rule against perpetuities, all trusts in Maryland generally must terminate between 80 to 110 years after creation. Several other states, including Delaware, have modified the rule against perpetuities in order to permit the creation of perpetual dynasty trusts. Therefore, a Maryland resident can currently create a perpetual dynasty trust, but only if the trust is located in a state that has modified the rule against perpetuities in this regard (that is, if the trust is administered by a banking institution located in one of those states).

#### ESTATES

##### Estate Administration - Value of Motor Vehicles

Current law requires the personal representative of a decedent's estate to prepare and file an inventory of property owned by the decedent, which must indicate the fair market value of each item listed as of the date of the decedent's death. Currently, the personal representative is required to obtain an appraisal by an appraiser to determine the fair market value of a motor vehicle in the decedent's estate. Typically, a personal representative will obtain an appraisal from a used car dealer who uses the "Blue Book" and charges a fee of up to \$75.

*House Bill 846* (passed) authorizes a personal representative to value a motor vehicle in a decedent's estate on the basis of the average value of the motor vehicle set forth in the National Automobile Dealers' Association Official Used Car Guide or any substantially similar price guide designated by the register of wills.

##### Statute of Limitations for Refund Claims

*House Bill 940* (passed) clarifies the limitation period for filing a claim for refund after distribution of property from a decedent's estate to the Department of Health and Mental Hygiene or a county board of education, when it appeared that the decedent has no heirs, by specifying that a claim for refund may not be filed after the later of 3 years after the death of the decedent or 1 year after the time of distribution of the property.

##### Registers of Wills - Electronic Recordation

Under current law, a register of wills must maintain, for the purpose of recording the proceedings in connection with the administration of estates, a wills record book, an administration proceedings record book, a release record book, a claims docket, and a claim against nonresident decedents book.

***House Bill 589*** (passed) allows a register to maintain record "books" in a form of electronic recordation.

# Part G

## TRANSPORTATION AND MOTOR VEHICLES

### TRANSPORTATION

#### HIGHWAYS

##### Intercounty Connector

The east-west highway project known as the Intercounty Connector has been in Montgomery and Prince George's county land use plans for over four decades. The proposed highway would connect Interstate 270 near Gaithersburg with U.S. Route 1 in Laurel. Continuing controversy over the project prompted the introduction of legislation in the 1998 Session of the General Assembly.

*House Bill 817* (failed) would have prohibited the Maryland Department of Transportation (MDOT) from expending any funds or granting any approvals for the construction of the Intercounty Connector project. According to the Consolidated Transportation Program for fiscal year 1999 through fiscal year 2003, MDOT plans to spend \$2,219,000 in fiscal year 1999 (\$1,927,000 in special funds and \$292,000 in federal funds) and \$1,927,000, \$1,923,000, \$1,924,000, and \$1,924,000 in fiscal years 2000 through 2003, respectively, to purchase rights-of-way for the proposed project. Restrictive language was adopted in the fiscal year 1999 Budget to limit the use of those funds to hardship acquisitions and purchases necessary to protect rights-of-way from development. Through fiscal year 1998, an estimated \$34 million has been expended for planning, engineering, and right-of-way acquisition for the Intercounty Connector.

*Senate Bill 441* (failed) would have required the MDOT to study a possible route that incorporates the Maryland Route 32 corridor in Howard County as an alternative route for the Intercounty Connector. Consultants would have been engaged to develop alternatives and options, perform environmental impact assessments, conduct air and noise analyses, and study other effects of the alternative route. The study was projected to take 17,400 hours to complete at a cost of approximately \$57 per hour.

##### Dedication of I-97

*Senate Joint Resolution 13* (passed) dedicates the Maryland portion of Interstate Route 97 (I-97) to the memory of Senator John A. Cade. Senator Cade served in the Senate of Maryland from 1975 to 1996 and played an instrumental role in ensuring the completion of I-97. This joint resolution also requires the State Highway Administration to erect a sign or other suitable memorial declaring that the Maryland portion of I-97 is dedicated by the State of Maryland in memory of Senator Cade.

#### MARYLAND PORT ADMINISTRATION

*Senate Bill 508/House Bill 795* (both passed) would merge the Maryland Port Administration (MPA) police force into the Maryland Transportation Authority (MdTA). The MdTA would provide police services at port facilities. Under the bills, port police officers would elect to become members of the MdTA police force without a decrease in salary and could become members of the Law Enforcement Officers' Pension System (LEOPS).

Currently MPA police officers are in the Employees' Retirement System (ERS) or the Pension System (EPS). Under the bills, current MPA police officers transferred to MdTA on July 1, 1998 would have until December 31, 1998 to transfer to LEOPS. LEOPS has more generous benefits and allows full retirement after 25 years. Current MPA police officers would not be allowed into LEOPS if they transferred from the ERS to the EPS on or after December 1, 1997. This prevents officers from receiving a transfer refund (for contributions) and then transferring to LEOPS where there would be no reduction for lack of employee contributions.

This legislation could result in the transfer of 37 police officers to the MdTA and LEOPS. The MdTA police force

already participates in LEOPS. The bill would create an increase in off-budget expenses of the MdTA of \$191,000 in fiscal year 1999, increasing to \$364,000 in fiscal year 2000 and 5% thereafter. The MdTA expects to save money through the administrative efficiencies of merging the police forces. The MdTA has agreed to cover the increased pension costs for the MPA police force for at least six years. For additional discussion of *Senate Bill 508/House Bill 795*, see the "Pensions and Retirement" heading of Part C - "State Government" of *The 90 Day Report*.

### **Maryland Port Commission**

*Senate Bill 767/House Bill 1137* (both passed) allow the Maryland Port Commission to serve as the board of directors of private operating companies. The bills authorize the Commission to appoint up to 12 management level employees to perform services for these companies. Although these individuals will remain State employees, their salaries and benefits will be set by the Commission. The MPA advises that it will increase the aggregate annual salaries for the 12 positions by approximately \$150,000. Although it is not known what the distribution of the salary increases will be, the salaries currently range from approximately \$66,000 to \$130,000. Any appointment of employees to the private operating companies is subject to review by the Department of Budget and Management.

*Senate Bill 767/House Bill 1137* are intended to address concerns raised by MDOT and the Commission regarding the State's difficulty in recruiting and retaining qualified management personnel to operate port facilities. The Commission was authorized to set the salaries for all MPA employees until the General Assembly enacted legislation creating a separate transportation personnel system during the 1992 legislative session, which was fully phased in on July 1, 1996.

### **Port Land Use Development**

In the past 25 years, the Port of Baltimore has experienced major changes in land use that have impacted the economies of nearby jurisdictions. With the deindustrialization of Baltimore City and the abundance of greenfield suburban sites, much port area land has gone fallow. In 1996, the Governor established the Port Land Use Task Force (Task Force) to analyze and inventory the Port-owned land and the challenges facing the effective redevelopment of these areas. The Task Force identified the need for an ongoing multijurisdictional advisory council to promote and manage port land use and development.

*Senate Bill 584/House Bill 1348* (both passed) create the Advisory Council and the Port Land Use Development Zone to coordinate related environmental, economic, and local issues necessary for the successful redevelopment of port area land. The bills also create the port land use development office (office) in the MPA. The office and the advisory council will work together to create a master plan for the port land use development zone and to stimulate development of the zone and market properties in the zone that are currently vacant or underutilized. The advisory council will report its findings and recommendations to the General Assembly and the Governor by December 31 of each year.

## **MASS TRANSIT**

### **Purchase of Buses for Eligible Local Bus Service**

*Senate Bill 204/House Bill 489* (both passed) change the State's method of purchasing buses used to provide eligible local bus service in Prince George's and Montgomery counties. Under current law, the counties purchase the buses and are then reimbursed by the State through an annual operating grant which equals the cost of the buses divided by their useful life. *Senate Bill 204/House Bill 489* replace the reimbursement program with an annual capital grant program under which the counties receive a State capital grant which equals the total cost of purchasing the buses. The fiscal year 1999 Budget includes \$2.4 million in capital grants for the purchase of buses in Montgomery and Prince George's counties. Eliminating the reimbursement program will decrease Transportation Trust Fund (TTF) operating expenditures by \$1.1 million in fiscal year 1999, thereby increasing the TTF bonding capacity by \$5 million. For fiscal year 1999, expenditures in Montgomery and Prince George's counties decrease by \$2 million and \$200,000, respectively.

## Transit Funding

To establish greater funding parity between the State's two mass transit systems, the General Assembly passed legislation requiring the State to take over certain local financial obligations of the Washington Metropolitan Transportation Authority (WMATA) system. Similar legislation was considered during prior sessions of the General Assembly but was not enacted. *Senate Bill 205* (passed) requires the State to assume 100% of Maryland's share of WMATA's capital equipment costs and *Senate Bill 207* (passed) requires the State to assume 100% of the debt service allocated to Maryland for purposes of retiring the revenue bonds issued to finance portions of the construction of the Metrorail system. The State currently funds 100% of the cost of Metrorail construction and disabled access enhancement and 75% of the remaining portion of capital costs and debt service. Montgomery and Prince George's counties fund the remaining 25%.

The General Assembly delayed the effective date of both bills to July 1, 1999. Beginning in fiscal year 2000, the full cost of Maryland's share of the WMATA capital equipment and debt service costs will increase TTF expenditures by approximately \$7.2 million annually. Unless revenues increase, the bills require that \$28.8 million in spending adjustments be made in the Consolidated Transportation Program for fiscal year 2000 through fiscal year 2003. Expenditures in Montgomery and Prince George's counties will decrease by a corresponding amount. It should be noted that *Senate Bill 207* (passed) sunsets June 30, 2014, the year in which the revenue bonds will be retired.

### **Fiscal Impact of Senate Bill 205 and Senate Bill 207**

**(\$ in millions)**

	<b>SB 205</b>			<b>SB 207</b>		
Fiscal Year	TTF Expend.	Montgomery County Expend.	Prince George's County Expend.	TTF Expend.	Montgomery County Expend.	Prince George's County Expend.
<b>1999</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>2000</b>	\$4.8	(\$2.0)	(\$2.8)	\$2.4	(\$1.2)	(\$1.2)

# Part G

## TRANSPORTATION AND MOTOR VEHICLES

### MOTOR VEHICLES

#### DRIVER LICENSES

##### Graduated Licensing System

When Maryland first enacted a graduated licensing system in 1978, it started a national trend by requiring young drivers to complete a provisional licensing period. Today, a majority of the states have some form of graduated licensing. Nevertheless, accident rates among new drivers remain staggering and the leading cause of death for 15 to 20 year olds is traffic accidents. For 16 year olds, driver error accounts for a majority of fatal crashes. The following table represents the number of crashes per one million miles for various age groups based on 1990 figures from the Insurance Institute for Highway Safety:

Age	Crashes per 1 million miles	Age	Crashes per 1 million miles
16	43	40-44	4
17	30	45-49	4
18	16	50-54	4
19	14	55-59	4
20-24	10	60-64	4
25-29	6	65-69	7
30-34	5	70+	10
35-39	4	All ages	6

In April 1997, the Motor Vehicle Administrator appointed a Graduated Licensing Initiative Work Group with the goal of establishing a licensing system that would better protect new drivers. The resulting legislation, *Senate Bill 271/House Bill 527* (both passed), incorporate a modified version of a proposal recommended by the Graduated Licensing Initiative Work Group. *Senate Bill 271/House Bill 527* establish a new graduated driver licensing system intended to enhance safety for new drivers. The bills also establish a pilot program to more accurately test the driving skills of new drivers seeking a driver's license.

##### Learner's Permit

*Senate Bill 271/House Bill 527* modify the length of time that an individual must possess a learner's permit before being eligible for a provisional license. A new driver will be required to hold a learner's permit for a minimum of four months, rather than 14 days, to be eligible to obtain a license. All new drivers will be required to take a driver education course, not just new drivers under the age of 18. In addition, when taking a skills exam for a driver's license, a new driver will need to submit a completed skills log book, signed by a supervising driver, and documenting an adequate level of practice.

##### Provisional License

The Motor Vehicle Administration (MVA) will be prohibited from issuing a provisional license to an individual who has not reached the age of 16 years, 1 month. All new drivers will be subject to a minimum 18-month provisional licensing period. Should an individual with a provisional license be convicted of a moving violation, the 18-month clock will begin anew. *Senate Bill 271/House Bill 527* also establish new sanctions for provisional drivers who are convicted of moving violations. For a first offense, the MVA will require the driver to participate in a driver improvement program. For a second offense, the driver's license may be suspended up to 30 days. For

a third offense, the license may be suspended or revoked for up to 180 days. The earliest that a new driver will be eligible to move from a provisional license to a regular driver's license is when the driver reaches the age of 17 years, 7 months.

### Driver Education

As noted above, *Senate Bill 271/House Bill 527* require every new driver to participate in a driver education program. Working with the Department of Education and the driving school industry, the MVA will adopt a standardized driver education curriculum and a certification process for driving instructors. The bills maintain the minimum 30 hours of classroom instruction requirement under current law, but require a minimum of 6 hours of highway (rather than laboratory) instruction.

### Driver Testing

*Senate Bill 271/House Bill 527* establish a pilot program under which the MVA will implement, in at least one jurisdiction in the State, an on-road test in place of the current skills test and compare the results of the two types of tests in terms of their ability to evaluate driving skills. The bills grant the MVA discretion to do this on its own or under contract with a private entity. On or before January 1, 2001, the MVA will be required to report to the General Assembly on the results of the pilot program and the MVA's recommendations regarding the testing of new drivers.

### Implementation

The new requirements under *Senate Bill 271/House Bill 527* will take effect July 1, 1999. However, anyone with a learner's permit or provisional license issued before that date would continue to be governed by law currently in effect.

## REGISTRATION PLATES

### Commemorative License Plates

*Senate Bill 42/House Bill 75* (both passed) extend the termination date of the Chesapeake Bay Commemorative License Plate Program for an additional 2 years, through July 1, 2000. In 1990, the General Assembly authorized the MVA to issue a single special commemorative plate for any geographical, historical, natural resource, or environmental commemoration of statewide significance. The MVA has since issued the popular Chesapeake Bay plates. Since 1991, the plates have raised almost \$8 million for the Chesapeake Bay Trust. Currently, the fee for the plates is \$20, of which \$12 is allocated to the Chesapeake Bay Trust and \$8 is retained by the MVA for cost recovery. Under the 1990 legislation, a commemorative plate may be issued only for 2 consecutive years. However, because of the popularity of the Bay plates, the General Assembly has extended authority for the Bay plates every two years.

Two additional commemorative license plates bills were introduced during the 1998 legislative session. *Senate Bill 457* (failed) would have required the issuance of a commemorative plate to honor the life of Martin Luther King, Jr. The fee would have been set at a level to allow a surplus to be disbursed to the National Association for the Advancement of Colored People (NAACP).

*Senate Bill 88* (passed) requires the Governor to appoint a committee consisting of 5 members representing animal humane societies and the Motor Vehicle Administrator to design a single emblem or logo intended to enhance public awareness of the need to manage the population of cats and dogs in the State through sterilization. The plates will be available for use by animal humane societies or similar organizations under the organizational license plate program. The committee will have 9 months to complete its work. While any additional fee collected by participating organizations above the \$25 fee collected by the MVA is intended to be used for humanely sterilizing dogs and cats, the amount of the additional fee and its actual use will be determined by the participating organizations and will not involve the MVA.

## **RULES OF THE ROAD**

### **Aggressive Driving/Repeat Offenders**

With more traffic on the highways and increased concern about aggressive driving or "road rage", numerous bills were considered that would have established new offenses targeting aggressive drivers or increasing penalties in an effort to further deter aggressive driving.

**House Bill 659** (passed) increases the penalties for a person convicted of leaving the scene of an accident that results in the death or bodily injury of another person. In the case of an accident that results in bodily injury of another person, a driver convicted of leaving the scene or failing to immediately return to the scene is subject under **House Bill 659** to a fine of not more than \$3,000 or 1 year imprisonment, or both. If the accident results in the death of another person, the maximum penalty will be a fine of not more than \$5,000 or 5 years imprisonment, or both. **House Bill 659** also extends the statute of limitations for these offenses from 1 year to 3 years. The bill addresses the disparity between the current penalties for vehicular manslaughter, homicide by motor vehicle while intoxicated or under the influence, and other serious drunk and drugged driving offenses, and the current penalties for hit and run offenses that result in bodily injury or death. The bill seeks to lessen a driver's incentive to leave the scene of an accident that results in bodily injury or death since the crimes of vehicular manslaughter, homicide by motor vehicle while intoxicated or under the influence, and other serious drunk and drugged driving offenses are more difficult to prove when the driver leaves the scene of the accident.

**House Bill 416** (failed) was also intended to address the problem of aggressive drivers. The bill would have required that an individual convicted of reckless driving in connection with a conviction for certain other moving violations arising out of the same incident be assessed cumulative points based on each charge. Under existing law, the MVA may only assess points against an individual on the charge with the highest point assessment. The offenses listed in the bill were those that the State Police have identified as being associated with "aggressive driving".

**Senate Bill 32** (failed) would have increased the fine, period of incarceration, and point assessment for reckless driving. The bill also would have made the criminal reckless endangerment offense applicable to a person who creates a substantial risk of death or serious injury to another person by the use of a motor vehicle.

**Senate Bill 283/House Bill 463** (both failed) would have authorized a court to order the impoundment or immobilization of a vehicle if the vehicle was being used by its owner and the owner's license was suspended or revoked at the time of the offense for numerous prior moving violations. Under existing law, the court may only order the impoundment or immobilization of a vehicle if the owner's license was suspended or revoked due to drunk and drugged driving violations.

### **School Zones**

Children crossing highways while walking to or from school is a constant safety concern for both State and local authorities. **Senate Bill 436/House Bill 384** (both passed) make a person who is convicted of speeding in a school zone subject to a fine double the amount that would otherwise apply. The doubled fines will apply only if the school zone is posted with a sign that indicates that fines are doubled while warning lights are activated and if the lights are operating at the time the violation occurs. The bills authorize the State Highway Administration (SHA) to establish school zones on State highways. Local authorities are authorized under the bills to establish school zones on their local highways or request the SHA to do so. Should a local authority ask the SHA to establish a school zone on a local highway, the local government would be responsible for reimbursing the SHA for its costs. In any school zone where a school crossing guard is posted to assist students in crossing a highway, the bills require that the maximum speed limit during posted hours not exceed 35 mph.

### **Probation Before Judgment Dispositions**

Currently, the MVA maintains a segregated record of probation before judgment (PBJ) dispositions for driving while intoxicated, driving under the influence of alcohol, or driving under the influence of a controlled dangerous

substance. For other offenses, a judge is often unaware of previous PBJ disposition that a defendant may have received. **Senate Bill 409/House Bill 731** (both passed) require the MVA to record all PBJ dispositions for violations under the Maryland Vehicle Law that carry a potential penalty of incarceration. PBJ records are to be segregated and available only to the courts, criminal justice agencies, and the defendant or the defendant's attorney. The bills allow the courts to have a more complete view of a defendant's driving history during subsequent proceedings involving motor vehicle offenses and assist judges in imposing appropriate sentences for repeat offenders.

### **Diplomatic Immunities and Privileges**

**House Bill 1194** (passed) applies when a police officer, while enforcing Maryland's vehicle laws, stops a driver who displays a driver's license issued by the U.S. State Department or who otherwise claims immunities or privileges under federal law. **House Bill 1194** requires the police officer to contact the Department of State as soon as practicable to verify the driver's status and immunity, record all relevant information from the driver's license or identification card, and send specified information to the MVA within 5 days of the stop. The bill requires the MVA to file each vehicle accident report, citation or other charging document, and incident report and maintain records showing each conviction, vehicle accident, or probation before judgment disposition for driving while intoxicated, driving under the influence of alcohol, or driving under the influence of a controlled dangerous substance. The MVA is to then send a copy of each document and record that it receives to the State Department.

### **DRUNK AND DRUGGED DRIVING**

The issue of drunk and drugged driving demanded a significant amount of attention by the General Assembly this year, as it often has in years past.

### **Suspension Modification and Restrictive Licenses - Ability to Attend School**

**House Bill 117** (passed) repeals a requirement that, in addition to other requirements, a licensee be under the age of 21 years in order to qualify for modification of a driver's license suspension or issuance of a restrictive license allowing the licensee to attend school. The bill applies to a license suspension imposed for driving while intoxicated per se (*i.e.* with a blood alcohol concentration of 0.10 or more).

### **Ignition Interlock System**

The Ignition Interlock System Program has long been considered a pragmatic alternative to driver license suspensions and revocations as a tool to combat drunk driving. This year, the General Assembly expanded the current program. **House Bill 928** (passed) authorizes the MVA to impose an ignition interlock restriction (as part of an alcohol restriction) for individuals under the age of 21 years who are convicted of a DWI, DUI, or driving under the influence of a combination of alcohol and drugs. The bill also authorizes the MVA to impose an alcohol restriction on any individual who is a repeat offender convicted within a 5-year period of any combination of 2 or more violations of DWI, DUI, or driving under the influence of alcohol and drugs. The bill allows the MVA to modify a suspension or issue a restrictive license under the administrative per se statute to require participation in the Ignition Interlock System Program. The MVA is required under the bill to adopt regulations establishing minimum standards for the certification of approved service providers who install and service ignition interlock devices, including a requirement that they maintain and provide records for inspection by the State.

### **Intoxicated Per Se**

The drunk driving issue that received the most attention this year was the effort to reduce the alcohol level constituting intoxication per se. **Senate Bill 160/House Bill 361** (both failed) would have reduced the alcohol concentration required for a determination that an individual was driving while "intoxicated per se" from a level of 0.10 grams to 0.08 grams of alcohol per 100 milliliters of blood or per 210 liters of breath at the time of testing. The bills also would have reduced the alcohol concentration that constitutes *prima facie* evidence that an individual was driving under the influence of alcohol from a level between 0.07 and 0.10 to a level between 0.06

and 0.08.

At the federal level, President Clinton and the U. S. Senate recently supported a measure that would have made a portion of federal highway funding for a state contingent upon enactment by the state of a 0.08 standard for intoxication. However, the U.S. House of Representatives failed to include the measure in its version of the highway funding reauthorization bill. Should both houses of Congress agree to link federal highway funding to adoption of a 0.08 standard, the General Assembly will likely reevaluate this issue.

### **Repeat Convictions**

**House Bill 410** (failed) would have required the MVA to revoke the driver's license of a person who is convicted of a third or subsequent violation of driving while intoxicated or driving while intoxicated per se. The bill would have prohibited the MVA from reinstating a license revoked under the bill until the later of 5 years from the date of the revocation or when the Medical Advisory Board advises the MVA that the driving of a vehicle by the person would not be contrary to the public safety and welfare.

### **VEHICLE EMISSIONS INSPECTION PROGRAM**

In accordance with the federal Clean Air Act, Maryland currently requires that specified vehicles registered in certain areas of the State undergo vehicle emissions inspections every two years. Under legislation first enacted in 1991, the implementation of which was delayed until October of 1997, the State is currently operating an "enhanced" emissions testing program that utilizes a treadmill device known as a "dynamometer", which tests for emissions under simulated highway driving conditions.

### **Waivers and Exemptions**

**House Bill 71** (passed) extends through December 31, 1999, the current \$150 repair expenditure amount needed to qualify the owner of a motor vehicle for a waiver from test and inspection requirements under the Vehicle Emissions Inspection Program (VEIP). Qualifying repairs must be made within 60 days of the initial emissions test. In the absence of this legislation, as of January 1, 1998, a vehicle owner would have been required to pay the minimum expenditure required by federal law (\$450) toward emission-related repairs within 120 days after the first test.

**Senate Bill 752** (failed) would have exempted vehicles driven less than 5,000 miles per year from the inspection and testing requirements of the Vehicle Emissions Inspection Program. However, current State policy provides that individuals over 70 years of age who drive less than 5,000 miles are exempt from the inspection requirements.

### **ACCESS TO RECORDS OF THE MOTOR VEHICLE ADMINISTRATION**

In 1994, in response to a number of infamous cases in which personal information was obtained from motor vehicle records and then used to stalk and harm individuals, Congress enacted the Driver's Privacy Protection Act as part of the Violent Crime Control and Law Enforcement Act. The states were given a 3-year opportunity to bring their laws into compliance with the federal legislation under threat of civil penalties. During the 1997 Session, the General Assembly enacted legislation that brought Maryland law into compliance with the federal statute. Rather than closing access to MVA records, however, the General Assembly granted individuals the right to protect their personal information from disclosure. Access to MVA records continued to be available if an individual did not choose to protect his or her records. Since the law took effect on September 1, 1997, approximately 660,000 of Maryland's 3.4 million drivers have requested that their personal information held by the MVA be blocked from public access. The intense public interest in this issue, prompted in large part by a misunderstanding of Maryland's long-standing policy of treating motor vehicle records as public information, resulted in legislation being introduced to further restrict access to MVA records.

**Senate Bill 159/House Bill 354** and **House Bill 329** (all failed) would have amended the Public Information Act and the Maryland Vehicle Law to prohibit the MVA from disclosing personal information without the written consent of the person in interest. This prohibition would have applied to both requests for individual records and

requests for lists of information for purposes of surveys, marketing, and solicitations. **Senate Bill 159/House Bill 354** also would have created a new subset of personal information called "sensitive personal information", defined as the social security number of a person and information regarding the person's physical characteristics, medical condition, or disabilities. Sensitive personal information could not have been disclosed under the bills unless the person in interest expressly authorized disclosure of the information. **House Bill 329** did not define sensitive personal information as a separate classification of personal information.

## **MOTOR VEHICLE REGISTRATION**

### **Certificates of Title**

**Senate Bill 549/House Bill 76** (both passed) prohibit the MVA from issuing a certificate of title for a vehicle to anyone who is not at least 18 years of age, unless the application is cosigned by a qualifying adult. Generally, the application will need to be cosigned by a parent or guardian of the applicant. However, if the applicant is married or has no parent or guardian, an employer or other responsible adult may cosign the application. The requirements for co-signatures are similar to the requirements for minors seeking drivers' licenses.

### **Registration and Required Insurance Enforcement**

#### Registration Enforcement Fund

In October 1997, a work group was convened to develop a mechanism to combat the problem of people illegally registering their vehicles out of state. The work group included representatives of the General Assembly, the Motor Vehicle Administration, the Maryland State Police, the Governor's Office, the Maryland Municipal League, and the Maryland Association of Counties. While the scope of the problem of vehicles illegally registered out of state is difficult to quantify, a legislative audit issued in 1991 estimated that between 5,461 and 7,914 vehicles owned by Maryland residents were illegally registered in Virginia alone. It was estimated that the loss of excise tax revenues to the State ranged from \$1,280,000 to \$1,855,000. Although Virginia is not the only state in which Maryland residents illegally register vehicles, it presents an extensive problem due to lower tax and nonmandatory insurance requirements. Since the audit, the MVA has taken numerous steps to enhance enforcement. However, the problem remains significant.

The legislation developed by the work group, **Senate Bill 184/House Bill 548** (both passed) establish a 5-year grant program under the Department of State Police that provides a funding source for law enforcement agencies to fund efforts to combat the problem of illegal out of state vehicle registration by Maryland residents. Enforcement efforts will target cases where vehicle owners clearly have attempted to evade Maryland's vehicle titling, registration, and insurance laws. **Senate Bill 184/House Bill 548** establish the Motor Vehicle Registration Enforcement Fund, and provide that \$400,000 be credited to the Fund each year for the 5-year life of the program from uninsured motorist penalties. To offset the costs of administering the program, the bills provide that the Department of State Police may retain 10% of the revenues credited to the Fund each year.

Provisions of the bill are to be implemented by January 1, 1999 and will remain in effect through June 30, 2003. On or before March 1, 2000, and on or before March 1 of each year thereafter, the Secretary of State Police will be required to report to the General Assembly on the status of the Fund, the grants that have been awarded, and the effect of efforts to reduce the number of improperly registered vehicles in the State.

#### Reporting of Insurance Policies and Registration Plate Recovery Program

**Senate Bill 776/House Bill 1274** (both passed) authorize the MVA to use revenue that it retains from uninsured motorist penalties to contract with independent agents to recover the registration plates of uninsured vehicles. In fiscal year 1997, the MVA collected total penalties of \$22.5 million and retained approximately \$6.75 million. The bills authorize the MVA to use up to \$1 million of these funds for the tag recovery program. The funding, however, is subject to approval through a budget appropriation or, following notice to the General Assembly's budget committees, through the budget amendment process.

The bills further provide that the MVA may establish a system that would require the reporting by each insurer of new insurance policies issued for vehicles registered in Maryland. However, the bills provide that the MVA may not require mandatory participation by any insurer under the reporting system before July 1, 2000. The fiscal year 1999 budget includes \$963,000 for the MVA to implement an insurance reporting system. The system may be initially tested using insurers that volunteer to participate in the system. The bills prohibit the MVA from disclosing insurance information submitted by insurers under the reporting system.

### **Staggered Registration**

*Senate Bill 253/House Bill 924* (both passed) authorize the MVA to adopt a system of staggered registration for all motor vehicle classes, including commercial vehicles. During the initial period of staggered registration, the bills authorize the MVA to issue registrations varying from a 7-month to an 18-month period with fees prorated according to the number of months for which the registration is issued. Presently, the MVA may only issue staggered registrations to specified classes of vehicles. For all other classes of vehicles, the MVA is currently authorized only to issue and renew registrations for a fixed period. As a result, the MVA offices are overcrowded during peak renewal months, with relatively little renewal activity in other months. *Senate Bill 253/House Bill 924* will allow the MVA to maintain a more balanced workload for all classes of registration renewals.

### **Vehicle Excise Tax**

*House Bill 233* (Ch. 53) exempts certain vehicles owned by nonprofit organizations from the vehicle excise tax if the vehicle is used exclusively to transport disabled or elderly people and the Mass Transit Administration retains a security interest in the vehicle. This Act will allow the Mass Transit Administration to withdraw from ownership of such vehicles, thereby removing potential liability concerns, without requiring the nonprofit groups to pay excise tax that otherwise would be required.

# Part H

## BUSINESS AND ECONOMIC ISSUES

### BUSINESS REGULATION AND OCCUPATIONS

#### LICENSING GENERALLY

##### Examinations, Fees, and Credit Reports

*House Bill 204* (Ch. 49) is a response to concerns raised during the regulatory review process about the statutory authority of various occupational and professional licensing boards in the Department of Labor, Licensing, and Regulation to contract with outside testing administrators and to require license applicants to pay examination fees directly to the testing contractors. It has been the longstanding practice of these boards to contract with outside testing services and to collect examination fees from applicants for licenses and then pass those fees on to the testing contractors. The regulations, however, would have required applicants to pay the examination fees directly to the testing contractors. In some cases, such direct payment would have been in conflict with the current statutory language.

*House Bill 204* codifies existing practice by authorizing the direct payment of examination fees to the designee of the following professional and occupational boards and commissions: accountants; architects; barbers; cosmetologists; electricians; landscape architects; plumbers; professional engineers; land surveyors; real estate appraisers; home improvement contractors; and heating, ventilation, air-conditioning, and refrigeration contractors. Additionally, if the particular boards and commissions do not have the statutory authority to contract with testing administrators for occupational and professional examinations or if the statutory authority is unclear, the bill provides that authority. Further, the bill clarifies that the examination fee paid may not exceed the cost of the examination.

Expressly codifying existing practice, *House Bill 204* also authorizes the Home Improvement Commission to require applicants for contractor licenses to file a credit report for the issuance of a license. In addition, the bill authorizes both the Real Estate Commission and the Home Improvement Commission to require real estate broker and contractor licensees, respectively, to file credit reports for license renewal. The Department of Labor, Licensing, and Regulation advises that the credit reporting procedures required by this bill are necessary in order to facilitate the creation of an electronic licensing system.

##### Effect of Criminal Conviction on Licensing

Under current law, all regulatory units in the Department of Labor, Licensing, and Regulation have established grounds for the issuance, denial, renewal, suspension, and revocation of licenses, certifications, registrations, and permits. The specific grounds for doing so vary from unit to unit. Currently, a number of units are authorized to take disciplinary action if an applicant or licensee has been convicted of a felony or a crime of moral turpitude. In addition, many of the regulatory units have discretion to take disciplinary action if an applicant or licensee pleads guilty or nolo contendere or receives probation before judgment for certain crimes.

*Senate Bill 115* (passed) authorizes specific boards of the Department of Labor, Licensing, and Regulation, and in some instances the Secretary of Labor, Licensing, and Regulation, to deny an application or renewal, reprimand a licensee, certificate holder, or permit holder, or suspend or revoke a license, certificate, or permit if the applicant, licensee, or holder is convicted of: (1) a felony; or (2) a misdemeanor that is directly related to the fitness and qualification of an applicant, licensee, or holder to practice the activity authorized by the license, certificate, or permit. The action may be taken only if the unit considers certain factors. In the case of regulatory units that already possess this or similar authority, the bill alters or clarifies the circumstances under which that authority may be exercised. The bill also repeals the authority of several boards to deny a license or take disciplinary action based on a conviction of a crime of moral turpitude or criminal activity with respect to which the individual has received probation before judgment.

The following occupations and professions are covered under **Senate Bill 115**: accountants; architects; barbers; cosmetologists; electricians; foresters; interior designers; landscape architects; bay pilots; plumbers; professional engineers; land surveyors; real estate appraisers; real estate professionals; home improvement contractors; heating, ventilation, air-conditioning, and refrigeration contractors; second-hand precious metal object dealers; and pawnbrokers.

In addition, **Senate Bill 115** authorizes the Director of the Office of Cemetery Oversight to deny registrations and permits, reprimand registrants or permit holders, and suspend or revoke registrations or permits for conviction of: (1) a felony; or (2) a misdemeanor that is directly related to the fitness and qualification of the applicant, registrant, or permit holder to own or operate a cemetery or provide burial goods.

The impetus behind **Senate Bill 115** was the recent Court of Special Appeals decision, Linkus v. Maryland State Board of Heating, Ventilation, Air Conditioning and Refrigeration Contractors, 114 Md. App. 262 (1997), which concluded that the Board lacked the legal authority to consider an applicant's general character or prior criminal convictions unrelated to the heating, ventilation, air-conditioning, and refrigeration laws. The case involved an applicant who did not reveal on the initial application for "qualifying review" that the applicant had been convicted of second-degree rape and who only later revealed this conviction on the actual license application. The Board decided that it would be inappropriate to issue the license, which decision was overturned by the Court of Special Appeals.

## **SPECIFIC BUSINESS REGULATION**

### **Athletics**

#### Sports Agents

**House Bill 110** (passed) expands the applicability of the Maryland Sports Agent Act to protect all student athletes in Maryland high schools and colleges from unscrupulous sports agents. By altering the definition of "local athlete" to include an athlete who is not a resident of the State, the bill extends coverage under the Maryland Sports Agent Act to out-of-state students who play for sports teams at Maryland high schools, colleges, and universities. Under current law, only those student athletes who are residents of Maryland and are playing or have played for a high school or NCAA intercollegiate team in the State are considered local athletes. For example, a student who plays for a University of Maryland sports team, but whose place of residence is Vermont, would not be protected under current law, but would be protected under **House Bill 110**.

#### State Athletic Commission

**Senate Bill 269** (passed) increases the annual salaries of the members of the State Athletic Commission from \$3,500 to \$6,000 for the Chairman and from \$2,500 to \$4,000 for the other four members. The State Athletic Commission is responsible for licensing and regulating professional boxing, wrestling, and kick-boxing in Maryland. The members of the State Athletic Commission use their annual salaries to travel around the country encouraging professional boxers and wrestlers to hold matches in Maryland, and their salaries have not increased since 1992.

### **Boilers and Pressure Vessels**

In 1996 attention was focused on the safety of boilers and pressure vessels in the State when a seven-year-old student at the Hazelwood Elementary-Middle School in Baltimore City was burned by scalding water and steam that spewed from a toilet. The injury to the child was caused by the failure of a boiler safety feature that keeps hot and cold water separate. An investigation revealed that the school's boiler had never been inspected and that it was operating with defective safety parts. This incident sparked more investigations which revealed numerous problems with current backlogs, methods of inspection, and inadequate follow-up on violations by the City of Baltimore and the Department of Labor, Licensing, and Regulation (DLLR). A performance audit was then undertaken by the Office of Legislative Audits which more thoroughly identified problems with the boiler

inspection system. As a result, the Division of Labor and Industry within DLLR requested that the Board of Boiler Rules establish a Performance Subcommittee to make recommendations for improvement.

**House Bill 1315/House Bill 1316** (both failed) incorporated the recommendations of the Department. **House Bill 1315** would have established a statewide licensing system for stationary engineers. **House Bill 1316** would have expanded the regulatory authority of the Department over owners of boilers and pressure vessels, inspectors, and insurance companies that inspect the boilers and pressure vessels that they insure.

### **Cemetery and "Death Care" Regulation**

In 1996 the General Assembly established a Task Force to Examine the State's Cemetery and Funeral Industry for the purpose of examining consumer and business issues within both industries. As a result of the Task Force's deliberations, Chapter 675 (House Bill 559) was enacted in 1997 to create an oversight body for cemeteries and persons providing burial goods.

#### Exemption from Registration and Permitting

Under current law, each cemetery must obtain a registration or permit in order to operate, unless the cemetery is a bona fide religious, nonprofit cemetery that does not sell preneed goods. **Senate Bill 146/House Bill 100** (both passed) exempt a not-for-profit organization created before 1900 by an act of the General Assembly from the registration and permitting provisions of the Maryland Cemetery Act. The language of **Senate Bill 146/House Bill 100** mirrors another statutory provision relating to cemeteries, which exempts the same class of not-for-profit organizations from the laws governing the perpetual care of cemeteries.

#### Preneed Goods and Services

Current law requires a seller of preneed burial goods to put in a trust account 80 percent of the selling price of a casket or casket vault sold under a preneed burial contract. **Senate Bill 379/House Bill 103** (both passed) require payment to a buyer of 100 percent of any moneys paid for a casket or casket vault under a preneed contract if the buyer cancels at any time before the buyer needs the casket or casket vault for burial. If the buyer takes such action, the seller must certify to the trustee who holds the buyer's payments in escrow: (1) the cancellation of the purchase; (2) the amount of funds applicable to the casket or casket vault under the preneed contract; and (3) the name and address of the buyer. The bills require the trustee to pay the buyer the funds and any interest accrued on those funds. In addition to the refund paid by the trustee, the seller must refund an amount of money necessary to provide the buyer with a refund of 100 percent of the money paid for the casket or casket vault under the preneed burial contract. The bills do not apply to funeral directors who are already required to provide full refunds for canceled preneed contracts.

In addition, under current law, the seller may cancel the preneed burial contract if the buyer defaults. **Senate Bill 379/House Bill 103** clarify that a seller's cancellation is dependent on the buyer's default and the buyer's failure to provide written notice to cancel the contract. Finally, **Senate Bill 379/House Bill 103** include uncodified language that provides that a presently existing obligation or contract right may not be impaired by the legislation.

### **Cigarette Vending Machines - Access by Minors**

Current law prohibits minors from using or possessing tobacco products. With one exception, the law also prohibits a person engaged in the business of selling or distributing tobacco products for commercial purposes from selling or distributing those products to minors. The exception to this prohibition in State law covers the owner of, or other person exercising control over, a tobacco product vending machine if a minor has bought a tobacco product from a machine. This exception applies only if the machine displays a conspicuous label stating the prohibitions and the criminal penalties concerning the distribution or sale of tobacco products to minors.

**Senate Bill 505** (failed) would have narrowed this exception and further reduced access by minors to tobacco products by limiting tobacco product vending machines to certain locations that are inaccessible to minors.

**House Bill 172** (failed) would have prohibited a person from selling or offering for sale a tobacco product by means of a vending machine or other mechanical device used for dispensing tobacco products, except for a vending machine: (1) that is located in an establishment that is a bona fide fraternal or veterans organization; or (2) that accepts only tokens and was in use on January 1, 1999. A person who violated this prohibition would have been guilty of a misdemeanor and on conviction subject to a fine of \$500. See the "Public Health" heading of Part J "Public Health - Generally" of *The 90 Day Report*.

### **Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors**

In 1992 the General Assembly enacted legislation creating the State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors (HVACR) in the Department of Labor, Licensing, and Regulation in order to regulate and license HVACR contractors in Maryland. The new law requires an applicant for a journeyman license to have held an apprentice license for at least three years, to have completed at least 1,875 hours of training in providing HVACR services under the direction of a licensed contractor, and to pass an examination administered by the Board. Once licensed, a journeyman is authorized to provide heating, ventilation, air-conditioning, or refrigeration services while under the direction and control of a licensed HVACR contractor.

Since 1992 the General Assembly has enacted more specific licensing requirements relating to journeymen. The Department of Labor, Licensing, and Regulation has read and interpreted all of these provisions together to mean that there are no exemptions from the journeyman examination requirement for applicants on or after January 1, 1995.

**House Bill 135** (passed) requires the Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors Board to issue a journeyman license to an individual who has successfully completed an apprenticeship program in heating, ventilation, air-conditioning, and refrigeration approved by the Apprenticeship and Training Council, without requiring the individual to take an examination. Under this legislation, an applicant for a journeyman's license who completes an unapproved apprenticeship would still be required to take the examination.

### **Home Inspectors**

A series of bills introduced this session, all of which failed, would have regulated the home inspection industry in various ways.

Based closely on a North Carolina law enacted in 1996 to regulate home inspection services, **House Bill 1000** (failed) would have established a mandatory licensing system for home inspectors and associate home inspectors practicing in Maryland. **House Bill 1369** (failed) also would have established a licensing system for home inspectors and created a State Board of Home Inspectors in the Department of Labor, Licensing, and Regulation. **House Bill 1112** (failed) would have established a comprehensive registration system of individuals providing home inspection services in the State.

**Senate Bill 427/House Bill 664** (both failed) would have provided that a contract for a home inspection is not binding on a consumer unless, before the home inspection, the home inspector provides the consumer with certain information on a separate form, in 12-point type. The bills would have required a home inspector to evaluate the overall condition of the building and its major components and to identify and report in writing any visible and accessible material defects. The bills also would have prohibited a contract for a home inspection from limiting a home inspector's liability arising from a home inspection to any fee paid as a consideration for the home inspection. Finally, the bills would have made a violation of the Home Inspector's subtitle an unfair and deceptive trade practice under the Maryland Consumer Protection Act.

### **Motor Fuel**

Voluntary allowances

**Senate Bill 605** (passed) temporarily suspends from July 1, 1998 through September 30, 2000 the requirement that all voluntary allowances granted by producers, refiners, and wholesalers of motor fuel shall be extended uniformly

to all retail services stations supplied. A voluntary allowance is a temporary price reduction that is offered to a retail dealer to enable the dealer to meet the lower price of a competing dealer.

Under the bill, the Office of the Comptroller is required to study the effect of the temporary suspension on the pricing practices in the gasoline market of the State from July 1, 1998 through December 31, 1998. The Comptroller also is required to submit a written report to the House Economic Matters Committee and the Senate Finance Committee on or before February 1, 1999.

The bill is an effort to provide a tool to the oil manufacturers and wholesalers to assist retailers who face fierce competition by rivals such as the Price Costco, Sheets, and Sam's Club.

Games of Chance

*Senate Bill 547* (passed) allows refiners and other suppliers of motor fuel to retail service stations to engage in, sponsor, promote, advertise, or otherwise perform or participate in a game of chance that is marketed or offered to the public, as long as the game of chance is not marketed or offered at a retail service station. In addition, the bill prohibits a supplier of motor fuel that is authorized to conduct a game of chance from requiring a retail service station dealer to pay for any costs related to the game of chance.

## **SPECIFIC BUSINESS OCCUPATIONS**

### **Architects**

Currently, all architectural documents prepared in connection with the alteration, construction, or design of a building intended for public use must be signed and sealed by a licensed architect. *House Bill 528* (passed) exempts property owners from the requirement that an architect's signature appear on any document associated with a construction project involving an alteration or repair of an existing public structure that is located in a municipal corporation and which satisfies the following requirements: (1) the estimated cost of the alteration may not exceed \$5,000; (2) the alteration must be non-structural and in compliance with the federal Americans with Disabilities Act and specified building performance standards; and (3) the exemption may only be used once on a building or structure within a 12- month period. Notwithstanding the provisions creating the exemption, a local code official may require that architectural documents for alterations or repairs of existing buildings or structures be signed and sealed by a licensed architect if the official determines that the signature and seal is necessary to protect public health and safety or to ensure compliance with building performance standards.

### **Barbers**

In order to qualify for a license to practice barbering, an applicant must have successfully completed at least 1,200 hours of training in barber school or at least 2,250 hours as a registered apprentice in a licensed barber shop. Under current law, an applicant for a license may transfer credits from a barber school in a correctional facility to another barber school but not to an apprenticeship program. *House Bill 84* (passed) allows the State Board of Barbers to credit up to 600 apprenticeship hours to an applicant who has completed training in a detention center or correctional facility-based barber school with an approved curriculum. Hours completed in these barber schools count toward the 2,250 apprenticeship hours required by law to qualify for a barber license. Barber training is currently being offered at the Prince George's County Detention Center.

### **Cosmetologists**

*House Bill 378* (Ch. 65) extends the termination date for the State Board of Cosmetologists from July 1, 1998 to July 1, 2001. The bill places cosmetologists on the same ten-year sunset cycle as the State Board of Barbers, and it allows the State Board of Cosmetologists to undergo the next scheduled review under the Maryland Program Evaluation Act beginning on July 1, 2000.

### **Land Surveyors and Property Line Surveyors**

**Senate Bill 255/House Bill 933** (both passed) alter the definition of "land surveying" and "property line surveying" to clarify the scope of practice. The practice of land surveying is defined as any service, work, documents, or practice for which the preparation or performance requires special knowledge of mathematics, physical and applied sciences, and the relevant law, to measure and locate natural or artificial features of the air, earth surface, underground, and bodies of water. This definition includes the use of current technologies such as aerial devices, global positioning systems which use information from satellites, and other technologies. The bills specifically authorize land surveyors, in conjunction with site development or land subdivision, to prepare and design plans for road or street grades, sediment and erosion control, and specified storm drainage and management systems. The practice of property line surveying is defined to encompass all of the activities of land surveying except the specific activities related to site development and land subdivision.

## **Plumbers**

The State Board of Plumbing licenses and regulates the activities of plumbers providing services for gas used for heating or cooking purposes. Because licensed plumbers in practice work on gas equipment used for purposes other than heating and cooking, **Senate Bill 697** (passed) expands the definition of gas in the law to include gas used for any purpose, including residential, medical, commercial, or industrial purposes. The definition establishes the scope of a license or certificate to provide specified gas related services.

**Senate Bill 691** (passed) provides that master plumbers, journey plumbers, and licensed apprentice plumbers may take a Board-approved course in cross connection/backflow mechanisms and become certified as approved cross connection/backflow prevention technicians. In addition, only those master and journey plumbers with certification are authorized to certify the installation and testing of mechanical cross connection control devices. Local jurisdictions may adopt regulations or enact laws that have comparable or more stringent qualifications for the certification of the installation and testing of mechanical cross connection devices.

## **Professional Engineers**

The State Board for Professional Engineers reviews all applications submitted by candidates for engineering licensing examinations. The Board currently consists of two consumer members and one member from each of the four categories of professional engineers. However, the Board has cited the need for an additional qualified member to review the large number of applicants for the civil engineering examinations. **Senate Bill 55** (Ch. 11) expands the Board membership to seven by adding an additional civil engineer.

## **Real Estate Professionals**

### Education Requirements

Under current law, an applicant for a real estate salesperson license is required, among other requirements, to have successfully completed a basic course in real estate that is approved by the State Real Estate Commission. The currently approved course consists of 90 clock hours of classroom instruction. **Senate Bill 360** (passed) provides that the class approved by the Commission may not include more than 60 clock hours of classroom instruction. Additionally, under current law, licensed real estate professionals are required to take at least 15 clock hours of continuing education instruction during the 2-year license term. **Senate Bill 360** reduces from 15 to 6 clock hours the number of hours that an individual who has been licensed for more 10 years must complete to qualify for a license renewal.

### Brokerage Relationship and Duties

A nationwide survey of real estate practices conducted by the National Association of Realtors and the Consumers Federation of America in the early 1990s noted that Maryland law lacked requirements for adequate disclosure by an agent representing a buyer and for the use of standardized disclosure forms of agency relationships in general. Issues were also raised concerning the legality of the agency relationship when a single broker represents both the buyer and seller in a residential real estate transaction. A 1993 Opinion of the Attorney General (Opinion No. 93-033) concluded that the law at that time did not prohibit dual agency "if both the buyer and seller are made aware

of all material facts concerning the role of the dual agent and both freely assent to the dual agency".

Senate Bill 404 of the 1994 Session (Chapter 719 of 1994) authorizes dual agency in Maryland only under the limited circumstance when a real estate broker represents both a seller and a buyer of residential real property listed by the real estate broker in accordance with specified conditions, including the written consent of all parties to the transaction. Senate Bill 418 of the 1997 Session (failed) attempted to expand the dual agency allowed by the 1994 Act, but there were concerns raised regarding the consumer protection provisions of that bill. An ad hoc subcommittee was formed, and met during the 1997 Interim in order to resolve the differences between the Maryland Board of Realtors and the Consumer Protection Division of the Attorney General of Maryland.

**Senate Bill 641** (passed) represents the resolution of these differences. The bill establishes standards for licensees when providing real estate brokerage services to clients under a brokerage agreement and to prospective buyers and lessees under presumed agency relationships. To allow brokerage firms to provide the full range of services to clients when representing both buyers and sellers, the bill specifies the roles of "intra-company agents" and "dual agents". Under the bill, the intra-company agents may advise their clients about price negotiation and strategy provided that the client has consented to dual agency and the intra-company agent has made appropriate disclosures. **Senate Bill 641** creates a presumption of buyer's agency for a licensee who assists a prospective buyer in locating residential real property for purchase and who is neither affiliated with or acting as the listing broker for that property. The bill specifies the duties and obligations the parties have under the presumed agency relationship and makes clear that the presumed agency may be terminated by either the licensee or the buyer. Additionally, the bill specifies the disclosures that must be contained in brokerage agreements and circumstances under which a brokerage agreement terminates or expires.

# Part H

## BUSINESS AND ECONOMIC ISSUES

### PUBLIC SERVICE COMPANIES

#### IN GENERAL

##### Public Utility Companies Article Revision

*Senate Bill 1* (Ch. 8) is a nonsubstantive, "Plain English" recodification of the current laws governing the Public Service Commission, the Office of People's Counsel, and the regulation of public utilities in the State. The material included in the Act revises all of Article 78, as well as portions of Article 23, in a new article of the Code entitled the "Public Utility Companies Article". The Act also revises, and transfers to the Labor and Employment Article, provisions of Article 89 dealing with railroad safety and health. Utility-related provisions of Article 27 are revised in place, in preparation for the upcoming general revision of the criminal law. The Public Utility Companies Article is the twenty-fourth revised article to become law since the first revised articles were enacted in 1973.

The process of Code Revision is a formal bulk revision undertaken by the Department of Legislative Services since 1970. Its guidelines include improvement of organization, elimination of obsolete or unconstitutional provisions, resolution of inconsistencies and conflicts in the law, correction of unintended gaps or omissions in the law, deletion of repetitive or otherwise superfluous language, and general improvement of language and expression.

Because of the size of *Senate Bill 1*, minor corrections were made in a separate bill, *Senate Bill 783* (passed), along with updated cross-references to the new article.

##### Public Service Commission

###### Accident Reports

Public service companies are required by law to report any accident to the Public Service Commission that results in personal injury, property damage, or loss of life. *House Bill 225* (Ch. 50) limits the reportable accidents to those that result in personal injury requiring hospitalization, property damage exceeding \$50,000, or loss of life.

###### Motor Carriers

Motor carriers that provide transportation for hire under or through a contract with a public authority or a federal, State, or local transportation agency are exempt from rate regulation of the Public Service Commission under *House Bill 226* (passed). These motor carriers must still obtain a motor carrier permit from the Commission and submit accident reports to the Commission, and are under the Commission's general supervision, including inspections, accident reporting, and violations of the public utility law.

###### Submetering

Projects or developments owned or operated by a local housing authority may include a variety of different types of units including dwelling units and apartments as well as commercial establishments. *House Bill 282* (Ch. 55) authorizes the Public Service Commission to approve a local housing authority's request to submeter a development or area that includes a combination of different types of buildings or units, rather than requiring separate submetering of each type of unit.

###### Obsolete Commission Jurisdiction

Under current law, the Public Service Commission has jurisdiction over railroads, airline companies, power boat

companies, towing companies, lightering companies, and telegraph companies. However, there has not been a need for the Public Service Commission to regulate these types of public service companies for several years.

With regard to railroads, airline companies, and telegraph companies, the federal government has preempted state authority to regulate these companies to such an extent that there is little, if any, authority left to a state's public utility regulatory entity. The remaining substantive regulation of railroad safety on the State level is performed by the Division of Labor and Industry in the Department of Labor, Licensing, and Regulation. Telegraph companies as such have largely been replaced by telephone companies, cable companies, and other information technology concerns. With regard to power boat companies, towing companies, and lightering companies, these are all highly competitive businesses which no longer require Commission supervision. *House Bill 224* (failed) would have repealed the Public Service Commission's jurisdiction over these public service companies.

## **ELECTRIC UTILITIES**

### **Restructuring of the Electric Utility Industry**

During the 1997 Interim, the General Assembly's Task Force to Study Retail Electric Competition and the Restructuring of the Electric Utility Industry met to consider movements in other parts of the nation to restructure the retail electric utility industry, eliminating traditional rate-of-return regulation for electric generation, and allowing customers to choose electric generation suppliers. At the same time, the Public Service Commission was studying the issue, as a continuation of its own proceedings in Case No. 8738. On December 3, 1997, the Commission issued Order No. 73834, establishing a framework for the restructuring of the electric industry in Maryland. The restructuring schedule adopted in that Order, as modified on December 31, 1997 by Order No. 73901 and a February 19, 1998 letter of the Commission, was incorporated into *House Bill 10* (failed) by amendment in the Senate. For a further discussion of *House Bill 10*, see the "Holding Company Formation" heading, below.

The Commission's adopted schedule provides for customer retail access to competitive electric suppliers starting in July 2000 for all or a portion of the electric customers in the State. The schedule includes dates for the formation of roundtables and adjudicative proceedings to discuss issues essential to implementation of electric utility restructuring, including stranded costs, price protection, unbundled rates, market power, demand-side management, universal service, customer protection, competitive billing, consumer education, supplier authorization, competitive metering, and default supplier.

As incorporated by amendment to *House Bill 10*, however, customer retail access would not have begun until the enactment of legislation to address the impact of electric utility restructuring on State and local tax structures. The amendment would also have allowed either the General Assembly or the Commission to alter dates in the implementation schedule as needed.

At this time, the orders of the Public Service Commission on electric utility restructuring are unimpeded. The Commission is proceeding to study implementation of customer retail access according to the schedule adopted in its orders.

### **Holding Company Formation**

A holding company structure allows for the division of regulated and unregulated activities among separate subsidiary corporations of the holding company. Under current law, enacted in 1913, public service companies that are incorporated in Maryland are prohibited from forming holding companies. *Senate Bill 595/House Bill 10* (both failed) would have allowed a Maryland public service company to form a holding company, in a corporate reorganization that involves an exchange of stock of the public service company for stock in the holding company. Maryland is the only state that does not allow its public service companies to form holding companies. At this time, BGE is the only electric company operating in the State that is incorporated in Maryland.

During the 1998 Legislative Session, *House Bill 10* became embroiled in the debate over restructuring of the electric utility industry, and failed to be acted upon by the end of the Session.

## Taxation

One major issue to be addressed before electric restructuring takes effect is taxation. *House Bill 1322* and *House Bill 1323* (both failed) would have imposed a franchise tax on the delivery of electricity for final consumption in the State, and would have altered the scope of electric utilities subject to tax. The bills would also have impacted income taxes, property taxes, sales taxes, and environmental surcharges relating to the generation and delivery of electricity and natural gas. (For further discussion of these bills, see Part B "Taxes" of this Report.)

## **STEAM HEATING COMPANIES**

Steam heating companies manufacture, sell, or distribute steam for use, sale, or distribution. Steam heating as a public utility service was originally regulated as one of the monopoly services provided by Baltimore Gas & Electric Company. Throughout most of this century there has only been one steam heating and cooling company in the State. In 1985 BGE sold its steam heating service to a predecessor of Trigen Energy, Inc., now the sole regulated steam heating company in the State. Steam heating competes with other forms of heating, including electricity, gas, and oil. *Senate Bill 454/House Bill 478* (both failed) would have eliminated the jurisdiction of the Public Service Commission over steam heating companies.

## **TELEPHONES AND TELECOMMUNICATIONS**

### Telephone Solicitation Theft

Generally, State law prohibits a person from willfully intercepting, disclosing, or using the contents of a wire or electronic communication. There are eight exceptions, generally involving a service provider or its agent performing duties necessary to the rendition of the service or to the protection of the service provider's rights, an ongoing criminal investigation of certain crimes, or disclosure and consent of all parties to the communication.

*House Bill 607* (passed) adds a ninth exception. The bill authorizes an investigator, law enforcement officer, or the officer's agent to intercept a wire or electronic communication in the course of a government investigation of telephone solicitation theft. The law enforcement officer or the officer's agent must participate in the communication using a telephone. Under § 10-407(c) of the Courts and Judicial Proceedings Article, a person who has lawfully obtained an intercepted communication may disclose or use the communication while giving testimony under oath. Thus, the bill would allow a law enforcement officer to intercept a wire or electronic communication and testify in court regarding the intercepted communication.

### Crimes - Telecommunications Act

In order to keep up with changes in the telecommunications industry, *House Bill 1178* (passed) replaces existing provisions of law relating to obtaining unauthorized telephone and telegraph service and to cloned wireless telephones. The bill prohibits the obtaining or attempting to obtain telecommunications service with the intent to avoid any lawful fee for that service. A violation is a misdemeanor, subject to a fine of up to \$2,500, imprisonment of up to 3 years, or both. *House Bill 1178* also criminalizes the knowing possession of electronic serial numbers and mobile identification numbers to facilitate telecommunications service without consent of the lawful owner. A violation is a misdemeanor, subject to a fine of up to \$2,500, imprisonment of up to 3 years, or both. In the case of a person who possesses these numbers in quantities sufficient to indicate an intent to distribute, manufacture, or sell the number combinations, the violation is a felony, subject to a fine of up to \$10,000, imprisonment of up to 5 years, or both. (For a more extensive discussion of this legislation, see Part E, "Crimes, Correction, and Public Safety" of this Report.)

### Telephone Slamming/Cramming

Currently, the Federal Communications Commission (FCC) is conducting a proceeding to develop rules and regulations to prevent "slamming" -- the unauthorized switching of a customer's long distance carrier -- and to penalize carriers that switch customers without authorization. A related practice, unauthorized changes in service

options, is known as "cramming". The Maryland Public Service Commission is concurrently considering slamming and cramming issues in Case No. 8776, scheduled for hearing in May, 1998.

**House Bill 1403** (failed) would have prohibited telephone companies from taking actions on behalf of a customer to change the selection of telephone service providers and options except in compliance with procedures adopted by the Public Service Commission in harmony with FCC rules. The bill would have required notice to be provided to a customer when changing providers and options.

# Part H

## BUSINESS AND ECONOMIC ISSUES

### INSURANCE

#### IN GENERAL

#### Maryland Insurance Administration

##### Funding Mechanism

The Joint Chairman's Report on the fiscal year 1997 Operating Budget included committee narrative directing the Department of Fiscal Services to review the funding mechanism in place at the Maryland Insurance Administration (MIA). The evaluation concluded that, in general, the fees paid by the insurance industry closely correlate to the costs associated with the regulation of the industry. However, because this correlation is achieved without a mechanism forcing parity between fees and regulatory services, this parity could be lost if changes in the insurance industry alter the magnitude of the fees collected or if there is a significant change in the budget of the MIA. The report also concluded that implementation of an annual assessment similar to that used to fund the Public Service Commission and the Workers' Compensation Commission would be a reasonable alternative to the current fee-based system. The concept of an annual assessment would guarantee the correlation between payments made by the insurance industry and benefits it receives. The assessment could also simplify the agency's budget, replacing the current combination of general and special fund revenues.

In 1997 the General Assembly enacted Chapter 685 (*House Bill 688*), which maintained the MIA's regulatory fee structure with one exception, the valuation fee, which was paid only by life insurers. This fee was eliminated and the loss of this revenue, approximately \$1.1 million, was made up by assessing a fee on all insurers, including health maintenance organizations (HMOs), for the period from October 1, 1997 until June 30, 1998. Chapter 685 also established an Advisory Committee to Study Funding Mechanisms for the Maryland Insurance Administration. The charge to the Advisory Committee was to examine alternative funding mechanisms for the MIA and to develop a proposal that apportions the cost of regulation fairly and equitably among regulated entities. The Advisory Committee developed a proposal and legislation reflecting this proposal was introduced during the 1998 Session.

*Senate Bill 705* (passed) alters the mechanism currently used to fund a portion of the budget of the MIA. The new mechanism is based on an annual assessment on all insurers, including HMOs. This money will be deposited into a newly created special fund, the Insurance Regulation Fund. In addition, *Senate Bill 705* makes the MIA a special fund agency. As such, it will no longer receive any general fund moneys for the operation of the agency.

The insurance assessment equals the approved MIA budget minus the amount of the fees that the MIA collects; this assessment cannot exceed 40% of the MIA's approved budget appropriation. The insurance assessment fee is calculated as a percentage of all gross direct premiums written by an insurer. Premiums, under the bill, include any amount paid to an HMO as compensation on a predetermined rate basis for providing its members with health care services. As amended, under the bill, property and casualty insurers would pay 27.5% of the assessment; life insurers would pay 27.5% of the assessment. The health insurers would pay 45% of the assessment. The assessment fee for each carrier is based on a calculation that first determines what portion of total premiums written by all carriers within a particular line (life, health, property, and casualty) has been written by that particular carrier. That fraction of total premiums is then multiplied by the assessment percentage (life = 27.5%; property and casualty = 27.5%; health = 45%). The Commissioner may assess penalties and interest on any carrier that does not pay its assessment fee by July 1 of each year. The bill requires each insurer to file with the Commissioner, by March 1 of each year, a report of new and renewal gross direct written premiums.

For example:

Life Carrier A Assessment = (Life Carrier A annual premium / Annual premiums of all life carriers) x 27.5%

Health Carrier B Assessment = (Health Carrier B annual premium / Annual premiums of all health carriers) x 45%

P/C Carrier C Assessment = (P/C Carrier C annual premium / Annual premiums of all p/c carriers) x 27.5%

**Senate Bill 705** alters a few of the current fees. The agent and broker filing fees are reduced and form filing fees are increased from \$100 to \$125. Under the bill, HMOs will also have to pay the form filing fees. The MIA continues to collect the current fees for certificates of authority, agent/broker licensing, financial examinations, and market conduct examinations. The amount currently collected from the insurance fraud fee will accrue to the Insurance Regulation Fund. All premium taxes, retaliatory taxes, fines, and penalties will continue to accrue to the General Fund.

The creation of the Insurance Regulation Fund and the new method for determining the insurance assessment fee are effective April 1, 1999. The change in the agent and broker fees and the rate and form filing fees are effective on July 1, 1999. Before July 1, 1999, the current methodology for funding the MIA, as established in Chapter 685 of 1997 remains in effect.

**Senate Bill 705** includes a provision that gives domestic insurers a credit against any retaliatory taxes that the insurer may pay to another state as a result of the insurer having to pay the assessment fee.

**Senate Bill 705** also allows HMOs and nonprofit health service plans to "file and use" certain insurance product forms that are effective on the date of filing with the Insurance Commissioner. The Commissioner is required to study the feasibility of allowing property and casualty insurers to "file and use" their forms.

Finally, the bill establishes a fixed 4-year term of office for the Commissioner and authorizes removal by the Governor only for malfeasance, incompetence, or failure to carry out duties of the office. For the Commissioner serving on June 1, 1998, the initial term of office is 5 years.

#### Imposition of Penalties

The Insurance Commissioner is charged with enforcing the insurance laws of Maryland. Under that enforcement authority, the Commissioner must deny or revoke a certificate of authority that is issued to an insurance carrier or an insurance professional under certain circumstances. Under less egregious circumstances, the Commissioner, in lieu of denying or revoking a certificate of authority, may impose penalties and order financial restitution. According to the Maryland Insurance Administration (MIA), in fiscal year 1996, the Life and Health Unit collected \$900,000 in penalties following its market conduct examinations; the Property and Casualty Unit collected \$293,225 through its examination of insurance companies, premium finance companies, and agents and agencies.

**House Bill 1355** (passed) increases from \$50,000 to \$125,000 the maximum penalty that the Commissioner may impose. The Commissioner is required to establish standards for the imposition of this penalty. The bill also increases from \$500 to \$5,000 the maximum penalty that the Commissioner may impose on the holder of a certificate of authority for a single violation of the unfair claims practice act.

#### Insurance Fraud Prevention Fee - Fraternal Benefit Societies

Under Chapter 649 of 1997, fraternal benefit societies must pay a \$1,000 annual fraud prevention fee and their agents must pay a biennial \$15 fraud prevention fee. Fraud prevention fees are paid into the Insurance Fraud Division Fund for the sole purpose of funding the activities of the MIA Fraud Division. **Senate Bill 199/House Bill 857** (both passed) exempt fraternal benefit societies collecting premiums under \$75,000 per year from having to pay the insurance fraud prevention fee.

#### Administrative Hearings of Insurance Issues

Under current law, a party to an administrative hearing is allowed to: (1) appear in person and be represented by counsel; (2) be present while evidence is given; (3) have a reasonable opportunity to inspect all documentary evidence and to examine witnesses; and (4) present evidence. An insurer may use a designee for representation only at a hearing regarding cancellations, nonrenewals, premium increases, or reductions in coverage.

A number of insurers use claims adjusters, who have been given power of attorney, as their designated representatives at insurance claims hearings before both the MIA and the Office of Administrative Hearings (OAH). Recently, the MIA re-examined the law on the use of nonattorneys at hearings and concluded that an insurer may only be represented by an attorney, except at cancellation or nonrenewal hearings.

**Senate Bill 581/House Bill 816** (both passed) allow an insurer that is party to an administrative hearing regarding an insurance issue to be represented by a designee who is employed by the insurer in claims, underwriting, or as otherwise provided by the Insurance Commissioner. In addition, the designated representative must be given the authority by the insurer to resolve all issues involved in the hearing.

### **Regulation of Insurance Business**

#### Investment Advisors

Under current law, an investment advisor means a person that, for compensation: (1) examines a policy, annuity contract, or pure endowment contract for the purpose of giving advice or information about, or the advisability of changing, the terms, conditions, benefits, coverage, or premium of a policy, annuity contract, or pure endowment contract; or (2) represents to the public that the person gives or is engaged in the business of giving advice or information to holders of policies or annuity contracts by use of a title in or on advertisements, cards, signs, circulars, or letterheads or in any other manner in which public announcements are made.

**House Bill 1344** (passed) adds to the list of those individuals who are exempt from being licensed as insurance advisers under the Insurance Code. Under the bill, an individual would be exempt from being licensed as an insurance adviser if the individual: (1) is employed by an investment advisor registered with the Securities and Exchange Commission; (2) has clients who are institutional investors with assets of at least \$5 million; and (3) acts as an adviser only with respect to guaranteed investment contracts or synthetic investment contracts.

#### Motor Vehicle Rental Companies

In mid-1997, the Texas Insurance Commissioner issued two administrative orders to require seven motor vehicle rental firms to refund about \$11.3 million to over 800,000 consumers who recently bought motor vehicle liability insurance from them in Texas. The Texas Department of Insurance's Unauthorized Insurance Section of the Insurance Fraud Unit alleges in the orders that the motor vehicle rental companies and their insurers engaged in the unauthorized business of insurance, illegally shared commissions without the necessary license or authorization, and misrepresented an insurance policy, all in violation of the Texas Insurance Code. The Texas Legislature enacted a bill, effective September 1, 1997, that settled the dispute by setting up a method for motor vehicle rental companies or their franchisees to be licensed to sell insurance products related to the rental of a motor vehicle.

**House Bill 1320** (passed) authorizes motor vehicle rental companies to offer and sell insurance policies if: (1) the policy is sold in connection with the rental of a motor vehicle for a period not to exceed 30 days; (2) the policy has been filed and approved by the Insurance Commissioner and issued by an authorized insurer; (3) the motor vehicle rental company employs or contracts with a qualified agent for property and casualty insurance who will review policies, develop a training program for the employees of the motor vehicle rental company, review disclosures available to consumers, and perform any other duties that the Commissioner may require; (4) the motor vehicle rental company files with the Commissioner a list of the approved policies to be offered to renters; and (5) the motor vehicle rental company provides to each renter covered by a policy sold by the company a disclosure approved by the Commissioner.

In addition, **House Bill 1320** prohibits a motor vehicle rental company or any of its employees from advertising, representing, or otherwise holding themselves out to the general public as an authorized insurer, reinsurer, agent, or broker.

**House Bill 1320** also requires the Insurance Commissioner to conduct a study of and report on: (1) the insurance products offered and sold by motor vehicle rental companies and current practices of the motor vehicle rental industry related to the sale of insurance products, including compensation arrangements between insurers, motor vehicle rental companies, and employees of the motor vehicle rental companies; (2) the method by which other states regulate the offer and sale of insurance products by the motor vehicle rental industry and similar industries; and (3) any other issue the Commissioner considers appropriate.

The bill is effective June 1, 1998 and terminates one year later on May 31, 1999.

## **PROPERTY AND CASUALTY INSURANCE**

### **Underwriting Standards**

#### Standards for Cancellation and Nonrenewal

Under current law, an insurer, agent, or broker may not cancel or refuse to underwrite or renew a particular insurance risk or class of risk for a reason based wholly or partly on race, color, creed, sex, or blindness or for any arbitrary, capricious, or unfairly discriminatory reason.

An insurer, agent, or broker also may not cancel or refuse to underwrite or renew a particular insurance risk or class of risk except by application of standards that are reasonably related to the insurer's economic and business purposes. A carrier's underwriting standards must be filed with the Insurance Commissioner.

When a motor vehicle insurer is going to cancel, refuse to renew, surcharge a policy, or reduce coverage, the insurer must send written notice of the proposed action to the policyholder at least 45 days before the effective date of the action. Except under certain circumstances, a policyholder has 30 days to protest the insurer's proposed action and request a hearing before the Commissioner; if a protest is filed, the insurance policy remains in effect until a final determination is made by the Commissioner. An order of the Commissioner may be appealed to a circuit court.

With respect to homeowner's insurance, **Senate Bill 766/House Bill 1356** (both passed) prohibit an insurer from canceling or refusing to renew coverage based on the claims history of an insured unless the insured has 3 or more weather-related claims within the preceding 3-year period. However, an insurer may consider claims for weather-related events for the purpose of canceling or refusing to renew coverage if the insurer provided written notice to the insured for reasonable or customary repairs or replacement specific to the insured's premises or dwelling which the insured failed to make and which, if made, would have prevented the loss for which a claim was made.

**Senate Bill 766/House Bill 1356** also create exceptions to the standards that must be reasonably related to an insurer's economic and business purposes in order for an insurer to cancel or refuse to renew a particular insurance risk or class of risk. For homeowner's insurance, an insurer may use the following standards to cancel or refuse to renew a policy:

a material misrepresentation in connection with the application, policy, or presentation of a claim;

nonpayment of premium;

the claims history of the insured where the insured makes more than 3 claims in the preceding 3-year period; and

any other standard approved by the Commissioner that is based on factors that adversely affect the losses or expenses of the insurer under its approved rating plan and for which statistical validation is unavailable or is

unduly burdensome to produce.

For private passenger motor vehicle insurance, *Senate Bill 766/House Bill 1356* prohibit an insurer from canceling or refusing to renew coverage based on the claims history of an insured where 2 or fewer of the claims within the preceding 3-year period were for accidents or losses where the insured was not at fault.

Similar to homeowner's insurance, for private passenger motor vehicle insurance, the bills also create exceptions to the standards that must be reasonably related to an insurer's economic and business purposes in order for an insurer to cancel or refuse to renew a particular insurance risk or class of risk. Those standards include:

a material misrepresentation in connection with the application, policy, or presentation of a claim;

nonpayment of premium;

revocation or suspension of the driver's license or motor vehicle registration within the preceding 2-year period: (1) of the named insured or covered driver under the policy; and (2) for reasons related to the driving record of the driver;

2 or more motor vehicle accidents or any combination of 3 or more accidents and moving violations within the preceding 3-year period if, based on an investigation of the circumstances of any accident, the insurer determines that the insured was not at fault;

3 or more moving violations against the insured or covered driver under the policy within the preceding 2-year period; and

any other standard approved by the Commissioner that is based on factors that adversely affect the losses or expenses of the insurer under its approved rating plan and for which statistical validation is unavailable or is unduly burdensome to produce.

Finally, *Senate Bill 766/House Bill 1356* allow an insurer that uses claims history for purposes of canceling or refusing to renew coverage to consider specified factors in mitigation of the proposed decision without producing statistical validation, including the severity of the losses and the length of time that the insured has been a policyholder. In addition, the insurer must give notice of its practice of using claims history to an insured at the inception of the policy and at each renewal. The bills terminate on September 30, 2001.

#### Use of Credit History and Credit Scores

The Maryland Insurance Administration (MIA) has expressed concerns over the use of credit scores, their validity for loss prediction, and their fairness. However, if used fairly and properly, the MIA believes that credit scores may be a useful underwriting tool that may result in lower premiums for certain individuals.

*Senate Bill 8* (passed) prohibits an insurer from refusing to underwrite any private passenger motor vehicle insurance risk solely because of the credit history of the applicant or named insured. The bill also gives an insurer the authority to request that the Insurance Commissioner find that a computer program, model, or algorithm used by the insurer to develop or create a credit score for rating purposes be considered confidential commercial information and not subject to disclosure to the general public. The bill will terminate on September 30, 2002 after the Commissioner submits a report on the effect of the bill's provisions on insurance premiums.

#### **Maryland Automobile Insurance Fund**

As the motor vehicle insurer of last resort, the Maryland Automobile Insurance Fund (MAIF) is required to provide insurance on payment of the premium set by MAIF. Current law requires an individual to be a Maryland resident in order to qualify for a MAIF policy. If MAIF determines that a prospective insured is not a resident of Maryland, the issued policy is voided and MAIF must refund all of the premium. According to MAIF, it voids approximately 240 policies per year for residency fraud.

Under **Senate Bill 488** (passed), when a person fails to meet the residency qualifications to be a MAIF policyholder, MAIF may charge and collect the greater of: (1) a policy processing fee; or (2) the amount that the person would have received after MAIF returns any gross unearned premiums to a producer or any other person except the person who fails to meet the residency qualifications. MAIF may only charge and collect this amount after it refers the person who fails to meet the qualifications to the Insurance Fraud Division of the Maryland Insurance Administration.

## **LIFE AND HEALTH INSURANCE**

Escalating health care costs in the 1980s and early 1990s forced health insurance carriers to adopt cost containment strategies and promoted growth of the managed care industry, typically embodied in health maintenance organizations. Cost containment practices include encouraging preventive care, establishing incentives for providers to avoid unnecessary tests and procedures, and requiring individuals, prior to obtaining the services, to obtain approval for health care services from their primary care provider. With the rise in managed care enrollment and penetration in the country, concerns that cost containment might limit access to certain health care services or jeopardize the quality of health care delivered have grown. Legislation in Maryland and around the country have addressed these concerns by ensuring appropriate and adequate processes and procedures to appeal coverage decisions and mandating that health insurers provide coverage for specific health benefits. In addition, legislation was introduced, but failed, during this session of the Maryland General Assembly which would have made managed care entities liable for health care treatment decisions. For a further discussion of these bills, see the "Health Maintenance Organizations" heading of Part J of *The 90 Day Report*.

### **Appeals of Health Care Decisions**

Concerns over access to health care services and the quality of health care services delivered by managed care entities have led to an increasing focus on the evaluation of grievance and complaint procedures available to consumers and the establishment of due process rights for enrollees and providers within the managed care system. Accordingly in 1996, the General Assembly commissioned the Task Force to Study Patient and Provider Appeal and Grievance Mechanisms (Chapter 548 of 1996). The charge of the Task Force was to evaluate the use and effectiveness of patient and provider grievance and appeal mechanisms that, under current law, must be adopted by health maintenance organizations operating in Maryland.

As a result of Task Force meetings and based in part on proposals discussed by the Task Force, legislation was introduced in the 1997 legislative session to conform, coordinate, and streamline the grievance processes established internally by health maintenance organizations (HMOs) and the consumer complaint process of the Maryland Insurance Administration (MIA). The conference committee report on the bill (House Bill 823) was passed in the House, but was delivered to the Senate just as it adjourned Sine Die.

During the 1998 Session, **Senate Bill 401/House Bill 3** (both passed) were introduced as measures to again address health care decision grievance processes. As passed, the bills require health insurers, nonprofit health service plans, dental plan organizations, and HMOs (carriers) to establish an internal grievance procedure for their enrollees. The carrier's internal grievance process must be exhausted before a complaint may be filed with the Insurance Commissioner. The bills give the Commissioner express authority to make a decision on a question of medical necessity when a carrier determines that a health care service is not medically necessary, appropriate, or efficient. In addition, the bills authorize the Commissioner to seek the assistance of medical experts or independent review organizations to provide the Commissioner with advice on issues relating to medical necessity.

**Senate Bill 401/House Bill 3** also transfer the responsibility of certifying private review agents from the Department of Health and Mental Hygiene to the MIA and also strengthen this regulatory authority. The bills require HMO medical directors to be physicians licensed in Maryland and to be certified by the MIA. Finally, **Senate Bill 401/House Bill 3** create a Health Care Regulatory Fund to pay the expenses incurred by the MIA related to the implementation of the appeals process and the certification of private review agents and HMO medical directors. The Fund will consist of revenues from a health care regulatory assessment on each carrier.

By January 1, 2000, the Commissioner must recommend to the General Assembly whether the appeals process should be expanded to include complaints based on all adverse decisions, not just those resulting from utilization review. In addition, the report must evaluate the correlation between the amount of the health care assessment collected from each carrier and the number of complaints filed with the Commissioner relative to the expenses incurred by the MIA in reviewing those complaints.

### **Mandated Health Insurance Services Evaluation**

While appreciating the concerns of consumers regarding access to health care services within a managed care environment, the General Assembly also is cognizant of the potential upward pressure on health care costs associated with mandating coverage for specified health insurance services. Currently, Maryland has 38 mandated benefits or offerings for services and provider reimbursement. As further discussed in this section, the 1998 legislative session adopts 5 additional mandated benefits and requires reimbursement to a provider for oncology drugs. Under *Senate Bill 136/House Bill 248* (both passed), the Health Care Access and Cost Commission (HCACC) is required to assess the social, medical, and financial impacts of all current and proposed mandated health insurance services. HCACC must report its findings to the General Assembly by December 31, 1998 and each December 1 thereafter.

HCACC's initial report must include: (1) an evaluation of the cost of existing mandated health insurance services; and (2) a recommendation on an appropriate percentage of the average annual wage in the State that the total cost of mandated health insurance services may not exceed. To arrive at the recommendation, HCACC must consider the percentage of average annual wage in the State that relates to the premiums associated with: (1) the current mandated health insurance services enacted in the State; (2) the benefits provided under the State Employee Health Benefits Plan; and (3) the Comprehensive Standard Health Benefit Plan. If a mandated health insurance service is proposed by a member of the General Assembly before July 1 of any year, HCACC must review and evaluate the proposal and submit its findings and recommendations regarding the proposal in its December report.

### **Mandated Benefits and Coverages**

#### Patient Care Costs Associated with Medical Clinical Trials

Clinical trials are controlled studies to test the effect of specific medical treatments on selected patients. Clinical trials are carried out in phases and patients are eligible for studies in different phases depending on their general condition and the type and stage of their cancer. More patients take part in the later phases of studies than in the earlier ones. In a Phase I study, a new research treatment is given to a small number of patients. For cancer treatment, Phase I trials typically involve administration of a new drug to assess toxicity. Phase II deals with the effectiveness of a new research treatment on different types of patients. If treatment is effective, the trial moves to Phase III. At this stage, treatment is compared with standard treatment to see which is more effective. In Phase IV studies, the new research treatment becomes part of standard treatment in patient care.

*Senate Bill 137/House Bill 45* (both passed) require carriers to cover patient care costs associated with clinical trials in all four phases of clinical trials for cancer, and in Phases II, III, and IV of clinical trials for all other life-threatening diseases. The coverage is only required if the clinical trial is approved by one of five entities named in the bills and meets other strict criteria. The bills also establish the Workgroup on Insurance Coverage for Patient Care Cost in Clinical Trials to look at the costs and benefits associated with this insurance coverage. The Workgroup must present a preliminary report to the General Assembly by July 1, 2000.

#### Cleft Lip and Cleft Palate

Under current law, health insurers and nonprofit health service plans must include coverage for inpatient and outpatient expenses arising from the management of cleft lip and cleft palate disorders. Coverage under the small group market's Comprehensive Standard Health Benefit Plan includes treatment for cleft lip and cleft palate for children 0 to 19 years old. Currently, HMOs must provide health care services for the correction of defects. However, specific reference to coverage for the treatment of cleft lip and cleft palate is not in statute. *Senate Bill*

**545/House Bill 507** (both passed) mandate HMO coverage of inpatient and outpatient costs associated with the treatment of cleft lip and cleft palate disorders and establish parity between HMOs and other third party payers.

#### Prescription Contraceptive Drugs and Devices

**Senate Bill 335/House Bill 457** (both passed) require carriers that provide coverage for prescription drugs to include coverage for any prescription contraceptive drug or device that is approved by the United States Food and Drug Administration. In addition, carriers are required to provide coverage for the insertion or removal, and any medically necessary examination associated with the use of the contraceptive drug or device. Carriers are prohibited from imposing a different copayment or coinsurance requirements for a contraceptive drug or device than is imposed for any other prescription. **Senate Bill 335/House Bill 457** exempt a religious organization from the specified coverage if the coverage conflicts with the religious organization's bona fide religious beliefs and practices.

#### Maintenance Drug Prescriptions

Chapter 232 of 1997 requires carriers to allow an enrollee to receive up to a 90-day supply of a maintenance drug in a single dispensing of a prescription by an authorized prescriber. The Act is scheduled to terminate on September 30, 1998. **Senate Bill 235/House Bill 173** (both passed) repeal the termination date and exempt the first prescription or change in a prescription from the single dispensing of a 90-day supply requirement.

#### General Anesthesia for Dental Care

**Senate Bill 479** (passed) requires a carrier to provide coverage for general anesthesia and associated hospital or ambulatory facility charges in conjunction with dental care provided to an enrollee or insured who: (1) is age 7 or younger or developmentally disabled and meets other specified requirements; or (2) is age 17 or younger and extremely uncooperative, fearful, or uncommunicative and meets other specified requirements.

#### Provider Reimbursement Issues

**Senate Bill 643** (passed) prohibits a carrier from reimbursing a health care provider for the cost of an oncology drug used in treating a patient in the provider's office in an amount less than the cost the provider paid for the drug. **Senate Bill 643** exempts a carrier from this requirement if the carrier provides an alternative way for the provider to obtain the oncology drug.

**Senate Bill 373/House Bill 874** (both passed) require an HMO to reimburse a hospital emergency facility and provider for medical assessment and stabilization services rendered to meet the requirements of the federal Emergency Medical Treatment and Active Labor Act (EMTALA). Current law requires an HMO to reimburse emergency facilities and providers for medical screening services that EMTALA requires them to perform. The requirement that HMOs pay for screening, assessment, and stabilization terminates on June 30, 1999.

**Senate Bill 699/House Bill 1162** (both passed) prohibit a carrier from retaining capitated fees from a health care provider. Under the bills, within 45 days after an enrollee chooses or obtains health care from a health care provider, the carrier must pay the provider all accrued, but unpaid, capitated fees that are attributed to the enrollee as if the enrollee had chosen the provider at the beginning of the enrollee's contract year.

**Senate Bill 667** (passed) prohibits a carrier from assigning, transferring, or subcontracting a health care provider's contract to an insurer that offers personal injury protection coverage without first informing the provider and obtaining the provider's written consent. In addition, a carrier is prohibited from terminating, limiting, or otherwise impairing the contract of a provider on the basis that the provider refused to agree to an assignment, transfer, or subcontract of all or part of the provider's contract.

#### Small Employer Group Market

##### Professional Employer Organizations

Professional employer organizations (PEOs) comprise an emerging industry that provides bundled human resources functions to small employers on an outsourcing basis. Typically, a PEO offers payroll administration (including tax withholding), workers' compensation, health benefits, 401(k) plans, and other similar kinds of benefits. A PEO hires its client's employees onto a common payroll; and the client reimburses the PEO once per pay period for salary, taxes, and benefits. The employee works for both the client and the PEO under a coemployment concept. Under coemployment, the PEO and the client assume and retain specific employer responsibilities and risks. The employer generally retains day-to-day supervision of employees.

Chapter 420 of 1997 looks through the PEO to the day-to-day employer for determination of the group size of an employer and applicability of the small employer group market under the Maryland Health Insurance Reform Act of 1993. Under a 1994 amendment to the Act, multiple employer trusts or associations are treated in the same manner for determination of group size. Chapter 420 allows a PEO, with the consent of the carrier, to have a common renewal for all small employer groups the PEO covers. The bill was effective October 1, 1997 and is scheduled to terminate on September 30, 1998. *Senate Bill 336/House Bill 108* (both passed) repeal that termination date.

### **Acquisition of Nonprofit Health Entities**

According to a study by the Center for Policy Alternatives, the pace of conversions of not-for-profit hospitals and health plans to for-profit status has accelerated in recent years. In 1995, 347 public and not-for-profit hospitals were involved in deals that were either pending or completed in that year. Several Blues, including the huge BlueCross of California, have already converted all or part of their operations to for-profit status and at least 15 additional Blues are considering or in the process of converting. Legislation introduced in the 1997 Session to provide oversight of conversion activities in Maryland failed to pass the General Assembly. Similar legislation was introduced for the 1998 Session.

*Senate Bill 143/House Bill 167* (both passed) create a process for the oversight of the acquisition by a for-profit entity of a nonprofit HMO, nonprofit health service plan, and nonprofit hospital by the Office of the Attorney General, in consultation with the Department of Health and Mental Hygiene, or the Maryland Insurance Administration. An acquisition would be approved by the appropriate regulating entity if it: (1) safeguards the value of public or charitable assets; (2) ensures the fair value of the public or charitable assets of the acquisition be distributed to the Maryland Health Care Foundation, or, for a hospital, to a community public or charitable entity or trust, as well; and (3) ensures that no part of the fair value of the public or charitable assets of the acquisition inures to an officer, director, or trustee of the nonprofit health entity.

### **Provider Sponsored Organizations**

The Balanced Budget Act of 1997 establishes provisions for the licensing of Provider-Sponsored Organizations (PSOs) to allow hospitals and doctors to group together to participate in Medicare risk contracts. The new program by which PSOs can provide care to Medicare recipients is entitled Medicare+Choice. The federal Act repeals the so-called 50-50 rule that required PSOs to have at least 50 percent non-Medicare enrollees and authorizes Medicare-only plans. The federal Act requires a state to take final action on a license application within 90 days after receipt of a completed application. A state is prohibited from imposing material requirements in its standards or review process that are not generally applicable to other entities engaged in substantially the same business. After the federal Health Care Financing Administration (HCFA) develops solvency standards for PSOs, states are required to apply those solvency standards. To date, solvency standards have not been finalized by the HCFA.

*House Bill 98* (passed) authorizes health care providers to form PSOs in Maryland in order to provide health care services to Medicare recipients under the new Medicare+Choice program. A PSO must be licensed by the Insurance Commissioner prior to contracting with consumers. In addition, a PSO is subject to the same statutory requirements to operate as are applicable to an HMO to the extent that they are not preempted by federal law.

In the past three years, legislation introduced to authorize community health networks (CHNs) in Maryland have

failed to pass the General Assembly. These CHNs would essentially have been similar to PSOs with the exception that they would not have been restricted to the Medicare market. **House Bill 98**, together with the federal PSO legislation, should eliminate any further need for legislative consideration of CHNs to serve the Medicare population.

### **Medicare Supplemental Policy for Individuals with a Disability**

**Senate Bill 116** (passed) requires health insurance carriers that are issuing Medicare supplement policies to make available Medicare Supplement Policy Plan C and Plan I to individuals under the age of 65 who are eligible for Medicare due to a disability. The plans may be medically underwritten, but must be guaranteed issue. A carrier may offer any other Medicare Supplement policies that it has available. A carrier that does not offer a Plan C or a Plan I to individuals who are eligible for Medicare due to age is not required to offer a Plan C or a Plan I to individuals eligible for Medicare due to a disability. The Maryland Insurance Administration must report to the General Assembly on the number of individuals eligible for Medicare due to a disability who have enrolled in Plan C and in Plan I. A preliminary report is due on December 1, 1999 and a final report is due on December 1, 2000.

### **Life Insurance Companies - Foreign Investments**

Currently, the restrictions on foreign investments do not apply to investments in Canadian securities and investments that are eligible for investment under other provisions of the Insurance Code. A life insurer authorized to do business in a foreign country or has outstanding insurance contracts or reinsurance contracts on risks located in a foreign country may invest in assets, or otherwise acquire a loan on securities and investments, in the foreign country that are substantially of the same kind, class, and quality as those assets eligible for investment as permitted under the Insurance Code.

However, the aggregate amount of the foreign investments and of the foreign currency held by the life insurer may not exceed 150 percent of the greater of: (1) the amount of the reserves of the life insurer and other obligations under any outstanding insurance contracts or reinsurance contracts; and (2) the amount that the life insurer is required by law to invest in that country.

**Senate Bill 761/House Bill 1377** (both passed) allow domestic life insurance carriers to engage in foreign investments and have foreign currency exposure. The provisions of these bills are almost identical to the language of the *Investments of Insurers Model Act* adopted by the National Association of Insurance Commissioners in 1996.

## **MISCELLANEOUS INSURANCE ISSUES**

### **Premium Finance Companies**

There are 129 premium finance companies (PFCs) licensed in the State. Much of premium financing business is related to financing the premium for individuals who obtain insurance through the Maryland Automobile Insurance Fund (MAIF). MAIF policies are generally sold by an agent, called a "producer," who receives a 10 percent commission when the policy is issued. If the policy is canceled, the agent is required to return the unearned portion of the commission. MAIF collects a full year of premiums in advance. Because MAIF is prohibited by law from financing premiums or accepting premiums on an installment basis, most MAIF policyholders finance their premiums through a premium finance company.

**House Bill 869** (passed) alters several provisions relating to the premium financing of motor vehicle insurance. The bill allows an insurance policy to be voided if the initial down payment is dishonored one time by a bank within 15 business days after receipt. The bill also changes the method by which returned premiums are calculated at cancellation; that is, an insurer must return unearned premiums computed pro rata excluding any administrative fee. In order to exclude these fees, they must have been approved by the Insurance Commissioner. Under **House Bill 869**, the Maryland Insurance Administration must study the advisability of capping administrative fees imposed in connection with the cancellation of a premium finance contract and report its findings by January 1,

1999.

## **Title Insurance - Title Plants**

Title insurance provides security to owners and security holders who have an interest in real estate by identifying and eliminating risks and preventing losses caused by defects in titles arising out of events that occur before the date a title insurance policy is issued and by offering financial indemnity against losses caused by title defects that are unknown at the time the policy is issued. By buying title insurance, the consumer is buying protection against past, rather than future, claims against title to the property.

A title plant consists of: (1) indexed and catalogued information for a period of time concerning the ownership of, and encumbrance on, real estate; (2) information relating to persons having an interest in real property; (3) maps, plats, and other related materials; (4) copies of prior title insurance policies and reports; and (5) any other documents and records relating to the title of the real property. A title plant is a historical record of matters affecting title to parcels of land in a particular geographic area.

Maryland is one of the few states, if not the only state, that has specifically ruled that title plants are nonadmittable assets. According to Security Title, Maryland's only domestic title insurer, a title plant is a significant asset to a title insurance company because it provides the company with a competitive advantage in signing new agents and retaining current agents and enables a company to provide timely and accurate title information to its agents. As such, a title plant is of significant value to other title insurers and title companies and can easily be sold in the event of the dissolution of a title insurer.

***Senate Bill 640/House Bill 1014*** (both passed) allow the Maryland Insurance Administration, when determining the financial condition of a title insurer, to include title plants as an admitted asset. The bills also specify what types of costs may be considered capitalized costs with reference to the valuation of the title plant. The bills are based on the National Association of Insurance Commissioners' (NAIC) Model Act and the NAIC's Accounting Practices and Procedures Manual.

## **Surplus Lines Insurance**

Virtually all of the business insured in the surplus lines market is comprised of hard-to-place risks that do not fit the current underwriting guidelines of the standard market due to their unique characteristics and needs.

In practice, when insurance agents or brokers cannot find coverage for a unique or high-risk insured with an insurer in the standard market (i.e., wind damage in Ocean City), they turn to the surplus lines market. Because surplus lines companies are unauthorized insurers, they are able to use unregulated policy forms and premium rates, giving their underwriters more flexibility than regulated authorized insurers in writing these unusual or difficult risks. In general, the coverage provided by surplus lines insurers is more restrictive and the premiums are more expensive than the standard market's policies and rates. Furthermore, in the event that a surplus lines insurer becomes insolvent and is unable to pay its claims in full, the insured has no state guaranty fund protection, except in New Jersey. Although they are not regulated by the Insurance Commissioner, they need to be approved by the Commissioner to offer insurance in the State.

***House Bill 1343*** (passed) alters several provisions of current law regarding surplus lines insurance by:

allowing an applicant who qualifies as a commercial insured, as defined by the Commissioner, to waive the required diligent search for the procurement of a surplus lines policy that: (1) has an annual premium of not less than \$5,000; and (2) is issued by an insurer with a financial rating of "A" or better by an independent rating organization;

allowing a diligent search to be deemed complete if the insured or the surplus lines broker or agent obtains 3 declinations of a risk from 3 authorized insurers and the declinations are included in the required affidavit; and

requiring, in addition to the currently required stamp on the insurance contract, a written disclosure on each

contract or confirmation which is in clear, plain English, explaining that the insurer is not an authorized insurer in Maryland.

Also, under **House Bill 1343**, a diligent search is not required for any coverage on the list of eligible surplus lines coverages that has been compiled by the Maryland Insurance Administration. A diligent search is still required for any renewal of a personal lines insurance policy.

# Part H

## BUSINESS AND ECONOMIC ISSUES

### HORSE RACING AND GAMING

#### FINANCIAL ASSISTANCE TO THE HORSE RACING INDUSTRY

##### Distribution of State Funding to Purses, Bred Funds, Marketing, and Studies

As part of a significant financial relief package that was provided to the racing industry during the 1997 Session, the General Assembly created a Commission to Study Ways to Improve the Financial Viability of the Horse Racing Industry. This Commission met during the 1997 interim and recommended a variety of short-term, intermediate-term, and long-term relief measures that could assist the industry.

*House Bill 837* (passed) implements short-term relief measures that were outlined in the Commission report. This includes a number of studies to determine the long-term measures that might best assist the industry, and the use of \$10 million in revenue overattainment to increase spending on noncapital items, such as purses, bred funds, and marketing. Under the legislation, the \$10 million in funding is comprised of \$5 million from general fund revenues that is appropriated in the fiscal year 1999 budget and an additional \$5 million from possible lottery surpluses. The distribution of these funds is allocated as follows:

Amount of Funds	Dedicated Purpose			
\$280,000	<b>Studies:</b>  Economic impact of racing  Impact of 1997 assistance  Market strategies  Evaluation of the financial arrangements of the simulcasting and Off-track wagering systems			
\$1.5 million	<b>Marketing Funds (requires matching funds)</b>  Split 70% to the thoroughbred interests and 30% to the standardbred interests			
\$200,000	Preakness Purses			
\$20,000	Marketing funds for "Mane Attraction" at Rosecroft Raceway			
\$20,000	Marketing funds for 50th Anniversary Celebration at Ocean Downs			
\$7.98 million	Purses (89%)		Bred Funds (11%)	
	Thoroughbred (70%)	Harness (30%)	Thoroughbred (70%)	Harness (30%)
	\$4,971,540	\$2,130,660	\$614,460	\$263,340

##### Continuation of Tax Relief and Distribution of Uncashed Pari-mutuel Tickets

The Commission to Study Ways to Improve the Financial Viability of the Horse Racing Industry also recommended that several initiatives passed during the 1997 Session be continued at least for another year. Under *House Bill 465* (passed), the State wagering tax rate of 0.32% is to remain in place until June 30, 1999. Last year's legislation reduced the wagering tax from 0.5% to the current 0.32%, but the 0.5% rate was to go back into effect on May 31, 1998. The approximately \$1 million retained by the industry under these provisions is dedicated to purses. In addition, *House Bill 465* provides that any funds remaining in the horse racing special fund at the end of the year be distributed to the Maryland-Bred Race Fund and the Standardbred Race Fund rather than to the

general fund, which will result in a general fund revenue decrease of approximately \$814,000.

The other component of financial assistance is provided through *Senate Bill 264/House Bill 680* (both passed), which continues the distribution of \$500,000 from uncashed pari-mutuel tickets to the Maryland Million for marketing, purses, and promotional activities. The original sunset date of May 31, 1998 that was attached to the original 1997 legislation is extended to June 30, 1999, and general fund revenues will be maintained at their current level.

## **VIDEO LOTTERY TERMINALS**

Legislation was once again introduced to bring slots, or "video lottery terminals," to racetracks and other locations within Maryland. *House Bill 678* (failed) would have authorized 11,250 video lottery terminals in the State, but was significantly different from other legislation that has been introduced on this subject in past sessions. This bill proposed a constitutional amendment authorizing video lottery terminals at up to 10 locations in the State, including racetracks, off-track betting locations, and at two tourist destination locations. An Education Trust Fund was designated as the primary recipient of revenues from the video lottery terminals, which was to be used to supplement education programs at all levels throughout the State. Under the legislation, State revenues would have increased by over \$420 million annually after the first three years, and local revenues would have increased by almost \$30 million.

*House Bill 1324* (failed), similar to legislation that has been introduced in prior years, would have authorized 8,000 video lottery terminals at the racetracks in the State, with total estimated State revenues projected at \$180 million by the second year of operation. Local revenues would have similarly increased by \$67.6 million.

## **SIMULCASTING AUTHORITY**

*House Bill 1091* (failed) was introduced as the result of a Maryland Racing Commission decision this past fall that prohibited the Ocean Downs harness racing facility from directly importing out-of-state thoroughbred race signals. The legislation would have authorized Ocean Downs to contract for pari-mutuel betting on a race that is held at any out-of-state track where betting on horse racing is lawful without approval of the State Racing Commission. However, an agreement was reached by the Maryland Jockey Club and Bally's Maryland, Inc. (the owner of Ocean Downs) on March 27, 1998 that resolved a long-standing dispute over simulcasting thoroughbred signals between the two interests. Due to the agreement, the legislation was withdrawn, and a pending lawsuit on this same issue is also being dismissed.

*House Bill 1200* (passed) allows Fair Hill to be a sending track for purposes of intertrack betting when licensed live racing is conducted.

## **LOCAL GAMING REGULATION**

Washington County proposed both *House Bill 296* (passed) and *House Bill 1188* (passed) to address issues surrounding tip jar regulation in the county. *House Bill 296* simply repeals the June 30, 1999 sunset date for provisions of law establishing the Washington County Gaming Commission and providing for the regulation of tip jar gaming in Washington County. The Gaming Commission had been established by the 1995 General Assembly, and in 1996 the original sunset date was extended until June 30, 1999. *House Bill 1188* provides for a number of changes to the Washington County Gaming Commission and tip jar regulation in the county. Most significant is a provision that alters the requirement for club tip jar licensees to contribute 15% of the gross profits to charitable purposes. Currently, licensees deposit half of these contributions to the Washington County Gaming Fund administered by the Commission and half may be contributed directly for charitable purposes chosen by the licensee. The legislation requires that these contributions be made directly to the Gaming Fund, and repeals provisions requiring licensees to make distributions directly to charities in the form of cash and in-kind donations. Contributions to the Washington County Gaming Fund will increase by approximately \$300,000 per year.

# Part H

## BUSINESS AND ECONOMIC ISSUES

### ECONOMIC AND COMMUNITY DEVELOPMENT

#### ECONOMIC DEVELOPMENT IN SCIENCE AND TECHNOLOGY

With the first annual State of Technology Summit held in Annapolis on the first day of the 1998 Session, the General Assembly considered several bills related to the development of high technology businesses.

Maryland Science, Engineering, and Technology Development Corporation (MSETDCO)

To stimulate the creation of and investment in new scientific research and technologies for economic development in the State, **House Bill 7** (passed) establishes the Maryland Science, Engineering, and Technology Development Corporation (MSETDCO) to:

assist in transferring to the private sector and commercializing the results and products of scientific research and development conducted by colleges and universities in the State;

assist in the commercialization of technology developed in the private sector; and

foster the commercialization of research and development to create and sustain businesses throughout all regions of the State.

The bill establishes an 11-member board to manage MSETDCO. Members are appointed by the Governor with the advice and consent of the Senate to serve staggered, four-year terms.

Among other powers granted, MSETDCO may: (1) accept loans, grants, or assistance from federal, State, or local governments, colleges or universities, or private sources; (2) acquire, construct, develop, manage, market, manufacture, license, sublicense, reconstruct, rehabilitate, improve, maintain, equip, lease, repair, and operate any project in the State; (3) acquire, purchase, hold, lease, and use any: (i) franchise, patent, or license; or (ii) real, personal, mixed, or tangible or intangible property; (4) sell, lease, transfer, license, sublicense, assign, and dispose of any property; (5) acquire any lands, structures, property, rights-of-way, franchises, easements for the construction, improvement, rehabilitation, or operation of a project; (6) set rates, rentals, fees, and charges for services and resources; (7) do all things necessary to carry out the powers granted; and (8) exercise any power not in conflict with the Constitution and the laws of the State.

Colleges and universities may: (1) contract with MSETDCO or its subsidiaries, if any; (2) assign to MSETDCO or its subsidiaries, if any, intellectual property and other resources to assist in its development and activities; and (3) assign faculty and staff to MSETDCO. Any faculty and staff of a public institution of higher education in the State that are assigned to MSETDCO will retain their employment status.

The State Treasurer is authorized to advance up to \$450,000 for MSETDCO's initial expenses, with the sum to be repaid out of the first moneys available to the corporation. The repayment must be made at a rate of interest consistent with similar State investments.

MSETDCO will be exempt from: (1) State and local taxes; (2) oversight by the Board of Public Works and the laws governing procurement under the General Procurement Law; (3) laws governing the State personnel management system; (4) laws regarding attendance of the public at open sessions; and (5) laws related to Executive Departments. MSETDCO, its board, and employees are subject to the public ethics law and the Public Information Act. The debts, claims, obligations, and liabilities of MSETDCO or its subsidiaries, if any, may not be considered a debt of the State or a pledge of its credit.

Organizationally, MSETDCO is similar to the Maryland Economic Development Corporation (MEDCO), which

was established as a nonbudgeted entity in 1984 to give the State the ability to directly own or develop property for economic development purposes.

### **Property Tax Exemptions Related to Biotechnology and Computer Software**

*Senate Bill 273/House Bill 5* (both passed) repeal the partial property tax exemption for research and development property and reclassify this property as manufacturing property for tax exemption purposes. (A more extensive description of this bill can be found in Part B "Taxes" of this report.)

### **Biotechnology Production Incentive Fund**

*Senate Bill 493* (failed) would have established a Biotechnology Production Incentive Fund to encourage the development and manufacture of biotechnology products in facilities in the State. The bill would have authorized the Department of Business and Economic Development (DBED) to make a grant of up to \$250,000 a year to an eligible business if DBED determined that the grant will facilitate the growth of the development and production of biotechnology products in the State. An eligible business is defined as a for-profit business that is: (1) located in the State; (2) engaged in the development or production of biotechnology products; and (3) in good standing with each State regulatory authority with jurisdiction over the business.

### **State Technology Coordinator**

Included in the fiscal year 1999 budget is a deficiency appropriation for fiscal year 1998 to establish the office of the State Technology Coordinator. This position, reporting directly to the Secretary of DBED, will serve as a coordinating resource for the variety of programs aimed at promoting technology development and will increase collaboration between technology businesses, higher education, federal labs, and research institutions. The fiscal year 1999 full-year expenses are budgeted at \$342,000.

## **CHANGES TO DEPARTMENTAL PROGRAMS**

Many of the economic development policy initiatives considered during the 1998 Session involved changes to programs in the Department of Business and Economic Development (DBED).

### **Enterprise Zones**

Various incentives and initiatives, including income and property tax credits, are available to new business entities that locate in one of the 32 enterprise zones in the State. Eligibility for designation by DBED as an enterprise zone includes requirements related to unemployment levels, poverty levels, and population. There is a statutory requirement that DBED may not designate more than six new enterprise zones in a 12-month period and no more than one per county per calendar year. *Senate Bill 107/House Bill 320* (both passed) authorize the Secretary of DBED to grant one extraordinary expansion of an enterprise zone per year that does not count towards the specified limits. An extraordinary expansion may be made into an area that meets the requirements for designation as an enterprise zone and that has suffered a significant loss of economic base. In addition, the bill specifies that the requirements for other expansions would match the statutory requirements for the initial creation of an enterprise zone.

Another change to the enterprise zones statute was made by *Senate Bill 284* (passed). Currently, one of the requirements that an area may satisfy in order to be designated as an enterprise zone is that the population in the area or within a reasonable proximity is a low-income poverty area on the basis of the most recent census. The bill specifies that before considering data other than the most recent census for purposes of determining an area to be a low-income poverty area the Secretary of DBED must adopt regulations specifying alternative data.

### **Assistance to Local Governments**

The Maryland Industrial Land Act (MILA) provides low interest loans to political subdivisions and private entities for land acquisition, development of industrial parks, acquisition or construction of buildings, and

development of infrastructure. The local government must guarantee 40 to 100 percent of the loan amount. Activity is low in this program and has been for some time. MILA is most useful as an economic development tool when the economy is sluggish and local governments have a greater need to build speculative building or industrial park infrastructure.

Although MILA has received general funds in the past, the fiscal year 1999 budget appropriates only special funds from the fund's balance. The fiscal year 1999 budget includes \$4 million in special funds for MILA. The 5-year capital improvement plan shows that general funds may again be needed beginning in fiscal year 2000 to sustain the program's activity level at \$7.5 million annually. *Senate Bill 446* (passed) alters the purposes for which MILA funds may be used by authorizing the Secretary of DBED to transfer funds to a local economic development fund on a 50-50 matching basis. The local economic development fund must then use the funds for the purpose of providing loans for financing economic development projects. Up to \$2 million annually may be used for this purpose.

### **Maryland Economic Adjustment Fund**

The Defense Adjustment Loan Fund is intended to stimulate and support the development of enterprises in Maryland that have the potential to create employment in areas hurt by defense downsizing and to support the diversification of Maryland defense companies. *House Bill 464* (passed) changes the name of the fund to the Maryland Economic Adjustment Fund. The bill also authorizes: (1) the fund to be used for a grant to a local or regional Maryland governmental or nonprofit revolving loan fund; and (2) loan proceeds to be used for equipment, furnishings, fixtures, and the construction, rehabilitation, or purchase of real property. The fund's balance as of December 1997 was \$1.2 million.

### **Maryland Economic Development Revenue Bond Act**

The Maryland Industrial Development Financing Authority (MIDFA), some counties, and some municipalities issue revenue bonds pursuant to the Maryland Economic Development Revenue Bond Act. Chapter 327 of 1995 allowed up to 25 percent of economic development revenue bonds issued by MIDFA and political subdivisions and their authorities under the Act to be used as working capital. *House Bill 412* (Chapter 68) repeals the sunset provision of that authorization. MIDFA issues tax-exempt and taxable bonds, charging a \$10,000 fee for each issuance, and insures both types of bonds. According to DBED, the ability to continue to finance working capital with the bonds will allow Maryland businesses to take advantage of bond financing terms that are competitive with other states.

### **Regional Economic Competitiveness**

In 1996 Virginia established a program similar to that proposed in *House Bill 1089* (failed). The bill, entitled Economic Development - Maryland Regional Economic Competitiveness Act, would have established a fund in DBED to encourage and reward regional joint activities involving job creation or economic development, revenue sharing or growth sharing agreements, housing, or transportation.

### **Workforce Training**

The fiscal year 1999 budget includes significant new funds to support existing DBED workforce training programs. The Partnership for Workforce Quality, which provides matching funds to employers who are upgrading the skills of their workers, received \$3 million in new funding, making a total of \$4.3 million available for grants. Funding for the Maryland Industrial Training Program, which provides training grants to companies relocating to Maryland or expanding their operations here, is increased \$1.3 million to a fiscal year 1999 total of \$6.5 million. In addition, nine positions are added within the Division of Regional Development to assist companies to identify and address the training needs of their employees.

### **NEW DOWNTOWN BALTIMORE HOTELS**

Baltimore City has been pursuing the development of major hotels to support the City's convention business and

the recently expanded convention center. In 1997 the City moved forward with development agreements for a 750-room Wyndham Hotel to be constructed at Inner Harbor East. Early in 1998, the Baltimore Development Corporation also entered into negotiations for the development of an 800-room Grand Hyatt on City-owned property adjacent to the convention center. Both hotels are scheduled to receive between \$35 million and \$45 million in tax breaks and public money from the City.

*Senate Bill 417/House Bill 317* (both failed) would have prohibited the Mayor and City Council from providing a public subsidy of \$5 million or more for the construction of one or more hotels at the Inner Harbor East site or the Baltimore City lot site unless approved by a referendum of City voters. *House Bill 96* (failed) would have relieved the Maryland Stadium Authority of its obligation to pay two-thirds of the annual operating deficits of the Baltimore Convention Center through June 30, 2008 if the City Council: (1) approves construction of a hotel with more than 350 rooms at the Inner Harbor East site; or (2) within 5 years after the construction of a hotel at the Inner Harbor East site, approves an expansion of the hotel to more than 350 rooms, unless the Stadium Authority certifies that market conditions justify the expansion and the City Council conducts appropriate public hearings.

## **HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS**

### **Heritage Areas**

During the 1996 Session, the General Assembly enacted a law aimed at fostering economic development by facilitating "heritage tourism." Increasing such tourism is meant to generate jobs, stimulate the creation of new businesses, and increase tax revenues for the State and local jurisdictions. The law allows the State to focus financial resources and incentives in areas of Maryland that have been designated as certified heritage areas. A variety of State financial assistance to support the objectives of the law may be provided, including matching grants for certain purposes and income tax credits for a percentage of qualified rehabilitation expenditures to heritage structures within a certified heritage area. *House Bill 1199* (passed) increases the heritage structure rehabilitation tax credit from 15 to 25 percent of qualified rehabilitation expenditures. The bill is effective July 1, 1998 and applies to all taxable years beginning after December 31, 1998.

Becoming a certified heritage area is a multi-step process. First, a local jurisdiction or group of jurisdictions must submit a proposal to the Maryland Heritage Areas Authority (Authority), an independent unit of State government within the Department of Housing and Community Development (DHCD), to be recognized as a heritage area. Once an area is officially designated a recognized heritage area by the Authority, the sponsoring jurisdictions must submit a management plan to the Authority. Recognized heritage areas are eligible for matching funds to support the development of their management plans. If the management plan is approved, the area is designated as a certified heritage area.

Under current law, the Authority may designate a maximum of two certified heritage areas in each year. *House Bill 1254* (passed) alters the language to indicate that the Authority may designate two areas for each fiscal year. Since no areas have yet been certified, the bill has the practical effect of increasing the number of areas that may be designated as certified heritage areas in fiscal year 1999 from two to at least five. The bill also specifies that management plans for recognized heritage areas may be submitted to the Authority for consideration after only preliminary approval by the local jurisdictions and extends the sunset provision to September 30, 2001 on the use of up to 10 percent of Program Open Space (POS) funds transferred to the Authority for operating expenses and up to 50 percent for debt service on bonds issued by the Authority.

The original heritage areas law passed by the General Assembly in 1996 specifically designated Canal Place as the State's first certified heritage area. *House Bill 1414* (passed) authorizes the Canal Place Preservation and Development Authority to adopt and enforce parking regulations on any facilities or property the authority owns or controls.

### **Conversion of Office and Commercial Space to Rental Housing**

*House Bill 452* (passed) authorizes DHCD to provide financial assistance through DHCD's Rental Housing Production Program for conversion of office and commercial space to rental housing in locally designated

revitalization neighborhoods without regard to program income eligibility requirements for tenants. This bill takes effect July 1, 1998 contingent upon the inclusion in the fiscal year 1999 budget bill of an increase in appropriations to the Rental Housing Production Program, provided that in fiscal year 1999 and thereafter only the increase above the fiscal year 1998 appropriation for the program may be used for conversion of office space to rental housing. The fiscal year 1999 capital budget includes \$12 million for the Rental Housing Production Program, a \$3 million increase over the fiscal year 1998 appropriation. According to DHCD, financing for such conversion projects would probably require about \$1 million per project.

### **Neighborhood and Community Assistance Program**

In 1996 the General Assembly created the Neighborhood and Community Assistance Program in DHCD to encourage private investment to revitalize Maryland's older neighborhoods and communities. Currently, certain business entities including those which are subject to the State corporate income tax can claim a tax credit of 50 percent of contributions to an approved DHCD Neighborhood and Community Assistance Program project. Only \$1 million of credits are available each fiscal year. For those contributions claimed against the corporate income tax, 75 percent of the revenue loss is from the general fund and 25 percent is from the Transportation Trust Fund. **Senate Bill 77** (passed) allows business entities who are subject to the individual income tax (sole proprietorships, partnerships, and others) to claim these credits. Total State revenues will not be affected by this bill because the \$1 million cap on credits remains.

### **Property Tax Exemption for the Housing Authority of Baltimore City**

Under current public housing law, an exemption from property taxes is only allowed for housing authorities, not for public-private partnerships. Federal law prohibits the use of federal funding for public housing unless the project has received a property tax exemption and is authorized to make a payment in lieu of taxes. Whereas public housing in Baltimore City had previously been developed entirely by the housing authority, the new Lexington Terrace project in Baltimore City is being developed through a public-private partnership. In addition, it is likely that future projects would also be developed through public-private partnerships. **Senate Bill 664** (passed) is intended to ensure eligibility for federal funding for such housing projects. This emergency bill exempts any property used as housing for persons of eligible income that is owned by an "entity related to the Housing Authority of Baltimore City" from taxes and special assessments of the State or any political subdivision of the State. An entity related to the authority is an entity that is wholly owned by the authority or an entity in which the authority or an entity wholly owned by the authority has an ownership interest. In lieu of such taxes and special assessments, the entity must make payments to the local government in an amount set by mutual agreement.

### **Maryland African American Museum Corporation**

**Senate Bill 716/House Bill 1299** (both passed) establish a Maryland African American Museum Corporation to plan, develop, and manage a Maryland Museum of African American History and Culture in Baltimore City. (A more extensive description of these bills can be found in Part C "State Government" of this Report.)

# Part H

## BUSINESS AND ECONOMIC ISSUES

### WORKERS' COMPENSATION

#### **Use of Controlled Dangerous Substances or Alcohol**

Under current law, if an injury that would be compensable under the workers' compensation law is caused solely by the effect of drugs or alcohol, an employee is not entitled to any workers' compensation benefits. Insurance and employer representatives claim that there is a reluctance to raise the issue of drug or alcohol use in a workers' compensation case to deny benefits because the standard is difficult to prove.

*Senate Bill 36*(Ch. 108)/*House Bill 372*(Ch. 64) add a new standard for the denial of workers' compensation benefits if a workplace injury is caused by drug or alcohol use. Under the new standard, wage replacement benefits would be denied to a covered employee if the primary cause of an accidental personal injury is: (1) the intoxication of the employee while on duty; or (2) the effect on the employee of a controlled dangerous substance and the use of the substance was not in accordance with a prescription of a physician. Wage replacement benefits are calculated on the basis of the employee's wages. The employee would still be entitled to medical treatment. There is a presumption that the effect of the controlled dangerous substance or intoxication was not the primary cause.

#### **WORKERS' COMPENSATION BENEFITS**

##### **Death Benefits for Partly Dependent Individuals**

Under current law, the Workers' Compensation Commission is charged with determining all questions of partial or total dependency with regard to the payment of death benefits. The Commission looks at the facts that exist at the time of the occurrence of the accident that caused the death or the date of the disablement that caused the death from an occupational disease. A partly dependent individual is one who received part of his or her subsistence from the deceased employee and had reasonable expectation that the support would continue if the employee had survived.

Partly dependent individuals may be entitled to an award even though there are wholly dependent claimants, although the Commission may apportion the amount of benefits payable to the dependents in each category. The maximum weekly death benefit payable equals two-thirds of the average weekly wage of the deceased covered employee, but may not exceed two-thirds of the State average weekly wage. A totally dependent spouse may collect a maximum of \$45,000. The weekly death benefit payable to a partly dependent individual is equal to a percentage of the maximum weekly death benefit.

*House Bill 431* (passed) increases the total maximum amount that may be paid in workers' compensation death benefits to partly dependent individuals from \$17,500 to \$45,000. This amount is the total benefit amount that is to be apportioned among all of the partly dependents. The increase also applies to payments made to a partly dependent spouse who remarries and does not have dependent children.

##### **Funeral Expenses**

Under the workers' compensation laws, death benefits are paid to dependents to compensate for the loss of income support whenever a covered employee is killed by a work-related accident or due to occupational disease. Benefits also are provided to cover funeral expenses. According to the 1997 National Funeral Directors Association Survey of Funeral Home Operations, the average cost for an adult, full-service funeral was \$4,782. In 1988, the General Assembly increased the benefit payments provided to cover funeral expenses under workers' compensation from \$1,200 to \$2,500.

**House Bill 1129** (passed) increases from \$2,500 to \$5,000 the benefit payments provided to cover funeral expenses whenever a covered employee is killed by a work-related accident or due to occupational disease.

## **NOTICE ON TERMINATION OF MEDICAL BENEFITS AND TEMPORARY TOTAL BENEFITS**

During the 1997 interim, the Workers' Compensation Benefit and Insurance Oversight Committee heard testimony that medical payments had been stopped suddenly by an insurer without notice to the injured employee. Payments were stopped when the insurer determined that part of the treatment was for an injury that was unrelated to the workers' compensation injury. As a result of the lack of communication between the insurer, the injured employee, and the employee's treating physician, there may have been an unnecessary delay of the workers' compensation process.

Under current law, an insurer is only required to notify the injured employee when temporary total disability benefits are to be terminated. The current notification requirement does not apply if the employee has returned to work, a treating physician advised the employee that the employee has reached maximum improvement, or the termination is after the termination date in a Workers' Compensation Commission order.

**Senate Bill 542/House Bill 796** (both passed) require an insurer to notify an employee and the employee's treating physician, where treatment had been authorized by the insurer, when the insurer terminates the employee's workers' compensation medical benefits. The notice needs to include the reasons for the termination, a statement that the employee has a right to request a hearing, and any medical record relied upon by the insurer. Also, self-insurers are subject to the notice of termination requirement for both temporary total benefits and medical benefits.

## **Scheduled Rating**

In Maryland, private insurers operate under a "modified file and use" rate setting system. Workers' compensation rates consist of two components. The National Council of Compensation Insurance (NCCI) files one of the rate components annually with the Maryland Insurance Administration (MIA) on behalf of all private insurers. This component, called the "pure premium", is submitted for each job classification and must be no more than adequate to cover claim costs. Pure premiums act as a floor for workers' compensation rates. The MIA must approve all pure premium rate changes or must instruct the NCCI how large the change may be for a particular year.

The second component of the rate, called the "multiplier", reflects class code risk factors, as well as the profit margin and expenses of the insurer. An insurer cannot differentiate between different employers within the same class code system. Within this component, however, an insurer may adjust premium rates paid by employers to reflect the risk of the class code for whom the carrier provides coverage. Currently, the only adjustment to premium rates allowed is through the use of a "uniform experience rating plan". This exclusive means of providing rate incentives allows insurers to adjust premiums prospectively, based on the measurement of the loss-producing characteristics of an employer. However, this form of adjustment only applies to employers with premiums of at least \$5,000.

**Senate Bill 673/House Bill 1223** (both passed) allow a workers' compensation insurer to file a rate plan that provides another form of premium adjustments and would apply to all employers. The insurer's plan, generally referred to as "schedule rating", must be pursuant to guidelines filed by the rating organization and approved by the Insurance Commissioner. Under this form of adjustments, a carrier can look at a particular employer and give that employer a prospective premium adjustment based on any factor which the carrier deems appropriate for the risk characteristics of that employer. These adjustments, of up to 25 percent, would be different from those allowed under the uniform experience rating plan. The carrier assumes the risk associated with any scheduled rating adjustments.

# Part H

## BUSINESS AND ECONOMIC ISSUES

### UNEMPLOYMENT INSURANCE

#### APPEALS

*Senate Bill 685/House Bill 687* (both passed) authorize the Secretary of Labor, Licensing, and Regulation (DLLR) to be a party to an appeal filed by a claimant or employing unit with the Board of Appeals. The bills also authorize the Secretary to appeal a final decision of the Board of Appeals to the circuit court, including appeals on behalf of the federal government in cases in which the Secretary acts as an agent of the federal government and is responsible for the administration of a federal unemployment compensation program. Finally, the bills clarify the Department's appeal standing in employer account cases, as well as in benefit cases, which had been called into question after the 1992 recodification of the Labor and Employment Article.

Under current law, the Unemployment Insurance Division of the Department of Labor, Licensing, and Regulation (DLLR) has no statutory authority to file an appeal from a Board of Appeals decision in a case involving claimant's benefits. In November of 1997, the U.S. Department of Labor issued a letter strongly suggesting that DLLR seek legislation to specifically provide standing for the Department in administrative hearings and court cases, particularly when it acts as an agent of the federal government. DLLR has an agreement with the U.S. Secretary of Labor to act as its agent for the purpose of making payments under federal unemployment insurance programs, such as programs covering military personnel, and to take such action as may be reasonably necessary to recover erroneous payment of federal benefits for the account of the United States.

#### CHILD SUPPORT ENFORCEMENT

*Senate Bill 78* (Ch.17) authorizes the Secretary of Labor, Licensing, and Regulation (DLLR) to allow the Office of Unemployment Insurance and the Board of Appeals to provide access to claim information to an agent who is under contract with a unit of the Child Support Enforcement Administration (CSEA). This access may be granted for the purposes of establishing and collecting child support obligations as well as locating individuals who owe but fail to pay child support.

Under the Act, claim information is limited to data regarding the status of an individual's claim, application, or receipt of benefits; the amount of any benefits; a current or recent address; employment status, including details regarding any offers of employment; and any other information considered necessary by a unit of the CSEA to verify eligibility. Any agent who violates the safeguards established by the U.S. Department of Labor and the Secretary of DLLR regarding claim information is guilty of a misdemeanor and, on conviction, is subject to either a fine of up to \$1,000, imprisonment of up to one year, or both penalties.

The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 authorizes states to provide unemployment insurance information to any agent of a child support agency under contract with a state agency to collect child support obligations. Child support enforcement activities were privatized in Baltimore City and Queen Anne's County in 1996. Currently, the contractor in these jurisdictions has access to unemployment insurance information as a result of a Memorandum of Advice issued by the Office of the Attorney General indicating that legislative intent is to provide access.

#### COVERAGE OF WORKERS

##### Election Workers

*House Bill 1325* (passed) provides that election officials or election workers who receive less than \$1,000 for their services during the calendar year are not covered by unemployment insurance. This change in coverage was intended to align Maryland law with recently enacted federal law.

## **Inmates**

Under current law, inmates of custodial or penal institutions are not covered by unemployment insurance for work completed for a governmental entity or not-for-profit organization during incarceration. *House Bill 1325* provides that an inmate who performs work during his or her incarceration is not covered by unemployment insurance at all unless that inmate works for and continues to be employed by the same private, for-profit employer both during the incarceration and after being permanently released. When an inmate is covered because of continued work for the same private employer, the cost of the unemployment insurance attributable to work performed during the time of incarceration is absorbed throughout the unemployment insurance system rather than assessed against the inmate's employer. However, the cost of the unemployment insurance for any time period after the inmate is released is borne by the inmate's employer. Federal law was recently amended to exclude all inmates from unemployment insurance coverage. According to the Unemployment Insurance Division of the Department of Labor, Licensing, and Regulation, the federal change was made to encourage private employers to participate in work release programs. States have the option to align their laws with the federal law. *House Bill 1325* differs from the recently enacted federal law in that it provides coverage to inmates in the limited instances described above.

For the inmates who lose the statutory coverage because of the bill, any wages earned through September 30, 1998 may be used in determining monetary eligibility for unemployment insurance benefits. Additionally, the bill specifies that these coverage provisions will be construed retroactively to apply to and be interpreted to affect all determinations by the Secretary of Labor, Licensing, and Regulation for benefit charges based on work performed, and contribution rates for employing units, on or after January 1, 1994.

## **REED ACT TRANSFERS**

Employers' federal unemployment insurance taxes are placed into a fund that is used to assist states in meeting unemployment insurance obligations. The federal Social Security Act provides that when, among other factors, the three accounts in the National Unemployment Trust Fund reach their statutory limits, the excess amounts will be transferred to the states to be used for the administration of unemployment insurance programs. These so-called "Reed Act" transfers will be distributed for federal fiscal years 1999, 2000, and 2001. Each state receives a share based on the ratio of the amount of each state's base unemployment insurance funding to the total amount of all states' base funding. *House Bill 1325* contains uncodified language specifying that the funds received by the State may not be used for any purpose other than the administration of the unemployment insurance program. Maryland anticipates receiving about \$1 million for each of these fiscal years.

# Part H

## BUSINESS AND ECONOMIC ISSUES

### LABOR AND INDUSTRY

#### OCCUPATIONAL SAFETY AND HEALTH

The Division of Labor and Industry is responsible for Maryland's Occupational Safety and Health Program (Program), which enforces the federal Occupational Safety and Health Administration (OSHA) program in Maryland, with the exception of maritime industries and federal employment. The OSHA program requires that each employer provide a safe and healthful workplace by complying with occupational safety and health regulations and preventing injuries and illnesses. Maryland's Program is required to be at least as effective as the federal OSHA program. To that end, the Program inspects workplaces and issues citations and assesses penalties when violations are found.

*House Bill 651* (passed) alters the time within which the Commissioner of Labor and Industry must issue citations for violations of the Maryland Occupational Safety and Health laws. The bill requires the Commissioner to issue a citation for a Maryland Occupational Safety and Health Act (MOSHA) violation with reasonable promptness, not to exceed the earlier of 90 days from the date of the closing conference on the investigation or inspection or 6 months from the occurrence of the violation. If the incident investigated by the Commissioner involves a fatality or serious physical harm, the Commissioner must issue the citation with reasonable promptness, not to exceed 6 months from the occurrence of the violation.

In the absence of *House Bill 651*, the Commissioner must issue a citation for a MOSHA violation with reasonable promptness after an inspection or investigation. No citation may be issued after 6 months after the occurrence of a violation. According to the Division of Labor and Licensing, a survey of citations issued within the past 2 years shows that 73% of all citations have been issued within 60 days of the closing conference. Ninety-one percent of all citations were issued within 90 days from the closing conference.

#### CONSTRUCTION APPRENTICESHIP ASSISTANCE PROGRAM

*House Bill 1152* (passed) establishes the Construction Apprenticeship Assistance Program (Program) in the Department of Labor, Licensing, and Regulation for the purpose of developing a well-trained, productive workforce which meets the needs of Maryland's construction industry. The Division of Employment and Training will administer the Program. The Program will award grants to eligible private sector entities that operate apprenticeship programs; the grants are based on the number of participants in each program. Under the bill, to become eligible, a private sector entity must be approved by the Maryland Apprenticeship Training Council.

By regulation, the Secretary of Labor, Licensing, and Regulation must establish an application process and criteria to determine the eligibility of private sector entities. A grant awarded under the Program may not exceed \$1,000 for each apprentice in an eligible private sector entity. Grants will be awarded at the end of a program year to the extent that each apprentice completes the program year.

Currently, there are 3,631 active apprentices in the building and construction trades. Of these, 1,815 work for a qualified private sector entity.

# Part H

## BUSINESS AND ECONOMIC ISSUES

### ALCOHOLIC BEVERAGES - STATEWIDE BILLS

#### CATERER'S LICENSE

**House Bill 1376** (passed) creates a statewide caterer's (SCAT) license to be issued by the State Comptroller to qualified caterers. The bill establishes a general SCAT license which may be used throughout the State, and a limited SCAT license, which may only be used in up to three contiguous political subdivisions. In addition, the bill establishes a graduated fee scale for the licenses, depending on the population of the jurisdiction of the licensee, and provides for a credit for licensees who hold a permanent retail license or a special catering license. A SCAT license thus enables a holder for the first time to serve alcoholic beverages at a catered event in political subdivisions other than the one in which the caterer's principal office is located. The SCAT license, however, prohibits a caterer from serving alcoholic beverages at the caterer's principal office or serving alcoholic beverages at any event for which the caterer is a sponsor or promoter, unless the caterer operates under a permanent on-premises retail alcoholic beverages license issued by a local licensing authority.

#### DIRECT SHIPMENT TO CONSUMERS

The ability to sell products directly to consumers through the Internet has concerned State alcoholic beverages officials, who believe that direct sales of alcoholic beverages may result in a loss of tax revenue and greater possibilities that persons under 21 years of age might consume alcoholic beverages, because monitoring who orders products through the Internet is not possible. **House Joint Resolution 18** (passed) urges the President and the United States Congress to enact legislation that would enable states to have access to federal court to enforce their own anti-direct delivery laws.

In addition, **House Joint Resolution 18** requires the Department of Legislative Services to study the regulation of alcoholic beverages in Maryland and on any restrictions on business practices in the sale of alcoholic beverages by manufacturers, wholesalers, and retailers, including the direct shipment of alcoholic beverages to consumers.

#### WINE SAMPLES AT WINERIES

**House Bill 871** (passed) authorizes a licensed winery to serve free samples of up to six ounces of wine produced at the facility to tour participants who are 21 years of age or over. Under current law, wineries may sell up to one quart of wine per year from products grown in Maryland at a retail price to each tour participant who is 21 years of age or over.

#### MICRO-BREWERIES

Micro-breweries wishing to supply beer festivals or wine and beer festivals with their product had to operate under the State's Beer Franchise Fair Dealing Act, which mandates long-term franchise agreements between manufacturers and their distributors. **Senate Bill 704** (passed), however, allows a holder of a Class 7 micro-brewery license to enter into a temporary (that is, a one-time only) agreement with a distributor for delivery of beer to a beer festival or wine and beer festival and the return of unused beer if: (1) the beer festival or wine and beer festival is in a sales territory for which the holder does not have a franchise with a distributor under the Beer Franchise Fair Dealing Act; and (2) the temporary delivery agreement is in writing.

#### SALES BY MINORS

**House Bill 1183** (passed) prohibits a person under the age of 18 from being engaged in the sale of alcoholic beverages. The prohibition thus covers retail owners' family members who do not come under the current law banning "employees" under 18 from selling alcoholic beverages.

## **BEER AND WINE FESTIVALS**

Beer and wine festivals in Anne Arundel, Dorchester, Charles, Queen Anne's, and Worcester Counties received special attention in *House Bill 1246* (passed).

The bill, applicable only in those five Counties, ensures that wine and beer displayed or sold by a special wine festival licensee are those wines and beers already in general distribution in the State. In addition, the bill requires special festival licensees to display and sell wine that is manufactured and processed in any state, price filed in accordance with regulations adopted by the State Comptroller, and distributed in the State at the time the application is filed. The bill also: (1) bans direct shipment by a licensed nonresident dealer of wine and beer products to special festival licensees if the products are not authorized for general distribution in the State; (2) requires special festival licensees to display and sell products that are invoiced and delivered to the festival license holder from the premises of a licensed State wholesaler, winery, or limited winery; and (3) prohibits licensed nonresident dealers from providing these products.

## **BAN ON DRIVE-THROUGH FACILITIES**

Current law allows a retail alcoholic beverage licensee to sell alcoholic beverages through a drive-through window in every jurisdiction in the State except Carroll County. *Senate Bill 33* (failed) would have extended the prohibition statewide, except for existing drive-through windows and the transfer of existing drive-through windows to another licensee.

# Part H

## BUSINESS AND ECONOMIC ISSUES

### ALCOHOLIC BEVERAGES - LOCAL BILLS

Perhaps the most far-reaching local bill passed during this Session was *Senate Bill 374* (discussed later in this section), which restructures the system of regulating the alcoholic beverages industry in Howard County. Additionally, a common theme in the local bills of several counties was regulating the closing hours for so-called "bottle clubs" (i.e. nonlicensed establishments to which patrons bring their own alcoholic beverages).

#### ALLEGANY COUNTY

##### Special Permits

*House Bill 306* (passed) increases from 35 to 50 the maximum number of special alcohol permits that the Board of License Commissioners may issue to holders of Class D beer and Class D beer and light wine licenses. These special permits allow permit holders to sell beer, wine, and liquor by the drink for consumption on the premises. Beer and wine may still be sold for either on-premise or off-premise consumption, but the holders are prohibited from selling liquor for off-premise consumption and from purchasing or possessing liquor on the premises in any size container smaller than 23 ounces.

##### Restaurants

*House Bill 327* (passed) repeals the requirement that restaurants holding an alcoholic beverages license must derive 60% of gross monthly revenue from the sale of food.

#### ANNE ARUNDEL COUNTY

##### License Application Procedures

*Senate Bill 463/House Bill 1350* (both passed) specify that the alcoholic beverages applications and procedures for issuing licenses and the State government open meeting requirements do not apply to an applicant for any of the following licenses if the license does not exceed 7 days in duration: special Class C beer license; special Class C beer and wine license; and special Class C beer, wine and liquor license.

#### BALTIMORE CITY

##### Adult Entertainment Regulation

*Senate Bill 298/House Bill 1120* (both passed) allow the Mayor and City Council of Baltimore City to delegate to the Board of License Commissioners the task of regulating the adult entertainment establishments in the City.

##### Board of License Commissioners Personnel

*Senate Bill 302* (passed) repeals the authority of the City Department of Personnel to determine the salaries of the employees of the Board of License Commissioners, establishes new job categories, and requires that the City Union of Baltimore (CUB) salary grade levels be used to determine the salaries for employees of the Board. The positions of Executive Secretary and Deputy Executive Secretary, however, are not affected.

Further, *Senate Bill 662* (passed) prohibits employees of the Board from holding any other federal, State, or local public office or employment. Commissioners of the Board are not affected by this ban, unless the public office or employment would pose a conflict of interest.

##### Hearings on License Applications and Expansion

**Senate Bill 304** (passed) requires the Board of License Commissioners to give public notice and hold a hearing upon receipt of an application for a new license, transfer of a license, change in the class of a license, request to provide live entertainment, or expansion of the licensed premises. For the transfer of ownership of a license, the Board is required to provide public notice and a hearing only if the transfer involves the transfer of location or when the premises have been closed for more than 90 days (except where the closing is due to specified events). In approving or denying a transfer, change in class, expansion, or request to provide live entertainment, the Board must make the same findings as it would for the issuance of a new license.

The intent of the bill is to override a recent circuit court decision holding that the Board does not have the statutory authority to hold hearings on the issues of expansion for live entertainment. This bill gives the Board the authority to determine whether such an expansion is in the public interest.

### **Employment of Minors**

**Senate Bill 392** (passed) prohibits an alcoholic beverages licensee from employing or allowing a person under the age of 18 to: (1) sell, serve, or deliver alcoholic beverages; and (2) provide live entertainment on the licensed premises.

### **Bottle Clubs**

**Senate Bill 711** (passed) prohibits a "bottle club" establishment (i.e., an establishment that does not hold an alcoholic beverages license) from serving, giving, or allowing alcoholic beverages to patrons from supplies that the patrons previously purchased or reserved on its premises or on premises under its control after the legal closing hours for licensed establishments. Currently, the legal closing time for Class D (on-sale) establishments in Baltimore City is 1 a.m.

The bill requires "bottle clubs" to register with the Baltimore City Board of License Commissioners. This bill also requires the owner or designated supervisor of the "bottle club" establishment to be certified by an approved alcohol awareness program and to be present during the hours in which alcohol is served or consumed.

### **Club Licenses - Ward 26, Precinct 16**

**Senate Bill 754** (passed) authorizes the issuance of new licenses for the sale of alcoholic beverages in Ward 26, precinct 16 in Baltimore City. New licenses may only be issued to tax-exempt organizations that promote the arts and humanities. The organizations must be incorporated to improve neighborhoods in southeast Baltimore City by creating community access to arts and humanities activities. **Senate Bill 754** is effective June 1, 1998, and remains effective until May 31, 1999.

### **Beer and Wine Tasting**

**House Bill 1043** (passed) authorizes the Board of License Commissioners to issue up to 12 one-day Class BWT beer and wine tasting alcoholic beverages licenses per year and up to 4 special wine festival licenses per year. A license may be issued to a Class A beer, wine and liquor licensee or a Class A beer and wine licensee for the on-premise consumption of beer and wine for tasting and sampling purposes only. The wine festival licenses may not be issued in the 46th alcoholic beverages district. In addition, a holder of a Class A license may sell alcoholic beverages on the Sundays between Thanksgiving and New Year's Day.

### **Licensing Restrictions - 47th District**

**Senate Bill 154** (passed) regulates the issuance of Class B alcoholic beverages licenses to restaurants within the 47th alcoholic beverages district, which consists of parts or all of Wards 19, 20, 21, 23, 24, and 25. Specifically, this bill:

requires a restaurant located within the 47th alcoholic beverages district to have at least 51 percent of its average daily receipts from the sale of food and make a minimum capital investment of \$300,000 instead of the \$250,000

required under current law;

regulates the transfer or downgrading of Class B alcoholic beverages licenses within the 47th alcoholic beverages district; and

prevents restaurants in the area of Baltimore City's Key Highway Urban Renewal Plan of 1987 from taking advantage of a previously existing exemption that excludes restaurants which: meet the capital investment criteria described above; have a seating capacity of 75 persons; and have 51 percent of their receipts from the sale of food.

Finally, the bill prohibits a restaurant that is within the 47th alcoholic beverages district and is within 300 feet of a church or school from obtaining a new Class B beer and wine and Class B beer, wine and liquor alcoholic beverages license.

## **BALTIMORE COUNTY**

### **Additional Class B Licenses**

An individual, on behalf of a business entity that has one Class B (on-sale - hotels and restaurants) license, currently may obtain up to three additional licenses. To qualify for an additional license, the licensee's sales in alcoholic beverages in connection with the business may not exceed 15 percent. **House Bill 312** (passed) increases the cap on the qualifying percentage to 20 percent and decreases the minimum seating capacity of the business entity required to qualify for an additional Class B license from 250 to 190 seats.

## **CAROLINE COUNTY**

**Senate Bill 48** (passed) alters the definition of light wine by increasing the percent of alcohol concentration in light wines from 14 percent to 22 percent. In addition, the bill increases the closing time of operation of Class D licenses in the county to 2 a.m. (from 1 a.m.), and creates two new classifications of licenses: a catering license and an additional tavern license. Finally, the bill increases the number of times per year a special or temporary license of any class may be obtained by a single licensee from 6 times per year to 12 times per year and increases the associated fees.

## **DORCHESTER COUNTY**

### **Caterer's License**

**House Bill 854** (passed) authorizes the holder of a special Class C beer, beer and wine, or beer, wine and liquor license to cater an event on the premises while the license is in effect. The bill also authorizes the Board of License Commissioners to issue a special caterer's license of any class, except manufacturers' and wholesalers' licenses. The fees for the special licenses are \$15 per day for a beer or beer and wine license and \$25 per day for a beer, wine and liquor license.

## **FREDERICK COUNTY**

**House Bill 1192** (passed) prohibits a bottle club from giving, serving, dispensing, keeping, or allowing the consumption of alcoholic beverages on its premises or on premises under its control or possession between 2 a.m. and 6 a.m. The prohibition on alcoholic beverages extends to setups and the component parts of mixed drinks. The penalty for violation of this prohibition is a fine of up to \$10,000, imprisonment for up to 2 years, or both.

**Senate Bill 720** (passed) authorizes Class A, B, and C licenses for the sale of beer and light wine and Class A, B, and C licenses for the sale of beer, wine and liquor for businesses located in the Jefferson (14th) election district. If approved by referendum at the November 1998 general election, the bill will take effect on the 30th day after the official canvass of votes.

## **GARRETT COUNTY**

### **Micro-Breweries**

*Senate Bill 700* (passed) authorizes a Class 7 micro-brewery licensee to sell beer at retail to customers for consumption off the licensed premises in refillable containers that are sealed by the licensee at the time of each refill.

### **Nudity and Sexual Displays**

*House Bill 841* (passed) requires the Board of License Commissioners to revoke a license if the Board finds, after a hearing, that certain sexual or sexually related activities have occurred on any premises or location for which the license was issued. Those activities relate to attire and conduct, types of entertainment, or the exhibition of electronic or visual depictions or reproductions of nudity or sexual activity.

## **HARFORD COUNTY**

In response to concerns that alcoholic beverages licenses that are voluntarily surrendered under certain circumstances unduly prejudice future owners because these licenses cannot be easily reacquired, *Senate Bill 200* (passed) allows an establishment to reacquire a license of the same class as if the original license had never expired if the establishment: (1) held an off-sale alcoholic beverages license before July 1, 1975; and (2) still held it on July 1, 1996, before the license was voluntarily surrendered.

## **HOWARD COUNTY**

### **Board of License Commissioners**

The regulation of alcoholic beverages in Howard County will change significantly as a result of *Senate Bill 374/House Bill 341* (both passed). The bills create a new five member Hearing Board to hear all cases relating to the regulation of alcoholic beverages in Howard County. The County Council, which has ex officio constituted the Board of License Commissioners, will continue to constitute the Liquor Board. However, the new Hearing Board will take the burden of handling the large number of alcoholic beverages licensing cases, which members of the County Council believe have interfered with their regular council duties.

The bills also create an extensive administrative structure and spell out procedures for the functioning of the new Hearing Board.

### **Wine Tasting**

*House Bill 343* (passed) allows the Board of License Commissioners to issue a wine tasting (WT) alcoholic beverages license that authorizes the on-premise consumption of wine for tasting or sampling only. A licensee may not serve more than 1 ounce from each given brand to any one person and no more than 4 ounces to any one person in a single day.

## **MONTGOMERY COUNTY**

### **Micro-Breweries**

*House Bill 898* (Ch. 98) allows micro-brewery licensees to sell beer brewed for customers for consumption off the premises in refillable containers that are sealed at the time of each refill. A holder of a micro-brewery license may not brew more than 22,500 barrels of malt beverages each calendar year.

*House Bill 368* (Ch. 62) allows a micro-brewery license to be issued to a holder of a Class H beer and light wine license that is issued for use on the premises of a restaurant in the County. The Comptroller now may issue a Class 7 micro-brewery (on- and off-sale) license in Annapolis and Baltimore City and in 14 counties. Currently,

with the exception of Prince George's County, the license may only be issued to a Class B beer, wine and liquor (on-sale) licensee for use on restaurant premises in a jurisdiction where a license may be issued.

## **ST. MARY'S COUNTY**

### **Bottle Clubs**

*House Bill 525* (passed) prohibits a bottle club from giving, serving, dispensing, keeping, or allowing the consumption of alcoholic beverages on its premises or on premises under its control or possession between 2 a.m. and 6 a.m. This prohibition extends to setups and the component parts of mixed drinks. On conviction, a violator may be subject to a fine of up to \$10,000, imprisonment for up to 2 years, or both. Bottle clubs are establishments without alcoholic beverages licenses that allow customers to bring their own alcoholic beverages or purchase them ahead of time. Instead of selling alcoholic beverages, a bottle club sells entertainment, food, and mixers.

### **Criminal Background Checks**

*House Bill 738* (passed) changes the scope of the criminal background check for a license applicant and the manner in which the Board of License Commissioners may investigate license applicants.

Currently, the Board must obtain fingerprints and may obtain State criminal background checks on alcoholic beverages license applicants. This bill allows the Board to include a national criminal background check and authorizes the Board to recover the fees associated with the expanded check, including fingerprinting costs.

## **WASHINGTON COUNTY**

### **Salaries of Commissioners**

The annual salaries of the members of the Board of License Commissioners more than double under the provisions of *House Bill 701* (passed). The salary of the Chairman is raised from \$4,850 to \$9,850, and the salaries of each of the other members of the Board is raised from \$4,600 to \$9,600.

### **Golf Course Licenses**

*House Bill 703* (passed) creates a Class C (golf course) beer and wine and beer, wine and liquor license. Licenses will be issued in both 6-day and Sunday-only categories. A golf course license may be issued to a public golf course or organization that has a regular or championship golf course with a minimum of nine holes.

## **WICOMICO COUNTY**

### **Salaries of Board Officials**

*House Bill 1270* (passed) raises the annual salary of the Chairman of the Board of License Commissioners from \$4,000 to \$5,000, while raising the salary of each of the other members of the Board from \$3,500 to \$4,000.

*House Bill 1271* (passed) raises the annual salary of the attorney for the Board of License Commissioners from \$4,500 to \$6,000.

### **Subpoena Powers**

*House Bill 1331* (passed) authorizes the Board of License Commissioners to subpoena any records or papers pertaining to a licensed business or establishment.

## **WORCESTER COUNTY**

### **Deliveries on Credit**

Generally, a manufacturer or wholesaler may not sell beer to a retail dealer except for cash on delivery. In Worcester County, however, a wholesaler may sell beer on credit to a retail dealer under certain circumstances. **House Bill 483** (passed) prohibits a wholesaler from intentionally delivering beer to a retail dealer to whom any wholesaler has extended credit if the retail dealer fails to pay the balance and is listed on the Worcester County Beer Credit Control List. A retail dealer, however, may request a hearing with the Comptroller within ten days after being put on the list. The bill requires the Comptroller to remove any retail dealer from the list who requests a hearing, pending the disposition of the hearing.

# Part I

## FINANCIAL INSTITUTIONS, COMMERCIAL LAW, AND CORPORATIONS

### FINANCIAL INSTITUTIONS

#### MORTGAGE LENDING BUSINESS REFORMS

Issues involving the regulation of the mortgage lending industry have played a prominent role in the General Assembly for the past two years. In the 1997 Session, Chapter 588 was enacted to enhance the power and authority of the Commissioner of Financial Regulation over mortgage brokers and lenders where appropriate, and to relax regulation where it is unnecessary and duplicative of the efforts of other regulatory bodies. Chapter 588 also established the Task Force to Examine the Mortgage Lending Business to consider several controversial issues that the General Assembly had been unable to resolve completely during the 1997 Session, including: the cap on secondary mortgage fees; the location to receive an application and sign secondary mortgage documents; mortgage fraud; and the funds presented at settlement. During the 1997 interim, the Task Force considered those unresolved issues and other mortgage-related issues and, as a result, introduced *Senate Bill 105/House Bill 202* (both passed) to enact additional mortgage lending reforms.

The bills alter the regulation of the mortgage lending business by:

- (1) Changing the manner in which origination points may be charged by a lender on second mortgage loans by replacing the separate 2% interest cap for the lender and the additional 8% points cap for broker fees, with a combined points cap of 10% for broker fees and lender fees;
- (2) Eliminating a dual licensing requirement by specifying that lenders who have some form of consumer lending license do not also need an installment loan license;
- (3) Allowing a prospective borrower to receive an application for a mortgage loan by mail, telephone, electronic means, or at a location requested by the borrower, and requiring that loan closing be conducted at the lender's location, at the title insurer's office, at the attorney's office for either party, or at another location requested by the borrower on account of sickness;
- (4) Requiring the Commissioner of Financial Regulation to adopt regulations establishing continuing education requirements for mortgage lenders;
- (5) Expanding felony fraud penalties to include an employee or agent of a mortgage lender who willfully misappropriates or intentionally and fraudulently converts a borrower's money, and making a lender or its employees or agents who otherwise commit a fraudulent act in the course of engaging in the mortgage lending business subject to the fraud penalties; and
- (6) Clarifying and strengthening loan closing provisions by: requiring the lender who provides loan proceeds to a title insurer to disburse the funds in accordance with the loan documents and to provide liquid funds at settlement; and prohibiting the lender from disbursing settlement funds in the form of a check drawn on a financial institution, unless the lender is a mortgage company that is an affiliate of a bank insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration Share Insurance Program, or has been approved by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

#### BANK CHARTER CONVERSION

*House Bill 428* (passed) alters the process by which a national banking association, a federal stock savings and loan association, or a federal stock savings bank may convert to a State-chartered commercial bank. The bill clarifies when these financial institutions may convert to a State-chartered commercial bank, and streamlines the

application process by eliminating the requirement that the converting institution first form as a State-chartered savings and loan before ultimately converting to a State-chartered commercial bank. The bill also allows any interested person to request the Commissioner of Financial Regulation to conduct a hearing regarding a proposed conversion.

**House Bill 428** addresses one of the many issues being considered by the Task Force to Study Bank Charter Modernization that was established by the General Assembly under Chapter 302 of 1997. That Task Force, an 11-member panel chaired by the Commissioner of Financial Regulation and including industry representatives, regulators, and consumers, is expected to complete its review in the 1998 interim and submit comprehensive bank charter reform legislation to the General Assembly for consideration in the 1999 Session.

## **MORTGAGE BROKERS ACTING AS INSURANCE AGENTS**

Under current law, a person who acts as a mortgage broker may also act as an insurance agent for the same property or transaction. However, the person may not be paid for mortgage broker services if the person is paid for insurance agent services. **Senate Bill 90/House Bill 1222** (both failed) would have allowed a mortgage broker, who also acts as an insurance agent for the same property or transaction, to collect a finder's fee for assisting the borrower in obtaining a mortgage, provided a written disclosure about the dual compensation was made to the borrower.

# Part I

## FINANCIAL INSTITUTIONS, COMMERCIAL LAW, AND CORPORATIONS

### COMMERCIAL LAW

#### CREDIT REGULATION

*Senate Bill 262/House Bill 106* (both passed) authorize a lender that makes a loan under the Maryland Consumer Loan Law, which governs consumer loans not exceeding \$6,000, to collect from the borrower, at the borrower's option, the premiums paid for accident and health insurance covering one or more borrowers. Currently, a lender may collect these premiums for insurance covering only one borrower.

#### CONSUMER PROTECTION

##### The Lemon Law

The Maryland Automotive Warranty Enforcement Act (the Lemon Law) provides consumers with a number of rights and remedies to aid in the enforcement of manufacturers' warranties on new motor vehicles. Under the Lemon Law, a motor vehicle is considered a "lemon" if, during the manufacturer's warranty period, it has a defect or condition that substantially impairs its use and market value, which cannot be repaired after a reasonable number of attempts. A consumer must provide notice of the defect or condition to the manufacturer or factory branch, and give the manufacturer or factory branch the opportunity to repair the defect or condition. If the manufacturer or factory branch or its authorized dealer is unable to repair the motor vehicle after a reasonable number of attempts, the manufacturer or factory branch must replace it, or accept return of the motor vehicle and refund the full purchase price less a reasonable allowance for its use. A motor vehicle is not considered a "lemon" if a defect or condition is caused by abuse, neglect, or unauthorized modifications of the motor vehicle.

##### Motorcycles

*Senate Bill 10/House Bill 206* (both passed) extend the consumer protections provided by the Lemon Law to motorcycles. Prior to the passage of these bills, the Lemon Law applied only to new cars, small trucks, and multipurpose vehicles.

##### Notices

*Senate Bill 89/House Bill 196* (both passed) require the Maryland Motor Vehicle Administration to develop and make available to dealers that sell new motor vehicles a notice that describes a consumer's rights under the Lemon Law. The notice must be provided to a purchaser of a new motor vehicle by a dealer at the time of the sale or delivery of the motor vehicle.

##### Health Clubs

The Maryland Health Club Services Act was enacted in 1982 to protect consumers from losses which occurred when a health club closed and health club members were unable to obtain a refund for their prepaid health club fees. Under the Act, each person selling health club services must register with the Consumer Protection Division of the Office of the Attorney General. Each person who registers is required to pay a registration fee and an annual registration renewal fee set by the Division. In addition to the registration requirements, a person who sells health club services agreements must purchase a surety bond sufficient to cover the value of outstanding liabilities to members. Alternatively, a seller may file an irrevocable letter of credit, or cash, with the Division.

*Senate Bill 91* (passed) reduces the annual registration renewal fee from \$150 to \$50 for a health club facility that: (1) is exempt from the current bonding requirements; (2) does not charge an initiation fee; (3) does not

obligate a buyer of health club services to pay any money in advance of the date services are provided; and (4) does not collect any payment from a buyer of health club services in advance of the date services are provided. A person who meets these requirements must post a conspicuous notice in the facility and include in the contract for health club services a conspicuous notice stating that the health club facility does not charge an initiation fee or obligate a buyer to make any payment in advance. The bill also provides that the Division may not pay a claim of a buyer that is less than \$5.

## **DISPOSITION OF ABANDONED PROPERTY**

Under the Maryland Uniform Disposition of Abandoned Property Act (the Act), several types of personal property held by banking organizations, financial organizations, or business associations may be considered "abandoned" if there has been no activity in regard to the property for 5 years and the holder of the property has attempted to notify the named owner of the property. Once considered abandoned, the funds are placed in the hands of a special administrator in the Office of the Comptroller who must undertake further efforts to notify the property owners. The administrator is responsible for repaying rightful claimants of the abandoned property and for distributing unclaimed funds to the State.

*Senate Bill 104/House Bill 48* (both passed) alter the definition of "personal property" under the Act to exclude certain: (1) outstanding checks or credits issued to vendors or commercial customers in the ordinary course of business; (2) credit balances in vendor or commercial customer accounts that occur in the ordinary course of business; and (3) purchase price rebates issued to customers in the ordinary course of business. Additionally, the bills prohibit the administrator from examining a person's records relating to abandoned property after 5 years from the date the person filed an abandoned property report, absent a finding of fraud or gross negligence. Finally, the bills decrease the penalty for failing to pay or deliver abandoned property to the administrator as required by the Act from 25% to 15% of the value of the property.

## **Dishonored checks and other negotiable instruments**

*Senate Bill 163/House Bill 298* (both passed) recodify provisions pertaining to dishonored checks and other negotiable instruments that were repealed in 1996 when Article 3 of the Maryland Uniform Commercial Code was revised. The Attorney General has opined that the repeal of these provisions by Chapter 91 of 1996 was a drafting error that should not be given effect. Specifically, the bills provide that when a negotiable instrument has been dishonored by nonacceptance or nonpayment and has not been paid within 10 days, the holder of the negotiable instrument may send a notice of dishonor to the maker or the drawer. If the negotiable instrument is not paid within 30 days after the holder has sent the notice of dishonor, the maker or drawer may be liable for the amount of the negotiable instrument, a collection fee of up to \$25, and an amount up to two times the amount of the check, but not more than \$1,000. The holder of the negotiable instrument may seek damages in any District Court 30 days after a notice of dishonor is sent. The bills prescribe the form of a notice of dishonor and specify defenses to an action brought by a holder of a dishonored negotiable instrument.

## **Equipment dealer contracts**

In 1987, the General Assembly enacted the Equipment Dealer Contract Act. Under the current provisions of the Act, small equipment dealers often have been surprised by suppliers' terminations or amendments of contracts with little or no notice and with minimal recourse. *Senate Bill 14* (passed) amends the Act as it relates to the termination of contracts by requiring a supplier to have "good cause" and to provide prior notice to a dealer before terminating, canceling, or failing to renew a contract, except under specified circumstances.

The bill also requires a dealer to submit to a supplier a written request to sell or transfer any portion of the dealer's business before the sale or transfer. The request must include the financial information, personal background, character references, and work history of the potential transferee. Under the bill, the supplier must respond to the request within 90 days of its receipt. If the supplier refuses the request, it must provide the dealer with a written statement of its reason for refusal. The bill also contains provisions allowing for the temporary operation of a dealership upon the death of the dealer.

## Part I

# FINANCIAL INSTITUTIONS, COMMERCIAL LAW, AND CORPORATIONS

## CORPORATIONS AND ASSOCIATIONS

### CORPORATIONS

#### Directors of Investment Companies

In a recent federal district court case, Strougo v. Scudder, Stevens & Clark, Inc., 964 F. Supp. 806 (S.D.N.Y. 1997), the court denied a motion to dismiss a shareholder suit that alleged that fund directors, who served on multiple boards of funds managed by the same investment adviser, breached their fiduciary duties of due care and loyalty under the federal Investment Company Act of 1940 and Maryland common law by conducting a rights offering that was not intended primarily to take advantage of investment opportunities, but rather to increase the managing investment advisor's (Scudder's) fees. In allowing the plaintiff's claims for breach of fiduciary duty to proceed, the court found that the "close and financially rewarding relationship with Scudder" alleged by the plaintiff was sufficient to call into question the independence and disinterestedness of the directors with respect to a rights offering that admittedly would benefit Scudder and dilute nonparticipating shareholders' interests.

In response to Strougo, *Senate Bill 468* (passed) provides that a director of a corporation that is an "investment company" as defined by the federal Investment Company Act (the Act), who, with respect to the corporation, is not an "interested person" as defined by the Act, is considered independent and disinterested when making any determination or taking any action as a director. An "interested person" under the Act includes a person who has had, at any time since the beginning of the last 2 completed fiscal years of the investment company, a material business or professional relationship with: (1) that company; (2) its principal executive officer; (3) any other investment company having the same investment adviser or principal underwriter; or (4) the principal executive officer of the investment company. However, a person may not be deemed an "interested person" in an investment company *solely* by reason of being a member of its board of directors or advisory board or an owner of its securities. While *Senate Bill 468* will not affect the court's decision in Strougo, it does apply retroactively to any case filed on or after January 30, 1998.

For a discussion of *Senate Bill 468* as it relates to resident agents, see the heading, "Business Entities Generally", below.

#### Qualification of Foreign Corporations

Under current law, before doing any intrastate business in Maryland, a foreign corporation must qualify by: (1) certifying to the Department of Assessments and Taxation (SDAT) its address and the name and address of its resident agent in Maryland; and (2) filing with the SDAT a certificate that states that the corporation is in good standing under the laws of the place where it is organized. *House Bill 82* (passed) eliminates the requirement that a foreign corporation file a good standing certificate to qualify. This change is consistent with the treatment of other foreign business entities doing business in Maryland, which are not required to provide a good standing certificate.

### PARTNERSHIPS

#### Maryland Uniform Partnership Act - Recodification

In 1997, the General Assembly enacted the Revised Uniform Partnership Act (RUPA) to conform the law to the current development of business entities. *House Bill 1293* (passed) temporarily recodifies the text of the Maryland Uniform Partnership Act (MUPA), which was superseded by RUPA. This recodification is necessary

because under RUPA, a partnership formed before July 1, 1998 continues to operate under the provisions of MUPA until the end of the year 2002, unless the partnership elects to be governed by RUPA. The recodification terminates after December 31, 2002 and, effective January 1, 2003, all partnerships in Maryland will be governed by RUPA.

### **Limited Partnerships**

**House Bill 1381** (passed) makes three changes in the laws governing limited partnerships. Under current law, the certificate of limited partnership filed with the State Department of Assessments and Taxation must state the latest date on which the limited partnership is to dissolve. **House Bill 1381** creates a default rule for perpetual existence by providing that if no dissolution date is stated in the partnership agreement, the limited partnership will have a perpetual existence, which must be explicitly stated in the certificate of limited partnership.

The bill also alters the circumstances under which a limited partner may withdraw from a limited partnership when the partnership agreement does not specify the time or the events on the occurrence of which a limited partner may withdraw. The bill prohibits withdrawal before dissolution and winding up of the limited partnership under these circumstances. However, provisions of current law, which allow a limited partner to withdraw by giving at least 6 months' prior written notice to each general partner, are retained for limited partnerships formed prior to October 1, 1998.

Finally, **House Bill 1381** clarifies the manner of determining the fair value of a withdrawing limited partner's partnership interest. Currently, if the partnership agreement does not provide otherwise, a limited partner is entitled to receive the fair value of the partner's partnership interest in the limited partnership as of the date of withdrawal. The bill specifies that fair value is based on the partner's right to share in distributions from the limited partnership.

## **BUSINESS ENTITIES GENERALLY**

### **Resident Agents**

Under current law, a Maryland corporation, a foreign corporation registered in Maryland, a limited liability company, a limited liability partnership, and a limited partnership are required to designate a resident agent. A person may be designated as a resident agent without the person's consent. **Senate Bill 468** (passed) alters existing law by prohibiting an entity from designating a person as a resident agent, on or after October 1, 1998, without first obtaining the person's written consent. Under the bill, the entity is required to file the written consent with the State Department of Assessments and Taxation (SDAT), and the consent is effective upon acceptance by the SDAT. The bill also allows a resident agent to resign without paying the \$10 recording fee currently charged by SDAT to record a notice of a change of the name or address of a resident agent.

For a discussion of **Senate Bill 468** as it relates to directors of investment companies, see the heading, "Corporations", above.

### **Name Requirements**

**House Bill 178** (passed) consolidates and standardizes the business entity name requirements and restrictions for different business entities that currently are located in various parts of the Corporations and Associations Article. The bill also changes the standard that the State Department of Assessments and Taxation (SDAT) uses to reject a business entity name because of its similarity to another business entity name. Under the bill, an entity name must be "distinguishable" from another entity's name, while current law prohibits an entity name from being "misleadingly similar" to another entity's name. According to the SDAT, because the "misleadingly similar" standard is open to interpretation, its application has led to litigation and it has become difficult to administer. The SDAT believes that the "distinguishable" standard, which has been adopted by 29 jurisdictions, is more objective.

Under **House Bill 178**, if an entity name is recorded, registered, or reserved prior to October 1, 1998, the entity name may continue to be used even if the name does not comply with the requirements established by the bill.

# Part J

## HEALTH

### PUBLIC HEALTH - GENERALLY

#### HEALTH CARE FOR THE UNINSURED

##### Children and Families Health Care Program

More than 12% of children in Maryland do not have health insurance coverage. Individuals without health insurance often delay or do not receive needed medical care. When medical care is provided, it is often in higher cost settings, such as hospital emergency departments. According to the Health Services Cost Review Commission, the cost of uncompensated care in Maryland hospitals, financed through the all-payor rate-setting system, is almost \$1.2 million per day. Additionally, many uninsured children live in families with parents who are working or who are making the transition from welfare to work.

The federal Balanced Budget Act of 1997 commits \$20.25 billion towards comprehensive health insurance coverage for uninsured, low-income children through block grants to states over a period of five years. The law allows states to implement a State Children's Health Insurance Program (SCHIP) through: (1) an expansion of the Medicaid program; (2) enrollment in a private health insurance plan; or (3) a combination of the two options. Federal funds would cover 65% of the cost of the plan and State general funds would cover the remaining 35%. In the first year of SCHIP, the State's portion of the cost is estimated to be \$30 million.

*Senate Bill 85* (passed) requires the Department of Health and Mental Hygiene (Department) to establish the Children and Families Health Care Program (Program). The Program extends coverage for comprehensive medical care and other health care services to children from birth up to the age of 19 whose family income is at or below 200% of the federal poverty level. The Program will be administered through: (1) the current Maryland Medical Managed Care Program; or (2) an individual or employer sponsored health benefit plan if dependent coverage is available under the plan, the plan has been certified by the Department as a qualified plan, and the individual has a family income between 185% and 200% of the federal poverty level.

*Senate Bill 85* also requires an individual who has a family income at or above 185% of the federal poverty level who is enrolled in the Program to pay a premium. The Department will develop the premium amount such that the cost of the premium is at least 1% but does not exceed 2% of the annual family income. In addition, *Senate Bill 85* requires the Department to study and recommend programs for expanding the availability of health insurance for children and their families through the private market.

##### Breast Cancer Program

*Senate Bill 634/House Bill 766* (both passed) establish a Breast Cancer Program (Program). The Program is to be administered by the Department of Health and Mental Hygiene through grants to the local health departments. Individuals eligible for the Program include those whose family income does not exceed 250% of the federal poverty level and who do not have access to health insurance that covers screening mammograms and clinical breast examinations. The Program must provide at least biennial screening mammograms and clinical breast examinations to qualified women aged 40 years to 49 years and annual screening mammograms and clinical breast examinations to qualified women aged 50 years and older. In addition, the Program must provide further diagnosis and treatment for individuals who are identified by the Program as being in need.

For each fiscal year, subject to the availability of State funds, the Governor must include an appropriation of general funds to the Program in an amount not less than the amount appropriated for breast cancer screening, diagnosis, and treatment in the State budget for fiscal year 1999. The State budget for fiscal year 1999 appropriates approximately \$2.6 million for breast cancer screening, diagnosis, and treatment.

## ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS)

### Needle Exchange Program

In 1994, the AIDS Prevention Sterile Needle and Syringe Exchange Program (Program) was established as a three-year pilot program in Baltimore City. In 1997, the Program was extended indefinitely and its "pilot" status was removed. **House Bill 626** (passed) is modeled after the Program. The bill authorizes Prince George's County to establish a local needle exchange program to reduce the incidence of the human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), and hepatitis B. The bill requires the Program to provide for the one-for-one exchange of used hypodermic needles and syringes for sterile hypodermic needles and syringes. There is a potential expenditure of up to \$553,000 for Prince George's County if it chooses to establish a program with no direct effect on State governmental operations or funding. However, in the long term, State expenditures could be reduced by an indeterminate amount due to reduction in health care costs associated with the prevention of the spread of the HIV infection.

A similar bill, **Senate Bill 309** (failed) would have allowed each county in the State to establish its own needle exchange program.

### Maryland AIDS Insurance Assistance Program

The Maryland AIDS Insurance Assistance Program (Program) was enacted in 1990 to maintain employer-based health insurance coverage for up to 150 people who have tested positive for the AIDS virus and can no longer work due to their illness. In 1994, the cap on the number of individuals who could enroll in the Program was raised from 150 to 300 recipients and the Program was extended to June 30, 1998.

**House Bill 480** (Ch. 75) raises the cap on the number of individuals who can enroll in the Program from 300 to 450 recipients and extends the Program to June 30, 2002. In addition, the Act requires that, if a recipient of the Program is a Medicare beneficiary, the Program may pay only for supplemental Medicare coverage, unless the Department of Health and Mental Hygiene finds that it is more cost-effective for the Program to pay premiums for other health insurance coverage available to the recipient.

## PARTIAL BIRTH ABORTION

**Senate Bill 145** (failed) was a reintroduction from the 1997 Session. The bill would have prohibited "partial-birth" abortions, which were defined as abortions in which the person performing the abortion partially delivers a living fetus vaginally before killing the fetus and completing the delivery. A person convicted of performing a partial-birth abortion would have been guilty of a misdemeanor and subject to a fine of \$1,000 or imprisonment for not more than 2 years or both. The penalties would not have applied if a partial-birth abortion were necessary to save the life of a mother whose life was endangered by a physical disorder, illness, or injury, if there was no other medical procedure available to save the mother's life.

This bill was modeled after H.R. 1122, the Partial-Birth Abortion Ban Act of 1997, which passed the U.S. Congress, but was vetoed by President Clinton on October 10, 1997. The President vetoed the bill because he stated that it did not contain an exception that would "adequately protect the lives and health of the small group of women in tragic circumstances who need an abortion performed at a late stage of pregnancy to avert death or serious injury."

## DRUG AND ALCOHOL ABUSE

During the 1997 Interim, the Special House Committee on Drug and Alcohol Abuse (Committee), together with representatives of the Greater Baltimore Committee, studied ways in which the State could most effectively utilize its resources to reduce the amount of substance abuse and addiction and turn former substance abusers into productive members of the State's workforce. Particularly, the Committee was concerned about the existence of substance abuse treatment programs that offer job readiness and job skills training. As a result of its interim work, the Committee introduced legislation for consideration during the 1998 Session, **Senate Bill 112/House Bill 8**

(both passed).

**Senate Bill 112/House Bill 8** establish the Employment in Recovery Program (Program) to facilitate the employment of individuals undergoing drug or alcohol abuse treatment to be administered by the Alcohol and Drug Abuse Administration (ADAA). Under the Program, local health departments, either individually or regionally, may submit proposals for State grants to finance demonstration projects to create new linkages or to strengthen existing linkages between substance abuse treatment services and job readiness and skills training services. A successful proposal must show a workable plan to achieve specific benchmarks and must include criteria for measuring the success of the local plan. The ADAA, in consultation with the Department of Human Resources and the Department of Labor, Licensing, and Regulation, will approve up to three proposals that meet the necessary requirements with at least one proposal being approved in a rural area and at least one in an urban/suburban area. The ADAA will review the performance of each demonstration project annually to determine the viability of the project's continuation. Program grant expenditures could be up to \$300,000 in fiscal year 1999, depending on the extent to which existing resources are used to fund the Program.

Other legislation, **House Bill 149** (passed) establishes a Task Force to develop a comprehensive strategy for increasing the funding and the availability of substance abuse programs in the State. In addition, the bill requires the Alcohol and Drug Abuse Administration to find an appropriate berth in an area that is safe for public access for a substance abuse program known as the U.S.S. Sanctuary.

## **MEDICAID REIMBURSEMENT RATES**

### **Emergency Service Transporters**

All emergency transport services (911 emergency call responses) in Maryland are provided by public responders. Some of those responders are paid; some are volunteers. Generally, the Maryland Medicaid Program does not pay for emergency transport services. According to a 50-state survey conducted by the Maryland Institute for Emergency Medical Services System to determine whether Medicaid programs paid for emergency transport, all 44 states that responded indicated that they reimburse this service.

**Senate Bill 554/House Bill 918** (both passed) require the Department of Health and Mental Hygiene to reimburse a public or volunteer emergency service transporter for the cost of transportation and medical services provided to a Medicaid recipient during transportation to a health care facility in response to an emergency 911 call. The reimbursement, however, is capped at \$100 per transport. Medicaid expenditures could increase by at most \$3.3 million (\$1.65 million general funds and \$1.65 million federal funds) in fiscal year 2000.

### **Federally Qualified Health Centers**

The federal Balanced Budget Act of 1997 contains language that requires states to make supplemental payments to federally qualified health centers (FQHCs) to help them make the transition to Medicaid managed care. In the first two years, the law requires states to pay FQHCs the full difference between what they receive from Medicaid under managed care and what they would have received previously under the fee-for-service system. The amount the states are required to pay is phased out over six years. The Department of Health and Mental Hygiene has not made the supplemental payments, arguing that the Balanced Budget Act provisions do not apply in Maryland, as a result of the State's Section 1115 waiver.

**Senate Bill 759/House Bill 1158** (both passed) require the Department of Health and Mental Hygiene to pay to a FQHC the difference between the payment received by the center from a Medicaid managed care organization (MCO) for services provided to enrollees of the MCO and the reasonable cost to the center in providing those services. The reasonable cost must be determined in accordance with the Social Security Act, as amended by the Balanced Budget Act of 1997. The supplemental payments would be taken out of the MCO capitation rates and paid directly to the FQHC.

### **Nursing Facilities**

Current law leaves Medicaid reimbursement policy in the discretion of the Department of Health and Mental Hygiene. Medicaid pays for 67% of nursing home care in Maryland. Of the \$35 million in cost containment imposed on nursing homes since 1993, \$16.5 million has been restored. Every 5 years, the Department undertakes a work measurement study to validate that nursing homes are actually providing the nursing hours used in the reimbursement formula. In the last study, completed in 1994, the Department found that nursing homes were providing more hours than they were being paid for under the formula. By regulation, the Department could adjust the formula to reflect the additional hours, but to do so would cost approximately \$20 million in fiscal year 1998. Nursing homes which serve mostly private pay patients can shift some costs to the private payers and still make a profit. Nursing homes that serve relatively few private pay patients, however, do not have that ability.

**House Bill 1084** (passed) requires the Department, in consultation with the health care industry, to study the feasibility of altering the payment parameters, structure, and target occupancy percentage that is currently used for Medicaid reimbursement for nursing facilities and report the results of the study to the General Assembly by December 1, 1998.

## **MEDICAL ASSISTANCE MANAGED CARE (HEALTHCHOICE)**

### **Managed Care Organizations - Compliance**

Under current law, every managed care organization (MCO) must have a quality assurance program, including mechanisms for outreach, as a condition of participation in HealthChoice. **Senate Bill 650/House Bill 922** (both passed) require an MCO that provides health care services to Medicaid enrollees to provide to the Department of Health and Mental Hygiene, upon initial application and on an annual basis thereafter, evidence of compliance with current law, including a written plan. If the MCO does not comply with these requirements, the Department may contract with any community based health organization that the Department determines is willing and able to perform comprehensive outreach services to enrollees. In addition, the Department may impose other sanctions, including imposing a fine on the MCO, suspension of further enrollment into the MCO, withholding all or part of the capitation rate from the MCO, termination of the provider agreement, or disqualification of the MCO from future participation in HealthChoice.

### **Dental Services**

**Senate Bill 590** (passed) adds dental services as a benefit for pregnant Medicaid enrollees and requires the Department of Health and Mental Hygiene to provide increased access to dental services for all enrollees in order to increase utilization of dental services. The Department is to establish a 5-year Oral Health Care Plan (Plan). The utilization targets for the Plan are 30% in the first year, with annual increases in utilization of 10% until a minimum level of utilization of 70% is attained in the fifth year of the Plan.

**Senate Bill 590** also requires the Department to include in the Plan an assessment of managed care organizations' success in meeting the utilization targets, and a requirement for a statewide follow-up survey to be conducted by the Department in the year 2000 concerning the oral health status of school children in the State. The fiscal impact of the bill results in increased expenditures of \$127,600 in fiscal year 2000 for administration expenses and survey and assessment. The fiscal year 1999 budget includes \$2.15 million for oral health services required by the bill. An indeterminate, but potentially significant increase in Medicaid expenditures also exists if dental utilization targets are met.

## **TOBACCO**

The federal Food and Drug Administration (FDA) now regulates nicotine-containing cigarettes and smokeless tobacco as restricted devices within the meaning of Section 520(e) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360K(a)). Despite these new federal regulations and the fact that State and local requirements pertaining to tobacco products may be preempted by them, the issue of minors' access to tobacco products was again debated during the 1998 Session.

**House Bill 172** (failed) would have prohibited a person from selling a tobacco product by means of a vending

machine or other mechanical device used for dispensing tobacco products, except for a vending machine that is located in an establishment that is a bona fide fraternal or veterans organization or that accepts only tokens and was in use on January 1, 1999.

**House Bill 568** (failed) would have established a Cigarette Restitution Fund to capture any revenues received by Maryland as a result of settlements with the tobacco industry. The Department of Health and Mental Hygiene would have administered the Fund, modeled after the Energy Overcharge Restitution Fund, and funds could only be expended on programs that would discourage the use of tobacco products, consistent with the settlement in Maryland. The bill also would have created a Cigarette Restitution Advisory Panel to oversee the use of the Fund.

## **DISCLOSURE OF MEDICAL RECORDS**

In Warner v. Lerner, 115 Md App.S. 428 (1997), the Maryland Court of Special Appeals raised issues concerning specific provisions of State law governing the disclosure of medical records. In its decision, the Court encouraged the General Assembly to revisit the issue of disclosure of medical records of a patient who is not a party to a lawsuit without the authorization of the patient. On appeal, the Court of Appeals disagreed with the reasoning of the Court of Special Appeals. Legislation was introduced during the 1998 Session to clarify the issue of disclosure of medical records.

**Senate Bill 649** (passed) clarifies the circumstances under which a health care provider must disclose medical records to a provider's insurer or legal counsel without the patient's authorization. Under the bill, medical records may be disclosed to a provider's insurer or legal counsel for the sole purpose of handling a potential or actual claim against a provider, if the patient or interested person is a party to the legal action.

**Senate Bill 651** (passed) clarifies that accrediting organizations must adhere to confidentiality provisions when they access the records of medical review committees to examine a health facility's accreditation status. The bill prohibits accrediting organizations, health maintenance organizations, and the Department of Health and Mental Hygiene from releasing these health records to third parties. Any third party requesting medical records must give the medical review committee the opportunity to obtain a protective order preventing release of the information.

## **MISCELLANEOUS**

### **Drug Storage and Shipment**

**Senate Bill 412/House Bill 1062** (both passed) require a pharmacy that has been issued a pharmacy permit to provide consumer alerts in the form of a general written notice in each shipment of mail order prescription drugs. The notice must contain information that warns consumers that, under certain circumstances, a medication's effectiveness may be affected by exposure to extremes of heat, cold, or humidity. In addition, a specific written notice also must be provided in each shipment. The notice must provide consumers with a toll-free or local consumer access telephone number accessible during regular hours of operation dedicated to addressing consumer inquiries pertaining to medications.

### **Sex Offenders - Commitment**

**Senate Bill 117** (failed) would have established civil commitment procedures in which a person who has been convicted of a sexually violent offense and who suffers from a mental abnormality or personality disorder that makes the person likely to engage in a predatory act involving a sexually violent offense may be placed in the custody of the Department of Health and Mental Hygiene until the person is safe to be released at large in the population. For further discussion of **Senate Bill 117**, see Part E - Crimes, Corrections, and Public Safety of *The 90 Day Report*.

# Part J HEALTH

## HEALTH OCCUPATIONS

### HEALTH OCCUPATIONS GENERALLY

#### Accountability in a Managed Care Environment

Current Maryland law does not specifically include or exclude the direction or establishment of protocols or medical or dental supervision in the definition of the practice of medicine or dentistry. A medical director of a health care facility may be disciplined by the State Board of Physician Quality Assurance (Board) on various grounds not specific to the position of the physician as a medical director (Health Occupations Article, § 14- 401). *Senate Bill 654/House Bill 1166* (both failed) would have clarified that those who are responsible for medical or dental supervision or direction in health maintenance organizations, hospitals, ambulatory care facilities, or other venues, are engaged in the practice of medicine and are subject to oversight by the Board and the State Board of Dental Examiners. The bills would have expanded the practice of medicine or dentistry to include medical or dental supervision or direction.

During the 1996 and 1997 Sessions, failed legislation would have authorized the Board to take disciplinary action against a medical director of a health plan for protocols or procedures that fail to meet standards for delivery of quality medical care as determined by appropriate peer review. *Senate Bill 274/House Bill 1345* (both failed) would have authorized the Board to discipline a physician medical director who is responsible for establishing or supervising protocols or procedures for a health care delivery system, such as a health maintenance organization.

*Senate Bill 447* (failed) would have altered the definition of "practice of medicine" to include "telemedicine." The "practice of medicine" definition under current law does not address treatment of patients across state lines through the Internet or other electronic or mechanical means. The bill also would have extended the disciplinary jurisdiction of the Board to licensees who fail to render adequate medical care in facilities which may or may not be located in Maryland.

#### Health Care Provider Self-Referral

Under Maryland law, health care providers generally are prohibited from referring (or requiring their employees to refer) patients to a health care facility in which a health care provider owns a beneficial or compensatory interest exceeding 3% (Chapter 253 of the Acts of 1997). Federal law, however, does not prohibit referrals from providers who have a beneficial interest or compensatory arrangement with dialysis facilities. End stage renal disease refers to irreversible kidney impairment, requiring either continuing dialysis or a kidney transplant to maintain the patient's life. Dialysis facilities are nearing capacity as patient referrals grow about 9% a year. In addition, some practitioners are advocating more frequent dialysis treatment, further constraining existing resources. Under *Senate Bill 442/House Bill 421* (both passed), health care providers are exempted from the prohibition on self-referrals when they are referring end stage renal disease patients to a dialysis facility.

#### Ethical Conduct

Currently, there are no codes of conduct or rules of ethics for the various health occupation boards. During the 1996 Session, the General Assembly passed House Bill 478 (Chapter 460 of the Acts of 1996) requiring the Executive Director of the State Ethics Commission to develop recommendations for the establishment of codes of conduct for members of the health occupation boards and the investigators assigned to those boards. *Senate Bill 144* (passed) requires each health occupation board and the Department of Health and Mental Hygiene to study the recommendations and determine how to uniformly apply the recommendations to all health occupation boards.

Each health board is required to adopt regulations prohibiting sexual misconduct under *Senate Bill 495* (passed).

The regulations must provide for disciplinary action against a licensee or certificate holder who engages in sexual misconduct. Each board must submit an annual statistical report to the Secretary of Health and Mental Hygiene on the number of sexual exploitation complaints and the resolution of each complaint. The Secretary must compile the information from the health occupation boards and submit an annual report to the General Assembly no later than December 31 of each year. *Senate Bill 495* is the result of the January 1, 1996 report of the Task Force to Study Health Professional-Client Sexual Exploitation.

## **BOARD OF NURSING**

### **Nursing Assistants**

Chapter 194 of the Acts of 1997 (Senate Bill 661) directed the State Board of Nursing (Board) to develop a legislative proposal for certification and regulation of nursing assistants and report to the General Assembly by January 1, 1998. *Senate Bill 445* (passed) was developed from the recommendations of the Board.

*Senate Bill 445* establishes a certification and regulatory process for nursing assistants. An individual must be certified by the Board before the individual may practice as a nursing assistant in the State, use the title "certified nursing assistant" or "C.N.A.", or represent to the public that he or she is certified. Certified nursing assistants who wish to practice as certified medicine aides must meet additional training requirements. *Senate Bill 445* sets forth provisions for the renewal of licenses and grounds for discipline of nursing assistants. The Board is responsible for approving each nursing assistant training program and must consult with the Department of Health and Mental Hygiene, the Maryland Higher Education Commission, and the nursing industry when developing regulations for the training program.

The State Board of Nursing must set certification fees which approximate the cost of maintaining the certification program. Special fund expenditures to establish certification are estimated to be about \$250,000 in fiscal year 1999. By fiscal year 2000, the Board should attain some revenue. An expected surge in applications by fiscal year 2001 may result in special fund revenues of approximately \$240,000.

## **SCOPE OF PRACTICE**

### **Optometrists and Physicians - Access to Contact Lens Prescriptions**

Under federal law, optometrists and physicians must provide patients with their prescriptions for corrective eyeglasses. Current Maryland law grants optometrists and physicians the discretion to provide replacement prescriptions for contact lenses to patients. Some providers, however, have refused to provide replacement prescriptions to their patients. After follow-up care, the patient is then required to return to the optometrist and purchase replacement lenses. Patients are unable to take advantage of discounted prices for contact lenses under these circumstances.

*Senate Bill 632* (passed) requires licensed optometrists and physicians to provide prescriptions for replacement contact lenses to patients upon request. After a licensed optometrist or physician releases the patient from immediate follow-up care for proper fitting of lenses, the patient may request a prescription for replacement lenses. Upon the request of a patient, the optometrist or physician must provide a copy of the replacement prescription to the patient or the patients' designee, and the prescription is good for no more than 24 months from the date that the patient completed immediate follow-up care. Licensed optometrists and physicians are exempted from liability for patient injuries resulting from the negligent manufacturing, packaging, or dispensing of contact lenses by other providers.

### **Dental Hygienists**

Access to the basic oral health services performed by dental hygienists is limited to when the supervising dentist is on the premises and available for consultation while services are being performed. *Senate Bill 275* (passed) increases access to basic dental care by authorizing dental hygienists in certain settings to practice under the general supervision of a dentist, who may or may not be on the premises while services are being performed.

**Senate Bill 275** exempts facilities from obtaining a waiver from the State Board of Dental Examiners for hygienists to perform services under general supervision in some settings. This exemption applies only to hygienists who practice in: (1) a dental facility owned and operated by federal, State or local government; or (2) a public health department of the State or a county. The State Board of Dental Examiners is authorized to inspect facilities where dental hygienists perform under general supervision. The provisions of the bill terminate on September 30, 2001.

### **Professional Counselors**

Under current law, professional counselors are certified. Confusion about the ability of certified professional counselors to diagnose and treat mental and emotional disorders has been "problematic" for some managed care organizations which, in turn, has kept certified professional counselors off their provider panels.

**Senate Bill 306/House Bill 768** (both passed) establish licensing requirements for clinical counseling. An individual must be licensed by the State Board of Professional Counselors (Board) before the individual may practice clinical professional counseling in Maryland. This includes clinical counseling, clinical marriage and family therapy, and clinical alcohol and drug counseling. Clinical counselors must meet additional requirements for licensure beyond those established for certified professional counselors. The Board is authorized to waive licensing for any person who is currently certified, has filed a letter of intent by October 1, 1999, and meets practice requirements. The requirements must be met by October 1, 2001. The State Board of Examiners of Professional Counselors and the State Board of Examiners of Psychologists are required to jointly develop regulations outlining minimum training standards. Establishment of the licensing function could increase special fund revenues for the State Board of Examiners of Professional Counselors by \$52,000 in fiscal year 2000.

# Part J

## HEALTH

### HEALTH CARE FACILITIES AND REGULATION

#### HEALTH CARE REGULATORY REFORM

##### Generally

Health care regulation in Maryland has evolved over the last three decades into a highly developed regulatory structure that incorporates the Department of Health and Mental Hygiene (DHMH), the Maryland Insurance Administration (MIA), and three independent commissions - the Health Resources Planning Commission (HRPC), the Health Services Cost Review Commission (HSCRC), and the Health Care Access and Cost Commission (HCACC). The cost of health care regulation by these agencies is approximately \$22 million, supported by a combination of user fees, general funds, and federal funds.

The DHMH provides oversight for quality and services of facilities, practitioners, and health maintenance organizations; the MIA regulates all aspects of insurance, including financial solvency for insurance carriers and health maintenance organizations, and contracts that insurers and health maintenance organizations enter into with providers and health consumers; the HRPC oversees needs of the health care system by considering access, quality, and efficiency issues as it adopts the State Health Plan, projects future State health care needs, and administers the certificate of need process. The HSCRC regulates hospital rates and maintains the all-payor system. The HCACC oversees the comprehensive standard health benefit plan established for the small group market in Maryland, the provider encounter data system, quality and performance report cards for health maintenance organizations, and other measures enacted under the Maryland Health Insurance Reform Act of 1993 that are still under development, including provider practice parameters and the provider payment system.

Recent developments in health care delivery and financing, including the growth of managed care and the evolution of provider networks, have obscured the boundaries of the five regulatory agencies. Both health care provider and payor organizations have criticized the regulatory system for not keeping pace with developments in the industry.

##### Consolidation of Health Regulatory Commission

*Senate Bill 521/House Bill 2* (both failed) would have consolidated the health care regulatory commissions, deregulated certain functions, and required several studies. The bills, as passed by the Senate, in the case of *House Bill 2*, and as reported by the House Environmental Matters Committee, in the case of *Senate Bill 521*, would have merged the HRPC into the HCACC, effective October 1, 1998, and would have merged the HCACC and the HSCRC into a new 9-member Maryland Health Regulatory Commission (HRC), effective January 1, 2000. The HRC, like the current regulatory commissions, would have been supported by user fees assessed on third party payors and health care providers. The bills also would have transferred the health planning function from the HRPC to the DHMH.

##### Certificates of Need

To promote efficiency and eliminate excess hospital beds, the bills would have made a number of changes to the certificate of need (CON) program. For hospitals that are components of a merged asset organization located within the same health service area, the bills would have permitted changes:

in bed capacity without a CON, as long as the changes did not involve comprehensive or extended care beds, or involve a hospital that is the sole provider of medical services in a county; and

in the type or scope of a health care service, as long as the change did not establish a new medical service,

expand or eliminate an existing medical service, involve comprehensive or extended care beds, or involve a hospital that is the sole provider of medical services in a county.

The bills also would have exempted from CON changes affecting State hospitals, hospital closures that did not involve a single hospital jurisdiction, and the conversion of a hospital to a limited service hospital. As defined in the bills, a limited service hospital would have been a health care facility that was licensed as a hospital on or after January 1, 1998 and eliminated its capability to admit or retain patients for overnight care. As a prelude to possible further deregulation, the bills would have required studies of the CON program with regard to home health and hospice care, facility mergers and consolidations, and specialized medical services. **House Bill 1023** (failed) would have exempted home-based hospice care from CON.

### **Licensed Hospital Bed Capacity**

**Senate Bill 521/House Bill 2** also would have required the DHMH, in consultation with the regulatory commissions, to study and develop a methodology for calculating hospital licensed bed capacity. Before July 1, 1999, the DHMH would have had to delicense any hospital beds determined to be excess bed capacity under the methodology. The bills would have revised existing law to prevent hospitals from adding beds under the "10 beds or 10%" rule that may not be necessary (Health - General Article, § 19-115(h)(2)).

### **Outpatient Surgical Rates**

Hospitals face competition from freestanding ambulatory surgical facilities and nonrate regulated hospitals in adjacent states and the District of Columbia, which offer discounts to HMOs and other third party payors. The HSCRC regulates the rates for outpatient services provided at Maryland hospitals. To avoid rate regulation and become more competitive, hospitals have been moving outpatient services away from hospitals and building their own freestanding ambulatory surgical facilities. To some, this is viewed as incurring unnecessary capital expenditures and duplicating existing capacity. In response, the bills would have authorized hospitals in one metropolitan and one rural region of the State to charge rates below those approved by the HSCRC for outpatient surgical services. The HSCRC would have continued to set the maximum rate for these outpatient surgical services and would not have recognized any revenue losses, associated with the lower rates as reasonable costs for reimbursement. The rate deregulation pilot projects would have terminated in three years. A departmental bill, **House Bill 344** (failed) would have deregulated outpatient surgical rates statewide and authorized the HSCRC to permit hospitals to charge below HSCRC-approved rates for other outpatient services.

### **Uniform Payment System; Practice Parameters**

Responding to changes in the health care marketplace, **Senate Bill 521/House Bill 2** would have repealed two responsibilities of the HCACC: the uniform payment system for health care services and the Advisory Committee on Practice Parameters. The HCACC would have been authorized to prohibit the unbundling of procedural codes and to require payors to use rebundling edits and make the standards for rebundling available to the public on request. With regard to practice parameters, the bills would have required the HCACC to report on their uses in private industry. A departmental bill, **House Bill 272** (failed) would have altered the process in which specialists vote for the adoption of a practice parameter, but would have permitted the HCACC to continue to adopt practice parameters.

Subjects for other studies and reports would have included downstream risk arrangements, health care performance outcomes, uncompensated care in ambulatory settings, and the management and organization of the new Health Regulatory Commission.

### **Health Care Facility Deregulation**

**Senate Bill 485/House Bill 647** (both failed) also dealt with health care facility deregulation. To promote consolidations and improve efficiency, the bills would have exempted from CON the relocation of certain health facilities, beds, or services.

The bills also would have exempted from CON a new open heart surgery service if:

The HSCRC determined that there would be a net saving to the health care system;

The open heart surgery service would be consistent with the health care facility's license; and

There was no expansion in the total number of inpatient beds in the facility, except as permitted under current CON law, or in the total number of operating rooms in the facility.

The bills also would have directed the Secretary of Health and Mental Hygiene to adopt regulations that set quality of care standards for special services, those services that are critical to patient life or health, including open heart surgery, offered by hospitals.

## **MEDICAL CARE DATABASE**

As in previous years, bills were introduced during the 1998 Session to require patient consent for collection of health care encounter data. *House Bill 391* and *House Bill 427* (failed) would have required health care practitioners to notify patients regarding data collected for the medical care database and required patients to consent to the collection of data regarding their health care. The bills would have further required the Health Care Access and Cost Commission (HCACC) to adopt regulations governing the notice of collection and consent for all medical claims data and other information collected.

## **ASSISTED LIVING**

*House Bill 284* (passed) modifies regulatory procedures for assisted living programs that relate to the handling of resident property. The Department of Health and Mental Hygiene (DHMH) is to adopt regulations specifically for assisted living programs. After these regulations are adopted, *House Bill 284* excludes assisted living programs from the current regulatory procedures applied to nursing homes and hospitals. The bill remains in effect for a period of two years and terminates on September 30, 2000.

## **ADULT DEPENDENT CARE PROGRAMS**

*House Bill 801* (failed) would have required adult dependent care programs to apply and pay for national and State criminal history records checks for prospective employees. Under current law, only a State criminal history records check or private agency background check is required. Adult dependent care programs include adult day care facilities, assisted living facilities, group homes, home health agencies, congregate housing facilities, residential service agencies, alternative living units, hospice facilities, and nursing homes. The bill would have resulted in an increase in equipment and computer programming expenditures of \$149,000 in fiscal year 1999 only, exclusive of a potential increase in general fund expenditures and federal fund revenues for those adult dependent care programs reimbursed by Medicaid or State community service programs.

# Part J

## HEALTH

### HEALTH MAINTENANCE ORGANIZATIONS

#### LIABILITY OF MANAGED CARE ORGANIZATIONS

With at least 160 million Americans enrolled in managed care organizations that review and approve utilization of health care services, many states have begun to review the question of the liability of managed care organizations when a member suffers ill effects due to an adverse coverage decision. In 1997, Texas addressed the issue of medical liability of managed care entities by enacting a statute which creates a new cause of action under which a health care plan (including a managed care organization) is liable for harm caused to enrollees by the health care treatment decisions of their plan's employees, agents, or representatives. The law, however, is being challenged in federal court on the basis that it is preempted by the federal Employee Retirement Income Security Act of 1974 (ERISA).

In recent years, the Maryland General Assembly has stepped in to protect members from potential abuses of managed care. In 1996, the General Assembly passed House Bill 1374 which prohibited insurers and managed care entities from requiring health care providers to indemnify or hold harmless the insurer or managed care entity from causes of action resulting from coverage or treatment decisions or negligent acts made by the insurer or managed care entity.

Several bills were introduced in the 1998 Session of the Maryland General Assembly to provide a statutory basis on which a member may sue a managed care entity. Under *Senate Bill 84* (failed), a member would have been able to sue the member's insurance carrier or managed care entity if the carrier caused the member harm by failing to exercise ordinary care when making health care treatment decisions. *Senate Bill 84* also would have required carriers to create an internal review process for resolving complaints before the complaints turned into lawsuits. *House Bill 78* (failed) would have made a health maintenance organization (HMO) liable in a civil action for any damages arising out of the HMO's failure to approve a covered service if the service was recommended by a health care provider under contract with the HMO.

*House Bill 1020* (failed) would have established the liability of health insurers and HMOs, through their medical directors, for damages that a member suffered as a result of a health care treatment decision by the carrier. *House Bill 1020* would have allowed a member to bring a health care malpractice claim against the medical director if the member's injury or death was proximately caused by the failure of the carrier or HMO to provide a covered service. If a judgment is made against the medical director, the carrier would have been required to indemnify the medical director, unless the medical director acted in contravention to established protocols. Finally, *House Bill 1030* (failed) would have allowed a member to recover costs and expenses from an insurer in a civil action to determine insurance coverage or entitlement to payment for a covered loss, if the court found in favor of the member.

#### QUALITY OF CARE

Consistent with concerns over access to health care services and the quality of health care services delivered by managed care entities, particularly health maintenance organizations, *House Bill 1366* (passed) requires the Department of Health and Mental Hygiene (DHMH) to conduct an annual external review on the quality of health care services a health maintenance organization provides to its members. Currently, DHMH conducts external reviews of quality every three years for each HMO doing business in Maryland. *House Bill 1366* provides DHMH with an additional tool to ensure appropriate quality of care standards for Maryland health care consumers. The bill reinforces the provisions of *Senate Bill 401/House Bill 3* (both passed) by providing additional assurance that consumers are being provided quality health care in the managed care environment. For a detailed discussion of these bills, see the "Life and Health Insurance" heading of Part H - "Business and Economic Issues" of *The 90 Day Report*.

# Part K

## NATURAL RESOURCES, ENVIRONMENT, AND AGRICULTURE

### NATURAL RESOURCES - GENERALLY

#### PHRAGMITES

*Phragmites communis* is a tall, reed-like grass. It is an introduced plant that is currently invading wetland areas in the northeastern United States and has been found to reduce the quality of habitat for native species of plants and animals. Accordingly, since 1987, the Department of Natural Resources has been involved in identifying and eradicating phragmites through herbicide applications on State wildlife areas and impoundments. In 1994, the General Assembly enacted legislation requiring the Department of Natural Resources and the Department of Transportation to analyze and study the management and control of phragmites on property owned and controlled by the departments and, with the assistance of the soil conservation districts, prepare and report to the General Assembly on a statewide inventory of phragmites. In 1996, the General Assembly enacted legislation establishing a 50/50 cost-sharing program, administered by the Departments of Natural Resources, Environment, and Agriculture, to assist landowners with the control of phragmites on private land.

In the 1998 Session, the General Assembly again considered legislation relating to the management and control of phragmites. **House Bill 535** (passed) requires the Department of Natural Resources, when necessary data is available, to conduct a statewide study of phragmites in order to determine its spread and analyze any progress made in current management and control programs. The legislation requires the Department to ascertain the statewide extent of phragmites infestation and beginning in 2000, and every five years thereafter, submit a report on their findings to the General Assembly.

#### LIVERY VESSEL OWNERS - SAFETY REQUIREMENTS

In July of 1996, an adult male drowned in a boating accident on Greenbelt Lake. In investigating the accident, Natural Resources Police made the following findings: (1) the four people on board had floating seat cushions but no wearable life preservers as required by State law, (2) the hull of the boat was in poor condition with duct-tape patches in several locations through which the at least 14-year-old boat began taking on water, and (3) the boat had a capacity of 300 pounds, but there were two adults and two teenagers on board. Clearly, the boat was not in seaworthy condition nor properly equipped. Additionally, the operator of the boat, who survived, was also the operator of the concession.

In an effort to prevent similar accidents from occurring in the future, **Senate Bill 22**(Ch. 9)/**House Bill 280** (passed) prohibit a livery vessel owner or agent or employee of a livery vessel owner from renting or offering to rent a motorboat less than 16 feet in length unless: (1) it is in seaworthy condition; and (2) the owner possesses a boating safety certificate approved by the Department of Natural Resources. Violators of these safety provisions are guilty of a misdemeanor. This legislation gives the Department of Natural Resources Police the authority to ensure that boating concessionaires live up to minimal safety standards.

#### SHORE EROSION CONTROL CONSTRUCTION LOAN FUND

The Shore Erosion Control Construction Loan Fund provides interest-free loans for the financing of shore erosion control projects on any privately or publicly owned lands that abut a body of water. The property owner may request assistance in designing, constructing, managing, and financing such projects. There is currently \$1.7 million in the Fund for such purposes. The current statute governing the Fund does not state that the Fund may be used to finance nonstructural shore erosion control projects.

**Senate Bill 795** (passed) allows the Department of Natural Resources to use the Shore Erosion Control Construction Loan Fund for both nonstructural and structural shore erosion projects. Since nonstructural projects, such as vegetative plantings, are generally more cost-effective and environmentally friendly than structural

projects, this bill authorizes the Department to use the funds to finance both types of shore erosion control projects.

# Part K

## NATURAL RESOURCES, ENVIRONMENT, AND AGRICULTURE

### HUNTING AND FISHING

#### FISHERY MANAGEMENT

##### Limited Entry to the Commercial Fishery

Most of Maryland's fisheries are at or exceeding full exploitation. For years the State's fishing resources were exploited by an unlimited number of fishermen. Legislation enacted in 1994 dealt with the issue of overfishing by prioritizing new authorizations for tidal commercial fishing licenses with the creation of two waiting lists (primary and secondary) for tidal fishing licenses. The primary waiting list consists of persons who are already authorized to engage in one type of commercial fishing activity, have been crew members for at least two years in any commercial fishery, or who are licensed to catch fish for commercial purposes in another state. The secondary list consists of persons who cannot qualify as primary candidates. Current law provides that all primary candidates must receive their licenses before secondary candidates.

The current limited entry provision and moratorium on the number of licenses that may be issued was designed to stabilize the number of commercial fishermen at the harvest level necessary to achieve economic viability; limits were imposed to conserve the resource and provide an economic benefit.

*Senate Bill 679/House Bill 1260* (both passed) are the product of a workgroup convened by the Department of Natural Resources to develop a viable program that maintains a control on fishing effort and at the same time incorporates an avenue for new participants in the fishery. The bills repeal the 1994 law and establish a new procedure for entering the commercial fishery while continuing to limit the number of new participants. *Senate Bill 679/House Bill 1260* make three major changes to the management of fisheries in Maryland. First, the bills alter the current process for issuing tidal fish licenses by providing that the individuals on the primary waiting list as of December 31, 1997 will receive a license. Second, an apprenticeship program is established to provide a mechanism for individuals to enter the commercial fishery after acquiring practical experience relating to commercial fishing activities. Finally, the bills provide for the licensing and regulation of noncommercial crabbing. The bills establish recreational crabbing license fees for residents and nonresidents and require all fees collected to be deposited in the Fisheries Research and Development Fund for research relating to the noncommercial crab catch.

##### Clams and Clam Dredging

The Maryland General Assembly addressed the use of hydraulic clam dredges in submerged aquatic vegetation beds. The restoration of sea grass beds has been a continuing goal of the Chesapeake Bay Program since 1989 when the Chesapeake Bay Executive Council established a submerged aquatic vegetation policy. In 1993, the council set forth interim restoration goals for submerged aquatic vegetation. Additionally, last year, the Atlantic States Marine Fisheries Commission adopted a special policy calling for the protection of submerged aquatic vegetation because of its fundamental importance to many valuable fisheries.

Sea grass beds provide essential nursery habitat for the vulnerable young stages of many ecologically, commercially, and recreationally important fish and shellfish. Sea grasses are widely regarded as primary indicators of water quality conditions in the Bay. Evidence has shown that the use of hydraulic clam dredges destroys submerged aquatic vegetation by uprooting it from the bottom sediment layer. The Commonwealth of Virginia does not allow the use of hydraulic clam dredges.

To further the protection of sea grass, *Senate Bill 398* (passed) prohibits the use of hydraulic clam dredges in any submerged aquatic vegetation bed. The Department of Natural Resources must delineate existing beds that are not currently protected, as documented in recent aerial surveys, and periodically update this information.

The General Assembly also addressed the allowable harvest size of hard shell clams. **House Bill 873** (passed) reduces the transverse dimension of hard shell clams that a person may harvest or possess from one inch to 7/8 of an inch. The bill also permits the harvest and possession of smaller hard shell clams, provided that the number of these small clams does not exceed 10 out of every 105 hard shell clams harvested.

### **Crab Harvesting**

Bank traps and channel pounds function much like traditional crab pots, but are intended to be used in shallow water, usually of 4 feet or less. The use of bank traps has created a controversy between waterfront property owners and watermen in St. Mary's County because when the equipment is not properly set up or maintained aquatic animals can become trapped inside and die. **Senate Bill 461** (passed) prohibits a person from harvesting crabs with either a bank trap or a channel pound in St. Mary's County after October 1, 2000. It also directs the Department of Natural Resources to study the impact of bank traps and the enforcement of current bank trap regulations and recommend whether the prohibition on the use of bank traps and channel pounds in St. Mary's County after October 1, 2000 should be repealed.

### **Striped Bass**

Legislation enacted in 1994 placed a limit on the total number of striped bass authorizations under a commercial license. The limits are set by regulation at 1,231 participants in the commercial fishery and 499 participants in the recreational charter boat fishery in order to cap fishing effort at the 1994 level. **Senate Bill 400** (passed) requires the Department of Natural Resources to provide by regulation for the monthly allocation of any available striped bass quota, rather than the current seasonal allocation, to assure that all portions of the State have an equal opportunity to catch an equitable portion of that quota.

It is believed that the maintenance and removal of pound nets or stakes will reduce fish mortality and boating hazards associated with abandoned nets and drifting or broken stakes. **House Bill 1034** (passed) requires tidal fish licensees to maintain their stakes in good condition and remove any stakes and nets that are in poor condition. It also requires stakes to be removed during the month of January unless the net is being actively fished and notice is provided to the Department of Natural Resources. Penalties for violation of these provisions are provided.

## **HUNTING**

### **Wild Waterfowl**

**House Bill 676** (passed) allows nonresidents to hunt snow geese without a resident or nonresident Maryland hunting license if: (1) the nonresident possesses a valid consolidated or similar hunting license from the nonresident's home state; (2) the nonresident purchases a Maryland migratory waterfowl stamp; and (3) the nonresident's home state allows a Maryland resident to hunt snow geese without a nonresident hunting license from the nonresident's home state, provided that the Maryland resident possesses a valid Maryland consolidated hunting license and purchases a migratory waterfowl stamp from the nonresident's home state.

Current law relating to wild waterfowl hunting contains many antiquated, inconsistent, confusing, and conflicting provisions. Accordingly, for the last two years, the Department of Natural Resources has worked to rewrite the law. **Senate Bill 695** (failed) was a result of that effort.

### **Deer Stamps**

In an effort to deal with the State's growing deer population, legislation was introduced to give the Department of Natural Resources more flexibility in controlling the population. Under current law, hunters are able to purchase two bonus stamps per season, meaning that a hunter can take up to nine deer per year. However, stamps not used cannot be carried over to another season. **Senate Bill 257** (passed) provides that a bonus deer stamp may be used in any of the three deer hunting seasons. Even though the Department of Natural Resources expects that fewer stamps will actually be purchased, the bill will allow hunters to take more deer than is currently allowed, which should help keep the deer population at manageable levels. The bill also increases the fee for a nonresident bonus

deer stamp from \$10 to \$25. Finally, the bill repeals the deer hunting restrictions in Dorchester County, making deer hunting seasons uniform throughout the State.

### **Coyotes**

The eastern coyote has expanded its range to all areas of Maryland, most notably, in those counties adjacent to Pennsylvania. In an effort to keep the population at a manageable level, *Senate Bill 712* (passed) extends the termination date relating to the hunting and trapping of coyotes from September 30, 1998 to September 30, 2001.

# Part K

## NATURAL RESOURCES, ENVIRONMENT, AND AGRICULTURE

### ENVIRONMENT

#### WATER QUALITY

##### Safe Drinking Water Act

Amendments to the federal Safe Drinking Water Act were enacted on August 6, 1996. The Maryland Department of the Environment is responsible for primary enforcement, or primacy, of the Safe Drinking Water Act in Maryland. In order to retain primacy, changes in the Department's statutory authority were necessary to reflect the provisions of the 1996 amendments to the Act.

The federal Safe Drinking Water Act was amended to provide more flexibility in the manner in which notice of violations, exemptions, and variances can be distributed by public water systems. The federal Act no longer requires newspaper publication as the method of notifying customers when violations, exemptions, or variances occur. The change will allow owners of public water systems to notify their customers in a timely manner using the method most appropriate for the population served by the water system, as established by modifications of the State regulations governing quality of drinking water.

The federal Act provides federal penalties for tampering, or attempting to tamper, with a public water system. New community and nontransient noncommunity water systems that come into operation after October 1, 1999, are required to demonstrate their technical, managerial, and financial capacity. Currently, privately owned community water systems are required to submit a financial management plan when they apply for a construction permit.

As a condition for maintaining primacy, the 1996 amendments to the Safe Drinking Water Act mandate that states have a mechanism for assessing administrative penalties. Currently, no such provision exists in Maryland. States are allowed to establish a maximum limitation on the total amount of administrative penalties that may be imposed per violation on public water systems. The amount of the penalty is to be assessed with consideration to factors that evaluate the seriousness of the violations and the past history of the water supplier.

***House Bill 1025*** (passed) enables the Maryland Department of the Environment to comply with the 1996 amendments to the federal Safe Drinking Water Act. If this legislation was not passed, the U.S. Environmental Protection Agency could have withdrawn primacy, which may have resulted in the loss of \$1-2 million per year in operating grants and an estimated \$1.5 million in the State Revolving Loan Funding to Maryland.

The bill contains four main provisions. The bill revises the public notification requirement for water systems that fail to meet certain standards. It also establishes methods for public notification in line with the federal Act. The legislation provides the Department with the authority to evaluate new water systems for financial capability. Finally, the bill authorizes the Department to assess administrative penalties on a water supplier serving a population over 10,000 for violations of the provisions of this bill. The administrative penalty provision will become effective when required by federal regulation promulgated under the federal Safe Drinking Water Act.

##### Linked Deposit Loan Program

***Senate Bill 177/House Bill 493*** (both passed), which were part of the Governor's legislative package on Pfiesteria, authorize the Maryland Department of the Environment to establish a linked deposit loan program. The linked deposit loan program involves two steps. In the first step, the Department places a deposit with an approved lender and agrees to accept a lower rate of interest. The "link" occurs in the second step when the approved private lender provides a below market interest rate loan to an eligible borrower. The Department predicts that this program will improve farmers' access to the Water Quality and the Drinking Water Revolving

Loan Funds, which will enable them to finance capital projects that control nonpoint sources of pollution and improve water quality.

### **Enforcement of Water Quality Laws**

Currently, the criminal penalties available under Maryland law for violations of environmental laws are generally much less stringent than their federal counterparts. *Senate Bill 467* (failed) would have revised the penalties for violations of specified provisions of law in the Environment Article and makes attempts to commit conduct that constitutes a violation of specified provisions of law subject to the same penalties as those prescribed for the actual offense. The bill would have increased penalties that apply to violations of the tidal and nontidal wetlands law, water pollution control law, and safe drinking water law. As a result, violations of the Maryland laws in question would have become, like the equivalent federal laws, felonies. The Maryland laws, like the federal criminal counterparts, would have expressly required a "knowing" state of mind on the part of a violator of the respective statute. If a violation was committed unknowingly, civil or administrative penalties would have been available.

### **Biological Nutrient Removal**

Biological nutrient removal is an effective mechanism for removing nitrogen and phosphorus output from wastewater treatment plants. This, in turn, reduces the levels of nitrogen and phosphorus that reach the water of the State. *House Joint Resolution 7* (failed) would have requested the Congress of the United States to authorize and appropriate adequate funding for the Department of Defense to install biological nutrient removal upgrades to the wastewater treatment plants which are located at federal military bases in Maryland.

### **REFUSE DISPOSAL SYSTEMS**

Refuse disposal systems include landfills, transfer stations, incinerators, and other solid waste acceptance and processing facilities. The Maryland Department of the Environment is charged with processing permit applications to install, materially alter, or materially extend a refuse disposal system.

In response to some confusion as to how the Maryland Department of the Environment (MDE) is to process refuse disposal permit applications when it is waiting for necessary information from the county in which the system is to be located, *House Bill 1024* (passed) requires the Department to cease processing a refuse disposal permit application after it has completed its preliminary Phase I review and reported its findings, until the county where the refuse disposal system is to be located has completed its review of the system. The Department may continue processing the permit application after the county has provided the Department with a written statement that the refuse disposal system meets all applicable county zoning and land use requirements and is in conformity with the county solid waste plan.

*House Bill 1334* (passed) requires the Department of the Environment to prepare an annual report identifying the amount of solid waste by volume or weight disposed of in the State during the previous year. The report will identify the following solid waste categories: construction and demolition debris; incinerator ash; industrial waste; land clearing debris; municipal solid waste; and any other solid waste identified by the Department. The bill requires all permitted solid waste acceptance facilities to annually provide the Department with the information, except trade secrets, necessary to prepare the report. The Department is required to submit its report annually to the House Environmental Matters Committee and the Senate Economic and Environmental Affairs Committee beginning September 1, 2000.

### **FLOOD CONTROL**

*House Bill 1393* (passed) reduces the required local government matching contribution from 50% to 25% under the Comprehensive Flood Management Grant Program for flood control and watershed management capital projects involving only State and local funds.

### **ENERGY**

## **Governor's Emergency Energy Powers**

**House Bill 285** (passed) extends indefinitely the Governor's authorization to exercise the Governor's Energy Emergency Powers during an energy crisis. The Governor's Energy Emergency Powers law was created to permit the Governor to react rapidly to any energy emergency that might affect Maryland. It makes available a variety of energy usage mitigation measures for the Governor to use in an energy shortage. Extending the Governor's Energy Emergency Powers has been required on a periodic basis. The current law, last extended during the 1993 Session, will lapse on July 1, 1998. The Governor's Energy Emergency Powers Act has always included a termination clause to retain legislative oversight. In the 1998 Session, it was decided that sufficient legislative oversight is provided by the requirement that the Joint Committee on Administrative, Executive, and Legislative Review approve all orders and rules issued by the Governor through these emergency powers. Accordingly, **House Bill 285** removes the termination clause.

## **Energy Inventory**

Currently there is no up-to-date and comprehensive analysis of the energy consumption patterns and the potential for cost effective energy conservation across Maryland. The current duties and responsibilities of the Maryland Energy Administration concentrate mainly on State government use of energy. **Senate Bill 606** (failed) would have directed the Maryland Energy Administration to perform an energy inventory of Maryland's current energy utilization and future energy needs. Additionally, the bill would have required the Maryland Energy Administration to: (1) collect, analyze, and evaluate statistics related to the rate of energy consumption and future needs of the State's current residential, commercial, industrial, and governmental energy users; and (2) formulate strategic plans and make recommendations related to reducing energy use and consumption, as well as research the availability and viability of alternative energy sources and alternative methods of energy consumption for the State's residential, commercial, industrial, and governmental energy users that would maximize environmental benefits.

# Part K

## NATURAL RESOURCES, ENVIRONMENT, AND AGRICULTURE

### AGRICULTURE

#### NUTRIENT MANAGEMENT

During the 1997 Interim, members of the General Assembly and the Governor's Blue Ribbon Citizens Pfiesteria Action Commission studied the scientific and public policy issues regarding fish kills in lower Eastern Shore rivers in late 1996 and the Summer of 1997. Both the General Assembly and the Governor's Commission focused on the role of the toxic dinoflagellate, Pfiesteria. The Governor's Commission concluded a series of briefings and public meetings and issued a final report on November 3, 1997.

The report includes numerous recommendations regarding the safety of Maryland seafood, agricultural and nonagricultural nutrient management strategies, public health strategies, and future research needs. The Commission pursued the causative link between Pfiesteria and agricultural practices in the lower Eastern Shore.

Of particular concern was the role of the chicken industry and the large quantities of chicken litter generated and ultimately applied to local fields as fertilizer. Therefore, throughout the Commission's proceedings, a primary concern was the efficacy of the State's existing nutrient management program and the feasibility of recommended changes. In its final report, the Commission recommended, among other things, that the State replace its voluntary, nitrogen-based, agricultural nutrient management program with a phosphorus- and nitrogen-based program. The Commission further recommended that "the State enroll all farmers in nutrient management plans by the year 2000. The nutrient management plans should be fully and demonstrably implemented by 2002, contingent upon the State supplying the appropriate level of education, outreach, technical support and financial resources necessary to meet these goals."

*Senate Bill 178/House Bill 599* (both passed) address the recommendations of the Blue Ribbon Commission, while taking into account the concerns of the agricultural community, particularly mandatory participation in nutrient management plans, by providing for a variety of measures aimed at improving water quality throughout the State.

#### Implementation Schedule

The bills require farms using chemical fertilizer to have a phosphorus- and nitrogen-based nutrient management plan by December 31, 2001, and to implement it by December 31, 2002. Farms using sludge or animal manure must have a nitrogen-based nutrient management plan by December 31, 2001, and must implement it by December 31, 2002. Farms using sludge and animal manure must have a phosphorus- and nitrogen-based nutrient management plan by July 1, 2004, and must implement it by July 1, 2005.

#### New Technology

The bills also provide for the development of new technology to reduce and dispose of poultry waste. The bills require all contract feed for chickens to contain phytase or other phosphorus-reducing enzymes by December 31, 2000 to the maximum extent commercially and biologically feasible. A State cost share program is established to modify commercial feed mills for the use of phytase or other feed additives that reduce the amount of phosphorus in chicken waste. The fiscal year 1999 capital budget includes \$350,000 in general obligation bonds for modifying feed mills.

The bills also create a Poultry Litter Transportation Pilot Project to transport excess poultry litter from the lower Eastern Shore to areas of the State that are not overrich in phosphorus. The fiscal year 1999 operating budget includes \$750,000 for this project.

An Animal Waste Technology Fund is created in the Department of Business and Economic Development to provide money for the development of technologies to reduce the amount of nutrients in animal waste and find alternative uses for animal waste. The fiscal year 1999 operating budget includes \$1 million for this Fund.

### **Tax Provisions**

Farmers are eligible for a tax credit of 50% of the cost of switching from manure to commercial fertilizer for three years after a nutrient management plan is developed and approved. The maximum credit which can be claimed in any year is \$4,500, but any excess can be carried forward for up to five years. The total cost of this tax credit from fiscal years 2000 through 2006 is estimated to be \$20.3 million.

The bills also establish a subtraction modification for the cost of manure spreading equipment. Farmers may take the entire cost of the equipment as a deduction. The deduction may be carried over for up to five years in order to deduct the full value of the machinery.

### **Penalties**

The bills require all monetary penalties to be paid into the Agricultural Water Quality Cost Share Program. The bills include the following monetary penalties:

- (1) for not having a nutrient management plan after a reasonable period of time: a \$250 administrative penalty assessed by the Maryland Department of Agriculture;
- (2) for not implementing a nutrient management plan by the required date: a warning for a first offense and an administrative penalty of up to \$100 for each subsequent violation, but not exceeding \$2,000;
- (3) repayment of any cost-sharing funds received for projects in violation of the provisions of the bills; and
- (4) for individuals applying commercial fertilizer in a manner inconsistent with the guidelines established for nutrient management plans: a maximum \$1,000 civil penalty for a first violation and no more than \$2,000 for a subsequent violation, not exceeding \$10,000 total.

### **Local Soil Conservation Districts - Resources**

Another major concern of the agriculture industry was the lack of resources in the local soil conservation districts available to farmers for designing nutrient management plans. The bills address this concern by requiring that beginning in fiscal year 2000 sufficient funding be provided to soil conservation districts in order to employ at least 110 field personnel. The fiscal year 1999 operating budget includes \$11.4 million and the fiscal year 1999 capital budget includes \$3.75 million to implement this bill and for other Pfiesteria-related activities.

Several other bills were also introduced in the 1998 Legislative Session in response to the Pfiesteria outbreaks of 1997.

**House Bill 300** (failed) would have provided for a variety of measures to improve water quality in critical watersheds of the State through the implementation of best management systems. Some of the measures included in the bill were: the use of phytase as an additive for chicken feed; mandatory participation in best management systems if goals for voluntary participation were not met by specified dates; and consolidated discharge permits for commercial poultry producers in critical watersheds.

In an effort to hold large poultry producers more accountable for controlling runoff from poultry farms, **Senate Bill 413** (failed) would have required the Department of the Environment and the Department of Agriculture to adopt regulations governing the proper storage and disposal of excess poultry waste by commercial poultry producers. Commercial poultry producers would have been required to submit a poultry waste management plan. In addition to civil penalties for commercial poultry producers, commercial poultry producers would have been liable for any corrective measures taken by the State as a result of increased risk of pollution or public health

hazards due to the failure by the producer to comply with excess waste management regulations.

## **DAIRY INDUSTRY**

While dairy production constitutes the third largest sector of the State's agricultural industry, it has experienced a slowdown in recent years. The average price received by farmers for milk products has fluctuated significantly in the last decade. This instability has placed considerable fiscal stress on Maryland's dairy farmers. Since 1991, the number of dairy farms in the State has declined by around 25%, and in the last year alone an estimated 82 dairy farms closed. In addition, the federal minimum price has not been high enough in recent years to fully cover the cost of producing milk on family-sized farms in the mid-Atlantic and northeast regions of the country. This has forced many dairy farmers out of business. To combat this problem, legislation was introduced during the 1997 Session that would have enabled the Secretary of Agriculture, by regulation and with the advice of a seven-member Advisory Committee on Milk Pricing, to determine the minimum prices to be paid to milk producers. The General Assembly, however, failed to pass this legislation. This year, legislation was introduced to make Maryland a member of the Northeast Interstate Dairy Compact.

### **Northeast Interstate Dairy Compact**

The 1996 federal farm bill authorizes the U.S. Secretary of Agriculture to grant six New England states the authority to enter into a regional dairy compact (Northeast Interstate Dairy Compact). The federal law permits six other states to join the compact; however, congressional approval is required and each state must be contiguous to a state already participating in the compact. Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont have already joined the compact, with several other states in the process of joining.

*House Bill 237* (passed) enters Maryland into the Northeast Interstate Dairy Compact and makes it a member of the Northeast Interstate Dairy Compact Commission. The Commission is authorized to establish a minimum price to be paid to milk producers by milk distributors (compact over-order price). The bill also establishes certain requirements on the calculation of the compact over-order price. In addition, the Commission may conduct various studies on dairy industry costs and economic conditions. *House Bill 237* is effective for a period of two years at which time the General Assembly will determine whether the State should remain in the compact.

A major concern regarding the State joining the Northeast Interstate Dairy Compact centered around the potential impact on retail milk prices. Conceptually, increasing the price paid to dairy farmers for raw milk products should increase the retail price of milk. The actual impact on consumers, however, depends upon the extent to which retailers absorb the higher farm milk price costs by reducing profit margins. In recent years, retailers and distributors have been receiving a higher share of the revenues generated through milk sales. In 1984, the farm milk price, which is the amount received by dairy farmers, constituted 69% of the retail milk price. By 1997, this amount dropped to only 50% of the retail milk price. Further, while the average retail milk price has increased by 43% since 1984, the average farm milk price has increased by less than 4%. Furthermore, in most years, the increase in the retail milk price was either greater than the increase in the farm price or the decrease in the retail milk price was less than the decrease in the farm price. These facts demonstrate that there is little correlation between the retail milk price and the price received by dairy farmers. Other factors, including retail price markups, distribution costs, and profit margins, could influence consumer milk prices to a greater extent than the price paid to dairy farmers.

## **SOIL CONSERVATION DISTRICTS**

The local soil conservation districts are responsible for reviewing and approving sediment control plans for local and private construction projects. Soil conservation districts receive funding from federal, State, and local governments. Under current law, fee systems recommended by soil conservation districts to cover the reasonable cost of reviewing grading and sediment control plans can only take effect upon enactment by the local government. *House Bill 65* (Ch. 37)/*Senate Bill 133* (passed) revise this procedure by allowing a fee system to take effect without local government approval if the local government does not recommend an alternative fee system or fails to take any action on a fee system proposal within 90 days.

## INTEGRATED PEST MANAGEMENT

During the last several sessions, the General Assembly has considered the issues of pesticide application at public schools and the development of integrated pest management programs by local school boards. An agreement was reached this year through ***House Bill 286*** (passed), which requires each county board of education to develop and implement an Integrated Pest Management program in each primary and secondary public school in the county. The Integrated Pest Management program must be approved by the Maryland Department of Agriculture. Currently, all 24 local boards of education have some type of Integrated Pest Management program in place. Assuming that the Integrated Pest Management programs approved by the Maryland Department of Agriculture are similar to existing local programs, local school and Maryland Department of Agriculture expenditures should not be affected.

# Part L

## EDUCATION

### EDUCATION - PRIMARY AND SECONDARY

#### SCHOOL ACCOUNTABILITY FUNDING FOR EXCELLENCE PROGRAM

A large number of the State's public school students are at-risk of not performing at a high academic level. Many of these students come from low income families or highly mobile families, possess limited English proficiency skills, or attend schools that have a large proportion of inexperienced teachers. The academic performance of at-risk students has become evident through analyzing the results of the *Maryland School Performance Report*. Since 1993, overall student performance on the State functional tests has increased, with student attendance rates increasing and dropout rates decreasing. Further, more school systems had 40% or more of students at the satisfactory level on the Maryland School Performance Assessment Program in 1996 than in 1993. However, while many students are performing at a higher level, a large number of students are still a considerable distance from meeting Maryland's academic performance standards.

While the State historically has provided significant amounts of funding for programs serving at-risk students, there still remain groups of students who need additional assistance to achieve the State's high academic standards. This is especially true of students who receive Title 1 or other compensatory education services in the elementary grades, but are not provided the supplemental support when they graduate to middle and high school.

To address these concerns, in July 1997, the Governor and the Speaker of the House appointed a task force to undertake a comprehensive review of education funding and programs in grades K-12. One of the main goals of the task force was to determine if inequities or gaps exist in funding programs earmarked for Maryland students who are believed to be at-risk of failing in school. Also, the task force was asked to look at current accountability systems to provide assurances to the General Assembly and to the public that school systems and school leaders are being held accountable for meeting appropriate educational and fiscal standards. At the beginning of the year, the task force submitted its preliminary report which formed the basis for *Senate Bill 171/House Bill 1*.

*Senate Bill 171/House Bill 1* (both passed) establish the School Accountability Funding for Excellence (SAFE) Program, which provides additional targeted State funding for education programs serving at-risk students. Specifically, the bills: (1) establish a new targeted improvement grant, elementary school library grant, and teacher development program; (2) enhance State funding for non- and limited-English proficiency programs, aging schools, and extended elementary education programs; and (3) provide Prince George's County with additional funding for effective schools programs, a pilot integrated student support services project, and teacher development initiatives. To receive these funds, each local school system must submit to the Maryland State Department of Education a comprehensive plan outlining ways to increase the performance of at-risk students.

The bills provide an additional \$67.8 million in State funding to local school districts, with most of the funding being targeted to programs designed to increase the academic performance of at-risk students. The fiscal year 1999 State budget includes \$61.5 million for the SAFE program, \$6.3 million less than required by the bill. This funding shortfall is a result of amendments added to the original legislation that provided Baltimore City with \$4.3 million in additional targeted improvement grant funding and Prince George's County with an additional \$2 million for teacher mentoring programs. The Governor is not required to include this additional funding until fiscal year 2000, but could submit a fiscal year 1999 deficiency appropriation at the 1999 legislative session. A county-by-county breakdown of additional State aid in fiscal year 1999 is shown in Exhibit L.1. In addition, State expenditures will increase by \$410,000 for the State share of the performance audit of the Prince George's County School System and the costs for staffing the Prince George's County Schools management oversight panel. The bill takes effect July 1, 1998 and sunsets June 30, 2002. An analysis of the various funding components of the bill follows.

#### **Non- and Limited-English Proficiency Grants**

The bills increase the current non- and limited-English proficiency grant from \$500 to \$1,350 per student and repeal the current two-year restriction on students receiving this funding. The bills also require an annual evaluation of non- and

limited-English proficient students to determine eligibility for the special programs. Based on current estimates, there are 16,035 students in this category in the State, with 12,640 receiving services for less than two years. Accordingly, under the existing statutory formula the State provided no funding for approximately 22% of students identified as having non- or limited-English proficiency; however, the State provided local school districts with \$1.9 million in fiscal year 1998, as part of the Baltimore City School legislation (Senate Bill 795), to cover expenses for the students affected by the two-year restriction. The non- and limited-English proficiency grant enhancement will cost approximately \$15.3 million in fiscal year 1999 and increase to \$15.9 million by fiscal year 2002.

Exhibit L.1

School Accountability Funding for Excellence - SB 171/HB 1  
Additional State Funding for Local School Systems - Fiscal Year 1999

County	TIG	LEP	EEEP	EEEP 4-Year Olds	Teacher Development	School Libraries	Aging Schools	Other*	Total Funding	Total Funds Per FTE
Allegany	\$528,766	\$4,250	\$57,541	\$18,315	\$192,000	\$40266	\$205000	\$0	\$1,046,138	\$99.85
Anne Arundel	613,020	439,150	200,241	67,765	232,000	268456	330000	0	2,150,632	30.79
Baltimore City	8,656,434	511,350	694,491	219,779	1,392,000	380390	1515000	0	13,369,444	135.08
Baltimore	1,517,801	1,197,800	100,759	62,270	5,584,000	376316	1190000	0	10,028,946	102.43
Calvert	131,928	15,300	143,029	23,810	8,000	53740	40000	0	415,807	29.74
Caroline	268,570	61,700	51,770	16,484	64,000	20218	50000	0	532,742	101.27
Carroll	188,470	67,900	14,270	9,158	48,000	98518	205000	0	631,316	24.63
Cecil	286,108	30,200	162,011	42,125	80,000	55039	205000	0	860,483	60.09
Charles	352,523	71,600	144,439	54,945	96,000	78281	40000	0	837,788	41.13
Dorchester	205,025	32,400	70,036	21,978	72,000	18382	40000	0	459,821	96.14
Frederick	359,543	126,900	180,082	42,125	80,000	125881	50000	0	964,531	29.45
Garrett	187,450	0	36,312	16,484	120,000	19170	50000	0	429,416	86.09
Harford	502,561	135,900	174,311	40,293	128,000	139416	220000	0	1,340,481	36.95
Howard	203,756	810,850	72,500	12,821	24,000	147977	40000	0	1,311,904	34.07
Kent	60,062	30,550	55,541	14,652	56,000	10197	40000	0	267,002	100.64
Montgomery	1,058,962	7,037,650	313,759	65,933	568,000	453584	660000	0	10,157,888	86.07
Prince George's	3,961,390	4,254,300	336,226	91,575	3,088,000	463151	550000	5,500,000	18,244,642	151.40
Queen Anne's	70,236	20,350	59,426	18,315	32,000	23544	50000	0	273,871	44.71
St. Mary's	283,822	59,800	261,134	45,788	96,000	52289	50000	0	848,833	62.39
Somerset	184,870	31,850	39,729	14,652	72,000	11060	40000	0	394,161	136.97
Talbot	44,239	28,950	20,541	14,652	48,000	16384	95000	0	267,766	62.81
Washington	464,220	153,650	103,416	31,136	200,000	72645	110000	0	1,135,067	60.05

Wicomico	429,573	166,650	22,541	40,293	128,000	50492	205000	0	1,042,549	79.36
Worcester	86,336	38,200	51,656	14,652	80,000	24604	40000	0	335,448	52.40
Unallocated								500,000	500,000	
Total	\$20,645,665	\$15,327,250	\$3,365,761	\$1,000,000	\$12,488,000	\$3,000,000	\$6,020,000	\$6,000,000	\$67,846,676	\$86.92

TIG = Targeted Improvement Grant; LEP = Limited English Proficiency Grant; EEEP = Extended Elementary Education Program Grant

\*Other includes \$1 million in new State funds for an integrated student support services pilot program in Prince George's County and \$2.5 million for a program to assist provisional teachers in becoming fully certified and to develop teacher development programs in Prince George's County. Prince George's County also receives \$2 million in new funds for effective schools. \$500,000 is provided for statewide provisional teacher certification and teacher development initiatives.

\*\* Amendments to the original legislation provided Baltimore City with \$4.3 million in additional targeted improvement grant funding and Prince George's County with an additional \$2 million for teacher mentoring programs.

The Governor did not include additional funds in the fiscal 1999 State budget to cover the costs of the bill's amendments. The fiscal 1999 State budget includes \$26.8 million in funding for the TIG and teacher development program, \$6.3 million less than required by the bill. The Governor is not required to include this additional funding until fiscal 2000, but could submit a fiscal 1999 deficiency appropriation at the 1999 legislative session.

### **Targeted Improvement Grants**

The bills establish a new categorical grant program (targeted improvement grants) for students living in poverty. Targeted improvement grant funding is based on 85% of the number of children eligible for free and reduced price meals for the second prior fiscal year multiplied by 2.5% of the per pupil foundation under the basic current expense program. Each county's initial allocation is adjusted by a factor relating each county's wealth per full-time equivalent student to the statewide wealth per student. As originally introduced, Baltimore City would have received only 50% of its formula allocation; however, this limitation was removed in the final bills. The targeted improvement program grant will cost approximately \$20.6 million in fiscal year 1999 and increase to approximately \$23 million by fiscal year 2002.

### **Teacher Development in Dealing with At-Risk Students**

The bills provide funds to enhance the ability of teachers to deal with at-risk students in schools with a free or reduced price meal count of 25% or more of their student population. Each eligible school will receive an \$8,000 grant for this purpose. Baltimore County will receive an additional \$5 million to enhance its teacher mentoring program, which is a pilot program for mentoring at-risk students, and Prince George's County will receive \$2 million to fund a teacher mentoring program that will be based on the Baltimore County program. In addition, the bill provides \$500,000 for statewide provisional teacher certification and teacher development initiatives. Prince George's County is not eligible for this latter funding because of the \$2.5 million the county will receive for this purpose under other provisions of the bill.

### **Extended Elementary Education Program**

The Extended Elementary Education Program supports public school pre-kindergarten programs for four-year-old children who may be at risk of failure. The program is based on the theory that early intervention: (1) increases students' opportunity to realize their educational potential; and (2) reduces future educational and societal costs.

The bills provide an additional \$4.4 million in funding for the Extended Elementary Education Program. There will be 24 additional sites established statewide, increased funding for 204.5 existing sites to a level of \$65,000 per site, and \$1 million in grants to local school districts to address early intervention strategies for four-year-old children whose needs are not fully met by the existing program.

### **School Library Programs**

The bills require the Governor to include \$3 million in the State's annual budget for school library grants for the purpose of enhancing elementary school library programs. As a condition of receiving these grants, each local board of education must match the State grant with new local funds.

## Aging School Program

The bills provide \$6.02 million in additional funding for the Aging School Program, which was established as part of Senate Bill 795 enacted in 1997. That legislation provided \$4.35 million annually and identified specific allocations for each of the 24 jurisdictions for a five-year period (through fiscal year 2002). The funds were distributed based on a formula which took into account the percentage of pre-1960 square footage in each school system. The Board of Public Works adopted regulations to guide the program, and the Interagency Committee on Public School Construction administers the program as part of the Public School Construction Program.

## Prince George's County Initiatives

The bills provide \$7.5 million in State funding for specific programs in Prince George's County. This includes \$2 million for the effective schools program, \$1 million for a pilot integrated student support services project, \$2 million for a teacher mentoring program, and \$2.5 million for provisional teacher certification and teacher development initiatives. In addition, the Prince George's County Board of Education is required to submit an annual plan to the Maryland State Department of Education on the use of State funds for effective schools programs and the magnet schools program. A performance audit of the county's school system must be conducted, with the State providing one-third of the total cost up to \$200,000. The fiscal year 1998 State budget includes \$200,000 for the State's share of the audit costs. In addition, a management oversight panel must be established to monitor the progress of the performance and financial audits and the implementation of the audits' recommendations for a four-year period. The management oversight panel will be staffed by a newly created coordination office. The State will be responsible for funding the coordination office up to a maximum of \$210,000 each year.

## Comprehensive Plan

To receive any of the funding provided in this legislation, except the school library and additional aging school funding, each local school system must submit to the Maryland State Department of Education for approval a comprehensive plan on ways to increase the performance of at-risk students. The plan must integrate funding from different programs targeting at-risk students with the goal of providing a more comprehensive and coordinated program.

## Nonsupplantation

The bills include a nonsupplantation provision that prohibits local school systems from using the additional State funds provided in the School Accountability Funding for Excellence program to supplant existing education funding for at-risk programs. However, to the extent that a local school system achieves the intended funding level in a particular targeted program for students at risk, the local school system may divert funds to another targeted program if such program is identified in the school system's comprehensive plan and approved by the Maryland State Department of Education.

## **SCHOOL CONSTRUCTION**

### Prince George's County Initiative

The Prince George's County Public School System has been under a court order for 25 years to desegregate its schools. A trial began in federal court in November 1997 to consider motions to end or modify court ordered desegregation remedies. The parties to the case are the Prince George's County School Board, the county government, and the NAACP. In March 1998, the parties reached an agreement to end court ordered busing and settle the lawsuit. The agreement, outlined in a memorandum of understanding calls for the State to provide Prince George's County with at least \$35 million in annual school construction funding and the county to provide at least \$32 million each year for fiscal years 1999 through 2002. Over the four-year period, public school construction funding in Prince George's County would total at least \$268 million. Furthermore, the memorandum of understanding requires the State to fund 60% of both eligible and noneligible project costs with the county funding 40%. Under current law, the State pays 60% of eligible project costs with the county funding 40% of eligible project costs and 100% of noneligible project costs. **House Bill 657** (passed) addresses school construction funding for Prince George's County. **House Bill 657** requires the State to provide Prince George's County with \$35 million each year in school construction funding for fiscal years 1999 through 2002. Prince George's County must provide at least \$32 million for school construction projects. The State will be responsible for 75% of eligible project costs for the first \$35 million in public school construction costs with the county funding 25% of eligible project costs and 100% of noneligible

project costs. At least \$20 million of the State funds must be spent each year on neighborhood school projects. For funding above \$35 million, the State will pay 60% of eligible costs. Moreover, Prince George's County Board of Education also may construct school facilities on property owned by a public agency participating in a joint-use agreement with the county board.

Under the current State formula, the State pays for 60% of eligible project costs with the county funding 40% of eligible project costs and 100% of noneligible project costs. Noneligible project costs include architectural and engineering fees, land acquisition, certain off-site development work, removable furniture and equipment, and square footage above the State formula. It is estimated that noneligible costs may account for approximately 30% of the total cost for a new school construction project.

The fiscal year 1999 State capital budget includes \$222 million for school construction projects. This bill provides Prince George's County with at least 15.8% of the total State allocation. The bill's requirement, however, does not necessarily require the total State school construction program to increase.

Except for the provision enabling the school system to construct buildings on nonschool property, the provisions of the bill will terminate automatically on June 30, 2002. If the memorandum of understanding fails, the provisions of the Act fail except for 5-307(d) (the nonschool property provision).

### **Financing for Elementary and Secondary Schools**

*House Bill 541* (passed) authorizes the Maryland Health and Higher Educational Facilities Authority to make its financing programs available to noncollegiate educational institutions. The Maryland Health and Higher Educational Facilities Authority is a public agency responsible for assisting nonprofit health and higher educational institutions in the financing of capital projects. The agency has served 79 institutions, with a debt issuance totaling \$5.6 billion. The Authority approves and authorizes the issuance of tax-exempt and taxable debt, approves underwriters as recommended by the institutions, and approves the creation of pooled loan programs to accommodate similar financing needs of institutions. Primary and secondary schools will benefit to the extent that the Authority assists the schools in securing financing for capital projects at a lower cost.

### **Task Force - Work-Based Learning and Apprenticeship Programs**

*Senate Bill 791* (passed) establishes a task force to study existing school construction work-based learning and apprenticeship programs in the State. The task force must submit a final report containing its findings and recommendations on how to expand and improve the work-based learning and apprenticeship programs involved with public school construction programs statewide to the Governor and General Assembly by December 15, 1999.

## **SCHOOL TECHNOLOGY INITIATIVES**

The General Assembly addressed the use of technology in the public schools by passing *House Bill 1347* (passed). This bill establishes the Maryland Technology Academy which will provide teachers with intensive learning opportunities on the use of technology to impact student learning. The Academy will consist of three-to-five week summer sessions in which teachers will learn how to use technology in the classroom. In addition, the academy will establish appropriate conferences, study groups, and peer coaching sessions for teachers who have completed a summer session. The Academy will operate as a pilot program in fiscal year 1999.

## **TASK FORCE - CHARTER SCHOOLS**

Charter school legislation has been enacted in 29 states and the District of Columbia. Across the country, charter school laws vary considerably. Some states grant maximum autonomy to charter schools, while other states provide charter schools with limited authority. In 1996, the Maryland State Board of Education created a study group to explore issues that could impact charter schools in Maryland. The study group recommended that the State Board develop guidelines for local school systems to use in considering charter school applications, which the State Board subsequently drafted in July 1997. The General Assembly addressed public charter schools during the 1998 legislative session by considering *House Bill 999* (passed). As originally introduced, this bill would have enabled local boards of education to authorize the establishment of public charter schools in each local school district. However, the bill was amended to provide for a task force to study the

charter schools issue and to recommend legislation for consideration by the 1999 General Assembly.

## **CHALLENGE SCHOOLS**

**House Bill 209** (passed) extends until June 30, 2001 the Schools for Success Program, which was established in 1992 to provide challenge grants to low-performing schools to implement school improvement programs. Schools have used their challenge grants to purchase instructional materials and technology; to conduct summer and after-school enrichment programs; to provide staff development opportunities to promote the use of applied academics in the classroom; and to hire additional staff to reduce class size. The fiscal year 1999 State budget includes \$5.6 million in funding for challenge grants.

## **CLASS SIZE REQUIREMENTS**

The General Assembly's concern over the number of students in each public school classroom was addressed in **House Joint Resolution 15** (passed), which requests the Governor to appoint a special committee to study the issues relating to the reduction of class sizes in public schools. The committee's findings and recommendations are due to the Governor and General Assembly by December 1, 1999.

## **LOCAL BOARDS OF EDUCATION**

Currently, local boards of education are appointed by the Governor in eleven counties and are elected in the remaining twelve counties. The General Assembly passed two bills that potentially could affect the selection process of school board members in Frederick and Somerset Counties. **House Bill 519** (passed) alters the selection process for the seven members of the Frederick County Board of Education from appointment by the Governor to county-wide elections. The bill establishes a four-year term and prohibits members from serving more than two consecutive terms. Currently, board members serve for a term of five years. The change in selection method must be approved at a referendum of legally qualified voters of Frederick County at the 1998 general election.

**House Bill 1105** (passed) requires that there be a straw ballot at the November, 1998 election in Somerset County to determine if the voters favor a change in the method of the selection of members of the Somerset County Board of Education from election by the voters to appointment by the Governor.

## **BALTIMORE CITY SCHOOL SYSTEM REFORM**

Pursuant to the Baltimore City school legislation enacted during the 1997 session (Chapter 105 of the Acts of 1997), the Baltimore City Board of School Commissioners had to appoint a permanent Chief Executive Officer by December 21, 1997. In addition, the school board was prohibited from appointing the interim Chief Executive Officer of the school board as the board's permanent Chief Executive Officer. **Senate Bill 290** (passed) extends the statutory deadline for appointment to June 30, 1998, and **Senate Bill 610** (passed) makes the interim Chief Executive Officer eligible for appointment as the permanent Chief Executive Officer.

## **SCHOOL PESTICIDE PROGRAMS**

The General Assembly has considered the issue of pesticide spraying at public schools and the development of an integrated pest management program over the last several sessions. An agreement was reached through the passage of **House Bill 286** (passed), which requires each county board of education to develop and implement an Integrated Pest Management program in each primary and secondary public school in the county. Each program must be approved by the Maryland Department of Agriculture. Currently all 24 local boards of education have some type of pest management program in place. Assuming that the pest management program approved by the Department of Agriculture is similar to an existing local program, school expenditures should not be affected.

In addition, the bill requires local boards to develop a list of pesticide-sensitive students and staff members. Furthermore, local school officials must notify each parent, guardian, and staff member on the pesticide notification list at least 24 hours before any pesticide application. When a pesticide application occurs at an elementary school, the school system must notify each student's parents or guardian and each staff member, regardless of whether they are on the pesticide notification list. The bill provides an exception for emergency applications. Also, local boards must provide an

opportunity, at least once a year, for individuals to comment on the county's pest management program.

Currently all local school systems utilize sanitation as their first choice for pest control. Twenty-three use structural repairs (screen and plumbing repairs, caulking) as their second choice for pest control. Nonpesticide methods such as trapping and vacuuming are used as the third choice, with pesticide applications being used as a last resort. Furthermore, local school systems are moving toward a greater use of bait and gel pesticides and away from aerosols and liquid formulation.

## **PUBLIC LIBRARY FUNDING**

### **State Library Grants**

*Senate Bill 168/House Bill 94* (both passed) increase the mandatory funding for each county public library system from \$9.25 to \$10.75 for each county resident in fiscal year 1999. The per capita grant increases to \$11.00 in fiscal year 2000, \$11.50 in fiscal year 2001, and \$12.00 beginning in fiscal year 2002. State library assistance will increase from \$19.75 million to \$22.95 million in fiscal year 1999, representing a \$3.2 million (16%) increase over current law. Future year expenditures increase by \$3.8 million in fiscal year 2000 and by \$6 million in fiscal year 2002, reflecting the bill's per capita grant increases and population increases.

### **Regional Resource Centers**

The State operates three regional resource centers that provide coordination and other services to libraries outside of the State's metropolitan areas. These services include consulting and training, cataloging and materials processing, regional databases, electronic magazine access, automated circulation and catalog systems, electronic networking, and rotating collections. The three regional resource centers are located in Salisbury (Eastern Shore), Charlotte Hall (Southern Maryland), and Hagerstown (Western Maryland). The proposed fiscal year 1999 State budget includes \$1,234,420 in funding for the regional resource centers. *House Bill 1233* (passed) establishes a mandatory funding formula for the State's regional resource centers in the amount of at least \$1.70 for each resident in the area served by the resource center. This minimum funding level would require an additional \$115,000 in fiscal year 1999, but the Governor is not required to include the funding in the budget until fiscal year 2000.

## **STATE AIDED EDUCATIONAL INSTITUTIONS**

The State provides grants to institutions that provide educational services ranging from environmental education to mentoring services. The number of organizations funded as State-aided educational institutions has increased from 18 in fiscal year 1995 to 25 in fiscal year 1999, representing a 39% increase. During this same period, State funding has increased from roughly \$6 million to over \$6.9 million a year. To address the continual increase in the number of educational institutions that receive State funding, *Senate Bill 794*(passed) establishes certain requirements for an educational institution to receive State funding. Specifically, beginning in fiscal year 2001, an educational institution must qualify as a State-aided educational institution in order to receive State funding. The bill's requirements should not affect the overall level of funding for State-aided educational institutions; however, it may affect which educational institutions receive State funding.

## **MARYLAND SCHOOL FOR THE BLIND**

The Maryland School for the Blind is a private, nonprofit organization serving students who are blind or visually impaired, including students with severe and multiple disabilities. Through its Baltimore campus program, the school provides highly specialized services to more than 170 students with complex disabilities. Over half of these students are profoundly disabled and many are also deaf. In addition to these specialized services, the school provides equipment, braille textbooks, and tutoring services to more than 500 students with visual impairment who are attending local schools throughout the State. Almost 80% of the school's fiscal year 1998 operating budget of \$12.9 million is being funded with State general funds. For the past six years, this grant has remained level at about \$10.3 million.

To ensure that the Maryland School for the Blind receives adequate financial resources to provide quality programs for visually impaired students, the General Assembly passed *Senate Bill 580/House Bill 1171* (both passed), which base the funding formula for the Maryland School for the Blind on the school's enrollment growth and the growth in State funding provided to local school systems through the basic current expense formula. The new formula is based 75% on increases in

the per-pupil foundation under the current expense State aid formula and enrollment growth and 25% on enrollment growth alone. Adjustments for enrollment reflect 20% of the change in the four-year moving average of the school's student enrollment. This adjustment will soften the impact of increases and decreases in student population. The formula is similar to the one adopted for the Maryland School for the Deaf last session. In addition, the bill increases the base amount for fiscal year 1999 by \$1.3 million. Exhibit L.2 shows the effect the formula will have on the Maryland School for the Blind's budget in the future.

**Exhibit L.2**  
**Maryland School for the Blind Funding Increases**

<b>Fiscal Year</b>	<b>Total Mandatory State Funding</b>	<b>Increase From Fiscal Year 1999 Appropriation</b>	<b>Increase From Prior Year</b>	<b>Percent Increase</b>
1999	\$10,285,400	\$0	\$0	0%
2000	\$11,730,100	\$1,444,700	\$1,444,700	14.0%
2001	\$11,927,300	\$1,641,900	\$197,200	1.7%
2002	\$12,150,500	\$1,865,100	\$223,200	1.9%
2003	\$12,414,800	\$2,129,400	\$264,300	2.2%

The Maryland School for the Blind is also required to establish and operate a program of enhanced services for blind students who have severe disabilities and who are at risk of requiring nonpublic placement in an out-of-state special education facility. The Maryland State Department of Education is required to determine which students are eligible for the program. In fiscal year 1999, no more than 20 students can be enrolled in the program, with the State share of the costs not exceeding \$750,000. The department advises that existing funding for nonpublic special education placements could cover the costs for the program in fiscal year 1999. In future years, State expenditures for the enhanced program could increase to \$1 million each year. Local school boards are also required to provide funding for the enhanced program. The additional State and local payments to the school could be offset by lower program costs if students are transferred from a nonpublic special education placement that is more expensive than the enhanced services program provided by the school.

# Part L

## EDUCATION

### HIGHER EDUCATION

#### MARYLAND SCIENCE AND TECHNOLOGY SCHOLARSHIP PROGRAM

During the 1997 Session, the Governor sought passage of legislation that would have established a Maryland HOPE Scholarship Program patterned after an existing program in Georgia. Concerns over the significant fiscal implications of this scholarship program, however, resulted in the bills never emerging from the legislative committees to which they were assigned.

During the 1997 legislative interim, the Administration shifted its focus from a general scholarship to a scholarship targeted to career fields in high demand. The Maryland Higher Education Commission conducted a survey of 2,500 State employers and the Department of Business and Economic Development to identify areas in which Maryland businesses are experiencing or anticipating a shortage of qualified applicants. In response, employers identified the areas of computer science, engineering, and technology as fields in which the number of sufficient qualified applicants is not meeting demand.

*Senate Bill 174/House Bill 249* (both passed) establish the Maryland Science and Technology Scholarship Program. To qualify for a scholarship, a student must:

- (1) be a resident of Maryland who plans to attend a Maryland college or community college as a full-time student;
- (2) have earned a grade point average (GPA) of at least 3.0 on a 4.0 scale or the equivalent in core curriculum courses in high school;
- (3) begin attending a college within 2 years of graduating from a Maryland high school or demonstrate extenuating circumstances;
- (4) pursue an eligible academic program in a scientific or technology field determined by the Maryland Higher Education Commission to be in need of qualified applicants; and
- (5) agree either to work in the State after graduation for one year for each year that the scholarship is awarded or to repay the scholarship funds received plus interest.

The scholarship amount is \$3,000 per year for students enrolled in four-year institutions and \$1,000 per year for community college students. If a student maintains at least a 3.0 average GPA and continues to meet the other eligibility requirements, the student may receive a scholarship for four years while attending a four-year institution, five years if enrolled in a five-year program, or three years if attending a community college.

Each year the Maryland Higher Education Commission will establish a list of eligible academic programs after consultation with business and labor departments and appropriate advisory boards. Funds for the program will be allocated annually by the Governor in the budget for the Maryland Higher Education Commission.

The fiscal year 1999 budget includes \$145,000 for administrative and start-up costs for the program. Students will begin receiving scholarships in fiscal year 2000. State expenditures could increase by approximately \$5.3 million in fiscal year 2000, of which \$5.1 million represents scholarship awards. When fully implemented in fiscal year 2003, expenditures for scholarships are estimated to be approximately \$10 million. Future year expenditures increase with increasing enrollment rates, scholarship renewals, and inflation. An indeterminate amount of these expenditures could be recaptured in later years to the extent that students repay scholarship moneys due to failure to fulfill the work requirements of the program.

## MARYLAND APPLIED INFORMATION TECHNOLOGY INITIATIVE

The fiscal year 1999 State budget includes \$1.3 million for the Maryland Applied Information Technology Initiative (MAITI). This grant will assist the development of information technology programs at The Johns Hopkins University, University of Maryland Baltimore County, Morgan State University, Bowie State University, and the University of Maryland, Baltimore and will be housed at the University of Maryland, College Park. Fiscal year 1999 funds will be used to establish a coordinating and marketing office and faculty at the institutions initially involved. The MAITI plans to increase the number of graduates in Information Technology (IT) fields to meet the needs of Maryland businesses. Though the fiscal year 1999 program consists of a small number of schools, it is expected that both funding and the number of participating institutions will increase each of the next five years.

## FUNDING OF HIGHER EDUCATION

### Minimum Funding Goals

Under current law, there is no statutorily defined minimum support level for the State's public four-year colleges and universities. As a result, during recessionary periods these institutions are more vulnerable to budget reductions.

*Senate Bill 596* (passed) specifies that it is the intent of the General Assembly that, barring unforeseen economic conditions, the Governor must include in the annual budget for fiscal year 2000 and each year thereafter an amount of general fund support for "higher education" equal to or greater than the amount appropriated in the prior year. Higher education includes all public four-year colleges and universities, aid to community colleges and Baltimore City Community College, aid to private colleges and universities, and funding for the Maryland Higher Education Commission, including student financial assistance.

The bill also asserts that it is the goal of the State that annual General Fund and capital State support for higher education amount to no less than the following percentages of total General Fund State revenues:

- 12.5% in fiscal year 2000;
- 13.5% in fiscal year 2001;
- 14.5% in fiscal year 2002;
- 15% in fiscal year 2003; and
- 15.5% in fiscal year 2004.

In addition, the legislation states the intention of the General Assembly to make higher education a priority in Maryland and establishes minimum funding goals for higher education initiatives for fiscal years 1999 through 2002. These funding levels are consistent with the commitment made by Governor Glendening in the Higher Education Initiative and the Flagship Initiative, totaling an increase of more than \$635 million over the four-year period. The bill specifies increasing levels of State support for the following schools and programs:

- The University System of Maryland;
- The Flagship Initiative at University of Maryland, College Park;
- Morgan State University;
- St. Mary's College of Maryland;

- The Maryland Higher Education Commission;
- Aid to Private Colleges and Universities;
- Aid to Community Colleges;
- Student Financial Aid Programs; and
- Baltimore City Community College.

### **Flagship Enhancements**

The 1988 Charter for Higher Education designated the University of Maryland, College Park (UMCP) the flagship institution and comprehensive public research university for the State. The Charter directs the university to become one of the nation's premier public research universities recognized nationally and internationally for excellence in research, instruction, and service to the State. The significant reduction of State support in the early 1990s and limited growth in subsequent years have diminished the university's standing relative to its aspirational peers. Funding in fiscal year 1999 puts the institution in a better position to achieve national eminence. The fiscal year 1999 appropriation for UMCP increases \$34.5 million, or 4.4% over fiscal year 1998. State support increases 9.8% to \$276.4 million and represents 34% of expenditures at the university. Funding in fiscal year 1999 will be used to enhance undergraduate and graduate education, libraries, academic and research facilities maintenance, graduate assistant support, and technological capabilities.

### **Access/Success Program**

In response to narrative in the 1997 Joint Chairmen's Report, the Maryland Higher Education Commission (MHEC) published *Access and Success: A Plan of Action for Maryland's Historically Black Institutions*. The report addressed the management strategies, teaching practices, and administrative procedures which could assist in increasing the graduation and retention rates at the State's four historically black institutions (HBIs). The result of the report is the Access/Success program. In fiscal year 1999 there is \$2.0 million in the MHEC budget for the program to be divided equally among the four participating institutions. Under the plan, funding will continue at this level for five years, after which the institutions are expected to maintain services. The institutions submit individual plans for the expenditure of the funds each year. MHEC will evaluate the funding requests based on the proposed programs and the extent to which they are meeting the goals established in the prior year.

### **MARYLAND CHARTER FOR HIGHER EDUCATION - THE UNIVERSITY SYSTEM OF MARYLAND - TASK FORCE**

*Senate Joint Resolution 8/House Joint Resolution 12* (both passed) establish a 21-member task force to study the governance, coordination, and funding of the University System of Maryland. The task force also is to give consideration to methods of increasing the prominence of the constituent institutions of the system, as well as means of efficient delivery of public higher education to the citizens of Maryland. The task force is to be staffed by the Department of Legislative Services and must report its findings and recommendations to the Governor and General Assembly by January 1, 1999.

The task force is required to engage the services of the Association of Governing Boards of Colleges and Universities. The association will report on the governance structure of the University System of Maryland and the governance structure of other public university systems in the United States. It will also make recommendations on possible changes in the governance structure of the University System of Maryland that would bring the system into national eminence among public university systems.

The task force also must utilize the services of the Education Commission of the States to conduct a study into current and future funding needs of the system institutions for each institution to fulfill its mission and reach its goals. This study will examine the history of State funding at these institutions both before and after the formation

of the University System of Maryland in 1988.

## **FINANCIAL ASSISTANCE**

### **Professional School Scholarship Program - Social Work**

The Professional School Scholarship Program was initiated in 1971 to provide Maryland residents who demonstrate financial need the opportunity to attend public or private institutions of higher education to pursue courses of study which have been determined to be in need of qualified graduates. The program is financed by a special fund administered by the Maryland Higher Education Commission. The fund is comprised of fees paid by vehicle owners for personalized license plates.

Social work has been determined to be an area in which there is a need for qualified personnel. *House Bill 28* (passed) adds social work to the list of scholarship programs eligible to receive money from the Professional School Scholarship Program. The bill also increases the amount to be paid into the special fund from \$150,000 to \$180,000 annually.

### **Maryland Higher Education Investment Program**

The Maryland Higher Education Investment Program, or Maryland Prepaid College Trust, was established in 1997. This program allows parents and others to save money for college tuition expenses. The first higher education investment contracts will be sold in 1998. Costs for contracts purchased in 1998 have yet to be determined. There will be three types of contracts: lump sum payments, five-year payments, and monthly payments depending on the age of the child. Under current law, contract purchases are after-tax payments. The tax on earnings is deferred until the contract is redeemed for tuition expenses, at which time the funds are taxed at the student's tax rate rather than the parents' rate.

*House Bill 257* (passed) provides an income tax subtraction modification for the interest income earned on a purchased contract. Federal legislation is pending which would allow such a subtraction for these types of programs at the federal level. If the federal legislation is enacted, it would be incorporated into the federal adjusted gross income and flow through to the State. The fiscal impact of this legislation will not be significant until approximately fiscal year 2010, when beneficiaries of contracts begin to enroll in college.

*Senate Bill 268* (passed) provides a subtraction modification for the individual income tax for amounts contributed for the purchase of a prepaid tuition contract, up to \$2,500 annually. It also provides for an addition modification for any refunds from the program which are not applied to charges imposed by an institution of higher education. The addition modification may not exceed the cumulative amount of the subtraction modification taken under this bill.

This bill is effective July 1, 1998, and applies to all taxable years beginning after December 31, 1997. General Fund revenues could decrease by \$1.1 million in fiscal year 1999. This loss could increase by approximately \$800,000 annually.

## **COMMUNITY COLLEGES**

### **Community Colleges - Innovative Partnerships for Technology Program**

*Senate Bill 339/House Bill 621* (both passed) establish an Innovative Partnerships for Technology Program to provide up to \$400,000 in matching grants to Maryland's community college campuses over two eligibility periods beginning in fiscal year 1999. Twenty-two campuses will begin soliciting technology donations in fiscal year 1999. The State will begin providing matching grants in fiscal year 2001. Eligible campuses may receive up to \$200,000 in matching State grants during the first two-year period. Community college campuses which receive grants totaling \$200,000 in the first period are eligible to receive additional matching State grants of up to \$200,000 for donations received in the second period. If all campuses receive the maximum State match, State expenditures could total \$8.8 million over the entire four-year period of fiscal years 2001 through 2004.

## **Small Community Colleges - Annual Grant**

During the 1996 legislative session, legislation was enacted that changed the State funding formula for community colleges. However, several of these changes (declining small size factor and elimination of the wealth factor) resulted in a few community colleges receiving less State funding than they would have received from the existing formula. To compensate for this funding decrease, during the 1997 Session, \$739,498 in hold harmless grants was provided to seven community colleges as part of the Baltimore City school legislation. During the 1998 legislative session, this issue was addressed again with a proposal for the smaller community colleges.

**House Bill 258** (passed) provides \$2 million in annual unrestricted grants to small community colleges. However, each college's grant is reduced by the amount of additional State funding provided to the college in the Baltimore City school legislation (Ch. 105 of the Acts of 1997). Accordingly, State funding would only increase by \$1,503,483 each year for fiscal year 1999 through fiscal year 2002. The fiscal year 1999 State budget includes funding for this initiative. Exhibit L3 shows the increased State funding for each affected community college.

### **Exhibit L3 Small Community College Grants**

<b>College</b>	<b>Proposed Grant</b>	<b>Proposed Grant Per FTE</b>	<b>Chapter 105 Funding</b>	<b>Difference</b>
Allegany College	\$400,000	\$261.95	\$160,861	\$239,139
Garrett Community College	\$400,000	\$731.26	\$91,445	\$308,555
Hagerstown Junior College	\$400,000	\$221.61	\$165,181	\$234,819
Carroll Community College	\$200,000	\$122.47	\$0	\$200,000
Cecil Community College	\$200,000	\$181.98	\$74,121	\$125,879
Chesapeake College	\$200,000	\$144.82	\$4,909	\$195,091
Wor-Wic Community College	\$200,000	\$129.03	\$0	\$200,000
<b>Total</b>	<b>\$2,000,000</b>	<b>\$209.60</b>	<b>\$496,517*</b>	<b>\$1,503,483</b>

\*Two community colleges (Harford and Frederick) that received funding under *Chapter 105* do not receive funding pursuant to this legislation, thus State grants for fiscal 1999 through 2002 only decrease by \$496,517.

## **Baltimore City Community College - Funding**

Since Baltimore City Community College is a State agency, it is not funded in the same manner as the State's other community colleges. During the 1996 Session, the General Assembly enacted legislation that based mandatory State community college funding on a percentage of the previous year's aid per full-time equivalent students at certain four-year public institutions of higher education. This year the Administration provided a similar approach in calculating the minimum State appropriation for the Baltimore City Community College.

**Senate Bill 169/House Bill 256** (both passed) require the Governor to include a minimum appropriation in the State's annual budget for Baltimore City Community College. The minimum appropriation is based on a percentage of the aid per full-time equivalent (FTE) student at certain four-year public institutions of higher education or the amount the college received in the previous year, whichever is greater. The minimum appropriation will be 60 percent of the aid per FTE student in fiscal year 1999, increasing to 63 percent in fiscal year 2000 and 66 percent in fiscal year 2001 and thereafter. The fiscal year 1999 State budget includes \$19.8 million for the college, more than the minimum appropriation required by the legislation. In addition, the legislation requires the City of Baltimore to increase its annual funding for scholarships and tuition reimbursement at the college, beginning in fiscal year 2000, from \$300,000 to \$500,000.

## **OTHER HIGHER EDUCATION LEGISLATION**

## **Virginia-Maryland Regional College of Veterinary Medicine**

The Virginia-Maryland Regional College of Veterinary Medicine was established in 1980 by the State of Maryland and the Commonwealth of Virginia. It has campuses at Virginia Polytechnic Institute and University of Maryland, College Park. The student body consists of 50 Virginia residents, 30 Maryland residents, and 10 at-large.

**Senate Bill 710** (passed) sets forth the terms under which the Virginia-Maryland Regional College of Veterinary Medicine is to operate. The State is required to provide the appropriate level of funding to pay Maryland's share of the costs of the Professional Instructional Program of the Virginia-Maryland Regional College of Veterinary Medicine. The cost share for each state is to be determined by the Virginia-Maryland Regional College of Veterinary Medicine's Budget and Program Review Board. The Governor is required to include in the State operating budget funds for the college that cover increases in estimated actual costs.

The fiscal year 1999 budget includes approximately \$2.4 million in State support for the college. Pursuant to the bill's requirements and an agreement reached by the State and the Virginia-Maryland Regional College of Veterinary Medicine, the following additional General Fund amounts would be needed: \$200,000 in fiscal year 2000, increasing by approximately \$100,000 each fiscal year through 2003. The University of Maryland, College Park would continue to pay more than \$600,000 per year to the Virginia-Maryland Regional College of Veterinary Medicine from other funding sources.

### **Teacher Training Programs - Accreditation**

**House Bill 733** (passed) requires a higher education institution that offers an undergraduate or graduate teaching certification program, by July 1, 2000, to:

(1) file its intent to seek national accreditation; or

(2) certify to the Maryland State Department of Education (MSDE) that it has received national accreditation or a waiver from the State Superintendent of Schools.

Maryland higher education institutions that are eligible for a waiver are liberal arts colleges with 2,000 students or less and nationally recognized professional schools of fine arts specializing in music or art. After July 1, 2004, a higher education institution may not offer an undergraduate or graduate studies program that certifies an individual to teach unless the institution has received national accreditation or a waiver.

The bill requires the Maryland State Department of Education to develop and administer a technical support program to assist higher education institutions that seek national accreditation. The department is required to pay any fee that an accrediting agency charges an institution in connection with the accreditation process and one-half the expenses incurred by an institution in connection with the accreditation visit of a review team.

# Part M

## HUMAN RESOURCES

### SOCIAL SERVICES - GENERALLY

#### WELFARE REFORM

Maryland is one of the national leaders in welfare reform. *Senate Bill 686* (passed) is a continuation of the General Assembly's efforts to reform Maryland's welfare program. This year's legislation is intended to improve the administration of the Family Investment Program (FIP) so as to enhance the State's ability to move more welfare recipients into the workforce, and hopefully keep them from re-entering the program. Primarily the bill makes permanent the distribution of savings resulting from welfare caseload reductions, creates the Jobs Skills Enhancement Pilot Program, and alters State procurement practices by requiring certain entities to make reasonable efforts to hire welfare recipients when certain State contracts are awarded.

The bill also exempts individuals and nonprofits from paying certain taxes when an automobile is transferred to local departments of social services for distribution to welfare recipients. In addition, under the bill, aspects of the Child Support Reinvestment Fund are changed to more accurately reflect the state of the fund given the declining Temporary Cash Assistance (TCA) caseloads, and dedicated purpose account funds earmarked for FIP will not revert to the State Reserve ("Rainy Day") Fund after four years. The bill also requires State agencies to redesign the FIP service delivery system to improve customer service and avoid duplication of effort. Finally, since legislation creating a finger imaging program did not pass (see below for further details), the bill requires the Department of Human Resources (DHR) to study the need for finger imaging welfare recipients in Maryland.

Several tools have been created by the General Assembly to encourage businesses to hire welfare recipients. *Senate Bill 292/House Bill 565* (both passed) extend the Work Not Welfare Tax Credit Program to June 30, 2001 and require the Department of Legislative Services to report on the program's outcomes by December 1, 2000. The legislation also makes several modifications to the existing program. First, several reporting requirements were added to enhance program accountability. Second, the credit was reduced from three to two years. Third, a super tax credit was added to encourage employers to hire "long-term" welfare recipients. Finally, the bill allows employers to claim a credit for child care or transportation expenses that are incurred on the employee's behalf.

#### FINGER IMAGING

*Senate Bill 315/House Bill 910/House Bill 1201* (all failed) would have required DHR to establish a statewide automated finger imaging system to prevent fraudulent receipt of Family Investment Program and Food Stamp Program benefits. An increasing number of states are using biometric identifying systems (fingerprinting) for welfare fraud prevention. Biometrics is used to identify each welfare applicant to determine if they are already in the system, thereby preventing a client from receiving duplicate benefits by using false identification.

#### FOOD PROGRAMS

Despite existing programs to provide food to needy Marylanders, soup kitchens and food pantries statewide have reported an increased demand for food of 15%, coupled with a decline in food donations from businesses and charitable organizations. In response, *Senate Bill 715/House Bill 350* (both passed) establish the Maryland Emergency Food Program in the Department of Human Resources, subject to limitations in the State budget. The program is designed to provide funding to assist emergency food providers in purchasing food for needy individuals, to encourage needy individuals to become self-sufficient, and to distribute information on Maryland's earned income tax credit. When feasible and cost effective, food purchased is to be produced, grown, and harvested in Maryland. General funds in the amount of \$500,000 are included for the Maryland Emergency Food Program in the fiscal year 1999 budget, contingent upon enactment of *Senate Bill 715* or *House Bill 350*.

# Part M

## HUMAN RESOURCES

### THE ELDERLY

In 1990, the number of elderly persons 65 years of age and older in Maryland was 514,000. This number is projected to increase to 1 million by 2020. In recent years, as a consequence of Maryland's increasing elderly population and the corresponding demand for community-based services for the elderly, there has been an increase in the number of group homes, sheltered housing, domiciliary care homes, and board and care homes for the elderly. As a result of the proliferation of such facilities, fragmentation among the different State agencies that fund, monitor, and regulate community-based services for the elderly became problematic.

#### ASSISTED LIVING

Chapter 147 of 1996 addressed the fragmentation issue by consolidating various types of community-based senior housing under the category "assisted living" and designating the Department of Health and Mental Hygiene (DHMH) as the lead agency for regulating assisted living programs. Assisted living is a category of care and housing for the elderly and individuals with disabilities that provides housing and supportive services, supervision, and health-related services to meet the needs of individuals who are no longer able to perform the activities of daily living.

*Senate Bill 722* (passed) prohibits DHMH from imposing sanctions on small assisted living programs until July 1, 1999, unless a resident's physical or emotional health has been harmed or is jeopardized. Small assisted living programs are those which provide services to 15 or fewer residents. There are approximately 4,000 assisted living programs, of which some 2,800 have 15 or fewer residents. DHMH is authorized to require small assisted living programs to report on significant difficulties in implementing the proposed assisted living regulations and is required to provide technical assistance to programs encountering difficulty in complying with the regulations.

*House Bill 284* (passed) reduces burdensome regulatory procedures for assisted living programs by streamlining procedures for the handling of resident property. DHMH is to adopt regulations specifically for assisted living programs. Once these regulations are adopted, *House Bill 284* excludes assisted living programs from regulatory procedures applied to nursing homes and hospitals. The bill remains in effect for a period of two years and terminates on September 30, 2000.

#### CONTINUING CARE RETIREMENT COMMUNITIES

Continuing care retirement communities offer a continuum of housing and services ranging from independent living and assisted living to skilled nursing care to individuals who have paid entrance fees and signed contracts covering a period of more than one year and usually for life. Maryland currently has 29 continuing care retirement communities, most of which are nonprofit entities. *House Bill 281* (Ch. 54) clarifies certain sections of Chapter 346 of 1996, which comprehensively revised the continuing care contracts statute. *House Bill 281* requires that a continuing care contract escrow agreement and deposit agreement be approved by the Office on Aging and eliminates the requirement that the Office on Aging approve a continuing care provider's advertising material. The Act specifies that, in the case of a canceled agreement, the provider must extend a full refund to the subscriber except for the costs of modification or reasonable costs of restoration incurred by the provider.

#### ADULT DEPENDENT CARE PROGRAMS

*House Bill 801* (failed) would have required adult dependent care programs to apply and pay for national and State criminal history records checks for prospective employees. Under current law, only a State criminal history records check or private agency background check is required. Adult dependent care programs include adult day care facilities, assisted living facilities, group homes, home health agencies, congregate housing facilities, residential service agencies, alternative living units, hospice facilities, and nursing homes.

## **SENIOR CENTER GRANTS**

**House Bill 90** (Ch.41) clarifies when a grantee of the Senior Citizen Activities Centers Capital Improvement Grants Program may qualify for subsequent grants. The Act codifies existing practice and allows senior citizen activities centers to receive additional grants that do not exceed the difference between the amount of the previous grants and the maximum allowable grant (\$300,000).

**Senate Bill 351/House Bill 381** (both passed) increase the grant maximum amount to senior centers from \$300,000 to \$600,000. This legislation allows senior centers to receive larger grants to reflect increasing construction and operating costs, and also the changing nature of these centers from providing recreational activities to a more full service center for senior citizens. The program was created in 1978, and the maximum grant amount was last increased in 1987. The amount of State capital debt will not increase, but the allocation among projects could change. In addition, the bill states the legislature's intent that there be an appropriate level of funding for these centers and that the number of projects funded each year will not be affected by the increasing grant amounts.

# **Part M**

## **HUMAN RESOURCES**

### **THE DISABLED**

#### **COMMUNITY SERVICES TRUST FUND**

*House Bill 550* (passed) alters several requirements of the Community Services Trust Fund. First, proceeds going to the Trust Fund will not have to result from the closing of a Developmental Disability Administration (DDA) or Mental Hygiene Administration (MHA) facility. Second, the bill removes the Trust Fund's termination date of May 31, 1999. The General Assembly created the Trust Fund to ensure proceeds resulting from the closure of a DDA or MHA facility would be available to fund individuals placed in community services. The bill closes a loophole, which allows the State to bypass the Trust Fund by selling off, or leasing, parcels of property belonging to the State. Currently, the Trust Fund only receives money if the entire facility is sold and closed. The bill also provides that any funds, connected with the waiting list initiative, remaining in the DDA budget at the end of fiscal year 1999 shall not revert to the General Fund and shall remain available for expenditure on the waiting list initiative in subsequent years. The Eastern Shore Hospital is exempted from the bill's requirements for 2 years because of the current redevelopment on that site.

#### **WAITING LIST INITIATIVE FOR THE DEVELOPMENTALLY DISABLED**

The fiscal year 1999 budget for the Developmental Disabilities Administration reflects the first year of a five-year program to significantly reduce the waiting list for services for the developmentally disabled and their families. The initiative proposes a total of \$118.8 million in additional funds over the next five years to provide a variety of services to nearly 6,000 individuals on the waiting list. The fiscal year 1999 budget includes \$34.2 million and will provide services for an estimated 2,177 individuals. The proposal will not eliminate the waiting list, but will reduce it to a level at which sustained levels of funding will be able to prevent future families from facing the long-term uncertainty that today's families have faced. However, to achieve this, several obstacles must be overcome: (1) modification and expansion of the current Medicaid waiver; (2) transition to a client-based rather than provider-based service system; (3) establishment of an administrative framework to assure efficient and effective implementation; and (4) continuing commitment by the legislature over the next four years to ensure adequate funding.

# Part M

## HUMAN RESOURCES

### CHILDREN

#### CHILD WELFARE WORKFORCE

The Child Welfare League of America (CWLA) was contracted by the Department of Human Resources (DHR) to analyze the policies and practices of Maryland's child welfare system. CWLA published its report, *A Review of the Maryland Child Welfare System*, in January 1997. The report recommends that, in the area of foster care services, DHR develop a strategy to reduce the average caseload for foster care to the CWLA standard of 15 children per worker and phase out contractual direct service worker positions. The report noted that core training for new child welfare staff is not mandatory in the local departments of social services, except for the Baltimore City Department of Social Services where it is mandated under the L.J. vs. Massinga Consent Decree. Therefore, it recommends that core training for new child welfare caseworkers be mandatory statewide and that child welfare staff be required to attend a minimum of 20 hours of inservice training each year.

In response to the CWLA report and the recent flurry of highly publicized child abuse tragedies, *House Bill 1133* (passed) requires DHR to develop and implement a plan by December 31, 1998 for the recruitment, training, and retention of child welfare service caseworkers and supervisors. Regarding new employees, DHR must hire only human services professionals as caseworkers on or after January 1, 1999, and require that all new casework staff complete a preservice training program and pass a competency test before being granted permanent employment status. Regarding current employees, DHR is to develop a mandatory in-service training program and competency testing program as a requirement of continued employment. DHR may retain current permanent employees without human services professional qualifications if the Secretary finds that the employees are satisfactorily performing their duties. DHR cannot hire contractual caseworkers or supervisors after June 30, 1999, and cannot employ contractual caseworkers or supervisors after June 30, 2000, except to meet an emergency, in which case no contractual position is to last longer than one year.

Moreover, *House Bill 1133* requires DHR and the Department of Budget and Management (DBM) to (1) develop appropriate caseload ratios for each local jurisdiction using the ratios recommended by the CWLA; and (2) review caseworker and supervisor salaries and recommend salary adjustments (over a phase-in period) that will be adequate to recruit and retain caseworkers and supervisors. The bill authorizes DHR to transfer a contractual caseworker or supervisor to a permanent position through June 30, 2000, if the contractual employee meets the minimum qualifications, has performed satisfactorily, and the transfer is approved by DBM. Contractual conversions are to be phased in according to a plan developed by DHR and DBM.

When fully implemented, *House Bill 1133* will result in increased expenditures of \$13.6 million on an annual basis (\$6.8 million general funds and \$6.8 million federal funds) for new child protective service and foster care positions, the upgrade of existing positions, the conversion of contractual positions, and the provision of training. Actual expenditure increases will depend on the level and number of salary adjustments, the caseload ratios, and the phase-in period determined by DHR and DBM.

#### RATE SETTING

Human service providers have long complained that the current rate setting methodology for private residential or nonresidential child care programs and nonpublic general education schools is ineffective and inequitable, treating long-standing providers differently than new providers, providing widely varying rates within the same service group and for similar levels of intensity. *Senate Bill 426* (passed) requires the Departments of Health and Mental Hygiene, Human Resources, Juvenile Justice, Budget and Management, and the Maryland State Department of Education (MSDE), in consultation with the Office of Children, Youth, and Families (OCYF), to redesign the rate setting structure. The departments must redesign the rate setting structure by September 1, 1998 and submit an implementation plan to the budget committees by October 1, 1998. MSDE is the lead agency in this initiative.

# **Synopsis of Passed Bills**

**PART A**  
**BUDGETS AND STATE AID**

- SB 28 **Prince George's County -- Marietta Mansion Loan of 1996**  
Amending Chapter 178 of the Acts of the General Assembly of 1996, the Prince George's County -- Marietta Mansion Loan of 1996, to extend the time by which the Maryland--National Capital Park and Planning Commission shall provide and expend a matching fund.  
**Effective June 1, 1998**  
**Senator Green**
- SB 111 **Creation of a State Debt -- Baltimore City -- Harbor Hospital Center**  
Creating a State Debt not to exceed \$700,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of Harbor Hospital Center, Inc. for the planning, design, renovation, repair, construction, and capital equipping of the emergency department of the hospital, to be located at 3001 South Hanover Street in Baltimore; and requiring the grantee to repay an amount equal to a specified amount of the grant under specified circumstances.  
**Effective June 1, 1998**  
**Senator Della, et al**
- SB 125 **Budget Bill (Fiscal Year 1999)**  
Making the proposed appropriations contained in the State Budget for the fiscal year ending June 30, 1999, in accordance with Article III, Section 52 of the Maryland Constitution; etc.  
The President (Administration)
- SB 155 **Creation of a State Debt -- Jewish Community Center of Greater Washington**  
Creating a State Debt not to exceed \$600,000, the proceeds to be used as a grant to the Jewish Community Center of Greater Washington for a comprehensive renovation of the community center facility on Montrose Road in Rockville, which will include renovations that will bring the facility up to the standards established by the Americans with Disabilities Act; and prohibiting the use of the proceeds or any of the matching funds for sectarian religious purposes.  
**Effective June 1, 1998**  
**Senator Ruben, et al**
- SB 182 **Creation of a State Debt -- Montgomery County -- Germantown Cultural Arts Center**  
Creating a State Debt not to exceed \$700,000 with a matching fund requirement, the proceeds to be used as a grant to the Board of Trustees of the Germantown Cultural Arts Center, Inc. for the planning, design, and construction of, and for the provision of capital equipment for, a multiarts facility, in which there will be community programs in the performing arts, visual arts, and art education, to be located in the 19700 block of Germantown Road in Germantown, Maryland.  
**Effective June 1, 1998**  
**Senator Hogan, et al**
- SB 209 **Creation of a State Debt -- Garrett County Memorial Hospital**  
Creating a State Debt not to exceed \$361,000, with a matching fund requirement, as a grant to the Board of Directors of the Garrett County Memorial Hospital, Inc. for the planning, design, renovation, repair, construction, and capital equipping of the existing Garrett County Memorial Hospital, including the renovation of the coronary intensive care unit, the step down unit, and the primary medical surgical

area; and requiring the grantee to repay an amount equal to a specified amount of the grant under specified circumstances.

**Effective June 1, 1998**

**Senator Hafer**

- SB 217 **Creation of a State Debt -- Maryland Consolidated Capital Bond Loan of 1998, Maryland Consolidated Capital Bond Loans of 1990, 1991, 1993, 1994, 1995, 1996, and 1997, General Construction Loans of 1985 and 1986, and Academic Facilities Bonding Authority of 1997**  
Authorizing the creation of a State Debt in the amount of \$405,716,000 for specified purposes; altering provisions of prior Capital Budgets; etc.  
**Effective June 1, 1998**  
**The President (Administration)**
- SB 219 **Creation of a State Debt -- Chesapeake Wildlife Sanctuary Education Facility**  
Creating a State Debt not to exceed \$100,000, with a matching fund requirement, the proceeds to be used as a grant to the Chesapeake Wildlife Sanctuary for the planning, design, construction, and capital equipping of an educational center for wildlife conservation, the facility to include classrooms, an auditorium, a library, and a museum, to be located in Silver Spring and also to be used for in--service training for teachers and for a day camp.  
**Effective June 1, 1998**  
**Senators Dorman and Teitelbaum**
- SB 234 **Creation of a State Debt -- Harford County -- The Ripken Stadium**  
Creating a State Debt not to exceed \$200,000, with a matching fund requirement, as a grant to the Mayor and City Council of the City of Aberdeen for the planning and design of a baseball stadium in Aberdeen in honor of the Ripken family, Cal Ripken, Sr., Billy Ripken, and Cal Ripken, Jr., all of whom have been associated with the Baltimore Orioles; requiring a specified letter of commitment to the Board of Public Works and a specified contract with a minor league baseball team prior to the payment of any funds; etc.  
**Effective June 1, 1998**  
**Senator Craig, et al (Harford County Senators)**
- SB 244 **Creation of a State Debt -- Baltimore City -- The American Visionary Art Museum**  
Creating a State Debt not to exceed \$1,750,000, with a matching fund requirement, as a grant to the Board of Directors of The American Visionary Art Museum, Inc. for the renovation, repair, reconstruction, construction, and capital equipping of the adjacent property at 840 Key Highway in Baltimore City, that will be used for additional exhibition and educational workshop space and as an urban institute for creative thinking and for the exchange of ideas and information on the revitalization of cities and urban regions.  
**Effective June 1, 1998**  
**Senator Hoffman, et al**
- SB 246 **Creation of a State Debt -- Baltimore County -- Woodmoor PAL/Recreation Center**  
Creating a State Debt not to exceed \$475,000, with a matching fund requirement, as a grant to the County Executive and County Council of Baltimore County for the planning, design, construction, and capital equipping of a facility in the Woodmoor area of Baltimore County for use as a PAL/recreation center.  
**Effective June 1, 1998**  
**Senator Collins (Baltimore County Administration) and Senator Kelley**
- SB 247 **Creation of a State Debt -- Baltimore County -- Benjamin Banneker Historic Park**

Creating a State Debt in the amount of \$1,350,000, the proceeds to be used as a grant to the County Executive and County Council of Baltimore County for the design, acquisition, construction, installation, and assembly of permanent exhibits and other capital improvements at the historic park site at Oella and Old Frederick Avenues in Oella, known as Benjamin Banneker Historic Park; and requiring the grantee to convey a historic easement to the Maryland Historical Trust.

**Effective June 1, 1998**

**Senator Collins (Baltimore County Administration) and Senator Della**

**SB 249 Creation of a State Debt -- Mental Health Association of Montgomery County, Inc.**

Creating a State Debt not to exceed \$100,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the Mental Health Association of Montgomery County, Inc. for the repair and renovation, including upgrading the handicapped access, of a facility on Twinbrook Parkway in Rockville at which the Association offers its services.

**Effective June 1, 1998**

**Senator Forehand, et al**

**SB 278 Creation of a State Debt -- Calvert County Historical Society -- "Linden" Project**

Creating a State Debt not to exceed \$300,000, with a matching fund requirement, as a grant to the Board of Directors of the Calvert County Historical Society, Inc. for the rehabilitation, restoration, renovation, expansion, and capital equipping of the historic building known as "Linden", located in Prince Frederick, to be used as a research and education center, a historical repository, and for offices for the Calvert County Historical Society; and requiring the granting of a specified easement.

**Effective June 1, 1998**

**Senator Miller, et al**

**SB 286 Creation of a State Debt -- Montgomery General Hospital**

Creating a State Debt not to exceed \$500,000, with a matching fund requirement, as a grant to the Board of Directors of the Montgomery General Hospital, Inc. for the planning, design, renovation, repair, reconstruction, construction, and capital equipping necessary to replace the outdated critical care units and to upgrade the step--down unit of Montgomery General Hospital in Olney, Maryland; and requiring the grantee to repay an amount equal to a specified amount of the grant under specified circumstances.

**Effective June 1, 1998**

**Senator McCabe**

**SB 289 Montgomery County -- F. Scott Fitzgerald Theatre and Rockville Civic Center Complex Loan of 1997**

Amending Chapter 237 of the Acts of the General Assembly of 1997 to remove the historical easement provision; clarifying the purposes for which the proceeds of the bonds and the matching fund may be used; and making the Act an emergency measure.

**Emergency Bill**

**Senator Forehand**

**SB 293 Benedictine School for Exceptional Children Loan of 1996**

Amending Chapter 578 of the Acts of the General Assembly of 1996, the Benedictine School for Exceptional Children Loan of 1996, so that funds expended prior to the effective date of Chapter 578 of the Acts of the General Assembly of 1996 may be used as the matching fund.

**Effective June 1, 1998**

**Senators Baker and Colburn**

**SB 296 Creation of a State Debt -- Baltimore City Fraternal Order of Police -- Memorial**

Creating a State Debt not to exceed \$50,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the Baltimore City Fraternal Order of Police Memorial Fund, Inc. for the planning, design, and construction of a memorial to the policemen of the City of Baltimore who have died in the line of duty, giving their lives for the lives of citizens everywhere.

**Effective June 1, 1998**

**Baltimore City Senators**

**SB 334 Creation of a State Debt -- Baltimore County -- Camp Puh'Tok**

Creating a State Debt not to exceed \$250,000, with a matching fund requirement, the proceeds to be used as a grant to The Salvation Army for the planning, design, construction, and capital equipping of a new facility at Camp Puh'Tok in Monkton, for use as an environmental and educational center with programs for children from the Baltimore County schools, as well as for children who attend the camp, which is nonprofit and open to the public; and prohibiting the use of proceeds or matching funds for sectarian religious purposes.

**Effective June 1, 1998**

**Senators Boozer and Bromwell**

**SB 338 Creation of a State Debt -- Maryland General Hospital**

Creating a State Debt not to exceed \$480,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of Maryland General Hospital, Inc. for the repair and renovation of the inpatient psychiatric and geropsychiatric facility of the Hospital; and requiring the grantee to repay an amount equal to a specified amount of the grant under specified circumstances.

**Effective June 1, 1998**

**Senator Conway**

**SB 348 Creation of a State Debt -- Baltimore City -- Center Stage**

Creating a State Debt not to exceed \$250,000, with a matching fund requirement, as a grant to the Board of Trustees of Center Stage Associates, Inc. for the repair, renovation, and capital equipping of Center Stage, including renovations to bring the theater facility into compliance with the provisions of the Americans with Disabilities Act; and requiring the grantee to grant and convey to the Maryland Historical Trust a specified easement.

**Effective June 1, 1998**

**Senator Hoffman, et al**

**SB 350 Creation of a State Debt -- Baltimore Symphony Orchestra -- Joseph Meyerhoff Symphony Hall**

Creating a State Debt not to exceed \$1,000,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the Baltimore Symphony Orchestra, Inc. for the planning, design, renovation, repair, and capital equipping and furnishing of the Joseph Meyerhoff Symphony Hall, the renovations to include acoustic modifications and nonacoustic alterations to the building.

**Effective June 1, 1998**

**Senator Hoffman, et al**

**SB 355 State Reserve Fund**

Changing the name of the Dedicated Purpose Account to be the Dedicated Purpose Fund; changing the name of the Revenue Stabilization Account to be the Revenue Stabilization Fund; authorizing the Governor to include appropriations from the Dedicated Purpose Fund in the State Budget subject to appropriation by the General Assembly; repealing obsolete provisions relating to the Dedicated Purpose Account; repealing the Citizen Tax Reduction and Fiscal Reserve Account; etc.

**Effective July 1, 1998**

**Senator Hoffman, et al**

- SB 361 **Baltimore City -- Fort McHenry -- Education and Visitors Center Loan of 1996**  
Amending Chapter 123 of the Acts of the General Assembly of 1996, the Baltimore City -- Fort McHenry -- Education and Visitors Center Loan of 1996, to extend the time by which the Board of Directors of the Patriots of Fort McHenry, Inc. shall provide and expend a matching fund to June 1, 2000.  
**Effective June 1, 1998**  
**Senator Della**
- SB 380 **Creation of a State Debt -- Charles County -- Lions Camp Merrick**  
Creating a State Debt not to exceed \$200,000, with a matching fund requirement, the proceeds to be used as a grant to the Waldorf Lions Foundation for the planning, design, construction, and capital equipping of a residence and office for a Camp Administrator, and the repair, renovation, and necessary capital equipping of other camp buildings, together with necessary site improvements at Lions Camp Merrick.  
**Effective June 1, 1998**  
**Senator Middleton, et al**
- SB 405 **Creation of a State Debt -- Baltimore City -- Epiphany House**  
Creating a State Debt not to exceed \$150,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of Govans Ecumenical Homes, Inc. for the repair, renovation, capital equipping and furnishing, and landscaping of Epiphany House, a congregate care facility with supportive services for low income, frail senior citizens, located in the Govans community of Baltimore City; and prohibiting the use of the proceeds or any of the matching funds for sectarian religious purposes.  
**Effective June 1, 1998**  
**Senator Conway**
- SB 410 **Creation of a State Debt -- Anne Arundel County -- Hancock's Resolution**  
Creating a State Debt not to exceed \$150,000, with a matching fund requirement, the proceeds to be used as a grant to the County Executive and County Council of Anne Arundel County for the restoration of Hancock's Resolution, a historic property on Bodkin Creek in Anne Arundel County; and requiring the grantee to grant and convey to the Maryland Historical Trust an easement.  
**Effective June 1, 1998**  
**Anne Arundel County Senators**
- SB 430 **Creation of a State Debt -- Baltimore City -- Project Liberty Ship**  
Creating a State Debt not to exceed \$350,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of Project Liberty Ship of Baltimore, Inc. for the repair, renovation, and preservation, including rivet replacement and improvements to the museum and exhibit spaces, of the historic Maryland--built Liberty Ship, the John W. Brown; and requiring the grantee to grant and convey a historic covenant to the Maryland Historical Trust.  
**Effective June 1, 1998**  
**Senator Blount, et al**
- SB 431 **Baltimore Streetcar Museum Loan of 1996**  
Amending Chapter 149 of the Acts of the General Assembly of 1996, the Baltimore Streetcar Museum Loan of 1996, to extend the time by which the Board of Directors of the Baltimore Streetcar Museum, Inc. shall provide a matching fund.  
**Effective June 1, 1998**  
**Senator Blount, et al**

- SB 455 Creation of a State Debt -- Baltimore City -- St. Frances Academy**  
Creating a State Debt not to exceed \$500,000, with a matching fund requirement, the proceeds to be used as a grant to St. Frances Academy for the planning, design, construction, and capital equipping of a multipurpose community and athletic facility; and prohibiting the use of the proceeds or any of the matching funds for sectarian religious purposes.  
**Effective June 1, 1998**  
**Senator McFadden, et al**
- SB 458 Creation of a State Debt -- Baltimore City -- Human and Community Development Centers**  
Creating a State Debt not to exceed \$200,000, with a matching fund requirement, as a grant to the Board of Directors of the Apostolic Development Corporation for the repair, renovation, capital equipping and furnishing of facilities located at 20 and 40 South Caroline Street, to be known as the East Harbor Community Empowerment Center and the Family Life Community Multipurpose Center, the facilities to be used for family services for low income people; and prohibiting the grantee from using the funds for sectarian religious purposes.  
**Effective June 1, 1998**  
**Senators McFadden and Jefferies**
- SB 494 Creation of a State Debt -- Montgomery County Agricultural Center**  
Creating a State Debt not to exceed \$400,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the Montgomery County Agricultural Center, Inc. for the repair, renovation, and capital equipping of an existing building, for infrastructure upgrades, including those that are necessary for ADA compliance, and for the planning, design, and construction of the Montgomery County Agribusiness and Agricultural Education Center on the grounds of the Agricultural Center in Gaithersburg.  
**Effective June 1, 1998**  
**Senator Forehand, et al**
- SB 503 Weinberg Center for the Arts Loan of 1989**  
Amending Chapter 162 of the Acts of the General Assembly of 1989, the Weinberg Center for the Arts Loan of 1989, as amended by Chapter 205 of the Acts of the General Assembly of 1995, to alter the nature of the agreements made with the Maryland Historical Trust.  
**Effective June 1, 1998**  
**Senator Derr**
- SB 516 Creation of a State Debt -- Baltimore City -- Maryland Historical Society**  
Creating a State Debt not to exceed \$850,000, with a matching fund requirement, as a grant to the Maryland Historical Society for the repair, renovation, and capital equipping of existing facilities, including installation of climate--controls and expansion of storage facilities, and of new facilities, including the development of the Maryland History Center, all located in the Mount Vernon/Howard Street area of Baltimore City; and requiring the grantee to grant and convey a specified easement to the Maryland Historical Trust.  
**Effective June 1, 1998**  
**Senators Middleton and Miller**
- SB 528 Creation of a State Debt -- Prince George's County -- Maryland--National Capital Park and Planning Commission -- Showplace Arena (Equestrian Center)**  
Creating a State Debt not to exceed \$250,000, with a matching fund requirement, the proceeds to be used as a grant to the Maryland--National Capital Park and Planning Commission to renovate the Showplace Arena (also known as the Equestrian Center) in Upper Marlboro, the renovation to include retrofitting of the facility to include an ice rink to be used by an East Coast Hockey League (ECHL)

professional hockey team that is affiliated with a National Hockey League team.

**Effective June 1, 1998**

**Senator Currie, et al**

**SB 546 Creation of a State Debt -- Anne Arundel County -- Stanton Center**

Creating a State Debt not to exceed \$150,000, with a matching fund requirement, as a grant to the Mayor and City Council of the City of Annapolis for the planning, design, repair, renovation, restoration, expansion, and capital equipping and furnishing of the Stanton Center on Clay Street in Annapolis, a building used by the Health Department, the Annapolis Youth Services Bureau, and other community organizations that are vital to the Clay Street area and to the City of Annapolis; and requiring the grantee to convey a specified easement.

**Effective June 1, 1998**

**Senator Astle**

**SB 551 Creation of a State Debt -- Cecil County -- Bell Manor**

Creating a State Debt not to exceed \$200,000, with a matching fund requirement, the proceeds to be used as a grant to the Girl Scouts of Central Maryland for the planning, design, repair, renovation, stabilization, restoration, reconstruction, and capital equipping of the historic property known as Bell Manor; and requiring the grantee to grant and convey to the Maryland Historical Trust a specified easement.

**Effective June 1, 1998**

**Senator Fry**

**SB 559 Creation of a State Debt -- Cecil County -- Elk River -- Dredging**

Creating a State Debt not to exceed \$200,000, with a matching fund requirement, as a grant to the County Commissioners of Cecil County for waterway dredging operations at Elk River, including sediment removal, structural and nonstructural improvements, bank reconstruction, revegetation, erosion control, necessary studies, capital equipping, and necessary acquisition of property for the dredging of the River.

**Effective June 1, 1998**

**Senators Baker and Fry**

**SB 578 Creation of a State Debt -- Baltimore City -- The Village Learning Place**

Creating a State Debt not to exceed \$156,000, with a matching fund requirement, the proceeds to be used as a grant to the Charles Village Foundation for the planning, design, repair, renovation, reconstruction, restoration, capital equipping, site improvement, and landscaping of the former St. Paul Street Library in Baltimore, to be used as a community library, learning center, and community center, with a garden that will be an educational center, the project to be known generally as The Village Learning Place.

**Effective June 1, 1998**

**Senator Hughes, et al**

**SB 591 Creation of a State Debt -- Harford County -- Senator William Amoss Agricultural Education Project**

Creating a State Debt not to exceed \$100,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the Maryland Agricultural Education Foundation, Inc. for the planning, design, repair, renovation, reconstruction, construction, and capital equipping of classroom and office facilities at Swan Harbor Farm in Havre de Grace to be named in memory of the late Senator William Amoss.

**Effective June 1, 1998**

**Senators Fry and Craig**

- SB 615 Creation of a State Debt -- Montgomery County -- Center for Children and Families**  
Creating a State Debt not to exceed \$1,000,000, with a matching fund requirement, the proceeds to be used as a grant to the Reginald S. Lourie Center for Infants and Young Children and the Grafton School for the planning, design, repair, renovation, construction and reconstruction, including the testing for and abatement of hazardous materials, and capital equipping of a facility and related site work in Montgomery County for use as a center for children and families.  
**Effective June 1, 1998**  
**Senator Van Hollen, et al**
- SB 630 Creation of a State Debt -- Anne Arundel County -- Benson--Hammond House and William Downs House**  
Creating a State Debt not to exceed \$100,000, with a matching fund requirement, as a grant to the County Executive and County Council of Anne Arundel County for the relocation of the William Downs House to a site adjacent to the Benson--Hammond House, for the planning, design, renovation, repair, and capital equipping of the Downs House, which will serve as a caretaker's house for the Ann Arrundell County Historical Society and as a ranger station facility for the hiking--biking trail system in the area; etc.  
**Effective June 1, 1998**  
**Anne Arundel County Senators**
- SB 672 Creation of a State Debt -- Frederick Arts Council**  
Creating a State Debt not to exceed \$75,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the Frederick Arts Council, Inc. for the acquisition, repair, renovation, reconstruction, and capital equipping of a building in Frederick for use by arts groups in the Frederick area for rehearsals, meetings, classrooms, and offices, as well as for use as a center for other community activities.  
**Effective June 1, 1998**  
**Senator Derr**
- SB 678 Creation of a State Debt -- Baltimore City -- St. James Academy Education Center**  
Creating a State Debt not to exceed \$500,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of St. James Academy for the repair, renovation, reconstruction, construction, and capital equipping of a building at 1008 West Lafayette Street for use as a comprehensive education center for children and youth; and prohibiting the use of the proceeds or the matching fund for sectarian religious purposes.  
**Effective June 1, 1998**  
**Senator Blount**
- SB 681 Baltimore City -- Clipper Park Arts Center Loan of 1996**  
Amending Chapter 263 of the Acts of the General Assembly of 1996, the Baltimore City -- Clipper Park Arts Center Loan of 1996, to extend the time by which the Board of Directors of the Clipper Park Arts Center, Inc. shall provide and expend a matching fund to June 1, 2000.  
**Effective June 1, 1998**  
**Senators Hoffman and Hughes**
- SB 706 Creation of a State Debt -- Baltimore City -- King Memorial Child Care Family Center**  
Creating a State Debt not to exceed \$150,000, with a matching fund requirement, the proceeds to be used as a grant to King Memorial Child Care Family Center for the planning, design, repair, renovation, capital equipping and furnishing, and other associated capital improvements to the interior and exterior of a building to be used as a full--time professional child care center; and prohibiting the

use of the proceeds or any of the matching funds for sectarian religious purposes.

**Effective June 1, 1998**

**Senators Blount and Kelley**

**SB 708 Academic Facilities Bonding Authority**

Increasing to \$750,000,000 the bonding authority of the University System of Maryland; specifying the projects for which the System may sell bonds; and stating the intent of the General Assembly that, for Fiscal Year 2000, the System shall limit its request for bonding authority to a specified amount.

**Effective June 1, 1998**

**Chairman B&T (Dept)**

**SB 714 Creation of a State Debt -- Washington County -- Rohrsersville Band**

Creating a State Debt in the amount of \$25,000, the proceeds to be used as a grant to the Rohrsersville Band for the repair and renovation of the band hall in which the Rohrsersville Band maintains its music library, holds rehearsals, and performs.

**Effective June 1, 1998**

**Senator Munson**

**SB 748 Creation of a State Debt -- Dorchester County -- Stanley Institute: Rock School House Restoration**

Creating a State Debt not to exceed \$50,000, with a matching fund requirement, as a joint grant to the Board of Directors of The Harriet Tubman Organization, Inc. and The Friends of Stanley Institute for the planning, design, repair, renovation, restoration, reconstruction, construction, and capital equipping and furnishing of the historic Stanley Institute: Rock School House, in Dorchester County, an African American one--room schoolhouse built in 1865 and in use until 1966; and requiring the grantees to grant and convey a specified easement.

**Effective June 1, 1998**

**Senator Colburn**

**SB 751 Creation of a State Debt -- United Way of Calvert County**

Creating a State Debt not to exceed \$100,000, with a matching fund requirement, the proceeds to be used as a grant to the United Way of Calvert County for the acquisition of real property and for the repair and renovation of that property, located in Prince Frederick, to be used as central headquarters for the United Way of Calvert County.

**Effective June 1, 1998**

**Senators Dyson and Miller**

**SB 758 Charles County -- Historic Old Waldorf School -- Preservation Loan of 1995**

Amending Chapter 147 of the Acts of the General Assembly of 1995, as amended by Chapter 72 of the Acts of the General Assembly of 1997, the Charles County -- Historic Old Waldorf School -- Preservation Loan of 1995, to alter the kind of matching fund to be provided and expended by the grantee and to extend the time by which the grantee shall provide and expend the matching fund.

**Effective June 1, 1998**

**Senator Middleton**

**SB 769 Creation of a State Debt -- Historical Society of Harford County**

Creating a State Debt not to exceed \$150,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the Historical Society of Harford County, Inc. for the planning, design, repair, renovation, and capital equipping of the headquarters of the Historical Society of Harford County and the Hays House Museum, located in Bel Air; and requiring the grantee to grant and convey to the Maryland Historical Trust an easement.

**Effective June 1, 1998**  
**Senator Fry, et al**

- SB 773 Creation of a State Debt -- Montgomery County -- Old Town Takoma Park**  
Creating a State Debt not to exceed \$50,000, with a matching fund requirement, the proceeds to be used as a grant to the Mayor and City Council of Takoma Park for the planning, design, repair, renovation, restoration, and capital equipping of buildings in the old central section of Takoma Park to encourage business development and community use of the area, as well as to preserve the older part of the City.  
**Effective June 1, 1998**  
**Senator Ruben**
- HB 52 Creation of a State Debt -- Talbot County -- YMCA Therapeutic Pool**  
Creating a State Debt not to exceed \$450,000, with a matching fund requirement, as a grant to the Board of Directors of the Young Men's Christian Association of Talbot County, Inc. for the planning, design, construction, and capital equipping of a therapeutic and rehabilitative pool, specifically designed for use by the elderly and by handicapped persons, to be located at the Talbot County YMCA in Easton; and prohibiting the use of the loan proceeds or any of the matching funds for sectarian religious purposes.  
**Effective June 1, 1998**  
**Delegate W Baker, et al**
- HB 67 Creation of a State Debt -- Hospice of Queen Anne, Inc. -- Building Facilities**  
Creating a State Debt not to exceed \$130,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the Hospice of Queen Anne, Inc. for the acquisition of a building, and the repair of the building, as well as new construction, the building facilities to be used by the Hospice personnel to serve terminally ill patients in Queen Anne's County.  
**Effective June 1, 1998**  
**Delegate W Baker**
- HB 93 Creation of a State Debt -- Anne Arundel County -- Maryland Hall for the Creative Arts**  
Creating a State Debt not to exceed \$250,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the Maryland Hall for the Creative Arts, Inc. for the repair, renovation, rehabilitation, restoration, and reconstruction of Maryland Hall for the Creative Arts located in Annapolis; and requiring the grantee and the Board of Education of Anne Arundel County to grant and convey a specified easement to the Maryland Historical Trust.  
**Effective June 1, 1998**  
**Delegate Busch, et al**
- HB 101 Creation of a State Debt -- Howard County -- The Guilford Community Foundation, Inc.**  
Creating a State Debt not to exceed \$300,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of The Guilford Community Foundation, Inc. for the repair, renovation, rehabilitation, and capital equipping of a building for use as a community center; and prohibiting the use of the proceeds or any of the matching funds for sectarian religious purposes.  
**Effective June 1, 1998**  
**Howard County Delegation**
- HB 133 Creation of a State Debt -- Baltimore City -- U.S.S. Constellation**  
Creating a State Debt not to exceed \$525,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the Constellation Foundation, Inc. for the design, repair, restoration, improvement, and preservation of the U.S.S. Constellation; and requiring the grantee to

petition the Secretary of the United States Navy to grant and convey to the Maryland Historical Trust a specified covenant on the historic vessel.

**Effective June 1, 1998**

**Delegates Doory and Rawlings**

- HB 152 **Creation of a State Debt -- Montgomery County -- Flower Avenue/Long Branch Revitalization**  
Creating a State Debt not to exceed \$200,000, with a matching fund requirement, the proceeds to be used as a grant to the County Executive and County Council of Montgomery County for the planning, design, repair, renovation, construction, reconstruction, capital equipping, and landscaping of public facilities and infrastructure including lighting, road improvements, and sidewalks and the upgrading of facades in the Flower Avenue/Long Branch Community of Montgomery County.  
**Effective June 1, 1998**  
**Delegate Hixson**
- HB 165 **Creation of a State Debt -- Baltimore County -- Hampton National Historic Site**  
Authorizing the creation of a State Debt not to exceed \$200,000, as a grant to the Board of Directors of Historic Hampton, Inc. for the preservation, repair, renovation, restoration, and rehabilitation of the farm complex at the Hampton National Historic Site in Towson.  
**Effective June 1, 1998**  
**Delegate Klima, et al**
- HB 190 **Creation of a State Debt -- Anne Arundel County -- Wiley H. Bates High School**  
Creating a State Debt not to exceed \$1,000,000, with a matching fund requirement, the proceeds to be used as a grant to the County Executive and County Council of Anne Arundel County for the repair, renovation, reconstruction, construction, and capital equipping of the historic Wiley H. Bates High School, located in Annapolis, for use as a senior center, adult day care center, gymnasium, community center, and site for specific newly formed small businesses from within the community; etc.  
**Effective June 1, 1998**  
**Anne Arundel County Delegation**
- HB 197 **Creation of a State Debt -- Prince George's County -- Greenbelt Community Center**  
Creating a State Debt not to exceed \$325,000, with a matching fund requirement, the proceeds to be used as a grant to the Mayor and City Council of Greenbelt for the repair or replacement of the windows in the historic section of the building and the removal of lead paint and other repairs inherent in and associated with the window repair or replacement; and requiring the grantee to grant and convey to the Maryland Historical Trust a specified easement.  
**Effective June 1, 1998**  
**Delegate Pitkin, et al**
- HB 211 **Creation of a State Debt -- Montgomery County -- Takoma Park**  
Creating a State Debt not to exceed \$75,000, with a matching fund requirement, the proceeds to be used as a grant to the Mayor and City Council of the City of Takoma Park for the planning, design, renovation, landscaping, and renovation of street lighting, streets, and sidewalks in the City of Takoma Park.  
**Effective June 1, 1998**  
**Delegates Hixson and Franchot**
- HB 218 **Baltimore Streetcar Museum Loan of 1996**  
Amending Chapter 149 of the Acts of the General Assembly of 1996, the Baltimore Streetcar Museum Loan of 1996, to extend the time by which the Board of Directors of the Baltimore Streetcar Museum, Inc. shall provide a matching fund.

**Effective June 1, 1998**  
**Delegate Branch, et al**

**HB 264 Creation of a State Debt -- Caritas House Assisted Living Facility**

Creating a State Debt not to exceed \$500,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of Associated Catholic Charities, Inc. of Baltimore for the planning, design, construction, and capital equipping of an assisted living housing facility for individuals with low incomes, to be located in the Caton Avenue area of Baltimore; and prohibiting the use of the proceeds or any of the matching funds for sectarian religious purposes.

**Effective June 1, 1998**  
**Delegate Dewberry, et al**

**HB 291 Creation of a State Debt -- Calvert County -- Calvert Marine Museum**

Creating a State Debt not to exceed \$75,000, with a matching fund requirement, as a grant to the Board of Governors of the Calvert Marine Museum for the renovation, reconstruction, repair, and expansion, of the existing Patuxent Small Craft Center, which will become a multiuse, year--round facility that will provide a professional workshop for the preservation of the small craft collection at the Museum.

**Effective June 1, 1998**  
**Southern Maryland Delegation**

**HB 303 Creation of a State Debt -- Montgomery County -- Hadley's Outdoor Children's Center**

Creating a State Debt not to exceed \$350,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of Hadley's Park, Inc. for the planning, design, construction, and capital equipping of Hadley's Park in Potomac, Maryland, a park that is completely handicapped accessible, where children with or without disabilities can play together.

**Effective June 1, 1998**  
**Delegate Shriver, et al**

**HB 326 Creation of a State Debt -- Allegany County Agricultural Expo and Fairgrounds**

Creating a State Debt not to exceed \$400,000, with a matching fund requirement, as a grant to the Board of County Commissioners of Allegany County for the planning, design, construction, and capital equipping on the County fairgrounds of three connected pavilion buildings that would contain the Allegany County Agricultural Expo offices, exhibition areas, rest rooms, and showers and a separate expo building that would contain a year round activity area with a catering kitchen and rest rooms that could be used for various events.

**Effective June 1, 1998**  
**Allegany County Delegation**

**HB 355 Montgomery County -- F. Scott Fitzgerald Theatre and Rockville Civic Center Complex Loan of 1997**

Amending Chapter 237 of the Acts of the General Assembly of 1997 to remove the historical easement provision and to clarify the purposes for which the proceeds of the bonds and the matching fund may be used.

**Emergency Bill**  
**Delegate Gordon, et al**

**HB 388 Creation of a State Debt -- Anne Arundel County -- London Town Archaeological Learning Center**

Creating a State Debt not to exceed \$750,000, with a matching fund requirement, the proceeds to be used as a grant to the County Executive and County Council of Anne Arundel County for the adaptive reuse of an underground wastewater treatment facility at London Town, including the creation of a

learning center for the archaeological finds at London Town and other "lost towns" in Anne Arundel County; and requiring the grantee to grant and convey to the Maryland Historical Trust a specified easement.

**Effective June 1, 1998**

**Anne Arundel County Delegation**

**HB 409 Creation of a State Debt -- Baltimore County -- Shady Spring PAL/Recreation Center**

Creating a State Debt not to exceed \$475,000, with a matching fund requirement, the proceeds to be used as a grant to the County Executive and County Council of Baltimore County for the planning, design, construction, and capital equipping of a new facility in the Rosedale area of Baltimore County to be used as a PAL/recreation center.

**Effective June 1, 1998**

**Delegate Minnick (Baltimore County Administration), et al**

**HB 418 Ward Brothers Homeplace Loan of 1994**

Amending Chapter 185 of the Acts of the General Assembly of 1994, the Ward Brothers Homeplace Loan of 1994, as amended by Chapter 234 of the Acts of the General Assembly of 1997, to alter the type of matching fund that shall be provided by the Board of Directors of the Ward Brothers Homeplace, Inc. so that real property or funds expended previous to the effective date of Chapter 185 of the Acts of the General Assembly of 1994 may be used as the matching fund; and making the Act an emergency measure.

**Emergency Bill**

**Delegate McClenahan, et al**

**HB 455 Creation of a State Debt -- Montgomery County -- Kentlands Cultural Arts Center**

Creating a State Debt not to exceed \$50,000, with a matching fund requirement, the proceeds to be used as a grant to the Mayor and City Council of Gaithersburg for the repair, renovation, expansion, reconstruction, construction, and capital equipping of the Kentlands Barn, located on the Kentlands Mansion property, to be known as the Kentlands Cultural Arts Center.

**Effective June 1, 1998**

**Delegate Barve, et al**

**HB 473 Creation of a State Debt -- Kent County -- Town of Chestertown Visitors' Center**

Creating a State Debt not to exceed \$150,000, with a matching fund requirement, the proceeds to be used as a grant to the Mayor and Council of the Town of Chestertown, Maryland for the planning, design, and construction of, and for the provision of capital equipment, for a building to be used as an information and visitors' center, to be located at the intersection of Route 213 and Cross Street, which building also shall provide facilities for the Kent County Chamber of Commerce and public rest rooms.

**Effective June 1, 1998**

**Delegate Walkup, et al**

**HB 508 Creation of a State Debt -- Montgomery County -- National Capital Trolley Museum**

Creating a State Debt not to exceed \$125,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the National Capital Historical Museum of Transportation, Inc. for the purchase and relocation of a building to the site of the National Capital Trolley Museum, and for the repair, renovation, rehabilitation, expansion, and capital equipping of the building, and for the laying of track to serve the building.

**Effective June 1, 1998**

**Delegate Petzold, et al**

- HB 516 Creation of a State Debt -- Frederick County -- Burgess and Commissioners of Middletown -- Community Facility**  
Creating a State Debt not to exceed \$250,000, with a matching fund requirement, the proceeds to be used as a grant to the Burgess and Commissioners of the Town of Middletown for the repair, renovation, reconstruction, and capital equipping of a building at 29--31 West Main Street in Middletown, the facility to be used as a community center, as well as for offices for community agencies and organizations and town offices.  
**Effective June 1, 1998**  
**Frederick County Delegation**
- HB 526 Creation of a State Debt -- St. Mary's County -- Tudor Hall**  
Creating a State Debt in the amount of \$65,000, the proceeds to be used as a grant to the St. Mary's County Historical Society for the renovation, repair, restoration, and capital equipping of Tudor Hall in Leonardtown in St. Mary's County; and requiring the grantee to convey a historic easement to the Maryland Historical Trust.  
**Effective June 1, 1998**  
**St. Mary's County Delegation**
- HB 530 Creation of a State Debt -- Queen Anne's County -- Chesapeake Exploration Center**  
Creating a State Debt not to exceed \$250,000, with a matching fund requirement, as a grant to the County Commissioners of Queen Anne's County for the planning, design, renovation, expansion, capital equipping, construction, installation of permanent indoor and outdoor exhibits, and associated landscaping of the Chesapeake Exploration Center in Chester, Maryland.  
**Effective June 1, 1998**  
**Delegate W Baker, et al**
- HB 572 Benedictine School for Exceptional Children Loan of 1996**  
Amending Chapter 578 of the Acts of the General Assembly of 1996, the Benedictine School for Exceptional Children Loan of 1996, so that funds expended prior to the effective date of Chapter 578 of the Acts of the General Assembly of 1996 may be used as the matching fund.  
**Effective June 1, 1998**  
**Delegate Walkup, et al**
- HB 587 Creation of a State Debt -- Montgomery County -- The Writer's Center**  
Creating a State Debt not to exceed \$150,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of The Writer's Center, Inc. for the planning, design, construction, capital equipping, expansion, repair, and renovation of the facilities of the Center, located in Bethesda.  
**Effective June 1, 1998**  
**Delegate Kopp, et al**
- HB 624 Creation of a State Debt -- Prince George's County -- Maryland--National Capital Park and Planning Commission -- Tucker Road Ice Rink**  
Creating a State Debt not to exceed \$500,000, with a matching fund requirement, as a grant to the Maryland--National Capital Park and Planning Commission for the repair, renovation, expansion, and capital equipping of the Tucker Road Ice Rink in Prince George's County, the renovations to include enclosing the ice rink, upgrading the heating system, constructing an addition, and remodeling the warming hut, as well as making renovations that are needed for compliance with the Americans with Disabilities Act and current building codes.  
**Effective June 1, 1998**  
**Delegate Patterson, et al**

- HB 646 Creation of a State Debt -- Islamic Society of Baltimore, Inc. -- Community Center**  
Creating a State Debt not to exceed \$200,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the Islamic Society of Baltimore, Inc. for the planning, design, construction, capital equipping, site improvements and landscaping of a multipurpose community center on the grounds of the Islamic Society of Baltimore, Inc; and prohibiting the use of the proceeds or any of the matching funds for sectarian religious purposes.  
**Effective June 1, 1998**  
**Delegate Dewberry**
- HB 681 Creation of a State Debt -- Baltimore City -- Maryland Center for Veterans Education and Training**  
Creating a State Debt not to exceed \$136,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of Maryland Center for Veterans Education and Training, Inc. for the planning, design, repair, renovation, and capital equipping and furnishing of the Maryland Center for Veterans Education and Training, a facility that provides comprehensive services, including residential and educational programs, for homeless veterans.  
**Effective June 1, 1998**  
**Delegate C Davis, et al**
- HB 688 Creation of a State Debt -- Prince George's County -- NAFEO Community Center**  
Creating a State Debt not to exceed \$350,000, with a matching fund requirement, the proceeds to be used as a grant to NAFEO Services, Inc. for the planning, design, repair, renovation, and capital equipping of a building in Hyattsville, the building to be used by NAFEO Services as a community center that offers a variety of services to the people of the surrounding area and including a community art center.  
**Effective June 1, 1998**  
**Delegate Healey, et al**
- HB 693 Creation of a State Debt -- Baltimore City -- Fair Chance Center**  
Creating a State Debt not to exceed \$200,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the Fair Chance, Inc. for the planning, design, construction, repair, renovation, and capital equipping and furnishing of buildings located at 301 through 323 North Gay Street, in Baltimore City, to be known as the Fair Chance Center; and prohibiting the grantee from using the funds for sectarian religious purposes.  
**Effective June 1, 1998**  
**Delegate Branch, et al**
- HB 720 Creation of a State Debt -- Charles County -- Thomas Stone National Historic Site**  
Creating a State Debt in the amount of \$100,000, the proceeds to be used as a grant to the National Park Service for the planning, design, construction, and capital equipping of a visitor contact station at Thomas Stone National Historic Site in Charles County.  
**Effective June 1, 1998**  
**Charles County Delegation**
- HB 764 Sojourner--Douglass College Loan of 1997**  
Amending Chapter 241 of the Acts of the General Assembly of 1997, the Sojourner--Douglass College Loan of 1997, to alter the purpose for which the proceeds of the bonds may be used to include the expansion of the Dunbar Annex.  
**Effective June 1, 1998**  
**Delegate Branch, et al**

- HB 771 Creation of a State Debt -- Washington College**  
Creating a State Debt not to exceed \$3,000,000, with a matching fund requirement, as a grant to Washington College for the demolition of an existing academic building, for the construction and capital equipping of a new academic building, for the renovation and capital equipping of William Smith Hall, and for site improvements and the relocation of utilities related to the capital work on the two buildings.  
**Effective June 1, 1998**  
**Delegate Guns, et al**
- HB 774 Creation of a State Debt -- Baltimore City -- Maryland Community Resource Center, Inc.**  
Creating a State Debt not to exceed \$500,000, with a matching fund requirement, the proceeds to be used as a grant to the Maryland Community Resource Center, Inc. for the planning, design, repair, renovation, reconstruction, construction, and capital equipping of a building located at Falls Road and Maryland Avenue in Baltimore City, the building to be used by HERO and Moveable Feast, Inc. to provide comprehensive services for individuals with HIV and AIDS.  
**Effective June 1, 1998**  
**Delegate Marriott, et al**
- HB 786 Creation of a State Debt -- Baltimore City -- St. Ambrose Family Outreach Center**  
Creating a State Debt not to exceed \$500,000, with a matching fund requirement, as a grant to the Board of Directors of the St. Vincent de Paul Society of Baltimore, Inc. for the planning, design, repair, renovation, and capital equipping of facilities used by the St. Ambrose Family Outreach Center, used by the Center for child, adult, and family outreach and support programs; and prohibiting the use of the proceeds or any of the matching funds for sectarian religious purposes.  
**Effective June 1, 1998**  
**Delegate Rawlings, et al**
- HB 788 Creation of a State Debt -- Baltimore City -- Payne Memorial Outreach, Inc. Human and Economic Development Center**  
Creating a State Debt not to exceed \$500,000, with a matching fund requirement, as a grant to the Board of Directors of Payne Memorial Outreach, Inc. for the planning, design, repair, renovation, reconstruction, construction, and capital equipping and furnishing of a building on Madison Avenue in Baltimore City, the building to be used by Payne Memorial Outreach, Inc. as a human and community development center; and prohibiting the use of the proceeds or any of the matching funds for sectarian religious purposes.  
**Effective June 1, 1998**  
**Delegate Rawlings, et al**
- HB 789 Creation of a State Debt -- Anne Arundel County -- North Arundel Hospital**  
Creating a State Debt not to exceed \$800,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of North Arundel Hospital, Inc. for the planning, design, repair, renovation, reconstruction, construction, and capital equipping of the emergency department, to be relocated within the complex at 301 Hospital Drive in Glen Burnie; and providing for a repayment equal to a specified amount of the grant under specified circumstances.  
**Effective June 1, 1998**  
**Delegate Love, et al**
- HB 790 Creation of a State Debt -- The Johns Hopkins University -- Montgomery County Campus**  
Creating a State Debt not to exceed \$3,000,000, with a matching fund requirement, the proceeds to be used as a grant to The Johns Hopkins University for the planning, design, construction, and capital

equipping of a new academic building at the Montgomery County Campus.

**Effective June 1, 1998**

**Delegate Kopp, et al**

**HB 793 Creation of a State Debt -- Baltimore Museum of Industry**

Creating a State Debt not to exceed \$500,000, with a matching fund requirement, as a grant to the Board of Directors of the Baltimore Museum of Industry, Inc. for the repair, renovation, reconstruction, and capital equipping of the property at 1425 Key Highway in Baltimore, for use as the Center for Career and Technology Education, the construction of the Glass Industry Exhibit Building, the paving of the Waterfront Promenade, and the construction of new permanent exhibits; and requiring the granting of a specified easement.

**Effective June 1, 1998**

**Delegates McHale and T Murphy**

**HB 794 Baltimore City -- Fort McHenry -- Education and Visitors Center Loan of 1996**

Amending Chapter 123 of the Acts of the General Assembly of 1996, the Baltimore City -- Fort McHenry -- Education and Visitors Center Loan of 1996, to extend the time by which the Board of Directors of the Patriots of Fort McHenry, Inc. shall provide and expend a matching fund to June 1, 2000.

**Effective June 1, 1998**

**Delegates McHale and T Murphy**

**HB 802 Creation of a State Debt -- Baltimore City -- Police Athletic League Center**

Creating a State Debt not to exceed \$500,000, with a matching fund requirement, the proceeds to be used as a grant to the Mayor and City Council of Baltimore for the planning, design, repair, renovation, construction, reconstruction, and capital equipping of a building adjacent to the Reisterstown Road Plaza, for use as a Police Athletic League Center.

**Effective June 1, 1998**

**Delegate Rosenberg, et al**

**HB 811 Creation of a State Debt -- Girls Incorporated of Washington County -- Gymnasium**

Creating a State Debt not to exceed \$250,000, with a matching fund requirement, as a grant to the Board of Directors of Girls Incorporated of Washington County for the planning, design, repair, renovation, reconstruction, construction, expansion, and capital equipping of a building to include a new gymnasium for the use of girls in the Hagerstown area.

**Effective June 1, 1998**

**Washington County Delegation**

**HB 812 Baltimore City -- Clipper Park Arts Center Loan of 1996**

Amending Chapter 263 of the Acts of the General Assembly of 1996, the Baltimore City -- Clipper Park Arts Center Loan of 1996, to extend the time by which the Board of Directors of the Clipper Park Arts Center, Inc. shall provide and expend a matching fund to June 1, 2000.

**Effective June 1, 1998**

**Delegate Campbell, et al**

**HB 991 Creation of a State Debt -- Federated Charities Corporation of Frederick**

Creating a State Debt not to exceed \$300,000, with a matching fund requirement, as a grant to the Board of Directors of the Federated Charities Corporation of Frederick for the repair, renovation, construction, and capital equipping of a building in Frederick County, including renovations for compliance with the Americans with Disabilities Act, the building to be used as a human services center for community agencies in Frederick County, and for necessary demolition at the site; and

requiring a specified easement.  
**Effective June 1, 1998**  
**Frederick County Delegation**

- HB 1004 Creation of a State Debt -- Caroline County -- Choptank Community Health System, Inc.**  
Creating a State Debt not to exceed \$75,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of Choptank Community Health System, Inc. for the planning, design, repair, renovation, and capital equipping of facilities of the Denton Medical Center, located in Denton, Maryland.  
**Effective June 1, 1998**  
**Delegate Eckardt, et al**
- HB 1033 Creation of a State Debt -- Maryland--National Capital Park and Planning Commission -- Golf Course for the Disabled Therapy Facility**  
Creating a State Debt not to exceed \$150,000, with a matching fund requirement, the proceeds to be used as a grant to the Maryland--National Capital Park and Planning Commission for the planning, design, construction, and capital equipping of a therapy facility associated with the National Golf Course for the Disabled, to be located at a site to be selected by the grantee.  
**Effective June 1, 1998**  
**Delegate B Hughes, et al**
- HB 1081 Montgomery County Cultural Center Loan of 1994**  
Amending Chapter 321 of the Acts of the General Assembly of 1994, the Montgomery County Cultural Center Loan of 1994, as amended by Chapter 277 of the Acts of the General Assembly of 1996, to allow the proceeds of the bonds and the matching fund to be used for the planning, design, repair, renovation, reconstruction, construction, and capital equipping of a building in Silver Spring, the building to be used as a theater and as a facility for activities associated with the theater.  
**Effective June 1, 1998**  
**Delegates Franchot and Hixson**
- HB 1087 Baltimore City -- The Eubie Blake National Jazz Institute and Cultural Center Loan of 1995**  
Amending Chapter 307 of the Acts of the General Assembly of 1995, the Baltimore City -- Eubie Blake National Museum and Cultural Center Loan of 1995, to alter the title of the loan and the name of the institution that is to be the recipient of the proceeds of the bonds to be The Eubie Blake National Jazz Institute and Cultural Center, to alter the location of the Center to be 847 North Howard Street in Baltimore City, and to alter the use of the proceeds of the bonds.  
**Effective June 1, 1998**  
**Delegate Montague**
- HB 1088 Baltimore City -- The Eubie Blake National Jazz Institute and Cultural Center Loan of 1994**  
Amending Chapter 220 of the Acts of the General Assembly of 1994, the Baltimore City -- Eubie Blake National Museum and Cultural Center Loan of 1994, as amended by Chapter 322 of the Acts of the General Assembly of 1995, as amended by Chapter 12 of the Acts of the General Assembly of 1996, to alter the title of the loan and the name of the recipient to be The Eubie Blake National Jazz Institute and Cultural Center, to alter the location of the Center to be 847 North Howard Street in Baltimore City, and to alter the use of the proceeds of the bonds.  
**Effective June 1, 1998**  
**Delegate Montague**
- HB 1104 Creation of a State Debt -- McCready Memorial Hospital**  
Creating a State Debt not to exceed \$115,000, with a matching fund requirement, the proceeds to be

used as a grant to the Board of Directors of McCready Memorial Hospital, Inc. for the planning, design, renovation, repair, reconstruction, construction, capital equipping, and general upgrading of the emergency department facilities, creating a chest pain unit, and providing health education services at the McCready Memorial Hospital in Crisfield; and providing for a specified repayment under specified circumstances.

**Effective June 1, 1998**

**Delegate McClenahan, et al**

**HB 1134 Creation of a State Debt -- Baltimore City -- Pride of Baltimore II**

Creating a State Debt not to exceed \$65,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the Pride of Baltimore, Inc. for the repair and renovation of the boat known as the Pride of Baltimore II, including recaulking, upgrading of the wastewater treatment system to comply with environmental regulation, and associated capital improvements to the boat.

**Effective June 1, 1998**

**Delegate McIntosh, et al**

**HB 1148 Creation of a State Debt -- Baltimore City -- Sandtown--Winchester Senior Center**

Creating a State Debt in the amount of \$600,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the Sandtown--Winchester Senior Center, Inc. for the planning, design, construction, and capital equipping of the Sandtown--Winchester Senior Center, a facility being developed to provide programs and services for senior citizens in the City of Baltimore.

**Effective June 1, 1998**

**Delegate Fulton, et al**

**HB 1149 Creation of a State Debt -- Baltimore City -- YMCA of Central Maryland -- Druid Hill Family Branch**

Creating a State Debt not to exceed \$350,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the YMCA of Central Maryland, Inc. -- Druid Hill Family Branch for the renovation and repair of current facilities and an adjacent facility for use as a resource center and a family residence for homeless women and children; prohibiting the use of the proceeds or any of the matching funds for sectarian religious purposes; etc.

**Effective June 1, 1998**

**Delegate Rawlings, et al**

**HB 1172 Creation of a State Debt -- Montgomery County -- Olney Theatre Center for the Arts**

Creating a State Debt not to exceed \$475,000, with a matching fund requirement, the proceeds to be used as a grant to the Olney Theatre Center for the Arts for the planning, design, construction, and capital equipping of a new main stage for the Theatre, together with landscaping, site improvements, and other associated capital improvements that are necessary for the completion of Phase One of the Olney Theatre Campus Master Plan.

**Effective June 1, 1998**

**Delegate Heller, et al**

**HB 1182 Creation of a State Debt -- Prince George's County -- Mission of Love Center**

Creating a State Debt not to exceed \$150,000, with a matching fund requirement, as a grant to the Board of Directors of the Mission of Love, Inc. for the repair, renovation, expansion and capital equipping of a building, or for the acquisition of another building, as well as for the repair, renovation and capital equipping of that building, either or both of the buildings to be used to store goods to be distributed to the poor; and prohibiting the use of the proceeds of the bonds or matching funds for sectarian religious purposes.

**Effective June 1, 1998**  
**Delegate B Hughes, et al**

**HB 1216 Harford County -- Bel Air Youth Center Loan of 1997**

Amending Chapter 192 of the Acts of the General Assembly of 1997, the Harford County -- Bel Air Youth Center Loan of 1997, to alter the purposes for which the proceeds of the bonds may be used to include design and construction.

**Effective June 1, 1998**  
**Harford County Delegation**

**HB 1241 Creation of a State Debt -- Mercy Medical Center**

Creating a State Debt not to exceed \$350,000, with a matching fund requirement, as a grant to the Board of Directors of Mercy Medical Center, Inc. for the planning, design, repair, renovation, construction, expansion, and capital equipping of a building for primary care, preventive services, and the Adult Medicine and HIV/AIDS case management programs; and prohibiting the use of the proceeds or matching funds for sectarian religious purposes; and providing for a specified repayment under specified circumstances.

**Effective June 1, 1998**  
**Delegate Marriott, et al**

**HB 1253 Creation of a State Debt -- Montgomery County -- Joseph White House**

Creating a State Debt not to exceed \$200,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Directors of the Parks Foundation, Inc. for the planning, design, repair, renovation, restoration, and capital equipping of the historic Joseph White House, located in Boyds, Maryland; and requiring the grantee to grant and convey to the Maryland Historical Trust a specified easement.

**Effective June 1, 1998**  
**Delegate Hurson**

**HB 1269 Creation of a State Debt -- Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester Counties -- Dry Hydrant System**

Creating a State Debt in the amount of \$100,000, the proceeds to be used as a grant to the Delmarva Advisory Council for the planning, design, and construction, in cooperation with the Maryland Forest Service, of a dry hydrant system for fire service in rural areas of Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester Counties.

**Effective June 1, 1998**  
**Delegate Conway, et al**

**HB 1296 Creation of a State Debt -- Garrett Information Enterprise Center**

Creating a State Debt not to exceed \$250,000, with a matching fund requirement, the proceeds to be used as a grant to the County Commissioners of Garrett County for the planning, design, construction, and capital equipping and furnishing of the Garrett Information Enterprise Center on the campus of Garrett Community College, to be used as a technical and administrative support facility for businesses that locate in Garrett County.

**Effective June 1, 1998**  
**Delegate Edwards**

**HB 1297 Creation of a State Debt -- Dorchester County -- City of Cambridge -- Liberty Village Empowerment Center**

Creating a State Debt not to exceed \$200,000, with a matching fund requirement, as a grant to the Mayor and City Commissioners of the City of Cambridge for the planning, design, construction, and

capital equipping and furnishing of Phase 2 of Liberty Village, a building to be known as the Liberty Village Empowerment Center, the Center to be used as a facility where people can learn of the rich cultural heritage of the area and also to be used as a computer and medical educational, training, and retraining center for people in the area.

**Effective June 1, 1998**

**Dorchester County Delegation**

**HB 1326 Creation of a State Debt -- Baltimore City -- Morgan Christian Center**

Creating a State Debt not to exceed \$150,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Trustees of Morgan Christian Center of Baltimore, Maryland for the planning, design, repair, renovation, and capital equipping and furnishing of the Center, which is used as a community outreach center for students at Morgan State University and the surrounding community; and prohibiting the use of the proceeds or any of the matching funds for sectarian religious purposes.

**Effective June 1, 1998**

**Delegate Montague, et al**

**HB 1405 Creation of a State Debt -- Harford County -- Greater Havre de Grace Museum Alliance**

Creating a State Debt not to exceed \$75,000, with a matching fund requirement, the proceeds to be used as a grant to the Greater Havre de Grace Museum Alliance for the planning, design, repair, renovation, reconstruction, construction, and capital equipping of the museum facilities that are part of the Alliance.

**Effective June 1, 1998**

**Delegate Preis, et al**

**HB 1406 Creation of a State Debt -- Harford County -- Havre de Grace Community Center**

Creating a State Debt in the amount of \$75,000, the proceeds to be used as a grant to the Mayor and City Council of the City of Havre de Grace for the planning and design of a new community center in the City of Havre de Grace.

**Effective June 1, 1998**

**Delegate Harkins, et al**

**HB 1420 Creation of a State Debt -- Baltimore City -- Pen Lucy Community Center**

Creating a State Debt not to exceed \$100,000, with a matching fund requirement, the proceeds to be used as a grant to the Govans Economic Management Senate (GEMS) for the planning, design, repair, renovation, reconstruction, construction, and capital equipping and furnishing of a multipurpose community center in the Wah building in the Pen Lucy Community of Baltimore City, the center to include a police facility, a health facility, and a recreation facility for the residents of the community.

**Effective June 1, 1998**

**Delegate Montague, et al**

**HB 1427 Cecil County -- The Town of North East -- Community Park Loan of 1995**

Amending Chapter 343 of the Acts of the General Assembly of 1995, the Cecil County -- The Town of North East -- Community Park Loan of 1995, to extend the time by which the grantee shall provide and expend the matching fund to June 1, 1999.

**Effective June 1, 1998**

**Cecil County Delegation**

**HB 1428 Creation of a State Debt -- Prince George's County -- Kettering Community Center**

Creating a State Debt in the amount of \$200,000, the proceeds to be used as a grant to the Kettering Community Homeowners Association for the planning, design, repair, rehabilitation, reconstruction,

construction, and capital equipping and furnishing of the community center in Kettering, a facility that is used by the residents of Kettering for children's activities, as well as adult meetings and other functions of the community.

**Effective June 1, 1998**

**Delegate B Hughes, et al**

**PART B**  
**TAXES**

- SB 74 **Personal Property Tax -- Exemptions**  
Exempting farm implements and livestock from valuation and property tax; clarifying which property is subject to municipal property tax; providing that only Wicomico County has a general personal property tax and setting its maximum rate; and providing for a personal property tax on certain kinds of property in specified counties.  
Chairman B&T (Dept)
- SB 75 **Local Tax Returns -- Use for Property Valuation**  
Authorizing county and municipal officials to provide to the county supervisor of assessments information disclosed in tax returns.  
Chairman B&T (Dept)
- SB 76 **Property Tax -- Liability for Taxes on Transferred Property**  
Clarifying the time when the liability for property tax shifts from the transferor to the transferee under specified circumstances.  
**Effective July 1, 1998**  
Chairman B&T (Dept)
- SB 77 **Housing and Community Development -- Neighborhood and Community Assistance Program -- Definition of Business Entities**  
Specifying the kinds of business entities, including individuals, that may be eligible for tax credits under the Neighborhood and Community Assistance Program.  
**Effective July 1, 1998**  
Chairman B&T (Dept)
- SB 79 **Comptroller -- Income Tax Data -- Report**  
Providing that the Comptroller's report on the income tax shall be made on or before January 1 of the second year after returns are received for a tax year.  
Chairman B&T (Dept)
- SB 80 **Income Tax -- Refunds and Offsets -- Out--of--State Income Tax Liability**  
Authorizing the Comptroller to withhold and pay to another state an individual's income tax refund; specifying circumstances and requirements; requiring notification of the individual; providing for procedures to challenge the withholding; etc.  
Chairman B&T (Dept)
- SB 81 **Income Tax -- Tax Forms**  
Repealing the requirement that the Comptroller design tax forms for the separate payment of State and local income tax.  
**Emergency Bill**  
Chairman B&T (Dept)
- SB 109 **Baltimore City -- Tax Credit -- South Baltimore Little League**

Authorizing the Mayor and City Council of Baltimore City to grant a property tax credit against the property tax imposed on specified property owned by the South Baltimore Little League and used for amateur sports.

**Effective June 1, 1998**

**Senator Della**

**SB 113 Property Tax Setoffs in Municipal Corporations**

Providing for procedures to be followed by counties and municipal corporations in connection with property tax setoffs for property located in municipal corporations; authorizing a county and one or more municipal corporations to enter into agreements setting different terms or timing for negotiations, calculations, or approval of a tax setoff; etc.

**Effective July 1, 1998**

**Senator Middleton (Task Force to Study County Property Tax Setoffs and Related Fiscal Issues), et al**

**SB 147 Personal Property Tax -- Small Businesses**

Exempting from valuation and property tax specified personal property used in connection with a business, occupation, or profession that is located at an individual's principal residence under specified circumstances; and applying the Act to all taxable years beginning after June 30, 1999.

Senator Hogan, et al

**SB 148 Property Tax Exemption -- Charitable Organizations -- Abatement and Refund of Property Tax in Year of Transfer**

Providing that property tax on any property that is transferred to a nonprofit charitable organization is abated from the date during the taxable year when the instrument transferring title to the organization is recorded if specified conditions are met; providing that the amount of property tax abated may not exceed the amount of property tax actually paid or reimbursed by an eligible organization at the property settlement; and providing that the Act is applicable to all taxable years beginning after June 30, 1998.

**Effective July 1, 1998**

**Senator Hogan, et al**

**SB 203 State Property Tax Exemption -- Property Tax Credits -- Land Trusts and Western Shore Conservancy**

Providing for an exemption from State property tax for property that is owned by a land trust that is certified by the Maryland Environmental Trust to be in good standing and to have a cooperative agreement in effect, and that is used for specified purposes; and authorizing a county to grant, under specified conditions, a property tax credit for conservation land owned by the Western Shore Conservancy, or property owned by a specified land trust, that is used for specified purposes.

**Effective June 1, 1998**

**Senator Green, et al**

**SB 223 Income Tax -- Earned Income Credit -- Refunds**

Altering the earned income credit allowed against the Maryland income tax; repealing part of the credit refundable under specified circumstances; providing that any excess credit over the State income tax does not reduce the county income tax below zero; applying the Act to tax years after 1997; etc.

**Effective July 1, 1998**

**Senator Hoffman, et al**

**SB 268 Maryland Higher Education Investment Program -- Income Tax Subtraction Modification for Contributions**

Providing a subtraction modification under the Maryland income tax for advance payments of undergraduate tuition made by an individual as provided under a higher education investment contract in accordance with the Maryland Higher Education Investment Program; providing an addition modification for refunds made under a higher education investment contract that is not applied on behalf of the beneficiary for higher education tuition and other fees; applying the Act to tax years after 1997; etc.

**Effective July 1, 1998**

**Senator Miller, et al**

**SB 273 Property Tax Exemptions -- Biotechnology and Computer Software -- Manufacturing and Research and Development**

Including research and development activities within the definition of manufacturing for property tax purposes; including specified biological processes used for research or manufacture within the definition of manufacturing; including the design, development, or creation of computer software within the definition of manufacturing; repealing the partial property tax exemption for property used for research and development activities; etc.

Senator Hogan, et al

**SB 291 Recordation Tax -- Payment and Collection**

Providing for collection of the recordation tax by a county tax collector or the clerk of the court, as designated by the governing body of a county; and requiring a county tax collector to deduct from the recordation tax and remit to the Comptroller a specified percentage for Fiscal Year 1999.

**Effective July 1, 1998**

**Senator Haines**

**SB 359 Baltimore City -- Property Tax Credit -- Newly Constructed Dwellings**

Setting forth specified criteria for the eligibility for a property tax credit for newly constructed dwellings in Baltimore City; and providing for the amount of the property tax credit.

**Emergency Bill**

**Senator Della**

**SB 378 Property Tax -- Tax Sales**

Authorizing collectors of property tax to establish terms for the conduct of tax sales; authorizing collectors of property tax to determine the manner of tax sales; providing for the authority to accept or refuse to accept bids at tax sales by the collector or as delegated by the collector; authorizing collectors of property tax to establish high--bid premiums for property to be sold at a tax sale; etc.

**Emergency Bill**

**Senator Middleton, et al**

**SB 396 Income Tax -- Subtraction Modification for Volunteer Police, Fire, Rescue, and Emergency Medical Services Personnel**

Increasing from \$3,000 to \$3,500 the amount of subtraction modifications allowed for qualifying volunteer fire, rescue, or emergency medical services personnel; and applying the Act to tax years after 1998.

**Effective July 1, 1998**

**Senator Miller, et al**

**SB 452 Work, Not Welfare, and Qualifying Employees with Disabilities Tax Credits -- Tax Exempt Organizations -- Withholding Taxes**

Allowing specified tax exempt organizations to apply the Work, Not Welfare, and Qualifying Employees with Disabilities tax credits against the payment to the Comptroller of taxes that the

organizations are required to withhold from the wages of employees and are required to pay to the Comptroller; altering provisions relating to the applicability of specified tax credits; making provisions of the Act contingent on the taking effect of other legislation; etc.

**Contingent--Eff. July 1, 1998**

**Senator Boozer, et al**

**SB 478 Sales and Use Tax -- Nonprofit Organizations Located in Adjacent States**

Altering a specified requirement for an organization located in an adjacent state to be eligible for a specified exemption under the sales and use tax for specified sales to specified nonprofit organizations.

**Effective July 1, 1998**

**Senator Stoltzfus**

**SB 487 County Income Tax**

Allowing a county to increase or decrease the county income tax rate in increments of 2 or 5 percentage points; authorizing a county to decrease its county income tax rate for calendar year 1998 notwithstanding specified requirements for notice to the Comptroller; applying the Act to tax years after 1997; making the Act an emergency measure; etc.

**Emergency Bill**

**Senator Neall, et al**

**SB 496 Baltimore City -- Property Tax Credit -- Northwest Family Sport Center, Inc.**

Authorizing the Mayor and City Council of Baltimore City to grant, by law, a property tax credit against the county property tax imposed on personal property that is owned by the Northwest Family Sport Center, Inc.

**Effective July 1, 1998**

**Senator Hoffman, et al**

**SB 507 Property Tax -- Credits -- Personal Property Located in Foreign Trade Zones**

Authorizing the governing body of a county or municipal corporation to grant, by law, a property tax credit against the county or municipal corporation property tax imposed on specified personal property located in a foreign trade zone that is within that county or municipal corporation; providing for a specified exception; and defining a term.

**Senator Boozer**

**SB 536 Personal Property Tax -- Lien for Unpaid Taxes**

Clarifying that the lien on real property for unpaid tax on personal property is subordinate to all other liens perfected against the real property prior to the attachment of the lien; and providing that the Act applies to all liens for unpaid tax on personal property in existence on or after July 1, 1998.

**Effective July 1, 1998**

**Senator Hoffman, et al**

**SB 537 Tax Credits -- Employment of Individuals with Disabilities**

Extending the termination date and applicability of tax credits for employment of individuals with disabilities for 2 years to allow the credit to be claimed for employees hired before January 1, 2003, to be applied to tax years through 2004; requiring the State Department of Education annually to report to the Governor and General Assembly on the tax credits; etc.

**Effective July 1, 1998**

**Senator Hoffman, et al**

**SB 539 Baltimore City -- Property Tax Exemption -- Residential Conversion of Commercial Buildings**

Providing for an exemption from county property tax for vacant and underutilized commercial

buildings in the Downtown Management District of Baltimore City that meet specified criteria and are subject to an agreement between the owner of the real property and the Baltimore City Board of Estimates; etc.

**Effective July 1, 1998**

**Senators McFadden and Hoffman (Baltimore City Administration)**

**SB 563 Dorchester County -- Property Tax Credit -- Agricultural and Forest Land**

Authorizing the governing body of Dorchester County to grant a property tax credit for property tax imposed on agricultural and forest land that meets specified requirements; providing for the development of criteria for eligibility for the tax credit and the administration of the tax credit; etc.

**Effective July 1, 1998**

**Senator Colburn**

**SB 619 Tax Credits -- Businesses that Create New Jobs**

Requiring that specified business entities locate new or expanded premises in designated priority funding areas in order to qualify for tax credits for businesses that create new jobs; making stylistic changes; extending the application of specified tax credits and a termination provision; providing for the application of the Act; etc.

Senator Van Hollen, et al

**SB 624 Carroll County -- Rights of Redemption -- Limit on Reimbursement of Foreclosure Expenses**

Providing that in Carroll County expenses in connection with the foreclosure of a right of redemption are not reimbursable if they are incurred within 4 months after the tax sale.

**Effective June 1, 1998**

**Senators Haines and Ferguson (Carroll County Senators)**

**SB 638 Tax Credit for Employer--Provided Long--Term Care Insurance**

Allowing credits, subject to a limitation, against the State income tax, insurance premiums tax, financial institution franchise tax, and public service company franchise tax for 5\% of the costs incurred by employers that provide long--term care insurance as part of an employee benefits package; providing for the calculation of the credit and for the carryover of unused credit under specified circumstances; requiring specified reports; and applying the Act to tax years after 1998.

**Effective July 1, 1998**

**Senator Hollinger, et al**

**SB 750 Income Tax Reduction**

Reducing the top marginal tax rate under the Maryland State income tax on individuals to 4.875\% for tax year 1998 and to 4.85\% for tax year 1999; increasing the amount that an individual may deduct for specified exemptions to determine Maryland taxable income to \$1,750 for tax year 1998 and to \$1,850 for tax year 1999; reducing the maximum amount of a subtraction allowed for two--income married couples to \$1,154 for tax year 1998 and to \$1,144 for tax year 1999; etc.

**Effective July 1, 1998**

**Senator Hoffman, et al**

**SB 770 Harford and Charles Counties -- Property Tax Program -- Real Property in Rural Legacy Program**

Authorizing the governing body of Harford County and the governing body of Charles County to grant, by law, a property tax credit against the county property tax imposed on real property that is located in a Rural Legacy Area for which the property owner has sold the development rights under the Rural Legacy Program; and authorizing the governing body of Harford County and the governing body of Charles County to provide for the conditions of eligibility and method of application for the amount of

the property tax credit.  
**Effective July 1, 1998**  
**Senator Fry, et al**

- HB 5 Property Tax Exemptions -- Biotechnology and Computer Software -- Manufacturing and Research and Development**  
Altering for property tax purposes the definition of "manufacturing" to include research and development activities; including specified biological processes used for research or manufacture within the definition of manufacturing; including the design, development, or creation of specified computer software within the definition of manufacturing; defining "research and development"; repealing the partial property tax exemption for property used for research and development activities; etc.  
Delegate Hixson, et al
- HB 6 Tax Credit for Approved Paid Work--Based Learning Programs for Students**  
Authorizing eligible parties to establish specified approved paid work--based learning programs under which arrangements are made between schools and employers to provide students with specified structured employer--supervised learning; allowing a credit against the State income tax and specified other taxes for wages paid to each student under an approved program; providing for calculation of the credit; providing for the carrying forward of the credit if it exceeds the total tax otherwise payable for a taxable year; etc.  
**Effective July 1, 1998**  
**Delegate Shriver, et al**
- HB 13 Job Creation Tax Credit -- County--Designated Priority Funding Areas**  
Altering the criteria for a business entity to qualify for the Job Creation Tax Credit by including within the definition of "State priority funding area", for purposes of the credit, no more than one area in a county designated by the county as a priority funding area under State growth management law; and applying the Act to tax years beginning after 1997.  
**Effective July 1, 1998**  
**Delegate Leopold**
- HB 66 Income Tax -- Earned Income Credit -- Refunds**  
Altering the earned income credit allowed against the Maryland income tax; allowing a refund in the amount, if any, by which a specified percentage of the federal earned income credit exceeds the State income tax; providing that any excess credit over the State income tax does not reduce the county income tax below zero; repealing a specified subtraction modification for taxpayers whose income does not exceed specified levels; providing for the determination of the amount of specified credits for nonresidents and part--year residents; etc.  
**Effective July 1, 1998**  
**Delegate Hixson, et al**
- HB 141 Recordation and Transfer Taxes -- Transfers Between Spouses and Former Spouses**  
Altering an exemption under the recordation tax and State transfer tax for instruments of writing that transfer property between spouses or former spouses to make the exemption applicable to any transfer between spouses or former spouses, whether or not made in accordance with a property settlement or divorce decree.  
**Effective July 1, 1998**  
**Delegates Gordon and Bonsack**
- HB 147 Sales and Use Tax -- Taxable Price -- Separately Stated Charge for Admissions and Amusement Tax**

Excluding from the taxable price for purposes of the sales and use tax a separately stated charge for admissions and amusement tax imposed on the gross receipts derived from an admission and amusement charge.

**Effective July 1, 1998**

**Delegates Edwards and Bonsack**

**HB 216 Property Tax Setoffs in Municipal Corporations**

Providing for procedures to be followed by counties and municipal corporations in connection with property tax setoffs for property located in municipal corporations; authorizing a county and one or more municipal corporations to enter into agreements setting different terms or timing for negotiations, calculations, or approval of a tax setoff; etc.

**Effective July 1, 1998**

**Delegate Healey (Task Force to Study County Property Tax Setoffs and Related Fiscal Issues), et al**

**HB 257 Income Tax -- Subtraction Modification for Maryland Higher Education Investment Program Earnings**

Providing an income tax subtraction modification for certain amounts included in federal adjusted gross income as a result of a benefit given to a beneficiary pursuant to a higher education investment contract under the Maryland Higher Education Investment Program; and providing that the subtraction does not apply to a refund under the Maryland Higher Education Investment Program unless the refund is applied on behalf of the beneficiary to the cost of tuition at an institution of higher education.

**Effective July 1, 1998**

**The Speaker (Administration), et al**

**HB 311 Property Tax Credit -- Installation of Fire Sprinkler Systems**

Authorizing the Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation to grant, by law, a tax credit against the county or municipal corporation property tax imposed on improvements to real property if there is installed in the improvements a complete automatic fire protection sprinkler system, installed in accordance with accepted codes and standards established by the Maryland State Fire Prevention Commission; etc.

**Effective July 1, 1998**

**Delegates Clagett and Leopold**

**HB 342 Howard County -- Property Tax Credit -- Therapeutic Riding Facilities Ho. Co. 5--98**

Authorizing the governing body of Howard County to grant, by law, a property tax credit against the county property tax imposed on real property used as a therapeutic riding facility by eligible nonprofit organizations that provide services to disabled individuals; and authorizing the governing body of Howard County to provide, by law, for the amount, duration, and application of the property tax credit and any other provision necessary to carry out the Act.

**Effective July 1, 1998**

**Howard County Delegation**

**HB 420 Personal Property Tax -- Small Businesses**

Exempting from valuation and property tax specified personal property used in connection with a business, occupation, or profession that is located at an individual's principal residence under specified circumstances; and applying the Act to all taxable years beginning after June 30, 1999.

**Delegate Goldwater, et al**

**HB 447 Property Tax Credit -- Renovations to Residential Buildings for Computer and Telecommunications Systems**

Altering the criteria for granting a property tax credit for renovations to accommodate computer and telecommunication systems to make it apply to residential buildings.

**Effective July 1, 1998**

**Delegate Rosenberg, et al**

**HB 461 Property Tax Exemption -- Charitable Organizations -- Abatement of Property Tax in Year of Transfer**

Providing that property tax on specified property that becomes exempt during a taxable year is abated from the date during the taxable year when the instrument transferring title to eligible charitable organizations is recorded; and providing that the Act be applicable to all taxable years beginning after June 30, 1998.

**Effective July 1, 1998**

**Delegate Hecht, et al**

**HB 531 Boat Excise Tax**

Excluding from the computation of the boat excise tax the value of specified vessels that are traded in as part of the consideration for the sale of a vessel by a licensed dealer; authorizing the Department of Business and Economic Development, in cooperation with the Marine Trades Association of Maryland and other interested trade associations and tourism boards, to develop and implement a marketing and tourism plan to promote boating in Maryland; etc.

**Effective July 1, 1998**

**Eastern Shore Delegation, et al**

**HB 585 Personal Property Tax -- Lien for Unpaid Taxes**

Clarifying that the lien on real property for unpaid tax on personal property is subordinate to all other liens perfected against the real property prior to the attachment of the lien; and providing that the Act applies to all liens for unpaid tax on personal property in existence on or after July 1, 1998.

**Effective July 1, 1998**

**Delegate Poole**

**HB 600 Garrett County -- Delinquent Municipal Property Taxes -- Obligation of County Treasurer to Conduct Sale**

Requiring the Garrett County Treasurer to conduct a tax sale in accordance with specified procedures when notified by a municipal official that the municipal property taxes have not been paid.

**Effective July 1, 1998**

**Delegate Edwards**

**HB 629 Property Tax Credits -- Qualified Brownfields Sites and Enterprise Zone Property**

Clarifying the calculation of property tax credits granted for qualified brownfields sites and required contributions by local taxing jurisdictions to the Brownfields Revitalization Incentive Fund; authorizing the counties and municipal corporations to vary the percentage of additional property tax credits granted for qualified brownfields sites and to establish additional eligibility criteria for additional property tax credits; clarifying the calculation of the enterprise zone property tax credit; etc.

**Effective June 1, 1998**

**Delegate Klausmeier, et al**

**HB 705 Income Tax Credits for Alternative--Fuel Vehicles -- Termination Date**

Extending through tax year 1999 the applicability of credits allowed against the State income tax for specified costs of alternative--fuel and electric vehicles and specified property for converting a vehicle to an alternative--fuel vehicle; and extending the termination date for the credits to June 30, 2000.

**Effective July 1, 1998**

## **Delegates Rosenberg and Bozman**

### **HB 724 Short--Term Rental Vehicles -- Taxation**

Providing for the distribution of a portion of the sales and use tax revenue collected on short--term rental vehicles to the Transportation Trust Fund; exempting specified short--term rental vehicles from the motor vehicle excise tax; repealing the credit allowed against the sales and use tax for motor vehicle excise tax imposed on short--term rental vehicles; pledging specified taxes collected to pay the principal and interest on specified transportation bonds; etc.

**Effective July 1, 1999**

**Delegate Hixson**

### **HB 904 Montgomery County -- Admissions and Amusement Tax -- Enterprise Zones MC 825--98**

Prohibiting Montgomery County from imposing the admissions and amusement tax on gross receipts derived from specified charges within an enterprise zone.

**Effective July 1, 1998**

**Montgomery County Delegation**

### **HB 967 Property Tax Exemption -- Harford Land Trust**

Providing a State property tax exemption for property owned by the Harford Land Trust and used to assist in the preservation of a wild nature area, to establish a nature reserve or other protected area, for environmental education of the public, or generally to promote conservation; and providing for the Act to be applicable to all taxable years beginning after June 30, 1998.

**Effective June 1, 1998**

**Harford County Delegation**

### **HB 1003 Tax Credit for Employer--Provided Long--Term Care Insurance**

Allowing credits against the State income tax, insurance premiums tax, financial institution franchise tax, and public service company franchise tax for 5\% of the costs incurred by employers to provide long--term care insurance as part of an employee benefit package, subject to a maximum of the lesser of \$100 for each employee covered by long--term care insurance provided under the employee benefit package or \$5,000; providing for the carryover of unused credit under specified circumstances; etc.

**Effective July 1, 1998**

**Delegate Redmer, et al**

### **HB 1011 Garrett County -- Property Tax Credit -- Garrett County Memorial Hospital**

Authorizing the Board of County Commissioners for Garrett County to grant a property tax credit for undeveloped property owned by the Board of Governors of Garrett County Memorial Hospital or for property owned by the Board and used to provide health care related services on a nonprofit basis.

**Effective July 1, 1998**

**Delegate Edwards**

### **HB 1016 Property Tax -- Tax Sales**

Authorizing collectors of property tax to establish terms for the conduct of tax sales; authorizing collectors of property tax to determine the manner of tax sales; providing for the authority to accept or refuse to accept bids at tax sales by the collector or as delegated by the collector; authorizing collectors of property tax to establish high--bid premiums for property to be sold at a tax sale; providing for the application of the Act; making the provisions of the Act severable; etc.

**Emergency Bill**

**Delegate Bozman, et al**

### **HB 1123 Baltimore City -- Property Tax Exemption -- Residential Conversion of Commercial Buildings**

Providing for an exemption from county property tax for vacant and underutilized commercial buildings in the Downtown Management District of Baltimore City that meet specified criteria and are subject to an agreement between the owner of the real property and the Baltimore City Board of Estimates; etc.

**Effective July 1, 1998**

**Delegate Boston (Baltimore City Administration)**

**HB 1140 Baltimore City -- Property Tax Sales -- Foreclosure of Right of Redemption**

Providing that with respect to specified property in Baltimore City, unless the court grants an extension, a certificate of sale is void unless the holder secures a decree within 2 years from the date of the filing of the foreclosure proceeding; providing that in Baltimore City a tax sale foreclosure final judgment may be stricken by the court on an interested party's motion if the holder of the certificate of sale does not record the deed in land records within 90 days of the execution of the deed; etc.

**Effective July 1, 1998**

**Delegate Watson, et al**

**HB 1142 Inheritance Tax -- Exemption for Property that Passes to Public, Charitable, or Religious Organizations**

Altering an exemption under the inheritance tax for the receipt of property that passes from a decedent to or for the use of specified organizations.

Delegate Brinkley, et al

**HB 1155 Work, Not Welfare, and Qualifying Employees with Disabilities Tax Credits -- Tax Exempt Organizations -- Withholding Taxes**

Allowing specified tax exempt organizations to apply the Work, Not Welfare, and Qualifying Employees with Disabilities tax credits against the payment to the Comptroller of taxes required to be withheld from the wages of employees and required to be paid to the Comptroller; altering provisions relating to the applicability of tax credits; making specified provisions of the Act contingent; etc.

**Contingent--Eff. July 1, 1998**

**Delegate Howard, et al**

**HB 1199 Heritage Structure Rehabilitation Credit**

Increasing from 15% to 25% the percentage of a taxpayer's qualified rehabilitation expenditures that may be claimed as a tax credit for a certified rehabilitation of a certified heritage structure; and providing that the Act shall be applicable to all taxable years beginning after December 31, 1998.

**Effective July 1, 1998**

**Delegates Bonsack and Taylor**

**HB 1244 Homeowners Property Tax Credit**

Altering the computation of a specified homeowners property tax credit; requiring the Department of Assessments and Taxation to provide a report on the effects of the adjustment to the Homeowners Property Tax Credit Program to the Governor and the General Assembly by December 1, 1999; and providing that the Act shall be applicable to tax credits for all taxable years beginning after June 30, 1999.

**Effective July 1, 1998**

**Delegate Muse, et al**

**HB 1275 Somerset County -- Property Tax Credit -- J. Millard Tawes Foundation**

Authorizing the governing body of Somerset County to grant, by law, a property tax credit against county property tax imposed on real property owned by the J. Millard Tawes Foundation.

**Effective July 1, 1998**

## **Somerset County Delegation**

### **HB 1289 Tax Sale Procedure -- Notice to Tenants**

Requiring that a plaintiff in an action to foreclose a right of redemption send a written notice of the proceeding in a specified manner to each tenant, whether or not that tenant's identity is known, of the subject property; providing that the failure of a tenant to receive the notice does not invalidate a tax sale under specified circumstances; and generally relating to notice to tenants of a property subject to an action to foreclose a right of redemption.

**Effective July 1, 1998**

**Delegate Howard, et al**

### **HB 1291 Baltimore City -- Property Tax Credit -- Northwest Family Sport Center, Inc.**

Authorizing the Mayor and City Council of Baltimore City to grant, by law, a property tax credit against the county property tax imposed on personal property that is owned by the Northwest Family Sport Center, Inc.

**Effective July 1, 1998**

**Delegate Campbell, et al**

### **HB 1362 Somerset County -- Rights of Redemption -- Limit on Reimbursement of Foreclosure Expenses**

Including Somerset County within a provision of law limiting the right of a plaintiff in an action to foreclose a right of redemption or a holder of a certificate of sale to be reimbursed for certain expenses in connection with the foreclosure of a right of redemption that are incurred within 4 months after the tax sale.

**Effective July 1, 1998**

**Somerset County Delegation**

**PART C**  
**STATE GOVERNMENT**

- SB 69 **Election Law -- Voter Registration Application Deadline**  
Providing that a voter registration application is timely if postmarked on or before the registration deadline.  
**Effective June 1, 1998**  
**Chairman EEA (Dept)**
- SB 70 **Election Laws -- Campaign Finance Reports -- Audits**  
Authorizing the State Administrator of Election Laws to audit the campaign finance reports of political committees.  
**Chairman EEA (Dept)**
- SB 71 **Special Police Officers**  
Allowing the Governor to terminate or suspend a commission of a special police officer; allowing the Governor to delegate that power to the Secretary of State or Assistant Secretary of State; allowing a commission to continue under specified circumstances involving the transfer of a business; and requiring a special police officer to surrender specified identification or a specified badge within 48 hours after the termination or suspension of the officer's employment or commission.  
**Chairman JPR (Dept)**
- SB 72 **Election Laws -- Campaign Finance Reports -- Computerization**  
Allowing the State Administrative Board of Election Laws to exempt specified entities from submitting campaign finance reports in electronic format if the entity has de minimis financial activity.  
**Contingent--Various Eff. Dates**  
**Chairman EEA (Dept)**
- SB 83 **Maryland Public Broadcasting Commission -- Personnel Matters**  
Providing for the appointment of a President of the Maryland Public Broadcasting Commission; authorizing the Commission to fix, upon the recommendation of the President, the compensation of specified Commission employees; providing for the duties of the President of the Commission; requiring the President to submit specified salary changes to the Secretary of Budget and Management at least 45 days before the effective date of the change; etc.  
**Chairman B&T (Dept)**
- SB 92 **Annual Curative Bill**  
Generally curing previous Acts of the General Assembly with possible title defects.  
**Emergency--Eff. July 1, 1998**  
**The President (Department of Legislative Services)**
- SB 93 **Annual Corrective Bill**  
Correcting specified errors and omissions in various articles of the Annotated Code and in specified uncodified laws and public local laws; establishing that the Act is not intended to affect any law other than to correct technical errors; validating specified corrections made by the publisher of the Annotated Code; applying and construing the Act; etc.  
**Emergency--Various Eff. Dates**  
**The President (Department of Legislative Services)**

- SB 118 Election Code -- General Revision**  
Making substantive, technical, and stylistic changes to the Maryland Election Code; repealing obsolete provisions; altering the name, appointment, and terms of office of the State Administrative Board of Election Laws; etc.  
**Effective January 1, 1999**  
**The President, et al (Commission to Revise the Election Code)**
- SB 121 Election Law -- Close of Registration**  
Shortening the period of time prior to an election during which an individual may not become a registered voter; shortening the period to 24 days before the election in 2000 and 21 days before the election in 2002; and providing that the registration period is unchanged until the primary election of 2000.  
**Effective January 1, 1999**  
**Senators Collins and Craig (Commission to Revise the Election Code)**
- SB 122 Election Laws -- Recount -- Waiver of Cost**  
Providing for an automatic recount of the votes cast in an election if the difference in the number of votes received by the two candidates with the highest vote totals for an office is 0.1% or less of the total votes cast for those candidates; and providing for an automatic recount of votes, in the case of a question, if the margin of difference between the number of votes cast for and the number cast against the question is 0.1% or less.  
**Effective January 1, 1999**  
**Senators Collins and Craig (Commission to Revise the Election Code)**
- SB 123 Election Law -- Political Parties and Nomination of Candidates**  
Revising the requirements for the formation of a new political party and for retaining political party status; authorizing specified political parties to nominate candidates by petition or by convention; etc.  
**Effective January 1, 1999**  
**Senators Collins and Craig (Commission to Revise the Election Code)**
- SB 126 Election Law -- Late Vacancy for Governor -- Assumption of Nomination by Lieutenant Governor Nominee**  
Providing that if a gubernatorial nominee dies, declines the nomination, or is disqualified after a specified date and a successor gubernatorial nominee is not designated and certified, the Lieutenant Governor nominee may assume the status of the gubernatorial nominee.  
**Effective January 1, 1999**  
**Senators Collins and Craig (Commission to Revise the Election Code)**
- SB 173 Public Safety and Emergency Services Personnel -- Death Benefits**  
Clarifying what "performance of duties" means for the purpose of death benefits and funeral benefits awarded to specified firefighters or rescue squad members; specifying to whom benefits are to be paid; requiring specified death benefits to be adjusted to reflect specified changes in the Consumer Price Index as published by the United States Bureau of Labor Statistics; and altering a definition.  
**Effective July 1, 1998**  
**The President (Administration), et al**
- SB 176 State Government -- Department of Aging**  
Elevating the Office on Aging to be a principal department of State government known as the Department of Aging.  
**Effective July 1, 1998**  
**The President (Administration), et al**

- SB 197 State Lottery Commission -- Compensation and Reimbursement**  
Allowing the members of the State Lottery Commission to receive compensation and reimbursement for reasonable expenses incurred in the performance of the duties as a member, as provided in the State budget; setting the amount of compensation a member may receive for each meeting attended; and setting a limit on the amount a member may receive each year.  
Senator Trotter
- SB 240 State Procurement -- Information Technology -- Nonvisual Access**  
Requiring the Chief of Information Technology in the Department of Budget and Management, in consultation with specified persons, to develop for inclusion in State procurement contracts, after a specified date, a clause regarding nonvisual access to information technology; providing specified exceptions; defining a term; and requiring that each procurement contract include a clause covering the requirements for nonvisual access to information technology.  
Senator Conway, et al
- SB 272 Governor's Office on Volunteerism -- Change of Name**  
Changing the name of the Governor's Office on Volunteerism to be the Governor's Office on Service and Volunteerism.  
Senator Hoffman
- SB 320 Pension Systems -- Eligibility Service**  
Altering the number of hours required to receive eligibility service in the Employees' Pension System, the Teachers' Pension System, the Law Enforcement Officers' Pension System, and the Local Fire and Police System from 700 hours to 500 hours.  
**Effective July 1, 1998**  
Senator Kasemeyer
- SB 414 State Treasury -- Public Funds -- Collateral for Deposits**  
Clarifying that obligations of specified government--sponsored enterprises may be used to secure public funds on deposit with financial institutions.  
**Effective July 1, 1998**  
Senator Currie (Joint Committee on the Management of Public Funds)
- SB 415 State Treasurer -- Permissible Investments -- Money Market Mutual Funds**  
Altering the characteristics of money market mutual funds in which the State Treasurer may invest or reinvest unexpended or surplus money to require that the mutual funds contain only securities of specified federal organizations.  
Senator Currie (Joint Committee on the Management of Public Funds)
- SB 434 University of Maryland Police Officers -- Pensions and Retirement**  
Authorizing eligible University of Maryland police officers to become members of the Law Enforcement Officers' Pension System; providing for an exception for those who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1997; etc.  
**Effective July 1, 1999**  
Senator Stone
- SB 466 Local Law Enforcement Officers -- Participation in State System**  
Authorizing law enforcement officers of counties and municipal corporations in the State to participate in the Law Enforcement Officers' Pension System on or after July 1, 1999 under specified conditions;

providing for the procedures for electing to participate; providing for the procedures for withdrawal from the system; providing for the funding of the participation in the system; requiring the transfer of specified funds to the accumulation fund of the system; etc.

Senator McFadden

**SB 520 State Dinosaur -- Astrodon Johnstoni**

Designating the dinosaur "Astrodon johnstoni" as the State dinosaur.

Senators McFadden and Dorman

**SB 626 Election Code -- Carroll County Election Board -- Salaries**

Altering the minimum salary of the members of the Board of Supervisors of Elections for Carroll County from \$800 to an amount not less than \$3,000.

**Contingent--Various Eff. Dates**

**Senators Haines and Ferguson (Carroll County Senators)**

**SB 675 Procurement -- Security for Construction Contracts**

Altering the threshold dollar amount, from \$50,000 to \$100,000, in a requirement that contractors provide payment security and performance security under construction contracts awarded by public bodies; altering the threshold dollar amount, from \$100,000 to \$200,000, in a provision authorizing Baltimore City to adopt a program to satisfy bonding requirements; and requiring that the program provide for a specified minimum level of payment security.

Senator McFadden (Baltimore City Administration)

**SB 693 Militia -- Honor Guard at Burial Service of Veteran**

Authorizing the Adjutant General to organize an honor guard from the National Guard or the organized militia to attend the burial service of a deceased veteran under specified circumstances; authorizing the Adjutant General to request an honor guard from a veterans' organization to attend the burial service of a deceased veteran under specified circumstances; requiring the Adjutant General to set the compensation of Honor Guard members; and requiring the Adjutant General to adopt regulations to implement the Act.

Senator Blount, et al

**SB 716 Maryland African American Museum Corporation**

Providing for the creation and organization of a public corporation to be known as the Maryland African American Museum Corporation for specified museum planning, development, and management purposes; providing for the appointment of a Board of Directors and an Executive Director; authorizing the Corporation to exercise specified corporate powers and duties; authorizing the Governor to include in the annual budget submission a general fund grant to the Corporation; providing for the deposit of specified funds and moneys; etc.

**Effective July 1, 1998**

**Senator Blount, et al**

**HB 89 Death Benefits and Funeral Expenses -- Public Safety Personnel**

Clarifying which State and local employees, responsible for the care, custody, and control of those placed under community supervision, are entitled to death benefits and funeral expenses.

Chairman APP (Dept)

**HB 91 State Personnel -- Appeal of Disciplinary Action**

Providing that a State employee who appeals a disciplinary action has the burden of proof if the action was taken while the employee was serving an original probationary period.

Chairman APP (Dept)

**HB 121 Election Law -- Close of Registration**

Shortening the period of time prior to an election during which an individual may not become a registered voter; shortening the period to 24 days before the election in 2000 and 21 days before the election in 2002; and providing that the registration period is unchanged until the primary election of 2000.

**Effective January 1, 1999**

**Delegates Arnick and Getty (Commission to Revise the Election Code)**

**HB 122 Election Laws -- Recount -- Waiver of Cost**

Providing for an automatic recount of the votes cast in an election if the difference in the number of votes received by the two candidates with the highest vote totals for an office is 0.1% or less of the total votes cast for those candidates; and providing for an automatic recount of the votes cast in an election in the case of a question if the difference between the number of votes cast for and the number cast against the question is 0.1% or less.

**Effective January 1, 1999**

**Delegates Arnick and Getty (Commission to Revise the Election Code)**

**HB 123 Election Law -- Late Vacancy for Governor -- Assumption of Nomination by Lieutenant Governor Nominee**

Providing that if a gubernatorial nominee dies, declines the nomination, or is disqualified after a specified date and a successor gubernatorial nominee is not designated and certified, the Lieutenant Governor nominee may assume the status of the gubernatorial nominee.

**Effective January 1, 1999**

**Delegates Arnick and Getty (Commission to Revise the Election Code)**

**HB 134 Public Records -- Permissible Denials -- State Correctional Facilities**

Authorizing State correctional facilities to deny public inspection of specified records under specified circumstances.

Chairman CGM (Dept)

**HB 166 Designation -- Milk -- State Drink**

Designating milk as the State drink.

Delegate Stull, et al

**HB 184 Department of Public Safety and Correctional Services -- Deputy Secretaries**

Requiring the Secretary of Public Safety and Correctional Services to appoint two deputy secretaries and designate one to be acting Secretary when the Secretary is unavailable.

**Effective July 1, 1998**

**Chairman CGM (Dept)**

**HB 185 State Procurement -- Information Technology -- Nonvisual Access**

Requiring the Chief of Information Technology in the Department of Budget and Management, in consultation with specified persons, to develop for inclusion in State procurement contracts, after a specified date, a clause regarding nonvisual access to information technology; providing specified exceptions; defining a term; and requiring that each procurement contract include a clause covering the requirements for nonvisual access to information technology.

Delegate Curran, et al

**HB 199 University System of Maryland Workforce Flexibility Act**

Allowing specified State employees of the University System of Maryland to retire early with a service

retirement allowance during a specified period of time under specified circumstances; setting criteria and standards for the early retirement program; altering the conditions under which a member who retires under the Act may become reemployed; allowing specified employees who are separated from employment under specified circumstances to be eligible for specified retirement benefits; etc.

**Effective June 1, 1998**

**Chairman APP (Dept)**

**HB 200 Personnel -- Maryland Transportation Authority Police Force**

Providing that members of the Maryland Transportation Authority Police Force are members of the Transportation Services Human Resources Personnel System.

**Effective July 1, 1998**

**Chairman APP (Dept)**

**HB 228 Office on Aging -- Interagency Committee on Aging Services -- Powers and Duties**

Requiring the Chairman of the Interagency Committee on Aging to designate at least one meeting each year as an executive meeting at which committee members may not be represented by designees.

**Chairman ENV (Dept)**

**HB 234 State Lottery -- Advertisements and Promotions on Lottery Tickets and Publications**

Specifying the circumstances under which the Lottery Director may sell space on lottery tickets and publications for advertising and promotions.

**Effective July 1, 1998**

**Chairman W&M (Dept)**

**HB 253 State Government -- Forms -- Racial Identification**

Requiring a department or independent unit to include specified racial categories in the preparation of a form that requires identification of individuals by race; requiring that such a form allow multiracial respondents to choose more than one racial category; requiring respondents to select their own answers on specified forms except when unable to do so; requiring that the forms provide a separate question for specified respondents of Hispanic or Latino origin; and establishing a deadline for standards to be implemented on forms.

**Effective July 1, 1998**

**Delegate Healey (Task Force on Multiracial Designations), et al**

**HB 268 Public Safety and Emergency Services Personnel -- Death Benefits**

Clarifying what "performance of duties" means for the purpose of death benefits and funeral benefits awarded to specified firefighters or rescue squad members; and specifying to whom benefits are to be paid.

**Effective July 1, 1998**

**The Speaker (Administration), et al**

**HB 269 State Government -- Department of Aging**

Elevating the Office on Aging to be a principal department of State government known as the Department of Aging; stating the intent of the General Assembly that there shall be no increases in the State budget of the Department for Fiscal Year 1999 or thereafter directly related to the creation of the Department; etc.

**Effective July 1, 1998**

**The Speaker (Administration), et al**

**HB 305 State Lottery -- Compensation for Agents**

Authorizing a licensed agent of the State Lottery Agency to receive a specified cashing fee for services rendered in cashing winning tickets; requiring the Agency to pay a specified commission to licensed agents on sales of instant tickets; repealing the requirement that the Agency appropriate funds for bonuses and

incentives that may be paid to licensed agents; etc.  
Delegates C Davis and C Mitchell

- HB 332 Retirement and Pension Systems -- Membership -- Staff**  
Clarifying eligibility for membership in the Employees' Retirement System, Teachers' Retirement System, Employees' Pension System, and the Teachers' Pension System of certain staff of the University System of Maryland, Morgan State University, and St. Mary's College.  
**Effective July 1, 1998**  
**Delegate Proctor (Chairman Joint Committee on Pensions)**
- HB 333 Retirement and Pensions -- Payroll Reporting Data**  
Requiring employers of employees who are eligible for membership in one of the State retirement and pension systems to submit to the State Retirement Agency specified payroll data within 5 working days after the payment of each payroll; providing for a penalty of \$250 plus interest for failure to submit the data within the time required; etc.  
**Effective July 1, 1998**  
**Delegate Proctor (Chairman Joint Committee on Pensions)**
- HB 334 Retirement and Pensions -- Disability Retirement -- Limitations**  
Altering the conditions under which a retiree receiving a disability retirement allowance from specified State retirement and pension systems is to have a medical examination; altering the penalty for refusing a medical examination; authorizing the Board of Trustees of the State Retirement and Pension System to suspend a disability retirement allowance under specified conditions; etc.  
**Effective July 1, 1998**  
**Delegate Proctor (Chairman Joint Committee on Pensions)**
- HB 335 Employees' and Teachers' Retirement Systems -- Combination Formula Computation of Early Service Retirement Allowance**  
Providing a certain limit on a reduction of an early service retirement allowance for members of the Employees' Retirement System or the Teachers' Retirement System who are subject to Selection C (combination formula) for computing the allowance.  
**Effective July 1, 1998**  
**Delegate Proctor (Chairman Joint Committee on Pensions)**
- HB 336 Retirement and Pensions -- Reemployment of Individuals Receiving Vested Allowances**  
Clarifying that an individual who is receiving a vested allowance from several State retirement and pension systems, and who accepts employment with employers who participate in the systems, may be subject to an earnings limitation; clarifying that individuals receiving a vested allowance who are reemployed by a participating employer may not receive creditable service or eligibility service during the period of reemployment; etc.  
**Effective July 1, 1998**  
**Delegate Proctor (Chairman Joint Committee on Pensions)**
- HB 337 Disability Retirement Benefits -- Employees of Participating Governmental Units -- Offset for Workers' Compensation Benefits -- Exclusion**  
Providing that a retiree of the Employees' Pension System or the Employees' Retirement System who receives a disability retirement benefit as a former employee of a governmental unit that participates in the systems or a designated beneficiary of the retiree is not subject to an offset of those benefits under a certain provision of Code due to receipt of workers' compensation benefits, but is subject to an offset of the workers' compensation benefits; etc.  
**Effective July 1, 1998**

**Delegate Proctor (Chairman Joint Committee on Pensions)**

- HB 338 Retirement and Pensions -- Termination of Membership -- Applications for Disability Retirement**  
Altering the time for termination of membership of specified members of the Employees' Retirement System; altering, for the purpose of submitting an application for disability, the period during which membership continues for members of the Employees' Pension System, Local Fire and Police System, Law Enforcement Officers' Pension System, or the Teachers' Pension System.  
**Effective July 1, 1998**  
**Delegate Proctor (Chairman Joint Committee on Pensions)**
- HB 389 Education -- Institutional Educator Pay Plan**  
Authorizing the Department of Budget and Management to establish and run the Institutional Educator Pay Plan; requiring the Secretary of the Department to recommend salaries in the Plan; and creating an Institutional Educator Pay Plan Advisory Committee to review the Secretary's recommendations.  
Chairman W&M (Dept)
- HB 430 Retirement and Pensions -- Participating Governmental Units -- Deficits**  
Providing for a limit on the determination of a deficit amount that governmental units that participate in the Employees' Retirement System and the Employees' Pension System are required to pay as part of their employer contributions to the systems; and requiring that the State Retirement Agency transfer up to \$4.45 million from the accumulation funds of the Employees' Retirement System and the Employees' Pension System to other accumulation funds of the Employees' Retirement System and the Employees' Pension System.  
**Effective July 1, 1998**  
**Washington County Delegation, et al**
- HB 523 Maryland Digital Signature Pilot Program**  
Establishing a digital signature pilot program in the State government; providing for participation in the program; providing that the Act applies only to communications within or between specified agencies or between specified agencies and governmental entities; authorizing specified agencies to establish methods and procedures to allow for the use of digital signatures in specified communications; requiring the Secretary of State to adopt specified regulations; etc.  
**Effective June 1, 1998**  
**Delegate Petzold (Maryland Digital Signature Task Force), et al**
- HB 579 State Personnel -- Disaster Service Leave**  
Altering the circumstances under which a State employee may be entitled to disaster service leave with pay by repealing the requirement that the disaster during which services are performed must occur in this State or a state that is contiguous to this State.  
Delegate Nathan--Pulliam, et al
- HB 622 Local Law Enforcement Officers -- Participation in State System**  
Authorizing law enforcement officers of counties and municipal corporations in the State to participate in the Law Enforcement Officers' Pension System on or after July 1, 1999 under specified conditions; providing for the procedures for electing to participate; providing for the procedures for withdrawal from the system; providing for the funding of the participation in the system; requiring the transfer of specified funds to the accumulation fund of the system; etc.  
Delegate Proctor, et al
- HB 694 State Treasury -- Public Funds -- Collateral for Deposits**  
Clarifying that obligations of specified government--sponsored enterprises may be used to secure public

funds on deposit with financial institutions.

**Effective July 1, 1998**

**Delegate Heller (Joint Committee on the Management of Public Funds)**

**HB 767 State Personnel -- Contractual Employees -- Transfers**

Altering the circumstances under which a contractual employee, who is in a contractual position that is replaced by a budgeted position, may transfer to the budgeted position.

Delegates Poole and McKee

**HB 792 Worcester County Election Board -- Counsel -- Salary**

Specifying that the salary of the counsel to the Worcester County Board of Supervisors of Elections shall be as provided in the County budget, but not less than \$800.

**Various Effective Dates**

**Delegate Bozman, et al**

**HB 847 Task Force on High--Speed Network Development**

Establishing the Task Force on High--Speed Network Development; providing for the membership, purposes, and duties of the Task Force; requiring cooperation of and coordination among specified units concerning the Task Force; requiring the Task Force to provide reports to specified persons by specified dates; and providing for the termination of the Act.

**Effective June 1, 1998**

**Delegate Rosenberg, et al**

**HB 907 Election Judges -- Appointment Process, Hours of Service, and Compensation**

Providing that a county board of elections may adopt guidelines that provide for the appointment of an election judge, other than the chief judge, to serve for less than a full day and to be paid accordingly.

**Effective January 1, 1999**

**Montgomery County Delegation**

**HB 923 Task Force to Study the History and Legacy of Slavery in Maryland**

Creating a Task Force to Study the History and Legacy of Slavery in Maryland; specifying the composition and duties of the Task Force; providing for the staffing of the Task Force; and requiring the Task Force to report its findings and recommendations to the Governor and the General Assembly.

**Effective July 1, 1998**

**Delegate E Burns, et al**

**HB 983 State Personnel -- Telecommuting Pilot Program**

Reestablishing the Telecommuting Pilot Program; requiring the Governor to establish a statewide Pilot Program; requiring the Secretary of Budget and Management to adopt policies to administer the Pilot Program; and requiring the Secretary to report to the Senate Budget and Taxation Committee and the House Appropriations Committee on the effect of the Pilot Program.

Delegate Pitkin, et al

**HB 987 Employees' and Teachers' Pension Systems -- Modification of Benefits and Contributions -- Optional Defined Contribution System**

Altering benefits and contributions for specified members of the Employees' Pension System (EPS) and for specified members of the Teachers' Pension System (TPS); making the selection mandatory for specified members of EPS and for specified members of TPS; establishing an Optional Defined Contribution System to allow specified members of EPS to contribute to plans with tax qualified status under the Internal Revenue Code and receive a specified maximum amount from the State as a match; etc.

**Various Effective Dates**  
**Delegate Proctor, et al**

**HB 1006 Election Laws -- Continuing Political Committees -- Time Limit for Disposition of Surplus Campaign Funds**

Providing that specified persons who are not officeholders or candidates for office shall dispose of surplus campaign funds within 8 years following an election, the conclusion of the person's term in office, or the extinguishment of specified debts in a prescribed manner; providing for a delayed effective date; etc.

**Effective January 1, 1999**

**Delegate Pitkin**

**HB 1021 State Personnel -- State Employees' Health Insurance Advisory Council -- Membership**

Altering the membership of the State Employees' Health Insurance Advisory Council by increasing the number of members of the Council from 13 to 15 and the number of representatives of the American Federation of State, County, and Municipal Employees on the Council from one to three.

Delegates McIntosh and Branch

**HB 1044 State Personnel -- Family and Medical Leave**

Altering a provision of law to allow, and not require, regulations adopted by the Secretary of Budget and Management implementing the federal Family and Medical Leave Act of 1993 to require eligible State employees to use other available accrued leave concurrently with family and medical leave.

Delegate McIntosh, et al

**HB 1052 Militia -- Honor Guard at Burial Service of Veteran**

Authorizing the Adjutant General to organize an honor guard from the National Guard or the organized militia to attend the burial service of a deceased veteran under specified circumstances; authorizing the Adjutant General to request an honor guard from a veterans' organization to attend the burial service of a deceased veteran under specified circumstances; requiring the Adjutant General to set the compensation of Honor Guard members; and requiring the Adjutant General to adopt regulations to implement the Act.

Delegate Owings, et al

**HB 1117 Procurement -- Security for Construction Contracts**

Altering the threshold dollar amount, from \$50,000 to \$100,000, in a requirement that contractors provide payment security and performance security under construction contracts awarded by public bodies; altering the threshold dollar amount, from \$100,000 to \$200,000, in a provision authorizing Baltimore City to adopt a program to satisfy bonding requirements; and requiring that the program provide for a specified minimum level of payment security.

Delegate Boston (Baltimore City Administration)

**HB 1170 State Dinosaur -- Astrodon Johnstoni**

Designating the dinosaur "Astrodon johnstoni" as the State dinosaur.

Delegate Pitkin, et al

**HB 1212 Retirement Contributions -- Local School Systems -- Review of Audit Determinations**

Altering the appeal procedures for audit determinations by the State Retirement Agency of retirement contributions for employees of local school systems; altering the conditions under which specified deductions may be made from State funds that would otherwise be paid to a school system; providing that a specified decision issued by the Office of Administrative Hearings is not subject to judicial review; providing for the application of the Act; providing for the repeal of laws inconsistent with the Act; etc.

**Effective June 1, 1998**

**Delegate Heller, et al**

**HB 1265 State Employees -- District Court Employees**

Removing specified clerical, administrative, and full--time constable positions in the District Court of Maryland from the State Personnel Management System; providing that specified clerical, administrative, and constabular employees of the District Court are in the personnel system of the judicial branch; repealing a provision of law requiring that the salary of specified commissioners be set by the Secretary of Budget and Management; etc.

**Effective July 1, 1998**

**Delegates McIntosh and Rawlings**

**HB 1298 State Fire Marshal and Deputies -- Pensions and Retirement**

Authorizing the State Fire Marshal and specified deputy State fire marshals to become members of the Law Enforcement Officers' Pension System.

**Effective July 1, 1998**

**Delegate Harkins, et al**

**HB 1299 Maryland African American Museum Corporation**

Providing for the creation and organization of a public Corporation to be known as the Maryland African American Museum Corporation; providing for the appointment of a Board of Directors with specified qualifications and for a specified term; providing for the powers and duties of the Corporation and the Board of Directors; authorizing the Board to appoint specified committees; authorizing the Governor to include in a certain budget submission specified grants to the Corporation; etc.

**Effective July 1, 1998**

**Delegate Harrison**

**HB 1336 State Retirement and Pension System -- Administration and Operation**

Altering, for specified fiscal years, the amount that may be estimated and paid into the expense funds of the State retirement and pension systems for administrative and operational expenses; and extending a termination date that relates to a specified limitation on the amount that may be paid into the expense funds.

**Effective July 1, 1998**

**Delegate Proctor**

**HB 1341 Election Law -- Voter Registration -- State Institutions of Higher Education**

Requiring each public institution of higher education in the State to provide enrollees of the institution the opportunity to request a specified voter registration document in conjunction with the individual's enrollment, registration, or payment process.

**Effective January 1, 1999**

**Delegate Shriver, et al**

**SJ 1 Governor's Salary Commission -- Salary Recommendations for Governor and Lieutenant Governor**

Raising the salary of the Governor to \$120,000 and the salary of the Lieutenant Governor to \$100,000; and providing that the new salaries take effect January 20, 1999.

The President (Governor's Salary Commission)

**SJ 4 Special Study Commission on the Maryland Public Ethics Law**

Establishing a Special Study Commission on the Maryland Public Ethics Law; providing for the membership and staffing of the Commission; specifying the duties of the Commission; requiring the Commission to report to the President of the Senate and the Speaker of the House of Delegates on or before a specified date; providing for the effective date of the Act; etc.

The President

**SJ 12 Buffalo Soldier Day -- February 20**

Acknowledging the participation of African American soldiers in every major American military conflict; and declaring February 20 of each year to be "Buffalo Soldier Day".

Senator Trotter, et al

**SJ 15 Dedication of the Parkville Armory in Honor of Chief Warrant Officer Four Melvin Sherr**

Expressing the support of the General Assembly for the dedication of the Parkville Armory in honor of Chief Warrant Officer Four Melvin Sherr, Maryland Army National Guard.

Senator Bromwell

**HJ 4 Special Study Commission on the Maryland Public Ethics Law**

Establishing a Special Study Commission on the Maryland Public Ethics Law; providing for the membership and staffing of the Commission; specifying the duties of the Commission; requiring the Commission to report to the President of the Senate and the Speaker of the House of Delegates on or before a specified date; providing for the effective date of the Act; etc.

Delegate Taylor

**HJ 9 Philippines Centennial**

Celebrating the centennial of the relationship between the United States and the Philippines.

The Speaker and Delegate Valderrama

**PART D**  
**LOCAL GOVERNMENT**

**SB 295 Cecil County -- Public School Bonds**

Authorizing the County Commissioners of Cecil County to borrow not more than \$5,000,000 in order to finance the cost of public school facilities in Cecil County and to effect that borrowing by the issuance and sale of its general obligation bonds; and empowering the County to 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.

**Effective June 1, 1998**

**Senators Baker and Fry**

**SB 317 Municipal Corporations -- Incorporation Process**

Altering the process by which a group of at least 300 residents of an unincorporated area may become a municipal corporation; requiring an organizing community to obtain the minimum number of required signatures on a petition to incorporate within 18 months; requiring a county governing body to appoint a county liaison after verifying a petition to incorporate; requiring an organizing committee to hold a public meeting and present a specified report to the governing body within 90 days of verification of a petition to incorporate; etc.

Senator Craig, et al

**SB 420 Carroll County -- Public Facilities Bonds**

Authorizing the County Commissioners of Carroll County to borrow up to \$30,390,000 to finance public facilities, including water and sewer projects, to finance facilities of volunteer fire departments, and to finance the Carroll County Agricultural Center, Inc.; to make loans to the volunteer fire departments in Carroll County and to the Carroll County Agricultural Center, Inc. from the proceeds of the bonds; and to issue and sell general obligation bonds.

**Effective June 1, 1998**

**Senators Haines and Ferguson (Carroll County Senators)**

**SB 421 Garrett County -- Industrial Engineer -- Repeal**

Repealing from the Public Local Laws of Garrett County provisions pertaining to the position of Industrial Engineer.

**Effective July 1, 1998**

**Senator Hafer**

**SB 422 Garrett County -- Salary Study Commission**

Providing that the Garrett County Administrator shall serve the Garrett County Salary Study Commission in an advisory capacity.

**Effective July 1, 1998**

**Senator Hafer**

**SB 423 Garrett County -- Civil Service Commission -- Duties**

Providing that the Garrett County Civil Service Commission, in accordance with the County Personnel Handbook, shall be the final administrative step in the County's grievance process for County classified employees and may be used in other personnel matters as directed by the County Commissioners or County Administrator.

**Effective July 1, 1998**  
**Senator Hafer**

- SB 511 **Cecil County -- Commission for Women**  
Establishing the Cecil County Commission for Women; providing for the membership and the terms of the Commission's members; requiring a specified report; etc.  
Senators Fry and Baker
- SB 557 **Cecil County -- Board of County Commissioners**  
Increasing the membership of the Board of County Commissioners for Cecil County from three to five members; establishing a Commissioner District Committee to recommend commissioner districts for the Board of County Commissioners for Cecil County; submitting the Act to a referendum of the legally qualified voters of Cecil County; and providing for the effective date of the Act.  
**Referendum--Eff. July 1, 1998**  
**Senators Baker and Fry**
- SB 670 **Carroll County -- Subdivision Approval Process -- Required Adequate Facilities Test -- Repeal**  
Repealing from Article 66B of the Code a provision mandating a public facilities review as part of the subdivision approval process in Carroll County.  
Senators Haines and Ferguson (Carroll County Senators)
- SB 702 **Garrett County -- Purchase of Real Property and Capital Improvements -- Financing**  
Expanding the authority of the County Commissioners of Garrett County to finance specified capital improvements consistent with its authority to finance the purchase of real property; increasing the maximum debt the County is authorized to incur; and requiring the County Commissioners to compare costs and to follow specified procedures.  
**Effective July 1, 1998**  
**Senator Hafer**
- SB 735 **Local Governments -- Investment Reporting Requirements**  
Repealing a specified annual reporting requirement of local government units concerning investments by the local government units; and repealing a specified annual reporting requirement of the State Treasurer concerning investments made by local government units.  
Senator Currie (Joint Committee on Management of Public Funds)
- SB 747 **Dorchester County -- Authority of County Commissioners to Sell Real Property**  
Authorizing the County Commissioners of Dorchester County to sell the parcel of real property located at 201 Talbot Avenue, Cambridge, to the Dorchester County Family YMCA, Inc. upon the terms and conditions and for whatever consideration, if any, the County Commissioners consider appropriate when the property is no longer needed for public use.  
**Effective July 1, 1998**  
**Senator Colburn**
- SB 774 **Frederick County -- One Day -- One Trial Jury System**  
Altering the daily expense allowance of jurors in Frederick County from \$20 to \$10, plus an additional \$10 if service extends past 1 p.m.; providing for the application of the Act in relation to specified other legislation; and making the Act contingent on the establishment of a one day -- one trial jury system by the Clerk of the Circuit Court for Frederick County.  
**Contingent**  
**Senators Derr and Ferguson (Frederick County Senators)**

- SB 778 Dorchester County -- Eastern Shore Hospital Center Redevelopment Bonds**  
Authorizing the County Commissioners of Dorchester County to borrow not more than \$3,000,000 in order to finance the cost of economic redevelopment in Dorchester County and to effect that borrowing by the issuance and sale of its general obligation bonds; authorizing the County to use the proceeds of the bonds to make loans; and empowering the County to 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.  
**Effective June 1, 1998**  
**Senator Colburn**
- SB 787 Garrett County -- Economic Development Bonds**  
Authorizing the County Commissioners of Garrett County to borrow not more than \$1,500,000 to finance economic development projects in Garrett County and to issue general obligation bonds to finance the projects; empowering the County to levy taxes to pay for the bonds; allowing the County to issue bonds on which the interest or income may be taxable; and relating generally to the issuance of the general obligation bonds of the County.  
**Effective June 1, 1998**  
**Senator Hafer**
- HB 213 Municipal Corporations -- Incorporation Process**  
Altering the process by which a group of at least 300 residents of an unincorporated area may become a municipal corporation; requiring an organizing community to obtain the minimum number of required signatures on a petition to incorporate within 18 months; requiring a county governing body to appoint a county liaison after verifying a petition to incorporate; requiring an organizing committee to hold a public meeting and present a specified report to a county governing body within 90 days of verification of a petition to incorporate; etc.  
Delegate Conroy, et al
- HB 345 Howard County -- Sheriff -- Salary Ho. Co. 10--98**  
Increasing the annual salary of the Sheriff of Howard County from \$44,000 to \$52,000 for calendar year 1999, \$53,040 for calendar year 2000, \$54,101 for calendar year 2001, and \$55,183 for calendar year 2002 and thereafter.  
Howard County Delegation
- HB 402 Washington County Museum of Fine Arts -- Board of Trustees -- Membership**  
Authorizing the Board of Trustees for the Washington County Museum of Fine Arts to appoint up to six additional trustees.  
Washington County Delegation
- HB 547 Washington County -- Contributions to Non--Profit Organizations**  
Requiring the County Commissioners of Washington County to maintain a list of non--profit organizations that are eligible to receive funds and to make the list available for public inspection; authorizing the County Commissioners to include specified organizations on the list and to publish the list in a manner the County Commissioners consider appropriate; etc.  
Washington County Delegation
- HB 551 St. Mary's County -- Public Facilities Bonds**  
Authorizing the County Commissioners of St. Mary's County to borrow not more than \$20,000,000 in order to finance the construction, improvement, or development of public facilities in St. Mary's County, and to effect the borrowing by the issuance and sale at public or private sale of its general

obligation bonds; and establishing procedures for the sale and repayment of the bonds.

**Effective June 1, 1998**

**St. Mary's County Delegation**

- HB 569 **Garrett County -- Sheriff's Office Employees -- Classified Service**  
Including in the Garrett County classified service system deputy sheriffs and other employees of the Garrett County Sheriff's Office; and excluding from civil service protection the Sheriff and the Sheriff's Chief Deputy.  
Delegate Edwards
- HB 571 **Garrett County -- Purchase of Used Property -- Procurement Process**  
Authorizing the County Commissioners of Garrett County to acquire used personal property exceeding a specified value without obtaining two independent appraisals if appraisals are not reasonably available; providing that the purchase may not exceed a documented price; and specifying procedures that the County Commissioners must follow if two independent appraisals are not obtained.  
**Effective July 1, 1998**  
Delegate Edwards
- HB 596 **Garrett County -- County Administrator Position**  
Providing that the County Commissioners of Garrett County shall appoint a County Administrator; specifying the duties of the County Administrator and restricting the length of the County Administrator's appointment; repealing provisions concerning the County Clerk; and providing for the interpretation of provisions of law concerning the Clerk to the Board of County Commissioners of Garrett County.  
**Effective July 1, 1998**  
Delegate Edwards
- HB 602 **Calvert County -- Competitive Bidding**  
Altering, from \$7,500 to \$15,000, the amount above which purchases or contracts by Calvert County must be awarded by competitive bidding.  
Calvert County Delegation
- HB 644 **St. Mary's County Metropolitan Commission -- Public Sewer Use Regulations -- Enforcement Remedies**  
Authorizing the St. Mary's County Metropolitan Commission to utilize specified administrative enforcement remedies or seek specified judicial enforcement remedies for a violation of rules or regulations concerning public sewer use; and requiring the Commission to establish procedures for implementing the enforcement remedies.  
**Effective June 1, 1998**  
St. Mary's County Delegation
- HB 652 **Town of Bladensburg (Prince George's County) -- Urban Renewal Authority for Slum Clearance PG 418--98**  
Authorizing the Town of Bladensburg, Prince George's County, to undertake and carry out urban renewal projects for slum clearance and redevelopment; prohibiting any land or property from being taken under the Act without just compensation being first paid to the party entitled to the compensation; declaring that all land or property taken under the Act is needed for public uses or purposes; permitting the powers granted by the Act to be exercised by a municipal agency with specified powers; etc.  
Prince George's County Delegation
- HB 660 **Calvert County -- Economic Development Authority -- Powers**

Authorizing the Calvert County Economic Development Authority to borrow funds from any public or private source without recourse to the Board of County Commissioners of Calvert County unless otherwise agreed to and under terms deemed appropriate by the Authority.  
Calvert County Delegation

**HB 679 Washington County -- State's Attorney -- Salary**

Altering the salary of the State's Attorney for Washington County to be 90\% instead of 80\% of the salary of a District Court judge; and providing that the Act does not apply to the salary or compensation of the incumbent State's Attorney for Washington County.  
Washington County Delegation

**HB 713 Charles County -- Sheriff's Salary**

Altering the salary level at which the Sheriff of Charles County is paid.  
Charles County Delegation

**HB 715 Charles County -- Land Use -- Administrative Adjustments**

Authorizing the local legislative body of Charles County to designate the county planning director or another designee to grant administrative adjustments to specified land use restrictions in accordance with adopted standards and criteria; requiring the local legislative body to consult with the planning commission and the board of appeals in considering the standards and criteria; and authorizing the enabling of appeals of administrative adjustments.

**Effective July 1, 1998**

**Charles County Delegation**

**HB 717 Charles County -- County Treasurer -- Orders to Pay Out Moneys**

Requiring orders to the County Treasurer of Charles County to pay out moneys to be presented to the Treasurer in accordance with the process established by the County Commissioners for the authentication and verification of orders, with oversight by the County Commissioners.  
Charles County Delegation

**HB 722 Charles County -- County Roads -- Restricted Access**

Requiring the Board of County Commissioners of Charles County to select county roads under its jurisdiction that are not accessible for through traffic by trucks, tractors, or trailers that are over 26,000 pounds; requiring the Commissioners to provide for the installation of traffic control devices at the entrances to the selected roads that give notice of the restricted access; and making a violation of the Act a misdemeanor.

Charles County Delegation

**HB 736 St. Mary's County -- State's Attorney -- Investigators**

Requiring that investigators in the office of the St. Mary's County State's Attorney shall be in the county merit system; making the Act an emergency measure; etc.

**Emergency Bill**

**St. Mary's County Delegation**

**HB 749 Prince George's County -- School Facilities Surcharge PG 405--98**

Altering the limitation on the school facilities surcharge that may be imposed on specified dwellings in Prince George's County to a maximum of \$2,500; and eliminating an exemption for a dwelling unit on property for which a valid preliminary plan of subdivision was originally approved before October 1, 1995.

**Effective June 1, 1998**

## **Prince George's County Delegation**

### **HB 814 Washington County -- Auditor -- Abolition of Position**

Abolishing the position of Auditor for Washington County; and repealing provisions of law on the powers and duties of the Auditor.

**Effective July 1, 1998**

**Washington County Delegation**

### **HB 815 Election Code -- Washington County Election Board -- Salaries**

Increasing the minimum salary of members of the Washington County Board of Supervisors of Elections from \$2,300 to \$2,600 for the President and from \$2,000 to \$2,300 for other members.

**Contingent--Various Eff. Dates**

**Washington County Delegation**

### **HB 824 Washington Suburban Sanitary Commission -- Water and Sewer Subdivision Lines PG/MC 15--98**

Requiring specified water and sewer pipelines, facilities, or connections to be constructed by specified owners or developers; requiring owners or developers to enter into specified agreements with the Washington Suburban Sanitary Commission (WSSC) and to provide specified security; authorizing specified contractors, subcontractors, and suppliers to file a claim against the specified security; and exempting specified authorizations for service from the requirements of the Act.

Prince George's County and Montgomery County Delegations

### **HB 825 Montgomery County -- Maryland--National Capital Park and Planning Commission -- Capital Improvement Program PG/MC 18--98**

Providing for submission of the six--year capital improvements program of the Maryland--National Capital Park and Planning Commission to the County Executive and County Council of Montgomery County every 2 years; providing for adoption of the capital improvements program by the Montgomery County Council every 2 years; allowing the Montgomery County Council to alter an adopted capital improvements program in Montgomery County by a specified vote; etc.

**Effective July 1, 1998**

**Prince George's County and Montgomery County Delegations**

### **HB 832 Washington Suburban Sanitary Commission -- System Development Charge, Compensation, and Hookups -- Task Force on Privatization PG/MC 4--98**

Altering the schedule for the payment of a system development charge to the Washington Suburban Sanitary Commission (WSSC) for specified properties; establishing a maximum system development charge per fixture unit by a specified date; establishing a Task Force on the Privatization of the Washington Suburban Sanitary Commission; specifying the membership, purposes, duties, and responsibilities of the Task Force; etc.

**Effective July 1, 1998**

**Prince George's County and Montgomery County Delegations**

### **HB 843 Garrett County -- Office of Treasurer, County Finances, and Property Tax Procedures**

Repealing miscellaneous obsolete provisions from the Public Local Laws of Garrett County concerning public finances and the Office of the Treasurer; and modifying provisions governing cash management practices in Garrett County.

**Effective July 1, 1998**

**Delegate Edwards**

### **HB 844 Garrett County Historical Society -- Distribution of Marriage Ceremony Fees**

Increasing the share of the fee for marriage ceremonies performed by the Clerk of the Circuit Court for Garrett County that is dedicated to the Garrett County Historical Society from \$2 to \$5.

Delegate Edwards

**HB 884 Caroline County -- Number of County Commissioners -- Straw Ballot**

Requiring that a question be placed on the ballot in Caroline County at the November 1998 general election to determine the sense of the voters on the issue of increasing the size of the Board of County Commissioners from three to five members, to be elected at large from three residence districts.

**Effective July 1, 1998**

**Delegate Eckardt, et al**

**HB 916 Cecil County -- Commission for Women**

Establishing the Cecil County Commission for Women; providing for the membership and terms of the Commission's members; establishing the powers and duties of the Commission; etc.

Cecil County Delegation

**HB 921 Cecil County -- Public School Bonds**

Authorizing the County Commissioners of Cecil County to borrow not more than \$5,000,000 in order to finance the cost of public school facilities in Cecil County and to effect that borrowing by the issuance and sale of its general obligation bonds; and empowering the County to 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.

**Effective June 1, 1998**

**Cecil County Delegation**

**HB 974 Cecil County -- Board of County Commissioners**

Increasing the membership of the Board of County Commissioners for Cecil County from three to five members; establishing a Commissioner District Committee to recommend commissioner districts for the Board of County Commissioners for Cecil County; submitting the Act to a referendum of the legally qualified voters of Cecil County; and providing for the effective date of the Act.

**Referendum--Eff. July 1, 1998**

**Delegate Guns, et al**

**HB 1009 Charles County -- Imposition of Impact Fees for School Construction**

Altering specified limitations on impact fees imposed by the County Commissioners of Charles County; establishing specified requirements for the imposition of impact fees, including requiring specified studies and public hearings before imposition or increase of impact fees; and requiring the adoption of an ordinance, on or before October 1, 1998, establishing impact fees and credits.

Charles County Delegation

**HB 1061 Charles County -- Zoning -- Special Exceptions -- Administrative Appeals**

Enabling the County Commissioners of Charles County to adopt procedures to hear and decide specified special exceptions on appeal from the board of appeals in a specified manner; and providing that actions of the County Commissioners on the special exceptions may be final actions subject to appeal to the circuit court.

Charles County Delegation

**HB 1130 Washington County -- Sale and Purchase of Real Estate**

Providing an exception for the Washington County Commissioners with respect to a specified requirement for advertising for bids for contracts for the sale or purchase of real estate.

Washington County Delegation

**HB 1131 Washington County -- Procurement -- Intergovernmental Cooperative Purchasing**

Authorizing the Board of County Commissioners of Washington County to allow other governmental entities to procure goods or services under procurement contracts entered by the County; authorizing the County Commissioners to procure goods or services under contracts entered by other governmental entities; specifying procedural requirements pertaining to intergovernmental cooperative purchasing; etc.

**Effective July 1, 1998**

**Washington County Delegation**

**HB 1161 Wicomico County -- Sheriff -- Salary**

Providing that the salary of the Sheriff of Wicomico County shall be the current salary of \$58,000 or the salary set by the County Council of Wicomico County before the term of office; and providing that the Act does not apply to the salary or compensation of the incumbent Sheriff of Wicomico County.  
Delegate Conway, et al

**HB 1247 Somerset County -- Right to Farm**

Authorizing the County Commissioners of Somerset County to adopt an ordinance or regulation, or take any other action that the County Commissioners consider necessary, to protect a person's right to farm or engage in agricultural or forestry operations; and requiring the County Commissioners to hold a public hearing and provide reasonable notice of the hearing before adopting an ordinance or regulation, or taking other action, under the Act.

Somerset County Delegation

**HB 1267 Cecil, Kent, and Wicomico Counties -- Orphans' Court Judges -- Salaries**

Altering the salaries of the judges of the orphans' courts for Cecil, Kent, and Wicomico Counties; and providing that the Act does not apply to the salary or compensation of the incumbent orphans' court judges.

Delegate Conway, et al

**HB 1303 Airports -- Development Rights -- Easements**

Authorizing a county or municipal corporation to establish airport districts and policies for preserving land proximate to an existing airport; authorizing a county or municipal corporation to acquire an easement for development rights in land proximate to an existing airport; authorizing a county or municipal corporation to use funds under Program Open Space to acquire an easement in land proximate to an existing airport; establishing restrictions on the use of land that is under an easement under the Act; etc.

Delegate Linton

**HB 1352 Dorchester County -- Authority of County Commissioners to Sell Real Property**

Authorizing the County Commissioners of Dorchester County to sell the parcel of real property located at 201 Talbot Avenue, Cambridge, to the Dorchester County Family YMCA, Inc. upon the terms and conditions and for whatever consideration, if any, the County Commissioners consider appropriate when the property is no longer needed for public use.

**Effective July 1, 1998**

**Delegate Eckardt**

**HB 1361 Somerset County -- County Commissioners -- Donation to Friends of Teackle Mansion**

Authorizing the County Commissioners of Somerset County, by resolution, to make a donation to the Friends of Teackle Mansion, Inc. in an amount that the County Commissioners determine.

**Effective July 1, 1998**  
**Somerset County Delegation**

**HB 1368 Allegany County -- Sheriff's Office -- Home Detention Program**

Requiring the Sheriff for Allegany County to establish a home detention program; authorizing a judge to sentence eligible individuals to participation in the program; providing that participants are responsible for specified costs; and establishing penalties for violations under the program.  
Allegany County Delegation

**HB 1401 Dorchester County -- Eastern Shore Hospital Center Redevelopment Bonds**

Authorizing the County Commissioners of Dorchester County to borrow not more than \$3,000,000 in order to finance the cost of economic redevelopment in Dorchester County and to effect that borrowing by the issuance and sale of its general obligation bonds; authorizing the County to use the proceeds of the bonds to make loans; empowering 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; etc.

**Effective June 1, 1998**  
**Dorchester County Delegation**

**HB 1411 Garrett County -- Economic Development Bonds**

Authorizing the County Commissioners of Garrett County to borrow not more than \$1,500,000 to finance economic development projects in Garrett County and to issue general obligation bonds to finance the projects; empowering the County to levy taxes to pay for the bonds; allowing the County to issue bonds on which the interest or income may be taxable; and relating generally to the issuance of the general obligation bonds of the County.

**Effective June 1, 1998**  
**Delegate Edwards**

**HB 1418 St. Mary's County -- Salaries -- Sheriff, Treasurer, and Orphans' Court Judges**

Altering the salary of the Sheriff of St. Mary's County, the salary of the Treasurer of St. Mary's County, and the salaries of the Orphans' Court judges in St. Mary's County.  
St. Mary's County Delegation

**HB 1425 Caroline County -- Treasurer -- Salary**

Altering the salary of the Treasurer of Caroline County; and providing that the Act does not apply to the salary or compensation of the incumbent Treasurer of Caroline County.  
Caroline County Delegation

**PART E**  
**CRIMES, CORRECTIONS, AND PUBLIC SAFETY**

- SB 53 **Crimes -- Fraudulent Title**  
Prohibiting possession, with unlawful intent, of a forged, counterfeit, or altered motor vehicle title and providing a penalty for a violation of the prohibition.  
Chairman JPR (Dept)
- SB 54 **Crimes -- Possession of Vehicle Identification Numbers**  
Prohibiting possession, sale, or fraudulent use of specified stolen manufactured serial numbers, identification plates, or labels under specified circumstances; and providing a penalty for a violation of the prohibition.  
**Effective July 1, 1998**  
Chairman JPR (Dept)
- SB 63 **Crimes -- Charge by Citation -- Fireworks Violations**  
Allowing a fire marshal to issue a criminal citation for specified misdemeanor violations; and defining a specified term.  
Chairman JPR (Dept)
- SB 68 **Juvenile Justice Act of 1998**  
Altering the jurisdiction of the juvenile court; authorizing a criminal court to transfer specified cases to the juvenile court under specified circumstances; allowing access to specified juvenile records for the sole purpose of apprehending a child named in a writ; requiring the juvenile court to report specified information to the Criminal Justice Information System Central Repository; creating a Commission on Juvenile Justice Jurisdiction; establishing the duties, membership, and reporting requirements of the Commission; etc.  
Chairman JPR and Senator Baker, et al (Dept)
- SB 82 **Military Department -- Assistant Adjutant General for Army and Air**  
Allowing the Assistant Adjutant General for Army and the Assistant Adjutant General for Air to have a commissioned grade above Brigadier General under specified circumstances.  
Chairman EEA (Dept)
- SB 156 **Sexual Offenses -- Correctional Employees and Inmates**  
Making it a crime for a correctional employee to engage in specified sexual activity with inmates; defining certain terms; and allowing a sentence that is imposed for a violation of the Act to be separate from and consecutive to or concurrent with a sentence for any one of other sexual offenses.  
Senator McCabe, et al
- SB 172 **Arrest Warrant Inspection -- Public Information**  
Prohibiting the inspection of specified arrest warrants and charging documents until either the arrest warrant has been served and a return of service has been filed or 90 days have elapsed since the arrest warrant was issued; prohibiting the inspection of other specified arrest warrants and charging documents until all arrest warrants for any coconspirators have been served and all returns of service have been filed; providing for specified exceptions; etc.  
**Effective June 1, 1998**

## **The President (Administration)**

- SB 192 **Fire Marshal -- Deceased Member -- Issuance of Flag**  
Providing that a Maryland State flag shall be issued to the family of any sworn member of the State Fire Marshal's Office who was killed in the line of duty; providing that the flag shall be presented by the State Senator of the legislative district in which the deceased resided or served; and altering a similar provision relating to deceased firefighters to provide for presentation by the State Senator of the legislative district in which the firefighter resided or served.  
Senators Haines and Conway
- SB 222 **Crimes -- Electronic Mail Misuse -- Penalties**  
Prohibiting a person from using electronic mail for a communication made with intent to harass one or more persons or by sending lewd, lascivious, or obscene material; providing a specified exception; providing for a penalty of not more than \$500 or imprisonment for not more than 1 year or both for violations of the Act; and defining electronic mail.  
Senators Hogan and Teitelbaum
- SB 241 **Parole Hearings -- Oral Testimony by Victims**  
Requiring the clerk of the court to include a Maryland Sentencing Guidelines Worksheet with a specified commitment order under specified circumstances; requiring the Parole Commission to review the Worksheet; altering the circumstances for victim notification and admission of oral testimony for specified parole release hearings; expanding the category of defendants for which a victim may request specified notifications and proceedings; etc.  
Senator Stone (Task Force to Examine Maryland's Crime Victims' Rights Laws)
- SB 242 **Victims' Rights -- Notification**  
Requiring the notification of certain victims about the terms and conditions of any plea agreement and judicial action, under specified circumstances; altering a certain definition; and generally relating to victims' notification procedures.  
Senator Stone (Task Force to Examine Maryland's Crime Victims' Rights Laws)
- SB 250 **Law Enforcement Officers' Bill of Rights -- Right to Consult with Counsel During Interrogation**  
Authorizing a counsel or other responsible representative of a law enforcement officer who is interrogated by a law enforcement agency to request a recess during interrogation for purposes of consulting with the officer, enter an objection to a question posed during interrogation, or state on the record the reason for an objection outside the presence of the officer.  
Senator Baker
- SB 280 **Criminal Sentencing -- Judicial Review Panels -- Victim Notification**  
Modifying the procedures a judicial review panel uses for resentencing a defendant; providing that the panel need not hold a hearing under certain circumstances; providing that a sentence of life imprisonment without the possibility of parole may not be increased to death by a judicial review panel; requiring specified persons to be notified before the panel alters a sentence; allowing a victim or a representative to attend the proceedings and address the panel under specified circumstances; etc.  
Senator Stone (Task Force to Examine Maryland's Crime Victims' Rights Laws)
- SB 282 **Senator William H. Amoss Fire, Rescue, and Ambulance Fund**  
Naming the State Fire, Rescue, and Ambulance Fund in memory of the late Senator William H. Amoss.  
Senator Miller, et al

- SB 329 **Child Abuse -- Death of a Child -- Penalties**  
Increasing the maximum period of imprisonment to which a person is subject upon conviction of the felony of child abuse if the violation results in the death of the victim.  
Senator Middlebrooks
- SB 343 **Victims' Rights -- Presence of Victims**  
Altering the circumstances under which a victim or a representative of a victim has the right to be present at specified proceedings; altering the circumstances under which a judge may sequester a victim or victim's representative; applying provisions of law concerning the presence of a victim or representative to specified juvenile delinquency proceedings; defining a specified term; altering specified definitions; and generally relating to victims' rights in criminal and juvenile proceedings.  
Senator Stone (Task Force to Examine Maryland's Crime Victims' Rights Laws)
- SB 368 **Child Sexual Offenses and Kidnapping -- Imprisonment for Life Without Possibility of Parole**  
Establishing a penalty of imprisonment for not more than life without the possibility of parole for a person who commits certain sexual offenses and kidnapping involving a child under a certain age; requiring the State to provide a certain notice; providing for the application of the Act; and generally relating to sexual offenses, kidnapping, and imprisonment for life without the possibility of parole.  
Senators Ferguson and Middleton
- SB 389 **Maryland Commission on Criminal Sentencing Policy -- Extension of Termination**  
Extending the termination date of the Maryland Commission on Criminal Sentencing Policy from December 31, 1998 to July 1, 1999.  
Senators McCabe and Kelley
- SB 390 **Crimes -- Disturbance of the Public Peace and Disorderly Conduct**  
Revising provisions of law relating to disturbing the peace and disorderly conduct; prohibiting obstructions of free passage, acting in a disorderly manner, willfully failing to obey orders of law enforcement officers, disturbing the public peace by unreasonably loud noise, acting in a disorderly manner, and making bonfires in Worcester County; repealing prohibitions on disturbing religious organizations; providing that disturbing the peace and disorderly conduct offenses may be charged by citation; etc.  
Senator Stone, et al (Committee to Revise Article 27)
- SB 391 **Crimes -- Trespass -- Revision**  
Revising, restating, and recodifying the trespass laws; repealing a requirement concerning the posting of private property by paint marks that required how the marks be made and placed; eliminating a provision concerning discriminatory practices; prohibiting wanton trespass on the property of Government House; eliminating an exception for lawful business concerning trespass on Government House; altering provisions concerning suspension of hunting and fishing licenses for trespass on posted property; altering penalties; etc.  
Senator Stone, et al (Committee to Revise Article 27)
- SB 402 **Handgun Manufacturers -- Out--of--State Sales to Governmental Entities and Law Enforcement Agencies**  
Authorizing the manufacture in the State of certain handguns not on the handgun roster by a federally licensed gun manufacturer that was also licensed as a regulated firearms dealer in the State as of a certain date, for direct sale to a unit of the federal government, a state other than the State of Maryland, an out--of--state local government, or an out--of--state law enforcement agency.  
Senator Baker

- SB 407 **Care of Mistreated Animals -- Accompanying Veterinarians**  
Allowing licensed veterinarians of the State to accompany police officers, animal humane society officials, and certain public officials when entering any place where mistreated animals are impounded or confined, in order to care for or remove the animals, without being held liable for the entry.  
Senator Haines
- SB 429 **Crimes -- Malicious Destruction of Property**  
Providing, with certain exceptions, that two or more acts pursuant to one scheme or continuing course of conduct may be considered as one malicious destruction of property offense and that the value of damage to the various properties may be aggregated in determining the penalty; establishing that separate counts may not be merged for sentencing if separate acts resulting in damage to the properties of one or several owners are set forth by separate counts within the same or separate charging documents; etc.  
Senator Green, et al
- SB 501 **Frederick County -- Alarm System Regulation**  
Authorizing the Board of County Commissioners of Frederick County to adopt regulations to register alarm system contractors and alarm users, provide penalties and issue civil citations for specified violations, provide exemptions from the issuance of specified civil citations and penalties, and authorize the designated county enforcement agency to keep records and inform specified persons of a pattern of false alarms; providing that specified provisions do not apply in Frederick County under specified circumstances; etc.  
Senators Derr and Ferguson (Frederick County Senators)
- SB 530 **Baltimore County -- Work Release and Home Detention Programs**  
Authorizing the establishment of work release and home detention programs in Baltimore County; authorizing the adoption of regulations relating to the administration of the programs; requiring the administrator of the programs to adopt eligibility criteria for participation in the programs and specified work release plans for each participant; allowing the administrator of the programs to recommend to a judge that specified individuals participate in the programs under specified circumstances; etc.  
**Effective July 1, 1998**  
**Senator Collins (Baltimore County Administration)**
- SB 553 **Crimes -- Child Pornography -- Interception of Communications**  
Adding child pornography to the offenses specified investigative or law enforcement officers may lawfully investigate by intercepting wire, oral, or electronic communications, under specified circumstances; and adding child pornography to the offenses for which an Attorney General, State Prosecutor, or State's Attorney must receive a court order before lawfully intercepting wire, oral, or electronic communications under specified circumstances.  
Senator Fry
- SB 633 **Private Home Detention Monitoring Agencies**  
Authorizing pretrial release to private home detention; requiring the home detention to be monitored by a licensed agency; requiring a defendant placed in private home detention to pay the agency's monitoring fee directly to the agency; authorizing the Secretary of Public Safety and Correctional Services to license and regulate businesses that provide monitoring services to individuals who are under a court order that requires private home detention monitoring as a condition of their release; etc.  
**Effective July 1, 1998**  
**Senator Green, et al**

- SB 688 **Child Abuse -- Out of Court Statements -- Nurses**  
Allowing out of court statements concerning alleged offenses against a child victim under 12 years of age to be admitted in specified court proceedings if the statements were made to and are offered by specified persons who were lawfully acting in the course of their professions when the statements were made; repealing a requirement that the out of court statements be made to and offered by specified individuals who possess specified occupational licenses; etc.  
Senator Forehand, et al
- SB 738 **Vehicle Laws -- Fleeing or Eluding a Police Officer -- Penalties**  
Altering specified penalties in the vehicle laws relating to fleeing and eluding a police officer.  
Senator Forehand
- SB 742 **Victims of Homicide -- Transportation Expenses -- State Budget**  
Providing that the State budget shall provide the necessary expenses to transport a victim of homicide from the site of the autopsy or examination to a location specified by the victim's family; and providing for a delayed effective date.  
**Effective July 1, 1999**  
Senator Derr
- HB 113 **Victims of Homicide -- Transportation Expenses -- State Budget**  
Providing that the State budget shall provide the necessary expenses to transport a victim of homicide from the site of the autopsy or examination to a location in the State specified by the victim's family; and providing for a delayed effective date.  
**Effective July 1, 1999**  
Delegates Morhaim and Walkup
- HB 140 **Crimes -- Electronic Mail Misuse -- Penalties**  
Prohibiting a person from using electronic mail for a communication made with intent to harass one or more persons or by sending lewd, lascivious, or obscene material; providing for a specified exception; providing for a penalty of not more than \$500 or imprisonment for not more than 1 year or both for violations of the Act; and defining electronic mail.  
Delegate Rosenberg, et al
- HB 179 **Division of Parole and Probation -- Presentence Reports**  
Requiring the Division of Parole and Probation to open specified presentence reports to community substance abuse providers under certain conditions.  
Chairman JUD (Dept)
- HB 181 **Correctional Training Commission -- Executive Director**  
Removing the Executive Director of the Correctional Training Commission from the State Personnel Management System.  
Chairman JUD (Dept)
- HB 265 **Allegany and Garrett Counties -- Confinement as Condition of Probation Before Judgment**  
Authorizing a court to impose a sentence of confinement as a condition of probation before judgment in Allegany County and in Garrett County.  
Garrett County and Allegany County Delegations
- HB 270 **Arrest Warrant Inspection -- Public Information**  
Prohibiting the inspection of files and records pertaining to specified arrest warrants and charging

documents under specified circumstances; providing for specified exceptions; making provisions of the Act severable; etc.

**Effective June 1, 1998**

**The Speaker (Administration), et al**

**HB 309 Juvenile Justice Act of 1998**

Altering the jurisdiction of the juvenile court; allowing access to specified juvenile records for the sole purpose of apprehending a child named in a writ; requiring the juvenile court to report specified juvenile record information to the Criminal Justice Information System Central Repository; creating a Commission on Juvenile Justice Jurisdiction; establishing the duties, membership, reporting requirements, and the termination of the Commission; etc.

Chairman JUD (Dept) and Delegate Vallario, et al

**HB 398 Convictions for Certain Crimes Against Children, Sexually Violent Offenses, or Other Sexual Offenses -- Registration Procedures**

Clarifying registration procedures for individuals convicted of specified crimes against children or of specified sexual offenses; clarifying the related duties assigned to supervising authorities, designated local law enforcement agencies, and the Department of Public Safety and Correctional Services; providing specified immunity for elected public officials, public employees, and public agencies; eliminating a requirement that the Department provide specified information to specified municipal law enforcement agencies; etc.

Chairman JUD (Dept)

**HB 433 Volunteer Firefighters and Rescue Squad Personnel -- Death Benefits**

Requiring that the Board of Trustees of the Maryland State Firemen's Association pay specified benefits to specified persons if a volunteer firefighter or individual serving on a volunteer rescue squad dies under specified circumstances, regardless of the district in which the decedent died or whether the decedent died in the State, in a specified adjacent state, or in the District of Columbia; authorizing under specified circumstances specified relatives of the decedent to collect death benefits; etc.

**Effective July 1, 1998**

**Delegate Conway, et al**

**HB 500 Victims' Rights -- Presence of Victims**

Altering the circumstances under which a victim or a representative of a victim has the right to be present at specified proceedings; altering the circumstances under which a judge may sequester a victim or victim's representative; applying provisions of law concerning the presence of a victim or representative to specified juvenile delinquency proceedings; defining a specified term; altering specified definitions; and generally relating to victims' rights in criminal and juvenile proceedings.

Delegate Vallario (Task Force to Examine Maryland's Crime Victims' Rights Laws), et al

**HB 501 Criminal Sentencing -- Judicial Review Panels -- Victim Notification**

Modifying the procedures a judicial review panel uses for reviewing a defendant's sentence; providing that the panel need not hold a hearing under certain circumstances; providing that a sentence of life imprisonment without the possibility of parole may not be increased to death by a judicial review panel; requiring specified persons to be notified before the panel alters a sentence; allowing a victim or a representative to attend the proceedings and address the panel under specified circumstances; etc.

Delegate Vallario (Task Force to Examine Maryland's Crime Victims' Rights Laws), et al

**HB 505 Parole Hearings -- Oral Testimony by Victims**

Requiring the clerk of the court to include a Maryland Sentencing Guidelines Worksheet with a specified commitment order under specified circumstances; requiring the Parole Commission to review

the Worksheet under specified circumstances; altering the circumstances for victim notification and presentation of oral testimony at parole release hearings; expanding the category of defendants for which a victim may request specified notifications and proceedings; etc.

**Effective January 1, 1999**

**Delegate Vallario (Task Force to Examine Maryland's Crime Victims' Rights Laws), et al**

**HB 506 Victims' Rights -- Notification**

Requiring the notification of certain victims about the terms and conditions of any plea agreement and judicial action; altering a certain definition; and generally relating to victims' notification procedures.

Delegate Vallario (Task Force to Examine Maryland's Crime Victims' Rights Laws), et al

**HB 607 Criminal Procedure -- Telephone Solicitation Theft -- Wire and Electronic Surveillance**

Creating an exception to the prohibition against willfully intercepting a wire or electronic communication for a person who intercepts a wire or electronic communication in the course of a law enforcement investigation of possible telephone solicitation theft under specified circumstances; and defining the term "telephone solicitation theft".

Delegate Montague, et al

**HB 620 Crimes -- Possession of Vehicle Identification Numbers**

Prohibiting possession, sale, or fraudulent use of specified stolen manufactured serial numbers, identification plates, or labels under specified circumstances; and providing a penalty for a violation of the prohibition.

**Effective July 1, 1998**

**Delegate Genn, et al**

**HB 645 Criminal Records -- Expungement**

Making certain provisions relating to expungement of criminal records applicable to records that pertain to motor vehicle violations for which a term of imprisonment may be imposed; providing for expungement of specified records relating to specified motor vehicle violations for which a term of imprisonment may be imposed even if specified nonincarcerable violations arise out of the same incident or transaction; establishing an exemption for specified records for a judgment of probation before judgment for specified offenses; etc.

Delegate Dewberry

**HB 666 Crimes -- Controlled Dangerous Substances -- Forfeiture**

Clarifying that specified types of property may not be forfeited in connection with a controlled dangerous substance offense if the owner establishes by a preponderance of the evidence that the offense was committed without the owner's actual knowledge; eliminating the requirement that there be a show cause order for forfeiture of money and currency; making specified clarifying changes regarding the parties who are authorized to institute a forfeiture proceeding and the deadlines for filing a complaint seeking forfeiture; etc.

Delegate Menes (Chairwoman, Special Committee on Drug and Alcohol Abuse), et al

**HB 670 Crimes -- Trespass -- Revision**

Revising, restating, and recodifying the trespass laws; repealing a requirement concerning the posting of private property by paint marks that required how the marks be made and placed; eliminating a provision concerning discriminatory practices; prohibiting wanton trespass on the property of Government House; eliminating an exception for lawful business concerning trespass on Government House; altering provisions concerning suspension of hunting and fishing licenses for trespass on posted property; altering penalties; etc.

Delegates Doory and Genn (Committee to Revise Article 27)

- HB 723 **Correctional Officers -- County and Municipal Facilities -- Power to Make Arrests**  
Authorizing a sheriff, who is acting as the head administrative officer of a county correctional facility, to designate correctional officers employed by the facility to have the power to make arrests.  
Charles County Delegation
- HB 743 **Prince George's County -- Inmates -- Conditions of Work Release PG 300--98**  
Providing that provisions of law currently applicable statewide to local inmates relating to work release apply to inmates in Prince George's County, unless other provisions of law applicable to Prince George's County specifically provide otherwise; and generally relating to work release in Prince George's County.  
Prince George's County Delegation
- HB 755 **Prince George's County -- Correctional Officer Applicants -- Lie Detector Tests PG 306--98**  
Exempting applicants for positions as correctional officers in the Prince George's County Department of Corrections from the prohibition against the use of a lie detector test as a condition of prospective employment.  
**Effective June 1, 1998**  
**Prince George's County Delegation**
- HB 776 **Prince George's County -- Fire Investigators -- Powers PG 307--98**  
Authorizing certain fire investigators of the Prince George's County Fire Department to carry a handgun; authorizing certain fire investigators of the Prince George's County Fire Department to make warrantless arrests under certain circumstances; altering a certain definition; and generally relating to the power and authority of fire investigators of the Prince George's County Fire Department.  
**Effective June 1, 1998**  
**Prince George's County Delegation**
- HB 842 **Maryland Commission on Criminal Sentencing Policy -- Extension of Termination**  
Extending the termination date of the Maryland Commission on Criminal Sentencing Policy from December 31, 1998 to July 1, 1999.  
Delegate Vallario
- HB 859 **Crimes -- Disturbance of the Public Peace and Disorderly Conduct**  
Revising provisions of law relating to disturbing the peace and disorderly conduct; prohibiting obstructions of free passage; prohibiting persons from acting in a disorderly manner, willfully failing to obey orders of law enforcement officers, disturbing the public peace by unreasonably loud noise, acting in a disorderly manner, and making bonfires in Worcester County; repealing prohibitions on disturbing religious organizations; etc.  
Delegates Genn and Doory (Committee to Revise Article 27)
- HB 875 **Out--of--State Offenders and Sexual Offenders -- Registration**  
Requiring registration with a supervising authority of specified offenders and sexual offenders who, before moving into this State, were required to register in another state for specified offenses occurring before specified dates.  
Delegate Hecht, et al
- HB 914 **Crimes -- Child Pornography -- Interception of Communications**  
Adding child pornography to the offenses specified investigative or law enforcement officers may lawfully investigate by intercepting wire, oral, or electronic communications, under specified

circumstances; and adding child pornography to the offenses for which an Attorney General, State Prosecutor, or State's Attorney must receive a court order before lawfully intercepting wire, oral, or electronic communications under specified circumstances.

Delegate Rudolph, et al

**HB 925 Crimes -- Computers -- Exceeding Authorized Access**

Expanding the provisions relating to unauthorized access to specified computer devices, systems, or services to apply to a person who exceeds the person's authorized access and to specified possession of valid access codes; increasing a statute of limitations for specified computer crimes; and generally relating to computer crimes.

Delegates Rudolph and Cryor

**HB 1042 Law Enforcement Officers' Bill of Rights -- Applicability**

Expanding the definition of "law enforcement officer" as it applies to the Law Enforcement Officers' Bill of Rights to include specified police officers, investigative assistants, and inspection assistants.

Delegate McIntosh, et al

**HB 1067 Homicide -- Penalties**

Providing that a principal in the second degree who willfully, deliberately, and with premeditation intended the death of a law enforcement officer, who was a major participant in the murder, and who was actually present at the time and place of the murder is eligible for the death penalty.

Chairman JUD (Dept), et al

**HB 1080 Child Abuse -- Death of a Child -- Penalties**

Increasing the maximum period of imprisonment that a person is subject to upon conviction of the felony of child abuse if the violation results in the death of the victim.

Delegate Comeau, et al

**HB 1097 State Fire Marshal -- Fees -- Exemptions**

Prohibiting the State Fire Marshal from collecting a fee for conducting an inspection of property that is owned by the State, a county, a municipal corporation, or specified fire, rescue, or emergency medical service entities.

Delegate Bozman, et al

**HB 1109 Criminal Procedure -- Witnesses -- Notification of Release and Escape of Offender**

Authorizing a State's Attorney to provide a State's witness with a copy of specified guidelines for victims and witnesses; allowing specified witnesses to request a notice of a defendant's release under specified circumstances; requiring specified commitment agencies to provide specified notices to witnesses and to notify witnesses of a defendant's release, escape, recapture, transfer, or death under specified circumstances; providing specified immunity for elected public officials, public employees, and public agencies; etc.

Delegate Genn, et al

**HB 1122 Baltimore City -- Sheriff -- Personnel**

Requiring the Sheriff of Baltimore City to appoint specified personnel; authorizing the Sheriff to appoint other specified personnel; and generally relating to the Sheriff of Baltimore City.

Delegate Boston

**HB 1178 Crimes -- Telecommunications Act**

Prohibiting obtaining or attempting to obtain telecommunications services with intent to avoid any

lawful fee; prohibiting the possession or use of counterfeit telecommunications devices under specified circumstances; prohibiting the possession of a combination of electronic serial numbers and mobile identification numbers under specified circumstances; providing exceptions; providing penalties; etc.  
Delegate Harkins, et al

**HB 1205 Volunteer Firefighters and Rescue Squad Personnel -- Disablement Benefit**

Requiring that the Board of Trustees of the Maryland State Firemen's Association pay a benefit to a person who is a volunteer firefighter or individual serving on a volunteer rescue squad who is disabled under specified circumstances; and generally relating to benefits for volunteer firefighters and individuals who serve on volunteer rescue squads.

Delegate Conway, et al

**HB 1301 Local Emergency Preparedness Plans**

Requiring each county and Baltimore City to prepare an Emergency Preparedness Plan for responding to emergencies that involve hazardous materials or controlled hazardous substances and to submit the Plan to the Director of the Maryland Emergency Management Agency by October 1, 1998; and requiring each county and Baltimore City to review its Emergency Preparedness Plan annually and to submit any changes to the Plan to the Director of the Maryland Emergency Management Agency for a specified purpose.

**Effective July 1, 1998**

**Delegates Weir and Guns**

**HB 1359 Sexual Offenses -- Correctional Employees and Inmates**

Making it a crime for a correctional employee to engage in vaginal intercourse or a sexual act with a person in custody in a State or local correctional facility or a community adult rehabilitation center; providing for penalties; etc.

Delegate Hecht, et al

**HB 1399 State Fire Marshal -- Full--Time Investigative and Inspection Assistants -- Powers of Arrest**

Authorizing the State Fire Marshal and full--time investigative and inspection assistants of the Office of the State Fire Marshal to make warrantless arrests, conduct investigations, and enforce laws without jurisdictional limitations under specified circumstances; making the Law Enforcement Officers' Bill of Rights applicable to the State Fire Marshal and full--time investigative and inspection assistants of the Office of the State Fire Marshal; etc.

Delegates Conway and Stup

**PART F**  
**COURTS AND CIVIL PROCEEDINGS**

- SB 18    **Condominiums and Homeowners Associations -- Rights and Restrictions**  
Authorizing condominium unit owners and homeowners association lot owners to meet in specified areas, subject to reasonable rules, to consider and discuss matters relating to the operation of the condominium or homeowners association; requiring governing bodies and committees of condominiums and homeowners associations to allow unit and lot owners to comment on specified matters during specified meetings, subject to specified rules; and authorizing unit and lot owners to distribute information in specified places and ways.  
Senator Roesser, et al
- SB 25    **Lawyers -- Solicitation of Clients -- Requirements**  
Prohibiting a lawyer, or a lawyer's agent or employee, from sending specified forms of communication to certain persons unless the communication is identified as an advertisement in a specified manner; establishing certain other requirements for certain communications soliciting clients; requiring a person who sends certain communications to file a copy of the communication and certain information with the Bar Counsel; providing for certain penalties; etc.  
Senator Boozer
- SB 29    **Evidence -- Civil Proceedings -- Slayer's Rule -- Admissibility and Effect of Certain Criminal Convictions**  
Providing that a judgment of conviction establishing criminal accountability for the felonious and intentional killing of a decedent is admissible in a specified subsequent civil proceeding and conclusively establishes that the convicted individual feloniously and intentionally killed the decedent.  
Senator Boozer, et al
- SB 43    **Family Law -- Domestic Violence -- Penalties**  
Altering the penalties for failure to comply with the relief granted in an ex parte order or protective order; and generally relating to penalties for failure to comply with specified relief granted in an ex parte order or protective order.  
Senator Haines
- SB 56    **Real Property -- New Homes and Custom Homes -- Surety Bonds**  
Transferring the authority to hold specified surety bonds related to specified deposits on new homes and custom homes from the Insurance Administration to the Department of Labor, Licensing, and Regulation.  
Chairman JPR (Dept)
- SB 94    **Condominiums, Homeowners Associations, and Cooperatives -- No--Impact Home--Based Businesses**  
Prohibiting a certain provision in a recorded covenant or restriction, declaration, bylaw, or rule of a condominium or homeowners association, or in the articles of incorporation, bylaws, or proprietary leases of a cooperative housing corporation from being construed to prohibit specified no--impact home--based businesses; providing that a condominium, homeowners association, or cooperative housing corporation may restrict or prohibit specified no--impact home--based businesses under specified circumstances; etc.

**Effective July 1, 1998**  
**Senator Dorman, et al**

**SB 130 Registers of Wills -- Salary**

Raising the maximum salary that a register of wills may receive to \$75,000 annually; and providing that the Act does not apply to the salary or compensation of an incumbent register.

Senator Baker

**SB 131 Circuit Court Clerks -- Salary**

Allowing the Board of Public Works to increase the salary of the counties' circuit court clerks to \$75,000 annually.

Senator Baker

**SB 194 Family Law -- Grounds for Absolute Divorce -- Domestic Violence**

Adding cruelty of treatment and excessively vicious conduct, if there is not reasonable expectation of reconciliation, as grounds for an absolute divorce.

Senator Kelley, et al

**SB 198 Cecil County -- Fines and Forfeitures and Appearance Fees -- Use of Funds for Charitable and Educational Purposes**

Authorizing the Cecil County Bar and Library Association, Inc. to transfer excess funds held for the use of the court library to the Cecil County Bar Foundation, Inc. to be used for charitable and educational purposes in accordance with the Foundation's bylaws; requiring the judges of the Circuit Court of Cecil County to consult with the Library Committee of the Cecil County Bar and Library Association, Inc. in directing specified sums to be expended; etc.

**Effective July 1, 1998**

**Senator Baker**

**SB 213 Certificates of Merit -- Licensed Professionals**

Requiring a claimant in a malpractice action against specified professionals to file a certificate from a qualified expert; requiring a certificate to contain a statement that the defendant failed to meet professional standards; requiring the certificate to be filed within 90 days after the claim is filed; authorizing the court to grant a waiver or modification of the certificate or to extend the filing deadline; establishing qualifications of a qualified expert; providing for specified discovery; etc.

Senator Haines, et al

**SB 297 Baltimore City -- Sheriff -- Salary**

Increasing the salary of the Sheriff of Baltimore City for specified calendar years; and providing that the Act does not apply to the salary or compensation of the incumbent Sheriff.

**Effective July 1, 1998**

**Senator McFadden**

**SB 300 Circuit Courts -- District Court -- Judges**

Increasing the number of resident judges of the circuit court in Prince George's and St. Mary's Counties; and increasing the number of associate judges of the District Court in Baltimore City and in Montgomery and Howard Counties.

Senator Miller

**SB 319 Public Defender -- Salary**

Establishing the salary of the Public Defender as the same salary as an Associate Judge of a circuit

court; making stylistic changes; and generally relating to the Public Defender.  
Senator Baker

- SB 330 **Architects -- Emergencies -- Voluntary Practice of Architecture -- Immunity**  
Providing that a licensed architect is not liable for any loss caused by an act, error, or omission of the licensed architect while practicing architecture if the act, error, or omission was not wanton, willful, or intentional and the practice of architecture was performed voluntarily and without compensation, at the scene of an emergency, disaster, or catastrophic event, and at the request of a certain official acting in an official capacity; etc.  
Senator Stone
- SB 332 **Civil Court Fees -- Maryland Legal Services Corporation Fund**  
Establishing the Maryland Legal Services Corporation Fund; requiring that specified surcharges assessed in civil cases in the circuit courts and in the District Court be deposited into the Fund; requiring the Treasurer to invest and reinvest the Fund in the same manner as other State funds and to credit any investment earnings to the Fund; requiring moneys distributed to the Fund to be used by the Maryland Legal Services Corporation to fund civil legal services to indigents; etc.  
**Effective July 1, 1998**  
**Senator Green, et al**
- SB 333 **Judgments -- Exemptions from Claims of Creditors -- Roth IRA**  
Exempting benefits from, or interests in, a specified retirement plan from claims of creditors; and providing that an exemption does not apply to the portion of a contribution and certain earnings that exceeds the maximum contribution allowed under the United States Internal Revenue Code.  
Senator Boozer
- SB 345 **District Court Commissioners**  
Authorizing a District Court commissioner to exercise the powers of office in specified counties contiguous to the county in which the commissioner resides; and authorizing a supervising commissioner in a multicounty district to assign any other commissioner from that district to perform duties in a county within that district that is contiguous to the county in which the commissioner resides.  
Chairman JPR (Maryland Judicial Conference)
- SB 388 **Circuit Court Real Property Records Improvement Fund -- Revenue from Copiers**  
Adding to the Circuit Court Real Property Records Improvement Fund revenue made on equipment bought through the Fund.  
Senator Boozer
- SB 404 **Agricultural Operations -- Nuisance Suits -- Protection Against**  
Revising provisions of the law relating to the protection of specified agricultural activities from specified private actions under specified circumstances; altering a certain definition; and providing for the application and construction of the Act.  
Senator Baker, et al
- SB 406 **Estates and Trusts -- Rule Against Perpetuities**  
Exempting from the common--law rule against perpetuities a trust in which the governing instrument states that the rule against perpetuities does not apply to the trust and under which the trustee has specified powers.  
Senator Stone

- SB 519 **Baltimore City -- Sheriff -- Personnel**  
Requiring the Sheriff of Baltimore City to appoint specified personnel; and authorizing the Sheriff to appoint 84 deputy sheriffs.  
Senator McFadden
- SB 529 **Child Abuse or Neglect -- Disclosure of Information**  
Authorizing the director of a local department of social services or the Secretary of Human Resources to disclose information concerning child abuse or neglect under specified circumstances; requiring the director or the Secretary to consult with the appropriate law enforcement agencies and specified persons prior to disclosing information; prohibiting the director or the Secretary from disclosing specified information; requiring the Secretary, in consultation with local directors of social services, to develop a specified form; etc.  
Senator Collins (Baltimore County Administration), et al
- SB 592 **Courts -- Efficiency and Equity**  
Providing for State payment for interpreter services under specified circumstances; establishing a specified State per diem amount for jurors' expenses; requiring the counties to supplement the State per diem amount of juror compensation unless a specified local ordinance is adopted; requiring the Administrative Office of the Courts to complete a specified report by November 15, 1998; etc.  
Senator Fry, et al
- SB 611 **Foster Care Review Boards -- Permanency Plan Review Hearings -- Written Reports**  
Requiring a court to consider a written report of a local board of review of foster care at a hearing to review the implementation of a permanency plan for a child in an out--of--home placement.  
Senator Van Hollen
- SB 623 **Carroll County -- Orphans' Court Judges -- Salary**  
Increasing the salaries of judges of the Orphans' Court for Carroll County to \$10,000; providing that the Act does not apply to the salary or compensation of the incumbent judges; and generally relating to judges of the Orphans' Court for Carroll County.  
Senators Haines and Ferguson (Carroll County Senators)
- SB 648 **Child Protection Act**  
Modifying the findings a court is required to make when determining whether it should grant a decree of adoption under specified circumstances; requiring the court to make a specific finding, under specified circumstances, as to whether or not the return of a child to the custody of the natural parent poses an unacceptable risk to the future safety of the child; and requiring the court to give primary consideration to the safety and health of the child in making a specified determination.  
Senator Van Hollen, et al
- SB 652 **Manufacturers of Tobacco Products -- State Claims**  
Clarifying that the Department of Health and Mental Hygiene's right of subrogation for payments relating to medical assistance recipients is not an exclusive right, remedy, or cause of action; providing that in any action brought by the State against a manufacturer of a tobacco product the causation and the amount of medical assistance expenditures may be proved or disproved by evidence of statistical analysis without specified other proof; stating an agreement between the Law Offices of Peter G. Angelos and the Attorney General; etc.  
**Effective July 1, 1998**  
Senator Bromwell, et al

- SB 668 **Real Property -- Grant of Property to Trust or Estate**  
Providing that a grant of property to a trust has the same effect as if the grantor had granted the property to a specified trustee; providing that a grant of property to an estate has the same effect as if the grantor had granted the property to a specified personal representative; and providing for the application of the Act.  
Senator Boozer
- SB 669 **Real Property -- Recordation**  
Reorganizing the provisions of law relating to recordation of specified instruments in the land records.  
Senator Boozer
- SB 724 **Cecil, Kent, and Wicomico Counties -- Orphans' Court Judges -- Salaries**  
Altering the salaries of the judges of the orphans' courts for Cecil County, Kent County, and Wicomico County; providing that the Act does not apply to the salary or compensation of the incumbent orphans' court judges; and generally relating to the salaries of the judges of the orphans' courts for Cecil County, Kent County, and Wicomico County.  
Senator Stoltzfus
- HB 9 **Family Law -- Grounds for Absolute Divorce -- Domestic Violence**  
Adding cruelty of treatment and excessively vicious conduct, if there is not reasonable expectation of reconciliation, as grounds for an absolute divorce.  
Delegate Hecht, et al
- HB 35 **Foster Care Review Boards -- Permanency Plan Review Hearings -- Written Reports**  
Requiring a court to consider a written report of a local board of review of foster care at a hearing to review the implementation of a permanency plan for a child in an out--of--home placement.  
Delegates Grosfeld and Kopp
- HB 36 **Condominiums, Homeowners Associations, and Cooperative Housing Corporations -- Political Signs**  
Specifying that a condominium, homeowners association, or cooperative housing corporation may not prohibit or restrict a resident from displaying specified political signs except under specified circumstances; and generally relating to political expression in condominiums, homeowners associations, and cooperative housing corporations.  
Delegates Kagan and Goldwater
- HB 38 **Condominiums and Homeowners Associations -- Rights and Restrictions**  
Authorizing condominium unit owners and homeowners association lot owners to meet in specified areas, subject to reasonable rules, to consider and discuss matters relating to the operation of the condominium or homeowners association; requiring governing bodies and committees of condominiums and homeowners associations to allow unit and lot owners to comment on specified matters during specified meetings, subject to specified rules; and authorizing unit and lot owners to distribute information in specified places and ways.  
Delegate Kach, et al
- HB 59 **Child Abuse or Neglect -- Disclosure of Information**  
Authorizing the director of a local department of social services or the Secretary of Human Resources to disclose information concerning child abuse or neglect under specified circumstances; requiring the director or the Secretary to consult with the appropriate law enforcement agencies and specified persons prior to disclosing information; prohibiting the director or the Secretary from disclosing

specified information; requiring the Secretary, in consultation with local directors of social services, to develop a specified form; etc.

Delegate Campbell

**HB 105 Howard County -- Orphans' Court -- Salaries of Judges Ho. Co. 11--98**

Altering the salaries of the judges of the Orphans' Court for Howard County; providing that the Act does not apply to the salary or compensation of the incumbent judges of the Orphans' Court for Howard County; and generally relating to the salaries of the judges of the Orphans' Court for Howard County.

Howard County Delegation

**HB 112 Public Recreation on Private Land -- Historical and Cultural Reenactments**

Expanding the definition of "educational purpose" in a provision of law relating to immunity of landowners; and including in the definition organized visits for purposes of participating in or observing historical and cultural reenactments in order to provide limited immunity for specified landowners.

Delegate Dembrow, et al

**HB 128 Howard County -- Recordation -- Assessment Books Ho. Co. 15--98**

Providing that, in Howard County, recordation by the Clerk of the Circuit Court of instruments affecting property may be done, under specified circumstances, prior to transfer of the property on the assessment records; providing for the formulation of specified procedures; and generally relating to recordation in Howard County.

Howard County Delegation

**HB 132 Howard County -- Deputy State's Attorneys Ho. Co. 3--98**

Authorizing the State's Attorney in Howard County to appoint a second deputy State's Attorney in Howard County.

Howard County Delegation

**HB 175 Circuit Court Clerks -- Salary**

Allowing the Board of Public Works to increase the salary of the counties' circuit court clerks to \$75,000 annually.

Delegate Conroy, et al

**HB 188 Certificates of Merit -- Licensed Professionals**

Requiring a claimant who originally files a specified claim in a circuit court against specified licensed professionals to file a certificate of a qualified expert; requiring a certificate to contain a statement that the defendant failed to meet an applicable standard of professional care; requiring the certificate to be filed within 90 days after the claim is filed and to be served on specified persons; authorizing the court to grant a waiver or modification or to extend the filing deadline under specified circumstances; etc.

Delegate Doory, et al

**HB 192 Jury Trials -- Civil Proceedings**

Providing that the right to a jury trial in civil proceedings preserved by Article 23 of the Declaration of Rights applies when the amount in controversy exceeds \$10,000.

**Constitutional Amendment**

Delegate Vallario, et al

**HB 194 District Court -- Civil Jurisdiction**

Increasing from \$20,000 to \$25,000 the amount in controversy that determines the civil jurisdiction of the District Court in specified cases; and applying the Act prospectively.

Delegate Vallario, et al

- HB 214 Adoption Search, Contact, and Reunion Services and Access to Birth and Adoption Records**  
Authorizing certain adopted individuals and biological parents to apply to the Director of the Social Services Administration to receive adoption search, contact, and reunion services; requiring the Director to maintain a list of specified confidential intermediaries; authorizing specified individuals and parents to have access to specified records after a specified date; authorizing specified individuals and parents to file, cancel, or refile specified vetoes under specified circumstances; etc.  
**Effective October 1, 1999**  
**Delegate Turner, et al**
- HB 229 Montgomery and Harford Counties -- Retired Judges -- Assignment to Orphans' Court**  
Proposing amendments to the Constitution of Maryland authorizing the Chief Judge of the Court of Appeals to assign under specified conditions a retired judge of the Circuit Court for Montgomery County to do an act that a judge of the Orphans' Court for Montgomery County is authorized to perform; authorizing the Chief Judge to assign under specified conditions a retired judge of the Circuit Court for Harford County to do an act that a judge of the Orphans' Court for Harford County is authorized to perform; etc.  
**Constitutional Amendment**  
**Delegate Dembrow, et al**
- HB 245 Evidence -- Civil Proceedings -- Slayer's Rule -- Admissibility and Effect of Certain Criminal Convictions**  
Providing that a judgment of conviction establishing criminal accountability for the felonious and intentional killing of a decedent is admissible in a subsequent civil proceeding in which the common law Slayer's Rule is raised as an issue, and conclusively establishes that the convicted individual feloniously and intentionally killed the decedent.  
Delegate E Burns, et al
- HB 250 Registers of Wills -- Salary**  
Raising the maximum salary that a register of wills may receive to \$75,000 annually; and providing that the Act does not apply to the salary or compensation of an incumbent register.  
Delegate Valderrama, et al
- HB 307 Allegany County State's Attorney -- Salary**  
Increasing the annual salary of the State's Attorney for Allegany County from 80\% of a District Court judge's salary to 85\% in the year 1999, to 87.5\% in the year 2000, and to 90\% in each subsequent year.  
Allegany County Delegation
- HB 339 Family Law -- Domestic Violence -- Penalties**  
Altering the penalties for failure to comply with the relief granted in an ex parte order or protective order.  
Delegate O'Donnell, et al
- HB 370 Montgomery County -- Real Property -- Recordation MC 824--98**  
Providing that, in Montgomery County, recordation of instruments affecting property by the Clerk of the Circuit Court may be done prior to transfer of the property on the assessment records; providing for transfer of the property on the assessment records; and providing for formulation of specified

procedures.  
Montgomery County Delegation

**HB 390 Local Government Tort Claims Act -- Applicability**

Specifying that the Baltimore City Community College is not covered by the definition of "local government" for purposes of the Local Government Tort Claims Act.

**Effective July 1, 1998**

**Chairman JUD (Dept)**

**HB 394 Architects -- Emergencies -- Voluntary Practice of Architecture -- Immunity**

Providing that a licensed architect is not liable for any loss caused by an act, error, or omission of the licensed architect while practicing architecture if the act, error, or omission was not wanton, willful, or intentional and the practice of architecture was performed voluntarily and without compensation, at the scene of an emergency, disaster, or catastrophic event, and at the request of a certain official acting in an official capacity; etc.

Delegates Bissett and Harkins

**HB 468 Lawyers -- Solicitation of Clients -- Requirements**

Prohibiting a lawyer, or a lawyer's agent or employee, from sending specified forms of communication to certain persons unless the communication is identified as an advertisement in a specified manner; establishing certain other requirements for certain communications soliciting clients; requiring a person who sends certain communications to file a copy of the communication and certain information with the Bar Counsel; providing for certain penalties; etc.

Delegate Vallario, et al

**HB 495 Estates and Trusts -- Rule Against Perpetuities**

Exempting from the common-law rule against perpetuities a trust in which the governing instrument states that the rule against perpetuities does not apply and under which the trustee has specified powers.

Delegates Dembrow and Gordon

**HB 511 Immunities and Prohibited Actions -- State Boards -- State Board of Veterinary Medical Examiners**

Granting immunity from civil liability to persons who, in good faith, give information to the State Board of Veterinary Medical Examiners.

Chairman ENV (Dept)

**HB 552 St. Mary's County -- Real Property -- Recordation**

Adding St. Mary's County to the list of counties in which recordation by the Clerk of the Circuit Court of instruments affecting property may be done, under specified circumstances, prior to transfer of the property on the assessment records; and providing for the formulation of specified procedures.

St. Mary's County Delegation

**HB 562 Lawyers -- Solicitation of Clients -- Limited Prohibition on Targeted Communications**

Prohibiting a lawyer from sending targeted forms of communication concerning an action for personal injury or wrongful death, directly or through an agent, to prospective clients for 30 days after an accident or disaster; providing for a penalty of not more than \$1,000 or imprisonment for not more than 1 year or both; etc.

Delegates Turner and Montague

- HB 578 **Evidence -- Records and Writings of Health Care Providers**  
Making specified records and writings of specified health care providers admissible in specified civil trials without presenting certain testimony; and requiring certain procedures.  
Delegate R Baker, et al
- HB 589 **Registers of Wills -- Maintenance of Records -- Electronic Recordation**  
Authorizing the registers of wills to maintain certain records concerning wills, administration proceedings, and releases by a form of electronic recordation.  
Delegate Bissett
- HB 590 **Child Abuse -- Out of Court Statements -- Nurses**  
Allowing out of court statements concerning alleged offenses against a child victim under the age of 12 years to be admitted in specified court proceedings if the statements were made to and are offered by a nurse or specified school officials; repealing a requirement that the out of court statements be made to and be offered by specified individuals who possess specified occupational licenses; and authorizing specified individuals to offer the out of court statements under specified circumstances.  
Delegate Goldwater, et al
- HB 603 **Calvert County -- Recordation of Plats -- Certification of Payment of Taxes, Assessments, and Charges**  
Prohibiting in Calvert County the clerk of court from accepting and recording plats that combine two or more subdivision lots unless the county treasurer has certified on the plats that all taxes, assessments, and charges against the existing lots have been paid.  
Calvert County Delegation
- HB 718 **Charles County State's Attorney -- Salary**  
Altering the salary of the Charles County State's Attorney; specifying that the salary shall be based on a specified percentage of the salary of a judge of the District Court; repealing a restriction on the salary of the deputy State's Attorney; and providing that the Act may not be construed to increase or diminish the salary or compensation of an incumbent or any future State's Attorney during the State's Attorney's term of office.  
Charles County Delegation
- HB 737 **Real Property -- Disclosure -- Accidental Death**  
Specifying that, for purposes relating to disciplinary actions against licensed real estate brokers and applicants of specified licenses, an accidental death is not a material fact relating to property for sale or lease; and specifying that an accidental death is not a material fact or latent defect relating to property for sale or lease by an owner, seller, or agent.  
Delegate V Mitchell, et al
- HB 778 **Prince George's County Sheriff's Office -- Compensation PG 314--98**  
Increasing the salaries for the Sheriff and each assistant sheriff in Prince George's County; generally relating to the compensation of the Sheriff and assistant sheriffs in Prince George's County; and providing that the Act does not apply to the salary or compensation of the incumbent Sheriff.  
**Effective July 1, 1998**  
**Prince George's County Delegation**
- HB 781 **Prince George's County -- Circuit Court -- Office of Calendar Management PG 320--98**  
Abolishing the Office of the Director of Assignments of the Circuit Court for Prince George's County; requiring that the administrative judge of the Circuit Court for Prince George's County establish an Office of Calendar Management; etc.

**Effective July 1, 1998**  
**Prince George's County Delegation**

**HB 846 Estates and Trusts -- Administration of Estate -- Motor Vehicles**

Authorizing a personal representative to value a motor vehicle in a decedent's estate on the basis of its average value set forth in certain publications rather than by an appraisal; and providing that the Act applies to estates of persons who die on or after October 1, 1998.

Delegate Vallario

**HB 851 District Court Commissioners**

Authorizing a District Court commissioner to exercise the powers of office in specified counties contiguous to the county in which the commissioner resides; and authorizing a supervising commissioner in a multicounty district to assign any other commissioner from that district to perform duties in a county within that district that is contiguous to the county in which the commissioner resides.

Chairman JUD (Maryland Judicial Conference)

**HB 852 Circuit Courts -- District Court -- Judges**

Increasing the number of resident judges of the circuit court in Prince George's and St. Mary's Counties; and increasing the number of associate judges of the District Court in Baltimore City and in Montgomery and Howard Counties.

Delegate Vallario

**HB 940 Estates and Trusts -- Limitation Period for Refund Claims**

Clarifying a limitation period for filing a claim for refund after distribution of property to the Department of Health and Mental Hygiene or a board of education under specified circumstances.

Delegate Preis, et al

**HB 1037 Time--Share Estates -- Liens for Unpaid Assessments**

Authorizing imposition of a lien under the Maryland Contract Lien Act against a time--share estate for nonpayment of assessments and other charges; authorizing liens against time--share estates to be enforced and foreclosed in a separate proceeding against an individual time--share estate or in a single proceeding against some or all time--share estates in the same project; authorizing a suit for a deficiency and for a money judgment to be maintained in the same proceeding; etc.

Delegate Bozman, et al

**HB 1048 Prince George's County -- State's Attorney's Office -- Assistant State's Attorneys PG 305--98**

Altering from 57 to 62 the number of assistant State's Attorney positions in the State's Attorney's office in Prince George's County; increasing the annual salary of the State's Attorney in each calendar year beginning with 1999; increasing the maximum salaries of the deputy State's Attorneys, the assistant State's Attorneys, and the administrative assistant in the State's Attorney's office; and providing that the Act does not apply to the salary or compensation of the incumbent State's Attorney.

**Effective July 1, 1998**

**Prince George's County Delegation**

**HB 1060 Public Defender -- Salary**

Establishing the salary of the Public Defender as the same salary as an associate judge of a circuit court; making stylistic changes; and generally relating to the Public Defender.

Delegate Montague, et al

**HB 1093 Family Law -- Children in Out--of--Home Placements**

Altering the factors, and adding to the continuing or serious conditions or acts, that a court is required to consider in determining whether it is in the best interest of a child to terminate a natural parent's rights as to the child; requiring a court to make a finding as to whether return of a child to the natural parent poses an unacceptable risk to the child's future safety; providing that reasonable efforts need not be made to reunify a child with the natural parent or guardian under specified circumstances; etc.

**Effective July 1, 1998**

**Delegate Montague, et al**

**HB 1125 Baltimore City -- Sheriff -- Salary**

Increasing the salary of the Sheriff of Baltimore City for certain calendar years; and providing that the Act does not apply to the salary or compensation of the incumbent Sheriff.

**Effective July 1, 1998**

**Delegate Boston**

**HB 1165 Harford County -- State's Attorney and Sheriff -- Salary Adjustments**

Increasing the annual salary of the State's Attorney for Harford County over specified years; authorizing the Sheriff of Harford County to obtain outside employment as a part--time teacher with compensation not to exceed a specified amount; altering the salary of the Sheriff of Harford County; providing that the Act does not apply to the salary or compensation of the incumbent State's Attorney or Sheriff; etc.

Harford County Delegation

**HB 1181 Carroll County -- Sheriff's Salary**

Altering the salary of the Sheriff of Carroll County from \$37,500 annually to \$45,000 annually.

Carroll County Delegation

**HB 1311 Dorchester County -- State's Attorney -- Salary**

Altering the salary of the State's Attorney for Dorchester County; and providing that the Act does not affect the salary or compensation of the incumbent or any future State's Attorney for Dorchester County during the term of the office of the State's Attorney.

Dorchester County Delegation

**HB 1329 Estates and Trusts -- Corrections -- Elective Share for Surviving Spouse -- Personal Representatives**

Substituting the term "elective share" of a surviving spouse for the term "intestate share" of a surviving spouse in specified provisions of law; substituting the term "personal representatives" for the term "executors" in specified provisions of law; and providing for the effect of the Act.

Delegate Finifter

**HB 1422 Baltimore City -- Orphans' Court**

Altering the salaries of the judges of the Orphans' Court for Baltimore City; and providing that the Act does not apply to the salary or compensation of the incumbent judges of the Orphans' Court for Baltimore City.

Delegates Boston and Montague

**PART G**  
**TRANSPORTATION AND MOTOR VEHICLES**

- SB 42 **Motor Vehicle Administration -- Chesapeake Bay Commemorative License Plate Program -- Extension**  
Extending the Chesapeake Bay Commemorative License Plate Program until July 1, 2000.  
**Effective June 1, 1998**  
**Senator Dorman**
- SB 52 **State Police -- Dissemination of Information to Public -- Fees**  
Increasing to \$4 the fee the Department of State Police charges for a document search related to specific motor vehicle accidents.  
**Effective July 1, 1998**  
**Chairman JPR (Dept)**
- SB 88 **Vehicle Laws -- Animal Friendly License Plates**  
Requiring the Governor to appoint a committee to design an emblem or logo for display on organizational license plates for use by animal humane societies or similar organizations for specified purposes; providing for the membership of the committee; authorizing the committee to solicit suggestions from specified groups; providing that the final design is subject to the approval of the Motor Vehicle Administration; etc.  
Senator Dyson, et al
- SB 184 **Vehicle Laws -- Improperly Registered Motor Vehicles -- Registration Enforcement Program**  
Establishing a grant program under which law enforcement agencies would target motor vehicles improperly registered out--of--state; establishing a special, nonlapsing fund known as the Motor Vehicle Registration Enforcement Fund; dedicating specified revenues to the fund and providing for the fund's administration; requiring that a law enforcement agency awarded a grant from the fund comply with specified requirements; providing for the termination of the Act in 5 years; etc.  
**Effective July 1, 1998**  
**Senator Green, et al**
- SB 204 **Transportation -- Montgomery and Prince George's Counties -- Grants for Purchase of Buses**  
Requiring the Department of Transportation to provide an annual capital grant to Montgomery County and Prince George's County for the purchase of buses to be used to provide eligible local bus service; providing that the grants made under the Act are in addition to any federal funds received by the State for bus services provided by Montgomery and Prince George's Counties; etc.  
**Effective July 1, 1998**  
**Senator Ruben, et al**
- SB 205 **Washington Suburban Transit District -- Capital Equipment -- Funding**  
Requiring the Maryland Department of Transportation to provide grants to the Washington Suburban Transit District to fully fund the District's share of the Washington Metropolitan Area Transit Authority's capital equipment replacement costs; providing for the funding of the grants; making award of the grants contingent on receipt of a request by the District; etc.  
**Effective July 1, 1998**  
**Senator Ruben, et al**

- SB 207 **Washington Suburban Transit District -- Debt Service Grants**  
Increasing the amount of grants made to the Washington Suburban Transit District by the Maryland Department of Transportation from 75\% to 100\% of the net debt service on bonds issued by the Washington Metropolitan Area Transit Authority.  
**Effective July 1, 1999**  
**Senator Ruben, et al**
- SB 225 **Vehicle Laws -- Rules of the Road**  
Modifying specified provisions of the Maryland Vehicle Law to conform to the Uniform Vehicle Code; modifying provisions relating to traffic movement in specified lanes and at intersections with specified control signals; modifying provisions governing residential parking for individuals with disabilities; restricting the sale and use of specified traffic control signals; modifying provisions regarding passing of school vehicles; altering a specified definiton; etc.  
Senator Jimeno
- SB 253 **Motor Vehicles -- Staggered Registration System**  
Expanding the scope of specified provisions that authorize the Motor Vehicle Administration to adopt a system of staggered vehicle registration for specified classes of motor vehicles to make these provisions applicable to all classes of vehicles; etc.  
Senator Baker
- SB 256 **Mass Transit Administration -- Future Extension of Mass Transit Systems to St. Mary's County**  
Requiring the Department of Transportation to study the feasibility of preserving and acquiring rights--of--way for a future mass transit extension to St. Mary's County and to report its findings and recommendations to the General Assembly by January 1, 1999; stating that it is the intent of the General Assembly that the Department utilize existing resources to examine the issue and to make recommendations; etc.  
**Effective June 1, 1998**  
**Senators Dyson and Middleton**
- SB 271 **Vehicle Laws -- Drivers' Licenses -- Graduated Licensing System**  
Establishing a graduated licensing system for new drivers under the Maryland Vehicle Law; creating a new provisional license; establishing and altering driver education requirements, restrictions, and procedures concerning learner's instructional permits, provisional driver's licenses, and driver's licenses; providing for suspension and revocation of provisional licenses under specified circumstances; providing for a standardized driver education program; etc  
**Various Effective Dates**  
**Senators Baker and Jimeno**
- SB 344 **Task Force to Study the Comprehensive Licensing of Automotive--Related Industries**  
Establishing a Task Force to Study the Comprehensive Licensing of Automotive--Related Industries; specifying the membership of the Task Force; requiring the Motor Vehicle Administrator to assign staff and provide administrative support to the Task Force; requiring the Task Force to study specified matters and to report to the Governor and the General Assembly on or before a specified date; etc.  
**Effective June 1, 1998**  
**Senator Stone**
- SB 408 **Vehicle Laws -- Vehicle Franchise Agreements -- Manufacturer/Dealer Relations**  
Defining "require" as the term applies to specified provisions pertaining to the relationship between vehicle manufacturers, distributors, or factory branches and vehicle dealers; and providing that the Act

shall apply to any franchise agreement in effect on or entered into on or after July 1, 1998.

**Effective July 1, 1998**

**Senator Jimeno**

- SB 409 **Vehicle Laws -- Recording of Probation Before Judgment Dispositions -- Select Offenses**  
Requiring the Motor Vehicle Administration to maintain certain records pertaining to specified offenses under the Maryland Vehicle Law when a court grants a person probation before judgment.  
Senator Jimeno
- SB 436 **Vehicle Laws -- Speeding Violations in School Zones -- Penalties**  
Authorizing the State Highway Administration or local authorities to establish, on specified highways within a half--mile radius of any school, school zones with maximum speed limits; providing that a person convicted of speeding in a school zone is subject to a fine double the amount that would otherwise apply, under specified circumstances, subject to a specified limit; limiting the maximum speed limits in school zones where a crossing guard is posted during specified hours; etc.  
Senator Stone, et al
- SB 508 **Transportation -- Police Forces -- Maryland Transportation Authority Police**  
Consolidating the Maryland Port Administration Police Force into the Maryland Transportation Authority Police Force; authorizing the Maryland Transportation Authority Police Force to exercise specified powers and provide specified services; providing that specified members of the Maryland Port Administration Police Force shall become members of the Maryland Transportation Authority Police Force without diminution of specified rights and benefits and that they may elect to join the Law Enforcement Officers' Pension System; etc.  
**Effective July 1, 1998**  
**Senators Stone and Fry**
- SB 549 **Vehicle Laws -- Certificate of Title -- Age of Majority**  
Prohibiting the Motor Vehicle Administration from issuing a certificate of title for a vehicle in the State to an individual who is not at least 18 years of age, unless the application for the certificate of title is consigned by a qualifying adult; requiring an individual cosigning on behalf of a minor to certify the accuracy of specified information; requiring an applicant for a certificate of title to provide the applicant's date of birth under specified circumstances; and providing for the application of the Act.  
Senator Astle
- SB 584 **Port Land Use Development**  
Establishing a Port Land Use Development Zone, an Advisory Council, and a Port Land Use Development Office; providing for the responsibilities, purposes, powers, and composition of the Council and Office; specifying the area that is included in the Zone; requiring specified reports to be submitted to the Governor and the General Assembly by specified dates; etc.  
**Effective June 1, 1998**  
**Senator Bromwell, et al**
- SB 767 **Maryland Port Administration and Maryland Port Commission -- Private Operating Companies**  
Authorizing the Maryland Port Commission to serve as the Board of Directors of specified private operating companies created to operate public port facilities; authorizing the Commission to appoint employees to perform services for the private operating companies, subject to specified conditions, and to determine the qualifications, appointment, compensation, and leave for the employees; providing that specified employees appointed by the Commission are State employees and are eligible for State retirement and pension benefits; etc.  
**Effective July 1, 1998**

- SB 776 **Vehicle Laws -- Motor Vehicle Administration -- Reporting of Insurance Policies Issued -- Recovery of Evidence of Registration**  
Authorizing the Motor Vehicle Administration to establish and implement a system for each insurer or provider of the required security to report to the Administration all policies issued for vehicles registered in the State; and generally relating to the reporting of insurance policies issued, the use of funds for the recovery of evidences of registration, and the Administration.  
Senator Bromwell
- HB 56 **Vehicle Laws -- Weight Tolerances -- Agricultural Products**  
Permitting a three axle, single unit vehicle or specified trailer and semitrailer combinations to carry specified farm products with an axle load limit tolerance of 5\%; permitting an axle load limit tolerance of 15\% during harvest time; altering the dates during which harvest time weight tolerances apply to soybean crops; and establishing a time period during which harvest time weight tolerances apply to vegetable crops.  
**Effective July 1, 1998**  
Delegate D Hughes
- HB 71 **Vehicle Emissions Inspection Program -- Retest Waivers -- Repair Expenditures**  
Extending the period during which a \$150 expenditure on emissions related vehicle repairs will qualify the vehicle owner for a waiver from vehicle exhaust emissions retests under the State's vehicle emissions inspection program; altering the date on or after which a vehicle owner, in order to qualify for an exhaust emissions retest waiver, is required to spend an amount specified in federal law on emissions related repairs; etc.  
Delegate Elliott, et al
- HB 74 **Vehicle Laws -- Display of Amber Flashing Lights -- Community Patrols**  
Authorizing participants in a Citizens on Patrol group or other community watch group to display amber flashing lights while on patrol, if allowed by a specified law enforcement agency, and unless instructed by a uniformed law enforcement officer to extinguish the amber flashing lights; and providing that the law enforcement agency may require that a specified sign appear on a vehicle displaying amber flashing lights.  
Delegate Campbell, et al
- HB 75 **Motor Vehicle Administration -- Chesapeake Bay Commemorative License Plate Program -- Extension**  
Extending the Chesapeake Bay Commemorative License Plate Program until July 1, 2000.  
**Effective June 1, 1998**  
Delegate W Baker
- HB 76 **Vehicle Laws -- Certificate of Title -- Age of Majority**  
Prohibiting the Motor Vehicle Administration from issuing a certificate of title for a vehicle in the State to an individual who is not at least 18 years of age unless the application for the certificate of title is cosigned by a qualifying adult; requiring an individual cosigning on behalf of a minor to certify the accuracy of specified information; requiring an applicant for a certificate of title to provide the applicant's date of birth under specified circumstances; and providing for the application of the Act.  
Delegate Arnick
- HB 117 **Driver's License Suspension Modification or Restrictive License -- Conditions**  
Repealing a requirement that a licensee be under a certain age to qualify for modification of a driver's

license suspension or issuance of a restrictive license under certain circumstances; and generally relating to modification of driver's license suspensions and restrictive licenses.

Delegate Arnick

**HB 226 Public Service Commission -- Motor Carriers**

Limiting the jurisdiction of the Public Service Commission over specified motor carriers; requiring specified motor carriers to obtain a permit from the Public Service Commission; and requiring specified motor carriers to file certain accident reports with the Public Service Commission.

Chairman ENV (Dept)

**HB 233 Vehicle Excise Tax -- Exemptions**

Exempting specified vehicles owned by nonprofit organizations from the vehicle excise tax if the vehicle is used exclusively to transport disabled or elderly persons and the Mass Transit Administration retains a security interest in the vehicle.

**Contingent -- Various Eff. Dates**

**Chairman W&M (Dept)**

**HB 240 Drunk and Drugged Driving -- Alcohol Concentration Measurement**

Requiring a court or an administrative law judge to convert an alcohol concentration measured by milligrams of alcohol per deciliters of blood or milligrams of alcohol per 100 milliliters of blood into grams of alcohol per 100 milliliters of blood; and generally relating to drunk and drugged driving and measurement of alcohol concentration.

Delegates Morhaim and M Burns

**HB 384 Vehicle Laws -- Speeding Violations in School Zones -- Penalties**

Authorizing the State Highway Administration or local authorities to establish, on specified highways within a half--mile radius of any school, school zones with maximum speed limits; providing that a person convicted of speeding in a school zone is subject to a fine double the amount that would otherwise apply, under specified circumstances, subject to a specified limit; limiting the maximum speed limits in school zones where a crossing guard is posted during specified hours; etc.

Delegate Curran, et al

**HB 489 Transportation -- Montgomery and Prince George's Counties -- Grants for Purchase of Buses**

Requiring the Department of Transportation to provide an annual capital grant to Montgomery County and Prince George's County for the purchase of buses to be used to provide eligible local bus service; providing that the grants made under the Act are in addition to any federal funds received by the State for bus services provided by Montgomery and Prince George's Counties; etc.

**Effective July 1, 1998**

**Delegates Barve and Exum**

**HB 509 Vehicle Laws -- Evidence of Security**

Modifying the scope of the evidence of liability coverage that certain persons must submit to the Motor Vehicle Administration after receiving a specified warning letter from the Administration.

Chairman CGM (Dept)

**HB 527 Vehicle Laws -- Drivers' Licenses -- Graduated Licensing System**

Establishing a graduated licensing system for new drivers under the Maryland Vehicle Law; creating a new provisional license; establishing and altering driver education requirements, restrictions, and procedures concerning learner's instructional permits, provisional driver's licenses, and driver's licenses; providing for suspension and revocation of provisional licenses under specified circumstances;

providing for a standardized driver education program; etc.

**Various Effective Dates**

**Delegate Mandel, et al**

**HB 532 Vehicle Laws -- Farm Vehicles -- "Farm Product" Defined**

Altering permissible uses of particular vehicle classifications under the Maryland Vehicle Law by farmers by modifying a definition of "farm products" to include fertilizer, mulch, peat, sod, and trees for replanting.

Delegate Edwards

**HB 548 Vehicle Laws -- Improperly Registered Motor Vehicles -- Registration Enforcement Program**

Establishing a grant program under which law enforcement agencies would target motor vehicles improperly registered out--of--state; establishing a special, nonlapsing fund known as the Motor Vehicle Registration Enforcement Fund; dedicating specified revenues to the fund and providing for the fund's administration; requiring that a law enforcement agency awarded a grant from the fund comply with specified requirements; providing for the termination of the Act in 5 years; etc.

**Effective July 1, 1998**

**Delegate Benson, et al**

**HB 659 Vehicle Laws -- Accident Resulting in Bodily Injury or Death -- Penalties and Limitations**

Altering the penalties that may be imposed under specified circumstances for specified violations of the requirements that a driver of a vehicle involved in an accident that results in bodily injury or death stop at the scene or return to and remain at the scene under specified circumstances; and altering the period of limitation for prosecution of specified offenses concerning accidents that result in bodily injury or death.

Delegate M Burns, et al

**HB 697 Maryland Transportation Authority -- Unattended Vehicles**

Authorizing the Maryland Transportation Authority to adopt regulations governing the removal of vehicles left unattended for 12 or more hours on any vehicular crossing or highway under the Authority's jurisdiction.

Delegates Curran and Wood

**HB 721 Charles County -- Transportation -- Towing or Removing Vehicles from Parking Lots**

Authorizing the county commissioners of Charles County to adopt ordinances and regulations relating to the towing or removal of vehicles from privately owned parking lots.

Charles County Delegation

**HB 731 Vehicle Laws -- Recording of Probation Before Judgment Dispositions -- Select Offenses**

Broadening the circumstances under which the Motor Vehicle Administration is required to maintain specified records pertaining to specified probation before judgment dispositions to include any offenses punishable by a period of incarceration.

Delegate Bissett, et al

**HB 795 Transportation -- Police Forces -- Maryland Transportation Authority Police**

Consolidating the Maryland Port Administration Police Force into the Maryland Transportation Authority Police Force; authorizing the Maryland Transportation Authority Police Force to exercise certain powers and provide certain services; providing that certain members of the Maryland Port Administration Police Force shall become members of the Maryland Transportation Authority Police Force without diminution of certain rights and benefits under certain conditions; etc.

**Effective July 1, 1998**

**Delegate McHale, et al**

**HB 924 Motor Vehicles -- Staggered Registration System**

Expanding the scope of certain provisions that authorize the Motor Vehicle Administration to adopt a system of staggered vehicle registration for certain classes of motor vehicles to make these provisions applicable to all classes of vehicles.

Delegate Rudolph

**HB 928 Ignition Interlock Systems**

Authorizing the Motor Vehicle Administration to impose an alcohol restriction on an individual under 21 years of age convicted of specified alcohol related driving offenses by requiring the licensee to participate in the Ignition Interlock System Program; providing that a person whose license to drive is suspended for specified administrative offenses may be a participant in the Program; requiring the Administration to approve and certify specified types of ignition interlock systems for the Program; etc.

**Effective July 1, 1998**

**Delegates Bissett and Arnick**

**HB 1017 Motor Vehicles -- Rental Vehicles**

Providing that an alleged violation relating to the abandonment of or failure to return specified rented or leased motor vehicles shall be considered a reportable theft under specified circumstances; limiting the liability of the owner of a rental vehicle for penalties related to parking citations under specified circumstances; etc.

**Various Effective Dates**

**Delegate La Vay**

**HB 1137 Maryland Port Administration and Maryland Port Commission -- Private Operating Companies**

Authorizing the Maryland Port Commission to serve as the Board of Directors of specified private operating companies created to operate public port facilities; authorizing the Commission to appoint employees to perform services for the private operating companies, subject to specified conditions, and to determine the qualifications, appointment, compensation, and leave for the employees; providing that specified employees appointed by the Commission are State employees and are eligible for State retirement and pension benefits; etc.

**Effective July 1, 1998**

**Chairman CGM (Dept)**

**HB 1194 Vehicle Laws -- Diplomatic Immunities and Privileges -- Requirements**

Requiring a police officer to contact the U.S. Department of State, record specified information, and send copies of specified documents to the Motor Vehicle Administration if a driver displays a driver's license issued by the U.S. Department of State or otherwise claims diplomatic immunities or privileges; and requiring the Administration to maintain certain records and send copies to the U.S. Department of State.

Delegate Genn, et al

**HB 1274 Vehicle Laws -- Motor Vehicle Administration -- Reporting of Insurance Policies Issued -- Recovery of Evidence of Registration**

Authorizing the Motor Vehicle Administration (MVA) to establish and implement a system for each insurer or provider of the required vehicle security to report to the Administration all policies issued for vehicles registered in the State; requiring the MVA to operate the reporting system and not contract with an outside entity for its operation; authorizing the use of specified funds distributed to the MVA to fund contracts with independent agents to assist in the recovery of evidences of registration; etc.

Delegate McClenahan

**HB 1348 Port Land Use Development**

Establishing a Port Land Use Development Zone, Advisory Council, and Port Land Use Development Office; providing for the responsibilities, purposes, powers, and composition of the Council and Office; specifying the area that is included in the Zone; etc.

**Effective June 1, 1998**

**Chairman CGM (Dept)**

**HB 1426 Vehicle Laws -- Weight Tolerances -- Forest Products**

Increasing the tolerance level for axle load limits under the bridge formula applicable to straight trucks with at least 3 axles, and vehicle combinations with trailers under 32 feet, that are carrying qualifying forest products from 5 percent to 10 percent.

Delegate Edwards

**SJ 13 Senator John A. Cade Memorial Highway**

Dedicating the Maryland portion of Interstate Route 97 in memory of the late Senator John A. Cade; and requesting the State Highway Administration to take all necessary steps, in consultation with appropriate federal highway officials, to place a sign or other appropriate memorial declaring that Interstate Route 97 is dedicated by the State of Maryland in memory of Senator John A. Cade.

Senator Neall, et al

**PART H**  
**BUSINESS AND ECONOMIC ISSUES**

- SB 1     **Public Utility Companies**  
Adding a new article to the Annotated Code of Maryland, the "Public Utility Companies Article", to revise, restate, and recodify the laws of the State relating to the Public Service Commission, the Office of People's Counsel, administrative and judicial proceedings before and concerning the Commission, rate regulation of public service companies and certain other entities, powers, duties, and prohibitions of and relating to public service companies and their agents and employees; etc.  
The President (Department of Legislative Services -- Code Revision)
- SB 8     **Private Passenger Motor Vehicle Insurance -- Discrimination in Underwriting -- Credit History of Applicant**  
Authorizing an insurer to request a finding by the Insurance Commissioner that specified programs, models, or algorithms used for specified purposes be considered confidential information; prohibiting an insurer from refusing to underwrite a private passenger motor vehicle insurance risk solely because of the credit history of the applicant or named insured; and requiring the Commissioner to conduct a specified study and submit a report by a specified date.  
Senator Boozer
- SB 36    **Workers' Compensation -- Use of Controlled Dangerous Substances or Alcohol**  
Establishing that a covered employee or the employee's dependent is not entitled to workers' compensation benefits other than medical benefits if the employee's intoxication or use of a controlled dangerous substance was the primary cause of an on--the--job injury; specifying an exception; and providing that, absent substantial evidence to the contrary, there is a presumption that intoxication or the use of a controlled dangerous substance was not the primary cause.  
Senator Roesser, et al
- SB 48    **Caroline County -- Alcoholic Beverages -- Licenses**  
Increasing from 14\% to 22\% the maximum percent of alcohol by volume allowed in light wines in Caroline County; creating a caterer's license; increasing the fee for specified licenses; establishing a 7--day Class D license; altering the sale hours for holders of a Class D (taverns) license and allowing those holders to sell beer, wine, and liquor on Sundays; and increasing from 6 to 12 the number of times a special license may be granted during 1 year.  
Senator Colburn
- SB 55    **State Board for Professional Engineers -- Composition**  
Expanding the State Board for Professional Engineers to include an additional civil engineer.  
**Effective July 1, 1998**  
**Chairman EEA (Dept)**
- SB 57    **Insurance Policies -- Cancellation or Nonrenewal -- Statement of Actual Reason**  
Requiring insurers to give to insureds the actual reasons for cancellations or nonrenewals of existing policies; eliminating a requirement that a copy of the statement of actual reason be provided to the Insurance Commissioner; etc.  
Chairman FIN (Dept)

- SB 58 **Insurance -- Dental Plan Organizations -- Annual Report**  
Altering the date that dental plan organizations are required to file annual reports from July 1 to April 1 of each year; and clarifying the information to be included in the reports.  
Chairman FIN (Dept)
- SB 77 **Housing and Community Development -- Neighborhood and Community Assistance Program -- Definition of Business Entities**  
Specifying the kinds of business entities, including individuals, that may be eligible for tax credits under the Neighborhood and Community Assistance Program.  
**Effective July 1, 1998**  
Chairman B&T (Dept)
- SB 78 **Unemployment Insurance -- Information -- Release to Child Support Enforcement Units**  
Allowing the Secretary of Labor, Licensing, and Regulation and the Board of Appeals to open specified unemployment insurance records to specified agents of child support enforcement units; and providing penalties for misuse of the records by an agent.  
Chairman FIN (Dept)
- SB 107 **Enterprise Zones -- Expansion**  
Authorizing a political subdivision to apply to the Secretary of Business and Economic Development for the expansion of an existing enterprise zone; providing for the manner of application; requiring that an area meet specified criteria to be included in an expansion; authorizing the Secretary to grant an extraordinary expansion of an enterprise zone under specified circumstances; providing that an extraordinary expansion does not count towards specified limitations on the number of enterprise zones allowed; etc.  
**Effective June 1, 1998**  
Senator Della
- SB 115 **Department of Labor, Licensing, and Regulation -- Denial, Suspension, or Revocation of a License, Certificate, Permit, or Registration and Reprimand on Conviction of Certain Crimes**  
Authorizing specified units in the Department of Labor, Licensing, and Regulation to reprimand a licensee or certificate holder, or to deny, suspend, or revoke a license or certificate, if the applicant, licensee, or certificate holder is convicted of specified crimes; specifying the kinds of crimes for which, and the conditions under which, the license or certificate may be denied, suspended, or revoked; etc.  
**Effective July 1, 1998**  
Senator Boozer
- SB 116 **Medicare Supplement Policies -- Individuals With a Disability -- Eligibility**  
Requiring carriers that issue or deliver Medicare supplement policies or certificates to individuals who are eligible for Medicare by reason of age to offer specified Medicare supplement policy plans, under specified terms and conditions, to individuals who, regardless of age, are eligible for Medicare due to a disability; and requiring the Maryland Insurance Administration to submit specified reports to the Governor and the General Assembly.  
Senator Kelley, et al
- SB 136 **Mandated Health Insurance Services Evaluation**  
Requiring the Health Care Access and Cost Commission to assess the social, medical, and financial impacts of a proposed mandated health insurance services; requiring the Commission to submit a report on its findings and recommendations to the Governor and General Assembly on or before December 31, 1998 and each December 1 thereafter; requiring the Commission to review specified proposals for mandated health insurance services; etc.

**Effective June 1, 1998**  
**Senator Bromwell**

- SB 137 **Health Insurance -- Medical Clinical Trials -- Coverage**  
Requiring health insurers, nonprofit health service plans, and health maintenance organizations to provide coverage for specified patient cost incurred as a result of treatment provided or studies conducted in accordance with a clinical trial if specified conditions are satisfied; requiring coverage for the cost of FDA--approved drugs and devices under specified circumstances; requiring an entity seeking coverage under the Act to post electronically and keep up--to--date a list of specified clinical trials; etc.  
**Various Effective Dates**  
**Senator Bromwell, et al**
- SB 143 **Acquisition of Nonprofit Health Entities**  
Prohibiting a person from engaging in the acquisition of a nonprofit health entity without the approval of the Attorney General, the Maryland Insurance Administration, or the Department of Health and Mental Hygiene, as specified; providing an application and approval process; authorizing the specified regulating entities to revoke or suspend specified licenses or certificates of authority under specified conditions; etc.  
Senator Hollinger, et al
- SB 146 **Cemeteries -- Exemption from Registration and Permitting**  
Exempting not for profit organizations created before 1900 by an act of the General Assembly from the registration and permitting requirements of the Maryland Cemetery Act.  
Senator McFadden
- SB 154 **Baltimore City -- Alcoholic Beverages -- Licensing Restrictions**  
Requiring a restaurant located within the 47th alcoholic beverages district of Baltimore City to have 51% of daily receipts from the sale of food before the owner may qualify for an exemption from the prohibition against the issuance or transfer of a Class B beer, wine and liquor license; altering the minimum capital investment that the restaurant is required to have to qualify for the exemption; prohibiting a Class B beer, wine and liquor license from being transferred or downgraded within the 47th district; etc.  
**Effective June 1, 1998**  
**Senator Della**
- SB 164 **Life Insurance -- Public Entities -- Authority to Pool**  
Authorizing public entities, defined as political subdivisions of the State, units of the State or a local government, or nonprofit or nonstock corporations that receive 50% or more of their budgets from the State or local government and are exempt from federal taxation, to pool together to purchase life insurance or to self--insure against life risks.  
Senator Trotter
- SB 195 **Baltimore City -- Alcoholic Beverages -- License, Transfer, and Administrative Fees**  
Increasing in Baltimore City certain alcoholic beverages license fees and a fee for the transfer or assignment of a license; and establishing in Baltimore City a fee schedule for the production and service of summonses and hearing notices.  
**Emergency Bill**  
**Senator McFadden**
- SB 199 **Insurance Fraud Prevention Fee -- Exemptions -- Fraternal Benefit Societies**

Exempting specified fraternal benefit societies from the collection of the fraud prevention fee by the Maryland Insurance Commissioner.

Senator Astle

- SB 200 **Harford County -- Alcoholic Beverages -- Chain Stores, Supermarkets, or Discount Houses**  
Authorizing certain franchisees in Harford County who held an alcoholic beverages license at a certain time to regain that license under certain circumstances; and providing that a certain restriction does not apply.  
Senator Craig
- SB 235 **Maintenance Drug Prescriptions -- Supply Quantity -- Repeal of Termination Date and Alteration of Application**  
Repealing the termination date for and altering the application of a provision of law that requires specified health insurers, nonprofit health service plans, and health maintenance organizations to allow an insured or enrollee to receive a 90--day supply quantity of a maintenance drug in a single dispensing under specified circumstances.  
**Effective July 1, 1998**  
Senator Astle, et al
- SB 252 **Kent County -- Alcoholic Beverages -- Licenses and Disciplinary Proceedings**  
Requiring a restaurant in Kent County for which a Class B beer, wine and liquor license is sought to meet a specified requirement concerning food sales and alcoholic beverages sales; and prohibiting in Kent County a finding of probation before judgment from barring a proceeding brought by the Board of License Commissioners against a licensee for an alleged violation of the alcoholic beverages laws.  
Senator Baker
- SB 255 **Professional Land Surveyors and Property Line Surveyors -- Scope of Practice**  
Altering the definition of "practice land surveying" to clarify the scope of work that constitutes the practice of land surveying; altering the definition of "practice property line surveying"; etc.  
Senator Craig
- SB 260 **Baltimore City -- Alcoholic Beverages -- Fines and Suspensions**  
Clarifying that the Board of License Commissioners for Baltimore City may impose both a fine and a suspension in cases in which a violation occurs that is cause for a suspension of a license under the alcoholic beverages laws of Baltimore City; and increasing the maximum fine that may be imposed for subsequent violations.  
**Emergency Bill**  
Senator McFadden
- SB 264 **Racing -- Uncashed Tickets -- Maryland Million, Ltd.**  
Altering the termination provision to June 30, 1999, relating to the period during which \$500,000 from uncashed pari--mutuel tickets that are from bets made into mutuel pools of mile thoroughbred licensees must be paid to the Maryland Million, Ltd., as a grant to support and promote the running of Maryland Million races.  
**Effective June 1, 1998**  
Senator Miller
- SB 269 **State Athletic Commission -- Salaries**  
Increasing the salaries for members of the State Athletic Commission from \$3,500 to \$6,000 for the chairman and from \$2,500 to \$4,000 for other members.

- SB 284 **Business and Economic Development -- Enterprise Zones -- Designation**  
Altering the requirements an area must satisfy in order for the Secretary of Business and Economic Development to designate the area an enterprise zone; and requiring the Secretary to adopt regulations regarding the use of alternative data under specified circumstances.  
Senator Teitelbaum, et al
- SB 298 **Baltimore City -- Board of License Commissioners -- Adult Entertainment Licenses**  
Authorizing the Mayor and City Council of Baltimore City to allow the Board of License Commissioners to enforce laws and regulations of Baltimore City that govern adult entertainment business licenses.  
**Emergency Bill**  
**Senator McFadden**
- SB 302 **Baltimore City -- Board of License Commissioners -- Personnel**  
Repealing specified provisions of law for Baltimore City concerning the determination of salaries of personnel of the Board of License Commissioners; authorizing specified personnel to be part of the classified civil service of Baltimore City; establishing the position of Administrative Coordinator; requiring the Board of License Commissioners to determine the salaries of employees of the Board; and establishing a City Union of Baltimore (CUB) schedule of salary grade levels for specified employees of the Board.  
Senator McFadden
- SB 303 **Baltimore City -- Alcoholic Beverages -- License on Deposit**  
Authorizing an alcoholic beverages licensee to place a license on deposit with the Board of License Commissioners for not more than 180 days under specified circumstances; and requiring that at the end of 180 days the license expires unless an application to transfer the license or to continue the business has been approved or is pending approval.  
**Emergency Bill**  
**Senator McFadden**
- SB 304 **Baltimore City -- Alcoholic Beverages -- License Applications**  
Requiring the Board of License Commissioners for Baltimore City to advertise and post notice on receipt of the application for specified licenses and license modification; requiring that the notice be posted on the premises described in the application; requiring public hearings; etc.  
**EMERGENCY BILL**  
**Senator McFadden**
- SB 335 **Health Benefit Plans -- Coverage for Prescription Contraceptive Drugs or Devices**  
Requiring specified insurers, nonprofit health service plans, and health maintenance organizations to provide coverage under specified circumstances for contraceptive drugs and devices approved by the United States Food and Drug Administration for use as contraceptives; allowing a religious organization to request an exclusion from coverage under specified circumstances; and imposing a specified limitation on administration of the coverage.  
Senator Dorman, et al
- SB 336 **Small Group Health Insurance Market -- Professional Employer Organizations -- Repeal of Termination Date**  
Repealing a certain termination date for a provision of law that makes the provisions of the Maryland Health Insurance Reform Act applicable to professional employer organizations.

**Effective July 1, 1998**  
**Senator Dorman**

**SB 360 Real Estate Brokers -- Continuing Education**

Altering the licensing requirements for real estate salespersons; altering the continuing education requirements for real estate brokers, associate real estate brokers, and real estate salespersons; providing for the application of the Act; etc.  
Senator Della

**SB 370 Insurance Hearings -- Judicial Review**

Requiring that specified appeals to which an individual is a party be taken to the circuit court of the county where the individual resides.  
Senator Ruben, et al

**SB 373 Health Maintenance Organizations -- Reimbursement to Hospital Emergency Facilities and Providers**

Requiring a health maintenance organization to reimburse a hospital emergency facility and provider, less any applicable co--payments, for medical assessment and stabilization services rendered to meet the requirements of the Federal Emergency Medical Treatment and Active Labor Act; authorizing the Insurance Commissioner to issue specified orders for specified violations; and altering a specified penalty.

**Effective July 1, 1998**

**Senator Teitelbaum, et al**

**SB 374 Howard County -- Alcoholic Beverage Act of 1998**

Establishing that the County Council for Howard County on a permanent basis constitutes ex officio the Board of License Commissioners for Howard County; establishing an Appointed Alcoholic Beverage Hearing Board; providing for the appointment of members and for the powers, duties, and compensation of the Board; requiring that, except as provided in the Act, the Liquor Board delegate to the Hearing Board has authority to act in specified ways; etc.  
Senator Madden, et al

**SB 379 Preneed Burial Contracts -- Caskets and Casket Vaults -- Refunds**

Allowing a buyer of a casket or casket vault under a preneed burial contract to cancel the purchase of the casket or casket vault before the buyer needs it for burial and receive a full refund from the seller.  
Senator Madden

**SB 392 Baltimore City -- Alcoholic Beverages -- Employment of Minors**

Prohibiting in Baltimore City an alcoholic beverages licensee from employing or allowing a minor to sell, serve, or deliver alcoholic beverages or to provide entertainment on the licensed premises.  
Senator McFadden

**SB 401 Health Insurance -- Complaint Process for Adverse Decisions and Grievances**

Requiring a carrier to establish a specified internal grievance process for its members; requiring a carrier to file a copy of the grievance process with the Insurance Commissioner and the Health Education and Advocacy Unit in the Division of Consumer Protection of the Office of the Attorney General; requiring a carrier to send written notice of an adverse decision or grievance decision to specified individuals; transferring responsibility for investigating complaints about HMOs to the Insurance Commissioner; etc.

**Various Effective Dates**

**Senator Dorman, et al**

- SB 446 **Economic Development -- Assistance to Local Governments**  
Authorizing the Secretary of the Department of Business and Economic Development to grant funds from the Maryland Industrial Land Fund to local economic development funds to be used for purposes of economic development within a local jurisdiction; requiring the Secretary to consider specified factors before granting funds; requiring a local government to provide a matching fund; establishing specified limitations on the granting of funds; requiring the Department to submit a specified annual report; etc.  
Senator Ruben
- SB 463 **Alcoholic Beverages -- Anne Arundel County -- Special Licenses**  
Exempting specified special alcoholic beverages licenses in Anne Arundel County from specified application, notice, and hearing requirements.  
Anne Arundel County Senators
- SB 471 **Alcoholic Beverages -- Successor Beer Manufacturers**  
Clarifying the identity of a successor beer manufacturer for purposes of certain agreements involving beer manufacturers who leave the business, successor beer manufacturers, and surviving beer distributors.  
Senator Sfikas, et al
- SB 479 **Health Insurance -- Coverage for General Anesthesia for Dental Care**  
Requiring insurers, nonprofit health service plans, and health maintenance organizations to provide coverage for general anesthesia and associated hospital or ambulatory facility charges in conjunction with dental care provided to an individual who meets a specified age, developmental, or emotional criteria; permitting health insurers to require prior authorization and performance of dental care by specified dentists; excluding coverage for temporal mandibular joint disorders; applying the Act; etc.  
**Effective July 1, 1998**  
Senator Derr, et al
- SB 488 **Maryland Automobile Insurance Fund -- Residential Ineligibility of Insured -- Policy Processing Fee**  
Authorizing the Maryland Automobile Insurance Fund to charge and collect a processing fee or other specified amounts on policies that are void because the insured fails to meet residency requirements for eligibility under specified circumstances; and requiring the Insurance Fraud Division in the Maryland Insurance Administration to submit specified reports.  
Senator Bromwell
- SB 542 **Workers' Compensation -- Notice on Termination of Medical Benefits and Temporary Total Benefits**  
Requiring insurers or self--insurers to notify covered employees and their treating physicians or health care providers when an employee's workers' compensation medical benefits terminate; specifying exceptions; and expanding the requirement of notifying covered employees when temporary total disability benefits terminate to apply to self--insurers.  
Senator Derr (Workers' Compensation Benefit and Insurance Oversight Committee)
- SB 545 **Health Insurance -- Cleft Lip and Cleft Palate -- Coverage**  
Requiring health maintenance organizations to provide coverage for the treatment of cleft lip or cleft palate or both; and generally relating to the provision of coverage for the treatment of cleft lip or cleft palate or both.

**SB 547 Motor Fuel Refiners and Suppliers -- Games of Chance**

Allowing specified refiners and other suppliers of motor fuel to sponsor, promote, advertise, or otherwise perform or participate in a game of chance offered to the public so long as the game of chance is not offered at a retail service station; and providing that specified suppliers of motor fuel may not require a retail service station dealer to pay for any costs related to the game of chance.  
Senator Astle

**SB 581 Insurance -- Administrative Hearings -- Representation of Insurers**

Requiring the Insurance Commissioner to allow an insurer that is a party to a hearing held by the Insurance Commissioner to be represented by a designee of the insurer; and authorizing an individual who is not licensed to practice law in the State and who is a designee of an insurer to represent the insurer in a proceeding before the Office of Administrative Hearings while appearing on behalf of the insurer in an administrative hearing under the Insurance Article.

**Effective June 1, 1998**

**Senators Astle and Derr**

**SB 605 Gasoline Products -- Sales**

Suspending until after September 30, 2000, a requirement that a producer, refiner, or wholesaler of motor fuel extend voluntary allowances uniformly to all retail service station dealers supplied by the producer, refiner, or wholesaler; providing for the application of the Act; and generally relating to the sale of gasoline products.

**Effective July 1, 1998**

**Senator Dorman**

**SB 640 Title Insurance -- Title Plants**

Requiring a title plant to be allowed as an admitted asset for a title insurer for the purposes of determining the financial condition of the insurer; specifying costs that may and may not be capitalized costs with reference to the valuation of a title plant; imposing a specified restriction on the aggregate carrying value of an investment in a title plant; permitting a title insurer to sell a title plant or specified ownership rights in the title plant; requiring a title plant insurer to comply with investment laws; etc.  
Senator Della

**SB 641 Real Estate Licensing Reform Act**

Providing for the form and content of the written disclosure of representation that is required of real estate licensees in residential real estate transactions; providing when and under what conditions real estate licensees may act as dual agents; establishing requirements to which licensees must comply in providing real estate services; establishing requirements for brokerage agreements; clarifying the relationship between a licensee and a common source information agency; etc.

**Various Effective Dates**

**Senator Collins, et al**

**SB 643 Health Insurance -- Reimbursements to Health Care Practitioners -- Costs of Oncology Drugs**

Prohibiting a carrier from reimbursing a health care practitioner in an amount that is less than the cost to the health care practitioner for the cost of an oncology drug used in treating a patient in the office of the health care practitioner; and providing an exception to the prohibition if a carrier provides an alternative mechanism or program for the health care practitioner to use to obtain the oncology drug.  
Senator Madden

- SB 662 **Baltimore City -- Board of License Commissioners -- Employment**  
Authorizing a commissioner of the Board of License Commissioners for Baltimore City to hold other local, State, or federal government office or employment, unless that office or employment would pose a conflict of interest.  
Senator McFadden
- SB 664 **Taxes -- Property of the Housing Authority of Baltimore City**  
Clarifying the applicability of a provision providing a tax exemption and providing for payments in lieu of taxes for property of the Housing Authority of Baltimore City; making the Act an emergency measure; and generally relating to a tax exemption and payments in lieu of taxes for property of the Housing Authority of Baltimore City.  
**Emergency Bill**  
Senator McFadden
- SB 667 **Health Insurance Carriers -- Assignment, Transfer, or Subcontracting of Health Care Providers' Contracts**  
Prohibiting health insurance carriers from assigning, transferring, or subcontracting a health care provider's contract with the carrier to an insurer that offers personal injury protection coverage under a motor vehicle liability insurance policy without first obtaining the provider's consent; and prohibiting a carrier from terminating or impairing the provider's contract because the provider refused to agree to the assignment, transfer, or subcontract of the contract.  
Senator Teitelbaum, et al
- SB 671 **Frederick County -- Alcoholic Beverages Inspector -- Term and Salary**  
Increasing to \$32,000 annually the salary of the Frederick County alcoholic beverages inspector; increasing the length of the term of office of the Frederick County alcoholic beverages inspector to 5 years; and providing that the increase in the length of the term of office of the Frederick County alcoholic beverages inspector shall take effect retroactively to July 1, 1997.  
**Effective June 1, 1998**  
Senators Derr and Ferguson (Frederick County Senators)
- SB 673 **Workers' Compensation Insurance -- Scheduled Credits**  
Authorizing, pursuant to a specified filing, a workers' compensation insurance rating plan that permits specified adjustments based on characteristics of a risk that are not reflected in the uniform experience rating plan under specified circumstances.  
Senator Derr
- SB 685 **Unemployment Insurance -- Appeals**  
Making changes respecting the standing of the Secretary of Labor, Licensing, and Regulation in appeals involving unemployment insurance.  
**Effective June 1, 1998**  
Senator Bromwell
- SB 691 **Plumbers -- Backflow Certification**  
Specifying that a master plumber, journey plumber, or apprentice holding a valid license is eligible to participate in a specified cross connection/backflow prevention certification program; authorizing a master plumber or journey plumber possessing certification to certify the installation and testing of specified cross connection control devices; and providing that local jurisdictions may adopt specified regulations or enact specified laws that are comparable to or more stringent than a certain law.  
Senator McCabe

- SB 697 **Plumbers -- Definition of Gas**  
Altering the definition of "gas" in provisions of law relating to the regulation of plumbing services.  
Senator McCabe
- SB 699 **Health Insurance -- Compensation of Health Care Practitioners -- Capitated Fees**  
Prohibiting health insurance carriers that compensate health care practitioners on a capitated basis from retaining specified capitated fees; requiring carriers to pay health care practitioners specified capitated fees in a specified manner; and generally relating to compensation of health care practitioners by health insurance carriers on a capitated basis.  
Senator Hafer
- SB 700 **Garrett County -- Alcoholic Beverages -- Micro--Breweries**  
Including Garrett County among those jurisdictions that allow a licensee to sell at retail beer produced in a licensed micro--brewery for consumption off the licensed premises in refillable containers that are sealed by the micro--brewery licensee at the time of each refill; and generally relating to alcoholic beverages and micro--breweries in Garrett County.  
Senator Hafer
- SB 701 **Garrett County -- Alcoholic Beverages -- Background Checks**  
Authorizing the Board of License Commissioners of Garrett County to obtain criminal background information regarding new applicants for and renewals of alcoholic beverages licenses; requiring the Board to adopt specified regulations; authorizing the Board to charge a fee to the applicant to cover the costs of fingerprinting and criminal background checks; and generally relating to alcoholic beverages in Garrett County.  
**Effective July 1, 1998**  
Senator Hafer
- SB 704 **Alcoholic Beverages -- Micro--Breweries -- Temporary Delivery Agreements**  
Authorizing a holder of a Class 7 micro--brewery license under specified conditions to enter into a temporary agreement with a distributor for delivery of beer to a beer festival or wine and beer festival and the return of any unused beer.  
Senator Derr
- SB 705 **Maryland Insurance Administration -- Funding**  
Establishing an annual assessment fee that the Insurance Commissioner shall collect from specified insurers; specifying the method of calculating the assessment fee; establishing a limitation on the amount that may be assessed by the Commissioner; repealing specified fees; altering specified fees; altering the guidelines used by the Commissioner when calculating retaliatory taxes and fees; establishing the Insurance Regulation Fund; providing for the income, purpose, expenditures, and custodian of the Fund; etc.  
**Various Effective Dates**  
Senators Derr and Astle
- SB 711 **Baltimore City -- Alcoholic Beverages -- Bottle Clubs**  
Requiring owners or supervisory employees of bottle clubs in Baltimore City to be certified by an approved alcohol awareness program; requiring the alcohol awareness program provider to provide specified information to the appropriate local board; prohibiting bottle clubs in the City from serving or allowing the consumption of alcoholic beverages after legal closing hours; requiring bottle club owners or operators to register with, and provide specified information to, the Baltimore City Liquor Control Board; etc.  
Senator Della

- SB 720 Frederick County -- Alcoholic Beverages -- Jefferson Election District**  
Including the 14th (Jefferson) Election District of Frederick County among those districts in which beer and light wine or beer, wine and liquor licenses are permitted; submitting the Act to a referendum of the legally qualified voters in the 14th (Jefferson) Election District; and requiring the Board of Supervisors of Elections of Frederick County to send written notice to the Department of Legislative Services regarding the results of the referendum when the results of the referendum are certified.  
**Referendum**  
**Senators Derr and Ferguson**
- SB 727 Insurance -- Mutual Insurers -- Formation of Business Combinations**  
Authorizing one or more foreign mutual insurers to form a business combination with one or more domestic mutual insurers for purchasing reinsurance or other financial services under specified circumstances; requiring the mutual insurers to enter into a written agreement and requiring the agreement to be approved by the vote of the majority of the board of directors of each mutual insurer; and authorizing the Maryland Insurance Commissioner to adopt regulations concerning the formation of business combinations by mutual insurers.  
Senator Bromwell
- SB 728 Title Insurance Agents or Brokers -- Certificates of Qualification -- Controlling Owner of Corporation**  
Providing that a person is not considered a controlling owner of a corporation under specified circumstances and is not required to hold a certificate of qualification to act as a title insurance agent or broker.  
Senator Bromwell
- SB 754 Baltimore City -- Alcoholic Beverages -- Club License Exemption**  
Exempting Class C beer, wine and liquor (club) licenses issued to tax--exempt organizations in ward 26, precinct 16 of Baltimore City from the prohibition against issuing new licenses or transferring licenses for the sale of alcoholic beverages in Baltimore City; and setting a May 31, 1999 termination date.  
**Effective June 1, 1998**  
**Senator Sfikas**
- SB 761 Foreign Investments of Life Insurers**  
Authorizing life insurers to acquire foreign investments or engage in investment practices with persons of or in foreign jurisdictions under specified circumstances; authorizing life insurers to acquire investments or engage in investment practices denominated in foreign currencies under specified circumstances; authorizing life insurers authorized to do business in a foreign jurisdiction to acquire foreign investments under specified circumstances; etc.  
Senator Bromwell
- SB 766 Homeowner's Insurance and Private Passenger Motor Vehicle Insurance -- Standards for Cancellation and Nonrenewal**  
Prohibiting insurers from using specified standards for purposes of canceling or refusing to renew homeowner's and private passenger motor vehicle insurance under specified circumstances; authorizing consideration of claims history for purposes of canceling or refusing to renew homeowner's and private passenger motor vehicle insurance under specified circumstances; requiring disclosure of this practice to an insured at specified times; etc.  
Senator Green

- SB 783 **Public Utility Companies Article -- Cross--References and Corrections**  
Correcting cross--references to the Public Utility Companies Article in the Annotated Code of Maryland; correcting errors and omissions in the Public Utility Companies Article; and making stylistic changes.  
The President (Department of Legislative Services -- Code Revision)
- SB 799 **Prince George's County -- Alcoholic Beverages -- Nudity and Sexual Displays PG 322--98**  
Altering the penalty for allowing alcoholic beverages to be consumed on the unlicensed premises of a place of public entertainment that exhibits nudity and sexual displays; and clarifying that the Act applies to premises in Prince George's County that are not licensed under the alcoholic beverages laws.  
Senator Dorman
- HB 3 **Health Insurance -- Complaint Process for Adverse Decisions and Grievances**  
Requiring a carrier to establish an internal grievance process for its members and to file a copy of its process with the Maryland Insurance Commissioner and the Health Education and Advocacy Unit in the Division of Consumer Protection of the Office of the Attorney General; authorizing the Commissioner to seek and receive certain advice from an independent review organization or specified other individuals; transferring the responsibility for receiving complaints on health maintenance organizations to the Commissioner; etc.  
**Various Effective Dates**  
**Delegate Donoghue, et al**
- HB 7 **Economic Development -- Maryland Science, Engineering, and Technology Development Corporation**  
Establishing the Maryland Science, Engineering, and Technology Development Corporation; specifying the purpose, form, powers, and duties of the Corporation; providing that a board of directors shall manage and carry out the corporate powers of the Corporation; specifying the composition, appointment, terms, and powers of the board; authorizing colleges and universities to contract with and make specified assignments to the Corporation or its subsidiaries, if any; etc.  
**Effective July 1, 1998**  
**Delegate Taylor, et al**
- HB 45 **Health Insurance -- Medical Clinical Trial -- Coverage**  
Requiring health insurers, nonprofit health service plans, and health maintenance organizations to provide coverage for specified patient cost incurred as a result of treatment or studies conducted in accordance with a clinical trial if specified conditions are satisfied, and for the cost of FDA--approved and devices under specified circumstances; requiring an entity seeking coverage under the Act to post electronically and keep up--to--date a list of specified clinical trials; etc.  
**Various Effective Dates**  
**Delegate Krysiak, et al**
- HB 84 **State Board of Barbers -- Qualifications of Applicants for Licensure**  
Allowing the State Board of Barbers to provide a credit to an applicant for a barber license for training completed while imprisoned.  
Chairman ECM (Dept)
- HB 85 **Insurers -- Mandatory Control Level Event -- Delay of Action**  
Correcting a cross--reference related to the delay of action by the Insurance Commissioner after a mandatory control level event occurs.  
Chairman ECM (Dept)

- HB 86 **Insurance -- Fraternal Benefit Agents -- Continuing Education**  
Imposing continuing education requirements for fraternal benefit agents.  
**Effective June 1, 1998**  
**Chairman ECM (Dept)**
- HB 87 **Insurance -- Agents and Brokers -- Continuing Education Requirements**  
Requiring insurance agents and brokers to complete any continuing education requirements by the June 30 on which their certificates of qualification expire.  
Chairman ECM (Dept)
- HB 88 **Workers' Compensation -- Heart and Lung Disease -- Presumption -- Deputy State Fire Marshal**  
Adding sworn members of the Office of the State Fire Marshal to the list of individuals who, if they have a specified disease, are presumed to have an occupational disease suffered in the line of duty.  
Chairman ECM (Dept)
- HB 98 **Provider--Sponsored Organizations -- Medicare+Choice Program**  
Requiring provider--sponsored organizations to obtain a license from the Maryland Insurance Commissioner prior to contracting under the federal Medicare+Choice Program to provide Medicare services; clarifying the authority of a licensee; permitting a provider--sponsored organization to participate in the Medicaid program as a managed care organization; requiring the Commissioner to adopt specified regulations; etc.  
**Effective June 1, 1998**  
**Delegate Harrison, et al**
- HB 100 **Cemeteries -- Exemption from Registration and Permitting**  
Exempting not for profit organizations created before 1900 by an act of the General Assembly from the registration and permitting requirements of the Maryland Cemetery Act.  
Delegate Harrison
- HB 103 **Preneed Burial Contracts -- Caskets and Casket Vaults -- Refunds**  
Allowing a buyer of a casket or casket vault under a preneed burial contract to cancel the purchase of the casket or casket vault before the buyer needs it for burial and receive a full refund from the seller.  
Delegate Harrison
- HB 108 **Small Group Health Insurance Market -- Professional Employer Organizations -- Repeal of Termination Date**  
Repealing a certain termination date for a provision of law that makes the provisions of the Maryland Health Insurance Reform Act applicable to professional employer organizations.  
**Effective July 1, 1998**  
**Delegate Donoghue**
- HB 110 **Sports Agents -- Local Athletes**  
Expanding the applicability of the Maryland Sports Agents Act by altering the definition "local athlete".  
Delegate Rosenberg
- HB 135 **Heating, Ventilation, Air--Conditioning, and Refrigeration -- Journeyman License**  
Requiring the Board of Heating, Ventilation, Air--Conditioning, and Refrigeration to issue, without examination, a journeyman license to an applicant who has successfully completed an apprentice program in heating, ventilation, air--conditioning, and refrigeration approved by the Apprenticeship and

Training Council.  
Delegate Curran

- HB 164 **Private Passenger Motor Vehicle Insurance Policies -- Coverage for Rental Cars**  
Requiring a passenger car rented by an insured for a period of 30 days or less to be included under the insured's private passenger motor vehicle insurance policy if the policy includes collision coverage or requiring any replacement vehicle as specified to be included under the insurer's private motor vehicle insurance policy if the policy includes comprehensive coverage.  
Delegate Frank
- HB 167 **Acquisition of Nonprofit Health Entities**  
Prohibiting a person from engaging in the acquisition of a nonprofit health entity without the approval of the Attorney General, the Maryland Insurance Administration, or the Department of Health and Mental Hygiene, as specified; providing an application and approval process; authorizing the specified regulating entities to revoke or suspend specified licenses or certificates of authority under specified conditions; etc.  
Delegate Goldwater, et al
- HB 173 **Maintenance Drug Prescriptions -- Supply Quantity -- Repeal of Termination Date and Alteration of Application**  
Repealing the termination date for, and altering the application of, a provision of law that requires specified health insurers, nonprofit health service plans, and health maintenance organizations to allow an insured or enrollee to receive a 90--day supply quantity of a maintenance drug in a single dispensing under specified circumstances.  
**Effective July 1, 1998**  
**Delegate Frank, et al**
- HB 204 **Department of Labor, Licensing, and Regulation -- Occupational and Professional Licensing Boards -- Examinations and Fees**  
Authorizing various boards and commissions under the Department of Labor, Licensing, and Regulation to contract for the testing of applicants and licensees; authorizing direct payment of specified examination fees to the designees of various boards or commissions; providing for payment to the Real Estate Commission and the Home Improvement Commission the costs of a credit report; clarifying the authority of the Real Estate Commission to require a credit report for the issuance and the renewal of a broker's license; etc.  
Chairman ECM (Dept)
- HB 225 **Public Service Companies -- Accident Reports**  
Altering the circumstances under which a public service company must provide notice to the Public Service Commission of any accident.  
Chairman ENV (Dept)
- HB 227 **Public Service Commission -- General Counsel -- Oath**  
Repealing the requirement that the General Counsel to the Public Service Commission take an oath of office.  
Chairman ENV (Dept)
- HB 248 **Mandated Health Insurance Services Evaluation**  
Requiring the Health Care Access and Cost Commission to conduct a review of mandated health insurance services; requiring the Commission to submit a specified report to the Governor and the General Assembly; requiring the Commission to conduct an initial evaluation of the cost of existing

mandated health insurance services and submit a report to the General Assembly by December 31, 1998; requiring the Commission to review and evaluate specified proposals under specified circumstances; etc.

**Effective June 1, 1998**

**Delegates Crumlin and Eckardt**

**HB 282 Local Housing Authorities -- Submetering**

Allowing local housing authorities to submeter combinations of units with the approval of the Public Service Commission subject to specified provisions.

Chairman ENV (Dept)

**HB 296 Washington County -- Tip Jar Regulation -- Repeal of Sunset**

Repealing a provision of law terminating the establishment of the Washington County Gaming Commission and providing for the regulation of tip jars in Washington County.

Washington County Delegation

**HB 299 Workers' Compensation -- Domestic Servants -- Election to be Covered Employee**

Authorizing, under certain circumstances, an individual who is employed as a domestic servant and is not a covered employee to elect to be considered a covered employee; and providing a specified exception.

Delegate Pendergrass, et al

**HB 306 Allegany County -- Board of License Commissioners -- Special Alcohol Permits**

Increasing the number of special alcohol permits that may be issued annually in Allegany County from 35 to 50.

Allegany County Delegation

**HB 312 Baltimore County -- Alcoholic Beverages -- Additional Class B Licenses**

Increasing to 20\% the maximum percentage of sales in alcoholic beverages allowed a restaurant in Baltimore County to qualify for a specified additional Class B beer, wine and liquor license; and altering a specified minimum seating capacity requirement for a restaurant in Baltimore County to qualify for a specified additional Class B beer, wine and liquor license.

**Effective June 1, 1998**

**Delegate Arnick, et al**

**HB 320 Enterprise Zones -- Expansion**

Authorizing a political subdivision to apply to the Secretary of Business and Economic Development for the expansion of an existing enterprise zone; providing for the manner of application; requiring that an area meet specified criteria to be included in an expansion; authorizing the Secretary to grant an extraordinary expansion of an enterprise zone under specified circumstances; providing that an extraordinary expansion does not count towards specified limitations on the number of enterprise zones allowed; etc.

**Effective June 1, 1998**

**Delegates McHale and T Murphy**

**HB 327 Allegany County -- Restaurants -- Sunday Sale Permits**

Eliminating the requirement that specified license holders which are restaurants in Allegany County derive 60\% of their gross monthly revenue from the sale of food to be eligible for a Sunday sale permit for alcoholic beverages.

Allegany County Delegation

- HB 341 **Howard County -- Alcoholic Beverage Act of 1998**  
Establishing that the County Council for Howard County on a permanent basis constitutes ex officio the Board of License Commissioners for Howard County; establishing an Appointed Alcoholic Beverage Hearing Board in Howard County; providing for the appointment of members of the Hearing Board; etc.  
Howard County Delegation
- HB 343 **Howard County -- Alcoholic Beverages -- Wine Tasting License Ho. Co. 13--98**  
Authorizing the Howard County Board of License Commissioners to issue wine tasting licenses; establishing terms and conditions for the wine tasting licenses; providing for the termination of the Act; etc.  
Howard County Delegation
- HB 367 **Montgomery County -- Alcoholic Beverages -- Hotels and Restaurants MC 803--98**  
Repealing a requirement for a minimum dining area of 1,000 square feet for applicants for a Class B beer, wine and liquor license for hotels and restaurants in Montgomery County.  
Montgomery County Delegation
- HB 368 **Montgomery County -- Alcoholic Beverages -- Micro--Brewery Licenses -- Class H Beer and Light Wine MC 804--98**  
Including Class H beer and light wine licensees in Montgomery County among those who may be issued a micro--brewery license by the Office of the Comptroller; and generally relating to alcoholic beverages in Montgomery County.  
Montgomery County Delegation
- HB 372 **Workers' Compensation -- Use of Controlled Dangerous Substances or Alcohol**  
Establishing that a covered employee or the employee's dependent is not entitled to workers' compensation benefits other than medical care if the employee's intoxication or use of a controlled dangerous substance was the primary cause of an on--the--job injury; providing a specified exception; and providing that, absent substantial evidence to the contrary, there is a presumption that intoxication or the use of a controlled dangerous substance was not the primary cause.  
Delegate V Mitchell, et al
- HB 378 **Business Occupations and Professions -- State Board of Cosmetologists -- Termination Provision -- Extension**  
Delaying, until July 1, 2001, the sunset date of the State Board of Cosmetologists.  
**Effective July 1, 1998**  
Chairman ECM (Dept)
- HB 380 **Alcoholic Beverages -- Solicitors' Permits**  
Expanding an alcoholic beverages solicitor's permit that may be issued by the Office of the Comptroller to include the selling or offering for sale of beer and the promoting of beer, wines or distilled spirits to manufacturers, wholesalers, or retailers in the State.  
Chairman ECM (Dept)
- HB 412 **Maryland Economic Development Revenue Bond Act -- Sunset Repeal**  
Repealing the sunset date of part of the Maryland Economic Development Revenue Bond Act as it relates to specified bonds issued for specified purposes.  
**Effective July 1, 1998**

**Chairman ECM (Dept)**

- HB 431 **Workers' Compensation -- Death Benefits for Partly Dependent Individuals**  
Increasing the maximum workers' compensation death benefit amount that partly dependent individuals may receive from \$17,500 to \$45,000.  
Delegate Exum, et al
- HB 452 **Department of Housing and Community Development -- Rental Housing Production Program -- Office and Commercial Space Conversion**  
Authorizing the Department of Housing and Community Development to use the Rental Housing Production Program to convert office and other commercial space to rental housing under specified circumstances; limiting Program income eligibility requirements; and making the Act contingent on the inclusion of sufficient appropriations in the Budget.  
**Contingent--Eff. July 1, 1998**  
**Chairman APP (Dept)**
- HB 457 **Health Benefit Plans -- Coverage for Prescription Contraceptive Drugs or Devices**  
Requiring specified insurers, nonprofit health service plans, and health maintenance organizations to provide coverage under specified circumstances for contraceptive drugs and devices approved by the United States Food and Drug Administration for use as contraceptives; allowing a religious organization to request an exclusion from coverage under specified circumstances; and imposing a specified limitation on administration of the coverage.  
Delegate Grosfeld, et al
- HB 464 **Maryland Economic Adjustment Fund**  
Renaming the Defense Adjustment Loan Fund to be the Maryland Economic Adjustment Fund; and expanding the purpose of the Fund to include making grants to local or regional entities for specified purposes.  
**Effective July 1, 1998**  
**Chairman ECM (Dept)**
- HB 465 **Horse Racing -- Special Fund -- Taxes**  
Requiring that funds remaining in the Special Fund be allocated in specified amounts to the Maryland--Bred Race Fund and to the Maryland Standardbred Race Fund until June 30, 1999; and extending until June 30, 1999, the termination provision relating to the allocation of specified amounts bet on specified thoroughbred and harness races to specified taxes and purses.  
**Effective June 1, 1998**  
**Delegate C Davis**
- HB 471 **Kent County -- Alcoholic Beverages -- Licenses and Disciplinary Proceedings**  
Requiring a restaurant in Kent County for which a Class B beer, wine and liquor license is sought to meet a specified requirement concerning food sales and alcoholic beverages sales; and prohibiting in Kent County a finding of probation before judgment from barring a proceeding brought by the Board of License Commissioners against a licensee for an alleged violation of the alcoholic beverages laws.  
Delegate Walkup, et al
- HB 483 **Worcester County -- Alcoholic Beverages -- Retail Dealers -- Credit**  
Adding a restriction on retail dealers to whom a wholesaler may intentionally deliver beer on credit; authorizing a retail dealer to request a hearing after being listed on the Worcester County beer credit control list; requiring the State Comptroller to remove from the list a retail dealer who requests a hearing; requiring the State Comptroller to adopt regulations necessary to administer the Act; and

repealing the termination date of provisions that prohibit beer wholesalers from providing credit to retail dealers.

**Effective July 1, 1998**

**Delegate Bozman, et al**

**HB 507 Health Insurance -- Cleft Lip and Cleft Palate -- Coverage**

Requiring health maintenance organizations to provide coverage for the treatment of cleft lip or cleft palate or both; and generally relating to the provision of coverage for the treatment of cleft lip or cleft palate or both.

Delegate Morhaim (State Advisory Council on Hereditary and Congenital Disorders), et al

**HB 522 Alcoholic Beverages -- Successor Beer Manufacturers**

Clarifying the identity of a successor beer manufacturer for purposes of certain agreements involving beer manufacturers who leave the business, successor beer manufacturers, and surviving beer distributors.

Delegate Kirk, et al

**HB 525 St. Mary's County -- Alcoholic Beverages -- Bottle Clubs**

Prohibiting bottle clubs in St. Mary's County from conducting specified activities concerning alcoholic beverages and other beverages; and establishing a \$1,000 penalty.

St. Mary's County Delegation

**HB 528 Signatures and Seals of Architects -- Buildings in Municipal Corporations**

Providing that a person is not required to employ a licensed architect to alter or repair an existing building or structure that is located in a municipal corporation and is intended for public use under specified circumstances; authorizing local building code officials to require that architectural documents for such alterations or repairs be signed and sealed by a licensed architect if necessary to ensure conformity with specified building performance standards and to ensure public safety and health; etc.

Delegate Gordon, et al

**HB 584 Life Insurance -- Public Entities -- Authority to Pool**

Authorizing public entities, defined as political subdivisions of the State, units of the State or a local government, or nonprofit or nonstock corporations that receive 50% or more of their budgets from the State or local government and are exempt from federal taxation, to pool together to purchase life insurance or to self--insure against life risks.

Delegate Barve, et al

**HB 609 Calvert County -- Gambling Permit Review Committee -- Quorum**

Expanding the membership of the Calvert County gambling permit review committee to include two alternate members; establishing a quorum of three members for the committee; and allowing the chairman of the committee to make a quorum by using alternate members under specified circumstances.

Calvert County Delegation

**HB 651 Occupational Safety and Health -- Citations**

Altering, in specified circumstances, the time period within which the Commissioner of Labor and Industry is required to issue a citation to an employer for specified violations of Title 5 of the Labor and Employment Article.

Delegate Patterson, et al

- HB 680 **Racing -- Uncashed Tickets -- Maryland Million, Ltd.**  
Altering the termination provision to June 30, 1999, relating to the period during which \$500,000 from uncashed pari--mutuel tickets that are from bets made into mutuel pools of mile thoroughbred licensees must be paid to the Maryland Million, Ltd., as a grant to support and promote the running of Maryland Million races.  
**Effective June 1, 1998**  
**Delegate C Davis, et al**
- HB 687 **Unemployment Insurance -- Appeals**  
Making changes respecting the standing of the Secretary of Labor, Licensing, and Regulation in appeals involving unemployment insurance.  
**Effective June 1, 1998**  
**Delegate Gordon (Chairman Unemployment Insurance Subcommittee)**
- HB 690 **Maryland Tourism Development Board -- Composition**  
Increasing the membership of the Maryland Tourism Development Board from 15 to 17 members by adding two members appointed from the private sector business community by the President of the Senate of Maryland and the Speaker of the House of Delegates.  
Delegates Doory and Bozman
- HB 700 **Washington County -- Alcoholic Beverages -- Days of Sale**  
Allowing in Washington County Class B and Class C on--sale licensees to sell alcoholic beverages from 11 a.m. to 12 noon on Sundays provided that the consumer orders or is entitled to a meal simultaneously or prior to ordering the alcoholic beverage; and allowing in Washington County Class A, Class B, Class C, and Class D on--sale licensees, when a federal holiday falls on a Monday, to sell alcoholic beverages from 12 noon on the immediately preceding Sunday to 2 a.m. on Monday.  
Washington County Delegation
- HB 701 **Washington County -- Board of License Commissioners -- Salaries**  
Increasing the annual salary of the chairman of the Washington County Board of License Commissioners from \$4,850 to \$9,850; and increasing the salaries of the members of the Washington County Board of License Commissioners from \$4,600 to \$9,600.  
Washington County Delegation
- HB 703 **Washington County -- Alcoholic Beverages -- Golf Courses**  
Creating in Washington County 6--day and Sunday Class C (golf course) beer and wine and beer, wine and liquor licenses for issuance to regular and championship public golf courses and organizations; establishing fees for the licenses established by the Act; providing that patrons do not need to be seated to be served alcoholic beverages; establishing the hours and days that the licensee may serve alcoholic beverages; etc.  
**Effective June 1, 1998**  
**Washington County Delegation**
- HB 716 **Charles County -- Alcoholic Beverages License -- Application by Felon Prohibited**  
Requiring an applicant for an alcoholic beverages license in Charles County to submit with the application a statement that neither the applicant nor, if the applicant is a corporation, any of the stockholders of the corporation have been convicted of a felony; and exempting Class B beer, wine and liquor (BLX) luxury restaurant license applicants from the requirements if the application is being made for the use of a corporation.  
Charles County Delegation

- HB 738 St. Mary's County -- Alcoholic Beverages License Applicants -- Fingerprinting and Criminal History Records Checks**  
Requiring the St. Mary's County Alcoholic Beverage Board to obtain the criminal record of each applicant for an alcoholic beverages license; requiring the Board to follow specified procedures and satisfy specified requirements in obtaining a criminal history records check from the Criminal Justice Information System Central Repository of the Department of Public Safety and Correctional Services; exempting an applicant for a license renewal from the provisions of the Act; authorizing the Board to establish a fee to cover expenses; etc.  
St. Mary's County Delegation
- HB 785 Garrett County -- Alcoholic Beverages -- Sales to Minors and Intoxicated Persons**  
Specifying that, in Garrett County, the granting of probation before judgment to a licensee or an employee of the licensee for violating the law against selling alcoholic beverages to a minor or intoxicated person does not bar the Board of License Commissioners from proceeding administratively against the licensee for the violation; requiring the Board to adopt procedures governing specified administrative proceedings; and generally relating to the sale of alcoholic beverages to minors or intoxicated persons in Garrett County.  
Delegate Edwards
- HB 796 Workers' Compensation -- Notice on Termination of Medical Benefits and Temporary Total Benefits**  
Requiring the insurer or self--insurer to notify a covered employee and the employee's treating physician or other health care provider when the employee's workers'compensation medical benefits terminate; providing for specified exceptions; and expanding the requirement of notifying a covered employee when temporary total disability benefits terminate to apply to self--insurers.  
Delegate Exum (Workers' Compensation Benefit and Insurance Oversight Committee)
- HB 816 Insurance -- Administrative Hearings -- Representation of Insurers**  
Requiring the Insurance Commissioner to allow an insurer that is a party to a hearing held by the Insurance Commissioner to be represented by a specified designee of the insurer; and authorizing an individual who is not licensed to practice law in the State and who is a designee of an insurer to represent the insurer in a proceeding before the Office of Administrative Hearings while appearing on behalf of the insurer in an administrative hearing under the Insurance Article.  
**Effective June 1, 1998**  
Delegate Donoghue
- HB 836 Racing Commission -- Reporting Requirements**  
Requiring the State Racing Commission to provide specified information on the horse racing industry in the State to the Legislative Policy Committee; and requiring the State Racing Commission to provide specified information on satellite simulcast facilities, including the effect of permit actions on other permit holders and racing licensees.  
**Effective July 1, 1998**  
Delegates C Davis and Hixson
- HB 837 Horse Racing -- Allocation of Funds -- Purse Enhancement, Studies, and Marketing**  
Requiring that specified budgeted funds be allocated for specified purposes within the horse racing industry; requiring that specified lottery revenues for a specified fiscal year be distributed to a special fund to be used only to increase purses at specified horse racing events; requiring that the purses and bred funds be increased according to a specified formula; requiring that all funds for purses and bred funds under the Act be in addition to and not supplant specified other funds; etc.

**Effective July 1, 1998**  
**Delegates C Davis and Hixson**

- HB 841 **Garrett County -- Alcoholic Beverages -- Nudity and Sexual Displays**  
Including Garrett County among those jurisdictions in which acts involving specified types of nudity and sexual display are prohibited at specified premises or locations for which licenses are issued; and generally relating to alcoholic beverages in Garrett County.  
Delegate Edwards
- HB 849 **Insurance -- Repeal of Termination of Exemption from Regulation -- Voluntary Noncontractual Religious Publication Arrangements**  
Repealing the termination of the exemption from regulation under the Insurance Article for voluntary noncontractual religious publication arrangements; and repealing obsolete provisions relating to the termination provision.  
**Effective July 1, 1998**  
Delegate Poole
- HB 853 **Caroline County -- Alcoholic Beverages -- Licenses**  
Increasing from 14\% to 22\% the maximum percent of alcohol by volume allowed in light wines in Caroline County; creating a caterer's license; increasing the fee for specified licenses; establishing a 7--day Class D license; altering the sale hours for holders of a Class D (taverns) license and allowing those holders to sell beer, wine, and liquor on Sundays; and increasing from 6 to 12 the number of times a special license may be granted during 1 year.  
Delegate Eckardt, et al
- HB 854 **Dorchester County -- Special Alcoholic Beverages Licenses -- Caterers**  
Allowing in Dorchester County the holder of a special Class C beer license, a special Class C beer and wine license, or a special Class C beer, wine and liquor license, to cater an event on the premises while the license is effective; allowing the Dorchester County Board of License Commissioners to issue special licenses of any class, except for licenses issued by the Comptroller, for events sponsored by specified organizations; specifying the fees for the special licenses authorized by the Act; etc.  
**Effective June 1, 1998**  
Dorchester County Delegation
- HB 857 **Insurance Fraud Prevention Fee -- Exemptions -- Fraternal Benefit Societies**  
Exempting fraternal benefit societies that collect less than \$75,000 in premiums in the preceding year from the collection of the fraud prevention fee by the Maryland Insurance Commissioner.  
Delegate Krysiak
- HB 869 **Premium Financing -- Cancellations and Prohibitions**  
Altering a provision of law relating to the cancellation of an insurance contract for which payment of the premium was financed through a premium finance company; altering a provision of law related to the calculation of the amount of gross unearned premium that must be returned when an insurance contract has been canceled; requiring the Insurance Commissioner to submit a specified report on or before January 15, 1999; etc.  
Delegate Love, et al
- HB 871 **Alcoholic Beverages -- Wineries -- Samples**  
Establishing that Class 3 and Class 4 wine manufacturer's licenses permit wineries to serve at no charge not more than 6 ounces of products made at its facility to persons of legal drinking age who are touring that facility; and generally relating to wineries in the State.

**Emergency Bill**  
**Delegate Kach, et al**

- HB 874 **Health Maintenance Organizations -- Reimbursement to Hospital Emergency Facilities and Providers**  
Requiring a health maintenance organization to reimburse a hospital emergency facility and provider, less any applicable co--payments, for medical assessment and stabilization services rendered to meet the requirements of the federal Emergency Medical Treatment and Active Labor Act; adding a specified prohibited act of health maintenance organizations; altering a specified penalty; etc.  
**Effective July 1, 1998**  
**Delegate Goldwater, et al**
- HB 898 **Montgomery County -- Alcoholic Beverages (Micro--Brewery Licenses) MC 821--98**  
Authorizing a Class 7 micro--brewery licensee in Montgomery County to sell beer at retail to customers for consumption off the licensed premises in refillable containers that are sealed by the licensee at the time of each refill.  
Montgomery County Delegation
- HB 906 **Alcoholic Beverages -- Town of Kensington -- Special License MC 805--98**  
Authorizing the Montgomery County Board of License Commissioners to issue a special 2--day on--sale beer, wine, and liquor license to any bona fide religious, fraternal, civic, or charitable organization holding an event on municipal property located at 3710 Mitchell Street, Kensington, Maryland.  
**Effective July 1, 1998**  
**Montgomery County Delegation**
- HB 933 **Professional Land Surveyors and Property Line Surveyors -- Scope of Practice**  
Altering the definition of "practice land surveying" to clarify the scope of work that constitutes the practice of land surveying; altering the definition of "practice property line surveying"; etc.  
Delegate Preis
- HB 1014 **Title Insurance -- Title Plants**  
Requiring a title plant to be allowed as an admitted asset for a title insurer for the purposes of determining the financial condition of the insurer; specifying costs that may and may not be capitalized costs with reference to the valuation of a title plant; imposing a specified restriction on the aggregate carrying value of an investment in a title plant; permitting a title insurer to sell a title plant or specified ownership rights in the title plant; requiring a title insurer to comply with specified investment requirements; etc.  
Delegate Frank
- HB 1043 **Baltimore City -- Alcoholic Beverages -- Beer and Wine Tasting**  
Increasing the number of Baltimore Wine Festival licenses the Baltimore City Board of License Commissioners may issue annually; prohibiting the Board from issuing Festival licenses in specified districts; authorizing the Board to issue beer and wine tasting licenses; limiting to 12 the number of licenses that can be issued annually; authorizing the Board to issue licenses only to Class A licensees; requiring the Board to set a fee for a license; etc.  
Delegate McIntosh, et al
- HB 1064 **Health Insurance -- Notice of Renewal -- Time of Mailing of Notice**  
Altering the minimum number of days, from 30 to 45, before the expiration of a health benefit plan in which a carrier is required to mail a notice of renewal of the health benefit plan to a group contract

holder or a small employer.  
Delegates Redmer and Ports

- HB 1120 **Baltimore City -- Board of License Commissioners -- Adult Entertainment Licenses**  
Authorizing the Mayor and City Council of Baltimore City to allow the Board of License Commissioners to enforce laws and regulations of Baltimore City that govern adult entertainment business licenses.  
**Emergency Bill**  
**Delegate Boston**
- HB 1129 **Workers' Compensation -- Funeral Expenses**  
Increasing from \$2,500 to \$5,000 the maximum amount to be paid for funeral expenses under the workers' compensation law for specified deceased employees.  
Delegate Frank
- HB 1136 **Alcoholic Beverages -- Permits and Licenses**  
Prohibiting the Office of the Comptroller from issuing a nonresident dealer's alcoholic beverages permit to a licensed wholesaler, licensed retailer, a person with a specified interest in a licensed wholesaler, or a person with an interest in a licensed retailer; and repealing a provision allowing a holder of a wholesale license to obtain a specified alcoholic beverages retail license under specified conditions.  
Delegate Love
- HB 1152 **Construction Apprenticeship Assistance Program**  
Establishing a Construction Apprenticeship Assistance Program in the Department of Labor, Licensing, and Regulation; requiring the Program to award grants, as provided in the State budget, to eligible private sector business entities based on the number of participants in a program; requiring the Secretary of Labor, Licensing, and Regulation to establish eligibility criteria and an application process; providing that a grant shall consist of a maximum of \$1,000 for each apprentice in an eligible private sector entity; etc.  
Delegate Poole, et al
- HB 1162 **Health Insurance -- Compensation of Health Care Practitioners -- Capitated Fees**  
Prohibiting health insurance carriers that compensate health care practitioners on a capitated basis from retaining capitated fees attributable to an enrollee or covered person during an enrollee's or covered person's contract year; and requiring carriers to pay health care practitioners capitated fees in a specified manner.  
Delegate Barve, et al
- HB 1183 **Alcoholic Beverages -- Employment -- Sales by Minors**  
Prohibiting any person under the age of 18 from engaging in the sale of alcoholic beverages.  
Delegate Conway, et al
- HB 1188 **Washington County Gaming Commission -- Tip Jar Regulation**  
Altering eligibility criteria for membership on the Washington County Gaming Commission; authorizing a member of the Commission to serve for two 2--year terms; providing for procedures for obtaining criminal records checks; altering the requirements for organizations to contribute amounts for charitable purposes; authorizing the county agency to deny a license under specified circumstances; authorizing the County Commissioners to delegate hearing authority to the Office of Administrative Hearings; etc.  
**Effective July 1, 1998**

## **Washington County Delegation**

### **HB 1192 Frederick County -- Alcoholic Beverages -- Bottle Clubs**

Prohibiting bottle clubs in Frederick County from conducting specified activities concerning alcoholic beverages and other beverages; making specified prohibitions against nudity and sexual displays apply to bottle clubs; and establishing specified penalties.

**Effective July 1, 1998**

**Delegate Hecht, et al**

### **HB 1200 Cecil County Breeders' Fair, Inc.**

Adding a track where racing is conducted by the Cecil County Breeders' Fair, Inc., or its successor to the list of tracks eligible to serve as a sending track for purposes of intertrack betting; providing that a specified track may be a sending track only on days when the track is licensed to conduct and actually conducts live racing; etc.

**Emergency Bill**

**Cecil County Delegation**

### **HB 1223 Workers' Compensation Insurance -- Scheduled Credits**

Authorizing, pursuant to a specified filing, a workers' compensation insurance rating plan that permits specified adjustments based on characteristics of a risk that are not reflected in the uniform experience rating plan under specified circumstances.

**Delegate V Mitchell**

### **HB 1246 Alcoholic Beverages -- Beer and Wine Festivals**

Requiring that wine and beer purchased for display or sale by a beer and wine festival licensee must meet specified conditions in Anne Arundel, Dorchester, Charles, Queen Anne's, and Worcester Counties.

**Delegate Kirk, et al**

### **HB 1254 The Maryland Heritage Areas Authority and the Maryland System of Recognized and Certified Heritage Areas**

Clarifying the procedure for adoption of certified heritage area management plans; clarifying the number of heritage areas that may be certified; and altering a sunset provision on specified uses of funds in the Maryland Heritage Areas Authority Financing Fund.

**Effective July 1, 1998**

**Delegate Taylor**

### **HB 1263 Alcoholic Beverages -- Suppliers, Dealers, and Wholesalers -- Depletion Allowances**

Prohibiting a supplier, nonresident dealer, or wholesaler of alcoholic beverages from making specified types of discounts that are offered on a product dependent on the pricing policy or practice of the alcoholic beverages licensee who is invoiced for the product.

**Delegates Love and V Mitchell**

### **HB 1268 Wicomico County -- Alcoholic Beverages -- Substitution Fee**

Increasing from \$10 to \$50 the fee in Wicomico County for substituting an officer on an alcoholic beverages license held by a corporation or a club; and generally relating to alcoholic beverages in Wicomico County.

**Delegate Conway, et al**

### **HB 1270 Wicomico County -- Board of License Commissioners -- Salary of Chairman and Members**

Increasing the salaries of the chairman and members of the Board of License Commissioners for Wicomico County to a specified amount; and providing that the Act does not apply to the salaries of the incumbent chairman and members of the Board.

**Effective July 1, 1998**

**Delegate Conway, et al**

**HB 1271 Wicomico County -- Board of License Commissioners Attorney -- Salary**

Increasing the annual salary for the attorney for the Board of License Commissioners for Wicomico County from \$4,500 to \$6,000.

Delegate Conway, et al

**HB 1320 Motor Vehicle Rental Companies -- Requirements to Offer or Sell Insurance**

Authorizing motor vehicle rental companies to offer for sale and sell to renters of motor vehicles specified insurance policies under specified circumstances; prohibiting motor vehicle rental companies and any of their employees from advertising, representing, or otherwise holding themselves out in a specified manner to the general public; requiring the Insurance Commissioner to conduct a specified study and to submit a specified report to the Maryland General Assembly on or before November 1, 1998; etc.

**Effective June 1, 1998**

**Delegates Barve and Love**

**HB 1325 Unemployment Insurance -- Amendments -- Balanced Budget Act of 1997**

Aligning State unemployment insurance laws with the Federal Unemployment Tax Act to exempt from unemployment insurance coverage the service of specified election officials and the service of specified inmates of custodial or penal institutions; providing that specified wages paid to an inmate under certain circumstances may not constitute taxable wages; etc.

Delegate Gordon (Chairman Unemployment Insurance Subcommittee)

**HB 1331 Wicomico County -- Alcoholic Beverages -- Subpoena Powers**

Adding the Wicomico County Board of License Commissioners to the list of county licensing boards that have the power to subpoena records pertaining to a licensed entity.

Delegate Conway, et al

**HB 1343 Insurance -- Surplus Lines Insurance**

Authorizing the Maryland Insurance Commissioner to adopt specified regulations concerning surplus lines insurance; altering specified provisions concerning the applicability, completion, and waiver of a diligent search requirement for surplus lines insurance; altering the form and content of the written disclosure required with each insurance contract delivered as surplus lines coverage; and altering the semiannual reporting requirements for a surplus lines broker.

Delegate Barve

**HB 1344 Regulation of Insurance Professions -- Advisers -- Exemptions**

Exempting from regulation as an adviser by the Maryland Insurance Commissioner an individual who is employed by an investment adviser registered with the Securities and Exchange Commission, whose only clients in the State each has assets of not less than \$5,000,000 and is a specified type of institutional investor, and whose business activities in the State are limited to guaranteed or synthetic investment contracts.

Delegates Barve and Frank

**HB 1350 Alcoholic Beverages -- Anne Arundel County -- Special Licenses**

Exempting specified special alcoholic beverages licenses in Anne Arundel County from specific

application, notice, and hearing requirements.  
Anne Arundel County Delegation

**HB 1355 Insurance -- Penalties**

Increasing penalties that may be imposed on insurers for committing an unfair claims settlement practice and for committing an unfair claims settlement practice as a general business practice; and requiring the Insurance Commissioner to adopt specified regulations.  
Delegate Love

**HB 1356 Homeowner's Insurance and Private Passenger Motor Vehicle Insurance -- Standards for Cancellation and Nonrenewal**

Prohibiting insurers from using specified standards for purposes of canceling or refusing to renew homeowner's and private passenger motor vehicle insurance under specified circumstances; authorizing consideration of claims history for purposes of canceling or refusing to renew homeowner's and private passenger motor vehicle insurance under specified circumstances; requiring disclosure of this practice to an insured at specified times; etc.  
Delegate Love, et al

**HB 1363 Insurance -- Mutual Insurers -- Formation of Business Combinations**

Authorizing one or more foreign mutual insurers to form a business combination with one or more domestic mutual insurers for the purpose of purchasing reinsurance or other financial services; requiring the mutual insurers to enter into a written agreement and requiring the agreement to be approved by the vote of the majority of the board of directors of each mutual insurer; and authorizing the Maryland Insurance Commissioner to adopt regulations concerning the formation of business combinations by mutual insurers.  
Delegates Owings and Donoghue

**HB 1373 Funding Agreements -- Issuance**

Authorizing an insurer that delivers or issues for delivery annuity contracts in the State to deliver or issue for delivery a funding agreement to fund a program of a specified type of institution.  
**Effective June 1, 1998**  
Delegate Donoghue

**HB 1376 Alcoholic Beverages -- Statewide Caterer's License**

Authorizing the State Comptroller to issue a statewide caterer's (SCAT) license to qualified caterers for use throughout the State; establishing specified qualifications for license holders; requiring that license holders pay specified license fees; providing for a license fee credit under specified circumstances; authorizing license holders to acquire alcoholic beverages in specified ways and to serve alcoholic beverages on specified premises; authorizing boards of license commissioners to conduct specified investigations; etc.  
Delegate Fulton

**HB 1377 Foreign Investments of Life Insurers**

Authorizing life insurers to acquire foreign investments or engage in investment practices with persons of or in foreign jurisdictions under specified circumstances; authorizing life insurers to acquire investments or engage in investment practices denominated in foreign currencies under specified circumstances; authorizing life insurers authorized to do business in a foreign jurisdiction to acquire foreign investments under specified circumstances; etc.  
Delegate Fulton

**HB 1380 Wicomico County -- Alcoholic Beverages -- Restaurants and Taverns**

Eliminating the requirement in Wicomico County that restaurants and taverns that are licensed to serve alcoholic beverages must allow 15 square feet per person; and requiring restaurants and taverns in Wicomico County to meet the minimum requirements of the fire code applicable to the jurisdiction in which the premises is located.

Delegates Conway and D Hughes

**HB 1414 Canal Place Preservation and Development Authority -- Parking of Motor Vehicles**

Providing for the regulation of parking of motor vehicles on property owned or controlled by the Canal Place Preservation and Development Authority; and generally relating to the Canal Place Preservation and Development Authority and motor vehicle parking.

**Effective July 1, 1998**

**Delegate Taylor**

**HJ 18 Alcoholic Beverages -- Direct Shipment to Consumers**

Affirming State public policy prohibiting the direct shipment of alcoholic beverages, known as "mail order alcohol", to Maryland consumers from out--of--state entities; urging the President and Congress of the United States to enact legislation to resolve the problem of direct shipment of alcoholic beverages to consumers across state lines; and requiring the Department of Legislative Services to submit a report by a specified date on alcoholic beverage regulation and business practices relating to the sale of alcoholic beverages.

Delegate Minnick, et al

## PART I

### FINANCIAL INSTITUTIONS, COMMERCIAL LAW AND CORPORATIONS

- SB 10 **Consumer Protection -- "Lemon Law" for Motorcycles**  
Extending application of the Maryland Automotive Warranty Enforcement Act to motorcycles by altering the definition of a "motor vehicle" to include a vehicle that is registered in this State as a Class D (motorcycle) vehicle.  
Senator Craig
- SB 14 **Commercial Law -- Equipment Dealer Contract Act**  
Repealing specified provisions of the Equipment Dealer Contract Act; adding new provisions related to the termination, cancellation, and nonrenewal of contracts; establishing rules to govern the termination of contracts between equipment dealers and suppliers; requiring that a supplier of an equipment dealer must have good cause and provide prior notice to a dealer before unilaterally terminating, canceling, or failing to renew a contract except under specified circumstances; etc.  
Senator Middleton
- SB 89 **Consumer Protection -- "Lemon Law" -- Required Notice**  
Requiring the Motor Vehicle Administration to develop a notice that describes the rights provided to consumers under the Maryland Automotive Warranty Enforcement Act; requiring the Motor Vehicle Administration to make the notice available to dealers that sell new motor vehicles in the State; specifying the manner in which the notice is to be given and the contents of the notice; requiring the Motor Vehicle Administration to adopt regulations to implement the Act; etc.  
Senators Teitelbaum and Forehand
- SB 91 **Consumer Protection -- Health Club Services -- Registration Renewal Fees and Payment of Claims**  
Altering the annual registration renewal fee required under the Maryland Health Club Services Act for specified persons who provide health club services; requiring that specified notices and disclosures be provided to consumers; prohibiting the Consumer Protection Division from paying specified claims; providing for the application of the Act; etc.  
**Effective July 1, 1998**  
Senator Middleton
- SB 104 **Commercial Law -- Abandoned Property**  
Excluding from the definition of personal property that is subject to the Maryland Uniform Disposition of Abandoned Property Act specified checks, credits, and rebates that are issued or occur in the ordinary course of business; limiting the period of time that may be covered by an examination under the Act; and altering the amount of the penalty for specified violations of the Act.  
**Effective June 1, 1998**  
Senator Baker
- SB 105 **Consumer Credit -- Mortgage Lending Business Reforms**  
Altering the manner in which specified fees and charges may be allocated between a mortgage broker and a lender or credit grantor in specified loan transactions; establishing an aggregate percentage cap on specified charges; altering the manner and permissible location in which applications for specified loan transactions may be accepted; specifying continuing education requirements for mortgage brokers,

lenders, and loan officers; allowing specified loan closings to be conducted at specified locations under specified circumstances; etc.

Senators Astle and Madden (Task Force to Examine the Mortgage Lending Business)

**SB 163 Commercial Law -- Checks and Other Instruments -- Rights of Holders**

Reenacting a law that permitted the holder of a dishonored check or other instrument to recover fees and amounts from the maker or the drawer; and making the Act retroactive.

**Effective July 1, 1998**

**Senator Roesser, et al**

**SB 262 Credit Regulation -- Consumer Loans -- Insurance**

Authorizing a lender that makes a loan under the Maryland Consumer Loan Law -- Credit Provisions to collect from the borrower, at the option of the borrower, the premiums paid for accident and health insurance covering any one or more borrowers.

Senator Dorman

**SB 468 Corporations and Associations -- Resident Agents and Directors**

Prohibiting specified entities from designating a person as a resident agent without first obtaining the person's written consent; requiring the written consent to be filed with the Department of Assessments and Taxation; making the consent effective upon acceptance by the Department; authorizing a resident agent to resign without paying a specified fee; and providing that directors of corporations that are investment companies shall be deemed to be independent and disinterested for purposes of performing their duties.

Senator Frosh

**HB 48 Commercial Law -- Abandoned Property**

Excluding from the definition of personal property that is subject to the Maryland Uniform Disposition of Abandoned Property Act specified checks, credits, and rebates that are issued or occur in the ordinary course of business; limiting the period of time that may be covered by an examination under the Act; and altering the amount of the penalty for specified violations of the Act.

**Effective June 1, 1998**

**Delegate Kach, et al**

**HB 82 Foreign Corporations -- Qualification**

Repealing the requirement that a foreign corporation that intends to do business in Maryland file a certificate of good standing under the laws of the place where it is organized.

Chairman ECM (Dept)

**HB 106 Credit Regulation -- Consumer Loans -- Insurance**

Authorizing a lender that makes a loan under the Maryland Consumer Loan Law -- Credit Provisions, to collect from the borrower, at the option of the borrower, the premiums paid for accident and health insurance covering any one or more borrowers.

Delegate Donoghue

**HB 178 Business Entity Names**

Consolidating various statutes relating to the names of business entities; setting standards for the elements in the names of various kinds of entities; providing exceptions to the standards for preexisting business entity names; requiring names to be registered with the Department of Assessments and Taxation; imposing specified restrictions on the transferee of a reserved entity name under specified circumstances; and allowing the Department to adopt regulations to implement the Act.

Chairman ECM (Dept)

- HB 196 **Consumer Protection -- "Lemon Law" -- Required Notice**  
Requiring the Motor Vehicle Administration to develop a notice that describes the rights provided to consumers under the Maryland Automotive Warranty Enforcement Act; requiring the Motor Vehicle Administration to make the notice available to dealers that sell new motor vehicles in the State; specifying the manner in which the notice is to be given and the contents of the notice; requiring the Motor Vehicle Administration to adopt regulations to implement the Act; etc.  
Delegate Kagan, et al
- HB 202 **Consumer Credit -- Mortgage Lending Business Reforms**  
Altering the manner in which specified points, fees, commissions, or charges may be allocated between a mortgage broker and a lender or credit grantor in specified loan transactions; establishing an aggregate percentage cap on specified charges; altering the manner and permissible location, with an exception, in which applications for specified loan transactions may be accepted; specifying continuing education requirements for mortgage brokers, lenders, and loan officers; etc.  
Delegates Opara and Faulkner (Task Force to Examine the Mortgage Lending Business)
- HB 206 **Consumer Protection -- "Lemon Law" for Motorcycles**  
Extending application of the Maryland Automotive Warranty Enforcement Act to motorcycles by altering the definition of a "motor vehicle" to include a vehicle that is registered in this State as a Class D (motorcycle) vehicle.  
Delegates Preis and Harkins
- HB 298 **Commercial Law -- Checks and Other Instruments -- Rights of Holders**  
Reenacting a law that permitted the holder of a dishonored check or other instrument to recover fees and amounts from the maker or the drawer; and making the Act retroactive.  
**Effective July 1, 1998**  
Delegate Love, et al
- HB 428 **Financial Institutions -- Conversion of Federal Stock Savings and Loan Associations and Federal Stock Savings Banks to State--Chartered Commercial Banks**  
Authorizing a federal stock savings and loan association or a federal stock savings bank to convert to a state--chartered commercial bank; providing for procedures, stockholder consent, legal status, timing of conformance, and other specified transition issues concerning the conversion of a federal stock savings and loan association or a federal stock savings bank to a state--chartered commercial bank; and providing that, pursuant to specified regulations, any person may request that a hearing be conducted regarding the conversion.  
Delegate Arnick
- HB 1293 **Uniform Partnership Act -- Technical Provisions**  
Recodifying the text of the Uniform Partnership Act, which has been superseded, except under specified circumstances, by the Maryland Revised Uniform Partnership Act of 1997; and providing for the termination of the Uniform Partnership Act on the date after which its provisions may not legally be applicable to any partnership in the State.  
**Effective June 1, 1998**  
**Chairman ECM (Commission on Uniform State Laws)**
- HB 1381 **Limited Partnerships**  
Allowing a limited partnership to have a perpetual existence in specific circumstances; providing that a limited partner may not withdraw before the dissolution and winding up of a limited partnership unless

specific conditions are met; and clarifying that a limited partner is entitled, on withdrawal from the limited partnership, to distributions.

Delegate Finifter

**PART J**  
**HEALTH**

- SB 38 **Maryland Medical Assistance Program -- Historic Providers -- Definition**  
Altering the definition of "historic provider" to include specified licensed residential service agencies that, on or before June 30, 1995, had a demonstrated history of providing services to program recipients under the Maryland Medical Assistance Program.  
Senator Baker
- SB 85 **Children and Families First Health Care Act of 1998**  
Establishing the Children and Families Health Care Program to provide specified medical benefits, through an employer sponsored health benefit plan, an individual health benefit plan, or the Maryland Medical Assistance Program, to individuals who have a family income at or below 200\% of the federal poverty level and who are under the age of 19; altering the eligibility requirements for specified individuals under the Maryland Medical Assistance Program; etc.  
**Emergency Bill**  
**The President (Administration), et al**
- SB 112 **Employment in Recovery Pilot Program**  
Establishing an Employment in Recovery Pilot Program in the Department of Health and Mental Hygiene; requiring the Program to be designed and administered by the Alcohol and Drug Abuse Administration of the Department; specifying the purpose of the Program; specifying the duties of the Administration in administering the Program; establishing requirements for the Administration, the Department of Labor, Licensing, and Regulation, and the Department of Human Resources in approving proposals; etc.  
**Effective July 1, 1998**  
**Senator Dorman**
- SB 144 **Health Occupation Boards -- Study of Codes of Conduct for Board Members and Investigators**  
Requiring the health occupation boards and the Department of Health and Mental Hygiene to study the recommendations of a specified report concerning the establishment of codes of conduct for members of health occupation boards and the investigators assigned to those boards and determine how to implement those recommendations in a specified manner; requiring each health occupation board to identify specified changes to its statutory authority; and requiring a specified report to be made to the General Assembly.  
**Effective June 1, 1998**  
**Senator Hollinger**
- SB 230 **The William H. Amoss Organ and Tissue Donation Act of 1998**  
Requiring hospitals to contact an appropriate organ, tissue, or eye recovery agency on or before each death in a hospital in order to determine a patient's suitability for organ, tissue, or eye donation; requiring a representative of the appropriate organ, tissue, or eye recovery agency or a designated requestor to request that specified representatives of a decedent consent to organ or tissue donation under specified circumstances; creating an Organ and Tissue Donation Awareness Fund; etc.  
**Emergency Bill**  
**Senator Hollinger (Joint Legislative Task Force on Organ and Tissue Donation), et al**

**SB 237 Psychologists -- Educational Requirements**

Altering the definition of "doctoral degree in psychology" to include specified criteria published by the Council for the National Register of Health Service Providers in Psychology; authorizing the State Board of Examiners of Psychologists to consider postdoctoral course work in determining whether the doctoral degree in psychology meets specified criteria; making the Act an emergency measure; and generally relating to the criteria for defining a doctoral degree in psychology.

**Emergency Bill**

**Senators Stoltzfus and Colburn**

**SB 275 Oral Health -- Dental Hygienists -- Access to Care**

Authorizing a dental hygienist to practice under general supervision of a dentist without the dentist being required to be on the premises; repealing the authority of the State Board of Dental Examiners to waive specified supervision requirements for specified facilities; requiring a facility in which a dental hygienist is authorized to practice under general supervision to ensure that specified conditions are met; requiring that a facility that operates under general supervision report specified information to the Board; etc.

Senator Pinsky, et al

**SB 305 Developmental Disabilities Administration -- Client Fatalities -- Reporting Requirements**

Requiring the administrative head of a service or program funded or operated by the Developmental Disabilities Administration to report client fatalities in Administration services and programs to agency and law enforcement officials within specified time frames; allowing oral and written reporting; requiring specified information to be included in a written report; requiring the chief law enforcement officer to notify a medical examiner of the fatality; etc.

Senator Dorman

**SB 306 Professional Counselors -- Licensing**

Establishing requirements for the licensing of professional counselors--clinical, marriage and family therapists--clinical, and alcohol and drug counselors--clinical; requiring the State Board of Examiners of Professional Counselors to waive specified requirements for licensing of individuals under specified circumstances; prohibiting individuals from engaging in specified actions or making specified representations in the State or using specified titles unless licensed by the Board; etc.

Senator Dorman, et al

**SB 316 Board of Physician Quality Assurance -- Physician Assistants Advisory Committee -- Membership**

Requiring the Board of Physician Quality Assurance to assign a physician member to serve as a voting Board representative at all meetings of the Advisory Committee on Physician Assistants; specifying certain requirements of the physician members of the Board; specifying certain requirements of the physician assistant members of the Board; requiring that an Advisory Committee chairperson and a secretary shall be elected for a certain term and in a certain manner; and specifying the capacity in which the chairperson shall serve.

**Effective July 1, 1998**

**Senator Hollinger**

**SB 364 Physical Therapy -- License and Practice Requirements**

Altering English language proficiency requirements for physical therapy licensure; specifying educational requirements for physical therapy licensure; altering specified grounds for disciplinary action by the State Board of Physical Therapy Examiners; providing for specified medical or psychological evaluation of physical therapy licensees under specified conditions; authorizing specified judicial actions to enjoin the unauthorized practice of physical therapy or other specified conduct; etc.

Senator Collins

**SB 412 Consumer Protection -- Drug Storage and Shipment Safety Act**

Requiring pharmacy permit holders to place specified notices in each shipment of prescription drugs delivered in the State by the United States Mail, a common carrier, or a delivery service and not personally hand delivered directly to a patient or to the agent of a patient; requiring the notices to alert consumers that a medication's effectiveness may be affected by exposure to extremes of heat, cold, or humidity and to provide a toll--free or local telephone number which is designed to respond to consumer questions; etc.

Senator Bromwell

**SB 435 Health -- Utilization Review**

Requiring the Insurance Commissioner, in consultation with the Maryland Hospital Association, the Maryland Association of Health Maintenance Organizations, the League of Life and Health Insurers, the Medical--Chirurgical Faculty of Maryland, and other interested organizations representing health care providers and health insurance carriers, to study hospital utilization review and to report to specified legislative committees on or before December 1, 1998.

**Effective July 1, 1998**

**Senator Hollinger**

**SB 440 State Board of Podiatric Medical Examiners -- Notice of Allegation to Licensee -- Exception**

Exempting the State Board of Podiatric Medical Examiners from a requirement to notify a licensed podiatrist within a specified time that an allegation has been filed against the licensee if the Board makes an affirmative determination that any action that it may take as a result of the investigation into the allegation will most likely not result in formal disciplinary action; etc.

Senator Hollinger

**SB 442 End Stage Renal Disease Program -- Outpatient Facilities -- Patient Referrals**

Authorizing specified health care practitioners to refer patients diagnosed with end stage renal disease to specified dialysis facilities; and generally relating to an exemption from the prohibition on specified patient referrals by health care practitioners.

Senator Hollinger

**SB 445 State Board of Nursing -- Nursing Assistants -- Certification**

Requiring an individual to be certified by the State Board of Nursing before practicing as a nursing assistant, using specific titles, and making representations; making specified exceptions; requiring the State Board of Nursing to adopt specified regulations; establishing procedures for the certification of nursing assistants and the issuance and renewal of nursing assistant certificates; etc.

Senator Hollinger

**SB 481 Home-- and Community--Based Services for Adults with Functional Disabilities -- Medicaid Waiver**

Requiring the Department of Health and Mental Hygiene to investigate the development of integrated care systems and the feasibility and desirability of applying for a home-- and community--based services waiver in order to maximize federal matching funds for the provision of services to specified adults with functional disabilities, including Alzheimer's disease and related disorders; and requiring the Department to conduct a specified study and to report the results to the General Assembly.

**Effective July 1, 1998**

**Senator Teitelbaum, et al**

**SB 495 Health Occupation Boards -- Sexual Misconduct**

Requiring health occupation boards to adopt certain regulations prohibiting sexual misconduct; providing a definition of sexual misconduct intended as a minimum standard of conduct; specifying that the commission of sexual misconduct shall serve as a basis for administrative prosecution by health occupation boards; requiring certain reporting by the health occupation boards and the Secretary of the Department of Health and Mental Hygiene; and generally relating to sexual misconduct and health occupation boards.

Senator Teitelbaum, et al

**SB 554 Medicaid -- Emergency Service Transporters -- Reimbursement**

Requiring the Department of Health and Mental Hygiene to reimburse public emergency service transporters for the costs of transportation and medical services provided to a Medicaid Program recipient during transport to specified facilities in response to a 911 call if the emergency service transporter charges for its services and requests reimbursement from the Program; setting a limit on the amount of reimbursement from the Program; requiring the Department to adopt specified regulations; etc.

**Various Effective Dates**

**Senator Fry, et al**

**SB 590 Medical Assistance and Other State Programs -- Dental Services**

Requiring the Department of Health and Mental Hygiene to issue a request for proposals for the administration of dental services for recipients of the Maryland Medical Assistance Program for the purpose of making a specified comparison between managed care organizations and dental managed care organizations; requiring the Department to provide specified access to program recipients to dental services in accordance with utilization targets established by the Department; etc.

Senator Lawlah, et al

**SB 632 Optometrists and Physicians -- Replacement Contact Lens Prescriptions**

Requiring licensed optometrists and physicians to ensure that each prescription for specified types of contact lenses meets specified requirements; specifying requirements for the dispensing of replacement contact lenses; authorizing a specified patient to request a contact lens prescription from specified licensees; providing that specified licensees are exempt from liability for specified injuries to or conditions of their patients under specified circumstances; etc.

Senator Roesser, et al

**SB 634 Breast Cancer Program**

Requiring the Department of Health and Mental Hygiene to establish a Breast Cancer Program to provide screening mammograms and clinical breast examinations to specified low--income women aged 40 to 49 years on at least a biennial basis and for women aged 50 years and older on an annual basis; requiring the Program to provide diagnosis and treatment for individuals who are identified as being in need; requiring specified funding; etc.

**Effective July 1, 1998**

**Senator Roesser, et al**

**SB 649 Disclosure of Medical Records -- Health Care Provider's Insurer or Legal Counsel**

Authorizing a health care provider to disclose a medical record without the authorization of a person in interest to any provider's insurer or legal counsel for the sole purpose of handling a potential or actual claim against any provider if the medical record is maintained on the claimant and relates to the subject matter of the claim.

Senator Hollinger (Chairman Health Subcommittee) and EEA, et al

**SB 650 Medical Assistance -- Managed Care Organizations -- Comprehensive Outreach Services**

Requiring specified managed care organizations to submit certain information to the Department of Health and Mental Hygiene at a specified time; authorizing the Department to impose specified penalties and take specified action if a managed care organization does not comply with specified requirements by a specified time; etc.

Senator Van Hollen, et al

**SB 651 Health Occupations -- Medical Review Committees -- Confidential Information**

Adding accreditation organizations to the list of organizations that are prohibited from releasing specific confidential information under specified circumstances; prohibiting the release of specific confidential information to specific organizations; defining terms; etc.

Senator Hollinger

**SB 722 Assisted Living Programs -- Small Facilities**

Prohibiting, before July 1, 1999, the Secretary of Health and Mental Hygiene from imposing sanctions under the provisions of Chapter 147 of the Acts of 1996, or any regulations adopted under that Act, with respect to assisted living programs that provide services to 15 or fewer individuals, unless specified circumstances relating to the physical or emotional harm of a resident in the program have occurred; requiring the Department of Health and Mental Hygiene to make a specified report to the General Assembly before January 1, 1999; etc.

**Effective June 1, 1998**

**Senator Madden, et al**

**SB 759 Medical Assistance -- Federally Qualified Health Centers -- Supplemental Payment**

Establishing a supplemental payment to federally qualified health centers to be paid by the Department of Health and Mental Hygiene in an amount that equals the difference between the payment received by the centers from managed care organizations and the reasonable cost to the centers in providing these services; providing for the reduction and termination of the supplemental payment; etc.

**Effective July 1, 1998**

**Senator Della**

**SB 782 Advisory Committee on Home--Based Health Care Services**

Establishing an Advisory Committee on Home--Based Health Care Services in the Department of Health and Mental Hygiene; requiring the Advisory Committee to conduct a certain study and report to the Secretary of Health and Mental Hygiene by a certain date; requiring the Secretary to report its recommendations by a certain date; and generally relating to the establishment of an Advisory Committee on Home--Based Health Care Services.

**Effective June 1, 1998**

**Senator Astle**

**SB 784 Department of Health and Mental Hygiene -- Vital Records**

Repealing a requirement that the Secretary of Health and Mental Hygiene send a copy of an original birth certificate to a county registrar under specified circumstances; authorizing a local health department to access electronically from the Department a certified or abridged copy of a registered birth record and to provide that copy to a specified person on request; altering the fee that the Department collects for copies of specified certificates or for a specified report and to dispose of those fees in a specified manner; etc.

Senator Della (By Request), et al

**HB 8 Employment in Recovery Pilot Program**

Establishing an Employment in Recovery Pilot Program in the Department of Health and Mental Hygiene; requiring the Program to be designed and administered by the Alcohol and Drug Abuse

Administration of the Department; specifying the purpose of the Program; specifying the duties of the Administration in administering the Program; establishing requirements for the Administration, the Department of Labor, Licensing, and Regulation, and the Department of Human Resources in approving proposals; etc.

**Effective July 1, 1998**

**Delegate Menes (Chairwoman, Special Committee on Drug and Alcohol Abuse), et al**

- HB 99 **Home-- and Community--Based Services for Autistic Children and Seriously Emotionally Disturbed Individuals -- Medicaid Waivers**  
Requiring the Department of Health and Mental Hygiene to apply to the federal Health Care Financing Administration for a Medicaid home-- and community--based services waivers to provide specified services to seriously emotionally disturbed individuals and autistic children; requiring specified action to be taken by the Maryland State Department of Education, local school systems, and local lead agencies; and requiring the Department to report to the General Assembly concerning the status of its application every 6 months.  
**Effective July 1, 1998**  
**Delegate Hurson, et al**
- HB 114 **State Board of Examiners for Audiologists, Hearing Aid Dispensers, and Speech--Language Pathologists -- Regulatory Authority**  
Altering requirements for an individual to qualify for a license to practice audiology; authorizing the issuance of specified limited licenses to individuals who have been previously issued limited licenses; providing that a licensed speech--language pathologist may delegate duties to an assistant under specified circumstances; etc.  
Delegate Morhaim
- HB 129 **Emergency Medical Services Providers**  
Clarifying the meanings of "health care provider", "health care practitioner", and "health practitioner" to include specified emergency medical services personnel; and providing a penalty for unauthorized provision of emergency medical services.  
**Effective December 31, 1998**  
**Chairman ENV (Dept)**
- HB 131 **Mental Hygiene Administration -- Facilities**  
Specifying that the Highland Health Facility at the Baltimore City Hospitals is not operated by the Mental Hygiene Administration and making technical corrections to the names of certain other facilities.  
Chairman ENV (Dept)
- HB 149 **Task Force to Study Increasing the Availability of Substance Abuse Programs**  
Establishing a Task Force to Study Increasing the Availability of Substance Abuse Programs; providing for the membership, duties, and staffing of the Task Force; requiring a specified report on or before January 1, 2000; requiring the Alcohol and Drug Abuse Administration to find a specified location for a specified substance abuse program; and providing for the termination of the Act.  
**Effective June 1, 1998**  
**Delegates Morhaim and Nathan--Pulliam**
- HB 161 **Health -- Female Genital Mutilation**  
Prohibiting female genital mutilation under specified circumstances; providing that a person who is convicted of female genital mutilation is guilty of a felony and is subject to imprisonment for not more than 5 years or a fine of not more than \$5,000 or both; providing for a specified exception; etc.

**Emergency Bill**  
**Delegate Branch, et al**

**HB 284 Assisted Living Programs -- Resident Property**

Requiring the Department of Health and Mental Hygiene to adopt regulations for the management of resident property by assisted living programs; providing that specified provisions are not applicable to assisted living programs if specified regulations have been adopted; requiring the Department to report to specified committees of the General Assembly on or before January 1, 1999; and providing for the termination of the Act.

Chairman ENV (Dept)

**HB 318 The William H. Amoss Organ and Tissue Donation Act of 1998**

Requiring hospitals to contact an appropriate organ, tissue, or eye recovery agency on or before each death in a hospital in order to determine a patient's suitability for organ, tissue, or eye donation; requiring a representative of the appropriate organ, tissue, or eye recovery agency or a designated requestor to request that specified representatives of a decedent consent to organ or tissue donation under specified circumstances; creating an Organ and Tissue Donation Awareness Fund; etc.

**Emergency Bill**

**Delegate Hammen (Joint Legislative Task Force on Organ and Tissue Donation), et al**

**HB 421 End Stage Renal Disease Program -- Outpatient Facilities -- Patient Referrals**

Authorizing specified health care practitioners to refer patients diagnosed with end stage renal disease to specified dialysis facilities; and generally relating to an exemption from the prohibition on specified patient referrals by health care practitioners.

Delegates Goldwater and Kopp

**HB 436 Nursing -- Licensing Requirements -- Exception**

Adding an exception to the nurse licensing requirement to allow nurses licensed in a state other than Maryland to practice registered nursing or licensed practical nursing if assigned by the American Red Cross in a disaster situation.

Delegate Goldwater, et al

**HB 437 Nursing -- Notification of Ownership, Name, or Address Change**

Requiring that nursing staff agencies report ownership, name, and address changes to the State Board of Nursing within a certain time period; and authorizing the Board to impose a fine of \$100 if the changes are not reported in time.

Delegate Goldwater, et al

**HB 442 Nursing -- Expulsion from Rehabilitation Program**

Authorizing the State Board of Nursing to immediately suspend the license of certain nurses who have been expelled from the rehabilitation program.

Delegate Goldwater, et al

**HB 454 Physical Therapy -- License and Practice Requirements**

Altering specified English language proficiency requirements for physical therapy licensure; specifying educational requirements for physical therapy licensure for specified applicants; altering specified grounds for disciplinary action by the State Board of Physical Therapy Examiners; providing for specified medical or psychological evaluation of physical therapy licensees under specified circumstances; authorizing specified judicial actions to enjoin the unauthorized practice of physical therapy and other conduct; etc.

Delegate Owings

- HB 479 **Exposure to Contagious Disease or Virus -- Notification**  
Adding specified diseases or viruses to the list of contagious diseases or viruses that are required to be reported to specified personnel; and removing a specified disease from the list.  
Chairman ENV (Dept)
- HB 480 **Health -- Assistance Programs -- AIDS Insurance Assistance Program**  
Extending the termination date of the AIDS Insurance Assistance Program; increasing to 450 the maximum number of recipients that may be enrolled in the Program at any one time; and specifying which premium the Program may pay to individuals who receive Medicare benefits.  
**Effective July 1, 1998**  
Chairman ENV (Dept)
- HB 556 **Health -- Utilization Review**  
Requiring the Insurance Commissioner, in consultation with the Maryland Hospital Association, the Maryland Association of Health Maintenance Organizations, the League of Life and Health Insurers, the Medical--Chirurgical Faculty of Maryland, and other interested organizations representing health care providers and health insurance carriers, to study hospital utilization review and report to specified legislative committees on or before December 1, 1998.  
**Effective July 1, 1998**  
Delegate Morhaim, et al
- HB 580 **State Board of Nursing -- Discipline**  
Requiring the State Board of Nursing to require a licensee to undergo a specified examination by a health care provider under certain circumstances; specifying circumstances under which licensees may be placed on probation or have their licenses suspended, denied, or revoked; establishing a penalty for licensees who disobey subpoenas from the Board; etc.  
Delegate Nathan--Pulliam, et al
- HB 581 **Nurses -- Safe Nursing Practices**  
Authorizing the State Board of Nursing to take certain actions against certain licensed nurses who perform acts beyond their knowledge and skills; authorizing the Board to take certain actions against certain licensed nurses who direct other nurses to perform acts beyond their knowledge and skills; etc.  
Delegate Nathan--Pulliam, et al
- HB 626 **Prince George's County -- AIDS Prevention Sterile Needle and Syringe Exchange Program PG 416--98**  
Authorizing Prince George's County to establish an AIDS Prevention Sterile Needle and Syringe Exchange Program in the Prince George's County Health Department; specifying the duties and responsibilities of the Director of the Program; requiring the County Executive to appoint an oversight committee for the Program; specifying the membership, duties, and responsibilities of the oversight committee; requiring the County's Health Department to collect specified data and develop and implement a plan for evaluating the Program; etc.  
**Effective July 1, 1998**  
Prince George's County Delegation
- HB 650 **Health Maintenance Organizations -- Directory of Providers -- Information to be Provided**  
Requiring that a health maintenance organization conspicuously print, in any directory of participating providers or hospitals, the address, telephone number, and facsimile number of State agencies that a member, enrollee, or insured person may call to discuss specified issues related to quality of care, life

and health insurance complaints, and assistance in resolving billing and payment disputes with a health plan or health care provider.

Delegate Mohorovic, et al

**HB 667 Certificate of Need -- Health Care Facilities and Comprehensive Care Beds -- Relocations**

Establishing, under specified circumstances, an exemption from having to obtain a certificate of need from the Health Resources Planning Commission for relocations involving the moving of comprehensive care beds approved after a specified date that were to be used in new nursing homes in Carroll County; altering a provision of law related to obtaining a certificate of need or modification to a previously issued certificate of need before relocating specified health care facilities; etc.

**Effective June 1, 1998**

**Delegate Elliott**

**HB 761 Maryland Electrology Practice Act**

Authorizing the State Board of Electrologists to require an examination, under certain circumstances, of a licensed electrologist during an investigation against the licensee; specifying privileges waived by a licensed electrologist in the State; establishing that a licensee's refusal to submit to an examination is prima facie evidence of specified findings under specified circumstances; specifying to whom specified reports and investigatory files may be disclosed; etc.

Delegate Nathan--Pulliam

**HB 766 Breast Cancer Program**

Requiring the Department of Health and Mental Hygiene to establish a Breast Cancer Program to provide screening mammograms and clinical breast examinations to specified low--income women aged 40 to 49 years on at least a biennial basis and for women aged 50 years and older on an annual basis; requiring the Program to provide diagnosis and treatment for individuals who are identified as being in need; requiring specified funding; etc.

**Effective July 1, 1998**

**Delegate Nathan--Pulliam, et al**

**HB 768 Professional Counselors -- Licensing**

Establishing requirements for the licensing of professional counselors--clinical, marriage and family therapists--clinical, and alcohol and drug counselors--clinical; requiring the State Board of Examiners of Professional Counselors to waive specified requirements for licensing of individuals under specified circumstances; prohibiting individuals from engaging in specified actions or making specified representations in the State or using specified titles unless licensed by the Board; etc.

Delegate Hubbard, et al

**HB 886 Medical Records -- Definition**

Altering the definition of "medical record" to include a file or record received from another health care provider that relates to the health care of a patient received from that health care provider and that identifies the patient.

Delegate Snodgrass

**HB 918 Medicaid -- Emergency Service Transporters -- Reimbursement**

Requiring the Department of Health and Mental Hygiene to reimburse public emergency service transporters for the costs of transportation and medical services provided to a Medicaid Program recipient during transport to specified facilities in response to a 911 call if the emergency service transporter charges for its services and requests reimbursement from the Program; setting a limit on the amount of reimbursement from the Program; requiring the Department to adopt specified regulations on or before January 1, 1999; etc.

**Various Effective Dates**  
**Delegate Rudolph, et al**

- HB 922 **Medical Assistance -- Managed Care Organizations -- Comprehensive Outreach Services**  
Requiring managed care organizations to provide to the Department of Health and Mental Hygiene evidence of compliance upon initial application and on an annual basis thereafter; authorizing the Department to take specified actions if a managed care organization does not comply with specified requirements by a certain time; etc.  
Delegate Marriott, et al
- HB 958 **State Board of Physician Quality Assurance -- Disclosure of Physician's Address of Record**  
Requiring the State Board of Physician Quality Assurance to include a physician's public address in a list of licensed physicians; requiring a physician to provide to the Board a nonpublic address under specified circumstances; requiring the Board to maintain a file of physicians' nonpublic addresses; providing that a physician's nonpublic address is not a public record and may not be released; prohibiting the Board from releasing a list of applicants for licensure; etc.  
**Effective July 1, 1998**  
**Delegates Morhaim and Bonsack**
- HB 992 **State Anatomy Board -- Unclaimed Bodies**  
Altering the time period from 48 hours to 72 hours within which the State Anatomy Board may take specified actions concerning an unclaimed body after death.  
Delegate Pendergrass, et al
- HB 1062 **Consumer Protection -- Drug Storage and Shipment Safety Act**  
Requiring pharmacy permit holders to place specified notices in each shipment of prescription drugs delivered in the State by the United States Mail, a common carrier, or a delivery service and not personally hand delivered directly to a patient or to the agent of a patient; requiring the notices to alert consumers that a medication's effectiveness may be affected by exposure to extremes of heat, cold, or humidity and to provide a toll--free or local telephone number which is designed to respond to consumer questions; etc.  
Delegate Klausmeier, et al
- HB 1084 **Medicaid Reimbursement -- Nursing Facilities**  
Requiring the Department of Health and Mental Hygiene to conduct a specified study and to report the results of its study to specified persons by December 1, 1998.  
**Effective June 1, 1998**  
**Delegate Redmer**
- HB 1158 **Medical Assistance -- Federally Qualified Health Centers -- Supplemental Payment**  
Establishing a supplemental payment to federally qualified health centers to be paid by the Department of Health and Mental Hygiene in an amount that equals the difference between the payment received by the centers from managed care organizations and the reasonable cost to the centers in providing these services; providing for the reduction and termination of the supplemental payment; etc.  
**Effective July 1, 1998**  
**Delegate Hurson**
- HB 1159 **Outpatient Mental Health Clinics -- Funding**  
Requiring the Secretary of Health and Mental Hygiene to continue from July 1, 1998 until June 30, 1999, a specified transitional funding option that was in effect for participating outpatient mental health clinics on July 1, 1997; providing that the Act may not be construed to prohibit the Secretary from

increasing a specified rate of reimbursement; and permitting the Department of Health and Mental Hygiene to grant up to \$70,000 annually for pro bono mental health services to a specified entity.

**Effective June 1, 1998**

**Delegate Hurson**

**HB 1173 Medical and Chirurgical Faculty of Maryland -- Physician Rehabilitation Program and Peer Review Activities -- Audit**

Altering the time period within which auditors are required to audit the accounts and transactions of the Medical and Chirurgical Faculty of Maryland for the physician rehabilitation program and peer review activities.

Delegate McHale

**HB 1252 Food Processing -- License Fee**

Altering the provisions relating to assessment of licensing fees for food establishments by providing that a county health department may not assess a license fee of more than \$35 for seasonal food processing operations that meet specified criteria; and providing that a seasonal food processing operation may obtain a food establishment license for a specified fee only twice in a calendar year.

Delegate Stocksdale

**HB 1351 Hospital or Nursing Facility -- Employee Name Tags**

Requiring each hospital or nursing facility in the State to ensure that its employees and specified other individuals wear a personal identification tag, except where inappropriate for medical reasons, that indicates in readable text specified personal and professional information; and authorizing the Secretary of Health and Mental Hygiene to impose a fine not to exceed \$25 per violation of the Act.

Delegate Guns

**HB 1366 Health Maintenance Organizations -- Annual External Review of Quality**

Requiring the Department of Health and Mental Hygiene to conduct an annual external review of the quality of health care services of health maintenance organizations.

Delegates McHale and Donoghue

**PART K**  
**NATURAL RESOURCES, ENVIRONMENT, AND AGRICULTURE**

**SB 22 Natural Resources -- Livery Vessel Owner -- Safety Requirements**

Prohibiting a livery vessel owner or agent or employee of a livery vessel owner from renting or offering for rent a Class A vessel for use on waters of the State unless each vessel is in seaworthy condition and equipped for waters where the vessel is intended to be used and the livery vessel owner, agent, or employee of the owner possesses a boating safety certificate; providing that a violation of the boat standards and certificate provisions is a boating safety violation; etc.

Senator Green

**SB 133 Soil Conservation Districts -- Funding**

Altering the mechanism for funding grading and sediment control plan review by soil conservation districts through fee systems; requiring soil conservation districts to develop specified costs in the preparation of fee systems; requiring submission of the fee systems to local governing bodies; allowing local governing bodies to provide specified funding to soil conservation districts in specified manners; providing that fee systems shall take effect in a specified manner under specified circumstances; etc.

Senator McCabe, et al

**SB 177 Environment -- Linked Deposit -- Use in Maryland Water Quality and Drinking Water Revolving Loan Fund Programs**

Authorizing the Water Quality Financing Administration to establish a Linked Deposit Program to promote loans for controlling nonpoint sources of pollution and protecting water quality; establishing an application process for linked deposit loans; requiring the Administration to make specified certifications regarding the eligibility of specified borrowers; requiring the Administration and a lender to enter into specified agreements under specified circumstances; etc.

The President (Administration), et al

**SB 178 Water Quality Improvement Act of 1998**

Establishing an Animal Waste Technology Fund; requiring specified commercial contract feed to contain specified ingredients by a specified date and to a specified extent; requiring the suspension, modification, or termination of the requirement under specified circumstances; requiring the Governor to provide sufficient funding to maintain a specified level of field personnel for soil conservation districts; requiring specified persons to have and to comply with specified nutrient management plans by specified dates; etc.

**Effective July 1, 1998**

**The President (Administration), et al**

**SB 212 On--Site Sewage Disposal Systems -- Inspections During Property Transfers -- Qualifications of Inspector**

Requiring persons who are engaged in the business of inspecting on--site sewage disposal systems for property transfers after January 1, 1999 to certify to the Maryland Department of the Environment that the person has completed a specified course of instruction; requiring persons engaged in the business of inspecting on--site sewage disposal systems to make evidence of completion of a specified course of instruction available to persons contracting for inspection services; etc.

Senator Frosh

- SB 257 **Deer -- Seasons and Bonus Stamps**  
Altering specified provisions relating to deer stamps; eliminating specified provisions relating to deer hunting in Dorchester County; providing that a bonus deer stamp purchased in one season may be used in a subsequent season during the same hunting year; and altering a specified fee.  
**Effective July 1, 1998**  
**Senator Stoltzfus, et al**
- SB 398 **Hydraulic Clam Dredging**  
Prohibiting the use of a hydraulic clam dredge in any submerged aquatic vegetation bed; requiring the Department of Natural Resources to delineate specified existing submerged aquatic vegetation beds in the waters of the State by using the most recent aerial surveys as guidance; and requiring the Department to update the delineations as necessary.  
**Emergency Bill**  
**Senator Collins, et al**
- SB 400 **Fish -- Striped Bass Allocation**  
Requiring the Department of Natural Resources to provide by regulation for specified allocations of the available quota of striped bass at specified times.  
Senator Stoltzfus
- SB 461 **St. Mary's County -- Crab Harvesting -- Prohibition on Use of Bank Traps and Channel Pounds**  
Prohibiting after October 1, 2000 the use of bank traps and channel pounds by persons harvesting crabs in St. Mary's County; and requiring the Department of Natural Resources to conduct a specified study and submit a report to the General Assembly by December 1, 1999.  
St. Mary's County Senators
- SB 653 **Maryland Horse Industry Board and Fund**  
Renaming and expanding the State Board of Inspection of Horse Riding Stables to be the Maryland Horse Industry Board; providing for the membership of the Board; altering specified duties of the Board; creating the Maryland Horse Industry Fund for specified purposes; providing for the sources of moneys for the Fund; and relating generally to the Maryland Horse Industry Board and Fund.  
Senator Dorman
- SB 679 **Fisheries Management -- Limited Entry to the Commercial Fishery -- Apprenticeship -- Noncommercial Crabbing License**  
Revising the law relating to limited entry to the commercial fishery; establishing a tidal fish license apprenticeship program; revising the procedures and fees for obtaining various licenses and authorizations; requiring that licenses be issued to individuals who complete specified apprenticeship programs; establishing a specified noncommercial crabbing license; establishing daily catch limits for crabs; authorizing individuals to catch crabs without a license under specified circumstances; etc.  
**Various Effective Dates**  
**Senators Pinsky and Stoltzfus**
- SB 712 **Hunting and Trapping -- Coyotes**  
Extending the termination provisions of law relating to the hunting and trapping of coyotes and the inclusion of coyotes under the definition of "fur--bearing mammal"; and requiring the Department of Natural Resources to report to the General Assembly on or before December 31, 2000 on specified aspects of the coyote population in the State.  
**Effective July 1, 1998**  
**Senators Craig and Fry**

- SB 795 Shore Erosion Control Construction Loan Fund**  
Providing that the Department of Natural Resources shall take specified actions relating to shore erosion control projects; and providing that the Shore Erosion Control Construction Loan Fund may be used to fund shore erosion control projects.  
**Effective June 1, 1998**  
**Senator Ruben, et al**
- HB 65 Soil Conservation Districts -- Funding**  
Altering the mechanism for funding grading and sediment control plan review by soil conservation districts through fee systems; requiring soil conservation districts to develop specified costs in the preparation of fee systems; requiring submission of the fee systems to local governing bodies; allowing local governing bodies to provide specified funding to soil conservation districts in specified manners; providing that fee systems shall take effect in a specified manner under specified circumstances; etc.  
Delegate Owings, et al
- HB 237 Northeast Interstate Dairy Compact**  
Entering Maryland into the Northeast Interstate Dairy Compact; stating the purposes of the Compact; establishing the Northeast Interstate Dairy Compact Commission for specified purposes; providing for the powers and rulemaking procedures of the Commission; providing for the enforcement of the Compact; providing for the financing of the Commission and the establishment of specified fees; providing for a specified contingency and for the termination of the Act; etc.  
**Contingent**  
**Western Maryland Delegation**
- HB 280 Natural Resources -- Livery Vessel Owner -- Safety Requirements**  
Prohibiting a livery vessel owner or agent or employee of a livery vessel owner from renting or offering for rent a Class A vessel for use on waters of the State unless each vessel is in seaworthy condition and equipped for waters where the vessel is intended to be used and the livery vessel owner, agent, or employee of the owner possesses a boating safety certificate; providing that a violation of the boat standards and certificate provisions is a boating safety violation; etc.  
Delegates Hutchins and Owings
- HB 285 Governor's Energy Emergency Powers**  
Extending the Governor's energy emergency powers during an acute shortage of usable energy resources.  
**Effective July 1, 1998**  
**Chairman ENV (Dept)**
- HB 286 Public Schools -- Integrated Pest Management**  
Requiring county boards of education to adopt integrated pest management systems for public schools as approved by the Secretary of Agriculture; requiring public schools to provide notice of the school's integrated pest management system to specified individuals at the start of each school year; requiring county boards to designate contact persons for specified purposes; requiring public schools to develop and maintain a pesticide notification list; etc.  
**Effective July 1, 1998**  
**Delegate Stup, et al**
- HB 451 Forests and Parks -- Program Open Space -- Funds**  
Creating a Program Open Space Contingency Fund in the Department of Natural Resources to supplement existing appropriations for capital projects and for critical maintenance of capital projects; authorizing use of the Fund for specified purposes; requiring the Department to evaluate each request

for an expenditure from the Fund; providing for notice to the budget committees on the planned use of the funds; providing for review and comment by the budget committees with specified exceptions; requiring specified annual reports; etc.

**Effective July 1, 1998**

**Chairman APP (Dept)**

**HB 492 Beach Erosion Control District -- Boardwalk Widening -- Ocean City**

Providing for construction in the Beach Erosion Control District of Ocean City.

Delegate Bozman, et al

**HB 493 Environment -- Linked Deposit -- Use in Maryland Water Quality and Drinking Water Revolving Loan Fund Programs**

Authorizing the Water Quality Financing Administration to establish a Linked Deposit Program to promote loans for controlling nonpoint sources of pollution and protecting water quality; establishing an application process for linked deposit loans; requiring the Administration to make specified certifications regarding the eligibility of specified borrowers; requiring the Administration and a lender to enter into specified agreements under specified circumstances; etc.

The Speaker (Administration)

**HB 512 State Board of Veterinary Medical Examiners -- Grounds for Discipline**

Authorizing the State Board of Veterinary Medical Examiners to discipline a veterinarian based on the disciplinary actions of a licensing authority of another state.

Chairman ENV (Dept)

**HB 535 Natural Resources -- Phragmites -- Reports**

Requiring the Department of Natural Resources to determine the spread of phragmites on a per--acre basis and to prepare reports on the extent of infestation; requiring statewide studies to determine any progress made in current management and control; requiring the Department to submit a specified report every five years beginning in 2000 to specified legislative committees: and generally relating to the management and control of phragmites in the State.

Delegate Weir

**HB 575 Agriculture -- Aquaculture Advisory Committee**

Altering the membership of the Aquaculture Advisory Committee.

Chairman ENV (Dept)

**HB 599 Water Quality Improvement Act of 1998**

Establishing an Animal Waste Technology Fund; requiring specified commercial contract feed to contain specified ingredients by a specified date and to a specified extent; requiring the suspension, modification, or termination of the requirement under specified circumstances; requiring the Governor to provide sufficient funding to maintain a specified level of field personnel for soil conservation districts; requiring specified persons to have and to comply with specified nutrient management plans by specified dates; etc.

**Effective July 1, 1998**

**Delegate Guns, et al**

**HB 673 Fishing -- Interference with Fishing Activities**

Prohibiting persons from intentionally interfering with specified fishing activities; providing that these prohibitions do not apply to specified lawful activities under specified circumstances; and providing for the arrest of persons who interfere with fishing activities and who refuse to desist or to leave the area.

**Effective June 1, 1998**

**Delegate Weir, et al**

**HB 676 Snow Goose Hunting -- Nonresidents**

Allowing nonresidents to hunt snow geese in Maryland without a Maryland hunting license under specified conditions.

Delegate Weir

**HB 741 Lead Paint -- Exterior Surfaces**

Altering the definition of "exterior surfaces" to include specified surfaces in specified areas of a multifamily rental dwelling; and altering the definition of "rental dwelling unit" to exclude specified common areas.

Delegate Arnick

**HB 742 Lead Paint -- Restoration of Property -- Exterior Surfaces**

Altering a specified standard for exempting specified affected property from lead hazard reduction procedures if specified surfaces are restored in a specified manner.

Delegate Arnick

**HB 873 Hard--Shell Clams -- Harvesting -- Size Limit**

Altering the minimum transverse dimension that a hard--shell clam may have for a person to be able to harvest hard--shell clams to seven--eighths of an inch; altering an exception; allowing 10 hard--shell clams out of each 105 in a person's possession to have a transverse dimension of less than seven--eighths of an inch; and establishing a procedure for determining the number of hard--shell clams in a person's possession that are under a minimum size.

**Effective June 1, 1998**

**Delegate McClenahan, et al**

**HB 917 Natural Resources -- Forest and Park Concession Account**

Establishing a Forest and Park Concession Account in the Department of Natural Resources; requiring that specified money be deposited into the Account; providing for specified payments out of the Account to specified counties; specifying the uses of the Account; defining concession operations; and requiring a specified budget to include the revenues and expenditures of the Account in a specified format.

Delegate Rudolph, et al

**HB 1005 Consolidated Fishing License -- Application**

Allowing persons to apply for a resident consolidated senior sport fishing license at the beginning of the year in which they attain the age of 65.

**Effective June 1, 1998**

**Delegate Redmer, et al**

**HB 1024 Refuse Disposal -- Permit Applications -- Departmental Processing**

Prohibiting the Department of the Environment from processing a refuse disposal permit until specified requirements are met; and generally relating to the processing of refuse disposal permit applications.

Delegate Guns, et al

**HB 1025 Environment -- Drinking Water**

Requiring a public supplier of water to notify its consumers and the Department of the Environment in a specified manner whenever a public water system fails to meet specified standards; prohibiting false statements by a supplier; prohibiting a person from tampering with water monitoring devices or water

systems; providing penalties; requiring new water suppliers to demonstrate specified competencies; and generally relating to public water systems and drinking water standards and requirements.

**Contingent**

**Chairman ENV (Dept)**

**HB 1034 Fishing -- Pound Nets and Pound Net Stakes**

Prohibiting specified licensees from allowing any pound net to remain in the water longer than a specified period of time following discontinuance of fishing; prohibiting a licensee from allowing a pound net or stake to remain in the water between January 1 and January 31 of any year, except under specified circumstances; altering circumstances under which a licensee who fails to comply with specified provisions relating to pound nets and pound net stakes is guilty of a misdemeanor and subject to specified penalties; etc.

Delegate Weir

**HB 1168 Small Business Pollution Compliance Loan Fund**

Establishing a Small Business Pollution Compliance Loan Fund; providing for the purposes and administration of the Fund; authorizing the Board of Public Works to award loans from the Fund to specified persons for specified purposes; requiring the Department of the Environment to adopt regulations; providing standards for loans; requesting the Governor to provide specified funding for the Fund; etc.

**Effective July 1, 1999**

**Delegate McHale, et al**

**HB 1260 Fisheries Management -- Limited Entry to the Commercial Fishery -- Apprenticeship -- Noncommercial Crabbing License**

Revising the law relating to limited entry to the commercial fishery; establishing a tidal fish license apprenticeship program; revising the procedures and fees for obtaining various licenses and authorizations; requiring that licenses be issued to individuals who complete specified apprenticeship programs; establishing a specified noncommercial crabbing license; establishing daily catch limits for crabs; authorizing individuals to catch crabs without a license under specified circumstances; etc.

**Various Effective Dates**

**Delegate Wood, et al (Chesapeake Bay Commission)**

**HB 1334 Environment -- Waste Information and Assessment Program**

Requiring the Department of the Environment to establish a waste information and assessment program and to submit an annual report to the General Assembly identifying the amount of solid waste disposed of in the State; and requiring permitted waste facilities to provide information to the Department.

Delegates Guns and Walkup

**HB 1393 Flood Management Grants -- Local and State Contributions**

Altering the minimum required local contribution to flood management projects involving only State and local funding under the Comprehensive Flood Management Grant Program; and altering a limitation on State contributions to flood management projects which involve federal funding.

**Effective July 1, 1998**

**Delegate Taylor, et al**

**HB 1397 Allegany County Sanitary Commission -- Collection of Delinquent Charges -- Tax Sales**

Authorizing the Allegany County Sanitary Commission to request the county tax collector to conduct a sale of real property to enforce a lien representing any unpaid benefit assessment or other charges of the Commission; and authorizing the tax collector in Allegany County to conduct a county tax sale for the purpose of enforcing a lien that represents any unpaid benefit assessment and other charges levied

by the Allegany County Sanitary Commission.  
Allegany County Delegation

**PART L**  
**EDUCATION**

**SB 168 Public Libraries -- Funding**

Increasing the per capita dollar amount that must be provided each year to each county public library system that participates in the State's minimum library program.

**Effective July 1, 1998**

**The President (Administration), et al**

**SB 169 Higher Education -- Baltimore City Community College -- Funding**

Providing a mechanism to set the State funding levels for Baltimore City Community College for specified years; providing that the State appropriation to the College requested by the Governor may not be less than the appropriation requested in the previous fiscal year; requiring the City of Baltimore to expend specified funds to support education at the College; etc.

**Effective July 1, 1998**

**The President (Administration), et al**

**SB 171 School Accountability Funding for Excellence**

Establishing a School Accountability Funding for Excellence Program to provide additional targeted State funding for education programs serving "at--risk" students in public school systems of the State; providing for the allocation of specified funds, subject to specified formulas and conditions, to various programs; requiring specified annual reports to the General Assembly; providing for the termination of the Act; etc.

**Effective July 1, 1998**

**The President (Administration), et al**

**SB 174 Higher Education -- Maryland Science and Technology Scholarships**

Establishing the Maryland Science and Technology Scholarship Program for use by specified undergraduates at Maryland institutions of higher education; setting qualifications; specifying scholarship amounts; requiring recipients to sign a specified agreement; providing for funding for the Program; etc.

**Effective July 1, 1998**

**The President (Administration), et al**

**SB 238 Harford County -- School Board -- Hearing Examiners -- Bar Membership Optional for Certain Proceedings**

Allowing Harford County to employ nonattorneys, as well as attorneys, as hearing examiners for specified school board disciplinary proceedings involving students.

**Effective July 1, 1998**

**Senator Craig, et al**

**SB 290 Baltimore City Board of School Commissioners -- Statutory Deadlines**

Altering specified deadlines relating to the New Baltimore City Board of School Commissioners.

**Emergency Bill**

**Senators Hoffman and Blount**

**SB 339 Higher Education -- Community Colleges -- Innovative Partnerships for Technology Program**

Establishing an Innovative Partnerships for Technology Program for specified State community college campuses; setting forth how funds from eligible donors will be matched by the State and how the payments will be made; requiring that the payments made by the State to eligible institutions not exceed \$200,000 during each eligible period; establishing eligibility criteria; prohibiting funds paid by the State to eligible institutions from being included in the computation of the State general fund or capital fund; etc.

**Effective July 1, 1998**

**Senator Lawlah (Chairman Health, Education and Human Resources Subcommittee), et al**

**SB 531 Carroll County -- Board of Education -- Compensation**

Increasing the annual compensation of the chairman and the other members of the Carroll County Board of Education; providing for the method of payment for the compensation; and providing that the Act does not apply to the compensation of the incumbent members of the Board.

**Effective July 1, 1998**

**Senators Haines and Ferguson (Carroll County Senators)**

**SB 580 The Maryland School for the Blind -- Board of Directors, Funding, and Services**

Providing that The Maryland School for the Blind shall be governed by the Board of Directors of The Maryland School for the Blind; providing for the membership of the Board; providing for the manner in which vacancies on the Board shall be filled; requiring The Maryland School for the Blind to establish and operate a program of enhanced services for blind students who have other severe disabilities; including The Maryland School for the Blind among entities for which the Governor may not reduce appropriations; etc.

**Effective July 1, 1998**

**Senator Bromwell, et al**

**SB 596 Higher Education -- Funding**

Altering requirements for funding of higher education; repealing specific minimum funding amounts for specified public senior institutions of higher education; specifying the General Assembly's intent that the Governor provide funding for higher education, beginning in Fiscal Year 2000, equal to or greater than the amount appropriated in the prior year; and revising the goal for funding of higher education so that the goal is based on specified percentages of total General Fund revenues and applies to all higher education; etc.

Senator Hoffman, et al

**SB 610 New Baltimore City Board of School Commissioners -- Chief Executive Officer**

Allowing the interim Chief Executive Officer of the New Baltimore City Board of School Commissioners to be eligible for appointment as the permanent Chief Executive Officer of the Board; extending a certain deadline with respect to the appointment of a permanent Chief Executive Officer of the Board; and making the Act an emergency measure.

**Emergency Bill**

**Senators Della and McFadden**

**SB 625 Education -- Carroll County -- Hearing Officers**

Authorizing the Carroll County Board of Education to appoint hearing officers; and prohibiting a hearing officer from being a partner or employee of the law firm that represents the Carroll County Board of Education.

**Effective July 1, 1998**

**Senators Haines and Ferguson (Carroll County Senators)**

**SB 710 Higher Education -- Virginia--Maryland Regional College of Veterinary Medicine**

Furthering the Virginia--Maryland Regional College of Veterinary Medicine; establishing the terms under which the College will operate; providing for the composition of the student body; establishing a Budget and Program Review Board; providing for the membership of the Board; stating the functions of the Board; providing for the fiscal support of the Board; providing for how the actual costs of the professional instructional program of the College will be determined; etc.

**Effective July 1, 1998**

**Senator Fry, et al**

**SB 723 Public Schools -- Confidentiality of Student Records**

Adding the home address and home phone number of a student to the list of records that a custodian is prohibited from making available to the public; and authorizing a custodian to permit inspection of the home address or home phone number of a student of a public school by specified persons or organizations under specified circumstances.

**Effective July 1, 1998**

**Senator Madden**

**SB 791 Task Force to Study School Construction Work--Based Learning and Apprenticeship Programs**

Establishing a Task Force to Study School Construction Work--Based Learning and Apprenticeship Programs; establishing the membership and duties of the Task Force; and requiring the Task Force to conduct a specified study and to report to the Governor and the General Assembly on or before December 15, 1999.

**Effective June 1, 1998**

**Senators Lawlah and McFadden**

**SB 794 State--Aided Educational Institutions -- Criteria for Qualifying**

Specifying criteria set forth by the State Department of Education for qualification as a State--aided educational institution; requiring an educational institution to submit a request and an application to the Department before May 1; requiring the Department to review the applications and submit a list of qualified institutions to the State Superintendent for review and comment in June; requiring the State Superintendent to provide specified information to the State Board of Education at a meeting in August; etc.

Senator Lawlah, et al

**HB 1 School Accountability Funding for Excellence**

Establishing a School Accountability Funding for Excellence Program to provide additional targeted State funding for education programs serving "at--risk" students in public school systems of the State; providing for the allocation of specified funds, subject to specified formulas and conditions, to various programs; requiring specified annual reports to the General Assembly; providing for the termination of the Act; etc.

**Effective July 1, 1998**

**Delegate Taylor and The Speaker (Administration), et al**

**HB 28 Higher Education -- Professional School Scholarship Program -- Social Work**

Adding social work scholarship programs to a list of scholarship programs provided by the State from the proceeds of special vehicle registration application fees paid into a special fund administered by the Maryland Higher Education Commission for use in the professional school scholarship programs; and increasing from \$150,000 to \$180,000 the amount of money which shall be paid into the special fund administered by the Maryland Higher Education Commission for use in the professional school scholarship programs.

**Effective July 1, 1998**

**Delegate Marriott, et al**

- HB 53 **Anne Arundel County -- Education -- Capital Projects**  
Permitting the Anne Arundel County Board of Education to fund capital projects over a 2--year period, whether or not part of the period of time falls in an election year for County officials; and making the Act an emergency measure.  
**Emergency Bill**  
**Delegate Cadden**
- HB 94 **Public Libraries -- Funding**  
Altering the per capita dollar amount that is required to be provided annually to each county public library system participating in the State's minimum library program.  
**Effective July 1, 1998**  
**Delegate Hixson, et al**
- HB 104 **Howard County -- Board of Education -- Compensation Ho. Co. 12--98**  
Increasing the annual compensation of the Chairman of the Howard County Board of Education from \$10,000 to \$11,000 and the other members of the Board from \$9,000 to \$9,900.  
**Effective July 1, 1998**  
**Howard County Delegation**
- HB 209 **State Aid for Public Education -- Schools for Success -- Extension of Sunset**  
Extending until June 30, 2001, the termination date of the Schools for Success Challenge Grant Program.  
**Effective June 1, 1998**  
**Chairman W&M (Dept)**
- HB 210 **Community Rehabilitation Programs**  
Revising the terminology of community rehabilitation programs, formerly known as sheltered workshops, for consistency with federal law.  
**Chairman W&M (Dept)**
- HB 249 **Higher Education -- Maryland Science and Technology Scholarships**  
Establishing the Maryland Science and Technology Scholarship Program for use by specified undergraduates at Maryland institutions of higher education; setting qualifications; specifying scholarship amounts; requiring recipients to sign a specified agreement; providing for funding for the Program; etc.  
**Effective July 1, 1998**  
**The Speaker (Administration), et al**
- HB 256 **Higher Education -- Baltimore City Community College -- Funding**  
Providing a mechanism to set the State funding levels for Baltimore City Community College for specified years; providing that the State appropriation to the College requested by the Governor may not be less than the appropriation requested in the previous fiscal year; requiring the City of Baltimore to expend specified funds to support education at the College; etc.  
**Effective July 1, 1998**  
**The Speaker (Administration), et al**
- HB 258 **Higher Education -- Small Community Colleges -- Annual Grant**  
Establishing annual grants for specified small community colleges, subject to specified reductions during specified years; defining "small community college"; and providing that the Act shall terminate

at the end of June 30, 2002.

**Effective July 1, 1998**

**The Speaker (Administration), et al**

- HB 363 Montgomery County -- Board of Education -- Capital Improvements Program MC 818--98**  
Establishing a biennial capital improvements program process in Montgomery County for public schools; authorizing the County Council to amend an approved capital improvements program at any time by an affirmative vote of six council members; and substituting the reference to the Board of Education for the former reference to the Superintendent.  
**Effective July 1, 1998**  
**Montgomery County Delegation**
- HB 369 Education -- Montgomery Community College -- Board of Trustees MC 806--98**  
Altering the number of members from 8 to 10 on the Board of Trustees of Montgomery Community College; making stylistic changes; and specifying the beginning of the terms of the two new members of the Board.  
**Effective July 1, 1998**  
**Montgomery County Delegation**
- HB 382 Maryland National Guard -- Tuition Assistance**  
Authorizing the Maryland National Guard to give specified kinds of tuition assistance to certain members of the Guard to take in--State undergraduate courses.  
**Effective June 1, 1998**  
**Chairman W&M (Dept)**
- HB 519 Frederick County -- Elected Board of Education**  
Providing that the members of the Board of Education of Frederick County shall be elected by the voters of the County; providing for the terms, removal, and compensation of members of the Board; providing for the election of a president; providing for the filling of vacancies on and meetings of the Board; providing for the termination of the terms of the appointed members of the Board in accordance with a certain schedule; making the Act contingent on a referendum of the voters of Frederick County; etc.  
**Contingent--Eff. July 1, 1998**  
**Frederick County Delegation**
- HB 541 Financing for Elementary and Secondary Schools**  
Authorizing the Maryland Health and Higher Educational Facilities Authority to make its financing programs available to, and issue bonds for, specified nonprofit elementary and secondary schools in the State; stating that it is the intent of the General Assembly that the Maryland Health and Higher Educational Facilities Authority may assist noncollegiate educational institutions in obtaining funding for financing capital projects; etc.  
**Effective June 1, 1998**  
**Delegate Rosenberg**
- HB 621 Higher Education -- Community Colleges -- Innovative Partnerships for Technology Program**  
Establishing an Innovative Partnerships for Technology Program for specified State community college campuses; setting forth how funds from eligible donors will be matched by the State and how the payments will be made; requiring that the payments made by the State to eligible institutions not exceed \$200,000 during each eligible period; establishing eligibility criteria; prohibiting funds paid by the State to eligible institutions from being included in the computation of the State general fund or capital fund; etc.

**Effective July 1, 1998**  
**Delegate Kopp, et al**

- HB 657 **Prince George's County -- School Construction PG 417--98**  
Authorizing the Board of Education of Prince George's County to construct school facilities for joint use by the Board and specified other Prince George's County public agencies on land owned by a public agency in the County; requiring the State and the Prince George's County government to provide specified funding for public school construction for a specified period; requiring a State/local cost sharing formula for public school construction costs in Prince George's County; etc.  
**Emergency Bill**  
**Prince George's County Delegation**
- HB 702 **Washington County -- Board of Education -- Terms of Members**  
Providing that at the general election in Washington County in November, 1998, the three members of the Washington County Board of Education who receive the highest number of votes shall serve a term of 4 years and the two members who receive the next highest number of votes shall serve a term of 2 years; and specifying that after the initial term each term shall be 4 years.  
Washington County Delegation
- HB 730 **Baltimore County -- Community Colleges -- Change of Name**  
Restructuring the system of community colleges in Baltimore County by creating the Community College of Baltimore County with three campuses; and changing the names of specified existing community colleges in Baltimore County.  
Delegate Minnick (Baltimore County Administration)
- HB 733 **Higher Education Institutions -- Teacher Training Programs -- Accreditation**  
Requiring institutions of higher education in the State that offer teacher training programs to receive national accreditation or, under specified circumstances, a waiver from the requirement; requiring that accreditation be done in a specified manner and completed by a specified date; requiring the Maryland Department of Education, in connection with the accreditation program, to develop and administer a program of technical assistance, to pay specified fees, and to adopt specified regulations; etc.  
**Effective July 1, 1998**  
**Delegate Rawlings**
- HB 770 **Education -- Transitioning Youth -- Reporting on Postsecondary Service Needs**  
Requiring each county school system and the State Department of Education to report on the postsecondary anticipated services of specified students with disabilities.  
**Effective July 1, 1998**  
**Delegate Hubbard, et al**
- HB 971 **Harford County -- School Board Hearing Examiner -- Bar Membership Optional for Certain Proceedings**  
Allowing Harford County to employ nonattorneys, as well as attorneys, as hearing examiners for specified school board disciplinary proceedings involving students.  
**Effective July 1, 1998**  
**Harford County Delegation**
- HB 999 **Task Force on Public Charter Schools**  
Establishing a Task Force on Public Charter Schools; providing for the membership, chairman, duties, and staffing of the Task Force; requiring the Task Force to report to the Governor and the General Assembly on its findings and recommended legislation by a specified date; and providing for the

termination of the Act.

**Effective July 1, 1998**

**Delegate Leopold, et al**

**HB 1105 Somerset County -- Selection of Members -- Straw Ballot**

Requiring that a question be placed on the ballot in Somerset County at the November general election of 1998 to determine the sense of the voters of the County on the issue of changing the method of selecting members of the Somerset County Board of Education.

**Effective July 1, 1998**

**Somerset County Delegation**

**HB 1139 Education of Children with Disabilities**

Conforming State law on the education of children with disabilities to the 1997 Amendments to the federal Individuals with Disabilities Education Act; clarifying a funding level requirement for special education and related services for children with disabilities; etc.

**Effective July 1, 1998**

**Chairman W&M (Dept)**

**HB 1171 The Maryland School for the Blind -- Board of Directors, Funding, and Services**

Providing that The Maryland School for the Blind shall be governed by the Board of Directors of The Maryland School for the Blind; providing for the membership of the Board; providing for the manner in which vacancies on the Board shall be filled; requiring The Maryland School for the Blind to establish and operate a program of enhanced services for blind students who have other severe disabilities; including The Maryland School for the Blind among entities for which the Governor may not reduce appropriations; etc.

**Effective July 1, 1998**

**Delegate Klausmeier**

**HB 1233 Public Libraries -- Regional Resource Centers -- Funding**

Allocating a minimum of \$1.70 annually for each resident of the area served to the regional resource centers for the public libraries in the State.

**Delegate Taylor, et al**

**HB 1347 Maryland Technology Academy and Maryland Technology Academy Pilot Program**

Establishing a Maryland Technology Academy in the State Department of Education; specifying the purposes and format for the operation of the Academy; requiring the Department to establish guidelines for the application process and selection of participants in the Academy; providing for funding; establishing a Maryland Technology Academy Pilot Program and guidelines and policies to implement the Pilot Program; etc.

**Various Effective Dates**

**Delegate McIntosh, et al**

**SJ 8 Maryland Higher Education -- Maryland Charter for Higher Education Governance, Coordination, and Funding of University System of Maryland**

Establishing a task force to study the governance, coordination, and funding of the University System of Maryland; providing for the membership of the task force; providing for specified notice procedures for meetings of the task force; providing for a specified report; etc.

**Senator Miller, et al**

**HJ 12 Maryland Higher Education -- Maryland Charter for Higher Education Governance,**

**Coordination, and Funding of the University System of Maryland**

Establishing a task force to study the governance, coordination, and funding of the University System of Maryland; providing for the membership of the task force; etc.

Delegate Taylor, et al

**HJ 15 Education -- Class Size Reduction Program -- Appointment of Special Study Committee**

Requesting the Governor to appoint a special committee to study the class size reduction programs in the State and in other states, to review the effects and results of past legislative action and individual Local Educational Agency initiatives pertaining to this issue, and to propose modifications and remedies, as needed; providing for the membership of the committee and the appointment of its chairperson; and requiring the committee to submit a report to the Governor and the General Assembly on or before December 1, 1999.

Delegate Heller, et al

**HJ 22 Task Force to Study the Effects of Cult Activities on Public Senior Higher Education Institutions**

Establishing a task force to study the effects of cult activities on the University of Maryland System, St. Mary's College, and Morgan State University; and providing for the membership and staffing of the Task Force.

Delegate Muse, et al

**PART M**  
**HUMAN RESOURCES**

- SB 50 **Child Care Administration Advisory Council -- Membership**  
Increasing the membership of the Child Care Administration Advisory Council to a maximum of 30 by including representatives of the Maryland Association of Social Services Directors, a professional organization concerned with early childhood programs, family day care providers, and child care centers.  
Chairman EEA (Dept)
- SB 292 **Work, Not Welfare Tax Incentive Act -- Child Care or Transportation Expenses**  
Extending and amending the Work, Not Welfare Tax Credit to allow a credit against the State income tax, financial institution franchise tax, insurance premium tax, and public service company franchise tax for specified wages paid and specified child care or transportation expenses incurred by a business entity with respect to specified employees; providing a calculation for the credit; requiring the Department of Legislative Services to conduct a specified study and report to specified committees of the General Assembly; etc.  
**Effective June 1, 1998**  
**Senator Currie, et al**
- SB 351 **Office on Aging -- Senior Citizen Activities Centers -- Grants**  
Increasing the limit on certain State grants awarded to the Office on Aging for certain projects involving senior citizen activities centers; and declaring the intent of the General Assembly.  
**Effective June 1, 1998**  
**Senator Hoffman, et al**
- SB 426 **Residential and Nonresidential Child Care Centers and Nonpublic General Education Schools -- Rate Settings**  
Requiring specified State agencies to redesign the rate setting for private residential or nonresidential child care programs and specified nonpublic general education schools; making the Department of Education the lead agency in redesigning the specified rate setting structure; etc.  
**Emergency Bill**  
**Senator Kasemeyer**
- SB 499 **Frederick County -- Local Social Services Board -- Members**  
Providing in Frederick County that the board of the local department of social services shall be composed of at least 9 but not more than 13 members, as determined by the Board of County Commissioners.  
**Effective July 1, 1998**  
**Senators Derr and Ferguson (Frederick County Senators)**
- SB 686 **Welfare Innovation Act of 1998**  
Codifying a provision of law related to the use of certain savings involving the Family Investment Program; requiring the Secretary of Human Resources to give priority to and use a certain percentage of funds allocated to demonstration projects for the funding of certain proposals; requiring the Secretary to establish a Job Skills Enhancement Pilot Program; establishing a certain exemption for specified nonprofit entities, the Department of Human Resources, and the local departments of social services;

etc.

**Various Effective Dates**  
**Senator Trotter, et al**

- SB 715 **Department of Human Resources -- Maryland Emergency Food Program**  
Establishing, subject to the limitations in the State budget, the Maryland Emergency Food Program in the State Department of Human Resources to provide funding to assist specified emergency food providers in purchasing food for needy individuals, to encourage needy individuals to become self-sufficient, and to distribute information on Maryland's earned income tax credit; establishing a procedure for applying for grants and for allocating Program funds; requiring the Department to adopt specified regulations; etc.  
**Effective July 1, 1998**  
**Senators Trotter and McFadden**
- SB 722 **Assisted Living Programs -- Small Facilities**  
Prohibiting, before July 1, 1999, the Secretary of Health and Mental Hygiene from imposing sanctions under the provisions of Chapter 147 of the Acts of 1996, or any regulations adopted under that Act, with respect to assisted living programs that provide services to 15 or fewer individuals, unless specified circumstances relating to the physical or emotional harm of a resident in the program have occurred; requiring the Department of Health and Mental Hygiene to make a specified report to the General Assembly before January 1, 1999; etc.  
**Effective June 1, 1998**  
**Senator Madden, et al**
- HB 90 **Office on Aging -- Senior Citizen Activities Centers Capital Improvement Grants Program -- Grant Amounts**  
Specifying how a senior citizen activities center may qualify for multiple grants under the Senior Citizen Activities Centers Capital Improvement Grants Program.  
Chairman APP (Dept)
- HB 115 **Office for Children, Youth, and Families -- Services to Children with Disabilities -- Local Coordinating Councils -- Membership**  
Altering the membership of each local coordinating council that is established by the State Coordinating Council within the Office for Children, Youth, and Families for the provision of services to children with disabilities; and generally relating to the membership of the local coordinating councils that provide services to children with disabilities within the Office for Children, Youth, and Families.  
Delegate Hubbard
- HB 281 **Office on Aging -- Continuing Care Contracts**  
Specifying that certain deposit agreements are executed by providers and subscribers; requiring advertising for continuing care agreements to be filed with, but not approved by, the Office on Aging; regulating the appearance of specified parts of continuing care contracts; authorizing a provider to deduct specified costs from refunds; and modifying terminology related to continuing care contracts.  
Chairman ENV (Dept)
- HB 350 **Department of Human Resources -- Maryland Emergency Food Program**  
Establishing, subject to the limitations in the State budget, the Maryland Emergency Food Program in the Department of Human Resources to provide funding to assist specified emergency food providers in purchasing food for needy individuals and to encourage needy individuals to become self-sufficient; establishing a procedure for applying for grants and for allocating Program funds; requiring the designation of a single administering agency in each county; requiring specified reports; etc.

**Effective July 1, 1998**  
**Delegate Rosenberg, et al**

**HB 381 Office on Aging -- Senior Citizen Activities Centers -- Grants**

Increasing the limit on certain State grants awarded to the Office on Aging for certain projects involving senior citizen activities centers; and declaring the intent of the General Assembly.

**Effective June 1, 1998**

**Delegate Rosenberg, et al**

**HB 550 Community Services Trust Fund -- Revisions**

Altering the purpose of the Community Services Trust Fund such that proceeds from the sale or long-term lease of property and equipment are not required to result from the closure of a Developmental Disabilities Administration facility or a Mental Hygiene Administration facility; repealing specified termination dates; providing that the provisions of the Act do not apply to a Mental Hygiene Administration Facility in Dorchester County; etc.

Delegate Rosenberg, et al

**HB 565 Work, Not Welfare Tax Incentive Act -- Child Care or Transportation Expenses**

Extending and amending the Work, Not Welfare Tax Credit to allow a credit against the State income tax, financial institution franchise tax, insurance premium tax, and public service company franchise tax for specified wages paid and specified child care or transportation expenses incurred by a business entity with respect to qualified employment opportunity employees; providing a calculation for the credit; requiring specified studies and reports; etc.

**Effective June 1, 1998**

**Delegate Shriver, et al**

**HB 1133 Child Welfare Workforce Initiative of 1998**

Requiring the Secretary of Human Resources to hire only persons with certain qualifications for certain child welfare staff positions; authorizing the Secretary to retain specified employees under specified circumstances; requiring the Secretary to develop, implement, and administer certain training curricula and competency tests; prohibiting the Secretary from hiring contractual child welfare caseworkers and casework supervisors except under certain circumstances and for a certain time period; etc.

**Effective July 1, 1998**

**Delegate McIntosh, et al**