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VOLUME III

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CHAPTER 224

(House Bill 181)

AN ACT concerning

Baltimore County - Election Law - ~~Assistant Chief Election Judge~~ Compensation for Election Judges

FOR the purpose of ~~creating the position of assistant chief election judge in Baltimore County; specifying the amount of the compensation for assistant chief election judges;~~ altering the compensation for chief election judges and other election judges in Baltimore County; and generally relating to election judges in Baltimore County.

BY repealing and reenacting, with amendments,

Article - Election Law
Section ~~10-203~~ and 10-205(b)(3)
Annotated Code of Maryland
(2003 Volume and 2006 Supplement)

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

Article - Election Law

~~10-203.~~

~~(a) The election director, with the approval of the local board, shall appoint the election judges for each polling place for a term that begins on the Tuesday that is 13 weeks before each statewide primary election.~~

~~(b) One or two election judges in each precinct shall:~~

~~(1) be designated chief judge; and~~

~~(2) supervise the staff at the polling place.~~

~~(c) IN BALTIMORE COUNTY, AT LEAST ONE BUT NOT MORE THAN TWO ELECTION JUDGES IN EACH PRECINCT SHALL:~~

~~(1) BE DESIGNATED ASSISTANT CHIEF ELECTION JUDGE; AND~~

~~(2) ASSIST THE CHIEF ELECTION JUDGE IN THE PERFORMANCE OF THE CHIEF ELECTION JUDGE'S DUTIES, INCLUDING THE ADMINISTRATION OF PROVISIONAL BALLOT VOTING.~~

~~(D) The term of office for an election judge continues until the Tuesday that is 13 weeks before the next statewide primary election unless:~~

~~(1) the local board excuses the person for good cause; or~~

~~(2) a special election is held during the election judge's term of office and the State Board determines that a local board may not need the service of all of the appointed election judges.~~

~~[(d)](E) A local board shall fill each vacant election judge position in the same manner as set forth in subsection (a) of this section.~~

10-205.

(b) (3) In Baltimore County, the compensation for each election day actually served shall be:

(i) ~~[\$160]~~ **\$225** per day for each chief election judge; ~~and~~

(ii) ~~\$200 PER DAY FOR EACH ASSISTANT CHIEF ELECTION JUDGE; AND~~

~~(iii) [\$125]~~ **\$150 \$162.50** per day for every other election judge.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 225

(House Bill 184)

AN ACT concerning

**Joint Committee on Workers' Compensation Benefit and Insurance
Oversight - Membership**

FOR the purpose of increasing the membership of the Joint Committee on Workers' Compensation Benefit and Insurance Oversight to include a certain member; providing for the qualifications of an additional member; making certain stylistic changes; and generally relating to the membership of the Joint Committee on Workers' Compensation Benefit and Insurance Oversight.

BY repealing and reenacting, with amendments,
Article – State Government
Section 2–10A–03
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

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

Article – State Government

2–10A–03.

(a) There is a Joint Committee on Workers' Compensation Benefit and Insurance Oversight.

(b) (1) The Committee consists of [14] **15** members.

(2) Of the [14] **15** members:

(i) 1. 2 shall be members of the Senate appointed by the President of the Senate;

2. 2 shall be Delegates appointed by the Speaker; and

(ii) [10] **11** shall be appointed jointly by the President and the Speaker as follows:

1. 1 representative of the business community;

2. 1 representative of the Maryland labor organizations;

3. 1 representative of the Maryland building and construction labor organizations;

4. 2 members of the public;

5. 1 member of the insurance industry;

6. 1 member of the Medical and Chirurgical Faculty of Maryland;

7. 1 member of a workers' compensation rating organization; [and]

8. 2 members of the Bar of the Court of Appeals of Maryland, 1 of whom represents plaintiffs in workers' compensation cases and 1 of whom represents defendants in workers' compensation cases; AND

9. 1 MEMBER WHO IS CERTIFIED BY THE WORKERS' COMPENSATION COMMISSION AS A MARYLAND REHABILITATION SERVICE PROVIDER.

(c) The members of the Committee serve at the pleasure of the presiding officer who appointed them.

(d) The President and the Speaker shall jointly appoint a Senator and a Delegate each to serve as [cochairman] **COCHAIR.**

(e) (1) (i) The Committee shall examine and evaluate:

1. the condition of the workers' compensation benefit and insurance structure in the State; and

2. the effect of Chapters 590 and 591 of the Laws of Maryland of 1987 on that structure.

(ii) This examination shall include the regulations adopted by the Workers' Compensation Commission that are to be used by physicians to measure impairment when preparing medical evaluations of claimants.

(2) The Committee shall review the adequacy and appropriateness of all benefits specified in §§ 9-626 and 9-627(a) and (b) of the Labor and Employment Article and make recommendations for necessary changes prior to the 1992 Regular Session of the General Assembly.

(3) The Committee shall direct the Insurance Commissioner to prepare a feasibility study on alternative methods to determine the provision for claim payment and to submit the study to the Governor and the Legislative Policy Committee on or before January 1, 1991.

(f) The Insurance Commissioner and the Workers' Compensation Commission shall:

(1) cooperate fully with the Committee;

(2) keep the Committee fully informed as to the condition of workers' compensation benefits and workers' compensation insurance in the State and the effect of Chapters 590 and 591 of the Laws of Maryland of 1987 on those benefits and that insurance; and

(3) submit an annual report, subject to § 2-1246 of this title, to the Committee on or before October 1 of each year that incorporates the information described in paragraph (2) of this subsection.

(g) The Committee shall report to the Governor and the Legislative Policy Committee on December 31 of each year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 226

(House Bill 198)

AN ACT concerning

Howard County - Annual Financial Report - Filing Date

Ho. Co. 7-07

FOR the purpose of altering the date by which Howard County must file its annual financial report for the fiscal year with the Department of Legislative Services.

BY repealing and reenacting, with amendments,

Article 19 - Comptroller

Section 37

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

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

Article 19 – Comptroller

37.

(a) **(1)** [Each] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, EACH** county, municipal corporation, and taxing district in the State[:

(1) Except as provided in paragraph (2) of this subsection,] shall by the first day of November after the close of the fiscal year file with the Department of Legislative Services[,] its financial report covering the full period of that fiscal year[; or].

(2) **(I)** [With] **EACH COUNTY, MUNICIPAL CORPORATION, OR TAXING DISTRICT WITH** a population of more than 400,000[,] may by the first day of January after the close of the fiscal year file with the Department of Legislative Services its financial report covering the full period of that fiscal year.

(II) UNLESS SUBPARAGRAPH (I) OF THIS PARAGRAPH APPLIES, HOWARD COUNTY MAY BY THE FIRST DAY OF DECEMBER AFTER THE CLOSE OF THE FISCAL YEAR FILE WITH THE DEPARTMENT OF LEGISLATIVE SERVICES ITS FINANCIAL REPORT COVERING THE FULL PERIOD OF THAT FISCAL YEAR.

(b) The reports required by subsection (a) of this section shall be:

(1) Properly filled in on the form or forms established by the Department as provided in this subtitle; and

(2) Verified by the chief executive officer of each county, municipal corporation, and taxing district.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 227**(House Bill 216)**

AN ACT concerning

HIV Testing - ~~Prohibited~~ Exposure - ~~Victims~~ Forensic Scientist

FOR the purpose of ~~including a forensic scientist who works under the direction of a law enforcement agency within the list of possible victims of prohibited exposure to HIV;~~ including a forensic scientist who works under the direction of a law enforcement agency within the definition of a public safety worker required to test for HIV in the event of a certain exposure; and generally relating to ~~victims of prohibited~~ HIV exposure.

~~BY repealing and reenacting, with amendments,
Article - Criminal Procedure
Section 11-107
Annotated Code of Maryland
(2001 Volume and 2006 Supplement)~~

BY repealing and reenacting, with amendments,
Article - Health - General
Section 18-338.3(a)(8)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

~~Article - Criminal Procedure~~

~~11-107.~~

~~(a) In Part II of this subtitle the following words have the meanings indicated:~~

~~(b) "Charged" means to be the subject of an indictment, an information, or a petition alleging a delinquent act.~~

~~(c) "Health officer" has the meaning stated in § 1-101 of the Health - General Article.~~

~~(d) "HIV" means any human immunodeficiency virus that causes Acquired Immune Deficiency Syndrome (AIDS).~~

~~(e) (1) "Prohibited exposure" means a crime or delinquent act that may have caused or resulted in exposure to HIV.~~

~~(2) "Prohibited exposure" includes:~~

~~(i) contact that occurs on penetration, however slight, between the penis and the vulva or anus; and~~

~~(ii) contact between the mouth and the penis, vulva, or anus.~~

~~(f) (1) "Victim" means the victim of a prohibited exposure.~~

~~(2) "Victim" includes:~~

~~(i) a law enforcement officer who is exposed to HIV while acting in the performance of duty; [and]~~

~~(ii) a paid or volunteer firefighter, an emergency medical technician, or rescue squad member who is exposed to HIV while acting in the performance of duty; AND~~

~~(iii) A FORENSIC SCIENTIST, WORKING UNDER THE DIRECTION OF A LAW ENFORCEMENT AGENCY, WHO IS EXPOSED TO HIV WHILE ACTING IN THE PERFORMANCE OF DUTY.~~

~~(g) "Victim's representative" means:~~

~~(1) the parent of a victim who is a minor;~~

~~(2) the legal guardian of a victim; or~~

~~(3) the person authorized to give consent for the victim under § 5-605 of the Health General Article.~~

Article - Health - General

18-338.3.

(a) (8) "Public safety worker" means:

(i) A career or volunteer member of a fire, rescue, or emergency medical services department, company, squad, or auxiliary;

(ii) A law enforcement officer; [or]

(iii) The State Fire Marshal or a sworn member of the State Fire Marshal's office; OR

(IV) A FORENSIC SCIENTIST THAT WORKS UNDER THE DIRECTION OF A LAW ENFORCEMENT AGENCY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 228

(House Bill 251)

AN ACT concerning

Baltimore City – Property Tax Credit for Newly Constructed Dwellings

FOR the purpose of altering the termination date applicable to certain provisions authorizing the Mayor and City Council of Baltimore City to grant, by law, a property tax credit against the local property tax imposed on certain newly constructed dwellings under certain circumstances; and generally relating to property tax credits for newly constructed dwellings in Baltimore City.

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 9–304(d)

Annotated Code of Maryland

(2001 Replacement Volume and 2006 Supplement)

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

Article – Tax – Property

9–304.

(d) (1) (i) In this subsection the following words have the meanings indicated.

(ii) 1. “Newly constructed dwelling” means residential real property that has not been previously occupied since its construction and for which the building permit for construction was issued on or after October 1, 1994.

2. “Newly constructed dwelling” includes a “vacant dwelling” as defined in subsection (c)(1) of this section that has been rehabilitated in compliance with applicable local laws and regulations and has not been previously occupied since the rehabilitation.

(iii) “Homeowner” has the meaning stated in § 9–105(a)(3) of this title.

(2) The Mayor and City Council of Baltimore City may grant, by law, a property tax credit under this subsection against the county property tax imposed on newly constructed dwellings that are owned by qualifying owners.

(3) A property tax credit granted under this subsection may not exceed the amount of county property tax imposed on the real property, less the amount of any other credit applicable in that year, multiplied by:

(i) 50% for the first taxable year in which the property qualifies for the tax credit;

(ii) 40% for the second taxable year in which the property qualifies for the tax credit;

(iii) 30% for the third taxable year in which the property qualifies for the tax credit;

(iv) 20% for the fourth taxable year in which the property qualifies for the tax credit;

(v) 10% for the fifth taxable year in which the property qualifies for the tax credit; and

(vi) 0% for each taxable year thereafter.

(4) Owners of newly constructed dwellings may qualify for the tax credit authorized by this subsection by:

(i) purchasing a newly constructed dwelling;

(ii) occupying the newly constructed dwelling as their principal residence;

(iii) filing a State income tax return during the period of the tax credit as a resident of Baltimore City; and

(iv) satisfying other requirements as may be provided by the Mayor and City Council of Baltimore City.

(5) The Mayor and City Council of Baltimore City may provide for procedures necessary and appropriate for the submission of an application for and the granting of a property tax credit under this subsection, including procedures for granting partial credits for eligibility for less than a full taxable year.

(6) The estimated amount of all tax credits received by owners under this subsection in any fiscal year shall be reported by the Director of Finance of Baltimore City as a "tax expenditure" for that fiscal year and shall be included in the publication of the City's budget for any subsequent fiscal year with the estimated or actual City property tax revenue for the applicable fiscal year.

(7) (i) After June 30, [2007] **2009**, additional owners of newly constructed dwellings may not be granted a credit under this subsection.

(ii) This paragraph does not apply to an owner's continuing receipt of a credit as allowed in paragraph (3) of this subsection, with respect to a property for which a tax credit under this subsection was received for a taxable year ending on or before June 30, [2007] **2009**.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 229

(House Bill 271)

AN ACT concerning

Workers' Compensation - Unpaid Work-Based Learning Experiences - Coverage

FOR the purpose of altering the definition of an unpaid work-based learning experience for the purpose of requiring workers' compensation coverage for students placed in unpaid work-based learning experiences by certain private noncollegiate institutions; requiring a participating employer to reimburse a private noncollegiate institution for the cost of the workers' compensation coverage; allowing the participating employer to satisfy a certain obligation if a

private noncollegiate institution secures certain workers' compensation; authorizing the private noncollegiate institution that places the student to obtain workers' compensation insurance for the student; providing that certain children with a disability placed by a private noncollegiate institution in an unpaid work assignment are covered employees; altering an employer's options for securing workers' compensation for covered employees of the employer; defining a certain term; making certain stylistic changes; and generally relating to workers' compensation coverage for students placed by certain private noncollegiate institutions in unpaid work-based learning experiences.

BY repealing and reenacting, with amendments,

Article – Education
Section 7-114 and 8-402
Annotated Code of Maryland
(2006 Replacement Volume)

BY repealing and reenacting, without amendments,

Article – Education
Section 8-401(a)(1) and (2)
Annotated Code of Maryland
(2006 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Labor and Employment
Section 9-228(a) and (c) and 9-402(a)
Annotated Code of Maryland
(1999 Replacement Volume and 2006 Supplement)

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

Article – Education

7-114.

(a) **(1)** In this section[,] **THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

(2) “PRIVATE NONCOLLEGIATE INSTITUTION” MEANS A SCHOOL OR OTHER INSTITUTION THAT IS NOT UNDER THE GENERAL CONTROL AND SUPERVISION OF A COUNTY BOARD OF EDUCATION.

(3) [“unpaid] “UNPAID work-based learning experience” means a program that provides a student with structured employer-supervised learning that:

[(1)] (I) Occurs in the workplace;

[(2)] (II) Links with classroom instruction;

[(3)] (III) Is coordinated by a county board **OR PRIVATE NONCOLLEGIATE INSTITUTION**; and

[(4)] (IV) Is conducted in accordance with the terms of an individual written work-based learning agreement between the county board of education **OR PRIVATE NONCOLLEGIATE INSTITUTION** placing a participating student and the employer of that participating student.

(b) A student who has been placed with an employer in an unpaid work-based learning experience coordinated by a county board **OR PRIVATE NONCOLLEGIATE INSTITUTION** is a covered employee of that employer, as defined in Title 9 of the Labor and Employment Article, for the purposes of coverage under the State workers' compensation laws.

(c) (1) The participating employer where a student is placed in an unpaid work-based learning experience under this section shall secure workers' compensation coverage for that student.

(2) The participating employer may satisfy its obligation to secure workers' compensation coverage under this subsection if the county board **OR PRIVATE NONCOLLEGIATE INSTITUTION** that places the student in the unpaid work-based learning experience chooses to secure workers' compensation coverage for that student.

(d) (1) The county board **OR PRIVATE NONCOLLEGIATE INSTITUTION** that places a student with an employer in an unpaid work-based learning experience under this section may secure workers' compensation coverage for that student.

(2) Subject to subsection (e) of this section, if a county board **OR PRIVATE NONCOLLEGIATE INSTITUTION** chooses to secure workers' compensation coverage under this subsection, the participating employer shall reimburse the county board **OR PRIVATE NONCOLLEGIATE INSTITUTION** in an amount equal to the lesser of:

(i) The cost of the premium for the workers' compensation insurance coverage; or

(ii) A fee of \$250.

(e) The Cecil County Board may waive the requirement for reimbursement under subsection (d)(2) of this section.

8-401.

(a) (1) In this subtitle the following words have the meanings indicated.

(2) "Child with a disability" means a child who has been determined through appropriate assessment as having autism, deaf-blindness, hearing impairment, including deafness, emotional disturbance, mental retardation, multiple disabilities, orthopedic impairment, other health impairment, specific learning disability, speech or language impairment, traumatic brain injury, visual impairment, including blindness, and who because of that impairment needs special education and related services.

8-402.

(a) (1) A child with a disability who has been placed **BY A LOCAL SCHOOL SYSTEM OR PRIVATE NONCOLLEGIATE INSTITUTION** with an employer in an unpaid work assignment as part of an individualized education program is a covered employee, as defined in Title 9 of the Labor and Employment Article, of the employer for the purposes of workers' compensation.

(2) A resident in a facility as defined under § 10-101(e) of the Health – General Article is not a covered employee, as defined in Title 9 of the Labor and Employment Article, of the employer for the purposes of workers' compensation.

(b) Compensation for injury or death to a child with a disability under this section shall be based on the federal minimum wage in effect at the time of the child's injury.

(c) A local school system **OR PRIVATE NONCOLLEGIATE INSTITUTION** that places a child with a disability with an employer in an unpaid work assignment pursuant to the child's individualized education program may secure workers' compensation coverage for that child.

Article – Labor and Employment

9-228.

(a) (1) A [handicapped] student **WITH A DISABILITY AS DEFINED IN § 8-401(A)(2) OF THE EDUCATION ARTICLE** is a covered employee while working for an employer without wages in a work assignment in accordance with § 8-402 of the Education Article.

(2) For the purposes of this title, the employer for whom the [handicapped] student **WITH A DISABILITY** works is the employer of [the] **THAT** [handicapped] student.

(c) (1) A student is a covered employee when the student has been placed with an employer in an unpaid work-based learning experience coordinated by a county board **OR PRIVATE NONCOLLEGIATE INSTITUTION** under § 7-114 of the Education Article.

(2) For purposes of this title, the employer for whom the student works in the unpaid work-based learning experience is the employer of [the] **THAT** student.

9-402.

(a) Subject to subsections (b) through (f) of this section, each employer shall secure compensation for covered employees of the employer by:

- (1) maintaining insurance with the Injured Workers' Insurance Fund;
- (2) maintaining insurance with an authorized insurer;
- (3) participating in a governmental self-insurance group that meets the requirements of § 9-404 of this subtitle;
- (4) participating in a self-insurance group of private employers that meets the requirements of Title 25, Subtitle 3 of the Insurance Article;
- (5) maintaining self-insurance for an individual employer in accordance with § 9-405 of this subtitle; or
- (6) having a county board of education **OR PRIVATE NONCOLLEGIATE INSTITUTION** secure compensation under § 8-402(c) or § 7-114(d) of the Education Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 230

(House Bill 277)

AN ACT concerning

Workers' Compensation – Covered Employee – Domestic Worker

FOR the purpose of altering the earnings level above which a domestic worker in a private home is a covered employee; and generally relating to the earnings threshold for a domestic worker under workers' compensation law.

BY repealing and reenacting, with amendments,
Article – Labor and Employment
Section 9–209
Annotated Code of Maryland
(1999 Replacement Volume and 2006 Supplement)

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

Article – Labor and Employment

9–209.

(a) An individual who is employed as a domestic [servant] **WORKER** in a private home is a covered employee with respect to a household if the individual earns at least [\$750] **\$1,000** in cash in a calendar quarter from that household.

(b) (1) Except as provided in paragraph (3) of this subsection, an individual and the employer of the individual may elect to make the individual a covered employee by filing a joint election with the Commission, if the individual:

(i) is employed as a domestic [servant] **WORKER** in a private home; and

(ii) would not be a covered employee with respect to a household under the provisions of subsection (a) of this section because the individual earns less than [\$750] **\$1,000** in cash in a calendar quarter from that household.

(2) The right to make an election under paragraph (1) of this subsection for an individual may be exercised by:

(i) an individual who is at least 16 years old; or

(ii) a parent or guardian of an individual who is less than 16 years old.

(3) For an individual who is not a covered employee due to § 9-223(c) of this subtitle, an employer may not make an election under this subsection if prohibited by federal law.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 231

(House Bill 303)

AN ACT concerning

Tri-County Council for the Lower Eastern Shore of Maryland - Membership
~~**Immunity**~~

FOR the purpose of altering the membership of the Tri-County Council for the Lower Eastern Shore of Maryland; and ~~providing that~~ *generally relating to the membership of* the Tri-County Council for the Lower Eastern Shore of Maryland ~~is immune from being sued.~~

BY repealing and reenacting, with amendments,
Article 20B – Tri-County Council for the Lower Eastern Shore of Maryland
Section 2-101
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, without amendments,
Article 20B – Tri-County Council for the Lower Eastern Shore of Maryland
Section 2-102
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

~~BY adding to~~
~~Article – Courts and Judicial Proceedings~~
~~Section 5-506.1~~
~~Annotated Code of Maryland~~

~~(2006 Replacement Volume)~~

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

Article 20B - Tri-County Council for the Lower Eastern Shore of Maryland

2-101.

(a) The membership of the Council consists of:

(1) Five county commissioners of Somerset County as voting members;

(2) Five county commissioners of Worcester County as voting members;

(3) **[Five] THE COUNTY EXECUTIVE AND FOUR** county council members of Wicomico County as voting members;

(4) (i) Three municipal elected officials, one from each county, appointed by their respective municipal corporations as voting members; or

(ii) If the municipal corporations located within a county are unable to choose a municipal elected official within a reasonable period of time, the Eastern Shore Municipal Association shall appoint an elected municipal official to represent the municipal corporations of that county;

(5) Members of the General Assembly representing the region who have a majority of their legislative district in the region as voting ex officio members;

(6) Other members of the General Assembly representing the region but who do not have a majority of their legislative district in the region as nonvoting ex officio members; and

(7) The other commissioners as ex officio nonvoting members.

(b) (1) A voting commissioner listed under subsection (a)(1) through (3) of this section may designate another commissioner or county administrator representing the same county to vote by proxy on behalf of the voting commissioner when the voting commissioner is absent from a meeting.

(2) A voting commissioner listed under subsection (a)(1) through (3) of this section shall inform the **[council] COUNCIL** director in advance of which other **[council] COUNCIL** member the voting commissioner designates to cast a proxy vote on behalf of the voting commissioner.

(c) The bylaws of the Council may provide for additional private citizen membership on the Council.

2-102.

(a) A member who holds membership by virtue of the member's elected position holds office only during the member's term of office.

(b) Membership on the Council does not constitute holding an office of profit.

~~Article Courts and Judicial Proceedings~~

~~5-506.1.~~

~~THE TRI-COUNTY COUNCIL FOR THE LOWER EASTERN SHORE OF MARYLAND IS IMMUNE FROM BEING SUED.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 232

(House Bill 318)

AN ACT concerning

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

FOR the purpose of altering the eligibility requirements for the Edward T. Conroy Memorial Scholarship Program to include a certain student who is a son, daughter, or surviving spouse of a State or local public safety employee killed in the line of duty to specify that the student may be a resident of any state; providing for the effective date of certain provisions of this Act; providing for the termination of certain provisions of this Act; and generally relating to eligibility for the Edward T. Conroy Memorial Scholarship Program.

BY repealing and reenacting, without amendments,
Article - Education

Section 18–601(a)(1) and (4), (b), and (c)
Annotated Code of Maryland
(2006 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – Education
Section 18–601(d)
Annotated Code of Maryland
(2006 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – Education
Section 18–601(d)
Annotated Code of Maryland
(2006 Replacement Volume)
(As enacted by Chapter 418 of the Acts of the General Assembly of 2004)

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

Article – Education

18–601.

- (a) (1) In this section the following words have the meanings indicated.
- (4) “State or local public safety employee” means a person who is:
- (i) A career or volunteer member of a:
 - 1. Fire department;
 - 2. Ambulance company or squad; or
 - 3. Rescue company or squad;
 - (ii) A law enforcement officer;
 - (iii) A correctional officer; or
 - (iv) A member of the Maryland National Guard who was a resident of this State at the time of death.
- (b) There is a program of scholarships that are awarded under this section.

(c) The Program is the Edward T. Conroy Memorial Scholarship Program.

(d) A person may apply to the Office for a scholarship under this section if the person:

(1) Except as provided in **ITEM (3)(III) OF THIS SUBSECTION AND** subsection (e) of this section, is a resident of Maryland;

(2) (i) Is accepted for admission or enrolled in the regular undergraduate, graduate or professional program at an eligible institution; or

(ii) Is enrolled in a 2-year terminal certificate program in which the course work is acceptable for transfer credit for an accredited baccalaureate program in an eligible institution; and

(3) (i) Is at least 16 years old and a son or daughter of a member of the armed forces who:

1. Died as a result of military service after December 7, 1941;

2. Suffered a service connected 100% permanent disability after December 7, 1941; or

3. Was declared to be a prisoner of war or missing in action, if that occurred on or after January 1, 1960 as a result of the Vietnam conflict, and if the child was born prior to or while the parent was a prisoner of war or missing in action;

(ii) Was a prisoner of war on or after January 1, 1960 as a result of the Vietnam conflict and was a resident of this State at the time the person was declared to be a prisoner of war or missing in action;

(iii) 1. **A.** Is at least 16 years old and a son or daughter of any State or local public safety employee killed in the line of duty; or

[2.] **B.** Is the surviving spouse of any State or local public safety employee killed in the line of duty; **AND**

2. IS A RESIDENT OF ANY STATE;

(iv) 1. Is a disabled public safety employee;

2. Is at least 16 years old and a son or daughter of a disabled public safety employee who sustains an injury in the line of duty that renders the public safety employee 100% disabled; or

3. Is the surviving spouse of a disabled public safety employee who sustains an injury in the line of duty that renders the public safety employee 100% disabled;

(v) Is a veteran, as defined under § 9-901 of the State Government Article, who:

1. Suffers a service connected disability of 25% or greater; and

2. Has exhausted or is no longer eligible for federal veterans' educational benefits; or

(vi) Is at least 16 years old and a son or daughter of or the surviving spouse of a victim of the September 11, 2001 terrorist attacks.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Education

18-601.

(a) (1) In this section the following words have the meanings indicated.

(4) "State or local public safety employee" means a person who is:

(i) A career or volunteer member of a:

1. Fire department;

2. Ambulance company or squad; or

3. Rescue company or squad;

(ii) A law enforcement officer;

(iii) A correctional officer; or

(iv) A member of the Maryland National Guard who was a resident of this State at the time of death.

- (b) There is a program of scholarships that are awarded under this section.
- (c) The Program is the Edward T. Conroy Memorial Scholarship Program.
- (d) A person may apply to the Office for a scholarship under this section if the person:

(1) [Is] **EXCEPT AS PROVIDED IN ITEM (3)(III) OF THIS SUBSECTION, IS** a resident of Maryland;

(2) (i) Is accepted for admission or enrolled in the regular undergraduate, graduate or professional program at an eligible institution; or

(ii) Is enrolled in a 2-year terminal certificate program in which the course work is acceptable for transfer credit for an accredited baccalaureate program in an eligible institution; and

(3) (i) Is at least 16 years old and a son or daughter of a member of the armed forces who:

1. Died as a result of military service after December 7, 1941;

2. Suffered a service connected 100% permanent disability after December 7, 1941; or

3. Was declared to be a prisoner of war or missing in action, if that occurred on or after January 1, 1960 as a result of the Vietnam conflict, and if the child was born prior to or while the parent was a prisoner of war or missing in action;

(ii) Was a prisoner of war on or after January 1, 1960 as a result of the Vietnam conflict and was a resident of this State at the time the person was declared to be a prisoner of war or missing in action;

(iii) 1. **A.** Is at least 16 years old and a son or daughter of any State or local public safety employee killed in the line of duty; or

[2.] **B.** Is the surviving spouse of any State or local public safety employee killed in the line of duty; **AND**

2. IS A RESIDENT OF ANY STATE;

(iv) 1. Is a disabled public safety employee;

2. Is at least 16 years old and a son or daughter of a disabled public safety employee who sustains an injury in the line of duty that renders the public safety employee 100% disabled; or

3. Is the surviving spouse of a disabled public safety employee who sustains an injury in the line of duty that renders the public safety employee 100% disabled;

(v) Is a veteran, as defined under § 9-901 of the State Government Article, who:

1. Suffers a service connected disability of 25% or greater; and

2. Has exhausted or is no longer eligible for federal veterans' educational benefits; or

(vi) Is at least 16 years old and a son or daughter of or the surviving spouse of a victim of the September 11, 2001 terrorist attacks.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect on the taking effect of the termination provision specified in Section 2 of Chapter 418 of the Acts of the General Assembly of 2004. If that termination provision takes effect, Section 1 of this Act shall be abrogated and of no further force and effect. This Act may not be interpreted to have any effect on that termination provision.

SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions of Section 3 of this Act, this Act shall take effect June 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 233

(House Bill 323)

AN ACT concerning

Worcester County – Sheriff's Office – Personnel Policies

FOR the purpose of establishing a certain minimum annual salary for the Sheriff of Worcester County; authorizing the Sheriff to appoint certain employees;

requiring the County Commissioners of Worcester County to pay certain expenses of the Sheriff's Office; providing that the chief deputy sheriff serves at the pleasure of the Sheriff; requiring that a certain person who serves as chief deputy sheriff revert to a certain status upon removal; providing that certain personnel rules and regulations of Worcester County apply to certain employees of the Sheriff's Office, authorizing the Sheriff to adopt certain rules for employees of the Sheriff's Office; providing that certain employees of the Sheriff's Office may be disciplined or terminated for cause only in accordance with certain policies; requiring that certain employees of the Sheriff's Office be reappointed at certain times; authorizing the County Commissioners to provide certain support to the Sheriff relating to personnel matters; granting the Sheriff control over the employees of the Sheriff's Office, subject to certain limitations; providing that this Act does not apply to the salary or compensation of the incumbent Sheriff of Worcester County; and generally relating to the personnel policies of the Sheriff's Office of Worcester County.

BY repealing

Article – Courts and Judicial Proceedings
Section 2–309(y)
Annotated Code of Maryland
(2006 Replacement Volume)

BY adding to

Article – Courts and Judicial Proceedings
Section 2–309(y)
Annotated Code of Maryland
(2006 Replacement Volume)

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

Article – Courts and Judicial Proceedings

2–309.

[(y) (1) The Sheriff of Worcester County shall receive a salary as set by the County Commissioners of at least \$17,500. He shall appoint at least four deputies at salaries of at least \$6,500 each, a clerk–typist, and additional deputies, clerks, cooks and jailers at the compensation set by the County Commissioners.

(2) The County Commissioners of Worcester County shall pay the cost of all necessary expenses for the operation of the Worcester County jail, the Sheriff and his staff, including, but not limited to, five automobiles, automobile operating expenses, radio equipment, weapons, ammunitions, office supplies, office equipment,

uniforms, and all traveling expenses of the Sheriff and his staff while out of the county on official business.]

(Y) (1) (I) THE SHERIFF OF WORCESTER COUNTY SHALL RECEIVE AN ANNUAL SALARY AS SET BY THE COUNTY COMMISSIONERS OF AT LEAST \$85,000.

(II) THE SHERIFF SHALL APPOINT AT LEAST ONE CHIEF DEPUTY SHERIFF AND AS MANY DEPUTY SHERIFFS AND OTHER PERSONNEL AS ARE NECESSARY TO PERFORM THE DUTIES OF THE OFFICE AND ARE PROVIDED FOR IN THE COUNTY BUDGET.

(2) THE COUNTY COMMISSIONERS OF WORCESTER COUNTY SHALL PAY ALL NECESSARY EXPENSES OF THE OPERATION OF THE SHERIFF'S OFFICE THROUGH THE COUNTY BUDGET ADOPTED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND BUDGET PROCEDURES AND SUBJECT TO ALL APPLICABLE BUDGET REVIEWS.

(3) (I) THE CHIEF DEPUTY SHERIFF SHALL SERVE AT THE PLEASURE OF THE SHERIFF.

(II) IF A CHIEF DEPUTY SHERIFF WHO WAS A WORCESTER COUNTY DEPUTY SHERIFF PRIOR TO BEING APPOINTED AS CHIEF DEPUTY IS REMOVED FROM THE OFFICE OF CHIEF DEPUTY FOR OTHER THAN CAUSE, THAT PERSON SHALL REVERT TO A DEPUTY SHERIFF WITH THE SAME STATUS THAT THE PERSON HAD PRIOR TO THE PERSON'S APPOINTMENT AS CHIEF DEPUTY.

(III) IF A CHIEF DEPUTY SHERIFF WHO WAS NOT A WORCESTER COUNTY DEPUTY SHERIFF PRIOR TO BEING APPOINTED AS CHIEF DEPUTY IS REMOVED FROM THE OFFICE OF CHIEF DEPUTY FOR ANY REASON, THAT PERSON MAY NOT AUTOMATICALLY REVERT TO A DEPUTY SHERIFF AFTER BEING REMOVED AS CHIEF DEPUTY.

(4) (I) EXCEPT AS PROVIDED IN THIS SUBSECTION, THE PERSONNEL RULES AND REGULATIONS OF WORCESTER COUNTY AS ADOPTED BY THE COUNTY COMMISSIONERS SHALL APPLY TO ALL EMPLOYEES OF THE SHERIFF OF WORCESTER COUNTY OTHER THAN THE CHIEF DEPUTY SHERIFF, INCLUDING DEPUTY SHERIFFS, CLERKS, TYPISTS, ANIMAL CONTROL OFFICERS, AND OTHER NECESSARY PERSONNEL.

(II) THE APPOINTMENT, DISCIPLINARY, AND MANAGERIAL FUNCTIONS OF THE COUNTY COMMISSIONERS AS PROVIDED FOR IN THE

PERSONNEL RULES AND REGULATIONS OF WORCESTER COUNTY SHALL BE PERFORMED BY THE SHERIFF IN THE CASE OF ALL EMPLOYEES OF THE SHERIFF'S OFFICE.

(5) THE SHERIFF MAY ADOPT SHERIFF'S OFFICE MANUALS, ADDITIONAL RULES OF CONDUCT, DRESS, AND DECORUM, AND OTHER PROCEDURES THAT SHALL APPLY TO ALL EMPLOYEES AND SHALL BE CONDITIONS OF EMPLOYMENT WITH THE SHERIFF'S OFFICE.

(6) AN EMPLOYEE OF THE SHERIFF'S OFFICE OTHER THAN THE CHIEF DEPUTY SHERIFF OR A PROBATIONARY EMPLOYEE MAY BE DISCIPLINED OR TERMINATED FOR CAUSE ONLY IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBSECTION, THE REGULATIONS REFERRED TO IN THIS SUBSECTION, OR THE LAW ENFORCEMENT OFFICERS' BILL OF RIGHTS.

(7) WHEN A NEW SHERIFF TAKES OFFICE, OR AT THE BEGINNING OF A NEW TERM OF OFFICE OF A SHERIFF, ALL DEPUTIES OTHER THAN THE CHIEF DEPUTY AND ALL OTHER EMPLOYEES IN GOOD STANDING SHALL REMAIN IN THEIR POSITIONS AND SHALL BE CONSIDERED REAPPOINTED OR REDEPUTIZED, SUBJECT TO THE PROVISIONS OF THIS SUBSECTION AND TO THE EXTENT REQUIRED. A SHERIFF MAY NOT REFUSE TO REAPPOINT AND REDEPUTIZE A DEPUTY SHERIFF WITHOUT CAUSE.

(8) AT THE REQUEST OF THE SHERIFF, THE COUNTY COMMISSIONERS MAY PROVIDE IN-KIND SUPPORT TO THE SHERIFF RELATING TO PERSONNEL MATTERS.

(9) THE SHERIFF SHALL HAVE COMPLETE CONTROL OVER THE EMPLOYEES OF THE SHERIFF'S OFFICE, SUBJECT ONLY TO THE PROVISIONS OF THIS SUBSECTION AND THE REASONABLE APPLICATION OF THE PERSONNEL RULES AND REGULATIONS OF WORCESTER COUNTY AND THE PROTECTIONS AND BENEFITS THOSE POLICIES PROVIDE.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the Sheriff of Worcester County in office on the effective date of this Act, but the provisions of this Act concerning the salary or compensation of the Sheriff of Worcester County shall take effect at the beginning of the next following term of office.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 234

(House Bill 331)

AN ACT concerning

Real Property – Electronic Recording Pilot Program

FOR the purpose of authorizing the Administrative Office of the Courts, in collaboration with the other members of the oversight committee of the Circuit Court Real Property Records Improvement Fund, to establish a pilot program for electronic filing of certain instruments relating to real property; requiring that the pilot program be governed by the Maryland Rules; authorizing the pilot program to waive ~~certain~~ or modify certain methods, procedures, and requirements for recording or indexing; requiring costs of the pilot program to be paid from the Circuit Court Real Property Records Improvement Fund; providing for the validity and effectiveness of certain instruments filed in accordance with the pilot program; providing for the termination of certain provisions of this Act; and generally relating to land records.

BY adding to

Article – Real Property

Section 3–502

Annotated Code of Maryland

(2003 Replacement Volume and 2006 Supplement)

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

Article – Real Property

3–502.

(A) IN COLLABORATION WITH THE OTHER MEMBERS OF THE OVERSIGHT COMMITTEE OF THE CIRCUIT COURT REAL PROPERTY RECORDS IMPROVEMENT FUND, THE ADMINISTRATIVE OFFICE OF THE COURTS MAY ESTABLISH A PILOT PROGRAM FOR THE ELECTRONIC FILING OF INSTRUMENTS AUTHORIZED OR REQUIRED BY LAW TO BE RECORDED AND INDEXED IN THE LAND RECORDS.

(B) (1) MARYLAND RULE 16-307 SHALL GOVERN THE PLAN FOR THE PILOT PROGRAM AND IMPLEMENTATION AND EVALUATION OF THE PILOT PROGRAM.

(2) THE PILOT PROGRAM MAY WAIVE ~~ANY TECHNICAL OR OTHER REQUIREMENTS~~ OR MODIFY ANY METHOD, PROCEDURE, OR CLERICAL OR TECHNICAL REQUIREMENT FOR RECORDING OR INDEXING UNDER THIS TITLE OR ANY OTHER GENERAL OR LOCAL LAW, EXCEPT THOSE SET FORTH IN THE REGULATIONS OF THE MARYLAND STATE ARCHIVES CONCERNING THE CARE AND PRESERVATION OF PERMANENT RECORDS.

(C) COSTS OF THE PILOT PROGRAM SHALL BE PAID FROM THE CIRCUIT COURT REAL PROPERTY RECORDS IMPROVEMENT FUND IN ACCORDANCE WITH § 13-603 OF THE COURTS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(1) An instrument filed in accordance with the pilot program established under this Act shall be valid and effective to the same extent as a substantively identical paper instrument filed under Title 3 of the Real Property Article or other law; and

(2) Notwithstanding modification or termination of the pilot program, an instrument filed in accordance with the pilot program in effect at the time of filing shall remain validly and effectively recorded and indexed to the same extent as a substantively identical paper instrument filed at the same time.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007. Section 1 of this Act shall remain effective for the period that the plan for the pilot program is authorized by the Court of Appeals under Maryland Rule 16-307. Upon termination of the pilot program, with no further action required by the General Assembly, Section 1 of this Act shall be abrogated and of no further force and effect. The Administrative Office of the Courts shall notify the Department of Legislative Services of the termination date.

Approved by the Governor, April 24, 2007.

CHAPTER 235

(House Bill 358)

AN ACT concerning

Certified Social Workers–Clinical – Practice – Definition

FOR the purpose of altering the definition of “practice social work” so as to authorize a licensed certified social worker–clinical to practice social work by evaluating, diagnosing, and treating certain mental and emotional conditions and impairments in addition to certain other conditions and disorders; and generally relating to defining the practice of social work for certified social workers–clinical.

BY repealing and reenacting, with amendments,
Article – Health Occupations
Section 19–101
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article – Health Occupations

19–101.

- (a) In this title the following words have the meanings indicated.
- (b) “Board” means the State Board of Social Work Examiners.
- (c) “Certified” means having demonstrated to the satisfaction of the Board that the individual has completed 2 years of supervised social work practice as defined in § 19–302(d) or (e) of this title.
- (d) “License” means, unless the context requires otherwise, one of four types of licenses issued by the Board authorizing an individual to practice:
 - (1) Associate social work;
 - (2) Graduate social work;
 - (3) Certified social work; or

(4) Certified social work–clinical.

(e) “Licensed associate social worker” means an individual licensed by the Board to practice associate social work.

(f) “Licensed certified social worker” means an individual licensed by the Board to practice certified social work.

(g) “Licensed certified social worker–clinical” means an individual licensed by the Board to practice clinical social work.

(h) “Licensed graduate social worker” means an individual licensed by the Board to practice graduate social work.

(i) “Practice associate social work” means to practice social work:

(1) Under the supervision of a licensed certified social worker, licensed certified social worker–clinical, or licensed graduate social worker who meets the conditions specified in regulations; and

(2) Utilizing the education and training required under § 19–302(b) of this title.

(j) “Practice certified social work” means to practice social work utilizing the education, training, and experience required under § 19–302(d) or (e) of this title.

(k) “Practice clinical social work” means to practice social work utilizing the specialized education, training, and experience required under § 19–302(e) of this title.

(l) “Practice graduate social work” means to practice social work:

(1) Under the supervision of a licensed certified social worker, licensed certified social worker–clinical, or licensed graduate social worker who meets the conditions specified in regulations; and

(2) Utilizing the education and training required under § 19–302(c) of this title.

(m) (1) “Practice social work” means to apply the theories, knowledge, procedures, methods, or ethics derived from a formal educational program in social work to restore or enhance social functioning of individuals, couples, families, groups, organizations, or communities through:

(i) Assessment;

- (ii) Formulating diagnostic impressions;
- (iii) Planning;
- (iv) Intervention;
- (v) Evaluation of intervention plans;
- (vi) Case management;
- (vii) Information and referral;
- (viii) Counseling that does not include diagnosis or treatment of mental disorders;
- (ix) Advocacy;
- (x) Consultation;
- (xi) Education;
- (xii) Research;
- (xiii) Community organization; or
- (xiv) Development, implementation, and administration of policies, programs, and activities.

(2) For an individual licensed as a graduate social worker, “practice social work” also includes:

- (i) Supervision of other social workers if the graduate social worker meets the requirements set out in regulations; and
- (ii) Treatment of psychosocial conditions and mental disorders and the provision of psychotherapy under the direct supervision of a licensed certified social worker–clinical.

(3) For an individual licensed as a certified social worker, “practice social work” also includes:

- (i) Supervision of other social workers; and

(ii) Treatment of psychosocial conditions and mental disorders and the provision of psychotherapy under the direct supervision of a licensed certified social worker–clinical.

(4) For an individual licensed as a certified social worker–clinical, “practice social work” also includes:

(i) Supervision of other social workers;

(ii) Evaluation, diagnosis, and treatment of psychosocial conditions, **MENTAL AND EMOTIONAL CONDITIONS AND IMPAIRMENTS**, and mental disorders as defined in § 10–101(f) of the Health – General Article; and

(iii) The provision of psychotherapy.

(n) “Psychotherapy” means a method for the treatment of mental disorders and behavioral disturbances in which a licensed health care practitioner enters into a professional contract with the patient and, through a therapeutic communication or interaction, attempts to:

(1) Alleviate emotional disturbances;

(2) Reverse or alter maladaptive patterns of behavior; or

(3) Encourage personality growth and development.

(o) “Supervision” means a formalized professional relationship between a supervisor and a supervisee that:

(1) Provides evaluation and direction of the supervisee; and

(2) Promotes continued development of the supervisee’s knowledge, skills, and abilities to provide social work services in an ethical and competent manner.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 236

(House Bill 377)

AN ACT concerning

Landlord and Tenant – Summary Ejectment Proceedings – Recovery of Attorney’s Fees

FOR the purpose of authorizing the court in a summary ejectment proceeding in the case of a nonresidential tenancy to award reasonable attorney’s fees to the landlord under certain circumstances; and generally relating to summary ejectment proceedings.

BY repealing and reenacting, with amendments,
Article – Real Property
Section 8–401(c)(2)
Annotated Code of Maryland
(2003 Replacement Volume and 2006 Supplement)

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

Article – Real Property

8–401.

(c) (2) (i) The information required under subsection (b)(1)(v) of this section may not be an issue of fact in a trial under this section.

(ii) If, when the trial occurs, it appears to the satisfaction of the court, that the rent, or any part of the rent and late fees are actually due and unpaid, the court shall determine the amount of rent and late fees due as of the date the complaint was filed, if the trial occurs within the time specified by subsection (b)(3) of this section.

(iii) 1. If the trial does not occur within the time specified in subsection (b)(3)(i) of this section and the tenant has not become current since the filing of the complaint, the court, if the complaint so requests, shall enter a judgment in favor of the landlord for possession of the premises and determine the rent and late fees due as of the trial date.

2. The determination of rent and late fees shall include the following:

- A. Rent claimed in the complaint;
- B. Rent accruing after the date of the filing of the complaint;
- C. Late fees accruing in or prior to the month in which the complaint was filed; and
- D. Credit for payments of rent and late fees made by the tenant after the complaint was filed.

(iv) [The] **IN THE CASE OF A RESIDENTIAL TENANCY, THE court may also give judgment in favor of the landlord for the amount of rent and late fees determined to be due together with costs of the suit if the court finds that the residential tenant was personally served with a summons[, or, in].**

(v) IN the case of a nonresidential tenancy, IF THE COURT FINDS THAT there was such service of process or submission to the jurisdiction of the court as would support a judgment in contract or tort, THE COURT MAY ALSO GIVE JUDGMENT IN FAVOR OF THE LANDLORD FOR:

- 1. THE AMOUNT OF RENT AND LATE FEES DETERMINED TO BE DUE;**
- 2. COSTS OF THE SUIT; AND**
- 3. REASONABLE ATTORNEY'S FEES, IF THE LEASE AGREEMENT AUTHORIZES THE LANDLORD TO RECOVER ATTORNEY'S FEES.**

[(v)] (vi) A nonresidential tenant who was not personally served with a summons shall not be subject to personal jurisdiction of the court if that tenant asserts that the appearance is for the purpose of defending an in rem action prior to the time that evidence is taken by the court.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 237

(House Bill 403)

AN ACT concerning

Allegany County – Junkyard Ordinance – Appearances at Trial

FOR the purpose of providing that, in Allegany County, during a prosecution for a certain civil infraction related to junkyards, the presence of the State's Attorney is not required if a certain official who issued the citation for the infraction is present on behalf of the county; and generally relating to the enforcement of the junkyard ordinance in Allegany County.

BY repealing and reenacting, without amendments,
Article 25 – County Commissioners
Section 122A
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Article 25B – Home Rule for Code Counties
Section 13C(o)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article 25 – County Commissioners

122A.

(a) The county commissioners or county council of each county in the State may adopt and promulgate rules and regulations for the licensing, control, location and maintenance within their respective limits of junkyards, public or private dumps, automobile junkyards, automotive dismantler and recycler facilities, scrap metal processing facilities, or outdoor places where old motor vehicles are stored in quantity or dismantled, and lots on which refuse, trash or junk is deposited.

(b) Any such rules and regulations shall be framed and designed to protect the residents of the county from unpleasant and unwholesome conditions and neighborhoods, to preserve the beauty and esthetic value of rural or residential areas, to safeguard the public health and welfare, to promote good civic design, and to

promote the health, safety, morals, order, convenience and prosperity of the community.

(c) The rules and regulations may include a requirement that such a junkyard, facility, or dump may not be maintained or operated within the county limits until an annual license therefor has been obtained from the county commissioners or county council, at such reasonable fee as may be specified in the rules and regulations.

(d) Prior to the adoption of any such rules and regulations, due notice of their consideration shall be given in some newspaper of general circulation in the county, in a notice published once a week for not less than four successive weeks. The notice shall specify a time and place at which the county commissioners or county council will conduct a public hearing on the contents and adoption of the rules and regulations; and the rules and regulations are not valid unless the public hearing actually is held as advertised.

(e) (1) Except as provided in paragraph (2) of this subsection, a violation of any such rule or regulation, including the maintenance or operation of any such junkyard, facility, or dump without a license, is a misdemeanor, subject upon conviction to a fine of not less than twenty-five dollars (\$25.00). Each day on which a violation continues is a separate offense.

(2) In a county in the Western Maryland class that has adopted code home rule under Article XI-F of the Maryland Constitution, the county commissioners may:

(i) Declare a violation of any rule or regulation adopted in accordance with this section to be a civil infraction under Article 25B, § 13C of the Code; or

(ii) Abate, or contract for the abatement of, a violation of any rule or regulation adopted in accordance with this section at the expense of the owner of the real property where the violation occurred.

Article 25B – Home Rule for Code Counties

13C.

(o) (1) In a proceeding for a civil infraction:

(i) Subject to the provisions of [paragraph] **PARAGRAPHS (2) AND (3)** of this subsection, the State's Attorney for a county shall prosecute the civil infraction in the same manner as a violation of the criminal laws of this State; and

(ii) The State's Attorney may enter a nolle prosequi or place the case on the stet docket in the same manner as is now prescribed by law or rule for violation of the criminal laws of this State.

(2) (i) Subject to the approval of the county commissioners, the State's Attorney for a county may designate in writing the county attorney or any assistant county attorney in a county to exercise the power to prosecute civil infractions.

(ii) Upon a designation described under this paragraph of the county attorney or any assistant county attorney, the designated county attorney or assistant county attorney shall have, and be authorized to exercise, the power and authority of the State's Attorney with respect to the prosecution of a civil infraction.

(3) IN ALLEGANY COUNTY, DURING A PROSECUTION FOR A CIVIL INFRACTION UNDER ARTICLE 25, § 122A OF THE CODE, THE PRESENCE OF THE STATE'S ATTORNEY FOR THE COUNTY IS NOT REQUIRED AT THE TRIAL FOR THE CIVIL INFRACTION IF THE OFFICIAL WHO ISSUED THE CITATION FOR THE CIVIL INFRACTION IS PRESENT AT THE TRIAL ON BEHALF OF THE COUNTY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 238

(House Bill 422)

AN ACT concerning

Alimony and Child Support - Exemption from Execution on a Judgment

FOR the purpose of exempting money paid or payable for ~~alimony or~~ child support ~~obligations~~ from execution on a judgment; exempting money paid or payable for alimony from execution on a judgment to a certain extent; and generally relating to alimony ~~and~~ child support, and exemptions from execution on a judgment.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 11–504(b)

Annotated Code of Maryland
(2006 Replacement Volume)

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

Article - Courts and Judicial Proceedings

11-504.

(b) The following items are exempt from execution on a judgment:

(1) Wearing apparel, books, tools, instruments, or appliances, in an amount not to exceed \$5,000 in value necessary for the practice of any trade or profession except those kept for sale, lease, or barter.

(2) Money payable in the event of sickness, accident, injury, or death of any person, including compensation for loss of future earnings. This exemption includes but is not limited to money payable on account of judgments, arbitrations, compromises, insurance, benefits, compensation, and relief. Disability income benefits are not exempt if the judgment is for necessities contracted for after the disability is incurred.

(3) Professionally prescribed health aids for the debtor or any dependent of the debtor.

(4) The debtor's interest, not to exceed \$1,000 in value, in household furnishings, household goods, wearing apparel, appliances, books, animals kept as pets, and other items that are held primarily for the personal, family, or household use of the debtor or any dependent of the debtor.

(5) Cash or property of any kind equivalent in value to \$6,000 is exempt, if within 30 days from the date of the attachment or the levy by the sheriff, the debtor elects to exempt cash or selected items of property in an amount not to exceed a cumulative value of \$6,000.

(6) MONEY PAYABLE OR PAID ~~FOR ALIMONY OR~~ IN ACCORDANCE WITH AN AGREEMENT OR COURT ORDER FOR CHILD SUPPORT OBLIGATIONS.

(7) MONEY PAYABLE OR PAID IN ACCORDANCE WITH AN AGREEMENT OR COURT ORDER FOR ALIMONY TO THE SAME EXTENT THAT WAGES ARE EXEMPT FROM ATTACHMENT UNDER § 15-601.1(B)(1)(II) OR (2)(I) OF THE COMMERCIAL LAW ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 239

(House Bill 488)

AN ACT concerning

Environment – Statewide Electronics Recycling Program

FOR the purpose of altering a certain recycling program to include certain additional electronic devices; authorizing a county to address methods for the separate collection and recycling of certain electronic devices in a certain recycling plan; requiring that certain unspent or unencumbered funds, in excess of a certain amount, revert to the General Fund of the State; requiring certain fines and penalties be deposited into the State Recycling Trust Fund; requiring manufacturers of certain electronic devices to submit to the Department of the Environment a certain registration and fee; altering a certain manufacturer registration fee; requiring the Department to maintain a certain list of certain registered electronic device manufacturers; requiring the Department to provide the list to the Comptroller in a certain manner; prohibiting a certain retailer from selling certain electronic devices under certain circumstances; authorizing the Comptroller to assess a certain fine against certain retailers for certain violations only after a certain number of warnings have been issued; establishing that each day on which a violation occurs or continues is a separate violation under certain provisions of this Act; requiring the fine to be deposited into the State Recycling Trust Fund in a certain manner; repealing the termination date of certain provisions of a certain Act; defining certain terms; and generally relating to the Statewide Electronics Recycling Program.

BY repealing and reenacting, with amendments,

Article – Environment

Section 9–1701, 9–1702(d)(4), 9–1703(c), and 9–1707(f); and 9–1727 through 9–1730 to be under the amended part “Part IV. Statewide Electronics Recycling Program”

Annotated Code of Maryland

(1996 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, without amendments,

Article – Environment
Section 9–1702(a)
Annotated Code of Maryland
(1996 Replacement Volume and 2006 Supplement)

BY adding to
Article – Environment
Section 9–1728.1 to be under the amended part “Part IV. Statewide Electronics
Recycling Program”
Annotated Code of Maryland
(1996 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Chapter 384 of the Acts of the General Assembly of 2005
Section 3

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

Article – Environment

9–1701.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Compost” means the product of composting in accordance with the standards established by the Secretary of Agriculture under § 6–221 of the Agriculture Article.
- (c) “Composting” means the controlled biological decomposition of organic waste material in accordance with the standards established by the Secretary under this title.
- (d) (1) “Computer” means a desktop personal computer or laptop computer, including the computer monitor.
 - (2) “Computer” does not include:
 - (i) A personal digital assistant device;
 - (ii) A computer peripheral device, including:
 - 1. A mouse or other similar pointing device;
 - 2. A printer; or

3. A detachable keyboard.

(e) (1) **“COVERED ELECTRONIC DEVICE” MEANS A COMPUTER OR VIDEO DISPLAY DEVICE WITH A SCREEN THAT IS GREATER THAN 4 INCHES MEASURED DIAGONALLY.**

(2) **“COVERED ELECTRONIC DEVICE” DOES NOT INCLUDE A VIDEO DISPLAY DEVICE THAT IS PART OF A MOTOR VEHICLE OR THAT IS CONTAINED WITHIN A HOUSEHOLD APPLIANCE OR COMMERCIAL, INDUSTRIAL, OR MEDICAL EQUIPMENT.**

(F) [“Computer”] **“COVERED ELECTRONIC DEVICE takeback program”** means a program, established by a [computer] **COVERED ELECTRONIC DEVICE** manufacturer, for the collection and recycling, refurbishing, or reuse of a [computer] **COVERED ELECTRONIC DEVICE** labeled with the name of the manufacturer or the manufacturer’s brand label, including:

(1) Providing, at no cost to the returner, a method of returning a [computer] **COVERED ELECTRONIC DEVICE** to the manufacturer, including postage paid mailing packages or designated collection points throughout the State;

(2) Contracting with a recycler, local government, other manufacturer, or any other person; or

(3) Any other program approved by the Department.

[(f)] (G) **“Director”** means the Director of the Office of Recycling.

[(g)] (H) **“Manufacturer”** means [the corporation or other legal entity that is the brand owner or importer of a computer sold in the State] **A PERSON ~~WHO HAS LEGAL OWNERSHIP~~ THAT IS THE BRAND OWNER OF A COVERED ELECTRONIC DEVICE ~~BRAND~~ SOLD OR OFFERED FOR SALE IN THE STATE, BY ANY MEANS, INCLUDING TRANSACTIONS CONDUCTED THROUGH SALES OUTLETS, CATALOGS, OR THE INTERNET.**

[(h)] (I) (1) **“Natural wood waste”** means tree and other natural vegetative refuse.

(2) **“Natural wood waste”** includes tree stumps, brush and limbs, root mats, logs, and other natural vegetative material.

[(i)] (J) (1) **“Natural wood waste recycling facility”** means a facility where recycling services for natural wood waste are provided.

(2) "Natural wood waste recycling facility" does not include a collection or processing facility operated by:

(i) A nonprofit or governmental organization located in the State; or

(ii) A single individual or business that provides recycling services for its own employees or for its own recyclable materials generated on its own premises.

[(j)] (K) "Office" means the Office of Recycling within the Department.

[(k)] (L) "Recyclable materials" means those materials that:

(1) Would otherwise become solid waste for disposal in a refuse disposal system; and

(2) May be collected, separated, or processed and returned to the marketplace in the form of raw materials or products.

[(l)] (M) (1) "Recycling" means any process in which materials that would otherwise become solid waste are collected, separated, or processed and returned to the marketplace in the form of raw materials or products.

(2) "Recycling" includes composting.

[(m)] (N) "Recycling services" means the services provided by persons engaged in the business of recycling, including the collection, processing, storage, purchase, sale, or disposition of recyclable materials.

[(n)] (O) "Resource recovery facility" means a facility in existence as of January 1, 1988 that:

(1) Processes solid waste to produce valuable resources, including steam, electricity, metals, or refuse-derived fuel; and

(2) Achieves a volume reduction of at least 50 percent of its solid waste stream.

[(o)] (P) (1) "Solid waste stream" means garbage or refuse that would, unless recycled, be disposed of in a refuse disposal system located in this State.

(2) "Solid waste stream" does not include:

- (i) Hospital waste;
- (ii) Rubble;
- (iii) Scrap material;
- (iv) Land clearing debris;
- (v) Sewage sludge; or
- (vi) Waste generated by a single individual or business and disposed of in a facility dedicated solely for that entity's waste.

(q) (1) "VIDEO DISPLAY DEVICE" MEANS AN ELECTRONIC DEVICE WITH AN OUTPUT SURFACE THAT DISPLAYS OR IS CAPABLE OF DISPLAYING MOVING GRAPHICAL IMAGES OR VISUAL REPRESENTATIONS OF IMAGE SEQUENCES OR PICTURES THAT SHOW A NUMBER OF QUICKLY CHANGING IMAGES ON A SCREEN TO CREATE THE ILLUSION OF MOTION.

(2) "VIDEO DISPLAY DEVICE" INCLUDES A DEVICE THAT IS AN INTEGRAL PART OF THE DISPLAY AND CANNOT EASILY BE REMOVED FROM THE DISPLAY BY THE CONSUMER AND THAT PRODUCES THE MOVING IMAGE ON THE SCREEN.

(3) A VIDEO DISPLAY DEVICE MAY USE A CATHODE-RAY TUBE (CRT), LIQUID CRYSTAL DISPLAY (LCD), GAS PLASMA, DIGITAL LIGHT PROCESSING, OR OTHER IMAGE-PROJECTION TECHNOLOGY.

[(p)] (R) "White goods" includes:

- (1) Refrigerators;
- (2) Stoves;
- (3) Washing machines;
- (4) Dryers;
- (5) Water heaters; and
- (6) Air conditioners.

[(q)] (S) (1) "Yard waste" means organic plant waste derived from gardening, landscaping, and tree trimming activities.

(2) "Yard waste" includes leaves, garden waste, lawn cuttings, weeds, and prunings.

9-1702.

- (a) There is an Office of Recycling created within the Department.
- (d) The Office shall:

(4) Administer the Statewide [Computer] **ELECTRONICS** Recycling [Pilot] Program under Part IV of this subtitle.

9-1703.

(c) (1) In preparing the recycling plan as required under § 9-505 of this title, the county may address methods for the separate collection and recycling of [computers] **COVERED ELECTRONIC DEVICES**, including efforts by the county to establish partnerships with [computer] **COVERED ELECTRONIC DEVICE** manufacturers, recyclers, retailers, or other local governments for the collection and recycling of [computers] **COVERED ELECTRONIC DEVICES**.

(2) If a county elects to address methods for the separate collection and recycling of [computers] **COVERED ELECTRONIC DEVICES** in its recycling plan, any reduction in the county's solid waste stream attributable to the implementation of the methods shall count towards the county's required reduction through recycling of the solid waste stream under § 9-505 of this title.

9-1707.

- (f) (1) There is a State Recycling Trust Fund.
- (2) The Fund shall consist of:
 - (i) The newsprint recycling incentive fee;
 - (ii) The telephone directory recycling incentive fee collected under § 9-1709 of this subtitle;
 - (iii) The [computer] **COVERED ELECTRONIC DEVICE** manufacturer registration fee collected under § 9-1728 of this subtitle;
 - (iv) **ALL FINES AND PENALTIES COLLECTED UNDER THIS SUBTITLE;**

- (v) Money appropriated in the State budget to the Fund; and
- [(v)] (vi) Any other money from any other source accepted for the benefit of the Fund.
- (3) The Secretary shall administer the Fund.
- (4) The Treasurer shall hold the Fund separately and the Comptroller shall account for the Fund.
- (5) At the end of each fiscal year, any unspent or unencumbered balance in the Fund **THAT EXCEEDS \$2,000,000** shall revert to the General Fund of the State in accordance with § 7-302 of the State Finance and Procurement Article.
- (6) In accordance with the State budget, the Fund shall be used only:
- (i) To provide grants to the counties to be used by the counties to develop and implement local recycling plans;
 - (ii) To provide grants to counties that have addressed methods for the separate collection and recycling of [computers] **COVERED ELECTRONIC DEVICES** in accordance with § 9-1703(c)(1) of this subtitle;
 - (iii) To provide grants to municipalities to be used by the municipalities to implement local [computer] **COVERED ELECTRONIC DEVICE** recycling programs; and
 - (iv) To carry out the purposes of the Office of Recycling under this subtitle.
- (7) (i) The Treasurer shall invest the money in the Fund in the same manner as other State money may be invested.
- (ii) Any investment earnings of the Fund shall be credited to the General Fund of the State.

Part IV. Statewide [Computer] **ELECTRONICS** Recycling [Pilot] Program.

9-1727.

- (a) This section applies to a manufacturer that manufactured an average of more than 1,000 [computers] **COVERED ELECTRONIC DEVICES** per year in the immediately preceding 3-year period.

(b) [On or after January 1, 2006, a] A manufacturer may not sell or offer for sale to any person in the State a new [computer] COVERED ELECTRONIC DEVICE unless:

(1) The [computer] COVERED ELECTRONIC DEVICE is labeled with the name of the manufacturer or the manufacturer's brand label; and

(2) The manufacturer has registered with and submitted a registration fee to the Department as provided under this part.

9-1728.

(a) A [computer] COVERED ELECTRONIC DEVICE manufacturer's registration shall include:

(1) The brand names under which the manufacturer sells or offers for sale [computers] COVERED ELECTRONIC DEVICES in the State;

(2) Whether the manufacturer has implemented a [computer] COVERED ELECTRONIC DEVICE takeback program;

(3) If the manufacturer has implemented a [computer] COVERED ELECTRONIC DEVICE takeback program:

(i) A toll-free number or website address that provides information about the takeback program, including a detailed description of how a person may return a [computer] COVERED ELECTRONIC DEVICE for recycling, refurbishing, or reuse; and

(ii) One year after the implementation of the program and each year thereafter, a report on the implementation of the program during the prior year, including:

1. The total weight of the [computers] COVERED ELECTRONIC DEVICES received by the program from Maryland during the prior year;

2. The total number of [computers] COVERED ELECTRONIC DEVICES from Maryland recycled, refurbished, and reused during the prior year; and

3. The processes and methods used to recycle, refurbish, or reuse the [computers] COVERED ELECTRONIC DEVICES received from Maryland; and

(4) Any additional information required by the Department in regulation.

(b) The registration shall:

(1) Be submitted to the Department by January 1 of each year; and

(2) If the manufacturer has implemented a [computer] **COVERED ELECTRONIC DEVICE** takeback program, be updated prior to any significant change in the program.

(c) The [computer] **COVERED ELECTRONIC DEVICE** manufacturer registration fee is:

(1) [~~\$5,000~~] **\$10,000** for the initial registration by the manufacturer;

(2) (i) \$5,000 for each subsequent annual registration by a manufacturer that did not have an implemented [computer] **COVERED ELECTRONIC DEVICE** takeback program in the prior year; or

(ii) \$500 for each subsequent annual registration by a manufacturer that had an implemented [computer] **COVERED ELECTRONIC DEVICE** takeback program in the prior year;

(3) Submitted to the Department by January 1 of each year; and

(4) Paid into the State Recycling Trust Fund.

(d) (1) The Department shall:

(i) Review the registration submitted under this section; and

(ii) If the registration does not meet the requirements of this section and the regulations adopted by the Department under this subtitle, notify the manufacturer of the insufficiency.

(2) Within 60 days after receipt of a notice of insufficiency, the manufacturer shall submit a revised registration that addresses the insufficiencies noted by the Department.

(E) (1) THE DEPARTMENT SHALL MAINTAIN A LIST OF REGISTERED COVERED ELECTRONIC DEVICE MANUFACTURERS.

(2) THE DEPARTMENT SHALL PROVIDE A LIST OF REGISTERED COVERED ELECTRONIC DEVICE MANUFACTURERS TO THE COMPTROLLER IN A MANNER AGREED ON BY THE DEPARTMENT AND THE COMPTROLLER.

9-1728.1.

(A) IN THIS SECTION, "RETAILER" MEANS ANY PERSON THAT SELLS A COVERED ELECTRONIC DEVICE TO A CONSUMER.

(B) IF A MANUFACTURER IS SUBJECT TO THE REQUIREMENTS OF §§ 9-1727 AND 9-1728 OF THIS PART, A RETAILER MAY NOT SELL OR OFFER FOR SALE TO ANY PERSON IN THE STATE A NEW COVERED ELECTRONIC DEVICE MANUFACTURED BY THE MANUFACTURER, UNLESS THE MANUFACTURER HAS COMPLIED WITH THE REQUIREMENTS OF §§ 9-1727 AND 9-1728 OF THIS PART.

9-1729.

The Department may adopt regulations necessary to implement the provisions of this subtitle, including the required components of a [computer] COVERED ELECTRONIC DEVICE takeback program.

9-1730.

(A) The provisions and penalties of § 9-342 of this title shall be used and shall apply to enforce violations of this part.

(B) (1) IN ADDITION TO ANY OTHER PENALTY PROVIDED BY LAW, THE COMPTROLLER MAY ASSESS AGAINST ANY RETAILER THAT VIOLATES § 9-1728.1(B) OF THIS PART A FINE UP TO ~~\$5,000~~ \$500 FOR EACH VIOLATION, BUT NOT EXCEEDING ~~\$50,000~~ \$5,000 TOTAL.

(2) A FINE UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY BE ASSESSED ONLY AFTER THE RETAILER THAT COMMITTED THE VIOLATION HAS BEEN ISSUED THREE WARNINGS REGARDING THE VIOLATION.

(3) EACH DAY ON WHICH A VIOLATION OCCURS OR CONTINUES IS A SEPARATE VIOLATION UNDER THIS SUBSECTION.

~~(2)~~ (4) AT THE END OF EACH QUARTER, THE COMPTROLLER SHALL FORWARD ALL FINES TO THE STATE RECYCLING TRUST FUND IN A MANNER AGREED ON BY THE DEPARTMENT AND THE COMPTROLLER.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2005. [Section 1 of this Act shall remain effective for a period of 5 years and 6 months and, at the end of December 31, 2010, with no further action required by the General Assembly, Section 1 of this Act shall be abrogated and of no further force and effect.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 240

(House Bill 501)

AN ACT concerning

Prince George's County – Commercial Vehicles Parked in Residential Areas – Citation

PG 301-07

FOR the purpose of ~~making certain provisions of law that prohibit a person in Prince George's County from parking a certain commercial vehicle in certain residential zones applicable in municipal corporations in Prince George's County,~~ requiring a police officer who discovers a certain commercial vehicle parked in a certain area specified as a residential zone in Prince George's County to deliver a citation to the driver or, if the vehicle is unattended, attach the citation to the vehicle in a certain manner; requiring the police officer to keep a copy of the citation; making stylistic changes; and generally relating to citations for parking violations in Prince George's County.

BY repealing and reenacting, without amendments,

Article – Transportation

Section 21-1010

Annotated Code of Maryland

(2006 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Article – Transportation

Section ~~21-1010 and~~ 26-201(f)

Annotated Code of Maryland
(2006 Replacement Volume and 2006 Supplement)

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

Article – Transportation

21–1010.

(a) In this section, “commercial vehicle” means a vehicle that:

(1) Is used to transport property;

(2) Is owned by, or used in conjunction with, a business enterprise;
and

(3) Is of a type capable of being registered:

(i) Other than under § 13–917 of this article, as a Class E (truck) vehicle under this article;

(ii) As a Class F (tractor) vehicle under this article; or

(iii) As a Class G (trailer) vehicle under this article.

(b) This section does not apply to any vehicle that is of a type capable of being registered:

(1) As a Class A (passenger) vehicle under § 13–912 of this article; or

(2) As a Class E (truck) vehicle under § 13–917 of this article.

(c) ~~¶~~This section does not apply in any municipal corporation in Prince George’s County.

(d)~~¶~~ (1) Except as provided in paragraph (2) of this subsection, in Prince George’s County, a person may not park a commercial vehicle on any street, highway, driveway, or other property in an area specified as a residential zone under the zoning regulations of Prince George’s County.

(2) This subsection does not apply if the parking of the commercial vehicle is essential to the immediate use then being made of the commercial vehicle in conjunction with a commercial transaction for a business enterprise.

~~[(e)] (D)~~ (1) Subject to paragraphs (2) and (3) of this subsection, a person who violates this section is guilty of a misdemeanor and on conviction is subject to a fine of \$500.

(2) In the case of a combination tractor and trailer, a person who violates this section is subject to a separate fine for each vehicle.

(3) For the purpose of determining the penalty under this section, each day of a violation is a separate offense.

26-201.

(f) [An] A POLICE officer who discovers a vehicle stopped, standing, or parked in violation of § 21-1003 OR § 21-1010 of this article shall:

(1) Deliver a citation to the driver or, if the vehicle is unattended, attach a citation to the vehicle in a conspicuous place; and

(2) Keep a copy of the citation, bearing [his] THE POLICE OFFICER'S certification under penalty of perjury that the facts stated in the citation are true.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 241

(House Bill 505)

AN ACT concerning

Maryland Service Animal Reform Act - "Gretchen's Law"

FOR the purpose of expanding certain provisions concerning individuals with certain disabilities to include service animals; repealing certain provisions requiring certain individuals accompanied by service animals to display certain identification; ~~increasing certain fines for certain violations; requiring the Secretary of Disabilities to develop and implement a certain training program for certain individuals in consultation with certain groups~~ requiring certain organizations or agencies that require certain individuals to take certain professional training courses to include a segment concerning the rights of

individuals with disabilities who are accompanied by service animals; and generally relating to individuals with disabilities and service animals.

BY repealing and reenacting, with amendments,

Article – Human Services

Section 7–701, 7–704, 7–705, 7–707, and 7–708

Annotated Code of Maryland

(As enacted by Chapter 3 (S.B. 6) of the Acts of the General Assembly of 2007)

BY adding to

Article – Human Services

Section 7–708

Annotated Code of Maryland

(As enacted by Chapter 3 (S.B. 6) of the Acts of the General Assembly of 2007)

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

Article – Human Services

7–701.

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

(b) “Blind” means:

(1) a visual acuity not exceeding 20/200 in the better eye with corrective lenses; or

(2) a visual field of which the widest diameter subtends an angle of not more than 20 degrees.

(c) “Deaf” means a permanent hearing loss:

(1) that necessitates the use of amplification devices to hear oral communication; or

(2) for which amplification devices are ineffective.

(d) “Housing accommodations” means real property, or a portion of real property, that is:

(1) offered for compensation; and

(2) used or occupied, or intended to be used or occupied, as the residence or lodging of at least one individual.

(e) “Mobility impaired” means an inability to carry objects or to move or travel without the use of an assistive device or service [dog] ANIMAL.

(f) “Service [dog] ANIMAL trainer” means a person who trains service [dogs] ANIMALS for:

- (1) blind or visually impaired individuals;
- (2) deaf or hard of hearing individuals; or
- (3) mobility impaired individuals.

7-704.

(a) Blind, visually impaired, deaf, and hard of hearing individuals have the same right as individuals without those disabilities to the full and free use of the roads, sidewalks, public buildings, public facilities, and other public places.

(b) (1) Blind, visually impaired, deaf, and hard of hearing individuals are entitled to full and equal rights and privileges with respect to common carriers and other public conveyances or modes of transportation, places of public accommodations, and other places to which the general public is invited, subject only to any conditions and limitations of general application established by law.

(2) The failure of a blind or visually impaired pedestrian to carry a cane predominantly white or metallic in color, with or without a red tip, or a deaf or hard of hearing pedestrian to use a service [dog] ANIMAL wearing an orange license tag or orange collar and on a leash, or to use a service [dog] ANIMAL in a place, accommodation, or conveyance listed in paragraph (1) of this subsection does not constitute contributory negligence per se.

(c) (1) This subsection does not apply to any accommodations or single family residence in which the occupants offer for compensation not more than one room.

(2) A blind or visually impaired individual is entitled to the same access as other members of the general public to housing accommodations in the State, subject to any conditions and limitations of general application established by law.

(3) A blind, visually impaired, deaf, or hard of hearing individual who has, obtains, or may wish to obtain a service [dog] ANIMAL is entitled to full and equal access to housing accommodations.

(4) A blind, visually impaired, deaf, or hard of hearing individual who is accompanied by a service [dog] ANIMAL may not be required to pay extra compensation for the service [dog] ANIMAL, but the individual may be liable for damages to the premises or facilities that the service [dog] ANIMAL causes.

7-705.

(a) The following individuals have all the same rights and privileges conferred by law on other individuals:

(1) a blind or visually impaired pedestrian using a service [dog] ANIMAL and not carrying a cane predominantly white or metallic in color, with or without a red tip;

(2) a deaf or hard of hearing pedestrian using a service [dog] ANIMAL not wearing an orange license tag or orange collar and on a leash;

(3) a blind, visually impaired, deaf, or hard of hearing pedestrian using a service [dog] ANIMAL in a place, accommodation, or conveyance listed in § 7-704(b) of this subtitle; and

(4) a service [dog] ANIMAL trainer who is accompanied by [a dog] AN ANIMAL that is being trained as a service [dog and who displays the identification required by subsection (c) of this section] ANIMAL.

(b) (1) A mobility impaired individual may be accompanied by a service [dog] ANIMAL specially trained for that purpose in any place where a blind, visually impaired, deaf, or hard of hearing individual has the right to be accompanied by a service [dog] ANIMAL.

(2) This subsection does not require a physical modification of any place or vehicle in order to admit a mobility impaired individual who is accompanied by a service [dog] ANIMAL.

[(c) A blind, visually impaired, deaf, hard of hearing, or mobility impaired individual who is accompanied by a service dog, or a service dog trainer who is accompanied by a dog that is being trained as a service dog, shall display identification issued by a service dog trainer organization that trains and certifies service dogs for individuals with disabilities.

(d) (C) (1) Except as provided in paragraph (2) of this subsection, a service [dog] ANIMAL trainer may be accompanied by [a dog] AN ANIMAL that is being trained as a service [dog] ANIMAL in any place where a blind, visually impaired,

deaf, hard of hearing, or mobility impaired individual has the right to be accompanied by a service [dog] ANIMAL.

(2) [A dog] AN ANIMAL being trained as a service [dog] ANIMAL and accompanied by a service [dog] ANIMAL trainer may be excluded from a place described in paragraph (1) of this subsection if admitting the [dog] ANIMAL would create a clear danger of a disturbance or physical harm to an individual in the place.

[(e)] (D) (1) A blind, visually impaired, deaf, hard of hearing, or mobility impaired individual who is accompanied by a service [dog] ANIMAL specially trained for that purpose in a place, accommodation, or conveyance listed in § 7-704(b) of this subtitle may not be required to pay extra compensation for the service [dog] ANIMAL, but the individual may be liable for any damages to the premises or facilities caused by the service [dog] ANIMAL.

(2) A service [dog] ANIMAL trainer who is accompanied by [a dog] AN ANIMAL that is being trained as a service [dog] ANIMAL may not be required to pay extra compensation for the [dog] ANIMAL, but the service [dog] ANIMAL trainer organization that certifies the service [dog] ANIMAL may be liable for any personal injuries or damages to the premises or facilities caused by the service [dog] ANIMAL.

[(f)] (E) (1) (i) A person may not deny or interfere with the admittance of a service [dog] ANIMAL that accompanies a blind, visually impaired, deaf, hard of hearing, or mobility impaired individual in violation of this section.

(ii) A person who violates subparagraph (i) of this paragraph is guilty of a misdemeanor and on conviction is subject to a fine not exceeding ~~[\$500]~~ **\$2,500** for each offense.

(2) (i) A person may not deny or interfere with the admittance of [a dog] AN ANIMAL being trained as a service [dog] ANIMAL that accompanies a service [dog] ANIMAL trainer.

(ii) Subject to subsection [(d)(2)] (C)(2) of this section, a person who violates subparagraph (i) of this paragraph is subject to a fine not exceeding ~~[\$25]~~ **\$500** for each offense.

7-707.

(a) (1) A person may not deny or interfere with admittance to or enjoyment of a public place, accommodation, or conveyance described in § 7-704 of this subtitle or otherwise interfere with the rights of a blind, visually impaired, deaf, or hard of hearing individual under this subtitle.

(2) A person who violates this subsection is guilty of a misdemeanor and on conviction is subject to a fine not exceeding ~~[\$500]~~ **\$2,500** for each offense.

(b) In addition to any other remedy provided under the Code for a violation of this subtitle, a person may maintain a civil action for injunctive relief against another person who denies or interferes with admittance to or enjoyment of a public place, accommodation, or conveyance described in § 7-704 of this subtitle or otherwise interferes with the rights of a blind, visually impaired, deaf, or hard of hearing individual under this subtitle.

7-708.

~~(A) (1) THE SECRETARY OF DISABILITIES SHALL DEVELOP AND IMPLEMENT A COMMUNITY AWARENESS AND ANY ORGANIZATION OR AGENCY THAT REQUIRES A PROFESSIONAL TRAINING PROGRAM FOR THE FOLLOWING INDIVIDUALS SHALL INCLUDE A SEGMENT CONCERNING THE RIGHTS OF INDIVIDUALS WITH DISABILITIES WHO ARE ACCOMPANIED BY SERVICE ANIMALS.:~~

~~(2) THE SECRETARY SHALL DEVELOP THE PROGRAM REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION IN CONSULTATION WITH:~~

~~(I) SERVICE ANIMAL USERS;~~

~~(II) ORGANIZATIONS REPRESENTING SERVICE ANIMAL USERS; AND~~

~~(III) ORGANIZATIONS THAT TRAIN SERVICE ANIMALS.~~

~~(B) THE PROGRAM ESTABLISHED UNDER THIS SECTION SHALL PROVIDE ANNUAL TRAINING FOR:~~

~~(1) FIRST RESPONDERS;~~

~~(2) EMERGENCY SHELTER OPERATORS; AND~~

~~(3) 9-1-1 OPERATORS.~~

[7-708.] 7-709.

The Governor shall take suitable public notice of each October 15 as White Cane Safety Day by issuing a proclamation that:

(1) comments on the significance of the white cane;

(2) calls on the public to observe the White Cane Law under §§ 7-704 through 7-707 of this subtitle and to take precautions necessary for the safety of blind and visually impaired individuals;

(3) reminds the public of the policies with respect to blind and visually impaired individuals and urges cooperation with the policies;

(4) emphasizes the need for awareness of the presence of blind and visually impaired individuals in the community and the need to keep roads, sidewalks, public accommodations, public buildings, public facilities, other public places, and other places to which the public is invited safe and functional for those individuals; and

(5) offers assistance to blind and visually impaired individuals on appropriate occasions.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 242

(House Bill 536)

AN ACT concerning

Family Law - Paternity - Dependent Disabled Child

FOR the purpose of establishing that a proceeding to establish paternity of a child who is dependent on a parent because of a mental or physical infirmity may be begun at any time before ~~or after~~ the child's ~~eighteenth~~ twenty-first birthday; and generally relating to paternity of a disabled child.

BY repealing and reenacting, with amendments,

Article - Family Law

Section 5-1006

Annotated Code of Maryland

(2006 Replacement Volume)

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

Article - Family Law

5-1006.

(a) [A] EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (D) OF THIS SECTION, A proceeding to establish paternity of a child under this subtitle may be begun at any time before the child's eighteenth birthday.

(b) A paternity proceeding under this subtitle may be begun during pregnancy.

(c) A complaint under this subtitle is not barred because the child born out of wedlock was conceived or born outside this State.

(D) A PROCEEDING TO ESTABLISH PATERNITY OF A CHILD WHO IS DEPENDENT ON A PARENT BECAUSE OF A MENTAL OR PHYSICAL INFIRMITY MAY BE BEGUN AT ANY TIME BEFORE ~~OR AFTER~~ THE CHILD'S ~~EIGHTEENTH TWENTY-FIRST~~ BIRTHDAY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 243

(House Bill 579)

AN ACT concerning

Health Insurance - Authorization of Additional Products and Small Group Administrative Discounts and Study

FOR the purpose of ~~making certain provisions of this Act applicable to health maintenance organizations; providing that certain insurance policies may provide for payment of services rendered by certain providers; requiring an insurer to establish payment in a certain manner under certain circumstances; requiring a certain policy to allow direct access to specialists; providing that the Maryland Insurance Commissioner may authorize certain health insurance~~

carriers to offer a preferred provider insurance policy that conditions the payment of benefits on the use of preferred providers if the health insurance carrier meets certain requirements; requiring certain insurers and nonprofit health service plans to offer an option to include preferred and nonpreferred providers as an additional benefit under certain circumstances; requiring certain insurers and nonprofit health service plans to provide certain disclosures under certain circumstances; authorizing certain entities to require a certain individual to pay a certain premium under certain circumstances; ~~providing that certain provisions of law do not apply to a small employer under certain circumstances; requiring a small employer to provide a certain certification under certain circumstances; authorizing a health insurance carrier to offer a certain plan under certain circumstances;~~ requiring certain carriers that use a provider panel and offer a certain preferred provider insurance policy to adhere to certain standards; authorizing a carrier to offer a certain administrative discount to a small employer under certain circumstances; ~~providing for the intent of the General Assembly; authorizing a carrier to offer a certain policy to certain employees; specifying what a certain policy may exclude~~ providing that a limited benefit group health insurance contract may be issued only by an insurer or nonprofit health service plan to an employer to provide health coverage only for certain employees; authorizing certain health insurance carriers to condition the sale of certain contracts on an employer taking certain actions; requiring a carrier certain health insurance carriers to make a certain disclosure under certain circumstances; requiring the Maryland Health Care Commission to conduct a certain study and report to certain committees of the General Assembly on or before a certain date; defining certain terms; and generally relating to the authorization of additional health insurance products and discounts.

~~BY adding to~~

~~Article – Health – General~~

~~Section 19-706(iii)~~

~~Annotated Code of Maryland~~

~~(2005 Replacement Volume and 2006 Supplement)~~

BY repealing and reenacting, without amendments,

Article – Insurance

Section 14-201 through 14-204

Annotated Code of Maryland

(2006 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section ~~14-205, 15-1202, 15-1204,~~ 15-112(b)(1) and 15-1205

Annotated Code of Maryland

(2006 Replacement Volume and 2006 Supplement)

BY adding to

Article - Insurance

Section ~~14-205.1; and 15-1701 through 15-1703 to be under the new subtitle~~
~~"Subtitle 17. Health Insurance Coverage for Part-Time, Seasonal, and~~
~~Temporary Employees"~~ 14-205.1 and 15-1104

Annotated Code of Maryland

(2006 Replacement Volume and 2006 Supplement)

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

~~**Article - Health - General**~~

~~19-706.~~

~~(JJJ) THE PROVISIONS OF TITLE 15, SUBTITLE 17 OF THE INSURANCE ARTICLE SHALL APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.~~

Article - Insurance

14-201.

- (a) In this subtitle the following words have the meanings indicated.
- (b) "Insured" means a person covered for benefits under a preferred provider insurance policy offered or administered by an insurer.
- (c) "Nonpreferred provider" means a provider that is eligible for payment under a preferred provider insurance policy, but that is not a preferred provider under the applicable provider service contract.
- (d) "Preferential basis" means an arrangement under which the insured or subscriber under a preferred provider insurance policy is entitled to receive health care services from preferred providers at no cost, at a reduced fee, or under more favorable terms than if the insured or subscriber received similar services from a nonpreferred provider.
- (e) "Preferred provider" means a provider that has entered into a provider service contract.
- (f) "Preferred provider insurance policy" means:

(1) a policy or insurance contract that is issued or delivered in the State by an insurer, under which health care services are to be provided to the insured by a preferred provider on a preferential basis; or

(2) another contract that is offered by an employer, third party administrator, or other entity, under which health care services are to be provided to the subscriber by a preferred provider on a preferential basis.

(g) “Provider” means a physician, hospital, or other person that is licensed or otherwise authorized to provide health care services.

(h) “Provider service contract” means a contract between a provider and an insurer, employer, third party administrator, or other entity, under which the provider agrees to provide health care services on a preferential basis under specific preferred provider insurance policies.

(i) “Subscriber” means a person covered for benefits under a preferred provider insurance policy issued by a person that is not an insurer.

14-202.

(a) (1) This subtitle applies to insurers that issue or deliver individual or group health insurance policies in the State.

(2) The provisions of this subtitle that apply to insurers also apply to nonprofit health service plans that issue or deliver individual or group health insurance policies in the State.

(b) Except as otherwise provided in § 14-206 of this subtitle, this subtitle does not apply to an employee benefit plan to the extent that the plan is governed by the Employee Retirement Income Security Act of 1974 (ERISA).

14-203.

The Commissioner may adopt regulations to enforce this subtitle.

14-204.

Subject to the approval of the Commissioner, an insurer may:

(1) offer or administer a health benefit program under which the insurer offers preferred provider insurance policies that limit, through the use of provider service contracts, the numbers and types of providers of health care services eligible for payment as preferred providers; and

(2) establish terms and conditions that providers must meet to qualify for payment as preferred providers.

~~14-205.~~

~~(a) If a preferred provider insurance policy offered by an insurer provides benefits for a service that is within the lawful scope of practice of a health care provider licensed under the Health Occupations Article, an insured covered by the preferred provider insurance policy is entitled to receive the benefits for that service either through direct payments to the health care provider or through reimbursement to the insured.~~

~~(B) A PREFERRED PROVIDER INSURANCE POLICY OFFERED BY AN INSURER MAY PROVIDE FOR PAYMENT OF SERVICES RENDERED BY:~~

~~(1) PREFERRED PROVIDERS AND NONPREFERRED PROVIDERS;~~

~~OR~~

~~(2) PREFERRED PROVIDERS.~~

~~[(b)] (C) (1) [A] If A preferred provider insurance policy offered by an insurer under this subtitle [shall provide] PROVIDES for payment of services rendered by nonpreferred providers, THE INSURER SHALL ESTABLISH PAYMENT as provided in this subsection.~~

~~(2) Unless the insurer demonstrates to the satisfaction of the Commissioner that an alternative level of payment is more appropriate, aggregate payments made in a full calendar year to nonpreferred providers, after all deductible and copayment provisions have been applied, on average may not be less than 80% of the aggregate payments made in that full calendar year to preferred providers for similar services, in the same geographic area, under their provider service contracts.~~

~~(D) A PREFERRED PROVIDER INSURANCE POLICY SHALL ALLOW DIRECT ACCESS TO SPECIALISTS.~~

~~[(e)] (E) (1) In this subsection, "unfair discrimination" means an act, method of competition, or practice engaged in by an insurer:~~

~~(i) that is prohibited by Title 27, Subtitle 2 of this article; or~~

~~(ii) that, although not specified in Title 27, Subtitle 2 of this article, the Commissioner believes is unfair or deceptive and that results in the institution of an action by the Commissioner under § 27-104 of this article.~~

~~(2) If the rates for each institutional provider under a preferred provider insurance policy offered by an insurer vary based on individual negotiations, geographic differences, or market conditions and are approved by the Health Services Cost Review Commission, the rates do not constitute unfair discrimination under this article.~~

14-205.1.

(A) THE COMMISSIONER MAY AUTHORIZE AN INSURER OR NONPROFIT HEALTH SERVICE PLAN TO OFFER A PREFERRED PROVIDER INSURANCE POLICY THAT CONDITIONS THE PAYMENT OF BENEFITS ON THE USE OF PREFERRED PROVIDERS IF THE INSURER OR NONPROFIT HEALTH SERVICE PLAN:

(1) HAS DEMONSTRATED TO THE SECRETARY OF HEALTH AND MENTAL HYGIENE THAT THE PROVIDER PANEL OF THE INSURER OR NONPROFIT HEALTH SERVICE PLAN COMPLIES WITH THE REGULATIONS ADOPTED UNDER § 19-705.1(B)(1)(II) OF THE HEALTH - GENERAL ARTICLE; AND

(2) DOES NOT RESTRICT PAYMENT FOR COVERED SERVICES PROVIDED BY NONPREFERRED PROVIDERS:

(I) FOR EMERGENCY SERVICES, AS DEFINED IN § 19-701 OF THE HEALTH - GENERAL ARTICLE;

(II) FOR AN UNFORESEEN ILLNESS, INJURY, OR CONDITION REQUIRING IMMEDIATE CARE; OR

(III) AS REQUIRED UNDER § 15-830 OF THIS ARTICLE.

~~(A)~~ **(B) (1) IF AN EMPLOYER, ASSOCIATION, OR OTHER PRIVATE GROUP ARRANGEMENT OFFERS HEALTH BENEFIT PLAN COVERAGE TO EMPLOYEES OR INDIVIDUALS ONLY THROUGH PREFERRED PROVIDERS, THEN THE INSURER OR NONPROFIT HEALTH SERVICE PLAN WITH WHICH THE EMPLOYER, ASSOCIATION, OR OTHER PRIVATE GROUP ARRANGEMENT IS CONTRACTING FOR THE COVERAGE SHALL OFFER AN OPTION TO INCLUDE PREFERRED AND NONPREFERRED PROVIDERS AS AN ADDITIONAL BENEFIT FOR AN EMPLOYEE OR INDIVIDUAL, AT THE EMPLOYEE'S OR INDIVIDUAL'S OPTION, TO ACCEPT OR REJECT.**

(2) THE INSURER OR NONPROFIT HEALTH SERVICE PLAN SHALL PROVIDE TO EACH EMPLOYER, ASSOCIATION, OR OTHER PRIVATE GROUP ARRANGEMENT A DISCLOSURE STATEMENT ON THE GROUP APPLICATION THAT

AN OPTION TO INCLUDE PREFERRED AND NONPREFERRED PROVIDERS IS AVAILABLE FOR THE INDIVIDUAL OR EMPLOYEE TO ACCEPT OR REJECT.

~~(B)~~ (C) AN EMPLOYER, ASSOCIATION, OR OTHER PRIVATE GROUP ARRANGEMENT MAY REQUIRE AN EMPLOYEE OR INDIVIDUAL THAT ACCEPTS THE ADDITIONAL COVERAGE FOR PREFERRED AND NONPREFERRED PROVIDERS TO PAY A PREMIUM GREATER THAN THE AMOUNT OF THE PREMIUM FOR THE COVERAGE OFFERED FOR PREFERRED PROVIDERS ONLY.

15-112.

(b) (1) A carrier that uses a provider panel shall:

(i) 1. if the carrier is an insurer, nonprofit health service plan, or dental plan organization, maintain standards in accordance with regulations adopted by the Commissioner for availability of health care providers to meet the health care needs of enrollees; [and]

2. if the carrier is a health maintenance organization, adhere to the standards for accessibility of covered services in accordance with regulations adopted under § 19-705.1(b)(1)(ii) of the Health – General Article; and

3. IF THE CARRIER IS AN INSURER OR NONPROFIT HEALTH SERVICE PLAN THAT OFFERS A PREFERRED PROVIDER INSURANCE POLICY THAT CONDITIONS THE PAYMENT OF BENEFITS ON THE USE OF PREFERRED PROVIDERS, ADHERE TO THE STANDARDS FOR ACCESSIBILITY OF COVERED SERVICES IN ACCORDANCE WITH REGULATIONS ADOPTED UNDER § 19-705.1(B)(1)(II) OF THE HEALTH – GENERAL ARTICLE AND AS ENFORCED BY THE SECRETARY OF HEALTH AND MENTAL HYGIENE; AND

(ii) establish procedures to:

1. review applications for participation on the carrier's provider panel in accordance with this section;

2. notify an enrollee of:

A. the termination from the carrier's provider panel of the primary care provider that was furnishing health care services to the enrollee; and

B. the right of the enrollee, on request, to continue to receive health care services from the enrollee's primary care provider for up to 90 days after the date of the notice of termination of the enrollee's primary care provider from

the carrier's provider panel, if the termination was for reasons unrelated to fraud, patient abuse, incompetency, or loss of licensure status;

3. notify primary care providers on the carrier's provider panel of the termination of a specialty referral services provider;

4. verify with each provider on the carrier's provider panel, at the time of credentialing and recredentialing, whether the provider is accepting new patients and update the information on participating providers that the carrier is required to provide under subsection (j) of this section; and

5. notify a provider at least 90 days before the date of the termination of the provider from the carrier's provider panel, if the termination is for reasons unrelated to fraud, patient abuse, incompetency, or loss of licensure status.

15-1104.

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

(2) "EMPLOYER SPONSORED HEALTH BENEFIT PLAN" MEANS ANY PLAN, FUND, OR PROGRAM THAT:

(I) IS ESTABLISHED OR MAINTAINED BY AN EMPLOYER UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974;

(II) OFFERS COVERAGE FOR HEALTH BENEFITS; AND

(III) IS TREATED BY THE EMPLOYER OR ANY ELIGIBLE EMPLOYEE OR DEPENDENT AS PART OF A PLAN, FUND, OR PROGRAM UNDER THE UNITED STATES INTERNAL REVENUE CODE, 26 U.S.C. § 106, § 125, OR § 162.

(3) "GROUP HEALTH INSURANCE" HAS THE MEANING STATED IN § 15-302 OF THIS TITLE.

(4) "LIMITED BENEFIT GROUP HEALTH INSURANCE CONTRACT" MEANS A GROUP HEALTH INSURANCE CONTRACT THAT PROVIDES HEALTH INSURANCE BENEFITS, BUT IS NOT REQUIRED TO PROVIDE ALL THE BENEFITS REQUIRED UNDER SUBTITLES 7 AND 8 OF THIS TITLE.

(5) "SPECIAL ELIGIBLE EMPLOYEE" MEANS AN EMPLOYEE WHO:

(I) IS ELIGIBLE FOR HEALTH COVERAGE UNDER THE TERMS OF AN EMPLOYER SPONSORED HEALTH BENEFIT PLAN;

(II) WORKS:

1. ON A TEMPORARY OR SUBSTITUTE BASIS; OR

2. LESS THAN 30 HOURS IN A NORMAL WORKWEEK;

AND

(III) IS NOT ELIGIBLE FOR COVERAGE UNDER ANY GROUP HEALTH INSURANCE CONTRACT, NONPROFIT HEALTH SERVICE PLAN CONTRACT, OR HEALTH MAINTENANCE ORGANIZATION CONTRACT ISSUED TO THE EMPLOYEE'S EMPLOYER BECAUSE THE EMPLOYEE MEETS THE CRITERIA OF ITEM (II) OF THIS PARAGRAPH.

(B) A LIMITED BENEFIT GROUP HEALTH INSURANCE CONTRACT MAY BE ISSUED ONLY BY AN INSURER OR NONPROFIT HEALTH SERVICE PLAN TO AN EMPLOYER IF THE LIMITED GROUP HEALTH INSURANCE CONTRACT IS ISSUED TO PROVIDE HEALTH COVERAGE ONLY FOR:

(1) SPECIAL ELIGIBLE EMPLOYEES; OR

(2) SPECIAL ELIGIBLE EMPLOYEES AND THEIR DEPENDENTS.

(C) AN INSURER OR NONPROFIT HEALTH SERVICE PLAN THAT SELLS A LIMITED BENEFIT GROUP HEALTH INSURANCE CONTRACT, AS A CONDITION OF SALE, MAY REQUIRE THE EMPLOYER TO:

(1) COLLECT PAYMENT FOR PREMIUMS DUE UNDER THE LIMITED BENEFIT GROUP HEALTH INSURANCE CONTRACT THROUGH PAYROLL DEDUCTION;

(2) CONTRIBUTE TO THE PREMIUM PAYMENTS APPLICABLE TO THE COVERAGE OF A SPECIAL ELIGIBLE EMPLOYEE; AND

(3) OFFER COVERAGE TO ANY DEPENDENT OF A SPECIAL ELIGIBLE EMPLOYEE.

(D) A LIMITED BENEFIT GROUP HEALTH INSURANCE CONTRACT SHALL COMPLY WITH:

(1) ~~TITLE 15 OF THIS ARTICLE, EXCEPT SUBTITLES 7 AND 8; AND~~

(1) THIS TITLE, EXCEPT SUBTITLES 7 AND 8 OF THIS TITLE; AND

(2) NOTWITHSTANDING ITEM (1) OF THIS SUBSECTION, §§ 15-802, 15-812, 15-815, 15-830, 15-831, 15-832, AND 15-833 OF THIS ARTICLE TITLE.

(E) AN INSURER OR NONPROFIT HEALTH SERVICE PLAN SHALL DISCLOSE IN THE GROUP CERTIFICATE AND IN ENROLLMENT MATERIAL PROVIDED TO EACH SPECIAL ELIGIBLE EMPLOYEE THAT THE LIMITED BENEFIT GROUP HEALTH INSURANCE CONTRACT DOES NOT PROVIDE COMPREHENSIVE HEALTH COVERAGE.

~~15-1202~~

~~(a) This subtitle applies only to a health benefit plan that:~~

~~(1) covers eligible employees of small employers in the State; and~~

~~(2) is issued or renewed on or after July 1, 1994, if:~~

~~(i) any part of the premium or benefits is paid by or on behalf of the small employer;~~

~~(ii) any eligible employee or dependent is reimbursed, through wage adjustments or otherwise, by or on behalf of the small employer for any part of the premium;~~

~~(iii) the health benefit plan is treated by the employer or any eligible employee or dependent as part of a plan or program under the United States Internal Revenue Code, 26 U.S.C. § 106, § 125, or § 162; or~~

~~(iv) the small employer allows eligible employees to pay for the health benefit plan through payroll deductions.~~

~~(b) A carrier is subject to the requirements of § 15-1403 of this title in connection with health benefit plans issued under this subtitle.~~

~~(c) (1) THIS SUBTITLE DOES NOT APPLY TO A SMALL EMPLOYER WHOSE ONLY ROLE IN ADMINISTERING A HEALTH BENEFIT PLAN IS COLLECTING, THROUGH PAYROLL DEDUCTION, THE PREMIUMS OF AN INDIVIDUAL HEALTH BENEFIT PLAN OF AN EMPLOYEE, IF THE SMALL EMPLOYER HAS NOT OFFERED OR PROVIDED A HEALTH BENEFIT PLAN UNDER THIS SUBTITLE TO ITS EMPLOYEES DURING THE 6 MONTH PERIOD PRECEDING THE DATE OF THE PAYROLL DEDUCTION.~~

~~(2) A SMALL EMPLOYER WHO COLLECTS PREMIUMS THROUGH PAYROLL DEDUCTION AS PROVIDED IN THIS SUBSECTION SHALL PROVIDE A CERTIFICATION TO A CARRIER PROVIDING AN INDIVIDUAL HEALTH BENEFIT PLAN TO AN EMPLOYEE OF THE SMALL EMPLOYER THAT THE SMALL EMPLOYER AND THE EMPLOYEE MEET THE REQUIREMENTS OF THIS SUBSECTION.~~

~~15-1204.~~

~~(a) In addition to any other requirement under this article, a carrier shall:~~

~~(1) have demonstrated the capacity to administer the health benefit plan, including adequate numbers and types of administrative personnel;~~

~~(2) have a satisfactory grievance procedure and ability to respond to enrollees' calls, questions, and complaints;~~

~~(3) provide, in the case of individuals covered under more than one health benefit plan, for coordination of coverage under all of those health benefit plans in an equitable manner; and~~

~~(4) design policies to help ensure adequate access to providers of health care.~~

~~(b) A person may not offer a health benefit plan in the State unless the person offers at least the Standard Plan.~~

~~(c) Except for the Limited Benefit Plan, a carrier may not offer a health benefit plan that has fewer benefits than those in the Standard Plan.~~

~~(d) A carrier may offer benefits in addition to those in the Standard Plan if:~~

~~(1) the additional benefits:~~

~~(i) are offered and priced separately from benefits specified in accordance with § 15-1207 of this subtitle; and~~

~~(ii) do not have the effect of duplicating any of those benefits;~~
~~and~~

~~(2) the carrier:~~

~~(i) clearly distinguishes the Standard Plan from other offerings of the carrier;~~

~~(ii) indicates the Standard Plan is the only plan required by State law; and~~

~~(iii) specifies that all enhancements to the Standard Plan are not required by State law.~~

~~(e) Notwithstanding subsection (b) of this section, a health maintenance organization may provide a point of service delivery system as an additional benefit through another carrier regardless of whether the other carrier also offers the Standard Plan.~~

~~(f) A carrier may offer coverage for dental care and services as an additional benefit.~~

~~(G) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, A CARRIER MAY OFFER A HEALTH BENEFIT PLAN PREFERRED PROVIDER OPTION WITH IN-NETWORK AND OUT-OF-NETWORK DEDUCTIBLES OR OUT-OF-POCKET MAXIMUMS THAT DIFFER FROM THE STANDARD PLAN IF:~~

~~(1) THE ARITHMETIC TOTAL OF THE IN-NETWORK PLUS OUT-OF-NETWORK DEDUCTIBLE OR OUT-OF-POCKET MAXIMUMS IS GREATER THAN THE COMBINED IN-NETWORK AND OUT-OF-NETWORK DEDUCTIBLE OR OUT-OF-POCKET MAXIMUMS OF THE STANDARD PLAN; AND~~

~~(2) THE VALUE OF THE HEALTH BENEFIT PLAN EXCEEDS THE VALUE OF THE STANDARD PLAN.~~

15-1205.

(a) (1) In establishing a community rate for a health benefit plan, a carrier shall use a rating methodology that is based on the experience of all risks covered by that health benefit plan without regard to health status or occupation or any other factor not specifically authorized under this subsection.

(2) A carrier may adjust the community rate only for:

(i) age; and

(ii) geography based on the following contiguous areas of the

State:

1. the Baltimore metropolitan area;

2. the District of Columbia metropolitan area;

- 3. Western Maryland; and
- 4. Eastern and Southern Maryland.

(3) Rates for a health benefit plan may vary based on family composition as approved by the Commissioner.

(b) A carrier shall apply all risk adjustment factors under subsection (a) of this section consistently with respect to all health benefit plans that are issued, delivered, or renewed in the State.

(c) Based on the adjustments allowed under subsection (a)(2) of this section, a carrier may charge a rate that is 40% above or below the community rate.

(d) (1) A carrier shall base its rating methods and practices on commonly accepted actuarial assumptions and sound actuarial principles.

(2) A carrier that is a health maintenance organization and that includes a subrogation provision in its contract as authorized under § 19-713.1(d) of the Health – General Article shall:

(i) use in its rating methodology an adjustment that reflects the subrogation; and

(ii) identify in its rate filing with the Administration, and annually in a form approved by the Commissioner, all amounts recovered through subrogation.

(E) (1) A CARRIER MAY OFFER AN ADMINISTRATIVE DISCOUNT TO A SMALL EMPLOYER IF THE SMALL EMPLOYER ELECTS TO PURCHASE ~~ADDITIONAL EMPLOYEE BENEFITS THROUGH, FOR ITS EMPLOYEES, AN ANNUITY, DENTAL INSURANCE, DISABILITY INSURANCE, LIFE INSURANCE, LONG TERM CARE INSURANCE, VISION INSURANCE, OR, WITH THE APPROVAL OF THE COMMISSIONER, ANY OTHER INSURANCE SOLD BY THE CARRIER.~~

(2) THE ADMINISTRATIVE DISCOUNT SHALL BE OFFERED UNDER THE SAME TERMS AND CONDITIONS FOR ALL QUALIFYING SMALL EMPLOYERS.

~~SUBTITLE 17. HEALTH INSURANCE COVERAGE FOR PART-TIME, SEASONAL, AND TEMPORARY EMPLOYEES.~~

~~15-1701.~~

~~(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(B) "CARRIER" MEANS:~~

~~(1) AN AUTHORIZED INSURER THAT PROVIDES HEALTH INSURANCE IN THE STATE;~~

~~(2) A NONPROFIT HEALTH SERVICE PLAN THAT IS LICENSED TO OPERATE IN THE STATE; OR~~

~~(3) A HEALTH MAINTENANCE ORGANIZATION THAT IS LICENSED TO OPERATE IN THE STATE.~~

~~(C) "ELIGIBLE EMPLOYEE" MEANS ANY EMPLOYEE, INCLUDING BUT NOT LIMITED TO PART-TIME, TEMPORARY, AND SEASONAL EMPLOYEES, WHO DOES NOT QUALIFY FOR GROUP HEALTH INSURANCE.~~

~~(D) "GROUP HEALTH INSURANCE" HAS THE MEANING SPECIFIED IN § 15-301 OF THIS ARTICLE.~~

~~15-1702.~~

~~IN ADOPTING THIS SUBTITLE, THE GENERAL ASSEMBLY INTENDS TO:~~

~~(1) ENCOURAGE CARRIERS TO DEVELOP AFFORDABLE HEALTH INSURANCE PRODUCTS FOR EMPLOYEES WHO DO NOT QUALIFY FOR GROUP HEALTH INSURANCE; AND~~

~~(2) GIVE EMPLOYEES WHO DO NOT QUALIFY FOR GROUP HEALTH INSURANCE ADDITIONAL OPTIONS FOR HEALTH INSURANCE.~~

~~15-1703.~~

~~(A) A CARRIER MAY OFFER A POLICY TO ELIGIBLE EMPLOYEES THAT INCLUDES, AT A MINIMUM, PHYSICIAN, HOSPITALIZATION, LABORATORY, X-RAY, AND PRESCRIPTION DRUG COVERAGE.~~

~~(B) THE POLICY THAT A CARRIER OFFERS TO AN EMPLOYEE MAY EXCLUDE:~~

~~(1) A HEALTH CARE SERVICE, BENEFIT, COVERAGE, OR REIMBURSEMENT FOR COVERED HEALTH CARE SERVICES THAT IS REQUIRED~~

~~UNDER THIS ARTICLE OR THE HEALTH GENERAL ARTICLE TO BE PROVIDED OR OFFERED IN A POLICY THAT IS ISSUED OR DELIVERED IN THE STATE BY A CARRIER; OR~~

~~(2) REIMBURSEMENT REQUIRED BY STATUTE FOR A SERVICE, WHEN THAT SERVICE IS PERFORMED BY A HEALTH CARE PROVIDER THAT IS LICENSED UNDER THE HEALTH OCCUPATIONS ARTICLE AND WHOSE SCOPE OF PRACTICE INCLUDES THAT SERVICE, IN A POLICY THAT IS ISSUED OR DELIVERED IN THE STATE BY A CARRIER.~~

~~(C) A CARRIER SHALL DISCLOSE IN ITS POLICY DOCUMENTS TO THE ELIGIBLE EMPLOYEE THAT THE POLICY DOES NOT PROVIDE COMPREHENSIVE HEALTH COVERAGE.~~

SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Health Care Commission shall:

(1) conduct a study of the comprehensive standard health benefit plan for the small group health insurance market; and

(2) on or before December 1, 2007, report to the Senate Finance Committee and the House Health and Government Operations Committee, in accordance with § 2-1246 of the State Government Article, on options available, including modifying the comprehensive standard health benefit plan to specify a separate in-network deductible, out-of-network deductible, in-network out-of-pocket maximum, and out-of-network out-of-pocket maximum, to reform the comprehensive standard health benefit plan in a manner that will encourage more employers to enter the small group market.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 244

(House Bill 594)

AN ACT concerning

~~**Maryland Medical Assistance Program Department of Health and Mental Hygiene - Long-Term Care Services for Cognitive and Functional Impairments - Study and Analysis**~~

FOR the purpose of ~~requiring certain conditions under which an individual shall be determined medically eligible to receive certain services under the Maryland Medical Assistance Program; requiring certain physicians to make a certain certification; defining certain terms; and generally relating to the Maryland Medical Assistance Program and~~ requiring the Department of Health and Mental Hygiene, in consultation with certain stakeholders, to conduct a certain study and analysis of options available to the State to increase access to certain long-term care services for certain individuals with cognitive and functional impairments; requiring the Department to submit certain reports to the Governor and certain committees of the General Assembly on or before certain dates; providing for the termination of this Act; and generally relating to a Department of Health and Mental Hygiene study and analysis of increasing options for accessing long-term care services for cognitive and functionally impaired individuals.

~~BY repealing and reenacting, without amendments,
Article - Health - General
Section 15-101(a) and (h)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)~~

~~BY adding to
Article - Health - General
Section 15-115.1
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)~~

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

~~**Article - Health - General**~~

~~15-101.~~

- ~~(a) In this title the following words have the meanings indicated.~~
- ~~(h) "Program" means the Maryland Medical Assistance Program.~~

~~15-115.1.~~

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

~~(2) "HANDS-ON ASSISTANCE" MEANS THE PHYSICAL ASSISTANCE OF ANOTHER INDIVIDUAL WITHOUT WHICH AN INDIVIDUAL WOULD BE UNABLE TO PERFORM THE ACTIVITIES OF DAILY LIVING.~~

~~(3) "SEVERE COGNITIVE IMPAIRMENT" MEANS A LOSS OR DETERIORATION IN AN INDIVIDUAL'S INTELLECTUAL CAPACITY THAT IS:~~

~~(i) COMPARABLE TO AND INCLUDES ALZHEIMER'S DISEASE AND SIMILAR FORMS OF IRREVERSIBLE DEMENTIA; AND~~

~~(ii) MEASURED BY CLINICAL EVIDENCE AND STANDARDIZED TESTS THAT RELIABLY MEASURE IMPAIRMENT IN AN INDIVIDUAL'S:~~

~~1. SHORT TERM OR LONG TERM MEMORY;~~

~~2. ORIENTATION AS TO PEOPLE, PLACES, AND TIME;~~

~~AND~~

~~3. DEDUCTIVE OR ABSTRACT REASONING.~~

~~(4) "STANDBY ASSISTANCE" MEANS THE PRESENCE OF ANOTHER INDIVIDUAL WITHIN ARM'S REACH OF AN INDIVIDUAL THAT IS NECESSARY TO PREVENT, BY PHYSICAL INTERVENTION, INJURY TO THE INDIVIDUAL WHILE THE INDIVIDUAL IS PERFORMING AN ACTIVITY OF DAILY LIVING.~~

~~(5) (i) "SUBSTANTIAL SUPERVISION" MEANS CONTINUAL SUPERVISION BY ANOTHER INDIVIDUAL THAT IS NECESSARY TO PROTECT AN INDIVIDUAL WITH SEVERE COGNITIVE IMPAIRMENT FROM THREATS TO HEALTH OR SAFETY.~~

~~(ii) "SUBSTANTIAL SUPERVISION" INCLUDES CUING BY VERBAL PROMPTING, GESTURING, OR OTHER DEMONSTRATIONS OR 24 HOUR SUPERVISION.~~

~~(B) AN INDIVIDUAL SHALL BE DETERMINED MEDICALLY ELIGIBLE TO RECEIVE HOME AND COMMUNITY BASED LONG TERM CARE SERVICES UNDER THE PROGRAM IF THE INDIVIDUAL REQUIRES HEALTH RELATED SERVICES ABOVE THE LEVEL OF ROOM AND BOARD THAT ARE AVAILABLE OUTSIDE OF A~~

~~NURSING FACILITY, INCLUDING INDIVIDUALS WHO, BECAUSE OF SEVERE COGNITIVE IMPAIRMENT, MENTAL ILLNESS, OR OTHER CONDITIONS:~~

~~(1) (i) ARE CURRENTLY UNABLE TO PERFORM AT LEAST TWO ACTIVITIES OF DAILY LIVING WITHOUT HANDS-ON ASSISTANCE OR STANDBY ASSISTANCE FROM ANOTHER INDIVIDUAL; AND~~

~~(ii) HAVE BEEN OR WILL BE UNABLE TO PERFORM AT LEAST TWO ACTIVITIES OF DAILY LIVING FOR A PERIOD OF AT LEAST 90 DAYS DUE TO A LOSS OF FUNCTIONAL CAPACITY; OR~~

~~(2) NEED SUBSTANTIAL SUPERVISION FOR PROTECTION AGAINST THREATS TO HEALTH AND SAFETY DUE TO SEVERE COGNITIVE IMPAIRMENT OR MENTAL ILLNESS.~~

~~(c) THE INDIVIDUAL'S PHYSICIAN, TO THE EXTENT FEASIBLE, SHALL CERTIFY THAT THE INDIVIDUAL REQUIRES THE SERVICES DESCRIBED IN SUBSECTION (b) OF THIS SECTION.~~

(a) (1) The Department of Health and Mental Hygiene, in consultation with interested stakeholders, shall conduct a study and a comprehensive analysis of the options that may be available to the State to increase access to long-term services, including home- and community-based services such as adult medical day care, for individuals at high risk of institutionalization because of cognitive impairments, mental illness, traumatic brain injury, or other conditions, who meet financial eligibility criteria in effect as of June 1, 2007.

(2) The study and analysis shall include:

(i) a review of the practices of other states regarding the provision of long-term care services;

(ii) a determination of the feasibility of developing criteria for an alternative level of care;

(iii) a determination of the feasibility of increasing access to long-term care services through the Federal Deficit Reduction Act, the State Plan Amendments, the Older Adults Waiver, and other options available to the State; and

(iv) a cost-benefit analysis of the options examined, including the projected long-term savings to the State realized by the delay or reduction in need for the provision of care in hospitals or other institutional settings.

(b) The Department shall submit to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Budget and Taxation Committee, the House Health and Government Operations Committee, and the House Appropriations Committee:

- (1) an interim report on or before October 1, 2007; and
- (2) a final report on or before December 1, 2007.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007. It shall remain effective for a period of 1 year and, at the end of May 31, 2008, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, April 24, 2007.

CHAPTER 245

(House Bill 602)

AN ACT concerning

St. Mary's County - Real Property - Transfer

FOR the purpose of authorizing the Board of County Commissioners of St. Mary's County, by resolution, to transfer property no longer needed for a public purpose with or without consideration to any private nonprofit organization in the county or to the Housing Authority of St. Mary's County if a certain public hearing is held; requiring certain issues to be considered at the public hearing; requiring a certain notice to be published before the public hearing; requiring the County Commissioners to have a certain appraisal included in the notice of the public hearing; requiring the County Commissioners to adopt certain regulations; and generally relating to the transfer of real property by St. Mary's County.

BY adding to

Article 25 - County Commissioners
Section 11A(b)(6)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article 25 – County Commissioners

11A.

(b) (6) (i) IN ST. MARY’S COUNTY, THE BOARD OF COUNTY COMMISSIONERS MAY, BY RESOLUTION, TRANSFER WITH OR WITHOUT CONSIDERATION REAL PROPERTY WITHIN THE COUNTY NO LONGER NEEDED FOR A PUBLIC PURPOSE TO ANY PRIVATE NONPROFIT CORPORATION IN THE COUNTY OR TO THE HOUSING AUTHORITY OF ST. MARY’S COUNTY PROVIDED THAT:

1. THERE IS A PUBLIC HEARING AT WHICH THE COMMISSIONERS SOLICIT AND RECEIVE COMMENTS CONCERNING THE TRANSFER;

2. ISSUES CONSIDERED AT THE HEARING INCLUDE:

A. UNIQUE CHARACTERISTICS OF ANY STRUCTURE ON THE PROPERTY;

B. ANY HISTORICAL SIGNIFICANCE;

C. COMPATIBILITY OF THE PROPOSED USE WITH THE NEIGHBORHOOD; AND

D. FINANCIAL ASPECTS, INCLUDING THE ABILITY OF THE PROPOSED USER TO CONSTRUCT, RENOVATE, MAINTAIN, AND OPERATE A FACILITY ON THE PROPERTY;

3. NOTICE OF THE HEARING IS ADVERTISED IN AT LEAST 1 NEWSPAPER HAVING GENERAL CIRCULATION IN THE COUNTY AT LEAST ONCE EACH WEEK FOR 2 CONSECUTIVE WEEKS, THE LAST OF WHICH ADVERTISEMENT MAY NOT APPEAR LATER THAN 1 WEEK PRIOR TO THE HEARING; AND

4. AN APPRAISAL IS MADE BY THE COUNTY COMMISSIONERS OF THE PROPERTY TO BE INCLUDED IN THE NOTICE OF PUBLIC HEARING.

(II) THE COUNTY COMMISSIONERS SHALL ADOPT REGULATIONS FOR IMPLEMENTING THIS PARAGRAPH.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 246

(House Bill 636)

AN ACT concerning

Prince George's County - Task Force to Improve Child Support Compliance

PG 426-07

FOR the purpose of establishing a Task Force to Improve Child Support Compliance in Prince George's County; establishing the membership and staffing of the Task Force; requiring the members of the Task Force to designate the chair of the Task Force; requiring the Task Force to develop a plan and draft legislation to improve child support compliance in Prince George's County among certain noncustodial parents; requiring the Task Force to consider methods to increase paternity establishment and court order establishment and the option of privatization of child support enforcement; requiring the Task Force to submit a report to the Governor and General Assembly regarding its findings and recommendations by a certain date; prohibiting a member of the Task Force from receiving certain compensation, but authorizing a member of the Task Force to receive certain reimbursements; providing for the termination of this Act; and generally relating to the Task Force to Improve Child Support Compliance in Prince George's County.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) There is a Task Force to Improve Child Support Compliance in Prince George's County.

(b) The Task Force consists of the following members:

- (1) One member of the Senate of Maryland, appointed by the President of the Senate;
 - (2) One member of the House of Delegates, appointed by the Speaker of the House;
 - (3) The Prince George's County Executive, or the County Executive's designee;
 - (4) One member of the Prince George's County Council, appointed by the Prince George's County Council;
 - (5) The Director of the Prince George's County Office of Child Support Enforcement, or the Director's designee;
 - (6) The Director of the Prince George's County Department of Social Services, or the Director's designee;
 - (7) ~~The Coordinating Judge of the Prince George's County Circuit Court Family Division, or the Coordinating Judge's designee;~~ Chief Administrative Judge for the Seventh Circuit, or the Chief Administrative Judge's designee;
 - (8) One representative of the Child Support Enforcement Unit of the Prince George's County Office of the Sheriff, appointed by the Sheriff of Prince George's County; ~~and~~
 - (9) Two parents with an interest in improved child support compliance in Prince George's County, appointed by the Governor; and
 - (10) ~~One representative of a private provider that performs child support enforcement administration in the State, appointed by the Governor; and~~
 - (11) The Executive Director of the Child Support Enforcement Administration of the Department of Human Resources, or the Executive Director's designee.
- (c) The members of the Task Force shall designate the chair of the Task Force.
- (d) ~~The Prince George's County Office of Child Support Enforcement~~ Child Support Enforcement Administration of the Department of Human Resources shall provide staff for the Task Force.

(e) A member of the Task Force may not receive compensation for serving on the Task Force, but is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The Task Force shall develop a plan and draft legislation to improve child support compliance in Prince George's County among noncustodial parents who:

(1) are more than \$10,000 in arrears in child support payments; and

(2) have failed to make a child support payment for 12 or more consecutive or nonconsecutive months.

(g) The Task Force shall consider:

(1) methods to increase paternity establishment and court order establishment; and

(2) the option of privatization of child support enforcement services to improve child support compliance in Prince George's County.

~~(g)~~ (h) On or before July 1, 2008, the Task Force shall report its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007. It shall remain effective for a period of 1 year and 1 month and, at the end of July 31, 2008, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, April 24, 2007.

CHAPTER 247

(House Bill 653)

AN ACT concerning

Prince George's County - Marriage License Fee - Increase

PG 411-07

FOR the purpose of increasing the maximum amount of the additional marriage license fee that the Prince George's County Council is authorized to set; requiring the ~~clerk to pay~~ Director of Finance of Prince George's County to distribute the proceeds from the additional marriage license fee to the Family Crisis Center of Prince George's County; providing that, if the Family Crisis Center changes its name or objectives or ceases to exist, the proceeds shall be used to fund certain programs; and generally relating to marriage license fees in Prince George's County.

BY repealing and reenacting, without amendments,

Article – Family Law
Section 2–404(a)
Annotated Code of Maryland
(2006 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Family Law
Section 2–404(n)
Annotated Code of Maryland
(2006 Replacement Volume)

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

Article – Family Law

2–404.

- (a) (1) The fee for a license is \$10.
- (2) The clerk shall:
 - (i) retain \$5 of the fee; and
 - (ii) pay \$5 of the fee into the general fund of the county.
- (3) (i) A party to be married may obtain a replacement for a valid marriage license while the license is valid.
 - (ii) The fee for a replacement license is \$10, payable into the General Fund of the State.
- (n) In Prince George's County:

(1) the County Council may set by resolution an additional fee of up to [\\$45] **\$60** for each license;

(2) the clerk shall pay the proceeds from the additional fee to the ~~Director of Finance of the county~~, WHO SHALL DISTRIBUTE THE PROCEEDS TO THE FAMILY CRISIS CENTER OF PRINCE GEORGE'S COUNTY each month; ~~AND~~

~~(3)~~ IF THE FAMILY CRISIS CENTER OF PRINCE GEORGE'S COUNTY CHANGES ITS NAME OR OBJECTIVES OR CEASES TO EXIST, the proceeds, in addition to designated federal, State, and county funds, shall be used to fund battered spouse shelters and domestic violence programs; and~~]~~

~~(4)~~ ~~(3)~~ the County Executive shall prepare and make available an annual report on or before December 1 of each year on the disposition of fees collected under this subsection during the previous fiscal year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 248

(House Bill 654)

AN ACT concerning

Prince George's County - Transfer Tax - Deputy Sheriffs

PG 409-07

FOR the purpose of extending a certain exemption ~~and a certain tax rate reduction~~ under the Prince George's County transfer tax to the sale of certain property to a Prince George's County deputy sheriff under certain circumstances; and generally relating to the Prince George's County transfer tax.

BY repealing and reenacting, without amendments,
The Public Local Laws of Prince George's County
Section 10-187(a)(1)
Article 17 - Public Local Laws of Maryland
(2003 Edition, as amended)

BY repealing and reenacting, with amendments,
 The Public Local Laws of Prince George's County
 Section 10-187(b)(4)
 Article 17 – Public Local Laws of Maryland
 (2003 Edition, as amended)
 (As enacted by Chapter 373 of the Acts of the General Assembly of 2006)

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

Article 17 – Prince George's County

10-187.

(a) (1) Except as provided in Subsection (b) of this Section, the County Council is authorized and empowered to impose a tax at a rate not to exceed 1.4% of the actual consideration paid or to be paid under every instrument of writing conveying title to real property, or any interest therein, in the County, offered for record and recorded in the County. Conveyances to the State, any agency of the State, or any political Subdivision of the State shall not be subject to the tax imposed under this Section.

(b) (4) (A) Subject to the provisions of subparagraphs (B), (C), and (D) of this paragraph, for a sale of improved residential real property to a Prince George's County police officer **OR DEPUTY SHERIFF** or a municipal police officer who operates in Prince George's County who will occupy the property as a principal residence:

(i) The transfer tax authorized under Subsection (a) of this Section does not apply to the police officer's **OR DEPUTY SHERIFF'S** first purchase of residential real property in Maryland that is located in Prince George's County; and

(ii) The rate of the transfer tax authorized under Subsection (a) of this Section may not exceed 1.0% for the police officer's ~~**OR DEPUTY SHERIFF'S**~~ second or subsequent purchase in Prince George's County.

(B) If there are two or more grantees, an exemption or rate reduction under this paragraph applies if at least one grantee is a Prince George's County police officer **OR DEPUTY SHERIFF** or a municipal police officer who operates in Prince George's County.

(C) To qualify for an exemption or rate reduction under this paragraph, at least one grantee, other than a comaker or guarantor, must:

(i) Occupy the residence as the grantee's principal residence; and

(ii) Be employed as a police officer **OR DEPUTY SHERIFF** by Prince George's County or a municipal corporation in Prince George's County for a minimum of 3 years following the purchase of the residential property.

(D) If a police officer **OR DEPUTY SHERIFF** who receives an exemption or rate reduction under this paragraph fails to satisfy the requirements of subparagraph (C) of this paragraph, the police officer **OR DEPUTY SHERIFF** shall pay the balance of the transfer tax that would have been payable without the exemption or rate reduction.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 249

(House Bill 670)

AN ACT concerning

Alcohol Without Liquid Machines

FOR the purpose of prohibiting the use of Alcohol Without Liquid (AWOL) machines to inhale alcohol vapor or otherwise introduce alcohol in any form into the human body; prohibiting the possession, purchase, transfer, or offering for sale or use, with a certain intent, of Alcohol Without Liquid machines; providing a certain penalty; defining a certain term; and generally relating to Alcohol Without Liquid machines.

BY adding to

Article 2B – Alcoholic Beverages

Section 16-505.1

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

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

Article 2B - Alcoholic Beverages

16-505.1.

(A) IN THIS SECTION, "AWOL MACHINE" MEANS AN ALCOHOL WITHOUT LIQUID DEVICE THAT MIXES AN ALCOHOLIC PRODUCT WITH PURE OXYGEN OR OTHER GAS TO PRODUCE A VAPORIZED PRODUCT THAT CAN BE INHALED.

(B) A PERSON MAY NOT:

(1) USE AN AWOL MACHINE TO INHALE ALCOHOL VAPOR OR OTHERWISE INTRODUCE ALCOHOL IN ANY FORM INTO THE HUMAN BODY; OR

(2) WITH THE INTENT TO INTRODUCE ALCOHOL INTO THE HUMAN BODY, POSSESS, PURCHASE, TRANSFER, OR OFFER FOR SALE OR USE AN AWOL MACHINE.

(C) (1) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$1,000.

(2) EACH VIOLATION OF THIS SECTION IS A SEPARATE OFFENSE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 250

(House Bill 672)

AN ACT concerning

**Petition for Guardianship of Disabled Person - Certificate of Competency by
Licensed Certified Social Worker-Clinical**

FOR the purpose of authorizing a petition for guardianship of a disabled person to include signed and verified certificates of competency by a certain licensed

physician and a certain licensed certified social worker-clinical; and generally relating to petitions for guardianship of disabled persons.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 13–705
Annotated Code of Maryland
(2001 Replacement Volume and 2006 Supplement)

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

Article – Estates and Trusts

13–705.

(a) On petition and after any notice or hearing prescribed by law or the Maryland Rules, a court may appoint a guardian of the person of a disabled person.

(b) A guardian of the person shall be appointed if the court determines from clear and convincing evidence that a person lacks sufficient understanding or capacity to make or communicate responsible decisions concerning his person, including provisions for health care, food, clothing, or shelter, because of any mental disability, disease, habitual drunkenness, or addiction to drugs, and that no less restrictive form of intervention is available which is consistent with the person’s welfare and safety.

(c) (1) Procedures and venue in these cases shall be as described by Title 10, Chapters 100 and 200 of the Maryland Rules.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, a petition for guardianship of a disabled person shall include signed and verified certificates of competency from the following health care professionals:

(i) Two licensed physicians who have examined the disabled person; or

(ii) 1. One licensed physician who has examined the disabled person; and

2. A. [one] ONE licensed psychologist who has evaluated the disabled person[.]; OR

B. ONE LICENSED CERTIFIED SOCIAL WORKER–CLINICAL WHO HAS EVALUATED THE DISABLED PERSON.

(3) An examination or evaluation by at least one of the health care professionals under paragraph (2) of this subsection shall occur within 21 days before filing a petition for guardianship of a disabled person.

(d) (1) Subject to paragraph (2) of this subsection, unless the alleged disabled person has counsel of his own choice, the court shall appoint an attorney to represent him in the proceeding. If the person is indigent, the State shall pay a reasonable attorney's fee.

(2) In any action in which payment for the services of a court-appointed attorney for the alleged disabled person is the responsibility of the local department of social services, unless the court finds that it would not be in the best interests of the alleged disabled person, the court shall:

(i) Appoint an attorney who has contracted with the Department of Human Resources to provide those services, in accordance with the terms of the contract; and

(ii) In an action in which an attorney has previously been appointed, strike the appearance of the attorney previously appointed and appoint the attorney who is currently under contract with the Department of Human Resources, in accordance with the terms of the contract.

(e) The person alleged to be disabled is entitled to be present at the hearing unless he has knowingly and voluntarily waived the right to be present or cannot be present because of physical or mental incapacity. Waiver or incapacity may not be presumed from nonappearance but shall be determined on the basis of factual information supplied to the court by counsel or a representative appointed by the court. The person alleged to be disabled is also entitled to present evidence and to cross-examine witnesses. The issue may be determined at a closed hearing without a jury if the person alleged to be disabled or his counsel so requests and all hearings herein shall be confidential and sealed unless otherwise ordered by a court of competent jurisdiction for good cause shown.

(f) The court shall hear and rule on a petition seeking appointment of a guardian of the person of a disabled person in connection with medical treatment on an expedited basis.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 251

(House Bill 682)

AN ACT concerning

Health Care Decisions Act - Emergency Medical Services "Do Not Resuscitate Orders" - Health Care Providers

FOR the purpose of authorizing certain health care providers to comply with an emergency medical services "do not resuscitate order" under certain circumstances; requiring certain health care providers to comply with an emergency medical services "do not resuscitate order" under certain circumstances; and generally relating to emergency medical services "do not resuscitate orders".

BY repealing and reenacting, with amendments,
Article - Health - General
Section 5-608(a)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article - Health - General

5-608.

(a) (1) Certified or licensed emergency medical services personnel shall be directed by protocol to follow emergency medical services "do not resuscitate orders" pertaining to adult patients in the outpatient setting in accordance with protocols established by the Maryland Institute for Emergency Medical Services Systems in conjunctions with the State Board of Physicians.

(2) Emergency medical services "do not resuscitate orders" may not authorize the withholding of medical interventions, or therapies deemed necessary to provide comfort care or to alleviate pain.

(3) A health care provider, other than certified or licensed emergency medical services personnel, **WHO SEES, IN A VALID FORM, AN EMERGENCY MEDICAL SERVICES "DO NOT RESUSCITATE ORDER" DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION THAT IS NOT SUPERSEDED BY A SUBSEQUENT PHYSICIAN'S ORDER:**

(I) [may] **MAY, BEFORE A PATIENT’S CARDIAC OR RESPIRATORY ARREST**, provide, withhold, or withdraw treatment in accordance with [an emergency medical services “do not resuscitate order” described in paragraph (1) of this subsection if a health care provider sees either the order or a valid, legible, and patient identifying emergency medical services “do not resuscitate order” in bracelet form] **THE EMERGENCY MEDICAL SERVICES “DO NOT RESUSCITATE ORDER”**; **AND**

(II) **SHALL, AFTER A PATIENT’S CARDIAC OR RESPIRATORY ARREST, WITHHOLD OR WITHDRAW TREATMENT IN ACCORDANCE WITH THE EMERGENCY MEDICAL SERVICES “DO NOT RESUSCITATE ORDER”**.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 252

(House Bill 687)

AN ACT concerning

Vehicle Laws – Driver and Vehicle Registration Records – Admissibility of Copies in Judicial Proceedings

FOR the purpose of expanding the application of a provision of law to provide that certain copies of driver and vehicle registration records of the Motor Vehicle Administration obtained by certain law enforcement units in a certain manner are admissible in a judicial proceeding in the same manner as the original records; and generally relating to the admissibility of copies of driver and vehicle registration records in judicial proceedings.

BY repealing and reenacting, without amendments,
 Article – Criminal Procedure
 Section 10–101(f)
 Annotated Code of Maryland
 (2001 Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Article – Transportation
Section 12–113
Annotated Code of Maryland
(2006 Replacement Volume and 2006 Supplement)

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

Article – Criminal Procedure

10–101.

(f) “Law enforcement unit” means a State, county, or municipal police department or unit, the office of a sheriff, the office of a State’s Attorney, the Office of the State Prosecutor, or the Office of the Attorney General of the State.

Article – Transportation

12–113.

(a) (1) Subject to § 12–111 of this subtitle and § 10–616(p) of the State Government Article, the Administrator or any other officer or employee of the Administration designated by the Administrator may furnish on request a copy or a certified copy of any record of the Administration.

(2) The Administration may establish and charge a fee for each record it furnishes or certifies. The revenue from the fee shall not be subject to the distribution provisions of Title 8, Subtitle 4, of this article.

(3) No charge shall be made to a police agency, fire department, or court in this or any other state or a police agency or court of the United States government.

(4) The fee established and charged under this section may exceed the amounts authorized under § 10–621 of the State Government Article.

(b) (1) A certified copy of any record of the Administration or comparable agency of any state is admissible in any judicial proceeding in the same manner as the original of the record.

(2) (i) A computer printout of any driving record or vehicle registration record of the Administration that has been obtained by a [police agency] **LAW ENFORCEMENT UNIT, AS DEFINED IN § 10–101(F) OF THE CRIMINAL PROCEDURE ARTICLE**, or court through a computer terminal tied into the

Administration is admissible in any judicial proceeding in the same manner as the original of the record.

(ii) The computer printout of the driving record or vehicle registration record shall contain:

1. The date the record was printed; and
2. A jurisdiction code identifying the site where the record was printed.

(3) If a subpoena is issued to the Administrator or any other official or employee of the Administration for the production in any judicial proceeding of the original or a copy of any book, paper, entry, record, proceeding, or other document of the Administration:

(i) The Administrator or other official or employee of the Administration need not appear personally; and

(ii) Submission of a certified copy or photostat of the requested document is full compliance with the subpoena.

(4) On motion and for good cause shown, the court may compel the attendance of an authorized representative of the Administration to answer the subpoena for the production of documents.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 253

(House Bill 722)

AN ACT concerning

Washington County - Code of Public Local Laws - Compilation and Legalization

FOR the purpose of legalizing the 2007 edition of the Code of Public Local Laws of Washington County, being Article 22 of the Code of Public Local Laws of

Maryland, published under the direction of the Board of County Commissioners of Washington County; making provisions for the publication, sale, and distribution of the Code of Public Local Laws of Washington County; and generally relating to the legalization of the Code of Public Local Laws of Washington County.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) The 2007 edition of the Code of Public Local Laws of Washington County, being Article 22 of the Code of Public Local Laws of Maryland, published under the direction of the Board of County Commissioners of Washington County, is legalized.

(b) Any pocket or loose-leaf supplements to the 2007 edition of the Code of Public Local Laws of Washington County that may be published under the direction of the Board of County Commissioners of Washington County are legalized.

(c) The 2007 edition of the Code of Public Local Laws of Washington County shall contain all public local laws relating to Washington County ~~following~~ through the 2007 regular session of the General Assembly of Maryland.

(d) The 2007 edition of the Code of Public Local Laws of Washington County and any supplements shall be deemed and taken in all courts of the State and by all public officials of the State and of the political subdivisions of the State to be evidence of the public local laws of Washington County.

SECTION 2. AND BE IT FURTHER ENACTED, That the Board of County Commissioners of Washington County shall make an appropriation to provide for the publication of this Code and the Board may provide for its sale and distribution.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 254

(House Bill 753)

AN ACT concerning

Washington County Board of County Commissioners – Violations of Civil Offenses – Authority

FOR the purpose of authorizing the Board of County Commissioners of Washington County to provide that violations of certain civil offenses may be prosecuted in a certain manner; requiring the Board of County Commissioners to adopt certain ordinances; requiring the Board of County Commissioners to provide certain individuals with copies of certain proposed ordinances before exercising certain authority; defining a certain term; and generally relating to violations of civil offenses in Washington County.

BY adding to

The Public Local Laws of Washington County

Section 1-112

Article 22 – Public Local Laws of Maryland

(1991 Edition and December 1997 Supplement, as amended)

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

Article 22 – Washington County

1-112.

(A) THE BOARD OF COUNTY COMMISSIONERS MAY PROVIDE THAT A VIOLATION OF THE FOLLOWING SHALL BE A CIVIL OFFENSE AND PROSECUTED IN ACCORDANCE WITH ARTICLE 23A, § 3(B) OF THE ANNOTATED CODE OF MARYLAND:

(1) ANY ORDINANCE, CODE, RULE, OR BYLAW RELATING TO REQUIREMENTS FOR BUILDING STANDARDS, INCLUDING ANY BUILDING, FIRE, PLUMBING, OR ELECTRICAL CODE; OR

(2) ANY ORDINANCE, CODE, RULE, OR BYLAW RELATING TO THE REGULATION OF SKILLED TRADE SERVICES, INCLUDING THE PROVISION OF ELECTRICAL, PLUMBING, HEATING, OR COOLING SERVICES.

(B) THE BOARD OF COUNTY COMMISSIONERS SHALL ADOPT ORDINANCES TO CARRY OUT THE PROVISIONS OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) In this section, "Washington County Delegation" means the Senators and Delegates who are elected from Washington County or any portion of Washington County.

(b) Before adopting an ordinance in accordance with Section 1 of this Act, the Board of County Commissioners of Washington County shall provide the Washington County Delegation with seven copies of the proposed ordinance.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 255

(House Bill 756)

AN ACT concerning

Garrett County - Public Local Laws - Obsolete Provisions - Repeal

FOR the purpose of repealing certain obsolete provisions of the Public Local Laws of Garrett County relating to auctions, hogs, marriage ceremonies, motion picture exhibitions, emergency ambulance services, and snowmobiles; and generally relating to the repeal of certain obsolete provisions of the Public Local Laws of Garrett County.

BY repealing

The Public Local Laws of Garrett County

Section 8-1 through 8-4 and the chapter "Chapter 8 Auctions"; 50-1 through 50-3 and the chapter "Chapter 50 Hogs"; 68-1 and the chapter "Chapter 68 Marriage Ceremony"; 102-1 and the chapter "Chapter 102 Sunday Observance"; 143-1 and the chapter "Chapter 143 Emergency Ambulance Services"; and 248-15 and the article "ARTICLE IV Snowmobiles"

Article 12 - Public Local Laws of Maryland

(1985 Edition and October 2001 Supplement, as amended)

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

Article 12 - Garrett County

[Chapter 8]

[Auctions]

[8-1.

A. No person shall sell at auction any goods, wares or merchandise of any kind or description whatever within the limits of Garrett County unless he shall first pay to the Clerk of the Circuit Court for said county the sum of sixty dollars(\$60.) per year for such privilege, to be applied to the use of the state and paid into the treasury, and no such license shall be issued for a shorter period than one (1) month.

B. The provisions of Subsection A of this chapter shall apply only to such persons as shall bring goods, wares and merchandise into said county to sell at auction within its limits and to such persons as shall sell at auction goods, wares or merchandise sent into the county for the express purpose of being sold at auction therein.

C. Any person who shall so sell at auction within the limits of the county without having previously paid for such license shall be liable to a penalty of one hundred dollars (\$100.) upon conviction thereof in any court of law.]

[8-2.

The Clerk of the Circuit Court shall be entitled to the same fees and commissions for issuing the license and paying into the treasury the money therefor as for other licenses under the laws of this state.]

[8-3.

A. Any person, firm or corporation which shall hold or conduct regular weekly or monthly public auctions in Garrett County for the purpose of holding or offering for sale any livestock, farm products or other items of personal property shall furnish a bond with cash or corporate surety as provided by this section. Such bond shall be in an amount which is not less than ninety percent (90%) of the average weekly total sales by such person, firm or corporation at such auctions in the previous year, the exact amount of which shall be approved in each instance by the Board of County Commissioners after studying a financial report submitted to the County Commissioners by the operating auction after the completion of each year of business. Any person, firm or corporation which did not conduct regular auctions during the previous year shall furnish a bond in the amount of two thousand dollars (\$2,000.); provided, however, that any person, firm or corporation which desires to conduct a livestock auction and which did not conduct regular livestock auctions during the previous year shall furnish a bond in the amount of fifteen thousand dollars (\$15,000.). The bond shall be made payable to the County Commissioners of Garrett County,

conditioned upon saving harmless any consignors who shall send any such goods for sale at the auction from any failure or delay of more than three (3) days, or if the payment is made by check, said check's being postmarked not later than three (3) days from the date of sale, in making payment in full for any goods sold at the auction.

B. Nothing in this section shall be construed to apply to or affect any private sale of such goods.

C. Any person, firm or corporation violating the provisions of this section shall, upon conviction thereof, be subject to a fine of not less than five hundred dollars (\$500.) or shall be subject to imprisonment for not exceeding one (1) year or, in the discretion of the court, to both such fine and imprisonment.]

[8-4.

No vendor coming into Garrett County by truck from some other county or state shall sell, auction or otherwise offer for sale any goods, wares or merchandise until he shall have first purchased a special license for that purpose; provided, however, that this section shall not apply to farmers or growers selling their own vegetables or other perishable farm produce or products from a truck or otherwise. It shall be the duty of the Clerk of the Circuit Court of said county to issue itinerant peddler licenses to such persons as may apply for same. Each applicant for such license shall pay two hundred fifty dollars (\$250.) per year, and no license shall be issued by said Clerk until the aforesaid license fee has been paid.]

[Chapter 50]

[Hogs]

[50-1.

It shall not be lawful for any hog to run at large in Garrett County. Any hog found upon the public highway or unenclosed lands or trespassing upon enclosed lands may be taken up and impounded by the owner or occupant or occupants of any enclosure in Garrett County and said owner or occupant may impound any hog so found and, if the owner is known, shall immediately notify the owner of the hog so impounded, who may claim and remove said hog by paying one dollar (\$1.) for each hog so impounded and, in addition, shall pay for feeding of the hog so impounded.]

[50-2.

If the owner of the hog so impounded is not known to the person who has impounded said hog, he shall cause a notice to be inserted in some newspaper published in the county containing a description of the hog so impounded, and if at the end of one (1) week from the time the notice was so published the owner has not

claimed and removed said hog, the person who has impounded the hog shall cause a second notice to be inserted in some newspaper published in the county, giving ten (10) days' notice and stating the time and place where the hog or hogs are to be sold, at which time if the hogs are not claimed and removed by the owner and all charges paid, including penalty, advertising and feeding, said hog or hogs so impounded shall be sold at public sale to the highest bidder, and if the hogs are sold at public sale, a full account of all expenses and moneys paid out as well as all moneys received for the hogs so sold, shall be filed with the County Commissioners, and any money remaining over and above the amount required to pay all expenses as above mentioned shall be turned over to the County Commissioners, who may return it to the owner of said hogs, provided that he makes claim and produces satisfactory proof that he is the owner of the hog or hogs so sold.]

[50-3.

Nothing in this chapter shall be construed so as to interfere with hogs turned out and herded so long as they do not come within twenty (20) rods of any enclosure.]

[Chapter 68]

[Marriage Ceremony]

[68-1.

A. It shall be unlawful for any minister of the gospel or other person in Garrett County who, under the laws of the State of Maryland, is now or may hereafter be authorized to perform the marriage ceremony, to give, either directly or indirectly, or offer to give any money, present or reward to any hotel or railroad porter or to any other person or persons as an inducement to said hotel or railroad porter or other person or persons to bring, take or direct any person or persons contemplating matrimony to said minister of the gospel or other person so authorized to perform said rite or ceremony.

B. Any person or persons violating the provisions of this chapter shall be deemed guilty of a misdemeanor and, upon conviction thereof before any District Court in Garrett County or before the Circuit Court thereof, shall be fined not less than ten dollars (\$10.) nor more than fifty dollars (\$50.) and costs of prosecution and shall be committed to jail until said fine and costs are paid.]

[Chapter 102]

[Sunday Observance]

[102-1.

A. Notwithstanding any provision of any Public General or Public Local Law, it shall be lawful to show or exhibit motion pictures in Garrett County on Sundays after the hour of 2:00 p.m., with or without a charge or admission fee; provided, however, that such exhibitions shall be subject to all provisions of law relating to licensing and censorship applicable to motion-picture exhibitions on weekdays. The work or employment of any operator, ticket seller or other employee or attendant in connection with such exhibition shall not be unlawful because such employment is performed on Sunday.

B. Any such exhibition on Sunday except as hereby authorized shall be subject to the provisions and penalties of Article 27, §§ 492 and 522, of the Annotated Code of Maryland.]

[Chapter 143]

[Emergency Ambulance Services]

[143-1.

A. For any person or business supplying emergency ambulance service within Garrett County, such emergency to be certified by the State Police, Sheriff's Office or Medical Examiner or attending physician at the receiving hospital, said emergency service shall be paid by the County Commissioners in an amount designed to reasonably compensate said person or business for expenses, this amount to be paid after diligent effort has been made by said person or business to collect said charge for a period of sixty (60) days. Should this charge then be recovered at a later date, said person or business shall reimburse the County Commissioners for the amount advanced. Such claims shall be substantiated and submitted under affidavit.

B. An emergency shall be defined, for the purposes of this chapter, to be violent personal injury sustained in vehicular accidents, boating or aircraft mishaps or injuries occurring as a result of a natural disaster, such as fire or flood. No other type of charges from said person or business shall be paid by the County Commissioners.]

[ARTICLE IV]

[Snowmobiles]

[248-15.

In order for the Maryland Forest and Park Service, Department of Natural Resources, to connect two (2) sections of the snowmobile trail on Meadow Mountain, the County Commissioners of Garrett County shall permit snowmobiles to use, from November 15 to April 1 of each year, county roads designated as follows:

A. From the intersection of Otto Lane and West Shale Road, one thousand eight hundred (1,800) linear feet of the West Shale Road lying immediately northerly of the intersection.

B. Two hundred (200) linear feet of Otto Lane lying immediately west of the intersection of Otto Lane and West Shale Road.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 256

(House Bill 792)

AN ACT concerning

Family Law - Child Support - Suspension of Attorney Licenses

FOR the purpose of altering the definition of “licensing authority” to specifically include the Court of Appeals in provisions authorizing the Child Support Enforcement Administration to require a licensing authority to suspend certain professional licenses for failure to pay child support; authorizing the Administration to make a referral to the Attorney Grievance Commission for proceedings in accordance with the Maryland Rules governing attorney discipline under certain circumstances; authorizing the Court of Appeals to take certain actions; requiring the Administration to take certain actions before making a certain referral to the Attorney Grievance Commission; prohibiting the Administration from making a certain referral to the Attorney Grievance Commission under certain circumstances; specifying that the Maryland Rules govern certain notice and appeal procedures; and generally relating to child support.

BY repealing and reenacting, with amendments,

Article – Family Law

Section ~~10-119.3(a)~~ 10-119.3

Annotated Code of Maryland

(2006 Replacement Volume)

~~BY repealing and reenacting, without amendments,~~

~~Article – Family Law~~

~~Section 10-119.3(e)~~
~~Annotated Code of Maryland~~
~~(2006 Replacement Volume)~~

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

Article - Family Law

10-119.3.

(a) (1) In this section the following words have the meanings indicated.

(2) "License" means any license, certificate, registration, permit, or other authorization that:

(i) is issued by a licensing authority;

(ii) is subject to suspension, revocation, forfeiture, or termination by a licensing authority; and

(iii) is necessary for an individual to practice or engage in a particular business, occupation, or profession.

(3) (i) "Licensing authority" means a department, unit of a department, commission, board, [or] office, **OR COURT** of the State.

(ii) "Licensing authority" includes:

1. the Department of Labor, Licensing, and Regulation;
2. the Department of Health and Mental Hygiene;
3. the Department of Human Resources;
4. the Department of Transportation;
5. the Department of the Environment;
6. the Comptroller of the Treasury;
7. the Department of Agriculture;
8. the Maryland Insurance Administration;

9. the Public Service Commission;
10. the Secretary of State;
11. the State Department of Education;
12. the Department of Natural Resources;
13. the Office of the Attorney General; [and]
14. the clerks of the court that are authorized to issue a license or certificate for professional services or recreational uses; AND

15. THE COURT OF APPEALS.

~~(e) (1) Subject to the provisions of subsection (f) of this section, the Administration may request a licensing authority to suspend or deny an individual's license if:~~

~~(i) 1. the individual is in arrears amounting to more than 120 days under the most recent order; and~~

~~2. A. the Administration has accepted an assignment of support under Article 88A, § 50(b)(2) of the Code; or~~

~~B. the recipient of support payments has filed an application for support enforcement services with the Administration; or~~

~~(ii) the individual has failed to comply with a subpoena issued by the Administration under § 10-108.6 of this subtitle.~~

~~(2) Upon notification by the Administration under this section, a licensing authority shall:~~

~~(i) suspend an individual's license; or~~

~~(ii) deny the license of an individual who is an applicant for a license from the licensing authority.~~

(b) A licensing authority shall:

(1) require each applicant for a license to disclose the Social Security number of the applicant[.]; AND

(2) record the applicant's Social Security number on the application.

(c) (1) To carry out its responsibility under State and federal law, the Administration may request from a licensing authority information concerning any obligor in arrears in paying child support through a support enforcement agency.

(2) A request for information by the Administration under paragraph (1) of this subsection:

(i) shall contain:

1. the full name of the obligor; and

2. the Social Security number of the obligor; and

(ii) may be transmitted to a licensing authority using an electronic format.

(3) A request for information may not be made by the Administration to a licensing authority more frequently than four times in each calendar year except with respect to an obligor whom the Administration has reason to believe is licensed by, or has applied for a license from, the licensing authority.

(4) In addition to requests for information under this subsection, the Administration may request a licensing authority to periodically share its licensing database with the Administration.

(d) (1) Upon receipt of a request for information under subsection (c) of this section, a licensing authority shall submit the following information to the Administration with respect to each obligor who is licensed by, or has applied for a license from, the licensing authority:

(i) the full name of the obligor;

(ii) the address of the obligor, if known;

(iii) the Social Security number of the obligor, if known; and

(iv) a description of the license held by the obligor.

(2) The information may be transmitted to the Administration in an electronic format.

(3) Except as otherwise provided by law, any record compiled under this subsection shall be made available only to a person who has a right to the record in an official capacity.

(e) (1) [Subject] EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT to the provisions of subsection (f) of this section, the Administration may request a licensing authority to suspend or deny an individual's license if:

(i) 1. the individual is in arrears amounting to more than 120 days under the most recent order; and

2. A. the Administration has accepted an assignment of support under Article 88A, § 50(b)(2) of the Code; or

B. the recipient of support payments has filed an application for support enforcement services with the Administration; or

(ii) the individual has failed to comply with a subpoena issued by the Administration under § 10-108.6 of this subtitle.

(2) [Upon] EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, UPON notification by the Administration under this section, a licensing authority shall:

(i) suspend an individual's license; or

(ii) deny the license of an individual who is an applicant for a license from the licensing authority.

(3) (i) THIS PARAGRAPH APPLIES IF THE LICENSING AUTHORITY IS THE COURT OF APPEALS.

(ii) IF AN INDIVIDUAL MEETS THE CRITERIA SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION, THE ADMINISTRATION MAY MAKE A REFERRAL TO THE ATTORNEY GRIEVANCE COMMISSION FOR PROCEEDINGS IN ACCORDANCE WITH THE MARYLAND RULES GOVERNING ATTORNEY DISCIPLINE.

(iii) ON RECOMMENDATION OF THE ATTORNEY GRIEVANCE COMMISSION, THE COURT OF APPEALS MAY SUSPEND AN INDIVIDUAL'S LICENSE OR TAKE OTHER ACTION AGAINST THE INDIVIDUAL AS AUTHORIZED BY THE MARYLAND RULES GOVERNING ATTORNEY DISCIPLINE.

(iv) THE COURT OF APPEALS MAY ADOPT RULES TO IMPLEMENT THE PROVISIONS OF THIS PARAGRAPH.

(f) (1) At least 30 days before requesting a licensing authority to suspend or deny a license OR AT LEAST 30 DAYS BEFORE MAKING A REFERRAL UNDER SUBSECTION (E)(3) OF THIS SECTION, the Administration shall:

(i) send written notice of the proposed action to the individual whose license is subject to suspension under this section, including notice of the individual's right to request an investigation; and

(ii) give the individual a reasonable opportunity to contest the accuracy of the information.

(2) (i) Upon receipt of a request for investigation from an individual whose license is subject to suspension, the Administration shall conduct an investigation.

(ii) Upon completion of the investigation, the Administration shall notify the individual of the result of the investigation and the individual's right to appeal to the Office of Administrative Hearings.

(3) (i) An appeal under this section shall be conducted in accordance with Title 10, Subtitle 2 of the State Government Article.

(ii) An appeal shall be made in writing and shall be received by the Office of Administrative Hearings within 30 days after the notice to the individual whose license is subject to suspension of the results of the investigation.

(4) If, after the investigation or appeal to the Office of Administrative Hearings, the Administration finds that it erred in making a decision, the Administration may not send a notification about an individual to a licensing authority OR MAKE A REFERRAL UNDER SUBSECTION (E)(3) OF THIS SECTION.

(g) The Administration may not send a notification about an individual to a licensing authority OR MAKE A REFERRAL UNDER SUBSECTION (E)(3) OF THIS SECTION if:

(1) with respect to an individual with a child support arrearage:

(i) the Administration reaches an agreement with the individual regarding a scheduled payment of the child support arrearage or a court issues an order for a scheduled payment of the child support arrearage; and

(ii) the individual is complying with the agreement or court order; or

(2) with respect to an individual who failed to comply with a subpoena issued under § 10-108.5 of this subtitle, the individual has complied with the subpoena.

(h) (1) [Prior] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, PRIOR to the suspension or denial of a license under subsection (e) of this section, a licensing authority shall send written notice of the proposed action to the individual whose license is subject to suspension or denial, including notice of the individual's right to contest the identity of the individual whose license or application is to be suspended or denied.

(2) IF THE LICENSING AUTHORITY IS THE COURT OF APPEALS, NOTICE SHALL BE AS PROVIDED IN THE MARYLAND RULES GOVERNING ATTORNEY DISCIPLINE.

(i) (1) (I) [An] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AN individual may appeal a decision of a licensing authority to suspend or deny the individual's license in accordance with Title 10, Subtitle 2 of the State Government Article.

[(2)] (II) At a hearing under this [subsection] PARAGRAPH, the issue shall be limited to whether the Administration has mistaken the identity of the individual whose license has been suspended or denied.

(2) IF THE LICENSING AUTHORITY IS THE COURT OF APPEALS, AN INDIVIDUAL MAY APPEAL A DECISION IN ACCORDANCE WITH THE MARYLAND RULES GOVERNING ATTORNEY DISCIPLINE.

(j) The Administration shall notify the licensing authority to reinstate any license suspended or denied under this section within 10 days after the occurrence of any of the following events:

(1) the Administration receives a court order to reinstate the suspended license; or

(2) with respect to an individual with a child support arrearage, the individual has:

(i) paid the support arrearage in full; or

(ii) demonstrated good faith by paying the ordered amount of support for 4 consecutive months; or

(3) with respect to an individual whose license was suspended or denied because of a failure to comply with a subpoena issued under § 10-108.5 of this subtitle, the individual has complied with the subpoena.

(k) A licensing authority shall immediately reinstate any license suspended, or process an application for any license denied, under this section if:

(1) notified by the Administration that the license should be reinstated; and

(2) the individual otherwise qualifies for the license.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 257

(House Bill 893)

AN ACT concerning

Bay Restoration Fund – Wastewater Treatment Facilities Upgrades – Reporting Requirements

FOR the purpose of requiring the Department of the Environment and the Department of Planning annually to make a certain joint report to certain persons on or before a certain date regarding the impact of certain upgraded wastewater treatment facilities on growth, ~~schools, hospitals, and other public facilities~~ in certain ~~municipalities~~; municipalities and counties; requiring the departments to include in the report certain information and determine, in consultation with and with the assistance of certain persons, other information to be included in the report; and generally relating to upgraded wastewater treatment facilities in the State.

BY repealing and reenacting, without amendments,
Article – Environment
Section 9-1605.2(a)
Annotated Code of Maryland
(1996 Replacement Volume and 2006 Supplement)

BY adding to

Article – Environment
Section 9–1605.2(k)
Annotated Code of Maryland
(1996 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Article – Environment
Section 9–1605.2(k)
Annotated Code of Maryland
(1996 Replacement Volume and 2006 Supplement)

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

Article – Environment

9–1605.2.

(a) (1) There is a Bay Restoration Fund.

(2) It is the intent of the General Assembly that the Bay Restoration Fund be:

(i) Used, in part, to provide the funding necessary to upgrade any of the wastewater treatment facilities that are located in the State or used by citizens of the State in order to achieve enhanced nutrient removal where it is cost-effective to do so; and

(ii) Available for treatment facilities discharging into the Atlantic Coastal Bays or other waters of the State, but that priority be given to treatment facilities discharging into the Chesapeake Bay.

(3) The Bay Restoration Fund shall be maintained and administered by the Administration in accordance with the provisions of this section and any rules or program directives as the Secretary or the Board may prescribe.

(4) There is established a Bay Restoration Fee to be paid by any user of a wastewater facility, an onsite sewage disposal system, or a holding tank that:

(i) Is located in the State; or

(ii) Serves a Maryland user and is eligible for funding under this subtitle.

(K) (1) ~~BEGINNING DECEMBER 1, 2008~~ JANUARY 1, 2009, AND EVERY YEAR THEREAFTER, THE DEPARTMENT AND THE DEPARTMENT OF PLANNING SHALL JOINTLY REPORT ON THE IMPACT THAT A WASTEWATER TREATMENT FACILITY THAT WAS UPGRADED TO ENHANCED NUTRIENT REMOVAL DURING THE CALENDAR YEAR BEFORE THE PREVIOUS CALENDAR YEAR WITH FUNDS FROM THE BAY RESTORATION FUND HAD ON:

~~(H) GROWTH WITHIN THE MUNICIPALITY OR COUNTY IN WHICH THE WASTEWATER TREATMENT FACILITY IS LOCATED, INCLUDING:~~

~~1. THE NUMBER OF PERMITS ISSUED FOR RESIDENTIAL AND COMMERCIAL DEVELOPMENT; AND~~

~~2. WHETHER THE NUMBER OF PERMITS ISSUED FOR RESIDENTIAL AND COMMERCIAL DEVELOPMENT HAS INCREASED OR DECREASED AS A RESULT OF THE UPGRADED WASTEWATER TREATMENT FACILITY; AND~~

~~(H) SCHOOLS, HOSPITALS, AND ANY OTHER PUBLIC FACILITIES IN THE MUNICIPALITY IN WHICH THE WASTEWATER TREATMENT FACILITY IS LOCATED.~~

~~(2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL ALSO CONTAIN THE MUNICIPALITY'S PLAN, IF ANY, FOR ACCOMMODATING ADDITIONAL GROWTH AS A RESULT OF THE UPGRADED WASTEWATER TREATMENT FACILITY.~~

(2) (I) IN PREPARING THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DEPARTMENT OF THE ENVIRONMENT AND THE DEPARTMENT OF PLANNING SHALL:

1. INCLUDE THE NUMBER OF PERMITS ISSUED FOR RESIDENTIAL AND COMMERCIAL DEVELOPMENT TO BE SERVED BY THE UPGRADED WASTEWATER TREATMENT FACILITY; AND

2. DETERMINE WHAT OTHER APPROPRIATE INFORMATION IS TO BE INCLUDED IN THE REPORT.

(II) IN DETERMINING THE INFORMATION THAT SHOULD BE INCLUDED IN THE REPORT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE DEPARTMENT OF THE ENVIRONMENT AND THE DEPARTMENT OF PLANNING SHALL ACT:

1. IN CONSULTATION WITH THE BAY RESTORATION FUND ADVISORY COMMITTEE; AND

2. WITH THE ASSISTANCE OF THE MUNICIPALITY AND COUNTY IN WHICH AN UPGRADED WASTEWATER TREATMENT FACILITY IS LOCATED.

(3) THE DEPARTMENT AND THE DEPARTMENT OF PLANNING SHALL SUBMIT THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE, THE SENATE BUDGET AND TAXATION COMMITTEE, THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, THE HOUSE ENVIRONMENTAL MATTERS COMMITTEE, AND THE GOVERNOR, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE.

[(k)] (L) The Department shall adopt regulations that are necessary or appropriate to carry out the provisions of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 258

(House Bill 905)

AN ACT concerning

Frederick County - Procurement Contracts - Architectural and Engineering Services

FOR the purpose of authorizing the Board of County Commissioners of Frederick County to award certain procurement contracts for architectural and engineering services based on an evaluation of the technical proposals and qualifications of at least a certain number of persons; requiring that the contracts be fair, competitive, and reasonable; making stylistic changes; and generally relating to contracts for architectural and engineering services awarded by the Board of County Commissioners of Frederick County.

BY repealing and reenacting, without amendments,
Article 25 – County Commissioners
Section 3(l)(1)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Article 25 – County Commissioners
Section 3(l)(3)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article 25 – County Commissioners

3.

(l) (1) (i) To provide for competitive bidding for any county work and the making and awarding of contracts for the purchase of materials and supplies in excess of \$15,000 and to require bonds in connection with the work or contracts, regardless of the amount, whenever the county commissioners consider it proper to require a bond; and if no bids are submitted in response to any request for bids, to place the order in a manner that the county commissioners consider appropriate.

(ii) In Frederick County, to provide for competitive bidding for any county work and the making and awarding of contracts for the purchase of materials and supplies in excess of \$30,000 and to require bonds in connection with the work or contracts, regardless of the amount, whenever the County Commissioners consider it proper to require a bond; and if no bids are submitted in response to any request for bids, to place the order in a manner that the County Commissioners consider appropriate.

(3) (I) The provisions of paragraph (1)(ii) of this subsection are not applicable in Frederick County with regard solely to contracting for the services of an architectural, engineering, or consultant firm for design or consultation purposes.

(II) In Frederick County, contracts for architectural and engineering services costing more than \$30,000, [shall] **MAY** be awarded on:

1. [a] A competitive basis which shall consist of either sealed competitive bids or competitive negotiation[. “Competitive negotiation” means a process] that includes the submission of written technical and price proposals from

two or more sources and a written evaluation of those proposals in accordance with evaluation criteria; OR

2. AN EVALUATION OF THE TECHNICAL PROPOSALS AND QUALIFICATIONS OF AT LEAST TWO PERSONS, WITH THE CONTRACT SET AT A RATE OF COMPENSATION THAT IS FAIR, COMPETITIVE, AND REASONABLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 259

(House Bill 907)

AN ACT concerning

Cecil County – Bridge or Road Construction or Repair Contracts

FOR the purpose of altering the threshold amount of certain expenditures that are required to be made by competitively bid contracts in Cecil County; repealing a limitation on the amount of certain contracts that a contractor may be awarded during a certain period; and generally relating to bridge or road construction or repair contracts in Cecil County.

BY repealing and reenacting, with amendments,
Article 25 – County Commissioners
Section 37A
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article 25 – County Commissioners

37A.

(a) (1) Except as provided in subsection (b) of this section, in Cecil County the following purchases of goods and services shall be by competitively bid contract awarded to the lowest responsive and responsible bidder:

- (i) Any construction or repair of any bridge or road; and
- (ii) Any purchase or lease of any road or construction equipment or machinery.

(2) Except as provided in subsection (b) of this section, the County Commissioners of Cecil County shall advertise for bids on any such contract in:

- (i) 1 or more newspapers published in Cecil County; or
- (ii) Such public notice as they deem most advisable, if no newspaper is published in Cecil County.

(3) The public notice required by this subsection shall:

- (i) Be given at least once;
- (ii) Appear at least 1 week, but not more than 30 days, before the final date for submitting bids;
- (iii) If the contract pertains to bridge or road work, set forth the place where the bridge or road is to be constructed or repaired;
- (iv) Set forth a description of the goods or services being bid on;
- (v) Provide notice that sealed proposals for the goods or services will be received until a day named in the advertisement; and
- (vi) Provide notice of the date for the opening of the bids.

(b) (1) Subsection (a) of this section does not apply to an expenditure by Cecil County that:

- (i) Is ~~[\$7,500]~~ **\$10,000** or less in amount; or
- (ii) A majority vote of the County Commissioners has declared to be an emergency expenditure; provided that such a vote shall be a recorded vote taken at a public meeting of the County Commissioners before providing for the expenditure.

(2) In any case where the expenditure is ~~[\$7,500]~~ **\$10,000** or less in amount, or which has been declared to be an emergency expenditure, the following shall be in the discretion of the Cecil County Commissioners:

(i) The manner of providing for the expenditure, including whether the work shall be done by contract or otherwise; and

(ii) If done by contract, the manner of letting the contract.

(c) [(1) Notwithstanding any other provision of law, in Cecil County a particular contractor may not be awarded, during any 2-month period, more than a total of \$20,000 worth of contracts which are not competitively bid.

(2) The limitation established by this subsection does not apply to emergency contracts. However, before the awarding of an emergency contract, a majority of the County Commissioners shall have affirmed the existence of an emergency. The vote of the Commissioners in declaring the emergency shall be recorded in the minutes of the next public meeting of the Commissioners.

(d)] Any willful violation of this section is a misdemeanor punishable by a fine of not more than \$1,000.

[(e)] (D) (1) The County Commissioners of Cecil County may not enter into any contract for the construction or repair of any bridge or road or the purchase or lease of any road construction equipment or machinery except in accordance with the provisions of this section.

(2) A contract that is entered into in violation of the provisions of subsection (a) of this section is void, unless:

(i) It is determined in a subsequent judicial review that good faith has been shown by all parties; and

(ii) There has been substantial compliance with the provisions of subsection (a) of this section.

(3) If a contract is void under this subsection, the contractor shall be compensated for costs actually incurred if the contractor:

(i) Acted in good faith;

(ii) Did not directly contribute to the violation; and

(iii) Did not have knowledge of the violation.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 260

(House Bill 964)

AN ACT concerning

Atlantic Coastal Bays - Dredging for Oysters and Clams - Prohibition

FOR the purpose of prohibiting the use of dredging to catch or attempt to catch oysters and clams in the Atlantic Coastal Bays area; prohibiting the use of a hydraulic clam dredge, power dredge or other mechanical means of clamming and oystering in the Atlantic Coastal Bays; providing for the application of certain provisions of this Act; providing for a delayed effective date; and generally relating to oyster and clam dredging.

BY renumbering

Article - Natural Resources

Section 4-1021.1

to be Section 4-1021.2

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Article - Natural Resources

Section 4-215(h), 4-1012(a), 4-1037, 4-1038, and 4-1039

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

BY adding to

Article - Natural Resources

Section 4-1002 and 4-1021.1

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 4-1021.1 of Article - Natural Resources of the Annotated Code of Maryland be renumbered to be Section(s) 4-1021.2.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Natural Resources

4-215.

(h) Notwithstanding any other provision of this title, **EXCEPT § 4-1002 OF THIS TITLE**, once a fishery management plan has been adopted by regulation, the State's fishery resources shall be harvested in accordance with the conservation and management measures in the fishery management plan and any regulations implementing or amending that plan.

4-1002.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, A PERSON MAY NOT CATCH OR ATTEMPT TO CATCH CLAMS OR OYSTERS BY POWER DREDGE, HYDRAULIC CLAM DREDGE, OR OTHER MECHANICAL MEANS IN THE ATLANTIC COASTAL BAYS, AS DEFINED IN § 8-1802 OF THIS ARTICLE.

4-1012.

(a) A person may not catch oysters by dredge in the **ATLANTIC COASTAL BAYS, AS DEFINED IN § 8-1802 OF THIS ARTICLE**, OR IN THE following areas of the Chesapeake Bay: the area bounded by a line drawn from Lowes Point towards the Bloody Point Lighthouse for a distance of 1.8 miles, and then direct to North Point on Poplar Island; then southerly around the westerly shore of Poplar Island to the southwesterly most point; then running in a straight line to the Department marker on the northern shore of Pawpaw Cove which area shall be reserved for catching of oysters with shaft tongs only; all the area lying within one-fourth mile of the western shore of Poplar Island; all the area within one-half mile of Plum Point; all the area within one and one-half miles of Sandy Point, Hackett Point, Tolly Point, and Thomas Point within Anne Arundel County waters; and the following oyster bars: 2-9, 2-10, 5-1, 5-2, 5-3A, 5-3B, 8-2, 8-6, and 8-9, as defined by the charts of the Oyster Survey of 1906 to 1912, and its amendments.

4-1021.1.

A PERSON MAY NOT CATCH HARD-SHELL CLAMS BY HYDRAULIC CLAM DREDGE OR OTHER MECHANICAL MEANS IN THE ATLANTIC COASTAL BAYS, AS DEFINED IN § 8-1802 OF THIS ARTICLE.

4-1037.

A person may not catch or attempt to catch soft-shell clams with a hydraulic clam dredge or any other gear except hand-held tools, such as shovels and hoes, in the following areas:

(1) Within 150 feet of a natural oyster bar or area leased under the provisions of Subtitle 11 and marked as required by that subtitle;

(2) Within 1,000 feet of any occupied duck blind where decoys are set out during waterfowl hunting season;

(3) Except for the William Preston Lane, Jr. Memorial Bridge and its parallel span, the Governor Thomas Johnson Memorial Bridge, and the area of the Choptank River Bridge that is within Talbot County, within 50 feet of any bulkhead, structure, wharf, pier, or piling that is erected in, over, or under the waters of the State under a permit granted by the State or federal governments;

(4) Within 300 feet of any private bathing beach running not more than 300 feet along the shore which is marked as required by rule and regulation or within 1,000 feet of any public bathing beach from May 1 to September 30. However, the owner or lessee of a single property may not claim protection for more than one private bathing beach contiguous to this property;

(5) (i) Within 50 feet of the mean high watermark of any shoreline in Calvert, Queen Anne's, Talbot, or Somerset counties;

(ii) Within 300 feet in Dorchester County; or

(iii) Within 150 feet in Anne Arundel County, St. Mary's County, or Kent County downriver from Nichols Point at the eastern side of the mouth of Langford Creek and within 300 feet upriver from Nichols Point; [and]

(6) The Dorchester County waters of the Choptank River and its tributaries except as provided in §§ 4-1038(a) and 4-1039 of this subtitle; Brannock Bay; Little Choptank River; Tar Bay; Honga River; all waters east of a line running from the most southerly point of Holland Island to Holland Island Bar Light; all waters east of a line running from Richland Point to Okahanikan Point; and any areas reserved by the Department for production of seed oysters; AND

(7) IN THE ATLANTIC COASTAL BAYS, AS DEFINED IN § 8-1802 OF THIS ARTICLE.

4-1038.

(a) Except as provided in § 4-1039 of this subtitle, a person may not catch soft-shell clams by hydraulic clam dredge in the following waters:

(1) Anne Arundel County. --

(i) Within 500 feet of any sea nettle net;

(ii) Within 800 feet of any public bathing beach between Saunders and Dutchman's Point, if the beach is marked as required by rule or regulation and the public uses the beach for bathing;

(iii) In Marley Creek; Stoney Creek; Bodkin Creek; Magothy River above a line drawn from Mountain Point to Persimmon Point; Little Magothy River; Whitehall Bay between the shore and a line drawn from Hackett's Point to Possum Point; Mill Creek; Severn River between the shore and a line drawn from Greenbury Point to the east side of the entrance to Lake Ogleton; South River between the shore and a line drawn between Turkey Point and east side of Duvall Creek, and extending 1,500 feet in front of Sandy Point State Park and Fort Smallwood State Park; West River south and west of a line running from Cheston Point to Curtis Point; or

(iv) Anywhere in Anne Arundel County north of the Chesapeake Bay Bridge within 800 feet of the shoreline, or south of the Chesapeake Bay Bridge and north of Thomas Point within 300 feet of the shoreline from September 16 to April 15 and within 800 feet of the shoreline from April 16 to September 15; south of Thomas Point within 300 feet of the shoreline, except that between Turkey Point and Ramsey Lake clamming is prohibited within 800 feet of the shoreline. This subsection does not prohibit the catching of clams by hydraulic clam dredge in West River or Rhode River.

(2) Dorchester County. -- In the Dorchester County waters of the Choptank River and its tributaries, west of a line running from Horn Point to Martin Point and east of a line running from Sharp's Island Light to Hill's Point from 30 days before opening date of wild waterfowl hunting season until the closing date. For purposes of this item, the seaduck season is not part of the wild waterfowl season.

(3) Queen Anne's County. -- In the waters of Eastern Bay and its tributaries; Shipping Creek; Cox's Creek; Crab Alley Creek; Wye River south of a line from the southernmost tip of Ferry Point to the northernmost tip of Drum Point; Wye East River west of a line from the southernmost tip of Wye Island to northernmost tip of Bruff's Island; Kent Narrows south of a line drawn from the northernmost tip of Ferry Point to the northernmost tip of Long Point.

(4) Somerset County. -- In the Wicomico River or Monie Bay east of a line from the easternmost entrance of Rock Creek to the southeast extremity of Mollie's Point.

(5) Talbot County. --

(i) In the Tred Avon River and in Town Creek in front of Oxford, between the shoreline and the center of the channel, except during October and November;

(ii) Within 1,200 feet of the Federal Research Laboratory at Oxford.

(b) A person may not catch by hydraulic or mechanical clam dredge soft-shell clams from the waters of Charles or Wicomico counties, **OR THE ATLANTIC COASTAL BAYS, AS DEFINED IN § 8-1802 OF THIS ARTICLE.**

4-1039.

(a) The Department may open or close any area in which the catching of soft-shell clams by hydraulic clam dredge is not prohibited under the provisions of this subtitle if: (1) in its opinion other natural resources will not be significantly damaged; (2) the area to be opened is clearly defined and plainly marked; and (3) the area is patrolled by Natural Resources Police vessels during dredging operations.

(b) In any area where hydraulic clam dredging is prohibited under § 4-1038(a) of this subtitle the Department may open selected areas if the areas opened are patrolled by Natural Resources Police vessels during dredging operations.

(c) Before opening or closing any area the Department shall publish notice in at least one newspaper of general circulation in the State, and in at least one newspaper of general circulation in each county. Any closing or opening shall be effective no less than 24 hours from publication of notice.

(d) The provisions of this section do not apply to Charles and Wicomico counties, **OR THE ATLANTIC COASTAL BAYS, AS DEFINED IN § 8-1802 OF THIS ARTICLE.**

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, ~~2007~~ 2008.

Approved by the Governor, April 24, 2007.

CHAPTER 261

(House Bill 969)

AN ACT concerning

St. Mary's County Metropolitan Commission - Fee Schedule

FOR the purpose of requiring the St. Mary's County Metropolitan Commission to impose and collect a certain connection fee for certain water or sewer connections under certain circumstances; providing for the calculation of a certain connection fee; requiring the Commission to impose and collect certain capital contribution charges for certain equivalent dwelling units connected to the water and sewerage system; repealing the authority for the Commission to apply certain revenue from the connection fees above the actual cost for certain maintenance and operating expenses or for paying the principal of and interest on certain bonds; requiring that certain capital contribution charges be used for paying certain capital costs and certain bonds issued for certain construction costs; providing for the calculation of a certain capital contribution charge; requiring that the capital contribution charge be assessed in a certain manner as a uniform charge for all sanitary districts; providing for the due date, late charges, and collection procedures for the connection fee and capital contribution charge; providing for an additional cost to be paid by certain property owners who defer a connection under certain circumstances; repealing certain provisions of law relating to benefit charges used for payment of costs for certain water and sewerage systems; requiring the Commission to impose and collect a certain system improvement charge for certain purposes on certain equivalent dwelling units under certain circumstances; requiring the system improvement charges to be assessed and payable monthly, to be uniform, and to be applied to every equivalent dwelling unit equally; requiring the system improvement charge to be used for paying certain capital costs and certain bonds issued for certain purposes; requiring the system improvement charges to be placed in a certain account to be used for certain purposes; providing for the calculation of certain system improvement charges; requiring the Commission to classify property and impose and collect the system improvement charge in a certain manner; requiring the Commission to provide certain notice to certain property owners regarding the system improvement charge; providing for the alteration of the classification of certain property; requiring the system improvement charge to be imposed for both water and sewerage facilities and be assessed in a certain manner; stating procedures for correcting any errors in imposing the system improvement charge; providing for certain exemptions to the system improvement charge; providing that the system improvement charge does not apply to property used for a certain purpose; requiring that the rate of a certain system improvement charge be based on a certain capital improvement plan of the Commission in a certain manner; authorizing the Commission to establish certain financial criteria to determine the eligibility of certain homeowners for a deferral of the system improvement charge; providing for procedures relating to the deferral of the system improvement charge; providing that the Commission may only implement a deferral process through adoption of a resolution in accordance with certain notice and hearing requirements; authorizing the connection with a water main or sewer of certain property that does not abut a water main or sewer under certain circumstances; authorizing the Commission to classify certain property as property in a remote

area and to construct certain water or sewer lines and impose and collect a certain system improvement charge under certain circumstances; authorizing certain system improvement charges to be imposed on certain benefited properties for certain improvements; providing for the due date, late charges, and collection procedures for system improvement charges; requiring that certain system improvement charges be set aside in a certain fund; requiring a certain amount of money to be raised for certain bonds to be certified for collection by taxation under certain circumstances; providing for the payment of the system improvement charge when property is acquired by certain public entities; defining certain terms; and generally relating to the imposition of certain connection fees, capital construction charges, and system improvement charges imposed by the St. Mary's County Metropolitan Commission.

BY repealing

The Public Local Laws of St. Mary's County
Section 113-9
Article 19 – Public Local Laws of Maryland
(2002 Edition, as amended)

BY repealing and reenacting, with amendments,

The Public Local Laws of St. Mary's County
Section 113-12 and 113-14
Article 19 – Public Local Laws of Maryland
(2002 Edition, as amended)

BY adding to

The Public Local Laws of St. Mary's County
Section 113-29
Article 19 – Public Local Laws of Maryland
(2002 Edition, as amended)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 113-9 of Article 19 – St. Mary's County of the Code of Public Local Laws of Maryland be repealed.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article 19 – St. Mary's County

113-12.

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

(2) **“CAPITAL CONTRIBUTION CHARGE” MEANS AN AMOUNT BASED ON CAPITAL COSTS THAT IS IMPOSED AND COLLECTED ON A NEW EDU CONNECTION TO A WATER SUPPLY OR SEWERAGE SYSTEM UNDER THIS CHAPTER.**

(3) **“CONNECTION CHARGE” MEANS A CAPITAL CONTRIBUTION CHARGE OR CONNECTION FEE.**

(4) **“CONNECTION FEE” MEANS AN AMOUNT BASED ON THE COST OF CONNECTION THAT IS IMPOSED ON A NEW CONNECTION TO A WATER SUPPLY OR SEWERAGE SYSTEM UNDER THIS CHAPTER.**

(5) **“EDU” MEANS AN EQUIVALENT DWELLING UNIT.**

(6) **“PUBLICATION” MEANS NOTICE TO ALL PERSONS HAVING ANY INTEREST IN THE PROPERTY.**

[A.] **B. (1) For every NEW water [and] OR sewer connection made under this chapter, the Commission shall [make] IMPOSE AND COLLECT a reasonable [charge] CONNECTION FEE, that is not less than the actual cost of connection.**

(2) **The [charge] CONNECTION FEE shall be uniform throughout a designated service area for connections of those sizes and classes for which average costs reasonably may be ascertainable, and, for all other connections, THE CONNECTION FEE SHALL BE AN AMOUNT not less than the actual cost of the connection.**

(3) **The Commission may revise [these charges] THE CONNECTION FEE annually.**

(4) **Connection [charges] FEES collected by the Commission shall be applied to paying the actual cost of the connections. [The Commission may apply any revenue from this source, above actual cost, for repairs, replacements or any extraordinary expense in the maintenance and operation of the water supply and sewerage systems under its control and for paying the principal of and interest on the bonds issued by the Commission for the water supply or sewerage systems to be constructed, purchased, upgraded, improved, or established under this chapter. Connection charges]**

(5) **THE CONNECTION FEE shall be due and payable to the Commission at the time the property owner makes an application OR IS OTHERWISE REQUIRED to connect to a water main or sewer.**

(6) If the property owner fails to make the connection by the time required by the Commission as set forth in § 113-10 of this chapter, the [charge] CONNECTION FEE shall become due and payable on the connection deadline date, shall be assessed immediately, and shall be subject to the [same] rules of collection [as prescribed by § 113-9L of this chapter] **PROVIDED IN SUBSECTION D OF THIS SECTION.**

C. (1) IN ADDITION TO THE CONNECTION FEE, THE COMMISSION SHALL IMPOSE AND COLLECT A CAPITAL CONTRIBUTION CHARGE FOR EACH NEW EDU CONNECTED TO A WATER SUPPLY OR SEWERAGE SYSTEM UNDER THIS CHAPTER.

(2) THE CAPITAL CONTRIBUTION CHARGES COLLECTED SHALL BE USED BY THE COMMISSION TO PAY:

(A) THE CAPITAL COSTS OF CONSTRUCTING NEW WATER SUPPLY OR SEWER COLLECTION SYSTEMS, TO THE EXTENT THAT THE PROJECTS ARE IDENTIFIED IN THE COMMISSION'S 6-YEAR CAPITAL IMPROVEMENT PLAN;

(B) THE CAPITAL COSTS OF CENTRAL TREATMENT FACILITY CAPACITY EXPANSION, AS THE PROJECTS ARE IDENTIFIED IN THE COMMISSION'S 6-YEAR CAPITAL IMPROVEMENT PLAN;

(C) EXISTING BONDS ISSUED AS OF OCTOBER 1, 2007, TO FUND THE COSTS OF CENTRAL TREATMENT FACILITY CAPACITY EXPANSIONS, BUT LIMITED TO THAT PORTION OF EXISTING DEBT CORRESPONDING TO ANY UNALLOCATED CAPACITY THAT EXISTS ON OCTOBER 1, 2007; AND

(D) EXISTING BONDS ISSUED AS OF OCTOBER 1, 2007, TO FUND THE COSTS OF CONSTRUCTING WATER SUPPLY OR SEWER COLLECTION SYSTEMS, BUT LIMITED TO THAT PORTION OF EXISTING DEBT CORRESPONDING TO ANY UNALLOCATED CAPACITY THAT EXISTS ON OCTOBER 1, 2007.

(3) (A) THE CAPITAL CONTRIBUTION CHARGE SHALL BE ASSESSED ON A PER EDU BASIS AND SHALL BE A UNIFORM CHARGE ASSESSED EQUALLY TO ALL SANITARY DISTRICTS.

(B) THE COMMISSION MAY REVISE THE CAPITAL CONTRIBUTION CHARGE ANNUALLY.

(C) THE CAPITAL CONTRIBUTION CHARGE SHALL BE DUE AND PAYABLE TO THE COMMISSION AT THE TIME A PROPERTY OWNER MAKES AN APPLICATION OR OTHERWISE IS REQUIRED TO CONNECT TO A WATER MAIN OR SEWER.

(D) IF THE PROPERTY OWNER FAILS TO MAKE THE CONNECTION BY THE DATE REQUIRED BY THE COMMISSION AS SET FORTH IN § 113-10 OF THIS CHAPTER, THE CAPITAL CONTRIBUTION CHARGE SHALL:

(I) BECOME DUE AND PAYABLE ON THE CONNECTION DEADLINE DATE;

(II) BE ASSESSED IMMEDIATELY; AND

(III) BE SUBJECT TO THE SAME RULES OF COLLECTION PROVIDED IN SUBSECTION D OF THIS SECTION.

(4) FOR PURPOSES OF DETERMINING THE CAPITAL CONTRIBUTION CHARGE, ~~COSTS~~ THE CAPITAL COSTS REFERRED TO IN PARAGRAPHS (2)(A) AND (B) OF THIS SUBSECTION SHALL INCLUDE THE PRINCIPAL OF, INTEREST ON, AND ANY REDEMPTION PREMIUM OR OTHER COSTS WITH RESPECT TO ANY BONDS OF THE COMMISSION ISSUED AFTER OCTOBER 1, 2007.

(5) (A) WHEN BONDS HAVE NOT BEEN ISSUED AT THE TIME THE CAPITAL CONTRIBUTION CHARGE IS CALCULATED, THE COMMISSION MAY, IN CALCULATING THE CAPITAL CONTRIBUTION CHARGE, ESTABLISH A SCHEDULE FOR THE PRINCIPAL OF, INTEREST ON, AND OTHER COSTS OF BONDS THE COMMISSION PLANS TO ISSUE.

(B) THE SCHEDULE AND RELATED CAPITAL CONTRIBUTION CHARGE PROVIDED IN SUBPARAGRAPH (A) OF THIS PARAGRAPH MAY BE ADJUSTED BY THE COMMISSION WHEN PLANNED FUTURE BONDS ARE ISSUED.

D. (1) THE CONNECTION CHARGES SET FORTH IN SUBSECTIONS B AND C OF THIS SECTION SHALL BE PAYABLE AT THE OFFICE OF THE COMMISSION AT A TIME THAT IS DETERMINED BY THE COMMISSION.

(2) IF ANY CONNECTION CHARGES REMAIN UNPAID FOR A PERIOD OF THIRTY (30) DAYS AFTER THE PAYMENT IS DUE, IN ADDITION TO ANY OTHER CHARGES, THE COMMISSION MAY IMPOSE A LATE CHARGE NOT TO EXCEED ONE

AND ONE-HALF (1 1/2) PERCENT PER MONTH UNTIL ALL DELINQUENT CHARGES ARE PAID.

(3) IF ALL OR ANY PART OF A CONNECTION CHARGE REMAINS UNPAID AFTER THIRTY (30) DAYS AFTER THE DUE DATE OF PAYMENT, THE ENTIRE UNPAID CONNECTION CHARGE SHALL BE OVERDUE AND IN DEFAULT, AT WHICH TIME THE COMMISSION MAY PROCEED TO ENFORCE PAYMENT.

(4) ANY STATUTE OF LIMITATIONS TO THE CONTRARY NOTWITHSTANDING, AND SUBJECT ONLY TO PRIOR STATE AND COUNTY TAXES, THE CONNECTION CHARGE SHALL BE A FIRST LIEN ON THE PROPERTY AGAINST WHICH IT IS ASSESSED UNTIL PAID.

(5) FOR PURPOSES OF COLLECTION:

(A) THE CONNECTION CHARGES SHALL BE TREATED AS COUNTY TAXES AND BE ADVERTISED IN THE SAME MANNER AS AND WITH COUNTY TAXES;

(B) ALL PROPERTY SUBJECT TO THE CONNECTION CHARGES SHALL BE SOLD FOR THE CONNECTION CHARGES AT THE SAME TIME AND IN THE SAME MANNER AS THE PROPERTIES ARE SOLD FOR COUNTY TAXES; AND

(C) APPLICABLE LAWS RELATING TO THE COLLECTION OF COUNTY TAXES SHALL RELATE TO THE COLLECTION OF THE CONNECTION CHARGES.

(6) PROPERTY REDEEMED FROM A COUNTY TAX SALE AND PROPERTY SOLD BY THE COUNTY COMMISSIONERS AFTER A FINAL TAX SALE MAY NOT BE REDEEMED OR SOLD UNTIL THE CONNECTION CHARGES DUE ON IT ARE PAID.

(7) TO GIVE NOTICE TO THE GENERAL PUBLIC OF EXISTING LIENS AND CHARGES AGAINST ANY PROPERTY WITHIN ANY SANITARY DISTRICT ABUTTING ON ANY WATER OR SEWER MAIN, THE COMMISSION SHALL KEEP A PUBLIC RECORD OF ALL NAMES OF OWNERS OF PROPERTY, LOCATIONS OF THE PROPERTY, LOT NUMBERS WHEN OF RECORD, AND THE AMOUNT OF THE CONNECTION CHARGES OR OTHER CHARGES THAT MAY BECOME LIENS.

(8) THE RECORDS SHALL BE KEPT IN THE LAND RECORDS OF ST. MARY'S COUNTY, AND THE CLERK OF THE CIRCUIT COURT FOR THE COUNTY SHALL FURNISH SPACE NECESSARY TO KEEP AND PRESERVE THE RECORDS,

THAT, WHEN RECORDED IN THE PUBLIC RECORD, ARE LEGAL NOTICE OF ALL EXISTING LIENS WITHIN ANY SANITARY DISTRICT.

(9) IF ANY LIENS, CONNECTION CHARGES, OR OTHER CHARGES REMAIN UNPAID FOR THIRTY (30) DAYS AFTER BECOMING OVERDUE, THEY MAY BE COLLECTED BY AN ACTION TO ENFORCE THE LIENS, AND ANY JUDGMENT OR DECREE OBTAINED SHALL HAVE THE FORCE AND EFFECT OF A JUDGMENT IN PERSONAM.

(10) THE COMMISSION MAY FILE AN ACTION TO ENFORCE THE LIENS AGAINST THE OWNER OF RECORD AT THE TIME THE LEVY WAS MADE, OR THE OWNER OF RECORD AT THE TIME THE SUIT IS FILED, OR ANY OWNER OF RECORD BETWEEN THESE DATES.

[B.] E. **(1) For property owners who elect to defer connection under § 113-10B of this chapter, the connection [charge] CHARGES DESCRIBED IN THIS SECTION shall include an additional cost reflecting the delay in connection.**

(2) The [connection cost is] CONNECTION FEE AND THE CAPITAL CONTRIBUTION CHARGE ARE due when the property owner applies, OR AS OTHERWISE REQUIRED, to connect to a water main or sewer.

(3) FOR NEW DEVELOPMENT, THE APPLICABLE CHARGES WILL BECOME DUE AT THE TIME THE PUBLIC WORKS AGREEMENT BECOMES EXECUTED.

113-14.

A. For the purpose of providing funds for maintaining, [repairing] **REPAIRING**, and operating its water supply and sewerage systems, for line extensions of them, for its administrative and other expenses, including proper depreciation allowances, if any, and for interest on and the retirement of bonds as specified in this chapter, the Commission may make service rates, as it deems necessary, on water lines and sewers chargeable against all properties having a connection with any water pipe or sewer pipe under its supervision or ownership. The rate for both water and sewer service shall be uniform throughout a sanitary district, subject to changes that the Commission considers necessary. Beginning on July 1, 1993, the rate for both water and sewer service shall be uniform throughout all sanitary districts, subject to changes that the Commission considers necessary. However, where the Commission provides service to property in an area in which it is economically not feasible to provide service at the uniform rate because of the distance of the area from the principal facilities of the Commission, the Commission may classify the property as a remote area and may impose an additional service charge to meet the additional cost

of providing service to the property. The Commission may collect a reasonable deposit in advance of furnishing water or sewerage service. The Commission shall begin the assessment of water and sewer service rates either at the time of the connection of all spigots or hydrants, toilets, and waste drains to a water main or sewer or on the expiration of the deadline for connection as required by the Commission in accordance with § 113-10 of this Article, whichever occurs first.

B. The sewer service rates shall be reasonable and shall be charged to all properties being served in a given sanitary district.

C. The water service charge shall consist of a minimum or ready-to-serve charge, which shall be based upon the size of the meter on the water connection leading to the property, and of a charge for water used, which shall be based upon the amount of water passing through the meter in excess of any water included in the minimum or ready-to-serve charge during the period between the last two (2) readings. The meter shall be placed on water connections as determined by and at the sole expense of the Commission. If the Commission at any time determines not to have meters installed in all the properties in a given sanitary district that are connected to the system, then a reasonable flat rate, as determined by the Commission, shall be charged to all properties in which meters have not been installed. This rate shall be uniform within a sanitary district.

D. Bills for the amount of the charges shall be sent monthly, quarterly or semiannually, as the Commission determines, to the owner of each property served and are then payable at the office of the Commission. If any bill remains unpaid after thirty (30) days from the due date or dates specified in it, the bill is overdue and the Commission may begin collection proceedings. At the request of the owner, bills for services may be sent, at the discretion of the Commission, to persons or entities other than the owner, provided that the owner states in his request that any bill so mailed will be considered as notice to him as if it were mailed to the owner in accordance with above.

E. When a bill is overdue and after written notice is left upon the premises or mailed to the last known address of the owner, the Commission shall turn off the water or sewer, if possible, from the property in question. The water or sewer service may not be resumed until the bill or bills, and a charge as determined by the Commission to cover costs incurred to turn off and to turn on the water or sewer service, have been paid.

F. If any charges remain unpaid for a period of thirty (30) days after the due date for payment, a late charge at a rate not to exceed one and five-tenths (1 5/10) percent per month may be made by the Commission until all delinquent charges are paid, the late charge to be in addition to all other charges.

G. If any bill shall remain unpaid for thirty (30) days after the due date, it shall be collectible from the owner of the property served in the same manner as other debts are collectible in the county. The service charges and all penalties and late charges shall be a first lien against the property, and the same procedures as set forth in [Subsection 164(L)9] **§ 113-12D OF THIS CHAPTER**, shall be followed by the Commission in collecting those debts.

113-29.

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

(2) "EDU" MEANS AN EQUIVALENT DWELLING UNIT.

(3) "PUBLICATION" MEANS NOTICE TO ALL PERSONS HAVING ANY INTEREST IN THE PROPERTY.

B. (1) FOR EVERY PROPERTY, WHETHER IMPROVED OR UNIMPROVED, BINDING ON A STREET, ROAD, LANE, ALLEY, RIGHT-OF-WAY OR EASEMENT IN WHICH A COMMISSION WATER DISTRIBUTION SYSTEM OR SEWERAGE SYSTEM HAS BEEN BUILT, THE COMMISSION SHALL IMPOSE AND COLLECT A PER EDU SYSTEM IMPROVEMENT CHARGE FOR EVERY EDU ALLOCATED BY THE ST. MARY'S COUNTY OFFICE OF LAND USE AND GROWTH MANAGEMENT.

(2) SYSTEM IMPROVEMENT CHARGES SHALL:

(A) BE ASSESSED AND PAYABLE ON A MONTHLY BASIS; AND

(B) BE UNIFORM AND APPLY TO EVERY EDU EQUALLY.

(3) SYSTEM IMPROVEMENT CHARGES SHALL BE USED BY THE COMMISSION TO PAY THE COSTS ASSOCIATED WITH:

(A) THE CAPITAL COSTS OF CENTRAL TREATMENT FACILITY PERFORMANCE UPGRADES, IF THE PROJECTS ARE IDENTIFIED IN THE COMMISSION'S 6-YEAR CAPITAL IMPROVEMENT PLAN;

(B) THE CAPITAL COSTS OF THE REPAIR AND REPLACEMENT OF EXISTING WATER SUPPLY AND/OR SEWER COLLECTION SYSTEMS, IF THE PROJECTS ARE IDENTIFIED IN THE COMMISSION'S 6-YEAR CAPITAL IMPROVEMENT PLAN; AND

(c) THAT PORTION OF EXISTING BONDS, AS OF OCTOBER 1, 2007, THAT WAS ISSUED TO FUND THE COSTS OF REPAIR, REPLACEMENT AND, WHERE APPROPRIATE, CONSTRUCTION OF EXISTING WATER SUPPLY OR SEWER COLLECTION SYSTEMS AND BONDS ISSUED TO FUND THE COSTS OF CENTRAL TREATMENT FACILITY CAPACITY ALLOCATED TO EXISTING SYSTEM USERS AS OF OCTOBER 1, 2007.

(4) IN DETERMINING THE SYSTEM IMPROVEMENT CHARGE, ~~COSTS~~ THE CAPITAL COSTS REFERRED TO IN SUBSECTION B.(3) OF THIS SECTION SHALL INCLUDE THE PRINCIPAL OF, INTEREST ON, AND ANY REDEMPTION PREMIUM OR OTHER COSTS WITH RESPECT TO ANY BONDS OF THE COMMISSION ISSUED AFTER OCTOBER 1, 2007.

(5) (A) WHEN BONDS HAVE NOT BEEN ISSUED AT THE TIME THE CAPITAL CONTRIBUTION CHARGE IS CALCULATED, IN CALCULATING THE CAPITAL CONTRIBUTION CHARGE THE COMMISSION MAY ESTABLISH A SCHEDULE FOR THE PRINCIPAL OF, INTEREST ON, AND OTHER COSTS OF BONDS THE COMMISSION PLANS TO ISSUE IN ACCORDANCE WITH PARAGRAPH (4) OF SUBSECTION H OF THIS SECTION.

(B) THE COMMISSION MAY ADJUST THE SCHEDULE AND RELATED SYSTEM IMPROVEMENT CHARGE PROVIDED IN SUBPARAGRAPH (A) OF THIS PARAGRAPH WHEN PLANNED FUTURE BONDS ARE ISSUED.

C. (1) WHEN COLLECTED, THE SYSTEM IMPROVEMENT CHARGES SHALL BE PLACED BY THE COMMISSION INTO AN INTEREST-BEARING ACCOUNT CONTAINING ALL OF THE SYSTEM IMPROVEMENT CHARGES COLLECTED, NOTWITHSTANDING THE SANITARY DISTRICT FROM WHICH THE CHARGE WAS COLLECTED.

(2) THE SYSTEM IMPROVEMENT CHARGES, TOGETHER WITH ANY INTEREST ACCRUED ON THE CHARGES, SHALL REMAIN IN THE GENERAL ACCOUNT, TO BE ACCESSED AND USED BY THE COMMISSION ON AN AS-NEEDED BASIS TO FUND THE COSTS OF ANY EXTENSIVE SYSTEM REPAIR AND REPLACEMENT AND CENTRAL FACILITY UPGRADE, AS DESCRIBED IN SUBSECTION B OF THIS SECTION, IN ANY SANITARY DISTRICT WITHIN WHICH A SYSTEM REPAIR OR REPLACEMENT MAY BE NEEDED.

D. (1) WHEN THE COMMISSION DETERMINES THE APPROPRIATE SYSTEM IMPROVEMENT CHARGE FOR A GIVEN PROPERTY, THE COMMISSION

SHALL CLASSIFY EACH PROPERTY INTO ONE OF THE FOLLOWING SEVEN (7) CLASSES:

- (A) AGRICULTURAL;
- (B) SMALL ACREAGE;
- (C) INDUSTRIAL OR BUSINESS;
- (D) SUBDIVISION RESIDENTIAL;
- (E) MULTI-UNIT RESIDENTIAL;
- (F) MULTI-UNIT BUSINESS; OR
- (G) INSTITUTIONAL.

(2) THE COMMISSION MAY SUBDIVIDE EACH OF THE CLASSES IN ANY MANNER IT CONSIDERS TO BE IN THE PUBLIC INTEREST.

(3) IMMEDIATELY AFTER AN EDU IS ALLOCATED FOR WATER OR SEWER SERVICE, THE COMMISSION SHALL INITIATE COLLECTION OF THE SYSTEM IMPROVEMENT CHARGE IN ACCORDANCE WITH THE PROPERTY CLASSIFICATION.

(4) THE COMMISSION SHALL NOTIFY, IN WRITING, ALL OWNERS OF THE PROPERTIES AS TO:

(A) UNDER WHICH CLASS THEIR RESPECTIVE PROPERTIES FALL;

(B) THE AMOUNT OF THE SYSTEM IMPROVEMENT CHARGE IMPOSED ON THE PROPERTY; AND

(C) A TIME AND PLACE FOR A PUBLIC HEARING ON THE CLASSIFICATION.

(5) THE NOTICE SHALL:

(A) BE MAILED TO THE LAST KNOWN ADDRESS OF THE OWNER;

(B) BE SERVED IN PERSON ON ANY ADULT OCCUPYING THE PREMISES; OR

(C) IN THE CASE OF VACANT OR UNIMPROVED PROPERTY, BE POSTED ON THE PREMISES.

(6) THE CLASSIFICATION OF ANY PROPERTY MADE BY THE COMMISSION IS FINAL, AND MAY ONLY BE CHANGED:

(A) AT THE PUBLIC HEARING HELD IN ACCORDANCE WITH THIS SUBSECTION; OR

(B) IF THE USE OF THE PROPERTY CHANGES.

(7) THE SYSTEM IMPROVEMENT CHARGE SHALL BE IMPOSED FOR BOTH WATER SUPPLY AND SEWERAGE FACILITIES, WHETHER CONSTRUCTED, PURCHASED, ESTABLISHED OR OTHERWISE ACQUIRED, AND SHALL BE ASSESSED AS A UNIFORM PER EDU CHARGE FOR EACH CLASS OF PROPERTY.

E. (1) WHENEVER, THROUGH ERROR, INADVERTENCE OR OVERSIGHT OR BY REASON OF ANY JUDGMENT OR DECREE, ANY PROPERTY SUBJECT TO A SYSTEM IMPROVEMENT CHARGE UNDER THIS CHAPTER HAS NOT HAD THE SYSTEM IMPROVEMENT CHARGE IMPOSED AGAINST IT, OR WHERE IT HAS BEEN IMPOSED BY AN ERRONEOUS DESCRIPTION OR IN THE WRONG NAME, OR WHERE SERVICE ON THE OWNER HAS NOT BEEN HAD, OR WHERE IT HAS BEEN SET ASIDE BY JUDGMENT OR DECREE, THE COMMISSION, ON THE DISCOVERY OF THE ERROR, INADVERTENCE OR OVERSIGHT, OR WITHIN A REASONABLE TIME AFTER THE RENDITION OF THE JUDGMENT OR DECREE, MAY IMPOSE AND COLLECT THE SYSTEM IMPROVEMENT CHARGE AT THE UNIFORM RATE AND IN THE APPLICABLE PROPERTY CLASSIFICATION.

(2) THIS SUBSECTION APPLIES TO ALL ERRORS, OMISSIONS, OR MISTAKES MADE PREVIOUSLY BY THE COMMISSION OR TO ANY JUDGMENT OR DECREE RENDERED PREVIOUSLY.

(3) APPROPRIATE ADJUSTMENTS FOR ANY PAYMENTS SHALL BE MADE IN RESPECT TO THAT PROPERTY.

F. (1) WHEN THERE IS MORE THAN ONE CONTIGUOUS LOT IN THE SAME BLOCK UNDER ONE (1) OWNERSHIP APPURTENANT TO A SINGLE RESIDENCE, THE COMMISSION SHALL IMPOSE THE SYSTEM IMPROVEMENT

CHARGE BASED ON THE NUMBER OF EDUs ASSIGNED TO EACH PROPERTY IN ACCORDANCE WITH ALL APPLICABLE ZONING AND LAND USE REGULATIONS.

(2) (A) LAND CLASSIFIED AS AGRICULTURAL BY THE COMMISSION, WHEN IN ACTUAL USE FOR FARMING OR TRUCKING PURPOSES, MAY NOT BE SUBJECT TO THE SYSTEM IMPROVEMENT CHARGE WHEN THE AGRICULTURAL LAND HAS CONSTRUCTED THROUGH IT OR IN FRONT OF IT A SEWER OR WATER MAIN, UNTIL A WATER OR SEWER CONNECTION IS MADE.

(B) WHEN A WATER OR SEWER CONNECTION IS MADE AND FOR EVERY EDU CONNECTED THE LAND SHALL BECOME SUBJECTED TO THE SYSTEM IMPROVEMENT CHARGE.

(3) PUBLIC PARKS OR PLAYGROUNDS OWNED BY A MUNICIPAL CORPORATION AND ANY PROPERTY OR BUILDING OWNED BY EITHER A REGULARLY ORGANIZED VOLUNTEER FIRE DEPARTMENT OR A VOLUNTEER RESCUE SQUAD ARE EXEMPT FROM THE IMPOSITION OF A SYSTEM IMPROVEMENT CHARGE WHILE USED FOR PUBLIC PURPOSES.

(4) IF PROPERTY IN THE SANITARY DISTRICT IS, AT THE TIME OF CONSTRUCTION OF A COMMISSION WATER LINE OR SANITARY SEWER LINE, CONNECTED TO A PUBLIC WATER SYSTEM OR PUBLIC SEWER SYSTEM OPERATED EITHER BY A MUNICIPAL CORPORATION OR BY A WATER OR SEWER COMPANY SUBJECT TO THE REQUIREMENTS OF THE STATE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, OR IF FOLLOWING CONSTRUCTION OF THE COMMISSION LINE THE PROPERTY IS CONNECTED TO THE OTHER SPECIFIED PUBLIC SYSTEM IN ACCORDANCE WITH THE COMMISSION, THE PROPERTY IS EXEMPT FROM THE IMPOSITION AND COLLECTION OF A SYSTEM IMPROVEMENT CHARGE UNTIL IT IS SERVED BY OR CONNECTED TO THE COMMISSION'S WATER SUPPLY OR SANITARY SEWERAGE SYSTEM, AS THE CASE MAY BE.

(5) WHEN A PROPERTY THAT HAS BEEN EXEMPTED FROM A SYSTEM IMPROVEMENT CHARGE UNDER THIS SUBSECTION IS NO LONGER EXEMPTED FROM THE CHARGE, THE PROPERTY SHALL BE CLASSIFIED IN ITS THEN CURRENT CLASS AND BECOME SUBJECT TO THE SYSTEM IMPROVEMENT CHARGE.

G. (1) EXCEPT AS OTHERWISE PROVIDED, SYSTEM IMPROVEMENT CHARGES FOR WATER SUPPLY AND SEWER CONSTRUCTION AND ACQUISITION SHALL BE UNIFORM FOR EACH EDU WITHIN EACH CLASS OF PROPERTY THROUGHOUT THE COUNTY FOR ANY ONE (1) YEAR.

(2) THE COMMISSION SHALL DETERMINE THE AMOUNT OF THE SYSTEM IMPROVEMENT CHARGE PER EDU WITHIN EACH CLASS OF PROPERTY FOR BOTH WATER AND SEWER SERVICE AS COSTS AND CONDITIONS REQUIRE, BUT A SYSTEM IMPROVEMENT CHARGE FOR ANY CLASS OF PROPERTY FOR ANY GIVEN YEAR ONCE LEVIED BY THE COMMISSION MAY NOT BE INCREASED.

H. (1) THE RATE OF THE SYSTEM IMPROVEMENT CHARGE SHALL BE BASED ON THE COMMISSION'S 6-YEAR CAPITAL IMPROVEMENT PLAN, AS REVISED ANNUALLY.

(2) THE CAPITAL IMPROVEMENT PLAN SHALL IDENTIFY THOSE CAPITAL PROJECTS WHICH WILL BE UNDERTAKEN BY THE COMMISSION DURING THE MOST IMMEDIATE 6-YEAR PERIOD, INCLUDING ANY COMPREHENSIVE IMPROVEMENT OR REPLACEMENT OF EXISTING WATER OR WASTEWATER SYSTEMS AND CENTRAL TREATMENT AND PROCESSING FACILITY EXPANSIONS AND UPGRADES.

(3) TO CALCULATE THE SYSTEM IMPROVEMENT CHARGE, THE TOTAL OF ALL DEBT SERVICE ON BONDS AND THE TOTAL OF AMORTIZED COSTS OF ALL PROJECTS IN THE CAPITAL IMPROVEMENT BUDGET FOR THE GIVEN YEAR, BOTH TOTALS EXCLUDING ANY COSTS INCLUDED IN THE CAPITAL IMPROVEMENT CHARGE UNDER § 113-12 OF THIS CHAPTER, SHALL BE COMBINED AND DIVIDED BY THE TOTAL OF THE NUMBER OF ALLOCATED EDUS AND THE NUMBER OF EDUS EXPECTED TO BE ALLOCATED BY THE ST. MARY'S OFFICE OF LAND USE AND GROWTH MANAGEMENT FOR A GIVEN YEAR.

(4) WHERE AMORTIZED COSTS ARE INCLUDED IN THE CALCULATION OF THE CHARGE, THE COMMISSION SHALL ESTABLISH THE PERIOD OF AMORTIZATION AND THE INTEREST RATE.

(5) THE SYSTEM IMPROVEMENT CHARGE MAY NOT BE REVISED MORE THAN ONCE EACH YEAR, TOGETHER WITH THE ANNUAL REVISION TO THE CAPITAL IMPROVEMENT PLAN.

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

(B) "DWELLING" MEANS A PRINCIPAL RESIDENCE OF A HOMEOWNER AND INCLUDES THE LOT ON WHICH THE HOUSE IS SITUATED.

(C) "HOMEOWNER" MEANS A PERSON WHO:

(I) RESIDES IN A DWELLING; AND

(II) HAS AN OWNERSHIP INTEREST IN THE DWELLING, INCLUDING A LIFE ESTATE, JOINT TENANCY, TENANCY IN COMMON, TENANCY BY THE ENTIRETY, OR FEE SIMPLE INTEREST.

(D) "PRINCIPAL RESIDENCE" MEANS A HOUSE THAT IS OCCUPIED BY A HOMEOWNER:

(I) FOR MORE THAN SIX (6) MONTHS OF A CONSECUTIVE 12-MONTH PERIOD THAT INCLUDES THE DATE OF APPLICATION FOR A DEFERRAL OF A CAPITAL CONTRIBUTION CHARGE; OR

(II) FOR LESS THAN SIX (6) MONTHS OF A CONSECUTIVE 12-MONTH PERIOD THAT INCLUDES THE DATE OF APPLICATION FOR A DEFERRAL OF A CAPITAL CONTRIBUTION CHARGE DUE TO ILLNESS OR THE NEED OF SPECIAL CARE, IF THE HOMEOWNER IS OTHERWISE QUALIFIED UNDER THE PROVISIONS OF THIS SUBSECTION.

(2) THE COMMISSION MAY ESTABLISH FINANCIAL CRITERIA TO DETERMINE THE ELIGIBILITY OF A HOMEOWNER WHOSE DWELLING IS SUBJECT TO A SYSTEM IMPROVEMENT CHARGE UNDER THIS SECTION FOR A DEFERRAL OF THE MONTHLY PAYMENT OF THAT CHARGE.

(3) THE COMMISSION MAY DEFER THE MONTHLY PAYMENT OF A SYSTEM IMPROVEMENT CHARGE ON THE DWELLING OF A HOMEOWNER WHO:

(A) FILES AN APPLICATION WITH THE COMMISSION; AND

(B) MEETS THE FINANCIAL ELIGIBILITY CRITERIA THAT THE COMMISSION ESTABLISHES.

(4) A HOMEOWNER WHO APPLIES FOR A DEFERRAL OF PAYMENT OF A MONTHLY SYSTEM IMPROVEMENT CHARGE LEVIED ON A DWELLING SHALL SUBMIT TO THE COMMISSION AN APPLICATION ON THE FORM THAT THE COMMISSION PROVIDES.

(5) A HOMEOWNER MAY APPLY FOR A DEFERRAL ON ONLY ONE (1) DWELLING.

(6) A HOMEOWNER WHO APPLIES FOR DEFERRAL OF PAYMENT OF A SYSTEM IMPROVEMENT CHARGE SHALL APPLY AT THE TIME OF PAYMENT OF MONTHLY SERVICE CHARGES.

(7) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE COMMISSION SHALL TERMINATE THE DEFERRAL OF PAYMENT OF A MONTHLY SYSTEM IMPROVEMENT CHARGE IF A HOMEOWNER DIES, SELLS, OR ALIENATES THE DWELLING SUBJECT TO THE DEFERRAL.

(8) THE COMMISSION MAY DEFER THE MONTHLY PAYMENT OF A SYSTEM IMPROVEMENT CHARGE BY AN UNMARRIED SURVIVING SPOUSE ON THE DEATH OF A HOMEOWNER OR THE UNMARRIED FORMER SPOUSE ON THE DIVORCE OF A HOMEOWNER IF THE SUCCEEDING SPOUSE QUALIFIES UNDER THE PROVISIONS OF PARAGRAPH (3) OF THIS SUBSECTION.

(9) WHEN THE COMMISSION TERMINATES THE DEFERRAL OF PAYMENT OF A MONTHLY SYSTEM IMPROVEMENT CHARGE UNDER THE PROVISIONS OF PARAGRAPH (7) OF THIS SUBSECTION:

(A) ALL DEFERRED CHARGES, WITH INTEREST CALCULATED ON THE CUMULATIVE ANNUAL PAYMENTS FOR THE DEFERRAL PERIOD, SHALL BECOME DUE AND PAYABLE IMMEDIATELY; AND

(B) THE ANNUAL LEVY OF SYSTEM IMPROVEMENT CHARGES SHALL RESUME.

(10) (A) A DEFERRED SYSTEM IMPROVEMENT CHARGE THAT IS DUE AND PAYABLE ON TERMINATION OF A DEFERRAL BY THE COMMISSION IS A LIEN AGAINST THE DWELLING IN ACCORDANCE WITH SUBSECTION L OF THIS SECTION.

(B) AFTER THE COMMISSION TERMINATES THE DEFERRAL OF PAYMENT OF A SYSTEM IMPROVEMENT CHARGE UNDER PARAGRAPH (7) OF THIS SUBSECTION, THE PROVISIONS OF THIS SUBSECTION DO NOT IMPAIR IN ANY WAY THE ABILITY OF THE COMMISSION TO COLLECT A SYSTEM IMPROVEMENT CHARGE THAT IS OVERDUE AND IN DEFAULT FROM A HOMEOWNER IN ACCORDANCE WITH SUBSECTION L OF THIS SECTION.

(11) THE COMMISSION MAY REQUIRE A HOMEOWNER WHO QUALIFIES FOR DEFERRAL UNDER THIS SECTION TO REQUALIFY AT TIMES AND UNDER CIRCUMSTANCES THAT THE COMMISSION DETERMINES ARE REASONABLE AND NECESSARY.

(12) (A) THE COMMISSION MAY ONLY IMPLEMENT THE PROVISIONS OF THIS SUBSECTION BY ADOPTION OF A RESOLUTION OF THE COMMISSION.

(B) THE COMMISSION SHALL HOLD A PUBLIC HEARING AT LEAST TEN (10) DAYS PRIOR TO ANY ACTION ON THE PROPOSED RESOLUTION UNDER THIS PARAGRAPH.

(C) THE COMMISSION SHALL PUBLISH NOTICE OF THE PUBLIC HEARING, TOGETHER WITH A SYNOPSIS OF THE PROPOSED RESOLUTION, IN AT LEAST ONE (1) NEWSPAPER OF GENERAL CIRCULATION IN ST. MARY'S COUNTY ONCE EACH WEEK FOR TWO (2) SUCCESSIVE WEEKS PRIOR TO THE PUBLIC HEARING.

J. (1) ON THE ALLOCATION OF AN EDU, THE COMMISSION MAY PERMIT A CONNECTION WITH A WATER MAIN OR SEWER BY A PROPERTY OWNER WHOSE PROPERTY DOES NOT ABUT ON THE WATER MAIN OR SEWER AND WHO HAS NOT PREVIOUSLY PAID A SYSTEM IMPROVEMENT CHARGE FOR THE CONSTRUCTION OF THE WATER MAIN OR SEWER.

(2) IF THE COMMISSION PERMITS A CONNECTION WITH A WATER MAIN OR SEWER UNDER THIS SUBSECTION, THE COMMISSION SHALL CLASSIFY THE PROPERTY AND DETERMINE THE SYSTEM IMPROVEMENT CHARGE TO BE PAID BY THE PROPERTY OWNER.

(3) IF A CONNECTION IS MADE UNDER THIS SUBSECTION, THE PROPERTY OWNER AND PROPERTY, FOR ALL CHARGES, RATES AND BENEFITS, SHALL STAND IN EVERY RESPECT IN THE SAME POSITION AS IF THE PROPERTY ABUTTED ON A WATER MAIN OR SEWER.

K. (1) WHEN AN APPLICANT APPLIES FOR WATER OR SEWER LINES IN AN AREA IN WHICH THE COMMISSION DETERMINES THAT IT IS ECONOMICALLY NOT FEASIBLE TO SERVE UNLESS THE APPLICANT MAKES A SUBSTANTIAL CONTRIBUTION TO THE COST OF CONSTRUCTION OF THE WATER AND SEWER LINES, INCLUDING THE COST OF CONNECTING THEM WITH THE COMMISSION'S SYSTEM, THE COMMISSION MAY CLASSIFY THE APPLICANT'S PROPERTY, TOGETHER WITH OTHER ADJACENT OR ADJOINING PROPERTIES THAT COULD BE READILY SERVED FROM THE CONSTRUCTION REQUIRED BY THE APPLICANT, AS A "REMOTE AREA."

(2) IF THE COMMISSION APPROVES AN APPLICATION FOR WATER AND SEWER LINES AND THE APPLICANT MAKES A CONTRIBUTION TO THE COST OF CONSTRUCTION IN ACCORDANCE WITH THIS SUBSECTION, THE COMMISSION MAY CONSTRUCT THE WATER OR SEWER LINES REQUIRED BY THE APPLICANT.

(3) IF THE COMMISSION CONSTRUCTS THE WATER OR SEWER LINES, IT SHALL IMPOSE A SYSTEM IMPROVEMENT CHARGE IN ACCORDANCE WITH THIS SECTION.

L. WHEN THE COMMISSION IMPROVES A WATER SYSTEM OR SANITARY SEWERAGE SYSTEM BY REPLACING, AUGMENTING, UPGRADING, OR EXPANDING IT IN ORDER TO PROVIDE INCREASED OR IMPROVED WATER OR SEWER SERVICE AND THE NECESSITY FOR THE IMPROVEMENT ARISES FROM CHANGES, WHETHER INDIVIDUALLY OR CUMULATIVELY, IN USE OR ZONING CATEGORY OF THE PROPERTY, THOSE PROPERTIES SHALL DERIVE A BENEFIT FROM THE IMPROVED FACILITY AND THE COMMISSION SHALL IMPOSE SYSTEM IMPROVEMENT CHARGES ON THE BENEFITED PROPERTY FOR THE CONSTRUCTION AS PART OF THE WATER OR SEWER SYSTEM SERVICES.

M. (1) THE SYSTEM IMPROVEMENT CHARGE SHALL BE PAYABLE AT THE OFFICE OF THE COMMISSION AT A TIME THAT THE COMMISSION DETERMINES.

(2) IF ANY CHARGES REMAIN UNPAID FOR A PERIOD OF THIRTY (30) DAYS AFTER THE PAYMENT IS DUE, IN ADDITION TO ANY OTHER CHARGES, THE COMMISSION MAY IMPOSE A LATE CHARGE NOT TO EXCEED ONE AND ONE-HALF (1 1/2) PERCENT PER MONTH UNTIL ALL DELINQUENT CHARGES ARE PAID.

(3) THE ENTIRE UNPAID SYSTEM IMPROVEMENT CHARGE SHALL BE OVERDUE AND IN DEFAULT AFTER THIRTY (30) DAYS AFTER THE PAYMENT IS DUE FOR ALL OR ANY PART OF THE SYSTEM IMPROVEMENT CHARGE REQUIRED BY THE COMMISSION, AT WHICH TIME THE COMMISSION MAY PROCEED TO ENFORCE PAYMENT.

(4) ANY STATUTE OF LIMITATIONS TO THE CONTRARY NOTWITHSTANDING AND SUBJECT ONLY TO PRIOR STATE AND COUNTY TAXES, THE SYSTEM IMPROVEMENT CHARGE SHALL BE A FIRST LIEN ON THE PROPERTY AGAINST WHICH IT IS ASSESSED UNTIL PAID.

(5) FOR PURPOSES OF COLLECTION:

(A) THE SYSTEM IMPROVEMENT CHARGE SHALL BE TREATED AS COUNTY TAXES AND BE ADVERTISED IN THE SAME MANNER AS AND WITH COUNTY TAXES;

(B) ALL PROPERTY SUBJECT TO THE SYSTEM IMPROVEMENT CHARGES SHALL BE SOLD FOR SYSTEM IMPROVEMENT CHARGES AT THE SAME TIME AND IN THE SAME MANNER AS THE PROPERTIES ARE SOLD FOR COUNTY TAXES; AND

(C) APPLICABLE LAWS RELATING TO THE COLLECTION OF COUNTY TAXES SHALL RELATE TO THE COLLECTION OF THE SYSTEM IMPROVEMENT CHARGES.

(6) PROPERTY REDEEMED FROM A COUNTY TAX SALE AND PROPERTY SOLD BY THE COUNTY COMMISSIONERS AFTER A FINAL TAX SALE MAY NOT BE REDEEMED OR SOLD UNTIL THE SYSTEM IMPROVEMENT CHARGES ARE PAID.

(7) TO GIVE NOTICE TO THE GENERAL PUBLIC OF EXISTING LIENS AND CHARGES AGAINST ANY PROPERTY WITHIN ANY SANITARY DISTRICT ABUTTING ON ANY WATER OR SEWER MAIN, THE COMMISSION SHALL KEEP A PUBLIC RECORD OF ALL NAMES OF OWNERS OF PROPERTY, LOCATIONS OF THE PROPERTY, LOT NUMBERS WHEN OF RECORD, AND THE AMOUNT OF THE SYSTEM IMPROVEMENT CHARGES, WATER SERVICE CHARGES, OR OTHER CHARGES THAT MAY BECOME LIENS.

(8) THE RECORDS SHALL BE KEPT IN THE LAND RECORDS OF ST. MARY'S COUNTY, AND THE CLERK OF THE CIRCUIT COURT FOR THE COUNTY SHALL FURNISH SPACE NECESSARY TO KEEP AND PRESERVE THE RECORDS, WHICH, WHEN RECORDED IN THE PUBLIC RECORD, IS LEGAL NOTICE OF ALL EXISTING LIENS WITHIN ANY SANITARY DISTRICT.

(9) IF ANY LIENS, SYSTEM IMPROVEMENT CHARGES OR OTHER CHARGES REMAIN UNPAID FOR THIRTY (30) DAYS AFTER BECOMING OVERDUE, THEY MAY BE COLLECTED BY AN ACTION TO ENFORCE THE LIENS, AND ANY JUDGMENT OR DECREE OBTAINED SHALL HAVE THE FORCE AND EFFECT OF A JUDGMENT IN PERSONAM.

(10) THE COMMISSION MAY FILE AN ACTION TO ENFORCE THE LIENS AGAINST THE OWNER OF RECORD AT THE TIME THE LEVY WAS MADE, OR THE OWNER OF RECORD AT THE TIME THE SUIT IS FILED, OR ANY OWNER OF RECORD BETWEEN THESE DATES.

N. (1) ALL SYSTEM IMPROVEMENT CHARGES COLLECTED BY THE COMMISSION SHALL BE SET ASIDE IN A SEPARATE FUND TO BE KNOWN AND DESIGNATED AS THE "METROPOLITAN DISTRICT ACCOUNT."

(2) IN ORDER TO DETERMINE THE AMOUNT WHICH IT CONSIDERS NECESSARY TO BE IMPOSED UNDER § 113-7 OF THIS CHAPTER, THE COMMISSION SHALL DEDUCT THE AMOUNT IT ESTIMATES THAT IT WILL BE ABLE TO COLLECT FROM THE SYSTEM IMPROVEMENT CHARGES AND OTHER CHARGES PREVIOUSLY IMPOSED BY IT, BUT NOT YET PAID AND TO BE SET ASIDE FOR THE INTEREST AND PRINCIPAL PAYMENTS AND THE AMOUNT OF FUNDS THEN AVAILABLE FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON OUTSTANDING BONDS, FROM THE WHOLE AMOUNT NECESSARY TO BE RAISED IN ANY ONE (1) YEAR FOR INTEREST AND PRINCIPAL PAYMENTS ON OUTSTANDING BONDS.

(3) THE BALANCE THEN REMAINING TO BE RAISED SHALL BE THE AMOUNT TO BE CERTIFIED TO THE COUNTY COMMISSIONERS OF ST. MARY'S COUNTY FOR COLLECTION BY TAXATION AS PROVIDED BY § 113-7 OF THIS CHAPTER.

O. (1) IF THE STATE, COUNTY, OR ANY MUNICIPAL CORPORATION, COMMISSION, BOARD, OR AGENCY OF THE STATE OR COUNTY ACQUIRES FOR PUBLIC USE PROPERTY THAT IS SUBJECT TO A SYSTEM IMPROVEMENT CHARGE LEVIED BY THE ST. MARY'S COUNTY METROPOLITAN COMMISSION, THE SYSTEM IMPROVEMENT CHARGE SHALL BE PAID THROUGH THE DATE OF ACQUISITION AND EXTINGUISHED THEREAFTER.

(2) IF THE PROPERTY IS ACQUIRED AS PROVIDED IN THIS SECTION WITHOUT EMINENT DOMAIN PROCEEDINGS, THE AMOUNT NECESSARY TO PAY THE SYSTEM IMPROVEMENT CHARGE THROUGH THE DATE OF ACQUISITION SHALL BE PAID TO THE COMMISSION BEFORE THE DEED EVIDENCING THE TRANSFER MAY BE RECORDED AMONG THE LAND RECORDS OF ST. MARY'S COUNTY.

(3) IF THE PROPERTY IS ACQUIRED THROUGH EMINENT DOMAIN PROCEEDINGS, THE COMMISSION SHALL BE NAMED A PARTY TO THE PROCEEDINGS, AND THE JURY SHALL MAKE A SEPARATE AWARD IN FAVOR OF THE COMMISSION FOR THE SUM REQUIRED TO PAY THE SYSTEM IMPROVEMENT CHARGE THROUGH THE DATE OF ACQUISITION.

(4) IF, BY OVERSIGHT OR MISTAKE, THE COMMISSION IS NOT NAMED A PARTY TO THE EMINENT DOMAIN PROCEEDINGS, OR IF NO SEPARATE AWARD FOR THE SUM NECESSARY TO PAY THE SYSTEM IMPROVEMENT CHARGE THROUGH THE DATE OF CONVEYANCE, THE CONDEMNING AUTHORITY SHALL PAY TO THE COMMISSION THE AMOUNT REQUIRED TO PAY THE SYSTEM IMPROVEMENT CHARGE THROUGH THE DATE OF CONVEYANCE AT THE SAME TIME THE CONDEMNING AUTHORITY PAYS THE AMOUNT AWARDED TO THE PROPERTY OWNER IN THE PROCEEDINGS.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 262

(House Bill 979)

AN ACT concerning

~~**Regional Health Data Exchange**~~
Health Information Exchange Pilot Project

~~FOR the purpose of altering the uses of the Community Health Resources Commission Fund to provide funding for a regional health data exchange; limiting the amount of annual funding from the Fund for a regional health data exchange; requiring the Health Services Cost Review Commission to provide funding of at least a certain amount each year for a certain period beginning in a certain fiscal year for a regional health data exchange; establishing certain eligibility requirements for an organization to receive funding; requiring the Department of Health and Mental Hygiene to encourage all health care practitioners and hospitals to take certain actions; requiring the Maryland Health Care Commission, the Health Services Cost Review Commission, and the Maryland Patient Safety Center to support the regional health data exchange as a patient safety initiative; providing for the termination of this Act; and generally relating to a regional health data exchange.~~

FOR the purpose of establishing a health information exchange pilot project; requiring the pilot project to be operated by the Maryland-DC Collaborative; requiring the pilot project to transmit certain information to participating health care providers in a certain manner and for certain purposes; requiring the Maryland Health Care Commission and the State Health Services Cost Review

Commission to ensure that the Maryland–DC Collaborative addresses certain issues and establishes certain policies and protections; authorizing hospitals to apply to the State Health Services Cost Review Commission for a certain award to provide certain compensation; requiring the Maryland–DC Collaborative to report on its progress to the Maryland Health Care Commission, the State Health Services Cost Review Commission, and certain legislative committees on or before certain dates; providing for the termination of this Act; and generally relating to a health information exchange pilot project.

~~BY repealing and reenacting, without amendments,~~ adding to
Article – Health – General
Section ~~19–2201(a)~~ 19–209
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

~~BY repealing and reenacting, with amendments,~~
~~Article – Health – General~~
~~Section 19–2201(e) and (f)~~
~~Annotated Code of Maryland~~
~~(2005 Replacement Volume and 2006 Supplement)~~

Preamble

WHEREAS, Continuously improving the quality, safety, and cost-effectiveness of health care is one of the most significant public policy questions facing government; and

WHEREAS, Lack of information regarding previous medical care can lead to unnecessary duplication of services and inaccurate decisions regarding current medical care; and

WHEREAS, Unnecessary duplication of services and inaccurate decisions regarding medical care can lead to harm to patients, higher medical malpractice costs, and higher health care costs; and

WHEREAS, Sharing information among health care providers is in the public interest and can lead to a reduction in medical errors and duplicative services, which will improve patient safety, quality of care, and affordability of health care; ~~and~~

~~WHEREAS, The Maryland/D.C. Collaborative for Healthcare Information Technology has engineered a solution that will enable information regarding previous care to be available at the time of current care using a ubiquitous statewide web portal; and~~

~~WHEREAS, Developing this infrastructure requires careful planning and the involvement of key stakeholders; and~~

~~WHEREAS, The Maryland/D.C. Collaborative for Healthcare Information Technology has brought together representatives of key stakeholders and has concluded the careful planning needed for a regional health data exchange infrastructure; and~~

~~WHEREAS, The Maryland/D.C. Collaborative for Healthcare Information Technology has secured matching funding from its own members for the implementation of a regional health data exchange and has developed a long term sustainable financial model; and~~

~~WHEREAS, The Maryland/D.C. Collaborative for Healthcare Information Technology needs additional funding to establish the long term viability of a regional health data exchange network; and~~

~~WHEREAS, The State of Maryland has an "all payer" Health Services Cost Review Commission that promotes quality, safety, and cost efficiency to the citizens of the State; and~~

~~WHEREAS, The long term savings for the health care system from a successful regional health data exchange infrastructure would make health care coverage more affordable for all Marylanders and help reduce the cost of uncompensated care; and~~

~~WHEREAS, Chapter 201 of the Acts of 2005 established the Task Force to Study Electronic Health Records; and~~

~~WHEREAS, A regional health data exchange will carry forward the momentum created by the Task Force to Study Electronic Health Records; now, therefore,~~

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

Article - Health - General

~~19-2201-~~

~~(a) In this section, "Fund" means the Community Health Resources Commission Fund.~~

~~(e) (1) The Fund may be used only to:~~

~~(i) Cover the administrative costs of the Commission;~~

~~(ii) Cover the actual documented direct costs of fulfilling the statutory and regulatory duties of the Commission in accordance with the provisions of this subtitle;~~

~~(iii) Provide operating grants to qualifying community health resources; and~~

~~(iv) Provide funding for the development, support, and monitoring of a [unified data information system] REGIONAL HEALTH DATA EXCHANGE among primary and specialty care providers, hospitals, and other providers of services to community health resource members.~~

~~(2) The funding for a [unified data information system] REGIONAL HEALTH DATA EXCHANGE under paragraph (1)(iv) of this subsection shall be limited to:~~

~~(i) \$500,000 in fiscal year 2006; and~~

~~(ii) \$1,700,000 [in fiscal year 2007 and] annually [thereafter].~~

~~(f) The Commission shall adopt regulations that:~~

~~(1) Establish the criteria for a community health resource to qualify for a grant;~~

~~(2) Establish the procedures for disbursing grants to qualifying community health resources;~~

~~(3) Develop a formula for disbursing grants to qualifying community health resources; and~~

~~(4) Establish criteria and mechanisms for funding a [unified data information system] REGIONAL HEALTH DATA EXCHANGE.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That:~~

~~(a) (1) The Health Services Cost Review Commission shall provide funding through hospital rates of \$10,000,000 each year to establish a regional health data exchange that provides connections among hospitals and health care practitioners.~~

~~(2) The funding shall be awarded for a 3 year period, beginning in fiscal year 2008.~~

~~(3) To be eligible for funding under this subsection, an organization seeking to establish a regional health data exchange shall:~~

~~(i) be a private, nonprofit organization exempt from taxation under § 501(c)(3) of the Internal Revenue Code;~~

~~(ii) have significant experience with health care information technology in the State; and~~

~~(iii) be governed by a board of directors that includes broad representation of the regional health care community, including payers, hospitals, and physicians.~~

~~(b) (1) The Department of Health and Mental Hygiene shall encourage all health care practitioners and hospitals to validate, on or before July 1, 2008, all available elements of previous medical care available through a regional health data exchange.~~

~~(2) The Department shall encourage hospitals to provide emergency department and inpatient discharge summary data to the regional health data exchange on or before December 31, 2008.~~

~~(c) The Maryland Health Care Commission, the Health Services Cost Review Commission, and the Maryland Patient Safety Center shall support the regional health data exchange as a patient safety initiative.~~

19-209.

(A) THERE IS A HEALTH INFORMATION EXCHANGE PILOT PROJECT.

(B) THE PILOT PROJECT SHALL BE OPERATED BY THE MARYLAND-DC COLLABORATIVE, A NOT-FOR-PROFIT § 501(C)(3) ORGANIZATION.

(C) TO INCREASE PATIENT SAFETY, IMPROVE QUALITY OF CARE, AND PROMOTE EFFICIENT HEALTHCARE DELIVERY, THE PILOT PROJECT SHALL TRANSMIT TO PARTICIPATING HEALTH CARE PROVIDERS IN A PRIVATE AND SECURE MANNER:

(1) MEDICATION HISTORY;

(2) LABORATORY AND RADIOLOGY RESULTS; AND

(3) INPATIENT AND EMERGENCY DEPARTMENT DISCHARGE SUMMARIES.

(D) THE MARYLAND HEALTH CARE COMMISSION AND THE STATE HEALTH SERVICES COST REVIEW COMMISSION SHALL ENSURE THAT THE MARYLAND-DC COLLABORATIVE ADDRESSES PRIVACY, SECURITY, ECONOMIC, AND INTEROPERABILITY ISSUES AND ESTABLISHES APPROPRIATE POLICIES AND PROTECTIONS IN THESE AREAS.

(E) HOSPITALS MAY APPLY TO THE STATE HEALTH SERVICES COST REVIEW COMMISSION FOR A ONE-TIME AWARD THROUGH RATE ADJUSTMENT TO PROVIDE PARTIAL COMPENSATION FOR THE COST OF DEVELOPING A DATA INTERFACE NECESSARY FOR PARTICIPATION IN THE COLLABORATIVE.

(F) ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE MARYLAND-DC COLLABORATIVE SHALL REPORT ON ITS PROGRESS TO THE STATE HEALTH SERVICES COST REVIEW COMMISSION, THE MARYLAND HEALTH CARE COMMISSION, AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE AND THE SENATE FINANCE COMMITTEE.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007. It shall remain effective for a period of 3 years and, at the end of June 30, 2010, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, April 24, 2007.

CHAPTER 263

(House Bill 1013)

AN ACT concerning

Governor's Pension Plan - Surviving Spouse Benefits

FOR the purpose of providing certain death benefits to surviving spouses of former Governors; and generally relating to death benefits for surviving spouses of former Governors.

BY repealing and reenacting, with amendments,
Article - State Personnel and Pensions
Section 22-405

Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

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

Article – State Personnel and Pensions

22–405.

(a) Subject to subsection (d) of this section, if a Governor serves for at least:

(1) one full term, the Governor is entitled to receive a retirement allowance equal to one–third of the annual salary received by the current Governor in office; or

(2) two full terms, the Governor is entitled to receive a retirement allowance equal to one–half of the annual salary received by the current Governor in office.

(b) The Board of Trustees shall suspend a retirement allowance received under this section during any period when the former Governor is employed by a unit of State government.

(c) Except as provided in subsection (d) of this section, a Governor may not receive a retirement allowance under this subsection until the Governor is at least 55 years old.

(d) (1) A Governor who leaves office because of physical or mental disability, under Article II, Section 6(c) of the Maryland Constitution, shall immediately receive a disability retirement allowance equal to the amount the Governor would have received had the Governor completed the current term and become 55 years old.

(2) If the physical or mental disability ends before the former Governor becomes 55 years old, the Board of Trustees shall stop the disability retirement allowance, but the former Governor shall receive the normal retirement allowance at age 55 if otherwise qualified.

(e) On the death of a former Governor [who has retired under this subsection], the surviving spouse of the former Governor shall receive an allowance that is equal to one–half of the former Governor’s retirement allowance.

(f) On the death of a Governor while in office, the deceased Governor’s surviving spouse shall receive one–half of the retirement allowance that the deceased

Governor would have been entitled to receive had the deceased Governor completed the current term and become 55 years old.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 264

(House Bill 1071)

AN ACT concerning

Child Fatality Review Teams – Access and Disclosure of Information

FOR the purpose of authorizing a certain local team to investigate certain information and records; requiring that a certain local team be immediately provided access to certain information and records maintained by a health care provider regarding a child convicted of a crime or adjudicated as having committed a delinquent act that caused a certain death or fatality; requiring that a certain local team be immediately provided access to all information and records maintained by any State or local government agency that provided services to a certain child or family; prohibiting the identification of a child convicted of a crime or adjudicated as having committed a delinquent act that caused a certain death or fatality during certain public meetings; prohibiting the disclosure of information regarding the involvement of any agency with certain individuals during certain public meetings; and generally relating to access and disclosure of information by child fatality review teams.

BY repealing and reenacting, with amendments,

Article – Health – General

Section ~~5-707~~ 5-706, 5-707, and 5-708

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

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

Article – Health – General

5-706.

(a) The purpose of the local team is to prevent child deaths by:

(1) Promoting cooperation and coordination among agencies involved in investigations of child deaths or in providing services to surviving family members;

(2) Developing an understanding of the causes and incidence of child deaths in the county;

(3) Developing plans for and recommending changes within the agencies the members represent to prevent child deaths; and

(4) Advising the State Team on changes to law, policy, or practice to prevent child deaths.

(b) To achieve its purpose, the local team shall:

(1) In consultation with the State Team, establish and implement a protocol for the local team;

(2) Set as its goal the investigation of child deaths in accordance with national standards;

(3) Meet at least quarterly to review the status of child fatality cases, recommend actions to improve coordination of services and investigations among member agencies, and recommend actions within the member agencies to prevent child deaths;

(4) Collect and maintain data as required by the State Team;

(5) Provide requested reports to the State Team, including discussion of individual cases, steps taken to improve coordination of services and investigations, steps taken to implement changes recommended by the local team within member agencies, and recommendations on needed changes to State and local law, policy, and practice to prevent child deaths; and

(6) In consultation with the State Team:

(i) Define “near fatality”; and

(ii) Develop procedures and protocols that local teams and the State Team may use to review cases of near fatality.

(C) IN ADDITION TO THE DUTIES SPECIFIED IN SUBSECTION (B) OF THIS SECTION, A LOCAL TEAM MAY INVESTIGATE THE INFORMATION AND RECORDS

OF A CHILD CONVICTED OF A CRIME OR ADJUDICATED AS HAVING COMMITTED A DELINQUENT ACT THAT CAUSED A DEATH OR NEAR FATALITY DESCRIBED IN § 5-707 OF THIS SUBTITLE.

5-707.

Upon request of the chair of the local team and as necessary to carry out the local team's purpose and duties, the local team shall be immediately provided:

[(1) By a provider of medical care, including dental and mental health care, with access to information and records regarding a child whose death is being reviewed by the local team, including information on prenatal care; and]

(1) ACCESS TO INFORMATION AND RECORDS, INCLUDING INFORMATION ON PRENATAL CARE, MAINTAINED BY A HEALTH CARE PROVIDER REGARDING:

(I) A CHILD WHOSE DEATH IS BEING REVIEWED BY THE LOCAL TEAM; OR

(II) A CHILD CONVICTED OF A CRIME OR ADJUDICATED AS HAVING COMMITTED A DELINQUENT ACT THAT CAUSED ~~THE~~ A DEATH OR NEAR FATALITY ~~BEING REVIEWED BY THE LOCAL TEAM~~; AND

(2) Access to all information and records maintained by any State or local government agency, including birth certificates, law enforcement investigative information, medical examiner investigative information, parole and probation information and records, and information and records of a social services agency that provided services to ~~the child or family~~;

(I) A CHILD WHOSE DEATH IS BEING REVIEWED BY THE LOCAL TEAM;

(II) A CHILD CONVICTED OF A CRIME OR ADJUDICATED AS HAVING COMMITTED A DELINQUENT ACT THAT CAUSED A DEATH OR NEAR FATALITY; OR

(III) THE FAMILY OF A CHILD DESCRIBED IN ITEM (I) OR (II) OF THIS PARAGRAPH.

5-708.

(a) Meetings of the State Team and of local teams shall be closed to the public and not subject to Title 10, Subtitle 5 of the State Government Article when the State Team or local teams are discussing individual cases of child deaths.

(b) Except as provided in subsection (c) of this section, meetings of the State Team and of local teams shall be open to the public and subject to Title 10, Subtitle 5 of the State Government Article when the State Team or local team is not discussing individual cases of child deaths.

(c) [(1) Information identifying a deceased child, a family member, a guardian or caretaker of a deceased child, or an alleged or suspected perpetrator of abuse or neglect upon a child, may not be disclosed during a public meeting.]

(1) DURING A PUBLIC MEETING, INFORMATION MAY NOT BE DISCLOSED THAT IDENTIFIES:

(I) A DECEASED CHILD;

(II) A FAMILY MEMBER, GUARDIAN, OR CARETAKER OF A DECEASED CHILD;

(III) AN ALLEGED OR SUSPECTED PERPETRATOR OF ABUSE OR NEGLECT UPON A CHILD; OR

(IV) A CHILD CONVICTED OF A CRIME OR ADJUDICATED AS HAVING COMMITTED A DELINQUENT ACT THAT CAUSED THE A DEATH OR NEAR FATALITY OF ANOTHER CHILD.

~~(2) Information regarding the involvement of any agency with the deceased child or family may not be disclosed during a public meeting.~~

(2) DURING A PUBLIC MEETING, INFORMATION MAY NOT BE DISCLOSED REGARDING THE INVOLVEMENT OF ANY AGENCY WITH:

(I) A DECEASED CHILD;

(II) A FAMILY MEMBER, GUARDIAN, OR CARETAKER OF A DECEASED CHILD;

(III) AN ALLEGED OR SUSPECTED PERPETRATOR OF ABUSE OR NEGLECT UPON A CHILD; OR

(IV) A CHILD CONVICTED OF A CRIME OR ADJUDICATED AS HAVING COMMITTED A DELINQUENT ACT THAT CAUSED A DEATH OR NEAR FATALITY.

(d) This section does not prohibit the State Team or a local team from requesting the attendance at a team meeting of a person who has information relevant to the team's exercise of its purpose and duties.

(e) Violation of this section is a misdemeanor and is punishable by a fine not exceeding \$500 or imprisonment not exceeding 90 days or both.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 265

(House Bill 1150)

AN ACT concerning

Maryland Department of Transportation - Evaluation of the Telework Partnership with Employers Initiative

FOR the purpose of requiring the Maryland Department of Transportation ~~to engage the services of an independent consultant~~ to evaluate the Department's Telework Partnership with Employers initiative; specifying that the Department ~~require the consultant to~~ issue a report of its findings and recommendations on or before a certain date to the Governor and the General Assembly; and generally relating to an evaluation of the Department of Transportation's Telework Partnership with Employers initiative.

Preamble

WHEREAS, The Maryland Department of Transportation has implemented the Telework Partnership with Employers initiative in collaboration with the Baltimore Metropolitan Council and the Metropolitan Washington Council of Governments; and

WHEREAS, The Telework Partnership offers free professional telework consulting services to Maryland employers; and

WHEREAS, Telework benefits companies by allowing employees to work outside the traditional environment, whether at home or in a satellite office, thereby reducing traffic congestion on the State's highways and roads, producing less pollution, and lowering energy consumption; and

WHEREAS, Telework also benefits employers by reducing operating costs and increasing employee retention and morale; and

WHEREAS, Telework affords employees flexible work arrangements and reduced commuting costs, thereby providing a better work-family balance, reduced stress, improved job satisfaction, and reduced travel time and expense; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, ~~That, subject to the approval of the Board of Public Works, That~~ the Maryland Department of Transportation shall ~~engage the services of an independent consultant to,~~ *within currently budgeted resources,* evaluate the Department's Telework Partnership with Employers initiative. The Department shall ~~require that,~~ on or before December 31, 2007, ~~the consultant~~ issue a report of its findings and recommendations regarding the telework initiative to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 266

(House Bill 1158)

AN ACT concerning

Shellfish Dealers - Licensure

FOR the purpose of requiring a person who deals in shellfish to obtain a license issued by the Department of Natural Resources; *providing for certain exceptions to the licensure requirement for a person who deals in shellfish; requiring the Department to adopt certain regulations;* requiring the Department to adopt certain regulations to define the species that are included as shellfish for certain purposes; and generally relating to the licensure of shellfish dealers.

BY repealing and reenacting, with amendments,

Article – Natural Resources
Section 4–702
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article – Natural Resources

4–702.

(a) Except as provided in subsection (b), a person may not buy, sell, ship, transport, or otherwise deal in finfish **OR SHELLFISH** unless the person is licensed by the Department.

(b) The following persons are not required to obtain a license under this section:

(1) A person licensed by the Department to catch finfish **OR SHELLFISH** for sale;

(2) A retail market, restaurant, or other establishment where finfish **OR SHELLFISH** are sold or served to ultimate consumers, and not for resale;

(3) A person who buys finfish **OR SHELLFISH** for personal use or consumption; and

(4) A person who catches and sells as bait finfish **OR SHELLFISH** species defined as bait under subsection (c) of this section.

(c) The Department shall adopt regulations defining which species of finfish **AND SHELLFISH** may be caught and sold as bait under subsection (b)(4) of this section.

(D) THE DEPARTMENT SHALL ADOPT REGULATIONS TO DEFINE THE SPECIES THAT ARE INCLUDED AS SHELLFISH UNDER ~~SUBSECTION (A)~~ OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 267

(House Bill 1175)

AN ACT concerning

~~Charter Counties - Express Powers - Agreements to Purchase Easements to~~ Restrict of Development Rights

FOR the purpose of authorizing a ~~charter~~ county to enter into ~~a certain~~ an agreement to purchase ~~an easement to restrict~~ development rights under certain circumstances; authorizing ~~the county council of a charter~~ a county to determine, by resolution, certain provisions, terms, conditions, and the duration of a certain agreement; providing that a certain payment obligation in a certain agreement shall be a general obligation of the county and may not be subject to a certain annual appropriation; authorizing a ~~certain~~ county to undertake a certain payment obligation without regard to certain limitations and without complying with certain procedures; providing that the exercise of certain authority constitutes the exercise of certain borrowing authority; providing that a certain agreement, the transfer or assignment of a certain agreement, and the payment required by a certain agreement is exempt from certain taxes; providing ~~that a certain provision of law does not apply to a county that adopts code home rule~~ for the application of this Act; and generally relating to ~~agreements to the purchase easements to restrict~~ of development entered into by charter rights by counties.

BY adding to

~~Article 25A - Chartered Counties of Maryland~~ 24 - Political Subdivisions -
Miscellaneous Provisions

Section ~~5(GG)~~ 20-101 and 20-102 to be under the new title "Title 20. Purchase
of Development Rights"

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

~~BY repealing and reenacting, with amendments,~~

~~Article 25B - Home Rule for Code Counties~~

~~Section 13~~

~~Annotated Code of Maryland~~

~~(2005 Replacement Volume and 2006 Supplement)~~

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

Article 25A — Chartered Counties of Maryland 24 — Political Subdivisions — Miscellaneous Provisions

TITLE 20. PURCHASE OF DEVELOPMENT RIGHTS.

20-101.

THIS TITLE APPLIES ONLY IN:

- (1) ANNE ARUNDEL COUNTY;
- (2) BALTIMORE COUNTY;
- (3) HOWARD COUNTY; AND
- (4) PRINCE GEORGE'S COUNTY.

20-102.

5.

~~The following enumerated express powers are granted to and conferred upon any county or counties which hereafter form a charter under the provisions of Article XI A of the Constitution, that is to say:~~

~~(C) (1) (A) TO ENTER AN AGREEMENT TO PURCHASE AN EASEMENT TO RESTRICT DEVELOPMENT~~ A COUNTY MAY ENTER INTO AN AGREEMENT TO PURCHASE DEVELOPMENT RIGHTS.

~~(2) (B) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE TITLE, A COUNTY COUNCIL~~ MAY DETERMINE BY RESOLUTION THE PROVISIONS, TERMS, CONDITIONS, AND THE DURATION OF THE AN AGREEMENT AUTHORIZED UNDER THIS TITLE.

~~(3) (C) A PAYMENT OBLIGATION IN AN AGREEMENT AUTHORIZED BY THIS SUBSECTION~~ UNDER THIS TITLE:

~~(1)~~ (1) SHALL BE A GENERAL OBLIGATION OF THE COUNTY TO WHICH ITS FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER IS PLEDGED; AND

~~(2)~~ (2) MAY NOT BE SUBJECT TO ANNUAL APPROPRIATION BY THE COUNTY.

~~(4)~~ (D) A COUNTY MAY UNDERTAKE A PAYMENT OBLIGATION IN AN AGREEMENT AUTHORIZED ~~BY THIS SUBSECTION~~ UNDER THIS TITLE:

~~(i)~~ (1) WITHOUT REGARD TO ANY LIMITATIONS CONTAINED IN ITS CHARTER OR OTHER APPLICABLE PUBLIC LOCAL LAW OR PUBLIC GENERAL LAW THAT WOULD OTHERWISE APPLY; AND

~~(ii)~~ (2) WITHOUT COMPLYING WITH ANY PROCEDURES CONTAINED IN ITS CHARTER OR OTHER APPLICABLE PUBLIC LOCAL OR PUBLIC GENERAL LAW THAT OTHERWISE WOULD BE REQUIRED.

~~(5)~~ (E) THE EXERCISE OF THE AUTHORITY GRANTED IN THIS ~~SUBSECTION~~ TITLE TO ENTER INTO AN AGREEMENT WITH A PAYMENT OBLIGATION FOR A TERM OF YEARS CONSTITUTES THE EXERCISE OF BORROWING AUTHORITY.

~~(6)~~ (F) AN AGREEMENT AUTHORIZED ~~BY THIS SUBSECTION~~ UNDER THIS TITLE, THE TRANSFER OR ASSIGNMENT OF THE AGREEMENT, AND ANY PAYMENT REQUIRED BY THE AGREEMENT SHALL BE EXEMPT FROM TAXATION BY THE STATE, OR ANY POLITICAL SUBDIVISION COUNTY, MUNICIPAL CORPORATION, OR PUBLIC AGENCY.

~~Article 25B — Home Rule for Code Counties~~

~~13.~~

~~If a county adopts code home rule status under the provisions of Article XI F of the Maryland Constitution and this article, it may exercise those powers enumerated in § 3 of Article 25, in subtitle "Draining Lands" of Article 25, and in § 5 of Article 25A, except for subsections (A), [(P) and] (P), (S), AND (G,G) of § 5 of Article 25A, of the Annotated Code of Maryland, 1957 Edition as amended; and no county adopting code home rule status shall be excepted. These powers are in addition to any powers any county may now have under any public general or local law applicable to the county.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 268

(House Bill 1189)

AN ACT concerning

Transportation - Maryland Senior Rides Program - ~~Repeal of Grant~~ Limitations

FOR the purpose of altering the name of a certain program to be the Maryland Senior Rides Program; repealing certain caps on the annual and total number of grants that a participant in the Maryland Senior Rides Program may receive; altering a certain cap on the total dollar amount of grants that the Maryland Transit Administration may award annually under the Program; ~~repealing certain caps on the total dollar amount and~~ a certain cap on the dollar amount per applicant that the ~~Maryland Transit~~ Administration may award annually under the Program; repealing a certain cap on the dollar amount that the Administration may award annually under the Program for use in certain regions of the State; altering a certain definition; and generally relating to ~~the repeal of~~ certain grant limitations for the Maryland Senior Rides Program.

BY repealing and reenacting, without amendments,
Article - Transportation
Section 7-1001(a)
Annotated Code of Maryland
(2001 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Article - Transportation
Section 7-1001(d), 7-1002, and 7-1003 to be under the amended subtitle
"Subtitle 10. Maryland Senior Rides Program"
Annotated Code of Maryland
(2001 Replacement Volume and 2006 Supplement)

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

Article - Transportation

Subtitle 10. Maryland Senior Rides [Demonstration] Program.

7-1001.

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

(d) "Program" means the Maryland Senior Rides [Demonstration] Program established under this subtitle.

7-1002.

(a) There is a Maryland Senior Rides [Demonstration] Program in the Administration.

(b) The purpose of the Program is to encourage regional providers to provide door-to-door transportation for low-income to moderate-income seniors.

(c) The Administration shall award grants to qualified Program applicants, as provided in § 7-1003 of this subtitle, for the operation of transportation services as specified in this section.

(d) To be eligible for a grant under § 7-1003 of this subtitle, a Program applicant shall:

(1) Provide door-to-door transportation for low-income to moderate-income seniors who have difficulty accessing or using other existing transportation systems;

(2) Use primarily volunteer drivers who drive their own vehicles;

(3) Use a dispatcher system to respond quickly to requests from low-income to moderate-income seniors for door-to-door transportation; and

(4) Define a geographic area for which door-to-door transportation is provided.

(e) A Program participant may provide door-to-door transportation to an eligible senior who does not reside in the geographic area defined by the Program participant under subsection (d)(4) of this section when applying to participate in the Program, so long as service is not diminished to an eligible senior who does reside in the defined geographic area.

(f) A Program participant shall expend a matching fund of at least 25% of the total capital or operating costs associated with providing door-to-door transportation for low-income to moderate-income seniors.

(g) ~~[(1) A Program participant may not receive more than one grant annually and may not receive a total of more than four grants.~~

~~(2)~~ The Administration may not award more than ~~\$400,000~~ \$500,000 in grants per year.

(h) A Program participant may charge reasonable fees for door-to-door transportation provided by the Program participant.

~~[(i)]~~ ~~(H)~~ Nothing in this section prohibits a Program participant from providing services in addition to those described in subsection (d) of this section.

7-1003.

The Administration shall:

- (1) Solicit grant applications from prospective Program applicants;
- (2) [Subject to the limitations in § 7-1002(g) of this subtitle, award grants of up to \$100,000 each] **AWARD GRANTS** to qualified Program applicants;
- (3) Ensure that the grants awarded under item (2) of this section are distributed among Program applicants to provide door-to-door transportation in the following areas [with no area receiving grants totaling more than \$100,000 per year]:
 - (i) The Baltimore Metropolitan Area;
 - (ii) The Washington D.C. Metropolitan Area;
 - (iii) Western Maryland;
 - (iv) Southern Maryland; and
 - (v) The Eastern Shore; and
- (4) Ensure, to the extent practicable, that at least one grant is awarded to Program applicants to provide door-to-door transportation in each of the following areas:
 - (i) A rural area;
 - (ii) An urban area; and
 - (iii) A suburban area.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 269

(House Bill 1223)

AN ACT concerning

Snapping Turtles - Regulations

FOR the purpose of authorizing the Secretary of Natural Resources to adopt certain regulations to restrict, permit, or prohibit the catching, possessing, purchasing, transporting, or exporting of snapping turtles; and generally relating to the regulation of snapping turtles.

BY adding to

Article – Natural Resources
Section 4–218
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Article – Natural Resources
Section 4–738
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article – Natural Resources

4–218.

THE SECRETARY MAY ADOPT RULES AND REGULATIONS TO RESTRICT, PERMIT, OR PROHIBIT THE CATCHING, POSSESSING, PURCHASING, TRANSPORTING, OR EXPORTING OF SNAPPING TURTLES.

4–738.

(a) [The Department shall prescribe by rules and regulations the methods to catch snapping turtles.

(b)] A person may not catch or attempt to catch snapping turtles in the tributary waters of Charles County from April 15 to May 31, inclusive. A person may not use hook and line and trotline to catch snapping turtles in these waters.

[(c)] (B) The Department may not prohibit the use of turtle pots in areas where nets are prohibited.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 270

(House Bill 1224)

AN ACT concerning

Program Open Space - Use of Acquisition Funds

FOR the purpose of authorizing the use of acquisition funds under Program Open Space for certain purposes; providing that the costs to perform certain activities may not exceed 10 percent of the purchase price of the land; ~~increasing the percentage of funds that a local government can spend on development projects after it has attained its acquisition goals under Program Open Space;~~ and generally relating to the use of funds for Program Open Space.

BY repealing and reenacting, with amendments,

Article - Natural Resources

Section 5-903(f) ~~and 5-905(c)(1)~~

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

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

Article - Natural Resources

5-903.

(f) (1) Subject to the limitation under paragraph (2) of this subsection, the Department may use acquisition funds to:

(I) [stabilize] **STABILIZE** the structural integrity of improvements existing on land at the time of acquisition;

(II) **ELIMINATE HAZARDS TO HEALTH AND SAFETY, INCLUDING TREATMENT AND REMOVAL OF HAZARDOUS MATERIALS; AND**

(III) **PROTECT WATER QUALITY BY IMPLEMENTING ENVIRONMENTAL IMPROVEMENTS, INCLUDING SHORE EROSION CONTROL MEASURES AND VEGETATED BUFFERS.**

(2) The costs to [stabilize the structural integrity of improvements existing on land at the time of acquisition] **PERFORM ANY OF THE ACTIVITIES DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION** may not exceed 10 percent of the purchase price of the land.

~~5-905.~~

~~(c) (1) (i) One half of any local governing body's annual apportionment shall be used for acquisition or development projects provided that up to 20 percent of the funds authorized for acquisition or development projects under this subparagraph may be used for capital renewal as defined in § 5-901 of this subtitle.~~

~~(ii) If the Department and the Department of Planning certify that acquisition goals set forth in the current, approved local land preservation and recreation plan have been met and that such acreage attainment equals or exceeds the minimum recommended acreage goals developed for that jurisdiction under the Maryland Land Preservation and Recreation Plan, a local governing body may use up to [75] 100 percent of its future annual apportionment for development projects for a period of 5 years after attainment, provided that up to 20 percent of the funds authorized for use for development projects under this subparagraph may be used for capital renewal.~~

~~(iii) If a county determines that it qualifies for the additional funds for development and capital renewal projects under subparagraph (ii) of this paragraph, before the due date for all local governing bodies to submit revised local land preservation and recreation plans, that county may submit an interim local land preservation and recreation plan:~~

~~1. Prior to the submission under subsection (b)(2) of this section; and~~

~~2. In addition to the submission required under subsection (b)(2).~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 271

(House Bill 1225)

AN ACT concerning

**Carroll County - Abatement of ~~Ongoing Nuisance Without Additional Notice~~
Nuisances - Ongoing Violations**

FOR the purpose of establishing that if a certain nuisance continues in Carroll County after a certain number of notices have been sent within a certain period to the property both the owner or and occupant within a certain period of the property on which the nuisance is found, the nuisance shall be considered an ongoing violation; authorizing the County to take action to abate an ongoing violation without giving additional notice under certain circumstances; making certain stylistic changes; and generally relating to the abatement of nuisances in Carroll County.

BY repealing and reenacting, with amendments,
The Public Local Laws of Carroll County
Section 3-106(b)
Article 7 - Public Local Laws of Maryland
(2004 Edition and September 2006 Supplement, as amended)

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

Article 7 - Carroll County

3-106.

(b) (1) The County Commissioners may remove any nuisance or menace to the public health or safety arising from the growth of weeds, the accumulation of refuse, an abandoned well, the presence of stagnant water, or the presence of combustible material after 10 days' advance notice to the owner or occupant of the property upon which the nuisance or menace is found.

(2) The growth of weeds may not constitute a nuisance or menace if the land on which the weeds are growing is being used for a bona fide agricultural purpose or if the land is owned by the County and is specifically designated as a natural regeneration project area.

(3) (I) Notice may be given by personal service or by mail.

(II) If the written order is delivered by mail, notice is effective at the end of the known fifth day after its deposit in the mail to the last known address of the owner or occupant of the property concerned.

(4) ~~IF A PROPERTY BOTH THE OWNER OR AND OCCUPANT HAS OF PROPERTY ON WHICH A NUISANCE OR MENACE IS FOUND HAVE BEEN NOTIFIED OF A VIOLATION OF THIS SUBSECTION MORE THAN TWO TIMES WITHIN A 12-MONTH PERIOD, THE:~~

(I) ~~THE CONTINUING GROWTH OF WEEDS, ACCUMULATION OF REFUSE, PRESENCE OF STAGNANT WATER, OR PRESENCE OF COMBUSTIBLE MATERIAL SHALL BE CONSIDERED AN ONGOING VIOLATION, AND ADDITIONAL ; AND~~

(II) ~~ADDITIONAL NOTICE TO THE OWNER OR OCCUPANT OF THE PROPERTY IS NOT REQUIRED BEFORE THE COUNTY TAKES~~ MAY TAKE ACTION TO ABATE THE NUISANCE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 272

(House Bill 1243)

AN ACT concerning

Anne Arundel County - Mental Health Advisory Committee

FOR the purpose of authorizing the governing body in Anne Arundel County to designate Anne Arundel County Mental Health Agency, Inc. as the mental health advisory committee for Anne Arundel County; providing for an exception

to the membership requirements for a mental health advisory committee in Anne Arundel County; and generally relating to mental health advisory committees.

BY repealing and reenacting, with amendments,
Article – Health – General
Section 10–308 and 10–309(a)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article – Health – General

10–308.

(a) Except as otherwise provided in subsections (c) and (d) of this section, the governing body of each county shall establish a mental health advisory committee.

(b) The purpose of a mental health advisory committee shall be to serve as advocate for a comprehensive mental health system for persons of all ages.

(c) The governing bodies of two or more counties may establish, by agreement, an intercounty mental health advisory committee if:

(1) The population of one of the counties is too small to warrant the establishment of a mental health advisory committee for that county; and

(2) The Director consents.

(d) The governing body of a county may establish a joint mental health and addictions advisory committee.

(e) In Howard County, if a quasi–public authority is established under Subtitle 12 of this title, the governing body may designate the authority as the mental health advisory committee for the county.

(f) In Baltimore City, the governing body may designate Baltimore Mental Health Systems, Inc., the core service agency for Baltimore City under Subtitle 12 of this title, as the mental health advisory committee for Baltimore City.

(G) IN ANNE ARUNDEL COUNTY, THE GOVERNING BODY MAY DESIGNATE ANNE ARUNDEL COUNTY MENTAL HEALTH AGENCY, INC., THE CORE SERVICE AGENCY FOR ANNE ARUNDEL COUNTY UNDER SUBTITLE 12 OF

THIS TITLE, AS THE MENTAL HEALTH ADVISORY COMMITTEE FOR ANNE ARUNDEL COUNTY.

10-309.

(a) (1) The mental health advisory committee of each county shall consist of:

(i) As nonvoting ex officio members, the following individuals or their designees:

1. The health officer for the county;
2. A representative of a State inpatient facility that serves that county, appointed as provided in paragraph (2) of this subsection;
3. The county mental health director;
4. The director of the core service agency, if any; and
5. In jurisdictions with designated State inpatient beds located in local general hospitals, a representative from that facility; and

(ii) As voting members, appointed by the governing body of the county and representative of the county's major socio-economic and ethnic groups:

1. At least 5, but not more than 7, representatives selected from among the following groups or agencies:
 - A. The governing body;
 - B. The county department of education;
 - C. The local department of social services;
 - D. The practicing physicians;
 - E. Mental health professionals who are not physicians;
 - F. The clergy;
 - G. The legal profession;
 - H. A local law enforcement agency;

- I. A local general hospital that contains an inpatient psychiatric unit;
 - J. The Department of Aging;
 - K. The Department of Juvenile Services;
 - L. The local alcohol and drug abuse agency; and
 - M. A local community rehabilitation or housing program;
- and

2. At least 5 individuals selected from among the following groups or organizations and appointed as provided in paragraph (3) of this subsection:

- A. At least 2 individuals who are currently receiving or who have in the past received mental health services;
- B. Parents or other relatives of adults with mental disorders;
- C. Parents or other relatives of children or adolescents with emotional, behavioral, or mental disorders the onset of which occurred during childhood or adolescence;
- D. The local mental health association, if any; and
- E. A member of the general public.

(2) If more than one State inpatient facility serves a county, a representative from at least 1 of the facilities shall be appointed by the Director.

(3) At least one-half of the voting members shall be appointed from among the individuals listed in paragraph (1)(ii)2A through C of this subsection.

(4) Notwithstanding paragraphs (1) through (3) of this subsection, if the governing body of Baltimore City OR ANNE ARUNDEL COUNTY designates [the] A core service agency as the mental health advisory committee, the mental health advisory committee shall consist of the governing body of the core service agency.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 273

(House Bill 1278)

AN ACT concerning

Carroll County – Bingo and Gaming Events – Qualified Organizations

FOR the purpose of repealing a certain requirement in Carroll County that restricts the conduct of bingo or gaming events in the county to qualified organizations that are located in the county; and generally relating to bingo and gaming events in Carroll County.

BY repealing and reenacting, without amendments,
Article – Criminal Law
Section 13–901(a) and (c) and 13–902(a)
Annotated Code of Maryland
(2002 Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Article – Criminal Law
Section 13–903(b) and 13–907(b)(2)
Annotated Code of Maryland
(2002 Volume and 2006 Supplement)

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

Article – Criminal Law

13–901.

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

(c) “Gaming event” means a carnival, bazaar, raffle, or other game of entertainment.

13–902.

(a) This subtitle applies only in Carroll County.

13–903.

(b) To conduct bingo or a gaming event an organization [located in the county] must be a bona fide:

- (1) religious organization;
- (2) fraternal organization;
- (3) civic organization;
- (4) war veterans' organization;
- (5) hospital;
- (6) amateur athletic organization;
- (7) charitable organization; or
- (8) volunteer fire company.

13-907.

(b) (2) A qualified organization [located in the county] may conduct bingo in the county to benefit charity or to further the purpose of the qualified organization.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 274

(House Bill 1288)

AN ACT concerning

State Real Estate Commission - ~~Home Builders and~~ Sales Agents for Home Builders - Licensure

FOR the purpose of requiring individuals who sell any real estate ~~as home builders or~~ as sales agents for home builders to be licensed by the State Real Estate Commission; altering a certain definition; and generally relating to ~~home builders and~~ home builders and sales agents for home builders.

BY repealing and reenacting, without amendments,

Article – Business Occupations and Professions

Section 17–101(a), 17–207, 17–301, and 17–322(b)(3), (4), (25), and (33) and (c)(1) through (3)

Annotated Code of Maryland

(2004 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Article – Business Occupations and Professions

Section 17–101(l) ~~and 17–301~~

Annotated Code of Maryland

(2004 Replacement Volume and 2006 Supplement)

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

Article – Business Occupations and Professions

17–101.

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

(l) “Provide real estate brokerage services” means to engage in any of the following activities:

(1) for consideration, providing any of the following services for another person:

(i) selling, buying, exchanging, or leasing any real estate; [or]

(II) SELLING ANY REAL ESTATE ~~AS A HOME BUILDER OR AS A SALES AGENT FOR A HOME BUILDER; OR~~

[(ii)] (III) collecting rent for the use of any real estate;

(2) for consideration, assisting another person to locate or obtain for purchase or lease any residential real estate;

(3) engaging regularly in a business of dealing in real estate or leases or options on real estate;

(4) engaging in a business the primary purpose of which is promoting the sale of real estate through a listing in a publication issued primarily for the promotion of real estate sales;

(5) engaging in a business that subdivides land that is located in any state and sells the divided lots; or

(6) for consideration, serving as a consultant regarding any activity set forth in items (1) through (5) of this subsection.

17-207.

(a) To protect the interests of the public, the Commission shall adopt, by regulation, a code of ethics to set standards of conduct for all individuals licensed under this title.

(b) The Commission:

(1) at least once every 2 years, shall provide a copy of the code of ethics to each licensee; and

(2) on request of any person, shall make available a copy of the code of ethics to that person.

17-301.

(a) (1) Except as otherwise provided in this title, an individual shall be licensed by the Commission as a real estate broker before the individual may provide real estate brokerage services in the State.

(2) Except as otherwise provided in this title, an individual shall be licensed by the Commission as an associate real estate broker or a real estate salesperson before the individual, while acting on behalf of a real estate broker, may provide real estate brokerage services in the State.

(b) A license is not required for:

(1) a financial institution, as defined in Title 1 of the Financial Institutions Article, a subsidiary or affiliate of such a financial institution, or mortgage loan institution incorporated under the laws of any state or of the United States to manage, lease, or sell any property that the institution or subsidiary or affiliate of a financial institution acquires in connection with a mortgage foreclosure or deed or assignment in lieu of foreclosure;

(2) a lawyer who:

(i) is not engaged regularly in the business of providing real estate brokerage services; and

(ii) does not represent to the public, by use of a sign or advertisement or otherwise, that the lawyer is in the business of providing real estate brokerage services;

(3) a home builder in the rental ~~for initial sale~~ of a home constructed by the builder;

(4) an agent of a licensed real estate broker or of an owner of real estate while managing or leasing that real estate for the real estate broker or owner;

(5) any person in negotiating the sale, lease, or other transfer of a business enterprise if the proposed transfer does not include any interest in real property other than a lease under which the business enterprise operates; or

(6) any person to subdivide and sell unimproved property owned by that person if the person meets the requirements of § 17-302 of this subtitle.

17-322.

(b) Subject to the hearing provisions of § 17-324 of this subtitle, the Commission may deny a license to any applicant, reprimand any licensee, or suspend or revoke a license if the applicant or licensee:

(3) directly or through another person willfully makes a misrepresentation or knowingly makes a false promise;

(4) intentionally or negligently fails to disclose to any person with whom the applicant or licensee deals a material fact that the licensee knows or should know and that relates to the property with which the licensee or applicant deals;

(25) engages in conduct that demonstrates bad faith, incompetency, or untrustworthiness or that constitutes dishonest, fraudulent, or improper dealings;

(33) violates any regulation adopted under this title or any provision of the code of ethics;

(c) (1) Instead of or in addition to reprimanding a licensee or suspending or revoking a license under this section, the Commission may impose a penalty not exceeding \$5,000 for each violation.

(2) To determine the amount of the penalty imposed, the Commission shall consider:

(i) the seriousness of the violation;

- (ii) the harm caused by the violation;
- (iii) the good faith of the licensee; and
- (iv) any history of previous violations by the licensee.

(3) The Commission shall pay any penalty collected under this subsection into the General Fund of the State.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 275

(House Bill 1295)

AN ACT concerning

Harford County – Property Tax Credit for Homes Near a Refuse Disposal System

FOR the purpose of altering a certain provision authorizing Harford County to grant a property tax credit for certain residential real property in proximity to certain refuse disposal systems; providing for the application of this Act; and generally relating to certain authorization for Harford County to grant a property tax credit for certain residential real property in proximity to certain refuse disposal systems.

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 9–314(a)(1)(x)
Annotated Code of Maryland
(2001 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, without amendments,
Article – Tax – Property
Section 9–314(a)(4)
Annotated Code of Maryland
(2001 Replacement Volume and 2006 Supplement)

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

Article - Tax - Property

9-314.

(a) (1) The governing body of Harford County may grant, by law, a property tax credit under this section against the county property tax imposed on:

(x) subject to the condition established under paragraph (4) of this subsection, owner-occupied residential real property that:

1. was completed on or before June 30, 1988;
2. whose structural boundaries are within [500] **1,000** feet of a refuse disposal system for which an active permit has been issued to the Harford County government under § 9-204 of the Environment Article; and
3. is determined by the governing body of Harford County to have been adversely impacted by its proximity to the refuse disposal system;

(4) (i) In this paragraph, “environmental surcharges” means tipping fees that:

1. are paid to the county by the user of a refuse disposal system; and
2. have been set at a specific amount per ton of refuse that is deposited at the site of the disposal system.

(ii) A property tax credit may not be granted under paragraph (1)(x) of this subsection unless the governing body of Harford County approves the use of environmental surcharges to offset the total amount of the property tax credits granted.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007, and shall be applicable to all taxable years beginning after June 30, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 276

(House Bill 1311)

AN ACT concerning

Maryland Consolidated Capital Bond Loan of 2005 – Wicomico County – Salisbury Area Chamber of Commerce

FOR the purpose of amending the Maryland Consolidated Capital Bond Loan of 2005 to authorize the Board of Directors of the Salisbury Area Chamber of Commerce, Inc. to include funds expended on or after a certain date in the matching fund and to authorize the matching fund to include real property; extending the deadline by which the grantee is required to present evidence to the Board of Public Works that a matching fund will be provided; and generally relating to the Maryland Consolidated Capital Bond Loan of 2005 and the Salisbury Area Chamber of Commerce.

BY repealing and reenacting, with amendments,
Chapter 445 of the Acts of the General Assembly of 2005
Section 1(3) Item ZA01 (BR)

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

Chapter 445 of the Acts of 2005

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(3) ZA01 LOCAL HOUSE OF DELEGATES INITIATIVES

(BR) Salisbury Area Chamber of Commerce. Provide a grant equal to the lesser of (i) \$100,000 or (ii) the amount of the matching fund provided, to the Board of Directors of the Salisbury Area Chamber of Commerce, Inc. for the planning, design, repair, renovation, construction, reconstruction, and capital equipping of the Salisbury Area Chamber of Commerce building, located in

Salisbury. Notwithstanding Section 1(5) of this Act, the matching fund may consist of funds expended prior to the effective date of this Act, INCLUDING FUNDS EXPENDED ON OR AFTER DECEMBER 1, 2002, AND REAL PROPERTY. NOTWITHSTANDING SECTION 1(5) OF THIS ACT, THE GRANTEE HAS UNTIL JUNE 1, 2009, TO PRESENT EVIDENCE THAT A MATCHING FUND WILL BE PROVIDED (Wicomico County)..... 100,000

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 277

(House Bill 1355)

AN ACT concerning

Washington County - Building Excise Tax

FOR the purpose of altering certain authority for the Washington County Board of County Commissioners to impose a building excise tax on certain construction for a certain period of time; requiring the Washington County Board of County Commissioners to create a task force to study the Washington County building excise tax; requiring the task force to submit findings and recommendations to the Washington County Board of County Commissioners and the Washington County Delegation by a certain date; defining a certain term; providing for the termination of this Act; and generally relating to the Washington County building excise tax.

BY repealing and reenacting, without amendments,
The Public Local Laws of Washington County

Section 2-701(a) and (b)
Article 22 – Public Local Laws of Maryland
(1991 Edition and December 1997 Supplement, as amended)
(As enacted by Chapter 468 of the Acts of the General Assembly of 2003, as amended by Chapter 598 of the Acts of the General Assembly of 2005)

BY adding to

The Public Local Laws of Washington County
Section 2-701(b-1)
Article 22 – Public Local Laws of Maryland
(1991 Edition and December 1997 Supplement, as amended)

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

Article 22 – Washington County

2-701.

(a) (1) The County Commissioners of Washington County, by ordinance, may fix, impose, and collect a building excise tax on any building construction within Washington County.

(2) The County Commissioners may collect a building excise tax on building construction within Washington County prior to the date an initial building permit is issued for that building construction.

(b) (1) The County Commissioners shall specify in the ordinance the:
(i) Types of building construction subject to the building excise tax; and

(ii) Tax rates.

(2) (i) For nonresidential building types, the County Commissioners may impose a building excise tax not to exceed \$5 per square foot.

(ii) The County Commissioners may impose different rates or waive the building excise tax for different nonresidential building types and uses.

(3) Except as provided in paragraph (5) of this subsection, for single-family residential units, the County Commissioners may impose a building excise tax rate not to exceed \$13,000 per unit.

(4) Except as provided in paragraph (5) of this subsection, for multifamily residential units, the County Commissioners may impose a building excise tax rate not to exceed \$15,500 per unit.

(5) (i) This paragraph applies to the development of a single subdivision that has more than 25 residential units.

(ii) The County Commissioners may impose a building excise tax for single-family residential units and multifamily residential units developed in a subdivision described under subparagraph (i) of this paragraph that does not exceed twice the building excise tax set under paragraph (3) or (4) of this subsection, if the development of the subdivision:

1. Is in a school district where a school is at or above 85% of the State rated school capacity;

2. Causes the roads or intersection within 1 centerline mile in any direction of any new street connecting the subdivision to be lower than a level of service D; or

3. Causes the intersections outside of the urban and town growth areas to be lower than a level of service C.

(B-1) FOR FISCAL YEAR 2008 ONLY:

(1) THE LIMITATIONS ON THE BUILDING EXCISE TAX UNDER SUBSECTIONS (B)(2), (3), (4), AND (5) OF THIS SECTION DO NOT APPLY; AND

(2) ANY EXCISE TAX IMPOSED BY THE COUNTY COMMISSIONERS:

(I) MAY BE BASED ON THE SQUARE FOOTAGE OF CONSTRUCTION; AND

(II) MAY BE IMPOSED BASED ON INCREASING GRADUATED RATES FOR INCREASED SQUARE FOOTAGE OF CONSTRUCTION.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) In this section, "Washington County Delegation" means the Senators and Delegates who are elected from Washington County or any portion of Washington County.

(b) The Washington County Board of County Commissioners shall appoint a task force to study and make recommendations concerning the building excise tax rate and structure for residential development in Washington County.

(c) The task force created under this section shall submit its findings and recommendations to the Washington County Board of County Commissioners and the Washington County Delegation on or before September 30, 2007.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007. It shall remain effective for a period of 1 year and, at the end of June 30, 2008, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, April 24, 2007.

CHAPTER 278

(House Bill 1362)

AN ACT concerning

Town of Eldorado (Dorchester County) – Urban Renewal Authority for Slum Clearance

FOR the purpose of authorizing the Town of Eldorado, Dorchester County, to undertake and carry out certain urban renewal projects for slum clearance and redevelopment; prohibiting certain land or property from being taken for certain purposes without just compensation first being paid to the party entitled to the compensation; declaring that certain land or property taken in connection with certain urban renewal powers is needed for public uses or purposes; authorizing the legislative body of the Town of Eldorado by ordinance to elect to have certain urban renewal powers exercised by a certain public body; imposing certain requirements for the initiation and approval of an urban renewal area; providing for the disposal of property in an urban renewal area; authorizing the municipal corporation to issue certain bonds under certain circumstances; clarifying that a certain appendix may be amended or repealed only by the General Assembly of Maryland; defining certain terms; and generally relating to urban renewal authority for slum clearance for the Town of Eldorado in Dorchester County.

BY adding to

Chapter 48 – Charter of the Town of Eldorado

Section A1-101 through A1-114 and the heading “Appendix I – Urban Renewal Authority for Slum Clearance”

Public Local Laws of Maryland – Compilation of Municipal Charters

(1990 Replacement Edition and 2005 Supplement)

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

Chapter 48 - Charter of the Town of Eldorado

APPENDIX I - URBAN RENEWAL AUTHORITY FOR SLUM CLEARANCE

A1-101. DEFINITIONS.

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

(B) "BLIGHTED AREA" MEANS AN AREA OR SINGLE PROPERTY IN WHICH THE BUILDING OR BUILDINGS HAVE DECLINED IN PRODUCTIVITY BY REASON OF OBSOLESCENCE, DEPRECIATION, OR OTHER CAUSES TO AN EXTENT THEY NO LONGER JUSTIFY FUNDAMENTAL REPAIRS AND ADEQUATE MAINTENANCE.

(C) "BONDS" MEANS ANY BONDS (INCLUDING REFUNDING BONDS), NOTES, INTERIM CERTIFICATES, CERTIFICATES OF INDEBTEDNESS, DEBENTURES, OR OTHER OBLIGATIONS.

(D) "FEDERAL GOVERNMENT" MEANS THE UNITED STATES OF AMERICA OR ANY AGENCY OR INSTRUMENTALITY, CORPORATE OR OTHERWISE, OF THE UNITED STATES OF AMERICA.

(E) "MUNICIPALITY" MEANS THE TOWN OF ELDORADO, MARYLAND.

(F) "PERSON" MEANS ANY INDIVIDUAL, FIRM, PARTNERSHIP, CORPORATION, COMPANY, ASSOCIATION, JOINT STOCK ASSOCIATION, OR BODY POLITIC. IT INCLUDES ANY TRUSTEE, RECEIVER, ASSIGNEE, OR OTHER PERSON ACTING IN SIMILAR REPRESENTATIVE CAPACITY.

(G) "SLUM AREA" MEANS ANY AREA OR SINGLE PROPERTY WHERE DWELLINGS PREDOMINATE WHICH, BY REASON OF DEPRECIATION, OVERCROWDING, FAULTY ARRANGEMENT OR DESIGN, LACK OF VENTILATION, LIGHT, OR SANITARY FACILITIES, OR ANY COMBINATION OF THESE FACTORS, ARE DETRIMENTAL TO THE PUBLIC SAFETY, HEALTH, OR MORALS.

(H) "URBAN RENEWAL AREA" MEANS A SLUM AREA OR A BLIGHTED AREA OR A COMBINATION OF THEM WHICH THE MUNICIPALITY DESIGNATES AS APPROPRIATE FOR AN URBAN RENEWAL PROJECT.

(I) "URBAN RENEWAL PLAN" MEANS A PLAN, AS IT EXISTS FROM TIME TO TIME, FOR AN URBAN RENEWAL PROJECT. THE PLAN SHALL BE SUFFICIENTLY COMPLETE TO INDICATE ANY LAND ACQUISITION, DEMOLITION, AND REMOVAL OF STRUCTURES, REDEVELOPMENT, IMPROVEMENTS, AND REHABILITATION AS MAY BE PROPOSED TO BE CARRIED OUT IN THE URBAN RENEWAL AREA, ZONING AND PLANNING CHANGES, IF ANY, LAND USES, MAXIMUM DENSITY, AND BUILDING REQUIREMENTS.

(J) "URBAN RENEWAL PROJECT" MEANS UNDERTAKINGS AND ACTIVITIES OF A MUNICIPALITY IN AN URBAN RENEWAL AREA FOR THE ELIMINATION AND FOR THE PREVENTION OF THE DEVELOPMENT OR SPREAD OF SLUMS AND BLIGHT, AND MAY INVOLVE SLUM CLEARANCE AND REDEVELOPMENT IN AN URBAN RENEWAL AREA, OR REHABILITATION OR CONSERVATION IN AN URBAN RENEWAL AREA, OR ANY COMBINATION OR PART OF THEM IN ACCORDANCE WITH AN URBAN RENEWAL PLAN. THESE UNDERTAKINGS AND ACTIVITIES MAY INCLUDE:

(1) ACQUISITION OF A SLUM AREA OR A BLIGHTED AREA OR PORTION OF THEM;

(2) DEMOLITION AND REMOVAL OF BUILDINGS AND IMPROVEMENTS;

(3) INSTALLATION, CONSTRUCTION OR RECONSTRUCTION OF STREETS, UTILITIES, PARKS, PLAYGROUNDS, AND OTHER IMPROVEMENTS NECESSARY FOR CARRYING OUT THE URBAN RENEWAL OBJECTIVES OF THIS APPENDIX IN ACCORDANCE WITH THE URBAN RENEWAL PLAN;

(4) DISPOSITION OF ANY PROPERTY ACQUIRED IN THE URBAN RENEWAL AREA, INCLUDING SALE, INITIAL LEASING, OR RETENTION BY THE MUNICIPALITY ITSELF, AT ITS FAIR VALUE FOR USES IN ACCORDANCE WITH THE URBAN RENEWAL PLAN;

(5) CARRYING OUT PLANS FOR A PROGRAM OF VOLUNTARY OR COMPULSORY REPAIR AND REHABILITATION OF BUILDINGS OR OTHER IMPROVEMENTS IN ACCORDANCE WITH THE URBAN RENEWAL PLAN;

(6) ACQUISITION OF ANY OTHER REAL PROPERTY IN THE URBAN RENEWAL AREA WHERE NECESSARY TO ELIMINATE UNHEALTHFUL, UNSANITARY, OR UNSAFE CONDITIONS, LESSEN DENSITY, ELIMINATE OBSOLETE OR OTHER USES DETRIMENTAL TO THE PUBLIC WELFARE, OR OTHERWISE TO REMOVE OR PREVENT THE SPREAD OF BLIGHT OR DETERIORATION, OR TO PROVIDE LAND FOR NEEDED PUBLIC FACILITIES; AND

(7) THE PRESERVATION, IMPROVEMENT, OR EMBELLISHMENT OF HISTORIC STRUCTURES OR MONUMENTS.

A1-102. POWERS.

(A) THE MUNICIPALITY MAY UNDERTAKE AND CARRY OUT URBAN RENEWAL PROJECTS.

(B) THESE PROJECTS SHALL BE LIMITED:

(1) TO SLUM CLEARANCE IN SLUM OR BLIGHTED AREAS AND REDEVELOPMENT OR THE REHABILITATION OF SLUM OR BLIGHTED AREAS;

(2) TO ACQUIRE IN CONNECTION WITH THOSE PROJECTS, WITHIN THE CORPORATE LIMITS OF THE MUNICIPALITY, LAND AND PROPERTY OF EVERY KIND AND ANY RIGHT, INTEREST, FRANCHISE, EASEMENT, OR PRIVILEGE, INCLUDING LAND OR PROPERTY AND ANY RIGHT OR INTEREST ALREADY DEVOTED TO PUBLIC USE, BY PURCHASE, LEASE, GIFT, CONDEMNATION, OR ANY OTHER LEGAL MEANS; AND

(3) TO SELL, LEASE, CONVEY, TRANSFER, OR OTHERWISE DISPOSE OF ANY OF THE LAND OR PROPERTY, REGARDLESS OF WHETHER OR NOT IT HAS BEEN DEVELOPED, REDEVELOPED, ALTERED, OR IMPROVED AND IRRESPECTIVE OF THE MANNER OR MEANS IN OR BY WHICH IT MAY HAVE BEEN ACQUIRED, TO ANY PRIVATE, PUBLIC, OR QUASI-PUBLIC CORPORATION, PARTNERSHIP, ASSOCIATION, PERSON, OR OTHER LEGAL ENTITY.

(C) LAND OR PROPERTY TAKEN BY THE MUNICIPALITY FOR ANY OF THESE PURPOSES OR IN CONNECTION WITH THE EXERCISE OF ANY OF THE POWERS WHICH ARE GRANTED BY THIS APPENDIX TO THE MUNICIPALITY BY EXERCISING THE POWER OF EMINENT DOMAIN MAY NOT BE TAKEN WITHOUT JUST COMPENSATION, AS AGREED ON BETWEEN THE PARTIES, OR AWARDED BY A JURY, BEING FIRST PAID OR TENDERED TO THE PARTY ENTITLED TO THE COMPENSATION.

(D) ALL LAND OR PROPERTY NEEDED OR TAKEN BY THE EXERCISE OF THE POWER OF EMINENT DOMAIN BY THE MUNICIPALITY FOR ANY OF THESE PURPOSES OR IN CONNECTION WITH THE EXERCISE OF ANY OF THE POWERS GRANTED BY THIS APPENDIX IS DECLARED TO BE NEEDED OR TAKEN FOR PUBLIC USES AND PURPOSES.

(E) ANY OR ALL OF THE ACTIVITIES AUTHORIZED PURSUANT TO THIS APPENDIX CONSTITUTE GOVERNMENTAL FUNCTIONS UNDERTAKEN FOR PUBLIC USES AND PURPOSES AND THE POWER OF TAXATION MAY BE EXERCISED, PUBLIC FUNDS EXPENDED, AND PUBLIC CREDIT EXTENDED IN FURTHERANCE OF THEM.

A1-103. ADDITIONAL POWERS.

THE MUNICIPALITY HAS THE FOLLOWING ADDITIONAL POWERS. THESE POWERS ARE DECLARED TO BE NECESSARY AND PROPER TO CARRY INTO FULL FORCE AND EFFECT THE SPECIFIC POWERS GRANTED IN THIS APPENDIX AND TO FULLY ACCOMPLISH THE PURPOSES AND OBJECTS CONTEMPLATED BY THE PROVISIONS OF THIS SECTION:

(1) TO MAKE OR HAVE MADE ALL SURVEYS AND PLANS NECESSARY TO THE CARRYING OUT OF THE PURPOSES OF THIS APPENDIX AND TO ADOPT OR APPROVE, MODIFY, AND AMEND THOSE PLANS. THESE PLANS MAY INCLUDE, BUT ARE NOT LIMITED TO:

(I) PLANS FOR CARRYING OUT A PROGRAM OF VOLUNTARY OR COMPULSORY REPAIR AND REHABILITATION OF BUILDINGS AND IMPROVEMENTS;

(II) PLANS FOR THE ENFORCEMENT OF CODES AND REGULATIONS RELATING TO THE USE OF LAND AND THE USE AND OCCUPANCY OF BUILDINGS AND IMPROVEMENTS AND TO THE COMPULSORY REPAIR, REHABILITATION, DEMOLITION, OR REMOVAL OF BUILDINGS AND IMPROVEMENTS; AND

(III) APPRAISALS, TITLE SEARCHES, SURVEYS, STUDIES, AND OTHER PLANS AND WORK NECESSARY TO PREPARE FOR THE UNDERTAKING OF URBAN RENEWAL PROJECTS AND RELATED ACTIVITIES; AND TO APPLY FOR, ACCEPT, AND UTILIZE GRANTS OF FUNDS FROM THE FEDERAL GOVERNMENT OR OTHER GOVERNMENTAL ENTITY FOR THOSE PURPOSES;

(2) TO PREPARE PLANS FOR THE RELOCATION OF PERSONS (INCLUDING FAMILIES, BUSINESS CONCERNS, AND OTHERS) DISPLACED FROM AN URBAN RENEWAL AREA, AND TO MAKE RELOCATION PAYMENTS TO OR WITH RESPECT TO THOSE PERSONS FOR MOVING EXPENSES AND LOSSES OF PROPERTY FOR WHICH REIMBURSEMENT OR COMPENSATION IS NOT OTHERWISE MADE, INCLUDING THE MAKING OF PAYMENTS FINANCED BY THE FEDERAL GOVERNMENT;

(3) TO APPROPRIATE WHATEVER FUNDS AND MAKE WHATEVER EXPENDITURES AS MAY BE NECESSARY TO CARRY OUT THE PURPOSES OF THIS APPENDIX, INCLUDING, BUT NOT LIMITED:

(i) TO THE PAYMENT OF ANY AND ALL COSTS AND EXPENSES INCURRED IN CONNECTION WITH, OR INCIDENTAL TO, THE ACQUISITION OF LAND OR PROPERTY, AND FOR THE DEMOLITION, REMOVAL, RELOCATION, RENOVATION, OR ALTERATION OF LAND, BUILDINGS, STREETS, HIGHWAYS, ALLEYS, UTILITIES, OR SERVICES, AND OTHER STRUCTURES OR IMPROVEMENTS, AND FOR THE CONSTRUCTION, RECONSTRUCTION, INSTALLATION, RELOCATION, OR REPAIR OF STREETS, HIGHWAYS, ALLEYS, UTILITIES, OR SERVICES, IN CONNECTION WITH URBAN RENEWAL PROJECTS;

(ii) TO LEVY TAXES AND ASSESSMENTS FOR THOSE PURPOSES;

(iii) TO BORROW MONEY AND TO APPLY FOR AND ACCEPT ADVANCES, LOANS, GRANTS, CONTRIBUTIONS, AND ANY OTHER FORM OF FINANCIAL ASSISTANCE FROM THE FEDERAL GOVERNMENT, THE STATE, COUNTY, OR OTHER PUBLIC BODIES, OR FROM ANY SOURCES, PUBLIC OR PRIVATE, FOR THE PURPOSES OF THIS APPENDIX, AND TO GIVE WHATEVER SECURITY AS MAY BE REQUIRED FOR THIS FINANCIAL ASSISTANCE; AND

(iv) TO INVEST ANY URBAN RENEWAL FUNDS HELD IN RESERVES OR SINKING FUNDS OR ANY OF THESE FUNDS NOT REQUIRED FOR IMMEDIATE DISBURSEMENT IN PROPERTY OR SECURITIES WHICH ARE LEGAL INVESTMENTS FOR OTHER MUNICIPAL FUNDS;

(4) (i) TO HOLD, IMPROVE, CLEAR, OR PREPARE FOR REDEVELOPMENT ANY PROPERTY ACQUIRED IN CONNECTION WITH URBAN RENEWAL PROJECTS;

(ii) TO MORTGAGE, PLEDGE, HYPOTHECATE, OR OTHERWISE ENCUMBER THAT PROPERTY; AND

(III) TO INSURE OR PROVIDE FOR THE INSURANCE OF THE PROPERTY OR OPERATIONS OF THE MUNICIPALITY AGAINST ANY RISKS OR HAZARDS, INCLUDING THE POWER TO PAY PREMIUMS ON ANY INSURANCE;

(5) TO MAKE AND EXECUTE ALL CONTRACTS AND OTHER INSTRUMENTS NECESSARY OR CONVENIENT TO THE EXERCISE OF ITS POWERS UNDER THIS APPENDIX, INCLUDING THE POWER TO ENTER INTO AGREEMENTS WITH OTHER PUBLIC BODIES OR AGENCIES (THESE AGREEMENTS MAY EXTEND OVER ANY PERIOD, NOTWITHSTANDING ANY PROVISION OR RULE OF LAW TO THE CONTRARY), AND TO INCLUDE IN ANY CONTRACT FOR FINANCIAL ASSISTANCE WITH THE FEDERAL GOVERNMENT FOR OR WITH RESPECT TO AN URBAN RENEWAL PROJECT AND RELATED ACTIVITIES ANY CONDITIONS IMPOSED PURSUANT TO FEDERAL LAWS AS THE MUNICIPALITY CONSIDERS REASONABLE AND APPROPRIATE;

(6) TO ENTER INTO ANY BUILDING OR PROPERTY IN ANY URBAN RENEWAL AREA IN ORDER TO MAKE INSPECTIONS, SURVEYS, APPRAISALS, SOUNDINGS, OR TEST BORINGS, AND TO OBTAIN AN ORDER FOR THIS PURPOSE FROM THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE MUNICIPALITY IS SITUATED IN THE EVENT ENTRY IS DENIED OR RESISTED;

(7) TO PLAN, REPLAN, INSTALL, CONSTRUCT, RECONSTRUCT, REPAIR, CLOSE, OR VACATE STREETS, ROADS, SIDEWALKS, PUBLIC UTILITIES, PARKS, PLAYGROUNDS, AND OTHER PUBLIC IMPROVEMENTS IN CONNECTION WITH AN URBAN RENEWAL PROJECT; AND TO MAKE EXCEPTIONS FROM BUILDING REGULATIONS;

(8) TO GENERALLY ORGANIZE, COORDINATE, AND DIRECT THE ADMINISTRATION OF THE PROVISIONS OF THIS APPENDIX AS THEY APPLY TO THE MUNICIPALITY IN ORDER THAT THE OBJECTIVE OF REMEDYING SLUM AND BLIGHTED AREAS AND PREVENTING ITS CAUSES WITHIN THE MUNICIPALITY MAY BE PROMOTED AND ACHIEVED MOST EFFECTIVELY; AND

(9) TO EXERCISE ALL OR ANY PART OR COMBINATION OF THE POWERS GRANTED IN THIS APPENDIX.

A1-104. ESTABLISHMENT OF URBAN RENEWAL AGENCY.

(A) A MUNICIPALITY MAY ITSELF EXERCISE ALL THE POWERS GRANTED BY THIS APPENDIX, OR MAY, IF ITS LEGISLATIVE BODY BY ORDINANCE

DETERMINES THE ACTION TO BE IN THE PUBLIC INTEREST, ELECT TO HAVE THE POWERS EXERCISED BY A SEPARATE PUBLIC BODY OR AGENCY.

(B) IN THE EVENT THE LEGISLATIVE BODY MAKES THAT DETERMINATION, IT SHALL PROCEED BY ORDINANCE TO ESTABLISH A PUBLIC BODY OR AGENCY TO UNDERTAKE IN THE MUNICIPALITY THE ACTIVITIES AUTHORIZED BY THIS APPENDIX.

(C) THE ORDINANCE SHALL INCLUDE PROVISIONS ESTABLISHING THE NUMBER OF MEMBERS OF THE PUBLIC BODY OR AGENCY, THE MANNER OF THEIR APPOINTMENT AND REMOVAL, AND THE TERMS OF THE MEMBERS AND THEIR COMPENSATION.

(D) THE ORDINANCE MAY INCLUDE WHATEVER ADDITIONAL PROVISIONS RELATING TO THE ORGANIZATION OF THE PUBLIC BODY OR AGENCY AS MAY BE NECESSARY.

(E) IN THE EVENT THE LEGISLATIVE BODY ENACTS THIS ORDINANCE, ALL OF THE POWERS BY THIS APPENDIX GRANTED TO THE MUNICIPALITY, FROM THE EFFECTIVE DATE OF THE ORDINANCE, ARE VESTED IN THE PUBLIC BODY OR AGENCY ESTABLISHED BY THE ORDINANCE.

A1-105. POWERS WITHHELD FROM THE AGENCY.

THE AGENCY MAY NOT:

(1) PASS A RESOLUTION TO INITIATE AN URBAN RENEWAL PROJECT PURSUANT TO SECTIONS A1-102 AND A1-103 OF THIS APPENDIX;

(2) ISSUE GENERAL OBLIGATION BONDS PURSUANT TO SECTION A1-111 OF THIS APPENDIX; OR

(3) APPROPRIATE FUNDS OR LEVY TAXES AND ASSESSMENTS PURSUANT TO SECTION A1-103(3) OF THIS APPENDIX.

A1-106. INITIATION OF PROJECT.

IN ORDER TO INITIATE AN URBAN RENEWAL PROJECT, THE LEGISLATIVE BODY OF THE MUNICIPALITY SHALL ADOPT A RESOLUTION WHICH:

(1) FINDS THAT ONE OR MORE SLUM OR BLIGHTED AREAS EXIST IN THE MUNICIPALITY;

(2) LOCATES AND DEFINES THE SLUM OR BLIGHTED AREA; AND

(3) FINDS THAT THE REHABILITATION, REDEVELOPMENT, OR A COMBINATION OF THEM, OF THE AREA OR AREAS, IS NECESSARY AND IN THE INTEREST OF THE PUBLIC HEALTH, SAFETY, MORALS, OR WELFARE OF THE RESIDENTS OF THE MUNICIPALITY.

A1-107. PREPARATION AND APPROVAL OF PLAN FOR URBAN RENEWAL PROJECT.

(A) IN ORDER TO CARRY OUT THE PURPOSES OF THIS APPENDIX, THE MUNICIPALITY SHALL HAVE PREPARED AN URBAN RENEWAL PLAN FOR SLUM OR BLIGHTED AREAS IN THE MUNICIPALITY, AND SHALL APPROVE THE PLAN FORMALLY. THE MUNICIPALITY SHALL HOLD A PUBLIC HEARING ON AN URBAN RENEWAL PROJECT AFTER PUBLIC NOTICE OF IT BY PUBLICATION IN A NEWSPAPER HAVING A GENERAL CIRCULATION WITHIN THE CORPORATE LIMITS OF THE MUNICIPALITY. THE NOTICE SHALL DESCRIBE THE TIME, DATE, PLACE, AND PURPOSE OF THE HEARING, SHALL GENERALLY IDENTIFY THE URBAN RENEWAL AREA COVERED BY THE PLAN, AND SHALL OUTLINE THE GENERAL SCOPE OF THE URBAN RENEWAL PROJECT UNDER CONSIDERATION. FOLLOWING THE HEARING, THE MUNICIPALITY MAY APPROVE AN URBAN RENEWAL PROJECT AND THE PLAN THEREFOR IF IT FINDS THAT:

(1) A FEASIBLE METHOD EXISTS FOR THE LOCATION OF ANY FAMILIES OR NATURAL PERSONS WHO WILL BE DISPLACED FROM THE URBAN RENEWAL AREA IN DECENT, SAFE, AND SANITARY DWELLING ACCOMMODATIONS WITHIN THEIR MEANS AND WITHOUT UNDUE HARDSHIP TO THE FAMILIES OR NATURAL PERSONS;

(2) THE URBAN RENEWAL PLAN CONFORMS SUBSTANTIALLY TO THE MASTER PLAN OF THE MUNICIPALITY AS A WHOLE; AND

(3) THE URBAN RENEWAL PLAN WILL AFFORD MAXIMUM OPPORTUNITY, CONSISTENT WITH THE SOUND NEEDS OF THE MUNICIPALITY AS A WHOLE, FOR THE REHABILITATION OR REDEVELOPMENT OF THE URBAN RENEWAL AREA BY PRIVATE ENTERPRISE.

(B) AN URBAN RENEWAL PLAN MAY BE MODIFIED AT ANY TIME. IF MODIFIED AFTER THE LEASE OR SALE OF REAL PROPERTY IN THE URBAN RENEWAL PROJECT AREA, THE MODIFICATION MAY BE CONDITIONED ON WHATEVER APPROVAL OF THE OWNER, LESSEE, OR SUCCESSOR IN INTEREST AS

THE MUNICIPALITY CONSIDERS ADVISABLE. IN ANY EVENT, IT SHALL BE SUBJECT TO WHATEVER RIGHTS AT LAW OR IN EQUITY AS A LESSEE OR PURCHASER, OR THE SUCCESSOR OR SUCCESSORS IN INTEREST, MAY BE ENTITLED TO ASSERT. WHERE THE PROPOSED MODIFICATION WILL CHANGE SUBSTANTIALLY THE URBAN RENEWAL PLAN AS APPROVED PREVIOUSLY BY THE MUNICIPALITY, THE MODIFICATION SHALL BE APPROVED FORMALLY BY THE MUNICIPALITY, AS IN THE CASE OF AN ORIGINAL PLAN.

(c) ON THE APPROVAL BY THE MUNICIPALITY OF AN URBAN RENEWAL PLAN OR OF ANY MODIFICATION OF IT, THE PLAN OR MODIFICATION SHALL BE CONSIDERED TO BE IN FULL FORCE AND EFFECT FOR THE RESPECTIVE URBAN RENEWAL AREA. THE MUNICIPALITY MAY HAVE THE PLAN OR MODIFICATION CARRIED OUT IN ACCORDANCE WITH ITS TERMS.

A1-108. DISPOSAL OF PROPERTY IN URBAN RENEWAL AREA.

(A) THE MUNICIPALITY, BY ORDINANCE, MAY SELL, LEASE, OR OTHERWISE TRANSFER REAL PROPERTY OR ANY INTEREST IN IT ACQUIRED BY IT FOR AN URBAN RENEWAL PROJECT TO ANY PERSON FOR RESIDENTIAL, RECREATIONAL, COMMERCIAL, INDUSTRIAL, EDUCATIONAL, OR OTHER USES OR FOR PUBLIC USE, OR IT MAY RETAIN THE PROPERTY OR INTEREST FOR PUBLIC USE, IN ACCORDANCE WITH THE URBAN RENEWAL PLAN AND SUBJECT TO WHATEVER COVENANTS, CONDITIONS, AND RESTRICTIONS, INCLUDING COVENANTS RUNNING WITH THE LAND, AS IT CONSIDERS NECESSARY OR DESIRABLE TO ASSIST IN PREVENTING THE DEVELOPMENT OR SPREAD OF FUTURE SLUMS OR BLIGHTED AREAS OR TO OTHERWISE CARRY OUT THE PURPOSES OF THIS APPENDIX. THE PURCHASERS OR LESSEES AND THEIR SUCCESSORS AND ASSIGNS SHALL BE OBLIGATED TO DEVOTE THE REAL PROPERTY ONLY TO THE USES SPECIFIED IN THE URBAN RENEWAL PLAN, AND MAY BE OBLIGATED TO COMPLY WITH WHATEVER OTHER REQUIREMENTS THE MUNICIPALITY DETERMINES TO BE IN THE PUBLIC INTEREST, INCLUDING THE OBLIGATION TO BEGIN WITHIN A REASONABLE TIME ANY IMPROVEMENTS ON THE REAL PROPERTY REQUIRED BY THE URBAN RENEWAL PLAN. THE REAL PROPERTY OR INTEREST MAY NOT BE SOLD, LEASED, OTHERWISE TRANSFERRED, OR RETAINED AT LESS THAN ITS FAIR VALUE FOR USES IN ACCORDANCE WITH THE URBAN RENEWAL PLAN. IN DETERMINING THE FAIR VALUE OF REAL PROPERTY FOR USES IN ACCORDANCE WITH THE URBAN RENEWAL PLAN, THE MUNICIPALITY SHALL TAKE INTO ACCOUNT AND GIVE CONSIDERATION TO THE USES PROVIDED IN THE PLAN, THE RESTRICTIONS ON, AND THE COVENANTS, CONDITIONS, AND OBLIGATIONS ASSUMED BY THE PURCHASER OR LESSEE OR BY THE MUNICIPALITY RETAINING THE PROPERTY, AND THE OBJECTIVES OF THE PLAN FOR THE PREVENTION OF THE

RECURRENCE OF SLUM OR BLIGHTED AREAS. IN ANY INSTRUMENT OR CONVEYANCE TO A PRIVATE PURCHASER OR LESSEE, THE MUNICIPALITY MAY PROVIDE THAT THE PURCHASER OR LESSEE MAY NOT SELL, LEASE, OR OTHERWISE TRANSFER THE REAL PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF THE MUNICIPALITY UNTIL THE PURCHASER OR LESSEE HAS COMPLETED THE CONSTRUCTION OF ANY OR ALL IMPROVEMENTS WHICH THE PURCHASER OR LESSEE HAS BEEN OBLIGATED TO CONSTRUCT ON THE PROPERTY. REAL PROPERTY ACQUIRED BY THE MUNICIPALITY WHICH, IN ACCORDANCE WITH THE PROVISIONS OF THE URBAN RENEWAL PLAN, IS TO BE TRANSFERRED, SHALL BE TRANSFERRED AS RAPIDLY AS FEASIBLE IN THE PUBLIC INTEREST CONSISTENT WITH THE CARRYING OUT OF THE PROVISIONS OF THE URBAN RENEWAL PLAN. ANY CONTRACT FOR THE TRANSFER AND THE URBAN RENEWAL PLAN (OR ANY PART OR PARTS OF THE CONTRACT OR PLAN AS THE MUNICIPALITY DETERMINES) MAY BE RECORDED IN THE LAND RECORDS OF THE COUNTY IN WHICH THE MUNICIPALITY IS SITUATED IN A MANNER SO AS TO AFFORD ACTUAL OR CONSTRUCTIVE NOTICE OF IT.

(B) THE MUNICIPALITY, BY ORDINANCE, MAY DISPOSE OF REAL PROPERTY IN AN URBAN RENEWAL AREA TO PRIVATE PERSONS. THE MUNICIPALITY MAY, BY PUBLIC NOTICE BY PUBLICATION IN A NEWSPAPER HAVING A GENERAL CIRCULATION IN THE COMMUNITY, INVITE PROPOSALS FROM AND MAKE AVAILABLE ALL PERTINENT INFORMATION TO PRIVATE REDEVELOPERS OR ANY PERSONS INTERESTED IN UNDERTAKING TO REDEVELOP OR REHABILITATE AN URBAN RENEWAL AREA, OR ANY PART THEREOF. THE NOTICE SHALL IDENTIFY THE AREA, OR PORTION THEREOF, AND SHALL STATE THAT PROPOSALS SHALL BE MADE BY THOSE INTERESTED WITHIN A SPECIFIED PERIOD. THE MUNICIPALITY SHALL CONSIDER ALL REDEVELOPMENT OR REHABILITATION PROPOSALS AND THE FINANCIAL AND LEGAL ABILITY OF THE PERSONS MAKING PROPOSALS TO CARRY THEM OUT, AND MAY NEGOTIATE WITH ANY PERSONS FOR PROPOSALS FOR THE PURCHASE, LEASE, OR OTHER TRANSFER OF ANY REAL PROPERTY ACQUIRED BY THE MUNICIPALITY IN THE URBAN RENEWAL AREA. THE MUNICIPALITY MAY ACCEPT ANY PROPOSAL AS IT DEEMS TO BE IN THE PUBLIC INTEREST AND IN FURTHERANCE OF THE PURPOSES OF THIS APPENDIX. THEREAFTER, THE MUNICIPALITY MAY EXECUTE AND DELIVER CONTRACTS, DEEDS, LEASES, AND OTHER INSTRUMENTS AND TAKE ALL STEPS NECESSARY TO EFFECTUATE THE TRANSFERS.

(C) THE MUNICIPALITY MAY OPERATE TEMPORARILY AND MAINTAIN REAL PROPERTY ACQUIRED BY IT IN AN URBAN RENEWAL AREA FOR OR IN CONNECTION WITH AN URBAN RENEWAL PROJECT PENDING THE DISPOSITION OF THE PROPERTY AS AUTHORIZED IN THIS APPENDIX, WITHOUT REGARD TO

THE PROVISIONS OF SUBSECTION (A), FOR USES AND PURPOSES CONSIDERED DESIRABLE EVEN THOUGH NOT IN CONFORMITY WITH THE URBAN RENEWAL PLAN.

(D) ANY INSTRUMENT EXECUTED BY THE MUNICIPALITY AND PURPORTING TO CONVEY ANY RIGHT, TITLE, OR INTEREST IN ANY PROPERTY UNDER THIS APPENDIX SHALL BE PRESUMED CONCLUSIVELY TO HAVE BEEN EXECUTED IN COMPLIANCE WITH THE PROVISIONS OF THIS APPENDIX INsofar AS TITLE OR OTHER INTEREST OF ANY BONA FIDE PURCHASERS, LESSEES, OR TRANSFEREES OF THE PROPERTY IS CONCERNED.

A1-109. EMINENT DOMAIN.

CONDEMNATION OF LAND OR PROPERTY UNDER THE PROVISIONS OF THIS APPENDIX SHALL BE IN ACCORDANCE WITH THE PROCEDURE PROVIDED IN THE REAL PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND.

A1-110. ENCOURAGEMENT OF PRIVATE ENTERPRISE.

THE MUNICIPALITY, TO THE EXTENT IT DETERMINES TO BE FEASIBLE IN CARRYING OUT THE PROVISIONS OF THIS APPENDIX, SHALL AFFORD MAXIMUM OPPORTUNITY TO THE REHABILITATION OR REDEVELOPMENT OF ANY URBAN RENEWAL AREA BY PRIVATE ENTERPRISE CONSISTENT WITH THE SOUND NEEDS OF THE MUNICIPALITY AS A WHOLE. THE MUNICIPALITY SHALL GIVE CONSIDERATION TO THIS OBJECTIVE IN EXERCISING ITS POWERS UNDER THIS APPENDIX.

A1-111. GENERAL OBLIGATION BONDS.

FOR THE PURPOSE OF FINANCING AND CARRYING OUT AN URBAN RENEWAL PROJECT AND RELATED ACTIVITIES, THE MUNICIPALITY MAY ISSUE AND SELL ITS GENERAL OBLIGATION BONDS. ANY BONDS ISSUED BY THE MUNICIPALITY PURSUANT TO THIS SECTION SHALL BE ISSUED IN THE MANNER AND WITHIN THE LIMITATIONS PRESCRIBED BY APPLICABLE LAW FOR THE ISSUANCE AND AUTHORIZATION OF GENERAL OBLIGATION BONDS BY THE MUNICIPALITY, AND ALSO WITHIN LIMITATIONS DETERMINED BY THE MUNICIPALITY.

A1-112. REVENUE BONDS.

(A) IN ADDITION TO THE AUTHORITY CONFERRED BY SECTION A1-111 OF THIS APPENDIX, THE MUNICIPALITY MAY ISSUE REVENUE BONDS TO

FINANCE THE UNDERTAKING OF ANY URBAN RENEWAL PROJECT AND RELATED ACTIVITIES. ALSO, IT MAY ISSUE REFUNDING BONDS FOR THE PAYMENT OR RETIREMENT OF THE BONDS ISSUED PREVIOUSLY BY IT. THE BONDS SHALL BE MADE PAYABLE, AS TO BOTH PRINCIPAL AND INTEREST, SOLELY FROM THE INCOME, PROCEEDS, REVENUES, AND FUNDS OF THE MUNICIPALITY DERIVED FROM OR HELD IN CONNECTION WITH THE UNDERTAKING AND CARRYING OUT OF URBAN RENEWAL PROJECTS UNDER THIS APPENDIX. HOWEVER, PAYMENT OF THE BONDS, BOTH AS TO PRINCIPAL AND INTEREST, MAY BE FURTHER SECURED BY A PLEDGE OF ANY LOAN, GRANT, OR CONTRIBUTION FROM THE FEDERAL GOVERNMENT OR OTHER SOURCE, IN AID OF ANY URBAN RENEWAL PROJECTS OF THE MUNICIPALITY UNDER THIS APPENDIX, AND BY A MORTGAGE OF ANY URBAN RENEWAL PROJECT, OR ANY PART OF A PROJECT, TITLE TO WHICH IS IN THE MUNICIPALITY. IN ADDITION, THE MUNICIPALITY MAY ENTER INTO AN INDENTURE OF TRUST WITH ANY PRIVATE BANKING INSTITUTION OF THIS STATE HAVING TRUST POWERS AND MAY MAKE IN THE INDENTURE OF TRUST COVENANTS AND COMMITMENTS REQUIRED BY ANY PURCHASER FOR THE ADEQUATE SECURITY OF THE BONDS.

(B) BONDS ISSUED UNDER THIS SECTION DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, ARE NOT SUBJECT TO THE PROVISIONS OF ANY OTHER LAW OR CHARTER RELATING TO THE AUTHORIZATION, ISSUANCE, OR SALE OF BONDS, AND ARE EXEMPTED SPECIFICALLY FROM THE RESTRICTIONS CONTAINED IN SECTIONS 9, 10, AND 11 OF ARTICLE 31 (DEBT - PUBLIC) OF THE ANNOTATED CODE OF MARYLAND. BONDS ISSUED UNDER THE PROVISIONS OF THIS APPENDIX ARE DECLARED TO BE ISSUED FOR AN ESSENTIAL PUBLIC AND GOVERNMENTAL PURPOSE AND, TOGETHER WITH INTEREST ON THEM AND INCOME FROM THEM, ARE EXEMPT FROM ALL TAXES.

(C) BONDS ISSUED UNDER THIS SECTION SHALL BE AUTHORIZED BY RESOLUTION OR ORDINANCE OF THE LEGISLATIVE BODY OF THE MUNICIPALITY. THEY MAY BE ISSUED IN ONE OR MORE SERIES AND SHALL:

- (1) BEAR A DATE OR DATES;
- (2) MATURE AT A TIME OR TIMES;
- (3) BEAR INTEREST AT A RATE OR RATES;
- (4) BE IN A DENOMINATION OR DENOMINATIONS;

- (5) BE IN A FORM EITHER WITH OR WITHOUT COUPON OR REGISTERED;**
- (6) CARRY A CONVERSION OR REGISTRATION PRIVILEGE;**
- (7) HAVE A RANK OR PRIORITY;**
- (8) BE EXECUTED IN A MANNER;**
- (9) BE PAYABLE IN A MEDIUM OF PAYMENT, AT A PLACE OR PLACES, AND BE SUBJECT TO TERMS OF REDEMPTION (WITH OR WITHOUT PREMIUM);**
- (10) BE SECURED IN A MANNER; AND**
- (11) HAVE OTHER CHARACTERISTICS, AS ARE PROVIDED BY THE RESOLUTION, TRUST INDENTURE, OR MORTGAGE ISSUED PURSUANT TO IT.**

(D) THESE BONDS MAY NOT BE SOLD AT LESS THAN PAR VALUE AT PUBLIC SALES WHICH ARE HELD AFTER NOTICE IS PUBLISHED PRIOR TO THE SALE IN A NEWSPAPER HAVING A GENERAL CIRCULATION IN THE AREA IN WHICH THE MUNICIPALITY IS LOCATED AND IN WHATEVER OTHER MEDIUM OF PUBLICATION AS THE MUNICIPALITY MAY DETERMINE. THE BONDS MAY BE EXCHANGED ALSO FOR OTHER BONDS ON THE BASIS OF PAR. HOWEVER, THE BONDS MAY NOT BE SOLD TO THE FEDERAL GOVERNMENT AT PRIVATE SALE AT LESS THAN PAR, AND, IN THE EVENT LESS THAN ALL OF THE AUTHORIZED PRINCIPAL AMOUNT OF THE BONDS IS SOLD TO THE FEDERAL GOVERNMENT, THE BALANCE MAY NOT BE SOLD AT PRIVATE SALE AT LESS THAN PAR AT AN INTEREST COST TO THE MUNICIPALITY WHICH DOES NOT EXCEED THE INTEREST COST TO THE MUNICIPALITY OF THE PORTION OF THE BONDS SOLD TO THE FEDERAL GOVERNMENT.

(E) IN CASE ANY OF THE PUBLIC OFFICIALS OF THE MUNICIPALITY WHOSE SIGNATURES APPEAR ON ANY BONDS OR COUPONS ISSUED UNDER THIS APPENDIX CEASE TO BE OFFICIALS OF THE MUNICIPALITY BEFORE THE DELIVERY OF THE BONDS OR IN THE EVENT ANY OF THE OFFICIALS HAVE BECOME SUCH AFTER THE DATE OF ISSUE OF THEM, THE BONDS ARE VALID AND BINDING OBLIGATIONS OF THE MUNICIPALITY IN ACCORDANCE WITH THEIR TERMS. ANY PROVISION OF ANY LAW TO THE CONTRARY NOTWITHSTANDING, ANY BONDS ISSUED PURSUANT TO THIS APPENDIX ARE FULLY NEGOTIABLE.

(F) IN ANY SUIT, ACTION, OR PROCEEDING INVOLVING THE VALIDITY OR ENFORCEABILITY OF ANY BOND ISSUED UNDER THIS APPENDIX, OR THE SECURITY FOR IT, ANY BOND WHICH RECITES IN SUBSTANCE THAT IT HAS BEEN ISSUED BY THE MUNICIPALITY IN CONNECTION WITH AN URBAN RENEWAL PROJECT SHALL BE CONSIDERED CONCLUSIVELY TO HAVE BEEN ISSUED FOR THAT PURPOSE, AND THE PROJECT SHALL BE CONSIDERED CONCLUSIVELY TO HAVE BEEN PLANNED, LOCATED, AND CARRIED OUT IN ACCORDANCE WITH THE PROVISIONS OF THIS APPENDIX.

(G) ALL BANKS, TRUST COMPANIES, BANKERS, SAVINGS BANKS, AND INSTITUTIONS, BUILDING AND LOAN ASSOCIATIONS, SAVINGS AND LOAN ASSOCIATIONS, INVESTMENT COMPANIES, AND OTHER PERSONS CARRYING ON A BANKING OR INVESTMENT BUSINESS; ALL INSURANCE COMPANIES, INSURANCE ASSOCIATIONS, AND OTHER PERSONS CARRYING ON AN INSURANCE BUSINESS; AND ALL EXECUTORS, ADMINISTRATORS, CURATORS, TRUSTEES, AND OTHER FIDUCIARIES, MAY LEGALLY INVEST ANY SINKING FUNDS, MONEYS, OR OTHER FUNDS BELONGING TO THEM OR WITHIN THEIR CONTROL IN ANY BONDS OR OTHER OBLIGATIONS ISSUED BY THE MUNICIPALITY PURSUANT TO THIS APPENDIX. HOWEVER, THE BONDS AND OTHER OBLIGATIONS SHALL BE SECURED BY AN AGREEMENT BETWEEN THE ISSUER AND THE FEDERAL GOVERNMENT IN WHICH THE ISSUER AGREES TO BORROW FROM THE FEDERAL GOVERNMENT AND THE FEDERAL GOVERNMENT AGREES TO LEND TO THE ISSUER, PRIOR TO THE MATURITY OF THE BONDS OR OTHER OBLIGATIONS, MONEYS IN AN AMOUNT WHICH (TOGETHER WITH ANY OTHER MONEYS COMMITTED IRREVOCABLY TO THE PAYMENT OF PRINCIPAL AND INTEREST ON THE BONDS OR OTHER OBLIGATIONS) WILL SUFFICE TO PAY THE PRINCIPAL OF THE BONDS OR OTHER OBLIGATIONS WITH INTEREST TO MATURITY ON THEM. THE MONEYS UNDER THE TERMS OF THE AGREEMENT SHALL BE REQUIRED TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND THE INTEREST ON THE BONDS OR OTHER OBLIGATIONS AT THEIR MATURITY. THE BONDS AND OTHER OBLIGATIONS SHALL BE AUTHORIZED SECURITY FOR ALL PUBLIC DEPOSITS. THIS SECTION AUTHORIZES ANY PERSONS OR PUBLIC OR PRIVATE POLITICAL SUBDIVISIONS AND OFFICERS TO USE ANY FUNDS OWNED OR CONTROLLED BY THEM FOR THE PURCHASE OF ANY BONDS OR OTHER OBLIGATIONS. WITH REGARD TO LEGAL INVESTMENTS, THIS SECTION MAY NOT BE CONSTRUED TO RELIEVE ANY PERSON OF ANY DUTY OF EXERCISING REASONABLE CARE IN SELECTING SECURITIES.

A1-113. SHORT TITLE.

THIS APPENDIX SHALL BE KNOWN AND MAY BE CITED AS THE ELDORADO URBAN RENEWAL AUTHORITY FOR SLUM CLEARANCE ACT.

A1-114. AUTHORITY TO AMEND OR REPEAL.

THIS APPENDIX, ENACTED PURSUANT TO ARTICLE III, SECTION 61 OF THE MARYLAND CONSTITUTION, MAY BE AMENDED OR REPEALED ONLY BY THE GENERAL ASSEMBLY OF MARYLAND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 279

(House Bill 1364)

AN ACT concerning

Town of Hurlock (Dorchester County) – Urban Renewal Authority for Slum Clearance

FOR the purpose of authorizing the Town of Hurlock, Dorchester County, to undertake and carry out certain urban renewal projects for slum clearance and redevelopment; prohibiting certain land or property from being taken for certain purposes without just compensation first being paid to the party entitled to the compensation; declaring that certain land or property taken in connection with certain urban renewal powers is needed for public uses or purposes; authorizing the legislative body of the Town of Hurlock by ordinance to elect to have certain urban renewal powers exercised by a certain public body; imposing certain requirements for the initiation and approval of an urban renewal area; providing for the disposal of property in an urban renewal area; authorizing the municipal corporation to issue certain bonds under certain circumstances; clarifying that a certain appendix may be amended or repealed only by the General Assembly of Maryland; defining certain terms; and generally relating to urban renewal authority for slum clearance for the Town of Hurlock in Dorchester County.

BY adding to

Chapter 77 – Charter of the Town of Hurlock

Section A1-101 through A1-114 and the heading “Appendix I – Urban Renewal Authority for Slum Clearance”

Public Local Laws of Maryland – Compilation of Municipal Charters

(1990 Replacement Edition and 2005 Supplement)

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

Chapter 77 – Charter of the Town of Hurlock

APPENDIX I – URBAN RENEWAL AUTHORITY FOR SLUM CLEARANCE

A1-101. DEFINITIONS.

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

(B) “BLIGHTED AREA” MEANS AN AREA OR SINGLE PROPERTY IN WHICH THE BUILDING OR BUILDINGS HAVE DECLINED IN PRODUCTIVITY BY REASON OF OBSOLESCENCE, DEPRECIATION, OR OTHER CAUSES TO AN EXTENT THEY NO LONGER JUSTIFY FUNDAMENTAL REPAIRS AND ADEQUATE MAINTENANCE.

(C) “BONDS” MEANS ANY BONDS (INCLUDING REFUNDING BONDS), NOTES, INTERIM CERTIFICATES, CERTIFICATES OF INDEBTEDNESS, DEBENTURES, OR OTHER OBLIGATIONS.

(D) “FEDERAL GOVERNMENT” MEANS THE UNITED STATES OF AMERICA OR ANY AGENCY OR INSTRUMENTALITY, CORPORATE OR OTHERWISE, OF THE UNITED STATES OF AMERICA.

(E) “MUNICIPALITY” MEANS THE TOWN OF HURLOCK, MARYLAND.

(F) “PERSON” MEANS ANY INDIVIDUAL, FIRM, PARTNERSHIP, CORPORATION, COMPANY, ASSOCIATION, JOINT STOCK ASSOCIATION, OR BODY POLITIC. IT INCLUDES ANY TRUSTEE, RECEIVER, ASSIGNEE, OR OTHER PERSON ACTING IN SIMILAR REPRESENTATIVE CAPACITY.

(G) “SLUM AREA” MEANS ANY AREA OR SINGLE PROPERTY WHERE DWELLINGS PREDOMINATE WHICH, BY REASON OF DEPRECIATION, OVERCROWDING, FAULTY ARRANGEMENT OR DESIGN, LACK OF VENTILATION, LIGHT, OR SANITARY FACILITIES, OR ANY COMBINATION OF THESE FACTORS, ARE DETRIMENTAL TO THE PUBLIC SAFETY, HEALTH, OR MORALS.

(H) "URBAN RENEWAL AREA" MEANS A SLUM AREA OR A BLIGHTED AREA OR A COMBINATION OF THEM WHICH THE MUNICIPALITY DESIGNATES AS APPROPRIATE FOR AN URBAN RENEWAL PROJECT.

(I) "URBAN RENEWAL PLAN" MEANS A PLAN, AS IT EXISTS FROM TIME TO TIME, FOR AN URBAN RENEWAL PROJECT. THE PLAN SHALL BE SUFFICIENTLY COMPLETE TO INDICATE ANY LAND ACQUISITION, DEMOLITION, AND REMOVAL OF STRUCTURES, REDEVELOPMENT, IMPROVEMENTS, AND REHABILITATION AS MAY BE PROPOSED TO BE CARRIED OUT IN THE URBAN RENEWAL AREA, ZONING AND PLANNING CHANGES, IF ANY, LAND USES, MAXIMUM DENSITY, AND BUILDING REQUIREMENTS.

(J) "URBAN RENEWAL PROJECT" MEANS UNDERTAKINGS AND ACTIVITIES OF A MUNICIPALITY IN AN URBAN RENEWAL AREA FOR THE ELIMINATION AND FOR THE PREVENTION OF THE DEVELOPMENT OR SPREAD OF SLUMS AND BLIGHT, AND MAY INVOLVE SLUM CLEARANCE AND REDEVELOPMENT IN AN URBAN RENEWAL AREA, OR REHABILITATION OR CONSERVATION IN AN URBAN RENEWAL AREA, OR ANY COMBINATION OR PART OF THEM IN ACCORDANCE WITH AN URBAN RENEWAL PLAN. THESE UNDERTAKINGS AND ACTIVITIES MAY INCLUDE:

(1) ACQUISITION OF A SLUM AREA OR A BLIGHTED AREA OR PORTION OF THEM;

(2) DEMOLITION AND REMOVAL OF BUILDINGS AND IMPROVEMENTS;

(3) INSTALLATION, CONSTRUCTION OR RECONSTRUCTION OF STREETS, UTILITIES, PARKS, PLAYGROUNDS, AND OTHER IMPROVEMENTS NECESSARY FOR CARRYING OUT THE URBAN RENEWAL OBJECTIVES OF THIS APPENDIX IN ACCORDANCE WITH THE URBAN RENEWAL PLAN;

(4) DISPOSITION OF ANY PROPERTY ACQUIRED IN THE URBAN RENEWAL AREA, INCLUDING SALE, INITIAL LEASING, OR RETENTION BY THE MUNICIPALITY ITSELF, AT ITS FAIR VALUE FOR USES IN ACCORDANCE WITH THE URBAN RENEWAL PLAN;

(5) CARRYING OUT PLANS FOR A PROGRAM OF VOLUNTARY OR COMPULSORY REPAIR AND REHABILITATION OF BUILDINGS OR OTHER IMPROVEMENTS IN ACCORDANCE WITH THE URBAN RENEWAL PLAN;

(6) ACQUISITION OF ANY OTHER REAL PROPERTY IN THE URBAN RENEWAL AREA WHERE NECESSARY TO ELIMINATE UNHEALTHFUL, UNSANITARY, OR UNSAFE CONDITIONS, LESSEN DENSITY, ELIMINATE OBSOLETE OR OTHER USES DETRIMENTAL TO THE PUBLIC WELFARE, OR OTHERWISE TO REMOVE OR PREVENT THE SPREAD OF BLIGHT OR DETERIORATION, OR TO PROVIDE LAND FOR NEEDED PUBLIC FACILITIES; AND

(7) THE PRESERVATION, IMPROVEMENT, OR EMBELLISHMENT OF HISTORIC STRUCTURES OR MONUMENTS.

A1-102. POWERS.

(A) THE MUNICIPALITY MAY UNDERTAKE AND CARRY OUT URBAN RENEWAL PROJECTS.

(B) THESE PROJECTS SHALL BE LIMITED:

(1) TO SLUM CLEARANCE IN SLUM OR BLIGHTED AREAS AND REDEVELOPMENT OR THE REHABILITATION OF SLUM OR BLIGHTED AREAS;

(2) TO ACQUIRE IN CONNECTION WITH THOSE PROJECTS, WITHIN THE CORPORATE LIMITS OF THE MUNICIPALITY, LAND AND PROPERTY OF EVERY KIND AND ANY RIGHT, INTEREST, FRANCHISE, EASEMENT, OR PRIVILEGE, INCLUDING LAND OR PROPERTY AND ANY RIGHT OR INTEREST ALREADY DEVOTED TO PUBLIC USE, BY PURCHASE, LEASE, GIFT, CONDEMNATION, OR ANY OTHER LEGAL MEANS; AND

(3) TO SELL, LEASE, CONVEY, TRANSFER, OR OTHERWISE DISPOSE OF ANY OF THE LAND OR PROPERTY, REGARDLESS OF WHETHER OR NOT IT HAS BEEN DEVELOPED, REDEVELOPED, ALTERED, OR IMPROVED AND IRRESPECTIVE OF THE MANNER OR MEANS IN OR BY WHICH IT MAY HAVE BEEN ACQUIRED, TO ANY PRIVATE, PUBLIC, OR QUASI-PUBLIC CORPORATION, PARTNERSHIP, ASSOCIATION, PERSON, OR OTHER LEGAL ENTITY.

(C) LAND OR PROPERTY TAKEN BY THE MUNICIPALITY FOR ANY OF THESE PURPOSES OR IN CONNECTION WITH THE EXERCISE OF ANY OF THE POWERS WHICH ARE GRANTED BY THIS APPENDIX TO THE MUNICIPALITY BY EXERCISING THE POWER OF EMINENT DOMAIN MAY NOT BE TAKEN WITHOUT JUST COMPENSATION, AS AGREED ON BETWEEN THE PARTIES, OR AWARDED BY A JURY, BEING FIRST PAID OR TENDERED TO THE PARTY ENTITLED TO THE COMPENSATION.

(D) ALL LAND OR PROPERTY NEEDED OR TAKEN BY THE EXERCISE OF THE POWER OF EMINENT DOMAIN BY THE MUNICIPALITY FOR ANY OF THESE PURPOSES OR IN CONNECTION WITH THE EXERCISE OF ANY OF THE POWERS GRANTED BY THIS APPENDIX IS DECLARED TO BE NEEDED OR TAKEN FOR PUBLIC USES AND PURPOSES.

(E) ANY OR ALL OF THE ACTIVITIES AUTHORIZED PURSUANT TO THIS APPENDIX CONSTITUTE GOVERNMENTAL FUNCTIONS UNDERTAKEN FOR PUBLIC USES AND PURPOSES AND THE POWER OF TAXATION MAY BE EXERCISED, PUBLIC FUNDS EXPENDED, AND PUBLIC CREDIT EXTENDED IN FURTHERANCE OF THEM.

A1-103. ADDITIONAL POWERS.

THE MUNICIPALITY HAS THE FOLLOWING ADDITIONAL POWERS. THESE POWERS ARE DECLARED TO BE NECESSARY AND PROPER TO CARRY INTO FULL FORCE AND EFFECT THE SPECIFIC POWERS GRANTED IN THIS APPENDIX AND TO FULLY ACCOMPLISH THE PURPOSES AND OBJECTS CONTEMPLATED BY THE PROVISIONS OF THIS SECTION:

(1) TO MAKE OR HAVE MADE ALL SURVEYS AND PLANS NECESSARY TO THE CARRYING OUT OF THE PURPOSES OF THIS APPENDIX AND TO ADOPT OR APPROVE, MODIFY, AND AMEND THOSE PLANS. THESE PLANS MAY INCLUDE, BUT ARE NOT LIMITED TO:

(I) PLANS FOR CARRYING OUT A PROGRAM OF VOLUNTARY OR COMPULSORY REPAIR AND REHABILITATION OF BUILDINGS AND IMPROVEMENTS;

(II) PLANS FOR THE ENFORCEMENT OF CODES AND REGULATIONS RELATING TO THE USE OF LAND AND THE USE AND OCCUPANCY OF BUILDINGS AND IMPROVEMENTS AND TO THE COMPULSORY REPAIR, REHABILITATION, DEMOLITION, OR REMOVAL OF BUILDINGS AND IMPROVEMENTS; AND

(III) APPRAISALS, TITLE SEARCHES, SURVEYS, STUDIES, AND OTHER PLANS AND WORK NECESSARY TO PREPARE FOR THE UNDERTAKING OF URBAN RENEWAL PROJECTS AND RELATED ACTIVITIES; AND TO APPLY FOR, ACCEPT, AND UTILIZE GRANTS OF FUNDS FROM THE FEDERAL GOVERNMENT OR OTHER GOVERNMENTAL ENTITY FOR THOSE PURPOSES;

(2) TO PREPARE PLANS FOR THE RELOCATION OF PERSONS (INCLUDING FAMILIES, BUSINESS CONCERNS, AND OTHERS) DISPLACED FROM AN URBAN RENEWAL AREA, AND TO MAKE RELOCATION PAYMENTS TO OR WITH RESPECT TO THOSE PERSONS FOR MOVING EXPENSES AND LOSSES OF PROPERTY FOR WHICH REIMBURSEMENT OR COMPENSATION IS NOT OTHERWISE MADE, INCLUDING THE MAKING OF PAYMENTS FINANCED BY THE FEDERAL GOVERNMENT;

(3) TO APPROPRIATE WHATEVER FUNDS AND MAKE WHATEVER EXPENDITURES AS MAY BE NECESSARY TO CARRY OUT THE PURPOSES OF THIS APPENDIX, INCLUDING, BUT NOT LIMITED:

(i) TO THE PAYMENT OF ANY AND ALL COSTS AND EXPENSES INCURRED IN CONNECTION WITH, OR INCIDENTAL TO, THE ACQUISITION OF LAND OR PROPERTY, AND FOR THE DEMOLITION, REMOVAL, RELOCATION, RENOVATION, OR ALTERATION OF LAND, BUILDINGS, STREETS, HIGHWAYS, ALLEYS, UTILITIES, OR SERVICES, AND OTHER STRUCTURES OR IMPROVEMENTS, AND FOR THE CONSTRUCTION, RECONSTRUCTION, INSTALLATION, RELOCATION, OR REPAIR OF STREETS, HIGHWAYS, ALLEYS, UTILITIES, OR SERVICES, IN CONNECTION WITH URBAN RENEWAL PROJECTS;

(ii) TO LEVY TAXES AND ASSESSMENTS FOR THOSE PURPOSES;

(iii) TO BORROW MONEY AND TO APPLY FOR AND ACCEPT ADVANCES, LOANS, GRANTS, CONTRIBUTIONS, AND ANY OTHER FORM OF FINANCIAL ASSISTANCE FROM THE FEDERAL GOVERNMENT, THE STATE, COUNTY, OR OTHER PUBLIC BODIES, OR FROM ANY SOURCES, PUBLIC OR PRIVATE, FOR THE PURPOSES OF THIS APPENDIX, AND TO GIVE WHATEVER SECURITY AS MAY BE REQUIRED FOR THIS FINANCIAL ASSISTANCE; AND

(iv) TO INVEST ANY URBAN RENEWAL FUNDS HELD IN RESERVES OR SINKING FUNDS OR ANY OF THESE FUNDS NOT REQUIRED FOR IMMEDIATE DISBURSEMENT IN PROPERTY OR SECURITIES WHICH ARE LEGAL INVESTMENTS FOR OTHER MUNICIPAL FUNDS;

(4) (i) TO HOLD, IMPROVE, CLEAR, OR PREPARE FOR REDEVELOPMENT ANY PROPERTY ACQUIRED IN CONNECTION WITH URBAN RENEWAL PROJECTS;

(ii) TO MORTGAGE, PLEDGE, HYPOTHECATE, OR OTHERWISE ENCUMBER THAT PROPERTY; AND

(III) TO INSURE OR PROVIDE FOR THE INSURANCE OF THE PROPERTY OR OPERATIONS OF THE MUNICIPALITY AGAINST ANY RISKS OR HAZARDS, INCLUDING THE POWER TO PAY PREMIUMS ON ANY INSURANCE;

(5) TO MAKE AND EXECUTE ALL CONTRACTS AND OTHER INSTRUMENTS NECESSARY OR CONVENIENT TO THE EXERCISE OF ITS POWERS UNDER THIS APPENDIX, INCLUDING THE POWER TO ENTER INTO AGREEMENTS WITH OTHER PUBLIC BODIES OR AGENCIES (THESE AGREEMENTS MAY EXTEND OVER ANY PERIOD, NOTWITHSTANDING ANY PROVISION OR RULE OF LAW TO THE CONTRARY), AND TO INCLUDE IN ANY CONTRACT FOR FINANCIAL ASSISTANCE WITH THE FEDERAL GOVERNMENT FOR OR WITH RESPECT TO AN URBAN RENEWAL PROJECT AND RELATED ACTIVITIES ANY CONDITIONS IMPOSED PURSUANT TO FEDERAL LAWS AS THE MUNICIPALITY CONSIDERS REASONABLE AND APPROPRIATE;

(6) TO ENTER INTO ANY BUILDING OR PROPERTY IN ANY URBAN RENEWAL AREA IN ORDER TO MAKE INSPECTIONS, SURVEYS, APPRAISALS, SOUNDINGS, OR TEST BORINGS, AND TO OBTAIN AN ORDER FOR THIS PURPOSE FROM THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE MUNICIPALITY IS SITUATED IN THE EVENT ENTRY IS DENIED OR RESISTED;

(7) TO PLAN, REPLAN, INSTALL, CONSTRUCT, RECONSTRUCT, REPAIR, CLOSE, OR VACATE STREETS, ROADS, SIDEWALKS, PUBLIC UTILITIES, PARKS, PLAYGROUNDS, AND OTHER PUBLIC IMPROVEMENTS IN CONNECTION WITH AN URBAN RENEWAL PROJECT; AND TO MAKE EXCEPTIONS FROM BUILDING REGULATIONS;

(8) TO GENERALLY ORGANIZE, COORDINATE, AND DIRECT THE ADMINISTRATION OF THE PROVISIONS OF THIS APPENDIX AS THEY APPLY TO THE MUNICIPALITY IN ORDER THAT THE OBJECTIVE OF REMEDYING SLUM AND BLIGHTED AREAS AND PREVENTING ITS CAUSES WITHIN THE MUNICIPALITY MAY BE PROMOTED AND ACHIEVED MOST EFFECTIVELY; AND

(9) TO EXERCISE ALL OR ANY PART OR COMBINATION OF THE POWERS GRANTED IN THIS APPENDIX.

A1-104. ESTABLISHMENT OF URBAN RENEWAL AGENCY.

(A) A MUNICIPALITY MAY ITSELF EXERCISE ALL THE POWERS GRANTED BY THIS APPENDIX, OR MAY, IF ITS LEGISLATIVE BODY BY ORDINANCE

DETERMINES THE ACTION TO BE IN THE PUBLIC INTEREST, ELECT TO HAVE THE POWERS EXERCISED BY A SEPARATE PUBLIC BODY OR AGENCY.

(B) IN THE EVENT THE LEGISLATIVE BODY MAKES THAT DETERMINATION, IT SHALL PROCEED BY ORDINANCE TO ESTABLISH A PUBLIC BODY OR AGENCY TO UNDERTAKE IN THE MUNICIPALITY THE ACTIVITIES AUTHORIZED BY THIS APPENDIX.

(C) THE ORDINANCE SHALL INCLUDE PROVISIONS ESTABLISHING THE NUMBER OF MEMBERS OF THE PUBLIC BODY OR AGENCY, THE MANNER OF THEIR APPOINTMENT AND REMOVAL, AND THE TERMS OF THE MEMBERS AND THEIR COMPENSATION.

(D) THE ORDINANCE MAY INCLUDE WHATEVER ADDITIONAL PROVISIONS RELATING TO THE ORGANIZATION OF THE PUBLIC BODY OR AGENCY AS MAY BE NECESSARY.

(E) IN THE EVENT THE LEGISLATIVE BODY ENACTS THIS ORDINANCE, ALL OF THE POWERS BY THIS APPENDIX GRANTED TO THE MUNICIPALITY, FROM THE EFFECTIVE DATE OF THE ORDINANCE, ARE VESTED IN THE PUBLIC BODY OR AGENCY ESTABLISHED BY THE ORDINANCE.

A1-105. POWERS WITHHELD FROM THE AGENCY.

THE AGENCY MAY NOT:

(1) PASS A RESOLUTION TO INITIATE AN URBAN RENEWAL PROJECT PURSUANT TO SECTIONS A1-102 AND A1-103 OF THIS APPENDIX;

(2) ISSUE GENERAL OBLIGATION BONDS PURSUANT TO SECTION A1-111 OF THIS APPENDIX; OR

(3) APPROPRIATE FUNDS OR LEVY TAXES AND ASSESSMENTS PURSUANT TO SECTION A1-103(3) OF THIS APPENDIX.

A1-106. INITIATION OF PROJECT.

IN ORDER TO INITIATE AN URBAN RENEWAL PROJECT, THE LEGISLATIVE BODY OF THE MUNICIPALITY SHALL ADOPT A RESOLUTION WHICH:

(1) FINDS THAT ONE OR MORE SLUM OR BLIGHTED AREAS EXIST IN THE MUNICIPALITY;

(2) LOCATES AND DEFINES THE SLUM OR BLIGHTED AREA; AND

(3) FINDS THAT THE REHABILITATION, REDEVELOPMENT, OR A COMBINATION OF THEM, OF THE AREA OR AREAS, IS NECESSARY AND IN THE INTEREST OF THE PUBLIC HEALTH, SAFETY, MORALS, OR WELFARE OF THE RESIDENTS OF THE MUNICIPALITY.

A1-107. PREPARATION AND APPROVAL OF PLAN FOR URBAN RENEWAL PROJECT.

(A) IN ORDER TO CARRY OUT THE PURPOSES OF THIS APPENDIX, THE MUNICIPALITY SHALL HAVE PREPARED AN URBAN RENEWAL PLAN FOR SLUM OR BLIGHTED AREAS IN THE MUNICIPALITY, AND SHALL APPROVE THE PLAN FORMALLY. THE MUNICIPALITY SHALL HOLD A PUBLIC HEARING ON AN URBAN RENEWAL PROJECT AFTER PUBLIC NOTICE OF IT BY PUBLICATION IN A NEWSPAPER HAVING A GENERAL CIRCULATION WITHIN THE CORPORATE LIMITS OF THE MUNICIPALITY. THE NOTICE SHALL DESCRIBE THE TIME, DATE, PLACE, AND PURPOSE OF THE HEARING, SHALL GENERALLY IDENTIFY THE URBAN RENEWAL AREA COVERED BY THE PLAN, AND SHALL OUTLINE THE GENERAL SCOPE OF THE URBAN RENEWAL PROJECT UNDER CONSIDERATION. FOLLOWING THE HEARING, THE MUNICIPALITY MAY APPROVE AN URBAN RENEWAL PROJECT AND THE PLAN THEREFOR IF IT FINDS THAT:

(1) A FEASIBLE METHOD EXISTS FOR THE LOCATION OF ANY FAMILIES OR NATURAL PERSONS WHO WILL BE DISPLACED FROM THE URBAN RENEWAL AREA IN DECENT, SAFE, AND SANITARY DWELLING ACCOMMODATIONS WITHIN THEIR MEANS AND WITHOUT UNDUE HARDSHIP TO THE FAMILIES OR NATURAL PERSONS;

(2) THE URBAN RENEWAL PLAN CONFORMS SUBSTANTIALLY TO THE MASTER PLAN OF THE MUNICIPALITY AS A WHOLE; AND

(3) THE URBAN RENEWAL PLAN WILL AFFORD MAXIMUM OPPORTUNITY, CONSISTENT WITH THE SOUND NEEDS OF THE MUNICIPALITY AS A WHOLE, FOR THE REHABILITATION OR REDEVELOPMENT OF THE URBAN RENEWAL AREA BY PRIVATE ENTERPRISE.

(B) AN URBAN RENEWAL PLAN MAY BE MODIFIED AT ANY TIME. IF MODIFIED AFTER THE LEASE OR SALE OF REAL PROPERTY IN THE URBAN RENEWAL PROJECT AREA, THE MODIFICATION MAY BE CONDITIONED ON WHATEVER APPROVAL OF THE OWNER, LESSEE, OR SUCCESSOR IN INTEREST AS

THE MUNICIPALITY CONSIDERS ADVISABLE. IN ANY EVENT, IT SHALL BE SUBJECT TO WHATEVER RIGHTS AT LAW OR IN EQUITY AS A LESSEE OR PURCHASER, OR THE SUCCESSOR OR SUCCESSORS IN INTEREST, MAY BE ENTITLED TO ASSERT. WHERE THE PROPOSED MODIFICATION WILL CHANGE SUBSTANTIALLY THE URBAN RENEWAL PLAN AS APPROVED PREVIOUSLY BY THE MUNICIPALITY, THE MODIFICATION SHALL BE APPROVED FORMALLY BY THE MUNICIPALITY, AS IN THE CASE OF AN ORIGINAL PLAN.

(c) ON THE APPROVAL BY THE MUNICIPALITY OF AN URBAN RENEWAL PLAN OR OF ANY MODIFICATION OF IT, THE PLAN OR MODIFICATION SHALL BE CONSIDERED TO BE IN FULL FORCE AND EFFECT FOR THE RESPECTIVE URBAN RENEWAL AREA. THE MUNICIPALITY MAY HAVE THE PLAN OR MODIFICATION CARRIED OUT IN ACCORDANCE WITH ITS TERMS.

A1-108. DISPOSAL OF PROPERTY IN URBAN RENEWAL AREA.

(A) THE MUNICIPALITY, BY ORDINANCE, MAY SELL, LEASE, OR OTHERWISE TRANSFER REAL PROPERTY OR ANY INTEREST IN IT ACQUIRED BY IT FOR AN URBAN RENEWAL PROJECT TO ANY PERSON FOR RESIDENTIAL, RECREATIONAL, COMMERCIAL, INDUSTRIAL, EDUCATIONAL, OR OTHER USES OR FOR PUBLIC USE, OR IT MAY RETAIN THE PROPERTY OR INTEREST FOR PUBLIC USE, IN ACCORDANCE WITH THE URBAN RENEWAL PLAN AND SUBJECT TO WHATEVER COVENANTS, CONDITIONS, AND RESTRICTIONS, INCLUDING COVENANTS RUNNING WITH THE LAND, AS IT CONSIDERS NECESSARY OR DESIRABLE TO ASSIST IN PREVENTING THE DEVELOPMENT OR SPREAD OF FUTURE SLUMS OR BLIGHTED AREAS OR TO OTHERWISE CARRY OUT THE PURPOSES OF THIS APPENDIX. THE PURCHASERS OR LESSEES AND THEIR SUCCESSORS AND ASSIGNS SHALL BE OBLIGATED TO DEVOTE THE REAL PROPERTY ONLY TO THE USES SPECIFIED IN THE URBAN RENEWAL PLAN, AND MAY BE OBLIGATED TO COMPLY WITH WHATEVER OTHER REQUIREMENTS THE MUNICIPALITY DETERMINES TO BE IN THE PUBLIC INTEREST, INCLUDING THE OBLIGATION TO BEGIN WITHIN A REASONABLE TIME ANY IMPROVEMENTS ON THE REAL PROPERTY REQUIRED BY THE URBAN RENEWAL PLAN. THE REAL PROPERTY OR INTEREST MAY NOT BE SOLD, LEASED, OTHERWISE TRANSFERRED, OR RETAINED AT LESS THAN ITS FAIR VALUE FOR USES IN ACCORDANCE WITH THE URBAN RENEWAL PLAN. IN DETERMINING THE FAIR VALUE OF REAL PROPERTY FOR USES IN ACCORDANCE WITH THE URBAN RENEWAL PLAN, THE MUNICIPALITY SHALL TAKE INTO ACCOUNT AND GIVE CONSIDERATION TO THE USES PROVIDED IN THE PLAN, THE RESTRICTIONS ON, AND THE COVENANTS, CONDITIONS, AND OBLIGATIONS ASSUMED BY THE PURCHASER OR LESSEE OR BY THE MUNICIPALITY RETAINING THE PROPERTY, AND THE OBJECTIVES OF THE PLAN FOR THE PREVENTION OF THE

RECURRENCE OF SLUM OR BLIGHTED AREAS. IN ANY INSTRUMENT OR CONVEYANCE TO A PRIVATE PURCHASER OR LESSEE, THE MUNICIPALITY MAY PROVIDE THAT THE PURCHASER OR LESSEE MAY NOT SELL, LEASE, OR OTHERWISE TRANSFER THE REAL PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF THE MUNICIPALITY UNTIL THE PURCHASER OR LESSEE HAS COMPLETED THE CONSTRUCTION OF ANY OR ALL IMPROVEMENTS WHICH THE PURCHASER OR LESSEE HAS BEEN OBLIGATED TO CONSTRUCT ON THE PROPERTY. REAL PROPERTY ACQUIRED BY THE MUNICIPALITY WHICH, IN ACCORDANCE WITH THE PROVISIONS OF THE URBAN RENEWAL PLAN, IS TO BE TRANSFERRED, SHALL BE TRANSFERRED AS RAPIDLY AS FEASIBLE IN THE PUBLIC INTEREST CONSISTENT WITH THE CARRYING OUT OF THE PROVISIONS OF THE URBAN RENEWAL PLAN. ANY CONTRACT FOR THE TRANSFER AND THE URBAN RENEWAL PLAN (OR ANY PART OR PARTS OF THE CONTRACT OR PLAN AS THE MUNICIPALITY DETERMINES) MAY BE RECORDED IN THE LAND RECORDS OF THE COUNTY IN WHICH THE MUNICIPALITY IS SITUATED IN A MANNER SO AS TO AFFORD ACTUAL OR CONSTRUCTIVE NOTICE OF IT.

(B) THE MUNICIPALITY, BY ORDINANCE, MAY DISPOSE OF REAL PROPERTY IN AN URBAN RENEWAL AREA TO PRIVATE PERSONS. THE MUNICIPALITY MAY, BY PUBLIC NOTICE BY PUBLICATION IN A NEWSPAPER HAVING A GENERAL CIRCULATION IN THE COMMUNITY, INVITE PROPOSALS FROM AND MAKE AVAILABLE ALL PERTINENT INFORMATION TO PRIVATE REDEVELOPERS OR ANY PERSONS INTERESTED IN UNDERTAKING TO REDEVELOP OR REHABILITATE AN URBAN RENEWAL AREA, OR ANY PART THEREOF. THE NOTICE SHALL IDENTIFY THE AREA, OR PORTION THEREOF, AND SHALL STATE THAT PROPOSALS SHALL BE MADE BY THOSE INTERESTED WITHIN A SPECIFIED PERIOD. THE MUNICIPALITY SHALL CONSIDER ALL REDEVELOPMENT OR REHABILITATION PROPOSALS AND THE FINANCIAL AND LEGAL ABILITY OF THE PERSONS MAKING PROPOSALS TO CARRY THEM OUT, AND MAY NEGOTIATE WITH ANY PERSONS FOR PROPOSALS FOR THE PURCHASE, LEASE, OR OTHER TRANSFER OF ANY REAL PROPERTY ACQUIRED BY THE MUNICIPALITY IN THE URBAN RENEWAL AREA. THE MUNICIPALITY MAY ACCEPT ANY PROPOSAL AS IT DEEMS TO BE IN THE PUBLIC INTEREST AND IN FURTHERANCE OF THE PURPOSES OF THIS APPENDIX. THEREAFTER, THE MUNICIPALITY MAY EXECUTE AND DELIVER CONTRACTS, DEEDS, LEASES, AND OTHER INSTRUMENTS AND TAKE ALL STEPS NECESSARY TO EFFECTUATE THE TRANSFERS.

(C) THE MUNICIPALITY MAY OPERATE TEMPORARILY AND MAINTAIN REAL PROPERTY ACQUIRED BY IT IN AN URBAN RENEWAL AREA FOR OR IN CONNECTION WITH AN URBAN RENEWAL PROJECT PENDING THE DISPOSITION OF THE PROPERTY AS AUTHORIZED IN THIS APPENDIX, WITHOUT REGARD TO

THE PROVISIONS OF SUBSECTION (A), FOR USES AND PURPOSES CONSIDERED DESIRABLE EVEN THOUGH NOT IN CONFORMITY WITH THE URBAN RENEWAL PLAN.

(D) ANY INSTRUMENT EXECUTED BY THE MUNICIPALITY AND PURPORTING TO CONVEY ANY RIGHT, TITLE, OR INTEREST IN ANY PROPERTY UNDER THIS APPENDIX SHALL BE PRESUMED CONCLUSIVELY TO HAVE BEEN EXECUTED IN COMPLIANCE WITH THE PROVISIONS OF THIS APPENDIX INsofar AS TITLE OR OTHER INTEREST OF ANY BONA FIDE PURCHASERS, LESSEES, OR TRANSFEREES OF THE PROPERTY IS CONCERNED.

A1-109. EMINENT DOMAIN.

CONDEMNATION OF LAND OR PROPERTY UNDER THE PROVISIONS OF THIS APPENDIX SHALL BE IN ACCORDANCE WITH THE PROCEDURE PROVIDED IN THE REAL PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND.

A1-110. ENCOURAGEMENT OF PRIVATE ENTERPRISE.

THE MUNICIPALITY, TO THE EXTENT IT DETERMINES TO BE FEASIBLE IN CARRYING OUT THE PROVISIONS OF THIS APPENDIX, SHALL AFFORD MAXIMUM OPPORTUNITY TO THE REHABILITATION OR REDEVELOPMENT OF ANY URBAN RENEWAL AREA BY PRIVATE ENTERPRISE CONSISTENT WITH THE SOUND NEEDS OF THE MUNICIPALITY AS A WHOLE. THE MUNICIPALITY SHALL GIVE CONSIDERATION TO THIS OBJECTIVE IN EXERCISING ITS POWERS UNDER THIS APPENDIX.

A1-111. GENERAL OBLIGATION BONDS.

FOR THE PURPOSE OF FINANCING AND CARRYING OUT AN URBAN RENEWAL PROJECT AND RELATED ACTIVITIES, THE MUNICIPALITY MAY ISSUE AND SELL ITS GENERAL OBLIGATION BONDS. ANY BONDS ISSUED BY THE MUNICIPALITY PURSUANT TO THIS SECTION SHALL BE ISSUED IN THE MANNER AND WITHIN THE LIMITATIONS PRESCRIBED BY APPLICABLE LAW FOR THE ISSUANCE AND AUTHORIZATION OF GENERAL OBLIGATION BONDS BY THE MUNICIPALITY, AND ALSO WITHIN LIMITATIONS DETERMINED BY THE MUNICIPALITY.

A1-112. REVENUE BONDS.

(A) IN ADDITION TO THE AUTHORITY CONFERRED BY SECTION A1-111 OF THIS APPENDIX, THE MUNICIPALITY MAY ISSUE REVENUE BONDS TO

FINANCE THE UNDERTAKING OF ANY URBAN RENEWAL PROJECT AND RELATED ACTIVITIES. ALSO, IT MAY ISSUE REFUNDING BONDS FOR THE PAYMENT OR RETIREMENT OF THE BONDS ISSUED PREVIOUSLY BY IT. THE BONDS SHALL BE MADE PAYABLE, AS TO BOTH PRINCIPAL AND INTEREST, SOLELY FROM THE INCOME, PROCEEDS, REVENUES, AND FUNDS OF THE MUNICIPALITY DERIVED FROM OR HELD IN CONNECTION WITH THE UNDERTAKING AND CARRYING OUT OF URBAN RENEWAL PROJECTS UNDER THIS APPENDIX. HOWEVER, PAYMENT OF THE BONDS, BOTH AS TO PRINCIPAL AND INTEREST, MAY BE FURTHER SECURED BY A PLEDGE OF ANY LOAN, GRANT, OR CONTRIBUTION FROM THE FEDERAL GOVERNMENT OR OTHER SOURCE, IN AID OF ANY URBAN RENEWAL PROJECTS OF THE MUNICIPALITY UNDER THIS APPENDIX, AND BY A MORTGAGE OF ANY URBAN RENEWAL PROJECT, OR ANY PART OF A PROJECT, TITLE TO WHICH IS IN THE MUNICIPALITY. IN ADDITION, THE MUNICIPALITY MAY ENTER INTO AN INDENTURE OF TRUST WITH ANY PRIVATE BANKING INSTITUTION OF THIS STATE HAVING TRUST POWERS AND MAY MAKE IN THE INDENTURE OF TRUST COVENANTS AND COMMITMENTS REQUIRED BY ANY PURCHASER FOR THE ADEQUATE SECURITY OF THE BONDS.

(B) BONDS ISSUED UNDER THIS SECTION DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, ARE NOT SUBJECT TO THE PROVISIONS OF ANY OTHER LAW OR CHARTER RELATING TO THE AUTHORIZATION, ISSUANCE, OR SALE OF BONDS, AND ARE EXEMPTED SPECIFICALLY FROM THE RESTRICTIONS CONTAINED IN SECTIONS 9, 10, AND 11 OF ARTICLE 31 (DEBT – PUBLIC) OF THE ANNOTATED CODE OF MARYLAND. BONDS ISSUED UNDER THE PROVISIONS OF THIS APPENDIX ARE DECLARED TO BE ISSUED FOR AN ESSENTIAL PUBLIC AND GOVERNMENTAL PURPOSE AND, TOGETHER WITH INTEREST ON THEM AND INCOME FROM THEM, ARE EXEMPT FROM ALL TAXES.

(C) BONDS ISSUED UNDER THIS SECTION SHALL BE AUTHORIZED BY RESOLUTION OR ORDINANCE OF THE LEGISLATIVE BODY OF THE MUNICIPALITY. THEY MAY BE ISSUED IN ONE OR MORE SERIES AND SHALL:

- (1) BEAR A DATE OR DATES;
- (2) MATURE AT A TIME OR TIMES;
- (3) BEAR INTEREST AT A RATE OR RATES;
- (4) BE IN A DENOMINATION OR DENOMINATIONS;

- (5) BE IN A FORM EITHER WITH OR WITHOUT COUPON OR REGISTERED;**
- (6) CARRY A CONVERSION OR REGISTRATION PRIVILEGE;**
- (7) HAVE A RANK OR PRIORITY;**
- (8) BE EXECUTED IN A MANNER;**
- (9) BE PAYABLE IN A MEDIUM OF PAYMENT, AT A PLACE OR PLACES, AND BE SUBJECT TO TERMS OF REDEMPTION (WITH OR WITHOUT PREMIUM);**
- (10) BE SECURED IN A MANNER; AND**
- (11) HAVE OTHER CHARACTERISTICS, AS ARE PROVIDED BY THE RESOLUTION, TRUST INDENTURE, OR MORTGAGE ISSUED PURSUANT TO IT.**

(D) THESE BONDS MAY NOT BE SOLD AT LESS THAN PAR VALUE AT PUBLIC SALES WHICH ARE HELD AFTER NOTICE IS PUBLISHED PRIOR TO THE SALE IN A NEWSPAPER HAVING A GENERAL CIRCULATION IN THE AREA IN WHICH THE MUNICIPALITY IS LOCATED AND IN WHATEVER OTHER MEDIUM OF PUBLICATION AS THE MUNICIPALITY MAY DETERMINE. THE BONDS MAY BE EXCHANGED ALSO FOR OTHER BONDS ON THE BASIS OF PAR. HOWEVER, THE BONDS MAY NOT BE SOLD TO THE FEDERAL GOVERNMENT AT PRIVATE SALE AT LESS THAN PAR, AND, IN THE EVENT LESS THAN ALL OF THE AUTHORIZED PRINCIPAL AMOUNT OF THE BONDS IS SOLD TO THE FEDERAL GOVERNMENT, THE BALANCE MAY NOT BE SOLD AT PRIVATE SALE AT LESS THAN PAR AT AN INTEREST COST TO THE MUNICIPALITY WHICH DOES NOT EXCEED THE INTEREST COST TO THE MUNICIPALITY OF THE PORTION OF THE BONDS SOLD TO THE FEDERAL GOVERNMENT.

(E) IN CASE ANY OF THE PUBLIC OFFICIALS OF THE MUNICIPALITY WHOSE SIGNATURES APPEAR ON ANY BONDS OR COUPONS ISSUED UNDER THIS APPENDIX CEASE TO BE OFFICIALS OF THE MUNICIPALITY BEFORE THE DELIVERY OF THE BONDS OR IN THE EVENT ANY OF THE OFFICIALS HAVE BECOME SUCH AFTER THE DATE OF ISSUE OF THEM, THE BONDS ARE VALID AND BINDING OBLIGATIONS OF THE MUNICIPALITY IN ACCORDANCE WITH THEIR TERMS. ANY PROVISION OF ANY LAW TO THE CONTRARY NOTWITHSTANDING, ANY BONDS ISSUED PURSUANT TO THIS APPENDIX ARE FULLY NEGOTIABLE.

(F) IN ANY SUIT, ACTION, OR PROCEEDING INVOLVING THE VALIDITY OR ENFORCEABILITY OF ANY BOND ISSUED UNDER THIS APPENDIX, OR THE SECURITY FOR IT, ANY BOND WHICH RECITES IN SUBSTANCE THAT IT HAS BEEN ISSUED BY THE MUNICIPALITY IN CONNECTION WITH AN URBAN RENEWAL PROJECT SHALL BE CONSIDERED CONCLUSIVELY TO HAVE BEEN ISSUED FOR THAT PURPOSE, AND THE PROJECT SHALL BE CONSIDERED CONCLUSIVELY TO HAVE BEEN PLANNED, LOCATED, AND CARRIED OUT IN ACCORDANCE WITH THE PROVISIONS OF THIS APPENDIX.

(G) ALL BANKS, TRUST COMPANIES, BANKERS, SAVINGS BANKS, AND INSTITUTIONS, BUILDING AND LOAN ASSOCIATIONS, SAVINGS AND LOAN ASSOCIATIONS, INVESTMENT COMPANIES, AND OTHER PERSONS CARRYING ON A BANKING OR INVESTMENT BUSINESS; ALL INSURANCE COMPANIES, INSURANCE ASSOCIATIONS, AND OTHER PERSONS CARRYING ON AN INSURANCE BUSINESS; AND ALL EXECUTORS, ADMINISTRATORS, CURATORS, TRUSTEES, AND OTHER FIDUCIARIES, MAY LEGALLY INVEST ANY SINKING FUNDS, MONEYS, OR OTHER FUNDS BELONGING TO THEM OR WITHIN THEIR CONTROL IN ANY BONDS OR OTHER OBLIGATIONS ISSUED BY THE MUNICIPALITY PURSUANT TO THIS APPENDIX. HOWEVER, THE BONDS AND OTHER OBLIGATIONS SHALL BE SECURED BY AN AGREEMENT BETWEEN THE ISSUER AND THE FEDERAL GOVERNMENT IN WHICH THE ISSUER AGREES TO BORROW FROM THE FEDERAL GOVERNMENT AND THE FEDERAL GOVERNMENT AGREES TO LEND TO THE ISSUER, PRIOR TO THE MATURITY OF THE BONDS OR OTHER OBLIGATIONS, MONEYS IN AN AMOUNT WHICH (TOGETHER WITH ANY OTHER MONEYS COMMITTED IRREVOCABLY TO THE PAYMENT OF PRINCIPAL AND INTEREST ON THE BONDS OR OTHER OBLIGATIONS) WILL SUFFICE TO PAY THE PRINCIPAL OF THE BONDS OR OTHER OBLIGATIONS WITH INTEREST TO MATURITY ON THEM. THE MONEYS UNDER THE TERMS OF THE AGREEMENT SHALL BE REQUIRED TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND THE INTEREST ON THE BONDS OR OTHER OBLIGATIONS AT THEIR MATURITY. THE BONDS AND OTHER OBLIGATIONS SHALL BE AUTHORIZED SECURITY FOR ALL PUBLIC DEPOSITS. THIS SECTION AUTHORIZES ANY PERSONS OR PUBLIC OR PRIVATE POLITICAL SUBDIVISIONS AND OFFICERS TO USE ANY FUNDS OWNED OR CONTROLLED BY THEM FOR THE PURCHASE OF ANY BONDS OR OTHER OBLIGATIONS. WITH REGARD TO LEGAL INVESTMENTS, THIS SECTION MAY NOT BE CONSTRUED TO RELIEVE ANY PERSON OF ANY DUTY OF EXERCISING REASONABLE CARE IN SELECTING SECURITIES.

A1-113. SHORT TITLE.

THIS APPENDIX SHALL BE KNOWN AND MAY BE CITED AS THE HURLOCK URBAN RENEWAL AUTHORITY FOR SLUM CLEARANCE ACT.

A1-114. AUTHORITY TO AMEND OR REPEAL.

THIS APPENDIX, ENACTED PURSUANT TO ARTICLE III, SECTION 61 OF THE MARYLAND CONSTITUTION, MAY BE AMENDED OR REPEALED ONLY BY THE GENERAL ASSEMBLY OF MARYLAND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 280

(House Bill 1367)

AN ACT concerning

Vehicle Laws - Emergency Vehicles - Green Flashing Lights

FOR the purpose of authorizing a stationary emergency vehicle serving as a mobile command unit to be equipped with or display a flashing, blinking, or oscillating green light or signal device to designate the vehicle as the command post.

BY repealing and reenacting, with amendments,
Article - Transportation
Section 22-218
Annotated Code of Maryland
(2006 Replacement Volume and 2006 Supplement)

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

Article - Transportation

22-218.

(a) Every emergency vehicle, in addition to any other equipment and distinctive markings required by this subtitle, shall be equipped with a siren, exhaust whistle, or bell capable of giving an audible signal.

(b) (1) Every emergency vehicle, in addition to any other equipment and distinctive markings required by the Maryland Vehicle Law, shall be equipped with signal lamps mounted as high as practicable, which shall be capable of displaying to the front and to the rear a flashing red light or lights. These lights shall have sufficient intensity to be visible at 500 feet in normal sunlight.

(2) Every school vehicle meeting the requirements established by the Administrator shall be equipped with alternately flashing warning lights in accordance with the standards adopted under § 22-228 of this subtitle.

(c) (1) A person may not drive or move on any highway any vehicle or equipment that is equipped with or displays any light or signal device designed to emit an oscillating, rotating, blinking, or other type of emission of light, unless designated and authorized by the Administrator as indicated in paragraphs (2) through [(10)](11) of this subsection. The provisions of this section do not prohibit the display and use of any lighting device that may be permitted or required elsewhere in the Maryland Vehicle Law.

(2) Vehicles of the police department and other city, county, State, or federal law enforcement agencies may be equipped with and display red, white, or blue lights or signal devices.

(3) (i) Vehicles of city, county, State, or federal fire departments or duly constituted volunteer fire departments or rescue squads, or the Maryland Institute for Emergency Medical Services System, may be equipped with or display red and/or white lights or signal devices.

(ii) In each volunteer fire company, no more than five of the following officers may have their privately owned vehicles equipped with red lights or signal devices which may be displayed only while on route to or at the scene of an emergency:

1. The fire chief or the highest ranking fireline officer;
2. One or more of the assistant chiefs or deputy chiefs, whichever rank is second in command; and
3. The emergency medical services commander.

(iii) 1. The fire police of each volunteer fire company may have their privately owned vehicles equipped with red lights or signal devices designed to emit an oscillating, rotating, blinking, or other type of emission of light.

2. The lights or signal devices may be flashed or oscillated or otherwise used only while the vehicle is at the scene of an accident, flood, or other emergency to which the volunteer fire company is responding.

(4) Ambulances may be equipped with or display red and/or white lights or signal devices.

(5) State vehicles used in response to oil or hazardous materials spills may be equipped with or display red and/or white lights or signal devices.

(6) Service vehicles, rural letter carrier vehicles, slow moving farm vehicles, and tow trucks may be equipped with or display yellow or amber lights or signal devices.

(7) State vehicles designated for emergency use by the Commissioner of Correction may be equipped with or display red lights or signal devices.

(8) (i) Except as provided in subparagraphs (ii) and (iii) of this paragraph, the blue, red, or white lights or signal devices may be flashed or oscillated or otherwise used only while on route to or at the scene of an emergency, and their use does not relieve an emergency vehicle from otherwise giving an audible warning as required elsewhere in the Maryland Vehicle Law.

(ii) The driver of an emergency vehicle may use flashing lights within 100 feet of the entrance ramp of a fire or rescue station while parking or backing the emergency vehicle.

(iii) The driver of an emergency vehicle of a fire department or rescue squad shall, at the discretion of the officer in charge, flash or oscillate or otherwise use red and white lights or signal devices while stopped, standing, or parked on the roadway at the scene of an emergency.

(9) A STATIONARY EMERGENCY VEHICLE SERVING AS A MOBILE COMMAND UNIT MAY BE EQUIPPED WITH OR DISPLAY A FLASHING, BLINKING, OR OSCILLATING GREEN LIGHT OR SIGNAL DEVICE TO DESIGNATE THE VEHICLE AS THE COMMAND POST.

~~[(9)]~~ **(10)** The yellow or amber lights or signal devices permitted on vehicles under paragraph (6) of this subsection may be flashed or oscillated or otherwise used only in the course of official duties, to indicate to the public that the vehicle is a slow moving vehicle or otherwise is impeding traffic.

~~[(10)]~~ **(11)** (i) An emergency vehicle of any foreign state may be equipped with any lights or signals:

1. As provided by this subsection; or
2. As permitted by the state in which the vehicle is registered.

(ii) 1. The use of any lights or signals permitted under this paragraph is limited to an emergency vehicle, as defined in § 11-118 of this article, responding to an emergency or pursuing a violator, and equipped with an audible signal as provided in this section.

2. Foreign vehicles, as defined in § 11-124 of this article, which are privately owned by members of volunteer fire companies, ambulance or rescue squads, fire departments, and law enforcement agencies may be equipped with lights or signals as permitted by the state in which the vehicle is registered, but such lights or signals may be used while the vehicle is in this State only by those personnel and under the circumstances authorized under paragraph (3) of this subsection.

(iii) In addition to the penalties provided in Title 27 of this article, any person convicted of a violation of this section may have his driving privileges suspended for a period of 30 days, and the registration of the vehicle may be suspended for a period of 30 days, notwithstanding that the owner of the vehicle may not be the operator at the time of the offense, unless the owner proves to the satisfaction of the Administration that he had no control over the use or display of a light or signal device and could not prevent the violation of this section.

(d) A police vehicle when used as an emergency vehicle may, but need not be, equipped with the flashing red and/or blue lights specified in this section.

(e) Except as provided in subsection (c)(3) of this section, the flashing lighting described in subsections (b) and (c) of this section may not be used on any vehicle other than an emergency vehicle, service vehicle, or school vehicle.

(f) The use of the signal equipment described in this section imposes on drivers of other vehicles the obligation to yield the right-of-way and stop as required in Title 21 of this article.

(g) On taxicabs, the flashing green lights known as emergency hold-up lights may be mounted on the roof or outside rear and front of the vehicle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 281

(House Bill 1391)

AN ACT concerning

Harford County – Gaming – Political Fundraising

FOR the purpose of authorizing a political committee in Harford County to conduct a fundraiser at which prizes of money or merchandise are awarded in certain games of chance; requiring that a prize not exceed the amount otherwise allowed for a prize in the county; and generally relating to gaming and political fundraising in Harford County.

BY repealing and reenacting, without amendments,
Article – Criminal Law
Section 13–1501(a), (b), (c), (d), and (e) and 13–1502
Annotated Code of Maryland
(2002 Volume and 2006 Supplement)

BY adding to
Article – Criminal Law
Section 13–1508.1
Annotated Code of Maryland
(2002 Volume and 2006 Supplement)

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

Article – Criminal Law

13–1501.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Bingo”:
 - (1) includes instant bingo; but
 - (2) does not include members–only instant bingo.
- (c) “50/50” means a drawing from a finite number of chances in which the proceeds from the sale of chances are split evenly between the winner and the organization conducting the game.

(d) “Gaming event” means bingo, members-only instant bingo, a raffle, or a paddle wheel.

(e) “Members-only instant bingo” means an instant bingo game that is limited to members and guests of an organization listed in § 13-1503(b) of this subtitle.

13-1502.

(a) This subtitle applies only in Harford County.

(b) This subtitle does not authorize the use of a slot machine or any type of coin machine for gambling purposes.

13-1508.1.

(A) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, A POLITICAL COMMITTEE, AS DEFINED IN § 1-101 OF THE ELECTION LAW ARTICLE, MAY CONDUCT A FUNDRAISER AT WHICH PRIZES OF MONEY OR MERCHANDISE ARE AWARDED IN A GAMING EVENT OR 50/50.

(B) A POLITICAL COMMITTEE MAY AWARD A MONEY OR MERCHANDISE PRIZE UNDER THIS SECTION IF THE PRIZE DOES NOT EXCEED THE AMOUNT OTHERWISE ALLOWED FOR A PRIZE IN THE COUNTY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 282

(House Bill 1429)

AN ACT concerning

Reforestation – Replacing Trees Destroyed by Pest Treatments

FOR the purpose of altering the purposes of the Restoration Fund in the Department of Natural Resources to include planting trees on private property to replace certain trees under certain circumstances; authorizing the use of the Fund to

replace trees that were destroyed under a certain quarantine with certain exceptions; authorizing the Department to adopt regulations to implement this Act; making this Act an emergency measure; and generally relating to the replacement of trees in the State.

BY repealing and reenacting, with amendments,
Article – Natural Resources
Section 5–103(e)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article – Natural Resources

5–103.

- (e) (1) In this subsection, “Fund” means the Reforestation Fund.
- (2) There is a Reforestation Fund in the Department.
- (3) The purpose of the Fund is to finance the planting of trees on:

(I) State or other publicly owned lands located in the county and watershed in which construction projects giving rise to Fund contributions are located; AND

(II) PRIVATE PROPERTY ON WHICH TREES WERE DESTROYED BY A TREATMENT TO DESTROY PLANT PESTS THAT WAS APPLIED BY THE DEPARTMENT OF AGRICULTURE.

- (4) The Department shall administer the Fund.

(5) (i) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(ii) The Treasurer shall hold the Fund separately and the Comptroller shall account for the Fund.

(6) The Fund consists of any money received from contributions by a constructing agency under subsection (d) of this section.

(7) (i) Subject to subparagraph (ii) of this paragraph, the Fund may be used only to:

1. Plant trees on State or other publicly owned lands located in the county and watershed in which construction projects giving rise to Fund contributions are located; [or]

2. If reforestation cannot be reasonably accomplished in the county and watershed in which the construction activity is located:

A. Plant trees on State or other publicly owned lands located in the county or in the watershed in the State in which the construction activity is located; or

B. Purchase credits in, establish, or maintain a forest mitigation bank in the county or watershed in which the construction activity is located in accordance with Department regulations; OR

3. REPLACE TREES, EXCEPT NURSERY STOCK THAT HAS NOT BEEN REPLANTED, THAT WERE DESTROYED BY THE APPLICATION OF A TREATMENT APPLIED TO DESTROY PLANT PESTS UNDER A QUARANTINE IMPOSED BY THE SECRETARY OF AGRICULTURE, WHETHER OR NOT THE QUARANTINE IS IN EFFECT IN THE COUNTY OR WATERSHED WHERE THE CONSTRUCTION ACTIVITY OCCURRED.

(ii) 1. Except as provided in subsubparagraph 2 of this subparagraph, moneys in the Fund may be used for administrative costs calculated in accordance with § 1-103(b)(2) of this article.

2. The Fund may not be used to finance administrative activities associated with a mitigation bank.

3. Any credits created by the Fund may not be sold to compensate for additional forest impacts.

(iii) 1. The Department shall accomplish the reforestation for which money is deposited in the Fund within 1 year or two growing seasons after project completion, as appropriate.

2. Money deposited in the Fund under subsection (d) of this section shall remain in the Fund for a period of 1 year or two growing seasons, and at the end of that time period, any portion that is not used to meet the reforestation requirements shall be returned to the constructing agency.

(8) (i) The Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(ii) Any investment earnings of the Fund shall be credited to the General Fund of the State.

(9) Expenditures from the Fund may be made only in accordance with the State budget.

(10) THE DEPARTMENT MAY ADOPT REGULATIONS TO IMPLEMENT THIS SUBSECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, April 24, 2007.

CHAPTER 283

(House Bill 1441)

AN ACT concerning

Maryland Consolidated Capital Bond Loan of 2006 – Charles County – Black Box Theatre

FOR the purpose of amending the Maryland Consolidated Capital Bond Loan of 2006 to authorize the Board of Directors of the Chesapeake Bay Floating Theatre, Inc. to include in kind contributions in the matching fund.

BY repealing and reenacting, with amendments,
Chapter 46 of the Acts of the General Assembly of 2006
Section 1(3) Item ZA02 (AJ)

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

Chapter 46 of the Acts of 2006

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(3) ZA02 LOCAL HOUSE OF DELEGATES INITIATIVES

(AJ) Black Box Theatre. Provide a grant equal to the lesser of (i) \$55,000 or (ii) the amount of the matching fund provided, to the Board of Directors of the Chesapeake Bay Floating Theatre, Inc. for the planning, design, construction, repair, renovation, and capital equipping of the lighting system, sound system, seating, and other upgrades at the Black Box Theatre, located in Indian Head. Notwithstanding Section 1(5) of this Act, the matching fund may consist of **IN KIND CONTRIBUTIONS OR** funds expended prior to the effective date of this Act (Charles County) 55,000

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007.

Approved by the Governor, April 24, 2007.

CHAPTER 284

(House Bill 430)

AN ACT concerning

State Procurement Contracts - Living Wage

FOR the purpose of requiring certain contractors and subcontractors to pay certain employees ~~a~~ certain minimum wage ~~rate~~ rates under certain State procurement contracts; providing certain exemptions and reductions in ~~a~~ certain wage ~~rate~~ rates; requiring the Commissioner of Labor and Industry to alter ~~a~~ certain wage ~~rate~~ rates based on a certain Consumer Price Index and to administer and enforce requirements with regard to certain employers; authorizing the Commissioner to authorize, by regulation, certain reductions in certain wage rates; requiring the Commissioner to publish ~~a~~ certain wage ~~rate~~ rates under certain circumstances; requiring the Commissioner to make certain assessments

~~every five years at certain intervals; requiring certain units of State government~~
~~the Commissioner~~ to adopt regulations and authorizing certain units to grant
certain waivers; requiring certain individuals in certain units of State
~~government to make certain determinations; granting certain employees rights~~
~~of free speech and association~~ requiring the Commissioner to conduct a certain
study; requiring certain employers to post certain information; requiring the
Commissioner to develop a certain notice and to make the notice available in
certain manners; authorizing an employee to sue for certain wages under
certain circumstances; providing certain remedies and certain procedural
requirements; ~~prohibiting an employer from retaliating against an employee~~
~~based on a certain action~~; establishing certain penalties; defining certain terms;
requiring the Department of Legislative Services to study certain matters and
report to the General Assembly on or before a certain date; requiring certain
governmental units to cooperate with the Department and provide certain
information in a certain manner; providing for the application of this Act; and
generally relating to the living wage.

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 11-101(x)
Annotated Code of Maryland
(2006 Replacement Volume and 2006 Supplement)

BY adding to
Article – State Finance and Procurement
Section ~~12-101(c)~~; and 18-101 through ~~18-110~~ 18-109, inclusive, to be under
the new title “Title 18. Living Wage”
Annotated Code of Maryland
(2006 Replacement Volume and 2006 Supplement)

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

Article – State Finance and Procurement

11-101.

(x) (1) “Unit” means an officer or other entity that is in the Executive
Branch of the State government and is authorized by law to enter into a procurement
contract.

(2) “Unit” does not include:

(i) a bistate, multistate, bicounty, or multicounty governmental
agency; or

(ii) a special tax district, sanitary district, drainage district, soil conservation district, water supply district, or other political subdivision of the State.

~~12-101.~~

~~(C) AFTER CONSULTATION WITH THE COMMISSIONER OF LABOR AND INDUSTRY, THE BOARD SHALL ADOPT REGULATIONS GOVERNING THE APPLICATION OF TITLE 18 OF THIS ARTICLE TO CONTRACTORS AND SUBCONTRACTORS SUBJECT TO THE PROVISIONS OF TITLE 18 OF THIS ARTICLE.~~

TITLE 18. LIVING WAGE.

18-101.

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

(B) "COMMISSIONER" MEANS THE COMMISSIONER OF LABOR AND INDUSTRY.

(C) (1) "EMPLOYER" MEANS A CONTRACTOR OR SUBCONTRACTOR THAT HAS A STATE CONTRACT FOR SERVICES VALUED AT \$100,000 OR MORE.

(2) "EMPLOYER" DOES NOT INCLUDE A CONTRACTOR OR SUBCONTRACTOR THAT:

(I) EMPLOYS 10 OR FEWER EMPLOYEES; AND

(II) HAS A STATE CONTRACT FOR SERVICES VALUED AT LESS THAN \$500,000.

(D) "LIVING WAGE" MEANS AN HOURLY WAGE SET AS PROVIDED UNDER § 18-103 OF THIS TITLE.

(E) "TIER 1 AREA" INCLUDES MONTGOMERY COUNTY, PRINCE GEORGE'S COUNTY, HOWARD COUNTY, ANNE ARUNDEL COUNTY, BALTIMORE COUNTY, AND BALTIMORE CITY.

(F) "TIER 2 AREA" INCLUDES ANY COUNTY IN THE STATE NOT INCLUDED IN THE TIER 1 AREA.

18-102.

(A) (1) THIS TITLE APPLIES TO AN EMPLOYEE OF AN EMPLOYER FOR THE DURATION OF A CONTRACT SUBJECT TO THIS TITLE IF AT LEAST ONE-HALF OF THE EMPLOYEE'S TIME DURING ANY WORK WEEK RELATES TO A STATE CONTRACT FOR SERVICES OR A SUBCONTRACT FOR SERVICES UNDER A STATE CONTRACT.

(2) THIS TITLE DOES NOT APPLY TO AN EMPLOYEE OF AN EMPLOYER IF THE EMPLOYEE:

(I) IS 17 YEARS OF AGE OR YOUNGER FOR THE DURATION OF A CONTRACT SUBJECT TO THIS TITLE; OR

(II) WORKS LESS THAN 13 CONSECUTIVE WEEKS FOR THE DURATION OF A CONTRACT SUBJECT TO THIS TITLE AND DURING THAT PERIOD WORKS FULL TIME.

(B) THIS TITLE DOES NOT APPLY TO A CONTRACT:

(1) FOR SERVICES NEEDED IMMEDIATELY TO PREVENT OR RESPOND TO AN IMMINENT THREAT TO PUBLIC HEALTH OR SAFETY;

(2) WITH A PUBLIC SERVICE COMPANY;

(3) WITH A NONPROFIT ORGANIZATION;

(4) BETWEEN UNITS; OR

(5) BETWEEN A UNIT AND A COUNTY OR BALTIMORE CITY.

(C) IF THE UNIT RESPONSIBLE FOR A STATE CONTRACT DETERMINES THAT APPLICATION OF THIS TITLE WOULD CONFLICT WITH ANY APPLICABLE FEDERAL PROGRAM REQUIREMENT, THIS TITLE DOES NOT APPLY TO THE CONTRACT OR PROGRAM.

(D) THE HEAD OF THE UNIT RESPONSIBLE FOR A STATE CONTRACT SUBJECT TO THIS TITLE SHALL DETERMINE IF CONTRACT SERVICES VALUED AT 50% OR MORE OF THE TOTAL VALUE OF THE CONTRACT WILL BE PERFORMED IN THE TIER 1 AREA OR THE TIER 2 AREA AND SHALL PROVIDE THAT DETERMINATION ON THE INVITATION FOR A BID.

18-103.

(A) EXCEPT AS PROVIDED IN SUBSECTION ~~(D)~~ (C) OF THIS SECTION, AN EMPLOYER SUBJECT TO THIS TITLE SHALL PAY EACH EMPLOYEE COVERED UNDER THIS TITLE ~~AT LEAST \$11.95 PER HOUR:~~

(1) AT LEAST \$11.30 PER HOUR, IF STATE CONTRACT SERVICES VALUED AT 50% OR MORE OF THE TOTAL VALUE OF THE CONTRACT ARE PERFORMED IN THE TIER 1 AREA; OR

(2) AT LEAST \$8.50 PER HOUR, IF STATE CONTRACT SERVICES VALUED AT 50% OR MORE OF THE TOTAL VALUE OF THE CONTRACT ARE PERFORMED IN THE TIER 2 AREA.

(B) (1) NOT LATER THAN 90 DAYS AFTER THE START OF EACH FISCAL YEAR, THE COMMISSIONER SHALL ADJUST THE WAGE ~~RATE~~ RATES REQUIRED UNDER SUBSECTION (A) OF THIS SECTION BY THE ANNUAL AVERAGE INCREASE OR DECREASE, IF ANY, IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE WASHINGTON-BALTIMORE METROPOLITAN AREA, OR ANY SUCCESSOR INDEX, FOR THE PREVIOUS CALENDAR YEAR.

(2) IF THE COMMISSIONER ADJUSTS THE WAGE ~~RATE~~ RATES IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSIONER SHALL PUBLISH THE NEW WAGE ~~RATE~~ RATES ON THE DIVISION OF LABOR AND INDUSTRY'S WEBSITE.

(3) ON REQUEST BY ANY PERSON, THE COMMISSIONER SHALL GIVE THE PERSON A PRINTED COPY OF THE NEW WAGE ~~RATE~~ RATES.

~~(C) IF A CONTRACT IS SUBJECT TO PREVAILING WAGE REQUIREMENTS UNDER TITLE 17, SUBTITLE 2 OF THIS ARTICLE, AN EMPLOYER SHALL PAY AN EMPLOYEE THE HIGHER WAGE RATE OF THE WAGE RATES REQUIRED UNDER THIS TITLE OR TITLE 17, SUBTITLE 2 OF THIS ARTICLE.~~

~~(D)~~ (C) IF AN EMPLOYER COMMITS IN ITS BID OR PROPOSAL TO PROVIDE HEALTH INSURANCE TO AN EMPLOYEE, EITHER DIRECTLY OR THROUGH AN EMPLOYEE REPRESENTATIVE, THE EMPLOYER MAY:

(1) CERTIFY IN ITS BID OR PROPOSAL THE HOURLY COST OF THE EMPLOYER'S SHARE OF THE PREMIUM FOR THAT INSURANCE FOR EACH EMPLOYEE; AND

(2) REDUCE THE WAGE PAID UNDER SUBSECTION (A) OF THIS SECTION TO ANY EMPLOYEE COVERED BY THE INSURANCE BY ALL OR PART OF

THE HOURLY COST OF THE EMPLOYER'S SHARE OF THE PREMIUM FOR EACH EMPLOYEE.

(D) THE COMMISSIONER MAY AUTHORIZE, BY REGULATION, AN EMPLOYER TO REDUCE THE WAGE RATES PAID UNDER SUBSECTION (A) OF THIS SECTION BY NO MORE THAN 50 CENTS OF THE HOURLY COST OF THE EMPLOYER'S CONTRIBUTION TO AN EMPLOYEE'S DEFERRED COMPENSATION PLAN.

18-104.

(A) THE COMMISSIONER SHALL ADOPT REGULATIONS GOVERNING EMPLOYERS SUBJECT TO THIS TITLE.

(B) THE COMMISSIONER MAY REQUIRE THAT AN EMPLOYER KEEP RECORDS AND SUBMIT REPORTS TO THE COMMISSIONER THAT THE COMMISSIONER DETERMINES NECESSARY FOR THE EFFECTIVE ADMINISTRATION AND ENFORCEMENT OF THIS TITLE.

(C) THE COMMISSIONER EVERY 5 3 YEARS SHALL ASSESS THE APPROPRIATENESS OF:

(1) THE MEASURES USED TO ADJUST THE WAGE RATES UNDER § 18-103(B) OF THIS SUBTITLE TO ENSURE THAT THE MEASURES ACCURATELY REFLECT THE WAGE RATES OF EMPLOYEES IN THE TIER 1 AREA AND TIER 2 AREA OF THE STATE; AND

(2) THE PLACEMENT OF COUNTIES IN THE TIER 1 AREA AND TIER 2 AREA.

18-105.

~~(A) AN EMPLOYEE COVERED UNDER THIS TITLE HAS A RIGHT OF FREE SPEECH AND ASSOCIATION.~~

~~(B) AN AGREEMENT BY AN EMPLOYEE TO COMMUTE, RELEASE, OR WAIVE THE EMPLOYEE'S RIGHTS UNDER THIS TITLE IS VOID.~~

18-106.

(A) DURING ANY PERIOD IN WHICH AN EMPLOYEE OF THE EMPLOYER IS ENTITLED TO A WAGE RATE UNDER THIS TITLE, EACH EMPLOYER SUBJECT TO THIS TITLE SHALL POST IN A PROMINENT AND EASILY ACCESSIBLE PLACE AT

THE WORK SITE OF AN EMPLOYEE DESCRIBED IN § 18-102(A) OF THIS TITLE A NOTICE OF:

- (1) THE LIVING WAGE RATE;
- (2) EMPLOYEE RIGHTS UNDER THIS TITLE; AND
- (3) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE COMMISSIONER.

(B) THE NOTICE UNDER THIS SECTION SHALL BE ~~POSTED IN ENGLISH, SPANISH, AND ANY OTHER LANGUAGE COMMONLY USED BY EMPLOYEES AT THE WORK SITE OF AN EMPLOYEE DESCRIBED IN § 18-102(A) OF THIS TITLE:~~

(1) DEVELOPED BY THE COMMISSIONER IN ENGLISH, SPANISH, AND ANY OTHER LANGUAGE COMMONLY USED BY EMPLOYEES AT A WORK SITE; AND

(2) (I) ON REQUEST OF AN EMPLOYER, PROVIDED WITHOUT CHARGE TO THE EMPLOYER; OR

(II) MADE AVAILABLE FOR DOWNLOAD ON THE INTERNET WITHOUT CHARGE.

(C) SUBJECT TO § 10-1001 OF THE STATE GOVERNMENT ARTICLE, THE COMMISSIONER MAY IMPOSE ON A PERSON THAT VIOLATES THIS SECTION A CIVIL PENALTY NOT EXCEEDING \$50 PER VIOLATION.

18-107.

(A) WITHIN 30 DAYS AFTER A COMPLAINT IS FILED, THE COMMISSIONER SHALL INVESTIGATE THE COMPLAINT IN ACCORDANCE WITH THIS TITLE.

(B) A WRITTEN OR ORAL COMPLAINT OR STATEMENT MADE BY AN EMPLOYEE UNDER THIS TITLE IS CONFIDENTIAL AND MAY NOT BE DISCLOSED TO THE EMPLOYER WITHOUT THE CONSENT OF THE EMPLOYEE.

(C) AN EMPLOYER SUBJECT TO THIS TITLE SHALL ALLOW THE COMMISSIONER OR THE COMMISSIONER'S DESIGNEE ACCESS TO A WORK SITE AND PAYROLL RECORDS, AND ALLOW AN OPPORTUNITY TO INTERVIEW EMPLOYEES FOR PURPOSES OF ENFORCING THIS TITLE.

(D) (1) WITHIN 30 DAYS AFTER COMPLETING AN INVESTIGATION, THE COMMISSIONER SHALL ISSUE AN ORDER FOR A HEARING.

(2) WITHIN 30 DAYS BEFORE THE HEARING, THE COMMISSIONER SHALL SERVE, PERSONALLY OR BY MAIL, WRITTEN NOTICE OF THE HEARING ON ALL INTERESTED PARTIES.

(3) THE NOTICE SHALL INCLUDE:

(I) A STATEMENT OF FACTS DISCLOSED IN THE INVESTIGATION; AND

(II) THE TIME AND PLACE OF THE HEARING.

(4) IN CONDUCTING A HEARING, THE COMMISSIONER MAY:

(I) SUBPOENA WITNESSES;

(II) ADMINISTER OATHS; AND

(III) COMPEL THE PRODUCTION OF RECORDS, BOOKS, PAPERS, AND OTHER EVIDENCE.

(E) (1) WITHIN 30 DAYS AFTER THE CONCLUSION OF THE HEARING, THE COMMISSIONER SHALL:

(I) ISSUE A DETERMINATION; AND

(II) SERVE, PERSONALLY OR BY MAIL, EACH INTERESTED PARTY WITH A COPY OF THE DETERMINATION.

(2) IF THE COMMISSIONER FINDS A VIOLATION OF THIS TITLE, THE COMMISSIONER SHALL DETERMINE THE AMOUNT OF RESTITUTION AND LIQUIDATED DAMAGES TO BE ASSESSED UNDER § 18-108 OF THIS TITLE.

(3) ON RECEIPT OF THE DETERMINATION, THE EMPLOYER SHALL PAY THE AFFECTED EMPLOYEES THE AMOUNT DUE IN ACCORDANCE WITH THE COMMISSIONER'S DETERMINATION.

18-108.

IF THE COMMISSIONER DETERMINES THAT THE EMPLOYER VIOLATED A PROVISION OF THIS TITLE OR REGULATIONS OF THE COMMISSIONER, THE EMPLOYER SHALL:

(1) PAY RESTITUTION TO EACH AFFECTED EMPLOYEE; AND

(2) PAY TO THE STATE LIQUIDATED DAMAGES OF \$20 PER DAY FOR EACH EMPLOYEE WHO WAS PAID LESS THAN THE HOURLY RATE REQUIRED UNDER THIS TITLE.

18-109.

(A) (1) IF AN EMPLOYEE WAS PAID LESS THAN THE WAGE RATE REQUIRED UNDER THIS TITLE THE EMPLOYEE IS ENTITLED TO SUE TO RECOVER THE AMOUNT OF THE DIFFERENCE BETWEEN THE WAGE RATE REQUIRED UNDER THIS TITLE AND THE AMOUNT RECEIVED BY THE EMPLOYEE.

(2) A DETERMINATION BY THE COMMISSIONER THAT AN EMPLOYER IS REQUIRED TO MAKE RESTITUTION DOES NOT PRECLUDE AN EMPLOYEE FROM FILING AN ACTION UNDER THIS SECTION.

(B) (1) AN ACTION UNDER THIS SECTION IS CONSIDERED TO BE A SUIT FOR WAGES.

(2) A JUDGMENT IN AN ACTION UNDER THIS SECTION SHALL HAVE THE SAME FORCE AND EFFECT AS ANY OTHER JUDGMENT FOR WAGES.

(C) THE FAILURE OF AN EMPLOYEE TO PROTEST ORALLY OR IN WRITING THE PAYMENT OF A WAGE THAT IS LESS THAN THE WAGE RATE REQUIRED UNDER THIS TITLE IS NOT A BAR TO RECOVERY IN AN ACTION UNDER THIS SECTION.

~~18-110.~~

~~(A) AN EMPLOYER MAY NOT RETALIATE AGAINST AN EMPLOYEE BECAUSE THE EMPLOYEE EXERCISES THE EMPLOYEE'S RIGHTS UNDER THIS TITLE.~~

~~(B) AN EMPLOYER WHO VIOLATES SUBSECTION (A) OF THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$500 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.~~

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Department of Legislative Services shall conduct a study of the fiscal and economic impacts of this Act on the public and private sectors.

(b) (1) In conducting this study, the Department shall consult with and obtain all necessary and appropriate information from the Department of Labor, Licensing, and Regulation, the Office of the Attorney General, local governments, and other appropriate units and persons.

(2) Each unit of the Executive Branch of State government and each unit of local government shall fully cooperate with the Department of Legislative Services and its employees and agents in the activities necessary or helpful in fulfilling the requirements of this section.

(3) Notwithstanding Title 10, Subtitle 6 of the State Government Article or any other law, each governmental unit that is requested to provide information to the Department of Legislative Services in furtherance of this section shall provide the information promptly and without the necessity of further authorization.

(c) On or before January 1, 2009, the Department of Legislative Services shall report the findings of the study to the General Assembly, subject to § 2-1246 of the State Government Article.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) The Commissioner of Labor and Industry shall study the impact on the standard of living of employees that results from allowing an employer to reduce the living wage rates paid under Section 1 of this Act by all or part of the hourly cost of the employer's contribution to a deferred retirement plan of the employer's employees.

(b) The study required under subsection (a) of this section shall include a review of living wage requirements in other jurisdictions in Maryland and nationally.

(c) The Commissioner of Labor and Industry shall report the findings and recommendations resulting from the study required under subsection (a) of this section, in accordance with § 2-1246 of the State Government Article, to the Governor and the General Assembly by December 1, 2007.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any contract awarded before the effective date of this Act.

SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 285

(House Bill 458)

AN ACT concerning

Ground Rents – Property Owned by Baltimore City – Reimbursement for Expenses – Notices

FOR the purpose of providing that in any suit, action, or proceeding to recover back rent, a ground rent landlord may only recover not more than a certain amount of back rent if the property is owned by Baltimore City and is abandoned or distressed under certain circumstances; authorizing a ground rent landlord of property that is owned by Baltimore City and is abandoned or distressed to request the Mayor and City Council of Baltimore to acquire the reversionary interest under the ground rent for a certain value under certain circumstances; prohibiting the application of a certain provision regarding reimbursement of a ground rent holder's expenses to collect a ground rent on property that is owned by Baltimore City and is abandoned or distressed under certain circumstances; establishing a certain Baltimore City office as the recipient of certain bills, notices, or other documents sent with regard to any property owned by Baltimore City that is subject to a ground rent; and generally relating to property owned by Baltimore City that is subject to a ground rent.

BY repealing and reenacting, with amendments,
Article – Real Property
Section 8–111.1 and 8–402.3
Annotated Code of Maryland
(2003 Replacement Volume and 2006 Supplement)

BY adding to
Article – Real Property
Section 14–115.1
Annotated Code of Maryland
(2003 Replacement Volume and 2006 Supplement)

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

Article - Real Property

8-111.1.

(a) This section applies to all residential leases or subleases in effect on or after October 1, 1999, which have an initial term of 99 years and which create a leasehold estate, or subleasehold estate, subject to the payment of an annual ground rent.

(b) In any suit, action, or proceeding by a landlord, or the transferee of the reversion in leased property, to recover back rent, the landlord, or the transferee of the reversion in leased property is entitled to demand or recover not more than 3 years back rent.

(c) [In] **EXCEPT AS PROVIDED UNDER SUBSECTION (D) OF THIS SECTION**, IN addition to rent payable under subsection (b) of this section, a landlord may not receive reimbursement for any additional costs or expenses related to collection of the back rent unless the notice requirements of §§ 8-402.2 and 8-402.3 of this title are met.

(D) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, IN ANY SUIT, ACTION, OR PROCEEDING TO RECOVER BACK RENT, A LANDLORD OR HOLDER OF A GROUND RENT MAY ONLY RECOVER NOT MORE THAN 3 YEARS BACK RENT IF THE PROPERTY IS:

(I) OWNED OR ACQUIRED BY ANY MEANS BY THE MAYOR AND CITY COUNCIL OF BALTIMORE; AND

(II) ABANDONED PROPERTY, AS DEFINED IN § 21-17(A)(2) OF THE PUBLIC LOCAL LAWS OF BALTIMORE CITY, OR DISTRESSED PROPERTY, AS DEFINED IN § 21-17(A)(3) OF THE PUBLIC LOCAL LAWS OF BALTIMORE CITY.

(2) WITH REGARD TO PROPERTY DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION, A LANDLORD MAY REQUEST IN WRITING THAT THE MAYOR AND CITY COUNCIL OF BALTIMORE ACQUIRE THE REVERSIONARY INTEREST UNDER THE GROUND RENT FOR THE MARKET VALUE ESTABLISHED AT THE TIME OF THE ACQUISITION BY THE MAYOR AND CITY COUNCIL OF THE LEASEHOLD INTEREST UNDER THE GROUND RENT.

8-402.3.

(a) In this section, “ground rent” means a residential lease or sublease in effect on or after October 1, 2003, that has an initial term of 99 years renewable forever and creates a leasehold estate subject to the payment of semiannual installments of an annual lease amount.

(B) THIS SECTION DOES NOT APPLY TO A GROUND RENT ON PROPERTY THAT IS:

(1) OWNED OR ACQUIRED BY ANY MEANS BY THE MAYOR AND CITY COUNCIL OF BALTIMORE; AND

(2) ABANDONED PROPERTY, AS DEFINED IN § 21-17(A)(2) OF THE PUBLIC LOCAL LAWS OF BALTIMORE CITY, OR DISTRESSED PROPERTY, AS DEFINED IN § 21-17(A)(3) OF THE PUBLIC LOCAL LAWS OF BALTIMORE CITY.

[(b)] (C) (1) A holder of a ground rent that is at least 6 months in arrears is entitled to reimbursement for actual expenses not exceeding \$500 incurred in the collection of that past due ground rent and in complying with the notice requirements under § 8-402.2(a) of this subtitle, including:

- (i) Title abstract and examination fees;
- (ii) Judgment report fees;
- (iii) Photocopying and postage fees; and
- (iv) Attorney’s fees.

(2) Upon filing an action for ejectment, the plaintiff or holder of a ground rent is entitled to reimbursement for reasonable expenses incurred in the preparation and filing of the ejectment action, including:

- (i) Filing fees and court costs;
- (ii) Expenses incurred in the service of process or otherwise providing notice;
- (iii) Title abstract and examination fees not included under paragraph (1) of this subsection, not exceeding \$300;
- (iv) Reasonable attorney’s fees not exceeding \$700; and
- (v) Taxes, including interest and penalties, that have been paid by the plaintiff or holder of a ground rent.

~~[(c)] (D)~~ Except as provided in subsection ~~[(b)] (C)~~ of this section or in § 8-402.2(c) of this subtitle, the plaintiff or holder of a ground rent is not entitled to reimbursement for any other expenses incurred in the collection of a ground rent.

~~[(d)] (E)~~ (1) The holder of a ground rent may not be reimbursed for expenses under subsection ~~[(b)] (C)~~ of this section unless the holder sends the tenant as identified in the records of the State Department of Assessments and Taxation written notice at least 30 days before taking any action in accordance with § 8-402.2(a) of this subtitle and § 14-108.1 of this article.

(2) The notice shall be in 14 point, bold font, and contain the following:

(i) The amount of the past due ground rent;

(ii) A statement that unless the past due ground rent is paid within 30 days, further action will be taken in accordance with § 8-402.2(a) of this subtitle and § 14-108.1 of this article and the tenant will be liable for the expenses and fees incurred in connection with the collection of the past due ground rent as provided in this section.

(3) The holder of the ground rent shall:

(i) Mail the notice by first class mail to the tenant's last known address as shown in the records of the State Department of Assessments and Taxation; and

(ii) Obtain a certificate of mailing from the United States Postal Service.

14-115.1.

WITH REGARD TO ANY PROPERTY OWNED OR ACQUIRED BY ANY MEANS BY THE MAYOR AND CITY COUNCIL OF BALTIMORE THAT IS SUBJECT TO A GROUND RENT, ANY BILL, NOTICE, OR OTHER DOCUMENT FOR LEGAL OR OTHER ACTION SHALL BE SENT TO THE ~~SUPERVISOR OF ASSET MANAGEMENT~~ DIRECTOR, BALTIMORE CITY DEPARTMENT OF ~~HOUSING AND COMMUNITY DEVELOPMENT~~ FINANCE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 286

(Senate Bill 396)

AN ACT concerning

Ground Rents – ~~Remedy~~ Remedies for Nonpayment of Ground Rent

FOR the purpose of ~~repealing~~ applying provisions of law authorizing a landlord under a ground lease to bring an action for ejectment for nonpayment of ground rent to certain property; repealing provisions of law entitling the holder of a ground rent to reimbursement for certain expenses incurred in collecting past due ground rent and filing an action for ejectment; providing that the establishment of a lien is the ~~sole~~ remedy for nonpayment of a ground rent on certain residential property; requiring a certain person seeking to impose a lien to give a certain notice to certain persons in a certain manner; authorizing a person to whom notice is given to file a certain complaint and request a hearing in a certain circuit court; establishing procedures for imposing and releasing a lien; authorizing the court to award costs and reasonable attorney's fees to the prevailing party in a certain action; specifying the form for a statement of lien; providing for the enforcement and foreclosure of a lien; providing for the application, effect, and construction of certain provisions of this Act; clarifying the application of certain provisions of law prohibiting the creation of certain reversionary interests under certain ground leases or subleases; providing that certain provisions of law authorizing a certain action for possession do not apply to certain actions for nonpayment of ground rent; making certain conforming changes; defining certain terms; and generally relating to remedies for nonpayment of ground rent.

BY repealing

Article – Real Property

Section ~~8-402.2~~ and 8-402.3

Annotated Code of Maryland

(2003 Replacement Volume and 2006 Supplement)

BY adding to

Article – Real Property

Section ~~8-402.2~~ 8-402.3

Annotated Code of Maryland

(2003 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Article – Real Property

Section ~~8-402.2~~, 8-111.1, and 14-108.1

Annotated Code of Maryland
(2003 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Article - Real Property

Section 8-111.2

Annotated Code of Maryland

(As enacted by Chapter 1 of the Acts of the General Assembly of 2007)

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

Article - Real Property

~~§~~8-402.2.

(A) (1) THIS SECTION APPLIES TO PROPERTY:

(I) LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES, OR ANY OTHER PURPOSE THAT IS NOT PRIMARILY RESIDENTIAL;

(II) IMPROVED OR TO BE IMPROVED BY ANY APARTMENT, CONDOMINIUM, COOPERATIVE, OR OTHER BUILDING FOR MULTIFAMILY USE OF GREATER THAN FOUR DWELLING UNITS; OR

(III) LEASED FOR DWELLINGS OR MOBILE HOMES THAT ARE ERECTED OR PLACED IN A MOBILE HOME DEVELOPMENT OR MOBILE HOME PARK.

(2) THIS SECTION DOES NOT APPLY TO RESIDENTIAL PROPERTY THAT IS OR WAS USED, INTENDED TO BE USED, OR AUTHORIZED TO BE USED FOR FOUR OR FEWER DWELLING UNITS.

~~(a)~~ **(B)** Whenever, in a case that involves a 99-year ground lease renewable forever, at least 6 months ground rent is in arrears and the landlord has the lawful right to reenter for the nonpayment of the rent, the landlord, no less than 45 days after sending to the tenant by certified mail, return receipt requested, at the tenant's last known address, and also by first class mail to the title agent or attorney listed on the deed to the property or the intake sheet recorded with the deed, a bill for the ground rent due, may bring an action for possession of the property under § 14-108.1 of this article; if the tenant cannot be personally served or there is no tenant in actual possession of the property, service by posting notice on the property may be made in accordance with the Maryland Rules. Personal service or posting in accordance with the Maryland Rules shall stand in the place of a demand and reentry.

~~(b)~~ **(C)** (1) Before entry of a judgment the landlord shall give written notice of the pending entry of judgment to each mortgagee of the lease, or any part of the lease, who before entry of the judgment has recorded in the land records of each county where the property is located a timely request for notice of judgment. A request for notice of judgment shall:

(i) Be recorded in a separate docket or book that is indexed under the name of the mortgagor;

(ii) Identify the property on which the mortgage is held and refer to the date and recording reference of that mortgage;

(iii) State the name and address of the holder of the mortgage;
and

(iv) Identify the ground lease by stating:

1. The name of the original lessor;

2. The date the ground lease was recorded; and

3. The office, docket or book, and page where the ground lease is recorded.

(2) The landlord shall mail the notice by certified mail return receipt requested to the mortgagee at the address stated in the recorded request for notice of judgment. If the notice is not given, judgment in favor of the landlord does not impair the lien of the mortgagee. Except as otherwise provided in subsection ~~(b)~~ **(C)** of this section, the property is discharged from the lease and the rights of all persons claiming under the lease are foreclosed unless, within 6 calendar months after execution of the judgment for possession, the tenant or any other person claiming under the lease:

(i) Pays the ground rent, arrears, and all costs awarded against that person; and

(ii) Commences a proceeding to obtain relief from the judgment.

~~(e)~~ **(D)** This section does not bar the right of any mortgagee of the lease, or any part of the lease, who is not in possession at any time before expiration of 6 calendar months after execution of the judgment awarding the landlord possession, to pay all costs and damages sustained by the landlord and to perform all the covenants and agreements that are to be performed by the tenant.

[(d) Except as otherwise provided by law, a landlord may not receive reimbursement for any additional costs or expenses related to collection of the back rent unless the notice requirements of this section and § 8-402.3 of this subtitle are met.]

[8-402.3.

(a) In this section, "ground rent" means a residential lease or sublease in effect on or after October 1, 2003, that has an initial term of 99 years renewable forever and creates a leasehold estate subject to the payment of semiannual installments of an annual lease amount.

(b) (1) A holder of a ground rent that is at least 6 months in arrears is entitled to reimbursement for actual expenses not exceeding \$500 incurred in the collection of that past due ground rent and in complying with the notice requirements under § 8-402.2(a) of this subtitle, including:

- (i) Title abstract and examination fees;
- (ii) Judgment report fees;
- (iii) Photocopying and postage fees; and
- (iv) Attorney's fees.

(2) Upon filing an action for ejectment, the plaintiff or holder of a ground rent is entitled to reimbursement for reasonable expenses incurred in the preparation and filing of the ejectment action, including:

- (i) Filing fees and court costs;
- (ii) Expenses incurred in the service of process or otherwise providing notice;
- (iii) Title abstract and examination fees not included under paragraph (1) of this subsection, not exceeding \$300;
- (iv) Reasonable attorney's fees not exceeding \$700; and
- (v) Taxes, including interest and penalties, that have been paid by the plaintiff or holder of a ground rent.

(c) Except as provided in subsection (b) of this section or in § 8-402.2(c) of this subtitle, the plaintiff or holder of a ground rent is not entitled to reimbursement for any other expenses incurred in the collection of a ground rent.

(d) (1) The holder of a ground rent may not be reimbursed for expenses under subsection (b) of this section unless the holder sends the tenant as identified in the records of the State Department of Assessments and Taxation written notice at least 30 days before taking any action in accordance with § 8-402.2(a) of this subtitle and § 14-108.1 of this article.

(2) The notice shall be in 14 point, bold font, and contain the following:

(i) The amount of the past due ground rent;

(ii) A statement that unless the past due ground rent is paid within 30 days, further action will be taken in accordance with § 8-402.2(a) of this subtitle and § 14-108.1 of this article and the tenant will be liable for the expenses and fees incurred in connection with the collection of the past due ground rent as provided in this section.

(3) The holder of the ground rent shall:

(i) Mail the notice by first class mail to the tenant's last known address as shown in the records of the State Department of Assessments and Taxation; and

(ii) Obtain a certificate of mailing from the United States Postal Service.]

~~§ 402.2~~ § 402.3.

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

~~(2) "GROUND LEASE" MEANS A RESIDENTIAL LEASE OR SUBLEASE IN EFFECT ON OR AFTER FEBRUARY 5, 2007, THAT HAS AN INITIAL TERM OF 99 YEARS RENEWABLE FOREVER AND IS SUBJECT TO THE PAYMENT OF AN ANNUAL GROUND RENT.~~

~~(3) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSION IN FEE SIMPLE RESERVED IN A GROUND LEASE.~~

~~(4) "LANDLORD" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.~~

~~(5) "TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.~~

(2) "GROUND LEASE" MEANS A RESIDENTIAL LEASE OR SUBLEASE FOR A TERM OF YEARS RENEWABLE FOREVER SUBJECT TO THE PAYMENT OF A PERIODIC GROUND RENT.

(3) (I) "GROUND LEASE HOLDER" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(II) "GROUND LEASE HOLDER" INCLUDES AN AGENT OF THE GROUND LEASE HOLDER.

(4) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(5) "LEASEHOLD INTEREST" MEANS THE TENANCY IN REAL PROPERTY CREATED UNDER A GROUND LEASE.

(6) "LEASEHOLD TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.

(7) "PROPERTY" MEANS PROPERTY SUBJECT TO A GROUND LEASE AGAINST WHICH A LIEN IS INTENDED TO BE IMPOSED UNDER THIS SECTION.

(B) (1) THIS SECTION APPLIES TO RESIDENTIAL PROPERTY THAT IS OR WAS USED, INTENDED TO BE USED, OR AUTHORIZED TO BE USED FOR FOUR OR FEWER DWELLING UNITS.

(2) THIS SECTION DOES NOT APPLY TO PROPERTY:

(I) LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES, OR ANY OTHER PURPOSE THAT IS NOT PRIMARILY RESIDENTIAL;

(II) IMPROVED OR TO BE IMPROVED BY ANY APARTMENT, CONDOMINIUM, COOPERATIVE, OR OTHER BUILDING FOR MULTIFAMILY USE OF GREATER THAN FOUR DWELLING UNITS; OR

(III) LEASED FOR DWELLINGS OR MOBILE HOMES THAT ARE ERECTED OR PLACED IN A MOBILE HOME DEVELOPMENT OR MOBILE HOME PARK.

~~(B)~~ (C) (1) NOTWITHSTANDING ANY PROVISION OF A GROUND LEASE GIVING THE ~~LANDLORD~~ GROUND LEASE HOLDER THE RIGHT TO REENTER, THE ESTABLISHMENT OF A LIEN UNDER THIS SECTION IS THE ~~SOLE~~ REMEDY FOR NONPAYMENT OF A GROUND RENT.

(2) THIS SECTION DOES NOT AFFECT THE RIGHT OF A GROUND LEASE HOLDER TO BRING A CIVIL ACTION AGAINST THE LEASEHOLD TENANT SEEKING A MONEY JUDGMENT FOR THE AMOUNT OF THE PAST DUE GROUND RENT.

~~(C)~~ (D) SUBJECT TO §§ 8-111 AND 8-111.1 OF THIS ARTICLE, IF A GROUND RENT IS ~~AT LEAST UNPAID 6 MONTHS IN ARREARS~~ AFTER ITS DUE DATE, THE ~~LANDLORD~~ GROUND LEASE HOLDER MAY OBTAIN A LIEN UNDER THIS SECTION IN THE AMOUNT OF THE GROUND RENT DUE.

~~(D)~~ (E) (1) A ~~LANDLORD~~ GROUND LEASE HOLDER SEEKING TO CREATE A LIEN UNDER THIS SECTION SHALL GIVE WRITTEN NOTICE TO ~~THE~~:

(I) THE LEASEHOLD TENANT ~~AGAINST WHOSE PROPERTY THE LIEN IS INTENDED TO BE IMPOSED~~; AND

(II) EACH MORTGAGEE OR TRUSTEE OF THE PROPERTY WHOSE LIEN IS ON RECORD.

(2) (I) NOTICE UNDER THIS SUBSECTION SHALL BE SERVED ON THE LEASEHOLD TENANT BY:

~~(1)~~ 1. CERTIFIED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO THE LEASEHOLD TENANT OR THE LEASEHOLD TENANT'S SUCCESSOR IN INTEREST AT THE INDIVIDUAL'S CURRENT ADDRESS; OR

2. PERSONAL DELIVERY TO THE LEASEHOLD TENANT OR THE LEASEHOLD TENANT'S SUCCESSOR IN INTEREST; ~~AND,~~

~~(II) POSTING NOTICE IN A CONSPICUOUS MANNER ON THE PROPERTY.~~

(II) IF THE GROUND LEASE HOLDER IS UNABLE TO SERVE THE LEASEHOLD TENANT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, NOTICE UNDER THIS SUBSECTION SHALL BE GIVEN BY:

1. MAILING THE NOTICE TO THE LEASEHOLD TENANT'S LAST KNOWN ADDRESS; AND

2. POSTING THE NOTICE IN A CONSPICUOUS MANNER ON THE PROPERTY ON THE DOOR OR OTHER FRONT PART OF THE PROPERTY BY THE GROUND LEASE HOLDER IN THE PRESENCE OF A COMPETENT WITNESS.

(III) NOTICE TO ANY MORTGAGEE OR TRUSTEE UNDER THIS SUBSECTION SHALL BE GIVEN BY SENDING THE NOTICE BY CERTIFIED AND FIRST CLASS MAIL TO THE MOST CURRENT ADDRESS FOR NOTICES AS SET FORTH IN THE LAND RECORDS OR, IF NO SUCH ADDRESS IS CONTAINED IN THE LAND RECORDS, TO THE MORTGAGEE'S OR TRUSTEE'S CURRENT ADDRESS.

~~(E)~~ (3) A NOTICE UNDER THIS SUBSECTION ~~(D)~~ ~~OF THIS SECTION~~ SHALL INCLUDE:

~~(1)~~ (I) THE NAME AND ADDRESS OF THE PARTY SEEKING TO CREATE THE LIEN;

~~(2)~~ (II) A STATEMENT OF INTENT TO CREATE A LIEN;

~~(3)~~ (III) AN IDENTIFICATION OF THE GROUND LEASE;

~~(4)~~ (IV) THE AMOUNT OF GROUND RENT ALLEGED TO BE DUE;

~~(5)~~ (V) A DESCRIPTION OF THE PROPERTY ~~AGAINST WHICH THE LIEN IS INTENDED TO BE IMPOSED~~ SUFFICIENT TO IDENTIFY THE PROPERTY;

~~(6)~~ (VI) A STATEMENT THAT THE PARTY ~~AGAINST WHOSE PROPERTY THE LIEN IS INTENDED TO BE IMPOSED~~ TO WHOM NOTICE IS GIVEN UNDER THIS SUBSECTION HAS THE RIGHT TO OBJECT TO THE ESTABLISHMENT OF A LIEN BY FILING A COMPLAINT IN THE CIRCUIT COURT AND THE RIGHT TO A HEARING;

~~(7)~~ (VII) AN EXPLANATION OF THE PROCEDURE TO FILE A COMPLAINT AND REQUEST A HEARING; AND

~~(8)~~ (VIII) A STATEMENT THAT, UNLESS THE PAST DUE GROUND RENT IS PAID OR A COMPLAINT IS FILED UNDER SUBSECTION (F) OF THIS SECTION WITHIN 45 DAYS AFTER THE NOTICE IS SERVED, A LIEN WILL BE IMPOSED ON THE PROPERTY.

(F) (1) A PARTY TO WHOM NOTICE IS GIVEN UNDER SUBSECTION ~~(D)~~ (E) OF THIS SECTION MAY, WITHIN 45 DAYS AFTER THE NOTICE IS SERVED ON THE PARTY, FILE A COMPLAINT IN THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE PROPERTY IS LOCATED TO DETERMINE WHETHER A LIEN SHOULD BE ESTABLISHED.

(2) A COMPLAINT FILED UNDER THIS SUBSECTION SHALL INCLUDE:

(I) THE NAME OF THE COMPLAINANT AND THE NAME OF THE PARTY SEEKING TO ESTABLISH THE LIEN;

(II) A COPY OF THE NOTICE SERVED UNDER SUBSECTION ~~(D)~~ (E) OF THIS SECTION; AND

(III) AN AFFIDAVIT CONTAINING A STATEMENT OF FACTS THAT WOULD PRECLUDE ESTABLISHMENT OF THE LIEN FOR THE ~~AMOUNT OF~~ UNPAID GROUND RENT ALLEGED IN THE NOTICE.

(3) A PARTY FILING A COMPLAINT UNDER THIS SUBSECTION MAY REQUEST A HEARING AT WHICH ANY PARTY MAY APPEAR TO PRESENT EVIDENCE.

(G) IF A COMPLAINT IS FILED, THE PARTY SEEKING TO ESTABLISH THE LIEN HAS THE BURDEN OF PROOF.

~~(H) THE CLERK OF THE CIRCUIT COURT SHALL DOCKET THE PROCEEDINGS UNDER THIS SECTION, AND ALL PROCESS SHALL ISSUE OUT OF AND ALL PLEADINGS SHALL BE FILED IN A SINGLE ACTION.~~

~~(I)~~ (H) BEFORE ANY HEARING HELD UNDER SUBSECTION (F) OF THIS SECTION, THE PARTY SEEKING TO ESTABLISH A LIEN MAY SUPPLEMENT, BY MEANS OF AN AFFIDAVIT, ANY INFORMATION CONTAINED IN THE NOTICE GIVEN UNDER SUBSECTION ~~(D)~~ (E) OF THIS SECTION.

~~(J)~~ (I) IF A COMPLAINT IS FILED UNDER SUBSECTION (F) OF THIS SECTION, THE COURT SHALL REVIEW ANY PLEADINGS FILED, INCLUDING ANY SUPPLEMENTARY AFFIDAVIT FILED UNDER SUBSECTION ~~(I)~~ (H) OF THIS

SECTION, AND SHALL CONDUCT A HEARING IF REQUESTED UNDER SUBSECTION (F)(3) OF THIS SECTION.

~~(K)~~ (J) (1) IF THE COURT DETERMINES THAT A LIEN SHOULD BE ESTABLISHED, IT SHALL ENTER AN ORDER FINDING THE AMOUNT OF GROUND RENT DUE AND IMPOSING A LIEN ON THE PROPERTY IDENTIFIED IN THE NOTICE UNDER SUBSECTION (E) OF THIS SECTION.

(2) IF THE COURT DETERMINES THAT A LIEN SHOULD NOT BE ESTABLISHED, IT SHALL ENTER AN ORDER DENYING A LIEN.

~~(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE COURT MAY AWARD COSTS AND REASONABLE ATTORNEY'S FEES TO THE PREVAILING PARTY IN AN ACTION UNDER THIS SECTION.~~

~~(II) IF THE LANDLORD IS THE PREVAILING PARTY, AN AWARD OF COSTS AND REASONABLE ATTORNEY'S FEES MAY NOT EXCEED \$500.~~

(3) THE COURT MAY AWARD TO THE PREVAILING PARTY IN AN ACTION UNDER THIS SECTION:

(I) COURT COSTS; AND

(II) REASONABLE EXPENSES AND ATTORNEY'S FEES NOT EXCEEDING \$500.

~~(4)~~ (K) (1) (I) THE IF A COMPLAINT WAS FILED UNDER SUBSECTION (F) OF THIS SECTION, THE AMOUNT OF THE LIEN SHALL BE FOR THE GROUND RENT FOUND BY THE COURT TO BE DUE AND ANY COSTS, EXPENSES, AND ATTORNEY'S FEES AWARDED BY THE COURT.

(II) IF A COMPLAINT WAS NOT FILED UNDER SUBSECTION (F) OF THIS SECTION AND THE PAST DUE GROUND RENT WAS NOT PAID, THE AMOUNT OF THE LIEN SHALL BE FOR THE AMOUNT ALLEGED TO BE DUE IN THE NOTICE UNDER SUBSECTION (E) OF THIS SECTION AND REASONABLE EXPENSES AND ATTORNEY'S FEES NOT EXCEEDING \$150.

~~(H)~~ (2) THE AMOUNT OF THE LIEN SHALL INCREASE ANNUALLY BY THE AMOUNT OF GROUND RENT DUE ACCRUING AFTER THE FILING OF THE STATEMENT OF LIEN IN THE LAND RECORDS PLUS SIMPLE INTEREST AT THE RATE PRESCRIBED BY LAW ACCRUING FROM THE DATE OF ENTRY OF THE JUDGMENT THE FILING OF THE STATEMENT OF LIEN IN THE LAND RECORDS.

~~(5) AN ORDER IMPOSING A LIEN SHALL STATE THAT THE OWNER OF THE PROPERTY AGAINST WHICH THE LIEN IS IMPOSED MAY FILE A BOND IN A SPECIFIED AMOUNT TO HAVE THE LIEN AGAINST THE PROPERTY RELEASED.~~

(L) (1) IF THE COURT ORDERS A LIEN TO BE IMPOSED UNDER SUBSECTION ~~(K)~~ (J) OF THIS SECTION, OR IF THE ~~OWNER~~ LEASEHOLD TENANT OR ANY MORTGAGEE OF THE PROPERTY AGAINST WHICH A LIEN IS INTENDED TO BE IMPOSED FAILS TO PAY THE ~~PAST DUE GROUND RENT~~ AMOUNT OF THE LIEN UNDER SUBSECTION (K)(1)(II) OF THIS SECTION OR FILE A COMPLAINT UNDER SUBSECTION (F) OF THIS SECTION, THE ~~PARTY SEEKING TO CREATE THE LIEN~~ GROUND LEASE HOLDER MAY FILE A STATEMENT OF LIEN IN THE LAND RECORDS OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED.

~~(2) THE PARTY SEEKING TO CREATE THE LIEN MAY FILE THE LIEN STATEMENT IN THE COUNTY LAND RECORDS:~~

~~(i) IF A COMPLAINT WAS FILED UNDER SUBSECTION (F) OF THIS SECTION, AFTER THE DATE OF ENTRY OF A FINAL NONAPPEALABLE JUDGMENT IMPOSING A LIEN, UNLESS BEFORE THE JUDGMENT BECOMES FINAL, THE OWNER OF THE PROPERTY AGAINST WHICH THE LIEN IS IMPOSED PAYS THE AMOUNT OF THE GROUND RENT FOUND BY THE COURT TO BE DUE AND ANY COSTS AND ATTORNEY'S FEES AWARDED BY THE COURT; OR~~

~~(ii) IF A COMPLAINT WAS NOT FILED UNDER SUBSECTION (F) OF THIS SECTION OR THE PAST DUE GROUND RENT WAS NOT PAID, 45 DAYS AFTER THE OWNER WAS SERVED UNDER SUBSECTION (D)(2)(I) OF THIS SECTION.~~

~~(3) UNLESS THE PARTY SEEKING TO CREATE THE LIEN AND THE OWNER OF THE PROPERTY AGREE OTHERWISE, IF THE PARTY SEEKING TO CREATE THE LIEN FAILS TO FILE THE LIEN STATEMENT WITHIN THE APPLICABLE TIME PERIOD DESCRIBED IN PARAGRAPH (2) OF THIS SUBSECTION, THE PARTY SEEKING TO CREATE THE LIEN:~~

~~(i) MAY NOT FILE THE LIEN STATEMENT IN THE COUNTY LAND RECORDS; AND~~

~~(ii) MAY FILE FOR A NEW LIEN BY COMPLYING WITH THE REQUIREMENTS OF THIS SECTION.~~

~~(4)~~ (2) A LIEN IMPOSED UNDER THIS SUBTITLE HAS PRIORITY FROM THE DATE THE ~~STATEMENT OF LIEN IS FILED~~ GROUND LEASE WAS CREATED.

(M) A STATEMENT OF LIEN IS SUFFICIENT FOR PURPOSES OF THIS SECTION IF IT IS IN SUBSTANTIALLY THE FOLLOWING FORM:

“STATEMENT OF LIEN

THIS IS TO CERTIFY THAT THE PROPERTY DESCRIBED AS _____ IS SUBJECT TO A LIEN UNDER ~~§ 8-402.2~~ § 8-402.3 OF THE REAL PROPERTY ARTICLE, ANNOTATED CODE OF MARYLAND, IN THE AMOUNT OF \$_____. THE PROPERTY IS OWNED BY _____.

I HEREBY AFFIRM UNDER THE PENALTY OF PERJURY THAT NOTICE WAS GIVEN UNDER ~~§ 8-402.2(D)~~ ~~§ 8-402.2(E)~~ § 8-402.3(E) OF THE REAL PROPERTY ARTICLE ON _____, AND THAT THE INFORMATION CONTAINED IN THE FOREGOING STATEMENT OF LIEN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

(NAME OF PARTY CLAIMING LIEN)”.

~~(N) IF A BOND IS FILED IN THE AMOUNT SPECIFIED BY THE COURT UNDER SUBSECTION (K)(5) OF THIS SECTION, THE CLERK OF THE CIRCUIT COURT SHALL ENTER A NOTATION IN THE LAND RECORDS RELEASING THE LIEN.~~

~~(O)~~ (N) (1) A LIEN UNDER THIS SECTION MAY BE ENFORCED AND FORECLOSED BY THE PARTY WHO OBTAINED THE LIEN IN THE SAME MANNER AND SUBJECT TO THE SAME REQUIREMENTS, AS THE FORECLOSURE OF A MORTGAGE OR DEED OF TRUST CONTAINING NEITHER A POWER OF SALE NOR AN ASSENT TO DECREE.

(2) A FORECLOSURE SALE MAY NOT BE MADE IF, AT ANY TIME BEFORE THE SALE, THE LIEN IS SATISFIED AND THE COSTS OF GIVING NOTICE OF THE SALE ARE PAID.

(3) IF THE PROPERTY SUBJECT TO THE LIEN IS SOLD AT A FORECLOSURE SALE, THE ~~LANDLORD~~ GROUND LEASE HOLDER SHALL BE PAID OUT OF THE PROCEEDS OF THE SALE ~~THE GREATER OF :~~

(I) FOR A REDEEMABLE GROUND RENT, THE AMOUNT OF THE LIEN OR AND THE REDEMPTION AMOUNT CALCULATED UNDER ~~§ 8-110(B)(2)(I)~~ § 8-110(B)(2) OF THIS TITLE AND THE PURCHASER SHALL TAKE TITLE TO THE PROPERTY FREE AND CLEAR OF THE GROUND LEASE; AND

(II) FOR AN IRREDEEMABLE GROUND RENT, THE AMOUNT OF THE LIEN AND THE PURCHASER SHALL TAKE TITLE TO THE PROPERTY SUBJECT TO THE GROUND LEASE.

~~(P)~~ (O) IF THE LIENHOLDER CANNOT BE LOCATED, THE LIEN MAY BE SATISFIED AND THE REDEEMABLE GROUND RENT REDEEMED IN ACCORDANCE WITH § 8-110(G) OF THIS TITLE BY PAYING ~~THE GREATER OF~~ THE AMOUNT OF THE LIEN ~~OR~~ AND THE AMOUNT SET FORTH IN § 8-110(G)(4) OF THIS TITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Real Property

8-111.1.

(a) This section applies to all residential leases or subleases in effect on or after October 1, 1999, which have an initial term of 99 years and which create a leasehold estate, or subleasehold estate, subject to the payment of an annual ground rent.

(b) In any suit, action, or proceeding by a landlord, or the transferee of the reversion in leased property, to recover back rent, the landlord, or the transferee of the reversion in leased property is entitled to demand or recover not more than 3 years back rent.

~~(c) In addition to rent payable under subsection (b) of this section, a landlord may not receive reimbursement for any additional costs or expenses related to collection of the back rent [unless the notice requirements of §§ 8-402.2 and 8-402.3 of this title are met].~~

8-111.2.

(A) THIS SECTION DOES NOT APPLY TO PROPERTY:

(1) LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES, OR ANY OTHER PURPOSE THAT IS NOT PRIMARILY RESIDENTIAL;

(2) IMPROVED OR TO BE IMPROVED BY ANY APARTMENT, CONDOMINIUM, COOPERATIVE, OR OTHER BUILDING FOR MULTIFAMILY USE OF GREATER THAN FOUR DWELLING UNITS; OR

(3) LEASED FOR DWELLINGS OR MOBILE HOMES THAT ARE ERECTED OR PLACED IN A MOBILE HOME DEVELOPMENT OR MOBILE HOME PARK.

(B) On or after January 22, 2007, the owner of a fee simple or leasehold estate in residential property that is OR WAS used, intended to be used, or authorized to be used for four or fewer dwelling units may not create a reversionary interest in the property under a ground lease or a ground sublease for a term of years renewable forever subject to the payment of a periodic ground rent.

14-108.1.

(a) This section does not apply to:

(1) A grantee action under § 14-109 of this subtitle; [or]

(2) A landlord-tenant action that is within the exclusive original jurisdiction of the District Court; OR

(3) AN ACTION FOR NONPAYMENT OF GROUND RENT UNDER A GROUND LEASE ON RESIDENTIAL PROPERTY THAT IS OR WAS USED, INTENDED TO BE USED, OR AUTHORIZED TO BE USED FOR FOUR OR FEWER DWELLING UNITS.

(b) (1) A person who is not in possession of property and claims title and right to possession may bring an action for possession against the person in possession of the property.

(2) Encumbrance of property by a mortgage or deed of trust to secure a debt does not prevent an action under this section by the owner of the property.

(c) When personal jurisdiction is not obtained over the defendant, the plaintiff may obtain a default judgment under the Maryland Rules only on proof of title and right to possession. The judgment shall be in rem for possession of the property. Entry and enforcement of the judgment does not bar further pursuit, in the same or another action, of the plaintiff's claim for mesne profits and damages.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 287

(House Bill 452)

AN ACT concerning

Ground Rents – Conversion of Irredeemable Ground Rents

FOR the purpose of providing for the conversion of an irredeemable ground rent to a redeemable ground rent unless a notice of intention to preserve irredeemability is recorded within a certain period of time; providing that a disability or lack of knowledge does not prevent the conversion of an irredeemable ground rent if a notice of intention to preserve irredeemability is not recorded within a certain period of time; authorizing certain persons to file a notice in the land records of the county where the land is located; requiring a notice to be executed in a certain manner and to contain certain information; requiring a notice that meets certain requirements to be accepted for recording on payment of certain fees; exempting a notice from certain taxes; providing for the indexing of notices; requiring notices to be filed on or before a certain date; providing that a ground rent becomes redeemable if a notice is not recorded on or before a certain date; establishing the period of effectiveness of a filed notice; providing for the filing of renewal notices and the extension of the period of effectiveness of a filed notice; establishing the sum for which a converted ground rent may be redeemed; defining certain terms; and generally relating to the conversion of irredeemable ground rents.

BY adding to

Article – Real Property

Section 8-110.1

Annotated Code of Maryland

(2003 Replacement Volume and 2006 Supplement)

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

Article – Real Property

8-110.1.

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

~~(2) “GROUND LEASE” MEANS A RESIDENTIAL LEASE OR SUBLEASE IN EFFECT ON OR AFTER JULY 1, 2007, THAT HAS AN INITIAL TERM~~

~~OF 99 YEARS RENEWABLE FOREVER AND IS SUBJECT TO THE PAYMENT OF AN ANNUAL GROUND RENT.~~

~~(3) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSION IN FEE SIMPLE RESERVED IN A GROUND LEASE.~~

~~(4) "IRREDEEMABLE GROUND RENT" MEANS A GROUND RENT CREATED UNDER A GROUND LEASE EXECUTED BEFORE APRIL 9, 1884, THAT DOES NOT CONTAIN A PROVISION ALLOWING THE TENANT TO REDEEM THE GROUND RENT.~~

~~(5) "LEASEHOLD ESTATE" MEANS THE TENANCY IN REAL PROPERTY CREATED UNDER A GROUND LEASE.~~

~~(6) "REDEEMABLE GROUND RENT" MEANS A GROUND RENT THAT MAY BE REDEEMED IN ACCORDANCE WITH THIS SECTION OR REDEEMED OR EXTINGUISHED IN ACCORDANCE WITH § 8-110(C) OF THIS SUBTITLE.~~

~~(7) (i) "RESIDENTIAL" MEANS REAL PROPERTY ON WHICH THERE IS OR WAS ONCE CONSTRUCTED IMPROVEMENTS USED OR INTENDED TO BE USED, FOR RESIDENTIAL PURPOSES.~~

~~(ii) "RESIDENTIAL" DOES NOT INCLUDE:~~

- ~~1. AN APARTMENT OR COOPERATIVE TENANCY;~~
- ~~2. THE GROUND OR SITE UPON WHICH DWELLINGS OR MOBILE HOMES ARE ERECTED OR PLACED IN A MOBILE HOME DEVELOPMENT OR MOBILE HOME PARK; OR~~
- ~~3. PROPERTY LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES.~~

(2) "GROUND LEASE" MEANS A RESIDENTIAL LEASE OR SUBLEASE FOR A TERM OF YEARS RENEWABLE FOREVER SUBJECT TO THE PAYMENT OF A PERIODIC GROUND RENT.

(3) (i) "GROUND LEASE HOLDER" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(ii) "GROUND LEASE HOLDER" INCLUDES AN AGENT OF THE GROUND LEASE HOLDER.

(4) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(5) "IRREDEEMABLE GROUND RENT" MEANS A GROUND RENT CREATED UNDER A GROUND LEASE EXECUTED BEFORE APRIL 9, 1884, THAT DOES NOT CONTAIN A PROVISION ALLOWING THE LEASEHOLD TENANT TO REDEEM THE GROUND RENT.

(6) "LEASEHOLD INTEREST" MEANS THE TENANCY IN REAL PROPERTY CREATED UNDER A GROUND LEASE.

(7) "LEASEHOLD TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.

(8) "REDEEMABLE GROUND RENT" MEANS A GROUND RENT THAT MAY BE REDEEMED IN ACCORDANCE WITH THIS SECTION OR REDEEMED OR EXTINGUISHED IN ACCORDANCE WITH § 8-110(G) OF THIS SUBTITLE.

(B) (1) THIS SECTION APPLIES TO RESIDENTIAL PROPERTY THAT IS OR WAS USED, INTENDED TO BE USED, OR AUTHORIZED TO BE USED FOR FOUR OR FEWER DWELLING UNITS.

(2) THIS SECTION DOES NOT APPLY TO PROPERTY:

(I) LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES, OR ANY OTHER PURPOSE THAT IS NOT PRIMARILY RESIDENTIAL;

(II) IMPROVED OR TO BE IMPROVED BY ANY APARTMENT, CONDOMINIUM, COOPERATIVE, OR OTHER BUILDING FOR MULTIFAMILY USE OF GREATER THAN FOUR DWELLING UNITS; OR

(III) LEASED FOR DWELLINGS OR MOBILE HOMES THAT ARE ERECTED OR PLACED IN A MOBILE HOME DEVELOPMENT OR MOBILE HOME PARK.

~~(B)~~ (C) (1) AN IRREDEEMABLE GROUND RENT SHALL BE CONVERTED TO, AND BECOME, A REDEEMABLE GROUND RENT, UNLESS WITHIN THE TIME SPECIFIED IN SUBSECTION ~~(E)~~ (F) OF THIS SECTION, A NOTICE OF INTENTION TO PRESERVE IRREDEEMABILITY IS RECORDED.

(2) THE CONVERSION OF AN IRREDEEMABLE GROUND RENT TO A REDEEMABLE GROUND RENT OCCURS ON THE DAY FOLLOWING THE END OF THE PERIOD IN WHICH THE NOTICE MAY BE RECORDED.

(3) A DISABILITY OR LACK OF KNOWLEDGE OF ANY KIND DOES NOT PREVENT THE CONVERSION OF AN IRREDEEMABLE GROUND RENT TO A REDEEMABLE GROUND RENT IF NO NOTICE OF INTENTION TO PRESERVE IRREDEEMABILITY IS FILED WITHIN THE TIME SPECIFIED IN SUBSECTION ~~(E)~~ (F) OF THIS SECTION.

~~(C)~~ (D) (1) ANY ~~PERSON HOLDING AN IRREDEEMABLE GROUND RENT~~ GROUND LEASE HOLDER OF AN IRREDEEMABLE GROUND RENT MAY RECORD A NOTICE OF INTENTION TO PRESERVE IRREDEEMABILITY AMONG THE LAND RECORDS OF THE COUNTY WHERE THE LAND IS LOCATED.

(2) THE NOTICE MAY BE RECORDED BY:

(I) THE PERSON CLAIMING TO BE THE ~~OWNER OF THE IRREDEEMABLE GROUND RENT~~ GROUND LEASE HOLDER; OR

(II) IF THE ~~CLAIMANT~~ GROUND LEASE HOLDER IS UNDER A DISABILITY OR OTHERWISE UNABLE TO ASSERT A CLAIM ON THE ~~PERSON'S~~ GROUND LEASE HOLDER'S OWN BEHALF, ANY OTHER PERSON ACTING ON THE ~~PERSON'S~~ GROUND LEASE HOLDER'S BEHALF.

~~(D)~~ (E) (1) TO BE EFFECTIVE AND TO BE ENTITLED TO BE RECORDED, THE NOTICE SHALL BE EXECUTED BY THE ~~PERSON FILING THE NOTICE~~ GROUND LEASE HOLDER, ACKNOWLEDGED BEFORE A NOTARY PUBLIC, AND CONTAIN SUBSTANTIALLY THE FOLLOWING INFORMATION:

(I) AN ACCURATE DESCRIPTION OF THE LEASEHOLD ~~ESTATE~~ INTEREST AFFECTED BY THE NOTICE, INCLUDING, IF KNOWN, THE PROPERTY IMPROVEMENT ADDRESS;

(II) THE NAME OF EVERY ~~OWNER OF THE IRREDEEMABLE GROUND RENT~~ GROUND LEASE HOLDER OF AN IRREDEEMABLE GROUND RENT;

(III) THE NAME OF EVERY ~~OWNER OF THE LEASEHOLD ESTATE~~ LEASEHOLD TENANT AS OF THE TIME THE NOTICE IS FILED ACCORDING TO THE LAND RECORDS OR THE RECORDS OF THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION;

(IV) THE RECORDING REFERENCE OF THE GROUND LEASE;

(V) ~~THE RECORDING REFERENCE OF EVERY LEASEHOLD OWNER'S~~ TENANT'S LEASEHOLD DEED, AS OF THE TIME THE NOTICE IS FILED, ACCORDING TO THE LAND RECORDS OR THE RECORDS OF THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION;

(VI) ~~THE RECORDING REFERENCE OF EVERY IRREDEEMABLE GROUND RENT OWNER'S~~ RENT GROUND LEASE HOLDER'S DEED; AND

(VII) ~~THE BLOCK NUMBER FOR THE LEASEHOLD ESTATE~~ INTEREST IF THE PROPERTY IS LOCATED IN BALTIMORE CITY.

(2) (I) A NOTICE THAT SUBSTANTIALLY MEETS THE REQUIREMENTS OF THIS SECTION SHALL BE ACCEPTED FOR RECORDING AMONG THE LAND RECORDS ON PAYMENT OF THE SAME FEES AS ARE CHARGED FOR THE RECORDING OF DEEDS.

(II) THE FILING OF A NOTICE IS EXEMPT FROM THE IMPOSITION OF A STATE OR LOCAL EXCISE TAX.

(3) THE NOTICE SHALL BE INDEXED AS "NOTICE OF INTENTION TO PRESERVE IRREDEEMABILITY":

(I) ~~IN THE GRANTEE INDICES OF DEEDS UNDER THE NAME OF EVERY OWNER OF THE IRREDEEMABLE GROUND RENT~~ GROUND LEASE HOLDER OF AN IRREDEEMABLE GROUND RENT;

(II) ~~IN THE GRANTOR INDICES OF DEEDS UNDER THE NAME OF EVERY OWNER OF THE LEASEHOLD ESTATE~~ TENANT AS OF THE TIME THE NOTICE IS FILED ACCORDING TO THE LAND RECORDS OR THE RECORDS OF THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION; AND

(III) IN THE BLOCK INDEX IN BALTIMORE CITY.

~~(E)~~ (F) (1) TO PRESERVE THE IRREDEEMABILITY OF AN IRREDEEMABLE GROUND RENT, A NOTICE OF INTENTION TO PRESERVE SHALL BE RECORDED ON OR BEFORE DECEMBER 31, 2010.

(2) IF A NOTICE OF INTENTION TO PRESERVE IS NOT RECORDED ON OR BEFORE DECEMBER 31, 2010, THE GROUND RENT BECOMES A REDEEMABLE GROUND RENT.

(3) IF A NOTICE IS RECORDED ON OR BEFORE DECEMBER 31, 2010, THE GROUND RENT SHALL REMAIN IRREDEEMABLE FOR A PERIOD OF 10 YEARS FROM JANUARY 1, 2011, TO DECEMBER 31, 2020, BOTH INCLUSIVE.

(4) (i) THE EFFECTIVENESS OF A FILED NOTICE TO PRESERVE IRREDEEMABILITY SHALL LAPSE ON JANUARY 1, 2021, AND THE GROUND RENT SHALL BECOME A REDEEMABLE GROUND RENT, UNLESS A RENEWAL NOTICE CONTAINING SUBSTANTIALLY THE SAME INFORMATION AS THE NOTICE OF INTENTION TO PRESERVE IRREDEEMABILITY IS RECORDED WITHIN 6 MONTHS BEFORE THE EXPIRATION OF THE 10-YEAR PERIOD SET FORTH IN PARAGRAPH (3) OF THIS SUBSECTION.

(ii) THE EFFECTIVENESS OF ANY SUBSEQUENTLY FILED RENEWAL NOTICE SHALL LAPSE AFTER THE EXPIRATION OF THE APPLICABLE 10-YEAR PERIOD AND THE GROUND RENT SHALL BECOME A REDEEMABLE GROUND RENT, UNLESS FURTHER RENEWAL NOTICES ARE RECORDED WITHIN 6 MONTHS BEFORE THE EXPIRATION OF THE APPLICABLE 10-YEAR PERIOD.

~~(F)~~ (G) A GROUND RENT MADE REDEEMABLE IN ACCORDANCE WITH THIS SECTION:

(1) IS REDEEMABLE AT ANY TIME FOLLOWING THE DATE OF CONVERSION OF THE IRREDEEMABLE GROUND RENT TO A REDEEMABLE GROUND RENT; AND

(2) SHALL BE REDEEMABLE FOR A SUM EQUAL TO THE ANNUAL RENT RESERVED MULTIPLIED BY 16.66, WHICH IS CAPITALIZATION AT 6 PERCENT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 288

(Senate Bill 398)

AN ACT concerning

Ground Rents – Notices Regarding Ground Leases on Residential Property

FOR the purpose of requiring a leasehold tenant under a certain ground lease to notify the ~~landlord~~ ground lease holder of any change of address of the leasehold tenant within a certain time period; altering the method by which a leasehold tenant is required to give certain notices to a ground lease holder; requiring a ~~landlord~~ ground lease holder under a certain ground lease to mail to the leasehold tenant a bill for the payment of ground rent due no later than a certain amount of time before the payment is due; requiring the bill sent by the ~~landlord~~ ground lease holder to include a certain notice regarding the ground lease and the rights and responsibilities of the leasehold tenant under the ground lease; altering the notice requirements contained in a contract for the sale of real property that is subject to a certain ground rent to include a certain notice regarding the ground lease and the rights and responsibilities of the leasehold tenant under the ground lease; defining certain terms; providing for the application of the provisions of this Act; making stylistic changes; and generally relating to notices regarding ground leases on residential property.

BY repealing and reenacting, with amendments,
 Article – Real Property
 Section 14–116 and 14–117(a)
 Annotated Code of Maryland
 (2003 Replacement Volume and 2006 Supplement)

BY adding to
 Article – Real Property
 Section 14–116.1
 Annotated Code of Maryland
 (2003 Replacement Volume and 2006 Supplement)

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

Article – Real Property

14–116.

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

~~(2) “GROUND LEASE” MEANS A RESIDENTIAL LEASE OR SUBLEASE IN EFFECT ON OR AFTER OCTOBER 1, 2007, THAT HAS AN INITIAL TERM OF 99 YEARS RENEWABLE FOREVER AND IS SUBJECT TO THE PAYMENT OF AN ANNUAL GROUND RENT.~~

~~(3) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSION IN FEE SIMPLE RESERVED IN A GROUND LEASE.~~

~~(4) "LANDLORD" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.~~

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

(2) "GROUND LEASE" MEANS A RESIDENTIAL LEASE OR SUBLEASE FOR A TERM OF YEARS RENEWABLE FOREVER SUBJECT TO THE PAYMENT OF A PERIODIC GROUND RENT.

(3) (I) "GROUND LEASE HOLDER" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(II) "GROUND LEASE HOLDER" INCLUDES AN AGENT OF THE GROUND LEASE HOLDER.

(4) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(5) "LEASEHOLD INTEREST" MEANS THE TENANCY IN REAL PROPERTY CREATED UNDER A GROUND LEASE.

(6) "LEASEHOLD TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.

(B) (1) THIS SECTION APPLIES TO RESIDENTIAL PROPERTY THAT WAS OR IS USED, INTENDED TO BE USED, OR AUTHORIZED TO BE USED FOR FOUR OR FEWER DWELLING UNITS.

(2) THIS SECTION DOES NOT APPLY TO PROPERTY:

(I) LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES, OR ANY OTHER PURPOSE THAT IS NOT PRIMARILY RESIDENTIAL;

(II) IMPROVED OR TO BE IMPROVED BY ANY APARTMENT, CONDOMINIUM, COOPERATIVE, OR OTHER BUILDING FOR MULTIFAMILY USE OF GREATER THAN FOUR DWELLING UNITS; OR

(III) LEASED FOR DWELLINGS OR MOBILE HOMES THAT ARE ERECTED OR PLACED IN A MOBILE HOME DEVELOPMENT OR MOBILE HOME PARK.

~~(B)~~ **(C)** WITHIN 30 DAYS OF ANY CHANGE OF ADDRESS OF A LEASEHOLD TENANT, THE LEASEHOLD TENANT SHALL NOTIFY THE ~~LANDLORD~~ GROUND LEASE HOLDER OF THE CHANGE, INCLUDING THE NEW ADDRESS AND THE DATE OF THE CHANGE.

~~(C)~~ **(D)** Within 30 days of any transfer of improvements located on property subject to a ground rent, the ~~transferor~~ LEASEHOLD TENANT shall notify the [holder of the reversionary interest] ~~LANDLORD~~ GROUND LEASE HOLDER of the transfer. The notification shall include the name and address of the transferee, and date of transfer.

~~(D)~~ **(E)** [Notice shall be given] A ~~TRANSFEROR~~ LEASEHOLD TENANT SHALL ~~GIVE~~ SEND NOTICE UNDER THIS SECTION by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, to the last known address of the [holder of the reversionary interest] ~~LANDLORD~~ GROUND LEASE HOLDER.

14-116.1.

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

~~(2) "GROUND LEASE" MEANS A RESIDENTIAL LEASE OR SUBLEASE IN EFFECT ON OR AFTER OCTOBER 1, 2007, THAT HAS AN INITIAL TERM OF 99 YEARS RENEWABLE FOREVER AND IS SUBJECT TO THE PAYMENT OF AN ANNUAL GROUND RENT.~~

~~(3) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSION IN FEE SIMPLE RESERVED IN A GROUND LEASE.~~

~~(4) "LANDLORD" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.~~

~~(5) "TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.~~

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

(2) "GROUND LEASE" MEANS A RESIDENTIAL LEASE OR SUBLEASE FOR A TERM OF YEARS RENEWABLE FOREVER SUBJECT TO THE PAYMENT OF A PERIODIC GROUND RENT.

(3) (I) "GROUND LEASE HOLDER" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(II) "GROUND LEASE HOLDER" INCLUDES AN AGENT OF THE GROUND LEASE HOLDER.

(4) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(5) "LEASEHOLD INTEREST" MEANS THE TENANCY IN REAL PROPERTY CREATED UNDER A GROUND LEASE.

(6) "LEASEHOLD TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.

(B) (1) THIS SECTION APPLIES TO RESIDENTIAL PROPERTY THAT WAS OR IS USED, INTENDED TO BE USED, OR AUTHORIZED TO BE USED FOR FOUR OR FEWER DWELLING UNITS.

(2) THIS SECTION DOES NOT APPLY TO PROPERTY:

(I) LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES, OR ANY OTHER PURPOSE THAT IS NOT PRIMARILY RESIDENTIAL;

(II) IMPROVED OR TO BE IMPROVED BY ANY APARTMENT, CONDOMINIUM, COOPERATIVE, OR OTHER BUILDING FOR MULTIFAMILY USE OF GREATER THAN FOUR DWELLING UNITS; OR

(III) LEASED FOR DWELLINGS OR MOBILE HOMES THAT ARE ERECTED OR PLACED IN A MOBILE HOME DEVELOPMENT OR MOBILE HOME PARK.

~~(B)~~ (C) NO LATER THAN 60 DAYS BEFORE A YEARLY OR HALF-YEARLY INSTALLMENT PAYMENT OF A GROUND RENT IS DUE, A LANDLORD GROUND

LEASE HOLDER SHALL MAIL TO THE LAST KNOWN ADDRESS OF THE LEASEHOLD TENANT A BILL FOR THE PAYMENT DUE.

~~(c)~~ **(D)** THE BILL SHALL INCLUDE A NOTICE IN BOLDFACE TYPE, AT LEAST AS LARGE AS 14 POINT, IN SUBSTANTIALLY THE FOLLOWING FORM:

**“NOTICE REQUIRED BY MARYLAND LAW
REGARDING YOUR GROUND RENT**

THIS PROPERTY (ADDRESS) IS SUBJECT TO A GROUND LEASE. THE ANNUAL PAYMENT ON THE GROUND LEASE (“GROUND RENT”) IS \$(DOLLAR AMOUNT), PAYABLE IN YEARLY OR HALF-YEARLY INSTALLMENTS ON (DATE OR DATES).

THE NEXT GROUND RENT PAYMENT IS DUE (DAY, MONTH, YEAR) IN THE AMOUNT OF \$(DOLLAR AMOUNT).

THE PAYMENT OF THE GROUND RENT SHOULD BE SENT TO:

(NAME OF GROUND ~~RENT OWNER~~ LEASE HOLDER)

(ADDRESS)

(PHONE NUMBER)

NOTE REGARDING YOUR RIGHTS AND RESPONSIBILITIES UNDER MARYLAND LAW:

AS THE OWNER OF THIS PROPERTY, YOU ARE OBLIGATED TO PAY THE GROUND RENT TO THE GROUND ~~RENT OWNER~~ LEASE HOLDER. IT IS ALSO YOUR RESPONSIBILITY TO NOTIFY THE GROUND ~~RENT OWNER~~ LEASE HOLDER IF YOU CHANGE YOUR ADDRESS OR TRANSFER OWNERSHIP OF THE PROPERTY.

IF YOU FAIL TO PAY THE GROUND RENT ON TIME, YOU ARE STILL RESPONSIBLE FOR PAYING THE GROUND RENT. IN ADDITION, ~~IF THE GROUND ~~RENT OWNER~~ LEASE HOLDER FILES AN ACTION IN COURT~~ MAY TAKE ACTION TO COLLECT THE PAST DUE GROUND RENT, ~~YOU MAY BE REQUIRED TO PAY THE GROUND RENT OWNER FOR FEES AND COSTS ASSOCIATED WITH THE COLLECTION OF THE PAST DUE GROUND RENT. MOREOVER, THE GROUND RENT OWNER MAY ALSO FILE AN ACTION IN COURT TO TAKE POSSESSION OF THE PROPERTY~~ WHICH MAY RESULT IN YOUR BEING RESPONSIBLE FOR ADDITIONAL FEES AND COSTS AND ULTIMATELY IN YOUR LOSS OF THE PROPERTY. PLEASE NOTE THAT UNDER MARYLAND LAW, A GROUND ~~RENT OWNER~~ LEASE HOLDER MAY DEMAND NOT MORE THAN 3 YEARS OF PAST DUE GROUND RENT, ~~AND THERE ARE LIMITS ON HOW MUCH A GROUND RENT OWNER MAY BE REIMBURSED FOR SOME OF THE FEES AND COSTS.~~ IF YOU FAIL TO PAY THE GROUND RENT ON TIME, YOU SHOULD CONTACT A LAWYER FOR ADVICE.

AS THE OWNER OF THIS PROPERTY, YOU ARE ENTITLED ~~TO OFFER TO PURCHASE REDEEM, OR PURCHASE,~~ THE GROUND ~~RENT~~ LEASE FROM THE GROUND ~~RENT-OWNER~~ LEASE HOLDER AND OBTAIN ABSOLUTE OWNERSHIP OF THE PROPERTY. THE REDEMPTION AMOUNT IS FIXED BY LAW BUT MAY ALSO BE NEGOTIATED WITH THE GROUND LEASE HOLDER FOR A DIFFERENT AMOUNT. FOR INFORMATION ON ~~PURCHASING~~ REDEEMING THE GROUND ~~RENT~~ LEASE, CONTACT THE GROUND ~~RENT-OWNER~~ LEASE HOLDER. IF THE IDENTITY OF THE GROUND ~~RENT-OWNER~~ LEASE HOLDER IS UNKNOWN, THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION PROVIDES A PROCESS TO REDEEM THE GROUND ~~RENT~~ LEASE THAT MAY RESULT IN YOUR OBTAINING ABSOLUTE OWNERSHIP OF THE PROPERTY. IF YOU WOULD LIKE TO OBTAIN ABSOLUTE OWNERSHIP OF THIS PROPERTY, YOU SHOULD CONTACT A LAWYER FOR ADVICE."

14-117.

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

(II) "GROUND LEASE" MEANS A RESIDENTIAL LEASE OR SUBLEASE FOR A TERM OF YEARS RENEWABLE FOREVER SUBJECT TO THE PAYMENT OF A PERIODIC GROUND RENT.

(III) 1. "GROUND LEASE HOLDER" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

2. "GROUND LEASE HOLDER" INCLUDES AN AGENT OF THE GROUND LEASE HOLDER.

(IV) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(V) "LEASEHOLD INTEREST" MEANS THE TENANCY IN REAL PROPERTY CREATED UNDER A GROUND LEASE.

(VI) "LEASEHOLD TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.

(2) (I) THIS SUBSECTION APPLIES TO RESIDENTIAL PROPERTY THAT WAS OR IS USED, INTENDED TO BE USED, OR AUTHORIZED TO BE USED FOR FOUR OR FEWER DWELLING UNITS.

(II) THIS SUBSECTION DOES NOT APPLY TO PROPERTY:

1. LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES, OR ANY OTHER PURPOSE THAT IS NOT PRIMARILY RESIDENTIAL;

2. IMPROVED OR TO BE IMPROVED BY ANY APARTMENT, CONDOMINIUM, COOPERATIVE, OR OTHER BUILDING FOR MULTIFAMILY USE OF GREATER THAN FOUR DWELLING UNITS; OR

3. LEASED FOR DWELLINGS OR MOBILE HOMES THAT ARE ERECTED OR PLACED IN A MOBILE HOME DEVELOPMENT OR MOBILE HOME PARK.

(3) A contract for the sale of real property subject to a ground rent shall contain the following[:

(1) Notice of the existence of the ground rent; and

(2) Notice that if the ground rent is not timely paid the effect may be:

(i) That the reversionary owner of the ground rent may bring an action for possession against the ground rent tenant under § 8-402.2 of this article; and

(ii) As a result of the action for possession, the reversionary owner of the ground rent may own the property in fee, discharged from the lease.] **NOTICE IN BOLDFACE TYPE, AT LEAST AS LARGE AS 14 POINT, IN SUBSTANTIALLY THE FOLLOWING FORM:**

**“NOTICE REQUIRED BY MARYLAND LAW
REGARDING YOUR GROUND RENT**

THIS PROPERTY (ADDRESS) IS SUBJECT TO A GROUND LEASE. THE ANNUAL PAYMENT ON THE GROUND LEASE (“GROUND RENT”) IS \$(DOLLAR AMOUNT), PAYABLE IN YEARLY OR HALF-YEARLY INSTALLMENTS ON (DATE OR DATES).

THE NEXT GROUND RENT PAYMENT IS DUE (DAY, MONTH, YEAR) IN THE AMOUNT OF \$(DOLLAR AMOUNT).

**THE PAYMENT OF THE GROUND RENT SHOULD BE SENT TO:
(NAME OF GROUND ~~RENT OWNER~~ LEASE HOLDER)**

(ADDRESS)
(PHONE NUMBER)

NOTE REGARDING YOUR RIGHTS AND RESPONSIBILITIES UNDER MARYLAND LAW:

AS THE OWNER OF THIS PROPERTY, YOU ARE OBLIGATED TO PAY THE GROUND RENT TO THE GROUND ~~RENT OWNER~~ LEASE HOLDER. IT IS ALSO YOUR RESPONSIBILITY TO NOTIFY THE GROUND ~~RENT OWNER~~ LEASE HOLDER IF YOU CHANGE YOUR ADDRESS OR TRANSFER OWNERSHIP OF THE PROPERTY.

IF YOU FAIL TO PAY THE GROUND RENT ON TIME, YOU ARE STILL RESPONSIBLE FOR PAYING THE GROUND RENT. IN ADDITION, ~~IF THE GROUND ~~RENT OWNER~~ LEASE HOLDER FILES AN ACTION IN COURT~~ MAY TAKE ACTION TO COLLECT THE PAST DUE GROUND RENT, ~~YOU MAY BE REQUIRED TO PAY THE GROUND RENT OWNER FOR FEES AND COSTS ASSOCIATED WITH THE COLLECTION OF THE PAST DUE GROUND RENT. MOREOVER, THE GROUND RENT OWNER MAY ALSO FILE AN ACTION IN COURT TO TAKE POSSESSION OF THE PROPERTY~~ WHICH MAY RESULT IN YOUR BEING RESPONSIBLE FOR ADDITIONAL FEES AND COSTS AND ULTIMATELY IN YOUR LOSS OF THE PROPERTY. PLEASE NOTE THAT UNDER MARYLAND LAW, A GROUND ~~RENT OWNER~~ LEASE HOLDER MAY DEMAND NOT MORE THAN 3 YEARS OF PAST DUE GROUND RENT, ~~AND THERE ARE LIMITS ON HOW MUCH A GROUND RENT OWNER MAY BE REIMBURSED FOR SOME OF THE FEES AND COSTS.~~ IF YOU FAIL TO PAY THE GROUND RENT ON TIME, YOU SHOULD CONTACT A LAWYER FOR ADVICE.

AS THE OWNER OF THIS PROPERTY, YOU ARE ENTITLED ~~TO OFFER TO PURCHASE REDEEM, OR PURCHASE,~~ THE GROUND ~~RENT~~ LEASE FROM THE GROUND ~~RENT OWNER~~ LEASE HOLDER AND OBTAIN ABSOLUTE OWNERSHIP OF THE PROPERTY. THE REDEMPTION AMOUNT IS FIXED BY LAW BUT MAY ALSO BE NEGOTIATED WITH THE GROUND LEASE HOLDER FOR A DIFFERENT AMOUNT. FOR INFORMATION ON ~~PURCHASING~~ REDEEMING THE GROUND ~~RENT~~ LEASE, CONTACT THE GROUND ~~RENT OWNER~~ LEASE HOLDER. IF THE IDENTITY OF THE GROUND ~~RENT OWNER~~ LEASE HOLDER IS UNKNOWN, THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION PROVIDES A PROCESS TO REDEEM THE GROUND ~~RENT~~ LEASE THAT MAY RESULT IN YOUR OBTAINING ABSOLUTE OWNERSHIP OF THE PROPERTY. IF YOU WOULD LIKE TO OBTAIN ABSOLUTE OWNERSHIP OF THIS PROPERTY, YOU SHOULD CONTACT A LAWYER FOR ADVICE.”.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 289

(House Bill 502)

AN ACT concerning

Ground Rents - Notices Regarding Ground Leases on Residential Property

FOR the purpose of requiring a leasehold tenant under a certain ground lease to notify the ~~landlord~~ ground lease holder of any change of address of the leasehold tenant within a certain time period; altering the method by which a leasehold tenant is required to give certain notices to a ground lease holder; requiring a ~~landlord~~ ground lease holder under a certain ground lease to mail to the leasehold tenant a bill for the payment of ground rent due no later than a certain amount of time before the payment is due; requiring the bill sent by the ~~landlord~~ ground lease holder to include a certain notice regarding the ground lease and the rights and responsibilities of the leasehold tenant under the ground lease; altering the notice requirements contained in a contract for the sale of real property that is subject to a certain ground rent to include a certain notice regarding the ground lease and the rights and responsibilities of the leasehold tenant under the ground lease; defining certain terms; providing for the application of the provisions of this Act; making stylistic changes; and generally relating to notices regarding ground leases on residential property.

BY repealing and reenacting, with amendments,
Article – Real Property
Section 14–116 and 14–117(a)
Annotated Code of Maryland
(2003 Replacement Volume and 2006 Supplement)

BY adding to
Article – Real Property
Section 14–116.1
Annotated Code of Maryland
(2003 Replacement Volume and 2006 Supplement)

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

Article – Real Property

14-116.

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

~~(2) "GROUND LEASE" MEANS A RESIDENTIAL LEASE OR SUBLEASE IN EFFECT ON OR AFTER OCTOBER 1, 2007, THAT HAS AN INITIAL TERM OF 99 YEARS RENEWABLE FOREVER AND IS SUBJECT TO THE PAYMENT OF AN ANNUAL GROUND RENT.~~

~~(3) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSION IN FEE SIMPLE RESERVED IN A GROUND LEASE.~~

~~(4) "LANDLORD" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.~~

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

(2) "GROUND LEASE" MEANS A RESIDENTIAL LEASE OR SUBLEASE FOR A TERM OF YEARS RENEWABLE FOREVER SUBJECT TO THE PAYMENT OF A PERIODIC GROUND RENT.

(3) (I) "GROUND LEASE HOLDER" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(II) "GROUND LEASE HOLDER" INCLUDES AN AGENT OF THE GROUND LEASE HOLDER.

(4) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(5) "LEASEHOLD INTEREST" MEANS THE TENANCY IN REAL PROPERTY CREATED UNDER A GROUND LEASE.

(6) "LEASEHOLD TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.

(B) (1) THIS SECTION APPLIES TO RESIDENTIAL PROPERTY THAT WAS OR IS USED, INTENDED TO BE USED, OR AUTHORIZED TO BE USED FOR FOUR OR FEWER DWELLING UNITS.

(2) THIS SECTION DOES NOT APPLY TO PROPERTY:

(i) LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES, OR ANY OTHER PURPOSE THAT IS NOT PRIMARILY RESIDENTIAL;

(ii) IMPROVED OR TO BE IMPROVED BY ANY APARTMENT, CONDOMINIUM, COOPERATIVE, OR OTHER BUILDING FOR MULTIFAMILY USE OF GREATER THAN FOUR DWELLING UNITS; OR

(iii) LEASED FOR DWELLINGS OR MOBILE HOMES THAT ARE ERECTED OR PLACED IN A MOBILE HOME DEVELOPMENT OR MOBILE HOME PARK.

~~(B)~~ **(C) WITHIN 30 DAYS OF ANY CHANGE OF ADDRESS OF A LEASEHOLD TENANT, THE LEASEHOLD TENANT SHALL NOTIFY THE LANDLORD GROUND LEASE HOLDER OF THE CHANGE, INCLUDING THE NEW ADDRESS AND THE DATE OF THE CHANGE.**

~~(C)~~ **(D) Within 30 days of any transfer of improvements located on property subject to a ground rent, the transferor LEASEHOLD TENANT shall notify the [holder of the reversionary interest] LANDLORD GROUND LEASE HOLDER of the transfer. The notification shall include the name and address of the transferee, and date of transfer.**

~~(D)~~ **(E) [Notice shall be given] A TRANSFEROR LEASEHOLD TENANT SHALL GIVE SEND NOTICE UNDER THIS SECTION by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, to the last known address of the [holder of the reversionary interest] LANDLORD GROUND LEASE HOLDER.**

14-116.1.

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

~~(2) "GROUND LEASE" MEANS A RESIDENTIAL LEASE OR SUBLEASE IN EFFECT ON OR AFTER OCTOBER 1, 2007, THAT HAS AN INITIAL~~

~~TERM OF 99 YEARS RENEWABLE FOREVER AND IS SUBJECT TO THE PAYMENT OF AN ANNUAL GROUND RENT.~~

~~(3) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSION IN FEE SIMPLE RESERVED IN A GROUND LEASE.~~

~~(4) "LANDLORD" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.~~

~~(5) "TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.~~

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

(2) "GROUND LEASE" MEANS A RESIDENTIAL LEASE OR SUBLEASE FOR A TERM OF YEARS RENEWABLE FOREVER SUBJECT TO THE PAYMENT OF A PERIODIC GROUND RENT.

(3) (I) "GROUND LEASE HOLDER" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(II) "GROUND LEASE HOLDER" INCLUDES AN AGENT OF THE GROUND LEASE HOLDER.

(4) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(5) "LEASEHOLD INTEREST" MEANS THE TENANCY IN REAL PROPERTY CREATED UNDER A GROUND LEASE.

(6) "LEASEHOLD TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.

(B) (1) THIS SECTION APPLIES TO RESIDENTIAL PROPERTY THAT WAS OR IS USED, INTENDED TO BE USED, OR AUTHORIZED TO BE USED FOR FOUR OR FEWER DWELLING UNITS.

(2) THIS SECTION DOES NOT APPLY TO PROPERTY:

(I) LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES, OR ANY OTHER PURPOSE THAT IS NOT PRIMARILY RESIDENTIAL;

(II) IMPROVED OR TO BE IMPROVED BY ANY APARTMENT, CONDOMINIUM, COOPERATIVE, OR OTHER BUILDING FOR MULTIFAMILY USE OF GREATER THAN FOUR DWELLING UNITS; OR

(III) LEASED FOR DWELLINGS OR MOBILE HOMES THAT ARE ERECTED OR PLACED IN A MOBILE HOME DEVELOPMENT OR MOBILE HOME PARK.

~~(B)~~ (C) NO LATER THAN 60 DAYS BEFORE A YEARLY OR HALF-YEARLY INSTALLMENT PAYMENT OF A GROUND RENT IS DUE, A ~~LANDLORD~~ GROUND LEASE HOLDER SHALL MAIL TO THE LAST KNOWN ADDRESS OF THE LEASEHOLD TENANT A BILL FOR THE PAYMENT DUE.

~~(C)~~ (D) THE BILL SHALL INCLUDE A NOTICE IN BOLDFACE TYPE, AT LEAST AS LARGE AS 14 POINT, IN SUBSTANTIALLY THE FOLLOWING FORM:

**“NOTICE REQUIRED BY MARYLAND LAW
REGARDING YOUR GROUND RENT**

THIS PROPERTY (ADDRESS) IS SUBJECT TO A GROUND LEASE. THE ANNUAL PAYMENT ON THE GROUND LEASE (“GROUND RENT”) IS \$(DOLLAR AMOUNT), PAYABLE IN YEARLY OR HALF-YEARLY INSTALLMENTS ON (DATE OR DATES).

THE NEXT GROUND RENT PAYMENT IS DUE (DAY, MONTH, YEAR) IN THE AMOUNT OF \$(DOLLAR AMOUNT).

THE PAYMENT OF THE GROUND RENT SHOULD BE SENT TO:

(NAME OF GROUND ~~RENT-OWNER~~ LEASE HOLDER)

(ADDRESS)

(PHONE NUMBER)

NOTE REGARDING YOUR RIGHTS AND RESPONSIBILITIES UNDER MARYLAND LAW:

AS THE OWNER OF THIS PROPERTY, YOU ARE OBLIGATED TO PAY THE GROUND RENT TO THE GROUND ~~RENT-OWNER~~ LEASE HOLDER. IT IS ALSO YOUR RESPONSIBILITY TO NOTIFY THE GROUND ~~RENT-OWNER~~ LEASE HOLDER IF YOU CHANGE YOUR ADDRESS OR TRANSFER OWNERSHIP OF THE PROPERTY.

~~IF YOU FAIL TO PAY THE GROUND RENT ON TIME, YOU ARE STILL RESPONSIBLE FOR PAYING THE GROUND RENT. IN ADDITION, IF THE GROUND RENT OWNER LEASE HOLDER FILES AN ACTION IN COURT MAY TAKE ACTION TO COLLECT THE PAST DUE GROUND RENT, YOU MAY BE REQUIRED TO PAY THE GROUND RENT OWNER FOR FEES AND COSTS ASSOCIATED WITH THE COLLECTION OF THE PAST DUE GROUND RENT. MOREOVER, THE GROUND RENT OWNER MAY ALSO FILE AN ACTION IN COURT TO TAKE POSSESSION OF THE PROPERTY WHICH MAY RESULT IN YOUR BEING RESPONSIBLE FOR ADDITIONAL FEES AND COSTS AND ULTIMATELY IN YOUR LOSS OF THE PROPERTY. PLEASE NOTE THAT UNDER MARYLAND LAW, A GROUND RENT OWNER LEASE HOLDER MAY DEMAND NOT MORE THAN 3 YEARS OF PAST DUE GROUND RENT, AND THERE ARE LIMITS ON HOW MUCH A GROUND RENT OWNER MAY BE REIMBURSED FOR SOME OF THE FEES AND COSTS. IF YOU FAIL TO PAY THE GROUND RENT ON TIME, YOU SHOULD CONTACT A LAWYER FOR ADVICE.~~

~~AS THE OWNER OF THIS PROPERTY, YOU ARE ENTITLED TO OFFER TO PURCHASE REDEEM, OR PURCHASE, THE GROUND RENT LEASE FROM THE GROUND RENT OWNER LEASE HOLDER AND OBTAIN ABSOLUTE OWNERSHIP OF THE PROPERTY. THE REDEMPTION AMOUNT IS FIXED BY LAW BUT MAY ALSO BE NEGOTIATED WITH THE GROUND LEASE HOLDER FOR A DIFFERENT AMOUNT. FOR INFORMATION ON PURCHASING REDEEMING THE GROUND RENT LEASE, CONTACT THE GROUND RENT OWNER LEASE HOLDER. IF THE IDENTITY OF THE GROUND RENT OWNER LEASE HOLDER IS UNKNOWN, THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION PROVIDES A PROCESS TO REDEEM THE GROUND RENT LEASE THAT MAY RESULT IN YOUR OBTAINING ABSOLUTE OWNERSHIP OF THE PROPERTY. IF YOU WOULD LIKE TO OBTAIN ABSOLUTE OWNERSHIP OF THIS PROPERTY, YOU SHOULD CONTACT A LAWYER FOR ADVICE.”.~~

14-117.

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

(ii) “GROUND LEASE” MEANS A RESIDENTIAL LEASE OR SUBLEASE FOR A TERM OF YEARS RENEWABLE FOREVER SUBJECT TO THE PAYMENT OF A PERIODIC GROUND RENT.

(iii) 1. “GROUND LEASE HOLDER” MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

2. "GROUND LEASE HOLDER" INCLUDES AN AGENT OF THE GROUND LEASE HOLDER.

(IV) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(V) "LEASEHOLD INTEREST" MEANS THE TENANCY IN REAL PROPERTY CREATED UNDER A GROUND LEASE.

(VI) "LEASEHOLD TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.

(2) (I) THIS SUBSECTION APPLIES TO RESIDENTIAL PROPERTY THAT WAS OR IS USED, INTENDED TO BE USED, OR AUTHORIZED TO BE USED FOR FOUR OR FEWER DWELLING UNITS.

(II) THIS SUBSECTION DOES NOT APPLY TO PROPERTY:

1. LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES, OR ANY OTHER PURPOSE THAT IS NOT PRIMARILY RESIDENTIAL;

2. IMPROVED OR TO BE IMPROVED BY ANY APARTMENT, CONDOMINIUM, COOPERATIVE, OR OTHER BUILDING FOR MULTIFAMILY USE OF GREATER THAN FOUR DWELLING UNITS; OR

3. LEASED FOR DWELLINGS OR MOBILE HOMES THAT ARE ERECTED OR PLACED IN A MOBILE HOME DEVELOPMENT OR MOBILE HOME PARK.

(3) A contract for the sale of real property subject to a ground rent shall contain the following[:

(1) Notice of the existence of the ground rent; and

(2) Notice that if the ground rent is not timely paid the effect may be:

(i) That the reversionary owner of the ground rent may bring an action for possession against the ground rent tenant under § 8-402.2 of this article; and

(ii) As a result of the action for possession, the reversionary owner of the ground rent may own the property in fee, discharged from the lease.] **NOTICE IN BOLDFACE TYPE, AT LEAST AS LARGE AS 14 POINT, IN SUBSTANTIALLY THE FOLLOWING FORM:**

**“NOTICE REQUIRED BY MARYLAND LAW
REGARDING YOUR GROUND RENT**

THIS PROPERTY (ADDRESS) IS SUBJECT TO A GROUND LEASE. THE ANNUAL PAYMENT ON THE GROUND LEASE (“GROUND RENT”) IS \$(DOLLAR AMOUNT), PAYABLE IN YEARLY OR HALF-YEARLY INSTALLMENTS ON (DATE OR DATES).

THE NEXT GROUND RENT PAYMENT IS DUE (DAY, MONTH, YEAR) IN THE AMOUNT OF \$(DOLLAR AMOUNT).

**THE PAYMENT OF THE GROUND RENT SHOULD BE SENT TO:
(NAME OF GROUND ~~RENT OWNER~~ LEASE HOLDER)
(ADDRESS)
(PHONE NUMBER)**

NOTE REGARDING YOUR RIGHTS AND RESPONSIBILITIES UNDER MARYLAND LAW:

AS THE OWNER OF THIS PROPERTY, YOU ARE OBLIGATED TO PAY THE GROUND RENT TO THE GROUND ~~RENT OWNER~~ LEASE HOLDER. IT IS ALSO YOUR RESPONSIBILITY TO NOTIFY THE GROUND ~~RENT OWNER~~ LEASE HOLDER IF YOU CHANGE YOUR ADDRESS OR TRANSFER OWNERSHIP OF THE PROPERTY.

IF YOU FAIL TO PAY THE GROUND RENT ON TIME, YOU ARE STILL RESPONSIBLE FOR PAYING THE GROUND RENT. IN ADDITION, ~~IF THE GROUND ~~RENT OWNER~~ LEASE HOLDER FILES AN ACTION IN COURT~~ MAY TAKE ACTION TO COLLECT THE PAST DUE GROUND RENT, ~~YOU MAY BE REQUIRED TO PAY THE GROUND RENT OWNER FOR FEES AND COSTS ASSOCIATED WITH THE COLLECTION OF THE PAST DUE GROUND RENT. MOREOVER, THE GROUND RENT OWNER MAY ALSO FILE AN ACTION IN COURT TO TAKE POSSESSION OF THE PROPERTY~~ WHICH MAY RESULT IN YOUR BEING RESPONSIBLE FOR ADDITIONAL FEES AND COSTS AND ULTIMATELY IN YOUR LOSS OF THE PROPERTY. PLEASE NOTE THAT UNDER MARYLAND LAW, A GROUND ~~RENT OWNER~~ LEASE HOLDER MAY DEMAND NOT MORE THAN 3 YEARS OF PAST DUE GROUND RENT, ~~AND THERE ARE LIMITS ON HOW MUCH A GROUND RENT OWNER MAY BE REIMBURSED FOR SOME OF THE FEES AND COSTS.~~ IF YOU FAIL TO PAY THE GROUND RENT ON TIME, YOU SHOULD CONTACT A LAWYER FOR ADVICE.

AS THE OWNER OF THIS PROPERTY, YOU ARE ENTITLED ~~TO OFFER TO PURCHASE REDEEM, OR PURCHASE,~~ THE GROUND RENT LEASE FROM THE GROUND RENT OWNER LEASE HOLDER AND OBTAIN ABSOLUTE OWNERSHIP OF THE PROPERTY. THE REDEMPTION AMOUNT IS FIXED BY LAW BUT MAY ALSO BE NEGOTIATED WITH THE GROUND LEASE HOLDER FOR A DIFFERENT AMOUNT. FOR INFORMATION ON ~~PURCHASING REDEEMING~~ THE GROUND RENT LEASE, CONTACT THE GROUND ~~RENT OWNER~~ LEASE HOLDER. IF THE IDENTITY OF THE GROUND ~~RENT OWNER~~ LEASE HOLDER IS UNKNOWN, THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION PROVIDES A PROCESS TO REDEEM THE GROUND ~~RENT LEASE~~ LEASE THAT MAY RESULT IN YOUR OBTAINING ABSOLUTE OWNERSHIP OF THE PROPERTY. IF YOU WOULD LIKE TO OBTAIN ABSOLUTE OWNERSHIP OF THIS PROPERTY, YOU SHOULD CONTACT A LAWYER FOR ADVICE.”.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 290

(House Bill 580)

AN ACT concerning

Ground Rents - ~~Limitation of Actions~~ - Registry of Properties Subject to Ground Leases

FOR the purpose of authorizing the recordation of a certain ground lease extinguishment certificate under certain circumstances; ~~providing that a ground rent is extinguished if there is no demand or payment for more than a certain number of years of any specific ground rent under certain circumstances;~~ requiring the State Department of Assessments and Taxation to maintain ~~and update regularly on-line registries of landlords and~~ an on-line registry of properties that are subject to ground leases; requiring a ~~landlord~~ ground lease holder to ~~apply~~ to register a ground lease with the Department by submitting a certain registration ~~application~~ form and a certain fee; requiring the Department to register a ground lease under certain circumstances; requiring a ~~landlord~~ ground lease holder to notify the Department of certain information after a ground lease is registered; requiring a ~~landlord~~ ground lease holder to ~~apply~~ to register a ground lease by a certain date; providing for the

extinguishment of a ground lease if the ground lease is not registered under certain circumstances; providing for certain considerations and rights if a ground lease is extinguished under certain circumstances; requiring the Department to work with the State Archives for certain purposes regarding ground leases registered under this Act; requiring the Department to credit all fees collected under this Act to a certain fund; requiring the Department to adopt regulations to carry out the provisions of this Act; requiring the Department to publish a certain notice regarding the registration of ground leases; requiring the Department to report to the General Assembly on or before certain dates; requiring the Comptroller of the State to report to the General Assembly on or before a certain date; defining certain terms; providing for the application of certain provisions of this Act; and generally relating to a registry of properties subject to ground ~~rents~~ leases.

BY repealing and reenacting, with amendments,
Article – Real Property
Section 3-102(a) ~~and 8-107~~
Annotated Code of Maryland
(2003 Replacement Volume and 2006 Supplement)

BY adding to
Article – Real Property
Section 8-701 through ~~8-709~~ 8-711 to be under the new subtitle “Subtitle 7.
Registry of Ground Leases”
Annotated Code of Maryland
(2003 Replacement Volume and 2006 Supplement)

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

Article – Real Property

3-102.

(a) (1) Any other instrument affecting property, including any contract for the grant of property, or any subordination agreement establishing priorities between interests in property may be recorded.

(2) The following instruments also may be recorded:

(i) Any notice of deferred property footage assessment for street construction;

(ii) Any boundary survey plat signed and sealed by a professional land surveyor or property line surveyor licensed in the State;

(iii) Any assumption agreement by which a person agrees to assume the liability of a debt or other obligation secured by a mortgage or deed of trust;

(iv) Any release of personal liability of a borrower or guarantor under a mortgage or under a note or other obligation secured by a deed of trust; or

(v) A ground rent redemption certificate or a ground rent extinguishment certificate issued under § 8-110 of this article **OR A GROUND LEASE EXTINGUISHMENT CERTIFICATE ISSUED UNDER § ~~8-707~~ 8-708 OF THIS ARTICLE.**

(3) The recording of any instrument constitutes constructive notice from the date of recording.

~~8-107.~~

~~(A) If there is no demand or payment for more than 20 consecutive years of any specific rent reserved out of a particular property or any part of a particular property under any form of lease, the rent conclusively is presumed to be extinguished and the landlord may not set up any claim for the rent or to the reversion in the property out of which it issued. The landlord also may not institute any suit, action, or proceeding to recover the rent or the property. However, if the landlord is under any legal disability when the period of 20 years of nondemand or nonpayment expires, the landlord has two years after the removal of the disability within which to assert the landlord's rights.~~

~~(B) (1) (i) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(ii) "GROUND LEASE" MEANS A RESIDENTIAL LEASE OR SUBLEASE IN EFFECT ON OR AFTER OCTOBER 1, 2007, THAT HAS AN INITIAL TERM OF 99 YEARS RENEWABLE FOREVER AND IS SUBJECT TO THE PAYMENT OF AN ANNUAL GROUND RENT.~~

~~(iii) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSION IN FEE SIMPLE RESERVED IN A GROUND LEASE.~~

~~(iv) "LANDLORD" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.~~

~~(v) "TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.~~

~~(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, IF THERE IS NO DEMAND OR PAYMENT FOR MORE THAN 3 CONSECUTIVE YEARS OF ANY SPECIFIC GROUND RENT RESERVED OUT OF A PARTICULAR PROPERTY UNDER A GROUND LEASE:~~

~~(i) THE GROUND RENT IS EXTINGUISHED AND THE LANDLORD MAY NOT SET UP ANY CLAIM FOR THE GROUND RENT OR TO THE REVERSION IN THE PROPERTY OUT OF WHICH THE GROUND RENT ISSUED; AND~~

~~(ii) THE LANDLORD MAY NOT INSTITUTE ANY SUIT, ACTION, OR PROCEEDING AGAINST THE TENANT TO RECOVER THE GROUND RENT OR THE PROPERTY.~~

~~(3) IF THE LANDLORD IS UNDER ANY LEGAL DISABILITY WHEN THE PERIOD OF 3 YEARS OF NONDEMAND AND NONPAYMENT EXPIRES, THE LANDLORD HAS 2 YEARS AFTER THE REMOVAL OF THE DISABILITY WITHIN WHICH TO ASSERT THE LANDLORD'S RIGHTS.~~

~~(4) NOTWITHSTANDING THE PROVISIONS OF THIS SUBSECTION, A GROUND LEASE MAY NOT BE EXTINGUISHED UNDER THIS SUBSECTION BEFORE APRIL 1, 2008.~~

SUBTITLE 7. REGISTRY OF GROUND LEASES.

8-701.

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

(B) "DEPARTMENT" MEANS THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION.

~~(C) "GROUND LEASE" MEANS A RESIDENTIAL LEASE OR SUBLEASE IN EFFECT ON OR AFTER OCTOBER 1, 2007, THAT HAS AN INITIAL TERM OF 99 YEARS RENEWABLE FOREVER AND IS SUBJECT TO THE PAYMENT OF AN ANNUAL GROUND RENT.~~

~~(D) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSION IN FEE SIMPLE RESERVED IN A GROUND LEASE.~~

~~(E) "LANDLORD" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.~~

~~(F) "TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.~~

(C) "CURRENT GROUND RENT DEED OF RECORD" MEANS THE DOCUMENT THAT VESTS TITLE TO THE REVERSIONARY INTEREST IN THE CURRENT GROUND LEASE HOLDER.

(D) "GROUND LEASE" MEANS A RESIDENTIAL LEASE OR SUBLEASE FOR A TERM OF YEARS RENEWABLE FOREVER SUBJECT TO THE PAYMENT OF A PERIODIC GROUND RENT.

(E) (1) "GROUND LEASE HOLDER" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(2) "GROUND LEASE HOLDER" INCLUDES:

~~(I) AN AN AGENT OF THE GROUND LEASE HOLDER; OR~~

~~(H) A COMPANY CONTRACTED BY THE GROUND LEASE HOLDER TO MANAGE GROUND LEASES.~~

(F) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(G) "LEASEHOLD INTEREST" MEANS THE TENANCY IN REAL PROPERTY CREATED UNDER A GROUND LEASE.

(H) "LEASEHOLD TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.

8-702.

(A) THIS SUBTITLE APPLIES TO RESIDENTIAL PROPERTY THAT WAS OR IS USED, INTENDED TO BE USED, OR AUTHORIZED TO BE USED FOR FOUR OR FEWER DWELLING UNITS.

(B) THIS SUBTITLE DOES NOT APPLY TO PROPERTY:

(1) LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES, OR ANY OTHER PURPOSE THAT IS NOT PRIMARILY RESIDENTIAL;

(2) IMPROVED OR TO BE IMPROVED BY ANY APARTMENT, CONDOMINIUM, COOPERATIVE, OR OTHER BUILDING FOR MULTIFAMILY USE OF GREATER THAN FOUR DWELLING UNITS; OR

(3) LEASED FOR DWELLINGS OR MOBILE HOMES THAT ARE ERECTED OR PLACED IN A MOBILE HOME DEVELOPMENT OR MOBILE HOME PARK.

8-703.

(A) THE DEPARTMENT SHALL MAINTAIN ~~AND UPDATE REGULARLY~~ AN ON-LINE ~~REGISTRIES OF LANDLORDS AND~~ REGISTRY OF PROPERTIES THAT ARE SUBJECT TO GROUND LEASES.

(B) THE DEPARTMENT IS NOT RESPONSIBLE FOR THE COMPLETENESS OR ACCURACY OF THE CONTENTS OF THE ON-LINE REGISTRY.

~~8-703.~~ 8-704.

(A) A ~~LANDLORD~~ GROUND LEASE HOLDER SHALL ~~APPLY TO~~ REGISTER A GROUND LEASE WITH THE DEPARTMENT BY SUBMITTING:

(1) A REGISTRATION ~~APPLICATION ON A~~ FORM THAT THE DEPARTMENT REQUIRES; AND

(2) ~~A \$20~~ THE REGISTRATION ~~APPLICATION~~ FEE FOR EACH GROUND LEASE AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION.

(B) THE REGISTRATION ~~APPLICATION~~ FORM SHALL INCLUDE:

(1) THE PREMISE ADDRESS AND TAX IDENTIFICATION NUMBER OF THE PROPERTY FOR WHICH THE GROUND LEASE WAS CREATED;

(2) THE NAME AND ADDRESS OF THE ~~LANDLORD~~ GROUND LEASE HOLDER;

(3) THE NAME AND ADDRESS OF THE LEASEHOLD TENANT;

(4) THE NAME AND ADDRESS OF THE PERSON TO WHOM THE GROUND RENT PAYMENT IS SENT;

(5) THE AMOUNT AND ~~DUE~~ PAYMENT DATES OF THE PAYMENTS FOR THE GROUND RENT INSTALLMENTS;

(6) ~~A~~ TO THE BEST OF THE GROUND LEASE HOLDER'S KNOWLEDGE, A STATEMENT OF THE RANGE OF YEARS IN WHICH THE GROUND LEASE WAS CREATED; AND

~~(7) A COPY OF THE LANDLORD'S DEED;~~

~~(8) (7) THE LIBER AND FOLIO INFORMATION FOR THE LAND RECORDS OF THE COUNTY IN WHICH THE GROUND LEASE WAS RECORDED; AND CURRENT GROUND RENT DEED OF RECORD.~~

~~(9) A STATEMENT OF ANY NOTIFICATION SENT TO THE TENANT OF ANY PAST DUE GROUND RENT OR A FILING FOR AN EJECTMENT ACTION.~~

(C) THE REGISTRATION FEE FOR A GROUND LEASE PER GROUND LEASE HOLDER IS:

(1) \$10 FOR THE FIRST GROUND LEASE; AND

(2) FOR EACH ADDITIONAL GROUND LEASE:

(I) \$3 BEFORE OCTOBER 1, 2008;

(II) \$4 ON OR AFTER OCTOBER 1, 2008 AND BEFORE OCTOBER 1, 2009; AND

(III) \$5 ON OR AFTER OCTOBER 1, 2009.

~~8-704. 8-705.~~

(A) THE DEPARTMENT SHALL REGISTER A GROUND LEASE ~~IF~~ WHEN THE DEPARTMENT RECEIVES:

(1) ~~IS SATISFIED THAT A~~ A REGISTRATION APPLICATION IS COMPLETE FORM; AND

(2) ~~RECEIVES THE \$20 REGISTRATION APPLICATION~~ THE APPROPRIATE REGISTRATION FEE FOR EACH GROUND LEASE.

(B) (1) IF FOR ANY REASON THE DEPARTMENT IS UNABLE TO REGISTER A GROUND LEASE FOR WHICH A REGISTRATION FORM AND APPROPRIATE FEE HAS BEEN SUBMITTED, THE DEPARTMENT SHALL NOTIFY THE GROUND LEASE HOLDER OF THAT GROUND LEASE, WITHIN 30 DAYS OF PROCESSING THE REGISTRATION FORM, OF ANY INFORMATION NEEDED BY THE DEPARTMENT SO AS TO COMPLETE THE REGISTRATION.

(2) THE GROUND LEASE HOLDER SHALL HAVE UP TO 30 DAYS TO SUPPLY THE NEEDED INFORMATION TO THE DEPARTMENT BEFORE ANY ACTION MAY BE TAKEN UNDER § 8-708 OF THIS SUBTITLE.

~~8-705. 8-706.~~

~~(A) AFTER A GROUND LEASE IS REGISTERED, THE LANDLORD GROUND LEASE HOLDER SHALL PROMPTLY NOTIFY THE DEPARTMENT OF:~~

~~(1) A CHANGE IN THE NAME OR ADDRESS OF THE LANDLORD GROUND LEASE HOLDER, LEASEHOLD TENANT, OR PERSON TO WHOM THE GROUND RENT PAYMENT IS SENT;~~

~~(2) A STATEMENT OF ANY NOTIFICATION SENT TO THE TENANT OF ANY PAST DUE GROUND RENT OR A FILING FOR AN EJECTMENT ACTION;~~

~~(3) (2) A REDEMPTION OF THE GROUND LEASE; AND~~

~~(4) (3) ANY OTHER INFORMATION THE DEPARTMENT REQUIRES.~~

~~(B) FOR EACH NOTIFICATION MADE UNDER THIS SECTION, THE LANDLORD SHALL PAY A \$5 FEE.~~

~~8-706. 8-707.~~

~~(A) (1) FOR A GROUND LEASE CREATED BEFORE OCTOBER 1, 2007, THE LANDLORD SHALL APPLY TO REGISTER THE EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A GROUND LEASE HOLDER SHALL REGISTER A GROUND LEASE UNDER THIS SUBTITLE BEFORE SEPTEMBER 30, 2010.~~

~~(2) FOR A GROUND LEASE CREATED ON OR AFTER OCTOBER 1, 2007, THE LANDLORD SHALL APPLY TO REGISTER THE GROUND LEASE UNDER THIS SUBTITLE WITHIN 6 MONTHS OF THE DATE OF THE EXECUTION OF THE GROUND LEASE.~~

(B) IF A ~~LANDLORD~~ GROUND LEASE HOLDER IS UNDER A LEGAL DISABILITY AT THE EXPIRATION OF THE REGISTRATION PERIOD UNDER SUBSECTION (A) OF THIS SECTION, THE ~~LANDLORD~~ GROUND LEASE HOLDER HAS 2 YEARS AFTER THE REMOVAL OF THE DISABILITY ~~TO APPLY~~ TO REGISTER THE GROUND LEASE.

~~§ 707.~~ § 708.

(A) IF A ~~LANDLORD~~ GROUND LEASE HOLDER DOES NOT SATISFY THE REQUIREMENTS OF ~~§ 706~~ § 707 OF THIS SUBTITLE, THE REVERSIONARY INTEREST OF THE ~~LANDLORD~~ GROUND LEASE HOLDER UNDER THE GROUND LEASE IS EXTINGUISHED AND GROUND RENT IS NO LONGER PAYABLE TO THE ~~LANDLORD~~ GROUND LEASE HOLDER.

(B) IF A GROUND LEASE IS EXTINGUISHED UNDER THIS SECTION, ON APPLICATION OF A LEASEHOLD TENANT, THE DEPARTMENT SHALL ISSUE TO THE LEASEHOLD TENANT A GROUND LEASE EXTINGUISHMENT CERTIFICATE.

(C) THE EXTINGUISHMENT OF THE GROUND LEASE IS EFFECTIVE TO CONCLUSIVELY VEST A FEE SIMPLE TITLE IN THE LEASEHOLD TENANT, FREE AND CLEAR OF ANY AND ALL RIGHT, TITLE, OR INTEREST OF THE ~~LANDLORD~~ GROUND LEASE HOLDER, ANY LIEN OF A CREDITOR OF THE ~~LANDLORD~~ GROUND LEASE HOLDER, AND ANY PERSON CLAIMING BY, THROUGH, OR UNDER THE ~~LANDLORD~~ GROUND LEASE HOLDER WHEN THE LEASEHOLD TENANT RECORDS THE CERTIFICATE IN THE LAND RECORDS OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED.

(D) TO THE EXTENT THAT THE EXTINGUISHMENT OF A GROUND LEASE UNDER THIS SECTION CREATES INCOME FOR THE LEASEHOLD TENANT, THAT INCOME MAY NOT BE CONSIDERED IN THE CALCULATION OF INCOME FOR THE PURPOSES OF DETERMINING ELIGIBILITY FOR ANY STATE OR LOCAL PROGRAM.

(E) IF THE LEGAL DISABILITY OF A GROUND LEASE HOLDER IS REMOVED AFTER A GROUND LEASE IS EXTINGUISHED UNDER THIS SECTION:

(1) IF THE GROUND LEASE EXTINGUISHMENT CERTIFICATE HAS BEEN RECORDED, THE GROUND LEASE HOLDER:

(i) IS ENTITLED TO RECEIVE FROM THE FORMER LEASEHOLD TENANT THE REDEMPTION VALUE OF THE GROUND LEASE; AND

(II) HAS NO CLAIM ON THE PROPERTY THAT HAD BEEN SUBJECT TO THE GROUND LEASE; AND

(2) IF THE GROUND LEASE EXTINGUISHMENT CERTIFICATE HAS NOT BEEN RECORDED, THE GROUND LEASE HOLDER:

(I) MAY REINSTATE THE GROUND LEASE BY REGISTERING THE GROUND LEASE WITH THE DEPARTMENT WITHIN 2 YEARS AFTER THE REMOVAL OF THE LEGAL DISABILITY; AND

(II) IS NOT ENTITLED TO GROUND RENT FOR THE PERIOD OF THE LEGAL DISABILITY.

(F) IF A GROUND LEASE IS EXTINGUISHED UNDER THIS SECTION AND A GROUND LEASE EXTINGUISHMENT CERTIFICATE HAS NOT BEEN RECORDED, A BUYER OF THE PROPERTY FOR WHICH THE GROUND LEASE HAS BEEN EXTINGUISHED:

(1) MAY APPLY TO THE DEPARTMENT FOR A GROUND LEASE EXTINGUISHMENT CERTIFICATE AND FILE THE CERTIFICATE IN THE LAND RECORDS OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED; AND

(2) ~~MAY~~ ONCE THE GROUND LEASE EXTINGUISHMENT CERTIFICATE HAS BEEN FILED, MAY NOT BE REQUIRED TO PAY ANY SECURITY OR ANY AMOUNT INTO AN ESCROW ACCOUNT FOR THE EXTINGUISHED GROUND LEASE.

~~8-708.~~ 8-709.

THE DEPARTMENT SHALL WORK WITH THE STATE ARCHIVES TO COORDINATE THE RECORDATION, INDEXING, AND LINKING OF GROUND LEASES REGISTERED UNDER THIS SUBTITLE.

8-710.

THE DEPARTMENT SHALL CREDIT ALL FEES COLLECTED UNDER THIS SUBTITLE TO THE FUND ESTABLISHED UNDER § 1-203.3 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE. FEES RECEIVED SHALL BE HELD IN A GROUND LEASE REGISTRY ACCOUNT IN THAT FUND *AND SHALL HELP DEFRAY THE COSTS OF THE REGISTRY CREATED UNDER THIS SUBTITLE.*

~~8-709.~~ 8-711.

THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That, through September 30, 2010, the State Department of Assessments and Taxation shall publish notice of the registration requirements under this Act in at least ~~semiannual~~ annual advertisements of at least a quarter-page size in a newspaper of general circulation in Baltimore City and each county in which ground rents are located.

SECTION 3. AND BE IT FURTHER ENACTED, That the State Department of Assessments and Taxation shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on or before December 31, 2007, and on or before December 31, 2008, on the implementation of this Act, including recommendations on the provision of notification, *by electronic and other means*, to ground lease holders about the registration requirements established under this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That the Comptroller of the State shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on or before December 31, 2007, on recommendations regarding the provision of notification, *by electronic and other means*, by the Comptroller to ground lease holders about the registration requirements with the State Department of Assessments and Taxation established under this Act, including providing notification in the yearly State income tax instruction booklet.

SECTION ~~2~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 291

(House Bill 489)

AN ACT concerning

Ground Rents - Redemption

FOR the purpose of repealing a certain waiting period for redeeming certain ground rents; ~~requiring, before a voluntary transfer of a redeemable ground rent to a third party, that the landlord give the tenant notice of the tenant's right to redeem the ground rent and offer the tenant the opportunity to exercise the right; requiring the notice to contain certain information and to be given in a~~

~~certains manner; establishing procedures for the tenant to exercise the right to redeem; requiring the transferee of a ground lease to notify the leasehold tenant of the transfer within a certain period of time after the transfer; requiring the notification to include certain information and to be sent to a certain address; requiring a settlement agent, before settlement of a certain loan, to notify the borrower of the right to redeem a redeemable ground rent and the redemption amount; requiring the Department of Housing and Community Development to study the feasibility of establishing or expanding a certain program to redeem certain ground rents and to report its findings to certain committees; defining certain terms; providing for the application of certain provisions of this Act; and generally relating to encouraging the redemption of existing ground rents.~~

BY repealing and reenacting, with amendments,

Article – Real Property

Section 8–110

Annotated Code of Maryland

(2003 Replacement Volume and 2006 Supplement)

BY adding to

Article – Real Property

Section ~~8–110.1~~ 14–116.1 and 14–129

Annotated Code of Maryland

(2003 Replacement Volume and 2006 Supplement)

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

Article – Real Property

8–110.

(a) (1) This section does not apply to leases of property leased for business, commercial, manufacturing, mercantile, or industrial purposes or any other purpose which is not primarily residential, where the term of the lease, including all renewals provided for, does not exceed 99 years. A lease of the entire property improved or to be improved by any apartment, condominium, cooperative, or other building for multiple-family use on the property constitutes a business and not a residential purpose. The term “multiple-family use” does not apply to any duplex or single-family structure converted to a multiple-dwelling unit.

(2) Except as provided in subsection [(g)] (F) of this section, this section does not apply to irredeemable leases executed before April 9, 1884.

(3) This section does not apply to leases of the ground or site upon which dwellings or mobile homes are erected or placed in a mobile home development or mobile home park.

(b) (1) Except for apartment and cooperative leases, any reversion reserved in a lease for longer than 15 years is redeemable **AT ANY TIME**, at the option of the tenant, after 30 days' notice to the landlord. Notice shall be given by certified mail, return receipt requested, and by first-class mail to the last known address of the landlord.

(2) The reversion is redeemable:

(i) For a sum equal to the annual rent reserved multiplied by:

1. 25, which is capitalization at 4 percent, if the lease was executed from April 8, 1884 to April 5, 1888, both inclusive;

2. 8.33, which is capitalization at 12 percent, if the lease was or is created after July 1, 1982; or

3. 16.66, which is capitalization at 6 percent, if the lease was created at any other time;

(ii) For a lesser sum if specified in the lease; or

(iii) For a sum to which the parties may agree at the time of redemption.

(c) [If the lease is executed on or after July 1, 1971, the reversion is redeemable at the expiration of 3 years from the date of the lease. If the lease is executed on or after July 1, 1982 or between July 1, 1969 and July 1, 1971, the reversion is redeemable at the expiration of 5 years from the date of the lease. If the lease is executed before July 1, 1969, the reversion is redeemable at any time.

(d)] If a tenant has power to redeem the reversion from a trustee or other person who does not have a power of sale, the reversion nevertheless may be redeemed in accordance with the procedures prescribed in the Maryland Rules.

[(e)] (D) Notwithstanding [subsections (b) and (c)] **SUBSECTION (B)** of this section, any regulatory changes made by a federal agency, instrumentality, or subsidiary, including the Department of Housing and Urban Development, the Federal Housing Administration, the Government National Mortgage Association, the Federal National Mortgage Association, and the Veterans' Administration, shall be applicable to redemption of reversions of leases for longer than 15 years.

[(f)] (E) (1) Before the entry of a judgment foreclosing an owner's right of redemption, a reversion in a ground rent or lease for 99 years renewable forever held on abandoned property in Baltimore City, as defined in § 14-817 of the Tax – Property Article, may be donated to Baltimore City or, at the option of Baltimore City, to an entity designated by Baltimore City.

(2) Valuation of the donation of a reversionary interest pursuant to this subsection shall be in accordance with subsection (b) of this section.

[(g)] (F) (1) (i) A tenant who has given the landlord notice in accordance with subsection (b) of this section may apply to the State Department of Assessments and Taxation to redeem a ground rent as provided in this subsection.

(ii) When the Mayor and City Council of Baltimore City condemns property that is subject to an irredeemable ground rent, the City shall become the tenant of the ground rent and, after giving the landlord notice in accordance with subsection (b) of this section, may apply to the State Department of Assessments and Taxation to extinguish the ground rent as provided in this subsection.

(iii) When the Mayor and City Council of Baltimore City condemns abandoned or distressed property that is subject to a redeemable ground rent, the City shall become the tenant of the ground rent and, after giving the landlord notice in accordance with subsection (b) of this section, may apply to the State Department of Assessments and Taxation to redeem the ground rent as provided in this subsection.

(2) The tenant shall provide to the State Department of Assessments and Taxation:

(i) Documentation satisfactory to the Department of the lease and the notice given to the landlord; and

(ii) Payment of a \$20 fee, and any expediting fee required under § 1-203 of the Corporations and Associations Article.

(3) (i) On receipt of the items stated in paragraph (2) of this subsection, the Department shall post notice on its website that application has been made to redeem or extinguish the ground rent.

(ii) The notice shall remain posted for at least 90 days.

(4) Except as provided in paragraph (5) of this subsection, no earlier than 90 days after the application has been posted as provided in paragraph (3) of this subsection, a tenant seeking to redeem a ground rent shall provide to the Department:

(i) Payment of the redemption amount and up to 3 years' back rent to the extent required under this section and § 8-111.1 of this subtitle, in a form satisfactory to the Department; and

(ii) An affidavit made by the tenant, in the form adopted by the Department, certifying that:

1. The tenant has not received a bill for ground rent due or other communication from the landlord regarding the ground rent during the 3 years immediately before the filing of the documentation required for the issuance of a redemption certificate under this subsection; or

2. The last payment for ground rent was made to the landlord identified in the affidavit and sent to the same address where the notice required under subsection (b) of this section was sent.

(5) No earlier than 90 days after the application has been posted as provided in paragraph (3) of this subsection, a tenant seeking to extinguish an irredeemable ground rent or to redeem a redeemable ground rent on abandoned or distressed property that was acquired or is being acquired by the Mayor and City Council of Baltimore through condemnation shall provide to the Department:

(i) Payment of up to 3 years' back rent to the extent required under this section and § 8-111.1 of this subtitle, in a form satisfactory to the Department; and

(ii) An affidavit made by the Director of the Office of Property Acquisition and Relocation in the Baltimore City Department of Housing and Community Development certifying that:

1. The property is abandoned property, as defined in § 21-17(a)(2) of the Public Local Laws of Baltimore City, or distressed property, as defined in § 21-17(a)(3) of the Public Local Laws of Baltimore City;

2. The property was acquired or is being acquired by the Mayor and City Council of Baltimore City through condemnation;

3. A thorough title search has been conducted;

4. The landlord of the property cannot be located or identified; and

5. The existence of the ground rent is an impediment to redevelopment of the site.

(6) At any time, the tenant may submit to the Department notice that the tenant is no longer seeking redemption or extinguishment under this subsection.

(7) Upon receipt of the documentation, fees, and where applicable, the redemption amount and 3 years' back rent to the extent required under this section and § 8-111.1 of this subtitle, the Department shall issue to the tenant a ground rent redemption certificate or a ground rent extinguishment certificate, as appropriate.

(8) The redemption or extinguishment of the ground rent is effective to conclusively vest a fee simple title in the tenant, free and clear of any and all right, title, or interest of the landlord, any lien of a creditor of the landlord, and any person claiming by, through, or under the landlord when the tenant records the certificate in the land records of the county in which the property is located.

(9) The landlord, any creditor of the landlord, or any other person claiming by, through, or under the landlord may file a claim with the Department in order to collect all, or any portion of, where applicable, the redemption amount and 3 years' back rent to the extent required under this section and § 8-111.1 of this subtitle, without interest, by providing to the Department:

(i) Documentation satisfactory to the Department of the claimant's interest; and

(ii) Payment of a \$20 fee, and any expediting fee required under § 1-203 of the Corporations and Associations Article.

(10) (i) A landlord whose ground rent has been extinguished may file a claim with the Baltimore City Director of Finance to collect an amount equal to the annual rent reserved multiplied by 16.66, which is capitalization at 6 percent, by providing to the Director:

1. Proof of payment to the landlord by the Department of back rent under paragraph (9) of this subsection; and

2. Payment of a \$20 fee.

(ii) A landlord of abandoned or distressed property condemned by the Mayor and City Council of Baltimore City whose ground rent has been redeemed may file a claim with the Baltimore City Director of Finance to collect the redemption amount, by providing to the Director:

1. Proof of payment to the landlord by the Department of back rent under paragraph (9) of this subsection; and

2. Payment of a \$20 fee.

(11) (i) In the event of a dispute regarding the extinguishment amount as calculated under paragraph (10)(i) of this subsection, the landlord may refuse payment from the Baltimore City Director of Finance and file an appeal regarding the valuation in the Circuit Court of Baltimore City.

(ii) In an appeal, the landlord is entitled to receive the fair market value of the landlord's interest in the property at the time of the extinguishment.

(12) In the event of a dispute regarding the payment by the Department to any person of all or any portion of the collected redemption amount and up to 3 years' back rent to the extent required by this section and § 8-111.1 of this subtitle, the Department may:

(i) File an interpleader action in the circuit court of the county where the property is located; or

(ii) Reimburse the landlord from the fund established in § 1-203.3 of the Corporations and Associations Article.

(13) The Department is not liable for any sum received by the Department that exceeds the sum of:

(i) The redemption amount; and

(ii) Up to 3 years' back rent to the extent required by this section and § 8-111.1 of this subtitle.

(14) The Department shall credit all fees and funds collected under this subsection to the fund established under § 1-203.3 of the Corporations and Associations Article. Redemption and extinguishment amounts received shall be held in a ground rent redemption and ground rent extinguishment account in that fund.

(15) The Department shall maintain a list of properties for which ground rents have been redeemed or extinguished under this subsection.

(16) The Department shall adopt regulations to carry out the provisions of this subsection.

(17) Any redemption or extinguishment funds not collected by a landlord under this subsection within 20 years after the date of the payment to the Department by the tenant shall escheat to the State. The Department shall annually

transfer any funds that remain uncollected after 20 years to the State General Fund at the end of each fiscal year.

~~§ 110.1.~~

~~(A) (1) BEFORE A VOLUNTARY TRANSFER OF A REDEEMABLE GROUND RENT TO A THIRD PARTY MAY OCCUR, THE LANDLORD SHALL GIVE THE TENANT NOTICE OF THE TENANT'S RIGHT TO REDEEM THE GROUND RENT UNDER § 8 110 OF THIS SUBTITLE AND OFFER THE TENANT THE OPPORTUNITY TO EXERCISE THE RIGHT TO REDEEM.~~

~~(2) THE NOTICE SHALL STATE:~~

~~(i) THE REDEMPTION AMOUNT CALCULATED IN ACCORDANCE WITH § 8 110(B)(2) OF THIS SUBTITLE; AND~~

~~(ii) SUBJECT TO § 8 111.1 OF THIS SUBTITLE, THE AMOUNT OF ANY BACK RENT DUE.~~

~~(3) NOTICE SHALL BE GIVEN BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND BY FIRST CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE TENANT AND, IF DIFFERENT, TO THE ADDRESS LISTED IN THE RECORDS OF THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION.~~

~~(B) (1) THE TENANT SHALL HAVE 30 DAYS AFTER THE DATE OF RECEIPT OF THE NOTICE TO NOTIFY THE LANDLORD OF THE TENANT'S INTENT TO EXERCISE THE RIGHT TO REDEEM.~~

~~(2) IF THE TENANT DOES NOT RESPOND TO THE NOTICE OR NOTIFIES THE LANDLORD THAT THE TENANT WAIVES THE RIGHT TO REDEEM WITHIN 30 DAYS AFTER RECEIPT OF THE NOTICE, THE LANDLORD MAY PROCEED WITH THE TRANSFER OF THE GROUND RENT TO A THIRD PARTY.~~

~~(C) (1) IF THE TENANT NOTIFIES THE LANDLORD WITHIN THE 30 DAY PERIOD OF THE TENANT'S INTENT TO EXERCISE THE RIGHT TO REDEEM, THE TENANT SHALL HAVE AN ADDITIONAL 30 DAYS AFTER THE DATE OF MAILING THE NOTIFICATION TO THE LANDLORD TO TENDER THE REDEMPTION AMOUNT AND ANY BACK RENT DUE.~~

~~(2) WITHIN 30 DAYS AFTER RECEIPT OF THE REDEMPTION AMOUNT AND ANY BACK RENT DUE, THE LANDLORD SHALL PROVIDE TO THE TENANT A DEED OF REDEMPTION OF GROUND RENT.~~

~~(3) UNLESS THE LANDLORD AND THE TENANT AGREE TO A LONGER TIME PERIOD, IF THE TENANT FAILS TO TENDER THE REDEMPTION AMOUNT AND ANY BACK RENT DUE WITHIN 30 DAYS AFTER THE DATE OF MAILING THE NOTIFICATION OF INTENT TO REDEEM TO THE LANDLORD, THE TENANT SHALL BE DEEMED TO HAVE WAIVED THE RIGHT TO REDEEM AND THE LANDLORD MAY PROCEED WITH THE TRANSFER OF THE GROUND RENT TO A THIRD PARTY.~~

14-116.1.

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

(2) "GROUND LEASE" MEANS A RESIDENTIAL LEASE OR SUBLEASE FOR A TERM OF YEARS RENEWABLE FOREVER SUBJECT TO THE PAYMENT OF A PERIODIC GROUND RENT.

(3) (I) "GROUND LEASE HOLDER" MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(II) "GROUND LEASE HOLDER" INCLUDES AN AGENT OF THE GROUND LEASE HOLDER.

(4) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(5) "LEASEHOLD TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.

(6) "REDEEMABLE GROUND RENT" MEANS A GROUND RENT THAT MAY BE REDEEMED IN ACCORDANCE WITH § 8-110 OF THIS ARTICLE.

(B) (1) THIS SECTION APPLIES TO RESIDENTIAL PROPERTY THAT IS OR WAS USED, INTENDED TO BE USED, OR AUTHORIZED TO BE USED FOR FOUR OR FEWER DWELLING UNITS.

(2) THIS SECTION DOES NOT APPLY TO PROPERTY:

(I) LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES, OR ANY OTHER PURPOSE THAT IS NOT PRIMARILY RESIDENTIAL;

(II) IMPROVED OR TO BE IMPROVED BY ANY APARTMENT, CONDOMINIUM, COOPERATIVE, OR OTHER BUILDING FOR MULTIFAMILY USE OF GREATER THAN FOUR DWELLING UNITS; OR

(III) LEASED FOR DWELLINGS OR MOBILE HOMES THAT ARE ERECTED OR PLACED IN A MOBILE HOME DEVELOPMENT OR MOBILE HOME PARK.

(C) WITHIN 30 DAYS AFTER ANY TRANSFER OF A GROUND LEASE, THE TRANSFEREE SHALL NOTIFY THE LEASEHOLD TENANT OF THE TRANSFER.

(D) (1) THE NOTIFICATION SHALL INCLUDE THE NAME AND ADDRESS OF THE NEW GROUND LEASE HOLDER AND THE DATE OF THE TRANSFER.

(2) IF THE PROPERTY IS SUBJECT TO A REDEEMABLE GROUND RENT, THE NOTIFICATION SHALL ALSO INCLUDE THE FOLLOWING NOTICE:

“AS THE OWNER OF THE PROPERTY SUBJECT TO THIS GROUND LEASE, YOU ARE ENTITLED TO REDEEM, OR PURCHASE, THE GROUND LEASE FROM THE GROUND LEASE HOLDER AND OBTAIN ABSOLUTE OWNERSHIP OF THE PROPERTY. THE REDEMPTION AMOUNT IS FIXED BY LAW BUT MAY ALSO BE NEGOTIATED WITH THE GROUND LEASE HOLDER FOR A DIFFERENT AMOUNT. FOR INFORMATION ON REDEEMING THE GROUND LEASE, CONTACT THE GROUND LEASE HOLDER.”

(E) A GROUND LEASE HOLDER SHALL SEND NOTICE UNDER THIS SECTION TO THE LAST KNOWN ADDRESS OF THE LEASEHOLD TENANT.

14-129.

(A) THIS SECTION DOES NOT APPLY TO A:

(1) HOME EQUITY LINE OF CREDIT;

(2) LOAN SECURED BY AN INDEMNITY DEED OF TRUST; OR

(3) COMMERCIAL LOAN.

(B) BEFORE THE SETTLEMENT OF A LOAN SECURED BY A MORTGAGE OR DEED OF TRUST ON RESIDENTIAL REAL PROPERTY IMPROVED BY FOUR OR FEWER SINGLE-FAMILY UNITS THAT IS SUBJECT TO A REDEEMABLE GROUND RENT, THE SETTLEMENT AGENT SHALL NOTIFY THE BORROWER ~~OF~~ THAT:

(1) THE BORROWER HAS THE RIGHT TO REDEEM THE GROUND RENT UNDER § 8-110 OF THIS ARTICLE; AND

(2) THE REDEMPTION AMOUNT ~~CALCULATED UNDER § 8-110(B) OF THIS ARTICLE~~ IS FIXED BY LAW BUT MAY ALSO BE NEGOTIATED WITH THE GROUND LEASE HOLDER FOR A DIFFERENT AMOUNT;

(3) IT MAY BE POSSIBLE TO INCLUDE THE AMOUNT OF THE REDEMPTION IN THIS LOAN;

(4) FOR INFORMATION ON REDEEMING THE GROUND RENT, THE BORROWER SHOULD CONTACT THE GROUND LEASE HOLDER; AND

(5) FOR INFORMATION ON INCLUDING THE AMOUNT OF THE REDEMPTION IN THIS LOAN, THE BORROWER SHOULD CONTACT THE LENDER OR CREDIT GRANTOR MAKING THIS LOAN.

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Department of Housing and Community Development shall study the feasibility of establishing a loan program, or expanding an existing program, to assist families of limited income who own homes subject to redeemable ground rents to redeem those ground rents, and report its findings and the estimated cost of the program to the House Environmental Matters Committee, the Senate Judicial Proceedings Committee, and the Senate Education, Health, and Environmental Affairs Committee on or before December 1, 2008.~~

SECTION ~~2.~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 292

(Senate Bill 883)

AN ACT concerning

Ground Leases - Redemption - Preferred Interest Rate Loans

FOR the purpose of altering the purposes of the Maryland Home Financing Program to include making preferred interest rate loans for the redemption of ground

leases under certain circumstances; authorizing the terms of loans that are set by the Department of Housing and Community Development under the Program to include certain deferred payments; exempting loans made under this Act from certain income limits; requiring an applicant for a loan under this Act to meet certain qualifications; authorizing the Department to set a maximum amount for a loan under this Act; and generally relating to preferred interest rate loans for the redemption of ground leases.

BY repealing and reenacting, with amendments,
Article – Housing and Community Development
Section 4–804, 4–806(c), and 4–807(d)
Annotated Code of Maryland
(2006 Volume)

BY adding to
Article – Housing and Community Development
Section 4–810(d) and 4–815(f)(4)
Annotated Code of Maryland
(2006 Volume)

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

Article – Housing and Community Development

4–804.

The purposes of the Program are to make, participate in making, and purchase:

(1) preferred interest rate loans to acquire, acquire and rehabilitate with or without demolition or lot consolidation, or refinance a primary residence by:

(i) households of limited income that will occupy single–unit primary residences; or

(ii) owner–occupants of residential buildings with not more than four units, if each unit other than the owner’s will be occupied by a household of limited income;

(2) short–term construction loans to developers or nonprofit sponsors to construct or rehabilitate dwelling units that households of limited income can afford;

(3) short–term loans to nonprofit sponsors, as defined in Departmental regulations, to acquire and construct or acquire and rehabilitate, with or without

demolition or lot consolidation, dwelling units that households of limited income can afford to buy under a purchase or lease-purchase contract;

(4) emergency assistance loans to households of limited income who, because of unemployment or other extraordinary hardship, cannot make current mortgage payments on their homes and risk forfeiting the title to their homes; [and]

(5) reverse equity loans to elderly households of limited income for housing related expenses or personal expenses that enable the owner to continue to occupy the home; AND

(6) PREFERRED INTEREST RATE LOANS TO HOUSEHOLDS THAT MEET INCOME STANDARDS SET BY THE DEPARTMENT FOR THE REDEMPTION OF GROUND LEASES ON THEIR PRINCIPAL RESIDENCE, INCLUDING THE TRANSACTIONAL COSTS ASSOCIATED WITH THE REDEMPTION.

4-806.

(c) (1) For each type of loan described in § 4-804 of this subtitle, the Department periodically shall set:

(i) appropriate terms, **INCLUDING DEFERRED PAYMENTS ON PRINCIPAL AND INTEREST**; and

(ii) a preferred interest rate that may be as low as 0.0% or as high as is reasonable in light of the incomes of the proposed occupants.

(2) In setting these terms and interest rates, the Department shall take into account rates available in the conventional private housing market and the adjusted annual income and assets of prospective borrowers.

4-807.

(d) Except for loans made under § 4-804(4) **AND (6)** of this subtitle, the upper limits on adjusted annual income established under subsection (a) of this section may not exceed the median annual family income.

4-810.

(D) TO QUALIFY FOR A LOAN UNDER § 4-804(6) OF THIS SUBTITLE, AN APPLICANT SHALL:

(1) OWN AND OCCUPY THE HOME AS ~~THEIR~~ THE APPLICANT'S PRINCIPAL RESIDENCE; AND

(2) MEET THE INCOME REQUIREMENTS SET BY THE DEPARTMENT.

4-815.

(f) (4) FOR A PREFERRED INTEREST RATE LOAN UNDER § 4-804(6) OF THIS SUBTITLE, THE DEPARTMENT MAY SET THE MAXIMUM AMOUNT OF THE LOAN, INCLUDING THE MAXIMUM AMOUNT THAT MAY BE USED FOR THE TRANSACTIONAL COSTS ASSOCIATED WITH THE REDEMPTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 293

(House Bill 1284)

AN ACT concerning

Ground Leases - Redemption - Preferred Interest Rate Loans

FOR the purpose of altering the purposes of the Maryland Home Financing Program to include making preferred interest rate loans for the redemption of ground leases under certain circumstances; authorizing the terms of loans that are set by the Department of Housing and Community Development under the Program to include certain deferred payments; exempting loans made under this Act from certain income limits; requiring an applicant for a loan under this Act to meet certain qualifications; authorizing the Department to set a maximum amount for a loan under this Act; and generally relating to preferred interest rate loans for the redemption of ground leases.

BY repealing and reenacting, with amendments,
Article - Housing and Community Development
Section 4-804, 4-806(c), and 4-807(d)
Annotated Code of Maryland
(2006 Volume)

BY adding to
Article - Housing and Community Development

Section 4-810(d) and 4-815(f)(4)
Annotated Code of Maryland
(2006 Volume)

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

Article - Housing and Community Development

4-804.

The purposes of the Program are to make, participate in making, and purchase:

(1) preferred interest rate loans to acquire, acquire and rehabilitate with or without demolition or lot consolidation, or refinance a primary residence by:

(i) households of limited income that will occupy single-unit primary residences; or

(ii) owner-occupants of residential buildings with not more than four units, if each unit other than the owner's will be occupied by a household of limited income;

(2) short-term construction loans to developers or nonprofit sponsors to construct or rehabilitate dwelling units that households of limited income can afford;

(3) short-term loans to nonprofit sponsors, as defined in Departmental regulations, to acquire and construct or acquire and rehabilitate, with or without demolition or lot consolidation, dwelling units that households of limited income can afford to buy under a purchase or lease-purchase contract;

(4) emergency assistance loans to households of limited income who, because of unemployment or other extraordinary hardship, cannot make current mortgage payments on their homes and risk forfeiting the title to their homes; [and]

(5) reverse equity loans to elderly households of limited income for housing related expenses or personal expenses that enable the owner to continue to occupy the home; AND

(6) PREFERRED INTEREST RATE LOANS TO HOUSEHOLDS THAT MEET INCOME STANDARDS SET BY THE DEPARTMENT FOR THE REDEMPTION OF GROUND LEASES ON THEIR PRINCIPAL RESIDENCE, INCLUDING THE TRANSACTIONAL COSTS ASSOCIATED WITH THE REDEMPTION.

4-806.

(c) (1) For each type of loan described in § 4-804 of this subtitle, the Department periodically shall set:

(i) appropriate terms, **INCLUDING DEFERRED PAYMENTS ON PRINCIPAL AND INTEREST**; and

(ii) a preferred interest rate that may be as low as 0.0% or as high as is reasonable in light of the incomes of the proposed occupants.

(2) In setting these terms and interest rates, the Department shall take into account rates available in the conventional private housing market and the adjusted annual income and assets of prospective borrowers.

4-807.

(d) Except for loans made under § 4-804(4) **AND (6)** of this subtitle, the upper limits on adjusted annual income established under subsection (a) of this section may not exceed the median annual family income.

4-810.

(D) TO QUALIFY FOR A LOAN UNDER § 4-804(6) OF THIS SUBTITLE, AN APPLICANT SHALL:

(1) OWN AND OCCUPY THE HOME AS ~~THEIR~~ THE APPLICANT'S PRINCIPAL RESIDENCE; AND

(2) MEET THE INCOME REQUIREMENTS SET BY THE DEPARTMENT.

4-815.

(f) (4) FOR A PREFERRED INTEREST RATE LOAN UNDER § 4-804(6) OF THIS SUBTITLE, THE DEPARTMENT MAY SET THE MAXIMUM AMOUNT OF THE LOAN, INCLUDING THE MAXIMUM AMOUNT THAT MAY BE USED FOR THE TRANSACTIONAL COSTS ASSOCIATED WITH THE REDEMPTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 294

(House Bill 134)

AN ACT concerning

Higher Education – Tuition Affordability Act of 2007

FOR the purpose of prohibiting, for a certain academic year, an increase in the tuition that may be charged to a resident undergraduate student at certain public senior higher education institutions in Maryland; and generally relating to tuition reductions at certain public senior higher education institutions in the State.

BY repealing and reenacting, with amendments,

Article – Education

Section 15–106.5

Annotated Code of Maryland

(2006 Replacement Volume)

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

Article – Education

15–106.5.

(a) (1) In this section the following words have the meanings indicated.

(2) “Academic year” means the period commencing with the fall semester and continuing through the immediately following summer session at a public senior higher education institution.

(3) “Governing board” means:

(i) The Board of Regents of the University System of Maryland;
and

(ii) The Board of Regents of Morgan State University.

(4) “Public senior higher education institution” has the meaning stated in § 10–101(j)(1) and (2) of this article.

(5) (i) "Tuition" means the charges approved by the governing board of a public senior higher education institution that are required of all undergraduate resident students by the institution as a condition of enrollment regardless of the student's degree program, field of study, or selected courses.

(ii) "Tuition" does not include:

1. Fees that are required of all undergraduate resident students by the institution as a condition of enrollment regardless of the student's degree program, field of study, or selected courses;

2. Fees dedicated to support auxiliary enterprises and other self-funded activities of a public senior higher education institution; or

3. A fee required only for enrollment in a specific degree program, field of study, or course when that fee is not required of undergraduate resident students at the public senior higher education institution for enrollment in other degree programs, fields of study, or courses.

(b) Notwithstanding any other provision of law, for the academic [year] **YEARS** beginning in the fall of 2006 **AND 2007** only, a governing board may not approve, and a public senior higher education institution may not impose, an increase in the tuition charged for an academic year to a resident undergraduate student at the institution over the amount charged for tuition at the institution in the preceding academic year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 295

(House Bill 204)

AN ACT concerning

~~Tax Credit - Student Textbooks~~
~~Task Force to Study the Cost of Textbooks for Higher Education~~
Higher Education - Study of the Cost of Textbooks for Higher Education

~~FOR the purpose of allowing certain individuals to claim a credit against the State income tax up to a certain amount for textbooks purchased for use at institutions of higher education; providing that the credit may not exceed the State income tax for that taxable year and that any unused credit for a taxable year may not be carried over to any other taxable year; defining certain terms; providing for application of this Act; and generally relating to a credit against the State income tax credit for certain textbooks.~~

~~FOR the purpose of establishing a Task Force to Study the Cost of Textbooks for Higher Education; providing for the composition of the Task Force; requiring the Maryland Higher Education Commission to provide staff for the Task Force; prohibiting a member of the Task Force from receiving compensation; providing that a member of the Task Force is entitled to reimbursement for certain expenses; requiring the Task Force to submit a certain report to the Governor and General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to the establishment of a Task Force to Study the Cost of Textbooks for Higher Education.~~

~~*FOR the purpose of requiring the Department of Legislative Services, with the assistance of certain committees, to study and compile certain information regarding certain costs associated with textbooks for higher education on or before a certain date; and generally relating to the cost of textbooks for higher education.*~~

~~BY adding to~~

~~Article Tax General~~

~~Section 10-726~~

~~Annotated Code of Maryland~~

~~(2004 Replacement Volume and 2006 Supplement)~~

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

~~Article Tax General~~

~~10-726.~~

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

~~(2) "ELIGIBLE STUDENT" MEANS AN INDIVIDUAL:~~

~~(i) WHO IS THE TAXPAYER, THE TAXPAYER'S SPOUSE, OR A DEPENDENT OF THE TAXPAYER AS DEFINED IN § 152 OF THE INTERNAL REVENUE CODE; AND~~

~~(H) WHO QUALIFIES FOR STATE FINANCIAL ASSISTANCE ON THE BASIS OF NEED AS DETERMINED BY THE MARYLAND HIGHER EDUCATION COMMISSION.~~

~~(3) "TEXTBOOK" MEANS A BOOK:~~

~~(I) WRITTEN, DESIGNED, AND PRODUCED FOR EDUCATIONAL, INSTRUCTIONAL, OR PEDAGOGICAL PURPOSES; AND~~

~~(II) REQUIRED FOR A COURSE AT AN INSTITUTION OF HIGHER EDUCATION AS DEFINED IN § 10-101 OF THE EDUCATION ARTICLE.~~

~~(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE EXPENSES ABOVE \$500 FOR THE TAXABLE YEAR FOR THE PURCHASE OF TEXTBOOKS FOR AN ELIGIBLE STUDENT'S USE AT AN INSTITUTION OF HIGHER EDUCATION AS DEFINED IN § 10-101 OF THE EDUCATION ARTICLE.~~

~~(C) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE LESSER OF:~~

~~(I) THE STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR CALCULATED BEFORE THE APPLICATION OF THE CREDITS ALLOWED UNDER THIS SECTION AND UNDER §§ 10-701 AND 10-701.1 OF THIS SUBTITLE; OR~~

~~(II) \$500.~~

~~(2) THE UNUSED AMOUNT OF THE CREDIT MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007, and shall be applicable to all taxable years beginning after December 31, 2006.~~

~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:~~

~~(a) There is a Task Force to Study the Cost of Textbooks for Higher Education.~~

~~(b) The Task Force consists of the following members:~~

- ~~(1) one member of the Senate of Maryland, appointed by the President of the Senate;~~
- ~~(2) one member of the House of Delegates, appointed by the Speaker of the House;~~
- ~~(3) the Secretary of Higher Education, or the Secretary's designee;~~
- ~~(4) the Chancellor of the University System of Maryland, or the Chancellor's designee;~~
- ~~(5) the President of Morgan State University, or the President's designee;~~
- ~~(6) the President of St. Mary's College of Maryland, or the President's designee;~~
- ~~(7) the following members, appointed by the Secretary of Higher Education:
 - ~~(i) one member of a board of community college trustees;~~
 - ~~(ii) one student who is enrolled in a constituent institution of the University System of Maryland;~~
 - ~~(iii) one student who is enrolled in a community college;~~
 - ~~(iv) one member of the faculty of a community college;~~
 - ~~(v) one representative of a business that contracts with the University System of Maryland or a community college to provide textbook selling services on a university or community college campus;~~
 - ~~(vi) one representative of a textbook publishing company whose textbooks are sold to higher education students in the State; and~~
 - ~~(vii) one representative of a business that buys and sells used textbooks to higher education students in the State;~~~~
- ~~(8) one member of the faculty of a constituent institution of the University System of Maryland, appointed by the Chancellor; and~~
- ~~(9) one representative of the Maryland Independent College and University Association;~~

- ~~(c) The members of the Task Force shall elect a chair from the membership.~~
- ~~(d) The Maryland Higher Education Commission shall provide staff for the Task Force.~~
- ~~(e) A member of the Task Force:
 - ~~(1) may not receive compensation as a member of the Task Force; but~~
 - ~~(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.~~~~
- ~~(f) The Task Force shall:
 - ~~(1) examine retail prices of textbooks for higher education students in the State, including average and median prices for undergraduate, graduate, and community college student textbooks;~~
 - ~~(2) study factors that impact retail prices of textbooks, including:
 - ~~(i) how professors choose textbooks for their classes;~~
 - ~~(ii) the amount retail booksellers increase retail prices above publishers' list prices;~~
 - ~~(iii) publishers' methods of setting list prices;~~
 - ~~(iv) publishers' methods of marketing textbooks to professors;~~~~
 - ~~and~~
 - ~~(v) any other factors the Task Force identifies as impacting retail prices paid by higher education students for textbooks; and~~
 - ~~(3) develop recommendations for providing financial relief to students and families relating to the price of textbooks.~~~~
- ~~(g) In performing its duties, the Task Force may invite all interested groups and individuals to present testimony or other information to the Task Force.~~
- ~~(h) On or before September 1, 2008, the Task Force shall report its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That on or before November 1, 2007, the Department of Legislative

Services, with the assistance of the Senate Education, Health, and Environmental Affairs Committee and the House Committee on Ways and Means, shall study and compile information on:

(1) retail prices of textbooks for higher education students in the State, including average and median prices for undergraduate, graduate, and community college student textbooks;

(2) factors that impact retail prices of textbooks, including:

(i) how professors choose textbooks for their classes;

(ii) the amount retail booksellers increase retail prices above publishers' list prices;

(iii) publishers' methods of setting list prices;

(iv) barriers to competition; and

(v) publishers' methods of marketing textbooks to professors;

(3) the advantages and disadvantages of posting textbook information online as proposed by Senate Bill 166 from the 2007 Legislative Session; and

(4) the advantages and disadvantages of requiring tuition to cover the cost of textbooks as proposed by Senate Bill 785 from the 2007 Legislative Session.

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007. It shall remain effective for a period of 2 years and, at the end of June 30, 2009, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~

Approved by the Governor, May 8, 2007.

CHAPTER 296

(Senate Bill 525)

AN ACT concerning

Higher Education - Dual Enrollment Grant Program

FOR the purpose of requiring certain money carried forward from a previous fiscal year to be used for dual enrollment grants, in addition to certain other financial aid programs; repealing certain provisions of law relating to the inclusion of dually enrolled students in a certain part-time grant program; requiring the Maryland Higher Education Commission, in cooperation with certain institutions of higher education, to establish and administer a grant program for dually enrolled students; requiring a recipient of a dual enrollment grant to be a resident of the State ~~and~~, be a dually enrolled student, and demonstrate financial need; providing that, for courses completed under the program, a recipient of a dual enrollment grant is not required to receive credit from a secondary school and an institution of higher education at the same time; requiring the Commission to ~~administer funds for the Dual Enrollment Grant Program and to distribute funds to an institution of higher education on behalf of a dual enrollment grant recipient~~ allocate funds to an institution of higher education based on the number of dually enrolled students receiving credit for certain courses; requiring funds for the Dual Enrollment Grant Program to be as provided in the annual budget of the Commission by the Governor; requiring the Commission to establish guidelines for the awarding of dual enrollment grants to dually enrolled students; requiring the Commission to adopt certain regulations; ~~requiring the Governor to include certain funds in the State budget for certain fiscal years for the Dual Enrollment Grant Program~~ requiring an institution of higher education that receives certain funds for dual enrollment grants to provide the Commission with a certain annual audit; requiring a certain council to provide certain recommendations to the Governor and the General Assembly on or before a certain date; providing for the termination of this Act; defining a certain term; and generally relating to the Dual Enrollment Grant Program.

BY repealing and reenacting, with amendments,
 Article – Education
 Section 18-107(b) and 18-1401
 Annotated Code of Maryland
 (2006 Replacement Volume)

BY adding to
 Article – Education
 Section 18-14A-01 through ~~18-14A-03~~ 18-14A-04 to be under the new subtitle
 “Subtitle 14A. Dual Enrollment Grant Program”
 Annotated Code of Maryland
 (2006 Replacement Volume)

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

Article – Education

18-107.

(b) (1) Except as otherwise provided in this title, money appropriated under this title that is not used by the end of the fiscal year may not revert to the State Treasury.

(2) All money retained under paragraph (1) of this subsection shall be used to make awards to students during subsequent fiscal years as provided in §§ 18-301, 18-706(f), 18-1401, **18-14A-01**, and 18-1501 of this title and § 13-613(d)(1) of the Transportation Article and may not be used for administrative expenses.

18-1401.

(a) In this section, “part-time student” means a student who is[:

(1) Enrolled] **ENROLLED** in a degree-granting program at an eligible institution and taking at least 6 but no more than 11 semester hours of courses each semester[; or

(2) Dually enrolled in a secondary school in the State and an institution of higher education].

(b) [(1)] In cooperation with the institutions of higher education in the State, the Commission shall establish and administer a grant program for undergraduate part-time students.

[(2) Each institution of higher education that participates in the grant program shall establish criteria for awarding a grant or waiver to dually enrolled students.]

(c) A recipient of a part-time grant shall:

(1) Be a resident of the State; and

(2) [(i)] Have demonstrated a definite financial need according to criteria established by the Commission[; or

(ii) Be a dually enrolled student].

SUBTITLE 14A. DUAL ENROLLMENT GRANT PROGRAM.**18-14A-01.**

(A) IN THIS SECTION, "DUALY ENROLLED STUDENT" MEANS A STUDENT WHO IS DUALY ENROLLED IN:

(1) ~~(I)~~ A SECONDARY SCHOOL IN THE STATE; ~~OR~~

~~(II) A PROGRAM OF SECONDARY SCHOOL INSTRUCTION IN THE STATE;~~ AND

(2) AN INSTITUTION OF HIGHER EDUCATION IN THE STATE.

(B) ~~THE~~ IN COOPERATION WITH INSTITUTIONS OF HIGHER EDUCATION IN THE STATE, THE COMMISSION SHALL ESTABLISH AND ADMINISTER A GRANT PROGRAM FOR DUALY ENROLLED STUDENTS.

(C) A RECIPIENT OF A DUAL ENROLLMENT GRANT SHALL:

(1) BE A RESIDENT OF THE STATE; ~~AND~~

(2) BE A DUALY ENROLLED STUDENT; AND

(3) DEMONSTRATE FINANCIAL NEED ACCORDING TO CRITERIA ESTABLISHED BY THE COMMISSION.

(D) FOR COURSES COMPLETED UNDER THE PROGRAM, A RECIPIENT OF A DUAL ENROLLMENT GRANT IS NOT REQUIRED TO RECEIVE CREDIT FROM A SECONDARY SCHOOL AND AN INSTITUTION OF HIGHER EDUCATION AT THE SAME TIME.

18-14A-02.

(A) FUNDS FOR THE DUAL ENROLLMENT GRANT PROGRAM SHALL BE:

(1) ~~ADMINISTERED BY THE COMMISSION; AND~~

(2) ~~DISTRIBUTED TO AN INSTITUTION OF HIGHER EDUCATION ON BEHALF OF A DUAL ENROLLMENT GRANT RECIPIENT~~ ALLOCATED BY THE COMMISSION TO AN INSTITUTION OF HIGHER EDUCATION BASED ON THE NUMBER OF DUALY ENROLLED STUDENTS RECEIVING CREDIT FOR COURSES COMPLETED AT THE INSTITUTION.

(B) FUNDS FOR THE DUAL ENROLLMENT GRANT PROGRAM SHALL BE AS PROVIDED IN THE ANNUAL BUDGET OF THE COMMISSION BY THE GOVERNOR.

18-14A-03.**THE COMMISSION SHALL:**

(1) ESTABLISH GUIDELINES FOR THE AWARDING OF DUAL ENROLLMENT GRANTS TO DUALY ENROLLED STUDENTS; AND

(2) ADOPT ANY OTHER GUIDELINES OR REGULATIONS NECESSARY FOR THE ADMINISTRATION OF THIS SUBTITLE.

18-14A-04.

AN INSTITUTION OF HIGHER EDUCATION THAT RECEIVES STATE FUNDS UNDER THIS SUBTITLE SHALL PROVIDE THE COMMISSION WITH AN ANNUAL AUDIT OF THE USE OF THE FUNDS.

~~SECTION 2. AND BE IT FURTHER ENACTED, That, beginning with the fiscal year 2009 State budget and each year thereafter, the Governor shall appropriate to the Maryland Higher Education Commission for the administration of the Dual Enrollment Grant Program established under Title 18, Subtitle 14A of the Education Article, as enacted by Section 1 of this Act, an amount not less than 10% of the amount appropriated to the Commission for the administration of the Part Time Grant Program established under Title 18, Subtitle 14 of the Education Article.~~

SECTION 2. AND BE IT FURTHER ENACTED, That on or before November 1, 2007, the Maryland Partnership for Teaching and Learning PreK – 16 Council shall provide the Governor and, in accordance with § 2-1246 of the State Government Article the General Assembly, a comprehensive list of recommendations that will surmount barriers to dual-enrollment and will facilitate dual-enrollment opportunities.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007. It shall remain effective for a period of ~~1 year~~ 2 years and 1 month and, at the end of June 30, ~~2008~~ 2009, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 8, 2007.

CHAPTER 297

(House Bill 538)

AN ACT concerning

Higher Education – Dual Enrollment Grant Program

FOR the purpose of requiring certain money carried forward from a previous fiscal year to be used for dual enrollment grants, in addition to certain other financial aid programs; repealing certain provisions of law relating to the inclusion of dually enrolled students in a certain part-time grant program; requiring the Maryland Higher Education Commission, in cooperation with certain institutions of higher education, to establish and administer a grant program for dually enrolled students; requiring a recipient of a dual enrollment grant to be a resident of the State ~~and, be a dually enrolled student, and demonstrate financial need~~; providing that, for courses completed under the program, a recipient of a dual enrollment grant is not required to receive credit from a secondary school and an institution of higher education at the same time; requiring the Commission to ~~administer funds for the Dual Enrollment Grant Program and to distribute funds to an institution of higher education on behalf of a dual enrollment grant recipient~~ allocate funds to an institution of higher education based on the number of dually enrolled students receiving credit for certain courses; requiring funds for the Dual Enrollment Grant Program to be as provided in the annual budget of the Commission by the Governor; requiring the Commission to establish guidelines for the awarding of dual enrollment grants to dually enrolled students; requiring the Commission to adopt certain regulations; ~~requiring the Governor to include certain funds in the State budget for certain fiscal years for the Dual Enrollment Grant Program~~ requiring an institution of higher education that receives certain funds for dual enrollment grants to provide the Commission with a certain annual audit; requiring a certain council to provide certain recommendations to the Governor and the General Assembly on or before a certain date; providing for the termination of this Act; defining a certain term; and generally relating to the Dual Enrollment Grant Program.

BY repealing and reenacting, with amendments,

Article – Education
Section 18-107(b) and 18-1401
Annotated Code of Maryland
(2006 Replacement Volume)

BY adding to

Article – Education
Section 18-14A-01 through ~~18-14A-03~~ 18-14A-04 to be under the new subtitle
“Subtitle 14A. Dual Enrollment Grant Program”
Annotated Code of Maryland
(2006 Replacement Volume)

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

Article - Education

18-107.

(b) (1) Except as otherwise provided in this title, money appropriated under this title that is not used by the end of the fiscal year may not revert to the State Treasury.

(2) All money retained under paragraph (1) of this subsection shall be used to make awards to students during subsequent fiscal years as provided in §§ 18-301, 18-706(f), 18-1401, **18-14A-01**, and 18-1501 of this title and § 13-613(d)(1) of the Transportation Article and may not be used for administrative expenses.

18-1401.

(a) In this section, “part-time student” means a student who is[:

(1) Enrolled] **ENROLLED** in a degree-granting program at an eligible institution and taking at least 6 but no more than 11 semester hours of courses each semester[; or

(2) Dually enrolled in a secondary school in the State and an institution of higher education].

(b) [(1)] In cooperation with the institutions of higher education in the State, the Commission shall establish and administer a grant program for undergraduate part-time students.

[(2) Each institution of higher education that participates in the grant program shall establish criteria for awarding a grant or waiver to dually enrolled students.]

(c) A recipient of a part-time grant shall:

(1) Be a resident of the State; and

(2) [(i)] Have demonstrated a definite financial need according to criteria established by the Commission[; or

(ii) Be a dually enrolled student].

SUBTITLE 14A. DUAL ENROLLMENT GRANT PROGRAM.

18-14A-01.

(A) IN THIS SECTION, "DUALY ENROLLED STUDENT" MEANS A STUDENT WHO IS DUALY ENROLLED IN:

- (1) A SECONDARY SCHOOL IN THE STATE; AND
- (2) AN INSTITUTION OF HIGHER EDUCATION IN THE STATE.

(B) ~~THE~~ IN COOPERATION WITH INSTITUTIONS OF HIGHER EDUCATION IN THE STATE, THE COMMISSION SHALL ESTABLISH AND ADMINISTER A GRANT PROGRAM FOR DUALY ENROLLED STUDENTS.

(C) A RECIPIENT OF A DUAL ENROLLMENT GRANT SHALL:

- (1) BE A RESIDENT OF THE STATE; ~~AND~~
- (2) BE A DUALY ENROLLED STUDENT; AND
- (3) DEMONSTRATE FINANCIAL NEED ACCORDING TO CRITERIA ESTABLISHED BY THE COMMISSION.

(D) FOR COURSES COMPLETED UNDER THE PROGRAM, A RECIPIENT OF A DUAL ENROLLMENT GRANT IS NOT REQUIRED TO RECEIVE CREDIT FROM A SECONDARY SCHOOL AND AN INSTITUTION OF HIGHER EDUCATION AT THE SAME TIME.

18-14A-02.

(A) FUNDS FOR THE DUAL ENROLLMENT GRANT PROGRAM SHALL BE:

- (1) ~~ADMINISTERED BY THE COMMISSION; AND~~
- (2) DISTRIBUTED TO AN INSTITUTION OF HIGHER EDUCATION ON BEHALF OF A DUAL ENROLLMENT GRANT RECIPIENT ALLOCATED BY THE COMMISSION TO AN INSTITUTION OF HIGHER EDUCATION BASED ON THE NUMBER OF DUALY ENROLLED STUDENTS RECEIVING CREDIT FOR COURSES COMPLETED AT THE INSTITUTION.

(B) FUNDS FOR THE DUAL ENROLLMENT GRANT PROGRAM SHALL BE AS PROVIDED IN THE ANNUAL BUDGET OF THE COMMISSION BY THE GOVERNOR.

18-14A-03.

THE COMMISSION SHALL:

(1) ESTABLISH GUIDELINES FOR THE AWARDING OF DUAL ENROLLMENT GRANTS TO DUALY ENROLLED STUDENTS; AND

(2) ADOPT ANY OTHER GUIDELINES OR REGULATIONS NECESSARY FOR THE ADMINISTRATION OF THIS SUBTITLE.

18-14A-04.

AN INSTITUTION OF HIGHER EDUCATION THAT RECEIVES STATE FUNDS UNDER THIS SUBTITLE SHALL PROVIDE THE COMMISSION WITH AN ANNUAL AUDIT OF THE USE OF THE FUNDS.

SECTION 2. AND BE IT FURTHER ENACTED, That on or before November 1, 2007, the Maryland Partnership for Teaching and Learning PreK - 16 Council shall provide the Governor and, in accordance with § 2-1246 of the State Government Article the General Assembly, a comprehensive list of recommendations that will surmount barriers to dual-enrollment and will facilitate dual-enrollment opportunities.

~~SECTION 2. 3. AND BE IT FURTHER ENACTED, That, beginning with the fiscal year 2009 State budget and each year thereafter, the Governor shall appropriate to the Maryland Higher Education Commission for the administration of the Dual Enrollment Grant Program established under Title 18, Subtitle 14A of the Education Article, as enacted by Section 1 of this Act, an amount not less than 10% of the amount appropriated to the Commission for the administration of the Part Time Grant Program established under Title 18, Subtitle 14 of the Education Article.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007. It shall remain effective for a period of 1 year 2 years and 1 month and, at the end of June 30, 2008 2009, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~

Approved by the Governor, May 8, 2007.

CHAPTER 298

(House Bill 1180)

AN ACT concerning

Unemployment Insurance - ~~Maximum Benefit~~ Schedule of Benefits

FOR the purpose of ~~increasing the maximum weekly unemployment insurance benefit amount by a specified amount over a certain period of time~~ altering the schedule of benefits of weekly unemployment insurance benefits so as to increase the amount of the weekly benefit amount up to a certain maximum weekly benefit amount, based on certain high quarter wages; providing for the application of this Act; and generally relating to unemployment insurance benefits.

BY repealing and reenacting, with amendments,
Article - Labor and Employment
Section 8-803
Annotated Code of Maryland
(1999 Replacement Volume and 2006 Supplement)

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

Article - Labor and Employment

8-803.

(a) (1) To determine the weekly benefit amount to assign to a claimant in the schedule of benefits in subsection (b) of this section, the line in the schedule of benefits shall be located in which the high quarter wages in column (A) correspond to wages that the claimant was paid for covered employment in the calendar quarter of the claimant's base period in which those wages were highest.

(2) ~~(i)~~ ~~{The}~~ ~~EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE~~ claimant shall be assigned:

~~{(i)}~~ ~~1.~~ the weekly benefit amount in column (B) of the schedule for that line; or

~~{(ii)}~~ ~~2.~~ if the claimant is not eligible under § 8-802 of this subtitle for that weekly benefit amount but was paid wages to qualify in 1 of the next 6

lower lines of the schedule, the weekly benefit amount in the next lower line in column (B) of the schedule.

~~(H) THE WEEKLY BENEFIT AMOUNTS SPECIFIED IN COLUMN (B) OF THE SCHEDULE SHALL BE INCREASED:~~

~~1. BY \$40 FOR ALL CLAIMS ESTABLISHING A NEW BENEFIT ON OCTOBER 7, 2007, THROUGH OCTOBER 4, 2008, INCLUSIVE;~~

~~2. BY \$80 FOR ALL CLAIMS ESTABLISHING A NEW BENEFIT ON OCTOBER 5, 2008, THROUGH OCTOBER 3, 2009, INCLUSIVE; AND~~

~~3. BY \$120 FOR ALL CLAIMS ESTABLISHING A NEW BENEFIT ON OR AFTER OCTOBER 4, 2009.~~

(b)

SCHEDULE OF BENEFITS

Line	High Quarter Wages (A)	Weekly Benefit Amount (B)	Minimum Qualifying Wages (C)
(1)	\$ 576.01 to \$ 600.00	25.00	900.00
(2)	\$ 600.01 to \$ 624.00	26.00	936.00
(3)	\$ 624.01 to \$ 648.00	27.00	972.00
(4)	\$ 648.01 to \$ 672.00	28.00	1,008.00
(5)	\$ 672.01 to \$ 696.00	29.00	1,044.00
(6)	\$ 696.01 to \$ 720.00	30.00	1,080.00
(7)	\$ 720.01 to \$ 744.00	31.00	1,116.00
(8)	\$ 744.01 to \$ 768.00	32.00	1,152.00
(9)	\$ 768.01 to \$ 792.00	33.00	1,188.00
(10)	\$ 792.01 to \$ 816.00	34.00	1,224.00
(11)	\$ 816.01 to \$ 840.00	35.00	1,260.00
(12)	\$ 840.01 to \$ 864.00	36.00	1,296.00
(13)	\$ 864.01 to \$ 888.00	37.00	1,332.00

(14)	\$ 888.01 to \$ 912.00	38.00	1,368.00
(15)	\$ 912.01 to \$ 936.00	39.00	1,404.00
(16)	\$ 936.01 to \$ 960.00	40.00	1,440.00
(17)	\$ 960.01 to \$ 984.00	41.00	1,476.00
(18)	\$ 984.01 to \$1,008.00	42.00	1,512.00
(19)	\$1,008.01 to \$1,032.00	43.00	1,548.00
(20)	\$1,032.01 to \$1,056.00	44.00	1,584.00
(21)	\$1,056.01 to \$1,080.00	45.00	1,620.00
(22)	\$1,080.01 to \$1,104.00	46.00	1,656.00
(23)	\$1,104.01 to \$1,128.00	47.00	1,692.00
(24)	\$1,128.01 to \$1,152.00	48.00	1,728.00
(25)	\$1,152.01 to \$1,176.00	49.00	1,764.00
(26)	\$1,176.01 to \$1,200.00	50.00	1,800.00
(27)	\$1,200.01 to \$1,224.00	51.00	1,836.00
(28)	\$1,224.01 to \$1,248.00	52.00	1,872.00
(29)	\$1,248.01 to \$1,272.00	53.00	1,908.00
(30)	\$1,272.01 to \$1,296.00	54.00	1,944.00
(31)	\$1,296.01 to \$1,320.00	55.00	1,980.00
(32)	\$1,320.01 to \$1,344.00	56.99	2,016.00
(33)	\$1,344.01 to \$1,368.00	57.00	2,052.00
(34)	\$1,368.01 to \$1,392.00	58.00	2,088.00
(35)	\$1,392.01 to \$1,416.00	59.00	2,124.00
(36)	\$1,416.01 to \$1,440.00	60.00	2,160.00
(37)	\$1,440.01 to \$1,464.00	61.00	2,196.00
(38)	\$1,464.01 to \$1,488.00	62.00	2,232.00
(39)	\$1,488.01 to \$1,512.00	63.00	2,268.00
(40)	\$1,512.01 to \$1,536.00	64.00	2,304.00
(41)	\$1,536.01 to \$1,560.00	65.00	2,340.00
(42)	\$1,560.01 to \$1,584.00	66.00	2,376.00
(43)	\$1,584.01 to \$1,608.00	67.00	2,412.00

(44)	\$1,608.01 to \$1,632.00	68.00	2,448.00
(45)	\$1,632.01 to \$1,656.00	69.00	2,484.00
(46)	\$1,656.01 to \$1,680.00	70.00	2,520.00
(47)	\$1,680.01 to \$1,704.00	71.00	2,556.00
(48)	\$1,704.01 to \$1,728.00	72.00	2,592.00
(49)	\$1,728.01 to \$1,752.00	73.00	2,628.00
(50)	\$1,752.01 to \$1,776.00	74.00	2,664.00
(51)	\$1,776.01 to \$1,800.00	75.00	2,700.00
(52)	\$1,800.01 to \$1,824.00	76.00	2,736.00
(53)	\$1,824.01 to \$1,848.00	77.00	2,772.00
(54)	\$1,848.01 to \$1,872.00	78.00	2,808.00
(55)	\$1,872.01 to \$1,896.00	79.00	2,844.00
(56)	\$1,896.01 to \$1,920.00	80.00	2,880.00
(57)	\$1,920.01 to \$1,944.00	81.00	2,916.00
(58)	\$1,944.01 to \$1,968.00	82.00	2,952.00
(59)	\$1,968.01 to \$1,992.00	83.00	2,988.00
(60)	\$1,992.01 to \$2,016.00	84.00	3,024.00
(61)	\$2,016.01 to \$2,040.00	85.00	3,060.00
(62)	\$2,040.01 to \$2,064.00	86.00	3,096.00
(63)	\$2,064.01 to \$2,088.00	87.00	3,132.00
(64)	\$2,088.01 to \$2,112.00	88.00	3,168.00
(65)	\$2,112.01 to \$2,136.00	89.00	3,204.00
(66)	\$2,136.01 to \$2,160.00	90.00	3,240.00
(67)	\$2,160.01 to \$2,184.00	91.00	3,276.00
(68)	\$2,184.01 to \$2,208.00	92.00	3,312.00
(69)	\$2,208.01 to \$2,232.00	93.00	3,348.00
(70)	\$2,232.01 to \$2,256.00	94.00	3,384.00
(71)	\$2,256.01 to \$2,280.00	95.00	3,420.00
(72)	\$2,280.01 to \$2,304.00	96.00	3,456.00
(73)	\$2,304.01 to \$2,328.00	97.00	3,492.00

(74)	\$2,328.01 to \$2,352.00	98.00	3,528.00
(75)	\$2,352.01 to \$2,376.00	99.00	3,564.00
(76)	\$2,376.01 to \$2,400.00	100.00	3,600.00
(77)	\$2,400.01 to \$2,424.00	101.00	3,636.00
(78)	\$2,424.01 to \$2,448.00	102.00	3,672.00
(79)	\$2,448.01 to \$2,472.00	103.00	3,708.00
(80)	\$2,472.01 to \$2,496.00	104.00	3,744.00
(81)	\$2,496.01 to \$2,520.00	105.00	3,780.00
(82)	\$2,520.01 to \$2,544.00	106.00	3,816.00
(83)	\$2,544.01 to \$2,568.00	107.00	3,852.00
(84)	\$2,568.01 to \$2,592.00	108.00	3,888.00
(85)	\$2,592.01 to \$2,616.00	109.00	3,924.00
(86)	\$2,616.01 to \$2,640.00	110.00	3,960.00
(87)	\$2,640.01 to \$2,664.00	111.00	3,996.00
(88)	\$2,664.01 to \$2,688.00	112.00	4,032.00
(89)	\$2,688.01 to \$2,712.00	113.00	4,068.00
(90)	\$2,712.01 to \$2,736.00	114.00	4,104.00
(91)	\$2,736.01 to \$2,760.00	115.00	4,140.00
(92)	\$2,760.01 to \$2,784.00	116.00	4,176.00
(93)	\$2,784.01 to \$2,808.00	117.00	4,212.00
(94)	\$2,808.01 to \$2,832.00	118.00	4,248.00
(95)	\$2,832.01 to \$2,856.00	119.00	4,284.00
(96)	\$2,856.01 to \$2,880.00	120.00	4,320.00
(97)	\$2,880.01 to \$2,904.00	121.00	4,356.00
(98)	\$2,904.01 to \$2,928.00	122.00	4,392.00
(99)	\$2,928.01 to \$2,952.00	123.00	4,428.00
(100)	\$2,952.01 to \$2,976.00	124.00	4,464.00
(101)	\$2,976.01 to \$3,000.00	125.00	4,500.00
(102)	\$3,000.01 to \$3,024.00	126.00	4,536.00
(103)	\$3,024.01 to \$3,048.00	127.00	4,572.00

(104)	\$3,048.01 to \$3,072.00	128.00	4,608.00
(105)	\$3,072.01 to \$3,096.00	129.00	4,644.00
(106)	\$3,096.01 to \$3,120.00	130.00	4,680.00
(107)	\$3,120.01 to \$3,144.00	131.00	4,716.00
(108)	\$3,144.01 to \$3,168.00	132.00	4,752.00
(109)	\$3,168.01 to \$3,192.00	133.00	4,788.00
(110)	\$3,192.01 to \$3,216.00	134.00	4,824.00
(111)	\$3,216.01 to \$3,240.00	135.00	4,860.00
(112)	\$3,240.01 to \$3,264.00	136.00	4,896.00
(113)	\$3,264.01 to \$3,288.00	137.00	4,932.00
(114)	\$3,288.01 to \$3,312.00	138.00	4,968.00
(115)	\$3,312.01 to \$3,336.00	139.00	5,004.00
(116)	\$3,336.01 to \$3,360.00	140.00	5,040.00
(117)	\$3,360.01 to \$3,384.00	141.00	5,076.00
(118)	\$3,384.01 to \$3,408.00	142.00	5,112.00
(119)	\$3,408.01 to \$3,432.00	143.00	5,148.00
(120)	\$3,432.01 to \$3,456.00	144.00	5,184.00
(121)	\$3,456.01 to \$3,480.00	145.00	5,220.00
(122)	\$3,480.01 to \$3,504.00	146.00	5,256.00
(123)	\$3,504.01 to \$3,528.00	147.00	5,292.00
(124)	\$3,528.01 to \$3,552.00	148.00	5,328.00
(125)	\$3,552.01 to \$3,576.00	149.00	5,364.00
(126)	\$3,576.01 to \$3,600.00	150.00	5,400.00
(127)	\$3,600.01 to \$3,624.00	151.00	5,436.00
(128)	\$3,624.01 to \$3,648.00	152.00	5,472.00
(129)	\$3,648.01 to \$3,672.00	153.00	5,508.00
(130)	\$3,672.01 to \$3,696.00	154.00	5,544.00
(131)	\$3,696.01 to \$3,720.00	155.00	5,580.00
(132)	\$3,720.01 to \$3,744.00	156.00	5,616.00
(133)	\$3,744.01 to \$3,768.00	157.00	5,652.00

(134)	\$3,768.01 to \$3,792.00	158.00	5,688.00
(135)	\$3,792.01 to \$3,816.00	159.00	5,724.00
(136)	\$3,816.01 to \$3,840.00	160.00	5,760.00
(137)	\$3,840.01 to \$3,864.00	161.00	5,796.00
(138)	\$3,864.01 to \$3,888.00	162.00	5,832.00
(139)	\$3,888.01 to \$3,912.00	163.00	5,868.00
(140)	\$3,912.01 to \$3,936.00	164.00	5,904.00
(141)	\$3,936.01 to \$3,960.00	165.00	5,940.00
(142)	\$3,960.01 to \$3,984.00	166.00	5,976.00
(143)	\$3,984.01 to \$4,008.00	167.00	6,012.00
(144)	\$4,008.01 to \$4,032.00	168.00	6,048.00
(145)	\$4,032.01 to \$4,056.00	169.00	6,084.00
(146)	\$4,056.01 to \$4,080.00	170.00	6,120.00
(147)	\$4,080.01 to \$4,104.00	171.00	6,156.00
(148)	\$4,104.01 to \$4,128.00	172.00	6,192.00
(149)	\$4,128.01 to \$4,152.00	173.00	6,228.00
(150)	\$4,152.01 to \$4,176.00	174.00	6,264.00
(151)	\$4,176.01 to \$4,200.00	175.00	6,300.00
(152)	\$4,200.01 to \$4,224.00	176.00	6,336.00
(153)	\$4,224.01 to \$4,248.00	177.00	6,372.00
(154)	\$4,248.01 to \$4,272.00	178.00	6,408.00
(155)	\$4,272.01 to \$4,296.00	179.00	6,444.00
(156)	\$4,296.01 to \$4,320.00	180.00	6,480.00
(157)	\$4,320.01 to \$4,344.00	181.00	6,516.00
(158)	\$4,344.01 to \$4,368.00	182.00	6,552.00
(159)	\$4,368.01 to \$4,392.00	183.00	6,588.00
(160)	\$4,392.01 to \$4,416.00	184.00	6,624.00
(161)	\$4,416.01 to \$4,440.00	185.00	6,660.00
(162)	\$4,440.01 to \$4,464.00	186.00	6,696.00
(163)	\$4,464.01 to \$4,488.00	187.00	6,732.00

(164)	\$4,488.01 to \$4,512.00	188.00	6,768.00
(165)	\$4,512.01 to \$4,536.00	189.00	6,804.00
(166)	\$4,536.01 to \$4,560.00	190.00	6,840.00
(167)	\$4,560.01 to \$4,584.00	191.00	6,876.00
(168)	\$4,584.01 to \$4,608.00	192.00	6,912.00
(169)	\$4,608.01 to \$4,632.00	193.00	6,948.00
(170)	\$4,632.01 to \$4,656.00	194.00	6,984.00
(171)	\$4,656.01 to \$4,680.00	195.00	7,020.00
(172)	\$4,680.01 to \$4,704.00	196.00	7,056.00
(173)	\$4,704.01 to \$4,728.00	197.00	7,092.00
(174)	\$4,728.01 to \$4,752.00	198.00	7,128.00
(175)	\$4,752.01 to \$4,776.00	199.00	7,164.00
(176)	\$4,776.01 to \$4,800.00	200.00	7,200.00
(177)	\$4,800.01 to \$4,824.00	201.00	7,236.00
(178)	\$4,824.01 to \$4,848.00	202.00	7,272.00
(179)	\$4,848.01 to \$4,872.00	203.00	7,308.00
(180)	\$4,872.01 to \$4,896.00	204.00	7,344.00
(181)	\$4,896.01 to \$4,920.00	205.00	7,380.00
(182)	\$4,920.01 to \$4,944.00	206.00	7,416.00
(183)	\$4,944.01 to \$4,968.00	207.00	7,452.00
(184)	\$4,968.01 to \$4,992.00	208.00	7,488.00
(185)	\$4,992.01 to \$5,016.00	209.00	7,524.00
(186)	\$5,016.01 to \$5,040.00	210.00	7,560.00
(187)	\$5,040.01 to \$5,064.00	211.00	7,596.00
(188)	\$5,064.01 to \$5,088.00	212.00	7,632.00
(189)	\$5,088.01 to \$5,112.00	213.00	7,668.00
(190)	\$5,112.01 to \$5,136.00	214.00	7,704.00
(191)	\$5,136.01 to \$5,160.00	215.00	7,740.00
(192)	\$5,160.01 to \$5,184.00	216.00	7,776.00
(193)	\$5,184.01 to \$5,208.00	217.00	7,812.00

(194)	\$5,208.01 to \$5,232.00	218.00	7,848.00
(195)	\$5,232.01 to \$5,256.00	219.00	7,884.00
(196)	\$5,256.01 to \$5,280.00	220.00	7,920.00
(197)	\$5,280.01 to \$5,304.00	221.00	7,956.00
(198)	\$5,304.01 to \$5,328.00	222.00	7,992.00
(199)	\$5,328.01 to \$5,352.00	223.00	8,028.00
(200)	\$5,352.01 to \$5,376.00	224.00	8,064.00
(201)	\$5,376.01 to \$5,400.00	225.00	8,100.00
(202)	\$5,400.01 to \$5,424.00	226.00	8,136.00
(203)	\$5,424.01 to \$5,448.00	227.00	8,172.00
(204)	\$5,448.01 to \$5,472.00	228.00	8,208.00
(205)	\$5,472.01 to \$5,496.00	229.00	8,244.00
(206)	\$5,496.01 to \$5,520.00	230.00	8,280.00
(207)	\$5,520.01 to \$5,544.00	231.00	8,316.00
(208)	\$5,544.01 to \$5,568.00	232.00	8,352.00
(209)	\$5,568.01 to \$5,592.00	233.00	8,388.00
(210)	\$5,592.01 to \$5,616.00	234.00	8,424.00
(211)	\$5,616.01 to \$5,640.00	235.00	8,460.00
(212)	\$5,640.01 to \$5,664.00	236.00	8,496.00
(213)	\$5,664.01 to \$5,688.00	237.00	8,532.00
(214)	\$5,688.01 to \$5,712.00	238.00	8,568.00
(215)	\$5,712.01 to \$5,736.00	239.00	8,604.00
(216)	\$5,736.01 to \$5,760.00	240.00	8,640.00
(217)	\$5,760.01 to \$5,784.00	241.00	8,676.00
(218)	\$5,784.01 to \$5,808.00	242.00	8,712.00
(219)	\$5,808.01 to \$5,832.00	243.00	8,748.00
(220)	\$5,832.01 to \$5,856.00	244.00	8,784.00
(221)	\$5,856.01 to \$5,880.00	245.00	8,820.00
(222)	\$5,880.01 to \$5,904.00	246.00	8,856.00
(223)	\$5,904.01 to \$5,928.00	247.00	8,892.00

(224)	\$5,928.01 to \$5,952.00	248.00	8,928.00
(225)	\$5,952.01 to \$5,976.00	249.00	8,964.00
(226)	\$5,976.01 to \$6,000.00	250.00	9,000.00
(227)	\$6,000.01 to \$6,024.00	251.00	9,036.00
(228)	\$6,024.01 to \$6,048.00	252.00	9,072.00
(229)	\$6,048.01 to \$6,072.00	253.00	9,108.00
(230)	\$6,072.01 to \$6,096.00	254.00	9,144.00
(231)	\$6,096.01 to \$6,120.00	255.00	9,180.00
(232)	\$6,120.01 to \$6,144.00	256.00	9,216.00
(233)	\$6,144.01 to \$6,168.00	257.00	9,252.00
(234)	\$6,168.01 to \$6,192.00	258.00	9,288.00
(235)	\$6,192.01 to \$6,216.00	259.00	9,324.00
(236)	\$6,216.01 to \$6,240.00	260.00	9,360.00
(237)	\$6,240.01 to \$6,264.00	261.00	9,396.00
(238)	\$6,264.01 to \$6,288.00	262.00	9,432.00
(239)	\$6,288.01 to \$6,312.00	263.00	9,468.00
(240)	\$6,312.01 to \$6,336.00	264.00	9,504.00
(241)	\$6,336.01 to \$6,360.00	265.00	9,540.00
(242)	\$6,360.01 to \$6,384.00	266.00	9,576.00
(243)	\$6,384.01 to \$6,408.00	267.00	9,612.00
(244)	\$6,408.01 to \$6,432.00	268.00	9,648.00
(245)	\$6,432.01 to \$6,456.00	269.00	9,684.00
(246)	\$6,456.01 to \$6,480.00	270.00	9,720.00
(247)	\$6,480.01 to \$6,504.00	271.00	9,756.00
(248)	\$6,504.01 to \$6,528.00	272.00	9,792.00
(249)	\$6,528.01 to \$6,552.00	273.00	9,828.00
(250)	\$6,552.01 to \$6,576.00	274.00	9,864.00
(251)	\$6,576.01 to \$6,600.00	275.00	9,900.00
(252)	\$6,600.01 to \$6,624.00	276.00	9,936.00
(253)	\$6,624.01 to \$6,648.00	277.00	9,972.00

(254)	\$6,648.01 to \$6,672.00	278.00	10,008.00
(255)	\$6,672.01 to \$6,696.00	279.00	10,044.00
(256)	\$6,696.01 to \$6,720.00	280.00	10,080.00
(257)	\$6,720.01 to \$6,744.00	281.00	10,116.00
(258)	\$6,744.01 to \$6,768.00	282.00	10,152.00
(259)	\$6,768.01 to \$6,792.00	283.00	10,188.00
(260)	\$6,792.01 to \$6,816.00	284.00	10,224.00
(261)	\$6,816.01 to \$6,840.00	285.00	10,260.00
(262)	\$6,840.01 to \$6,864.00	286.00	10,296.00
(263)	\$6,864.01 to \$6,888.00	287.00	10,332.00
(264)	\$6,888.01 to \$6,912.00	288.00	10,368.00
(265)	\$6,912.01 to \$6,936.00	289.00	10,404.00
(266)	\$6,936.01 to \$6,960.00	290.00	10,440.00
(267)	\$6,960.01 to \$6,984.00	291.00	10,476.00
(268)	\$6,984.01 to \$7,008.00	292.00	10,512.00
(269)	\$7,008.01 to \$7,032.00	293.00	10,548.00
(270)	\$7,032.01 to \$7,056.00	294.00	10,584.00
(271)	\$7,056.01 to \$7,080.00	295.00	10,620.00
(272)	\$7,080.01 to \$7,104.00	296.00	10,656.00
(273)	\$7,104.01 to \$7,128.00	297.00	10,692.00
(274)	\$7,128.01 to \$7,152.00	298.00	10,728.00
(275)	\$7,152.01 to \$7,176.00	299.00	10,764.00
(276)	\$7,176.01 to \$7,200.00	300.00	10,800.00
(277)	\$7,200.01 to \$7,224.00	301.00	10,836.00
(278)	\$7,224.01 to \$7,248.00	302.00	10,872.00
(279)	\$7,248.01 to \$7,272.00	303.00	10,908.00
(280)	\$7,272.01 to \$7,296.00	304.00	10,944.00
(281)	\$7,296.01 to \$7,320.00	305.00	10,980.00
(282)	\$7,320.01 to \$7,344.00	306.00	11,016.00
(283)	\$7,344.01 to \$7,368.00	307.00	11,052.00

(284)	\$7,368.01 to \$7,392.00	308.00	11,088.00
(285)	\$7,392.01 to \$7,416.00	309.00	11,124.00
(286)	\$7,416.01 to \$7,440.00	310.00	11,160.00
(287)	\$7,440.01 to \$7,464.00	311.00	11,196.00
(288)	\$7,464.01 to \$7,488.00	312.00	11,232.00
(289)	\$7,488.01 to \$7,512.00	313.00	11,268.00
(290)	\$7,512.01 to \$7,536.00	314.00	11,304.00
(291)	\$7,536.01 to \$7,560.00	315.00	11,340.00
(292)	\$7,560.01 to \$7,584.00	316.00	11,376.00
(293)	\$7,584.01 to \$7,608.00	317.00	11,412.00
(294)	\$7,608.01 to \$7,632.00	318.00	11,448.00
(295)	\$7,632.01 to \$7,656.00	319.00	11,484.00
(296)	\$7,656.01 to \$7,680.00	320.00	11,520.00
(297)	\$7,680.01 to \$7,704.00	321.00	11,556.00
(298)	\$7,704.01 to \$7,728.00	322.00	11,592.00
(299)	\$7,728.01 to \$7,752.00	323.00	11,628.00
(300)	\$7,752.01 to \$7,776.00	324.00	11,664.00
(301)	\$7,776.01 to \$7,800.00	325.00	11,700.00
(302)	\$7,800.01 to \$7,824.00	326.00	11,736.00
(303)	\$7,824.01 to \$7,848.00	327.00	11,772.00
(304)	\$7,848.01 to \$7,872.00	328.00	11,808.00
(305)	\$7,872.01 to \$7,896.00	329.00	11,844.00
(306)	\$7,896.01 to \$7,920.00	330.00	11,880.00
(307)	\$7,920.01 to \$7,944.00	331.00	11,916.00
(308)	\$7,944.01 to \$7,968.00	332.00	11,952.00
(309)	\$7,968.01 to \$7,992.00	333.00	11,988.00
(310)	\$7,992.01 to \$8,016.00	334.00	12,024.00
(311)	\$8,016.01 to \$8,040.00	335.00	12,060.00
(312)	\$8,040.01 to \$8,064.00	336.00	12,096.00
(313)	\$8,064.01 to \$8,088.00	337.00	12,132.00

(314)	\$8,088.01 to \$8,112.00	338.00	12,168.00
(315)	\$8,112.01 to \$8,136.00	339.00	12,204.00
(316)	\$8,136.01 and over TO \$8,160.00	340.00	12,240.00
(317)	<u>\$8,160.01 TO \$8,184.00</u>	<u>341.00</u>	<u>12,276.00</u>
(318)	<u>\$8,184.01 TO \$8,208.00</u>	<u>342.00</u>	<u>12,312.00</u>
(319)	<u>\$8,208.01 TO \$8,232.00</u>	<u>343.00</u>	<u>12,348.00</u>
(320)	<u>\$8,232.01 TO \$8,256.00</u>	<u>344.00</u>	<u>12,384.00</u>
(321)	<u>\$8,256.01 TO \$8,280.00</u>	<u>345.00</u>	<u>12,420.00</u>
(322)	<u>\$8,280.01 TO \$8,304.00</u>	<u>346.00</u>	<u>12,456.00</u>
(323)	<u>\$8,304.01 TO \$8,328.00</u>	<u>347.00</u>	<u>12,492.00</u>
(324)	<u>\$8,328.01 TO \$8,352.00</u>	<u>348.00</u>	<u>12,528.00</u>
(325)	<u>\$8,352.01 TO \$8,376.00</u>	<u>349.00</u>	<u>12,564.00</u>
(326)	<u>\$8,376.01 TO \$8,400.00</u>	<u>350.00</u>	<u>12,600.00</u>
(327)	<u>\$8,400.01 TO \$8,424.00</u>	<u>351.00</u>	<u>12,636.00</u>
(328)	<u>\$8,424.01 TO \$8,448.00</u>	<u>352.00</u>	<u>12,672.00</u>
(329)	<u>\$8,448.01 TO \$8,472.00</u>	<u>353.00</u>	<u>12,708.00</u>
(330)	<u>\$8,472.01 TO \$8,496.00</u>	<u>354.00</u>	<u>12,744.00</u>
(331)	<u>\$8,496.01 TO \$8,520.00</u>	<u>355.00</u>	<u>12,780.00</u>
(332)	<u>\$8,520.01 TO \$8,544.00</u>	<u>356.00</u>	<u>12,816.00</u>
(333)	<u>\$8,544.01 TO \$8,568.00</u>	<u>357.00</u>	<u>12,852.00</u>
(334)	<u>\$8,568.01 TO \$8,592.00</u>	<u>358.00</u>	<u>12,888.00</u>
(335)	<u>\$8,592.01 TO \$8,616.00</u>	<u>359.00</u>	<u>12,924.00</u>
(336)	<u>\$8,616.01 TO \$8,640.00</u>	<u>360.00</u>	<u>12,960.00</u>
(337)	<u>\$8,640.01 TO \$8,664.00</u>	<u>361.00</u>	<u>12,996.00</u>
(338)	<u>\$8,664.01 TO \$8,688.00</u>	<u>362.00</u>	<u>13,032.00</u>
(339)	<u>\$8,688.01 TO \$8,712.00</u>	<u>363.00</u>	<u>13,068.00</u>
(340)	<u>\$8,712.01 TO \$8,736.00</u>	<u>364.00</u>	<u>13,104.00</u>
(341)	<u>\$8,736.01 TO \$8,760.00</u>	<u>365.00</u>	<u>13,140.00</u>

<u>(342)</u>	<u>\$8,760.01 TO \$8,784.00</u>	<u>366.00</u>	<u>13,176.00</u>
<u>(343)</u>	<u>\$8,784.01 TO \$8,808.00</u>	<u>367.00</u>	<u>13,212.00</u>
<u>(344)</u>	<u>\$8,808.01 TO \$8,832.00</u>	<u>368.00</u>	<u>13,248.00</u>
<u>(345)</u>	<u>\$8,832.01 TO \$8,856.00</u>	<u>369.00</u>	<u>13,284.00</u>
<u>(346)</u>	<u>\$8,856.01 TO \$8,880.00</u>	<u>370.00</u>	<u>13,320.00</u>
<u>(347)</u>	<u>\$8,880.01 TO \$8,904.00</u>	<u>371.00</u>	<u>13,356.00</u>
<u>(348)</u>	<u>\$8,904.01 TO \$8,928.00</u>	<u>372.00</u>	<u>13,392.00</u>
<u>(349)</u>	<u>\$8,928.01 TO \$8,952.00</u>	<u>373.00</u>	<u>13,428.00</u>
<u>(350)</u>	<u>\$8,952.01 TO \$8,976.00</u>	<u>374.00</u>	<u>13,464.00</u>
<u>(351)</u>	<u>\$8,976.01 TO \$9,000.00</u>	<u>375.00</u>	<u>13,500.00</u>
<u>(352)</u>	<u>\$9,000.01 TO \$9,024.00</u>	<u>376.00</u>	<u>13,536.00</u>
<u>(353)</u>	<u>\$9,024.01 TO \$9,048.00</u>	<u>377.00</u>	<u>13,572.00</u>
<u>(354)</u>	<u>\$9,048.01 TO \$9,072.00</u>	<u>378.00</u>	<u>13,608.00</u>
<u>(355)</u>	<u>\$9,072.01 TO \$9,096.00</u>	<u>379.00</u>	<u>13,644.00</u>
<u>(356)</u>	<u>\$9,096.01 AND OVER</u>	<u>380.00</u>	<u>13,680.00</u>

(c) The schedule of benefits that is in effect on the 1st day of a claimant's benefit year applies to the claimant throughout that benefit year.

(d) (1) Except as provided in § 8-1207 of this title for the work sharing program and § 8-1604 of this title for the Self-Employment Assistance Program, an eligible claimant shall be paid a weekly benefit amount that is computed by:

(i) determining the claimant's weekly benefit amount under this section;

(ii) adding any allowance for a dependent to which the claimant is entitled under § 8-804 of this subtitle; and

(iii) subtracting any wages exceeding \$100 payable to the claimant for the week.

(2) In computing benefits under this subsection, a fraction of a dollar shall be rounded to the next lower dollar.

(e) Any child support payment that is required under § 8-807 of this subtitle shall be withheld from benefits.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October 1~~ October 7, 2007, and shall apply to all claims filed establishing a new benefit year on or after October 7, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 299

(Senate Bill 710)

AN ACT concerning

Affordable Housing - Enabling Authority for Counties and Municipalities

FOR the purpose of authorizing counties and municipalities to take certain actions to support, foster, or promote an affordable housing program for individuals or families of low or moderate income; ~~making certain technical corrections;~~ and generally relating to the authority of counties and municipalities to take action to support, foster, and promote affordable housing.

BY ~~repealing and reenacting, with amendments,~~ adding to
Article 24 - Political Subdivisions - Miscellaneous Provisions
Section ~~6-203~~ 20-101 to be under the new title "Title 20. Affordable Housing Programs"
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article 24 - Political Subdivisions - Miscellaneous Provisions

~~6-203.~~

~~(a) (1) Any county or municipality of the State may participate in federal programs of lower income housing assistance and for this purpose, may:~~

~~[(1)] (1) [enter] ENTER into and perform contracts or agreements with the United States or federal agencies;~~

~~[(2)] (II) [accept] ACCEPT and expend assistance payments made with respect to existing, newly constructed, or substantially rehabilitated housing;~~

~~[(3)] (III) [act] ACT as a public housing agency within the meaning of federal law; and~~

~~[(4)] (IV) [do] DO all things necessary or convenient to its participation.~~

~~[(b)] (2) (i) The powers conferred by this section are in addition to all other powers of counties and municipalities and may be exercised directly by the county or municipality or as otherwise provided by its governing body, whether or not the county or municipality has established a housing authority under the Housing Authorities Law.~~

~~(ii) This section does not affect any powers conferred on housing authorities or on counties or municipalities by Housing Authorities Law or the housing cooperation law.~~

TITLE 20. AFFORDABLE HOUSING PROGRAMS.

20-101.

~~(B)~~ TO SUPPORT, FOSTER, OR PROMOTE AN AFFORDABLE HOUSING PROGRAM FOR INDIVIDUALS OR FAMILIES OF LOW OR MODERATE INCOME, A COUNTY OR MUNICIPALITY MAY:

(1) ESTABLISH LOCAL TRUST FUNDS OR PROVIDE FOR THE APPROPRIATION OF FUNDS;

~~(2) WAIVE OR MODIFY IMPACT BUILDING PERMIT OR DEVELOPMENT FEES AND CHARGES FOR CONSTRUCTION OF LOWER-INCOME HOUSING;~~

~~(3)~~ (2) ENACT LEGISLATION THAT RESTRICTS COST AND RESALE PRICES AND REQUIRES DEVELOPMENT OF AFFORDABLE HOUSING UNITS AS PART OF ANY SUBDIVISION IN RETURN FOR ADDED DENSITY;

~~(4)~~ (3) PROVIDE LAND OR PROPERTY FROM THE INVENTORY OF THE COUNTY OR MUNICIPALITY; AND

~~(5)~~ (4) SUPPORT ~~PILOT~~ PILOT (PAYMENT IN LIEU OF TAXES) PROGRAMS TO ENCOURAGE CONSTRUCTION OF AFFORDABLE HOUSING; ~~AND~~

~~(6) CONDUCT ANY OTHER ACTIVITY TO ENABLE THE CONSTRUCTION OF AFFORDABLE HOUSING.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 300

(House Bill 784)

AN ACT concerning

Affordable Housing – Enabling Authority for Counties and Municipalities

FOR the purpose of authorizing counties and municipalities to take certain actions to support, foster, or promote an affordable housing program for individuals or families of low or moderate income; ~~making certain technical corrections;~~ and generally relating to the authority of counties and municipalities to take action to support, foster, and promote affordable housing.

BY ~~repealing and reenacting, with amendments,~~ adding to Article 24 – Political Subdivisions – Miscellaneous Provisions Section ~~6-203~~ 20-101 to be under the new title “Title 20. Affordable Housing Programs” Annotated Code of Maryland (2005 Replacement Volume and 2006 Supplement)

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

Article 24 – Political Subdivisions – Miscellaneous Provisions

~~6-203.~~

~~(a) (1) Any county or municipality of the State may participate in federal programs of lower income housing assistance and for this purpose, may:~~

~~[(1)](1) [enter] ENTER into and perform contracts or agreements with the United States or federal agencies;~~

~~[(2)](II) [accept] ACCEPT and expend assistance payments made with respect to existing, newly constructed, or substantially rehabilitated housing;~~

~~[(3)](III) [act] ACT as a public housing agency within the meaning of federal law; and~~

~~[(4)](IV) [do] DO all things necessary or convenient to its participation.~~

~~[(b)](2) (I) The powers conferred by this section are in addition to all other powers of counties and municipalities and may be exercised directly by the county or municipality or as otherwise provided by its governing body, whether or not the county or municipality has established a housing authority under the Housing Authorities Law.~~

~~(II) This section does not affect any powers conferred on housing authorities or on counties or municipalities by Housing Authorities Law or the housing cooperation law.~~

TITLE 20. AFFORDABLE HOUSING PROGRAMS.

20-101.

~~(B)~~ TO SUPPORT, FOSTER, OR PROMOTE AN AFFORDABLE HOUSING PROGRAM FOR INDIVIDUALS OR FAMILIES OF LOW OR MODERATE INCOME, A COUNTY OR MUNICIPALITY MAY:

(1) ESTABLISH LOCAL TRUST FUNDS OR PROVIDE FOR THE APPROPRIATION OF FUNDS;

~~(2) WAIVE OR MODIFY IMPACT BUILDING PERMIT OR DEVELOPMENT FEES AND CHARGES FOR CONSTRUCTION OF LOWER-INCOME HOUSING;~~

~~(3)~~ (2) ENACT LEGISLATION THAT RESTRICTS COST AND RESALE PRICES AND REQUIRES DEVELOPMENT OF AFFORDABLE HOUSING UNITS AS PART OF ANY SUBDIVISION IN RETURN FOR ADDED DENSITY;

~~(4)~~ (3) PROVIDE LAND OR PROPERTY FROM THE INVENTORY OF THE COUNTY OR MUNICIPALITY; AND

~~(5)~~ (4) SUPPORT ~~PILOT~~ PILOT (PAYMENT IN LIEU OF TAXES) PROGRAMS TO ENCOURAGE CONSTRUCTION OF AFFORDABLE HOUSING; ~~AND~~

~~(6) CONDUCT ANY OTHER ACTIVITY TO ENABLE THE CONSTRUCTION OF AFFORDABLE HOUSING.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 301

(Senate Bill 240)

AN ACT concerning

State Government - Commemorative ~~Months~~ Month - Black History ~~Months~~ Month

FOR the purpose of requiring the Governor to proclaim the ~~months of January and~~ month of February to be "Black History ~~Months~~ Month".

BY adding to

- Article - State Government
- Section 13-502
- Annotated Code of Maryland
- (2004 Replacement Volume and 2006 Supplement)

Preamble

WHEREAS, February is the National Black History Month; and

~~WHEREAS, Many important events occurred during the month of January of special importance to all Americans that play an important role in Black History, including the signing of the Emancipation Proclamation on January 1, 1863, the passage the 13th Amendment of the U.S. Constitution by Congress on January 31, 1865, which abolished slavery, and the ratification of the 24th Amendment of the U.S. Constitution on January 23, 1964, which made it illegal to condition the right to vote in federal elections on the payment of a poll tax or other tax and made it easier for Black Americans to register to vote; and~~

~~WHEREAS, Many famous Black Americans were born during the month of January, including Martin Luther King, Jr., George Washington Carver, Sojourner Truth, and Nathaniel Turner; and~~

WHEREAS, All Americans should learn about and recognize the achievements of Black Americans, the important role that Black Americans played throughout the entire history of the United States, and the scientific, literary, and social impact of Black Americans on our world today; and

WHEREAS, The General Assembly believes that the ~~months of January and month of February~~ should be commemorated as ~~the~~ Black History ~~Months~~ Month in Maryland; now, therefore,

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

Article - State Government

13-502.

(A) IN RECOGNITION OF THE HISTORICAL CONTRIBUTIONS THAT BLACK AMERICANS HAVE MADE TO THE STATE, THE GOVERNOR SHALL PROCLAIM THE ~~MONTHS OF JANUARY AND~~ MONTH OF FEBRUARY EACH YEAR AS BLACK HISTORY ~~MONTHS~~ MONTH.

(B) THE PROCLAMATION SHALL URGE EDUCATIONAL AND CULTURAL ORGANIZATIONS TO OBSERVE BLACK HISTORY ~~MONTHS~~ MONTH PROPERLY WITH APPROPRIATE PROGRAMS, CEREMONIES, AND ACTIVITIES.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 302

(Senate Bill 1034)

AN ACT concerning

Silver Spring District Courthouse - Renaming

FOR the purpose of renaming the District Courthouse located in Silver Spring, Montgomery County, the Judge L. Leonard Ruben District Courthouse; providing for certain funding for the implementation of this Act; requiring a certain administrative officer to change certain signs to reflect the renaming of the Courthouse; making this Act an emergency measure; and generally relating to the renaming of the District Courthouse located in Silver Spring, Montgomery County.

BY adding to

Article – Courts and Judicial Proceedings

Section 1–603.1

Annotated Code of Maryland

(2006 Replacement Volume)

Preamble

WHEREAS, Judge L. Leonard Ruben served as a member of the United States Navy during the Second World War; and

WHEREAS, He served for one term as a member of the Maryland House of Delegates, representing Silver Spring, beginning in 1971; and

WHEREAS, Judge Ruben was appointed to the Montgomery County District Court in 1974, where he served until 1983, when he was promoted to the Circuit Court; and

WHEREAS, Judge L. Leonard Ruben served with distinction until 1995 when he reached the mandatory retirement age of 70, and after retirement continued to help with heavy caseloads by hearing cases several times a month; and

WHEREAS, Known as a fair and sensible jurist, Judge Ruben was highly interactive with and attentive to the parties that appeared before him and made every effort to balance justice and compassion as he deliberated and issued his decisions; and

WHEREAS, He further distinguished himself by initiating an anti–drug program that served as a model for other jurisdictions in Maryland and elsewhere; and

WHEREAS, Judge Ruben was active in his community, having served on the Board of Directors of the Hebrew Home for Greater Washington, as well as other community–based institutions; and

WHEREAS, Former Maryland State Senator Ida G. Ruben, Judge Ruben’s wife, was instrumental in securing the funding for and securing the construction of the Silver Spring District Courthouse, that opened in 2004; and

WHEREAS, Judge L. Leonard Ruben, throughout his life, demonstrated an exceptional level of selfless service, ensuring that his compassion and commitment to justice would remain as a lasting legacy to the Maryland and Montgomery County legal communities; and

WHEREAS, The General Assembly wishes to express its profound respect for, and deep gratitude to, Judge L. Leonard Ruben, and to name the District Courthouse, located at 8552 Second Avenue, Silver Spring, Montgomery County, Maryland, in his honor, and in honor of his service to Montgomery County and the State of Maryland; now, therefore,

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

Article - Courts and Judicial Proceedings

1-603.1.

THE DISTRICT COURTHOUSE, LOCATED AT 8552 SECOND AVENUE, SILVER SPRING, MONTGOMERY COUNTY, MARYLAND, SHALL BE RENAMED THE JUDGE L. LEONARD RUBEN DISTRICT COURTHOUSE.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) Funding for the implementation of this Act shall be as provided to the extent funds are available in the budget of the Judicial Branch appropriated in the State Budget for fiscal 2008.

(b) The Chief Administrative Clerk of District 6 – Montgomery County shall ensure the changing of the existing signs in the Courthouse to reflect the renaming of the District Courthouse located in Silver Spring, Montgomery County, as the Judge L. Leonard Ruben District Courthouse.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, May 8, 2007.

CHAPTER 303

(House Bill 1123)

AN ACT concerning

Workforce Shortage Student Assistance Grants – Ida G. and L. Leonard Ruben Scholarship Scholarships

FOR the purpose of designating ~~a~~ certain Workforce Shortage Student Assistance ~~grant grants~~ relating to the workforce shortage field of developmental disabilities, mental health, child welfare, and juvenile justice providers as the Ida G. and L. Leonard Ruben Scholarship Scholarships; and generally relating to ~~a scholarship grants~~ awarded under the Workforce Shortage Student Assistance grant program.

BY repealing and reenacting, without amendments,
Article – Education
~~Section 18-708(b), (c), and (e)(5)~~
Section 18-708(b) and (c)
Annotated Code of Maryland
(2006 Replacement Volume)

~~BY adding to~~
~~Article – Education~~
~~Section 18-708(e)(7)~~
~~Annotated Code of Maryland~~
~~(2006 Replacement Volume)~~

BY repealing and reenacting, with amendments,
Article – Education
Section 18-708(e)(5)
Annotated Code of Maryland
(2006 Replacement Volume)

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

Article – Education

18-708.

(b) There is a program of Workforce Shortage Student Assistance grants under this section for students who pledge to work in fields of critical shortage in the State on completion of their studies.

(c) The purpose of the program is to:

(1) Provide financial assistance to students enrolled at institutions of higher education in the State; and

(2) Address the workforce shortage needs of the State.

(e) (5) (i) Except as provided in subparagraph (ii) of this paragraph, the following workforce shortage fields shall be included in the grant program:

1. School teachers (the grant to be known as the Sharon Christa McAuliffe Memorial Teacher Scholarship);

2. Nurses;

3. Child care providers;

4. Developmental disabilities, mental health, child welfare, and juvenile justice providers (*THE GRANT TO BE KNOWN AS THE IDA G. AND L. LEONARD RUBEN SCHOLARSHIPS*);

5. Physical and occupational therapists and assistants;
and

6. Public servants (the grant to be known as the William Donald Schaefer Scholarship).

(ii) The Commission may remove a shortage field specified in subparagraph (i) of this paragraph if in the Commission's judgment the field no longer qualifies as a workforce shortage field.

~~(7) EACH YEAR, ONE GRANT GRANTS AWARDED FOR DEVELOPMENTAL DISABILITIES, MENTAL HEALTH, CHILD WELFARE, AND JUVENILE JUSTICE PROVIDERS UNDER PARAGRAPH (5)(I)4 OF THIS SUBSECTION SHALL BE KNOWN AS THE IDA G. AND L. LEONARD RUBEN SCHOLARSHIP SCHOLARSHIPS.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 304

(Senate Bill 104)

AN ACT concerning

Maryland Life Sciences Advisory Board

FOR the purpose of establishing the Maryland Life Sciences Advisory Board in the Department of Business and Economic Development; providing for the membership, terms, and chair of the Advisory Board; providing for the duties of the Advisory Board; requiring certain reports by the Advisory Board; and generally relating to the Maryland Life Sciences Advisory Board.

BY adding to

Article 83A – Department of Business and Economic Development
Section 5–2C–01 through 5–2C–03 to be under the new subtitle “Subtitle 2C.
Maryland Life Sciences Advisory Board”
Annotated Code of Maryland
(2003 Replacement Volume and 2006 Supplement)

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

Article 83A – Department of Business and Economic Development

SUBTITLE 2C. MARYLAND LIFE SCIENCES ADVISORY BOARD.

5–2C–01.

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

(B) “ADVISORY BOARD” MEANS THE MARYLAND LIFE SCIENCES ADVISORY BOARD.

(C) “LIFE SCIENCES” INCLUDES THE FIELDS OF BIOTECHNOLOGY, PHARMACEUTICALS, BIOMEDICAL TECHNOLOGIES, LIFE SYSTEMS TECHNOLOGIES, FOOD SCIENCES, ENVIRONMENTAL SCIENCES, AND BIOMEDICAL DEVICES.

5–2C–02.

(A) THERE IS A MARYLAND LIFE SCIENCES ADVISORY BOARD IN THE DEPARTMENT.

(B) (1) THE ADVISORY BOARD SHALL CONSIST OF 15 INDIVIDUALS, ~~ONE:~~

(I) ONE OF WHOM SHALL BE THE SECRETARY; AND

(II) ONE OF WHOM SHALL BE A REPRESENTATIVE OF THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION, DESIGNATED BY THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION.

(2) THE REMAINING MEMBERS OF THE ADVISORY BOARD SHALL BE APPOINTED BY THE GOVERNOR.

(C) OF THE ~~14~~ 13 APPOINTED MEMBERS:

(1) THREE SHALL REPRESENT FEDERAL AGENCIES LOCATED IN THE STATE WITH LIFE SCIENCES MISSIONS;

(2) FOUR SHALL HAVE EXECUTIVE EXPERIENCE IN LIFE SCIENCES BUSINESSES LOCATED IN THE STATE;

(3) FOUR SHALL REPRESENT ~~COLLEGES OR UNIVERSITIES~~ INSTITUTIONS OF HIGHER EDUCATION LOCATED IN THE STATE, ONE OF WHICH SHALL REPRESENT A COMMUNITY COLLEGE; AND

(4) ~~THREE~~ ONE SHALL HAVE GENERAL BUSINESS MARKETING EXPERIENCE IN A LIFE SCIENCES BUSINESS LOCATED IN THE STATE; AND

(5) ONE SHALL BE ~~MEMBERS~~ A MEMBER OF THE GENERAL PUBLIC.

(D) THE COMPOSITION OF THE ADVISORY BOARD SHALL REFLECT THE RACE AND GENDER DIVERSITY OF THE POPULATION OF THE STATE.

(E) A MEMBER OF THE ADVISORY BOARD MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE ADVISORY BOARD, BUT IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

~~(E)~~ (F) (1) EXCEPT FOR THE SECRETARY, THE TERM OF AN ADVISORY BOARD MEMBER IS 2 YEARS.

(2) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(3) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

~~(F)~~ **(G) THE GOVERNOR MAY REMOVE AN ADVISORY BOARD MEMBER FOR INCOMPETENCE, MISCONDUCT, OR FAILURE TO PERFORM THE DUTIES OF THE POSITION.**

~~(G)~~ **(H) A CHAIR SHALL BE SELECTED BY THE GOVERNOR FROM AMONG THE ADVISORY BOARD MEMBERS.**

~~(H)~~ **(I) THE ADVISORY BOARD MAY ACT WITH AN AFFIRMATIVE VOTE OF EIGHT MEMBERS.**

~~(I)~~ **(J) THE ADVISORY BOARD SHALL ASSIST THE DEPARTMENT IN:**

(1) DEVELOPING A COMPREHENSIVE STATE STRATEGIC PLAN FOR LIFE SCIENCES;

(2) PROMOTING LIFE SCIENCES RESEARCH, DEVELOPMENT, COMMERCIALIZATION, AND MANUFACTURING IN THE STATE;

(3) PROMOTING COLLABORATION AND COORDINATION AMONG LIFE SCIENCES ORGANIZATIONS IN THE STATE;

(4) PROMOTING COLLABORATION AND COORDINATION AMONG RESEARCH INSTITUTIONS OF HIGHER EDUCATION IN THE STATE;

(5) DEVELOPING A STRATEGY TO COORDINATE STATE AND FEDERAL RESOURCES TO ATTRACT PRIVATE SECTOR INVESTMENT AND JOB CREATION IN THE LIFE SCIENCES;

~~(5)~~ **(6) DEVELOPING A STRATEGY TO SUPPORT FEDERAL LIFE SCIENCES FACILITIES LOCATED IN THE STATE, INCLUDING SUPPORT FOR EDUCATION, TRANSPORTATION, HOUSING, AND CAPITAL INVESTMENT NEEDS; AND**

~~(6)~~ (7) MAKING RECOMMENDATIONS TO ADDRESS CRITICAL NEEDS IN THE LIFE SCIENCES, INCLUDING ACCESS TO VENTURE CAPITAL AND CAPITAL CONSTRUCTION FUNDING.

(K) IN PERFORMING ITS DUTIES, THE ADVISORY BOARD SHALL GIVE DUE CONSIDERATION TO THE BUSINESS, SCIENTIFIC, MEDICAL, AND ETHICAL ASPECTS OF THE LIFE SCIENCES INDUSTRY.

5-2C-03.

(A) THE ADVISORY BOARD SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON OR BEFORE DECEMBER 15 OF EACH YEAR.

(B) THE REPORT SHALL SET FORTH ANY RECOMMENDATIONS FROM THE ADVISORY BOARD AND SUMMARIZE THE ADVISORY BOARD'S ACTIVITIES DURING THE PRECEDING YEAR.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 305

(Senate Bill 3)

AN ACT concerning

~~Property Protection Act of 2007~~
Real Property - Condemnation - Procedures and Compensation

FOR the purpose of ~~requiring a certain government unit to make certain findings before condemning and transferring private property to a private party for economic development purposes; requiring the government unit to make a certain written record of its findings; establishing a certain standard for judicial review of a government unit's findings; prohibiting a government unit from condemning private property used for a farm operation under certain circumstances; establishing that damages awarded for the taking of property used for a business or farm operation shall include certain damages for the loss of "goodwill" under certain circumstances and certain damages for loss of net~~

~~operating income for a certain period of time; requiring an owner of a business or farm operation to prove certain elements of a loss of "goodwill" in order to receive certain payments; prohibiting an owner of a business or farm operation from receiving compensation for "goodwill" if that compensation is included in other compensation received; establishing a certain limitation on the amount of compensation for "goodwill"; requiring the State, its instrumentality, or a political subdivision to file a condemnation action for certain property within a certain period of time after a certain administrative or legislative determination to take the property; requiring the State, its instrumentality, or a political subdivision to obtain a new authorization to condemn certain property if it does not file a condemnation action within a certain period of time; requiring the plaintiff in a condemnation proceeding to pay certain costs incurred by the defendant under certain circumstances; establishing a right to reacquire certain condemned land not needed for a public purpose; establishing procedures for the reacquisition of certain condemned land; altering certain monetary limitations on payments made to certain displaced residential owners and renters to secure replacement dwellings in certain condemnation proceedings; altering certain monetary limitations for reestablishing certain farms, nonprofit organizations, or small businesses at new sites; altering certain monetary limitations on certain fixed fee payments paid to certain displaced farm or business owners in lieu of certain reestablishment expenses; requiring a representative of a displacing agency to contact the owner of a certain business or farm operation within a certain period of time before the filing of a condemnation action to negotiate regarding relocation plans for the business or farm operation; altering the payment for relocation costs in a condemnation proceeding by adding certain payments for substitute tangible personal property under certain circumstances and by repealing certain monetary limitations; expressing the intent of the General Assembly; defining certain terms; making stylistic changes; *providing for the application of a certain provision of this Act; requiring the State or any of its instrumentalities or political subdivisions to file an action of condemnation within a certain time period under certain circumstances*; and generally relating to procedures and compensation in condemnation proceedings.~~

~~BY repealing and reenacting, with amendments,
 Article – Real Property
 Section 12-101, 12-106, and 12-205
 Annotated Code of Maryland
 (2003 Replacement Volume and 2006 Supplement)~~

BY adding to
 Article – Real Property
 Section 12-102.1, 12-104(h), 12-105.1, 12-113, and 12-205.1
 Annotated Code of Maryland
 (2003 Replacement Volume and 2006 Supplement)

~~BY repealing and reenacting, without amendments,
 Article – Real Property
 Section 12-104(a) and 12-201(a), (c), (f), and (g)
 Annotated Code of Maryland
 (2003 Replacement Volume and 2005 Supplement)~~

BY repealing and reenacting, with amendments,
 Article – Real Property
 Section 12-202, 12-204, and 12-205
 Annotated Code of Maryland
 (2003 Replacement Volume and 2006 Supplement)

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

Article – Real Property

~~12-101.~~

~~(A) All proceedings for the acquisition of private property for public use by condemnation are governed by the provisions of this title and of Title 12, Chapter 200 of the Maryland Rules.~~

~~(B) [Nothing in this] THIS title [prevents] DOES NOT PREVENT:~~

~~(1) [this] THIS State or any of its instrumentalities or political subdivisions, acting under statute or ordinance passed pursuant to Article III of the Maryland Constitution, from taking private property for public use immediately on making the required payment and giving any required security[. In addition, this title does not prevent];~~

~~(2) [the] THE State Roads Commission from using the procedures set forth in Title 8, Subtitle 3 of the Transportation Article[, or prevent]; OR~~

~~(3) Baltimore City from using the procedure set forth in the Charter of Baltimore City and §§ 21-12 through 21-22, inclusive, of the Public Local Laws of Baltimore City.~~

~~12-102.1.~~

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

~~(2) "BUSINESS" HAS THE MEANING STATED IN § 12-201 OF THIS TITLE.~~

~~(3) "ECONOMIC DEVELOPMENT" INCLUDES INCREASING TAX REVENUE, TAX BASE, EMPLOYMENT, OR GENERAL ECONOMIC HEALTH.~~

~~(4) "FARM OPERATION" HAS THE MEANING STATED IN § 12-201 OF THIS TITLE.~~

~~(5) "GOVERNMENT UNIT" MEANS:~~

~~(i) THE STATE;~~

~~(ii) A COUNTY, POLITICAL SUBDIVISION, OR MUNICIPAL CORPORATION; OR~~

~~(iii) AN AGENCY, AUTHORITY, BOARD, COMMISSION, COUNCIL, OFFICE, PUBLIC OR QUASI PUBLIC CORPORATION, OR OTHER UNIT OR INSTRUMENTALITY OF THE STATE OR OF A COUNTY, POLITICAL SUBDIVISION, OR MUNICIPAL CORPORATION.~~

~~(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT:~~

~~(1) A VIABLE BUSINESS SHOULD BE PRESERVED WHENEVER REASONABLY PRACTICABLE AND SHOULD NOT BE ACQUIRED BY CONDEMNATION FOR URBAN RENEWAL OR ECONOMIC DEVELOPMENT PURPOSES UNLESS OTHER ALTERNATIVES ARE SHOWN NOT TO BE REASONABLY PRACTICABLE; AND~~

~~(2) WHEN IT IS NECESSARY TO ACQUIRE AN EXISTING BUSINESS BY CONDEMNATION, THE GOVERNMENT UNIT SHALL MAKE EVERY REASONABLE EFFORT TO ENSURE THAT THE BUSINESS IS INCORPORATED IN THE URBAN RENEWAL OR ECONOMIC DEVELOPMENT PROJECT AT ITS EXISTING LOCATION OR AT A NEARBY LOCATION.~~

~~(C) EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A GOVERNMENT UNIT MAY NOT CONDEMN PRIVATE PROPERTY IF THE PROPERTY WILL BE SOLD, LEASED, TRANSFERRED, OR OTHERWISE CONVEYED TO OR FOR THE BENEFIT OF A PRIVATE PARTY FOR PURPOSES OF ECONOMIC DEVELOPMENT UNLESS THE GOVERNMENT UNIT FINDS THAT:~~

~~(1) THE PROPERTY IS:~~

~~(I) PART OF A COMPREHENSIVE DEVELOPMENT PLAN THAT HAS SUBSTANTIAL AND DIRECT PUBLIC USES AND BENEFITS;~~

~~(II) NECESSARY TO CARRY OUT THE COMPREHENSIVE DEVELOPMENT PLAN; AND~~

~~(III) NOT BEING CONDEMNED SOLELY OR PRIMARILY TO BENEFIT A PRIVATE PARTY;~~

~~(2) (I) THE COMPREHENSIVE DEVELOPMENT PLAN COULD NOT BE CARRIED OUT BY PRIVATE DEVELOPERS; AND~~

~~(II) CONDEMNATION IS NECESSARY TO ACCOMPLISH THE COMPREHENSIVE DEVELOPMENT PLAN; AND~~

~~(3) WITH RESPECT TO A BUSINESS THAT WILL BE AFFECTED BY THE COMPREHENSIVE DEVELOPMENT PLAN;~~

~~(I) THE EFFECT OF CONDEMNATION ON THE BUSINESS AND WHETHER THE COMPREHENSIVE DEVELOPMENT PLAN COULD BE RESTRUCTURED TO AVOID THE CONDEMNATION OF THE BUSINESS HAVE BEEN CONSIDERED;~~

~~(II) THE DISPLACED OWNER OR TENANT OF THE BUSINESS HAS BEEN GIVEN A REASONABLE OPPORTUNITY TO BE INCLUDED IN THE COMPREHENSIVE DEVELOPMENT PLAN; AND~~

~~(III) IF THE BUSINESS COULD NOT BE INCLUDED IN THE COMPREHENSIVE DEVELOPMENT PLAN, THE GOVERNMENT UNIT HAS PROVIDED THE DISPLACED OWNER OR TENANT OF THE BUSINESS WITH AN ALTERNATIVE LOCATION SUITABLE TO MAINTAIN THE BUSINESS.~~

~~(D) THE GOVERNMENT UNIT SHALL MAKE A WRITTEN RECORD OF ITS FINDINGS UNDER SUBSECTION (C) OF THIS SECTION.~~

~~(E) (1) THE STANDARD OF JUDICIAL REVIEW APPLICABLE TO ADMINISTRATIVE DECISIONS SHALL APPLY TO THE FINDINGS OF THE GOVERNMENT UNIT UNDER SUBSECTION (C) OF THIS SECTION.~~

~~(2) IN ITS REVIEW, THE COURT SHALL DETERMINE IF:~~

~~(I) THE GOVERNMENT UNIT EMPLOYED THE CORRECT LEGAL STANDARDS;~~

~~(II) A REASONING MIND COULD HAVE REASONABLY REACHED THE CONCLUSIONS OF THE GOVERNMENT UNIT ON MIXED QUESTIONS OF LAW AND FACT; AND~~

~~(III) THE FACTUAL FINDINGS OF THE GOVERNMENT UNIT ARE SUPPORTED BY SUBSTANTIAL EVIDENCE.~~

~~(F) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A GOVERNMENT UNIT MAY NOT CONDEMN PRIVATE PROPERTY USED FOR A FARM OPERATION IF THE PROPERTY WILL BE SOLD, LEASED, TRANSFERRED, OR OTHERWISE CONVEYED TO OR FOR THE BENEFIT OF A PRIVATE PARTY FOR PURPOSES OF URBAN RENEWAL OR ECONOMIC DEVELOPMENT.~~

~~12-104.~~

~~(a) The damages to be awarded for the taking of land is its fair market value.~~

~~(H) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED:~~

~~(II) "BUSINESS" HAS THE MEANING STATED IN § 12-201 OF THIS TITLE.~~

~~(III) "FARM OPERATION" HAS THE MEANING STATED IN § 12-201 OF THIS TITLE.~~

~~(IV) "GOODWILL" MEANS THE BENEFITS THAT ACCRUE TO A BUSINESS OR FARM OPERATION AS A RESULT OF:~~

~~1. ITS LOCATION;~~

~~2. ITS REPUTATION FOR DEPENDABILITY, SKILL, OR QUALITY; AND~~

~~3. ANY OTHER CIRCUMSTANCES RESULTING IN PROBABLE RETENTION OF EXISTING CUSTOMERS OR ACQUISITION OF NEW CUSTOMERS.~~

~~(2) IN ADDITION TO ANY OTHER DAMAGES ALLOWED UNDER THIS SECTION, THE OWNER OF A BUSINESS OR FARM OPERATION CONDUCTED ON~~

~~THE PROPERTY TAKEN, OR ON THE REMAINDER IF THERE IS A PARTIAL TAKING, IS ENTITLED TO:~~

~~(i) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, COMPENSATION FOR LOSS OF GOODWILL, IF THE OWNER PROVES THAT THE LOSS:~~

~~1. IS CAUSED BY THE TAKING OF THE PROPERTY OR THE INJURY TO THE REMAINDER;~~

~~2. CANNOT REASONABLY BE PREVENTED BY A RELOCATION OF THE BUSINESS OR FARM OPERATION OR BY TAKING STEPS AND ADOPTING PROCEDURES THAT A REASONABLY PRUDENT PERSON WOULD TAKE AND ADOPT IN PRESERVING THE GOODWILL;~~

~~3. WILL NOT BE INCLUDED IN RELOCATION PAYMENTS UNDER SUBTITLE 2 OF THIS TITLE; AND~~

~~4. WILL NOT BE DUPLICATED IN THE COMPENSATION AWARDED TO THE OWNER; AND~~

~~(ii) IF THE BUSINESS OR FARM OPERATION CANNOT BE CONTINUED ON THE PROPERTY AS A RESULT OF THE TAKING, BUT THE BUSINESS OR FARM OPERATION CAN BE RELOCATED, COMPENSATION FOR THE PRESENT VALUE OF REASONABLY ANTICIPATED REDUCTIONS IN NET OPERATING INCOME THAT ARE CAUSED BY THE TAKING AND THE RELOCATION OF THE BUSINESS OR FARM OPERATION FOR A PERIOD NOT EXCEEDING 3 YEARS FROM THE DATE OF THE RELOCATION.~~

~~(3) COMPENSATION FOR LOSS OF GOODWILL UNDER THIS SUBSECTION MAY NOT EXCEED 5 TIMES THE AVERAGE NET OPERATING INCOME FOR THE PREVIOUS 3 TAXABLE YEARS.~~

12-105.1.

(A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE STATE OR ANY OF ITS INSTRUMENTALITIES OR POLITICAL SUBDIVISIONS SHALL FILE AN ACTION TO ACQUIRE PRIVATE PROPERTY FOR PUBLIC USE BY CONDEMNATION WITHIN ~~3~~ 4 YEARS OF THE DATE OF THE SPECIFIC ADMINISTRATIVE OR LEGISLATIVE ~~DETERMINATION~~ AUTHORIZATION TO ACQUIRE THE PROPERTY.

(B) IF AN ACTION FOR CONDEMNATION IS NOT FILED WITHIN ~~3~~ 4 YEARS OF THE DATE DESCRIBED IN SUBSECTION (A) OF THIS SECTION, THE STATE OR

ANY OF ITS INSTRUMENTALITIES OR POLITICAL SUBDIVISIONS MAY NOT PROCEED WITH CONDEMNATION UNTIL IT FIRST OBTAINS A NEW AUTHORIZATION TO ~~CONDEMN~~ ACQUIRE THE PROPERTY.

~~12-106.~~

~~(a) The plaintiff shall pay all the costs in the trial court.~~

~~(b) The costs in a condemnation proceeding include:~~

~~(1) The usual per diem to the jurors;~~

~~(2) The cost of transporting the trier of fact to view the property;~~

~~(3) The cost of meals for the jury if the court so orders;~~

~~(4) The cost of recording the inquisition among the land records and of all documentary stamps which may be required in the transfer of the property to the plaintiff; and~~

~~(5) An allowance to the defendant, as fixed by the court, for the reasonable legal, appraisal, and engineering fees actually incurred by the defendant because of the condemnation proceeding[, if]:~~

~~(i) If the judgment is for the defendant on the right to condemn; OR~~

~~(ii) If the judgment is for the plaintiff on the right to condemn, the amount of damages awarded to the defendant is at least 30% more than:~~

~~1. In a "quick take" proceeding, the amount of money paid into court; OR~~

~~2. In any other proceeding, the amount offered by the plaintiff in writing at least 30 days before the complaint was filed.~~

~~(c) In proceeding under Article III of the Constitution of the State, or any amendment to it, the plaintiff shall pay interest at the rate of 6 percent per annum on any difference between the amount of money initially paid into court for the use of the defendant and the jury award as stated in the inquisition, from the date the money was paid into court to the date of the inquisition or final judgment, whichever date is later.~~

~~(d) On taking possession, acquiring the right to take possession, or the actual transfer of title to the plaintiff, whichever occurs first, the plaintiff immediately shall file with the supervisor of assessments for the county involved a written notification or record setting forth in sufficient detail the area of the land and a description of any improvement being acquired. If the plaintiff is an agency or instrumentality of the State, the supervisor of assessments, on filing of the notification or record, immediately shall remove the property from the tax rolls.~~

~~12-113.~~

~~(A) IN THIS SECTION, "GOVERNMENT UNIT" MEANS:~~

~~(1) THE STATE;~~

~~(2) A COUNTY, POLITICAL SUBDIVISION, OR MUNICIPAL CORPORATION; OR~~

~~(3) AN AGENCY, AUTHORITY, BOARD, COMMISSION, COUNCIL, OFFICE, PUBLIC OR QUASI-PUBLIC CORPORATION, OR OTHER UNIT OR INSTRUMENTALITY OF THE STATE OR OF A COUNTY, POLITICAL SUBDIVISION, OR MUNICIPAL CORPORATION.~~

~~(B) THIS SECTION DOES NOT APPLY TO LAND ACQUIRED UNDER TITLE 8, SUBTITLE 3 OF THE TRANSPORTATION ARTICLE.~~

~~(C) IF LAND ACQUIRED UNDER THIS SUBTITLE IS NOT NEEDED FOR A PRESENT OR FUTURE PUBLIC PURPOSE, THE GOVERNMENT UNIT THAT ACQUIRED IT SHALL DISPOSE OF THE LAND AS SOON AS PRACTICABLE AFTER THE COMPLETION OR ABANDONMENT OF THE PROJECT FOR WHICH THE LAND WAS ACQUIRED.~~

~~(D) IF THE LAND IS NOT NEEDED FOR A PUBLIC PURPOSE, THE PERSON FROM WHOM THE LAND WAS ACQUIRED OR THE SUCCESSOR IN INTEREST OF THAT PERSON HAS THE RIGHT TO REACQUIRE THE LAND, ON PAYMENT OF AN AMOUNT EQUAL TO THE LESSER OF:~~

~~(1) THE APPRAISED VALUE OF THE LAND; OR~~

~~(2) THE CONSIDERATION THAT THE GOVERNMENT UNIT ORIGINALLY PAID FOR THE LAND, PLUS SIMPLE INTEREST AT THE FAIR MARKET VALUE CALCULATED FROM THE TIME OF ACQUISITION TO THE TIME OF DISPOSITION AND ADMINISTRATIVE COSTS.~~

~~(e) (1) THE GOVERNMENT UNIT SHALL NOTIFY THE PERSON FROM WHOM THE LAND WAS ACQUIRED, OR THE SUCCESSOR IN INTEREST OF THAT PERSON, WITHIN 30 DAYS AFTER MAKING A DETERMINATION THAT THE LAND IS NOT NEEDED FOR A PUBLIC PURPOSE AND THAT THE LAND IS AVAILABLE FOR REACQUISITION.~~

~~(2) IF THE RIGHT TO REACQUIRE THE LAND IS NOT EXERCISED WITHIN 6 MONTHS AFTER THE GOVERNMENT UNIT PROVIDES THE NOTICE THAT THE LAND IS AVAILABLE, THE GOVERNMENT UNIT SHALL DISPOSE OF THE LAND IN ACCORDANCE WITH APPLICABLE LAW.~~

~~12-201.~~

~~(a) In this subtitle the following words have the meanings indicated unless otherwise apparent from context.~~

~~(c) "Business" means any lawful activity, except a farm operation, conducted primarily:~~

~~(1) For the purchase, sale, lease, and rental of personal property and of real property, and for the manufacture, processing, or marketing of products, commodities, or any other personal property;~~

~~(2) For the sale of services to the public; or~~

~~(3) By a nonprofit organization.~~

~~(f) "Displacing agency" means any public or private agency or person carrying out:~~

~~(1) A program or project with federal financial assistance;~~

~~(2) A public works program or project with State financial assistance;~~

~~or~~

~~(3) Acquisition by eminent domain or by negotiation.~~

~~(g) "Farm operation" means any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber for sale or home use, and customarily producing these products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.~~

~~12-202.~~

(a) (1) In addition to payment otherwise authorized, a displacing agency shall make an additional payment not in excess of [~~\$22,500~~] **\$45,000** to any displaced person who is displaced from a dwelling actually owned and occupied by the displaced person for not less than 180 days prior to the initiation of negotiations for the acquisition of the real property.

(2) (i) The displacing agency may exceed the monetary limit stated in paragraph (1) of this subsection on a case-by-case basis if it determines that comparable housing cannot otherwise be made available within the limit; or

(ii) The displacing agency may use any other measures necessary to remedy the unavailability of comparable housing.

(b) The additional payments shall include the following elements:

(1) Any amount which when added to the acquisition cost of the dwelling acquired by the displacing agency, equals the reasonable cost of a comparable replacement dwelling as defined in § 12-201(d) of this subtitle.

(2) Any amount which will compensate the displaced person for any increased interest costs and other debt service costs which the person is required to pay for financing the acquisition of any comparable replacement dwelling. The amount shall be paid only if the dwelling acquired by the displacing agency was encumbered by a bona fide mortgage which was a valid lien on the dwelling for not less than 180 days prior to the initiation of negotiations for the acquisition of the dwelling. The method of calculation shall be determined by the lead agency.

(3) Reasonable expenses incurred by the displaced person for evidence of title, recording fees, and other closing costs incident to the purchase of the replacement dwelling, but not including prepaid expenses.

12-204.

(a) In addition to amounts otherwise authorized by this title and Title 8 of the Transportation Article, the displacing agency shall make a payment to or for any displaced person displaced from any dwelling and not eligible to receive a payment under § 12-202 of this subtitle, if the dwelling actually and lawfully was occupied by the displaced person for not less than 90 days before the initiation of negotiations for acquisition of the dwelling or in any case in which displacement is not a direct result of acquisition, such other activity as the lead agency shall prescribe.

(b) (1) (i) The payment shall be the amount necessary to enable the person to lease or rent for a period not to exceed 42 months, a comparable replacement dwelling, but not to exceed [~~\$5,250~~] **\$10,500**.

(ii) At the discretion of the displacing agency, a payment under this subsection may be made in periodic installments.

(iii) Computation of a payment under this subsection to a low income displaced person for a comparable replacement dwelling shall take into account such person's income.

(2) (i) If the displacing agency determines that comparable housing cannot otherwise be made available within this limit, the monetary limit stated in paragraph (1) of this subsection may be exceeded on a case-by-case basis.

(ii) The displacing agency may use any other measures necessary to remedy unavailability of comparable housing as prescribed by the lead agency.

(c) (1) Any person eligible for a payment under subsection (a) of this section may elect to apply the payment to a down payment on, and other incidental expenses applicable to, the purchase of a decent, safe, and sanitary replacement dwelling.

(2) At the discretion of the displacing agency, that person may be eligible under this subsection for the maximum payment allowed under subsection (a) of this section, except that, in the case of a displaced homeowner who has owned and occupied the displacement dwelling for at least 90 days but not more than 180 days immediately before the initiation of negotiations for the acquisition of the dwelling, the payment may not exceed the payment the person would otherwise have received under § 12-202 of this subtitle had the person owned and occupied the displacement dwelling 180 days immediately before the initiation of the negotiations.

12-205.

(a) Whenever a program or project undertaken by a displacing agency will result in the displacement of any person, the displacing agency shall make a payment to the displaced person, on proper application as approved by the displacing agency for:

(1) Actual reasonable expenses in moving himself, his family, business, farm operation, or other personal property;

(2) Actual direct loss of tangible personal property as a result of moving or discontinuing a business or farm operation, but not exceeding an amount equal to the reasonable expenses that would have been required to relocate the personal property, as determined by the agency;

(3) Actual reasonable expenses in searching for a replacement business or farm; ~~and~~

(4) Actual reasonable expenses necessary to reestablish a displaced farm, nonprofit organization, or small business at its new site as determined by the displacing agency, ~~but not to exceed \$10,000~~;

~~(5) THE REASONABLE COST OF A SUBSTITUTE ITEM OF TANGIBLE PERSONAL PROPERTY IF THE DISPLACED PERSON PROVES THAT THE SUBSTITUTE ITEM IS NECESSARY FOR CONTINUED OPERATION OF THE BUSINESS OR FARM OPERATION; AND~~

~~(6) THE REASONABLE COST OF MOVING A BUSINESS OR FARM OPERATION TO ENSURE THE UNINTERRUPTED OPERATION OF THE DISPLACED BUSINESS OR FARM OPERATION IF THE OWNER OF THE DISPLACED BUSINESS OR FARM OPERATION CAN REASONABLY ESTABLISH THAT THE CONTINUOUS OPERATION OF THE BUSINESS OR FARM OPERATION IS NECESSARY FOR THE BUSINESS OR FARM OPERATION TO REMAIN VIABLE \$60,000.~~

(b) Any displaced person eligible for payments under subsection (a) of this section, who is displaced from a dwelling and who elects to accept the payments authorized by this subsection in lieu of the payments authorized by subsection (a) of this section, may receive a moving expense allowance, determined according to a schedule established by the lead agency.

(c) (1) Any displaced person eligible for payments under subsection (a) of this section who is displaced from the person's place of business or farm operation and who is eligible under criteria established by the lead agency may elect to accept the payment authorized by this subsection in lieu of the payment authorized by subsection (a) of this section.

(2) Such payment shall consist of a fixed payment in an amount to be determined according to criteria established by the lead agency, except that such payment may not be less than \$1,000 ~~nor more than \$20,000~~ **\$60,000** or the amount provided under the federal Uniform Relocation Assistance Act, whichever is greater.

(3) A person whose sole business at the displacement dwelling is the rental of such property to others shall not qualify for a payment under this subsection.

12-205.1.

IN ANY PROCEEDING FOR THE ACQUISITION OF PRIVATE PROPERTY FOR PUBLIC USE BY CONDEMNATION IN WHICH LAND OR ANY PART OF IT IS BEING USED FOR A BUSINESS OR FARM OPERATION, A REPRESENTATIVE OF THE

DISPLACING AGENCY SHALL CONTACT THE OWNER OF THE BUSINESS OR FARM OPERATION NOT LESS THAN 30 DAYS BEFORE THE FILING OF THE ACTION AND NEGOTIATE IN GOOD FAITH REGARDING A PLAN UNDER WHICH THE BUSINESS OR FARM OPERATION MAY BE RELOCATED.

SECTION 2. AND BE IT FURTHER ENACTED, That § 12-105.1 of the Real Property Article as enacted by Section 1 of this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any specific administrative or legislative authorization to acquire property granted by the State or any of its instrumentalities or political subdivisions before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That with regard to any specific administrative or legislative authorization to acquire property granted by the State or any of its instrumentalities or political subdivisions before the effective date of this Act, the State or any of its instrumentalities or political subdivisions shall file an action of condemnation within 4 years from the effective date of this Act, and if an action of condemnation is not filed within 4 years from the effective date of this Act, the State or any of its instrumentalities or political subdivisions shall obtain a new authorization to acquire property before proceeding with the condemnation.

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 306

(Senate Bill 9)

AN ACT concerning

Education State Department of Education and Department of Health and Mental Hygiene - Student Surveys - Youth Risk Behavior Surveillance System Survey Workgroup

FOR the purpose of ~~requiring the State Department of Education to collaborate with the Department of Health and Mental Hygiene to incorporate the provisions of the Maryland Adolescent Survey and the Youth Tobacco Survey into the Centers for Disease Control and Prevention Youth Risk Behavior Surveillance System survey; providing for certain exceptions to the authority of the Department of Education to omit certain survey questions; altering certain~~

~~parental notification requirements; clarifying that certain surveys are part of the Youth Risk Behavior Surveillance System survey; requiring the Department of Health and Mental Hygiene, certain county boards, and certain schools to cooperate with the Department of Education in administering the survey; defining certain terms; requiring the Department of Education and the Department of Health and Mental Hygiene jointly to establish a certain Workgroup; providing for the composition, meeting requirements, purposes, and duties of the Workgroup; authorizing the Workgroup to consult with certain groups or individuals; requiring the Workgroup to submit a certain report to certain committees of the General Assembly on or before a certain date in certain years; requiring the Department of Education to administer a certain survey on or before a certain school year providing for the termination of this Act; and generally relating to the administration of the Centers for Disease Control and Prevention Youth Risk Behavior Surveillance System survey~~ the establishment of a workgroup relating to student surveys.

BY repealing and reenacting, ~~with~~ without amendments,
 Article – Education
 Section 7-420
 Annotated Code of Maryland
 (2006 Replacement Volume)

BY ~~repealing and reenacting, with amendments,~~ adding to
 Article – ~~Health – General~~ Education
 Section ~~13-1001(l) and (w) and 13-1003(d)~~ 7-420.1
 Annotated Code of Maryland
 (~~2005~~ 2006 Replacement Volume ~~and 2006 Supplement~~)

~~BY adding to~~
 Article – ~~Health – General~~
 Section ~~13-1001(w)~~
 Annotated Code of Maryland
 (~~2005~~ Replacement Volume ~~and 2006 Supplement~~)

Preamble

WHEREAS, Public agencies concerned with the health of Maryland children need periodic surveys to acquire data in order to determine appropriate preventive education, regulations, and services; and

WHEREAS, Federal and State laws mandate the periodic collection of data regarding the use of tobacco, alcohol, and other drugs by the youth of the State; and

WHEREAS, The United States Centers for Disease Control and Prevention ~~provides a Youth Risk Behavior Surveillance System survey to states which generates~~

~~health risk data in a broad range of areas~~ has established and maintains, in collaboration with the states, systems for the collection of data regarding the use of tobacco, alcohol, and other drugs by youth, including the Youth Tobacco Survey and the Youth Risk Behavior Survey; and

WHEREAS, The national nature of ~~the Youth Risk Behavior Surveillance System survey~~ these surveys enables states to compare the risk behaviors of their children with those of children in other parts of the country and is required data for the receipt of certain federal grant funding; and

~~WHEREAS, In 2004, the Maryland General Assembly passed legislation requiring that the Youth Risk Behavior Surveillance System survey be administered every 2 years in a randomly selected sample of Maryland schools; and~~

WHEREAS, The administration of surveys requires substantial time and effort by Maryland schools; and

~~WHEREAS, The Youth Risk Behavior Surveillance System survey obtains some of the data required for the Maryland Adolescent Survey and the Youth Tobacco Survey and can be modified to obtain all legally required data on the use of tobacco, alcohol, and other drugs~~ It is desirable to minimize the administrative impact of these surveys on both students and schools as well as improve the quality and validity of the data collected; now, therefore,

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

Article - Education

~~7-420.~~

~~(a) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED:~~

~~(2) "MARYLAND ADOLESCENT SURVEY" HAS THE MEANING STATED IN § 13-1001(L) OF THE HEALTH GENERAL ARTICLE.~~

~~(3) "SURVEY" MEANS THE CENTERS FOR DISEASE CONTROL AND PREVENTION YOUTH RISK BEHAVIOR SURVEILLANCE SYSTEM SURVEY.~~

~~(4) "YOUTH TOBACCO SURVEY" HAS THE MEANING STATED IN § 13-1001(X) OF THE HEALTH GENERAL ARTICLE.~~

~~(B) (1) The Department shall establish procedures for the administration of [the Centers for Disease Control and Prevention Youth Risk Behavior Surveillance System] THE survey.~~

~~(2) THE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE TO INCORPORATE THE PROVISIONS OF THE MARYLAND ADOLESCENT SURVEY AND THE YOUTH TOBACCO SURVEY INTO THE SURVEY.~~

~~[(b)](c) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE Department may omit up to a maximum of one-third of the survey questions if the Department considers the content of the questions inappropriate.~~

~~(2) EXCEPT AS PROVIDED IN § 13-1003(D) OF THE HEALTH GENERAL ARTICLE, THE DEPARTMENT SHALL ENSURE THAT THE CONTENT OF THE SURVEY INCLUDES THE CONTENT PROVISIONS OF THE MARYLAND ADOLESCENT SURVEY AND THE YOUTH TOBACCO SURVEY.~~

7-420.

(a) The Department shall establish procedures for the administration of the Centers for Disease Control and Prevention Youth Risk Behavior Surveillance System survey.

(b) The Department may omit up to a maximum of one-third of the survey questions if the Department considers the content of the questions inappropriate.

~~[(c)](d) (1) The Department shall require a local school system to [obtain parental consent using a parental consent form] NOTIFY PARENTS before administering the survey.~~

~~(2) The [parental consent form] NOTIFICATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION shall include:~~

~~(i) A FORM THAT MAY BE RETURNED BY A PARENT TO DENY A STUDENT'S PARTICIPATION IN THE SURVEY; AND~~

~~(ii) [a] A statement that explains how a parent can obtain a copy of the survey questions that will be administered and more information regarding the survey, including the mailing address, telephone number, and website address of the Centers for Disease Control and Prevention.~~

~~Article – Health – General~~

~~13-1001.~~

~~(l) “Maryland Adolescent Survey” means the Maryland Adolescent Survey that is administered by the Maryland State Department of Education AS PART OF THE YOUTH RISK BEHAVIOR SURVEILLANCE SYSTEM SURVEY.~~

~~(w) “YOUTH RISK BEHAVIOR SURVEILLANCE SYSTEM SURVEY” MEANS THE CENTERS FOR DISEASE CONTROL AND PREVENTION YOUTH RISK BEHAVIOR SURVEILLANCE SYSTEM SURVEY ADMINISTERED BY THE MARYLAND STATE DEPARTMENT OF EDUCATION UNDER § 7-420 OF THE EDUCATION ARTICLE.~~

~~[(w)] (x) “Youth Tobacco Survey” means the Youth Tobacco Survey developed by the Centers for Disease Control and Prevention and administered by the [Department with the assistance of the] Maryland State Department of Education AS PART OF THE YOUTH RISK BEHAVIOR SURVEILLANCE SYSTEM SURVEY.~~

~~13-1003.~~

~~(d) (1) In conducting the Baseline Tobacco Study, the Department may consider any data collected after March 1, 2000 through the administration of the Maryland Adolescent Survey or the Youth Tobacco Survey AS PART OF THE YOUTH RISK BEHAVIOR SURVEILLANCE SYSTEM SURVEY.~~

~~(2) The [Maryland State Department of Education] DEPARTMENT, county boards of education, and each school selected to participate in the Maryland Adolescent Survey or the Youth Tobacco Survey AS PART OF THE YOUTH RISK BEHAVIOR SURVEILLANCE SYSTEM SURVEY shall cooperate with the MARYLAND STATE Department OF EDUCATION in administering the surveys.~~

~~(3) (i) Subject to subparagraph (ii) of this paragraph, the Maryland State Department of Education may not discontinue administration of the Maryland Adolescent Survey PORTION OF THE YOUTH RISK BEHAVIOR SURVEILLANCE SYSTEM SURVEY until after it has submitted a report to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly that states the reason for discontinuing the survey.~~

~~(ii) If the Maryland State Department of Education submits a report as provided under subparagraph (i) of this paragraph, it may discontinue the Maryland Adolescent Survey PORTION OF THE YOUTH RISK BEHAVIOR SURVEILLANCE SYSTEM SURVEY in the first school year that begins after the report has been submitted.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That the State Department of Education shall administer the version of the Youth Risk Behavior Surveillance System survey that incorporates the provisions of the Maryland Adolescent Survey and the Youth Tobacco Survey on or before the 2009-2010 school year.~~

7-420.1.

(A) THE DEPARTMENT AND THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE JOINTLY SHALL ESTABLISH A WORKGROUP TO EVALUATE AND REDUCE:

(1) THE IMPACT ON SCHOOLS OF ADMINISTERING VARIOUS HEALTH-RELATED SURVEYS TO STUDENTS; AND

(2) THE IMPACT ON STUDENTS OF TAKING VARIOUS HEALTH-RELATED SURVEYS WITH SIMILAR OR OVERLAPPING CONTENT.

(B) THE WORKGROUP SHALL BE COMPOSED OF THE FOLLOWING:

(1) AT LEAST ONE REPRESENTATIVE FROM THE DEPARTMENT;

(2) AT LEAST ONE REPRESENTATIVE FROM THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE;

(3) REPRESENTATIVES FROM LOCAL SCHOOL DISTRICTS OF VARYING SIZES;

(4) REPRESENTATIVES FROM LOCAL HEALTH DEPARTMENTS OF VARYING SIZES;

(5) AT LEAST ONE REPRESENTATIVE WHO IS A PARENT WITH A CHILD IN A PUBLIC SCHOOL;

(6) ONE EPIDEMIOLOGIST WHO HAS KNOWLEDGE OF AND EXPERIENCE WITH STATISTICAL ANALYSIS; AND

(7) REPRESENTATIVES WHO HAVE KNOWLEDGE OF AND EXPERIENCE WITH THE MARYLAND ADOLESCENT SURVEY, THE MARYLAND YOUTH TOBACCO SURVEY, THE YOUTH RISK BEHAVIOR SURVEY, OR ANY OTHER HEALTH-RELATED SURVEY ADMINISTERED TO STUDENTS IN A PUBLIC SCHOOL FROM:

(I) THE DEPARTMENT; AND

(II) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE.

(C) THE WORKGROUP SHALL MEET AS A WHOLE AT LEAST FOUR TIMES EACH YEAR.

(D) THE PURPOSES OF THE WORKGROUP ARE TO:

(1) MINIMIZE THE IMPACT ON SCHOOLS OF ADMINISTERING HEALTH-RELATED SURVEYS TO STUDENTS DURING SCHOOL HOURS;

(2) MINIMIZE THE IMPACT ON STUDENTS OF TAKING HEALTH-RELATED SURVEYS WITH SIMILAR OR OVERLAPPING CONTENT; AND

(3) COLLECT VALID AND OBJECTIVE DATA FROM HEALTH-RELATED SURVEYS OF STUDENTS THAT MEET THE LEGAL DATA COLLECTION RESPONSIBILITIES OF THE DEPARTMENT AND THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE TO THE FEDERAL GOVERNMENT.

(E) THE WORKGROUP SHALL STUDY AND EVALUATE:

(1) THE FEASIBILITY AND DESIRABILITY OF DEVELOPING AND ADMINISTERING A SINGLE SURVEY INSTRUMENT;

(2) THE COORDINATED ADMINISTRATION OF SEVERAL SURVEYS DURING A SINGLE SESSION;

(3) THE COORDINATED ADMINISTRATION OF SURVEYS USING CORE SURVEY MODULES SUPPLEMENTED BY ADDITIONAL SURVEY MODULES;

(4) ALTERNATING THE ADMINISTRATION OF SURVEYS OVER MULTIPLE SCHOOL YEARS;

(5) METHODS OF ADMINISTERING HEALTH-RELATED SURVEYS TO STUDENTS USED BY OTHER STATES, WITH EMPHASIS ON STATES THAT CONDUCT COUNTY-SPECIFIC SURVEYS; AND

(6) USING A COMBINATION OF SURVEY ADMINISTRATION METHODS, INCLUDING ADMINISTERING COUNTY-SPECIFIC SURVEYS WITH STATEWIDE SURVEYS.

(F) THE WORKGROUP MAY CONSULT WITH THE FOLLOWING ENTITIES, GROUPS, OR INDIVIDUALS:

(1) THE FEDERAL CENTERS FOR DISEASE CONTROL AND PREVENTION OR ANY OTHER UNIT OF FEDERAL GOVERNMENT THAT ISSUES GUIDELINES OR RECOMMENDATIONS REGARDING ANY HEALTH-RELATED SURVEY ADMINISTERED TO YOUTH;

(2) COUNTY HEALTH OFFICERS OR HEALTH EDUCATORS TO ASSESS:

(i) THE UTILITY OF SURVEY DATA; AND

(ii) WHETHER CHANGES TO SURVEY METHODOLOGY ARE NEEDED TO IMPROVE THE DATA COLLECTED; AND

(3) PARENTS, TEACHERS, AND PRINCIPALS TO:

(i) DETERMINE THE IMPACT OF ADMINISTERING SURVEYS;
AND

(ii) SOLICIT IDEAS FOR REDUCING THE IMPACT OF ADMINISTERING OR TAKING SURVEYS.

(G) (1) ON OR BEFORE SEPTEMBER 1, 2008, THE WORKGROUP SHALL SUBMIT A REPORT, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE SENATE FINANCE COMMITTEE, THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE, THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE, AND THE HOUSE WAYS AND MEANS COMMITTEE ON ITS FINDINGS AND RECOMMENDATIONS.

(2) THE REPORT SHALL INCLUDE:

(i) A DESCRIPTION OF EACH HEALTH-RELATED SURVEY ADMINISTERED TO STUDENTS IN SCHOOLS BY THE DEPARTMENT OR THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, INCLUDING:

1. THE NAME OF THE SPONSORING AGENCY;

2. ANY APPLICABLE FEDERAL OR STATE MANDATES THAT IMPACT THE METHODS OF ADMINISTERING THE SURVEY;

3. THE SURVEY METHODOLOGY;

4. A SAMPLE SURVEY QUESTIONNAIRE;

5. THE SAMPLE SIZE AND FREQUENCY OF THE SURVEY ADMINISTRATION;

6. FUNDING SOURCES AND SURVEY COSTS; AND

7. A COPY OF THE EXECUTIVE SUMMARY OF THE LATEST REPORT DEVELOPED FROM EACH SURVEY;

(II) AN EXPLANATION OF:

1. THE UTILITY OF THE DATA COLLECTED BY THE SURVEY; AND

2. HOW THE DATA WILL BE USED TO STUDY OR IMPROVE STATE AND LOCAL HEALTH EDUCATION OR SAFETY FOR YOUTH OF THE STATE;

(III) AN EXPLANATION OF METHODS OF SURVEY ADMINISTRATION USED IN OTHER STATES THAT ADMINISTER COUNTY-LEVEL HEALTH-RELATED SURVEYS TO STUDENTS;

(IV) A SUMMARY OF ANY CONCERNS EXPRESSED BY LOCAL SCHOOL DISTRICTS, PRINCIPALS, TEACHERS, OR PARENTS REGARDING:

1. THE IMPACT OF ADMINISTERING OR TAKING SURVEYS; AND

2. IDEAS FOR ALTERNATIVE WAYS OF MINIMIZING THE IMPACT OF ADMINISTERING OR TAKING SURVEYS;

(V) AN ANALYSIS OF ALTERNATIVE SURVEYS CONSIDERED, INCLUDING THE ADVANTAGES AND DISADVANTAGES OF EACH SURVEY CONSIDERED, INCLUDING:

1. THE FEASIBILITY OF USE AND IMPLEMENTATION;

2. CONSISTENCY WITH THE PURPOSES OF THE WORKGROUP; AND

3. COMPLIANCE WITH FEDERAL AND STATE LEGAL REQUIREMENTS;

(VI) AN ANALYSIS OF ANY CHANGES MADE TO THE ADMINISTRATION OF SURVEYS IN SCHOOLS AND HOW THE CHANGES HELPED TO REDUCE THE IMPACT ON SCHOOLS AND STUDENTS; AND

(VII) ANY OTHER RECOMMENDATIONS OF THE WORKGROUP, INCLUDING LEGAL, REGULATORY, OR POLICY CHANGES.

SECTION ~~3~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2007. It shall remain effective for a period of 2 years and, at the end of June 30, 2009, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 8, 2007.

CHAPTER 307

(Senate Bill 52)

AN ACT concerning

Consumer Protection - Consumer Reporting Agencies - Consumer Reports - Security Freezes

FOR the purpose of authorizing a consumer to elect to place a security freeze on ~~all or part of~~ the consumer's consumer report; establishing procedures for requesting a security freeze; requiring a consumer reporting agency to place a security freeze on a consumer's consumer report within a certain ~~number of business days~~ time periods after ~~a request is~~ certain requests are received in certain manners and to take certain actions within a certain number of business days after placing a security freeze on a consumer's consumer report; establishing an exception for a certain consumer reporting agency to the requirement to place a security freeze on a consumer report; providing that while a security freeze is in place, a consumer reporting agency may not ~~provide~~ release a consumer's consumer report or any information contained in, or derived from, from a

consumer's consumer report without certain authorization of the consumer; ~~requiring a consumer reporting agency to give certain notice to a consumer if any person requests access to a consumer's consumer report under certain circumstances;~~ establishing procedures for requesting a security freeze to be lifted temporarily or removed; requiring a consumer reporting agency to temporarily lift or remove a security freeze within a certain ~~number of business days~~ time periods after receiving a request from a consumer; requiring a consumer reporting agency to temporarily lift a security freeze within a certain number of minutes after receiving a request from a consumer after a certain date and under certain circumstances; ~~requiring~~ authorizing a consumer reporting agency to develop certain procedures on or before a certain date; ~~prohibiting a consumer reporting agency from charging a consumer for any service relating to a security freeze except for certain reasonable fees for placing, temporarily lifting, or removing a security freeze;~~ providing a certain exception that prohibits the charging of fees by a consumer reporting agency to a consumer who presents a certain police report to the consumer reporting agency establishing certain maximum fees for certain services relating to a security freeze; prohibiting the charging of fees by a consumer reporting agency to a consumer who presents certain documentation to the consumer reporting agency; requiring a consumer reporting agency to give certain notices to a consumer at certain times; ~~authorizing a consumer who is affected by a violation of certain provisions of this Act to bring a certain action;~~ ~~establishing certain penalties;~~ providing that the exclusive remedy for a violation of a certain provision of this Act shall be is to file a certain complaint with the Commissioner of Financial Regulation; providing for the application of this Act; defining certain terms; providing for a delayed effective date; ~~making a conforming change;~~ and generally relating to consumer reporting agencies and security freezes on consumer reports.

~~BY repealing and reenacting, with amendments,~~

~~Article – Commercial Law~~

~~Section 14-1202(a)~~

~~Annotated Code of Maryland~~

~~(2005 Replacement Volume and 2006 Supplement)~~

BY adding to

Article – Commercial Law

Section ~~14-1202.1~~ 14-1212.1

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

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

Article – Commercial Law

~~14-1202.~~

~~(a) Subject to subsection (b) of this section and [§ 14-1205] §§ 14-1202.1 AND 14-1205 of this subtitle, a consumer reporting agency may furnish a consumer report under the following circumstances and no other:~~

~~(1) In response to the order of a court having jurisdiction to issue the order;~~

~~(2) In accordance with the written instructions of the consumer to whom it relates; or~~

~~(3) To a person which the agency has reason to believe:~~

~~(i) Intends to use the information in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer;~~

~~(ii) Intends to use the information for employment purposes;~~

~~(iii) Intends to use the information in connection with the underwriting of insurance involving the consumer;~~

~~(iv) Intends to use the information in connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status; or~~

~~(v) Otherwise has a legitimate business need for the information in connection with a business transaction involving the consumer.~~

~~14-1202.1.~~~~14-1212.1.~~

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

(2) "ACCOUNT REVIEW" INCLUDES ACTIVITIES RELATED TO ACCOUNT MAINTENANCE, ACCOUNT MONITORING, CREDIT LINE INCREASES, AND ACCOUNT UPGRADES AND ENHANCEMENTS.

(3) "SECURITY FREEZE" MEANS A RESTRICTION PLACED ON A CONSUMER'S CONSUMER REPORT AT THE REQUEST OF THE CONSUMER THAT

PROHIBITS A CONSUMER REPORTING AGENCY FROM RELEASING ~~ALL OR ANY PART OF~~ THE CONSUMER'S CONSUMER REPORT OR ANY INFORMATION ~~CONTAINED IN, OR~~ DERIVED FROM₂ THE CONSUMER'S CONSUMER REPORT WITHOUT THE EXPRESS AUTHORIZATION OF THE CONSUMER.

(B) (1) THIS SECTION DOES NOT APPLY TO THE USE OF A CONSUMER'S CONSUMER REPORT BY:

~~(2)~~ (1) A PERSON, OR A SUBSIDIARY, AFFILIATE, AGENT, OR ASSIGNEE OF THE PERSON, WITH WHICH THE CONSUMER HAS, OR PRIOR TO ASSIGNMENT HAD, AN ACCOUNT, CONTRACT, OR DEBTOR-CREDITOR RELATIONSHIP, FOR THE PURPOSE OF ACCOUNT REVIEW OR COLLECTING THE FINANCIAL OBLIGATION OWING FOR THE ACCOUNT, CONTRACT, OR DEBT;

~~(2)~~ (II) A PERSON, ~~OR A SUBSIDIARY, AFFILIATE, AGENT, OR ASSIGNEE OF THE PERSON,~~ THAT WAS GIVEN ACCESS TO THE CONSUMER'S CONSUMER REPORT UNDER SUBSECTION (E) OF THIS SECTION FOR THE PURPOSE OF FACILITATING AN EXTENSION OF CREDIT TO THE CONSUMER OR ANOTHER PERMISSIBLE USE;

~~(3)~~ (III) A PERSON ACTING IN ACCORDANCE WITH A COURT ORDER, WARRANT, OR SUBPOENA;

~~(4)~~ (IV) A UNIT OF STATE OR LOCAL GOVERNMENT THAT ADMINISTERS A PROGRAM FOR ESTABLISHING AND ENFORCING CHILD SUPPORT OBLIGATIONS;

~~(5)~~ (V) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE IN CONNECTION WITH A FRAUD INVESTIGATION CONDUCTED BY THE DEPARTMENT;

~~(6)~~ (VI) THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION, THE COMPTROLLER, OR ANY OTHER STATE OR LOCAL TAXING AUTHORITY IN CONNECTION WITH:

~~(H)~~ 1. AN INVESTIGATION CONDUCTED BY THE DEPARTMENT, COMPTROLLER, OR TAXING AUTHORITY;

~~(H)~~ 2. THE COLLECTION OF DELINQUENT TAXES OR UNPAID COURT ORDERS BY THE DEPARTMENT, COMPTROLLER, OR TAXING AUTHORITY; OR

~~(III)~~ **3. THE PERFORMANCE OF ANY OTHER DUTY PROVIDED FOR BY LAW;**

~~(7)~~ **(VII) A PERSON FOR THE PURPOSE OF PRESCREENING, AS DEFINED BY THE FEDERAL FAIR CREDIT REPORTING ACT;**

~~(8)~~ **(VIII) A PERSON ADMINISTERING A CREDIT FILE MONITORING SUBSCRIPTION SERVICE TO WHICH THE CONSUMER HAS SUBSCRIBED; OR**

~~(9)~~ **(IX) A PERSON ~~FOR THE PURPOSE OF~~ PROVIDING A CONSUMER WITH A COPY OF THE CONSUMER'S CONSUMER REPORT ON REQUEST OF THE CONSUMER; OR**

(X) TO THE EXTENT NOT PROHIBITED BY OTHER STATE LAW, A PERSON ONLY FOR THE PURPOSE OF SETTING OR ADJUSTING AN INSURANCE RATE, ADJUSTING AN INSURANCE CLAIM, OR UNDERWRITING AN INSURANCE RISK.

(2) THIS SECTION DOES NOT APPLY TO:

(I) A CHECK SERVICES OR FRAUD PREVENTION SERVICES COMPANY THAT ISSUES:

- 1. REPORTS ON INCIDENTS OF FRAUD; OR**
- 2. AUTHORIZATIONS FOR THE PURPOSE OF APPROVING OR PROCESSING NEGOTIABLE INSTRUMENTS, ELECTRONIC FUNDS TRANSFERS, OR SIMILAR PAYMENT METHODS;**

(II) A DEPOSIT ACCOUNT INFORMATION SERVICE COMPANY THAT ISSUES REPORTS REGARDING ACCOUNT CLOSURES DUE TO FRAUD, SUBSTANTIAL OVERDRAFTS, AUTOMATED TELLER MACHINE ABUSE, OR SIMILAR ~~NEGATIVE~~ INFORMATION REGARDING A CONSUMER TO INQUIRING BANKS OR OTHER FINANCIAL INSTITUTIONS FOR USE ONLY IN REVIEWING A CONSUMER REQUEST FOR A DEPOSIT ACCOUNT AT THE INQUIRING BANK OR FINANCIAL INSTITUTION; OR

(III) A CONSUMER REPORTING AGENCY DATABASE OR FILE THAT CONSISTS ENTIRELY OF CONSUMER INFORMATION CONCERNING, AND USED SOLELY FOR:

- 1. CRIMINAL RECORD INFORMATION;**

2. PERSONAL LOSS HISTORY INFORMATION;
3. FRAUD PREVENTION OR DETECTION;
4. EMPLOYMENT SCREENING; OR
5. TENANT SCREENING.

(c) (1) A CONSUMER MAY ELECT TO PLACE A SECURITY FREEZE ON ~~ALL OR PART OF~~ THE CONSUMER'S CONSUMER REPORT BY:

(i) ~~BY WRITTEN~~ WRITTEN REQUEST SENT BY CERTIFIED MAIL;

(ii) BEGINNING JANUARY 1, 2010, SUBJECT TO PARAGRAPH (6) OF THIS SUBSECTION, TELEPHONE, BY PROVIDING CERTAIN PERSONAL INFORMATION THAT THE CONSUMER REPORTING AGENCY MAY REQUIRE TO VERIFY THE IDENTITY OF THE CONSUMER; ~~BY TELEPHONE;~~

~~(iii) (iii) BY ELECTRONIC~~ ELECTRONIC MAIL USING AN ELECTRONIC POSTMARK IF A SECURE ELECTRONIC MAIL CONNECTION IS MADE AVAILABLE BY THE CONSUMER REPORTING AGENCY; OR

~~(iv) (iii) (iv) OVER THE INTERNET IF A SECURE WEBSITE IS MADE AVAILABLE BY THE CONSUMER REPORTING AGENCY~~ IF THE CONSUMER REPORTING AGENCY MAKES A SECURE CONNECTION AVAILABLE ON ITS WEBSITE, AN ELECTRONIC REQUEST THROUGH THAT SECURE CONNECTION.

(2) A CONSUMER REPORTING AGENCY SHALL REQUIRE A CONSUMER TO PROVIDE PROPER IDENTIFYING INFORMATION WHEN REQUESTING A SECURITY FREEZE.

(3) ~~A~~ EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION, A CONSUMER REPORTING AGENCY SHALL PLACE A SECURITY FREEZE ON A CONSUMER'S CONSUMER REPORT:

(i) BEFORE JULY 1, 2008, WITHIN 5 BUSINESS DAYS AFTER RECEIVING A REQUEST FROM A CONSUMER UNDER PARAGRAPH (1) OF THIS SUBSECTION; OR

(ii) ON OR AFTER JULY 1, 2008, WITHIN 3 BUSINESS DAYS AFTER RECEIVING A REQUEST UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(4) WITHIN ~~3~~ 5 BUSINESS DAYS AFTER PLACING A SECURITY FREEZE ON A CONSUMER'S CONSUMER REPORT, THE CONSUMER REPORTING AGENCY SHALL:

(I) SEND A WRITTEN CONFIRMATION OF THE SECURITY FREEZE TO THE CONSUMER;

(II) PROVIDE THE CONSUMER WITH A UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD TO BE USED BY THE CONSUMER WHEN AUTHORIZING THE RELEASE OF THE CONSUMER'S CONSUMER REPORT TO A SPECIFIC PERSON OR FOR A SPECIFIC PERIOD OF TIME; AND

(III) PROVIDE THE CONSUMER WITH A WRITTEN STATEMENT OF THE PROCEDURES FOR REQUESTING THE CONSUMER REPORTING AGENCY TO REMOVE OR TEMPORARILY LIFT A SECURITY FREEZE.

(5) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A CONSUMER REPORTING AGENCY IS NOT REQUIRED TO PLACE A SECURITY FREEZE ON A CONSUMER REPORT IF THE CONSUMER REPORTING AGENCY:

1. ACTS ONLY AS A RESELLER OF CREDIT INFORMATION BY ASSEMBLING AND MERGING INFORMATION CONTAINED IN A DATABASE OF ANOTHER CONSUMER REPORTING AGENCY OR MULTIPLE CONSUMER REPORTING AGENCIES; AND

2. DOES NOT MAINTAIN A PERMANENT DATABASE OF CREDIT INFORMATION FROM WHICH NEW CONSUMER REPORTS ARE PRODUCED.

(II) A CONSUMER REPORTING AGENCY THAT ACTS AS A RESELLER OF CREDIT INFORMATION SHALL HONOR A SECURITY FREEZE PLACED ON A CONSUMER REPORT BY ANOTHER CONSUMER REPORTING AGENCY.

(6) (I) IF A CONSUMER REQUESTS PLACEMENT OF A SECURITY FREEZE BY TELEPHONE UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION, THE CONSUMER REPORTING AGENCY MAY REQUIRE THE CONSUMER TO CONFIRM THE REQUEST IN WRITING ON A FORM THAT THE CONSUMER REPORTING AGENCY PROVIDES TO THE CONSUMER WITH THE MATERIALS SENT IN ACCORDANCE WITH PARAGRAPH (4) OF THIS SUBSECTION.

(II) IF THE CONSUMER FAILS TO RETURN WRITTEN CONFIRMATION THAT THE CONSUMER REPORTING AGENCY REQUIRES UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE CONSUMER REPORTING AGENCY

MAY REMOVE THE SECURITY FREEZE IN ACCORDANCE WITH SUBSECTION (G)(2) OF THIS SECTION.

(D) (1) WHILE A SECURITY FREEZE IS IN PLACE, A CONSUMER REPORTING AGENCY MAY NOT ~~PROVIDE~~ RELEASE A CONSUMER'S CONSUMER REPORT OR ANY INFORMATION CONTAINED IN, OR DERIVED FROM, FROM A CONSUMER'S CONSUMER REPORT WITHOUT THE EXPRESS PRIOR AUTHORIZATION OF THE CONSUMER.

(2) A CONSUMER REPORTING AGENCY MAY ADVISE A PERSON THAT A SECURITY FREEZE IS IN EFFECT WITH RESPECT TO A CONSUMER'S CONSUMER REPORT.

(3) A CONSUMER REPORTING AGENCY MAY NOT STATE OR IMPLY TO ANY PERSON THAT A SECURITY FREEZE ON A CONSUMER'S CONSUMER REPORT REFLECTS A NEGATIVE CREDIT SCORE, CREDIT HISTORY, OR CREDIT RATING.

~~(4) (i) IF ANY PERSON REQUESTS ACCESS TO A CONSUMER'S CONSUMER REPORT WHILE A SECURITY FREEZE IS IN PLACE FOR A PURPOSE OTHER THAN ACCOUNT REVIEW, THE CONSUMER REPORTING AGENCY SHALL NOTIFY THE CONSUMER THAT AN ATTEMPT HAS BEEN MADE TO ACCESS THE CONSUMER'S CONSUMER REPORT.~~

~~(ii) THE NOTICE SHALL STATE THE IDENTITY OF THE PERSON REQUESTING ACCESS TO THE CONSUMER'S CONSUMER REPORT AND THE PURPOSE OF THE REQUEST.~~

(E) (1) IF A CONSUMER WANTS TO TEMPORARILY LIFT A SECURITY FREEZE TO ALLOW THE CONSUMER'S CONSUMER REPORT TO BE ACCESSED BY A SPECIFIC PERSON OR FOR A SPECIFIC PERIOD OF TIME WHILE A SECURITY FREEZE IS IN PLACE, THE CONSUMER SHALL:

(i) CONTACT THE CONSUMER REPORTING AGENCY BY:

1. MAIL, BY OR MAIL IN THE MANNER PRESCRIBED BY THE CONSUMER REPORTING AGENCY;

2. TELEPHONE AS DESIGNATED TELEPHONE IN THE MANNER PRESCRIBED BY THE CONSUMER REPORTING AGENCY, BY ELECTRONIC;

3. ELECTRONIC MAIL USING AN ELECTRONIC POSTMARK IF A SECURE ELECTRONIC MAIL CONNECTION IS MADE AVAILABLE TO THE CONSUMER BY THE CONSUMER REPORTING AGENCY, ~~OR OVER THE INTERNET IF A SECURE WEBSITE IS MADE AVAILABLE BY THE CONSUMER REPORTING AGENCY; OR~~

4. ELECTRONIC REQUEST IF A SECURE CONNECTION IS MADE AVAILABLE ON THE WEBSITE OF THE CONSUMER REPORTING AGENCY;

(II) REQUEST THAT THE SECURITY FREEZE BE TEMPORARILY LIFTED; AND

(III) PROVIDE THE FOLLOWING TO THE CONSUMER REPORTING AGENCY:

1. PROPER IDENTIFYING INFORMATION;

2. THE UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD PROVIDED ~~BY~~ TO THE CONSUMER ~~REPORTING AGENCY~~ UNDER SUBSECTION (C)(4)(II) OF THIS SECTION; AND

3. THE PROPER INFORMATION REGARDING THE PERSON THAT IS TO RECEIVE THE CONSUMER REPORT OR THE TIME PERIOD DURING WHICH THE CONSUMER REPORT IS TO BE AVAILABLE TO USERS OF THE CONSUMER REPORT.

(2) (I) ~~A.~~ EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, A CONSUMER REPORTING AGENCY SHALL COMPLY WITH A REQUEST MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION~~;~~

~~1.~~ WITHIN 3 BUSINESS DAYS AFTER RECEIVING THE REQUEST~~;~~~~OR~~ .

~~2.~~ (II) 1. AFTER JANUARY 31, 2009, A CONSUMER REPORTING AGENCY SHALL COMPLY WITH A REQUEST MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION WITHIN 15 MINUTES AFTER THE CONSUMER'S REQUEST IS RECEIVED BY THE CONSUMER REPORTING AGENCY IF THE REQUEST IS:

~~A.~~ MADE THROUGH AN ELECTRONIC CONTACT METHOD CHOSEN BY THE CONSUMER REPORTING AGENCY; AND MADE BY TELEPHONE, BY ELECTRONIC MAIL, OR BY SECURE CONNECTION ON THE WEBSITE OF THE CONSUMER REPORTING AGENCY.

~~B. RECEIVED BY THE CONSUMER REPORTING AGENCY BETWEEN 6:00 A.M. AND 9:30 P.M. EASTERN STANDARD TIME.~~

~~(H) A CONSUMER REPORTING AGENCY IS NOT REQUIRED TO TEMPORARILY LIFT A SECURITY FREEZE WITHIN THE TIME PROVIDED IN SUBPARAGRAPH (I)2 OF THIS PARAGRAPH IF:~~

~~1. THE CONSUMER FAILS TO MEET THE REQUIREMENTS OF PARAGRAPH (1)(H) OF THIS SUBSECTION; OR~~

~~2. THE CONSUMER REPORTING AGENCY'S ABILITY TO TEMPORARILY LIFT THE SECURITY FREEZE WITHIN THE TIME PROVIDED IN SUBPARAGRAPH (I)2 OF THIS PARAGRAPH IS PREVENTED BY:~~

~~A. AN ACT OF GOD, INCLUDING FIRE, EARTHQUAKE, HURRICANE, STORM, OR SIMILAR NATURAL DISASTER OR PHENOMENON;~~

~~B. AN UNAUTHORIZED OR ILLEGAL ACT BY A THIRD PARTY, INCLUDING TERRORISM, SABOTAGE, RIOT, VANDALISM, LABOR STRIKE OR DISPUTE THAT DISRUPTS OPERATIONS, OR SIMILAR OCCURRENCE;~~

~~C. A DISRUPTION OF OPERATIONS CAUSED BY ELECTRICAL FAILURE, UNANTICIPATED DELAY IN EQUIPMENT OR REPLACEMENT PART DELIVERY, COMPUTER HARDWARE OR SOFTWARE FAILURE INHIBITING RESPONSE TIME, OR SIMILAR DISRUPTION;~~

~~D. A GOVERNMENTAL ACTION, INCLUDING EMERGENCY ORDER OR JUDICIAL OR LAW ENFORCEMENT ACTION;~~

~~E. A REGULARLY SCHEDULED MAINTENANCE OF, OR UPDATE TO, THE CONSUMER REPORTING AGENCY'S CONSUMER REPORTING SYSTEM THAT OCCURS OTHER THAN DURING NORMAL BUSINESS HOURS; OR~~

~~F. A COMMERCIALY REASONABLE MAINTENANCE OF, OR REPAIR TO, THE CONSUMER REPORTING AGENCY'S CONSUMER REPORTING SYSTEM THAT IS UNEXPECTED OR UNSCHEDULED.~~

2. A CONSUMER REPORTING AGENCY THAT IS UNABLE TO TEMPORARILY LIFT A SECURITY FREEZE UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH SHALL LIFT THE SECURITY FREEZE AS SOON AS IT IS REASONABLY CAPABLE OF DOING SO.

~~(F)~~ ~~(3)~~ ~~ON OR BEFORE OCTOBER 1, 2009,~~ A CONSUMER REPORTING AGENCY ~~SHALL~~ MAY DEVELOP PROCEDURES INVOLVING THE USE OF ~~TELEPHONE OR FACSIMILE, OR, ON CONSENT OF THE CONSUMER IN THE MANNER REQUIRED BY THE FEDERAL ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT FOR LEGALLY REQUIRED NOTICES, THE INTERNET, ELECTRONIC MAIL, OR OTHER ELECTRONIC MEDIA, THE MEANS OF COMMUNICATION AUTHORIZED UNDER THIS SECTION TO RECEIVE AND~~ FACSIMILE OR OTHER ELECTRONIC MEDIA TO RECEIVE AND PROCESS, IN AN EXPEDITED MANNER, A REQUEST FROM A CONSUMER TO ~~PLACE, TEMPORARILY LIFT,~~ TEMPORARILY LIFT OR REMOVE A SECURITY FREEZE ON THE CONSUMER'S CONSUMER REPORT.

~~(G)~~ ~~(F)~~ IF, IN CONNECTION WITH AN APPLICATION FOR CREDIT OR FOR ANY OTHER USE, A PERSON REQUESTS ACCESS TO A CONSUMER'S CONSUMER REPORT WHILE A SECURITY FREEZE IS IN PLACE AND THE CONSUMER DOES NOT AUTHORIZE ACCESS TO THE CONSUMER'S CONSUMER REPORT, THE PERSON MAY TREAT THE APPLICATION AS INCOMPLETE.

~~(H)~~ ~~(G)~~ (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A CONSUMER REPORTING AGENCY MAY REMOVE OR TEMPORARILY LIFT A SECURITY FREEZE PLACED ON A CONSUMER'S CONSUMER REPORT ONLY ON REQUEST OF THE CONSUMER MADE UNDER SUBSECTION (E) OR ~~(H)~~ (H) OF THIS SECTION.

(2) (I) A CONSUMER REPORTING AGENCY MAY REMOVE A SECURITY FREEZE PLACED ON A CONSUMER'S CONSUMER REPORT IF:

1. ~~PLACEMENT~~ PLACEMENT OF THE SECURITY FREEZE WAS BASED ON A MATERIAL MISREPRESENTATION OF FACT BY THE CONSUMER; OR

2. THE CONSUMER:

A. MADE THE REQUEST TO PLACE THE SECURITY FREEZE BY TELEPHONE UNDER SUBSECTION (C)(1)(II) OF THIS SECTION; AND

B. FAILED TO CONFIRM THE REQUEST IN WRITING IF REQUIRED IN ACCORDANCE WITH SUBSECTION (C)(6) OF THIS SECTION.

(II) IF A CONSUMER REPORTING AGENCY INTENDS TO REMOVE A SECURITY FREEZE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE CONSUMER REPORTING AGENCY SHALL NOTIFY THE CONSUMER IN

WRITING OF ITS INTENT AT LEAST 5 BUSINESS DAYS BEFORE REMOVING THE SECURITY FREEZE.

~~(H)~~ (H) (1) SUBJECT TO SUBSECTION ~~(C)(2)~~ ~~(H)(2)~~ (G)(2) OF THIS SECTION, A SECURITY FREEZE SHALL REMAIN IN PLACE UNTIL THE CONSUMER REQUESTS THAT THE SECURITY FREEZE BE REMOVED.

~~(2) A CONSUMER REQUESTING THAT A SECURITY FREEZE BE REMOVED SHALL PROVIDE:~~

(2) IF A CONSUMER WANTS TO REMOVE A SECURITY FREEZE FROM THE CONSUMER'S CONSUMER REPORT, THE CONSUMER SHALL:

(I) CONTACT THE CONSUMER REPORTING AGENCY BY MAIL:

1. MAIL IN THE MANNER PRESCRIBED BY THE CONSUMER REPORTING AGENCY; ~~OR TELEPHONE AS DESIGNATED BY THE CONSUMER REPORTING AGENCY, BY~~

2. TELEPHONE IN THE MANNER PRESCRIBED BY THE CONSUMER REPORTING AGENCY; ~~ELECTRONIC MAIL~~

3. ELECTRONIC MAIL USING AN ELECTRONIC POSTMARK IF A SECURE ELECTRONIC MAIL CONNECTION IS MADE AVAILABLE TO THE CONSUMER BY THE CONSUMER REPORTING AGENCY, ~~OR OVER THE INTERNET IF A SECURE WEBSITE IS MADE AVAILABLE BY; OR~~

4. ELECTRONIC REQUEST IF A SECURE CONNECTION IS MADE AVAILABLE ON THE WEBSITE OF THE CONSUMER REPORTING AGENCY;

(II) REQUEST THAT THE SECURITY FREEZE BE REMOVED;
AND

(III) PROVIDE THE FOLLOWING TO THE CONSUMER REPORTING AGENCY:

~~(H)~~ 1. PROPER IDENTIFYING INFORMATION; AND

~~(H)~~ 2. THE UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD PROVIDED BY THE CONSUMER REPORTING AGENCY UNDER SUBSECTION (C)(4)(II) OF THIS SECTION.

(3) A CONSUMER REPORTING AGENCY SHALL REMOVE A SECURITY FREEZE WITHIN 3 BUSINESS DAYS AFTER RECEIVING A REQUEST FOR REMOVAL.

~~(J)~~ (I) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A CONSUMER MAY NOT BE CHARGED FOR ANY SERVICE RELATING TO A SECURITY FREEZE.

(2) A CONSUMER REPORTING AGENCY MAY CHARGE A REASONABLE FEE, NOT EXCEEDING \$5, ~~IF A CONSUMER FAILS TO RETAIN THE ORIGINAL UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD PROVIDED TO THE CONSUMER BY THE CONSUMER REPORTING AGENCY UNDER SUBSECTION (C)(4)(H) OF THIS SECTION, AND THE CONSUMER REPORTING AGENCY MUST REISSUE THE SAME OR A NEW UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD;~~

~~(H)~~ (I) ~~\$10~~ \$5, FOR EACH PLACEMENT, TEMPORARY LIFT, OR REMOVAL OF A SECURITY FREEZE; ~~AND~~

~~(H)~~ (I) ~~AN ADDITIONAL \$5 FOR A TEMPORARY LIFT UNDER SUBSECTION (E)(2)(I)2 OF THIS SECTION.~~

(3) NOTWITHSTANDING PARAGRAPH (2) OF THIS SUBSECTION, A CONSUMER REPORTING AGENCY MAY NOT CHARGE A FEE ANY FEE UNDER THIS SECTION TO A CONSUMER WHO, AT THE TIME OF A REQUEST TO PLACE, TEMPORARILY LIFT, OR REMOVE A SECURITY FREEZE, PRESENTS TO THE CONSUMER REPORTING AGENCY A POLICE REPORT ALLEGING THAT THE CONSUMER IS A VICTIM OF IDENTITY THEFT UNDER § 8-301 OF THE CRIMINAL LAW ARTICLE:

(I) HAS OBTAINED A REPORT OF ALLEGED IDENTITY FRAUD AGAINST THE CONSUMER UNDER § 8-304 OF THE CRIMINAL LAW ARTICLE OR AN IDENTITY THEFT PASSPORT UNDER § 8-305 OF THE CRIMINAL LAW ARTICLE; AND

(II) PROVIDES A COPY OF THE REPORT OR PASSPORT TO THE CONSUMER REPORTING AGENCY.

~~(K)~~ (J) AT ANY TIME THAT A CONSUMER IS ENTITLED TO RECEIVE A SUMMARY OF RIGHTS UNDER § 609 OF THE FEDERAL FAIR CREDIT REPORTING ACT OR § 14-1206 OF THIS SUBTITLE, THE FOLLOWING NOTICE SHALL BE INCLUDED:

“NOTICE

YOU HAVE A RIGHT, UNDER ~~§ 14-1202.1~~ § 14-1212.1 OF THE COMMERCIAL LAW ARTICLE OF THE ANNOTATED CODE OF MARYLAND, TO PLACE A SECURITY FREEZE ON YOUR ~~CREDIT CONSUMER~~ CREDIT REPORT ~~AT NO CHARGE TO YOU.~~ THE SECURITY FREEZE WILL PROHIBIT A CONSUMER REPORTING AGENCY FROM RELEASING YOUR ~~CONSUMER~~ CREDIT REPORT OR ANY INFORMATION ~~CONTAINED IN, OR DERIVED FROM,~~ DERIVED FROM YOUR ~~CREDIT CONSUMER~~ CREDIT REPORT WITHOUT YOUR EXPRESS AUTHORIZATION. THE PURPOSE OF A SECURITY FREEZE IS TO PREVENT CREDIT, LOANS, AND SERVICES FROM BEING APPROVED IN YOUR NAME WITHOUT YOUR CONSENT.

YOU MAY ELECT TO HAVE A CONSUMER REPORTING AGENCY PLACE A SECURITY FREEZE ON YOUR ~~CREDIT CONSUMER~~ CREDIT REPORT BY WRITTEN REQUEST SENT BY CERTIFIED MAIL, ~~OR BY TELEPHONE,~~ BY ELECTRONIC MAIL OR THE INTERNET IF THE CONSUMER REPORTING AGENCY ~~HAS~~ PROVIDES A SECURE ELECTRONIC ~~MAIL CONNECTION, OR OVER THE INTERNET IF THE CONSUMER REPORTING AGENCY HAS A SECURE WEBSITE~~ CONNECTION. THE CONSUMER REPORTING AGENCY MUST PLACE A SECURITY FREEZE ON YOUR ~~CREDIT CONSUMER~~ CREDIT REPORT WITHIN 5 BUSINESS DAYS AFTER YOUR REQUEST IS RECEIVED, OR WITHIN 3 BUSINESS DAYS STARTING JULY 1, 2008. WITHIN ~~3~~ 5 BUSINESS DAYS AFTER A SECURITY FREEZE IS PLACED ON YOUR ~~CREDIT CONSUMER~~ CREDIT REPORT, YOU WILL BE PROVIDED WITH A UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD TO USE IF YOU WANT TO REMOVE THE SECURITY FREEZE OR TEMPORARILY LIFT THE SECURITY FREEZE TO RELEASE YOUR ~~CREDIT CONSUMER~~ CREDIT REPORT TO A SPECIFIC PERSON OR FOR A SPECIFIC PERIOD OF TIME. YOU ALSO WILL RECEIVE INFORMATION ON THE PROCEDURES FOR REMOVING OR TEMPORARILY LIFTING A SECURITY FREEZE.

IF YOU WANT TO TEMPORARILY LIFT THE SECURITY FREEZE ON YOUR ~~CREDIT CONSUMER~~ CREDIT REPORT, YOU MUST CONTACT THE CONSUMER REPORTING AGENCY AND PROVIDE ALL OF THE FOLLOWING:

- (1) ~~THE~~ THE UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD PROVIDED BY THE CONSUMER REPORTING AGENCY;
- (2) THE PROPER IDENTIFYING INFORMATION TO VERIFY YOUR IDENTITY; AND

(3) ~~THE~~ THE PROPER INFORMATION REGARDING THE PERSON WHO IS TO RECEIVE THE ~~CREDIT CONSUMER~~ CREDIT REPORT OR THE PERIOD OF TIME FOR WHICH THE ~~CREDIT CONSUMER~~ CREDIT REPORT IS TO BE AVAILABLE TO USERS OF THE ~~CREDIT CONSUMER~~ CREDIT REPORT.

A CONSUMER REPORTING AGENCY MUST COMPLY WITH A REQUEST TO TEMPORARILY LIFT ~~OR REMOVE~~ A SECURITY FREEZE ON A ~~CREDIT CONSUMER~~ CREDIT REPORT WITHIN 3 BUSINESS DAYS AFTER THE REQUEST IS RECEIVED, ~~OR WITHIN 15 MINUTES STARTING JANUARY 31, 2009, FOR CERTAIN REQUESTS. AFTER JANUARY 31, 2009, A CONSUMER REPORTING AGENCY MUST COMPLY WITH A REQUEST TO TEMPORARILY LIFT A SECURITY FREEZE ON A CONSUMER REPORT WITHIN 15 MINUTES AFTER A REQUEST IS RECEIVED BY THE CONSUMER REPORTING AGENCY UNDER CERTAIN CIRCUMSTANCES SPECIFIED IN LAW~~ A CONSUMER REPORTING AGENCY MUST COMPLY WITH A REQUEST TO REMOVE A SECURITY FREEZE ON A CREDIT REPORT WITHIN 3 BUSINESS DAYS AFTER THE REQUEST IS RECEIVED.

IF YOU ARE ACTIVELY SEEKING CREDIT, YOU SHOULD BE AWARE THAT THE PROCEDURES INVOLVED IN LIFTING A SECURITY FREEZE MAY SLOW YOUR OWN APPLICATIONS FOR CREDIT. YOU SHOULD PLAN AHEAD AND LIFT A SECURITY FREEZE, EITHER COMPLETELY IF YOU ARE SEEKING CREDIT FROM A NUMBER OF SOURCES, OR JUST FOR A SPECIFIC CREDITOR IF YOU ARE APPLYING ONLY TO THAT CREDITOR, A FEW DAYS BEFORE ACTUALLY APPLYING FOR NEW CREDIT.

A CONSUMER REPORTING AGENCY MAY CHARGE A REASONABLE FEE NOT EXCEEDING \$10 \$5 FOR EACH PLACEMENT, TEMPORARY LIFT, OR REMOVAL OF A SECURITY FREEZE. A CONSUMER REPORTING AGENCY MAY CHARGE AN ADDITIONAL REASONABLE FEE NOT EXCEEDING \$5 FOR A TEMPORARY LIFT OF A SECURITY FREEZE MADE WITHIN 15 MINUTES AFTER A REQUEST IS RECEIVED. HOWEVER, A CONSUMER REPORTING AGENCY MAY NOT CHARGE A ANY FEE TO A CONSUMER WHO, AT THE TIME OF A REQUEST TO PLACE, TEMPORARILY LIFT, OR REMOVE A SECURITY FREEZE, PRESENTS TO THE CONSUMER REPORTING AGENCY A POLICE REPORT ALLEGING THAT THE CONSUMER IS A VICTIM OF IDENTITY THEFT OF ALLEGED IDENTITY FRAUD AGAINST THE CONSUMER OR AN IDENTITY THEFT PASSPORT.

A SECURITY FREEZE DOES NOT APPLY IF YOU HAVE AN EXISTING ACCOUNT RELATIONSHIP AND A COPY OF YOUR ~~CREDIT CONSUMER~~ CREDIT REPORT IS REQUESTED BY YOUR EXISTING CREDITOR OR ITS AGENTS OR AFFILIATES FOR CERTAIN TYPES OF ACCOUNT REVIEW, COLLECTION, FRAUD CONTROL, OR SIMILAR ~~ACTIVITIES.~~ ACTIVITIES."

~~YOU HAVE A RIGHT TO BRING A CIVIL ACTION AGAINST ANY CONSUMER REPORTING AGENCY OR USER OF YOUR CREDIT REPORT WHO VIOLATES YOUR RIGHTS UNDER MARYLAND'S CREDIT REPORTING LAWS."~~

~~(I) (K)~~ IF A CONSUMER REPORTING AGENCY ~~VIOLATES A SECURITY FREEZE BY RELEASING A CONSUMER'S~~ ERRONEOUSLY RELEASES A VIOLATES A SECURITY FREEZE BY RELEASING A CONSUMER'S CONSUMER REPORT SUBJECT TO A SECURITY FREEZE OR ANY INFORMATION ~~CONTAINED IN, OR DERIVED FROM, A~~ A CONSUMER'S ~~CONSUMER'S~~ CONSUMER REPORT SUBJECT TO A SECURITY FREEZE WITHOUT AUTHORIZATION, THE CONSUMER REPORTING AGENCY, WITHIN 5 BUSINESS DAYS AFTER ~~THE~~ DISCOVERING OR BEING NOTIFIED OF THE ERRONEOUS RELEASE, SHALL NOTIFY THE AFFECTED CONSUMER IN WRITING OF:

(1) THE ~~SPECIFIC NATURE OF THE~~ SPECIFIC INFORMATION RELEASED; AND

(2) THE NAME AND ADDRESS OF, OR OTHER AVAILABLE NAME AND ADDRESS OF CONTACT INFORMATION FOR, THE RECIPIENT OF THE CONSUMER REPORT OR THE INFORMATION RELEASED.

~~(M) (1) IN ADDITION TO ANY OTHER REMEDIES THAT MAY BE AVAILABLE UNDER THIS SUBTITLE, A CONSUMER WHO IS AFFECTED BY A VIOLATION OF THIS SECTION MAY BRING AN ACTION AGAINST THE PERSON THAT COMMITTED THE VIOLATION.~~

~~(2) IN AN ACTION BROUGHT UNDER PARAGRAPH (1) OF THIS SUBSECTION, A CONSUMER MAY RECOVER:~~

~~(i) DAMAGES IN THE AMOUNT OF THE GREATER OF:~~

~~1. \$500 FOR EACH VIOLATION; OR~~

~~2. ACTUAL DAMAGES SUSTAINED AS A RESULT OF THE VIOLATION; AND~~

~~(ii) REASONABLE ATTORNEY'S FEES.~~

~~(3) FOR PURPOSES OF IMPOSING PENALTIES UNDER PARAGRAPH (2) OF THIS SUBSECTION, EACH INSTANCE OF A VIOLATION OF THIS SECTION IS A SEPARATE VIOLATION.~~

~~(M) (L)~~ THE EXCLUSIVE REMEDY FOR A VIOLATION OF § 14-1212.1(E)(2)(i)2 OF THIS SUBTITLE SUBSECTION (E)(2)(II) OF THIS SECTION SHALL BE A COMPLAINT FILED WITH THE COMMISSIONER UNDER § 14-1217 OF THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October 1, 2007~~ January 1, 2008.

Approved by the Governor, May 8, 2007.

CHAPTER 308

(House Bill 117)

AN ACT concerning

Consumer Protection – Consumer Reporting Agencies – Consumer Reports – Security Freezes

FOR the purpose of authorizing a consumer to elect to place a security freeze on the consumer's consumer report; establishing procedures for requesting a security freeze; requiring a consumer reporting agency to place a security freeze on a consumer's consumer report within certain time periods after certain requests are received in certain manners and to take certain actions within a certain number of business days after placing a security freeze on a consumer's consumer report; establishing an exception for a certain consumer reporting agency to the requirement to place a security freeze on a consumer report; providing that while a security freeze is in place, a consumer reporting agency may not ~~provide~~ release a consumer's consumer report or any information ~~is~~ derived from a consumer's consumer report without certain authorization of the consumer; ~~requiring a consumer reporting agency to give certain notice to a consumer if any person requests access to a consumer's consumer report under certain circumstances~~; establishing procedures for requesting a security freeze to be lifted temporarily or removed; requiring a consumer reporting agency to temporarily lift or remove a security freeze within a certain ~~number of business days~~ time periods after receiving a request from a consumer; requiring a consumer reporting agency to temporarily lift a security freeze within a certain number of minutes after receiving a request from a consumer after a certain date and under certain circumstances, with certain exceptions; authorizing a consumer reporting agency to develop certain procedures on or before a certain date; ~~prohibiting a consumer reporting agency from charging a consumer for any service relating to a security freeze, subject to certain exceptions~~

establishing certain maximum fees for certain services relating to a security freeze; prohibiting the charging of fees by a consumer reporting agency to a consumer who presents certain documentation to the consumer reporting agency; requiring a consumer reporting agency to give certain notices to a consumer at certain times; providing that the exclusive remedy for a violation of a certain provision of this Act is to file a certain complaint with the Commissioner of Financial Regulation; authorizing a consumer who is affected by a violation of certain provisions of this Act to bring a certain action; establishing certain penalties; providing for the application of this Act; defining certain terms; providing for a delayed effective date; and generally relating to consumer reporting agencies and security freezes on consumer reports.

~~BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 14-1202(a)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)~~

BY adding to
Article – Commercial Law
Section ~~14-1202.1~~ 14-1212.1
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article - Commercial Law

~~14-1202.~~

~~(a) Subject to subsection (b) of this section and [§ 14-1205] §§ 14-1202.1 AND 14-1205 of this subtitle, a consumer reporting agency may furnish a consumer report under the following circumstances and no other:~~

~~(1) In response to the order of a court having jurisdiction to issue the order;~~

~~(2) In accordance with the written instructions of the consumer to whom it relates; or~~

~~(3) To a person which the agency has reason to believe:~~

~~(i) Intends to use the information in connection with a credit transaction involving the consumer on whom the information is to be furnished and~~

~~involving the extension of credit to, or review or collection of an account of, the consumer;~~

~~(ii) Intends to use the information for employment purposes;~~

~~(iii) Intends to use the information in connection with the underwriting of insurance involving the consumer;~~

~~(iv) Intends to use the information in connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status; or~~

~~(v) Otherwise has a legitimate business need for the information in connection with a business transaction involving the consumer.~~

~~**14-1202.1.**~~

14-1212.1.

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

(2) "ACCOUNT REVIEW" INCLUDES ACTIVITIES RELATED TO ACCOUNT MAINTENANCE, ACCOUNT MONITORING, CREDIT LINE INCREASES, AND ACCOUNT UPGRADES AND ENHANCEMENTS.

(3) "SECURITY FREEZE" MEANS A RESTRICTION PLACED ON A CONSUMER'S CONSUMER REPORT AT THE REQUEST OF THE CONSUMER THAT PROHIBITS A CONSUMER REPORTING AGENCY FROM RELEASING THE CONSUMER'S CONSUMER REPORT OR ANY INFORMATION DERIVED FROM THE CONSUMER'S CONSUMER REPORT WITHOUT THE EXPRESS AUTHORIZATION OF THE CONSUMER.

(B) (1) THIS SECTION DOES NOT APPLY TO THE USE OF A CONSUMER'S CONSUMER REPORT BY:

~~(1)~~ (1) A PERSON, OR A SUBSIDIARY, AFFILIATE, AGENT, OR ASSIGNEE OF THE PERSON, WITH WHICH THE CONSUMER HAS, OR PRIOR TO ASSIGNMENT HAD, AN ACCOUNT, CONTRACT, OR DEBTOR-CREDITOR RELATIONSHIP, FOR THE PURPOSE OF ACCOUNT REVIEW OR COLLECTING THE FINANCIAL OBLIGATION OWING FOR THE ACCOUNT, CONTRACT, OR DEBT;

~~(2)~~ (II) A PERSON THAT WAS GIVEN ACCESS TO THE CONSUMER'S CONSUMER REPORT UNDER SUBSECTION (E) OF THIS SECTION FOR THE PURPOSE OF FACILITATING AN EXTENSION OF CREDIT TO THE CONSUMER OR ANOTHER PERMISSIBLE USE;

~~(3)~~ (III) A PERSON ACTING IN ACCORDANCE WITH A COURT ORDER, WARRANT, OR SUBPOENA;

~~(4)~~ (IV) A UNIT OF STATE OR LOCAL GOVERNMENT THAT ADMINISTERS A PROGRAM FOR ESTABLISHING AND ENFORCING CHILD SUPPORT OBLIGATIONS;

~~(5)~~ (V) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE IN CONNECTION WITH A FRAUD INVESTIGATION CONDUCTED BY THE DEPARTMENT;

~~(6)~~ (VI) THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION, THE COMPTROLLER, OR ANY OTHER STATE OR LOCAL TAXING AUTHORITY IN CONNECTION WITH:

~~(I)~~ 1. AN INVESTIGATION CONDUCTED BY THE DEPARTMENT, COMPTROLLER, OR TAXING AUTHORITY;

~~(II)~~ 2. THE COLLECTION OF DELINQUENT TAXES OR UNPAID COURT ORDERS BY THE DEPARTMENT, COMPTROLLER, OR TAXING AUTHORITY; OR

~~(III)~~ 3. THE PERFORMANCE OF ANY OTHER DUTY PROVIDED FOR BY LAW;

~~(7)~~ (VII) A PERSON FOR THE PURPOSE OF PRESCREENING, AS DEFINED BY THE FEDERAL FAIR CREDIT REPORTING ACT;

~~(8)~~ (VIII) A PERSON ADMINISTERING A CREDIT FILE MONITORING SUBSCRIPTION SERVICE TO WHICH THE CONSUMER HAS SUBSCRIBED; ~~OR~~

~~(9)~~ (IX) A PERSON PROVIDING A CONSUMER WITH A COPY OF THE CONSUMER'S CONSUMER REPORT ON REQUEST OF THE CONSUMER; OR

~~(10)~~ (X) TO THE EXTENT NOT PROHIBITED BY OTHER STATE LAW, A PERSON ONLY FOR THE PURPOSE OF SETTING OR ADJUSTING AN INSURANCE RATE, ADJUSTING AN INSURANCE CLAIM, OR UNDERWRITING AN INSURANCE RISK.

(2) THIS SECTION DOES NOT APPLY TO:**(I) A CHECK SERVICES OR FRAUD PREVENTION SERVICES COMPANY THAT ISSUES:**

- 1. REPORTS ON INCIDENTS OF FRAUD; OR**
- 2. AUTHORIZATIONS FOR THE PURPOSE OF APPROVING OR PROCESSING NEGOTIABLE INSTRUMENTS, ELECTRONIC FUNDS TRANSFERS, OR SIMILAR PAYMENT METHODS;**

(II) A DEPOSIT ACCOUNT INFORMATION SERVICE COMPANY THAT ISSUES REPORTS REGARDING ACCOUNT CLOSURES DUE TO FRAUD, SUBSTANTIAL OVERDRAFTS, AUTOMATED TELLER MACHINE ABUSE, OR SIMILAR NEGATIVE INFORMATION REGARDING A CONSUMER TO INQUIRING BANKS OR OTHER FINANCIAL INSTITUTIONS FOR USE ONLY IN REVIEWING A CONSUMER REQUEST FOR A DEPOSIT ACCOUNT AT THE INQUIRING BANK OR FINANCIAL INSTITUTION; OR**(III) A CONSUMER REPORTING AGENCY DATABASE OR FILE THAT CONSISTS ENTIRELY OF CONSUMER INFORMATION CONCERNING, AND USED SOLELY FOR:**

- 1. CRIMINAL RECORD INFORMATION;**
- 2. PERSONAL LOSS HISTORY INFORMATION;**
- 3. FRAUD PREVENTION OR DETECTION;**
- 4. EMPLOYMENT SCREENING; OR**
- 5. TENANT SCREENING.**

(c) (1) A CONSUMER MAY ELECT TO PLACE A SECURITY FREEZE ON THE CONSUMER'S CONSUMER REPORT BY:**(i) WRITTEN REQUEST SENT BY CERTIFIED MAIL;****(ii) ~~TELEPHONE SUBJECT~~ BEGINNING JANUARY 1, 2010, SUBJECT TO PARAGRAPH ~~(5)~~ (6) OF THIS SUBSECTION, TELEPHONE, BY PROVIDING CERTAIN PERSONAL INFORMATION THAT THE CONSUMER**

REPORTING AGENCY MAY REQUIRE TO VERIFY THE IDENTITY OF THE CONSUMER;

(III) ELECTRONIC MAIL USING AN ELECTRONIC POSTMARK IF A SECURE ELECTRONIC MAIL CONNECTION IS MADE AVAILABLE BY THE CONSUMER REPORTING AGENCY; OR

(IV) IF THE CONSUMER REPORTING AGENCY MAKES A SECURE CONNECTION AVAILABLE ON ITS WEBSITE, AN ELECTRONIC REQUEST THROUGH THAT SECURE CONNECTION.

(2) A CONSUMER REPORTING AGENCY SHALL REQUIRE A CONSUMER TO PROVIDE PROPER ~~IDENTIFICATION~~ IDENTIFYING INFORMATION WHEN REQUESTING A SECURITY FREEZE.

(3) ~~A~~ EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION, A CONSUMER REPORTING AGENCY SHALL PLACE A SECURITY FREEZE ON A CONSUMER'S CONSUMER REPORT ~~WITHIN:~~

(I) BEFORE JULY 1, 2008, WITHIN 5 BUSINESS DAYS AFTER RECEIVING A ~~WRITTEN OR TELEPHONE~~ REQUEST UNDER PARAGRAPH (1) OF THIS SUBSECTION; OR

(II) ON OR AFTER JULY 1, 2008, WITHIN 3 BUSINESS DAYS AFTER RECEIVING ~~AN ELECTRONIC MAIL~~ A REQUEST ~~MADE BY ELECTRONIC MAIL OR BY SECURE CONNECTION ON THE WEBSITE OF THE CONSUMER REPORTING AGENCY~~ UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(4) WITHIN 5 BUSINESS DAYS AFTER PLACING A SECURITY FREEZE ON A CONSUMER'S CONSUMER REPORT, THE CONSUMER REPORTING AGENCY SHALL:

(I) SEND A WRITTEN CONFIRMATION OF THE SECURITY FREEZE TO THE CONSUMER;

(II) PROVIDE THE CONSUMER WITH A UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD TO BE USED BY THE CONSUMER WHEN AUTHORIZING THE RELEASE OF THE CONSUMER'S CONSUMER REPORT TO A SPECIFIC PERSON OR FOR A SPECIFIC PERIOD OF TIME; AND

(III) PROVIDE THE CONSUMER WITH A WRITTEN STATEMENT OF THE PROCEDURES FOR REQUESTING THE CONSUMER REPORTING AGENCY TO REMOVE OR TEMPORARILY LIFT A SECURITY FREEZE.

(5) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A CONSUMER REPORTING AGENCY IS NOT REQUIRED TO PLACE A SECURITY FREEZE ON A CONSUMER REPORT IF THE CONSUMER REPORTING AGENCY:

1. ACTS ONLY AS A RESELLER OF CREDIT INFORMATION BY ASSEMBLING AND MERGING INFORMATION CONTAINED IN A DATABASE OF ANOTHER CONSUMER REPORTING AGENCY OR MULTIPLE CONSUMER REPORTING AGENCIES; AND

2. DOES NOT MAINTAIN A PERMANENT DATABASE OF CREDIT INFORMATION FROM WHICH NEW CONSUMER REPORTS ARE PRODUCED.

(II) A CONSUMER REPORTING AGENCY THAT ACTS AS A RESELLER OF CREDIT INFORMATION SHALL HONOR A SECURITY FREEZE PLACED ON A CONSUMER REPORT BY ANOTHER CONSUMER REPORTING AGENCY.

~~(5)~~ (6) (I) IF A CONSUMER REQUESTS PLACEMENT OF A SECURITY FREEZE BY TELEPHONE UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION, THE CONSUMER REPORTING AGENCY MAY REQUIRE THE CONSUMER TO CONFIRM THE REQUEST IN WRITING ON A FORM THAT THE CONSUMER REPORTING AGENCY PROVIDES TO THE CONSUMER WITH THE MATERIALS SENT IN ACCORDANCE WITH PARAGRAPH (4) OF THIS SUBSECTION.

(II) IF THE CONSUMER FAILS TO RETURN WRITTEN CONFIRMATION THAT THE CONSUMER REPORTING AGENCY REQUIRES UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE CONSUMER REPORTING AGENCY MAY REMOVE THE SECURITY FREEZE IN ACCORDANCE WITH SUBSECTION (G)(2) OF THIS SECTION.

(D) (1) WHILE A SECURITY FREEZE IS IN PLACE, A CONSUMER REPORTING AGENCY MAY NOT ~~PROVIDE~~ RELEASE A CONSUMER'S CONSUMER REPORT OR ANY INFORMATION IN DERIVED FROM A CONSUMER'S CONSUMER REPORT WITHOUT THE EXPRESS PRIOR AUTHORIZATION OF THE CONSUMER.

(2) A CONSUMER REPORTING AGENCY MAY ADVISE A PERSON THAT A SECURITY FREEZE IS IN EFFECT WITH RESPECT TO A CONSUMER'S CONSUMER REPORT.

(3) A CONSUMER REPORTING AGENCY MAY NOT STATE OR IMPLY TO ANY PERSON THAT A SECURITY FREEZE ON A CONSUMER'S CONSUMER REPORT REFLECTS A NEGATIVE CREDIT SCORE, CREDIT HISTORY, OR CREDIT RATING.

~~(4) (i) IF ANY PERSON REQUESTS ACCESS TO A CONSUMER'S CONSUMER REPORT WHILE A SECURITY FREEZE IS IN PLACE FOR A PURPOSE OTHER THAN A PURPOSE ALLOWED UNDER THIS SECTION, THE CONSUMER REPORTING AGENCY SHALL NOTIFY THE CONSUMER THAT AN ATTEMPT HAS BEEN MADE TO ACCESS THE CONSUMER'S CONSUMER REPORT.~~

~~(ii) THE NOTICE SHALL STATE THE IDENTITY OF THE PERSON REQUESTING ACCESS TO THE CONSUMER'S CONSUMER REPORT AND THE PURPOSE OF THE REQUEST.~~

(E) (1) IF A CONSUMER WANTS TO TEMPORARILY LIFT A SECURITY FREEZE TO ALLOW THE CONSUMER'S CONSUMER REPORT TO BE ACCESSED BY A SPECIFIC PERSON OR FOR A SPECIFIC PERIOD OF TIME WHILE A SECURITY FREEZE IS IN PLACE, THE CONSUMER SHALL:

(i) CONTACT THE CONSUMER REPORTING AGENCY BY:

1. ~~CERTIFIED MAIL~~ MAIL IN THE MANNER PRESCRIBED BY THE CONSUMER REPORTING AGENCY;

2. TELEPHONE IN THE MANNER PRESCRIBED BY THE CONSUMER REPORTING AGENCY;

3. ELECTRONIC MAIL USING AN ELECTRONIC POSTMARK IF A SECURE ELECTRONIC MAIL CONNECTION IS MADE AVAILABLE TO THE CONSUMER BY THE CONSUMER REPORTING AGENCY; OR

4. ELECTRONIC REQUEST IF A SECURE CONNECTION IS MADE AVAILABLE ON THE WEBSITE OF THE CONSUMER REPORTING AGENCY;

(ii) REQUEST THAT THE SECURITY FREEZE BE TEMPORARILY LIFTED; AND

(iii) PROVIDE THE FOLLOWING TO THE CONSUMER REPORTING AGENCY:

1. PROPER ~~IDENTIFICATION~~ IDENTIFYING INFORMATION;

2. THE UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD PROVIDED TO THE CONSUMER UNDER SUBSECTION (C)(4)(II) OF THIS SECTION; AND

3. THE PROPER INFORMATION REGARDING THE PERSON THAT IS TO RECEIVE THE CONSUMER REPORT OR THE TIME PERIOD DURING WHICH THE CONSUMER REPORT IS TO BE AVAILABLE TO USERS OF THE CONSUMER REPORT.

(2) ~~A (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OR (IV) OF THIS PARAGRAPH, A CONSUMER REPORTING AGENCY SHALL COMPLY WITH A REQUEST MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION WITHIN 5 3 BUSINESS DAYS AFTER RECEIVING THE REQUEST.~~

~~(II) 1. AFTER JANUARY 31, 2009, A CONSUMER REPORTING AGENCY SHALL COMPLY WITH A REQUEST MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION WITHIN 15 MINUTES AFTER THE CONSUMER'S REQUEST IS RECEIVED BY THE CONSUMER REPORTING AGENCY IF THE REQUEST IS:~~

~~1. MADE MADE BY TELEPHONE, BY ELECTRONIC MAIL, OR BY SECURE CONNECTION ON THE WEBSITE OF THE CONSUMER REPORTING AGENCY; AND.~~

~~2. RECEIVED BY THE CONSUMER REPORTING AGENCY DURING NORMAL BUSINESS HOURS.~~

~~(III) A CONSUMER REPORTING AGENCY IS NOT REQUIRED TO TEMPORARILY LIFT A SECURITY FREEZE WITHIN 15 MINUTES UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IF:~~

~~1. THE CONSUMER FAILS TO COMPLY WITH PARAGRAPH (1)(II) OF THIS SUBSECTION; OR~~

~~2. THE CONSUMER REPORTING AGENCY'S ABILITY TO TEMPORARILY LIFT THE SECURITY FREEZE WITHIN 15 MINUTES IS PREVENTED BY:~~

~~A. AN ACT OF GOD, INCLUDING FIRE, EARTHQUAKE, HURRICANE, STORM, OR SIMILAR NATURAL DISASTER OR PHENOMENON;~~

~~B. AN UNAUTHORIZED OR ILLEGAL ACT BY A THIRD PARTY, INCLUDING TERRORISM, SABOTAGE, RIOT, VANDALISM, LABOR STRIKE OR DISPUTE THAT DISRUPTS OPERATIONS, OR SIMILAR OCCURRENCE;~~

~~C. A DISRUPTION OF OPERATIONS CAUSED BY ELECTRICAL FAILURE, UNANTICIPATED DELAY IN EQUIPMENT OR REPLACEMENT PART DELIVERY, COMPUTER HARDWARE OR SOFTWARE FAILURE INHIBITING RESPONSE TIME, OR SIMILAR DISRUPTION;~~

~~D. A GOVERNMENTAL ACTION, INCLUDING EMERGENCY ORDER OR JUDICIAL OR LAW ENFORCEMENT ACTION;~~

~~E. A REGULARLY SCHEDULED MAINTENANCE OF, OR UPDATE TO, THE CONSUMER REPORTING AGENCY'S CONSUMER REPORTING SYSTEM THAT OCCURS OTHER THAN DURING NORMAL BUSINESS HOURS; OR~~

~~F. A COMMERCIALLY REASONABLE MAINTENANCE OF, OR REPAIR TO, THE CONSUMER REPORTING AGENCY'S CONSUMER REPORTING SYSTEM THAT IS UNEXPECTED OR UNSCHEDULED.~~

~~(iv) 2. A CONSUMER REPORTING AGENCY THAT IS UNABLE TO TEMPORARILY LIFT A SECURITY FREEZE UNDER SUBPARAGRAPH (iii) 2 SUBSUBPARAGRAPH 1 OF THIS PARAGRAPH SUBPARAGRAPH SHALL LIFT THE SECURITY FREEZE AS SOON AS IT IS AUTHORIZED OR OTHERWISE REASONABLY CAPABLE OF DOING SO.~~

(3) A CONSUMER REPORTING AGENCY MAY DEVELOP PROCEDURES INVOLVING THE USE OF TELEPHONE, FACSIMILE, THE INTERNET, ELECTRONIC MAIL, FACSIMILE OR OTHER ELECTRONIC MEDIA TO RECEIVE AND PROCESS, IN AN EXPEDITED MANNER, A REQUEST FROM A CONSUMER TO TEMPORARILY LIFT OR REMOVE A SECURITY FREEZE ON THE CONSUMER'S CONSUMER REPORT.

(F) IF, IN CONNECTION WITH AN APPLICATION FOR CREDIT OR FOR ANY OTHER USE, A PERSON REQUESTS ACCESS TO A CONSUMER'S CONSUMER REPORT WHILE A SECURITY FREEZE IS IN PLACE AND THE CONSUMER DOES NOT AUTHORIZE ACCESS TO THE CONSUMER'S CONSUMER REPORT, THE PERSON MAY TREAT THE APPLICATION AS INCOMPLETE.

(g) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A CONSUMER REPORTING AGENCY MAY REMOVE OR TEMPORARILY LIFT A SECURITY FREEZE PLACED ON A CONSUMER'S CONSUMER REPORT ONLY ON REQUEST OF THE CONSUMER MADE UNDER SUBSECTION (E) OR (H) OF THIS SECTION.

(2) (I) A CONSUMER REPORTING AGENCY MAY REMOVE A SECURITY FREEZE PLACED ON A CONSUMER'S CONSUMER REPORT IF:

1. ~~PLACEMENT~~ PLACEMENT OF THE SECURITY FREEZE WAS BASED ON A MATERIAL MISREPRESENTATION OF FACT BY THE CONSUMER; OR

2. THE CONSUMER:

A. MADE THE REQUEST TO PLACE THE SECURITY FREEZE BY TELEPHONE UNDER SUBSECTION (C)(1)(II) OF THIS SECTION; AND

B. FAILED TO CONFIRM THE REQUEST IN WRITING IF REQUIRED IN ACCORDANCE WITH SUBSECTION ~~(C)(5)~~ (C)(6) OF THIS SECTION.

(II) IF A CONSUMER REPORTING AGENCY INTENDS TO REMOVE A SECURITY FREEZE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE CONSUMER REPORTING AGENCY SHALL NOTIFY THE CONSUMER IN WRITING OF ITS INTENT AT LEAST 5 BUSINESS DAYS BEFORE REMOVING THE SECURITY FREEZE.

(H) (1) SUBJECT TO SUBSECTION (G)(2) OF THIS SECTION, A SECURITY FREEZE SHALL REMAIN IN PLACE UNTIL THE CONSUMER REQUESTS THAT THE SECURITY FREEZE BE REMOVED.

~~(2) A CONSUMER REQUESTING THAT A SECURITY FREEZE BE REMOVED SHALL PROVIDE:~~

(2) IF A CONSUMER WANTS TO REMOVE A SECURITY FREEZE FROM THE CONSUMER'S CONSUMER REPORT, THE CONSUMER SHALL:

(I) CONTACT THE CONSUMER REPORTING AGENCY BY:

1. MAIL IN THE MANNER PRESCRIBED BY THE CONSUMER REPORTING AGENCY;

2. TELEPHONE IN THE MANNER PRESCRIBED BY THE CONSUMER REPORTING AGENCY;

3. ELECTRONIC MAIL USING AN ELECTRONIC POSTMARK IF A SECURE ELECTRONIC MAIL CONNECTION IS MADE AVAILABLE TO THE CONSUMER BY THE CONSUMER REPORTING AGENCY; OR

4. ELECTRONIC REQUEST IF A SECURE CONNECTION IS MADE AVAILABLE ON THE WEBSITE OF THE CONSUMER REPORTING AGENCY;

(II) REQUEST THAT THE SECURITY FREEZE BE REMOVED;
AND

(III) PROVIDE THE FOLLOWING TO THE CONSUMER REPORTING AGENCY:

(i) 1. PROPER IDENTIFICATION IDENTIFYING INFORMATION;
AND

~~(ii) 2. THE UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD PROVIDED BY THE CONSUMER REPORTING AGENCY UNDER SUBSECTION (C)(4)(II) OF THIS SECTION.~~

(3) A CONSUMER REPORTING AGENCY SHALL REMOVE A SECURITY FREEZE WITHIN 3 BUSINESS DAYS AFTER RECEIVING A REQUEST FOR REMOVAL.

(i) (1) EXCEPT AS PROVIDED IN ~~PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, AND SUBJECT TO PARAGRAPH (4)~~ PARAGRAPH (2) OF THIS SUBSECTION, A CONSUMER MAY NOT BE CHARGED FOR ANY SERVICE RELATING TO A SECURITY FREEZE.

(2) A CONSUMER REPORTING AGENCY MAY CHARGE A REASONABLE FEE, NOT EXCEEDING \$5, FOR EACH PLACEMENT, TEMPORARY LIFT, OR REMOVAL OF A SECURITY FREEZE. ~~IF A CONSUMER FAILS TO RETAIN THE ORIGINAL UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD PROVIDED TO THE CONSUMER BY THE CONSUMER REPORTING AGENCY UNDER SUBSECTION (C)(4)(II) OF THIS SECTION, AND THE CONSUMER REPORTING AGENCY MUST REISSUE THE SAME OR A NEW UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD.~~

~~(3) A CONSUMER REPORTING AGENCY MAY CHARGE A REASONABLE FEE, NOT EXCEEDING \$5, FOR EACH OF THE FOLLOWING REQUESTS MADE DURING A 12-MONTH PERIOD:~~

~~(i) A SECOND OR SUBSEQUENT REQUEST TO PLACE A SECURITY FREEZE ON THE CONSUMER'S CONSUMER REPORT;~~

~~(ii) A SECOND OR SUBSEQUENT REQUEST TO TEMPORARILY LIFT A SECURITY FREEZE PLACED ON THE CONSUMER'S CONSUMER REPORT; OR~~

~~(III) A SECOND OR SUBSEQUENT REQUEST TO REMOVE PERMANENTLY A SECURITY FREEZE.~~

~~(4)~~ (3) A NOTWITHSTANDING PARAGRAPH (2) OF THIS SUBSECTION, A CONSUMER REPORTING AGENCY MAY NOT CHARGE ANY FEE UNDER THIS SECTION TO A CONSUMER WHO:

(I) HAS OBTAINED A REPORT OF ALLEGED IDENTITY FRAUD AGAINST THE CONSUMER UNDER § 8-304 OF THE CRIMINAL LAW ARTICLE OR AN IDENTITY THEFT PASSPORT UNDER § 8-305 OF THE CRIMINAL LAW ARTICLE; AND

(II) PROVIDES A COPY OF THE REPORT OR PASSPORT TO THE CONSUMER REPORTING AGENCY.

(J) AT ANY TIME THAT A CONSUMER IS ENTITLED TO RECEIVE A SUMMARY OF RIGHTS UNDER § 609 OF THE FEDERAL FAIR CREDIT REPORTING ACT OR § 14-1206 OF THIS SUBTITLE, THE FOLLOWING NOTICE SHALL BE INCLUDED:

“NOTICE

YOU HAVE A RIGHT, UNDER ~~§ 14-1202.1~~ § 14-1212.1 OF THE COMMERCIAL LAW ARTICLE OF THE ANNOTATED CODE OF MARYLAND, TO PLACE A SECURITY FREEZE ON YOUR CREDIT REPORT AT NO CHARGE TO YOU. THE SECURITY FREEZE WILL PROHIBIT A CONSUMER REPORTING AGENCY FROM RELEASING YOUR CREDIT REPORT OR ANY INFORMATION IN DERIVED FROM YOUR CREDIT REPORT WITHOUT YOUR EXPRESS AUTHORIZATION. THE PURPOSE OF A SECURITY FREEZE IS TO PREVENT CREDIT, LOANS, AND SERVICES FROM BEING APPROVED IN YOUR NAME WITHOUT YOUR CONSENT.

YOU MAY ELECT TO HAVE A CONSUMER REPORTING AGENCY PLACE A SECURITY FREEZE ON YOUR CREDIT REPORT BY WRITTEN REQUEST SENT BY CERTIFIED MAIL, ~~BY TELEPHONE,~~ OR BY ELECTRONIC MAIL OR THE INTERNET IF THE CONSUMER REPORTING AGENCY PROVIDES A SECURE ELECTRONIC CONNECTION. THE CONSUMER REPORTING AGENCY MUST PLACE A SECURITY FREEZE ON YOUR CREDIT REPORT WITHIN 5 BUSINESS DAYS AFTER YOUR REQUEST IS RECEIVED, OR WITHIN 3 BUSINESS DAYS STARTING JULY 1, 2008. WITHIN 5 BUSINESS DAYS AFTER A SECURITY FREEZE IS PLACED ON YOUR CREDIT REPORT, YOU WILL BE PROVIDED WITH A UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD TO USE IF YOU WANT TO REMOVE THE

SECURITY FREEZE OR TEMPORARILY LIFT THE SECURITY FREEZE TO RELEASE YOUR CREDIT REPORT TO A SPECIFIC PERSON OR FOR A SPECIFIC PERIOD OF TIME. YOU ALSO WILL RECEIVE INFORMATION ON THE PROCEDURES FOR REMOVING OR TEMPORARILY LIFTING A SECURITY FREEZE.

IF YOU WANT TO TEMPORARILY LIFT THE SECURITY FREEZE ON YOUR CREDIT REPORT, YOU MUST CONTACT THE CONSUMER REPORTING AGENCY AND PROVIDE ALL OF THE FOLLOWING:

(1) THE UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD PROVIDED BY THE CONSUMER REPORTING AGENCY;

(2) THE PROPER ~~IDENTIFICATION~~ IDENTIFYING INFORMATION TO VERIFY YOUR IDENTITY; AND

(3) THE PROPER INFORMATION REGARDING THE PERSON WHO IS TO RECEIVE THE CREDIT REPORT OR THE PERIOD OF TIME FOR WHICH THE CREDIT REPORT IS TO BE AVAILABLE TO USERS OF THE CREDIT REPORT.

A CONSUMER REPORTING AGENCY MUST COMPLY WITH A REQUEST TO TEMPORARILY LIFT A SECURITY FREEZE ON A CREDIT REPORT WITHIN ~~5~~ 3 BUSINESS DAYS AFTER THE REQUEST IS RECEIVED, OR WITHIN 15 MINUTES STARTING JANUARY 1, 2010 ~~31, 2009~~, FOR CERTAIN REQUESTS. A CONSUMER REPORTING AGENCY MUST COMPLY WITH A REQUEST TO REMOVE A SECURITY FREEZE ON A CREDIT REPORT WITHIN 3 BUSINESS DAYS AFTER THE REQUEST IS RECEIVED.

IF YOU ARE ACTIVELY SEEKING CREDIT, YOU SHOULD BE AWARE THAT THE PROCEDURES INVOLVED IN LIFTING A SECURITY FREEZE MAY SLOW YOUR OWN APPLICATIONS FOR CREDIT. YOU SHOULD PLAN AHEAD AND LIFT A SECURITY FREEZE, EITHER COMPLETELY IF YOU ARE SEEKING CREDIT FROM A NUMBER OF SOURCES, OR JUST FOR A SPECIFIC CREDITOR IF YOU ARE APPLYING ONLY TO THAT CREDITOR, A FEW DAYS BEFORE ACTUALLY APPLYING FOR NEW CREDIT.

A CONSUMER REPORTING AGENCY MAY CHARGE A REASONABLE FEE NOT EXCEEDING \$5 FOR EACH PLACEMENT, TEMPORARY LIFT, OR REMOVAL OF A SECURITY FREEZE. HOWEVER, A CONSUMER REPORTING AGENCY MAY NOT CHARGE ANY FEE TO A CONSUMER WHO, AT THE TIME OF A REQUEST TO PLACE, TEMPORARILY LIFT, OR REMOVE A SECURITY FREEZE, PRESENTS TO THE CONSUMER REPORTING AGENCY A POLICE REPORT OF ALLEGED IDENTITY FRAUD AGAINST THE CONSUMER OR AN IDENTITY THEFT PASSPORT.

A SECURITY FREEZE DOES NOT APPLY IF YOU HAVE AN EXISTING ACCOUNT RELATIONSHIP AND A COPY OF YOUR CREDIT REPORT IS REQUESTED BY YOUR EXISTING CREDITOR OR ITS AGENTS OR AFFILIATES FOR CERTAIN TYPES OF ACCOUNT REVIEW, COLLECTION, FRAUD CONTROL, OR SIMILAR ACTIVITIES.

~~YOU HAVE A RIGHT TO BRING A CIVIL ACTION AGAINST ANY CONSUMER REPORTING AGENCY OR USER OF YOUR CREDIT REPORT WHO VIOLATES YOUR RIGHTS UNDER MARYLAND'S CREDIT REPORTING LAWS."~~

~~(k) (1) THE FOLLOWING PERSONS MAY NOT BE REQUIRED TO PLACE A SECURITY FREEZE ON THE CONSUMER REPORT OF A CONSUMER:~~

~~(i) A CHECK SERVICES OR FRAUD PREVENTION SERVICES COMPANY THAT REPORTS ON INCIDENTS OF FRAUD OR ISSUES AUTHORIZATIONS FOR THE PURPOSE OF APPROVING OR PROCESSING NEGOTIABLE INSTRUMENTS, ELECTRONIC FUND TRANSFERS, OR SIMILAR METHODS OF PAYMENT;~~

~~(ii) A DEPOSIT ACCOUNT INFORMATION SERVICE COMPANY THAT ISSUES REPORTS REGARDING ACCOUNT CLOSURES DUE TO FRAUD, SUBSTANTIAL OVERDRAFTS, AUTOMATED TELLER MACHINE ABUSE, OR SIMILAR INFORMATION REGARDING A CONSUMER TO INQUIRING BANKS OR OTHER FINANCIAL INSTITUTIONS FOR USE ONLY IN REVIEWING A CONSUMER REQUEST FOR A DEPOSIT ACCOUNT AT THE INQUIRING BANK OR FINANCIAL INSTITUTION;
OR~~

~~(iii) A CREDIT RATING CONSUMER REPORTING AGENCY THAT:~~

~~1. ACTS ONLY TO RESELL CREDIT INFORMATION BY ASSEMBLING AND MERGING INFORMATION CONTAINED IN A DATABASE OF ONE OR MORE CONSUMER REPORTING AGENCIES; AND~~

~~2. DOES NOT MAINTAIN A PERMANENT DATABASE OF CREDIT INFORMATION FROM WHICH NEW CONSUMER REPORTS ARE PRODUCED
;OR~~

~~(iv) A CONSUMER REPORTING AGENCY WITH RESPECT TO A DATABASE OR FILE THAT CONSISTS ENTIRELY OF CONSUMER INFORMATION CONCERNING, AND USED SOLELY FOR:~~

- ~~1. CRIMINAL RECORD INFORMATION;~~
- ~~2. PERSONAL LOSS HISTORY INFORMATION;~~
- ~~3. FRAUD PREVENTION OR DETECTION;~~
- ~~4. EMPLOYMENT SCREENING; OR~~
- ~~5. TENANT SCREENING.~~

~~(2) A PERSON DESCRIBED IN THIS SUBSECTION IS SUBJECT TO A SECURITY FREEZE PLACED BY A CONSUMER REPORTING AGENCY UNDER THIS SECTION.~~

~~(L)~~ (K) IF A CONSUMER REPORTING AGENCY VIOLATES A SECURITY FREEZE BY RELEASING A CONSUMER'S CONSUMER REPORT SUBJECT TO A SECURITY FREEZE OR ANY INFORMATION ~~IN~~ DERIVED FROM A CONSUMER'S CONSUMER REPORT SUBJECT TO A SECURITY FREEZE WITHOUT AUTHORIZATION, THE CONSUMER REPORTING AGENCY, WITHIN 5 BUSINESS DAYS AFTER DISCOVERING OR BEING NOTIFIED OF THE RELEASE, SHALL NOTIFY THE CONSUMER IN WRITING OF:

(1) THE SPECIFIC INFORMATION RELEASED; AND

(2) THE NAME AND ADDRESS OF, OR OTHER AVAILABLE CONTACT INFORMATION FOR, THE RECIPIENT OF THE CONSUMER REPORT OR THE INFORMATION RELEASED.

~~(M) (1) IN ADDITION TO ANY OTHER REMEDIES THAT MAY BE AVAILABLE UNDER THIS SUBTITLE, A CONSUMER WHO IS AFFECTED BY A VIOLATION OF THIS SECTION MAY BRING AN ACTION AGAINST THE PERSON THAT COMMITTED THE VIOLATION.~~

~~(2) IN AN ACTION BROUGHT UNDER PARAGRAPH (1) OF THIS SUBSECTION, A CONSUMER MAY RECOVER:~~

~~(i) A PENALTY NOT EXCEEDING \$1,000 FOR EACH VIOLATION;~~

~~(ii) ANY ACTUAL DAMAGES SUSTAINED BY THE CONSUMER AS A RESULT OF THE VIOLATION; AND~~

~~(III) REASONABLE EXPENSES, COURT COSTS, INVESTIGATIVE COSTS, AND ATTORNEY'S FEES.~~

~~(3) FOR PURPOSES OF IMPOSING PENALTIES UNDER PARAGRAPH (2) OF THIS SUBSECTION, EACH INSTANCE OF A VIOLATION OF THIS SECTION IS A SEPARATE VIOLATION.~~

(L) THE EXCLUSIVE REMEDY FOR A VIOLATION OF SUBSECTION (E)(2)(II) OF THIS SECTION SHALL BE A COMPLAINT FILED WITH THE COMMISSIONER UNDER § 14-1217 OF THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect January 1, 2008.

Approved by the Governor, May 8, 2007.

CHAPTER 309

(Senate Bill 57)

AN ACT concerning

Education – Teachers – State and Local Aid Program for Certification by the National Board for Professional Teaching Standards

FOR the purpose of including the renewal of certain certification by the National Board for Professional Teaching Standards as part of a certain State and local aid program; altering the maximum number of teachers who may be selected to participate in a certain program; authorizing the State Board of Education to provide certain aid to certain participants for certain retakes of the National Board for Professional Teaching Standards assessment; extending a certain termination date; requiring the State Department of Education to request a certain amount of money needed to provide at least all eligible teachers with certain funds in a certain budget request; and generally relating to the State and Local Aid Program for Certification by the National Board for Professional Teaching Standards.

BY repealing and reenacting, with amendments,
Article – Education
Section 6-112
Annotated Code of Maryland
(2006 Replacement Volume)

BY repealing and reenacting, with amendments,

Chapter 179 of the Acts of the General Assembly of 1997, as amended by Chapter 536 of the Acts of the General Assembly of 1999, Chapter 61 of the Acts of the General Assembly of 2000, and Chapter 240 of the Acts of the General Assembly of 2004

Section 3

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

Article - Education

6-112.

(a) There is a program of State and local aid to teachers who pursue certification **OR RENEWAL OF CERTIFICATION** by the National Board for Professional Teaching Standards known as the State and Local Aid Program for Certification by the National Board for Professional Teaching Standards.

(b) Each school year, the State Board shall select, consistent with the amount provided in the State budget for the Program, a maximum of [750] **1,000** teachers to participate in the Program.

(C) THE STATE BOARD MAY PROVIDE AID UNDER THE PROGRAM TO A PARTICIPANT FOR UP TO ONE RETAKE OF AN UNSUCCESSFUL ENTRY ON THE NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS ASSESSMENT.

[(c)] (D) The State Board shall adopt regulations to implement and administer the Program established under this section, including:

- (1) Procedures for submitting applications for aid; and
- (2) Criteria for the selection of recipients of aid.

[(d)] (E) (1) **[Each] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, EACH** teacher selected by the State Board to receive aid shall receive from the State an amount equal to the certification fee charged by the National Board for Professional Teaching Standards.

(2) Each county shall pay to the State one-third of the cost of certification for each teacher who participates in the Program who teaches in the county.

(3) (i) A teacher who does not complete all the requirements for assessment by the National Board for Professional Teaching Standards shall reimburse the State the full amount of the aid received to participate in the Program.

(ii) The State shall reimburse the county the amount received under paragraph (2) of this subsection on receipt of the reimbursement of aid from a teacher under this paragraph.

(iii) The provisions of subparagraph (i) of this paragraph do not apply to a teacher who completes all the requirements for assessment by the National Board for Professional Teaching Standards but who does not receive certification.

[(e)] (F) The State Board shall establish a statewide staff development plan that utilizes the skills and knowledge of teachers who have obtained National Board certification.

Chapter 179 of the Acts of 1997, as amended by Chapter 536 of the Acts of 1999, Chapter 61 of the Acts of 2000, and Chapter 240 of the Acts of 2004

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect on June 1, 1997. It shall remain effective for a period of [11] **16** years **AND 1 MONTH**, and, at the end of [May 31, 2008] **JUNE 30, 2013**, and with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

SECTION 2. AND BE IT FURTHER ENACTED, That in making a budget request for the State and Local Aid Program for Certification by the National Board for Professional Teaching Standards under § 6-112 of the Education Article, the Maryland State Department of Education shall request the total amount of money that would be needed to provide at least all eligible teachers with funds to cover initial certification, renewal of certification, and the funding of up to one retake of an unsuccessful entry on the National Board for Professional Teaching Standards assessment.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 310

(Senate Bill 100)

AN ACT concerning

Motor Vehicle Excise Tax – Active Duty Military Personnel Who Become Maryland Residents

FOR the purpose of allowing certain members of the military a motor vehicle excise tax credit under certain circumstances for a vehicle previously titled and registered in another state; defining a certain term; and generally relating to the motor vehicle excise tax.

BY repealing and reenacting, with amendments,
Article – Transportation
Section 13–809(c)(3)(i)
Annotated Code of Maryland
(2006 Replacement Volume and 2006 Supplement)

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

Article – Transportation

13–809.

(c) (3) (i) **1. IN THIS SUBPARAGRAPH, “MILITARY” INCLUDES THE COMMISSIONED CORPS OF THE PUBLIC HEALTH SERVICE, THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, OR THE COAST AND GEODETIC SURVEY.**

2. If the vehicle was formerly titled and registered in another state and the present owner [has not been a Maryland resident for more than 60 days and] has paid a sales or excise tax to that state at a rate less than that imposed by this State, then the tax imposed shall apply but at a rate measured by the difference only between the tax rate paid to the other state and the tax rate imposed by this section, **IF THE PRESENT OWNER:**

A. HAS NOT BEEN A MARYLAND RESIDENT FOR MORE THAN 60 DAYS; OR

B. IS A MEMBER OF THE MILITARY ON ACTIVE DUTY AND HAS NOT BEEN A MARYLAND RESIDENT FOR MORE THAN 1 YEAR.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 311

(House Bill 921)

AN ACT concerning

Motor Vehicle Excise Tax - Active Duty Military Personnel Who Become Maryland Residents

FOR the purpose of allowing certain members of the military a motor vehicle excise tax credit under certain circumstances for a vehicle previously titled and registered in another state; defining a certain term; and generally relating to the motor vehicle excise tax.

BY repealing and reenacting, with amendments,
Article - Transportation
Section 13-809(c)(3)(i)
Annotated Code of Maryland
(2006 Replacement Volume and 2006 Supplement)

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

Article - Transportation

13-809.

(c) (3) (i) **1. IN THIS SUBPARAGRAPH, "MILITARY" INCLUDES THE COMMISSIONED CORPS OF THE PUBLIC HEALTH SERVICE, THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, OR THE COAST AND GEODETIC SURVEY.**

2. If the vehicle was formerly titled and registered in another state and the present owner [has not been a Maryland resident for more than

60 days and] has paid a sales or excise tax to that state at a rate less than that imposed by this State, then the tax imposed shall apply but at a rate measured by the difference only between the tax rate paid to the other state and the tax rate imposed by this section, **IF THE PRESENT OWNER:**

A. HAS NOT BEEN A MARYLAND RESIDENT FOR MORE THAN 60 DAYS; OR

B. IS A MEMBER OF THE MILITARY ON ACTIVE DUTY AND HAS NOT BEEN A MARYLAND RESIDENT FOR MORE THAN 1 YEAR.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 312

(Senate Bill 132)

AN ACT concerning

Education - ~~Guidelines Governing Student Discipline - Review of Local Policies and Procedures~~

FOR the purpose of requiring the State Board of Education to ~~adopt guidelines governing student discipline; requiring local school systems to adopt rules and regulations and implement programs and activities governing student discipline that are consistent with the guidelines established by the State Board; making stylistic changes; and generally relating to the adoption and implementation of guidelines governing student discipline in the public schools~~ review certain policies and procedures relating to student discipline, student suspension, and student expulsion in public schools; requiring the review to include certain information; requiring the Department to compile certain information and to report to the Governor and the General Assembly on or before a certain date; and generally relating to local policies and procedures regarding student discipline.

~~BY repealing and reenacting, with amendments,
Article Education
Section 7-304, 7-304.1, and 7-305
Annotated Code of Maryland~~

~~(2006 Replacement Volume)~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That ~~the Laws of Maryland read as follows:~~ the State Department of Education shall review the policies and procedures of each county board of education relating to student discipline, student suspension, and student expulsion in public schools. The review shall include the suspension rate in the county, the reasons for suspensions in the county, and the efficacy of positive behavioral interventions and support programs if utilized in the county. On or before December 31, 2007, the Department shall compile the information obtained through the review and shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly, regarding the results of the review.

~~Article — Education~~

~~7-304.~~

~~(a) The purpose of this section is to require each county board of education to provide a continuum model of prevention and intervention activities and programs that encourage and promote positive behavior and reduce disruption.~~

~~(b) (1) Each county board of education and the Board of School Commissioners of Baltimore City shall establish special programs in the county and Baltimore City for students in the public school system who exhibit disruptive classroom behavior.~~

~~(2) (i) THE STATE BOARD SHALL ESTABLISH GUIDELINES FOR LOCAL EDUCATION AGENCIES GOVERNING PREVENTION AND INTERVENTION ACTIVITIES AND PROGRAMS THAT PROMOTE POSITIVE BEHAVIOR AND REDUCE DISRUPTION AMONG STUDENTS IN THE PUBLIC SCHOOLS.~~

~~(ii) THE SPECIAL PROGRAMS ESTABLISHED BY EACH COUNTY BOARD UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE CONSISTENT WITH THE GUIDELINES ESTABLISHED BY THE STATE BOARD.~~

~~(c) Two or more county boards may establish special programs for their joint use.~~

~~(d) The State shall appropriate an amount of money for allocation by the [State Department of Education] DEPARTMENT to local education agencies for schools or clusters of schools to support the development and expansion of special programs for disruptive youth. Within the resources available, the State Superintendent shall award funds to the local school systems which submit proposals pursuant to the criteria established in subsection (c) of this section.~~

~~(e) Each local education agency that is applying for State support for special programs for disruptive youth shall submit proposals for funding of programs to the [State Department of Education] DEPARTMENT that include:~~

~~(1) An assessment of the number of students in each school in need of special services;~~

~~(2) Specific plans with goals and measurable objectives for activities and programs that provide a continuum model for the prevention and intervention of disruptive student behaviors including but not limited to removal and re-entry programs necessary for effective learning;~~

~~(3) Adherence to the State Board regulations on disciplinary policies and programs and other guidelines established by the [State Department of Education] DEPARTMENT;~~

~~(4) A procedure involving the participation of administrators, teachers, parents, students, and other members of the community; and~~

~~(5) In-service training and staff development for administrators, teachers, and other school personnel.~~

~~(f) (1) At the end of each fiscal year, each participating local education agency shall submit a written statement to the [State Department of Education] DEPARTMENT that describes:~~

~~(i) The assessment, the educational problems determined, the overall program developed with goals and procedures, and a yearly evaluation of the success of the program as provided under the provisions of this section; and~~

~~(ii) Information regarding the number of students identified as being habitually truant as provided under the provisions of § 7-302(c) of this subtitle.~~

~~(2) On or before December 1 of each year, the [State Department of Education] DEPARTMENT shall submit a summary of the reports required under this subsection to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly.~~

~~7-304.1.~~

~~(a) In this section, "Positive Behavioral Interventions and Support Program" means the research-based, systems approach method adopted by the State Board to build capacity among school staff to adopt and sustain the use of positive, effective practices to create learning environments where teachers can teach and students can learn.~~

~~(b) (1) Each county board of education and the Board of School Commissioners of Baltimore City shall require an elementary school that has a suspension rate that exceeds the standard specified in paragraph (2) of this subsection to implement:~~

~~(i) A positive behavioral interventions and support program; or~~

~~(ii) An alternative behavioral modification program in collaboration with the Department.~~

~~(2) An elementary school is subject to this subsection if it has a suspension rate that exceeds:~~

~~(i) 18 percent of its enrollment for the 2005-2006 school year;~~

~~(ii) 16 percent of its enrollment for the 2006-2007 school year;~~

~~(iii) 14 percent of its enrollment for the 2007-2008 school year;~~

~~(iv) 12 percent of its enrollment for the 2008-2009 school year;~~

~~and~~

~~(v) 10 percent of its enrollment for the 2009-2010 school year~~

~~and each school year thereafter.~~

~~(c) (1) The State Board shall adopt regulations to implement the provisions of this section.~~

~~(2) THE POSITIVE INTERVENTIONS AND SUPPORT PROGRAM IMPLEMENTED BY A COUNTY BOARD UNDER THIS SECTION SHALL BE CONSISTENT WITH THE REGULATIONS ADOPTED BY THE STATE BOARD.~~

~~7-305.~~

~~(a) (1) In accordance with the rules and regulations of the county board, each principal of a public school may suspend for cause, for not more than 10 school days, any student in the school who is under the direction of the principal.~~

~~(2) The student or the student's parent or guardian promptly shall be given a conference with the principal and any other appropriate personnel during the suspension period.~~

~~(3) The student or the student's parent or guardian promptly shall be given a community resources list provided by the county board in accordance with § 7-310 of this subtitle.~~

~~(b) At the request of a principal, a county superintendent may suspend a student for more than 10 school days or expel the student.~~

~~(c) (1) If a principal finds that a suspension of more than 10 school days or expulsion is warranted, the principal immediately shall report the matter in writing to the county superintendent.~~

~~(2) The county superintendent or the county superintendent's designated representative promptly shall make a thorough investigation of the matter.~~

~~(3) If after the investigation the county superintendent finds that a longer suspension or expulsion is warranted, the county superintendent or the county superintendent's designated representative promptly shall arrange a conference with the student and [his] THE STUDENT'S parent or guardian.~~

~~(4) The student or the student's parent or guardian promptly shall be given a community resources list provided by the county board in accordance with § 7-310 of this subtitle.~~

~~(5) If after the conference the county superintendent or the county superintendent's designated representative finds that a suspension of more than 10 school days or expulsion is warranted, the student or the student's parent or guardian may:~~

~~(i) Appeal to the county board within 10 days after the determination;~~

~~(ii) Be heard before the county board, its designated committee, or a hearing examiner, in accordance with the procedures established under § 6-203 of this article; and~~

~~(iii) Bring counsel and witnesses to the hearing.~~

~~(6) Unless a public hearing is requested by the parent or guardian of the student, a hearing shall be held out of the presence of all individuals except those whose presence is considered necessary or desirable by the board.~~

~~(7) The appeal to the county board does not stay the decision of the county superintendent.~~

~~(8) The decision of the county board is final.~~

- ~~(d) (1) Any student expelled or suspended from school:~~
- ~~(i) Shall remain away from the school premises during those hours each school day when the school the student attends is in session; and~~
- ~~(ii) May not participate in school sponsored activities.~~
- ~~(2) The expelled or suspended student may return to the school premises during the prohibited hours only for attendance at a previously scheduled appointment, and if the student is a minor then only if accompanied by [his] THE STUDENT'S parent or guardian.~~
- ~~(3) Any person who violates paragraph (1) or (2) of this subsection is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$100 for each violation.~~
- ~~(4) (i) If a student has been suspended or expelled, the principal or a designee of the principal may not return the student to the classroom without conferring with the teacher who referred the student to the principal, if the student was referred by a teacher, other teachers as appropriate, other appropriate school personnel, the student, and the student's parent or guardian.~~
- ~~(ii) If the disruptive behavior results in action less than suspension, the principal or a designee of the principal shall confer with the teacher who referred the student to the principal prior to returning the student to that teacher's classroom.~~
- ~~(5) A county superintendent may deny attendance to any student who is currently expelled from another school system for a length of time equal to that expulsion.~~
- ~~(6) A school system shall forward information to another school system relating to the discipline of a student, including information on an expulsion of the student, on receipt of the request for information.~~
- ~~(e) (1) In this subsection, "firearm" means a firearm as defined in 18 U.S.C. § 921.~~
- ~~(2) Except as provided in paragraph (3) of this subsection, if the county superintendent or the superintendent's designated representative finds that a student has brought a firearm onto school property, the student shall be expelled for a minimum of 1 year.~~

~~(3) The county superintendent may specify, on a case by case basis, a shorter period of expulsion or an alternative educational setting, if alternative educational settings have been approved by the county board, for a student who has brought a firearm onto school property.~~

~~(4) The State Board shall adopt regulations to implement this subsection.~~

~~(f) (1) The discipline of a child with a disability, including the suspension, expulsion, or interim alternative placement of the child for disciplinary reasons, shall be conducted in conformance with the requirements of the Individuals with Disabilities Education Act of the United States Code.~~

~~(2) If a child with a disability is being considered for suspension or expulsion, the child or the child's parent or guardian shall be given a community resources list attached to the procedural safeguards notice required by regulation of the State Board.~~

~~(g) (1) This subsection does not apply if the student is referred to the Department of Juvenile Services.~~

~~(2) If a student violates a State or local law or regulation and during or as a result of the commission of that violation damaged, destroyed, or substantially decreased the value of school property or property of another that was on school property at the time of the violation, as part of a conference on the matter with the student, the student's parent or guardian and any other appropriate person, the principal shall require the student or the student's parent to make restitution.~~

~~(3) The restitution may be in the form of monetary restitution not to exceed the lesser of the fair market value of the property or \$2,500, or the student's assignment to a school work project, or both.~~

~~(h) (1) THE STATE BOARD SHALL ESTABLISH GUIDELINES FOR COUNTY BOARDS GOVERNING THE SUSPENSION OR EXPULSION OF A STUDENT FROM A PUBLIC SCHOOL.~~

~~(2) THE RULES AND REGULATIONS ADOPTED BY A COUNTY BOARD GOVERNING THE SUSPENSION OR EXPULSION OF A STUDENT FROM ITS PUBLIC SCHOOLS SHALL BE CONSISTENT WITH THE GUIDELINES ESTABLISHED BY THE STATE BOARD.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 313

(Senate Bill 180)

AN ACT concerning

Somerset County – Sale of Property – Whittington Elementary School

FOR the purpose of authorizing the County Commissioners of Somerset County to sell certain property known as Whittington Elementary School to Shore Up Inc., under terms the County Commissioners consider appropriate; exempting the sale of certain property from certain general requirements for the sale of surplus property; and generally relating to the sale of county property in Somerset County.

BY repealing and reenacting, without amendments,
Article 25 – County Commissioners
Section 11A(a) and (b)(1) and (5)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Article 25 – County Commissioners
Section 11A(d)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article 25 – County Commissioners

11A.

(a) (1) Except as provided in subsection (b) of this section, the county commissioners of every county may:

(i) Acquire by purchase, gift, devise, bequest, condemnation, or otherwise, any property, or any interest therein, of any kind needed for any public purpose;

(ii) Erect buildings thereon for the benefit of the county;

(iii) Sell at public sale any property when no longer needed for public use; and

(iv) Provide for the financing of any housing or housing project in whole or in part, including the placement of a deed of trust, mortgage, or other instrument upon the property to ensure repayment of funds used to purchase, construct, rehabilitate, or otherwise develop the housing project. The authority provided for in this subparagraph does not limit the existing powers of a county or county commissioners.

(2) Property may not be sold until it has been advertised for at least 20 days prior to the date of sale.

(b) (1) The provisions of this subsection prevail over those of subsection (a) of this section to the extent of any inconsistency.

(5) (i) In Somerset County, the County Commissioners may sell any interest in surplus property held by the county by acceptance of sealed bids solicited by advertisement.

(ii) An advertisement for bids shall be published at least twice in a newspaper of general circulation in the county not less than 10 days nor more than 90 days before the date set for opening the bids.

(iii) The bids shall be opened in public and the County Commissioners shall act on the bids only during a public session of the County Commissioners.

(iv) If the County Commissioners determine that the highest bid fails to yield a reasonable price for the property, the County Commissioners may reject all bids on the property.

(v) If all bids are rejected, the County Commissioners shall record the highest bid in the minutes of the public session and may proceed to sell the property:

1. By readvertising for sealed bids;
2. By public auction; or
3. If the property is surplus school property, in accordance with paragraph (2) of this subsection.

(vi) The County Commissioners shall adopt a local ordinance or resolution governing the sale of property under this paragraph.

(d) (1) The County Commissioners of Somerset County may sell the property known as the old Somerset County Jail, located on 48 North Beckford Avenue, Princess Anne, to the Town of Princess Anne.

(2) (I) THE PROVISIONS OF THIS SECTION DO NOT APPLY TO A SALE OF PROPERTY UNDER THIS PARAGRAPH.

(II) THE COUNTY COMMISSIONERS OF SOMERSET COUNTY MAY SELL THE APPROXIMATELY 4.02 ACRES OF PROPERTY AT COUNTY TAX MAP 103, GRID 8, PARCEL 1467 (KNOWN AS WHITTINGTON ELEMENTARY SCHOOL) TO SHORE UP INC., UNDER TERMS CONSIDERED APPROPRIATE BY THE COUNTY COMMISSIONERS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 314

(Senate Bill 189)

AN ACT concerning

Harford County – Alcoholic Beverages Licensees – Age of Employees

FOR the purpose of prohibiting an alcoholic beverages licensee in Harford County from employing a person under a certain age to act as a bartender or to serve alcoholic beverages at a permanent full-service bar; providing a certain exception to the prohibition; authorizing a licensee to employ a person of a certain age to serve alcoholic beverages while acting as a waiter or waitress; authorizing a licensee to employ a person of a certain age to act as a bartender's assistant who may perform certain tasks; making certain stylistic changes; and generally relating to alcoholic beverages licensees in Harford County.

BY repealing and reenacting, with amendments,
 Article 2B – Alcoholic Beverages
 Section 12-213(e)
 Annotated Code of Maryland
 (2005 Replacement Volume and 2006 Supplement)

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

Article 2B - Alcoholic Beverages

12-213.

(e) (1) [In] THIS SUBSECTION APPLIES ONLY IN Harford County [a licensee under this article may not:].

[(1)] (2) AN ALCOHOLIC BEVERAGES LICENSEE MAY NOT:

(I) Employ any person under THE AGE OF 18 years [of age] for the purposes of selling or serving alcoholic beverages; [or]

[(2)] (II) Permit any person under THE AGE OF 18 years [of age] to sell or serve alcoholic beverages; OR

(III) ~~EMPLOY~~ EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, EMPLOY A PERSON UNDER THE AGE OF 21 YEARS TO ACT AS A BARTENDER OR TO SERVE ALCOHOLIC BEVERAGES AT A PERMANENT FULL-SERVICE BAR.

(3) A PERSON AT LEAST 18 YEARS OLD MAY ACT AS A BARTENDER OR SERVE ALCOHOLIC BEVERAGES AT A PERMANENT FULL-SERVICE BAR IF THE PERSON IS THE SON OR DAUGHTER OF THE OWNER OF THE ESTABLISHMENT.

~~(2)~~ (4) AN ALCOHOLIC BEVERAGES LICENSEE MAY EMPLOY:

(I) A PERSON AT LEAST 18 YEARS OLD TO SERVE ALCOHOLIC BEVERAGES WHILE ACTING AS A WAITER OR WAITRESS; OR

(II) A PERSON AT LEAST 16 YEARS OLD TO ACT AS A BARTENDER'S ASSISTANT WHO:

1. MAY REPLACE ICE, REMOVE TRASH, OR PERFORM SIMILAR TASKS THAT DO NOT INVOLVE ALCOHOLIC BEVERAGES; BUT

2. MAY NOT ENGAGE IN THE DISTRIBUTION OR SALE OF ALCOHOLIC BEVERAGES.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 315

(Senate Bill 229)

AN ACT concerning

Garrett County – Local Government Tort Claims Act – Inclusion of Specified Nonprofit Entity

FOR the purpose of altering the definition of a “local government” under the Local Government Tort Claims Act to include a certain nonprofit corporation in Garrett County; providing that a certain notice requirement does not apply to certain actions against a certain nonprofit corporation in Garrett County or its employees; and generally relating to the inclusion of a certain nonprofit entity in Garrett County under the Local Government Tort Claims Act.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 5–301 and 5–304
Annotated Code of Maryland
(2006 Replacement Volume)

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

Article – Courts and Judicial Proceedings

5–301.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Actual malice” means ill will or improper motivation.
- (c) (1) “Employee” means any person who was employed by a local government at the time of the act or omission giving rise to potential liability against that person.

- (2) "Employee" includes:
 - (i) Any employee, either within or without a classified service or merit system;
 - (ii) An appointed or elected official; or
 - (iii) A volunteer who, at the request of the local government, and under its control and direction, was providing services or performing duties.
- (d) "Local government" means:
 - (1) A chartered county established under Article 25A of the Code;
 - (2) A code county established under Article 25B of the Code;
 - (3) A board of county commissioners established or operating under Article 25 of the Code;
 - (4) Baltimore City;
 - (5) A municipal corporation established or operating under Article 23A of the Code;
 - (6) The Maryland–National Capital Park and Planning Commission;
 - (7) The Washington Suburban Sanitary Commission;
 - (8) The Northeast Maryland Waste Disposal Authority;
 - (9) A community college or board of trustees for a community college established or operating under Title 16 of the Education Article, not including Baltimore City Community College;
 - (10) A county public library or board of trustees of a county public library established or operating under Title 23, Subtitle 4 of the Education Article;
 - (11) The Enoch Pratt Free Library or Board of Trustees of the Enoch Pratt Free Library;
 - (12) The Washington County Free Library or the Board of Trustees of the Washington County Free Library;
 - (13) A special taxing district;

(14) A nonprofit community service corporation incorporated under State law that is authorized to collect charges or assessments;

(15) Housing authorities created under Division II of the Housing and Community Development Article;

(16) A sanitary district, sanitary commission, metropolitan commission, or other sewer or water authority established or operating under public local law or public general law;

(17) The Baltimore Metropolitan Council;

(18) The Howard County Economic Development Authority;

(19) The Howard County Mental Health Authority;

(20) A commercial district management authority established by a county or municipal corporation if provided under local law;

(21) The Baltimore City Police Department;

(22) A regional library resource center or a cooperative library corporation established under Title 23, Subtitle 2 of the Education Article;

(23) Lexington Market, Inc., in Baltimore City;

(24) The nonprofit corporation serving as the local public transportation authority for Carroll County pursuant to a contract or memorandum of understanding with Carroll County (Carroll County Senior Overland Service, Inc., t/a Carroll Area Transit System); [and]

(25) The nonprofit corporation serving as the animal control and licensing authority for Carroll County pursuant to a contract or memorandum of understanding with Carroll County (the Humane Society of Carroll County, Inc.); AND

(26) THE NONPROFIT CORPORATION SERVING AS THE LOCAL PUBLIC TRANSPORTATION AUTHORITY FOR GARRETT COUNTY PURSUANT TO A CONTRACT OR MEMORANDUM OF UNDERSTANDING WITH GARRETT COUNTY (GARRETT COUNTY COMMUNITY ACTION COMMITTEE, INC.).

5-304.

(a) This section does not apply to an action against a nonprofit corporation described in § 5-301(d)(24) [or], (25), OR **(26)** of this subtitle or its employees.

(b) Except as provided in subsections (a) and (d) of this section, an action for unliquidated damages may not be brought against a local government or its employees unless the notice of the claim required by this section is given within 180 days after the injury.

(c) (1) Except in Anne Arundel County, Baltimore County, Harford County, and Prince George's County, the notice shall be given in person or by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, by the claimant or the representative of the claimant, to the county commissioner, county council, or corporate authorities of a defendant local government, or:

- (i) In Baltimore City, to the City Solicitor;
- (ii) In Howard County, to the County Executive; and
- (iii) In Montgomery County, to the County Executive.

(2) In Anne Arundel County, Baltimore County, Harford County, and Prince George's County, the notice shall be given in person or by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, by the claimant or the representative of the claimant, to the county solicitor or county attorney.

(3) The notice shall be in writing and shall state the time, place, and cause of the injury.

(d) Notwithstanding the other provisions of this section, unless the defendant can affirmatively show that its defense has been prejudiced by lack of required notice, upon motion and for good cause shown the court may entertain the suit even though the required notice was not given.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 316

(Senate Bill 256)

AN ACT concerning

City of Annapolis – Housing Authority – Approval of Commissioners by City Council

FOR the purpose of requiring that the Commissioners of the Housing Authority of the City of Annapolis who are appointed by the Mayor of Annapolis be approved by the Annapolis City Council; and generally relating to the Housing Authority of the City of Annapolis.

BY repealing and reenacting, with amendments,
Article – Housing and Community Development
Section 13–104(a)
Annotated Code of Maryland
(2006 Volume)

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

Article – Housing and Community Development

13–104.

(a) (1) The Annapolis Authority consists of seven Commissioners appointed by the Mayor of Annapolis **AND APPROVED BY THE ANNAPOLIS CITY COUNCIL.**

(2) Of the seven Commissioners:

(i) one shall be a tenant of an Annapolis Authority property other than an Annapolis Authority property for seniors; and

(ii) one shall be a tenant of an Annapolis Authority property for seniors.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 317

(Senate Bill 268)

AN ACT concerning

Higher Education - Blind and Print Disabled Students - Instructional Materials

FOR the purpose of requiring the Maryland Library for the Blind and Physically Handicapped to convene a certain committee on or before a certain date; providing for the membership of the committee; requiring a certain number of the members of the committee to be blind or print disabled; requiring the committee to establish certain ~~procedures~~ guidelines to facilitate the delivery of certain materials to certain students in certain formats; establishing the duties of the Committee; providing for the termination of the Committee; providing for the content of certain guidelines; authorizing the Library to determine certain eligibility of certain students to make certain requests; requiring the Library to make certain requests to certain publishers regarding the provision of certain instructional materials; providing certain publishers a certain period of time to respond to certain requests; requiring certain publishers to indicate certain information to the Library; exempting certain publishers from certain requirements of this Act; requiring a certain electronic format to have certain characteristics; requiring a publisher to submit a certain electronic format containing certain characteristics under certain circumstances; providing for the content of a certain request to a certain publisher; requiring certain publishers to provide the Library with certain material at no cost and in a timely manner; authorizing certain publishers to request a copy of a certain agreement containing certain information; establishing certain technological security requirements for certain material by certain persons; requiring certain persons to make a request of certain publishers using a certain procedure; exempting certain persons from certain request procedures; authorizing an institution to assist certain students in transcribing certain materials into a braille copy; providing that certain institutions have a right to share a certain braille copy with certain students at the institution; requiring the Governor to include in the annual budget submission a certain appropriation beginning in a certain fiscal year and each fiscal year thereafter; providing for the application of this Act; providing that certain publishers may not be required to perform certain acts that may constitute infringement of a copyright or provide certain electronic formats under certain circumstances; defining certain terms; requiring the Library to consult and coordinate with the State Department of Education to facilitate the utilization of certain equipment and staff for certain purposes; and generally relating to instructional materials for blind or print disabled students.

BY adding to

Article – Education

Section 11-901 through ~~11-905~~ 11-906 to be under the new subtitle “Subtitle 9.
Instructional Materials for Blind and Print Disabled Students”

Annotated Code of Maryland

(2006 Replacement Volume)

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

Article – Education

SUBTITLE 9. INSTRUCTIONAL MATERIALS FOR BLIND AND PRINT DISABLED STUDENTS.

11-901.

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

(B) “COMMITTEE” MEANS THE INSTRUCTIONAL MATERIALS ACCESS STANDARDS GUIDELINES COMMITTEE.

(C) (1) “INSTRUCTIONAL MATERIAL” MEANS TEXTBOOKS AND OTHER MATERIALS WRITTEN AND PUBLISHED PRIMARILY FOR USE BY STUDENTS IN POSTSECONDARY INSTRUCTION THAT ARE REQUIRED OR ESSENTIAL TO A STUDENT’S SUCCESS IN A COURSE OF STUDY IN WHICH A STUDENT WITH A DISABILITY IS ENROLLED.

(2) “INSTRUCTIONAL MATERIAL” DOES NOT INCLUDE MATERIALS FOR WHICH SOFTWARE IS NOT COMMERCIALY AVAILABLE AT A REASONABLE PRICE TO PERMIT THE CONVERSION OF EXISTING ELECTRONIC FILES OF THE MATERIALS INTO A FORMAT THAT IS COMPATIBLE WITH BRAILLE TRANSLATION SOFTWARE OR ALTERNATIVE MEDIA FOR STUDENTS WITH DISABILITIES, INCLUDING MATHEMATICS AND SCIENCE MATERIALS.

~~(C)~~ (D) “LIBRARY” MEANS THE MARYLAND LIBRARY FOR THE BLIND AND PHYSICALLY HANDICAPPED.

(E) “PRINTED INSTRUCTIONAL MATERIAL” MEANS INSTRUCTIONAL MATERIAL IN BOOK OR OTHER PRINTED FORM.

(F) (1) "STRUCTURAL INTEGRITY" MEANS MATERIAL COMPOSED OF ALL OF THE TEXTUAL PRINTED INSTRUCTIONAL MATERIAL.

(2) "STRUCTURAL INTEGRITY" INCLUDES THE TEXT OF THE MATERIAL, SIDEBARS, THE TABLE OF CONTENTS, CHAPTER HEADINGS AND SUBHEADINGS, FOOTNOTES, INDEXES, GLOSSARIES, AND BIBLIOGRAPHIES.

(3) "STRUCTURAL INTEGRITY" DOES NOT INCLUDE MATERIAL COMPOSED OF NONTEXTUAL ELEMENTS SUCH AS PICTURES, ILLUSTRATIONS, GRAPHS, OR CHARTS.

11-902.

(A) ON OR BEFORE ~~DECEMBER~~ ~~SEPTEMBER~~ DECEMBER 1, 2007, IN ORDER TO COORDINATE THE DISTRIBUTION OF INSTRUCTIONAL MATERIALS TO BLIND AND OTHER PRINT DISABLED STUDENTS, THE MARYLAND LIBRARY FOR THE BLIND AND PHYSICALLY HANDICAPPED SHALL CONVENE AN INSTRUCTIONAL MATERIALS ACCESS ~~STANDARDS~~ GUIDELINES COMMITTEE.

(B) THE COMMITTEE CONSISTS OF ~~THE FOLLOWING 11~~ 19 MEMBERS:

(1) THE SECRETARY OF HIGHER EDUCATION, OR THE SECRETARY'S DESIGNEE;

(2) THE SECRETARY OF DISABILITIES, OR THE SECRETARY'S DESIGNEE;

(3) THE STATE SUPERINTENDENT, OR THE STATE SUPERINTENDENT'S DESIGNEE; AND

(4) THE FOLLOWING 14 MEMBERS APPOINTED BY THE GOVERNOR:

(I) ONE MEMBER ~~APPOINTED BY~~ REPRESENTING THE LIBRARY;

(II) ~~TWO~~ FIVE MEMBERS ~~APPOINTED BY~~ REPRESENTING PUBLISHERS OF TEXTBOOKS USED IN HIGHER EDUCATION WHO MAY INCLUDE REPRESENTATIVES OF THE ASSOCIATION OF AMERICAN PUBLISHERS; AND

(3) FIVE MEMBERS, ONE REPRESENTING EACH OF THE FOLLOWING INSTITUTIONS OF HIGHER EDUCATION OR ORGANIZATIONS, ~~APPOINTED BY THE MARYLAND HIGHER EDUCATION COMMISSION;~~

~~(I) THE UNIVERSITY SYSTEM OF MARYLAND;~~

~~(II) A COMMUNITY COLLEGE;~~

~~(III) THE MARYLAND INDEPENDENT COLLEGE AND UNIVERSITY ASSOCIATION;~~

~~(IV) MORGAN STATE UNIVERSITY; AND~~

~~(V) ST. MARY'S COLLEGE OF MARYLAND; AND~~

~~(3) (4) THE FOLLOWING EIGHT MEMBERS APPOINTED BY THE GOVERNOR:~~

~~(I) ONE REPRESENTATIVE OF THE UNIVERSITY SYSTEM OF MARYLAND;~~

~~(II) ONE REPRESENTATIVE FROM A COMMUNITY COLLEGE IN THE STATE;~~

~~(III) ONE REPRESENTATIVE FROM AN INSTITUTION OF HIGHER EDUCATION WHO IS FROM NEITHER THE UNIVERSITY SYSTEM OF MARYLAND NOR A COMMUNITY COLLEGE IN THE STATE;~~

~~(III) THREE MEMBERS, ONE REPRESENTING EACH OF THE FOLLOWING INSTITUTIONS OF HIGHER EDUCATION:~~

~~1. THE UNIVERSITY SYSTEM OF MARYLAND;~~

~~2. A COMMUNITY COLLEGE; AND~~

~~3. A PRIVATE, 4-YEAR INSTITUTION OF HIGHER EDUCATION;~~

~~(IV) TWO REPRESENTATIVES WHO HAVE KNOWLEDGE REGARDING ACCESSIBLE FORMATS FOR BLIND AND OTHER PRINT DISABLED INDIVIDUALS;~~

~~(V) ONE REPRESENTATIVE OF THE STUDENT POPULATION AT INSTITUTIONS OF HIGHER EDUCATION IN THE STATE WHO IS BLIND OR PRINT DISABLED; AND~~

(VI) TWO MEMBERS ~~APPOINTED AT THE DISCRETION OF THE GOVERNOR~~ FROM MARYLAND ORGANIZATIONS REPRESENTING BLIND OR OTHER PERSONS WITH PRINT DISABILITIES.

(C) AT LEAST TWO OF THE MEMBERS OF THE COMMITTEE, IN ADDITION TO THE STUDENT MEMBER, SHALL BE BLIND OR PRINT DISABLED.

(D) THE GOVERNOR SHALL DESIGNATE THE CHAIR OF THE COMMITTEE.

(E) (1) A MEMBER OF THE COMMITTEE SHALL SERVE FOR A PERIOD OF 3 YEARS.

(2) THE COMMITTEE SHALL EXPIRE ON DECEMBER 1, 2010.

(F) THE DEPARTMENT, THE DEPARTMENT OF DISABILITIES, AND THE MARYLAND HIGHER EDUCATION COMMISSION SHALL PROVIDE STAFF FOR THE COMMITTEE.

(G) (1) THE COMMITTEE SHALL ~~ESTABLISH PROCEDURES:~~

(I) ASSIST THE LIBRARY IN ESTABLISHING GUIDELINES TO FACILITATE THE DELIVERY OF INSTRUCTIONAL MATERIALS TO BLIND AND PRINT DISABLED STUDENTS AT INSTITUTIONS OF HIGHER EDUCATION IN THE STATE ~~IN A FORMAT THAT IS USABLE TO THEM;~~

(II) REVIEW THE GUIDELINES ESTABLISHED UNDER ITEM (1) OF THIS PARAGRAPH EACH YEAR; AND

(III) ASSIST THE LIBRARY IN REVISING THE GUIDELINES AS NECESSARY BASED ON CHANGES IN TECHNOLOGY OR ANY OTHER PERTINENT FACTORS.

(2) THE GUIDELINES SHALL INCLUDE:

(I) A METHOD BY WHICH A COURSE INSTRUCTOR, IN CONSULTATION WITH THE INDIVIDUAL AT THE LIBRARY OR INSTITUTION DESIGNATED TO MAKE THE REQUEST FOR MATERIALS UNDER THIS SUBTITLE, DESIGNATES WHICH COURSE MATERIALS ARE CONSIDERED REQUIRED OR ESSENTIAL TO STUDENT SUCCESS;

(II) A DETERMINATION OF THE AVAILABILITY OF TECHNOLOGY FOR THE CONVERSION OF MATHEMATICS AND SCIENCE MATERIALS;

(III) THE PROCEDURES AND STANDARDS RELATING TO DISTRIBUTION OF FILES AND MATERIALS;

(IV) AVAILABLE ELECTRONIC FORMATS;

(V) A LIST OF JUSTIFICATIONS FOR WHICH A PUBLISHER MAY REASONABLY BE EXEMPTED FROM COMPLYING WITH THE PROVISIONS OF THIS SUBTITLE;

(VI) PROCEDURES FOR GRANTING A PUBLISHER AN EXEMPTION WHEN IT IS DETERMINED THAT A PUBLISHER IS UNABLE TO COMPLY WITH THE REQUIREMENTS OF THIS SUBTITLE FOR A JUSTIFIABLE REASON INCLUDED IN THE LIST REQUIRED UNDER ITEM (V) OF THIS PARAGRAPH;

(VII) ~~REQUIRE~~ A REQUIREMENT THAT THE REVIEW OF THE FUTURE RECOMMENDATIONS OF THE ALTERNATIVE FORMATS SOLUTIONS INITIATIVE OF THE ASSOCIATION OF AMERICAN PUBLISHERS ~~TO~~ DETERMINE WHETHER TO RECOMMEND THE INCORPORATION OF THESE RECOMMENDATIONS INTO THE GUIDELINES; AND

(VIII) ANY OTHER INFORMATION THE COMMITTEE DETERMINES TO BE RELEVANT.

11-903.

~~(A) THE LIBRARY MAY DETERMINE THE ELIGIBILITY OF A BLIND OR PRINT DISABLED STUDENT WHO MAKES A REQUEST UNDER SUBSECTION (B) OF THIS SECTION.~~

~~(B)~~ (A) ON THE REQUEST OF AN ELIGIBLE BLIND OR PRINT DISABLED STUDENT, THE LIBRARY SHALL REQUEST THAT A PUBLISHER THAT OFFERS FOR SALE ELECTRONIC OR PRINT INSTRUCTIONAL MATERIALS USED BY STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION ~~AND INSTITUTIONS OF POSTSECONDARY EDUCATION~~ IN THE STATE PROVIDE THE INSTRUCTIONAL MATERIALS TO THE LIBRARY ~~ELECTRONICALLY IN A FORMAT DESIGNATED BY THE COMMITTEE~~ IN AN ELECTRONIC FORMAT.

~~(C)~~ (B) ON EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, ON OR AFTER JANUARY 1, 2008, ON THE RECEIPT OF A REQUEST UNDER SUBSECTION ~~(B)~~ (A) OF THIS SECTION, A PUBLISHER SHALL HAVE ~~10~~ 15 BUSINESS DAYS FROM THE DATE OF THE REQUEST TO:

(1) PROVIDE THE REQUESTED INSTRUCTIONAL MATERIALS IN ~~THE AN~~ ELECTRONIC FORMAT ~~DESIGNATED BY THE COMMITTEE~~; OR

(2) PROVIDE THE REASON THAT ~~THE AN~~ ELECTRONIC FORMAT ~~DESIGNATED BY THE COMMITTEE~~ CANNOT BE PROVIDED WITHIN ~~10~~ 15 BUSINESS DAYS.

~~(D)~~ (C) EXCEPT AS PROVIDED IN SUBSECTION ~~(E)~~ (D) OF THIS SECTION, IF A PUBLISHER RESPONDS UNDER SUBSECTION ~~(C)~~(2) (B)(2) OF THIS SECTION THAT ~~THE AN~~ ELECTRONIC FORMAT ~~DESIGNATED BY THE COMMITTEE~~ CANNOT BE PROVIDED WITHIN ~~10~~ 15 BUSINESS DAYS, THE PUBLISHER SHALL INDICATE TO THE LIBRARY ~~WHEN~~:

(1) WHEN THE INSTRUCTIONAL MATERIALS WILL BE PROVIDED IN THE AN ELECTRONIC FORMAT DESIGNATED BY THE COMMITTEE; OR

(2) SPECIFY A REASON THE SPECIFIC REASON, CONSISTENT WITH THE GUIDELINES ESTABLISHED UNDER § 11-902(D) OF THIS SUBTITLE, WHY THE INSTRUCTIONAL MATERIALS MAY NOT BE PROVIDED TO THE LIBRARY WITHIN THE REQUIRED TIME FRAME.

~~(E)~~ (D) A PUBLISHER IS NOT REQUIRED TO PROVIDE INSTRUCTIONAL MATERIALS IN ~~THE AN~~ ELECTRONIC FORMAT ~~DESIGNATED BY THE COMMITTEE~~ IF THE INSTRUCTIONAL MATERIALS WERE:

(1) GENERATED ~~FOR~~ BY FACULTY ~~PURPOSES~~; OR

(2) COPYRIGHTED BEFORE JULY 1, ~~2007~~ 2004.

11-904.

(A) THE ELECTRONIC FORMAT OF PRINTED INSTRUCTIONAL MATERIAL PROVIDED BY A PUBLISHER TO THE LIBRARY FOR USE BY A STUDENT WITH A DISABILITY UNDER THIS SUBTITLE SHALL:

(1) MAINTAIN THE STRUCTURAL INTEGRITY OF THE PRINTED INSTRUCTIONAL MATERIAL;

(2) BE COMPATIBLE WITH COMMONLY USED BRAILLE TRANSLATION OR SPEECH SYNTHESIS SOFTWARE, IF NECESSARY; AND

(3) INCLUDE CORRECTIONS AND REVISIONS AS NECESSARY.

(B) IF THE LIBRARY AND A PUBLISHER CANNOT IN GOOD FAITH AGREE ON AN ELECTRONIC FORMAT THAT MAINTAINS THE STRUCTURAL INTEGRITY OF THE PRINTED INSTRUCTIONAL MATERIAL AS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, THE PUBLISHER SHALL PROVIDE THE INSTRUCTIONAL MATERIAL IN AN ELECTRONIC FORMAT THAT MAINTAINS AS MUCH OF THE STRUCTURAL INTEGRITY OF THE PRINTED INSTRUCTIONAL MATERIAL AS POSSIBLE.

(C) ~~THE~~ EXCEPT AS PROVIDED IN SUBSECTION (I) OF THIS SECTION, THE LIBRARY OR INSTITUTION SHALL SUBMIT TO A PUBLISHER A WRITTEN REQUEST FOR AN ELECTRONIC FORMAT OF INSTRUCTIONAL MATERIAL THAT INCLUDES:

(1) CERTIFICATION THAT THE INSTITUTION HAS PURCHASED THE PRINTED INSTRUCTIONAL MATERIAL FOR USE BY A STUDENT WITH A DISABILITY OR THAT A STUDENT WITH A DISABILITY ATTENDING OR REGISTERED TO ATTEND THE INSTITUTION HAS PURCHASED THE INSTRUCTIONAL MATERIAL;

(2) CERTIFICATION THAT THE STUDENT HAS A DISABILITY THAT PREVENTS THE STUDENT FROM USING STANDARD INSTRUCTIONAL MATERIALS;

(3) CERTIFICATION THAT THE ELECTRONIC FORMAT OF THE PRINTED INSTRUCTIONAL MATERIAL WILL BE USED BY A STUDENT IN CONNECTION WITH A COURSE IN WHICH THE STUDENT IS REGISTERED OR ENROLLED AT THE INSTITUTION; AND

(4) ~~IS SIGNED BY~~ THE SIGNATURE OF THE INDIVIDUAL DESIGNATED BY THE LIBRARY OR INSTITUTION TO REQUEST THE ELECTRONIC FORMAT OF THE INSTRUCTIONAL MATERIAL UNDER THIS SUBTITLE.

(D) ON RECEIPT OF A WRITTEN REQUEST UNDER SUBSECTION (C) OF THIS SECTION, THE PUBLISHER SHALL PROVIDE THE LIBRARY WITH THE ELECTRONIC FORMAT OF THE PRINTED INSTRUCTIONAL MATERIAL AT NO ADDITIONAL COST AND IN A TIMELY MANNER.

(E) ~~A~~ EXCEPT AS PROVIDED IN SUBSECTION (I) OF THIS SECTION, A PUBLISHER RECEIVING A WRITTEN REQUEST UNDER SUBSECTION (C) OF THIS SECTION MAY REQUIRE THE LIBRARY TO PROVIDE THE PUBLISHER WITH A COPY OF AN AGREEMENT THAT:

(1) STATES THAT THE STUDENT REQUESTING AND USING THE ELECTRONIC FORMAT OF THE INSTRUCTIONAL MATERIAL PROVIDED BY THE PUBLISHER WILL USE THE MATERIAL SOLELY FOR THE STUDENT'S PERSONAL EDUCATIONAL USE;

(2) STATES THAT THE STUDENT HAS AGREED NOT TO COPY, DUPLICATE, OR DISTRIBUTE THE ELECTRONIC COPY OF THE INSTRUCTIONAL MATERIAL FOR USE BY OTHER INDIVIDUALS; AND

(3) IS SIGNED BY THE STUDENT REQUESTING AND USING THE ELECTRONIC COPY.

(F) (1) IF THE LIBRARY OR AN INSTITUTION PERMITS A STUDENT TO DIRECTLY USE THE ELECTRONIC FORMAT OF THE INSTRUCTIONAL MATERIAL, THE LIBRARY OR INSTITUTION SHALL TAKE THE FOLLOWING STEPS TO PROTECT THE ELECTRONIC COPY FROM DUPLICATION AND DISTRIBUTION IN VIOLATION OF THE COPYRIGHT REVISIONS ACT OF 1976:

(I) THE DISK OR FILE SHALL BE COPY-PROTECTED OR CONTAIN OTHER REASONABLE SECURITY MEASURES; AND

(II) THE LIBRARY OR INSTITUTION SHALL REQUIRE A STUDENT USING THE ELECTRONIC COPY TO SIGN THE AGREEMENT UNDER SUBSECTION (E) OF THIS SECTION.

(2) AN INSTITUTION MAY NOT MAKE THE ELECTRONIC FORMAT OF THE INSTRUCTIONAL MATERIAL AVAILABLE ON A SERVER UNLESS THE FOLLOWING SECURITY MEASURES ARE FOLLOWED:

(I) A SECURITY PROCESS, INCLUDING AN IDENTIFICATION AND PASSWORD SYSTEM, IS INSTALLED TO PERMIT ONLY AUTHORIZED STUDENTS WITH DISABILITIES ACCESS TO THE PROTECTED MATERIALS; AND

(II) OTHER TECHNICAL SECURITY MEASURES ARE INSTALLED TO PREVENT A STUDENT FROM DOWNLOADING THE ELECTRONIC FORMAT OF THE INSTRUCTIONAL MATERIAL UNLESS THE STUDENT HAS SIGNED THE AGREEMENT UNDER SUBSECTION (E) OF THIS SECTION.

(3) A PUBLISHER MAY INSTALL TECHNICAL SECURITY MEASURES TO PREVENT THE UNAUTHORIZED COPYING, MODIFICATION, DISTRIBUTION, OR USE OF THE ELECTRONIC FORMAT OF THE INSTRUCTIONAL MATERIAL IF THE SECURITY MEASURES DO NOT INTERFERE WITH THE STUDENT'S USE OF ELECTRONIC COPY.

(G) (1) THE LIBRARY, AN INSTITUTION, OR ANY COMPONENT OF AN INSTITUTION SHALL NOTIFY THE PUBLISHER EACH TIME THE LIBRARY, INSTITUTION, OR A COMPONENT OF THE INSTITUTION INTENDS TO DUPLICATE AN ELECTRONIC FORMAT OR A SPECIALIZED FORMAT PRODUCED FROM THE ELECTRONIC FORMAT FOR USE OF THE PROTECTED MATERIAL BY OTHER STUDENTS WITH DISABILITIES.

(2) ~~EACH~~ FOR EACH ADDITIONAL STUDENT FOR WHOM THE LIBRARY, AN INSTITUTION, OR A COMPONENT OF AN INSTITUTION INTENDS TO DUPLICATE AN ELECTRONIC FORMAT UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE LIBRARY, INSTITUTION, OR COMPONENT OF AN INSTITUTION SHALL FOLLOW THE REQUEST PROCEDURES ~~UNDER § 11-903 OF THIS SUBTITLE IN THIS SECTION.~~

(H) (1) AN INSTITUTION MAY ASSIST A STUDENT WITH A DISABILITY TO TRANSCRIBE OR ARRANGE FOR THE TRANSCRIPTION OF PRINTED INSTRUCTIONAL MATERIAL INTO BRAILLE USING THE ELECTRONIC FORMAT OF THE INSTRUCTIONAL MATERIAL.

(2) IF A BRAILLE COPY IS TRANSCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE INSTITUTION SHALL HAVE THE RIGHT TO SHARE THE BRAILLE COPY OF THE PRINTED INSTRUCTIONAL MATERIAL WITH OTHER STUDENTS WITH DISABILITIES AT THE INSTITUTION.

(I) (1) A MEMBER OF THE FACULTY OF AN INSTITUTION OF HIGHER EDUCATION;

~~(I) MAY~~ MAY REQUEST FROM THE LIBRARY INSTRUCTIONAL MATERIALS IN AN ELECTRONIC FORMAT; ~~AND~~

~~(II) IS NOT REQUIRED TO SIGN AN AGREEMENT SPECIFIED UNDER SUBSECTION (E) OF THIS SECTION.~~

(2) FOR A REQUEST ON BEHALF OF A FACULTY MEMBER, THE LIBRARY IS NOT REQUIRED TO PROVIDE TO A PUBLISHER THE CERTIFICATIONS SPECIFIED UNDER SUBSECTION (C) OF THIS SECTION.

~~11-904.~~ 11-905.

BEGINNING IN FISCAL YEAR 2009 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET SUBMISSION

\$200,000 FOR THE LIBRARY TO CARRY OUT ITS OBLIGATIONS UNDER THIS SUBTITLE.

~~11-905~~, 11-906.

(A) NOTHING IN THIS SUBTITLE SHALL BE CONSTRUED TO REQUIRE THE COMMITTEE ~~OR~~, THE LIBRARY, OR A PUBLISHER OF INSTRUCTIONAL MATERIALS TO CONVERT:

(1) CONVERT INSTRUCTIONAL MATERIALS INTO ACCESSIBLE FORMATS FOR BLIND AND PRINT DISABLED STUDENTS; OR

(2) REQUIRE A PUBLISHER TO PROVIDE ANY FORMAT OTHER THAN AN ELECTRONIC FORMAT PROVIDED UNDER ~~§ 11-903~~ § 11-904 OF THIS SUBTITLE.

(B) A PUBLISHER OF INSTRUCTIONAL MATERIAL MAY NOT BE REQUIRED TO:

(1) PERFORM ANY ACT THAT WOULD CONSTITUTE AN INFRINGEMENT OF A COPYRIGHT UNDER THE COPYRIGHT REVISION ACT OF 1976;

(2) PROVIDE AN ELECTRONIC FORMAT OF INSTRUCTIONAL MATERIAL IF THE PUBLISHER:

(i) PUBLISHES OR MANUFACTURES A VERSION OF THE INSTRUCTIONAL MATERIAL THAT IS ACCESSIBLE TO STUDENTS WITH DISABILITIES;

(ii) CHOOSES TO PROVIDE AN ELECTRONIC FORMAT OF INSTRUCTIONAL MATERIAL DIRECTLY TO A STUDENT IN A TIMELY MANNER; OR

(iii) HAS NOT PREVIOUSLY PRODUCED A DIGITAL VERSION OF THE FULLY EDITED AND TYPESET INSTRUCTIONAL MATERIAL, INCLUDING INSTRUCTIONAL MATERIAL PRODUCED BY A METHOD THAT DOES NOT REQUIRE THE CREATION OF A DIGITAL FILE; OR

(3) PROVIDE AN ELECTRONIC FORMAT OF INSTRUCTIONAL MATERIAL THAT IS NO LONGER IN PRINT OR AVAILABLE AND OFFERED FOR SALE BY THE PUBLISHER.

SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Library for the Blind and Physically Handicapped shall consult and coordinate with the State Department of Education to facilitate the utilization of equipment and staff being used to provide instructional materials to students who are blind or print disabled in primary and secondary education in order to minimize the costs associated with this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~June~~ October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 318

(House Bill 1056)

AN ACT concerning

Higher Education - Blind and Print Disabled Students - Instructional Materials

FOR the purpose of requiring the Maryland Library for the Blind and Physically Handicapped to convene a certain committee on or before a certain date; providing for the membership of the committee; requiring a certain number of the members of the committee to be blind or print disabled; requiring the committee to establish certain ~~procedures~~ guidelines to facilitate the delivery of certain materials to certain students in certain formats; establishing the duties of the Committee; providing for the termination of the Committee; providing for the content of certain guidelines; authorizing the Library to determine certain eligibility of certain students to make certain requests; requiring the Library to make certain requests to certain publishers regarding the provision of certain instructional materials; providing certain publishers a certain period of time to respond to certain requests; requiring certain publishers to indicate certain information to the Library; exempting certain publishers from certain requirements of this Act; requiring a certain electronic format to have certain characteristics; requiring a publisher to submit a certain electronic format containing certain characteristics under certain circumstances; providing for the content of a certain request to a certain publisher; requiring certain publishers to provide the Library with certain material at no cost and in a timely manner; authorizing certain publishers to request a copy of a certain agreement containing certain information; establishing certain technological security requirements for certain material by certain persons; requiring certain persons

to make a request of certain publishers using a certain procedure; exempting certain persons from certain request procedures; authorizing an institution to assist certain students in transcribing certain materials into a braille copy; providing that certain institutions have a right to share a certain braille copy with certain students at the institution; requiring the Governor to include in the annual budget submission a certain appropriation beginning in a certain fiscal year and each fiscal year thereafter; providing for the application of this Act; providing that certain publishers may not be required to perform certain acts that may constitute infringement of a copyright or provide certain electronic formats under certain circumstances; defining certain terms; requiring the Library to consult and coordinate with the State Department of Education to facilitate the utilization of certain equipment and staff for certain purposes; and generally relating to instructional materials for blind or print disabled students.

BY adding to

Article – Education

Section 11-901 through ~~11-905~~ 11-906 to be under the new subtitle “Subtitle 9. Instructional Materials for Blind and Print Disabled Students”

Annotated Code of Maryland
(2006 Replacement Volume)

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

Article – Education

SUBTITLE 9. INSTRUCTIONAL MATERIALS FOR BLIND AND PRINT DISABLED STUDENTS.

11-901.

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

(B) “COMMITTEE” MEANS THE INSTRUCTIONAL MATERIALS ACCESS ~~STANDARDS~~ GUIDELINES COMMITTEE.

(C) (1) “INSTRUCTIONAL MATERIAL” MEANS TEXTBOOKS AND OTHER MATERIALS WRITTEN AND PUBLISHED PRIMARILY FOR USE BY STUDENTS IN POSTSECONDARY INSTRUCTION THAT ARE REQUIRED OR ESSENTIAL TO A STUDENT’S SUCCESS IN A COURSE OF STUDY IN WHICH A STUDENT WITH A DISABILITY IS ENROLLED.

(2) “INSTRUCTIONAL MATERIAL” DOES NOT INCLUDE MATERIALS FOR WHICH SOFTWARE IS NOT COMMERCIALY AVAILABLE AT A REASONABLE PRICE TO PERMIT THE CONVERSION OF EXISTING ELECTRONIC FILES OF THE MATERIALS INTO A FORMAT THAT IS COMPATIBLE WITH BRAILLE TRANSLATION SOFTWARE OR ALTERNATIVE MEDIA FOR STUDENTS WITH DISABILITIES, INCLUDING MATHEMATICS AND SCIENCE MATERIALS.

(D) “LIBRARY” MEANS THE MARYLAND LIBRARY FOR THE BLIND AND PHYSICALLY HANDICAPPED.

(E) “PRINTED INSTRUCTIONAL MATERIAL” MEANS INSTRUCTIONAL MATERIAL IN BOOK OR OTHER PRINTED FORM.

(F) (1) “STRUCTURAL INTEGRITY” MEANS MATERIAL COMPOSED OF ALL OF THE TEXTUAL PRINTED INSTRUCTIONAL MATERIAL.

(2) “STRUCTURAL INTEGRITY” INCLUDES THE TEXT OF THE MATERIAL, SIDEBARS, THE TABLE OF CONTENTS, CHAPTER HEADINGS AND SUBHEADINGS, FOOTNOTES, INDEXES, GLOSSARIES, AND BIBLIOGRAPHIES.

(3) “STRUCTURAL INTEGRITY” DOES NOT INCLUDE MATERIAL COMPOSED OF NONTEXTUAL ELEMENTS SUCH AS PICTURES, ILLUSTRATIONS, GRAPHS, OR CHARTS.

11-902.

(A) ON OR BEFORE DECEMBER 1, 2007, IN ORDER TO COORDINATE THE DISTRIBUTION OF INSTRUCTIONAL MATERIALS TO BLIND AND OTHER PRINT DISABLED STUDENTS, THE MARYLAND LIBRARY FOR THE BLIND AND PHYSICALLY HANDICAPPED SHALL CONVENE AN INSTRUCTIONAL MATERIALS ACCESS ~~STANDARDS~~ GUIDELINES COMMITTEE.

(B) THE COMMITTEE CONSISTS OF ~~THE~~:

(1) THE SECRETARY OF HIGHER EDUCATION, OR THE SECRETARY’S DESIGNEE;

(2) THE SECRETARY OF DISABILITIES, OR THE SECRETARY’S DESIGNEE;

(3) THE STATE SUPERINTENDENT, OR THE STATE SUPERINTENDENT’S DESIGNEE; AND

(4) THE FOLLOWING ~~11~~ 14 MEMBERS APPOINTED BY THE GOVERNOR:

~~(1)~~ (I) ONE MEMBER ~~APPOINTED BY~~ REPRESENTING THE LIBRARY;

~~(2)~~ (II) ~~TWO FIVE~~ MEMBERS ~~APPOINTED BY~~ REPRESENTING PUBLISHERS OF TEXTBOOKS USED IN HIGHER EDUCATION WHO MAY INCLUDE REPRESENTATIVES OF THE ASSOCIATION OF AMERICAN PUBLISHERS; AND

(III) THREE MEMBERS, ONE REPRESENTING EACH OF THE FOLLOWING INSTITUTIONS OF HIGHER EDUCATION:

1. THE UNIVERSITY SYSTEM OF MARYLAND;

2. A COMMUNITY COLLEGE; AND

3. A PRIVATE, 4-YEAR INSTITUTION OF HIGHER EDUCATION;

~~(3) THE FOLLOWING EIGHT MEMBERS APPOINTED BY THE GOVERNOR:~~

~~(I) ONE REPRESENTATIVE OF THE UNIVERSITY SYSTEM OF MARYLAND;~~

~~(II) ONE REPRESENTATIVE FROM A COMMUNITY COLLEGE IN THE STATE;~~

~~(III) ONE REPRESENTATIVE FROM AN INSTITUTION OF HIGHER EDUCATION WHO IS FROM NEITHER THE UNIVERSITY SYSTEM OF MARYLAND NOR A COMMUNITY COLLEGE IN THE STATE;~~

(IV) TWO REPRESENTATIVES WHO HAVE KNOWLEDGE REGARDING ACCESSIBLE FORMATS FOR BLIND AND OTHER PRINT DISABLED INDIVIDUALS;

(V) ONE REPRESENTATIVE OF THE STUDENT POPULATION AT INSTITUTIONS OF HIGHER EDUCATION IN THE STATE WHO IS BLIND OR PRINT DISABLED; AND

~~(VI) TWO MEMBERS APPOINTED AT THE DISCRETION OF THE GOVERNOR FROM MARYLAND ORGANIZATIONS REPRESENTING BLIND OR OTHER PERSONS WITH PRINT DISABILITIES.~~

(C) AT LEAST TWO OF THE MEMBERS OF THE COMMITTEE, IN ADDITION TO THE STUDENT MEMBER, SHALL BE BLIND OR PRINT DISABLED.

(D) THE GOVERNOR SHALL DESIGNATE THE CHAIR OF THE COMMITTEE.

(E) (1) A MEMBER OF THE COMMITTEE SHALL SERVE FOR A PERIOD OF 3 YEARS.

(2) THE COMMITTEE SHALL EXPIRE ON DECEMBER 1, 2010.

(F) THE DEPARTMENT, THE DEPARTMENT OF DISABILITIES, AND THE MARYLAND HIGHER EDUCATION COMMISSION SHALL PROVIDE STAFF FOR THE COMMITTEE.

~~(D)~~ (G) (1) THE COMMITTEE SHALL ESTABLISH PROCEDURES:

(i) ASSIST THE LIBRARY IN ESTABLISHING GUIDELINES TO FACILITATE THE DELIVERY OF INSTRUCTIONAL MATERIALS TO BLIND AND PRINT DISABLED STUDENTS AT INSTITUTIONS OF HIGHER EDUCATION IN THE STATE IN A FORMAT THAT IS USABLE TO THEM;

(ii) REVIEW THE GUIDELINES ESTABLISHED UNDER ITEM (i) OF THIS PARAGRAPH EACH YEAR; AND

(iii) ASSIST THE LIBRARY IN REVISING THE GUIDELINES AS NECESSARY BASED ON CHANGES IN TECHNOLOGY OR ANY OTHER PERTINENT FACTORS.

(2) THE GUIDELINES SHALL INCLUDE:

(i) A METHOD BY WHICH A COURSE INSTRUCTOR, IN CONSULTATION WITH THE INDIVIDUAL AT THE LIBRARY OR INSTITUTION DESIGNATED TO MAKE THE REQUEST FOR MATERIALS UNDER THIS SUBTITLE, DESIGNATES WHICH COURSE MATERIALS ARE CONSIDERED REQUIRED OR ESSENTIAL TO STUDENT SUCCESS;

(II) A DETERMINATION OF THE AVAILABILITY OF TECHNOLOGY FOR THE CONVERSION OF MATHEMATICS AND SCIENCE MATERIALS;

(III) THE PROCEDURES AND STANDARDS RELATING TO DISTRIBUTION OF FILES AND MATERIALS;

(IV) AVAILABLE ELECTRONIC FORMATS;

(V) A LIST OF JUSTIFICATIONS FOR WHICH A PUBLISHER MAY REASONABLY BE EXEMPTED FROM COMPLYING WITH THE PROVISIONS OF THIS SUBTITLE;

(VI) PROCEDURES FOR GRANTING A PUBLISHER AN EXEMPTION WHEN IT IS DETERMINED THAT A PUBLISHER IS UNABLE TO COMPLY WITH THE REQUIREMENTS OF THIS SUBTITLE FOR A JUSTIFIABLE REASON INCLUDED IN THE LIST REQUIRED UNDER ITEM (V) OF THIS PARAGRAPH;

(VII) A REQUIREMENT THAT THE REVIEW OF THE FUTURE RECOMMENDATIONS OF THE ALTERNATIVE FORMATS SOLUTIONS INITIATIVE OF THE ASSOCIATION OF AMERICAN PUBLISHERS DETERMINE WHETHER TO RECOMMEND THE INCORPORATION OF THESE RECOMMENDATIONS INTO THE GUIDELINES; AND

(VIII) ANY OTHER INFORMATION THE COMMITTEE DETERMINES TO BE RELEVANT.

11-903.

~~(A) THE LIBRARY MAY DETERMINE THE ELIGIBILITY OF A BLIND OR PRINT DISABLED STUDENT WHO MAKES A REQUEST UNDER SUBSECTION (B) OF THIS SECTION.~~

~~(B)~~ (A) ON THE REQUEST OF AN ELIGIBLE BLIND OR PRINT DISABLED STUDENT, THE LIBRARY SHALL REQUEST THAT A PUBLISHER THAT OFFERS FOR SALE ELECTRONIC OR PRINT INSTRUCTIONAL MATERIALS USED BY STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION ~~AND INSTITUTIONS OF POSTSECONDARY EDUCATION~~ IN THE STATE PROVIDE THE INSTRUCTIONAL MATERIALS TO THE LIBRARY ~~ELECTRONICALLY IN A FORMAT DESIGNATED BY THE COMMITTEE~~ IN AN ELECTRONIC FORMAT.

~~(C)~~ (B) ~~ON EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, ON OR AFTER JANUARY 1, 2008, ON THE RECEIPT OF A REQUEST UNDER SUBSECTION ~~(B)~~ (A) OF THIS SECTION, A PUBLISHER SHALL HAVE ~~10~~ 15 BUSINESS DAYS FROM THE DATE OF THE REQUEST TO:~~

(1) PROVIDE THE REQUESTED INSTRUCTIONAL MATERIALS IN THE AN ELECTRONIC FORMAT DESIGNATED BY THE COMMITTEE; OR

(2) PROVIDE THE REASON THAT THE AN ELECTRONIC FORMAT DESIGNATED BY THE COMMITTEE CANNOT BE PROVIDED WITHIN ~~10~~ 15 BUSINESS DAYS.

~~(D)~~ (C) ~~EXCEPT AS PROVIDED IN SUBSECTION ~~(E)~~ (D) OF THIS SECTION, IF A PUBLISHER RESPONDS UNDER SUBSECTION ~~(C)~~(2) (B)(2) OF THIS SECTION THAT THE AN ELECTRONIC FORMAT DESIGNATED BY THE COMMITTEE CANNOT BE PROVIDED WITHIN ~~10~~ 15 BUSINESS DAYS, THE PUBLISHER SHALL INDICATE TO THE LIBRARY WHEN:~~

(1) WHEN THE INSTRUCTIONAL MATERIALS WILL BE PROVIDED IN THE AN ELECTRONIC FORMAT DESIGNATED BY THE COMMITTEE; OR

(2) THE SPECIFIC REASON, CONSISTENT WITH THE GUIDELINES ESTABLISHED UNDER § 11-902(D) OF THIS SUBTITLE, WHY THE INSTRUCTIONAL MATERIALS MAY NOT BE PROVIDED TO THE LIBRARY WITHIN THE REQUIRED TIME FRAME.

~~(E)~~ (D) ~~A PUBLISHER IS NOT REQUIRED TO PROVIDE INSTRUCTIONAL MATERIALS IN THE AN ELECTRONIC FORMAT DESIGNATED BY THE COMMITTEE IF THE INSTRUCTIONAL MATERIALS WERE:~~

(1) GENERATED FOR BY FACULTY PURPOSES; OR

(2) COPYRIGHTED BEFORE JULY 1, ~~2007~~ 2004.

11-904.

(A) THE ELECTRONIC FORMAT OF PRINTED INSTRUCTIONAL MATERIAL PROVIDED BY A PUBLISHER TO THE LIBRARY FOR USE BY A STUDENT WITH A DISABILITY UNDER THIS SUBTITLE SHALL:

(1) MAINTAIN THE STRUCTURAL INTEGRITY OF THE PRINTED INSTRUCTIONAL MATERIAL;

(2) BE COMPATIBLE WITH COMMONLY USED BRAILLE TRANSLATION OR SPEECH SYNTHESIS SOFTWARE, IF NECESSARY; AND

(3) INCLUDE CORRECTIONS AND REVISIONS AS NECESSARY.

(B) IF THE LIBRARY AND A PUBLISHER CANNOT IN GOOD FAITH AGREE ON AN ELECTRONIC FORMAT THAT MAINTAINS THE STRUCTURAL INTEGRITY OF THE PRINTED INSTRUCTIONAL MATERIAL AS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, THE PUBLISHER SHALL PROVIDE THE INSTRUCTIONAL MATERIAL IN AN ELECTRONIC FORMAT THAT MAINTAINS AS MUCH OF THE STRUCTURAL INTEGRITY OF THE PRINTED INSTRUCTIONAL MATERIAL AS POSSIBLE.

(C) EXCEPT AS PROVIDED IN SUBSECTION (I) OF THIS SECTION, THE LIBRARY OR INSTITUTION SHALL SUBMIT TO A PUBLISHER A WRITTEN REQUEST FOR AN ELECTRONIC FORMAT OF INSTRUCTIONAL MATERIAL THAT INCLUDES:

(1) CERTIFICATION THAT THE INSTITUTION HAS PURCHASED THE PRINTED INSTRUCTIONAL MATERIAL FOR USE BY A STUDENT WITH A DISABILITY OR THAT A STUDENT WITH A DISABILITY ATTENDING OR REGISTERED TO ATTEND THE INSTITUTION HAS PURCHASED THE INSTRUCTIONAL MATERIAL;

(2) CERTIFICATION THAT THE STUDENT HAS A DISABILITY THAT PREVENTS THE STUDENT FROM USING STANDARD INSTRUCTIONAL MATERIALS;

(3) CERTIFICATION THAT THE ELECTRONIC FORMAT OF THE PRINTED INSTRUCTIONAL MATERIAL WILL BE USED BY A STUDENT IN CONNECTION WITH A COURSE IN WHICH THE STUDENT IS REGISTERED OR ENROLLED AT THE INSTITUTION; AND

(4) THE SIGNATURE OF THE INDIVIDUAL DESIGNATED BY THE LIBRARY OR INSTITUTION TO REQUEST THE ELECTRONIC FORMAT OF THE INSTRUCTIONAL MATERIAL UNDER THIS SUBTITLE.

(D) ON RECEIPT OF A WRITTEN REQUEST UNDER SUBSECTION (C) OF THIS SECTION, THE PUBLISHER SHALL PROVIDE THE LIBRARY WITH THE ELECTRONIC FORMAT OF THE PRINTED INSTRUCTIONAL MATERIAL AT NO ADDITIONAL COST AND IN A TIMELY MANNER.

(E) EXCEPT AS PROVIDED IN SUBSECTION (I) OF THIS SECTION, A PUBLISHER RECEIVING A WRITTEN REQUEST UNDER SUBSECTION (C) OF THIS

SECTION MAY REQUIRE THE LIBRARY TO PROVIDE THE PUBLISHER WITH A COPY OF AN AGREEMENT THAT:

(1) STATES THAT THE STUDENT REQUESTING AND USING THE ELECTRONIC FORMAT OF THE INSTRUCTIONAL MATERIAL PROVIDED BY THE PUBLISHER WILL USE THE MATERIAL SOLELY FOR THE STUDENT'S PERSONAL EDUCATIONAL USE;

(2) STATES THAT THE STUDENT HAS AGREED NOT TO COPY, DUPLICATE, OR DISTRIBUTE THE ELECTRONIC COPY OF THE INSTRUCTIONAL MATERIAL FOR USE BY OTHER INDIVIDUALS; AND

(3) IS SIGNED BY THE STUDENT REQUESTING AND USING THE ELECTRONIC COPY.

(F) (1) IF THE LIBRARY OR AN INSTITUTION PERMITS A STUDENT TO DIRECTLY USE THE ELECTRONIC FORMAT OF THE INSTRUCTIONAL MATERIAL, THE LIBRARY OR INSTITUTION SHALL TAKE THE FOLLOWING STEPS TO PROTECT THE ELECTRONIC COPY FROM DUPLICATION AND DISTRIBUTION IN VIOLATION OF THE COPYRIGHT REVISIONS ACT OF 1976:

(i) THE DISK OR FILE SHALL BE COPY-PROTECTED OR CONTAIN OTHER REASONABLE SECURITY MEASURES; AND

(ii) THE LIBRARY OR INSTITUTION SHALL REQUIRE A STUDENT USING THE ELECTRONIC COPY TO SIGN THE AGREEMENT UNDER SUBSECTION (E) OF THIS SECTION.

(2) AN INSTITUTION MAY NOT MAKE THE ELECTRONIC FORMAT OF THE INSTRUCTIONAL MATERIAL AVAILABLE ON A SERVER UNLESS THE FOLLOWING SECURITY MEASURES ARE FOLLOWED:

(i) A SECURITY PROCESS, INCLUDING AN IDENTIFICATION AND PASSWORD SYSTEM, IS INSTALLED TO PERMIT ONLY AUTHORIZED STUDENTS WITH DISABILITIES ACCESS TO THE PROTECTED MATERIALS; AND

(ii) OTHER TECHNICAL SECURITY MEASURES ARE INSTALLED TO PREVENT A STUDENT FROM DOWNLOADING THE ELECTRONIC FORMAT OF THE INSTRUCTIONAL MATERIAL UNLESS THE STUDENT HAS SIGNED THE AGREEMENT UNDER SUBSECTION (E) OF THIS SECTION.

(3) A PUBLISHER MAY INSTALL TECHNICAL SECURITY MEASURES TO PREVENT THE UNAUTHORIZED COPYING, MODIFICATION, DISTRIBUTION, OR

USE OF THE ELECTRONIC FORMAT OF THE INSTRUCTIONAL MATERIAL IF THE SECURITY MEASURES DO NOT INTERFERE WITH THE STUDENT'S USE OF ELECTRONIC COPY.

(G) (1) THE LIBRARY, AN INSTITUTION, OR ANY COMPONENT OF AN INSTITUTION SHALL NOTIFY THE PUBLISHER EACH TIME THE LIBRARY, INSTITUTION, OR A COMPONENT OF THE INSTITUTION INTENDS TO DUPLICATE AN ELECTRONIC FORMAT OR A SPECIALIZED FORMAT PRODUCED FROM THE ELECTRONIC FORMAT FOR USE OF THE PROTECTED MATERIAL BY OTHER STUDENTS WITH DISABILITIES.

(2) FOR EACH ADDITIONAL STUDENT FOR WHOM THE LIBRARY, AN INSTITUTION, OR A COMPONENT OF AN INSTITUTION INTENDS TO DUPLICATE AN ELECTRONIC FORMAT UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE LIBRARY, INSTITUTION, OR COMPONENT OF AN INSTITUTION SHALL FOLLOW THE REQUEST PROCEDURES ~~UNDER § 11-903 OF THIS SUBTITLE~~ IN THIS SECTION.

(H) (1) AN INSTITUTION MAY ASSIST A STUDENT WITH A DISABILITY TO TRANSCRIBE OR ARRANGE FOR THE TRANSCRIPTION OF PRINTED INSTRUCTIONAL MATERIAL INTO BRAILLE USING THE ELECTRONIC FORMAT OF THE INSTRUCTIONAL MATERIAL.

(2) IF A BRAILLE COPY IS TRANSCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE INSTITUTION SHALL HAVE THE RIGHT TO SHARE THE BRAILLE COPY OF THE PRINTED INSTRUCTIONAL MATERIAL WITH OTHER STUDENTS WITH DISABILITIES AT THE INSTITUTION.

(I) (1) A MEMBER OF THE FACULTY OF AN INSTITUTION OF HIGHER EDUCATION:

~~(i) MAY~~ MAY REQUEST FROM THE LIBRARY INSTRUCTIONAL MATERIALS IN AN ELECTRONIC FORMAT; ~~AND~~

~~(ii) IS NOT REQUIRED TO SIGN AN AGREEMENT SPECIFIED UNDER SUBSECTION (E) OF THIS SECTION.~~

(2) FOR A REQUEST ON BEHALF OF A FACULTY MEMBER, THE LIBRARY IS NOT REQUIRED TO PROVIDE TO A PUBLISHER THE CERTIFICATIONS SPECIFIED UNDER SUBSECTION (C) OF THIS SECTION.

~~11-904.~~ 11-905.

BEGINNING IN FISCAL YEAR 2009 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET SUBMISSION \$200,000 FOR THE LIBRARY TO CARRY OUT ITS OBLIGATIONS UNDER THIS SUBTITLE.

~~11-905.~~ 11-906.

(A) NOTHING IN THIS SUBTITLE SHALL BE CONSTRUED TO REQUIRE THE COMMITTEE ~~OR~~, THE LIBRARY, OR A PUBLISHER OF INSTRUCTIONAL MATERIALS TO CONVERT;

(1) CONVERT INSTRUCTIONAL MATERIALS INTO ACCESSIBLE FORMATS FOR BLIND AND PRINT DISABLED STUDENTS; OR

(2) REQUIRE A PUBLISHER TO PROVIDE ANY FORMAT OTHER THAN AN ELECTRONIC FORMAT PROVIDED UNDER ~~§ 11-903~~ § 11-904 OF THIS SUBTITLE.

(B) A PUBLISHER OF INSTRUCTIONAL MATERIAL MAY NOT BE REQUIRED TO:

(1) PERFORM ANY ACT THAT WOULD CONSTITUTE AN INFRINGEMENT OF A COPYRIGHT UNDER THE COPYRIGHT REVISION ACT OF 1976;

(2) PROVIDE AN ELECTRONIC FORMAT OF INSTRUCTIONAL MATERIAL IF THE PUBLISHER:

(i) PUBLISHES OR MANUFACTURES A VERSION OF THE INSTRUCTIONAL MATERIAL THAT IS ACCESSIBLE TO STUDENTS WITH DISABILITIES;

(ii) CHOOSES TO PROVIDE AN ELECTRONIC FORMAT OF INSTRUCTIONAL MATERIAL DIRECTLY TO A STUDENT IN A TIMELY MANNER; OR

(iii) HAS NOT PREVIOUSLY PRODUCED A DIGITAL VERSION OF THE FULLY EDITED AND TYPESET INSTRUCTIONAL MATERIAL, INCLUDING INSTRUCTIONAL MATERIAL PRODUCED BY A METHOD THAT DOES NOT REQUIRE THE CREATION OF A DIGITAL FILE; OR

(3) PROVIDE AN ELECTRONIC FORMAT OF INSTRUCTIONAL MATERIAL THAT IS NO LONGER IN PRINT OR AVAILABLE AND OFFERED FOR SALE BY THE PUBLISHER.

SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Library for the Blind and Physically Handicapped shall consult and coordinate with the State Department of Education to facilitate the utilization of equipment and staff being used to provide instructional materials to students who are blind or print disabled in primary and secondary education in order to minimize the costs associated with this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~June~~ October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 319

(Senate Bill 271)

AN ACT concerning

Hunting – Exemptions from License and Stamp Requirement

FOR the purpose of expanding the exemption from the hunting license and stamp requirement for hunting on farmland to include certain spouses and certain persons who live on, work on, or manage the farmland; and generally relating to the exemptions for the hunting license and stamp requirement.

BY repealing and reenacting, without amendments,
Article – Natural Resources
Section 10–301(a) and (b)
Annotated Code of Maryland
(2000 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Article – Natural Resources
Section 10–301(c)
Annotated Code of Maryland
(2000 Replacement Volume and 2006 Supplement)

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

Article – Natural Resources

10-301.

(a) In this section, "child" includes:

- (1) Foster child;
- (2) Foster grandchild;
- (3) Grandchild;
- (4) Stepchild; and
- (5) Stepgrandchild.

(b) To provide a fund to pay the expense of protecting and managing wildlife, and preventing unauthorized persons from hunting them, a person may not hunt or attempt to hunt during open season and in any permitted manner any game birds and mammals in the State without first having procured either a resident or nonresident hunter's license. A person may not hunt or attempt to hunt nongame birds and mammals in Baltimore County or Frederick County without first obtaining a license. A permanent resident of a government reservation may obtain a resident hunter's license.

(c) (1) Except as provided in paragraph (2) of this subsection, the following persons are not required to obtain a hunter's license, bow and arrow stamp, black powder stamp, or bonus antlered deer stamp:

(i) With respect to hunting on farmland only:

1. The resident owner of the farmland and the owner's spouse ~~and~~, child, **AND CHILD'S SPOUSE**;

2. A tenant and the tenant's spouse ~~and~~, child, **AND CHILD'S SPOUSE**. A tenant is a person holding land under a lease, or a sharecropper who resides in a dwelling on the land, but a tenant does not include any employee of the owner or tenant; and

3. A nonresident owner of a parcel of farmland and the owner's spouse ~~and~~, child, **AND CHILD'S SPOUSE** if:

A. The parcel of farmland is located in Maryland and an adjacent state;

B. The owner's primary residence is on the parcel of farmland; and

C. The adjacent state extends similar privileges to a resident of Maryland;

(ii) Any resident serving in the armed forces of the United States while on leave in the State, during the resident's leave period, if, while hunting, the resident possesses a copy of the resident's official leave order; and

(iii) Any unarmed person participating in an organized foxhunt.

(2) (I) [In] **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH**, in order to qualify for the license and stamp exemption in accordance with paragraph (1) of this subsection, a child OR CHILD'S SPOUSE must be eligible to purchase a junior resident or junior nonresident hunting license.

(II) **IF A CHILD OR CHILD'S SPOUSE IS INELIGIBLE TO PURCHASE A JUNIOR RESIDENT OR JUNIOR NONRESIDENT HUNTING LICENSE, THE CHILD OR CHILD'S SPOUSE SHALL QUALIFY FOR THE LICENSE AND STAMP EXEMPTION IF THE CHILD OR CHILD'S SPOUSE ~~LIVES ON, WORKS ON, OR MANAGES THE FARMLAND;~~**

1. LIVES ON THE FARMLAND;

2. WORKED ON THE FARMLAND FOR 30 OR MORE DAYS DURING THE PRIOR 12-MONTH PERIOD; OR

3. MANAGES THE FARMLAND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 320

(Senate Bill 286)

AN ACT concerning

Maryland Dent-Care Program - Participants and Award Amounts

FOR the purpose of repealing a certain limitation on the number of participants per year in the Maryland Dent–Care Program; repealing a certain limitation on the number of total participants in the Program; repealing a certain limitation on the maximum award amount under the Program; requiring the Office of Student Financial Assistance, in collaboration with the Department of Health and Mental Hygiene, to adopt regulations to determine certain maximum participants and certain award amounts; and generally relating to the Maryland Dent–Care Program.

BY repealing and reenacting, without amendments,

Article – Education
Section 18–2401
Annotated Code of Maryland
(2006 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Education
Section 18–2405
Annotated Code of Maryland
(2006 Replacement Volume)

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

Article – Education

18–2401.

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

(b) “Higher education loan” means any loan for undergraduate or graduate study leading to practice as a dentist that is obtained for tuition, educational expenses, or living expenses from:

(1) A college or university, government, or commercial source; or

(2) An organization, institution, association, society, or corporation that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code of 1986.

(c) “Program” means the Maryland Dent–Care Program.

18–2405.

(a) The Office, on notification by the Department of Health and Mental Hygiene, may award Higher Education Loan Assistance Grants [to up to 5 participants each year, with a maximum of 15 participants in the Program].

(b) [A Higher Education Loan Assistance Grant under this subtitle may be in the amount of up to \$33,000 per year] **THE OFFICE, IN COLLABORATION WITH THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, SHALL ADOPT REGULATIONS TO DETERMINE:**

(1) THE MAXIMUM NUMBER OF PARTICIPANTS IN THE PROGRAM EACH YEAR;

(2) THE MAXIMUM NUMBER OF TOTAL PARTICIPANTS IN THE PROGRAM; AND

(3) THE MINIMUM AND MAXIMUM AMOUNT OF A HIGHER EDUCATION LOAN ASSISTANCE GRANT AWARDED UNDER THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 321

(Senate Bill 287)

AN ACT concerning

**Real Property - Condominiums and Homeowners Associations -
~~Receivership~~ Court Appointment of Receiver**

FOR the purpose of authorizing ~~certain unit owners to petition a certain circuit court to appoint a an independent receiver under the Maryland Condominium Act under certain circumstances; requiring certain petitioners to mail a copy of a certain petition and a certain notice to all unit owners; requiring certain petitioners to post a certain notice in a certain manner; providing that a certain circuit court may appoint a certain receiver after a hearing; providing that a certain receiver shall have certain powers and duties; providing for the term of service of a receiver; providing that the salary of a certain receiver, certain court costs, and certain attorney's fees are common expenses; authorizing certain lot~~

~~owners to petition a certain circuit court to appoint a an independent receiver under the Maryland Homeowners Association Act under certain certain circumstances; requiring certain petitioners to mail a copy of a certain petition and a certain notice to all lot owners; requiring certain petitioners to post a certain notice in a certain manner; providing that a certain circuit court may appoint a certain receiver after a hearing; providing that a certain receiver shall have certain powers and duties; providing for the term of service of a receiver; *not less than a certain number of unit owners to petition a certain circuit court to appoint a receiver if a council of unit owners fails to fill certain vacancies on the board of directors under the Maryland Condominium Act; requiring the unit owners to mail a certain notice; requiring the unit owners to post a certain notice in a certain manner; providing that the unit owners may proceed with the petition under certain circumstances; providing that a certain receiver may not reside in or own a unit in a certain condominium; providing that a certain receiver shall have certain powers and duties; providing for the term of service of a receiver; providing that the salary of a certain receiver, certain court costs, and certain attorney's fees are common expenses; authorizing not less than a certain number of owners of certain lots to petition a certain circuit court to appoint a receiver if a homeowners association fails to fill certain vacancies on the governing body under the Maryland Homeowners Association Act; requiring the lot owners to mail a certain notice; providing that the lot owners may proceed with the petition under certain circumstances; providing that a certain receiver may not reside in or own a lot in a certain development;* providing that the salary of a certain receiver, certain court costs, and certain attorney's fees are expenses of a homeowners association; and generally relating to the appointment of a ~~an independent~~ a receiver for a condominium or a homeowners association.~~

BY adding to

Article – Real Property

Section 11-109.3 and 11B-111.5

Annotated Code of Maryland

(2003 Replacement Volume and 2006 Supplement)

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

Article – Real Property

11-109.3.

~~(A) UNIT OWNERS ENTITLED TO CAST AT LEAST 60% OF THE VOTES IN THE COUNCIL OF UNIT OWNERS MAY PETITION THE CIRCUIT COURT FOR THE COUNTY WHERE THE CONDOMINIUM IS LOCATED TO APPOINT A AN INDEPENDENT RECEIVER TO MANAGE THE AFFAIRS OF THE COUNCIL OF UNIT~~

~~OWNERS IF AN ACT OR FAILURE TO ACT BY THE BOARD OF DIRECTORS WOULD RESULT IN:~~

~~(1) A CLOUD ON THE TITLE TO THE PROPERTY OF ALL UNIT OWNERS; OR~~

~~(2) A SUBSTANTIAL IMPAIRMENT OF THE ABILITY OF A UNIT OWNER TO SELL THE UNIT OWNER'S UNIT.~~

~~(B) UNIT OWNERS ENTITLED TO CAST AT LEAST 10% OF THE VOTES IN THE COUNCIL OF THREE OR MORE UNIT OWNERS MAY PETITION THE CIRCUIT COURT FOR THE COUNTY WHERE THE CONDOMINIUM IS LOCATED TO APPOINT A AN INDEPENDENT RECEIVER TO MANAGE THE AFFAIRS OF THE COUNCIL OF UNIT OWNERS IF:~~

~~(1) THERE ARE INSUFFICIENT MEMBERS REMAINING ON THE BOARD OF DIRECTORS TO CONSTITUTE A QUORUM; AND~~

~~(2) THE COUNCIL OF UNIT OWNERS IS OTHERWISE UNABLE TO CONDUCT THE BUSINESS OF THE CONDOMINIUM.~~

~~(C) (1) AT LEAST 30 45 DAYS BEFORE FILING THE PETITION IN THE COURT UNDER SUBSECTION (A) OR (B) OF THIS SECTION, THE PETITIONERS SHALL MAIL TO ALL UNIT OWNERS:~~

~~(i) A COPY OF THE PETITION; AND~~

~~(ii) A NOTICE DESCRIBING THE RIGHT TO OBJECT TO THE APPOINTMENT OF A AN INDEPENDENT RECEIVER BY FILING AN ANSWER TO THE PETITION.~~

~~(2) THE PETITIONERS SHALL POST A COPY OF A NOTICE DESCRIBING THE PETITION AND THE PROPOSED ACTION IN A CONSPICUOUS PLACE ON THE CONDOMINIUM PROPERTY.~~

~~(D) (1) AFTER A HEARING, THE COURT MAY APPOINT A AN INDEPENDENT RECEIVER TO MANAGE THE AFFAIRS OF THE COUNCIL OF UNIT OWNERS.~~

~~(2) A AN INDEPENDENT RECEIVER APPOINTED UNDER THIS SECTION SHALL HAVE ALL THE POWERS AND DUTIES OF A DULY CONSTITUTED BOARD OF DIRECTORS.~~

~~(3) (i) IF A AN INDEPENDENT RECEIVER IS APPOINTED PURSUANT TO A PETITION FILED UNDER SUBSECTION (A) OF THIS SECTION, THE RECEIVER SHALL SERVE UNTIL:~~

~~1. THE CLOUD ON THE TITLE HAS BEEN CLEARED;~~
OR

~~2. THE SUBSTANTIAL IMPAIRMENT HAS ABATED.~~

~~(ii) IF A AN INDEPENDENT RECEIVER IS APPOINTED PURSUANT TO A PETITION FILED UNDER SUBSECTION (B) OF THIS SECTION, THE RECEIVER SHALL SERVE UNTIL THE COUNCIL OF UNIT OWNERS FILLS VACANCIES ON THE BOARD OF DIRECTORS SUFFICIENT TO CONSTITUTE A QUORUM.~~

~~(e) IF A AN INDEPENDENT RECEIVER IS APPOINTED, THE SALARY OF THE RECEIVER, COURT COSTS, AND REASONABLE ATTORNEY'S FEES ARE COMMON EXPENSES.~~

~~11B-111.5.~~

~~(A) LOT OWNERS REPRESENTING AT LEAST 60% OF THE LOT OWNERS IN A DEVELOPMENT MAY PETITION THE CIRCUIT COURT FOR THE COUNTY WHERE THE DEVELOPMENT IS LOCATED TO APPOINT A AN INDEPENDENT RECEIVER TO MANAGE THE AFFAIRS OF THE GOVERNING BODY IF AN ACT OR FAILURE TO ACT BY THE GOVERNING BODY WOULD RESULT IN:~~

~~(1) A CLOUD ON THE TITLE TO THE PROPERTY OF ALL LOTS IN THE DEVELOPMENT; OR~~

~~(2) A SUBSTANTIAL IMPAIRMENT OF THE ABILITY OF A LOT OWNER IN THE DEVELOPMENT TO SELL THE OWNER'S LOT.~~

~~(B) LOT OWNERS REPRESENTING AT LEAST 10% OF THE THREE OR MORE LOT OWNERS IN A DEVELOPMENT MAY PETITION THE CIRCUIT COURT FOR THE COUNTY WHERE THE DEVELOPMENT IS LOCATED TO APPOINT A AN INDEPENDENT RECEIVER TO MANAGE THE AFFAIRS OF THE GOVERNING BODY IF:~~

~~(1) THERE ARE INSUFFICIENT MEMBERS REMAINING ON THE GOVERNING BODY TO CONSTITUTE A QUORUM; AND~~

~~(2) THE GOVERNING BODY IS OTHERWISE UNABLE TO CONDUCT BUSINESS.~~

~~(C) (1) AT LEAST 30 45 DAYS BEFORE FILING THE PETITION IN THE COURT UNDER SUBSECTION (A) OR (B) OF THIS SECTION, THE PETITIONERS SHALL MAIL TO THE OWNER OF EACH LOT IN THE DEVELOPMENT:~~

~~(I) A COPY OF THE PETITION; AND~~

~~(II) A NOTICE DESCRIBING THE RIGHT TO OBJECT TO THE APPOINTMENT OF A AN INDEPENDENT RECEIVER BY FILING AN ANSWER TO THE PETITION.~~

~~(2) THE PETITIONERS SHALL POST A COPY OF A NOTICE DESCRIBING THE PETITION AND THE PROPOSED ACTION IN A CONSPICUOUS PLACE ON THE HOMEOWNERS ASSOCIATION PROPERTY THAT REASONABLY COULD BE SEEN BY ALL LOT OWNERS.~~

~~(D) (1) AFTER A HEARING, THE COURT MAY APPOINT A AN INDEPENDENT RECEIVER TO MANAGE THE AFFAIRS OF THE GOVERNING BODY OF THE HOMEOWNERS ASSOCIATION.~~

~~(2) A AN INDEPENDENT RECEIVER APPOINTED UNDER THIS SECTION SHALL HAVE ALL THE POWERS AND DUTIES OF A DULY CONSTITUTED GOVERNING BODY.~~

~~(3) (I) IF A AN INDEPENDENT RECEIVER IS APPOINTED PURSUANT TO A PETITION FILED UNDER SUBSECTION (A) OF THIS SECTION, THE RECEIVER SHALL SERVE UNTIL:~~

~~1. THE CLOUD ON TITLE HAS BEEN CLEARED; OR~~

~~2. THE SUBSTANTIAL IMPAIRMENT HAS ABATED.~~

~~(II) IF A AN INDEPENDENT RECEIVER IS APPOINTED PURSUANT TO A PETITION FILED UNDER SUBSECTION (B) OF THIS SECTION, THE RECEIVER SHALL SERVE UNTIL THE GOVERNING BODY FILLS VACANCIES ON THE GOVERNING BODY SUFFICIENT TO CONSTITUTE A QUORUM.~~

~~(E) IF A AN INDEPENDENT RECEIVER IS APPOINTED UNDER THIS SECTION, THE SALARY OF THE RECEIVER, COURT COSTS, AND REASONABLE ATTORNEY'S FEES ARE EXPENSES OF THE HOMEOWNERS ASSOCIATION.~~

(A) IF THE COUNCIL OF UNIT OWNERS FAILS TO FILL VACANCIES ON THE BOARD OF DIRECTORS SUFFICIENT TO CONSTITUTE A QUORUM IN ACCORDANCE WITH THE BYLAWS, THREE OR MORE UNIT OWNERS MAY PETITION THE CIRCUIT COURT FOR THE COUNTY WHERE THE CONDOMINIUM IS LOCATED TO APPOINT A RECEIVER TO MANAGE THE AFFAIRS OF THE COUNCIL OF UNIT OWNERS.

(B) (1) AT LEAST 30 DAYS BEFORE PETITIONING THE CIRCUIT COURT, THE UNIT OWNERS ACTING UNDER THE AUTHORITY GRANTED BY SUBSECTION (A) OF THIS SECTION SHALL MAIL TO THE COUNCIL OF UNIT OWNERS A NOTICE DESCRIBING THE PETITION AND THE PROPOSED ACTION.

(2) THE UNIT OWNERS SHALL POST A COPY OF THE NOTICE IN A CONSPICUOUS PLACE ON THE CONDOMINIUM PROPERTY.

(C) IF THE COUNCIL OF UNIT OWNERS FAILS TO FILL VACANCIES SUFFICIENT TO CONSTITUTE A QUORUM WITHIN THE NOTICE PERIOD, THE UNIT OWNERS MAY PROCEED WITH THE PETITION.

(D) A RECEIVER APPOINTED BY A COURT UNDER THIS SECTION MAY NOT RESIDE IN OR OWN A UNIT IN THE CONDOMINIUM GOVERNED BY THE COUNCIL OF UNIT OWNERS.

(E) (1) A RECEIVER APPOINTED UNDER THIS SECTION SHALL HAVE ALL POWERS AND DUTIES OF A DULY CONSTITUTED BOARD OF DIRECTORS.

(2) THE RECEIVER SHALL SERVE UNTIL THE COUNCIL OF UNIT OWNERS FILLS VACANCIES ON THE BOARD OF DIRECTORS SUFFICIENT TO CONSTITUTE A QUORUM.

(F) THE SALARY OF THE RECEIVER, COURT COSTS, AND REASONABLE ATTORNEY'S FEES ARE COMMON EXPENSES.

11B-111.5.

(A) IF A HOMEOWNERS ASSOCIATION FAILS TO FILL VACANCIES ON THE GOVERNING BODY SUFFICIENT TO CONSTITUTE A QUORUM IN ACCORDANCE WITH THE BYLAWS, THREE OR MORE OWNERS OF LOTS MAY PETITION THE CIRCUIT COURT FOR THE COUNTY WHERE THE CONDOMINIUM IS LOCATED TO APPOINT A RECEIVER TO MANAGE THE AFFAIRS OF THE HOMEOWNERS ASSOCIATION.

(B) (1) AT LEAST 30 DAYS BEFORE PETITIONING THE CIRCUIT COURT, THE LOT OWNERS ACTING UNDER THE AUTHORITY GRANTED BY SUBSECTION (A)

OF THIS SECTION SHALL MAIL TO THE GOVERNING BODY A NOTICE DESCRIBING THE PETITION AND THE PROPOSED ACTION.

(2) THE LOT OWNERS SHALL MAIL A COPY OF THE NOTICE TO THE OWNER OF EACH LOT IN THE DEVELOPMENT.

(C) IF THE GOVERNING BODY FAILS TO FILL VACANCIES SUFFICIENT TO CONSTITUTE A QUORUM WITHIN THE NOTICE PERIOD, THE LOT OWNERS MAY PROCEED WITH THE PETITION.

(D) A RECEIVER APPOINTED BY A COURT UNDER THIS SECTION MAY NOT RESIDE IN OR OWN A LOT IN THE DEVELOPMENT GOVERNED BY THE HOMEOWNERS ASSOCIATION.

(E) (1) A RECEIVER APPOINTED UNDER THIS SECTION SHALL HAVE ALL POWERS AND DUTIES OF A DULY CONSTITUTED GOVERNING BODY.

(2) THE RECEIVER SHALL SERVE UNTIL THE HOMEOWNERS ASSOCIATION FILLS VACANCIES ON THE GOVERNING BODY SUFFICIENT TO CONSTITUTE A QUORUM.

(F) THE SALARY OF THE RECEIVER, COURT COSTS, AND REASONABLE ATTORNEY'S FEES ARE EXPENSES OF THE HOMEOWNERS ASSOCIATION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 322

(Senate Bill 296)

AN ACT concerning

Baltimore County – Property Tax Credit – Leadership Through Athletics, Inc.

FOR the purpose of authorizing the governing body of Baltimore County to grant, by law, a property tax credit against the county tax imposed on personal property that is owned by Leadership Through Athletics, Inc.; providing for the

application of this Act; and generally relating to a property tax credit in Baltimore County for Leadership Through Athletics, Inc.

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 9–305(b)
Annotated Code of Maryland
(2001 Replacement Volume and 2006 Supplement)

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

Article – Tax – Property

9–305.

(b) The governing body of Baltimore County may grant, by law, a property tax credit under this section against the county property tax imposed on:

(1) real property that is owned by the Twin River Protective and Improvement Association, Incorporated;

(2) real property that is owned by the Bowley’s Quarters Improvement Association, Incorporated;

(3) real property that is owned by the Oliver Beach Improvement Association, Incorporated;

(4) real property that is owned by the Baltimore County Game and Fish Association;

(5) real property that is owned by the Eastfield Civic Association, Incorporated;

(6) real property that is owned by the Rockaway Beach Improvement Association;

(7) real property that is used only for and occupied by the Fire Museum of Maryland;

(8) real property that is owned by the Carney Rod and Gun Club;

(9) real property improvements that promote business redevelopment, for which credit:

(i) the governing body shall define by law what improvements are eligible; and

(ii) on reassessment by the supervisor, the governing body shall determine the credit as a percentage of the actual cost of the improvements;

(10) each unit of a condominium (as both are defined in § 11-101 of the Real Property Article), if:

(i) the governing body of the county consults with the council of unit owners (as defined in § 11-101 of the Real Property Article) of the condominium; and

(ii) the council of unit owners provides services or maintains common elements (as defined in § 11-101 of the Real Property Article) that would otherwise be the responsibility of the county;

(11) dwellings, the land on which the dwelling is located and other improvements to the land if:

(i) the dwelling is in a homeowners' association where the dwelling has a declaration of covenants or restrictive covenants that may be enforced by an association of members;

(ii) the governing body of the county consults with the homeowners' association; and

(iii) the governing body of the county determines that the homeowners' association provides services that would otherwise be the responsibility of the county;

(12) real property that is:

(i) owned by the Rosa Ponselle Charitable Foundation, Incorporated, known as "Villa Pace"; and

(ii) not exempt under this article;

(13) agricultural land, not including any improvements, that is located in an agricultural preservation district;

(14) real property that is owned by Friends of the Oliver House, Inc.;

(15) real property that is owned by the Bird River Beach Community Association, Inc.;

(16) real property that is owned by Harewood Park Community League, Inc.;

(17) real property that is owned by any other nonprofit community association, civic league or organization, or recreational or athletic organization;

(18) personal property that is owned by the Genesee Valley Outdoor Learning Center, Inc.; [and]

(19) real property that is owned by The Maryland State Game and Fish Protective Association, Inc.; AND

(20) PERSONAL PROPERTY THAT IS OWNED BY LEADERSHIP THROUGH ATHLETICS, INC.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007, and shall be applicable to all taxable years beginning after June 30, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 323

(House Bill 597)

AN ACT concerning

Baltimore County – Property Tax Credit – Leadership Through Athletics, Inc.

FOR the purpose of authorizing the governing body of Baltimore County to grant, by law, a property tax credit against the county tax imposed on personal property that is owned by Leadership Through Athletics, Inc.; providing for the application of this Act; and generally relating to a property tax credit in Baltimore County for Leadership Through Athletics, Inc.

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 9–305(b)

Annotated Code of Maryland

(2001 Replacement Volume and 2006 Supplement)

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

Article - Tax - Property

9-305.

(b) The governing body of Baltimore County may grant, by law, a property tax credit under this section against the county property tax imposed on:

(1) real property that is owned by the Twin River Protective and Improvement Association, Incorporated;

(2) real property that is owned by the Bowley's Quarters Improvement Association, Incorporated;

(3) real property that is owned by the Oliver Beach Improvement Association, Incorporated;

(4) real property that is owned by the Baltimore County Game and Fish Association;

(5) real property that is owned by the Eastfield Civic Association, Incorporated;

(6) real property that is owned by the Rockaway Beach Improvement Association;

(7) real property that is used only for and occupied by the Fire Museum of Maryland;

(8) real property that is owned by the Carney Rod and Gun Club;

(9) real property improvements that promote business redevelopment, for which credit:

(i) the governing body shall define by law what improvements are eligible; and

(ii) on reassessment by the supervisor, the governing body shall determine the credit as a percentage of the actual cost of the improvements;

(10) each unit of a condominium (as both are defined in § 11-101 of the Real Property Article), if:

(i) the governing body of the county consults with the council of unit owners (as defined in § 11-101 of the Real Property Article) of the condominium; and

(ii) the council of unit owners provides services or maintains common elements (as defined in § 11-101 of the Real Property Article) that would otherwise be the responsibility of the county;

(11) dwellings, the land on which the dwelling is located and other improvements to the land if:

(i) the dwelling is in a homeowners' association where the dwelling has a declaration of covenants or restrictive covenants that may be enforced by an association of members;

(ii) the governing body of the county consults with the homeowners' association; and

(iii) the governing body of the county determines that the homeowners' association provides services that would otherwise be the responsibility of the county;

(12) real property that is:

(i) owned by the Rosa Ponselle Charitable Foundation, Incorporated, known as "Villa Pace"; and

(ii) not exempt under this article;

(13) agricultural land, not including any improvements, that is located in an agricultural preservation district;

(14) real property that is owned by Friends of the Oliver House, Inc.;

(15) real property that is owned by the Bird River Beach Community Association, Inc.;

(16) real property that is owned by Harewood Park Community League, Inc.;

(17) real property that is owned by any other nonprofit community association, civic league or organization, or recreational or athletic organization;

(18) personal property that is owned by the Genesee Valley Outdoor Learning Center, Inc.; [and]

(19) real property that is owned by The Maryland State Game and Fish Protective Association, Inc.; AND

(20) PERSONAL PROPERTY THAT IS OWNED BY LEADERSHIP THROUGH ATHLETICS, INC.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007, and shall be applicable to all taxable years beginning after June 30, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 324

(Senate Bill 309)

AN ACT concerning

Civil Actions or Claims - Reports - Dismissal ~~or Termination~~ - Limitations

FOR the purpose of authorizing the commencement of a new civil action or claim if a prior action or claim for the same cause against the same party or parties was commenced within the applicable period of limitations, and was dismissed or terminated in a manner other than by a final judgment on the merits without prejudice for failure to file a certain report under certain circumstances; providing the time period within which a new civil action or claim may be commenced in accordance with this Act; providing for the application of this Act; and generally relating to altering the periods of limitations on commencement of certain civil actions and claims under certain circumstances.

BY adding to

Article - Courts and Judicial Proceedings
Section 5-118
Annotated Code of Maryland
(2006 Replacement Volume)

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

Article - Courts and Judicial Proceedings

5-118.

(A) (1) THIS SECTION DOES NOT APPLY TO A VOLUNTARY DISMISSAL OF A CIVIL ACTION OR CLAIM BY THE PARTY WHO COMMENCED THE ACTION OR CLAIM.

(2) THIS SECTION APPLIES ONLY TO A CIVIL ACTION OR CLAIM THAT IS DISMISSED ONCE FOR FAILURE TO FILE A REPORT IN ACCORDANCE WITH § 3-2A-04(B)(3) OF THIS ARTICLE.

(B) IF A CIVIL ACTION OR CLAIM IS COMMENCED BY A PARTY WITHIN THE APPLICABLE PERIOD OF LIMITATIONS AND IS DISMISSED ~~OR TERMINATED~~ IN A MANNER OTHER THAN BY A FINAL JUDGMENT ON THE MERITS WITHOUT PREJUDICE, THE PARTY MAY COMMENCE A NEW CIVIL ACTION OR CLAIM FOR THE SAME CAUSE ~~WITHIN~~ AGAINST THE SAME PARTY OR PARTIES ON OR BEFORE THE LATER OF:

(1) THE EXPIRATION OF THE APPLICABLE PERIOD OF LIMITATIONS; ~~OR~~

(2) ~~1 YEAR~~ 6 MONTHS 60 DAYS FROM THE DATE OF THE DISMISSAL; OR

(3) AUGUST 1, 2007, IF THE ACTION OR CLAIM WAS DISMISSED ON OR AFTER NOVEMBER 17, 2006, BUT BEFORE JUNE 1, 2007 ~~OR TERMINATION.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any action *or claim* dismissed ~~or terminated~~ before the effective date of this Act for which a final judgment has been rendered and for which appeals, if any, have been exhausted before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 325

(Senate Bill 320)

AN ACT concerning

Law Enforcement Officers' Pension System – Membership – Martin State Airport Law Enforcement Officers

FOR the purpose of providing membership in the Law Enforcement Officers' Pension System to certain law enforcement officers at the Martin State Airport who are employed by the Military Department; and generally relating to membership in the Law Enforcement Officers' Pension System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 26–201 and 26–202
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

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

Article – State Personnel and Pensions

26–201.

(a) Except as provided in subsection (b) of this section, this subtitle applies only to:

(1) an employee of the Department of Natural Resources commissioned by the Secretary of Natural Resources as:

(i) a Natural Resources police officer; or
(ii) a law enforcement officer, other than a Natural Resources police officer;

(2) a law enforcement officer employed by the Field Enforcement Bureau;

(3) a member of the Maryland Transportation Authority Police Force who has the powers granted to a police officer under § 4–208 of the Transportation Article;

- (4) a deputy sheriff employed by the Baltimore City Sheriff's Department;
- (5) a member of the University of Maryland Police Force who has the powers granted to a police officer under § 13-601 of the Education Article;
- (6) a law enforcement officer or firefighter employed by a participating governmental unit that on or after July 1, 1999 has elected to participate in the Law Enforcement Officers' Pension System;
- (7) the State Fire Marshal or a Deputy State Fire Marshal;
- (8) a member of the Morgan State University Police Force who has the powers granted to a police officer under § 14-106 of the Education Article;
- (9) a member of the BWI Airport Fire & Rescue Department;
- (10) a member of the Department of General Services Police Force who has the powers granted to a police officer under § 4-605 of the State Finance and Procurement Article;
- (11) an employee of the Department of Health and Mental Hygiene commissioned by the Secretary of Health and Mental Hygiene as a Health and Mental Hygiene police officer;
- (12) an employee of the Motor Vehicle Administration commissioned by the Secretary of Transportation as a Motor Vehicle Administration police officer;
- (13) an employee of the Department of Labor, Licensing, and Regulation commissioned by the Secretary of Labor, Licensing, and Regulation as a Labor, Licensing, and Regulation police officer;
- (14) a firefighter **OR LAW ENFORCEMENT OFFICER** for the Martin State Airport employed by the Military Department;
- (15) a police officer employed by the Division of Rehabilitation Services in the Department of Education, certified in accordance with the Maryland Police and Correctional Training Commissions;
- (16) a firefighter or paramedic employed by the Salisbury Fire Department who is eligible to be a member as provided in Title 31, Subtitle 2A of this article;
- (17) an aviator employed by the Department of State Police to operate an aircraft for the State Emergency Medical System;

(18) a member of the Maryland Transit Administration Police Force who has the powers granted to a police officer under § 7-207 of the Transportation Article; or

(19) an individual who is elected or appointed as the Baltimore City Sheriff and who does not elect to join the Employees' Pension System under Title 23 of this article within 6 months of the date the individual begins serving as the Baltimore City Sheriff.

(b) This subtitle does not apply to:

(1) a Maryland Transportation Authority police officer who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1996;

(2) a deputy sheriff employed by the Baltimore City Sheriff's Department who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1996;

(3) a member of the University of Maryland Police Force who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1997;

(4) a law enforcement officer or firefighter employed by a participating governmental unit who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1997;

(5) a Maryland Port Administration police officer who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1997;

(6) a State Fire Marshal or Deputy State Fire Marshal who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1996;

(7) a member of the Morgan State University Police Force who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1997;

(8) a member of the BWI Airport Fire & Rescue Department who transferred from the Employees' Retirement System to the Employees' Pension System on or after April 1, 1998;

(9) a member of the Department of General Services, Department of Health and Mental Hygiene, Motor Vehicle Administration, or Department of Labor, Licensing, and Regulation Police Force who transferred from the Employees' Retirement System to the Employees' Pension System on or after April 1, 1998;

(10) a firefighter **OR LAW ENFORCEMENT OFFICER** for the Martin State Airport employed by the Military Department who transferred from the Employees' Retirement System to the Employees' Pension System on or after April 1, 1998;

(11) a police officer employed by the Division of Rehabilitation Services in the Department of Education who:

(i) is certified in accordance with the Maryland Police and Correctional Training Commissions; and

(ii) transferred from the Employees' Retirement System to the Employees' Pension System on or after April 1, 1998;

(12) a firefighter or paramedic employed by the Salisbury Fire Department who transferred from the Employees' Retirement System to the Employees' Pension System on or after April 1, 1998; or

(13) an aviator employed by the Department of State Police to operate an aircraft for the State Emergency Medical System who transferred from the Employees' Retirement System to the Employees' Pension System on or after April 1, 1998.

26-202.

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

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

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

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

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

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

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

(vi) who is employed by a participating governmental unit on the effective date of participation on or after July 1, 1999 for that participating governmental unit and who elects membership within 6 months of the effective date of participation;

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

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

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

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

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

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

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

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

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

(XVI) WHO WAS EMPLOYED BY THE MILITARY DEPARTMENT AS A LAW ENFORCEMENT OFFICER AT MARTIN STATE AIRPORT ON JUNE 30, 2007, AND WHO ELECTS MEMBERSHIP ON OR BEFORE DECEMBER 31, 2007.

(2) To elect to be a member of the Law Enforcement Officers' Pension System, an individual shall file a written application with the State Retirement Agency.

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 326

(House Bill 152)

AN ACT concerning

**Law Enforcement Officers' Pension System - Membership - Martin State
Airport Law Enforcement Officers**

FOR the purpose of providing membership in the Law Enforcement Officers' Pension System to certain law enforcement officers at the Martin State Airport who are employed by the Military Department; and generally relating to membership in the Law Enforcement Officers' Pension System.

BY repealing and reenacting, with amendments,
Article - State Personnel and Pensions
Section 26-201 and 26-202

Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

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

Article – State Personnel and Pensions

26–201.

(a) Except as provided in subsection (b) of this section, this subtitle applies only to:

(1) an employee of the Department of Natural Resources commissioned by the Secretary of Natural Resources as:

(i) a Natural Resources police officer; or

(ii) a law enforcement officer, other than a Natural Resources police officer;

(2) a law enforcement officer employed by the Field Enforcement Bureau;

(3) a member of the Maryland Transportation Authority Police Force who has the powers granted to a police officer under § 4–208 of the Transportation Article;

(4) a deputy sheriff employed by the Baltimore City Sheriff's Department;

(5) a member of the University of Maryland Police Force who has the powers granted to a police officer under § 13–601 of the Education Article;

(6) a law enforcement officer or firefighter employed by a participating governmental unit that on or after July 1, 1999 has elected to participate in the Law Enforcement Officers' Pension System;

(7) the State Fire Marshal or a Deputy State Fire Marshal;

(8) a member of the Morgan State University Police Force who has the powers granted to a police officer under § 14–106 of the Education Article;

(9) a member of the BWI Airport Fire & Rescue Department;

(10) a member of the Department of General Services Police Force who has the powers granted to a police officer under § 4-605 of the State Finance and Procurement Article;

(11) an employee of the Department of Health and Mental Hygiene commissioned by the Secretary of Health and Mental Hygiene as a Health and Mental Hygiene police officer;

(12) an employee of the Motor Vehicle Administration commissioned by the Secretary of Transportation as a Motor Vehicle Administration police officer;

(13) an employee of the Department of Labor, Licensing, and Regulation commissioned by the Secretary of Labor, Licensing, and Regulation as a Labor, Licensing, and Regulation police officer;

(14) a firefighter **OR LAW ENFORCEMENT OFFICER** for the Martin State Airport employed by the Military Department;

(15) a police officer employed by the Division of Rehabilitation Services in the Department of Education, certified in accordance with the Maryland Police and Correctional Training Commissions;

(16) a firefighter or paramedic employed by the Salisbury Fire Department who is eligible to be a member as provided in Title 31, Subtitle 2A of this article;

(17) an aviator employed by the Department of State Police to operate an aircraft for the State Emergency Medical System;

(18) a member of the Maryland Transit Administration Police Force who has the powers granted to a police officer under § 7-207 of the Transportation Article; or

(19) an individual who is elected or appointed as the Baltimore City Sheriff and who does not elect to join the Employees' Pension System under Title 23 of this article within 6 months of the date the individual begins serving as the Baltimore City Sheriff.

(b) This subtitle does not apply to:

(1) a Maryland Transportation Authority police officer who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1996;

(2) a deputy sheriff employed by the Baltimore City Sheriff's Department who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1996;

(3) a member of the University of Maryland Police Force who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1997;

(4) a law enforcement officer or firefighter employed by a participating governmental unit who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1997;

(5) a Maryland Port Administration police officer who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1997;

(6) a State Fire Marshal or Deputy State Fire Marshal who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1996;

(7) a member of the Morgan State University Police Force who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1997;

(8) a member of the BWI Airport Fire & Rescue Department who transferred from the Employees' Retirement System to the Employees' Pension System on or after April 1, 1998;

(9) a member of the Department of General Services, Department of Health and Mental Hygiene, Motor Vehicle Administration, or Department of Labor, Licensing, and Regulation Police Force who transferred from the Employees' Retirement System to the Employees' Pension System on or after April 1, 1998;

(10) a firefighter **OR LAW ENFORCEMENT OFFICER** for the Martin State Airport employed by the Military Department who transferred from the Employees' Retirement System to the Employees' Pension System on or after April 1, 1998;

(11) a police officer employed by the Division of Rehabilitation Services in the Department of Education who:

(i) is certified in accordance with the Maryland Police and Correctional Training Commissions; and

(ii) transferred from the Employees' Retirement System to the Employees' Pension System on or after April 1, 1998;

(12) a firefighter or paramedic employed by the Salisbury Fire Department who transferred from the Employees' Retirement System to the Employees' Pension System on or after April 1, 1998; or

(13) an aviator employed by the Department of State Police to operate an aircraft for the State Emergency Medical System who transferred from the Employees' Retirement System to the Employees' Pension System on or after April 1, 1998.

26-202.

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

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

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

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

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

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

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

(vi) who is employed by a participating governmental unit on the effective date of participation on or after July 1, 1999 for that participating governmental unit and who elects membership within 6 months of the effective date of participation;

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

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

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

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

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

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

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

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

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

(XVI) WHO WAS EMPLOYED BY THE MILITARY DEPARTMENT AS A LAW ENFORCEMENT OFFICER AT MARTIN STATE AIRPORT ON JUNE 30, 2007, AND WHO ELECTS MEMBERSHIP ON OR BEFORE DECEMBER 31, 2007.

(2) To elect to be a member of the Law Enforcement Officers' Pension System, an individual shall file a written application with the State Retirement Agency.

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 327

(Senate Bill 356)

AN ACT concerning

Calvert County Board of Education – Compensation

FOR the purpose of altering the compensation received by certain members of the Calvert County Board of Education; providing that this Act does not apply to the salary or compensation of the incumbent members of the Board; and generally relating to the compensation received by members of the Calvert County Board of Education.

BY repealing and reenacting, with amendments,

Article – Education

Section 3–303

Annotated Code of Maryland
(2006 Replacement Volume)

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

Article – Education

3–303.

(a) At its first meeting at the beginning of each calendar year, the County Board shall elect a president and a vice president from among its members.

(b) (1) The president of the County Board is entitled to receive [~~\$5,000~~] **\$6,500** annually as compensation and the other members are entitled to receive [~~\$4,000~~] **\$5,500** each annually as compensation.

(2) An elected member is entitled to health insurance benefits regularly provided to employees of the Board of Education under the same terms and conditions extended to other employees of the Board of Education.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the *president and* members of the Calvert County Board of Education in office on the effective date of this Act, but the provisions of this Act concerning the salary or compensation of the *president and* members of the Calvert County Board of Education shall take effect at the beginning of the next following term of office.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 328

(Senate Bill 377)

AN ACT concerning

Cecil County – Board of Parks and Recreation – Appointment of Members

FOR the purpose of altering the manner of appointment of the members of the Board of Parks and Recreation for Cecil County; and generally relating to the appointment of the members of the Board of Parks and Recreation for Cecil County.

BY repealing and reenacting, without amendments,
The Public Local Laws of Cecil County
Section 57-1
Article 8 – Public Local Laws of Maryland
(1989 Edition and January 2006 Supplement, as amended)

BY repealing and reenacting, with amendments,
The Public Local Laws of Cecil County
Section 57-2 A.
Article 8 – Public Local Laws of Maryland
(1989 Edition and January 2006 Supplement, as amended)

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

Article 8 - Cecil County

57-1.

The Board of County Commissioners of Cecil County shall establish a Board of Parks and Recreation and a Director of Parks and Recreation, with powers and duties as specified in this chapter.

57-2.

A. The Board shall consist of eight (8) members, appointed by the Board of County Commissioners[, of whom each Commissioner shall appoint two (2)]. One (1) member shall be appointed by the Board of Education. The Board of County Commissioners shall annually select, from its membership, an ex officio member for this Board, who shall serve without voting privileges.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 329

(Senate Bill 412)

AN ACT concerning

State Retirement and Pension System - Compliance with the Federal Pension Protection Act of 2006

FOR the purpose of altering the criteria certain employers must meet to participate in the State Retirement and Pension System's employer pickup program; permitting certain surviving spouses and designated beneficiaries of the State Retirement and Pension System to rollover certain distributions; ~~permitting certain participants of the State Retirement and Pension System to make direct rollovers of certain distributions from the State Retirement and Pension System to a Roth Individual Retirement Account;~~ providing for the application of this Act; ~~providing for a delayed effective date of certain provisions of this Act;~~ and

generally relating to conforming the State Retirement and Pension System to federal tax legislation.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 21-313, 21-601(b), ~~(c)~~, and (d), and 21-602
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 21-601(a)
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

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

Article – State Personnel and Pensions

21-313.

(a) In this section, “approved employer” means a participating employer who [has received a favorable ruling from the Internal Revenue Service] **ADOPTS A RESOLUTION AND FOLLOWS PROCEDURES AS PRESCRIBED BY THE BOARD OF TRUSTEES** for an employer pickup program in accordance with § 414(h)(2) of the Internal Revenue Code.

(b) The State or other approved employer of a member shall pick up, within the meaning of § 414(h)(2) of the Internal Revenue Code, the member contributions required by this Division II.

(c) The member contributions under subsection (b) of this section:

(1) are designated as employee contributions to be picked up by the employing unit within the meaning of § 414(h)(2) of the Internal Revenue Code and shall be treated as employer contributions in determining tax treatment under that section;

(2) shall reduce the compensation of the member in an amount that equals the member contribution picked up by the employer;

(3) may not be included as gross income of the member until the pickup amounts are distributed or made available to the member;

(4) shall be paid by the State or other approved employer from the same source of funds that is used to pay compensation to the member; and

(5) for purposes of this Division II, shall be treated in the same manner and to the same extent as member contributions made before establishment of the employer pickup program.

21-601.

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

(b) "Direct rollover" means a payment by the State Retirement Agency directly to the eligible retirement plan specified by the participant **OR THE SURVIVING SPOUSE OF A PARTICIPANT.**

(d) (1) "Eligible rollover distribution" means a distribution:

(I) on or after January 1, 1993, to a participant of all or any part of the balance to the credit of the participant in any State system;

(II) **ON OR AFTER JANUARY 1, 2002, TO THE SURVIVING SPOUSE OF A MEMBER, FORMER MEMBER, OR RETIREE OF ALL OR ANY PART OF THE BALANCE TO THE CREDIT OF THE MEMBER, FORMER MEMBER, RETIREE, OR SURVIVING SPOUSE IN ANY STATE SYSTEM; OR**

(III) **ON OR AFTER JANUARY 1, 2007, TO THE DESIGNATED BENEFICIARY OF A MEMBER, FORMER MEMBER, OR RETIREE OF ALL OR ANY PART OF THE BALANCE TO THE CREDIT OF THE MEMBER, FORMER MEMBER, RETIREE, OR DESIGNATED BENEFICIARY IN ANY STATE SYSTEM.**

(2) "Eligible rollover distribution" does not include:

(i) any distribution that is one of a series of substantially equal periodic payments that are made at least annually for the life or life expectancy of the participant or the joint lives or joint life expectancies of the participant and the participant's beneficiary;

(ii) any distribution that is one of a series of substantially equal periodic payments made for a specified period of at least 10 years; or

(iii) any distribution that is required under § 401(a)(9) of the Internal Revenue Code.

21-602.

(a) Except as provided in subsections (b) and (c) of this section, a participant may elect on the form the Board of Trustees requires to have all or any part of an eligible rollover distribution paid to the eligible retirement plan in a direct rollover.

(b) If an eligible rollover distribution is payable to the [surviving spouse] DESIGNATED BENEFICIARY of a member, former member, or retiree, the [surviving spouse] DESIGNATED BENEFICIARY may only elect to have all or any part of the eligible rollover distribution paid in a direct rollover to an individual retirement account or individual retirement annuity.

(c) A member who is eligible to participate in the plan administered by the supplemental plan under Title 35, Subtitle 5 of this article may elect to have all or any part of the eligible rollover distribution paid in a direct rollover to the plan in accordance with the regulations adopted by the supplemental plan.

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:~~

~~Article — State Personnel and Pensions~~

~~21-601.~~

~~(c) "Eligible retirement plan" means:~~

~~(1) an individual retirement account described in § 408(a) of the Internal Revenue Code;~~

~~(2) an individual retirement annuity, other than an endowment contract, described in § 408(b) of the Internal Revenue Code;~~

~~(3) a qualified trust described in § 401(a) of the Internal Revenue Code that is exempt from tax under § 501(a) of the Internal Revenue Code;~~

~~(4) an annuity plan described in § 403(a) of the Internal Revenue Code;~~

~~(5) an annuity plan described in § 403(b) of the Internal Revenue Code; [or]~~

~~(6) a deferred compensation plan that is maintained by an eligible employer described in § 457 of the Internal Revenue Code or any successor provisions;~~
~~OR~~

~~(7) A BOTH INDIVIDUAL RETIREMENT ACCOUNT DESCRIBED IN § 408A(E) OF THE INTERNAL REVENUE CODE.~~

SECTION ~~3~~ 2. AND BE IT FURTHER ENACTED, That:

(a) Section 21-601(d)(1)(ii) of the State Personnel and Pensions Article, as amended by this Act, shall be construed to apply retroactively and shall be applied to and interpreted to affect any surviving spouse who received an eligible rollover distribution on or after January 1, 2002; and

(b) Section 21-601(d)(1)(iii) of the State Personnel and Pensions Article, as amended by this Act, shall be construed to apply retroactively and shall be applied to and interpreted to affect any designated beneficiary who received an eligible rollover distribution on or after January 1, 2007.

~~SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect January 1, 2008.~~

SECTION ~~5~~ 3. AND BE IT FURTHER ENACTED, That, ~~except as provided in Section 4 of this Act,~~ this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 330

(Senate Bill 440)

AN ACT concerning

Mid-Shore Regional Council - Membership ~~Immunity~~

FOR the purpose of altering the number of voting members of the Mid-Shore Regional Council appointed by the governing bodies of Caroline, Dorchester, and Talbot counties; authorizing the bylaws of the Mid-Shore Regional Council to provide for additional public membership on the Council; and ~~providing that generally relating to the membership of the Mid-Shore Regional Council is immune from being sued.~~

BY repealing and reenacting, with amendments,
 Article 20C - Mid-Shore Regional Council
 Section 2-101
 Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

~~By adding to
Article—Courts and Judicial Proceedings
Section 5—506.1
Annotated Code of Maryland
(2006 Replacement Volume)~~

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

Article 20C - Mid-Shore Regional Council

2-101.

(a) The membership of the Council consists of the following members from Caroline, Dorchester, and Talbot counties:

(1) [Nine] **SIX COUNCILMEMBERS OR** commissioners, [three] **TWO** from each county, appointed by their respective county governing bodies as voting members;

(2) Three county administrators, one from each county as nonvoting ex officio members;

(3) (i) Three municipal elected officials, one from each county, appointed by their respective municipal corporations as voting members; or

(ii) If the municipal corporations located in a county are unable to choose a municipal elected official within a reasonable period of time, the Eastern Shore Municipal Association shall appoint an elected municipal official to represent the municipal corporation;

(4) Members of the General Assembly representing the region who have a majority of their legislative district in the region as voting ex officio members;

(5) Members of the General Assembly representing the region who do not have a majority of their legislative district in the region as nonvoting ex officio members; and

(6) The other **COUNCILMEMBERS OR** commissioners as nonvoting ex officio members.

(b) (1) A voting **COUNCILMEMBER OR** commissioner listed under subsection (a)(1) of this section may designate another **COUNCILMEMBER OR**

commissioner or county administrator representing the same county to vote by proxy on behalf of the voting **COUNCILMEMBER OR** commissioner when the voting **COUNCILMEMBER OR** commissioner is absent from a meeting.

(2) A voting **COUNCILMEMBER OR** commissioner listed under subsection (a)(1) of this section shall inform the council executive director, in advance, of which other council members the voting **COUNCILMEMBER OR** commissioner designates to cast a proxy vote on behalf of the voting **COUNCILMEMBER OR** commissioner.

(c) The bylaws of the Council may provide for additional private citizen **OR PUBLIC** membership on the Council.

~~Article – Courts and Judicial Proceedings~~

~~5-506.1.~~

~~THE MID-SHORE REGIONAL COUNCIL IS IMMUNE FROM BEING SUED.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 331

(Senate Bill 457)

AN ACT concerning

Wicomico County – Board of License Commissioners – Attorney’s Salary

FOR the purpose of increasing the annual salary of the attorney for the Board of License Commissioners of Wicomico County; and generally relating to the Board of License Commissioners of Wicomico County.

BY repealing and reenacting, without amendments,
 Article 2B – Alcoholic Beverages
 Section 15-112(x)(1)
 Annotated Code of Maryland
 (2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Article 2B – Alcoholic Beverages
Section 15–112(x)(4)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article 2B – Alcoholic Beverages

15–112.

(x) (1) This subsection applies only in Wicomico County.

(4) (i) The Board may designate an attorney for the Board.

(ii) The annual salary is [~~\$6,000~~] **\$10,000** which shall be provided in the county budget.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 332

(Senate Bill 461)

AN ACT concerning

Labor and Employment – Maryland Workforce Investment Act – Transit Service for Low-Income Individuals

FOR the purpose of requiring the State Department of Transportation to ~~provide certain transit service to certain individuals who are engaged in an employment and training program under the Maryland Workforce Investment Act; requiring the State Human Resource Investment Council to reimburse the Department of Transportation for the cost of certain transit service to certain individuals~~ issue certain transit passes in a certain form to certain training organizations; requiring training organizations to provide certain transit passes to certain

individuals; requiring transit organizations to include a certain travel reimbursement provision in a certain contract for certain eligibility purposes; defining a certain term; and generally relating to transit service for low-income individuals participating in a certain employment and training program.

BY repealing and reenacting, with amendments,
 Article – Labor and Employment
 Section 11-502 and 11-504
 Annotated Code of Maryland
 (1999 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, without amendments,
 Article – Labor and Employment
 Section 11-503(c) and (m)
 Annotated Code of Maryland
 (1999 Replacement Volume and 2006 Supplement)

BY adding to
Article – Labor and Employment
Section 11-503(n)
Annotated Code of Maryland
(1999 Replacement Volume and 2006 Supplement)

~~BY repealing and reenacting, without amendments,
 Article – Transportation
 Section 7-101(d) and (m)
 Annotated Code of Maryland
 (2001 Replacement Volume and 2006 Supplement)~~

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

Article – Labor and Employment

11-502.

(a) It is State policy to coordinate all the resources available from federal, State and local governments, business, labor, and community based organizations to foster and promote a balanced, equitable, and cost-effective employment and training system. To effectuate this policy there shall be consultation between the Governor and the General Assembly in implementing the federal Workforce Investment Act and this subtitle.

(b) It is the State's goal to assist its citizens in obtaining gainful employment and in reducing dependence on public assistance and unemployment insurance programs by:

(1) preparing unskilled youth and adults who are economically disadvantaged for entry into the work force;

(2) retraining those who have lost jobs or who must upgrade or replace their work skills or both; and

(3) providing training and related services, **INCLUDING SUPPORTIVE SERVICES FOR LOW-INCOME INDIVIDUALS**, to increase the employability of those who encounter barriers to employment.

(c) It is also the State's goal to develop a well trained productive work force which meets the needs of a changing economy by:

(1) developing and ensuring maximum utilization of timely statewide labor market information;

(2) linking employment and training services with economic development efforts;

(3) providing enhanced employment and training capabilities specially designed to meet the needs of business and industry, including industries that utilize advanced technology applications; and

(4) encouraging and initiating innovative employment and training strategies.

11-503.

(c) "Low-income individual" means an individual who:

(1) receives, or is a member of a family which receives, cash welfare payments under a federal, State, or local income-based public assistance program;

(2) received an income, or is a member of a family that received a total family income for the 6-month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, payments described in paragraph (1) of this subsection, and old age and survivors insurance benefits received under Section 202 of the Social Security Act (42 U.S.C. § 402)) that, in relation to family size, does not exceed the higher of:

(i) the poverty level for an equivalent period; or

(ii) 70 percent of the lower living standard income level for an equivalent period;

(3) is a member of a household that receives food stamps or has been determined within the 6-month period prior to application for the program involved to be eligible to receive food stamps pursuant to the Food Stamp Act of 1977 (7 U.S.C. § 2011 et seq.);

(4) is a foster child on behalf of whom State or local government payments are made;

(5) in cases permitted by regulations promulgated by the Secretary, is an adult individual with a disability whose own income meets the requirements of a program described in paragraph (1) or (2) of this subsection, but who is a member of a family whose income does not meet such requirements; or

(6) qualifies as a homeless individual, as defined in subsections (a) and (c) of § 103 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. § 11302).

(m) “Supportive services” means services such as transportation, child care, dependent care, housing, and needs-related payments that are necessary to enable an individual to participate in activities authorized under the federal Act, consistent with the federal Act.

(N) “TRAINING ORGANIZATION” MEANS AN ENTITY THAT PROVIDES TRAINING AND EMPLOYMENT SERVICES TO INDIVIDUALS DESCRIBED IN § 11-504(B) OF THIS SUBTITLE.

11-504.

(a) A workforce investment training program is established to implement the federal Act.

(b) **(1)** This program shall provide employment, training, supportive and related services for unemployed individuals who are low income, for dislocated workers, and for those who are not low income, but who qualify under the federal Act as having barriers to employment, including, but not limited to, displaced homemakers, school dropouts, teenage parents, individuals with disabilities, older workers, veterans, and other participants as defined by the federal Act.

(2) (I) ~~THE SUBJECT TO SUBPARAGRAPH (IV) OF THIS PARAGRAPH, THE STATE DEPARTMENT OF TRANSPORTATION SHALL PROVIDE TRANSIT SERVICE, AS DEFINED UNDER § 7-101 OF THE TRANSPORTATION ARTICLE, AT NO CHARGE TO ANY LOW INCOME INDIVIDUAL WHILE THE~~

~~INDIVIDUAL IS ENGAGED IN EMPLOYMENT AND TRAINING SERVICES UNDER THIS PROGRAM.~~

~~(H) THE STATE COUNCIL SHALL REIMBURSE THE DEPARTMENT OF TRANSPORTATION FOR THE COST OF TRANSIT SERVICE PROVIDED TO A PROGRAM PARTICIPANT UNDER THIS PARAGRAPH TO THE EXTENT THE STATE COUNCIL RECEIVES FEDERAL PAYMENT FOR TRANSPORTATION SERVICES FOR PROGRAM PARTICIPANTS. ISSUE TO TRAINING ORGANIZATIONS WEEKLY TRANSIT PASSES, IN THE FORM OF MAGNETIC PASSES OR LOADED SMART CARDS, FOR LOCAL BUS, LIGHT RAIL, OR METRO SUBWAY SERVICE PROVIDED BY THE MARYLAND TRANSIT ADMINISTRATION.~~

(II) THE TRAINING ORGANIZATIONS SHALL PROVIDE THE WEEKLY TRANSIT PASSES ISSUED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH TO INDIVIDUALS RECEIVING EMPLOYMENT AND TRAINING SERVICES UNDER THE PROGRAM ESTABLISHED IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.

(III) A TRAINING ORGANIZATION SHALL REIMBURSE THE DEPARTMENT OF TRANSPORTATION FOR THE COST OF TRANSIT PASSES PROVIDED TO THE TRAINING ORGANIZATION UNDER THIS PARAGRAPH.

(IV) TO BE ELIGIBLE TO RECEIVE TRANSIT PASSES UNDER THIS PARAGRAPH, A TRAINING ORGANIZATION SHALL INCLUDE IN ITS CONTRACT WITH THE LOCAL WORKFORCE INVESTMENT BOARD OR LOCAL WORKFORCE INVESTMENT AGENCY A PROVISION REQUIRING REIMBURSEMENT OF THE TRAINING ORGANIZATION FOR ITS COSTS UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH.

(c) The County Commissioners of Carroll County may appropriate funds necessary to enter into contracts with private or public enterprises for the training or retraining of workers of those enterprises.

~~Article Transportation~~

~~7-101.~~

~~(d) "District" means:~~

~~(1) The Metropolitan Transit District, consisting of Baltimore City, Baltimore County, Anne Arundel County, and other areas as designated by the Secretary after consultation and coordination with the affected jurisdiction and subject to the provisions of the Washington Metropolitan Transit Authority Compact; and~~

~~(2) Any area in which railroad service is performed under contract with the Administration or in which railroad facilities are owned by the Administration.~~

~~(m) (1) "Transit service" means the transportation of persons and their packages and baggage and of newspapers, express, and mail in regular route, special, or charter service by means of transit facilities between points within the District.~~

~~(2) "Transit service" does not include any:~~

~~(i) Taxicab service;~~

~~(ii) Vanpool operation; or~~

~~(iii) Railroad service.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 333

(Senate Bill 476)

AN ACT concerning

~~Juveniles – Group Home Education Program~~
Task Force to Study Group Home Education and Placement Practices

FOR the purpose of ~~requiring the Department of Juvenile Services, in cooperation with the State Department of Education, to establish a Group Home Education Program in certain group homes in the State on or before a certain date; providing for the purpose of the Program; making certain provisions relating to education applicable to the Program; authorizing the Program to be conducted at certain locations; requiring teachers in the Program to take certain actions; requiring the curriculum of the Program to be developed under the jurisdiction of the State Department of Education; providing for certain funding; authorizing the Department of Juvenile Services and the State Department of Education to adopt certain regulations; and generally relating to the Group Home Education Program~~ establishing a Task Force to Study Group Home

Education and Placement Practices; providing for the membership and staffing of the Task Force; providing that the members of the Task Force may not receive compensation but are entitled to a certain reimbursement; establishing the duties of the Task Force; requiring the Task Force to submit certain reports to the Governor and the General Assembly on or before certain dates; providing for the termination of this Act; and generally relating to the Task Force to Study Group Home Education and Placement Practices.

~~BY repealing and reenacting, without amendments,~~

~~Article — Human Services~~

~~Section 9-231~~

~~Annotated Code of Maryland~~

~~(As enacted by Chapter ___ (S.B.6) of the Acts of the General Assembly of 2007)~~

~~BY adding to~~

~~Article — Human Services~~

~~Section 9-231.1~~

~~Annotated Code of Maryland~~

~~(As enacted by Chapter ___ (S.B.6) of the Acts of the General Assembly of 2007)~~

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

~~Article — Human Services~~

~~9-231.~~

~~(a) The Department may place children in group homes and institutions operated by nonprofit or for profit entities to provide for their care, diagnosis, training, education, and rehabilitation.~~

~~(b) (1) The Department shall reimburse the entities described in subsection (a) of this section for the cost of the services at appropriate monthly rates that the Department determines, as provided in the State budget.~~

~~(2) The Department may establish different reimbursement rates for homes and institutions that provide intermediate services and homes and institutions that provide full services.~~

~~(c) The Department may not place a child in a group home or other residential facility that is not operating in compliance with applicable State licensing laws.~~

~~9-231.1.~~

~~(A) ON OR BEFORE SEPTEMBER 1, 2011, THE DEPARTMENT, IN COOPERATION WITH THE STATE DEPARTMENT OF EDUCATION, SHALL ESTABLISH A GROUP HOME EDUCATION PROGRAM IN ALL GROUP HOMES IN THE STATE THAT:~~

~~(1) ACCEPT CHILDREN COMMITTED TO THE CUSTODY OF THE DEPARTMENT; AND~~

~~(2) ARE LICENSED BY THE DEPARTMENT.~~

~~(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE EDUCATIONAL INSTRUCTION FOR 12 MONTHS OF THE YEAR BY TEACHERS WHO HOLD A CERTIFICATE UNDER TITLE 6, SUBTITLE 1 OF THE EDUCATION ARTICLE.~~

~~(C) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE PROVISIONS OF DIVISION I AND DIVISION II OF THE EDUCATION ARTICLE SHALL APPLY TO THE PROGRAM ESTABLISHED UNDER THIS SECTION.~~

~~(2) THE PROGRAM MAY BE CONDUCTED ON-SITE AT THE GROUP HOME OR AT A REMOTE LOCATION DEDICATED SPECIFICALLY TO EDUCATING CHILDREN WHO ARE A PART OF THE PROGRAM.~~

~~(D) (1) THE TEACHERS IN THE PROGRAM SHALL DEVELOP AN INDIVIDUALIZED PLAN FOR EDUCATION FOR EACH CHILD IN THE PROGRAM WHO DOES NOT RECEIVE AN INDIVIDUALIZED EDUCATION PROGRAM, AS DEFINED IN § 8-408 OF THE EDUCATION ARTICLE.~~

~~(2) FOR EACH CHILD IN THE PROGRAM, THE TEACHERS SHALL PROVIDE A MONTHLY REPORT TO THE CHILD'S PARENTS, THE JUVENILE COURT, AND THE DEPARTMENT ON THE CHILD'S PROGRESS IN THE PROGRAM.~~

~~(E) (1) THE CURRICULUM OF THE PROGRAM SHALL BE DEVELOPED UNDER THE JURISDICTION OF THE STATE DEPARTMENT OF EDUCATION.~~

~~(2) FUNDING FOR THE PROGRAM SHALL INCLUDE ANY MONEYS THAT TRANSFER WITH THE CHILD FROM THE SCHOOL SYSTEM OF THE CHILD'S RESIDENCE.~~

~~(F) THE DEPARTMENT AND THE STATE DEPARTMENT OF EDUCATION MAY ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS SECTION.~~

(a) There is a Task Force to Study Group Home Education and Placement Practices.

(b) The Task Force consists of the following members:

(1) two members of the Senate of Maryland, appointed by the President of the Senate;

(2) two members of the House of Delegates, appointed by the Speaker of the House;

(3) the Secretary of Human Resources, or the Secretary's designee;

(4) the Secretary of Juvenile Services, or the Secretary's designee;

(5) the Secretary of Health and Mental Hygiene, or the Secretary's designee;

(6) the Secretary of Budget and Management, or the Secretary's designee;

(7) the State Superintendent of Schools, or the Superintendent's designee;

(8) the Executive Director of the Governor's Office for Children, or the Executive Director's designee; and

and (9) the Public Defender of Maryland, or the Public Defender's designee;

~~(9)~~ (10) the following members, appointed by the Governor:

(i) two representatives of local departments of social services;

(ii) two representatives of nonprofit service providers;

(iii) one representative of the State Coordinating Council;

(iv) one representative of a local coordinating council; and

(v) two representatives of the child advocacy community.

(c) The President of the Senate and the Speaker of the House shall jointly designate the chair of the Task Force.

(d) The ~~Department of Legislative Services~~ Governor's Office for Children shall provide staff for the Task Force.

- (e) A member of the Task Force:
- (1) may not receive compensation as a member of the Task Force; but
 - (2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.
- (f) (1) The Task Force shall:
- (i) examine the current status of group home education and placement practices in out-of-home placements licensed by State agencies; and
 - (ii) make recommendations for future requirements for the placement of children in State licensed programs.
- (2) The Task Force shall consider the following while making its findings and recommendations:
- (i) funding requirements for:
 1. programs for children committed to the Department of Juvenile Services and the Department of Human Resources;
 2. alternative programs;
 3. separate programs versus commingled programs; and
 4. other State agencies;
 - (ii) the feasibility of separate programs and facilities for children commingled in programs licensed by the Department of Juvenile Services, the Department of Human Resources, the Department of Health and Mental Hygiene, and the Maryland State Department of Education;
 - (iii) studies related to the commingling of children committed to the Department of Juvenile Services and the Department of Human Resources;
 - (iv) the demographics of children committed to the Department of Juvenile Services and the Department of Human Resources;
 - (v) the educational needs of youth served by group homes;
 - (vi) the fiscal impact of prohibiting commingling of children on current and future providers;

(vii) the number of negative incidents in commingled and noncommingled programs; and

(viii) the commitment history of children in commingled and noncommingled programs.

(g) The Task Force shall submit to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly:

(1) an interim report of its findings and recommendations on or before December 1, 2007; and

(2) a final report of its findings and recommendations on or before December 1, 2008.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2007. It shall remain effective for a period of 2 years and, at the end of June 30, 2009, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 8, 2007.

CHAPTER 334

(Senate Bill 515)

AN ACT concerning

State Retirement and Pension System – Administration – Simplification

FOR the purpose of allowing certain members of the State Retirement and Pension System to purchase certain service credit within a certain period of time; eliminating pro-rated payments of certain optional retirement allowances to certain retirees; providing that certain appointed and elected officials are not required to join the Employees' Pension System; requiring that certain eligible governmental units are responsible for certain member contributions under certain circumstances; clarifying that certain members of the Correctional Officers' Retirement System are eligible to receive a normal service retirement allowance and a deferred vested retirement allowance; requiring certain participating governmental units to offset certain workers' compensation benefits in a certain manner; repealing obsolete language regarding a local

retirement plan in Dorchester County; requiring certain eligible members of the Teachers' Retirement System or the Teachers' Pension System to elect membership in the Optional Retirement Program within a certain period of time; exempting from a certain offset of a retirement allowance certain members in the Judges' Retirement System; repealing certain provisions of the State Personnel and Pensions Article that set age restrictions for membership in the State Retirement and Pension System for certain individuals; providing that certain members of the Employees' Retirement System may receive a certain number of years of service credit for certain employment under certain circumstances; providing for the delayed effective date of a certain provision of this Act; providing for the application of a certain provision of this Act; providing for the termination of a certain provision of this Act; making certain technical and conforming changes; and generally relating to simplifying the administration of the State Retirement and Pension System.

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section 21–307, 21–403(e) and (f), 22–303.1, 23–201, ~~23–204, 23–206~~, 23–304.1, 23–306, 24–304.1, 25–304.1, 25–401, 26–306, 26–306.1, 27–406, 28–306, 28–306.1, 29–118(a), ~~and 29–302(e)~~ 29–302(c), 30–302, 30–303, and 30–305

Annotated Code of Maryland

(2004 Replacement Volume and 2006 Supplement)

~~BY adding to~~

~~Article – State Personnel and Pensions~~

~~Section 22–212.1 and 23–207~~

~~Annotated Code of Maryland~~

~~(2004 Replacement Volume and 2006 Supplement)~~

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section 6–306

Annotated Code of Maryland

(2004 Replacement Volume and 2006 Supplement)

(As enacted by Chapter 3 (S.B. 6) of the Acts of the General Assembly of 2007)

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

Article – State Personnel and Pensions

21–307.

(a) For a permanent employee of a board of supervisors of elections who is a member of the Employees' Retirement System or the Employees' Pension System, the county where the member is employed shall:

(1) pay to the Board of Trustees or the Central Payroll Bureau the employer contributions otherwise required to be made by the State on behalf of the member; and

(2) deduct from the compensation payable to the member and pay to the Board of Trustees or the Central Payroll Bureau the required member contributions.

(b) (1) For a master in chancery or a master in juvenile causes who is eligible for benefits under the Judges' Retirement System, the county where the master serves shall pay to the Judges' Retirement System a portion of the employer contributions required to be paid on behalf of the master as determined under paragraph (2) of this subsection.

(2) The amount payable by a county for a master under this subsection is the product of multiplying:

(i) the sum of the accrued liability contribution rate and the normal contribution rate; and

(ii) the difference between the master's current earnable compensation and the earnable compensation of the master as of January 1, 1989.

(c) For a member or retiree who transferred to the Teachers' Retirement System of the State of Maryland from the Employees' Retirement System of the City of Baltimore, the local system shall pay any excess of the amount to which the member or retiree would have been entitled under the provisions of the local system as they existed as of July 1, 1971, over the amount that is provided under this Division II.

(d) For an additional employee or agent of the State Racing Commission who is a member of the Employees' Pension System, the licensees of the State Racing Commission shall pay the employer contributions otherwise required to be made by the State on behalf of the member in the manner that the licensees pay the salary for an additional employee or agent under the Maryland Horse Racing Act.

[(e) For an employee of Dorchester County who is a member of the Employees' Pension System or the Employees' Retirement System, Dorchester County shall pay the employer contributions otherwise required to be made by the State on behalf of the member.]

[(f)] (E) (1) For a member of the State Police Retirement System, the State shall pay the cost of special death benefits under § 29–204(a)(2)(i)2 of this article, including the normal contribution rate and the accrued liability rate, up to the current contribution rate for employers for federal old age, survivors, and disability insurance.

(2) Except as provided in paragraph (3) of this subsection, the members shall pay the cost of the special death benefits that exceeds the current rate for federal old age, survivors, and disability insurance.

(3) The State shall pay the full costs of each special death benefit applicable to each member whose death arises out of or in the course of actual performance of duty.

[(g)] (F) For an employee of the Maryland Environmental Service who is a member of the Employees' Retirement System or the Pension System for Employees, the Maryland Environmental Service shall pay to the Board of Trustees the employer contributions otherwise required to be made by the State on behalf of the member.

[(h)] (G) For a court reporter for the Circuit Court for Charles County who is a member of the Employees' Retirement System or the Employees' Pension System, the County Commissioners of Charles County shall pay the employer contributions otherwise required to be made by the State on behalf of the member.

[(i)] (H) (1) Except as provided in subsection **[(j)] (I)** of this section, the University System of Maryland shall pay an annual accrued liability contribution equal to an amount that is sufficient to liquidate over not more than 5 years, the increase in the accrued liability by means of annual payments that increase each year based on actuarial assumptions adopted by the Board of Trustees on the recommendation of the actuary.

(2) The University System of Maryland:

(i) shall pay to the Board of Trustees the amount required under this subsection on July 1 of each year until the increase in the accrued liability is paid in full; and

(ii) may prepay all or a portion of the increase in the accrued liability in accordance with a calculation approved by the Board of Trustees.

[(j)] (I) (1) The Medical System, as defined in § 13–301(k) of the Education Article, shall pay an annual accrued liability contribution equal to an amount that is sufficient to liquidate, over not more than 5 years, the increase in the accrued liability determined under § 21–304(d)(2) of this subtitle that is attributable to the retirement of Medical System university personnel, as defined in § 13–301(q) of

the Education Article, by means of annual payments that increase each year based on actuarial assumptions adopted by the Board of Trustees on the recommendation of the actuary.

(2) The Medical System:

(i) shall pay to the Board of Trustees the amount required under this subsection on July 1 of each year until the increase in the accrued liability is paid in full; and

(ii) may prepay all or a portion of the increase in the accrued liability in accordance with a calculation approved by the Board of Trustees.

~~[(k)]~~ (J) For each employee who is subject to the contributory pension benefit under Title 23, Subtitle 2, Part II of this article, Frederick County shall pay the additional liabilities that result from the contributory pension benefit according to a schedule of amortization that is subject to the approval of the Board of Trustees.

~~[(l)]~~ (K) For each employee of a participating governmental unit that initially elects to provide its employees with the contributory pension benefit under Title 23, Subtitle 2, Part II of this article between July 1, 2002 and December 31, 2002, inclusive, the participating governmental unit shall pay the additional liabilities that result from the contributory pension benefit according to any increase in the normal cost percentage plus a schedule of amortization that is subject to the approval of the Board of Trustees.

~~[(m)]~~ (L) For each employee of the Maryland Transit Administration who is a member of the Law Enforcement Officers' Pension System, the Maryland Transit Administration shall pay to the Board of Trustees the employer contributions otherwise required to be made by the State on behalf of the member.

21-403.

(e) (1) Subject to paragraph (2) of this subsection, under Option 5, when a retiree dies, the Board of Trustees shall pay the retiree's reduced allowance to the designated beneficiary for the designated beneficiary's life.

(2) If the designated beneficiary dies before the retiree, then:

(i) ~~[from]~~ **BEGINNING IN THE MONTH FOLLOWING** the date of death of the designated beneficiary, the Board of Trustees shall pay the retiree the basic allowance; or

(ii) 1. the retiree may designate a new beneficiary in accordance with § 21-404 of this subtitle; and

2. the Board of Trustees shall pay the retiree an allowance as provided in § 21-404(d)(2) of this subtitle.

(f) (1) Subject to paragraph (2) of this subsection, under Option 6, when a retiree dies, the Board of Trustees shall pay 50% of the retiree's reduced allowance to the designated beneficiary for the designated beneficiary's life.

(2) If the designated beneficiary dies before the retiree, then:

(i) [from] BEGINNING IN THE MONTH FOLLOWING the date of death of the designated beneficiary, the Board of Trustees shall pay the retiree the basic allowance; or

(ii) 1. the retiree may designate a new beneficiary in accordance with § 21-404 of this subtitle; and

2. the Board of Trustees shall pay the retiree an allowance as provided in § 21-404(d)(2) of this subtitle.

~~22-212.1.~~

~~(A) THIS SECTION APPLIES TO AN INDIVIDUAL WHO:~~

~~(1) IS A MEMBER OF THE TEACHERS' RETIREMENT SYSTEM ON JUNE 30, 2007; AND~~

~~(2) IS ELIGIBLE TO PARTICIPATE IN THE OPTIONAL RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE.~~

~~(B) AN INDIVIDUAL DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION CONTINUES TO BE A MEMBER OF THE TEACHERS' RETIREMENT SYSTEM UNLESS THE INDIVIDUAL ELECTS TO PARTICIPATE IN THE OPTIONAL RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE ON OR BEFORE JUNE 30, 2008.~~

22-303.1.

(a) Except as provided in subsection (b) of this section, a member may not purchase service credit under this title if the member is separated from employment.

(b) A member WHO IS SEPARATED FROM EMPLOYMENT may purchase service credit under this title [if the member is on] FOR a leave of absence approved by the Board of Trustees under regulations that apply to all members, IF THE

MEMBER PURCHASES THE SERVICE CREDIT WITHIN 60 DAYS AFTER THE EXPIRATION OF THE LEAVE OF ABSENCE.

23-201.

(a) Except as provided in subsection (b) of this section, §§ 23-203 through 23-205 of this subtitle apply only to:

(1) a regular employee whose compensation is provided by State appropriation or paid from State funds;

(2) an appointed or elected official of the State, including:

(i) a clerk of the circuit court;

(ii) a register of wills;

(iii) a State's Attorney; and

(iv) a sheriff;

(3) an employee or official of a participating governmental unit who is eligible to participate under Title 31, Subtitle 1 of this article;

(4) an employee of the Office of the Sheriff of Baltimore City;

(5) an additional employee or agent of the State Racing Commission authorized by § 11-207 of the Business Regulation Article;

(6) a permanent employee of the board of supervisors of elections of a county;

(7) a full-time master in chancery or in juvenile causes who is appointed on or after July 1, 1989, in any county by the circuit court for that county;

(8) an employee of the Maryland Environmental Service who is a member of the Employees' Pension System on June 30, 1993, or transfers from the Employees' Retirement System on or after July 1, 1993;

[(9) an employee of Dorchester County who is not a member of the county's general pension and retirement program;]

[[10] (9) a former Baltimore City jail employee who became an employee of the Baltimore City Detention Center and a member of the Employees' Pension System on July 1, 1991;

[(11)](10) a nonfaculty employee of the Baltimore City Community College who:

(i) is a member of the Employees' Pension System on October 1, 2002;

(ii) transfers from the Employees' Retirement System on or after October 1, 2002;

(iii) transfers from the Teachers' Pension System in accordance with § 23-202.1 of this subtitle; or

(iv) becomes an employee of the Baltimore City Community College on or after October 1, 2002;

[(12)] (11) a court reporter for the Circuit Court for Charles County who is a member of the Employees' Pension System on July 1, 1994, or transfers from the Employees' Retirement System on or after July 1, 1994;

[(13)] (12) a staff employee of the University System of Maryland, Morgan State University, or St. Mary's College who is:

(i) a member of the Employees' Pension System on January 1, 1998, or transfers from the Employees' Retirement System on or after January 1, 1998; or

(ii) a staff employee of the University System of Maryland, Morgan State University, or St. Mary's College who becomes an employee on or after January 1, 1998;

[(14)] (13) on or after the date that the Board of Education of Kent County begins participation in the Employees' Pension System, a supportive service employee of the Board of Education of Kent County;

[(15)] (14) an employee of the Town of Oakland on or after the date that the Town of Oakland begins participation in the Employees' Pension System; and

[(16)] (15) an employee of the City of Frostburg on or after the date that the City of Frostburg begins participation in the Employees' Pension System.

(b) Sections 23-203 through 23-205 of this subtitle do not apply to:

(1) an individual who is or is entitled to be a member of any State system other than the Employees' Pension System;

- (2) a contractual, emergency, or temporary extra employee;
- (3) an individual who is employed under a federal public service employment program;
- (4) an assessor who is a member of a retirement or pension system operated by a political subdivision of the State;
- (5) an employee of a local board of elections who chooses to stay in a local merit system under § 2-207 of the Election Law Article;
- (6) a nonclerical or nonprofessional employee of the Baltimore City Community College who:
 - (i) was an employee of the New Community College of Baltimore during the 1989-1990 academic year;
 - (ii) was employed by the New Community College of Baltimore on or before December 31, 1990, as a "Class A" member of the Baltimore City Retirement Plan; and
 - (iii) elected to remain a member of the Baltimore City Retirement Plan;
- (7) an employee who is not a member of a State system and who accepts a position for which the budgeted hours per fiscal year are less than 500 hours in the first fiscal year of employment; [or]
- (8) an employee of the Domestic Relations Division of the Anne Arundel County Circuit Court who:
 - (i) was transferred on or after July 1, 2002, into the State Personnel Management System as an employee of the Child Support Enforcement Administration of the Maryland Department of Human Resources;
 - (ii) elected, under § 2-510 of the Courts Article, to remain as a participant in the Anne Arundel County Retirement and Pension System; and
 - (iii) remains as an employee of the Child Support Enforcement Administration of the Maryland Department of Human Resources or an attorney employed to represent the Child Support Enforcement Administration; [or]

(9) a nonfaculty employee of the Baltimore City Community College who is eligible to participate and elects to participate in an optional retirement program under Title 30 of this article; OR

(10) AN APPOINTED OR ELECTED OFFICIAL WHO ON OR AFTER JULY 1, 2007, IS A MEMBER OF ANY OTHER STATE OR LOCAL RETIREMENT OR PENSION SYSTEM AS DEFINED UNDER TITLE 37 OF THIS ARTICLE.

~~23-206.~~

~~(a) Except as provided in subsection (b) of this section, §§ 23-208 through 23-210 of this subtitle apply only to:~~

~~(1) an employee of a day school in the State under the authority and supervision of a county board of education or the Baltimore City Board of School Commissioners, employed as:~~

~~(i) a clerk;~~

~~(ii) a helping teacher;~~

~~(iii) a principal;~~

~~(iv) a superintendent;~~

~~(v) a supervisor; or~~

~~(vi) a teacher;~~

~~(2) a faculty employee of an educational institution supported by and under the control of the State;~~

~~(3) a librarian or clerical employee of a library that is established or operates under the Education Article;~~

~~(4) a professional or clerical employee of a community college that is established or operates under the Education Article;~~

~~(5) a staff employee of the University System of Maryland, Morgan State University, or St. Mary's College who is a member of the Teachers' Pension System as of January 1, 1998, or who transfers from the Teachers' Retirement System on or after January 1, 1998; or~~

~~(6) a nonfaculty employee of the Baltimore City Community College who:~~

~~(i) is a member of the Teachers' Pension System as of October 1, 2002 and does not transfer to the Employees' Pension System in accordance with § 23-202.1 of this subtitle; or~~

~~(ii) transfers from the Teachers' Retirement System on or after October 1, 2002.~~

~~(b) [Sections] EXCEPT AS PROVIDED IN § 23-207 OF THIS SUBTITLE, §§ 23-208 and 23-209 of this subtitle do not apply to:~~

~~(1) an individual who has elected to participate in an optional retirement program under Title 30 of this article WITHIN 1 YEAR OF BECOMING A MEMBER OF THE TEACHERS' PENSION SYSTEM;~~

~~(2) an individual who is employed under a federal public service employment program;~~

~~(3) a professional or clerical employee of the Department of Public Libraries of Montgomery County who is participating in the Employees' Retirement System of Montgomery County;~~

~~(4) a staff employee of the University System of Maryland, Morgan State University, or St. Mary's College who becomes employed on or after January 1, 1998 in a position as a staff employee of the educational institution that was eligible for membership in the Teachers' Retirement System or Teachers' Pension System under Chapter 6, § 8, paragraphs 1(a) and 2(a) of the Acts of 1994;~~

~~(5) an employee who is not a member of a State system and who accepts a position for which the budgeted hours per fiscal year are less than 500 hours in the first fiscal year of employment; or~~

~~(6) a nonfaculty employee of the Baltimore City Community College who becomes employed on or after October 1, 2002, or who transfers to the Employees' Pension System in accordance with § 23-202.1 of this subtitle.~~

~~**23-207.**~~

~~(A) THIS SECTION APPLIES TO AN INDIVIDUAL WHO:~~

~~(1) IS A MEMBER OF THE TEACHERS' PENSION SYSTEM ON JUNE 30, 2007; AND~~

~~(2) IS ELIGIBLE TO PARTICIPATE IN THE OPTIONAL RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE.~~

~~(B) AN INDIVIDUAL DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION CONTINUES TO BE A MEMBER OF THE TEACHERS' PENSION SYSTEM UNLESS THE INDIVIDUAL ELECTS TO PARTICIPATE IN THE OPTIONAL RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE ON OR BEFORE JUNE 30, 2008.~~

23-304.1.

(a) Except as provided in subsection (b) of this section, a member may not purchase service credit under this title if the member is separated from employment.

(b) A member WHO IS SEPARATED FROM EMPLOYMENT may purchase service credit under this title [if the member is on] FOR a leave of absence approved by the Board of Trustees under regulations that apply to all members, IF THE MEMBER PURCHASES THE SERVICE CREDIT WITHIN 60 DAYS AFTER THE EXPIRATION OF THE LEAVE OF ABSENCE.

23-306.

(A) A member is entitled to eligibility service during a leave of absence if the leave of absence:

(1) is approved by the Board of Trustees under regulations that apply to all members similarly situated; and

(2) is not otherwise recognized as eligibility service under this subtitle.

(B) TO RECEIVE SERVICE CREDIT FOR A LEAVE OF ABSENCE DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION, A MEMBER SHALL PAY THE MEMBER CONTRIBUTIONS WITH REGULAR INTEREST, IF ANY, AS DETERMINED BY THE BOARD OF TRUSTEES UNDER REGULATIONS THAT APPLY TO ALL MEMBERS SIMILARLY SITUATED.

24-304.1.

(a) Except as provided in subsection (b) of this section, a member may not purchase service credit under this title if the member is separated from employment.

(b) A member WHO IS SEPARATED FROM EMPLOYMENT may purchase service credit under this title [if the member is on] FOR a leave of absence approved by the Board of Trustees under regulations that apply to all members, IF THE MEMBER PURCHASES THE SERVICE CREDIT WITHIN 60 DAYS AFTER THE EXPIRATION OF THE LEAVE OF ABSENCE.

25-304.1.

(a) Except as provided in subsection (b) of this section, a member may not purchase service credit under this title if the member is separated from employment.

(b) A member **WHO IS SEPARATED FROM EMPLOYMENT** may purchase service credit under this title [if the member is on] **FOR** a leave of absence approved by the Board of Trustees under regulations that apply to all members, **IF THE MEMBER PURCHASES THE SERVICE CREDIT WITHIN 60 DAYS AFTER THE EXPIRATION OF THE LEAVE OF ABSENCE.**

25-401.

(a) A member may retire with a normal service retirement allowance if:

(1) on or before the date of retirement, the member has at least 20 years of eligibility service;

(2) for at least 5 years immediately before retirement, the member was:

(I) a security attendant at Clifton T. Perkins Hospital Center[.];

(II) a correctional officer in any of the first six job classifications[, or];

(III) **A DETENTION CENTER OFFICER EMPLOYED BY A PARTICIPATING GOVERNMENTAL UNIT THAT HAS ELECTED TO PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM;**

(IV) **AN INDIVIDUAL SERVING AS A CORRECTIONAL DIETARY, MAINTENANCE, OR SUPPLY OFFICER; OR**

(V) in a combination of these positions; and

(3) the member completes and submits a written application to the Board of Trustees stating the date when the member desires to retire.

(b) On retirement under this section, a member is entitled to receive a normal service retirement allowance that equals one fifty-fifth of the member's average final compensation multiplied by the number of years of creditable service.

26-306.

(A) A member is entitled to eligibility service during a leave of absence if the leave of absence:

- (1) is approved by the Board of Trustees under regulations that apply to all members similarly situated; and
- (2) is not otherwise recognized as eligibility service under this subtitle.

(B) TO RECEIVE SERVICE CREDIT FOR A LEAVE OF ABSENCE DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION, A MEMBER SHALL PAY THE MEMBER CONTRIBUTIONS WITH REGULAR INTEREST, IF ANY, AS DETERMINED BY THE BOARD OF TRUSTEES UNDER REGULATIONS THAT APPLY TO ALL MEMBERS SIMILARLY SITUATED.

26-306.1.

(a) Except as provided in subsection (b) of this section, a member may not purchase service credit under this title if the member is separated from employment.

(b) A member **WHO IS SEPARATED FROM EMPLOYMENT** may purchase service credit under this title [if the member is on] **FOR** a leave of absence approved by the Board of Trustees under regulations that apply to all members, **IF THE MEMBER PURCHASES THE SERVICE CREDIT WITHIN 60 DAYS AFTER THE EXPIRATION OF THE LEAVE OF ABSENCE.**

27-406.

(a) This section does not apply to a retiree who:

- (1) is temporarily assigned to sit in a court of this State under the authority of Article IV, § 3A of the Maryland Constitution; or
- (2) is reemployed as a member of the faculty of a community college in the State.

(b) [Subject to subsection (c) of this section, a] **A** retiree may accept employment in which all or part of the compensation for the employment comes from municipal, county, or State funds, if the retiree immediately notifies the Board of Trustees of:

- (1) the retiree's intention to accept the employment; and

(2) the compensation that the retiree will receive.

(c) (1) The Board of Trustees shall reduce [a retiree's retirement allowance by] **THE RETIREMENT ALLOWANCE OF A RETIREE WHO ACCEPTS EMPLOYMENT AS PROVIDED UNDER SUBSECTION (B) OF THIS SECTION IF THE RETIREE'S CURRENT EMPLOYER IS ANY UNIT OF STATE GOVERNMENT AND THE RETIREE'S EMPLOYER AT THE TIME OF THE RETIREE'S LAST SEPARATION FROM EMPLOYMENT WITH THE STATE BEFORE THE RETIREE COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE WAS ALSO A UNIT OF STATE GOVERNMENT.**

(2) THE REDUCTION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL EQUAL the amount that the sum of the retiree's annual retirement allowance and the retiree's annual compensation exceeds the amount of the compensation on which the retirement allowance is based.

~~[(2)]~~ **(D)** If a retiree accepts employment as allowed by subsection (a) of this section and is subsequently awarded retirement benefits because of that employment, the Board of Trustees shall reduce the retiree's benefits under this subtitle by the amount of the retirement benefits resulting from the subsequent employment **IF THE RETIREE'S CURRENT EMPLOYER IS ANY UNIT OF STATE GOVERNMENT AND THE RETIREE'S EMPLOYER AT THE TIME OF THE RETIREE'S LAST SEPARATION FROM EMPLOYMENT WITH THE STATE BEFORE THE RETIREE COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE WAS ALSO A UNIT OF STATE GOVERNMENT.**

28-306.

(A) A member is entitled to eligibility service during a leave of absence if the leave of absence:

(1) is approved by the Board of Trustees under regulations that apply to all members similarly situated; and

(2) is not otherwise recognized as eligibility service under this subtitle.

(B) TO RECEIVE SERVICE CREDIT FOR A LEAVE OF ABSENCE DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION, A MEMBER SHALL PAY THE MEMBER CONTRIBUTIONS WITH REGULAR INTEREST, IF ANY, AS DETERMINED BY THE BOARD OF TRUSTEES UNDER REGULATIONS THAT APPLY TO ALL MEMBERS SIMILARLY SITUATED.

28-306.1.

(a) Except as provided in subsection (b) of this section, a member may not purchase service credit under this title if the member is separated from employment.

(b) A member **WHO IS SEPARATED FROM EMPLOYMENT** may purchase service credit under this title [if the member is on] **FOR** a leave of absence approved by the Board of Trustees under regulations that apply to all members, **IF THE MEMBER PURCHASES THE SERVICE CREDIT WITHIN 60 DAYS AFTER THE EXPIRATION OF THE LEAVE OF ABSENCE.**

29-118.

(a) (1) Except as otherwise provided in this subsection, this section applies to a retiree and any designated beneficiary.

(2) (i) This section does not apply to:

1. A RETIREE OF A PARTICIPATING GOVERNMENTAL UNIT, OR A DESIGNATED BENEFICIARY OF THAT RETIREE; OR

2. a retiree of the Employees' Pension System or the Employees' Retirement System who receives a disability retirement benefit as a former employee of a county board of education[,] **OR** the Board of School Commissioners of Baltimore City, [or a participating governmental unit] or a designated beneficiary of that retiree.

(ii) A retiree [of the Employees' Pension System or the Employees' Retirement System who receives a disability benefit as a former employee of a county board of education, the Board of School Commissioners of Baltimore City, or a participating governmental unit] **DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH**, or a designated beneficiary of that retiree is subject to § 9-610 of the Labor and Employment Article.

29-302.

(c) A vested allowance is a deferred allowance starting at:

(1) normal retirement age for members of:

(i) the Employees' Retirement System;

(ii) the State Police Retirement System; and

(iii) the Teachers' Retirement System;

(2) age 55 for a member of the Correctional Officers' Retirement System who is:

(I) a correctional officer in the first six job classifications; [or]

(II) A DETENTION CENTER OFFICER EMPLOYED BY A PARTICIPATING GOVERNMENTAL UNIT WHO HAS ELECTED TO PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM; OR

(III) AN INDIVIDUAL SERVING AS A CORRECTIONAL DIETARY, MAINTENANCE, OR SUPPLY OFFICER; OR

(3) age 60 for a member of the Correctional Officers' Retirement System who is a maximum security attendant at the Clifton T. Perkins Hospital Center.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - State Personnel and Pensions

6-306.

[(a) Any individual 70 years old or older is eligible for appointment to any nontemporary position in the State Personnel Management System for which the individual qualifies, and the appointment is subject to the provisions of the State Personnel and Pensions Article.

[(b) Any individual who is first appointed to a nontemporary position governed by the State Personnel Management System at the age of 70 or older is not eligible for membership in the pension systems of the State.]

30-302.

(A) An election to participate in the program shall be made [as provided in this subtitle] BY AN ELIGIBLE EMPLOYEE WITHIN 1 YEAR OF FIRST BECOMING AN ELIGIBLE EMPLOYEE OF AN EMPLOYING INSTITUTION.

(B) AN ELIGIBLE EMPLOYEE'S ELECTION TO PARTICIPATE IN THE PROGRAM IS ~~IRREVOCABLE~~ A ONE-TIME IRREVOCABLE ELECTION.

30-303.

(a) An eligible employee shall elect to:

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

(2) participate in the program.

(b) An eligible employee shall:

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

(2) file the election with the Board of Trustees and the employing institution WITHIN 1 YEAR OF FIRST BECOMING AN ELIGIBLE EMPLOYEE OF AN EMPLOYING INSTITUTION.

(c) AN ELIGIBLE EMPLOYEE MAY NOT PARTICIPATE IN THE PROGRAM IF BOTH THE BOARD OF TRUSTEES AND THE EMPLOYING INSTITUTION HAVE NOT RECEIVED THE ELIGIBLE EMPLOYEE'S WRITTEN ELECTION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION, WITHIN 1 YEAR OF ~~THE ELIGIBLE EMPLOYEE ACCEPTING EMPLOYMENT~~ FIRST BECOMING AN ELIGIBLE EMPLOYEE WITH AN EMPLOYING INSTITUTION.

(d) The effective date of the election shall be the first day of the month after the election.

30-305.

(a) This section applies only to a State employee who becomes eligible to elect participation in the program if the employee is appointed, promoted, transferred, or reclassified to a [professional staff] position AS AN ELIGIBLE EMPLOYEE.

(b) A State employee described in subsection (a) of this section may elect to participate in the program.

(c) An eligible employee shall:

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

(2) file the election with the Board of Trustees and the employing institution WITHIN 1 YEAR OF FIRST BECOMING AN ELIGIBLE EMPLOYEE OF AN EMPLOYING INSTITUTION.

(d) AN ELIGIBLE EMPLOYEE MAY NOT PARTICIPATE IN THE PROGRAM IF BOTH THE BOARD OF TRUSTEES AND THE EMPLOYING INSTITUTION HAVE NOT RECEIVED THE ELIGIBLE EMPLOYEE'S WRITTEN ELECTION REQUIRED

UNDER SUBSECTION (C) OF THIS SECTION, WITHIN 1 YEAR OF ~~THE ELIGIBLE EMPLOYEE ACCEPTING EMPLOYMENT~~ FIRST BECOMING AN ELIGIBLE EMPLOYEE WITH AN EMPLOYING INSTITUTION.

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - State Personnel and Pensions

23-204.

(a) (1) This subsection applies to an individual who on June 30, 2004, receives an annual salary and who is:

(i) an elected or appointed official;

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

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

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

(v) an employee of Dorchester County who is not a member of the county's general pension and retirement program.

(2) Membership in the Employees' Pension System is optional for an individual under paragraph (1) of this subsection while the individual remains employed in the position the individual held on June 30, 2004.

(3) (I) IN LIEU OF MEMBERSHIP IN ANY OTHER RETIREMENT OR PENSION SYSTEM OPERATED UNDER THE LAWS OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE, AN INDIVIDUAL UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION MAY ELECT TO JOIN THE EMPLOYEES' PENSION SYSTEM WITHIN 1 YEAR OF EMPLOYMENT OR JULY 1, 2008, WHICHEVER IS LATER.

(II) AN INDIVIDUAL UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION WHO ELECTS TO JOIN THE EMPLOYEES' PENSION SYSTEM UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, MAY TRANSFER FROM A STATE OR LOCAL RETIREMENT OR PENSION SYSTEM TO THE EMPLOYEES' PENSION SYSTEM IN ACCORDANCE WITH TITLE 37 OF THIS ARTICLE, ANY SERVICE CREDIT EARNED WHILE SERVING IN THAT POSITION.

(b) (1) (i) Except as provided in paragraph (2) of this subsection, this subsection applies only to the employees of a participating governmental unit who:

1. are employed by the participating governmental unit on June 30, 2004; and

2. were employed by the participating governmental unit on the effective date of participation in the State systems.

(ii) Except as provided in paragraph (2) of this subsection, membership in the Employees' Pension System is optional for an individual under subparagraph (i) of this paragraph until the individual ceases employment with the participating governmental unit that was employing the individual on June 30, 2004.

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

(i) supportive service employees of the Board of Education of Kent County;

(ii) employees of the Town of Oakland; or

(iii) employees of the City of Frostburg.

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

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

(3) To elect to be a member of the Employees' Pension System under this subsection, an individual shall file a written application with the State Retirement Agency.

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

(D) (1) THIS SUBSECTION APPLIES TO AN INDIVIDUAL DESCRIBED IN § 23-201(A)(2)(IV) OF THIS SUBTITLE WHO ELECTS MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM UNDER THIS SECTION.

(2) AN INDIVIDUAL DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION MAY ELECT MEMBERSHIP IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM IF THE COUNTY EMPLOYING THE INDIVIDUAL ELECTS TO BECOME AN ELIGIBLE GOVERNMENTAL UNIT IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM IN ACCORDANCE WITH § 31-2A-02 THROUGH § 31-2A-05 OF THIS ARTICLE.

(3) IF AN INDIVIDUAL TRANSFERS TO THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM UNDER THIS SUBSECTION, THE ELIGIBLE GOVERNMENTAL UNIT IS RESPONSIBLE FOR ALL EMPLOYER CONTRIBUTIONS REQUIRED FOR THE INDIVIDUAL UNDER § 21-306.1 OF THIS ARTICLE.

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) (1) A member of the Employees' Retirement System who, on or before March 1, 1975, has been employed by the General Assembly as a desk officer on a full-time or part-time basis may receive up to 5 years of service credit for which the member is not otherwise entitled.

(2) Any service credit that a member of the Employees' Retirement System receives under paragraph (1) of this subsection shall be for the period of time that the member:

(i) was employed as a desk officer or in any other position as a full-time or part-time permanent, temporary, or contractual State employee; and

(ii) was not a member of the Employees' Retirement System.

(3) Except as provided in subsection (b) of this section, for service credit granted under this Act, a year or part of a year of employment equals 1 year of service credit.

(b) A member may receive service credit under subsection (a) of this section only for the period of time the member was employed, if the member receives service credit from the Employees' Retirement System for any employment during the same year as the service credit under subsection (a) of this section is accrued.

SECTION ~~3~~ 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect October 1, 2007.

SECTION 6. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall be construed to apply retroactively and shall be applied to and interpreted to affect any individual who on or after July 1, 2006, was serving as an elected or appointed official and was eligible for optional membership in the Employees' Pension System under § 23-204 of the State Personnel and Pensions Article.

SECTION ~~2~~ 4 ~~7~~ AND BE IT FURTHER ENACTED, That, except as provided in Section ~~3~~ 5 of this Act and subject to Section 6 of this Act, this Act shall take effect July 1, 2007. Section 4 of this Act shall remain effective for a period of 6 months and, at the end of December 31, 2007, with no further action required by the General Assembly. Section 4 of this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 8, 2007.

CHAPTER 335

(Senate Bill 571)

AN ACT concerning

Baltimore City - 46th Alcoholic Beverages District - Licenses

FOR the purpose of altering certain district designations to reflect that a Class B beer, wine and liquor license may be issued for a restaurant in a certain alcoholic beverages district in Baltimore City; authorizing the issuance of a certain license for use by a restaurant in a certain location; altering the minimum amount of capital investment for restaurant facilities required for the issuance of a certain license for use by a restaurant; authorizing the Baltimore City Board of Liquor License Commissioners to issue a Class C beer, wine and liquor license for use on the premises of a nonprofit organization in a certain location in Baltimore City; clarifying the description of an area in which a certain restaurant license may be issued only under certain circumstances; altering a certain definition; providing for the termination of a certain provision of this Act; and generally relating to the issuance of alcoholic beverages licenses in Baltimore City.

BY repealing and reenacting, without amendments,
 Article 2B – Alcoholic Beverages
 Section 6–201(d)(1)(i)
 Annotated Code of Maryland
 (2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
 Article 2B – Alcoholic Beverages
 Section 6–201(d)(1)(iii),(iv),(v), (vii),(viii)1., and (ix) and 9–102(b–3A)
 Annotated Code of Maryland
 (2005 Replacement Volume and 2006 Supplement)

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

Article 2B - Alcoholic Beverages

6-201.

(d) (1) (i) This subsection applies only in Baltimore City.

(iii) In this paragraph [“47th] **“46TH** Alcoholic Beverages District” [applies to the following areas of Baltimore City:

1. Wards 23, 24, and 25 in their entirety;
2. Ward 19, precincts 2 and 3;
3. Ward 20, precincts 19 and 20;
4. Ward 21, precinct 15; and

5. Ward 21, precincts 2 and 3] **MEANS AN AREA THAT AT ALL TIMES SHALL BE COTERMINOUS WITH THE 46TH LEGISLATIVE DISTRICT IN THE LEGISLATIVE DISTRICTING PLAN OF 2002 AS ORDERED BY THE MARYLAND COURT OF APPEALS ON JUNE 21, 2002.**

(iv) Except for the [47th] **46TH** Alcoholic Beverages District, this license shall be issued in accordance with the provisions of subsection (a) of this section.

(v) In **AN AREA COTERMINOUS WITH** the 47th Alcoholic Beverages District **AS THAT DISTRICT EXISTED BEFORE THE LEGISLATIVE DISTRICTING PLAN WAS ORDERED BY THE MARYLAND COURT OF APPEALS ON JUNE 21, 2002**, a Class B beer, wine and liquor license issued for use in a restaurant:

1. After July 1, 1991 may not include an off-sale alcoholic beverages privilege;
2. Before July 1, 1991 with an on-sale alcoholic beverages privilege only may not be changed or altered to include an off-sale alcoholic beverages privilege;
3. Before July 1, 1991 with both on- and off-sale alcoholic beverages privileges may continue to be sold, renewed, or transferred within the 47th Alcoholic Beverages District with both privileges; and

4. Except as provided in subparagraph (vi) of this paragraph, before July 1, 1991 may not include an off-sale privilege for sales of alcoholic beverages from 12 midnight on Saturday to 2 a.m. on Monday.

(vii) In addition to the other requirements provided for in this subsection, in the 46th [and 47th] Alcoholic Beverages [Districts] **DISTRICT** the restaurant shall have a minimum:

1. Except as provided in subparagraph (ix) of this paragraph, capital investment of \$500,000 for restaurant facilities not including the cost of the land, the building, or improvements that are not to the interior of a building on the licensed premises; and

2. Seating capacity of 75 persons, and, except as provided in subparagraph (ix) of this paragraph, a maximum seating capacity of 150 persons.

(viii) 1. Notwithstanding § 1-102(a)(22)(i)3 of this article and, except as provided in subparagraph (ix) of this paragraph, for a licensee who is issued a Class B beer, wine and liquor license for use in a restaurant in the 46th [or 47th] Alcoholic Beverages District, the average daily receipts from the sale of food must be at least 51% of the total daily receipts of the restaurant.

(ix) The Board of Liquor License Commissioners for Baltimore City may issue a Class B beer, wine and liquor license for use in a restaurant that has a seating capacity exceeding 150 persons if the restaurant:

1. Is located in ward 26, precinct 8, **WARD 4 PRECINCT 1, OR WARD 3, PRECINCT 3** of the 46th Alcoholic Beverages District, which at all times shall be coterminous with the 46th Legislative District in the Legislative Districting Plan of 2002 as ordered by the Maryland Court of Appeals on June 21, 2002;

2. Has a minimum capital investment of \$700,000; and

3. Has average daily receipts from the sale of food that are at least 65% of the total daily receipts.

9-102.

(b-3A) Notwithstanding any other provisions of this section in Baltimore City or Baltimore County, the holder of a Class B, (on-sale -- hotels and restaurants) beer, wine and liquor license under this article, by making application in the regular manner and paying the usual fee may obtain an additional Class B, (on-sale -- hotels

and restaurants) beer, wine and liquor license for premises used and occupied as a bona fide restaurant, as may be defined by the rules and regulations of the Board of License Commissioners for Baltimore City or Baltimore County, provided that said restaurant has a minimum capital investment of ~~[\$250,000.00]~~ **\$500,000** for restaurant facilities, which sum shall not include the cost of land or buildings, and has a minimum seating capacity of 125 persons. Nothing contained herein shall permit the issuance of more than three (3) such licenses to any person, or for the use of any partnership, corporation, unincorporated association, or limited liability company in Baltimore City or Baltimore County. The granting of additional licenses hereunder shall be limited and restricted to the purpose of providing alcoholic beverages for consumption on the licensed premises only, with no off-sale privileges to be exercised therewith.

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding the prohibition in Article 2B, § 9-204.1 of the Code against the issuance of licenses for the sale of alcoholic beverages in the 46th Alcoholic Beverages District, the Baltimore City Board of Liquor License Commissioners may issue a Class C beer, wine and liquor license issued for use on the premises of a nonprofit organization in ward 24, precinct 5 in the 46th Alcoholic Beverages District.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007. Section 2 of this Act shall remain effective for a period of 6 months and, at the end of December 1, 2007, with no further action required by the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 8, 2007.

CHAPTER 336

(Senate Bill 577)

AN ACT concerning

Harford County - Nuisance Abatement and Local Code Enforcement - Enforcement Authority

FOR the purpose of authorizing ~~certain community associations,~~ the State's Attorney for Harford County, ~~the County Attorney for Harford County and the city attorneys for the incorporated municipalities of Aberdeen, Havre de Grace, and Bel Air~~ to bring certain actions in the District Court for relief from certain nuisances within Harford County; requiring certain notices to the county code enforcement agency and to certain tenants and property owners before a

nuisance abatement action may be brought; providing that a political subdivision may not be subject to certain actions; providing for certain remedies; providing for the construction of this Act; defining certain terms; and generally relating to the right of ~~community associations~~, the State's Attorney for Harford County, ~~the County Attorney for Harford County and the city attorneys for the incorporated municipalities of Aberdeen, Havre de Grace, and Bel Air~~ to seek judicial abatement of certain nuisances in Harford County.

BY repealing and reenacting, with amendments,
 Article – Courts and Judicial Proceedings
 Section 4-401(7)
 Annotated Code of Maryland
 (2006 Replacement Volume)

BY adding to
 Article – Real Property
 Section 14-125.2
 Annotated Code of Maryland
 (2003 Replacement Volume and 2006 Supplement)

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

Article – Courts and Judicial Proceedings

4-401.

Except as provided in § 4-402 of this subtitle, and subject to the venue provisions of Title 6 of this article, the District Court has exclusive original civil jurisdiction in:

(7) A petition of injunction filed by:

(i) A tenant in an action under § 8-211 of the Real Property Article or a local rent escrow law; or

(ii) A person who brings an action under [§ 14-120 or § 14-125.1] **§ 14-120, § 14-125.1, OR § 14-125.2** of the Real Property Article;

Article – Real Property

14-125.2.

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

~~(2) "COMMUNITY ASSOCIATION" MEANS A MARYLAND NONPROFIT ASSOCIATION, CORPORATION, OR OTHER ORGANIZATION THAT:~~

~~(I) IS COMPRISED OF AT LEAST 20% OF THE TOTAL NUMBER OF HOUSEHOLDS AS MEMBERS OF A LOCAL COMMUNITY THAT CONSISTS OF 40 OR MORE INDIVIDUAL HOUSEHOLDS AS DEFINED BY SPECIFIC GEOGRAPHIC BOUNDARIES IN THE BYLAWS OR CHARTER OF THE COMMUNITY ASSOCIATION;~~

~~(II) REQUIRES, AS A CONDITION OF MEMBERSHIP, THE PAYMENT OF MONETARY DUES AT LEAST ANNUALLY;~~

~~(III) IS OPERATED PRIMARILY FOR THE PROMOTION OF SOCIAL WELFARE AND GENERAL NEIGHBORHOOD IMPROVEMENT AND ENHANCEMENT;~~

~~(IV) HAS BEEN IN EXISTENCE FOR AT LEAST 1 YEAR WHEN IT FILES SUIT UNDER THIS SECTION;~~

~~(V) IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE; AND~~

~~(VI) IS IN GOOD STANDING.~~

~~(3)~~ (2) "LOCAL CODE VIOLATION" MEANS A VIOLATION UNDER THE FOLLOWING PROVISIONS OF THE HARFORD COUNTY CODE AS AMENDED FROM TIME TO TIME OR UNDER ANY APPLICABLE CODE RELATING TO THE FOLLOWING PROVISIONS INCORPORATED IN THE HARFORD COUNTY CODE BY REFERENCE, OR COMPARABLE PROVISIONS WITHIN THE CODES OF THE INCORPORATED MUNICIPALITIES OF ABERDEEN, HAVRE DE GRACE, AND BEL AIR:

- (I) CHAPTER 64 – ANIMALS;
- (II) CHAPTER 82 – BUILDING CONSTRUCTION;
- (III) CHAPTER 84 – BUILDINGS, GENERAL;
- (IV) CHAPTER 109 – ENVIRONMENTAL CONTROL;
- (V) CHAPTER 157 – LICENSES AND PERMITS;
- (VI) CHAPTER 162 – LIVABILITY CODE;

(VII) CHAPTER 173 – MOBILE HOMES AND TRAILERS; AND

(VIII) CHAPTER 179 – NUISANCES AND PUBLIC HEALTH.

~~(4)~~ (3) “NUISANCE” MEANS:

(I) AN ACT OR CONDITION CREATED, PERFORMED, OR MAINTAINED ON PRIVATE PROPERTY THAT CONSTITUTES A LOCAL CODE VIOLATION AND THAT:

1. NEGATIVELY IMPACTS THE WELL-BEING OF OTHER RESIDENTS; AND

2. A. IS INJURIOUS TO PUBLIC HEALTH, SAFETY, OR WELFARE; OR

B. OBSTRUCTS THE REASONABLE USE OF PROPERTY;

(II) A PROPERTY WHERE THE TENANT, OWNER, OR OTHER OCCUPANT HAS BEEN CONVICTED OF VIOLATIONS OF § 10-201 OR § 10-202 OF THE CRIMINAL LAW ARTICLE FOR CONDUCT OCCURRING ON, IN, OR IN RELATION TO THE PROPERTY;

(III) A PROPERTY TO WHICH POLICE OR OTHER LAW ENFORCEMENT AGENCIES HAVE RESPONDED TO COMPLAINTS OR CALLS FOR SERVICE 4 OR MORE TIMES WITHIN ANY 30 DAY PERIOD AND THAT:

1. NEGATIVELY IMPACTS THE WELL-BEING OF OTHER RESIDENTS; AND

2. A. IS INJURIOUS TO PUBLIC HEALTH, SAFETY, OR WELFARE; OR

B. OBSTRUCTS THE REASONABLE USE OF PROPERTY;

(IV) A PROPERTY WHERE THE TENANT, OWNER, OR OTHER OCCUPANT HAS BEEN CONVICTED OF VIOLATIONS OF ANY CRIMINAL LAW OCCURRING ON, IN, OR IN RELATION TO THE PROPERTY AND IS RELATED TO THE ACTIVITIES OF A CRIMINAL GANG AS DEFINED IN § 9-801 OF THE CRIMINAL LAW ARTICLE; OR

(v) A BUILDING, STRUCTURE, DWELLING, DWELLING UNIT, OR ACCESSORY STRUCTURE THAT:

1. CONTAINS DEFECTS DUE TO INADEQUATE MAINTENANCE, OBSOLESCENCE, OR ABANDONMENT THAT INCREASE THE HAZARD OF FIRE, ACCIDENT, OR OTHER CALAMITY; OR

2. IS UNSAFE, UNSANITARY, DANGEROUS, OR DETRIMENTAL TO THE HEALTH, SAFETY, OR GENERAL WELFARE OF THE COMMUNITY DUE TO LACK OF MAINTENANCE, INADEQUATE VENTILATION, LIGHT, SANITARY FACILITIES, OR OTHER CONDITIONS.

(B) THIS SECTION ONLY APPLIES TO A NUISANCE LOCATED WITHIN THE BOUNDARIES OF HARFORD COUNTY.

(C) AN ACTION TO ABATE A NUISANCE MAY BE BROUGHT UNDER THIS SECTION AND § 4-401 OF THE COURTS ARTICLE BY:

~~(1) THE STATE'S ATTORNEY FOR HARFORD COUNTY;~~

~~(2) THE COUNTY ATTORNEY FOR HARFORD COUNTY;~~

~~(3) A COMMUNITY ASSOCIATION WITHIN WHOSE BOUNDARIES THE NUISANCE IS LOCATED; OR~~

~~(4) THE CITY ATTORNEYS FOR THE INCORPORATED MUNICIPALITIES OF ABERDEEN, HAVRE DE GRACE, AND BEL AIR.~~

(D) (1) ~~A PERSON SPECIFIED IN SUBSECTION (C) OF THIS SECTION~~ THE STATE'S ATTORNEY MAY SEEK INJUNCTIVE AND OTHER EQUITABLE RELIEF IN THE DISTRICT COURT FOR ABATEMENT OF A NUISANCE UPON SHOWING:

(I) THE NOTICE REQUIREMENTS UNDER PARAGRAPHS (2) AND (3) OF THIS SUBSECTION HAVE BEEN SATISFIED; AND

(II) THE NUISANCE HAS NOT BEEN ABATED.

(2) (I) AN ACTION MAY NOT BE BROUGHT UNDER THIS SECTION BASED ON A NUISANCE UNTIL **60** DAYS AFTER THE ~~PLAINTIFF~~ STATE'S ATTORNEY GIVES NOTICE OF THE VIOLATION AND OF THE ~~PLAINTIFF'S~~ STATE'S ATTORNEY'S INTENT TO BRING AN ACTION UNDER THIS SECTION BY CERTIFIED

MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE LOCAL ENFORCEMENT AGENCY.

(II) AN ACTION MAY NOT BE BROUGHT UNDER THIS SECTION IF THE APPLICABLE CODE ENFORCEMENT AGENCY HAS FILED AN ACTION FOR EQUITABLE RELIEF FROM THE NUISANCE.

(3) (I) AN ACTION MAY NOT BE BROUGHT UNDER THIS SECTION UNTIL **60** DAYS AFTER THE TENANT, IF ANY, AND OWNER OF RECORD RECEIVE NOTICE FROM THE ~~PLAINTIFF~~ STATE'S ATTORNEY THAT A NUISANCE EXISTS AND THAT LEGAL ACTION MAY BE TAKEN IF THE NUISANCE IS NOT ABATED.

(II) THE NOTICE SHALL SPECIFY:

1. THE NATURE OF THE ALLEGED NUISANCE;
2. THE DATE AND TIME OF DAY THE NUISANCE WAS FIRST DISCOVERED;
3. THE LOCATION ON THE PROPERTY WHERE THE NUISANCE IS ALLEGEDLY OCCURRING; AND
4. THE RELIEF SOUGHT.

(III) THE NOTICE SHALL INDICATE:

1. THE NATURE OF THE PROCEEDINGS;
2. THE TIME AND PLACE OF THE HEARING; AND
3. THE NAME AND TELEPHONE NUMBER OF THE PERSON TO CONTACT FOR ADDITIONAL INFORMATION.

(4) IN FILING A SUIT UNDER THIS SECTION, THE ~~PLAINTIFF~~ STATE'S ATTORNEY SHALL CERTIFY TO THE COURT:

(I) WHAT STEPS THE ~~PLAINTIFF~~ STATE'S ATTORNEY HAS TAKEN TO SATISFY THE NOTICE REQUIREMENTS UNDER THIS SUBSECTION; AND

(II) THAT EACH CONDITION PRECEDENT TO THE FILING OF AN ACTION UNDER THIS SECTION HAS BEEN MET.

(E) A POLITICAL SUBDIVISION OF THE STATE OR ANY AGENCY OF A POLITICAL SUBDIVISION MAY NOT BE SUBJECT TO ANY ACTION BROUGHT UNDER THIS SECTION OR AN ACTION RESULTING FROM AN ACTION BROUGHT UNDER THIS SECTION AGAINST A PRIVATE PROPERTY OWNER.

(F) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AND IN ADDITION TO OR AS A COMPONENT OF ANY REMEDY ORDERED UNDER SUBSECTION (D) OF THIS SECTION, THE COURT, AFTER A HEARING, MAY ORDER A TENANT WHO KNEW OR SHOULD HAVE KNOWN OF THE EXISTENCE OF THE NUISANCE TO VACATE THE PROPERTY WITHIN 72 HOURS.

(2) THE COURT, AFTER A HEARING, MAY GRANT A JUDGMENT OF RESTITUTION OR THE POSSESSION OF RENTAL PROPERTY TO THE OWNER IF:

(I) THE OWNER AND TENANT ARE PARTIES TO THE ACTION;
AND

(II) A TENANT HAS FAILED TO OBEY AN ORDER UNDER SUBSECTION (D) OF THIS SECTION OR PARAGRAPH (1) OF THIS SUBSECTION.

(3) IF THE COURT ORDERS RESTITUTION OR THE POSSESSION OF THE PROPERTY UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE COURT SHALL IMMEDIATELY ISSUE ITS WARRANT TO THE SHERIFF OR CONSTABLE COMMANDING EXECUTION OF THE WARRANT WITHIN 5 DAYS AFTER ISSUANCE OF THE WARRANT.

(4) IN ADDITION TO OR AS A PART OF ANY INJUNCTION, RESTRAINING ORDER, OR OTHER RELIEF ORDERED, THE COURT MAY ORDER THE OWNER OF THE PROPERTY TO SUBMIT FOR COURT APPROVAL A PLAN OF CORRECTION TO ENSURE, TO THE EXTENT REASONABLY POSSIBLE, THAT THE PROPERTY WILL NOT AGAIN BE USED FOR A NUISANCE IF:

(I) THE OWNER IS A PARTY TO THE ACTION; AND

(II) THE OWNER KNEW OR SHOULD HAVE KNOWN OF THE EXISTENCE OF THE NUISANCE.

(5) IF AN OWNER FAILS TO COMPLY WITH AN ORDER TO ABATE A NUISANCE, AFTER A HEARING, THE COURT MAY, IN ADDITION TO ANY OTHER RELIEF GRANTED, ORDER THAT THE PROPERTY BE DEMOLISHED IF THE PROPERTY IS UNFIT FOR HABITATION AND THE ESTIMATED COST OF REHABILITATION SIGNIFICANTLY EXCEEDS THE ESTIMATED MARKET VALUE OF THE PROPERTY AFTER REHABILITATION.

~~(G)~~ (G) ~~(1)~~ ~~SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,~~
~~THIS~~ ~~THIS~~ SECTION MAY NOT BE CONSTRUED TO ABROGATE ANY EQUITABLE OR
 LEGAL RIGHT OR REMEDY OTHERWISE AVAILABLE UNDER THE LAW TO ABATE A
 NUISANCE.

~~(2)~~ ~~THIS SECTION MAY NOT BE CONSTRUED AS GRANTING~~
~~STANDING FOR AN ACTION:~~

~~(i)~~ ~~CHALLENGING ANY ZONING APPLICATION OR~~
~~APPROVAL;~~

~~(ii)~~ ~~IN WHICH THE ALLEGED NUISANCE CONSISTS OF:~~

~~1.~~ ~~A CONDITION RELATING TO LEAD PAINT; OR~~

~~2.~~ ~~AN INTERIOR PHYSICAL DEFECT OF A PROPERTY;~~

~~(iii)~~ ~~INVOLVING ANY VIOLATION OF ALCOHOLIC BEVERAGES~~
~~LAWS UNDER ARTICLE 2B OF THE CODE; OR~~

~~(iv)~~ ~~INVOLVING ANY MATTER IN WHICH A CERTIFICATE,~~
~~LICENSE, PERMIT, OR REGISTRATION IS REQUIRED OR ALLOWED UNDER THE~~
~~ENVIRONMENT ARTICLE.~~

(H) PROVISIONS OF THE REAL PROPERTY ARTICLE OR PUBLIC LOCAL
 LAWS APPLICABLE TO ACTIONS BETWEEN A LANDLORD AND A TENANT ARE NOT
 APPLICABLE TO ACTIONS BROUGHT AGAINST A LANDLORD OR A TENANT UNDER
 THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 337

(Senate Bill 583)

AN ACT concerning

Alternate Contributory Pension Selection - Clarifications

FOR the purpose of requiring certain participating governmental units to pay certain liabilities associated with the alternate contributory pension selection for certain employees; clarifying that membership in the Employees' Pension System or the Teachers' Pension System ends under certain circumstances; providing that certain members of the Employees' Pension System or the Teachers' Pension System may combine certain prior service credit with their current service credit under certain circumstances; requiring certain members of the Employees' Pension System or the Teachers' Pension System who choose to combine certain prior service credit with their current service credit to pay the Board of Trustees of the State Retirement and Pension System certain member contributions; requiring the Board of Trustees to refund certain member contributions under certain circumstances; providing that certain members of the State Retirement and Pension System are eligible to receive certain eligibility service credit under certain circumstances; providing that certain members of the Employees' Pension System or the Teachers' Pension System may purchase certain prior service credit with their current service credit under certain circumstances; requiring certain members of the Employees' Pension System or the Teachers' Pension System who choose to purchase certain prior service credit to pay the Board of Trustees certain member contributions; providing that certain members of the Employees' Pension System or the Teachers' Pension System are entitled to certain eligibility service credit under certain circumstances; requiring that certain members of the Employees' Pension System or the Teachers' Pension System who apply for an ordinary or special disability, file an application within a certain period of time; exempting certain transfers between the Employees' Pension System or the Teachers' Pension System from certain provisions of law; permitting certain transfers of service credit between certain State or local retirement and pension systems and the Employees' Pension System or the Teachers' Pension System; repealing certain obsolete provisions; defining certain terms; providing certain conforming changes to reflect the addition of the alternate contributory pension selection; and generally relating to the alternate contributory pension selection of the Employees' Pension System and the Teachers' Pension System.

BY adding to

Article – State Personnel and Pensions

Section 20–101(d–1), (j–1), and (aa–1), 21–307(m), and 37–101(n–1) and (n–2)

Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section 20–205(c), 21–305.5(a), (d), and (f), 21–307(k), (l), and (m), 23–215,
23–302(d), 23–303(b), 23–303.1, 23–304, 23–306.2, 23–306.3, 23–310,
29–104, 29–303(h), 29–425(b), 37–101(j), 37–201, 37–203(a) and (f), and
37–203.1

Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

BY repealing

Article – State Personnel and Pensions

Section 23–309(c)

Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

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

Article – State Personnel and Pensions

20–101.

(D-1) “ALTERNATE CONTRIBUTORY PENSION SELECTION” MEANS THE PART OF THE EMPLOYEES’ PENSION SYSTEM AND THE TEACHERS’ PENSION SYSTEM THAT PROVIDES THE ALTERNATE CONTRIBUTORY PENSION SELECTION UNDER TITLE 23, SUBTITLE 2, PART III OF THIS ARTICLE.

(J-1) “CONTRIBUTORY PENSION BENEFIT” MEANS THE PART OF THE EMPLOYEES’ PENSION SYSTEM AND THE TEACHERS’ PENSION SYSTEM THAT PROVIDES THE CONTRIBUTORY PENSION BENEFIT UNDER TITLE 23, SUBTITLE 2, PART II OF THIS ARTICLE.

(AA-1) “NONCONTRIBUTORY PENSION BENEFIT” MEANS THE PART OF THE EMPLOYEES’ PENSION SYSTEM AND THE TEACHERS’ PENSION SYSTEM THAT DOES NOT PROVIDE THE CONTRIBUTORY PENSION BENEFIT UNDER TITLE 23, SUBTITLE 2, PART II OF THIS ARTICLE OR THE ALTERNATE CONTRIBUTORY PENSION SELECTION UNDER TITLE 23, SUBTITLE 2, PART III OF THIS ARTICLE.

20–205.

(c) (1) This subsection applies to a member **OF THE EMPLOYEES' PENSION SYSTEM OR TEACHERS' PENSION SYSTEM WHO IS SUBJECT TO THE NONCONTRIBUTORY PENSION BENEFIT AND** who was on authorized leave of absence at partial pay or without pay during the last 3 years of employment as a member.

(2) If the period used to determine average final compensation is the period that immediately precedes the date of retirement or other separation from employment, the Board of Trustees:

(i) may not include in the computation of average final compensation the period of months of the leave of absence, not exceeding 12, that otherwise would be included in the computation; and

(ii) shall substitute an equal number of months immediately preceding that period.

21-305.5.

(a) (1) In this section the following words have the meanings indicated.

(2) "Complement of the participant funding ratio" is a ratio equal to 100% minus the participant funding ratio, and may not be less than zero.

(3) "Employees' systems" means the Employees' Pension System and the Employees' Retirement System.

(4) "Noncontributory participating governmental unit" means a participating governmental unit that did not elect to provide its employees with the contributory pension benefit [under Title 23 of this article] **OR THE ALTERNATE CONTRIBUTORY PENSION SELECTION** as provided in § 31-116 of this article.

(5) "Noncontributory system funding ratio" means the ratio determined by the actuary as provided under subsection (e) of this section.

(6) "Participant funding ratio" means the ratio determined under subsection (d) of this section.

(7) "Transition amount" means the amount determined by the actuary as provided under subsection (i) of this section.

(d) (1) This subsection applies to a participating governmental unit that elected to provide its employees with the contributory pension benefit [under Title 23 of this article] **OR THE ALTERNATE CONTRIBUTORY PENSION SELECTION** as provided in § 31-116 of this article.

(2) As of June 30 of each fiscal year, the actuary shall determine the participant funding ratio for the participating governmental units as provided in this subsection.

(3) The participant funding ratio shall be a fraction that has:

(i) as its numerator, the assets to the credit of the participating governmental units in the accumulation fund and the annuity savings fund of the employees' systems as adjusted under paragraph (4) of this subsection; and

(ii) as its denominator, the actuarial liabilities of the participating governmental units.

(4) The assets to the credit of the participating governmental units as of the valuation date shall be:

(i) increased by the sum of the outstanding balances of:

1. the special accrued liability attributable to each participating governmental unit under § 21-305.3 of this subtitle;

2. the deficit allocated to each participating governmental unit under § 21-305.4(c) of this subtitle; and

3. the withdrawal liability contribution attributable to each participating governmental unit under subsection (h) of this section; and

(ii) decreased by the sum of the outstanding balances of the surplus allocated to each participating governmental unit under § 21-305.4(b) of this subtitle.

(f) (1) This subsection applies to a participating governmental unit that elected to provide its employees with the contributory pension benefit [under Title 23 of this article] **OR THE ALTERNATE CONTRIBUTORY PENSION SELECTION** as provided in § 31-116 of this article.

(2) The assets that are allocable to the employees of a participating governmental unit who elect to withdraw from the employees' systems shall be computed by the actuary as provided in this subsection.

(3) If the participant funding ratio for the fiscal year preceding the effective date of withdrawal of the participating governmental unit is less than 100%, the actuary shall multiply the participant funding ratio for the fiscal year preceding the effective date of withdrawal of the participating governmental unit by the

actuarial liability allocable to the employees of the participating governmental unit who elect to withdraw.

(4) If the participant funding ratio for the fiscal year preceding the effective date of withdrawal of the participating governmental unit is 100% or greater and less than 110%, the actuary shall multiply the actuarial liability allocable to the employees of the participating governmental unit who elect to withdraw by 100%.

(5) If the participant funding ratio for the fiscal year preceding the effective date of withdrawal of the participating governmental unit is 110% or greater, the actuary shall multiply the actuarial liability allocable to the employees of the participating governmental unit who elect to withdraw by the difference between the participant funding ratio and 10%.

(6) Any assets computed under paragraph (3), (4), or (5) of this subsection shall be reduced by the sum of:

(i) the outstanding balance of the deficit allocable to the participating governmental unit as of the effective date of withdrawal;

(ii) the outstanding balance of the special accrued liability contribution allocable to the participating governmental unit as of the effective date of withdrawal; and

(iii) any transition amount as determined under subsection (i) of this section.

21-307.

(k) For each employee who is subject to the contributory pension benefit [under Title 23, Subtitle 2, Part II of this article], Frederick County shall pay the additional liabilities that result from the contributory pension benefit according to a schedule of amortization that is subject to the approval of the Board of Trustees.

(l) For each employee of a participating governmental unit that initially elects to provide its employees with the contributory pension benefit [under Title 23, Subtitle 2, Part II of this article] between July 1, 2002 and December 31, 2002, inclusive, the participating governmental unit shall pay the additional liabilities that result from the contributory pension benefit according to any increase in the normal cost percentage plus a schedule of amortization that is subject to the approval of the Board of Trustees.

(M) FOR EACH EMPLOYEE OF A PARTICIPATING GOVERNMENTAL UNIT THAT INITIALLY ELECTS TO PROVIDE ITS EMPLOYEES WITH THE ALTERNATE CONTRIBUTORY PENSION SELECTION BETWEEN JULY 1, 2006, AND JUNE 30,

2007, INCLUSIVE, THE PARTICIPATING GOVERNMENTAL UNIT SHALL PAY THE ADDITIONAL LIABILITIES THAT RESULT FROM THE ALTERNATE CONTRIBUTORY PENSION SELECTION ACCORDING TO ANY INCREASE IN THE NORMAL COST PERCENTAGE PLUS A SCHEDULE OF AMORTIZATION THAT IS SUBJECT TO THE APPROVAL OF THE BOARD OF TRUSTEES.

[(m)] (N) For each employee of the Maryland Transit Administration who is a member of the Law Enforcement Officers' Pension System, the Maryland Transit Administration shall pay to the Board of Trustees the employer contributions otherwise required to be made by the State on behalf of the member.

23-215.

(A) Membership ends if the member:

(1) is separated from employment for more than 4 years;

(2) IS SEPARATED FROM EMPLOYMENT, AND REHIRED INTO A POSITION THAT REQUIRES ENROLLMENT IN A PART OF THE EMPLOYEES' PENSION SYSTEM OR THE TEACHERS' PENSION SYSTEM THAT IS SUBJECT TO A DIFFERENT RATE OF MEMBER CONTRIBUTIONS AND BENEFIT ACCRUAL;

[(2)] (3) withdraws the member's accumulated contributions;

[(3)] (4) becomes a retiree; or

[(4)] (5) dies.

(B) SUBSECTION (A)(2) OF THIS SECTION DOES NOT APPLY FOR PURPOSES OF DETERMINING ELIGIBILITY FOR A DISABILITY RETIREMENT BENEFIT UNDER § 29-104(A) OF THIS ARTICLE.

23-302.

(d) If a member who is subject to the contributory pension benefit [under Subtitle 2, Part II of this title] **OR THE ALTERNATE CONTRIBUTORY PENSION SELECTION** completes less than 500 hours of employment while a member, the Board of Trustees shall prorate the member's eligibility service based on the number of hours worked.

23-303.

(b) (1) This section applies to a member of the Employees' Pension System or the Teachers' Pension System who was a member of one of those State systems.

(2) This section does not apply to:

(i) a retiree of the Employees' Pension System or the Teachers' Pension System; or

(ii) a member of the Employees' Pension System or Teachers' Pension System who is subject to the contributory pension benefit [under Subtitle 2, Part II of this title] **OR THE ALTERNATE CONTRIBUTORY PENSION SELECTION.**

23-303.1.

(a) This section applies [only] to a member of the Employees' Pension System or Teachers' Pension System who [is subject to the contributory pension benefit under Subtitle 2, Part II of this title] **HAS PRIOR SERVICE IN A PART OF THE EMPLOYEES' PENSION SYSTEM OR TEACHERS' PENSION SYSTEM THAT IS SUBJECT TO A DIFFERENT RATE OF MEMBER CONTRIBUTIONS AND BENEFIT ACCRUAL.**

(b) A member **WHO IS SUBJECT TO THE CONTRIBUTORY PENSION BENEFIT OR ALTERNATE CONTRIBUTORY PENSION SELECTION** is entitled to **COMBINE** the **MEMBER'S PRIOR** eligibility service [to which the member was entitled before the separation from employment] **WITH THE MEMBER'S CURRENT SERVICE** if the member:

(1) at the time of separation from employment, was entitled to a vested allowance from:

(i) the Employees' Pension System; or

(ii) the Teachers' Pension System;

(2) did not transfer to the Employees' Pension System or the Teachers' Pension System from the Employees' Retirement System or Teachers' Retirement System after April 1, 1998; and

(3) has completed 1 year of employment as a member who is subject to the contributory pension benefit under Subtitle 2, Part II of this title.

(C) A MEMBER WHO IS SUBJECT TO THE NONCONTRIBUTORY PENSION BENEFIT IS ENTITLED TO COMBINE THE MEMBER'S PRIOR ELIGIBILITY SERVICE WITH THE MEMBER'S CURRENT SERVICE IF THE MEMBER DID NOT TRANSFER TO THE EMPLOYEES' PENSION SYSTEM OR TEACHERS' PENSION SYSTEM FROM

THE EMPLOYEES' RETIREMENT SYSTEM OR TEACHERS' RETIREMENT SYSTEM AFTER APRIL 1, 1998.

[(c)] (D) (1) A member may **[receive]** **COMBINE THE MEMBER'S PRIOR** credit for eligibility service **[by completing]** **WITH THE MEMBER'S CURRENT SERVICE** under this section **IF THE MEMBER:**

(I) COMPLETES a claim for the service credit and **[filing]** **FILES** it with the Board of Trustees on the form that the Board of Trustees provides at any time before retirement; **AND**

(II) DEPOSITS INTO THE ANNUITY SAVINGS FUND THE MEMBER CONTRIBUTIONS, IF ANY, THAT WOULD HAVE BEEN DUE IF THE MEMBER HAD EARNED THE PRIOR SERVICE IN THE SAME PART OF THE EMPLOYEES' PENSION SYSTEM OR TEACHERS' PENSION SYSTEM IN WHICH THE MEMBER IS CURRENTLY ENROLLED, PLUS REGULAR INTEREST ON THE CONTRIBUTIONS.

(2) When a member **[receives]** **COMBINES** credit for eligibility service under **[subsection (b) of]** this section **[from another system]**, the member has no further rights in the **[other]** **PRIOR** system.

(3) SUBJECT TO § 414(H)(2) OF THE INTERNAL REVENUE CODE, AN INDIVIDUAL'S ACCUMULATED CONTRIBUTIONS IN EXCESS OF THE AMOUNT DETERMINED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE REFUNDED ON REQUEST.

[(d)] (E) If a member withdrew the member's accumulated contributions after the prior separation from employment, the member shall:

(1) redeposit any of the amounts withdrawn with regular interest to the date of redeposit; or

(2) on retirement, the individual's retirement allowance shall be reduced by the actuarial equivalent of the accumulated contributions withdrawn with regular interest to the date of retirement.

23-304.

A member is entitled to eligibility service that equals:

(1) the member's service credit transferred from a retirement or pension system under Title 37 of this article;

(2) for a member who has transferred to the Employees' Pension System from the Employees' Retirement System or to the Teachers' Pension System from the Teachers' Retirement System, the member's creditable service recognized under the previous system through the date before the member became a member of the current system;

(3) for a member of the Employees' Pension System, the member's service credit transferred from a retirement or pension system under Title 31, Subtitle 1 of this article; and

(4) for a member who has transferred between the Employees' Pension System and the Teachers' Pension System, the member's eligibility service under the previous system through the date before the member became a member of the current system if the member:

(i) is not subject to the [contributory] **NONCONTRIBUTORY** pension benefit [under Subtitle 2, Part II of this title] in **BOTH** the current and previous systems; [or]

(ii) is subject to the contributory pension benefit [under Subtitle 2, Part II of this title] in **BOTH** the current and previous systems; **OR**

(III) IS SUBJECT TO THE ALTERNATE CONTRIBUTORY PENSION SELECTION IN BOTH THE CURRENT AND PREVIOUS SYSTEMS.

23-306.2.

(a) A member who is subject to the contributory pension benefit [under Subtitle 2, Part II of this title] **OR THE ALTERNATE CONTRIBUTORY PENSION SELECTION** may purchase service credit as provided in subsection (b) of this section for periods of employment described in subsection (c) of this section for which the member is not otherwise entitled.

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

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

(ii) pay to the Board of Trustees in a single payment the member contributions the member would have made for the period of employment for which service credit is being purchased **IF THE MEMBER HAD EARNED THE PRIOR SERVICE IN THE SAME PART OF THE EMPLOYEES' PENSION SYSTEM OR**

TEACHERS' PENSION SYSTEM IN WHICH THE MEMBER IS CURRENTLY ENROLLED, plus regular interest to the date of payment.

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

(3) SUBJECT TO § 414(H)(2) OF THE INTERNAL REVENUE CODE, AN INDIVIDUAL'S ACCUMULATED CONTRIBUTIONS IN EXCESS OF THE AMOUNT DETERMINED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE REFUNDED ON REQUEST.

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

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

(ii) was subject to the contributory pension benefit [under Subtitle 2, Part II of this title] **OR THE ALTERNATE CONTRIBUTORY PENSION SELECTION** when the member previously terminated membership in the Employees' Pension System or the Teachers' Pension System.

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

23-306.3.

(a) This section applies to a member of the Employees' Pension System or the Teachers' Pension System who is subject to the contributory pension benefit [under Subtitle 2, Part II of this title] **OR THE ALTERNATE CONTRIBUTORY PENSION SELECTION**.

(b) A member **WHO IS SUBJECT TO THE CONTRIBUTORY PENSION BENEFIT** is entitled to the eligibility service to which the member was entitled before the separation from employment if the member:

(1) separated from employment on or before June 30, 1998;

(2) was not entitled to a vested allowance from the Employees' Pension System or the Teachers' Pension System at the time of the separation from employment;

(3) becomes a member who is subject to the contributory pension benefit [under Subtitle 2, Part II of this title] on or before June 30, 2003;

(4) completes 1 year of employment as a member who is subject to the contributory pension benefit [under Subtitle 2, Part II of this title];

(5) did not transfer to the Employees' Pension System or the Teachers' Pension System from the Employees' Retirement System or the Teachers' Retirement System after April 1, 1998; and

(6) applies for the prior eligibility service credit by completing a claim for the service credit and filing it with the Board of Trustees on the form that the Board of Trustees provides.

(C) A MEMBER WHO IS SUBJECT TO THE ALTERNATE CONTRIBUTORY PENSION SELECTION IS ENTITLED TO THE ELIGIBILITY SERVICE TO WHICH THE MEMBER WAS ENTITLED BEFORE THE SEPARATION FROM EMPLOYMENT IF THE MEMBER:

(1) WAS SEPARATED FROM EMPLOYMENT FOR LESS THAN 4 YEARS;

(2) WAS NOT ENTITLED TO A VESTED ALLOWANCE FROM THE EMPLOYEES' PENSION SYSTEM OR THE TEACHERS' PENSION SYSTEM AT THE TIME OF SEPARATION;

(3) BECOMES A MEMBER WHO IS SUBJECT TO THE ALTERNATE CONTRIBUTORY PENSION SELECTION ON OR BEFORE JUNE 30, 2010;

(4) COMPLETES 1 YEAR OF EMPLOYMENT AS A MEMBER WHO IS SUBJECT TO THE ALTERNATE CONTRIBUTORY PENSION SELECTION;

(5) DID NOT TRANSFER TO THE EMPLOYEES' PENSION SYSTEM OR THE TEACHERS' PENSION SYSTEM FROM THE EMPLOYEES' RETIREMENT SYSTEM OR TEACHERS' RETIREMENT SYSTEM AFTER APRIL 1, 1998;

(6) APPLIES FOR THE PRIOR ELIGIBILITY SERVICE CREDIT BY COMPLETING A CLAIM FOR THE SERVICE CREDIT AND FILING IT WITH THE BOARD OF TRUSTEES ON A FORM THAT THE BOARD OF TRUSTEES PROVIDES; AND

(7) DEPOSITS INTO THE ANNUITY SAVINGS FUND THE MEMBER CONTRIBUTIONS, IF ANY, THAT WOULD HAVE BEEN DUE FOR THE PERIOD OF

SERVICE IF THE MEMBER HAD BEEN SUBJECT TO THE ALTERNATE CONTRIBUTORY PENSION SELECTION, PLUS REGULAR INTEREST ON THE CONTRIBUTIONS.

[(c)] (D) (1) A member shall receive eligibility service credit under this section by completing a claim for the service credit and filing it with the Board of Trustees on the form that the Board of Trustees provides at any time before retirement.

(2) When a member receives credit for eligibility service under subsection (b) of this section from another system, the member has no further rights in the other system.

[(d)] (E) If a member withdrew the member's accumulated contributions after the prior separation from employment, the member shall:

(1) redeposit any of the amounts withdrawn with regular interest to the date of redeposit; or

(2) on retirement, the individual's retirement allowance shall be reduced by the actuarial equivalent of the accumulated contributions withdrawn with regular interest to the date of retirement.

23-309.

[(c)] (1) This subsection applies only to a member who is:

(i) subject to the contributory pension benefit under Subtitle 2, Part II of this title; and

(ii) entitled to eligibility service for military service credit granted under Title 38 of this article.

(2) The Board of Trustees shall adjust a member's eligibility service for military service credit granted under Title 38 of this article as provided in this subsection.]

23-310.

The Board of Trustees shall treat a member's credit for unused sick leave as creditable service on or after July 1, 1998, if at the time of retirement, the member is:

(1) subject to the contributory pension benefit [under Subtitle 2, Part II of this title] **OR THE ALTERNATE CONTRIBUTORY PENSION SELECTION**; and

(2) entitled to service credit for unused sick leave under § 20-206 of this article.

29-104.

(a) Except as provided in subsection (c) of this section and subject to subsection (d) of this section, an application for disability retirement must be submitted before the date membership ends.

(b) (1) [(i)] This subsection applies only to an application for an ordinary or accidental disability retirement allowance [under] **FILED BY A MEMBER OF** the Employees' Pension System[, Local Fire and Police System, Law Enforcement Officers' Pension System,] or the Teachers' Pension System **WHO IS NOT SUBJECT TO THE CONTRIBUTORY PENSION BENEFIT OR THE ALTERNATE CONTRIBUTORY PENSION SELECTION AND WHO SEPARATED FROM EMPLOYMENT ON OR BEFORE JUNE 30, 2005.**

[(ii)] This subsection does not apply to a member of the Law Enforcement Officers' Pension System who is subject to the Law Enforcement Officers' Modified Pension Benefit under Title 26, Subtitle 2, Part II of this article.

[(iii)] This subsection does not apply to a member of the Employees' Pension System or Teachers' Pension System who is subject to the contributory pension benefit under Title 23, Subtitle 2, Part II of this article.]

(2) For the purpose of submitting an application for disability, membership continues for 4 years after paid employment ends.

(c) (1) Except as provided in [paragraphs (2) through (4)] **PARAGRAPH (2)** of this subsection, the Board of Trustees may accept an application for ordinary, accidental, or special disability retirement from a former member within 24 months after the month membership ended if the former member proves to the satisfaction of the medical board that failure to submit an application while a member was attributable solely to physical or mental incapacity during the filing period.

(2) The Board of Trustees may accept an application for ordinary or accidental disability retirement from a former member of the Teachers' Retirement System within 12 months after the month membership ended if the former member of the Teachers' Retirement System proves to the satisfaction of the medical board that failure to submit an application while a member of the Teachers' Retirement System was attributable solely to physical or mental incapacity during the filing period.

(3) [(i) This paragraph applies only to a former member of the Law Enforcement Officers' Pension System who is subject to the Law Enforcement Officers' Modified Pension Benefit under Title 26, Subtitle 2, Part II of this article.

(ii) The Board of Trustees may accept an application for ordinary or accidental disability retirement from a former member of the Law Enforcement Officers' Pension System within 24 months after the month membership ended if the former member of the Law Enforcement Officers' Pension System proves to the satisfaction of the medical board that failure to submit an application while a member of the Law Enforcement Officers' Pension System was attributable solely to physical or mental incapacity during the filing period.

(4) (i) This paragraph only applies to a former member of the Employees' Pension System or Teachers' Pension System who is subject to the contributory pension benefit under Title 23, Subtitle 2, Part II of this article.

(ii) The Board of Trustees may accept an application for ordinary or accidental disability retirement from a former member of the Employees' Pension System or Teachers' Pension System within 24 months after the month membership ended if the former member of the Employees' Pension System or Teachers' Pension System proves to the satisfaction of the medical board that failure to submit an application while a member of the Employees' Pension System or Teachers' Pension System was attributable solely to physical or mental incapacity during the filing period.

(5)] If the Board of Trustees accepts a disability retirement application under this subsection and grants a disability retirement allowance, the retirement allowance begins as of the first day of the month after the Board of Trustees receives the application.

(d) (1) This subsection does not apply to an application for special disability under the State Police Retirement System or an application for accidental disability under the Law Enforcement Officers' Pension System or to an application for accidental disability under the Correctional Officers' Retirement System.

(2) The Board of Trustees may not accept an application for accidental disability filed by a member or former member more than 5 years after the date of the claimed accident.

29-303.

(h) (1) If a former member who elected a vested allowance requests the return of accumulated contributions before payment of the vested allowance begins, the Board of Trustees shall return the accumulated contributions to the former member.

(2) (i) Except as provided in subparagraphs (ii) and (iii) of this paragraph, when the former member is eligible to begin receiving a vested allowance, the former member shall receive a pension only.

(ii) When accumulated contributions are returned to a former member of the Law Enforcement Officers' Pension System who is subject to the Law Enforcement Officers' Modified Pension Benefit under Title 26, Subtitle 2, Part II of this article, the former member is not entitled to further benefits on account of the former member's previous membership unless the former member purchases the service credit under § 26-307.1 of this article.

(iii) When accumulated contributions are returned to a former member of the Employees' Pension System or Teachers' Pension System who is subject to the contributory pension benefit [under Title 23, Subtitle 2, Part II of this article] **OR THE ALTERNATE CONTRIBUTORY PENSION SELECTION**, the former member is not entitled to further benefits on account of the former member's previous membership unless the former member purchases the service credit under § 23-306.2 of this article.

29-425.

(b) This Part VI of this subtitle does not apply if:

(1) the member, former member, or retiree was an employee of:

(i) a participating governmental unit that has not elected the contributory pension benefit **OR THE ALTERNATE CONTRIBUTORY PENSION SELECTION** of its employees under § 31-116 of this article; or

(ii) a former participating governmental unit, other than Frederick County, that has withdrawn before July 1, 1998, while a member; or

(2) the member, former member, or retiree:

(i) transferred to the Law Enforcement Officers' Pension System from the Employees' Retirement System; and

(ii) did not elect to participate in the Law Enforcement Officers' Modified Pension Benefit on or before December 31, 2000 as provided in § 26-211 of this article.

37-101.

(j) (1) “Noncontributory system” means a State or local retirement or pension system under which member contributions are not deducted from all compensation.

(2) “Noncontributory system” includes the part of the Employees’ Pension System of the State of Maryland and the part of the Teachers’ Pension System of the State of Maryland that does not provide a contributory pension benefit under Title 23, Subtitle 2, Part II of this article **OR THE ALTERNATE CONTRIBUTORY PENSION SELECTION UNDER TITLE 23, SUBTITLE 2, PART III OF THIS ARTICLE.**

(N-1) “STATE ALTERNATE CONTRIBUTORY EMPLOYEES’ PENSION SYSTEM” MEANS THE PART OF THE EMPLOYEES’ PENSION SYSTEM OF THE STATE OF MARYLAND THAT PROVIDES THE ALTERNATE CONTRIBUTORY PENSION SELECTION UNDER TITLE 23, SUBTITLE 2, PART III OF THIS ARTICLE.

(N-2) “STATE ALTERNATE CONTRIBUTORY TEACHERS’ PENSION SYSTEM” MEANS THE PART OF THE TEACHERS’ PENSION SYSTEM OF THE STATE OF MARYLAND THAT PROVIDES THE ALTERNATE CONTRIBUTORY PENSION SELECTION UNDER TITLE 23, SUBTITLE 2, PART III OF THIS ARTICLE.

37-201.

(a) Subject to subsection (b) of this section, this title applies to transfers from a State or local retirement or pension system to another State or local retirement or pension system only if:

(1) each system is operated on an actuarial basis; and

(2) under each system contributions that are computed to be sufficient to provide the reserves needed to cover the benefits payable on account of the system’s members are made during the employment of members.

(b) This title does not apply to:

(1) a transfer to the Judges’ Retirement System of the State of Maryland;

(2) a transfer to or from the Legislative Pension Plan of the State of Maryland except to the extent provided by the Joint Resolution submitted to the General Assembly by the General Assembly Compensation Commission under Article III, § 15 of the Maryland Constitution;

(3) a transfer from the Employees’ Retirement System of the State of Maryland to the Employees’ Pension System of the State of Maryland on or before December 31, 2004;

(4) a transfer from the Teachers' Retirement System of the State of Maryland to the Teachers' Pension System of the State of Maryland on or before December 31, 2004;

(5) a transfer between the Employees' Retirement System of the State of Maryland and the Teachers' Retirement System of the State of Maryland;

(6) a transfer between the Employees' Pension System of the State of Maryland and the Teachers' Pension System of the State of Maryland if the [member is not]MEMBER:

(I) IS subject to the [contributory] NONCONTRIBUTORY pension benefit [under Title 23, Subtitle 2, Part II of this article] in BOTH the previous and current system; [or

(7) a transfer between the Employees' Pension System of the State of Maryland and the Teachers' Pension System of the State of Maryland if the member]

(II) is subject to the contributory pension benefit under Title 23, Subtitle 2, Part II of this article in BOTH the previous and current system; OR

(III) IS SUBJECT TO THE ALTERNATE CONTRIBUTORY PENSION SELECTION UNDER TITLE 23, SUBTITLE 2, PART III OF THIS ARTICLE IN BOTH THE PREVIOUS AND CURRENT SYSTEM.

37-203.

(a) This section does not apply to a transfer of service credit to or from the **STATE ALTERNATE CONTRIBUTORY EMPLOYEES' PENSION SYSTEM, THE STATE ALTERNATE CONTRIBUTORY TEACHERS' PENSION SYSTEM**, State Contributory Employees' Pension System, the State Contributory Law Enforcement Officers' Pension System, or the State Contributory Teachers' Pension System.

(f) (1) Except as otherwise provided in this subsection, after an individual transfers service credit to a new system under this title, the individual:

(i) shall pay the rate of contribution applicable to a member of the new system; and

(ii) is eligible for a pension and annuity as provided under the new system, determined by taking into account the transferred service credit.

(2) Except as provided in § 37-204 of this subtitle, if an individual transfers from a noncontributory system to a contributory system, on retirement the individual's retirement allowance shall be reduced by the actuarial equivalent of the [accumulated] **MEMBER** contributions that would have been deducted if the individual had earned the transferred service credit under the new system, including **REGULAR** interest on those contributions.

(3) If an individual retires within 5 years after transferring into a new system, the benefits payable with respect to the transferred service credit may not be greater than the benefits that would have been payable by the previous system with respect to that service if the individual had remained in the previous system.

37-203.1.

(a) (1) An individual may transfer service credit from a contributory system to **THE STATE ALTERNATE CONTRIBUTORY EMPLOYEES' PENSION SYSTEM, THE STATE ALTERNATE CONTRIBUTORY TEACHERS' PENSION SYSTEM**, the State Contributory Employees' Pension System, the State Contributory Law Enforcement Officers' Pension System, or the State Contributory Teachers' Pension System if, within 1 year after becoming a member of the pension system, the individual:

(i) completes a claim for the service credit and files it with the Board of Trustees of the State Retirement and Pension System on a form that the Board of Trustees provides; and

(ii) deposits in the annuity savings fund of:

1. the Employees' Pension System or Teachers' Pension System member contributions at the rate [of 2% of the individual's earnable compensation while a member of the contributory system after June 30, 1998] **APPLICABLE FOR THE PERIOD OF SERVICE IF THE MEMBER HAD EARNED THE TRANSFERRED SERVICE CREDIT IN THE NEW SYSTEM**, including regular interest on the contributions at the rate of 5% per year compounded annually; or

2. the Law Enforcement Officers' Pension System member contributions at the rate of 4% of the individual's earnable compensation while a member of the contributory system after June 30, 2000, including regular interest on the contributions at the rate of 5% per year compounded annually.

(2) [The] **SUBJECT TO § 414(H) OF THE INTERNAL REVENUE CODE, THE** contributory system shall refund the individual's accumulated contributions in excess of the amount determined under paragraph (1) of this subsection on request.

(b) (1) Subject to paragraph (2) of this subsection, an individual may transfer service credit from a noncontributory system to **THE STATE ALTERNATE CONTRIBUTORY EMPLOYEES' PENSION SYSTEM, THE STATE ALTERNATE CONTRIBUTORY TEACHERS' PENSION SYSTEM**, the State Contributory Employees' Pension System, the State Contributory Law Enforcement Officers' Pension System, or the State Contributory Teachers' Pension System if, within 1 year after becoming a member of the pension system, the individual completes a claim for the service credit and files it with the Board of Trustees for the State Retirement and Pension System on a form that the Board of Trustees provides.

(2) The noncontributory system may not refund the individual's accumulated contributions.

(3) (i) 1. This subparagraph applies only to an individual who transferred service credit from a noncontributory system to **THE STATE ALTERNATE CONTRIBUTORY EMPLOYEES' PENSION SYSTEM, THE STATE ALTERNATE CONTRIBUTORY TEACHERS' PENSION SYSTEM**, the State Contributory Employees' Pension System or the State Contributory Teachers' Pension System and earned any portion of the transferred service credit in a noncontributory system after June 30, 1998.

2. On retirement, the individual's retirement allowance shall be reduced by the actuarial equivalent of the [accumulated] **MEMBER** contributions that would have been deducted during the period after June 30, 1998, when the individual was a member of the noncontributory system, if the individual had earned the transferred service credit under the [State Contributory Employees' Pension System or the State Contributory Teachers' Pension System] **NEW SYSTEM**, including regular interest on those contributions at the rate of 5% per year compounded annually.

(ii) 1. This subparagraph applies only to an individual who transferred service credit from a noncontributory system to the State Contributory Law Enforcement Officers' Pension System and earned any portion of the transferred service credit in a noncontributory system after June 30, 2000.

2. Upon retirement the individual's retirement allowance shall be reduced by the actuarial equivalent of the [accumulated] **MEMBER** contributions that would have been deducted during the period after June 30, 2000, when the individual was a member of the noncontributory system, if the individual had earned the transferred service credit under the State Contributory Law Enforcement Officers' Pension System, including regular interest on those contributions at the rate of 5% per year compounded annually.

(c) (1) An individual may transfer service credit from **THE STATE ALTERNATE CONTRIBUTORY EMPLOYEES' PENSION SYSTEM, THE STATE ALTERNATE CONTRIBUTORY TEACHERS' PENSION SYSTEM,** the State Contributory Employees' Pension System, the State Contributory Law Enforcement Officers' Pension System, or the State Contributory Teachers' Pension System to a noncontributory system if, within 1 year after becoming a member of the noncontributory system, the individual completes a claim for the service credit and files it with the administrator of the noncontributory system on a form that the administrator provides.

(2) [The State Contributory Employees' Pension System, the State Contributory Law Enforcement Officers' Pension System, or the State Contributory Teachers' Pension System] **SUBJECT TO § 414(H) OF THE INTERNAL REVENUE CODE, THE PREVIOUS SYSTEM** shall refund the individual's total accumulated contributions to the individual on request.

(d) (1) An individual may transfer service credit from **THE STATE ALTERNATE CONTRIBUTORY EMPLOYEES' PENSION SYSTEM, THE STATE ALTERNATE CONTRIBUTORY TEACHERS' PENSION SYSTEM,** the State Contributory Employees' Pension System, the State Contributory Law Enforcement Officers' Pension System, or the State Contributory Teachers' Pension System to a contributory system if, within 1 year after becoming a member of the contributory system, the individual:

(i) completes a claim for the service credit and files it with the administrator of the contributory system on a form that the administrator provides; and

(ii) deposits in the annuity savings fund or other corresponding fund of the contributory system the sum of:

1. the total accumulated contributions to the individual's credit in the annuity savings fund of the [State Contributory Employees' Pension System, the State Contributory Law Enforcement Officers' Pension System, or the State Contributory Teachers' Pension System] **PREVIOUS SYSTEM;**

2. the difference, if any, between the member contributions at the rate provided for in the contributory system, including interest on those contributions, and the total accumulated contributions to the individual's credit in the annuity savings fund of the [State Contributory Employees' Pension System, the State Contributory Law Enforcement Officers' Pension System, or the State Contributory Teachers' Pension System] **PREVIOUS SYSTEM;** and

3. the accumulated contributions that would have been deducted during the period the individual was a member of the State system while it was a noncontributory system if the individual had earned the transferred service credit under the contributory system, including interest on those contributions.

(2) On retirement from the contributory system, the individual's retirement allowance shall be reduced by the actuarial equivalent of the amounts determined under paragraph (1)(ii)2 and 3 of this subsection if the member elects not to deposit those amounts in the annuity savings fund or other corresponding fund of the contributory system.

(e) Except as provided in § 37-204 of this subtitle, an individual who transfers service credit under this title shall receive service credit in the new system in the amount of service credit accumulated under the previous system.

(f) On verification of the service credit, the previous system may not provide any benefit for service credit transferred from the previous system to a new system under this title.

(g) (1) Except as otherwise provided in this subsection, after an individual transfers service credit to a new system under this title, the individual:

(i) shall pay the rate of contribution applicable to a member of the new system; and

(ii) is eligible for a pension and annuity as provided under the new system, determined by taking into account the transferred service credit.

(2) If an individual retires within 5 years after transferring into a new system, the benefits payable with respect to the transferred service credit may not be greater than the benefits that would have been payable by the previous system with respect to that service if the individual had remained in the previous system.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 338

(Senate Bill 588)

AN ACT concerning

Insurance – Binders or Policies – Personal Insurance

FOR the purpose of providing that certain provisions of law regarding binders or policies are applicable to personal insurance; altering certain notice requirements for cancellation of a certain binder or policy for nonpayment of premium; defining a certain term; providing for the application of this Act; and generally relating to binders and policies of personal insurance.

BY repealing and reenacting, with amendments,
 Article – Insurance
 Section 12-106
 Annotated Code of Maryland
 (2003 Replacement Volume and 2006 Supplement)

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

Article – Insurance

12-106.

(a) IN THIS SECTION, “PERSONAL INSURANCE” MEANS PROPERTY INSURANCE OR CASUALTY INSURANCE ISSUED TO AN INDIVIDUAL, TRUST, ESTATE, OR SIMILAR ENTITY THAT IS INTENDED TO INSURE AGAINST LOSS ARISING PRINCIPALLY FROM THE PERSONAL, NONCOMMERCIAL ACTIVITIES OF THE INSURED.

(B) This section applies only to a binder or policy, other than a renewal policy, of:

~~(1) private passenger motor vehicle, homeowners, dwelling, credit loss,~~
~~or~~ PERSONAL INSURANCE, commercial property insurance, ~~or liability~~ AND
COMMERCIAL LIABILITY insurance; ~~AND~~

~~(2) PERSONAL INSURANCE.~~

[(b)](C) A binder or policy is subject to a 45-day underwriting period beginning on the effective date of coverage.

[(c)] (D) An insurer may cancel a binder or policy during the underwriting period if the risk does not meet the underwriting standards of the insurer.

[(d)] (E) If applicable, at the time of application or when a binder or policy is issued, an insurer shall provide written notice of its ability to cancel a binder or policy during the underwriting period.

[(e)] (F) **(1) A EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A** notice of cancellation under this section shall:

~~(1)~~ **(I)** be in writing;

~~(2)~~ **(II)** have an effective date not less than 15 days after mailing;

and

~~(3)~~ **(III)** state clearly and specifically the insurer's actual reason for the cancellation.

(2) A NOTICE OF CANCELLATION UNDER THIS SECTION FOR NONPAYMENT OF PREMIUM SHALL:

(I) BE IN WRITING;

(II) HAVE AN EFFECTIVE DATE OF NOT LESS THAN 10 DAYS AFTER MAILING;

(III) STATE THE INSURER'S INTENT TO CANCEL FOR NONPAYMENT OF PREMIUM; AND

(IV) BE SENT BY CERTIFICATE OF MAIL.

[(f)] (G) A binder or other contract for temporary insurance:

(1) may be made orally or in writing; and

(2) except as superseded by the clear and express terms of the binder, is considered to include:

(i) all the usual terms of the policy as to which the binder was given; and

(ii) the applicable endorsements designated in the binder.

[(g)] (H) A binder is no longer valid after the policy as to which it was given is issued.

[(h)] (I) (1) If a binder is given to a consumer borrower to satisfy a lender's requirement that the borrower obtain property insurance or credit loss insurance as a condition of making a loan secured by a first mortgage or first deed of trust on an interest in owner-occupied residential real property, the insurer or its insurance producer shall include in or with the binder:

- (i) the name and address of the insured consumer borrower;
- (ii) the name and address of the lender;
- (iii) a description of the insured residential real property;
- (iv) a provision that the binder may not be canceled within the term of the binder unless the lender and the insured borrower receive written notice at least 15 days before the cancellation;
- (v) except in the case of the renewal of a policy after the closing of a loan, a paid receipt for the full amount of the applicable premium; and
- (vi) the amount of coverage.

(2) With respect to a binder given under this subsection, an insurer:

- (i) if the binder is to be canceled, shall give the lender and the insured consumer borrower at least 15 days' written notice before the cancellation; and
- (ii) within 45 days after the date the binder was given, shall issue a policy of insurance or provide the required notice of cancellation of the binder.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply to all binders or policies of personal insurance issued or delivered on or after the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 339

(Senate Bill 604)

AN ACT concerning

Higher Education - Senatorial Scholarships

FOR the purpose of ~~repealing a certain requirement to take a certain examination as part of the application process for a senatorial scholarship;~~ altering the maximum amount of a certain award for a senatorial scholarship; repealing a certain condition relating to the use of a certain award for summer school; ~~repealing a certain deadline; repealing a certain requirement for the Office of Student Financial Assistance within the Maryland Higher Education Commission to make a certain announcement; repealing a certain authorization for a certain appointment for receipt of a certain scholarship;~~ and generally relating to senatorial scholarships.

BY repealing and reenacting, without amendments,
Article - Education
Section ~~18-401, 18-402(a), 18-407, and 18-408~~
Annotated Code of Maryland
(2006 Replacement Volume)

BY repealing and reenacting, with amendments,
Article - Education
Section ~~18-402(a), 18-404, 18-406(c), and 18-407~~ 18-404 and 18-406(c)
Annotated Code of Maryland
(2006 Replacement Volume)

~~BY repealing~~
~~Article - Education~~
~~Section 18-408~~
~~Annotated Code of Maryland~~
~~(2006 Replacement Volume)~~

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

Article - Education

18-401.

There is a program of senatorial scholarships in this State that are awarded under this subtitle.

18-402.

(a) ~~¶(1)~~ Except as provided in paragraph (2) of this subsection, each ~~EACH~~ applicant for a senatorial scholarship shall ~~BE~~:

~~¶(i)~~ Take a competitive examination administered by the Office; and

~~¶(ii)~~ ~~(1)~~ ~~¶Be accepted~~ ~~ACCEPTED~~ for admission in the regular undergraduate, graduate, or professional program at an eligible institution; or

~~(2)~~ ~~¶be enrolled~~ ~~ENROLLED~~ in a 2-year terminal certificate program in which the course work is acceptable for transfer credit for an accredited baccalaureate program in an eligible institution.

~~¶(2)~~ An applicant is exempt from the examination if the applicant:

(i) Is attending an eligible institution and has completed at least 1 year in good academic standing at the institution;

(ii) Graduated from high school at least 5 years before application for a senatorial scholarship;

(iii) Is accepted for admission to a private career institution, if the institution's curriculum is approved by the Commission, and the institution is accredited by a national accrediting association approved by the United States Department of Education; or

(iv) Is planning to attend or is attending a Maryland community college.¶

18-404.

(a) Each Senator may award \$34,500 of senatorial scholarships each year.

(b) (1) The annual allocation under subsection (a) of this section applies to initial-year awards. After 4 years of operation, the annual allocation to each Senator for initial-year and continuing awards may not exceed four times the amount of his allocation under subsection (a) of this section.

(2) If a recipient moves to the legislative district of another Senator, the allocation to the recipient shall continue to be drawn on the account of the Senator who originally awarded the scholarship.

(c) (1) A senatorial scholarship may be awarded in \$100 increments.

(2) [However, an] AN award for a single year may not be less than \$400 or more than [\$2,000] ~~THE TUITION AND MANDATORY FEES FOR A FULL-TIME UNDERGRADUATE STUDENT ENROLLED AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK FOR THE ACADEMIC YEAR COMMENCING IN THAT YEAR~~ EQUIVALENT ANNUAL TUITION AND MANDATORY FEES OF AN UNDERGRADUATE PROGRAM AT THE 4-YEAR PUBLIC INSTITUTION OF HIGHER EDUCATION WITHIN THE UNIVERSITY SYSTEM OF MARYLAND, OTHER THAN THE UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE AND UNIVERSITY OF MARYLAND, BALTIMORE, WITH THE HIGHEST ANNUAL EXPENSES FOR A FULL-TIME RESIDENT UNDERGRADUATE.

[(2) A recipient may not be awarded more than \$8,000 for undergraduate, graduate, or professional study.]

18-406.

(c) Any recipient of a senatorial scholarship may use up to one-half of the yearly award for summer school [if the recipient is scheduled to graduate immediately after the fall academic semester following summer school].

18-407.

(a) ~~¶~~Each Senator shall award all of his senatorial scholarships on or before September 1 of each year.

(b) If any Senator fails to award all of his scholarships on or before September 1 of each year, the Commission shall make the remaining awards to applicants from the Senator's legislative district who:

(1) Scored highest on the competitive examination; or

(2) Are attending an eligible institution and have completed at least 1 year in good academic standing.

(c) ~~¶~~ The Office shall ~~¶~~:

(1) Notify ~~¶~~ ~~NOTIFY~~ each Senator of the applicants to whom it awards the Senator's scholarships ~~¶~~; and

(2) Announce publicly the names of all recipients~~].~~

~~[(d)]~~ ~~(B)~~ To the extent a scholarship awarded under § 18-404 of this subtitle is not used by a student, moneys appropriated to the Commission for that award not used by the end of the fiscal year shall be retained by the Commission for use by the awarding Senator in the Senatorial Scholarship Program during subsequent fiscal years.

~~§~~18-408.

(a) If there is no qualified applicant in a legislative district, a qualified applicant who resides in another legislative district may be appointed to receive the senatorial scholarship.

(b) A senatorial scholarship awarded under this section is for 1 year. However, a student who receives an appointment under this section is eligible to receive a subsequent appointment for not longer than 3 years.~~].~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 340

(Senate Bill 606)

AN ACT concerning

Human Trafficking, *Extortion*, and Involuntary Servitude

FOR the purpose of prohibiting a person from knowingly soliciting ~~or attempting to solicit another person for prostitution, a sexually explicit performance, labor, or services by certain means; prohibiting a person from knowingly soliciting or attempting to solicit a minor~~ *certain persons* for prostitution ~~or a sexually explicit performance; prohibiting a person from obtaining or attempting to obtain labor or services by certain means; establishing that a certain penalty is based on the value of certain labor or services; prohibiting a person from making certain verbal threats with the intent to unlawfully extort labor or services; providing that the District Court has jurisdiction that is concurrent with a circuit court in certain criminal cases involving human trafficking;~~ establishing

~~certain penalties; establishing that a business entity that knowingly aids or participates in a certain violation is subject to certain penalties; defining certain terms; providing an increased penalty for a certain violation involving a minor victim; and generally relating to trafficking of persons, extortion, and involuntary servitude.~~

~~BY adding to~~

~~Article — Business Occupations and Professions
Section 1-209
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)~~

~~BY adding to~~

~~Article — Business Regulation
Section 1-211
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)~~

BY repealing and reenacting, with amendments,

Article - Courts and Judicial Proceedings
Section 4-301(b)(21) and (22) and 4-302(a) and (d)(1)
Annotated Code of Maryland
(2006 Replacement Volume)

BY adding to

Article - Courts and Judicial Proceedings
Section 4-301(b)(23)
Annotated Code of Maryland
(2006 Replacement Volume)

BY repealing and reenacting, with amendments,

Article - Criminal Law
Section 3-324, 3-701, 3-704, 3-705, and 11-303
Annotated Code of Maryland
(2002 Volume and 2006 Supplement)

~~BY adding to~~

~~Article — Criminal Law
Section 3-1001 and 3-1002 to be under the new subtitle “Subtitle 10:
Trafficking of Persons and Involuntary Servitude”
Annotated Code of Maryland
(2002 Volume and 2006 Supplement)~~

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

~~Article - Business Occupations and Professions~~~~1-209.~~

~~A PERSON THAT KNOWINGLY AIDS OR PARTICIPATES IN A VIOLATION OF TITLE 3, SUBTITLE 10 OF THE CRIMINAL LAW ARTICLE IS SUBJECT TO:~~

~~(1) THE SUSPENSION OR REVOCATION OF ANY BUSINESS LICENSE, PERMIT, OR APPROVAL TO OPERATE GRANTED TO THE ENTITY BY THE STATE;~~

~~(2) DISSOLUTION OR REORGANIZATION;~~

~~(3) THE SURRENDER OF THE ENTITY'S CHARTER IF IT IS A CORPORATION ORGANIZED UNDER STATE LAW; OR~~

~~(4) THE REVOCATION OF THE ENTITY'S CERTIFICATE TO CONDUCT BUSINESS IF IT IS A CORPORATION NOT ORGANIZED UNDER STATE LAW.~~

~~Article - Business Regulation~~~~1-211.~~

~~A PERSON THAT KNOWINGLY AIDS OR PARTICIPATES IN A VIOLATION OF TITLE 3, SUBTITLE 10 OF THE CRIMINAL LAW ARTICLE IS SUBJECT TO:~~

~~(1) THE SUSPENSION OR REVOCATION OF ANY BUSINESS LICENSE, PERMIT, OR APPROVAL TO OPERATE GRANTED TO THE ENTITY BY THE STATE;~~

~~(2) DISSOLUTION OR REORGANIZATION;~~

~~(3) THE SURRENDER OF THE ENTITY'S CHARTER IF IT IS A CORPORATION ORGANIZED UNDER STATE LAW; OR~~

~~(4) THE REVOCATION OF THE ENTITY'S CERTIFICATE TO CONDUCT BUSINESS IF IT IS A CORPORATION NOT ORGANIZED UNDER STATE LAW.~~

Article - Courts and Judicial Proceedings

4-301.

(b) Except as provided in § 4-302 of this subtitle, the District Court also has exclusive original jurisdiction in a criminal case in which a person at least 18 years old or a corporation is charged with:

(21) Violation of §§ 16-801 through 16-804 of the Election Law Article;
[or]

(22) Violation of § 3-203(c) of the Criminal Law Article; OR

(23) VIOLATION OF § 11-303(B) OF THE CRIMINAL LAW ARTICLE.

4-302.

(a) Except as provided in § 4-301(b)(2), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), (17), (18), (19), (20), (21), [and] (22), AND (23) of this subtitle, the District Court does not have jurisdiction to try a criminal case charging the commission of a felony.

(d) (1) Except as provided in paragraph (2) of this subsection, the jurisdiction of the District Court is concurrent with that of the circuit court in a criminal case:

(i) In which the penalty may be confinement for 3 years or more or a fine of \$2,500 or more; or

(ii) That is a felony, as provided in § 4-301(b)(2), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), (17), (18), (19), (20), (21), [and] (22), AND (23) of this subtitle.

Article - Criminal Law

3-324.

(a) In this section, "solicit" means to command, authorize, urge, entice, request, or advise a person by any means, including:

- (1) in person;
- (2) through an agent or agency;
- (3) over the telephone;
- (4) through any print medium;

- (5) by mail;
- (6) by computer or Internet; or
- (7) by any other electronic means.

(b) A person may not, with the intent to commit a violation of § 3-304, § 3-306, or § 3-307 of this subtitle OR § 11-304, § 11-305, OR § 11-306 OF THIS ARTICLE, knowingly solicit a minor, or a law enforcement officer posing as a minor, to engage in activities that would be unlawful for the person to engage in under § 3-304, § 3-306, or § 3-307 of this subtitle OR § 11-304, § 11-305, OR § 11-306 OF THIS ARTICLE.

~~(B-1) (1) A PERSON MAY NOT KNOWINGLY SOLICIT OR ATTEMPT TO SOLICIT A MINOR FOR THE PURPOSE OF PROSTITUTION, AS DEFINED IN § 11-301 OF THIS ARTICLE, OR A SEXUALLY EXPLICIT PERFORMANCE, AS DEFINED IN § 3-1001 OF THIS TITLE.~~

~~(2) A PERSON MAY NOT BENEFIT FINANCIALLY, OR RECEIVE ANYTHING OF VALUE, FROM KNOWINGLY PARTICIPATING IN A VENTURE THAT HAS ENGAGED IN A VIOLATION OF PARAGRAPH (1) OF THIS SUBSECTION.~~

(c) A violation of this section is considered to be committed in the State for purposes of determining jurisdiction if the solicitation:

- (1) originated in the State; or
- (2) is received in the State.

(d) A person who violates this section is guilty of a felony and on conviction is subject to imprisonment not exceeding 10 years or a fine not exceeding \$25,000 or both.

~~SUBTITLE 10. TRAFFICKING OF PERSONS AND INVOLUNTARY SERVITUDE.~~

~~3-1001.~~

~~(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(B) "EXTORTION" MEANS AN OFFENSE UNDER §§ 3-701, 3-704, AND 3-705 OF THIS TITLE.~~

~~(C) "LABOR" MEANS WORK OF ECONOMIC OR FINANCIAL VALUE.~~

~~(D) "PROSTITUTION" HAS THE SAME MEANING STATED IN § 11-301 OF THIS ARTICLE.~~

~~(E) "SEXUALLY EXPLICIT PERFORMANCE" MEANS AN OBSCENE PERFORMANCE, EXHIBITION, DRAMA PLAY, SHOW, DANCING EXHIBITION, TABLEAU, OR OTHER ENTERTAINMENT IN WHICH INDIVIDUALS PERFORM OR PARTICIPATE LIVE IN AN OBSCENE MANNER IN THE PRESENCE OF INDIVIDUALS WHO HAVE PAID ANY KIND OF CONSIDERATION TO OBSERVE THE EXHIBITION OR PERFORMANCE.~~

~~3-1002.~~

~~(A) A PERSON MAY NOT KNOWINGLY SOLICIT, AS DEFINED IN § 11-301(F) OF THIS ARTICLE, OR ATTEMPT TO SOLICIT ANOTHER PERSON FOR THE PURPOSE OF ENGAGING THAT PERSON IN PROSTITUTION, A SEXUALLY EXPLICIT PERFORMANCE, LABOR, OR SERVICES BY:~~

~~(1) CAUSING OR THREATENING TO CAUSE HARM TO ANY PERSON;~~

~~(2) PHYSICALLY RESTRAINING OR THREATENING TO PHYSICALLY RESTRAIN ANY PERSON;~~

~~(3) ABUSING OR THREATENING TO ABUSE LEGAL PROCESSES;~~

~~(4) KNOWINGLY DESTROYING, CONCEALING, REMOVING, CONFISCATING, OR POSSESSING ANY ACTUAL OR PURPORTED PASSPORT OR OTHER IMMIGRATION DOCUMENT OR ANY OTHER ACTUAL OR PURPORTED GOVERNMENT IDENTIFICATION DOCUMENT OF ANOTHER PERSON;~~

~~(5) EXTORTION;~~

~~(6) DECEPTION;~~

~~(7) FRAUD;~~

~~(8) REQUIRING A PERSON TO PERFORM SERVICES IN EXCESS OF THOSE REQUIRED TO PAY THE UNPAID PRINCIPAL BALANCE OF A LOAN OR OTHER FINANCIAL OBLIGATION;~~

~~(9) CAUSING OR THREATENING TO CAUSE FINANCIAL HARM TO ANY PERSON; OR~~

~~(10) FACILITATING OR CONTROLLING A PERSON'S ACCESS TO ADDICTIVE CONTROLLED SUBSTANCES.~~

~~(B) A PERSON MAY NOT BENEFIT FINANCIALLY, OR RECEIVE ANYTHING OF VALUE, FROM KNOWINGLY PARTICIPATING IN A VENTURE THAT HAS ENGAGED IN A VIOLATION OF SUBSECTION (A) OF THIS SECTION.~~

~~(C) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A FELONY AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 15 YEARS OR A FINE NOT EXCEEDING \$15,000 OR BOTH.~~

3-701.

(a) This section does not apply to legitimate efforts by employees or their representatives to obtain certain wages, hours, or working conditions.

(b) A person may not obtain [or], attempt to obtain, OR CONSPIRE TO OBTAIN money, property, LABOR, SERVICES, or anything of value from another person with the person's consent, if the consent is induced by wrongful use of actual or threatened:

(1) force or violence[, or by];

(2) [wrongful threat of] economic injury; OR

(3) DESTRUCTION, CONCEALMENT, REMOVAL, CONFISCATION, OR POSSESSION OF ANY IMMIGRATION OR GOVERNMENT IDENTIFICATION DOCUMENT WITH INTENT TO HARM THE IMMIGRATION STATUS OF ANOTHER PERSON.

(c) If the value of the property, LABOR, OR SERVICES is \$500 or more, a person who violates this section is guilty of the felony of extortion and on conviction is subject to imprisonment not exceeding 10 years or a fine not exceeding \$5,000 or both.

(d) If the value of the property, LABOR, OR SERVICES is less than \$500, a person who violates this section is guilty of the misdemeanor of extortion and on conviction is subject to imprisonment not exceeding 18 months or a fine not exceeding \$500 or both.

(e) A prosecution for a felony under this section shall be instituted within 5 years after the crime was committed.

3-704.

(a) A person, with the intent to unlawfully extort money, property, LABOR, SERVICES, or anything of value from another, may not falsely accuse or threaten to falsely accuse another of a crime or of anything that, if the accusation were true, would tend to bring the other into contempt or disrepute.

(b) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 10 years or a fine not exceeding \$10,000 or both.

3-705.

(a) A person, with the intent to unlawfully extort money, property, LABOR, SERVICES, or anything of value from another, may not verbally threaten to:

(1) accuse any person of a crime or of anything that, if true, would bring the person into contempt or disrepute; or

(2) (i) cause physical injury to a person;

(ii) inflict emotional distress on a person;

(iii) cause economic damage to a person; or

(iv) cause damage to the property of a person.

(b) A person who violates this section is guilty of a felony and on conviction is subject to imprisonment not exceeding 10 years or a fine not exceeding \$10,000 or both.

11-303.

(a) (I) A person may not knowingly:

[(1)] (I) take or cause another to be taken to any place for prostitution;

[(2)] (II) place, cause to be placed, or harbor another in any place for prostitution;

[(3)] (III) persuade or encourage by threat or promise another to be taken to or placed in any place for prostitution;

[(4)] (IV) unlawfully take or detain another with the intent to use force, threat, or persuasion to compel the other to marry the person or a third person or perform a sexual act, sexual contact, or vaginal intercourse; or

[(5)] (V) receive consideration to procure for or place in a house of prostitution or elsewhere another with the intent of causing the other to engage in prostitution or assignation.

[(b)] (2) A parent, guardian, or person who has permanent or temporary care or custody or responsibility for supervision of another may not consent to the taking or detention of the other for prostitution.

(B) A PERSON MAY NOT VIOLATE SUBSECTION (A) OF THIS SECTION INVOLVING A VICTIM WHO IS A MINOR.

(c) (1) (I) [A] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A person who violates SUBSECTION (A) OF this section is guilty of the misdemeanor of [pandering] HUMAN TRAFFICKING and on conviction is subject to imprisonment not exceeding 10 years or a fine not exceeding \$5,000 or both.

[(d)] (II) A person who violates SUBSECTION (A) OF this section is subject to § 5-106(b) of the Courts Article.

(2) A PERSON WHO VIOLATES SUBSECTION (B) OF THIS SECTION IS GUILTY OF THE FELONY OF HUMAN TRAFFICKING AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 25 YEARS OR A FINE NOT EXCEEDING \$15,000 OR BOTH.

[(e)] (D) A person who violates this section may be charged, tried, and sentenced in any county in or through which the person transported or attempted to transport the other.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 341

(House Bill 876)

AN ACT concerning

Human Trafficking, Extortion, and Involuntary Servitude

FOR the purpose of prohibiting a person from knowingly soliciting ~~or attempting to solicit another person for prostitution, a sexually explicit performance, labor, or services by certain means; prohibiting a person from knowingly soliciting or attempting to solicit a minor~~ certain persons for prostitution ~~or a sexually explicit performance~~; prohibiting a person from obtaining or attempting to obtain labor or services by certain means; establishing that a certain penalty is based on the value of certain labor or services; prohibiting a person from making certain verbal threats with the intent to unlawfully extort labor or services; providing that the District Court has jurisdiction that is concurrent with a circuit court in certain criminal cases involving human trafficking; establishing certain penalties; ~~establishing that a business entity that knowingly aids or participates in a certain violation is subject to certain penalties; defining certain terms;~~ providing an increased penalty for a certain violation involving a minor victim; and generally relating to trafficking of persons, extortion, and involuntary servitude.

~~BY adding to~~

~~Article – Business Occupations and Professions
Section 1-209
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)~~

~~BY adding to~~

~~Article – Business Regulation
Section 1-211
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)~~

BY repealing and reenacting, with amendments,

Article – Courts and Judicial Proceedings
Section 4-301(b)(21) and (22) and 4-302(a) and (d)(1)
Annotated Code of Maryland
(2006 Replacement Volume)

BY adding to

Article – Courts and Judicial Proceedings
Section 4-301(b)(23)
Annotated Code of Maryland
(2006 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Criminal Law
Section 3-324, 3-701, 3-704, 3-705, and 11-303
Annotated Code of Maryland

(2002 Volume and 2006 Supplement)

~~BY adding to~~

~~Article Criminal Law~~

~~Section 3-1001 and 3-1002 to be under the new subtitle "Subtitle 10,~~

~~Trafficking of Persons and Involuntary Servitude"~~

~~Annotated Code of Maryland~~

~~(2002 Volume and 2006 Supplement)~~

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

~~Article Business Occupations and Professions~~

~~1-200.~~

~~A PERSON THAT KNOWINGLY AIDS OR PARTICIPATES IN A VIOLATION OF TITLE 3, SUBTITLE 10 OF THE CRIMINAL LAW ARTICLE IS SUBJECT TO:~~

~~(1) THE SUSPENSION OR REVOCATION OF ANY BUSINESS LICENSE, PERMIT, OR APPROVAL TO OPERATE GRANTED TO THE ENTITY BY THE STATE;~~

~~(2) DISSOLUTION OR REORGANIZATION;~~

~~(3) THE SURRENDER OF THE ENTITY'S CHARTER IF IT IS A CORPORATION ORGANIZED UNDER STATE LAW; OR~~

~~(4) THE REVOCATION OF THE ENTITY'S CERTIFICATE TO CONDUCT BUSINESS IF IT IS A CORPORATION NOT ORGANIZED UNDER STATE LAW.~~

~~Article Business Regulation~~

~~1-211.~~

~~A PERSON THAT KNOWINGLY AIDS OR PARTICIPATES IN A VIOLATION OF TITLE 3, SUBTITLE 10 OF THE CRIMINAL LAW ARTICLE IS SUBJECT TO:~~

~~(1) THE SUSPENSION OR REVOCATION OF ANY BUSINESS LICENSE, PERMIT, OR APPROVAL TO OPERATE GRANTED TO THE ENTITY BY THE STATE;~~

~~(2) DISSOLUTION OR REORGANIZATION;~~

~~(3) THE SURRENDER OF THE ENTITY'S CHARTER IF IT IS A CORPORATION ORGANIZED UNDER STATE LAW; OR~~

~~(4) THE REVOCATION OF THE ENTITY'S CERTIFICATE TO CONDUCT BUSINESS IF IT IS A CORPORATION NOT ORGANIZED UNDER STATE LAW.~~

Article - Courts and Judicial Proceedings

4-301.

(b) Except as provided in § 4-302 of this subtitle, the District Court also has exclusive original jurisdiction in a criminal case in which a person at least 18 years old or a corporation is charged with:

(21) Violation of §§ 16-801 through 16-804 of the Election Law Article;
[or]

(22) Violation of § 3-203(c) of the Criminal Law Article; OR

(23) VIOLATION OF § 11-303(B) OF THE CRIMINAL LAW ARTICLE.

4-302.

(a) Except as provided in § 4-301(b)(2), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), (17), (18), (19), (20), (21), [and] (22), AND (23) of this subtitle, the District Court does not have jurisdiction to try a criminal case charging the commission of a felony.

(d) (1) Except as provided in paragraph (2) of this subsection, the jurisdiction of the District Court is concurrent with that of the circuit court in a criminal case:

(i) In which the penalty may be confinement for 3 years or more or a fine of \$2,500 or more; or

(ii) That is a felony, as provided in § 4-301(b)(2), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), (17), (18), (19), (20), (21), [and] (22), AND (23) of this subtitle.

Article - Criminal Law

3-324.

(a) In this section, "solicit" means to command, authorize, urge, entice, request, or advise a person by any means, including:

- (1) in person;
- (2) through an agent or agency;
- (3) over the telephone;
- (4) through any print medium;
- (5) by mail;
- (6) by computer or Internet; or
- (7) by any other electronic means.

(b) A person may not, with the intent to commit a violation of § 3-304, § 3-306, or § 3-307 of this subtitle OR § 11-304, § 11-305, OR § 11-306 OF THIS ARTICLE, knowingly solicit a minor, or a law enforcement officer posing as a minor, to engage in activities that would be unlawful for the person to engage in under § 3-304, § 3-306, or § 3-307 of this subtitle OR § 11-304, § 11-305, OR § 11-306 OF THIS ARTICLE.

~~(B-1) (1) A PERSON MAY NOT KNOWINGLY SOLICIT OR ATTEMPT TO SOLICIT A MINOR FOR THE PURPOSE OF PROSTITUTION, AS DEFINED IN § 11-301 OF THIS ARTICLE, OR A SEXUALLY EXPLICIT PERFORMANCE, AS DEFINED IN § 3-1001 OF THIS TITLE.~~

~~(2) A PERSON MAY NOT BENEFIT FINANCIALLY, OR RECEIVE ANYTHING OF VALUE, FROM KNOWINGLY PARTICIPATING IN A VENTURE THAT HAS ENGAGED IN A VIOLATION OF PARAGRAPH (1) OF THIS SUBSECTION.~~

(c) A violation of this section is considered to be committed in the State for purposes of determining jurisdiction if the solicitation:

- (1) originated in the State; or
- (2) is received in the State.

(d) A person who violates this section is guilty of a felony and on conviction is subject to imprisonment not exceeding 10 years or a fine not exceeding \$25,000 or both.

~~SUBTITLE 10. TRAFFICKING OF PERSONS AND INVOLUNTARY SERVITUDE.~~

~~3-1001.~~

~~(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(B) "EXTORTION" MEANS AN OFFENSE UNDER §§ 3-701, 3-704, AND 3-705 OF THIS TITLE.~~

~~(C) "LABOR" MEANS WORK OF ECONOMIC OR FINANCIAL VALUE.~~

~~(D) "PROSTITUTION" HAS THE SAME MEANING STATED IN § 11-301 OF THIS ARTICLE.~~

~~(E) "SEXUALLY EXPLICIT PERFORMANCE" MEANS AN OBSCENE PERFORMANCE, EXHIBITION, DRAMA PLAY, SHOW, DANCING EXHIBITION, TABLEAU, OR OTHER ENTERTAINMENT IN WHICH INDIVIDUALS PERFORM OR PARTICIPATE LIVE IN AN OBSCENE MANNER IN THE PRESENCE OF INDIVIDUALS WHO HAVE PAID ANY KIND OF CONSIDERATION TO OBSERVE THE EXHIBITION OR PERFORMANCE.~~

~~3-1002.~~

~~(A) A PERSON MAY NOT KNOWINGLY SOLICIT, AS DEFINED IN § 11-301(F) OF THIS ARTICLE, OR ATTEMPT TO SOLICIT ANOTHER PERSON FOR THE PURPOSE OF ENGAGING THAT PERSON IN PROSTITUTION, A SEXUALLY EXPLICIT PERFORMANCE, LABOR, OR SERVICES BY:~~

~~(1) CAUSING OR THREATENING TO CAUSE HARM TO ANY PERSON;~~

~~(2) PHYSICALLY RESTRAINING OR THREATENING TO PHYSICALLY RESTRAIN ANY PERSON;~~

~~(3) ABUSING OR THREATENING TO ABUSE LEGAL PROCESSES;~~

~~(4) KNOWINGLY DESTROYING, CONCEALING, REMOVING, CONFISCATING, OR POSSESSING ANY ACTUAL OR PURPORTED PASSPORT OR OTHER IMMIGRATION DOCUMENT OR ANY OTHER ACTUAL OR PURPORTED GOVERNMENT IDENTIFICATION DOCUMENT OF ANOTHER PERSON;~~

~~(5) EXTORTION;~~

~~(6) DECEPTION;~~

~~(7) FRAUD;~~

~~(8) REQUIRING A PERSON TO PERFORM SERVICES IN EXCESS OF THOSE REQUIRED TO PAY THE UNPAID PRINCIPAL BALANCE OF A LOAN OR OTHER FINANCIAL OBLIGATION;~~

~~(9) CAUSING OR THREATENING TO CAUSE FINANCIAL HARM TO ANY PERSON; OR~~

~~(10) FACILITATING OR CONTROLLING A PERSON'S ACCESS TO ADDICTIVE CONTROLLED SUBSTANCES.~~

~~(B) A PERSON MAY NOT BENEFIT FINANCIALLY, OR RECEIVE ANYTHING OF VALUE, FROM KNOWINGLY PARTICIPATING IN A VENTURE THAT HAS ENGAGED IN A VIOLATION OF SUBSECTION (A) OF THIS SECTION.~~

~~(C) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A FELONY AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 15 YEARS OR A FINE NOT EXCEEDING \$15,000 OR BOTH.~~

3-701.

(a) This section does not apply to legitimate efforts by employees or their representatives to obtain certain wages, hours, or working conditions.

(b) A person may not obtain [or], attempt to obtain, OR CONSPIRE TO OBTAIN money, property, LABOR, SERVICES, or anything of value from another person with the person's consent, if the consent is induced by wrongful use of actual or threatened:

(1) force or violence[, or by];

(2) [wrongful threat of] economic injury; OR

(3) DESTRUCTION, CONCEALMENT, REMOVAL, CONFISCATION, OR POSSESSION OF ANY IMMIGRATION OR GOVERNMENT IDENTIFICATION DOCUMENT WITH INTENT TO HARM THE IMMIGRATION STATUS OF ANOTHER PERSON.

(c) If the value of the property, LABOR, OR SERVICES is \$500 or more, a person who violates this section is guilty of the felony of extortion and on conviction is subject to imprisonment not exceeding 10 years or a fine not exceeding \$5,000 or both.

(d) If the value of the property, LABOR, OR SERVICES is less than \$500, a person who violates this section is guilty of the misdemeanor of extortion and on conviction is subject to imprisonment not exceeding 18 months or a fine not exceeding \$500 or both.

(e) A prosecution for a felony under this section shall be instituted within 5 years after the crime was committed.

3-704.

(a) A person, with the intent to unlawfully extort money, property, LABOR, SERVICES, or anything of value from another, may not falsely accuse or threaten to falsely accuse another of a crime or of anything that, if the accusation were true, would tend to bring the other into contempt or disrepute.

(b) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 10 years or a fine not exceeding \$10,000 or both.

3-705.

(a) A person, with the intent to unlawfully extort money, property, LABOR, SERVICES, or anything of value from another, may not verbally threaten to:

(1) accuse any person of a crime or of anything that, if true, would bring the person into contempt or disrepute; or

(2) (i) cause physical injury to a person;

(ii) inflict emotional distress on a person;

(iii) cause economic damage to a person; or

(iv) cause damage to the property of a person.

(b) A person who violates this section is guilty of a felony and on conviction is subject to imprisonment not exceeding 10 years or a fine not exceeding \$10,000 or both.

11-303.

(a) (1) A person may not knowingly:

[(1)] (I) take or cause another to be taken to any place for prostitution;

[(2)] (II) place, cause to be placed, or harbor another in any place for prostitution;

[(3)] (III) persuade or encourage by threat or promise another to be taken to or placed in any place for prostitution;

[(4)] (IV) unlawfully take or detain another with the intent to use force, threat, or persuasion to compel the other to marry the person or a third person or perform a sexual act, sexual contact, or vaginal intercourse; or

[(5)] (V) receive consideration to procure for or place in a house of prostitution or elsewhere another with the intent of causing the other to engage in prostitution or assignation.

[(b)] (2) A parent, guardian, or person who has permanent or temporary care or custody or responsibility for supervision of another may not consent to the taking or detention of the other for prostitution.

(B) A PERSON MAY NOT VIOLATE SUBSECTION (A) OF THIS SECTION INVOLVING A VICTIM WHO IS A MINOR.

(c) (1) (I) [A] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A person who violates SUBSECTION (A) OF this section is guilty of the misdemeanor of [pandering] HUMAN TRAFFICKING and on conviction is subject to imprisonment not exceeding 10 years or a fine not exceeding \$5,000 or both.

[(d)] (II) A person who violates SUBSECTION (A) OF this section is subject to § 5-106(b) of the Courts Article.

(2) A PERSON WHO VIOLATES SUBSECTION (B) OF THIS SECTION IS GUILTY OF THE FELONY OF HUMAN TRAFFICKING AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 25 YEARS OR A FINE NOT EXCEEDING \$15,000 OR BOTH.

[(e)] (D) A person who violates this section may be charged, tried, and sentenced in any county in or through which the person transported or attempted to transport the other.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 342

(Senate Bill 640)

AN ACT concerning

Consumer Protection – Motor Vehicle Manufacturers – Warranty Adjustment Programs

FOR the purpose of requiring a certain invoice and certain authorization of repairs form to include a certain notice about certain motor vehicle manufacturer warranty adjustment programs; requiring a manufacturer of motor vehicles sold in the State to establish procedures under which certain consumers receive notice of certain warranty adjustment programs and, on request, are provided with a copy of a certain notification or other documents; requiring a motor vehicle manufacturer to ensure that a purchaser of a new motor vehicle receives certain notice at a certain time; requiring a motor vehicle ~~dealer to disclose the terms and conditions of certain adjustment programs to certain consumers under certain circumstances~~ manufacturer to provide to its dealers information about each adjustment program of the manufacturer in a certain format; requiring a motor vehicle manufacturer to implement procedures to ensure reimbursement of certain consumers for certain repairs under certain circumstances; ~~requiring a motor vehicle manufacturer to send a copy of a warranty adjustment program to the Motor Vehicle Administration within a certain time period; requiring the Motor Vehicle Administration to post a copy of a warranty adjustment program on its website within a certain time period~~; providing that a violation of certain provisions of this Act is an unfair or deceptive trade practice within the meaning of the Maryland Consumer Protection Act and is subject to certain enforcement and penalty provisions; defining certain terms; and generally relating to motor vehicle manufacturer warranty adjustment programs.

BY repealing and reenacting, with amendments,

Article – Commercial Law

Section 14-1003

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

BY adding to

Article – Commercial Law

Section 14-1008(d); and 14-1401 through 14-1403 to be under the new subtitle
“Subtitle 14. Motor Vehicle Manufacturers’ Warranty Adjustment
Programs”

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

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

Article – Commercial Law

14-1003.

(a) An automotive repair facility shall prepare an invoice which describes:

(1) All work done by it, including all warranty work; and

(2) All parts supplied by it.

(b) The invoice shall state clearly if any used, rebuilt, or reconditioned parts have been supplied or if a part of a component system supplied is composed of used, rebuilt, or reconditioned parts.

(c) **THE INVOICE SHALL INCLUDE THE FOLLOWING NOTICE:**

“MANUFACTURER SPECIAL POLICY ADJUSTMENT PROGRAMS

FEDERAL LAW REQUIRES MANUFACTURERS TO FURNISH THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (N.H.T.S.A.) WITH BULLETINS DESCRIBING ANY DEFECTS IN THEIR VEHICLES. YOU MAY OBTAIN COPIES OF THESE BULLETINS FROM EITHER THE MANUFACTURER OR N.H.T.S.A. IN ADDITION, CERTAIN CONSUMER PUBLICATIONS OR ORGANIZATIONS PUBLISH THIS INFORMATION, WHICH MAY BE AVAILABLE FOR A FEE OR FOR FREE.”

[(c)] (D) After the customer signs the invoice, the automotive repair facility shall give him a copy of it and retain a copy.

14-1008.

(D) THE AUTHORIZATION FORM SHALL INCLUDE THE FOLLOWING NOTICE:

“MANUFACTURER SPECIAL POLICY ADJUSTMENT PROGRAMS

FEDERAL LAW REQUIRES MANUFACTURERS TO FURNISH THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (N.H.T.S.A.) WITH BULLETINS DESCRIBING ANY DEFECTS IN THEIR VEHICLES. YOU MAY OBTAIN COPIES OF THESE BULLETINS FROM EITHER THE MANUFACTURER OR N.H.T.S.A. IN ADDITION, CERTAIN CONSUMER PUBLICATIONS OR ORGANIZATIONS PUBLISH THIS INFORMATION, WHICH MAY BE AVAILABLE FOR A FEE OR FOR FREE.”

SUBTITLE 14. MOTOR VEHICLE MANUFACTURERS' WARRANTY ADJUSTMENT PROGRAMS.

14-1401.

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

(B) (1) “ADJUSTMENT PROGRAM” MEANS A PROGRAM OR POLICY:

(I) THAT EXPANDS OR EXTENDS A WARRANTY BEYOND ITS STATED LIMIT; OR

(II) UNDER WHICH A MANUFACTURER UNDERTAKES OR OFFERS TO PAY OR REIMBURSE A CONSUMER, WHETHER DIRECTLY OR INDIRECTLY, FOR ALL OR A PART OF THE COST OF REPAIRING A CONDITION THAT MAY SUBSTANTIALLY AFFECT THE DURABILITY, RELIABILITY, OR PERFORMANCE OF A MOTOR VEHICLE.

(2) “ADJUSTMENT PROGRAM” DOES NOT INCLUDE:

(I) SERVICE PROVIDED UNDER A SAFETY OR EMISSIONS RELATED RECALL CAMPAIGN; OR

(II) ADJUSTMENTS MADE BY A MANUFACTURER ON A CASE-BY-CASE BASIS.

(C) “CONSUMER” MEANS:

(1) THE PURCHASER, OTHER THAN FOR PURPOSES OF RESALE, OF A NEW MOTOR VEHICLE;

(2) A LESSEE OF A MOTOR VEHICLE;

(3) A PERSON TO WHOM A NEW MOTOR VEHICLE IS TRANSFERRED DURING THE DURATION OF THE WARRANTY APPLICABLE TO THE MOTOR VEHICLE; OR

(4) A PERSON WHO IS ENTITLED UNDER THE TERMS OF THE WARRANTY TO ENFORCE ITS OBLIGATIONS.

(D) "DEALER" MEANS A PERSON WHO SELLS OR LEASES MOTOR VEHICLES UNDER A RETAIL AGREEMENT WITH A MANUFACTURER OR DISTRIBUTOR, OR AN AGENT OF A MANUFACTURER OR DISTRIBUTOR.

(E) "LESSEE" MEANS A CONSUMER WHO LEASES A MOTOR VEHICLE UNDER A WRITTEN LEASE THAT PROVIDES THAT THE LESSEE IS RESPONSIBLE FOR REPAIRS TO THE MOTOR VEHICLE.

(F) "MANUFACTURER" MEANS A PERSON WHO:

(1) MANUFACTURES OR ASSEMBLES NEW MOTOR VEHICLES FOR SALE OR DISTRIBUTION; OR

(2) IS ENGAGED IN THE BUSINESS OF IMPORTING NEW MOTOR VEHICLES FOR SALE OR DISTRIBUTION TO DEALERS OR THROUGH DISTRIBUTORS OR FACTORY BRANCHES.

(G) "MOTOR VEHICLE" MEANS A VEHICLE THAT:

(1) IS USED FOR THE PRIVATE TRANSPORTATION OF INDIVIDUALS AND THEIR PERSONAL BELONGINGS; AND

(2) HAS A MAXIMUM CAPACITY OF 10 INDIVIDUALS, INCLUDING THE DRIVER.

14-1402.

(A) A MANUFACTURER OF MOTOR VEHICLES SOLD IN THE STATE SHALL ESTABLISH PROCEDURES UNDER WHICH EACH CONSUMER IN THE STATE WHO OWNS OR LEASES A MOTOR VEHICLE TO WHICH AN ADJUSTMENT PROGRAM OF THE MANUFACTURER APPLIES:

(1) IS NOTIFIED OF THE ADJUSTMENT PROGRAM;

(2) ON REQUEST, IS PROVIDED WITH A COPY OF ANY SERVICE BULLETIN OR ANY OTHER DOCUMENT ISSUED BY THE MANUFACTURER

PERTAINING TO AN ADJUSTMENT PROGRAM OR TO A CONDITION THAT MAY SUBSTANTIALLY AFFECT MOTOR VEHICLE DURABILITY, RELIABILITY, OR PERFORMANCE; AND

(3) WITHIN 90 DAYS AFTER THE ESTABLISHMENT OF A NEW ADJUSTMENT PROGRAM, IS SENT WRITTEN NOTICE BY FIRST-CLASS MAIL OF THE TERMS AND CONDITIONS OF THE ADJUSTMENT PROGRAM.

(B) (1) A MANUFACTURER OF MOTOR VEHICLES SOLD IN THE STATE SHALL ENSURE THAT THE PURCHASER OF A NEW MOTOR VEHICLE RECEIVES, AT THE TIME OF PURCHASE, A WRITTEN NOTICE DESCRIBING THE RIGHTS AND REMEDIES PROVIDED UNDER THIS SECTION.

(2) THE WRITTEN NOTICE SHALL BE CONSIDERED SUFFICIENT IF STATED IN SUBSTANTIALLY THE FOLLOWING FORM:

“SOMETIMES (INSERT MANUFACTURER’S NAME) OFFERS A SPECIAL ADJUSTMENT PROGRAM TO PAY ALL OR PART OF THE COST OF CERTAIN REPAIRS BEYOND THE TERMS OF THE WARRANTY. CHECK WITH YOUR DEALER TO DETERMINE WHETHER ANY ADJUSTMENT PROGRAM IS APPLICABLE TO YOUR MOTOR VEHICLE.”

~~(C) IF A DEALER HAS RECEIVED NOTIFICATION OF A MANUFACTURER’S ADJUSTMENT PROGRAM COVERING A PARTICULAR CONDITION, OR OTHERWISE HAS KNOWLEDGE OF THE ADJUSTMENT PROGRAM, THE DEALER SHALL DISCLOSE THE TERMS AND CONDITIONS OF THE ADJUSTMENT PROGRAM TO A CONSUMER SEEKING REPAIRS FOR THE CONDITION AT THE DEALER’S REPAIR FACILITY.~~

(C) A MANUFACTURER SHALL PROVIDE TO ITS DEALERS INFORMATION ABOUT EACH ADJUSTMENT PROGRAM OF THE MANUFACTURER IN A FORMAT THAT FACILITATES THE DISCLOSURE OF THE TERMS AND CONDITIONS OF THE ADJUSTMENT PROGRAM TO A CONSUMER SEEKING REPAIRS AT THE DEALER’S REPAIR FACILITY.

(D) (1) A MANUFACTURER THAT ESTABLISHES AN ADJUSTMENT PROGRAM SHALL IMPLEMENT PROCEDURES TO ENSURE REIMBURSEMENT OF EACH CONSUMER WHO:

(I) IS ELIGIBLE UNDER THE ADJUSTMENT PROGRAM; AND

(II) INCURS EXPENSES FOR THE REPAIR OF A CONDITION SUBJECT TO THE ADJUSTMENT PROGRAM BEFORE THE CONSUMER KNOWS ABOUT THE ADJUSTMENT PROGRAM.

(2) REIMBURSEMENT UNDER THIS SUBSECTION SHALL BE CONSISTENT WITH THE TERMS AND CONDITIONS OF THE PARTICULAR ADJUSTMENT PROGRAM.

(3) (I) A CONSUMER SHALL MAKE A CLAIM FOR REIMBURSEMENT UNDER THIS SUBSECTION IN WRITING TO THE MANUFACTURER WITHIN THE LATER OF:

1. 2 YEARS AFTER THE DATE OF THE CONSUMER'S PAYMENT FOR THE REPAIR OF THE CONDITION; OR

2. 1 YEAR AFTER THE DATE THE MANUFACTURER SENDS THE NOTICE REQUIRED UNDER SUBSECTION (A)(3) OF THIS SECTION.

(II) THE MANUFACTURER SHALL NOTIFY THE CONSUMER WITHIN 21 BUSINESS DAYS AFTER RECEIVING A CLAIM FOR REIMBURSEMENT WHETHER THE CLAIM WILL BE APPROVED OR DENIED.

(III) IF THE CLAIM IS DENIED, THE MANUFACTURER SHALL STATE IN WRITING THE SPECIFIC REASONS FOR THE DENIAL.

~~(E) (1) WITHIN 30 DAYS AFTER ESTABLISHING AN ADJUSTMENT PROGRAM, THE MANUFACTURER SHALL SEND A COPY OF THE ADJUSTMENT PROGRAM TO THE MOTOR VEHICLE ADMINISTRATION.~~

~~(2) WITHIN 10 DAYS AFTER RECEIVING A COPY OF AN ADJUSTMENT PROGRAM FROM A MANUFACTURER, THE MOTOR VEHICLE ADMINISTRATION SHALL POST THE COPY ON ITS WEBSITE.~~

14-1403.

A VIOLATION OF THIS SUBTITLE IS:

(1) AN UNFAIR OR DECEPTIVE TRADE PRACTICE WITHIN THE MEANING OF TITLE 13 OF THIS ARTICLE; AND

(2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS CONTAINED IN TITLE 13 OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 343

(House Bill 747)

AN ACT concerning

Consumer Protection – Motor Vehicle Manufacturers – Warranty Adjustment Programs

FOR the purpose of requiring a certain invoice and certain authorization of repairs form to include a certain notice about certain motor vehicle manufacturer warranty adjustment programs; requiring a manufacturer of motor vehicles sold in the State to establish procedures under which certain consumers receive notice of certain warranty adjustment programs and, on request, are provided with a copy of a certain notification or other documents; requiring a motor vehicle manufacturer to ensure that a purchaser of a new motor vehicle receives certain notice at a certain time; requiring a motor vehicle ~~dealer to disclose the terms and conditions of certain adjustment programs to certain consumers under certain circumstances~~ manufacturer to provide to its dealers information about each adjustment program of the manufacturer in a certain format; requiring a motor vehicle manufacturer to implement procedures to ensure reimbursement of certain consumers for certain repairs under certain circumstances; ~~requiring a motor vehicle manufacturer to send a copy of a warranty adjustment program to the Motor Vehicle Administration within a certain time period; requiring the Motor Vehicle Administration to post a copy of a warranty adjustment program on its website within a certain time period~~; providing that a violation of certain provisions of this Act is an unfair or deceptive trade practice within the meaning of the Maryland Consumer Protection Act and is subject to certain enforcement and penalty provisions; defining certain terms; and generally relating to motor vehicle manufacturer warranty adjustment programs.

BY repealing and reenacting, with amendments,

Article – Commercial Law

Section 14-1003

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

BY adding to

Article – Commercial Law

Section 14-1008(d); and 14-1401 through 14-1403 to be under the new subtitle
“Subtitle 14. Motor Vehicle Manufacturers’ Warranty Adjustment
Programs”

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

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

Article – Commercial Law

14-1003.

(a) An automotive repair facility shall prepare an invoice which describes:

(1) All work done by it, including all warranty work; and

(2) All parts supplied by it.

(b) The invoice shall state clearly if any used, rebuilt, or reconditioned parts have been supplied or if a part of a component system supplied is composed of used, rebuilt, or reconditioned parts.

(c) **THE INVOICE SHALL INCLUDE THE FOLLOWING NOTICE:**

“MANUFACTURER SPECIAL POLICY ADJUSTMENT PROGRAMS

FEDERAL LAW REQUIRES MANUFACTURERS TO FURNISH THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (N.H.T.S.A.) WITH BULLETINS DESCRIBING ANY DEFECTS IN THEIR VEHICLES. YOU MAY OBTAIN COPIES OF THESE BULLETINS FROM EITHER THE MANUFACTURER OR N.H.T.S.A. IN ADDITION, CERTAIN CONSUMER PUBLICATIONS OR ORGANIZATIONS PUBLISH THIS INFORMATION, WHICH MAY BE AVAILABLE FOR A FEE OR FOR FREE.”

[(c)] (d) After the customer signs the invoice, the automotive repair facility shall give him a copy of it and retain a copy.

14-1008.

(d) **THE AUTHORIZATION FORM SHALL INCLUDE THE FOLLOWING NOTICE:**

“MANUFACTURER SPECIAL POLICY ADJUSTMENT PROGRAMS

FEDERAL LAW REQUIRES MANUFACTURERS TO FURNISH THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (N.H.T.S.A.) WITH BULLETINS DESCRIBING ANY DEFECTS IN THEIR VEHICLES. YOU MAY OBTAIN COPIES OF THESE BULLETINS FROM EITHER THE MANUFACTURER OR N.H.T.S.A. IN ADDITION, CERTAIN CONSUMER PUBLICATIONS OR ORGANIZATIONS PUBLISH THIS INFORMATION, WHICH MAY BE AVAILABLE FOR A FEE OR FOR FREE.”

SUBTITLE 14. MOTOR VEHICLE MANUFACTURERS' WARRANTY ADJUSTMENT PROGRAMS.

14-1401.

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

(B) (1) “ADJUSTMENT PROGRAM” MEANS A PROGRAM OR POLICY:

(I) THAT EXPANDS OR EXTENDS A WARRANTY BEYOND ITS STATED LIMIT; OR

(II) UNDER WHICH A MANUFACTURER UNDERTAKES OR OFFERS TO PAY OR REIMBURSE A CONSUMER, WHETHER DIRECTLY OR INDIRECTLY, FOR ALL OR A PART OF THE COST OF REPAIRING A CONDITION THAT MAY SUBSTANTIALLY AFFECT THE DURABILITY, RELIABILITY, OR PERFORMANCE OF A MOTOR VEHICLE.

(2) “ADJUSTMENT PROGRAM” DOES NOT INCLUDE:

(I) SERVICE PROVIDED UNDER A SAFETY OR EMISSIONS RELATED RECALL CAMPAIGN; OR

(II) ADJUSTMENTS MADE BY A MANUFACTURER ON A CASE-BY-CASE BASIS.

(C) “CONSUMER” MEANS:

(1) THE PURCHASER, OTHER THAN FOR PURPOSES OF RESALE, OF A NEW MOTOR VEHICLE;

(2) A LESSEE OF A MOTOR VEHICLE;

(3) A PERSON TO WHOM A NEW MOTOR VEHICLE IS TRANSFERRED DURING THE DURATION OF THE WARRANTY APPLICABLE TO THE MOTOR VEHICLE; OR

(4) A PERSON WHO IS ENTITLED UNDER THE TERMS OF THE WARRANTY TO ENFORCE ITS OBLIGATIONS.

(D) "DEALER" MEANS A PERSON WHO SELLS OR LEASES MOTOR VEHICLES UNDER A RETAIL AGREEMENT WITH A MANUFACTURER OR DISTRIBUTOR, OR AN AGENT OF A MANUFACTURER OR DISTRIBUTOR.

(E) "LESSEE" MEANS A CONSUMER WHO LEASES A MOTOR VEHICLE UNDER A WRITTEN LEASE THAT PROVIDES THAT THE LESSEE IS RESPONSIBLE FOR REPAIRS TO THE MOTOR VEHICLE.

(F) "MANUFACTURER" MEANS A PERSON WHO:

(1) MANUFACTURES OR ASSEMBLES NEW MOTOR VEHICLES FOR SALE OR DISTRIBUTION; OR

(2) IS ENGAGED IN THE BUSINESS OF IMPORTING NEW MOTOR VEHICLES FOR SALE OR DISTRIBUTION TO DEALERS OR THROUGH DISTRIBUTORS OR FACTORY BRANCHES.

(G) "MOTOR VEHICLE" MEANS A VEHICLE THAT:

(1) IS USED FOR THE PRIVATE TRANSPORTATION OF INDIVIDUALS AND THEIR PERSONAL BELONGINGS; AND

(2) HAS A MAXIMUM CAPACITY OF 10 INDIVIDUALS, INCLUDING THE DRIVER.

14-1402.

(A) A MANUFACTURER OF MOTOR VEHICLES SOLD IN THE STATE SHALL ESTABLISH PROCEDURES UNDER WHICH EACH CONSUMER IN THE STATE WHO OWNS OR LEASES A MOTOR VEHICLE TO WHICH AN ADJUSTMENT PROGRAM OF THE MANUFACTURER APPLIES:

(1) IS NOTIFIED OF THE ADJUSTMENT PROGRAM;

(2) ON REQUEST, IS PROVIDED WITH A COPY OF ANY SERVICE BULLETIN OR ANY OTHER DOCUMENT ISSUED BY THE MANUFACTURER

PERTAINING TO AN ADJUSTMENT PROGRAM OR TO A CONDITION THAT MAY SUBSTANTIALLY AFFECT MOTOR VEHICLE DURABILITY, RELIABILITY, OR PERFORMANCE; AND

(3) WITHIN 90 DAYS AFTER THE ESTABLISHMENT OF A NEW ADJUSTMENT PROGRAM, IS SENT WRITTEN NOTICE BY FIRST-CLASS MAIL OF THE TERMS AND CONDITIONS OF THE ADJUSTMENT PROGRAM.

(B) (1) A MANUFACTURER OF MOTOR VEHICLES SOLD IN THE STATE SHALL ENSURE THAT THE PURCHASER OF A NEW MOTOR VEHICLE RECEIVES, AT THE TIME OF PURCHASE, A WRITTEN NOTICE DESCRIBING THE RIGHTS AND REMEDIES PROVIDED UNDER THIS SECTION.

(2) THE WRITTEN NOTICE SHALL BE CONSIDERED SUFFICIENT IF STATED IN SUBSTANTIALLY THE FOLLOWING FORM:

“SOMETIMES (INSERT MANUFACTURER’S NAME) OFFERS A SPECIAL ADJUSTMENT PROGRAM TO PAY ALL OR PART OF THE COST OF CERTAIN REPAIRS BEYOND THE TERMS OF THE WARRANTY. CHECK WITH YOUR DEALER TO DETERMINE WHETHER ANY ADJUSTMENT PROGRAM IS APPLICABLE TO YOUR MOTOR VEHICLE.”

~~(C) IF A DEALER HAS RECEIVED NOTIFICATION OF A MANUFACTURER’S ADJUSTMENT PROGRAM COVERING A PARTICULAR CONDITION, OR OTHERWISE HAS KNOWLEDGE OF THE ADJUSTMENT PROGRAM, THE DEALER SHALL DISCLOSE THE TERMS AND CONDITIONS OF THE ADJUSTMENT PROGRAM TO A CONSUMER SEEKING REPAIRS FOR THE CONDITION AT THE DEALER’S REPAIR FACILITY.~~

(C) A MANUFACTURER SHALL PROVIDE TO ITS DEALERS INFORMATION ABOUT EACH ADJUSTMENT PROGRAM OF THE MANUFACTURER IN A FORMAT THAT FACILITATES THE DISCLOSURE OF THE TERMS AND CONDITIONS OF THE ADJUSTMENT PROGRAM TO A CONSUMER SEEKING REPAIRS AT THE DEALER’S REPAIR FACILITY.

(D) (1) A MANUFACTURER THAT ESTABLISHES AN ADJUSTMENT PROGRAM SHALL IMPLEMENT PROCEDURES TO ENSURE REIMBURSEMENT OF EACH CONSUMER WHO:

(I) IS ELIGIBLE UNDER THE ADJUSTMENT PROGRAM; AND

(II) INCURS EXPENSES FOR THE REPAIR OF A CONDITION SUBJECT TO THE ADJUSTMENT PROGRAM BEFORE THE CONSUMER KNOWS ABOUT THE ADJUSTMENT PROGRAM.

(2) REIMBURSEMENT UNDER THIS SUBSECTION SHALL BE CONSISTENT WITH THE TERMS AND CONDITIONS OF THE PARTICULAR ADJUSTMENT PROGRAM.

(3) (I) A CONSUMER SHALL MAKE A CLAIM FOR REIMBURSEMENT UNDER THIS SUBSECTION IN WRITING TO THE MANUFACTURER WITHIN THE LATER OF:

1. 2 YEARS AFTER THE DATE OF THE CONSUMER'S PAYMENT FOR THE REPAIR OF THE CONDITION; OR

2. 1 YEAR AFTER THE DATE THE MANUFACTURER SENDS THE NOTICE REQUIRED UNDER SUBSECTION (A)(3) OF THIS SECTION.

(II) THE MANUFACTURER SHALL NOTIFY THE CONSUMER WITHIN 21 BUSINESS DAYS AFTER RECEIVING A CLAIM FOR REIMBURSEMENT WHETHER THE CLAIM WILL BE APPROVED OR DENIED.

(III) IF THE CLAIM IS DENIED, THE MANUFACTURER SHALL STATE IN WRITING THE SPECIFIC REASONS FOR THE DENIAL.

~~(E) (1) WITHIN 30 DAYS AFTER ESTABLISHING AN ADJUSTMENT PROGRAM, THE MANUFACTURER SHALL SEND A COPY OF THE ADJUSTMENT PROGRAM TO THE MOTOR VEHICLE ADMINISTRATION.~~

~~(2) WITHIN 10 DAYS AFTER RECEIVING A COPY OF AN ADJUSTMENT PROGRAM FROM A MANUFACTURER, THE MOTOR VEHICLE ADMINISTRATION SHALL POST THE COPY ON ITS WEBSITE.~~

14-1403.

A VIOLATION OF THIS SUBTITLE IS:

(1) AN UNFAIR OR DECEPTIVE TRADE PRACTICE WITHIN THE MEANING OF TITLE 13 OF THIS ARTICLE; AND

(2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS CONTAINED IN TITLE 13 OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 344

(Senate Bill 683)

AN ACT concerning

Cecil County - Alcoholic Beverages - Board of License Commissioners - Summonses and Subpoenas

FOR the purpose of authorizing inspectors employed by the Board of License Commissioners of Cecil County to serve summonses for witnesses; authorizing the Board to subpoena records or papers pertaining to a licensed business or establishment; and generally relating to the powers of the Board of License Commissioners of Cecil County and inspectors employed by the Board.

BY repealing and reenacting, with amendments,

Article 2B - Alcoholic Beverages

Section 16-410(b)(2)(i) and (c)

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

(As enacted by Chapter 78 of the Acts of the General Assembly of 2003)

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

Article 2B - Alcoholic Beverages

16-410.

(b) (2) (i) All summonses shall be served by the sheriff, except that:

1. In the City of Annapolis, summonses may also be served by the Annapolis Police Department;

2. In Anne Arundel County, summonses may also be served by inspectors employed by the Board and by the Anne Arundel County Police Department;

3. In Baltimore City, summonses may also be served by inspectors employed by the Board of Liquor License Commissioners for Baltimore City; [and]

4. IN CECIL COUNTY, SUMMONSES MAY ALSO BE SERVED BY INSPECTORS EMPLOYED BY THE CECIL COUNTY BOARD OF LICENSE COMMISSIONERS; AND

[4.] **5.** In Harford County, summonses may also be served by inspectors employed by the Harford County Liquor Control Board.

(c) (1) This subsection applies in the following counties:

(i) Anne Arundel County;

(ii) Baltimore City;

(iii) Baltimore County;

(iv) Carroll County;

(v) CECIL COUNTY;

~~[(v)]~~ **(vi)** Frederick County;

~~[(vi)]~~ **(vii)** Garrett County;

~~[(vii)]~~ **(viii)** Howard County;

~~[(viii)]~~ **(ix)** Prince George's County;

~~[(ix)]~~ **(x)** Wicomico County; and

~~[(x)]~~ **(xi)** Worcester County.

(2) A board may subpoena any records or papers pertaining to a licensed business or establishment.

(3) If a witness refuses to produce any records or papers so subpoenaed the board shall report the fact to the circuit court for the county, and the court shall proceed by attachment against the witness in all respects as if the refusal had been by a witness summoned to appear in the court in a case pending before it.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 345

(Senate Bill 713)

AN ACT concerning

Dorchester County – Alcoholic Beverages – Special Class C Licensees – Distribution of Wristbands

FOR the purpose of requiring in Dorchester County a holder of a certain special Class C license to distribute at the event for which the license is issued a wristband to each individual who is at least 21 years old; prohibiting a holder of a certain special Class C license from serving an alcoholic beverage to any individual who does not wear the wristband; making a certain stylistic change; and generally relating to alcoholic beverages in Dorchester County.

BY repealing and reenacting, with amendments,
Article 2B – Alcoholic Beverages
Section 7–101(b)(6) and (d)(7)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article 2B – Alcoholic Beverages

7–101.

(b) (6) In Dorchester County:

(i) A holder of a special Class C beer license or a special Class C beer and wine license may cater an event at the place described in the license on the effective days of the license; [and]

(ii) The fee is \$15 per day; AND

(III) A HOLDER OF A SPECIAL CLASS C BEER LICENSE OR A SPECIAL CLASS C BEER AND WINE LICENSE:

1. SHALL DISTRIBUTE AT THE EVENT FOR WHICH THE LICENSE IS ISSUED A WRISTBAND TO EACH INDIVIDUAL WHO IS AT LEAST 21 YEARS OLD; AND

2. MAY NOT SERVE AN ALCOHOLIC BEVERAGE TO ANY INDIVIDUAL WHO DOES NOT WEAR THE WRISTBAND.

(d) (7) In Dorchester County:

(i) A holder of a **SPECIAL Class C [special]** beer, wine and liquor license may cater an event at the place described in the license on the effective days of the license; [and]

(ii) The fee is \$25 per day; AND

(III) A HOLDER OF A SPECIAL CLASS C BEER, WINE AND LIQUOR LICENSE:

1. SHALL DISTRIBUTE AT THE EVENT FOR WHICH THE LICENSE IS ISSUED A WRISTBAND TO EACH INDIVIDUAL WHO IS AT LEAST 21 YEARS OLD; AND

2. MAY NOT SERVE AN ALCOHOLIC BEVERAGE TO ANY INDIVIDUAL WHO DOES NOT WEAR THE WRISTBAND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 346

(House Bill 601)

AN ACT concerning

St. Mary's County - Deer Hunting on Private Property - Sundays

FOR the purpose of authorizing a person in St. Mary's County to hunt deer on certain Sundays on private property with a bow and arrow during certain months ~~and on a certain day during the deer firearms season~~; and generally relating to hunting on private property on Sundays.

BY repealing and reenacting, with amendments,
Article – Natural Resources
Section 10–410(a)
Annotated Code of Maryland
(2000 Replacement Volume and 2006 Supplement)

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

Article – Natural Resources

10–410.

(a) (1) Except as provided in paragraphs (2) and (3) of this subsection, a person may not hunt any game bird or mammal on Sundays.

(2) The following persons may hunt the specified game birds and mammals on Sundays:

(i) A person using State certified raptors to hunt game birds or mammals during open season;

(ii) An unarmed person participating in an organized fox chase to chase foxes;

(iii) Provided that the provisions of § 10–906(b)(3) of this title are met, a person:

1. Using a regulated shooting ground under § 10–906 of this title to hunt the following pen-reared game birds:

A. Pheasants;

B. Bobwhite quail;

C. Chukar partridge;

D. Hungarian partridge;

E. Tower released flighted mallard ducks; and

F. Turkey on a regulated shooting ground that was permitted to release turkey before September 1, 1992; and

2. Having the written permission of the owner of the land or other person designated by the owner of the land, if the land is owned or leased by a person other than the person hunting on Sundays; ~~and~~

(iv) Subject to the provisions of § 10-411 of this subtitle, in Dorchester County AND ST. MARY'S COUNTY, a person hunting deer on private property with a bow and arrow during open season on the last three Sundays in October and the second Sunday in November; ~~AND~~.

~~(v) SUBJECT TO THE PROVISIONS OF § 10-411 OF THIS SUBTITLE, IN ST. MARY'S COUNTY, A PERSON HUNTING DEER ON PRIVATE PROPERTY;~~

~~1. WITH A BOW AND ARROW DURING OPEN SEASON ON THE LAST THREE SUNDAYS IN OCTOBER AND THE SECOND SUNDAY IN NOVEMBER; AND~~

~~2. ON THE SECOND SUNDAY OF THE DEER FIREARMS SEASON.~~

(3) Provided that the provisions of § 10-415 of this title are met and subject to paragraph (4) of this subsection, the Department may allow a person to hunt deer on private property on the first Sunday of:

- (i) The bow hunting season in November; and
- (ii) The deer firearms season.

(4) The Sunday deer hunting provisions under paragraph (3) of this subsection do not apply:

- (i) In Baltimore, Carroll, Frederick, Harford, Howard, Prince George's, Somerset, Wicomico, and Worcester counties; and
- (ii) In Baltimore City.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 347

(Senate Bill 717)

AN ACT concerning

Somerset County, Wicomico County, and Worcester County – Deer Hunting on Private Lands – Sundays

FOR the purpose of removing Somerset County, Wicomico County, and Worcester County from the list of counties in which deer hunting on private lands on certain Sundays is prohibited; authorizing a person in Somerset County, Wicomico County, or Worcester County to hunt deer on certain Sundays on private property with a bow and arrow; and generally relating to deer hunting on private lands on Sundays.

BY repealing and reenacting, without amendments,
Article – Natural Resources
Section 10–405(a)(2)
Annotated Code of Maryland
(2000 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Article – Natural Resources
Section 10–410(a)
Annotated Code of Maryland
(2000 Replacement Volume and 2006 Supplement)

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

Article – Natural Resources

10–405.

(a) (2) Except as provided under § 10–410 of this subtitle, the Department may not authorize hunting on a Sunday.

10–410.

(a) (1) Except as provided in paragraphs (2) and (3) of this subsection, a person may not hunt any game bird or mammal on Sundays.

(2) The following persons may hunt the specified game birds and mammals on Sundays:

(i) A person using State certified raptors to hunt game birds or mammals during open season;

(ii) An unarmed person participating in an organized fox chase to chase foxes;

(iii) Provided that the provisions of § 10-906(b)(3) of this title are met, a person:

1. Using a regulated shooting ground under § 10-906 of this title to hunt the following pen-reared game birds:

A. Pheasants;

B. Bobwhite quail;

C. Chukar partridge;

D. Hungarian partridge;

E. Tower released flighted mallard ducks; and

F. Turkey on a regulated shooting ground that was permitted to release turkey before September 1, 1992; and

2. Having the written permission of the owner of the land or other person designated by the owner of the land, if the land is owned or leased by a person other than the person hunting on Sundays; and

(iv) Subject to the provisions of § 10-411 of this subtitle, in Dorchester [County], **SOMERSET, WICOMICO, AND WORCESTER COUNTIES**, a person hunting deer on private property with a bow and arrow during open season on the last three Sundays in October and the second Sunday in November.

(3) Provided that the provisions of § 10-415 of this title are met and subject to paragraph (4) of this subsection, the Department may allow a person to hunt deer on private property on the first Sunday of:

(i) The bow hunting season in November; and

(ii) The deer firearms season.

(4) The Sunday deer hunting provisions under paragraph (3) of this subsection do not apply:

(i) In Baltimore, Carroll, Frederick, Harford, Howard, AND Prince George's[, Somerset, Wicomico, and Worcester] counties; and

(ii) In Baltimore City.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 348

(Senate Bill 741)

AN ACT concerning

Office of Cemetery Oversight - Sunset Extension and Program Evaluation

FOR the purpose of continuing the Office of Cemetery Oversight in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to a certain date the termination provisions relating to statutory and regulatory authority of the Office; specifying that a preliminary evaluation is not required for the next full evaluation of the Office; requiring that an evaluation of the Office, and the statutes and regulations that relate to the Office, be performed on or before a certain date; authorizing a designee of the Director of the Office to conduct a certain investigation and inspection, commence proceedings on a complaint, and review a complaint and attempt to negotiate a settlement of a complaint; requiring the Director to maintain a list of all for-profit and nonreligious-nonprofit cemeteries associated with a registrant or permit holder for each fiscal year; requiring the Director to maintain a list of all bona fide religious-nonprofit cemeteries, veterans' cemeteries, and local government-owned cemeteries that have filed a certain statement or report; requiring that all lists maintained by the Director be open to inspection by any person; requiring the Director to conduct an inventory of all known burial sites in the State and to update the inventory periodically and to report, beginning on a certain date, to the General Assembly on the number of certain types of cemeteries; requiring the Director, beginning on a certain date, to annually assess the rate of compliance with certain registration, permit, and reporting requirements in a certain manner; requiring the Director to report

annually to the General Assembly on the implementation of a certain action plan; ~~repealing the Cemetery Oversight Fund; requiring the Office to pay all money collected under the Maryland Cemetery Act into the General Fund of the State;~~ requiring the Director, on or before a certain date each year, to report to the General Assembly on the nature of certain complaints, the manner in which certain complaints are resolved, the number of complaints against certain persons, and any disciplinary or enforcement actions taken against certain persons; altering the scope of certain limitations on burial land; specifying that a certain certificate of ownership, under seal of certain persons, has the same effect as a certain conveyance of real property; ~~repealing an exemption for certain cemeteries from certain provisions of law relating to perpetual care requirements;~~ altering certain requirements relating to perpetual care; ~~requiring that any moneys remaining in the Cemetery Oversight Fund after a certain date revert to the General Fund of the State;~~ requiring the Office to provide status reports on the implementation of certain recommendations to certain committees of the General Assembly and the Department of Legislative Services on or before certain dates; requiring the Advisory Council on Cemetery Operations to study the issue of abandoned and neglected cemeteries in a certain manner and develop a legislative proposal; requiring the Director, in consultation with the Advisory Council, to study the issue of regulating the preconstruction sale of space in garden crypts and mausoleum crypts and develop a legislative proposal; defining a certain term; making certain conforming, clarifying, and technical changes; and generally relating to the Office of Cemetery Oversight and the operation of cemeteries and burial goods businesses in the State.

BY renumbering

Article – Business Regulation

Section 5–603, 5–605, 5–606, and 5–607, respectively

to be Section 5–604, 5–606, 5–607, and 5–608, respectively

Annotated Code of Maryland

(2004 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Article – Business Regulation

Section 5–102(a), 5–204, ~~5–205~~, 5–311, 5–501, 5–502, 5–504, 5–601, 5–602,
5–604, 5–608, and 5–1002

Annotated Code of Maryland

(2004 Replacement Volume and 2006 Supplement)

BY adding to

Article – Business Regulation

Section 5–601

Annotated Code of Maryland

(2004 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, without amendments,
Article – State Government
Section 8–403(a)
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Article – State Government
Section 8–403(b)(11)
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 5–603, 5–605, 5–606, and 5–607, respectively, of Article – Business Regulation of the Annotated Code of Maryland be renumbered to be Section(s) 5–604, 5–606, 5–607, and 5–608, respectively.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Business Regulation

5–102.

(a) The registration and permitting provisions of this title do not apply to:

(1) a person that owns and operates a bona fide [religious, nonprofit] **RELIGIOUS–NONPROFIT** cemetery in this State;

(2) a not for profit organization created before 1900 by an act of the General Assembly;

(3) a county, city, or municipal corporation that owns and operates a cemetery in the State; or

(4) a veterans' cemetery operated by the State.

5–204.

(a) With the advice of the Advisory Council and after consultation with representatives of the cemetery industry, the Director shall adopt:

(1) rules and regulations to carry out this title; and

(2) a code of ethics for engaging in the operation of a cemetery or providing burial goods.

(b) Upon receipt of a written complaint, or at the discretion of the Director, the Director **OR THE DIRECTOR'S DESIGNEE** may conduct an investigation and an inspection of the records and site of a registered cemeterian, registered seller, permit holder, or any other person subject to the registration or permit provisions of this title.

(c) The Director may hold hearings on any matter covered by this title.

(d) To enforce this title, the Director may:

- (1) administer oaths;
- (2) examine witnesses; and
- (3) receive evidence.

(e) (1) The Director may issue a subpoena for the attendance of a witness to testify or for the production of evidence in connection with any investigation or hearing conducted in accordance with this section.

(2) If a person fails to comply with a subpoena issued under this subsection, on petition of the Director, a circuit court may compel compliance with the subpoena.

(f) (1) The Director may sue in the name of the State to enforce any provision of this title by injunction.

(2) In seeking an injunction under this subsection, the Director is not required to:

- (i) post bond; or
- (ii) allege or prove either that:

1. an adequate remedy at law does not exist; or
2. substantial or irreparable damage would result from the continued violation of the provision.

(3) The Director or staff may not be held personally liable for any action taken under this title in good faith and with reasonable grounds.

(g) The Director may issue a cease and desist order, if the Director finds a violation of this title.

(h) The Director may refer to the Office of the Attorney General:

(1) a violation of this title for enforcement; and

(2) an alleged unfair or deceptive trade practice under Title 13 of the Commercial Law Article.

(i) **(1) [The] FOR EACH FISCAL YEAR, THE** Director shall maintain a list of:

(I) all registrants and permit holders;

(II) ALL FOR-PROFIT CEMETERIES AND NONRELIGIOUS-NONPROFIT CEMETERIES ASSOCIATED WITH A REGISTRANT OR PERMIT HOLDER; AND

(III) ALL BONA FIDE RELIGIOUS-NONPROFIT CEMETERIES, VETERANS' CEMETERIES, AND LOCAL GOVERNMENT-OWNED CEMETERIES THAT HAVE FILED A STATEMENT OR REPORT REQUIRED UNDER §§ 5-405, 5-606, AND 5-710 OF THIS TITLE.

(2) ALL LISTS MAINTAINED BY THE DIRECTOR SHALL BE OPEN TO INSPECTION BY ANY PERSON.

(j) (1) The Director shall distribute a copy of the Maryland Cemetery Act, code of ethics, and applicable regulations to each applicant for registration or permit.

(2) Upon renewal of a registration or permit, the Director shall distribute any amendments to the Maryland Cemetery Act, code of ethics, or applicable rules and regulations that have occurred since the last application.

(k) In conjunction with the State Board of Morticians and the Division of Consumer Protection of the Office of the Attorney General, the Director shall publish a consumer information pamphlet that describes:

(1) the rights of consumers in the purchase of funeral and cemetery goods and services; and

(2) any other information that the Director considers reasonably necessary to aid consumers.

(L) (1) BEGINNING WITH A REPORT DUE ON DECEMBER 1, 2008, THE DIRECTOR SHALL CONDUCT AN INVENTORY OF ALL KNOWN BURIAL SITES IN THE STATE AND SHALL UPDATE THE INVENTORY AND REPORT EVERY 5 YEARS TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE NUMBER OF FOR-PROFIT CEMETERIES, NONRELIGIOUS-NONPROFIT CEMETERIES, BONA FIDE RELIGIOUS-NONPROFIT CEMETERIES, VETERANS' CEMETERIES, AND LOCAL GOVERNMENT-OWNED CEMETERIES.

(2) BEGINNING DECEMBER 1, 2008, THE DIRECTOR SHALL ANNUALLY ASSESS THE RATE OF COMPLIANCE WITH THE REGISTRATION, PERMIT, AND REPORTING REQUIREMENTS OF THIS TITLE BY COMPARING THE LISTS REQUIRED UNDER SUBSECTION (I)(1)(II) AND (III) OF THIS SECTION WITH THE MOST RECENT INVENTORY OF ALL KNOWN BURIAL SITES CONDUCTED UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(3) BEGINNING WITH A REPORT DUE ON JANUARY 31, 2009, FOR FISCAL YEAR 2008, THE DIRECTOR SHALL REPORT ANNUALLY TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE IMPLEMENTATION OF AN ACTION PLAN, IF APPROPRIATE, TO ADDRESS ANY NONCOMPLIANCE ISSUES IDENTIFIED BY THE ASSESSMENT REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION.

~~5-205.~~

~~[(a) There is a Cemetery Oversight Fund.]~~

~~[(b)](A) (1) By regulation, the Director shall establish reasonable fees and a fee schedule for the issuance and renewal of registrations and permits.~~

~~(2) In establishing the fees, the Director shall consider the size of the business, whether the business is for-profit or designated as tax exempt under § 501(c) of the Internal Revenue Code, the volume of business conducted, and the type of services provided, including the percentage of preneed contracts written.~~

~~[(c) The fees charged shall be set so as to approximate the direct and indirect cost of maintaining the Office.~~

~~(d) The Director shall pay all funds collected under this title to the Comptroller who shall distribute the fees to the Cemetery Oversight Fund.~~

~~(e) (1) The Fund shall be used to cover the actual documented direct and indirect costs of fulfilling the statutory and regulatory duties of the Office.~~

~~(2) The Fund is a continuing nonlapsing fund, not subject to § 7-302 of the State Finance and Procurement Article.~~

~~(3) Any unspent portions of the Fund may not revert or be transferred to the General Fund of the State, but shall remain in the Fund to be used for the purposes specified in this title.~~

~~(4) No other State money may be used to support the Fund.~~

~~(f) (1) The Director shall administer the Fund.~~

~~(2) Moneys in the Fund may be expended for any lawful purpose authorized under the provisions of this title.~~

~~(g) The Legislative Auditor shall audit the accounts and transactions of the Fund as provided in § 2-1220 of the State Government Article.]~~

~~(b) THE DIRECTOR SHALL PAY ALL FUNDS COLLECTED UNDER THIS TITLE INTO THE GENERAL FUND OF THE STATE.~~

5-311.

(a) Subject to the provisions of this section, the Director **OR THE DIRECTOR'S DESIGNEE** shall commence proceedings on a complaint made by any person to the Director.

(b) A complaint shall:

(1) be in writing;

(2) state specifically the facts on which the complaint is based; and

(3) be made under oath by the person who submits the complaint.

(c) (1) The Director **OR THE DIRECTOR'S DESIGNEE** shall review each complaint and shall attempt to negotiate a settlement of the complaint between the complainant and the registrant, permit holder, or any other person subject to the registration or permit provisions of this title.

(2) Notwithstanding § 5-102 of this title, the Director **OR THE DIRECTOR'S DESIGNEE** may receive and attempt to negotiate a settlement to resolve complaints concerning persons required to file statements under § 5-405 of this title and in connection with the operation of a cemetery or the sale of preneed goods.

(3) The Director may not take any actions described in subsection (d)(1) and (2) of this section for complaints involving persons exempt under § 5-102 OF THIS TITLE.

(d) If the Director **OR THE DIRECTOR'S DESIGNEE** is unable to negotiate a settlement of the complaint, the Director may:

(1) at the request of either party, refer the complaint to the Office of the Attorney General or the Office of Administrative Hearings for binding arbitration, if both parties agree to binding arbitration;

(2) initiate an investigation; or

(3) dismiss the complaint.

(e) If, after investigation, the Director determines that there is a reasonable basis to believe that there are grounds for disciplinary action under § 5-310 of this subtitle, the Director shall provide the person against whom the action is contemplated notice and an opportunity for a hearing under § 5-312 of this subtitle.

(f) (1) If, after investigation, the Director determines that there is not a reasonable basis to believe that there are grounds for disciplinary action, the Director shall dismiss the complaint.

(2) Any party aggrieved by the dismissal may take a judicial appeal in accordance with the provisions of Title 10 of the State Government Article.

(g) Once a complaint has been referred for binding arbitration, the registrant, permit holder, or any other person subject to the registration or permit provisions of this title shall comply with the terms of the settlement.

(h) (1) The Director shall adopt guidelines that establish a schedule for the prompt and timely processing and resolution of each complaint made to the Director.

(2) Beginning December 31, 1998, and on or before December 31 of each year thereafter, the Director shall report, subject to § 2-1246 of the State Government Article, to the General Assembly on:

(I) the number of complaints resolved within the schedule adopted under paragraph (1) of this subsection [and];

(II) the number of complaints received under subsection (c)(2) of this section **BY THE TYPE OF REGISTRANT, PERMIT HOLDER, OR EXEMPTION FROM THE REGISTRATION AND PERMIT REQUIREMENTS OF THIS TITLE**;

(III) THE NUMBER OF COMPLAINTS RECEIVED UNDER SUBSECTION (C)(2) OF THIS SECTION BY PERSONS SUBJECT TO, BUT NOT IN COMPLIANCE WITH, THE REGISTRATION AND PERMIT REQUIREMENTS OF THIS TITLE;

(IV) THE NATURE OF COMPLAINTS RECEIVED UNDER SUBSECTION (C)(2) OF THIS SECTION, INCLUDING WHETHER COMPLAINTS ARE RELATED TO THE ILLEGAL RECYCLING OF GRAVES;

(V) WHETHER COMPLAINTS REPORTED UNDER ITEM (I) OF THIS PARAGRAPH WERE RESOLVED THROUGH NEGOTIATION, BINDING ARBITRATION, OR ANOTHER METHOD; AND

(VI) ANY DISCIPLINARY OR ENFORCEMENT ACTIONS TAKEN AGAINST A REGISTRANT, PERMIT HOLDER, OR A PERSON SUBJECT TO, BUT NOT IN COMPLIANCE WITH, THE REGISTRATION AND PERMIT REQUIREMENTS OF THIS TITLE.

5-501.

(a) Except as otherwise provided in this section, a [registered cemeterian or permit holder] PERSON may not buy, hold, or use, for burial:

(1) more than 100 acres in the State; or

(2) any land within the limits of a municipal corporation in the State, unless authorized to do so by the municipal corporation.

(b) (1) In the Spauldings Election District of Prince George's County, a [registered cemeterian or permit holder] PERSON may buy, hold, or use, for burial, up to 125 acres in 1 tract.

(2) In the Laurel Election District of Prince George's County, a [registered cemeterian or permit holder] PERSON that operated A CEMETERY on OR BEFORE June 1, 1955, may buy, hold, or use, for burial, up to 200 acres in 1 tract.

(3) In the Kent Election District of Prince George's County, a [registered cemeterian or permit holder] PERSON may buy, hold, or use, for burial, up to 150 acres in 1 tract.

(c) In Frederick County, a [registered cemeterian or permit holder] PERSON may buy, hold, or use, for burial, up to 150 acres in 1 tract.

(d) In Baltimore County, a [registered cemeterian or permit holder] **PERSON** may buy, hold, or use, for burial, up to 200 acres in 1 tract.

5-502.

(a) An alley, canal, road, or other public thoroughfare may not be opened through property of a cemetery if that property is used or to be used for burial.

(b) This section does not authorize a registered cemeterian [or], permit holder, **OR OTHER PERSON** to obstruct:

(1) a public road in use when the cemetery is formed; or

(2) the site of a future public road that, when the cemetery is formed, is shown on a plat made by authority of the State, a county, or a municipal corporation.

5-504.

A certificate, under seal of a **SOLE PROPRIETOR** registered cemeterian [or], permit holder, **OR OTHER CEMETERY OWNER**, of ownership of a burial lot or crypt has the same effect as a conveyance of real property that is executed, acknowledged, and recorded as required by law.

5-601.

IN THIS SUBTITLE, "PERPETUAL CARE":

(1) MEANS THE MAINTENANCE, INCLUDING THE CUTTING OF GRASS ABUTTING MEMORIALS OR MONUMENTS, ADMINISTRATION, SUPERVISION, AND EMBELLISHMENT OF A CEMETERY AND ITS GROUNDS, ROADS, AND PATHS; AND

(2) INCLUDES THE REPAIR AND RENEWAL OF BUILDINGS, INCLUDING COLUMBARIA AND MAUSOLEUMS, AND THE PROPERTY OF THE CEMETERY.

[5-601.] 5-602.

(a) This subtitle does not apply to a cemetery that:

(1) has less than 1 acre available for burial; or

(2) is owned and operated by~~§~~:

- (i) a county;
- (ii) a municipal corporation;
- (iii) a church;
- (iv) a synagogue;
- (v) a religious organization;
- (vi) a not for profit organization created before 1900 by an act of the General Assembly; or
- (vii) a State veterans agency.

(b) This subtitle does not apply to the sale of a below-ground earth-covered chamber.

(c) This subtitle does not amend a trust agreement covering a perpetual care fund that existed on or before July 1, 1973, except as to:

- (1) the appointment of a successor trustee or cotrustee;
- (2) deposits into the fund after July 1, 1973; and
- (3) the withdrawal from the fund of income on deposits made after July 1, 1973.

[5-602.] 5-603.

- (a) In this section, "developed land area" means land in a cemetery:
- (1) that is available for burial;
 - (2) where roads, paths, or buildings have been laid out or built; or
 - (3) where burial lots have been outlined on a plat or in a record or sales brochure.

(b) (1) Each sole proprietor registered cemeterian, permit holder, or any other person subject to the registration or permit provisions of this title who sells or offers to sell to the public a burial lot or burial right in a cemetery as to which perpetual care is stated or implied shall have a perpetual care trust fund.

(2) A separate perpetual care trust fund shall be established for each cemetery to which this section applies.

(3) On the general price list, contract of sale of burial space, and any conveyance documents, all cemeteries subject to the provisions of this subtitle shall state in writing the following using 12 point or larger type font:

- (i) "The cemetery is a perpetual care cemetery."; or
- (ii) "The cemetery is not a perpetual care cemetery."

(4) A ~~SOLE PROPRIETOR REGISTERED CEMETERIAN, PERMIT HOLDER, OR OTHER CEMETERY OWNER SHALL ESTABLISH A PERPETUAL CARE TRUST FUND FOR EACH~~ cemetery created in the State after October 1, 2001, that is not exempt under ~~§ 5-601~~ **§ 5-602** of this subtitle shall be required to establish a perpetual care trust fund ~~§ 5-102(A) OF THIS TITLE.~~

(c) Each sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle initially shall deposit in the perpetual care trust fund at least:

(1) \$10,000, if the developed land area of the cemetery is 10 acres or less and the cemetery is a nonprofit cemetery which does not sell burial goods;

(2) \$25,000, if the developed land area of the cemetery is more than 10 acres and the cemetery is a nonprofit cemetery which does not sell burial goods;

(3) \$25,000, if the developed land area of the cemetery is 10 acres or less and the cemetery is a for-profit cemetery or a nonprofit cemetery which sells burial goods; or

(4) \$50,000, if the developed land area of the cemetery is more than 10 acres and the cemetery is a for-profit cemetery or a nonprofit cemetery which sells burial goods.

(d) (1) The deposits required by this subsection are in addition to the deposits required by subsection (c) of this section.

(2) Except as provided in paragraph (4) of this subsection, within 30 days after the end of the month when the buyer of a right of interment in a burial lot, above-ground crypt, or niche makes a final payment, the registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle shall pay in cash to the trustee for deposit in the perpetual care trust fund:

(i) at least 10% of the actual selling price of each right of interment in a burial lot, above-ground crypt, or niche; or

(ii) if the burial space is sold at a discount or at no cost, at least 10% of the imputed cost of the fair retail value.

(3) The amount of deposit to the perpetual care trust fund shall be deducted from the proceeds of the listed selling price of the right of interment in a burial lot, above-ground crypt, or niche, and may not be charged as an add-on to the purchaser.

(4) This subsection does not apply to the sale of a second right of interment or the resale of a right of interment in a burial lot, above-ground crypt, or niche for which the cemetery already has paid into the perpetual care trust fund the deposit required by this subsection.

(e) The income from the perpetual care trust fund:

(1) shall be used only for the perpetual care of the cemetery, including:

(i) the maintenance, including the cutting of grass abutting memorials or monuments, administration, supervision, and embellishment of the cemetery and its grounds, roads, and paths; and

(ii) the repair and renewal of buildings, including columbaria and mausoleums, and the property of the cemetery; and

(2) may not be used to care for memorials or monuments.

(f) (1) The perpetual care trust fund authorized by this subsection shall be a single purpose trust fund.

(2) In the event of the bankruptcy or insolvency of, or assignment for the benefit of creditors by, or an adverse judgment against the sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle, the perpetual care trust funds may not be made available to any creditor as assets of the sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle or as payment for any expenses of any bankruptcy or similar proceedings, but shall be retained intact to provide for the future maintenance of the cemetery.

(3) The perpetual care trust fund is not subject to judgment, execution, garnishment, attachment, or other seizure by process in bankruptcy or otherwise, or to sale, pledge, mortgage, or other alienation and is not assignable.

(g) A sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle shall maintain in the ~~the~~ office of the cemetery] ~~OFFICE~~ a copy of the most recent trust report filed with the [office of the cemetery] **OFFICE** under [§ 5-605] **§ 5-606** of this subtitle and shall make the report available for inspection by an owner or a prospective purchaser of a right of interment in a burial lot, above-ground crypt, or niche.

[5-604.] 5-605.

(a) The terms of a trust to provide for perpetual care shall be designated in a written agreement between the registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle and trustee.

(b) The terms of the trust agreement:

- (1) shall conform to this subtitle; and
- (2) may include provisions about:
 - (i) payment of income;
 - (ii) accumulation of income;
 - (iii) reinvestment of income;
 - (iv) administration of the trust fund; and
 - (v) powers of the trustee as to investments.

(c) (1) A trust agreement shall be irrevocable.

(2) However, a trust agreement may:

(i) give the registered cemeterian [or], permit holder, **OR OTHER PERSON SUBJECT TO THE TRUST REQUIREMENTS OF THIS SUBTITLE** the right to remove the trustee and appoint another qualified trustee; and

(ii) provide for the appointment of individuals as cotrustees and successor cotrustees with a corporate trustee.

[5-608.] 5-609.

(a) A person may not establish or operate a public or private cemetery or allow a public or private cemetery to be operated in violation of this subtitle.

(b) A person who violates this section is guilty of a misdemeanor and, on conviction, is subject to a fine not exceeding \$1,000 or imprisonment not exceeding 1 year or both.

(c) If a sole proprietor registered cemeterian [or], a permit holder, **OR ANY OTHER PERSON SUBJECT TO THE TRUST REQUIREMENTS OF THIS SUBTITLE** violates this subtitle, [the sole proprietor registered cemeterian, the permit holder, or the responsible party] **THAT PERSON** is guilty of a misdemeanor and, on conviction, is subject to a fine not exceeding \$1,000 or imprisonment not exceeding 1 year or both.

5-1002.

Subject to the evaluation and reestablishment provisions of the Maryland Program Evaluation Act, the Office of Cemetery Oversight, the provisions in this title relating to the Office, and all regulations adopted by the Office shall terminate and be of no effect after July 1, [2007] **2013**.

Article - State Government

8-403.

(a) On or before December 15 of the 2nd year before the evaluation date of a governmental activity or unit, the Legislative Policy Committee, based on a preliminary evaluation, may waive as unnecessary the evaluation required under this section.

(b) Except as otherwise provided in subsection (a) of this section, on or before the evaluation date for the following governmental activities or units, an evaluation shall be made of the following governmental activities or units and the statutes and regulations that relate to the governmental activities or units:

(11) Cemetery Oversight, Office of (§ 5-201 of the Business Regulation Article: July 1, [2006] **2012**);

~~SECTION 3. AND BE IT FURTHER ENACTED, That any moneys remaining in the Cemetery Oversight Fund after June 30, 2007, shall revert to the General Fund of the State.~~

~~SECTION 4. AND BE IT FURTHER ENACTED,~~ That the provisions of § 8-404 of the State Government Article of the Annotated Code of Maryland requiring a preliminary evaluation do not apply to the Office of Cemetery Oversight prior to the evaluation required on or before July 1, 2012.

SECTION ~~5.~~ 4. AND BE IT FURTHER ENACTED, That the Office of Cemetery Oversight shall provide status reports to the Senate Finance Committee, the House

Economic Matters Committee, and the Department of Legislative Services on or before October 1, 2008, October 1, 2009, and October 1, 2010, in accordance with § 2-1246 of the State Government Article of the Annotated Code of Maryland, on the implementation of the recommendations of the Department of Legislative Services contained in the update to the sunset evaluation report dated January 2007.

SECTION ~~6~~ 5. AND BE IT FURTHER ENACTED, That the Advisory Council on Cemetery Operations shall study the issue of abandoned and neglected cemeteries. The Advisory Council shall assess the success of the efforts of other states in maintaining abandoned and neglected cemeteries and develop a model for addressing the issue of abandoned and neglected cemeteries in Maryland. The model shall: (1) define and identify abandoned or neglected cemeteries in the State; (2) determine the most appropriate role for State and local government in overseeing the maintenance of abandoned and neglected cemeteries; (3) determine whether a formal inmate cemetery cleanup work program should be established with the Department of Public Safety and Correctional Services; (4) if a formal inmate cemetery cleanup program is established, determine how the program will be administered; (5) determine how State and local governments will play a role in funding a formal effort to maintain abandoned and neglected cemeteries; (6) identify additional private and governmental funding sources and incentive programs for the maintenance of abandoned and neglected cemeteries; and (7) define and identify historic cemeteries to acquire private and governmental funding. The Advisory Council shall obtain input from the Maryland Association of Counties and the Maryland Municipal League before completion of a model if the model includes creation of local cemetery oversight councils. The Advisory Council shall also assess methods for identifying and working with cemeteries in the State that are insolvent or that are facing insolvency in the near future to ensure that regulatory oversight is maintained and shall consider whether a formal category for inactive cemeteries would be appropriate. Based on its study, the Advisory Council shall develop a legislative proposal for introduction no later than the 2009 Legislative Session.

SECTION 6. AND BE IT FURTHER ENACTED, That the Director of Cemetery Oversight, in consultation with the Advisory Council on Cemetery Operations, shall study the issue of regulating the preconstruction sale of space in garden crypts and mausoleum crypts in the State, including: (1) the scope of regulation needed; (2) the need for a preconstruction trust fund or performance bond; (3) penalties for under-funding a preconstruction trust fund; (4) provisions for temporary interment during the preconstruction period; (5) options available to consumers in the event of nonperformance of a preconstruction sales contract; (6) the costs of regulation; and (7) penalties for noncompliance with regulatory requirements. Based on the study, the Director shall develop a legislative proposal for introduction no later than the 2008 Legislative Session.

SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~June 1, 2007~~ July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 349

(Senate Bill 742)

AN ACT concerning

Swimming Pools - Automated External Defibrillator Programs - *Study*

FOR the purpose of ~~requiring each county or municipal corporation that owns or operates a swimming pool to develop and implement a certain automated external defibrillator program that meets certain requirements for certain swimming pools owned or operated by the county or municipal corporation; requiring the owners and operators of certain swimming pools to develop and implement a certain automated external defibrillator program that meets certain requirements; requiring the Department of Health and Mental Hygiene and the Maryland Institute for Emergency Medical Services Systems to jointly adopt certain regulations; defining certain terms; requiring the Maryland Institute for Emergency Medical Services Systems to conduct a certain study regarding automated external defibrillators; requiring the Maryland Institute for Emergency Medical Services Systems to make a certain report to certain committees of the General Assembly on or before a certain date; and generally relating to requiring certain automated external defibrillator programs for certain swimming pools.~~

~~BY adding to~~

~~Article 24 - Political Subdivisions - Miscellaneous Provisions~~

~~Section 20-101 to be under the new title "Title 20. Automated External Defibrillator Programs"~~

~~Annotated Code of Maryland~~

~~(2005 Replacement Volume and 2006 Supplement)~~

~~BY adding to~~

~~Article - Health - General~~

~~Section 13-2501 to be under the new subtitle "Subtitle 25. Automated External Defibrillator Programs"~~

~~Annotated Code of Maryland~~

~~(2005 Replacement Volume and 2006 Supplement)~~

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

~~Article 24 Political Subdivisions Miscellaneous Provisions~~

~~TITLE 20. AUTOMATED EXTERNAL DEFIBRILLATOR PROGRAMS.~~

~~20-101.~~

~~(A) IN THIS SECTION, "SWIMMING POOL" MEANS A POOL THAT IS OWNED AND OPERATED BY THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION.~~

~~(B) (1) EACH COUNTY OR MUNICIPAL CORPORATION THAT OWNS OR OPERATES A SWIMMING POOL SHALL DEVELOP AND IMPLEMENT AN AUTOMATED EXTERNAL DEFIBRILLATOR PROGRAM THAT MEETS THE REQUIREMENTS OF § 13-517 OF THE EDUCATION ARTICLE FOR EACH SWIMMING POOL OWNED OR OPERATED BY THE COUNTY OR MUNICIPAL CORPORATION.~~

~~(2) THE PROGRAM REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE PROVISIONS THAT:~~

~~(i) ENSURE THAT AN AUTOMATED EXTERNAL DEFIBRILLATOR IS PROVIDED ON-SITE; AND~~

~~(ii) AN INDIVIDUAL TRAINED IN THE OPERATION AND USE OF AN AUTOMATED EXTERNAL DEFIBRILLATOR IS PRESENT AT EACH SWIMMING POOL.~~

~~(C) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE AND THE MARYLAND INSTITUTE FOR EMERGENCY MEDICAL SERVICES SYSTEMS SHALL JOINTLY ADOPT REGULATIONS THAT:~~

~~(1) ESTABLISH GUIDELINES FOR PERIODIC INSPECTIONS AND ANNUAL MAINTENANCE OF THE AUTOMATED EXTERNAL DEFIBRILLATORS; AND~~

~~(2) ASSIST EACH COUNTY OR MUNICIPAL CORPORATION IN CARRYING OUT THE PROVISIONS OF THIS SECTION.~~

~~Article Health General~~

~~SUBTITLE 25. AUTOMATED EXTERNAL DEFIBRILLATOR PROGRAMS.~~

~~13-2501.~~

- ~~(A) (1) IN THIS SECTION, "SWIMMING POOL" MEANS A POOL THAT:~~
- ~~(I) IS OPEN FOR GENERAL ADMISSION TO THE PUBLIC;~~
 - ~~(II) IS PROVIDED AS THE OWNER'S PRIMARY BUSINESS OR THE FACILITY'S PRIMARY PURPOSE, INCLUDING A SWIM CLUB OR SIMILAR FACILITY;~~
 - ~~(III) IS PROVIDED BY OR USED BY A:~~
 - ~~1. YOUTH CAMP;~~
 - ~~2. COLLEGE, UNIVERSITY, OR SCHOOL;~~
 - ~~3. COUNTRY CLUB; OR~~
 - ~~4. WATER PARK, AMUSEMENT PARK, OR WATER RECREATIONAL ATTRACTION; OR~~
 - ~~(IV) IS USED FOR SWIMMING LESSONS, WATER SAFETY INSTRUCTION, OR SWIMMING COMPETITIONS.~~
- ~~(2) IN THIS SECTION, "SWIMMING POOL" DOES NOT MEAN A POOL THAT IS LOCATED:~~
- ~~(I) AT A FACILITY INTENDED FOR THE USE OF INDIVIDUALS STAYING AT THE FACILITY, INCLUDING A HOTEL OR MOTEL POOL; OR~~
 - ~~(II) ON RESIDENTIAL PROPERTY.~~
- ~~(B) (1) THE OWNERS AND OPERATORS OF EACH SWIMMING POOL SHALL DEVELOP AND IMPLEMENT AN AUTOMATED EXTERNAL DEFIBRILLATOR PROGRAM THAT MEETS THE REQUIREMENTS OF § 13-517 OF THE EDUCATION ARTICLE.~~
- ~~(2) THE PROGRAM REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE PROVISIONS THAT ENSURE:~~

~~(I) AN AUTOMATED EXTERNAL DEFIBRILLATOR IS PROVIDED ON-SITE; AND~~

~~(H) AN INDIVIDUAL TRAINED IN THE OPERATION AND USE OF AN AUTOMATED EXTERNAL DEFIBRILLATOR IS PRESENT AT EACH SWIMMING POOL.~~

~~(C) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE AND THE MARYLAND INSTITUTE FOR EMERGENCY MEDICAL SERVICES SYSTEMS SHALL JOINTLY ADOPT REGULATIONS THAT:~~

~~(1) ESTABLISH GUIDELINES FOR PERIODIC INSPECTIONS AND ANNUAL MAINTENANCE OF THE AUTOMATED EXTERNAL DEFIBRILLATORS; AND~~

~~(2) ASSIST THE OWNERS AND OPERATORS OF EACH SWIMMING POOL IN CARRYING OUT THE PROVISIONS OF THIS SECTION.~~

SECTION 1. AND BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) The Maryland Institute for Emergency Medical Services Systems in consultation with interested stakeholders shall study whether automated external defibrillators should be provided on-site at swimming pools in State.

(b) In conducting the study required under subsection (a) of this section, the Maryland Institute for Emergency Medical Services Systems shall examine:

(i) which swimming pools should be required to provide automated external defibrillators;

(ii) whether the presence of individuals trained in the use of automated external defibrillators should be required by swimming pools; and

(iii) the safety of providing automated external defibrillation at a swimming pool.

(c) In addition to the study required under subsection (a) of this section, the Maryland Institute for Emergency Medical Services Systems shall make recommendations on locations, other than swimming pools, where automated external defibrillators should be required.

(d) On or before December 1, 2007, the Maryland Institute for Emergency Medical Services Systems shall report its findings and recommendations, in accordance

with § 2-1246 of the State Government Article, to the House Health and Government Operations Committee and the Senate Finance Committee.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 350

(Senate Bill 752)

AN ACT concerning

Workers' Compensation - Benefits for Dependents

FOR the purpose of clarifying that surviving dependents of certain individuals are eligible to receive the same workers' compensation benefits as the individual received at the time of death; and generally relating to workers' compensation benefits for dependents.

BY repealing and reenacting, with amendments,
Article - Labor and Employment
Section 9-503
Annotated Code of Maryland
(1999 Replacement Volume and 2006 Supplement)

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

Article - Labor and Employment

9-503.

(a) A paid firefighter, paid fire fighting instructor, or sworn member of the Office of the State Fire Marshal employed by an airport authority, a county, a fire control district, a municipality, or the State or a volunteer firefighter, volunteer fire fighting instructor, volunteer rescue squad member, or volunteer advanced life support unit member who is a covered employee under § 9-234 of this title is presumed to have an occupational disease that was suffered in the line of duty and is compensable under this title if:

- (1) the individual has heart disease, hypertension, or lung disease;
- (2) the heart disease, hypertension, or lung disease results in partial or total disability or death; and
- (3) in the case of a volunteer firefighter, volunteer fire fighting instructor, volunteer rescue squad member, or volunteer advanced life support unit member, the individual has met a suitable standard of physical examination before becoming a firefighter, fire fighting instructor, rescue squad member, or advanced life support unit member.

(b) (1) A paid police officer employed by an airport authority, a county, the Maryland–National Capital Park and Planning Commission, a municipality, or the State, a deputy sheriff of Montgomery County, or, subject to paragraph (2) of this subsection, a deputy sheriff of Baltimore City, Montgomery County correctional officer, Prince George’s County deputy sheriff, or Prince George’s County correctional officer is presumed to be suffering from an occupational disease that was suffered in the line of duty and is compensable under this title if:

- (i) the police officer, deputy sheriff, or correctional officer is suffering from heart disease or hypertension; and
- (ii) the heart disease or hypertension results in partial or total disability or death.

(2) (i) A deputy sheriff of Baltimore City, Montgomery County correctional officer, Prince George’s County deputy sheriff, or Prince George’s County correctional officer is entitled to the presumption under this subsection only to the extent that the individual suffers from heart disease or hypertension that is more severe than the individual’s heart disease or hypertension condition existing prior to the individual’s employment as a deputy sheriff of Baltimore City, Montgomery County correctional officer, Prince George’s County deputy sheriff, or Prince George’s County correctional officer.

(ii) To be eligible for the presumption under this subsection, a deputy sheriff of Baltimore City, Montgomery County correctional officer, Prince George’s County deputy sheriff, or Prince George’s County correctional officer, as a condition of employment, shall submit to a medical examination to determine any heart disease or hypertension condition existing prior to the individual’s employment as a deputy sheriff of Baltimore City, Montgomery County correctional officer, Prince George’s County deputy sheriff, or Prince George’s County correctional officer.

(c) A paid firefighter, paid fire fighting instructor, or a sworn member of the Office of the State Fire Marshal employed by an airport authority, a county, a fire control district, a municipality, or the State or a volunteer firefighter, volunteer fire

fighting instructor, volunteer rescue squad member, or volunteer advanced life support unit member who is a covered employee under § 9-234 of this title is presumed to be suffering from an occupational disease that was suffered in the line of duty and is compensable under this title if the individual:

(1) has leukemia or pancreatic, prostate, rectal, or throat cancer that is caused by contact with a toxic substance that the individual has encountered in the line of duty;

(2) has completed at least 5 years of service as a firefighter, fire fighting instructor, rescue squad member, or advanced life support unit member or in a combination of those jobs in the department where the individual currently is employed or serves;

(3) is unable to perform the normal duties of a firefighter, fire fighting instructor, rescue squad member, or advanced life support unit member in the department where the individual currently is employed or serves because of the cancer or leukemia disability; and

(4) in the case of a volunteer firefighter, volunteer fire fighting instructor, volunteer rescue squad member, or volunteer advanced life support unit member, has met a suitable standard of physical examination before becoming a firefighter, fire fighting instructor, rescue squad member, or advanced life support unit member.

(d) A paid law enforcement employee of the Department of Natural Resources who is a covered employee under § 9-207 of this title is presumed to have an occupational disease that was suffered in the line of duty and is compensable under this title if the employee:

(1) is suffering from Lyme disease; and

(2) was not suffering from Lyme disease before assignment to a position that regularly places the employee in an outdoor wooded environment.

(e) (1) Except as provided in paragraph (2) of this subsection, any paid firefighter, paid fire fighting instructor, sworn member of the Office of the State Fire Marshal, paid police officer, paid law enforcement employee of the Department of Natural Resources, deputy sheriff of Montgomery County, deputy sheriff of Baltimore City, Montgomery County correctional officer, deputy sheriff of Prince George's County, or Prince George's County correctional officer who is eligible for benefits under subsection (a), (b), (c), or (d) of this section **OR THE DEPENDENTS OF THOSE INDIVIDUALS** shall receive the benefits in addition to any benefits that the individual **OR THE DEPENDENTS OF THE INDIVIDUAL** is entitled to receive under the retirement system in which the individual was a participant at the time of the claim.

(2) The benefits received under this title shall be adjusted so that the weekly total of those benefits and retirement benefits does not exceed the weekly salary that was paid to the paid law enforcement employee of the Department of Natural Resources, firefighter, fire fighting instructor, sworn member of the Office of the State Fire Marshal, police officer, deputy sheriff, or Prince George's County or Montgomery County correctional officer.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 351

(House Bill 1117)

AN ACT concerning

Workers' Compensation - Benefits for Dependents

FOR the purpose of clarifying that surviving dependents of certain individuals are eligible to receive the same workers' compensation benefits as the individual received at the time of death; and generally relating to workers' compensation benefits for dependents.

BY repealing and reenacting, with amendments,
Article - Labor and Employment
Section 9-503
Annotated Code of Maryland
(1999 Replacement Volume and 2006 Supplement)

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

Article - Labor and Employment

9-503.

(a) A paid firefighter, paid fire fighting instructor, or sworn member of the Office of the State Fire Marshal employed by an airport authority, a county, a fire control district, a municipality, or the State or a volunteer firefighter, volunteer fire

fighting instructor, volunteer rescue squad member, or volunteer advanced life support unit member who is a covered employee under § 9-234 of this title is presumed to have an occupational disease that was suffered in the line of duty and is compensable under this title if:

- (1) the individual has heart disease, hypertension, or lung disease;
- (2) the heart disease, hypertension, or lung disease results in partial or total disability or death; and
- (3) in the case of a volunteer firefighter, volunteer fire fighting instructor, volunteer rescue squad member, or volunteer advanced life support unit member, the individual has met a suitable standard of physical examination before becoming a firefighter, fire fighting instructor, rescue squad member, or advanced life support unit member.

(b) (1) A paid police officer employed by an airport authority, a county, the Maryland-National Capital Park and Planning Commission, a municipality, or the State, a deputy sheriff of Montgomery County, or, subject to paragraph (2) of this subsection, a deputy sheriff of Baltimore City, Montgomery County correctional officer, Prince George's County deputy sheriff, or Prince George's County correctional officer is presumed to be suffering from an occupational disease that was suffered in the line of duty and is compensable under this title if:

- (i) the police officer, deputy sheriff, or correctional officer is suffering from heart disease or hypertension; and
- (ii) the heart disease or hypertension results in partial or total disability or death.

(2) (i) A deputy sheriff of Baltimore City, Montgomery County correctional officer, Prince George's County deputy sheriff, or Prince George's County correctional officer is entitled to the presumption under this subsection only to the extent that the individual suffers from heart disease or hypertension that is more severe than the individual's heart disease or hypertension condition existing prior to the individual's employment as a deputy sheriff of Baltimore City, Montgomery County correctional officer, Prince George's County deputy sheriff, or Prince George's County correctional officer.

(ii) To be eligible for the presumption under this subsection, a deputy sheriff of Baltimore City, Montgomery County correctional officer, Prince George's County deputy sheriff, or Prince George's County correctional officer, as a condition of employment, shall submit to a medical examination to determine any heart disease or hypertension condition existing prior to the individual's employment

as a deputy sheriff of Baltimore City, Montgomery County correctional officer, Prince George's County deputy sheriff, or Prince George's County correctional officer.

(c) A paid firefighter, paid fire fighting instructor, or a sworn member of the Office of the State Fire Marshal employed by an airport authority, a county, a fire control district, a municipality, or the State or a volunteer firefighter, volunteer fire fighting instructor, volunteer rescue squad member, or volunteer advanced life support unit member who is a covered employee under § 9-234 of this title is presumed to be suffering from an occupational disease that was suffered in the line of duty and is compensable under this title if the individual:

(1) has leukemia or pancreatic, prostate, rectal, or throat cancer that is caused by contact with a toxic substance that the individual has encountered in the line of duty;

(2) has completed at least 5 years of service as a firefighter, fire fighting instructor, rescue squad member, or advanced life support unit member or in a combination of those jobs in the department where the individual currently is employed or serves;

(3) is unable to perform the normal duties of a firefighter, fire fighting instructor, rescue squad member, or advanced life support unit member in the department where the individual currently is employed or serves because of the cancer or leukemia disability; and

(4) in the case of a volunteer firefighter, volunteer fire fighting instructor, volunteer rescue squad member, or volunteer advanced life support unit member, has met a suitable standard of physical examination before becoming a firefighter, fire fighting instructor, rescue squad member, or advanced life support unit member.

(d) A paid law enforcement employee of the Department of Natural Resources who is a covered employee under § 9-207 of this title is presumed to have an occupational disease that was suffered in the line of duty and is compensable under this title if the employee:

(1) is suffering from Lyme disease; and

(2) was not suffering from Lyme disease before assignment to a position that regularly places the employee in an outdoor wooded environment.

(e) (1) Except as provided in paragraph (2) of this subsection, any paid firefighter, paid fire fighting instructor, sworn member of the Office of the State Fire Marshal, paid police officer, paid law enforcement employee of the Department of Natural Resources, deputy sheriff of Montgomery County, deputy sheriff of Baltimore

City, Montgomery County correctional officer, deputy sheriff of Prince George's County, or Prince George's County correctional officer who is eligible for benefits under subsection (a), (b), (c), or (d) of this section **OR THE DEPENDENTS OF THOSE INDIVIDUALS** shall receive the benefits in addition to any benefits that the individual **OR THE DEPENDENTS OF THE INDIVIDUAL** is entitled to receive under the retirement system in which the individual was a participant at the time of the claim.

(2) The benefits received under this title shall be adjusted so that the weekly total of those benefits and retirement benefits does not exceed the weekly salary that was paid to the paid law enforcement employee of the Department of Natural Resources, firefighter, fire fighting instructor, sworn member of the Office of the State Fire Marshal, police officer, deputy sheriff, or Prince George's County or Montgomery County correctional officer.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 352

(Senate Bill 759)

AN ACT concerning

~~State Board of Pharmacy Wholesale Drug Distribution Permit Requirements~~
Wholesale Distributor Permitting and Prescription Drug Integrity Act

~~FOR the purpose of altering the requirements for obtaining a wholesale distributor's permit to include a certain inspection and the posting of a certain bond; requiring a certain pedigree for prescription drugs or devices distributed in the State; requiring the State Board of Pharmacy to adopt regulations regarding certain pedigree and inspection requirements; defining a certain term; and generally relating to permit requirements for wholesale drug distribution.~~

FOR the purpose of requiring a wholesale distributor to hold a permit issued by the State Board of Pharmacy before the wholesale distributor engages in the wholesale distribution of prescription drugs or devices in the State; requiring certain entities to hold a wholesale distributor permit; providing that certain requirements for obtaining a permit do not apply to a manufacturer who distributes certain prescription drugs; requiring a permit to be displayed in a

certain manner; providing that a permit is not transferable; prohibiting a person from purchasing or obtaining a prescription drug or device unless it is purchased or obtained from certain persons; authorizing the Board to grant a certain deemed status to certain wholesale distributors and to issue a permit to certain wholesale distributors by reciprocity; establishing certain requirements and procedures for applying for a permit; prohibiting the Board from issuing a permit unless the Board or its designee takes certain actions; establishing requirements for certain criminal history records checks and a certain surety bond; requiring the Board to provide a certain notification to an applicant within a certain period of time; providing for the expiration and renewal of a permit; authorizing the Board to deny, suspend, or revoke a permit under certain circumstances; requiring the Board to adopt regulations that require certain inspections; authorizing the Board to adopt regulations establishing certain requirements; prohibiting the disclosure of certain information provided by a wholesale distributor, except to certain entities for certain purposes; establishing certain procedures for returns or exchanges of prescription drugs; authorizing a wholesale distributor to supply or deliver prescription drugs only to certain persons; providing for certain exceptions; prohibiting a wholesale distributor from accepting payment or allowing the use of certain credit for a certain purpose; prohibiting a wholesale distributor from operating out of a residence; requiring a pedigree for certain prescription drug distributions; requiring certain entities to be authorized distributors of record for a certain purpose; establishing certain penalties for a certain violation of certain provisions of this Act; requiring the Board to adopt certain regulations on or before a certain date; requiring the Board to provide a certain report to the Governor and certain legislative committees on or before a certain date each year; repealing certain provisions of law relating to permits for the distribution of prescription drugs or devices; requiring the Secretary of Health and Mental Hygiene, in conjunction with the Board, to convene a certain workgroup to recommend to the Board a certain date for implementing electronic track and trace pedigree technology; requiring the Board to establish a certain date for implementation of electronic track and trace pedigree technology; requiring the Board to submit certain reports to certain legislative committees on or before certain dates; defining certain terms; making conforming changes; and generally relating to permit and pedigree requirements for wholesale drug distributors.

BY repealing and reenacting, with amendments,

Article – Health Occupations

Section 12–601

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

~~BY repealing and reenacting, with amendments,~~

~~Article – Health Occupations~~

Section 12-602
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

BY adding to

Article – Health Occupations
Section 12-6C-01 through 12-6C-13 to be under the new subtitle “Subtitle 6C.
Wholesale Distributor Permitting and Prescription Drug Integrity Act”
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article – Health Occupations

12-601.

(a) Subject to the hearing provisions of § 12-315 of this title, for a violation of this subtitle, **SUBTITLE 12-6C OF THIS TITLE**, or any regulation adopted under [§ 12-602 of this subtitle] **SUBTITLE 12-6C OF THIS TITLE**, the Board may:

- (1) Deny a permit to an applicant;
- (2) Reprimand a permit holder;
- (3) Place a permit holder on probation; or
- (4) Suspend or revoke a permit.

(b) A person aggrieved by a final action of the Board under this subtitle **OR SUBTITLE 12-6C OF THIS TITLE** may not appeal to the Secretary or the Board of Review but may appeal as provided under Title 10, Subtitle 2 of the State Government Article.

~~12-602.~~

~~(a) (1) In this section the following words have the meanings indicated.~~

~~(2) “Distribution permit” means a permit issued by the Board under this section to distribute prescription drugs or devices into, out of, or within the State as a distributor, jobber, manufacturer, or wholesaler, wherever located.~~

~~(3) "PEDIGREE" MEANS A DOCUMENT OR ELECTRONIC FILE CONTAINING INFORMATION THAT RECORDS EACH DISTRIBUTION OF A PRESCRIPTION DRUG OR DEVICE.~~

~~[(3)](4) "Prescription drugs or devices" means any drug or device that, because of its toxicity or other potential for harmful effect, the method of its use, or the collateral measures necessary for its use, is required by federal law to bear a cautionary label warning against dispensing without a prescription or is designated by the Department as not safe for use except under the supervision of a practitioner licensed to administer drugs or devices of this nature.~~

~~(b) This section does not affect any person while distributing:~~

~~(1) Feed for livestock or poultry;~~

~~(2) Fertilizers;~~

~~(3) Fungicides;~~

~~(4) Insecticide;~~

~~(5) Land plaster;~~

~~(6) Lime;~~

~~(7) Seeds; or~~

~~(8) Devices, drugs, or supplies of any kind for the treatment, care, or cure of farm animals.~~

~~(c) A person shall hold a distribution permit issued by the Board before the person may distribute prescription drugs or devices as a distributor, jobber, manufacturer, or wholesaler.~~

~~(d) To qualify for a distribution permit, an applicant shall:~~

~~(1) Satisfy the Board that the applicant will distribute prescription drugs or devices in compliance with the restrictions specified in subsection (c) of this section; [and]~~

~~(2) SUBMIT EVIDENCE OF AN INSPECTION PERFORMED:~~

~~(i) BY THE BOARD OR AN APPROVED AGENT OF THE BOARD FOR EACH FACILITY OPERATED BY THE APPLICANT; AND~~

~~(H) IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE BOARD; AND~~

~~[(2)](3) Comply with any pertinent regulations adopted under subsection (i) of this section.~~

~~(e) A distribution permit holder may distribute prescription drugs or devices only:~~

~~(1) To the following persons:~~

~~(i) An authorized prescriber;~~

~~(ii) A pharmacy permit holder;~~

~~(iii) A distribution permit holder; or~~

~~(iv) Any other person approved by the Board; [and]~~

~~(2) IF THE DISTRIBUTED PRESCRIPTION DRUGS OR DEVICES ARE ACCOMPANIED BY A PEDIGREE ESTABLISHED IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE BOARD; AND~~

~~[(2)](3) In compliance with any rules and regulations adopted under this section.~~

~~(f) To apply for a distribution permit, an applicant shall:~~

~~(1) Submit an application to the Board on the form that the Board provides; [and]~~

~~(2) SUBMIT TO THE BOARD, IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE BOARD, A BOND OF AT LEAST \$100,000, OR OTHER EQUIVALENT MEANS OF SECURITY ACCEPTABLE TO THE BOARD, SUCH AS AN IRREVOCABLE LETTER OF CREDIT OR A DEPOSIT IN A TRUST ACCOUNT OR FINANCIAL INSTITUTION, PAYABLE TO AN ACCOUNT ESTABLISHED BY THE BOARD; AND~~

~~[(2)](3) Pay to the Board an application fee set by the Board.~~

~~(g) The Board shall issue a distribution permit to any applicant who meets the requirements of this section.~~

~~(h) A distribution permit issued under this section authorizes the distribution permit holder to distribute prescription drugs or devices as a distributor, jobber, manufacturer, or wholesaler while the distribution permit is effective.~~

~~(i) To protect the public health and safety, the Board:~~

~~(1) [may] MAY adopt rules and regulations regarding the distribution of prescription drugs or devices including regulations regarding:~~

~~[(1)] (I) Qualifications and information required from an applicant seeking issuance or renewal of a distribution permit;~~

~~[(2)] (II) Minimum requirements for the receipt, storage, and handling of prescription drugs or devices, security precautions, quality control, record keeping, and establishment of written procedures, policy, and responsibilities of personnel;~~

~~[(3)] (III) The education and experience of personnel employed in positions responsible for duties referenced in [paragraph (2)] ITEM (II) of this [subsection] ITEM and generally responsible for carrying out those duties that are subject to State licensure requirements under this subtitle; and~~

~~[(4)] (IV) Disciplinary action to be taken against a permit holder who is convicted of or pleads guilty or nolo contendere to a violation of State, federal, or local drug laws or who violates regulations promulgated by the Board under this section; AND~~

~~(2) SHALL ADOPT REGULATIONS SPECIFYING:~~

~~(i) PEDIGREE REQUIREMENTS; AND~~

~~(ii) ROUTINE INSPECTION REQUIREMENTS.~~

~~(i) (1) A distribution permit expires on the December 31 after its effective date, unless the distribution permit is renewed for a 1-year term as provided in this subsection.~~

~~(2) At least 1 month before a distribution permit expires, the Board shall send to the distribution permit holder, by first class mail to the last known address of the distribution permit holder, a renewal notice that contains a statement of:~~

~~(i) The date on which the current distribution permit expires;~~

~~(ii) The date by which the renewal application must be received by the Board for the renewal to be issued and mailed before the distribution permit expires; and~~

~~(iii) The amount of the renewal fee.~~

~~(3) Before a distribution permit expires, a distribution permit holder periodically may renew it for an additional 1-year term, if the distribution permit holder:~~

~~(i) Otherwise is entitled to a distribution permit;~~

~~(ii) Pays to the Board a renewal fee set by the Board; and~~

~~(iii) Submits to the Board a renewal application on the form that the Board requires.~~

~~(4) The Board shall renew the distribution permit of each distribution permit holder who meets the requirements of this section and any regulation adopted under this section.~~

~~(k) Each distribution permit shall be displayed conspicuously in the place for which it is issued.~~

~~(l) A distribution permit is not transferable.~~

~~(m) Subject to any other restriction provided by law, a person may not purchase or obtain any prescription drugs or devices unless the drug or device is obtained from a distribution permit holder, a licensed pharmacist, or an authorized prescriber.~~

~~(n) A person may not violate any rule or regulation adopted under this section.~~

~~(o) A distribution permit is void on conviction of the distribution permit holder for any violation of:~~

~~(1) This section; or~~

~~(2) Any rule or regulation adopted by the Board under this section.~~

**SUBTITLE 6C. WHOLESALE DISTRIBUTOR PERMITTING AND PRESCRIPTION
DRUG INTEGRITY ACT.**

12-6C-01.

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

(B) “AUTHENTICATE” MEANS TO AFFIRMATIVELY VERIFY, BEFORE ANY WHOLESALE DISTRIBUTION OF A PRESCRIPTION DRUG OCCURS, THAT EACH TRANSACTION LISTED ON THE PEDIGREE FOR THE PRESCRIPTION DRUG HAS OCCURRED.

(C) “AUTHORIZED DISTRIBUTOR OF RECORD” MEANS A WHOLESALE DISTRIBUTOR WITH WHOM A MANUFACTURER HAS ESTABLISHED AN ONGOING RELATIONSHIP TO DISTRIBUTE THE MANUFACTURER’S PRESCRIPTION DRUG.

(D) “CO-LICENSED PARTNER” MEANS A PERSON IN A RELATIONSHIP IN WHICH TWO OR MORE PERSONS HAVE THE RIGHT TO ENGAGE IN THE MANUFACTURING OR MARKETING OF A PRESCRIPTION DRUG, CONSISTENT WITH THE U.S. FOOD AND DRUG ADMINISTRATION’S IMPLEMENTATION OF THE FEDERAL PRESCRIPTION DRUG MARKETING ACT.

(E) “CO-LICENSED PRODUCT” MEANS A PRODUCT OF CO-LICENSED PARTNERS.

(F) “DESIGNATED REPRESENTATIVE” MEANS AN INDIVIDUAL WHO:

(1) IS DESIGNATED BY A WHOLESALE DISTRIBUTOR;

(2) SERVES AS THE PRIMARY CONTACT OF THE WHOLESALE DISTRIBUTOR WITH THE BOARD; AND

(3) IS ACTIVELY INVOLVED IN AND AWARE OF THE DAILY OPERATION OF THE WHOLESALE DISTRIBUTOR.

(G) “DROP SHIPMENT” MEANS THE SALE OF A PRESCRIPTION DRUG:

(1) TO A WHOLESALE DISTRIBUTOR BY:

(i) THE MANUFACTURER OF THE PRESCRIPTION DRUG; OR

(ii) THE MANUFACTURER’S CO-LICENSED PARTNER, THIRD PARTY LOGISTICS PROVIDER, OR MANUFACTURER’S EXCLUSIVE DISTRIBUTOR; AND

(2) THROUGH WHICH:

(I) THE WHOLESALE DISTRIBUTOR OR A PHARMACY WAREHOUSE TAKES TITLE TO BUT NOT PHYSICAL POSSESSION OF THE PRESCRIPTION DRUG;

(II) THE WHOLESALE DISTRIBUTOR INVOICES THE PHARMACY, PHARMACY WAREHOUSE, OR OTHER PERSON AUTHORIZED BY LAW TO DISPENSE OR ADMINISTER THE PRESCRIPTION DRUG TO A PATIENT; AND

(III) THE PHARMACY, PHARMACY WAREHOUSE, OR OTHER AUTHORIZED PERSON RECEIVES DELIVERY OF THE PRESCRIPTION DRUG DIRECTLY FROM:

1. THE MANUFACTURER; OR

2. THE MANUFACTURER'S THIRD PARTY LOGISTICS PROVIDER OR THE MANUFACTURER'S EXCLUSIVE DISTRIBUTOR;~~OR~~

~~3. AN AUTHORIZED DISTRIBUTOR OF RECORD THAT PURCHASED THE PRESCRIPTION DRUG DIRECTLY FROM THE MANUFACTURER, THE MANUFACTURER'S THIRD PARTY LOGISTICS PROVIDER, OR THE MANUFACTURER'S EXCLUSIVE DISTRIBUTOR.~~

(H) "FACILITY" MEANS A FACILITY OF A WHOLESALE DISTRIBUTOR WHERE PRESCRIPTION DRUGS ARE STORED, HANDLED, REPACKAGED, OR OFFERED FOR SALE.

(I) "INTRACOMPANY SALES" MEANS A:

(1) TRANSACTION OR TRANSFER OF PRESCRIPTION DRUGS BETWEEN A DIVISION, SUBSIDIARY, PARENT, OR AFFILIATED OR RELATED COMPANY UNDER COMMON OWNERSHIP AND CONTROL OF A CORPORATE ENTITY; OR

(2) TRANSACTION OR TRANSFER OF A CO-LICENSED PRODUCT BETWEEN CO-LICENSED PARTNERS.

(J) "MANUFACTURER" MEANS A PERSON LICENSED OR APPROVED BY THE U.S. FOOD AND DRUG ADMINISTRATION TO ENGAGE IN THE MANUFACTURE OF PRESCRIPTION DRUGS OR PRESCRIPTION DEVICES, CONSISTENT WITH THE DEFINITION OF "MANUFACTURER" UNDER THE U.S. FOOD AND DRUG ADMINISTRATION'S REGULATIONS AND GUIDELINES IMPLEMENTING THE PRESCRIPTION DRUG MARKETING ACT.

(K) “MANUFACTURER’S EXCLUSIVE DISTRIBUTOR” MEANS A PERSON WHO:

(1) CONTRACTS WITH A MANUFACTURER TO PROVIDE OR COORDINATE WAREHOUSING, DISTRIBUTION, OR OTHER SERVICES ON BEHALF OF THE MANUFACTURER; AND

(2) TAKES TITLE TO THE MANUFACTURER’S PRESCRIPTION DRUG, BUT DOES NOT HAVE GENERAL RESPONSIBILITY TO DIRECT THE SALE OR DISPOSITION OF THE MANUFACTURER’S PRESCRIPTION DRUG.

(L) “NORMAL DISTRIBUTION CHANNEL” MEANS A CHAIN OF CUSTODY FOR A PRESCRIPTION DRUG THAT, DIRECTLY OR BY DROP SHIPMENT, GOES:

(1) FROM:

(I) A MANUFACTURER OF THE PRESCRIPTION DRUG; OR

(II) THE MANUFACTURER’S CO-LICENSED PARTNER, THIRD PARTY LOGISTICS PROVIDER, OR MANUFACTURER’S EXCLUSIVE DISTRIBUTOR; AND

(2) To:

(I) A PHARMACY OR OTHER DESIGNATED PERSON AUTHORIZED BY LAW TO DISPENSE OR ADMINISTER THE PRESCRIPTION DRUG TO A PATIENT;

(II) A WHOLESALE DISTRIBUTOR TO A PHARMACY OR OTHER DESIGNATED PERSON AUTHORIZED BY LAW TO DISPENSE OR ADMINISTER THE PRESCRIPTION DRUG TO A PATIENT;

(III) A WHOLESALE DISTRIBUTOR TO A PHARMACY WAREHOUSE TO THE PHARMACY WAREHOUSE’S INTRACOMPANY PHARMACY OR OTHER DESIGNATED PERSON AUTHORIZED BY LAW TO DISPENSE OR ADMINISTER THE PRESCRIPTION DRUG TO A PATIENT;

(IV) A PHARMACY WAREHOUSE TO THE PHARMACY WAREHOUSE’S INTRACOMPANY PHARMACY OR OTHER DESIGNATED PERSON AUTHORIZED BY LAW TO DISPENSE OR ADMINISTER THE PRESCRIPTION DRUG TO A PATIENT; OR

(V) AN AUTHORIZED DISTRIBUTOR OF RECORD TO ANOTHER AUTHORIZED DISTRIBUTOR OF RECORD SOLELY FOR DISTRIBUTION TO AN OFFICE-BASED HEALTH CARE PRACTITIONER AUTHORIZED BY LAW TO DISPENSE OR ADMINISTER THE PRESCRIPTION DRUG TO A PATIENT.

(M) "ONGOING RELATIONSHIP" MEANS A RELATIONSHIP THAT EXISTS BETWEEN A WHOLESALE DISTRIBUTOR, INCLUDING ANY AFFILIATED GROUP OF THE WHOLESALE DISTRIBUTOR, AS DEFINED IN § 1504 OF THE INTERNAL REVENUE CODE, AND A MANUFACTURER WHEN THE WHOLESALE DISTRIBUTOR:

(1) HAS A WRITTEN AGREEMENT CURRENTLY IN EFFECT WITH THE MANUFACTURER EVIDENCING THE ONGOING RELATIONSHIP; AND

(2) IS LISTED ON THE MANUFACTURER'S CURRENT LIST OF AUTHORIZED DISTRIBUTORS OF RECORD.

(N) "PEDIGREE" MEANS A DOCUMENT OR ELECTRONIC FILE CONTAINING INFORMATION THAT RECORDS EACH WHOLESALE DISTRIBUTION OF A PRESCRIPTION DRUG.

(O) "PHARMACY WAREHOUSE" MEANS A PHYSICAL LOCATION FOR STORAGE OF PRESCRIPTION DRUGS THAT:

(1) SERVES AS A CENTRAL WAREHOUSE; AND

(2) PERFORMS INTRACOMPANY SALES OR TRANSFERS OF THE PRESCRIPTION DRUGS TO A GROUP OF PHARMACIES THAT ARE UNDER COMMON OWNERSHIP AND CONTROL WITH THE PHARMACY WAREHOUSE.

(P) (1) "PRESCRIPTION DRUG" MEANS ANY DRUG REQUIRED BY FEDERAL LAW OR REGULATION TO BE DISPENSED ONLY BY A PRESCRIPTION.

(2) "PRESCRIPTION DRUG" INCLUDES:

(i) A BIOLOGICAL PRODUCT; AND

(ii) FINISHED DOSAGE FORMS AND BULK DRUG SUBSTANCES SUBJECT TO § 503(B) OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.

(3) "PRESCRIPTION DRUG" DOES NOT INCLUDE BLOOD AND BLOOD COMPONENTS INTENDED FOR TRANSFUSION OR BIOLOGICAL PRODUCTS THAT ARE ALSO MEDICAL DEVICES.

(Q) “PRESCRIPTION DEVICE” MEANS ANY DEVICE REQUIRED BY FEDERAL LAW OR REGULATION TO BE DISPENSED ONLY BY A PRESCRIPTION.

(R) (1) “REPACKAGE” MEANS TO REPACKAGE OR OTHERWISE CHANGE THE CONTAINER, WRAPPER, OR LABELING OF A PRESCRIPTION DRUG TO FURTHER THE DISTRIBUTION OF THE PRESCRIPTION DRUG.

(2) “REPACKAGE” DOES NOT INCLUDE CHANGES TO A CONTAINER, WRAPPER, OR LABELING OF A PRESCRIPTION DRUG COMPLETED BY THE PHARMACIST RESPONSIBLE FOR DISPENSING THE PRESCRIPTION DRUG TO A PATIENT.

(S) “REPACKAGER” MEANS A PERSON WHO REPACKAGES PRESCRIPTION DRUGS.

(T) “THIRD PARTY LOGISTICS PROVIDER” MEANS A PERSON WHO:

(1) CONTRACTS WITH A MANUFACTURER TO PROVIDE OR COORDINATE WAREHOUSING, DISTRIBUTION, OR OTHER SERVICES ON BEHALF OF THE MANUFACTURER; BUT

(2) DOES NOT TAKE TITLE TO THE PRESCRIPTION DRUG OR HAVE GENERAL RESPONSIBILITY TO DIRECT THE PRESCRIPTION DRUG’S SALE OR DISPOSITION.

(U) (1) “WHOLESALE DISTRIBUTION” MEANS THE DISTRIBUTION OF PRESCRIPTION DRUGS OR PRESCRIPTION DEVICES TO PERSONS OTHER THAN A CONSUMER OR PATIENT.

(2) “WHOLESALE DISTRIBUTION” DOES NOT INCLUDE:

(I) INTRACOMPANY SALES;

(II) THE SALE, PURCHASE, DISTRIBUTION, TRADE, OR TRANSFER OF A PRESCRIPTION DRUG OR AN OFFER TO SELL, PURCHASE, DISTRIBUTE, TRADE, OR TRANSFER A PRESCRIPTION DRUG FOR EMERGENCY MEDICAL REASONS;

(III) THE DISTRIBUTION OF SAMPLES OF A PRESCRIPTION DRUG BY A MANUFACTURER’S REPRESENTATIVE;

(IV) PRESCRIPTION DRUG RETURNS CONDUCTED BY A HOSPITAL, HEALTH CARE ENTITY, OR CHARITABLE INSTITUTION IN ACCORDANCE WITH 21 CFR § 203.23;

(V) THE SALE OF MINIMAL QUANTITIES OF PRESCRIPTION DRUGS BY RETAIL PHARMACIES TO LICENSED HEALTH CARE PRACTITIONERS FOR OFFICE USE;

(VI) THE SALE, PURCHASE, OR TRADE OF A PRESCRIPTION DRUG, AN OFFER TO SELL, PURCHASE, OR TRADE A PRESCRIPTION DRUG, OR THE DISPENSING OF A PRESCRIPTION DRUG IN ACCORDANCE WITH A PRESCRIPTION;

(VII) THE SALE, TRANSFER, MERGER, OR CONSOLIDATION OF ALL OR PART OF THE BUSINESS OF A PHARMACY TO OR WITH ANOTHER PHARMACY, WHETHER ACCOMPLISHED AS A PURCHASE AND SALE OF STOCK OR BUSINESS ASSETS;

(VIII) THE SALE, PURCHASE, DISTRIBUTION, TRADE, OR TRANSFER OF A PRESCRIPTION DRUG FROM ONE AUTHORIZED DISTRIBUTOR OF RECORD TO ONE ADDITIONAL AUTHORIZED DISTRIBUTOR OF RECORD IF:

1. THE MANUFACTURER HAS STATED IN WRITING TO THE RECEIVING AUTHORIZED DISTRIBUTOR OF RECORD THAT THE MANUFACTURER IS UNABLE TO SUPPLY THE PRESCRIPTION DRUG; AND

2. THE SUPPLYING AUTHORIZED DISTRIBUTOR OF RECORD STATES IN WRITING THAT THE PRESCRIPTION DRUG BEING SUPPLIED HAD UNTIL THAT TIME BEEN EXCLUSIVELY IN THE NORMAL DISTRIBUTION CHANNEL;

(IX) THE DELIVERY OF, OR OFFER TO DELIVER, A PRESCRIPTION DRUG BY A COMMON CARRIER SOLELY IN THE COMMON CARRIER'S USUAL COURSE OF BUSINESS OF TRANSPORTING PRESCRIPTION DRUGS, IF THE COMMON CARRIER DOES NOT STORE, WAREHOUSE, OR TAKE LEGAL OWNERSHIP OF THE PRESCRIPTION DRUG; OR

(X) THE SALE OR TRANSFER FROM A RETAIL PHARMACY OR PHARMACY WAREHOUSE OF EXPIRED, DAMAGED, RETURNED, OR RECALLED PRESCRIPTION DRUGS TO THE ORIGINAL MANUFACTURER OR TO A THIRD PARTY RETURNS PROCESSOR.

(v) (1) “WHOLESALE DISTRIBUTOR” MEANS A PERSON THAT IS ENGAGED IN THE WHOLESALE DISTRIBUTION OF PRESCRIPTION DRUGS OR PRESCRIPTION DEVICES.

(2) “WHOLESALE DISTRIBUTOR” INCLUDES:

(i) A MANUFACTURER;

(ii) A REPACKAGER;

(iii) AN OWN-LABEL DISTRIBUTOR;

(iv) A PRIVATE-LABEL DISTRIBUTOR;

(v) A JOBBER;

(vi) A BROKER;

(vii) A WAREHOUSE, INCLUDING A MANUFACTURER’S OR DISTRIBUTOR’S WAREHOUSE;

(viii) A MANUFACTURER’S EXCLUSIVE DISTRIBUTOR OR AN AUTHORIZED DISTRIBUTOR OF RECORD;

(ix) A DRUG WHOLESALER OR DISTRIBUTOR;

(x) AN INDEPENDENT WHOLESALE DRUG TRADER;

(xi) A THIRD PARTY LOGISTICS PROVIDER;

(xii) A RETAIL PHARMACY THAT CONDUCTS WHOLESALE DISTRIBUTION, IF THE WHOLESALE DISTRIBUTION BUSINESS ACCOUNTS FOR MORE THAN 5% OF THE RETAIL PHARMACY’S ANNUAL SALES; AND

(xiii) A PHARMACY WAREHOUSE THAT CONDUCTS WHOLESALE DISTRIBUTION.

(w) “WHOLESALE DISTRIBUTOR PERMIT” MEANS A PERMIT ISSUED BY THE BOARD UNDER THIS SUBTITLE TO DISTRIBUTE PRESCRIPTION DRUGS OR PRESCRIPTION DEVICES INTO, OUT OF, OR WITHIN THE STATE AS A WHOLESALE DISTRIBUTOR.

12-6C-02.

THIS SUBTITLE DOES NOT AFFECT ANY PERSON WHILE DISTRIBUTING:

- (1) FEED FOR LIVESTOCK OR POULTRY;**
- (2) FERTILIZERS;**
- (3) FUNGICIDES;**
- (4) INSECTICIDE;**
- (5) LAND PLASTER;**
- (6) LIME;**
- (7) SEEDS; OR**
- (8) DEVICES, DRUGS, OR SUPPLIES OF ANY KIND FOR THE TREATMENT, CARE, OR CURE OF FARM ANIMALS.**

12-6C-03.

(A) A WHOLESALE DISTRIBUTOR SHALL HOLD A PERMIT ISSUED BY THE BOARD BEFORE THE WHOLESALE DISTRIBUTOR ENGAGES IN WHOLESALE DISTRIBUTION IN THE STATE.

(B) (1) A MANUFACTURER ENGAGED IN WHOLESALE DISTRIBUTION SHALL HOLD A WHOLESALE DISTRIBUTOR PERMIT ISSUED UNDER THIS SUBTITLE.

(2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, THE INFORMATION AND QUALIFICATION REQUIREMENTS FOR OBTAINING A PERMIT UNDER THIS SUBTITLE, BEYOND THAT REQUIRED BY FEDERAL LAW, DO NOT APPLY TO A MANUFACTURER WHO DISTRIBUTES ITS OWN PRESCRIPTION DRUGS APPROVED BY THE U.S. FOOD AND DRUG ADMINISTRATION.

(C) A MANUFACTURER'S EXCLUSIVE DISTRIBUTOR AND A THIRD-PARTY LOGISTICS PROVIDER SHALL HOLD A WHOLESALE DISTRIBUTOR PERMIT ISSUED UNDER THIS SUBTITLE.

(D) A WHOLESALE DISTRIBUTOR PERMIT SHALL BE DISPLAYED CONSPICUOUSLY IN THE PLACE OF BUSINESS FOR WHICH THE PERMIT IS ISSUED.

(E) A WHOLESALE DISTRIBUTOR PERMIT IS NOT TRANSFERABLE.

(F) SUBJECT TO ANY OTHER RESTRICTION PROVIDED BY LAW, A PERSON MAY NOT PURCHASE OR OBTAIN A PRESCRIPTION DRUG OR PRESCRIPTION DEVICE UNLESS THE PRESCRIPTION DRUG OR PRESCRIPTION DEVICE IS PURCHASED OR OBTAINED FROM A PERSON WHO HOLDS A WHOLESALE DISTRIBUTOR PERMIT, A LICENSED PHARMACIST, OR AN AUTHORIZED PRESCRIBER.

12-6C-04.

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

(2) "ACCREDITATION ORGANIZATION" MEANS A PRIVATE ENTITY THAT CONDUCTS INSPECTIONS AND SURVEYS OF WHOLESALE DISTRIBUTORS BASED ON NATIONALLY RECOGNIZED AND DEVELOPED STANDARDS.

(3) "DEEMED STATUS" MEANS A STATUS UNDER WHICH A WHOLESALE DISTRIBUTOR MAY BE EXEMPT FROM ROUTINE INSPECTIONS AND OTHER PERMIT REQUIREMENTS OF THE BOARD.

(B) IF THE BOARD DETERMINES THAT THE STANDARDS OF AN ACCREDITATION ORGANIZATION ARE EQUAL TO OR MORE STRINGENT THAN STATE PERMIT REQUIREMENTS, THE BOARD MAY:

(1) ACCEPT THE ACCREDITATION OF A WHOLESALE DISTRIBUTOR BY AN ACCREDITATION ORGANIZATION AS EVIDENCE THAT THE WHOLESALE DISTRIBUTOR HAS MET STATE PERMIT REQUIREMENTS; AND

(2) GRANT THE WHOLESALE DISTRIBUTOR DEEMED STATUS.

(C) THE BOARD MAY ISSUE A PERMIT BY RECIPROCITY TO A WHOLESALE DISTRIBUTOR WHO HOLDS A LICENSE OR PERMIT UNDER THE LAWS OF ANOTHER STATE IF THE BOARD DETERMINES THAT THE REQUIREMENTS OF THAT STATE ARE SUBSTANTIALLY EQUIVALENT TO THE REQUIREMENTS OF THIS STATE.

(D) THE BOARD OR ITS DESIGNEE MAY INSPECT A WHOLESALE DISTRIBUTOR WHO IS ACCREDITED OR HAS BEEN ISSUED A PERMIT BY RECIPROCITY TO:

(1) DETERMINE COMPLIANCE WITH ANY PERMIT REQUIREMENT UNDER THIS SUBTITLE; OR

(2) INVESTIGATE A COMPLAINT.

12-6C-05.

(A) TO APPLY FOR A WHOLESALE DISTRIBUTOR PERMIT, AN APPLICANT SHALL:

(1) PAY TO THE BOARD AN APPLICATION FEE SET BY THE BOARD;
AND

(2) SUBMIT AN APPLICATION TO THE BOARD ON THE FORM THAT THE BOARD REQUIRES.

(B) THE APPLICATION SHALL INCLUDE THE FOLLOWING:

(1) THE NAME, FULL BUSINESS ADDRESS, AND TELEPHONE NUMBER OF THE APPLICANT;

(2) ALL TRADE OR BUSINESS NAMES USED BY THE APPLICANT;

(3) ADDRESSES, TELEPHONE NUMBERS, AND THE NAMES OF CONTACT PERSONS FOR THE FACILITY USED BY THE APPLICANT FOR THE STORAGE, HANDLING, AND DISTRIBUTION OF PRESCRIPTION DRUGS;

(4) THE TYPE OF BUSINESS FORM UNDER WHICH THE APPLICANT OPERATES, SUCH AS PARTNERSHIP, CORPORATION, OR SOLE PROPRIETORSHIP;

(5) THE NAME OF EACH OWNER AND OPERATOR OF THE APPLICANT, INCLUDING:

(i) IF AN INDIVIDUAL, THE NAME OF THE INDIVIDUAL;

(ii) IF A PARTNERSHIP, THE NAME OF THE PARTNERSHIP AND OF EACH PARTNER;

(iii) IF A CORPORATION, THE NAME OF THE CORPORATION, THE NAME AND TITLE OF EACH CORPORATE OFFICER AND DIRECTOR, AND THE STATE OF INCORPORATION; AND

(IV) IF A SOLE PROPRIETORSHIP, THE FULL NAME OF THE SOLE PROPRIETOR AND THE NAME OF THE SOLE PROPRIETOR'S BUSINESS ENTITY;

(6) A LIST OF ALL LICENSES AND PERMITS ISSUED TO THE APPLICANT BY ANY OTHER STATE THAT AUTHORIZES THE APPLICANT TO PURCHASE OR POSSESS PRESCRIPTION DRUGS;

(7) FOR THE DESIGNATED REPRESENTATIVE AND THE IMMEDIATE SUPERVISOR OF THE DESIGNATED REPRESENTATIVE AT THE APPLICANT'S PLACE OF BUSINESS:

(I) FINGERPRINTS NECESSARY TO CONDUCT A CRIMINAL HISTORY RECORDS CHECK; AND

(II) THE FOLLOWING:

1. NAME;
2. PLACES OF RESIDENCE FOR THE PAST 7 YEARS;
3. DATE AND PLACE OF BIRTH;
4. THE NAME AND ADDRESS OF EACH BUSINESS WHERE THE INDIVIDUAL WAS EMPLOYED DURING THE PAST 7 YEARS, AND THE INDIVIDUAL'S JOB TITLE OR OFFICE HELD AT EACH BUSINESS;
5. A STATEMENT OF WHETHER, DURING THE PAST 7 YEARS, THE INDIVIDUAL HAS BEEN THE SUBJECT OF ANY PROCEEDING FOR THE REVOCATION OF ANY PROFESSIONAL OR BUSINESS LICENSE OR ANY CRIMINAL VIOLATION AND, IF SO, THE NATURE AND DISPOSITION OF THE PROCEEDING;
6. A STATEMENT OF WHETHER, DURING THE PAST 7 YEARS, THE INDIVIDUAL HAS BEEN ENJOINED, EITHER TEMPORARILY OR PERMANENTLY, BY A COURT OF COMPETENT JURISDICTION FROM VIOLATING ANY FEDERAL OR STATE LAW REGULATING THE POSSESSION, CONTROL, OR DISTRIBUTION OF PRESCRIPTION DRUGS, TOGETHER WITH DETAILS CONCERNING THE EVENT;
7. A DESCRIPTION OF ANY INVOLVEMENT, INCLUDING ANY INVESTMENTS OTHER THAN THE OWNERSHIP OF STOCK IN A PUBLICLY TRADED COMPANY OR MUTUAL FUND, BY THE INDIVIDUAL DURING THE PAST 7 YEARS WITH ANY BUSINESS THAT MANUFACTURES, ADMINISTERS,

PRESCRIBES, DISTRIBUTES, OR STORES PRESCRIPTION DRUGS, AND ANY LAWSUITS IN WHICH THE BUSINESS WAS NAMED AS A PARTY;

8. A. A DESCRIPTION OF ANY MISDEMEANOR OR FELONY OFFENSE OF WHICH THE INDIVIDUAL, AS AN ADULT, WAS FOUND GUILTY, REGARDLESS OF WHETHER ADJUDICATION OF GUILT WAS WITHHELD OR WHETHER THE INDIVIDUAL PLED GUILTY OR NOLO CONTENDERE; AND

B. IF THE INDIVIDUAL INDICATES THAT A CRIMINAL CONVICTION IS UNDER APPEAL AND SUBMITS A COPY OF THE NOTICE OF APPEAL, WITHIN 15 DAYS AFTER THE DISPOSITION OF THE APPEAL, A COPY OF THE FINAL WRITTEN ORDER OF DISPOSITION; AND

9. A PHOTOGRAPH OF THE INDIVIDUAL TAKEN IN THE PREVIOUS 180 DAYS.

(C) THE INFORMATION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION SHALL BE PROVIDED UNDER OATH.

(D) THE BOARD MAY NOT ISSUE A WHOLESALE DISTRIBUTOR PERMIT TO AN APPLICANT UNLESS THE BOARD OR ITS DESIGNEE:

(1) CONDUCTS A PHYSICAL INSPECTION OF THE APPLICANT'S PLACE OF BUSINESS, INCLUDING ANY FACILITY OF THE APPLICANT;

(2) FINDS THAT THE PLACE OF BUSINESS AND FACILITY, IF ANY, MEETS THE BOARD'S REQUIREMENTS;

(3) DETERMINES THAT THE DESIGNATED REPRESENTATIVE OF THE APPLICANT MEETS THE FOLLOWING QUALIFICATIONS:

(i) IS AT LEAST 21 YEARS OF AGE;

(ii) HAS BEEN EMPLOYED FULL TIME FOR AT LEAST 3 YEARS IN A PHARMACY OR WITH A WHOLESALE DISTRIBUTOR IN A CAPACITY RELATED TO THE DISPENSING AND DISTRIBUTION OF, AND RECORDKEEPING RELATING TO, PRESCRIPTION DRUGS;

(iii) IS EMPLOYED BY THE APPLICANT FULL TIME IN A MANAGERIAL LEVEL POSITION;

(iv) IS ACTIVELY INVOLVED IN AND AWARE OF THE DAILY OPERATION OF THE WHOLESALE DISTRIBUTOR;

(V) IS PHYSICALLY PRESENT, EXCEPT FOR AN AUTHORIZED ABSENCE SUCH AS SICK LEAVE OR VACATION LEAVE, AT THE FACILITY OF THE APPLICANT DURING REGULAR BUSINESS HOURS;

(VI) IS SERVING AS A DESIGNATED REPRESENTATIVE FOR ONLY ONE APPLICANT AT A TIME, OR FOR TWO OR MORE WHOLESALE DISTRIBUTORS WHO ARE LOCATED IN THE SAME FACILITY AND ARE MEMBERS OF AN AFFILIATED GROUP, AS DEFINED IN § 1504 OF THE INTERNAL REVENUE CODE;

(VII) DOES NOT HAVE ANY CONVICTIONS FOR A VIOLATION OF ANY FEDERAL, STATE, OR LOCAL LAWS RELATING TO WHOLESALE OR RETAIL PRESCRIPTION DRUG DISTRIBUTION OR DISTRIBUTION OF CONTROLLED SUBSTANCES; AND

(VIII) DOES NOT HAVE ANY CONVICTIONS FOR A FELONY UNDER FEDERAL, STATE, OR LOCAL LAWS; AND

(4) DETERMINES THAT THE IMMEDIATE SUPERVISOR OF THE DESIGNATED REPRESENTATIVE OF THE APPLICANT MEETS THE FOLLOWING QUALIFICATIONS:

(i) IS AT LEAST 21 YEARS OF AGE;

(ii) HAS BEEN EMPLOYED FULL TIME FOR AT LEAST 3 YEARS IN A PHARMACY OR WITH A WHOLESALE DISTRIBUTOR IN A CAPACITY RELATED TO THE DISPENSING AND DISTRIBUTION OF, AND RECORDKEEPING RELATING TO, PRESCRIPTION DRUGS;

(iii) IS EMPLOYED BY THE APPLICANT FULL TIME IN A MANAGERIAL LEVEL POSITION;

(iv) IS ACTIVELY INVOLVED IN AND AWARE OF THE DAILY OPERATION OF THE WHOLESALE DISTRIBUTOR;

(v) DOES NOT HAVE ANY CONVICTIONS FOR A VIOLATION OF ANY FEDERAL, STATE, OR LOCAL LAWS RELATING TO WHOLESALE OR RETAIL PRESCRIPTION DRUG DISTRIBUTION OR DISTRIBUTION OF CONTROLLED SUBSTANCES; AND

(vi) DOES NOT HAVE ANY CONVICTIONS FOR A FELONY UNDER FEDERAL, STATE, OR LOCAL LAWS.

(E) (1) IN THIS SUBSECTION, "CENTRAL REPOSITORY" MEANS THE CRIMINAL JUSTICE INFORMATION SYSTEM CENTRAL REPOSITORY OF THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES.

(2) IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SUBSECTION, THE BOARD SHALL SUBMIT THE FINGERPRINTS PROVIDED WITH A PERMIT APPLICATION TO THE CENTRAL REPOSITORY FOR A STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK OF THE DESIGNATED REPRESENTATIVE AND THE IMMEDIATE SUPERVISOR OF THE DESIGNATED REPRESENTATIVE.

(3) AS PART OF AN APPLICATION TO THE CENTRAL REPOSITORY FOR A STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK, THE BOARD SHALL SUBMIT TO THE CENTRAL REPOSITORY:

(I) TWO COMPLETE SETS OF LEGIBLE FINGERPRINTS TAKEN ON FORMS APPROVED BY THE DIRECTOR OF THE CENTRAL REPOSITORY AND THE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION;

(II) THE FEE AUTHORIZED UNDER § 10-221(B)(7) OF THE CRIMINAL PROCEDURE ARTICLE FOR ACCESS TO STATE CRIMINAL HISTORY RECORDS; AND

(III) THE PROCESSING FEE REQUIRED BY THE FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY RECORDS CHECK.

(4) IN ACCORDANCE WITH §§ 10-201 THROUGH 10-228 OF THE CRIMINAL PROCEDURE ARTICLE, THE CENTRAL REPOSITORY SHALL FORWARD TO THE BOARD AND TO THE APPLICANT THE CRIMINAL HISTORY RECORD INFORMATION OF THE APPLICANT.

(5) INFORMATION OBTAINED FROM THE CENTRAL REPOSITORY UNDER THIS SUBSECTION:

(I) SHALL BE CONFIDENTIAL;

(II) MAY NOT BE REDISSEMINATED; AND

(III) SHALL BE USED ONLY FOR THE PERMITTING PURPOSE AUTHORIZED BY THIS SUBTITLE.

(6) THE SUBJECT OF A CRIMINAL HISTORY RECORDS CHECK UNDER THIS SUBSECTION MAY CONTEST THE CONTENTS OF THE PRINTED STATEMENT ISSUED BY THE CENTRAL REPOSITORY AS PROVIDED IN § 10-223 OF THE CRIMINAL PROCEDURE ARTICLE.

(F) (1) THIS SUBSECTION DOES NOT APPLY TO A PHARMACY WAREHOUSE THAT IS NOT ENGAGED IN WHOLESALE DISTRIBUTION.

(2) AN APPLICANT FOR A WHOLESALE DISTRIBUTOR PERMIT SHALL SUBMIT A SURETY BOND OF AT LEAST \$100,000, OR OTHER EQUIVALENT MEANS OF SECURITY ACCEPTABLE TO THE STATE SUCH AS AN IRREVOCABLE LETTER OF CREDIT OR A DEPOSIT IN A TRUST ACCOUNT OR FINANCIAL INSTITUTION, PAYABLE TO AN ACCOUNT ESTABLISHED BY THE STATE UNDER PARAGRAPH (6) OF THIS SUBSECTION.

(3) THE PURPOSE OF THE SURETY BOND IS TO SECURE PAYMENT OF ANY FINES OR PENALTIES IMPOSED BY THE BOARD AND ANY FEES AND COSTS INCURRED BY THE STATE RELATING TO THE PERMIT THAT:

(i) ARE AUTHORIZED UNDER STATE LAW; AND

(ii) ARE NOT PAID BY THE PERMIT HOLDER WITHIN 30 DAYS AFTER THE FINES, PENALTIES, FEES, OR COSTS BECOME FINAL.

(4) THE STATE MAY MAKE A CLAIM AGAINST THE SURETY BOND OR OTHER SECURITY UNTIL 2 YEARS AFTER THE PERMIT HOLDER'S PERMIT CEASES TO BE VALID.

(5) A SINGLE SURETY BOND SHALL COVER ALL FACILITIES OPERATED BY THE APPLICANT IN THE STATE.

(6) THE BOARD SHALL ESTABLISH AN ACCOUNT, SEPARATE FROM ITS OTHER ACCOUNTS, IN WHICH TO DEPOSIT THE APPLICANT'S SURETY BOND OR OTHER SECURITY.

(G) IF A WHOLESALE DISTRIBUTOR DISTRIBUTES PRESCRIPTION DRUGS OR PRESCRIPTION DEVICES FROM MORE THAN ONE FACILITY, THE WHOLESALE DISTRIBUTOR SHALL OBTAIN A PERMIT FOR EACH FACILITY.

(H) WITHIN 30 DAYS AFTER THE DATE THE BOARD RECEIVES A COMPLETED APPLICATION, INCLUDING THE RESULTS OF ALL REQUIRED CRIMINAL HISTORY RECORDS CHECKS, THE BOARD SHALL NOTIFY THE

APPLICANT OF THE BOARD'S ACCEPTANCE OR REJECTION OF THE APPLICATION.

12-6C-06.

(A) A WHOLESALE DISTRIBUTOR PERMIT EXPIRES ON DECEMBER 31 AFTER ITS EFFECTIVE DATE, UNLESS THE WHOLESALE DISTRIBUTOR PERMIT IS RENEWED FOR AN ADDITIONAL 2-YEAR TERM AS PROVIDED IN THIS SECTION.

(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AT LEAST 1 MONTH BEFORE A WHOLESALE DISTRIBUTOR PERMIT EXPIRES, THE BOARD SHALL SEND TO THE WHOLESALE DISTRIBUTOR PERMIT HOLDER A RENEWAL NOTICE BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE PERMIT HOLDER.

(2) IF REQUESTED BY A WHOLESALE DISTRIBUTOR PERMIT HOLDER, THE BOARD SHALL SEND TO THE PERMIT HOLDER, AT LEAST TWO TIMES WITHIN THE MONTH BEFORE A WHOLESALE DISTRIBUTOR PERMIT EXPIRES, A RENEWAL NOTICE BY ELECTRONIC MEANS TO THE LAST KNOWN ELECTRONIC ADDRESS OF THE PERMIT HOLDER.

(3) IF A RENEWAL NOTICE SENT BY ELECTRONIC MEANS UNDER PARAGRAPH (2) OF THIS SUBSECTION IS RETURNED TO THE BOARD AS UNDELIVERABLE, THE BOARD SHALL SEND TO THE WHOLESALE DISTRIBUTOR PERMIT HOLDER A RENEWAL NOTICE BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE PERMIT HOLDER.

(4) A RENEWAL NOTICE SENT UNDER THIS SUBSECTION SHALL STATE:

(i) THE DATE ON WHICH THE CURRENT WHOLESALE DISTRIBUTOR PERMIT EXPIRES;

(ii) THE DATE BY WHICH THE RENEWAL APPLICATION MUST BE RECEIVED BY THE BOARD FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE THE CURRENT WHOLESALE DISTRIBUTOR PERMIT EXPIRES; AND

(iii) THE AMOUNT OF THE RENEWAL FEE.

(5) BEFORE A WHOLESALE DISTRIBUTOR PERMIT EXPIRES, A WHOLESALE DISTRIBUTOR PERMIT HOLDER PERIODICALLY MAY RENEW IT FOR AN ADDITIONAL 2-YEAR TERM, IF THE WHOLESALE DISTRIBUTOR PERMIT HOLDER:

(I) OTHERWISE IS ENTITLED TO A WHOLESALE DISTRIBUTOR PERMIT;

(II) PAYS TO THE BOARD A RENEWAL FEE SET BY THE BOARD; AND

(III) SUBMITS TO THE BOARD A RENEWAL APPLICATION ON THE FORM THAT THE BOARD REQUIRES.

(6) (I) THE RENEWAL APPLICATION FORM SHALL SET FORTH THE INFORMATION THAT THE WHOLESALE DISTRIBUTOR PROVIDED UNDER § 12-6C-05 OF THIS SUBTITLE.

(II) WITHIN 30 DAYS AFTER RECEIVING THE FORM, THE WHOLESALE DISTRIBUTOR SHALL IDENTIFY AND STATE UNDER OATH TO THE BOARD ALL CHANGES OR CORRECTIONS TO THE INFORMATION THAT WAS PROVIDED UNDER § 12-6C-05 OF THIS SUBTITLE.

(7) THE BOARD SHALL RENEW THE WHOLESALE DISTRIBUTOR PERMIT OF A WHOLESALE DISTRIBUTOR PERMIT HOLDER WHO MEETS THE REQUIREMENTS OF THIS SUBTITLE AND ANY REGULATIONS ADOPTED UNDER THIS SUBTITLE.

(8) THE BOARD MAY DENY, SUSPEND, OR REVOKE THE PERMIT OF A WHOLESALE DISTRIBUTOR IF THE BOARD DETERMINES THAT THE WHOLESALE DISTRIBUTOR NO LONGER QUALIFIES FOR A PERMIT.

12-6C-07.

THE BOARD:

(1) SHALL ADOPT REGULATIONS THAT REQUIRE ROUTINE INSPECTIONS OF WHOLESALE DISTRIBUTOR FACILITIES; AND

(2) MAY ADOPT REGULATIONS ESTABLISHING:

(I) MINIMUM REQUIREMENTS FOR THE RECEIPT, STORAGE, AND HANDLING OF PRESCRIPTION DRUGS OR PRESCRIPTION DEVICES, SECURITY PRECAUTIONS, QUALITY CONTROL, RECORD KEEPING, AND PROCEDURES, POLICY, AND RESPONSIBILITIES OF PERSONNEL; AND

(II) EDUCATION AND EXPERIENCE REQUIREMENTS FOR PERSONNEL EMPLOYED IN POSITIONS RESPONSIBLE FOR CARRYING OUT THE DUTIES:

1. REFERENCED IN ITEM (I) OF THIS ITEM; OR
2. RELATED TO STATE PERMIT REQUIREMENTS UNDER THIS SUBTITLE.

12-6C-08.

INFORMATION PROVIDED BY A WHOLESALE DISTRIBUTOR OR AN APPLICANT FOR A WHOLESALE DISTRIBUTOR PERMIT UNDER THIS SUBTITLE MAY NOT BE DISCLOSED TO ANY PERSON OR ENTITY EXCEPT A STATE LICENSING OR PERMITTING AUTHORITY, STATE BOARD, OR GOVERNMENT AGENCY THAT NEEDS THE INFORMATION FOR LICENSING, PERMITTING, MONITORING, OR LAW ENFORCEMENT PURPOSES.

12-6C-09.

(A) (1) A WHOLESALE DISTRIBUTOR SHALL RECEIVE PRESCRIPTION DRUG RETURNS OR EXCHANGES FROM A PHARMACY OR PHARMACY WAREHOUSE ACCORDING TO THE TERMS AND CONDITIONS OF THE AGREEMENT BETWEEN THE WHOLESALE DISTRIBUTOR AND THE PHARMACY OR PHARMACY WAREHOUSE.

(2) RETURNS OF EXPIRED, DAMAGED, RECALLED, OR OTHERWISE NONSALEABLE PRESCRIPTION DRUGS SHALL BE DISTRIBUTED BY THE RECEIVING WHOLESALE DISTRIBUTOR ONLY TO EITHER THE ORIGINAL MANUFACTURER OR A THIRD PARTY RETURNS PROCESSOR.

(3) RETURNS OR EXCHANGES OF PRESCRIPTION DRUGS, SALEABLE OR OTHERWISE, INCLUDING ANY REDISTRIBUTION BY A RECEIVING WHOLESALER, ARE NOT SUBJECT TO THE PEDIGREE REQUIREMENTS OF § 12-6C-10 OF THIS SUBTITLE IF THEY ARE EXEMPT FROM THE PEDIGREE REQUIREMENT OF THE U.S. FOOD AND DRUG ADMINISTRATION'S CURRENTLY APPLICABLE PRESCRIPTION DRUG MARKETING ACT GUIDELINES.

(4) WHOLESALE DISTRIBUTORS AND PHARMACIES SHALL BE ACCOUNTABLE FOR:

- (I) ADMINISTERING THEIR RETURNS PROCESS; AND

(II) ENSURING THAT THE RETURNS PROCESS IS SECURE AND DOES NOT PERMIT THE ENTRY OF ADULTERATED AND COUNTERFEIT PRODUCT.

(B) A WHOLESALE DISTRIBUTOR MAY SUPPLY PRESCRIPTION DRUGS ONLY TO A PERSON AUTHORIZED BY LAW TO DISPENSE OR RECEIVE PRESCRIPTION DRUGS.

(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A WHOLESALE DISTRIBUTOR MAY DELIVER PRESCRIPTION DRUGS ONLY TO:

(I) THE PREMISES LISTED ON THE RECIPIENT'S LICENSE OR PERMIT; OR

(II) AN AUTHORIZED PERSON OR AN AGENT OF AN AUTHORIZED PERSON AT THE PREMISES OF THE WHOLESALE DISTRIBUTOR IF:

1. THE IDENTITY AND AUTHORIZATION OF THE PERSON OR AGENT IS PROPERLY ESTABLISHED; AND

2. THIS METHOD OF DELIVERY IS EMPLOYED ONLY TO MEET THE IMMEDIATE NEEDS OF A PARTICULAR PATIENT OF THE AUTHORIZED PERSON.

(2) (I) PRESCRIPTION DRUGS MAY BE SUPPLIED TO A HOSPITAL PHARMACY RECEIVING AREA IF A PHARMACIST OR AUTHORIZED RECEIVING PERSONNEL OF THE HOSPITAL PHARMACY SIGNS, AT THE TIME OF DELIVERY, A RECEIPT SHOWING THE TYPE AND QUANTITY OF THE PRESCRIPTION DRUG RECEIVED.

(II) ANY DISCREPANCY BETWEEN THE TYPE AND QUANTITY OF THE PRESCRIPTION DRUG INDICATED ON THE RECEIPT AND THE TYPE AND QUANTITY OF THE PRESCRIPTION DRUG RECEIVED:

1. SHALL BE REPORTED TO THE DELIVERING WHOLESALE DISTRIBUTOR BY THE NEXT BUSINESS DAY AFTER THE DELIVERY TO THE HOSPITAL PHARMACY RECEIVING AREA; AND

2. MAY BE REPORTED TO THE BOARD FOR INVESTIGATION.

(D) (1) A WHOLESALE DISTRIBUTOR MAY NOT ACCEPT PAYMENT OR ALLOW THE USE OF A PERSON'S CREDIT TO ESTABLISH AN ACCOUNT FOR THE PURCHASE OF PRESCRIPTION DRUGS FROM ANY PERSON OTHER THAN THE OWNER OF RECORD, THE CHIEF EXECUTIVE OFFICER, OR THE CHIEF FINANCIAL OFFICER LISTED ON THE LICENSE OR PERMIT OF A PERSON LEGALLY AUTHORIZED TO RECEIVE PRESCRIPTION DRUGS.

(2) ANY ACCOUNT ESTABLISHED FOR THE PURCHASE OF PRESCRIPTION DRUGS SHALL BEAR THE NAME OF THE LICENSE OR PERMIT HOLDER.

(E) A WHOLESALE DISTRIBUTOR MAY NOT OPERATE OUT OF A RESIDENCE.

12-6C-10.

(A) A PERSON WHO IS ENGAGED IN THE WHOLESALE DISTRIBUTION OF A PRESCRIPTION DRUG THAT LEAVES, OR HAS EVER LEFT, THE NORMAL DISTRIBUTION CHANNEL SHALL PROVIDE, BEFORE EACH WHOLESALE DISTRIBUTION OF THE PRESCRIPTION DRUG, A PEDIGREE TO THE PERSON WHO RECEIVES THE PRESCRIPTION DRUG.

(B) A RETAIL PHARMACY OR PHARMACY WAREHOUSE SHALL COMPLY WITH THE REQUIREMENTS OF THIS SECTION ONLY IF THE PHARMACY OR PHARMACY WAREHOUSE ENGAGES IN THE WHOLESALE DISTRIBUTION OF A PRESCRIPTION DRUG IN THE STATE.

(C) (1) TO BE CONSIDERED PART OF THE NORMAL DISTRIBUTION CHANNEL, A WHOLESALE DISTRIBUTOR, A MANUFACTURER'S EXCLUSIVE DISTRIBUTOR, AND A MANUFACTURER'S THIRD PARTY LOGISTICS PROVIDER ALSO MUST BE AN AUTHORIZED DISTRIBUTOR OF RECORD.

(2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, A PHARMACY WAREHOUSE THAT IS NOT AN AUTHORIZED DISTRIBUTOR OF RECORD SHALL BE CONSIDERED PART OF THE NORMAL DISTRIBUTION CHANNEL.

(D) EACH PERSON WHO ENGAGES IN THE WHOLESALE DISTRIBUTION OF A PRESCRIPTION DRUG, INCLUDING REPACKAGERS BUT EXCLUDING THE ORIGINAL MANUFACTURER OF THE FINISHED FORM OF THE PRESCRIPTION DRUG, WHO IS PROVIDED A PEDIGREE FOR THE PRESCRIPTION DRUG AND ATTEMPTS TO FURTHER DISTRIBUTE THE PRESCRIPTION DRUG, SHALL

AUTHENTICATE, BEFORE ANY DISTRIBUTION OF THE PRESCRIPTION DRUG OCCURS, THAT EACH TRANSACTION LISTED ON THE PEDIGREE HAS OCCURRED.

(E) THE PEDIGREE SHALL INCLUDE:

(1) ALL NECESSARY IDENTIFYING INFORMATION RELATING TO EACH SALE IN THE CHAIN OF DISTRIBUTION OF THE PRESCRIPTION DRUG FROM THE MANUFACTURER OR THE MANUFACTURER'S THIRD PARTY LOGISTICS PROVIDER, CO-LICENSED PARTNER, OR MANUFACTURER'S EXCLUSIVE DISTRIBUTOR, THROUGH ACQUISITION AND SALE BY ANY WHOLESALE DISTRIBUTOR OR REPACKAGER, UNTIL FINAL SALE TO A PHARMACY OR OTHER PERSON DISPENSING OR ADMINISTERING THE PRESCRIPTION DRUG, INCLUDING:

(i) THE NAME, ADDRESS, TELEPHONE NUMBER, AND IF AVAILABLE, ELECTRONIC MAIL ADDRESS, OF EACH OWNER AND EACH WHOLESALE DISTRIBUTOR OF THE PRESCRIPTION DRUG;

(ii) THE NAME AND ADDRESS OF EACH LOCATION FROM WHICH THE PRESCRIPTION DRUG WAS SHIPPED, IF DIFFERENT FROM THE OWNER'S;

(iii) TRANSACTION DATES; AND

(iv) CERTIFICATION THAT EACH RECIPIENT HAS AUTHENTICATED THE PEDIGREE;

(2) THE NAME OF THE PRESCRIPTION DRUG;

(3) THE DOSAGE FORM AND STRENGTH OF THE PRESCRIPTION DRUG;

(4) THE SIZE OF THE CONTAINER;

(5) THE NUMBER OF CONTAINERS;

(6) THE LOT NUMBER AND NATIONAL DRUG CODE OF THE PRESCRIPTION DRUG; AND

(7) THE NAME OF THE MANUFACTURER OF THE FINISHED DOSAGE FORM.

(F) EACH PEDIGREE FOR A PRESCRIPTION DRUG SHALL BE:

(1) MAINTAINED BY THE PURCHASER AND THE WHOLESALE DISTRIBUTOR FOR 3 YEARS FROM THE DATE OF SALE OR TRANSFER; AND

(2) AVAILABLE FOR INSPECTION OR USE WITHIN 5 BUSINESS DAYS ON REQUEST OF THE BOARD, THE BOARD'S DESIGNEE, OR AN AUTHORIZED LAW ENFORCEMENT OFFICER.

12-6C-11.

(A) (1) IF A PERSON KNOWINGLY VIOLATES ANY PROVISION OF THIS SUBTITLE OR ANY REGULATION ADOPTED UNDER THIS SUBTITLE, THE BOARD MAY IMPOSE A FINE NOT TO EXCEED \$500,000.

(2) BEFORE THE BOARD IMPOSES A FINE, THE BOARD SHALL CONSIDER THE APPROPRIATENESS OF THE FINE IN RELATION TO:

(I) THE SIZE OF THE WHOLESALE DISTRIBUTOR;

(II) THE GRAVITY OF THE VIOLATION FOR WHICH THE FINE IS TO BE IMPOSED;

(III) THE GOOD FAITH OF THE WHOLESALE DISTRIBUTOR;

AND

(IV) ANY PREVIOUS VIOLATIONS BY THE WHOLESALE DISTRIBUTOR.

(B) IN ADDITION TO THE PENALTY PROVIDED IN SUBSECTION (A) OF THIS SECTION, THE BOARD ALSO MAY TAKE DISCIPLINARY ACTION AGAINST A PERMIT HOLDER WHO IS CONVICTED OF OR PLEADS GUILTY OR NOLO CONTENDERE TO A VIOLATION OF STATE, FEDERAL, OR LOCAL DRUG LAWS.

12-6C-12.

ON OR BEFORE JANUARY 1, 2008, THE BOARD SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SUBTITLE.

12-6C-13.

ON OR BEFORE JANUARY 1, 2008, AND ON OR BEFORE JANUARY 1 OF EACH SUBSEQUENT YEAR, THE BOARD SHALL REPORT TO THE GOVERNOR AND,

IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON THE IMPLEMENTATION OF THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Secretary of Health and Mental Hygiene, in conjunction with the State Board of Pharmacy, shall convene a workgroup of manufacturers, distributors, and pharmacies that sell and distribute prescription drugs in the State to recommend to the Board a target date for implementation of electronic track and trace pedigree technology.

(b) The workgroup shall:

(1) survey the availability of electronic track and trace pedigree technology across the entire prescription pharmaceutical supply chain;

(2) determine when electronic track and trace pedigree technology will be universally available across the entire prescription pharmaceutical supply chain; and

(3) based on its determination of the universal availability of electronic track and trace pedigree technology, make recommendations to the Board for a target date, no sooner than July 1, 2010, for implementation of electronic track and trace pedigree technology across the entire prescription pharmaceutical supply chain.

(c) Taking into consideration the recommendations of the workgroup, the Board shall establish a target date, no sooner than July 1, 2010, for implementation of electronic track and trace pedigree technology.

(d) In accordance with § 2-1246 of the State Government Article, the Board shall submit to the Senate Education, Health, and Environmental Affairs Committee and the House Health and Government Operations Committee:

(1) on or before January 1, 2009, a report with the recommendations of the workgroup; and

(2) on or before July 1, 2009, the target date for implementation of electronic track and trace pedigree technology established by the Board.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 353

(House Bill 1030)

AN ACT concerning

~~State Board of Pharmacy Wholesale Drug Distribution Permit
Requirements~~
Wholesale Distributor Permitting and Prescription Drug Integrity Act

~~FOR the purpose of altering the requirements for obtaining a wholesale distributor's permit to include a certain inspection and the posting of a certain bond; requiring a certain pedigree for prescription drugs or devices distributed in the State; requiring the State Board of Pharmacy to adopt regulations regarding certain pedigree and inspection requirements; defining a certain term; and generally relating to permit requirements for wholesale drug distribution.~~

FOR the purpose of requiring a wholesale distributor to hold a permit issued by the State Board of Pharmacy before the wholesale distributor engages in the wholesale distribution of prescription drugs or devices in the State; requiring certain entities to hold a wholesale distributor permit; providing that certain requirements for obtaining a permit do not apply to a manufacturer who distributes certain prescription drugs; requiring a permit to be displayed in a certain manner; providing that a permit is not transferable; prohibiting a person from purchasing or obtaining a prescription drug or device unless it is purchased or obtained from certain persons; authorizing the Board to grant a certain deemed status to certain wholesale distributors and to issue a permit to certain wholesale distributors by reciprocity; establishing certain requirements and procedures for applying for a permit; prohibiting the Board from issuing a permit unless the Board or its designee takes certain actions; establishing requirements for certain criminal history records checks and a certain surety bond; requiring the Board to provide a certain notification to an applicant within a certain period of time; providing for the expiration and renewal of a permit; authorizing the Board to deny, suspend, or revoke a permit under certain circumstances; requiring the Board to adopt regulations that require certain inspections; authorizing the Board to adopt regulations establishing certain requirements; prohibiting the disclosure of certain information provided by a wholesale distributor, except to certain entities for certain purposes; establishing certain procedures for returns or exchanges of prescription drugs; authorizing a wholesale distributor to supply or deliver prescription drugs only to certain persons; providing for certain exceptions; prohibiting a wholesale distributor from accepting payment or allowing the use of certain credit for a certain purpose; prohibiting a wholesale distributor from operating out of a residence; requiring a pedigree for certain prescription drug distributions;

requiring certain entities to be authorized distributors of record for a certain purpose; establishing certain penalties for a *certain* violation of certain provisions of this Act; requiring the Board to adopt certain regulations on or before a certain date; requiring the Board to provide a certain report to the Governor and certain legislative committees on or before a certain date each year; repealing certain provisions of law relating to permits for the distribution of prescription drugs or devices; requiring the Secretary of Health and Mental Hygiene, in conjunction with the Board, to convene a certain workgroup to recommend to the Board a certain date for implementing electronic track and trace pedigree technology; requiring the Board to establish a certain date for implementation of electronic track and trace pedigree technology; requiring the Board to submit certain reports to certain legislative committees on or before certain dates; defining certain terms; making conforming changes; and generally relating to permit and pedigree requirements for wholesale drug distributors.

BY repealing and reenacting, with amendments,

Article – Health Occupations

Section 12–601

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

~~BY repealing and reenacting, with amendments,~~

~~Article – Health Occupations~~

~~Section 12–602~~

~~Annotated Code of Maryland~~

~~(2005 Replacement Volume and 2006 Supplement)~~

BY adding to

Article – Health Occupations

Section 12–6C–01 through 12–6C–13 to be under the new subtitle “Subtitle 6C.
Wholesale Distributor Permitting and Prescription Drug Integrity Act”

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

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

Article – Health Occupations

12–601.

(a) Subject to the hearing provisions of § 12–315 of this title, for a violation of this subtitle, **SUBTITLE 6C OF THIS TITLE**, or any regulation adopted under [§ 12–602 of this subtitle] **SUBTITLE 6C OF THIS TITLE**, the Board may:

- (1) Deny a permit to an applicant;
- (2) Reprimand a permit holder;
- (3) Place a permit holder on probation; or
- (4) Suspend or revoke a permit.

(b) A person aggrieved by a final action of the Board under this subtitle OR SUBTITLE 6C OF THIS TITLE may not appeal to the Secretary or the Board of Review but may appeal as provided under Title 10, Subtitle 2 of the State Government Article.

~~12-602.~~

~~(a) (1) In this section the following words have the meanings indicated:~~

~~(2) "Distribution permit" means a permit issued by the Board under this section to distribute prescription drugs or devices into, out of, or within the State as a distributor, jobber, manufacturer, or wholesaler, wherever located.~~

~~(3) "PEDIGREE" MEANS A DOCUMENT OR ELECTRONIC FILE CONTAINING INFORMATION THAT RECORDS EACH DISTRIBUTION OF A PRESCRIPTION DRUG OR DEVICE.~~

~~[(3)] (4) "Prescription drugs or devices" means any drug or device that, because of its toxicity or other potential for harmful effect, the method of its use, or the collateral measures necessary for its use, is required by federal law to bear a cautionary label warning against dispensing without a prescription or is designated by the Department as not safe for use except under the supervision of a practitioner licensed to administer drugs or devices of this nature.~~

~~(b) This section does not affect any person while distributing:~~

- ~~(1) Feed for livestock or poultry;~~
- ~~(2) Fertilizers;~~
- ~~(3) Fungicides;~~
- ~~(4) Insecticide;~~
- ~~(5) Land plaster;~~

~~(6) LIME;~~

~~(7) SEEDS; OR~~

~~(8) DEVICES, DRUGS, OR SUPPLIES OF ANY KIND FOR THE TREATMENT, CARE, OR CURE OF FARM ANIMALS.~~

~~(c) A person shall hold a distribution permit issued by the Board before the person may distribute prescription drugs or devices as a distributor, jobber, manufacturer, or wholesaler.~~

~~(d) To qualify for a distribution permit, an applicant shall:~~

~~(1) Satisfy the Board that the applicant will distribute prescription drugs or devices in compliance with the restrictions specified in subsection (c) of this section; [and]~~

~~(2) **SUBMIT EVIDENCE OF AN INSPECTION PERFORMED:**~~

~~(i) **BY THE BOARD OR AN APPROVED AGENT OF THE BOARD FOR EACH FACILITY OPERATED BY THE APPLICANT; AND**~~

~~(ii) **IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE BOARD; AND**~~

~~[(2)] (3) Comply with any pertinent regulations adopted under subsection (i) of this section.~~

~~(e) A distribution permit holder may distribute prescription drugs or devices only:~~

~~(1) To the following persons:~~

~~(i) An authorized prescriber;~~

~~(ii) A pharmacy permit holder;~~

~~(iii) A distribution permit holder; or~~

~~(iv) Any other person approved by the Board; [and]~~

~~(2) **IF THE DISTRIBUTED PRESCRIPTION DRUGS OR DEVICES ARE ACCOMPANIED BY A PEDIGREE ESTABLISHED IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE BOARD; AND**~~

~~[(2)] (3) In compliance with any rules and regulations adopted under this section.~~

~~(f) To apply for a distribution permit, an applicant shall:~~

~~(1) Submit an application to the Board on the form that the Board provides; [and]~~

~~(2) **SUBMIT TO THE BOARD, IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE BOARD, A BOND OF AT LEAST \$100,000, OR OTHER EQUIVALENT MEANS OF SECURITY ACCEPTABLE TO THE BOARD, SUCH AS AN IRREVOCABLE LETTER OF CREDIT OR A DEPOSIT IN A TRUST ACCOUNT OR FINANCIAL INSTITUTION, PAYABLE TO AN ACCOUNT ESTABLISHED BY THE BOARD; AND**~~

~~[(2)] (3) Pay to the Board an application fee set by the Board.~~

~~(g) The Board shall issue a distribution permit to any applicant who meets the requirements of this section.~~

~~(h) A distribution permit issued under this section authorizes the distribution permit holder to distribute prescription drugs or devices as a distributor, jobber, manufacturer, or wholesaler while the distribution permit is effective.~~

~~(i) To protect the public health and safety, the Board:~~

~~(1) [may] **MAY** adopt rules and regulations regarding the distribution of prescription drugs or devices including regulations regarding:~~

~~[(1)] (I) Qualifications and information required from an applicant seeking issuance or renewal of a distribution permit;~~

~~[(2)] (II) Minimum requirements for the receipt, storage, and handling of prescription drugs or devices, security precautions, quality control, record keeping, and establishment of written procedures, policy, and responsibilities of personnel;~~

~~[(3)] (III) The education and experience of personnel employed in positions responsible for duties referenced in [paragraph (2)] **ITEM (II)** of this [subsection] **ITEM** and generally responsible for carrying out those duties that are subject to State licensure requirements under this subtitle; and~~

~~[(4)] (IV) Disciplinary action to be taken against a permit holder who is convicted of or pleads guilty or nolo contendere to a violation of State, federal, or~~

~~local drug laws or who violates regulations promulgated by the Board under this section; AND~~

~~(2) SHALL ADOPT REGULATIONS SPECIFYING:~~

~~(i) PEDIGREE REQUIREMENTS; AND~~

~~(ii) ROUTINE INSPECTION REQUIREMENTS.~~

~~(j) (1) A distribution permit expires on the December 31 after its effective date, unless the distribution permit is renewed for a 1-year term as provided in this subsection.~~

~~(2) At least 1 month before a distribution permit expires, the Board shall send to the distribution permit holder, by first class mail to the last known address of the distribution permit holder, a renewal notice that contains a statement of:~~

~~(i) The date on which the current distribution permit expires;~~

~~(ii) The date by which the renewal application must be received by the Board for the renewal to be issued and mailed before the distribution permit expires; and~~

~~(iii) The amount of the renewal fee.~~

~~(3) Before a distribution permit expires, a distribution permit holder periodically may renew it for an additional 1-year term, if the distribution permit holder:~~

~~(i) Otherwise is entitled to a distribution permit;~~

~~(ii) Pays to the Board a renewal fee set by the Board; and~~

~~(iii) Submits to the Board a renewal application on the form that the Board requires.~~

~~(4) The Board shall renew the distribution permit of each distribution permit holder who meets the requirements of this section and any regulation adopted under this section.~~

~~(k) Each distribution permit shall be displayed conspicuously in the place for which it is issued.~~

~~(l) A distribution permit is not transferable.~~

~~(m) Subject to any other restriction provided by law, a person may not purchase or obtain any prescription drugs or devices unless the drug or device is obtained from a distribution permit holder, a licensed pharmacist, or an authorized prescriber.~~

~~(n) A person may not violate any rule or regulation adopted under this section.~~

~~(o) A distribution permit is void on conviction of the distribution permit holder for any violation of:~~

~~(1) This section; or~~

~~(2) Any rule or regulation adopted by the Board under this section.~~

SUBTITLE 6C. WHOLESALE DISTRIBUTOR PERMITTING AND PRESCRIPTION DRUG INTEGRITY ACT.

12-6C-01.

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

(B) "AUTHENTICATE" MEANS TO AFFIRMATIVELY VERIFY, BEFORE ANY WHOLESALE DISTRIBUTION OF A PRESCRIPTION DRUG OCCURS, THAT EACH TRANSACTION LISTED ON THE PEDIGREE FOR THE PRESCRIPTION DRUG HAS OCCURRED.

(C) "AUTHORIZED DISTRIBUTOR OF RECORD" MEANS A WHOLESALE DISTRIBUTOR WITH WHOM A MANUFACTURER HAS ESTABLISHED AN ONGOING RELATIONSHIP TO DISTRIBUTE THE MANUFACTURER'S PRESCRIPTION DRUG.

(D) "CO-LICENSED PARTNER" MEANS A PERSON IN A RELATIONSHIP IN WHICH TWO OR MORE PERSONS HAVE THE RIGHT TO ENGAGE IN THE MANUFACTURING OR MARKETING OF A PRESCRIPTION DRUG, CONSISTENT WITH THE U.S. FOOD AND DRUG ADMINISTRATION'S IMPLEMENTATION OF THE FEDERAL PRESCRIPTION DRUG MARKETING ACT.

(E) "CO-LICENSED PRODUCT" MEANS A PRODUCT OF CO-LICENSED PARTNERS.

(F) "DESIGNATED REPRESENTATIVE" MEANS AN INDIVIDUAL WHO:

(1) IS DESIGNATED BY A WHOLESALE DISTRIBUTOR;

(2) SERVES AS THE PRIMARY CONTACT OF THE WHOLESALE DISTRIBUTOR WITH THE BOARD; AND

(3) IS ACTIVELY INVOLVED IN AND AWARE OF THE DAILY OPERATION OF THE WHOLESALE DISTRIBUTOR.

(G) "DROP SHIPMENT" MEANS THE SALE OF A PRESCRIPTION DRUG:

(1) TO A WHOLESALE DISTRIBUTOR BY:

(i) THE MANUFACTURER OF THE PRESCRIPTION DRUG; OR

(ii) THE MANUFACTURER'S CO-LICENSED PARTNER, THIRD PARTY LOGISTICS PROVIDER, OR MANUFACTURER'S EXCLUSIVE DISTRIBUTOR; AND

(2) THROUGH WHICH:

(i) THE WHOLESALE DISTRIBUTOR OR A PHARMACY WAREHOUSE TAKES TITLE TO BUT NOT PHYSICAL POSSESSION OF THE PRESCRIPTION DRUG;

(ii) THE WHOLESALE DISTRIBUTOR INVOICES THE PHARMACY, PHARMACY WAREHOUSE, OR OTHER PERSON AUTHORIZED BY LAW TO DISPENSE OR ADMINISTER THE PRESCRIPTION DRUG TO A PATIENT; AND

(iii) THE PHARMACY, PHARMACY WAREHOUSE, OR OTHER AUTHORIZED PERSON RECEIVES DELIVERY OF THE PRESCRIPTION DRUG DIRECTLY FROM:

1. THE MANUFACTURER; OR

2. THE MANUFACTURER'S THIRD PARTY LOGISTICS PROVIDER OR THE MANUFACTURER'S EXCLUSIVE DISTRIBUTOR; OR.

~~3. AN AUTHORIZED DISTRIBUTOR OF RECORD THAT PURCHASED THE PRESCRIPTION DRUG DIRECTLY FROM THE MANUFACTURER, THE MANUFACTURER'S THIRD PARTY LOGISTICS PROVIDER, OR THE MANUFACTURER'S EXCLUSIVE DISTRIBUTOR.~~

(H) "FACILITY" MEANS A FACILITY OF A WHOLESALE DISTRIBUTOR WHERE PRESCRIPTION DRUGS ARE STORED, HANDLED, REPACKAGED, OR OFFERED FOR SALE.

(I) "INTRACOMPANY SALES" MEANS A:

(1) TRANSACTION OR TRANSFER OF PRESCRIPTION DRUGS BETWEEN A DIVISION, SUBSIDIARY, PARENT, OR AFFILIATED OR RELATED COMPANY UNDER COMMON OWNERSHIP AND CONTROL OF A CORPORATE ENTITY; OR

(2) TRANSACTION OR TRANSFER OF A CO-LICENSED PRODUCT BETWEEN CO-LICENSED PARTNERS.

(J) "MANUFACTURER" MEANS A PERSON LICENSED OR APPROVED BY THE U.S. FOOD AND DRUG ADMINISTRATION TO ENGAGE IN THE MANUFACTURE OF PRESCRIPTION DRUGS OR PRESCRIPTION DEVICES, CONSISTENT WITH THE DEFINITION OF "MANUFACTURER" UNDER THE U.S. FOOD AND DRUG ADMINISTRATION'S REGULATIONS AND GUIDELINES IMPLEMENTING THE PRESCRIPTION DRUG MARKETING ACT.

(K) "MANUFACTURER'S EXCLUSIVE DISTRIBUTOR" MEANS A PERSON WHO:

(1) CONTRACTS WITH A MANUFACTURER TO PROVIDE OR COORDINATE WAREHOUSING, DISTRIBUTION, OR OTHER SERVICES ON BEHALF OF THE MANUFACTURER; AND

(2) TAKES TITLE TO THE MANUFACTURER'S PRESCRIPTION DRUG, BUT DOES NOT HAVE GENERAL RESPONSIBILITY TO DIRECT THE SALE OR DISPOSITION OF THE MANUFACTURER'S PRESCRIPTION DRUG.

(L) "NORMAL DISTRIBUTION CHANNEL" MEANS A CHAIN OF CUSTODY FOR A PRESCRIPTION DRUG THAT, DIRECTLY OR BY DROP SHIPMENT, GOES:

(1) FROM:

(i) A MANUFACTURER OF THE PRESCRIPTION DRUG; OR

(ii) THE MANUFACTURER'S CO-LICENSED PARTNER, THIRD PARTY LOGISTICS PROVIDER, OR MANUFACTURER'S EXCLUSIVE DISTRIBUTOR; AND

(2) To:

(I) A PHARMACY OR OTHER DESIGNATED PERSON AUTHORIZED BY LAW TO DISPENSE OR ADMINISTER THE PRESCRIPTION DRUG TO A PATIENT;

(II) A WHOLESALE DISTRIBUTOR TO A PHARMACY OR OTHER DESIGNATED PERSON AUTHORIZED BY LAW TO DISPENSE OR ADMINISTER THE PRESCRIPTION DRUG TO A PATIENT;

(III) A WHOLESALE DISTRIBUTOR TO A PHARMACY WAREHOUSE TO THE PHARMACY WAREHOUSE'S INTRACOMPANY PHARMACY OR OTHER DESIGNATED PERSON AUTHORIZED BY LAW TO DISPENSE OR ADMINISTER THE PRESCRIPTION DRUG TO A PATIENT;

(IV) A PHARMACY WAREHOUSE TO THE PHARMACY WAREHOUSE'S INTRACOMPANY PHARMACY OR OTHER DESIGNATED PERSON AUTHORIZED BY LAW TO DISPENSE OR ADMINISTER THE PRESCRIPTION DRUG TO A PATIENT; OR

(V) AN AUTHORIZED DISTRIBUTOR OF RECORD TO ANOTHER AUTHORIZED DISTRIBUTOR OF RECORD SOLELY FOR DISTRIBUTION TO AN OFFICE-BASED HEALTH CARE PRACTITIONER AUTHORIZED BY LAW TO DISPENSE OR ADMINISTER THE PRESCRIPTION DRUG TO A PATIENT.

(M) "ONGOING RELATIONSHIP" MEANS A RELATIONSHIP THAT EXISTS BETWEEN A WHOLESALE DISTRIBUTOR, INCLUDING ANY AFFILIATED GROUP OF THE WHOLESALE DISTRIBUTOR, AS DEFINED IN § 1504 OF THE INTERNAL REVENUE CODE, AND A MANUFACTURER WHEN THE WHOLESALE DISTRIBUTOR:

(1) HAS A WRITTEN AGREEMENT CURRENTLY IN EFFECT WITH THE MANUFACTURER EVIDENCING THE ONGOING RELATIONSHIP; AND

(2) IS LISTED ON THE MANUFACTURER'S CURRENT LIST OF AUTHORIZED DISTRIBUTORS OF RECORD.

(N) "PEDIGREE" MEANS A DOCUMENT OR ELECTRONIC FILE CONTAINING INFORMATION THAT RECORDS EACH WHOLESALE DISTRIBUTION OF A PRESCRIPTION DRUG.

(O) "PHARMACY WAREHOUSE" MEANS A PHYSICAL LOCATION FOR STORAGE OF PRESCRIPTION DRUGS THAT:

(1) SERVES AS A CENTRAL WAREHOUSE; AND

(2) PERFORMS INTRACOMPANY SALES OR TRANSFERS OF THE PRESCRIPTION DRUGS TO A GROUP OF PHARMACIES THAT ARE UNDER COMMON OWNERSHIP AND CONTROL WITH THE PHARMACY WAREHOUSE.

(P) (1) "PRESCRIPTION DRUG" MEANS ANY DRUG REQUIRED BY FEDERAL LAW OR REGULATION TO BE DISPENSED ONLY BY A PRESCRIPTION.

(2) "PRESCRIPTION DRUG" INCLUDES:

(I) A BIOLOGICAL PRODUCT; AND

(II) FINISHED DOSAGE FORMS AND BULK DRUG SUBSTANCES SUBJECT TO § 503(B) OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.

(3) "PRESCRIPTION DRUG" DOES NOT INCLUDE BLOOD AND BLOOD COMPONENTS INTENDED FOR TRANSFUSION OR BIOLOGICAL PRODUCTS THAT ARE ALSO MEDICAL DEVICES.

(Q) "PRESCRIPTION DEVICE" MEANS ANY DEVICE REQUIRED BY FEDERAL LAW OR REGULATION TO BE DISPENSED ONLY BY A PRESCRIPTION.

(R) (1) "REPACKAGE" MEANS TO REPACKAGE OR OTHERWISE CHANGE THE CONTAINER, WRAPPER, OR LABELING OF A PRESCRIPTION DRUG TO FURTHER THE DISTRIBUTION OF THE PRESCRIPTION DRUG.

(2) "REPACKAGE" DOES NOT INCLUDE CHANGES TO A CONTAINER, WRAPPER, OR LABELING OF A PRESCRIPTION DRUG COMPLETED BY THE PHARMACIST RESPONSIBLE FOR DISPENSING THE PRESCRIPTION DRUG TO A PATIENT.

(S) "REPACKAGER" MEANS A PERSON WHO REPACKAGES PRESCRIPTION DRUGS.

(T) "THIRD PARTY LOGISTICS PROVIDER" MEANS A PERSON WHO:

(1) CONTRACTS WITH A MANUFACTURER TO PROVIDE OR COORDINATE WAREHOUSING, DISTRIBUTION, OR OTHER SERVICES ON BEHALF OF THE MANUFACTURER; BUT

(2) DOES NOT TAKE TITLE TO THE PRESCRIPTION DRUG OR HAVE GENERAL RESPONSIBILITY TO DIRECT THE PRESCRIPTION DRUG'S SALE OR DISPOSITION.

(U) (1) "WHOLESALE DISTRIBUTION" MEANS THE DISTRIBUTION OF PRESCRIPTION DRUGS OR PRESCRIPTION DEVICES TO PERSONS OTHER THAN A CONSUMER OR PATIENT.

(2) "WHOLESALE DISTRIBUTION" DOES NOT INCLUDE:

(I) INTRACOMPANY SALES;

(II) THE SALE, PURCHASE, DISTRIBUTION, TRADE, OR TRANSFER OF A PRESCRIPTION DRUG OR AN OFFER TO SELL, PURCHASE, DISTRIBUTE, TRADE, OR TRANSFER A PRESCRIPTION DRUG FOR EMERGENCY MEDICAL REASONS;

(III) THE DISTRIBUTION OF SAMPLES OF A PRESCRIPTION DRUG BY A MANUFACTURER'S REPRESENTATIVE;

(IV) PRESCRIPTION DRUG RETURNS CONDUCTED BY A HOSPITAL, HEALTH CARE ENTITY, OR CHARITABLE INSTITUTION IN ACCORDANCE WITH 21 CFR § 203.23;

(V) THE SALE OF MINIMAL QUANTITIES OF PRESCRIPTION DRUGS BY RETAIL PHARMACIES TO LICENSED HEALTH CARE PRACTITIONERS FOR OFFICE USE;

(VI) THE SALE, PURCHASE, OR TRADE OF A PRESCRIPTION DRUG, AN OFFER TO SELL, PURCHASE, OR TRADE A PRESCRIPTION DRUG, OR THE DISPENSING OF A PRESCRIPTION DRUG IN ACCORDANCE WITH A PRESCRIPTION;

(VII) THE SALE, TRANSFER, MERGER, OR CONSOLIDATION OF ALL OR PART OF THE BUSINESS OF A PHARMACY TO OR WITH ANOTHER PHARMACY, WHETHER ACCOMPLISHED AS A PURCHASE AND SALE OF STOCK OR BUSINESS ASSETS;

(VIII) THE SALE, PURCHASE, DISTRIBUTION, TRADE, OR TRANSFER OF A PRESCRIPTION DRUG FROM ONE AUTHORIZED DISTRIBUTOR OF RECORD TO ONE ADDITIONAL AUTHORIZED DISTRIBUTOR OF RECORD IF:

1. THE MANUFACTURER HAS STATED IN WRITING TO THE RECEIVING AUTHORIZED DISTRIBUTOR OF RECORD THAT THE MANUFACTURER IS UNABLE TO SUPPLY THE PRESCRIPTION DRUG; AND

2. THE SUPPLYING AUTHORIZED DISTRIBUTOR OF RECORD STATES IN WRITING THAT THE PRESCRIPTION DRUG BEING SUPPLIED HAD UNTIL THAT TIME BEEN EXCLUSIVELY IN THE NORMAL DISTRIBUTION CHANNEL;

(IX) THE DELIVERY OF, OR OFFER TO DELIVER, A PRESCRIPTION DRUG BY A COMMON CARRIER SOLELY IN THE COMMON CARRIER'S USUAL COURSE OF BUSINESS OF TRANSPORTING PRESCRIPTION DRUGS, IF THE COMMON CARRIER DOES NOT STORE, WAREHOUSE, OR TAKE LEGAL OWNERSHIP OF THE PRESCRIPTION DRUG; OR

(X) THE SALE OR TRANSFER FROM A RETAIL PHARMACY OR PHARMACY WAREHOUSE OF EXPIRED, DAMAGED, RETURNED, OR RECALLED PRESCRIPTION DRUGS TO THE ORIGINAL MANUFACTURER OR TO A THIRD PARTY RETURNS PROCESSOR.

(V) (1) "WHOLESALE DISTRIBUTOR" MEANS A PERSON THAT IS ENGAGED IN THE WHOLESALE DISTRIBUTION OF PRESCRIPTION DRUGS OR PRESCRIPTION DEVICES.

(2) "WHOLESALE DISTRIBUTOR" INCLUDES:

(I) A MANUFACTURER;

(II) A REPACKAGER;

(III) AN OWN-LABEL DISTRIBUTOR;

(IV) A PRIVATE-LABEL DISTRIBUTOR;

(V) A JOBBER;

(VI) A BROKER;

(VII) A WAREHOUSE, INCLUDING A MANUFACTURER'S OR DISTRIBUTOR'S WAREHOUSE;

(VIII) A MANUFACTURER'S EXCLUSIVE DISTRIBUTOR OR AN AUTHORIZED DISTRIBUTOR OF RECORD;

(IX) A DRUG WHOLESALER OR DISTRIBUTOR;

(X) AN INDEPENDENT WHOLESALE DRUG TRADER;

(XI) A THIRD PARTY LOGISTICS PROVIDER;

(XII) A RETAIL PHARMACY THAT CONDUCTS WHOLESALE DISTRIBUTION, IF THE WHOLESALE DISTRIBUTION BUSINESS ACCOUNTS FOR MORE THAN 5% OF THE RETAIL PHARMACY'S ANNUAL SALES; AND

(XIII) A PHARMACY WAREHOUSE THAT CONDUCTS WHOLESALE DISTRIBUTION.

(W) "WHOLESALE DISTRIBUTOR PERMIT" MEANS A PERMIT ISSUED BY THE BOARD UNDER THIS SUBTITLE TO DISTRIBUTE PRESCRIPTION DRUGS OR PRESCRIPTION DEVICES INTO, OUT OF, OR WITHIN THE STATE AS A WHOLESALE DISTRIBUTOR.

12-6C-02.

THIS SUBTITLE DOES NOT AFFECT ANY PERSON WHILE DISTRIBUTING:

(1) FEED FOR LIVESTOCK OR POULTRY;

(2) FERTILIZERS;

(3) FUNGICIDES;

(4) INSECTICIDE;

(5) LAND PLASTER;

(6) LIME;

(7) SEEDS; OR

(8) DEVICES, DRUGS, OR SUPPLIES OF ANY KIND FOR THE TREATMENT, CARE, OR CURE OF FARM ANIMALS.

12-6C-03.

(A) A WHOLESALE DISTRIBUTOR SHALL HOLD A PERMIT ISSUED BY THE BOARD BEFORE THE WHOLESALE DISTRIBUTOR ENGAGES IN WHOLESALE DISTRIBUTION IN THE STATE.

(B) (1) A MANUFACTURER ENGAGED IN WHOLESALE DISTRIBUTION SHALL HOLD A WHOLESALE DISTRIBUTOR PERMIT ISSUED UNDER THIS SUBTITLE.

(2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, THE INFORMATION AND QUALIFICATION REQUIREMENTS FOR OBTAINING A PERMIT UNDER THIS SUBTITLE, BEYOND THAT REQUIRED BY FEDERAL LAW, DO NOT APPLY TO A MANUFACTURER WHO DISTRIBUTES ITS OWN PRESCRIPTION DRUGS APPROVED BY THE U.S. FOOD AND DRUG ADMINISTRATION.

(C) A MANUFACTURER'S EXCLUSIVE DISTRIBUTOR AND A THIRD-PARTY LOGISTICS PROVIDER SHALL HOLD A WHOLESALE DISTRIBUTOR PERMIT ISSUED UNDER THIS SUBTITLE.

(D) A WHOLESALE DISTRIBUTOR PERMIT SHALL BE DISPLAYED CONSPICUOUSLY IN THE PLACE OF BUSINESS FOR WHICH THE PERMIT IS ISSUED.

(E) A WHOLESALE DISTRIBUTOR PERMIT IS NOT TRANSFERABLE.

(F) SUBJECT TO ANY OTHER RESTRICTION PROVIDED BY LAW, A PERSON MAY NOT PURCHASE OR OBTAIN A PRESCRIPTION DRUG OR PRESCRIPTION DEVICE UNLESS THE PRESCRIPTION DRUG OR PRESCRIPTION DEVICE IS PURCHASED OR OBTAINED FROM A PERSON WHO HOLDS A WHOLESALE DISTRIBUTOR PERMIT, A LICENSED PHARMACIST, OR AN AUTHORIZED PRESCRIBER.

12-6C-04.

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

(2) "ACCREDITATION ORGANIZATION" MEANS A PRIVATE ENTITY THAT CONDUCTS INSPECTIONS AND SURVEYS OF WHOLESALE DISTRIBUTORS BASED ON NATIONALLY RECOGNIZED AND DEVELOPED STANDARDS.

(3) "DEEMED STATUS" MEANS A STATUS UNDER WHICH A WHOLESALE DISTRIBUTOR MAY BE EXEMPT FROM ROUTINE INSPECTIONS AND OTHER PERMIT REQUIREMENTS OF THE BOARD.

(B) IF THE BOARD DETERMINES THAT THE STANDARDS OF AN ACCREDITATION ORGANIZATION ARE EQUAL TO OR MORE STRINGENT THAN STATE PERMIT REQUIREMENTS, THE BOARD MAY:

(1) ACCEPT THE ACCREDITATION OF A WHOLESALE DISTRIBUTOR BY AN ACCREDITATION ORGANIZATION AS EVIDENCE THAT THE WHOLESALE DISTRIBUTOR HAS MET STATE PERMIT REQUIREMENTS; AND

(2) GRANT THE WHOLESALE DISTRIBUTOR DEEMED STATUS.

(C) THE BOARD MAY ISSUE A PERMIT BY RECIPROCITY TO A WHOLESALE DISTRIBUTOR WHO HOLDS A LICENSE OR PERMIT UNDER THE LAWS OF ANOTHER STATE IF THE BOARD DETERMINES THAT THE REQUIREMENTS OF THAT STATE ARE SUBSTANTIALLY EQUIVALENT TO THE REQUIREMENTS OF THIS STATE.

(D) THE BOARD OR ITS DESIGNEE MAY INSPECT A WHOLESALE DISTRIBUTOR WHO IS ACCREDITED OR HAS BEEN ISSUED A PERMIT BY RECIPROCITY TO:

(1) DETERMINE COMPLIANCE WITH ANY PERMIT REQUIREMENT UNDER THIS SUBTITLE; OR

(2) INVESTIGATE A COMPLAINT.

12-6C-05.

(A) TO APPLY FOR A WHOLESALE DISTRIBUTOR PERMIT, AN APPLICANT SHALL:

(1) PAY TO THE BOARD AN APPLICATION FEE SET BY THE BOARD;
AND

(2) SUBMIT AN APPLICATION TO THE BOARD ON THE FORM THAT THE BOARD REQUIRES.

(B) THE APPLICATION SHALL INCLUDE THE FOLLOWING:

(1) THE NAME, FULL BUSINESS ADDRESS, AND TELEPHONE NUMBER OF THE APPLICANT;

(2) ALL TRADE OR BUSINESS NAMES USED BY THE APPLICANT;

(3) ADDRESSES, TELEPHONE NUMBERS, AND THE NAMES OF CONTACT PERSONS FOR THE FACILITY USED BY THE APPLICANT FOR THE STORAGE, HANDLING, AND DISTRIBUTION OF PRESCRIPTION DRUGS;

(4) THE TYPE OF BUSINESS FORM UNDER WHICH THE APPLICANT OPERATES, SUCH AS PARTNERSHIP, CORPORATION, OR SOLE PROPRIETORSHIP;

(5) THE NAME OF EACH OWNER AND OPERATOR OF THE APPLICANT, INCLUDING:

(i) IF AN INDIVIDUAL, THE NAME OF THE INDIVIDUAL;

(ii) IF A PARTNERSHIP, THE NAME OF THE PARTNERSHIP AND OF EACH PARTNER;

(iii) IF A CORPORATION, THE NAME OF THE CORPORATION, THE NAME AND TITLE OF EACH CORPORATE OFFICER AND DIRECTOR, AND THE STATE OF INCORPORATION; AND

(iv) IF A SOLE PROPRIETORSHIP, THE FULL NAME OF THE SOLE PROPRIETOR AND THE NAME OF THE SOLE PROPRIETOR'S BUSINESS ENTITY;

(6) A LIST OF ALL LICENSES AND PERMITS ISSUED TO THE APPLICANT BY ANY OTHER STATE THAT AUTHORIZES THE APPLICANT TO PURCHASE OR POSSESS PRESCRIPTION DRUGS;

(7) FOR THE DESIGNATED REPRESENTATIVE AND THE IMMEDIATE SUPERVISOR OF THE DESIGNATED REPRESENTATIVE AT THE APPLICANT'S PLACE OF BUSINESS:

(i) FINGERPRINTS NECESSARY TO CONDUCT A CRIMINAL HISTORY RECORDS CHECK; AND

(ii) THE FOLLOWING:

1. NAME;

2. PLACES OF RESIDENCE FOR THE PAST 7 YEARS;

3. DATE AND PLACE OF BIRTH;

4. THE NAME AND ADDRESS OF EACH BUSINESS WHERE THE INDIVIDUAL WAS EMPLOYED DURING THE PAST 7 YEARS, AND THE INDIVIDUAL'S JOB TITLE OR OFFICE HELD AT EACH BUSINESS;

5. A STATEMENT OF WHETHER, DURING THE PAST 7 YEARS, THE INDIVIDUAL HAS BEEN THE SUBJECT OF ANY PROCEEDING FOR THE REVOCATION OF ANY PROFESSIONAL OR BUSINESS LICENSE OR ANY CRIMINAL VIOLATION AND, IF SO, THE NATURE AND DISPOSITION OF THE PROCEEDING;

6. A STATEMENT OF WHETHER, DURING THE PAST 7 YEARS, THE INDIVIDUAL HAS BEEN ENJOINED, EITHER TEMPORARILY OR PERMANENTLY, BY A COURT OF COMPETENT JURISDICTION FROM VIOLATING ANY FEDERAL OR STATE LAW REGULATING THE POSSESSION, CONTROL, OR DISTRIBUTION OF PRESCRIPTION DRUGS, TOGETHER WITH DETAILS CONCERNING THE EVENT;

7. A DESCRIPTION OF ANY INVOLVEMENT, INCLUDING ANY INVESTMENTS OTHER THAN THE OWNERSHIP OF STOCK IN A PUBLICLY TRADED COMPANY OR MUTUAL FUND, BY THE INDIVIDUAL DURING THE PAST 7 YEARS WITH ANY BUSINESS THAT MANUFACTURES, ADMINISTERS, PRESCRIBES, DISTRIBUTES, OR STORES PRESCRIPTION DRUGS, AND ANY LAWSUITS IN WHICH THE BUSINESS WAS NAMED AS A PARTY;

8. A. A DESCRIPTION OF ANY MISDEMEANOR OR FELONY OFFENSE OF WHICH THE INDIVIDUAL, AS AN ADULT, WAS FOUND GUILTY, REGARDLESS OF WHETHER ADJUDICATION OF GUILT WAS WITHHELD OR WHETHER THE INDIVIDUAL PLED GUILTY OR NOLO CONTENDERE; AND

B. IF THE INDIVIDUAL INDICATES THAT A CRIMINAL CONVICTION IS UNDER APPEAL AND SUBMITS A COPY OF THE NOTICE OF APPEAL, WITHIN 15 DAYS AFTER THE DISPOSITION OF THE APPEAL, A COPY OF THE FINAL WRITTEN ORDER OF DISPOSITION; AND

9. A PHOTOGRAPH OF THE INDIVIDUAL TAKEN IN THE PREVIOUS 180 DAYS.

(C) THE INFORMATION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION SHALL BE PROVIDED UNDER OATH.

(D) THE BOARD MAY NOT ISSUE A WHOLESALE DISTRIBUTOR PERMIT TO AN APPLICANT UNLESS THE BOARD OR ITS DESIGNEE:

(1) CONDUCTS A PHYSICAL INSPECTION OF THE APPLICANT'S PLACE OF BUSINESS, INCLUDING ANY FACILITY OF THE APPLICANT;

(2) FINDS THAT THE PLACE OF BUSINESS AND FACILITY, IF ANY, MEETS THE BOARD'S REQUIREMENTS;

(3) DETERMINES THAT THE DESIGNATED REPRESENTATIVE OF THE APPLICANT MEETS THE FOLLOWING QUALIFICATIONS:

(i) IS AT LEAST 21 YEARS OF AGE;

(ii) HAS BEEN EMPLOYED FULL TIME FOR AT LEAST 3 YEARS IN A PHARMACY OR WITH A WHOLESALE DISTRIBUTOR IN A CAPACITY RELATED TO THE DISPENSING AND DISTRIBUTION OF, AND RECORDKEEPING RELATING TO, PRESCRIPTION DRUGS;

(iii) IS EMPLOYED BY THE APPLICANT FULL TIME IN A MANAGERIAL LEVEL POSITION;

(iv) IS ACTIVELY INVOLVED IN AND AWARE OF THE DAILY OPERATION OF THE WHOLESALE DISTRIBUTOR;

(v) IS PHYSICALLY PRESENT, EXCEPT FOR AN AUTHORIZED ABSENCE SUCH AS SICK LEAVE OR VACATION LEAVE, AT THE FACILITY OF THE APPLICANT DURING REGULAR BUSINESS HOURS;

(vi) IS SERVING AS A DESIGNATED REPRESENTATIVE FOR ONLY ONE APPLICANT AT A TIME, OR FOR TWO OR MORE WHOLESALE DISTRIBUTORS WHO ARE LOCATED IN THE SAME FACILITY AND ARE MEMBERS OF AN AFFILIATED GROUP, AS DEFINED IN § 1504 OF THE INTERNAL REVENUE CODE;

(vii) DOES NOT HAVE ANY CONVICTIONS FOR A VIOLATION OF ANY FEDERAL, STATE, OR LOCAL LAWS RELATING TO WHOLESALE OR RETAIL PRESCRIPTION DRUG DISTRIBUTION OR DISTRIBUTION OF CONTROLLED SUBSTANCES; AND

(viii) DOES NOT HAVE ANY CONVICTIONS FOR A FELONY UNDER FEDERAL, STATE, OR LOCAL LAWS; AND

(4) DETERMINES THAT THE IMMEDIATE SUPERVISOR OF THE DESIGNATED REPRESENTATIVE OF THE APPLICANT MEETS THE FOLLOWING QUALIFICATIONS:

(I) IS AT LEAST 21 YEARS OF AGE;

(II) HAS BEEN EMPLOYED FULL TIME FOR AT LEAST 3 YEARS IN A PHARMACY OR WITH A WHOLESALE DISTRIBUTOR IN A CAPACITY RELATED TO THE DISPENSING AND DISTRIBUTION OF, AND RECORDKEEPING RELATING TO, PRESCRIPTION DRUGS;

(III) IS EMPLOYED BY THE APPLICANT FULL TIME IN A MANAGERIAL LEVEL POSITION;

(IV) IS ACTIVELY INVOLVED IN AND AWARE OF THE DAILY OPERATION OF THE WHOLESALE DISTRIBUTOR;

(V) DOES NOT HAVE ANY CONVICTIONS FOR A VIOLATION OF ANY FEDERAL, STATE, OR LOCAL LAWS RELATING TO WHOLESALE OR RETAIL PRESCRIPTION DRUG DISTRIBUTION OR DISTRIBUTION OF CONTROLLED SUBSTANCES; AND

(VI) DOES NOT HAVE ANY CONVICTIONS FOR A FELONY UNDER FEDERAL, STATE, OR LOCAL LAWS.

(E) (1) IN THIS SUBSECTION, "CENTRAL REPOSITORY" MEANS THE CRIMINAL JUSTICE INFORMATION SYSTEM CENTRAL REPOSITORY OF THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES.

(2) IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SUBSECTION, THE BOARD SHALL SUBMIT THE FINGERPRINTS PROVIDED WITH A PERMIT APPLICATION TO THE CENTRAL REPOSITORY FOR A STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK OF THE DESIGNATED REPRESENTATIVE AND THE IMMEDIATE SUPERVISOR OF THE DESIGNATED REPRESENTATIVE.

(3) AS PART OF AN APPLICATION TO THE CENTRAL REPOSITORY FOR A STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK, THE BOARD SHALL SUBMIT TO THE CENTRAL REPOSITORY:

(I) TWO COMPLETE SETS OF LEGIBLE FINGERPRINTS TAKEN ON FORMS APPROVED BY THE DIRECTOR OF THE CENTRAL REPOSITORY AND THE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION;

(II) THE FEE AUTHORIZED UNDER § 10-221(B)(7) OF THE CRIMINAL PROCEDURE ARTICLE FOR ACCESS TO STATE CRIMINAL HISTORY RECORDS; AND

(III) THE PROCESSING FEE REQUIRED BY THE FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY RECORDS CHECK.

(4) IN ACCORDANCE WITH §§ 10-201 THROUGH 10-228 OF THE CRIMINAL PROCEDURE ARTICLE, THE CENTRAL REPOSITORY SHALL FORWARD TO THE BOARD AND TO THE APPLICANT THE CRIMINAL HISTORY RECORD INFORMATION OF THE APPLICANT.

(5) INFORMATION OBTAINED FROM THE CENTRAL REPOSITORY UNDER THIS SUBSECTION:

(I) SHALL BE CONFIDENTIAL;

(II) MAY NOT BE REDISSEMINATED; AND

(III) SHALL BE USED ONLY FOR THE PERMITTING PURPOSE AUTHORIZED BY THIS SUBTITLE.

(6) THE SUBJECT OF A CRIMINAL HISTORY RECORDS CHECK UNDER THIS SUBSECTION MAY CONTEST THE CONTENTS OF THE PRINTED STATEMENT ISSUED BY THE CENTRAL REPOSITORY AS PROVIDED IN § 10-223 OF THE CRIMINAL PROCEDURE ARTICLE.

(F) (1) THIS SUBSECTION DOES NOT APPLY TO A PHARMACY WAREHOUSE THAT IS NOT ENGAGED IN WHOLESALE DISTRIBUTION.

(2) AN APPLICANT FOR A WHOLESALE DISTRIBUTOR PERMIT SHALL SUBMIT A SURETY BOND OF AT LEAST \$100,000, OR OTHER EQUIVALENT MEANS OF SECURITY ACCEPTABLE TO THE STATE SUCH AS AN IRREVOCABLE LETTER OF CREDIT OR A DEPOSIT IN A TRUST ACCOUNT OR FINANCIAL INSTITUTION, PAYABLE TO AN ACCOUNT ESTABLISHED BY THE STATE UNDER PARAGRAPH (6) OF THIS SUBSECTION.

(3) THE PURPOSE OF THE SURETY BOND IS TO SECURE PAYMENT OF ANY FINES OR PENALTIES IMPOSED BY THE BOARD AND ANY FEES AND COSTS INCURRED BY THE STATE RELATING TO THE PERMIT THAT:

(I) ARE AUTHORIZED UNDER STATE LAW; AND

(II) ARE NOT PAID BY THE PERMIT HOLDER WITHIN 30 DAYS AFTER THE FINES, PENALTIES, FEES, OR COSTS BECOME FINAL.

(4) THE STATE MAY MAKE A CLAIM AGAINST THE SURETY BOND OR OTHER SECURITY UNTIL 2 YEARS AFTER THE PERMIT HOLDER'S PERMIT CEASES TO BE VALID.

(5) A SINGLE SURETY BOND SHALL COVER ALL FACILITIES OPERATED BY THE APPLICANT IN THE STATE.

(6) THE BOARD SHALL ESTABLISH AN ACCOUNT, SEPARATE FROM ITS OTHER ACCOUNTS, IN WHICH TO DEPOSIT THE APPLICANT'S SURETY BOND OR OTHER SECURITY.

(G) IF A WHOLESALE DISTRIBUTOR DISTRIBUTES PRESCRIPTION DRUGS OR PRESCRIPTION DEVICES FROM MORE THAN ONE FACILITY, THE WHOLESALE DISTRIBUTOR SHALL OBTAIN A PERMIT FOR EACH FACILITY.

(H) WITHIN 30 DAYS AFTER THE DATE THE BOARD RECEIVES A COMPLETED APPLICATION, INCLUDING THE RESULTS OF ALL REQUIRED CRIMINAL HISTORY RECORDS CHECKS, THE BOARD SHALL NOTIFY THE APPLICANT OF THE BOARD'S ACCEPTANCE OR REJECTION OF THE APPLICATION.

12-6C-06.

(A) A WHOLESALE DISTRIBUTOR PERMIT EXPIRES ON DECEMBER 31 AFTER ITS EFFECTIVE DATE, UNLESS THE WHOLESALE DISTRIBUTOR PERMIT IS RENEWED FOR AN ADDITIONAL 2-YEAR TERM AS PROVIDED IN THIS SECTION.

(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AT LEAST 1 MONTH BEFORE A WHOLESALE DISTRIBUTOR PERMIT EXPIRES, THE BOARD SHALL SEND TO THE WHOLESALE DISTRIBUTOR PERMIT HOLDER A RENEWAL NOTICE BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE PERMIT HOLDER.

(2) IF REQUESTED BY A WHOLESALE DISTRIBUTOR PERMIT HOLDER, THE BOARD SHALL SEND TO THE PERMIT HOLDER, AT LEAST TWO TIMES WITHIN THE MONTH BEFORE A WHOLESALE DISTRIBUTOR PERMIT EXPIRES, A RENEWAL NOTICE BY ELECTRONIC MEANS TO THE LAST KNOWN ELECTRONIC ADDRESS OF THE PERMIT HOLDER.

(3) IF A RENEWAL NOTICE SENT BY ELECTRONIC MEANS UNDER PARAGRAPH (2) OF THIS SUBSECTION IS RETURNED TO THE BOARD AS UNDELIVERABLE, THE BOARD SHALL SEND TO THE WHOLESALE DISTRIBUTOR PERMIT HOLDER A RENEWAL NOTICE BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE PERMIT HOLDER.

(4) A RENEWAL NOTICE SENT UNDER THIS SUBSECTION SHALL STATE:

(i) THE DATE ON WHICH THE CURRENT WHOLESALE DISTRIBUTOR PERMIT EXPIRES;

(ii) THE DATE BY WHICH THE RENEWAL APPLICATION MUST BE RECEIVED BY THE BOARD FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE THE CURRENT WHOLESALE DISTRIBUTOR PERMIT EXPIRES; AND

(iii) THE AMOUNT OF THE RENEWAL FEE.

(5) BEFORE A WHOLESALE DISTRIBUTOR PERMIT EXPIRES, A WHOLESALE DISTRIBUTOR PERMIT HOLDER PERIODICALLY MAY RENEW IT FOR AN ADDITIONAL 2-YEAR TERM, IF THE WHOLESALE DISTRIBUTOR PERMIT HOLDER:

(i) OTHERWISE IS ENTITLED TO A WHOLESALE DISTRIBUTOR PERMIT;

(ii) PAYS TO THE BOARD A RENEWAL FEE SET BY THE BOARD; AND

(iii) SUBMITS TO THE BOARD A RENEWAL APPLICATION ON THE FORM THAT THE BOARD REQUIRES.

(6) (i) THE RENEWAL APPLICATION FORM SHALL SET FORTH THE INFORMATION THAT THE WHOLESALE DISTRIBUTOR PROVIDED UNDER § 12-6C-05 OF THIS SUBTITLE.

(ii) WITHIN 30 DAYS AFTER RECEIVING THE FORM, THE WHOLESALE DISTRIBUTOR SHALL IDENTIFY AND STATE UNDER OATH TO THE BOARD ALL CHANGES OR CORRECTIONS TO THE INFORMATION THAT WAS PROVIDED UNDER § 12-6C-05 OF THIS SUBTITLE.

(7) THE BOARD SHALL RENEW THE WHOLESALE DISTRIBUTOR PERMIT OF A WHOLESALE DISTRIBUTOR PERMIT HOLDER WHO MEETS THE

REQUIREMENTS OF THIS SUBTITLE AND ANY REGULATIONS ADOPTED UNDER THIS SUBTITLE.

(8) THE BOARD MAY DENY, SUSPEND, OR REVOKE THE PERMIT OF A WHOLESALE DISTRIBUTOR IF THE BOARD DETERMINES THAT THE WHOLESALE DISTRIBUTOR NO LONGER QUALIFIES FOR A PERMIT.

12-6C-07.

THE BOARD:

(1) SHALL ADOPT REGULATIONS THAT REQUIRE ROUTINE INSPECTIONS OF WHOLESALE DISTRIBUTOR FACILITIES; AND

(2) MAY ADOPT REGULATIONS ESTABLISHING:

(i) MINIMUM REQUIREMENTS FOR THE RECEIPT, STORAGE, AND HANDLING OF PRESCRIPTION DRUGS OR PRESCRIPTION DEVICES, SECURITY PRECAUTIONS, QUALITY CONTROL, RECORD KEEPING, AND PROCEDURES, POLICY, AND RESPONSIBILITIES OF PERSONNEL; AND

(ii) EDUCATION AND EXPERIENCE REQUIREMENTS FOR PERSONNEL EMPLOYED IN POSITIONS RESPONSIBLE FOR CARRYING OUT THE DUTIES:

1. REFERENCED IN ITEM (I) OF THIS ITEM; OR
2. RELATED TO STATE PERMIT REQUIREMENTS UNDER THIS SUBTITLE.

12-6C-08.

INFORMATION PROVIDED BY A WHOLESALE DISTRIBUTOR OR AN APPLICANT FOR A WHOLESALE DISTRIBUTOR PERMIT UNDER THIS SUBTITLE MAY NOT BE DISCLOSED TO ANY PERSON OR ENTITY EXCEPT A STATE LICENSING OR PERMITTING AUTHORITY, STATE BOARD, OR GOVERNMENT AGENCY THAT NEEDS THE INFORMATION FOR LICENSING, PERMITTING, MONITORING, OR LAW ENFORCEMENT PURPOSES.

12-6C-09.

(A) (1) A WHOLESALE DISTRIBUTOR SHALL RECEIVE PRESCRIPTION DRUG RETURNS OR EXCHANGES FROM A PHARMACY OR PHARMACY WAREHOUSE

ACCORDING TO THE TERMS AND CONDITIONS OF THE AGREEMENT BETWEEN THE WHOLESALE DISTRIBUTOR AND THE PHARMACY OR PHARMACY WAREHOUSE.

(2) RETURNS OF EXPIRED, DAMAGED, RECALLED, OR OTHERWISE NONSALEABLE PRESCRIPTION DRUGS SHALL BE DISTRIBUTED BY THE RECEIVING WHOLESALE DISTRIBUTOR ONLY TO EITHER THE ORIGINAL MANUFACTURER OR A THIRD PARTY RETURNS PROCESSOR.

(3) RETURNS OR EXCHANGES OF PRESCRIPTION DRUGS, SALEABLE OR OTHERWISE, INCLUDING ANY REDISTRIBUTION BY A RECEIVING WHOLESALER, ARE NOT SUBJECT TO THE PEDIGREE REQUIREMENTS OF § 12-6C-10 OF THIS SUBTITLE IF THEY ARE EXEMPT FROM THE PEDIGREE REQUIREMENT OF THE U.S. FOOD AND DRUG ADMINISTRATION'S CURRENTLY APPLICABLE PRESCRIPTION DRUG MARKETING ACT GUIDELINES.

(4) WHOLESALE DISTRIBUTORS AND PHARMACIES SHALL BE ACCOUNTABLE FOR:

(i) ADMINISTERING THEIR RETURNS PROCESS; AND

(ii) ENSURING THAT THE RETURNS PROCESS IS SECURE AND DOES NOT PERMIT THE ENTRY OF ADULTERATED AND COUNTERFEIT PRODUCT.

(B) A WHOLESALE DISTRIBUTOR MAY SUPPLY PRESCRIPTION DRUGS ONLY TO A PERSON AUTHORIZED BY LAW TO DISPENSE OR RECEIVE PRESCRIPTION DRUGS.

(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A WHOLESALE DISTRIBUTOR MAY DELIVER PRESCRIPTION DRUGS ONLY TO:

(i) THE PREMISES LISTED ON THE RECIPIENT'S LICENSE OR PERMIT; OR

(ii) AN AUTHORIZED PERSON OR AN AGENT OF AN AUTHORIZED PERSON AT THE PREMISES OF THE WHOLESALE DISTRIBUTOR IF:

1. THE IDENTITY AND AUTHORIZATION OF THE PERSON OR AGENT IS PROPERLY ESTABLISHED; AND

2. THIS METHOD OF DELIVERY IS EMPLOYED ONLY TO MEET THE IMMEDIATE NEEDS OF A PARTICULAR PATIENT OF THE AUTHORIZED PERSON.

(2) (I) PRESCRIPTION DRUGS MAY BE SUPPLIED TO A HOSPITAL PHARMACY RECEIVING AREA IF A PHARMACIST OR AUTHORIZED RECEIVING PERSONNEL OF THE HOSPITAL PHARMACY SIGNS, AT THE TIME OF DELIVERY, A RECEIPT SHOWING THE TYPE AND QUANTITY OF THE PRESCRIPTION DRUG RECEIVED.

(II) ANY DISCREPANCY BETWEEN THE TYPE AND QUANTITY OF THE PRESCRIPTION DRUG INDICATED ON THE RECEIPT AND THE TYPE AND QUANTITY OF THE PRESCRIPTION DRUG RECEIVED:

1. SHALL BE REPORTED TO THE DELIVERING WHOLESALE DISTRIBUTOR BY THE NEXT BUSINESS DAY AFTER THE DELIVERY TO THE HOSPITAL PHARMACY RECEIVING AREA; AND

2. MAY BE REPORTED TO THE BOARD FOR INVESTIGATION.

(D) (1) A WHOLESALE DISTRIBUTOR MAY NOT ACCEPT PAYMENT OR ALLOW THE USE OF A PERSON'S CREDIT TO ESTABLISH AN ACCOUNT FOR THE PURCHASE OF PRESCRIPTION DRUGS FROM ANY PERSON OTHER THAN THE OWNER OF RECORD, THE CHIEF EXECUTIVE OFFICER, OR THE CHIEF FINANCIAL OFFICER LISTED ON THE LICENSE OR PERMIT OF A PERSON LEGALLY AUTHORIZED TO RECEIVE PRESCRIPTION DRUGS.

(2) ANY ACCOUNT ESTABLISHED FOR THE PURCHASE OF PRESCRIPTION DRUGS SHALL BEAR THE NAME OF THE LICENSE OR PERMIT HOLDER.

(E) A WHOLESALE DISTRIBUTOR MAY NOT OPERATE OUT OF A RESIDENCE.

12-6C-10.

(A) A PERSON WHO IS ENGAGED IN THE WHOLESALE DISTRIBUTION OF A PRESCRIPTION DRUG THAT LEAVES, OR HAS EVER LEFT, THE NORMAL DISTRIBUTION CHANNEL SHALL PROVIDE, BEFORE EACH WHOLESALE DISTRIBUTION OF THE PRESCRIPTION DRUG, A PEDIGREE TO THE PERSON WHO RECEIVES THE PRESCRIPTION DRUG.

(B) A RETAIL PHARMACY OR PHARMACY WAREHOUSE SHALL COMPLY WITH THE REQUIREMENTS OF THIS SECTION ONLY IF THE PHARMACY OR PHARMACY WAREHOUSE ENGAGES IN THE WHOLESALE DISTRIBUTION OF A PRESCRIPTION DRUG IN THE STATE.

(C) (1) TO BE CONSIDERED PART OF THE NORMAL DISTRIBUTION CHANNEL, A WHOLESALE DISTRIBUTOR, A MANUFACTURER'S EXCLUSIVE DISTRIBUTOR, AND A MANUFACTURER'S THIRD PARTY LOGISTICS PROVIDER ALSO MUST BE AN AUTHORIZED DISTRIBUTOR OF RECORD.

(2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, A PHARMACY WAREHOUSE THAT IS NOT AN AUTHORIZED DISTRIBUTOR OF RECORD SHALL BE CONSIDERED PART OF THE NORMAL DISTRIBUTION CHANNEL.

(D) EACH PERSON WHO ENGAGES IN THE WHOLESALE DISTRIBUTION OF A PRESCRIPTION DRUG, INCLUDING REPACKAGERS BUT EXCLUDING THE ORIGINAL MANUFACTURER OF THE FINISHED FORM OF THE PRESCRIPTION DRUG, WHO IS PROVIDED A PEDIGREE FOR THE PRESCRIPTION DRUG AND ATTEMPTS TO FURTHER DISTRIBUTE THE PRESCRIPTION DRUG, SHALL AUTHENTICATE, BEFORE ANY DISTRIBUTION OF THE PRESCRIPTION DRUG OCCURS, THAT EACH TRANSACTION LISTED ON THE PEDIGREE HAS OCCURRED.

(E) THE PEDIGREE SHALL INCLUDE:

(1) ALL NECESSARY IDENTIFYING INFORMATION RELATING TO EACH SALE IN THE CHAIN OF DISTRIBUTION OF THE PRESCRIPTION DRUG FROM THE MANUFACTURER OR THE MANUFACTURER'S THIRD PARTY LOGISTICS PROVIDER, CO-LICENSED PARTNER, OR MANUFACTURER'S EXCLUSIVE DISTRIBUTOR, THROUGH ACQUISITION AND SALE BY ANY WHOLESALE DISTRIBUTOR OR REPACKAGER, UNTIL FINAL SALE TO A PHARMACY OR OTHER PERSON DISPENSING OR ADMINISTERING THE PRESCRIPTION DRUG, INCLUDING:

(i) THE NAME, ADDRESS, TELEPHONE NUMBER, AND IF AVAILABLE, ELECTRONIC MAIL ADDRESS, OF EACH OWNER AND EACH WHOLESALE DISTRIBUTOR OF THE PRESCRIPTION DRUG;

(ii) THE NAME AND ADDRESS OF EACH LOCATION FROM WHICH THE PRESCRIPTION DRUG WAS SHIPPED, IF DIFFERENT FROM THE OWNER'S;

(iii) TRANSACTION DATES; AND

(IV) CERTIFICATION THAT EACH RECIPIENT HAS AUTHENTICATED THE PEDIGREE;

(2) THE NAME OF THE PRESCRIPTION DRUG;

(3) THE DOSAGE FORM AND STRENGTH OF THE PRESCRIPTION DRUG;

(4) THE SIZE OF THE CONTAINER;

(5) THE NUMBER OF CONTAINERS;

(6) THE LOT NUMBER AND NATIONAL DRUG CODE OF THE PRESCRIPTION DRUG; AND

(7) THE NAME OF THE MANUFACTURER OF THE FINISHED DOSAGE FORM.

(F) EACH PEDIGREE FOR A PRESCRIPTION DRUG SHALL BE:

(1) MAINTAINED BY THE PURCHASER AND THE WHOLESALE DISTRIBUTOR FOR 3 YEARS FROM THE DATE OF SALE OR TRANSFER; AND

(2) AVAILABLE FOR INSPECTION OR USE WITHIN 5 BUSINESS DAYS ON REQUEST OF THE BOARD, THE BOARD'S DESIGNEE, OR AN AUTHORIZED LAW ENFORCEMENT OFFICER.

12-6C-11.

(A) (1) IF A PERSON KNOWINGLY VIOLATES ANY PROVISION OF THIS SUBTITLE OR ANY REGULATION ADOPTED UNDER THIS SUBTITLE, THE BOARD MAY IMPOSE A FINE NOT TO EXCEED \$500,000.

(2) BEFORE THE BOARD IMPOSES A FINE, THE BOARD SHALL CONSIDER THE APPROPRIATENESS OF THE FINE IN RELATION TO:

(i) THE SIZE OF THE WHOLESALE DISTRIBUTOR;

(ii) THE GRAVITY OF THE VIOLATION FOR WHICH THE FINE IS TO BE IMPOSED;

(III) THE GOOD FAITH OF THE WHOLESALE DISTRIBUTOR;
AND

(IV) ANY PREVIOUS VIOLATIONS BY THE WHOLESALE DISTRIBUTOR.

(B) IN ADDITION TO THE PENALTY PROVIDED IN SUBSECTION (A) OF THIS SECTION, THE BOARD ALSO MAY TAKE DISCIPLINARY ACTION AGAINST A PERMIT HOLDER WHO IS CONVICTED OF OR PLEADS GUILTY OR NOLO CONTENDERE TO A VIOLATION OF STATE, FEDERAL, OR LOCAL DRUG LAWS.

12-6C-12.

ON OR BEFORE JANUARY 1, 2008, THE BOARD SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SUBTITLE.

12-6C-13.

ON OR BEFORE JANUARY 1, 2008, AND ON OR BEFORE JANUARY 1 OF EACH SUBSEQUENT YEAR, THE BOARD SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON THE IMPLEMENTATION OF THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Secretary of Health and Mental Hygiene, in conjunction with the State Board of Pharmacy, shall convene a workgroup of manufacturers, distributors, and pharmacies that sell and distribute prescription drugs in the State to recommend to the Board a target date for implementation of electronic track and trace pedigree technology.

(b) The workgroup shall:

(1) survey the availability of electronic track and trace pedigree technology across the entire prescription pharmaceutical supply chain;

(2) determine when electronic track and trace pedigree technology will be universally available across the entire prescription pharmaceutical supply chain; and

(3) based on its determination of the universal availability of electronic track and trace pedigree technology, make recommendations to the Board for a target date, no sooner than July 1, 2010, for implementation of electronic track

and trace pedigree technology across the entire prescription pharmaceutical supply chain.

(c) Taking into consideration the recommendations of the workgroup, the Board shall establish a target date, no sooner than July 1, 2010, for implementation of electronic track and trace pedigree technology.

(d) In accordance with § 2-1246 of the State Government Article, the Board shall submit to the Senate Education, Health, and Environmental Affairs Committee and the House Health and Government Operations Committee:

(1) on or before January 1, 2009, a report with the recommendations of the workgroup; and

(2) on or before July 1, 2009, the target date for implementation of electronic track and trace pedigree technology established by the Board.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 354

(Senate Bill 764)

AN ACT concerning

Higher Education – St. Mary’s College of Maryland – Procurement Authority

FOR the purpose of clarifying that St. Mary’s College of Maryland is exempt from certain provisions of State procurement law; clarifying that certain procurement policies and procedures of the College are subject to review and approval by the Board of Public Works and the Administrative, Executive, and Legislative Review Committee of the General Assembly; clarifying that certain procurement policies and procedures of the College shall promote certain purposes; and generally relating to the procurement authority of St. Mary’s College of Maryland.

BY repealing and reenacting, without amendments,
 Article – Education
 Section 12-112(a) and 14-109(b)

Annotated Code of Maryland
(2006 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – Education
Section 14–405(f)
Annotated Code of Maryland
(2006 Replacement Volume)

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 11–203(e)(1), (2), and (3)(i)
Annotated Code of Maryland
(2006 Replacement Volume and 2006 Supplement)

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

Article – Education

12–112.

(a) (1) Except as provided in § 11–203(e) of the State Finance and Procurement Article, the University is exempt from Division II of the State Finance and Procurement Article.

(2) (i) Subject to review and approval by the Board of Public Works and the Administrative, Executive, and Legislative Review Committee of the General Assembly, the Board of Regents shall develop policies and procedures governing procurements by the University.

(ii) The policies and procedures developed under subparagraph (i) of this paragraph shall promote the purposes of the State procurement law as set forth in § 11–201 of the State Finance and Procurement Article.

14–109.

(b) (1) Except as provided in § 11–203(e) of the State Finance and Procurement Article, the University is exempt from Division II of the State Finance and Procurement Article.

(2) (i) Subject to review and approval by the Board of Public Works and the Administrative, Executive, and Legislative Review Committee of the General Assembly, the Board of Regents shall develop policies and procedures governing procurements by the University.

(ii) The policies and procedures developed under subparagraph (i) of this paragraph shall promote the purposes of the State procurement law as set forth in § 11-201 of the State Finance and Procurement Article.

14-405.

(f) **(1) EXCEPT AS PROVIDED IN § 11-203(E) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE COLLEGE IS EXEMPT FROM DIVISION II OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

[(1)] (2) (I) Subject to review AND APPROVAL by the [Legislative Policy Committee] **BOARD OF PUBLIC WORKS AND THE ADMINISTRATIVE, EXECUTIVE, AND LEGISLATIVE REVIEW COMMITTEE** of the General Assembly, the Board of Trustees shall [establish procurement standards and procedures for the College] **DEVELOP POLICIES AND PROCEDURES GOVERNING PROCUREMENTS BY THE COLLEGE.**

(II) THE POLICIES AND PROCEDURES DEVELOPED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL PROMOTE THE PURPOSES OF THE STATE PROCUREMENT LAW AS SET FORTH IN § 11-201 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

[(2) The Board shall notify the Legislative Policy Committee of any subsequent substantive changes to the standards and procedures established under this subsection.]

Article - State Finance and Procurement

11-203.

(e) (1) In this subsection, "University" means the University System of Maryland, Morgan State University, or St. Mary's College of Maryland.

(2) Except as otherwise provided in this subsection, this Division II does not apply to the University System of Maryland, Morgan State University, or St. Mary's College of Maryland.

(3) (i) A procurement by a University shall comply with the policies and procedures developed by the University and approved by the Board of Public Works and the Administrative, Executive, and Legislative Review Committee of the General Assembly in accordance with § 12-112 of the Education Article for the University System of Maryland, § 14-109 of the Education Article for Morgan State University, or § 14-405(f) of the Education Article for St. Mary's College of Maryland.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 355

(Senate Bill 780)

AN ACT concerning

Postretirement Health Benefits Trust Fund - Clarification

FOR the purpose of specifying that certain funds shall be deposited into the Postretirement Health Benefits Trust Fund; limiting the amount to be paid for administrative expenses for operating the Postretirement Health Benefits Trust Fund; altering the time period when payments may be made from the Postretirement Health Benefits Trust Fund; altering the amount and the manner in which certain payments may be made from the Postretirement Health Benefits Trust Fund; repealing certain provisions that require assets of the Postretirement Health Benefits Trust Fund to be transferred to the General Fund under certain circumstances; authorizing the Board of Trustees of the State Retirement and Pension System to adopt a trust document and regulations; altering the membership of the Blue Ribbon Commission to Study Retiree Health Care Funding Options; requiring the State Retirement Agency to request certain documentation from the Internal Revenue Service; ~~making this Act subject to a certain contingency~~; and generally relating to the Postretirement Health Benefits Trust Fund.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 34–101 and 34–201
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

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

Article – State Personnel and Pensions

34–101.

(a) There is a Postretirement Health Benefits Trust Fund.

(b) The Postretirement Health Benefits Trust Fund shall be established as a tax-exempt trust, in accordance with § 115 of the Internal Revenue Code or other applicable federal statute.

(c) The purpose of the Postretirement Health Benefits Trust Fund is to assist the State in financing the postretirement health insurance subsidy, as specified in § 2-508 of this article.

(d) Beginning in fiscal year 2008, **THE FOLLOWING FUNDS SHALL BE DEPOSITED INTO THE POSTRETIREMENT HEALTH BENEFITS TRUST FUND:**

(1) any subsidy received by the State that is provided to employers as a result of the federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003, or similar federal subsidy received as a result of the State's prescription drug program[, shall be deposited into the Postretirement Health Benefits Trust Fund]; AND

(2) ANY FUNDS APPROPRIATED TO THE POSTRETIREMENT HEALTH BENEFITS TRUST FUND, WHETHER DIRECTLY OR THROUGH THE BUDGETS OF ANY STATE AGENCY.

~~(2) (E) AFTER JUNE 1, 2008, ANY FUNDS DEPOSITED INTO THE DEDICATED PURPOSE ACCOUNT IN FISCAL YEAR 2007 AND FISCAL YEAR 2008 THAT WERE APPROPRIATED IN CHAPTER 216 OF THE ACTS OF 2006 OR CHAPTER OF THE ACTS OF 2007 (H.B. 50) FOR THE PURPOSE OF DEFRAYING THE FUTURE COSTS ASSOCIATED WITH RETIREMENT BENEFITS FOR STATE EMPLOYEES; AND EMPLOYEES, MAY BE DEPOSITED INTO THE POSTRETIREMENT HEALTH BENEFITS TRUST FUND.~~

~~(3) ANY FUNDS APPROPRIATED IN THE STATE BUDGET BILL FOR THE PURPOSE OF FUNDING THE ACCRUED LIABILITY FOR RETIREE HEALTH CARE BENEFITS UNDER THE STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM.~~

~~(F)~~(1) The Board of Trustees are the trustees of the Postretirement Health Benefits Trust Fund.

(2) Notwithstanding any other provision of law:

(i) the Board of Trustees shall have full power to invest and manage the assets of the Postretirement Health Benefits Trust Fund to achieve the statutory purpose of the Fund; and

(ii) each member of the Board of Trustees shall discharge the member's duties with respect to the Postretirement Health Benefits Trust Fund as a fiduciary and be indemnified in accordance with the provisions of Title 21, Subtitle 2 of this article.

(3) The Board of Trustees may incur reasonable investment expenses payable from the assets of the Postretirement Health Benefits Trust Fund, and in accordance with § 21-315(d) of this article, for:

(i) services of managers to invest the assets of the Postretirement Health Benefits Trust Fund;

(ii) services of one or more duly qualified banks or trust companies for the safe custody of the investments and banking services; and

(iii) any other service that the Board of Trustees deems reasonable and necessary in connection with the investments of the Postretirement Health Benefits Trust Fund.

(4) (i) The Board of Trustees may incur reasonable administrative expenses payable from the assets of the Postretirement Health Benefits Trust Fund.

(ii) Administrative expenses paid under subparagraph (i) of this paragraph may not exceed [an amount equal to the amount of administrative expenses paid by the Board of Trustees under § 21-315(c) of this article multiplied by a fraction:

1. the numerator of which equals the total assets of the Postretirement Health Benefits Trust Fund; and

2. the denominator of which equals the combined total assets of the several systems and the Postretirement Health Benefits Trust Fund] **\$100,000 ANNUALLY.**

(5) The Board of Trustees is not subject to Division II of the State Finance and Procurement Article for:

(i) obtaining services of managers to invest the assets of the Postretirement Health Benefits Trust Fund; and

(ii) expenditures to manage, maintain, and enhance the value of the assets of the Postretirement Health Benefits Trust Fund.

~~(G)~~ **(G)** To the extent possible, the assets of the Postretirement Health Benefits Trust Fund shall be invested in the same manner as those of the several systems.

~~(H)~~ **(H)** [For fiscal year 2008 through fiscal year 2017] **PRIOR TO FISCAL YEAR 2009**, no payments may be made from the Postretirement Health Benefits Trust Fund.

~~(I)~~ **(I)** [For fiscal year 2018 and each fiscal year thereafter] **BEGINNING IN FISCAL YEAR 2009**, the Board of Trustees [shall] **MAY** transfer **AN AMOUNT FROM THE POSTRETIREMENT HEALTH BENEFITS TRUST FUND** to the [General Fund] **THE DEPARTMENT OF BUDGET AND MANAGEMENT, SUBJECT TO APPROPRIATION IN THE STATE BUDGET**, for the sole purpose of assisting in the payment of the State's postretirement health insurance subsidy[, the lesser of:

(1) one-quarter of the prior year's investment gains of the Postretirement Health Benefits Trust Fund; or

(2) the amount necessary to pay the annual health insurance premiums and other costs that constitute the State's postretirement health insurance subsidy specified in § 2-508 of this article].

~~(J)~~ **(J)** [If for any reason the State discontinues the postretirement health insurance subsidy specified in § 2-508 of this article or a successor subsidy, the assets of the Postretirement Health Benefits Trust Fund shall be transferred to the General Fund.

(j) On or before October 1, 2009, and on or before October 1 thereafter, the Board of Trustees shall publish an annual consolidated report that includes:

(1) the fiscal transactions of the Postretirement Health Benefits Trust Fund for the preceding fiscal year; and

(2) the amount of the accumulated cash, securities, and other assets of the Postretirement Health Benefits Trust Fund.

(K) THE BOARD OF TRUSTEES MAY ADOPT A TRUST DOCUMENT AND REGULATIONS TO CARRY OUT THIS TITLE.

34-201.

(a) There is a Blue Ribbon Commission to Study Retiree Health Care Funding Options.

(b) The Commission shall consist of the following members:

(1) [three] FIVE members from the Senate of Maryland, appointed by the President of the Senate[, including:

(i) the Senate Chair of the Joint Committee on Pensions; and

(ii) two members from among the members of the Joint Committee on Pensions];

(2) [three] FIVE members from the House of Delegates, appointed by the Speaker of the House[, including:

(i) the House Chair of the Joint Committee on Pensions; and

(ii) two members from among the members of the Joint Committee on Pensions];

(3) the State Treasurer, or the Treasurer's designee;

(4) the Comptroller, or the Comptroller's designee;

(5) the Secretary of Budget and Management, or the Secretary's designee;

(6) the Chancellor of the University System of Maryland, or the Chancellor's designee;

(7) the Executive Director of the State Retirement and Pension System, or the Executive Director's designee; and

(8) three members of the public with expertise in either funding retiree health benefits, the economics of affordable retiree health care programs, or investing pension fund assets, with one member each appointed by the Governor, the President of the Senate, and the Speaker of the House.

(c) [The Senate and House Chairs of the Joint Committee on Pensions shall serve jointly as the Chairs of the Commission.] **THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE SHALL JOINTLY DESIGNATE CO-CHAIRS OF THE COMMISSION FROM THE SENATE MEMBERS AND HOUSE MEMBERS APPOINTED TO THE COMMISSION.**

(d) The Commission shall be guided by the following principles:

(1) a recognition that:

(i) funding State retiree health benefits solely on a pay-as-you-go basis is no longer a viable solution; and

(ii) any proposed solution, funding or otherwise, should treat employees, retirees, and taxpaying citizens fairly;

(2) in light of the enormity of the State's projected unfunded accrued liability for retiree health care ~~that is estimated to be as high as \$20,400,000,000~~ and the potential effect this liability may have on the State's bond rating, the State's ultimate goal should be to fully fund the obligations set forth under the Government Accounting Standards Board (GASB) Statement 45;

(3) a clear message should be sent to the bond rating agencies that the State is taking this issue seriously, and a multiyear plan that clearly articulates the State's commitment to address this issue should be implemented as soon as practicable;

(4) any funding solution proposed by the Commission will likely include some direct State appropriation, with the Commission pursuing any and all viable funding sources, including the possibility of employee contributions during active service;

(5) the Commission should consider the actual impact any changes in the State Employee and Retiree Health and Welfare Benefits Program will have on the State's annual required contribution and should look for appropriate cost efficiencies that maintain the quality health care coverage the State provides for retirees; and

(6) special consideration should be given to State retirees who are receiving benefits or State employees who have accrued at least 16 years of service with the State and have vested for State retiree health benefits under current law, recognizing that while there may be no legal obligation on the part of the State to provide retiree health care benefits to these individuals, the Commission should view the commitment to provide retiree health care benefits to these individuals as an ethical one.

(e) The Commission shall:

(1) contract with an actuarial consulting firm to:

(i) commission an actuarial valuation that illustrates the State's annual required contribution as both a fixed dollar amount and also as a percentage of payroll; and

(ii) provide ongoing services to the Commission throughout its existence;

(2) review the specific legal obligations of the State to provide retiree health benefits to existing retirees, fully vested employees, active employees, and new employees;

(3) study the cost drivers associated with the State's unfunded retiree health care liabilities which provide the basis for the unfunded accrued liability ~~that is estimated to be as high as \$20,400,000,000~~ as well as the ongoing normal costs associated with the retiree health care liabilities;

(4) review the current health care benefit levels for both State employees and retirees and how the benefits compare to benefits provided under Medicare, by private employers, and by other public employers, with a particular emphasis on whether the various levels are appropriate, equitable, and sustainable;

(5) review the eligibility requirements for State retiree health care benefits with a particular emphasis on whether the requirements are appropriate and equitable;

(6) review alternative vehicles for providing health care benefits to State retirees including Voluntary Employee Beneficiary Accounts (VEBAs), Section 401(h) accounts, Section 115 trusts, health reimbursement arrangements, and health savings accounts; and

(7) recommend a multiyear implementation plan to address fully funding the obligations of the State as set forth in GASB Statement 45 as soon as practicable.

(f) (1) The Commission shall be staffed by the Department of Legislative Services.

(2) (i) The Department of Budget and Management shall provide any information the Commission may require with regard to health care benefits and health benefit costs for State employees and retirees.

(ii) If the Department of Budget and Management is unable to provide the information requested by the Commission under subparagraph (i) of this paragraph, the Commission may contract with an independent health care consulting firm for assistance.

(3) (i) The Department of Budget and Management shall provide the funding for the Commission to hire more than one actuarial consulting firm and a health care consulting firm.

(ii) 1. The Commission may request up to two actuarial valuations annually.

2. If the Commission requests two actuarial valuations in the same year, each shall be performed by a different actuarial consulting firm.

(g) On or before December 31, 2008, the Commission shall issue a final report of its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, ~~That, on~~ That:

(a) On or before August 1, 2007, the State Retirement Agency shall request a ~~determination letter~~ ruling from the Internal Revenue Service that confirms the qualification of the Postretirement Health Benefits Trust Fund under Section 1 of this Act as a tax-exempt trust established in accordance with § 115 of the Internal Revenue Code.

~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect contingent on receipt of a determination letter from the Internal Revenue Service that confirms that the Postretirement Health Benefits Trust Fund qualifies as a tax-exempt trust established in accordance with § 115 of the Internal Revenue Code. If a favorable determination letter is received, Section 1 of this Act shall take effect the first day of the month after the State Retirement Agency receives the letter. If the State Retirement Agency does not receive a favorable determination letter, Section 1 of this Act, with no further action required by the General Assembly, shall be null and void and of no further force and effect.~~

(b) The State Retirement Agency, within 5 days after receiving the ~~determination letter~~ ruling from the Internal Revenue Service, shall forward a copy of the ruling to the Executive Director of the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.

SECTION ~~2,~~ ~~4,~~ 3. AND BE IT FURTHER ENACTED, ~~That~~ That, ~~subject to Section 3 of this Act,~~ this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 356

(Senate Bill 817)

AN ACT concerning

Thoroughbred Racing – Restrictions on Night and Sunday Racing – Repeal – Pimlico Race Course Exception

FOR the purpose of repealing certain restrictions on holding live thoroughbred racing at night and on Sundays by certain mile thoroughbred racing licensees; repealing a certain restriction on holding Sunday racing by the Maryland State Fair and Agricultural Society, Inc.; prohibiting a licensee from holding live racing at Pimlico Race Course after a certain time unless circumstances beyond the control of the licensee cause a delay; requiring the Maryland Jockey Club to hold meetings with certain persons to discuss security and lighting for the property of Pimlico Race Course and certain surrounding areas; requiring that a certain report be submitted to certain committees of the General Assembly on or before a certain date; and generally relating to thoroughbred racing.

BY repealing

Article – Business Regulation
Section 11–504
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

BY adding to

Article – Business Regulation
Section 11–504
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

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

Article – Business Regulation

[11–504.

- (a) (1) A licensee may hold live racing after 6:15 p.m. but not later than 9:00 p.m. if:
- (i) circumstances beyond the control of the licensee cause a delay;

(ii) the racing day is of national prominence; or

(iii) the racing is approved by the harness track licensee whose track is closest to the licensee's track, the group that represents a majority of the owners and trainers who race horses at that harness track, and the group that represents a majority of the harness breeders in this State.

(2) A licensee may hold racing after 6:15 p.m. that consists of betting on races held at an out-of-state track, if the racing is:

(i) authorized under § 11-804 of this title; and

(ii) approved by the harness track licensee whose track is closest to the licensee's track, the group that represents a majority of the owners and trainers who race horses at that harness track, and the group that represents a majority of the harness breeders in this State.

(3) Notwithstanding any approval for racing after 6:15 p.m., electrical or artificial illumination, necessary for the purpose of holding live racing, may not be permitted at Pimlico Race Course.

(4) Notwithstanding the provisions of paragraph (1) or (2) of this subsection, a licensee in Allegany County may hold live or simulcast racing after 6:15 p.m., but not later than 11:30 p.m., unless circumstances beyond the control of the licensee cause a delay.

(b) (1) Mile thoroughbred racing may not be held on a Sunday unless:

(i) the Commission approves; and

(ii) the racing begins at noon or later.

(2) The Maryland State Fair and Agricultural Society, Inc., may not hold a race on a Sunday except during the Maryland State Fair.]

11-504.

A LICENSEE MAY NOT HOLD LIVE RACING AT PIMLICO RACE COURSE AFTER 10:00 P.M. UNLESS CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE CAUSE A DELAY.

SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Jockey Club shall hold meetings with the City of Baltimore and representatives of the neighborhoods in proximity to Pimlico Race Course to discuss security and lighting for

the Pimlico Race Course property and the surrounding areas when live racing is scheduled after 6:15 p.m., with the exception of Preakness Day. The Maryland Jockey Club shall submit a report describing the discussions to the Senate Finance Committee and the House Committee on Ways and Means on or before June 15, 2007.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 357

(Senate Bill 844)

AN ACT concerning

Carroll County - Regulation of Pawnbrokers and Secondhand ~~Precious Metal Object~~ Dealers

FOR the purpose of authorizing the County Commissioners of Carroll County by ordinance to license and regulate pawnbrokers and secondhand ~~precious metal object~~ dealers for certain purposes; authorizing the County Commissioners to adopt certain ordinances; and generally relating to the regulation of pawnbrokers and secondhand ~~precious metal object~~ dealers in Carroll County.

BY adding to

The Public Local Laws of Carroll County

Section 6-105

Article 7 - Public Local Laws of Maryland

(2004 Edition and September 2006 Supplement, as amended)

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

Article 7 - Carroll County

6-105.

(A) IN THIS SECTION, "SECONDHAND DEALER" DOES NOT INCLUDE SECONDHAND PRECIOUS METAL OBJECT DEALERS REGULATED UNDER TITLE 12 OF THE BUSINESS REGULATION ARTICLE.

(B) THE COUNTY COMMISSIONERS BY ORDINANCE MAY LICENSE AND REGULATE PAWNBROKERS AND SECONDHAND ~~PRECIOUS METAL OBJECT~~ DEALERS TO IDENTIFY STOLEN PROPERTY, TO PREVENT THE DISPOSITION OF STOLEN PROPERTY, AND TO RETURN STOLEN PROPERTY TO ITS OWNERS.

~~(B)~~ (C) SUBSECTION ~~(A)~~ (B) OF THIS SECTION AUTHORIZES THE COUNTY COMMISSIONERS TO ADOPT ORDINANCES TO:

- (1) ESTABLISH RECORD-KEEPING REQUIREMENTS;**
- (2) ESTABLISH REPORTING REQUIREMENTS;**
- (3) SET FEES;**
- (4) ESTABLISH HOLDING PERIODS;**
- (5) ESTABLISH METHODS OF ENFORCEMENT;**
- (6) SET CIVIL PENALTIES;**
- (7) DEFINE TERMS; AND**
- (8) REGULATE PAWNBROKERS AND SECONDHAND ~~PRECIOUS METAL OBJECT~~ DEALERS AS NECESSARY TO CARRY OUT THE INTENT OF THIS SECTION.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 358

(Senate Bill 845)

AN ACT concerning

Carroll County - Alcoholic Beverages - Quota for Class A Licenses

FOR the purpose of establishing a certain quota of Class A beer, beer and light wine, and beer, wine and liquor licenses for each election district in Carroll County;

requiring the Board of License Commissioners to determine the population of each election district by using a certain report of the Carroll County Planning Commission; prohibiting a new Class A license to be issued ~~on or after a certain date~~ under certain circumstances; specifying a certain exception; providing that, for purposes of this Act, the renewal or transfer of a license is not a new license; making this Act an emergency measure; and generally relating to alcoholic beverages licenses in Carroll County.

BY repealing and reenacting, with amendments,
Article 2B – Alcoholic Beverages
Section 9–207
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article 2B – Alcoholic Beverages

9–207.

- (a) This section applies only in Carroll County.
- (b) The restrictions imposed by **SUBSECTIONS (C) THROUGH (G) OF** this section apply only to micro–brewery licenses, as set forth in § 2–208 of this article.
- (c) In this section, “protected building” means any elementary or secondary school and church or other place of worship.
- (d) The distance restriction requirement between a licensed premises and a protected building is 300 feet.
- (e) This distance shall be measured from the nearest point of the building in which the licensed premises is located to the nearest point of the property line on which the protected building is located.
- (f) If a licensed premises preceded the location of the protected building but the protected building is located within 300 feet of a licensed premises, the Office of the Comptroller may renew the license.
- (g) Distance restriction requirements do not apply to any licensed premises in existence on July 1, 1997.

(H) (1) THE AGGREGATE NUMBER OF ALL CLASS A BEER, BEER AND LIGHT WINE, AND BEER, WINE AND LIQUOR LICENSES IN EACH ELECTION DISTRICT MAY NOT TOTAL MORE THAN ONE FOR EVERY 5,000 INDIVIDUALS.

(2) THE BOARD OF LICENSE COMMISSIONERS SHALL DETERMINE THE POPULATION OF EACH ELECTION DISTRICT BY USING THE MOST RECENTLY PUBLISHED POPULATION REPORT OF THE CARROLL COUNTY PLANNING COMMISSION.

(3) A EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION, A NEW CLASS A LICENSE, REGARDLESS OF KIND, MAY NOT BE ISSUED ~~ON OR AFTER JULY 1, 2007,~~ IF IN THE ELECTION DISTRICT IN WHICH THE LICENSE WOULD BE LOCATED:

(i) THE RATIO ALREADY EXCEEDS ONE CLASS A LICENSE FOR EVERY 5,000 INDIVIDUALS; OR

(ii) THE ISSUANCE OF THE LICENSE WOULD CAUSE THE RATIO TO EXCEED ONE CLASS A LICENSE FOR EVERY 5,000 INDIVIDUALS.

(4) FOR THE PURPOSES OF THIS SECTION, THE RENEWAL OR TRANSFER OF A LICENSE ISSUED BY THE BOARD OF LICENSE COMMISSIONERS IS NOT A NEW LICENSE.

(5) A WINERY THAT APPLIES FOR A CLASS A LIGHT WINE LICENSE UNDER § 4-201 OF THIS ARTICLE IS EXEMPT FROM THE QUOTA LIMITATIONS ESTABLISHED UNDER PARAGRAPH (3) OF THIS SUBSECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, May 8, 2007.

CHAPTER 359

(Senate Bill 851)

AN ACT concerning

Physicians – Unauthorized Practice of Medicine – Penalty

FOR the purpose of making it a felony for certain persons to engage in, attempt to engage in, or offer to engage in the unauthorized practice of medicine; providing for certain penalties; and generally relating to the unauthorized practice of medicine.

BY repealing and reenacting, without amendments,
Article – Health Occupations
Section 14–601
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Article – Health Occupations
Section 14–606
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article – Health Occupations

14–601.

Except as otherwise provided in this title, a person may not practice, attempt to practice, or offer to practice medicine in this State unless licensed by the Board.

14–606.

(a) (1) [A] **EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION**, A person who violates any provision of this subtitle is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000 or imprisonment not exceeding 5 years or both.

(2) A person who violates any provision of § 14–503 of this title is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$500.

(3) [Any] A person who is required to give notice under § 14-505 (“Reporting burn treatment”) of this title, and who fails to give the required notice, is liable for a civil penalty of not more than \$100.

(4) [Any] **EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION**, A person who violates § 14-601 of this subtitle is:

(i) **GUILTY OF A FELONY AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING ~~\$5,000~~ \$10,000 OR IMPRISONMENT NOT EXCEEDING 5 YEARS OR BOTH; AND**

(ii) [subject] **SUBJECT** to a civil fine of not more than \$50,000 to be levied by the Board.

(5) **THE PROVISIONS OF PARAGRAPH (4) OF THIS SUBSECTION DO NOT APPLY TO A LICENSEE WHO HAS FAILED TO RENEW A LICENSE UNDER § 14-316 OF THIS TITLE ~~AND LESS THAN 30 DAYS HAVE ELAPSED.~~**

(b) The Board shall pay any penalty collected under this section into the Board of Physicians Fund.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 360

(Senate Bill 871)

AN ACT concerning

**Prince George’s County - Property Tax
Credit - Kettering-Largo-Mitchellville Boys and Girls Club**

FOR the purpose of ~~requiring~~ *authorizing* the governing body of Prince George’s County to grant, *by law*, a property tax credit against the county property tax imposed on real property that is owned by the Kettering-Largo-Mitchellville Boys and Girls Club; providing for the application of this Act; and generally relating to a county property tax credit for property in Prince George’s County owned by the Kettering-Largo-Mitchellville Boys and Girls Club.

BY repealing and reenacting, with amendments,
Article - Tax - Property
Section ~~9-318(a)~~ 9-318(b)(1)
Annotated Code of Maryland
(2001 Replacement Volume and 2006 Supplement)

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

Article - Tax - Property

9-318.

~~(a) The governing body of Prince George's County shall grant a property tax credit under this section against the county property tax imposed on:~~

~~(1) real property:~~

~~(i) owned by the Maryland Jaycees, Incorporated; and~~

~~(ii) used in the operation of a charitable nonprofit educational or rehabilitation institution of the kind that is exempted under § 7-202 of this article; and~~

~~(2) real property owned by the Prince George's County Chamber of Commerce Foundation, Inc., if the real property:~~

~~(i) is acquired on or after November 24, 1973; and~~

~~(ii) is not used for a commercial purpose; AND~~

~~(3) REAL PROPERTY OWNED BY THE KETTERING LARGO MITCHELLVILLE BOYS AND GIRLS CLUB.~~

(b) (1) The governing body of Prince George's County may grant, by law, a property tax credit under this section against county property tax imposed on:

(i) real property that is:

1. owned by a nonprofit community civic association or corporation;

2. dedicated by plat or deed restriction to the use of the lot owners in the community, if the use is not contingent on the payment of:

A. dues to the association or corporation, unless dues are used only to improve or maintain the real property of the community; or

B. compensation for admission to or use of the real property, unless the compensation is used only to improve or maintain the real property of the community;

(ii) real property that is owned by the Piscataway Hills Citizens Association;

(iii) real property that is improved to promote housing, community redevelopment, and business revitalization;

(iv) real property used by the property owner to provide child care for the children of at least 25 employees;

(v) real property that is:

1. owned by the American Center for Physics, Inc.;

2. leased by the American Center for Physics, Inc. to affiliated societies; and

3. used only for nonprofit activities relating to the advancement and diffusion of the knowledge of physics and its application to human welfare; [and]

(vi) subject to the condition established under paragraph (6) of this subsection, residential real property that is located within an area that the governing body determines is adversely impacted by its proximity to a refuse disposal system for which a permit has been issued under § 9-204 of the Environment Article; AND

(VII) REAL PROPERTY THAT IS OWNED BY THE KETTERING-LARGO-MITCHELLVILLE BOYS AND GIRLS CLUB.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007, and shall be applicable to all taxable years beginning after June 30, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 361

(Senate Bill 882)

AN ACT concerning

Medical System Corporation – Board of Directors – Membership

FOR the purpose of removing the Executive Director of the Maryland Institute for Emergency Medical Services Systems as a voting member of the Board of Directors of the Medical System Corporation; and generally relating to membership on the Board of Directors of the Medical System Corporation.

BY repealing and reenacting, with amendments,
Article – Education
Section 13–304
Annotated Code of Maryland
(2006 Replacement Volume)

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

Article – Education

13–304.

(a) The government of the Medical System Corporation is vested in the Board of Directors.

(b) The Board of Directors consists of 6 nonvoting members and not less than 22 and not more than 27 voting members appointed by the Governor.

(c) (1) Each member shall be a resident of this State.

(2) Three voting members shall be members of the Board of Regents.

(3) Two voting members shall be members of the General Assembly, 1 nominated by the President of the Senate and 1 nominated by the Speaker of the House of Delegates.

[(4) One voting member shall be the Executive Director of the Maryland Institute for Emergency Medical Services Systems.]

[(5)] (4) At least 1 voting member of the Board shall be appointed by the Governor, upon nomination by the membership of the Community Advisory Council, from the membership of the Community Advisory Council.

[(6)] (5) At least 1 voting member of the Board of Directors shall have expertise in the hospital field.

[(7)] (6) In appointing the voting members of the Board of Directors, the Governor shall insure that the composition of the Board fairly represents the minority composition of the State.

[(8)] (7) The nonvoting members shall be, ex officio, the Chancellor of the University System of Maryland, the President, the Chief Executive Officer, the Dean of the School of Medicine, the President of the medical staff organization of the medical system, and the Associate Director of nursing services for the medical system.

(d) (1) The term of a member is 5 years and begins on the 1st Monday in June of the year of appointment.

(2) The terms of members are staggered as required by the terms provided for members of the Board on the transfer date.

(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(4) A member appointed to fill a vacancy in an unexpired term serves only for the remainder of that term and until a successor is appointed and qualifies.

(5) A member may be reappointed, but may not serve more than 2 consecutive full terms.

(e) For terms subsequent to initial terms, nominations of members will be made by the Board of Directors and submitted to the Board of Regents for comment and to the Governor for consideration.

(f) The Board of Directors may adopt and amend bylaws.

(g) (1) The Board of Directors shall determine the time and place of its meetings and may adopt rules for the conduct of its meetings.

(2) Eleven voting directors constitute a quorum for transacting business at any meeting, and action by a majority of voting directors present at a meeting shall be the act of the Board unless the bylaws require a greater number.

(h) Each year, the Board of Directors shall elect from among its members:

- (1) A Chairman; and
- (2) Any other officer it requires.

(i) The Board of Directors shall elect a Chief Executive Officer who shall also be appointed by the Board of Regents as Vice President of the University of Maryland Medical System, and who shall begin service in this joint office after the appointment is approved by both boards. The Chief Executive Officer shall serve at the pleasure of the Board of Directors. In the event of a vacancy of the Chief Executive Officer, nominees will be selected by a process to be determined jointly by the Board of Regents and the Board of Directors.

(j) Each member of the Board:

- (1) Serves without compensation; and
- (2) Is entitled to reimbursement for expenses as provided by the Board of Directors.

(k) The Chairman of the Board of Directors shall appoint representatives from the community naturally served by the medical system having interest in the services of the medical system to 3-year terms as members of a Community Advisory Council. The Board of Directors shall designate at least one of its members to meet with the Community Advisory Council and advise the Community Advisory Council of matters of potential interest. Recommendations of this Community Advisory Council concerning services offered by the Medical System Corporation and its community relationships shall be considered by the Board of Directors.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 362

(Senate Bill 915)

AN ACT concerning

State Government - Maryland Veterans Commission - Membership

FOR the purpose of adding a member of the Colonial Chapter of the Paralyzed Veterans of America to the Maryland Veterans Commission; and generally relating to the Maryland Veterans Commission.

BY repealing and reenacting, without amendments,
 Article – State Government
 Section 9–916
 Annotated Code of Maryland
 (2004 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
 Article – State Government
 Section 9–917
 Annotated Code of Maryland
 (2004 Replacement Volume and 2006 Supplement)

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

Article – State Government

9–916.

There is a Maryland Veterans Commission in the Department that shall advise the Secretary of all matters pertaining to veterans issues.

9–917.

(a) (1) The Commission consists of [27] **28** members appointed by the Governor.

(2) Of the members:

(i) 1 shall be appointed from each of the 8 congressional districts in the State;

(ii) 1 shall be a veteran appointed from the State at large;

(iii) 1 shall be a representative of a women veterans organization in the State;

(iv) 1 shall be a representative of a retired enlisted organization;
 and

(v) 1 shall be appointed from a list of individuals submitted to the Governor by each of the following organizations:

1. the American Ex-Prisoners of War, Inc.;
2. the American Legion;
3. the Amvets;
4. the Catholic War Veterans;
5. the Disabled American Veterans;
6. the Fleet Reserve Association;
7. the Jewish War Veterans;
8. the Marine Corps League;
9. the Maryland Military Officers Association of America;
10. the Military Order of the Purple Heart;
11. the Pearl Harbor Survivors Association;
12. the Polish Legion of American Veterans;
13. the Veterans of Foreign Wars;
14. the Vietnam Veterans of America;
15. the Korean War Veterans Association, Inc.; [and]
16. the Black Veterans of All Wars, Inc.; AND
- 17. THE COLONIAL CHAPTER OF THE PARALYZED VETERANS OF AMERICA.**

(b) Each member must be a resident of the State and a veteran.

(c) (1) The term of an appointed member is 5 years.

(2) The terms of the appointed members are staggered as required by the terms provided for members of the Commission on October 1, 1984.

(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(5) When an organization is no longer a part of the Commission, the appointment shall terminate at the end of the current member's term.

(d) A new organization may not be eligible for representation on the Commission, by appointment of the Governor, unless it is congressionally chartered.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 363

(Senate Bill 959)

AN ACT concerning

Frederick County Board of Elections – Salary Increase

FOR the purpose of increasing the salaries of the president, other members, and substitute member of the Frederick County Board of Elections; providing that this Act does not apply to the salary or compensation of the incumbent president, other members, or substitute member of the Frederick County Board of Elections; and generally relating to the salary of the members of the Frederick County Board of Elections.

BY repealing and reenacting, with amendments,

Article – Election Law

Section 2-204(a)(11) and (b)

Annotated Code of Maryland

(2003 Volume and 2006 Supplement)

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

Article - Election Law

2-204.

(a) Each regular member of a local board shall receive the salary and reimbursement of expenses provided in the county budget, but in no event may the annual compensation be less than the following amounts:

(11) in Frederick County, [~~\$2,100~~] ~~\$5,000~~ \$5,500 FOR THE PRESIDENT AND ~~\$4,500~~ \$5,000 FOR OTHER REGULAR MEMBERS;

(b) (1) Consistent with paragraph (2) of this subsection, each substitute member shall be compensated for each day of service as provided in the county budget.

(2) (i) Except as provided in subparagraph (ii) of this paragraph, a substitute member shall be compensated at a rate of at least \$25 for each meeting of the local board that the substitute member attends.

(ii) 1. In Baltimore City, a substitute member shall be paid \$200 for each meeting that the substitute member attends.

2. In Calvert County, a substitute member shall be paid at least \$50 for each meeting that the substitute member attends.

3. IN FREDERICK COUNTY, A SUBSTITUTE MEMBER SHALL BE PAID ~~\$3,600~~ \$4,500 ANNUALLY.

[3.] 4. In Garrett County, a substitute member shall be paid the amount set by the County Commissioners under Chapter 91 of the Public Local Laws of Garrett County.

[4.] 5. In Kent County, a substitute member shall be paid at least \$50 for each meeting that the substitute member attends.

[5.] 6. In Washington County, a substitute member shall be paid \$75 for each meeting that the substitute member attends.

[6.] 7. In Wicomico County, a substitute member shall be paid \$1,200 annually.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the president and other members of the Frederick County Board of Elections in office on the effective date of this Act, but the provisions of this Act concerning the salary or compensation of the president and other members

of the Frederick County Board of Elections shall take effect at the beginning of the next following term of office.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 364

(Senate Bill 961)

AN ACT concerning

**Frederick County – Employees’ Pension System – Alternate Contributory
Pension Selection**

FOR the purpose of allowing the employees of Frederick County who are members of the Employees’ Pension System to become subject to the Alternate Contributory Pension Selection that alters the benefits those members receive and requires a certain member contribution; authorizing the purchase of service credit under certain circumstances; requiring Frederick County to pay for certain additional pension liabilities according to a certain amortization schedule approved by the Board of Trustees for the State Retirement and Pension System; making this Act subject to a certain contingency; requiring the State Retirement Agency to verify certain information; and generally relating to participation in the Alternate Contributory Pension Selection part of the Employees’ Pension System by certain employees of Frederick County.

BY repealing and reenacting, with amendments,
 Article – State Personnel and Pensions
 Section 21–307(k), 23–221, and 23–307.2
 Annotated Code of Maryland
 (2004 Replacement Volume and 2006 Supplement)

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

Article – State Personnel and Pensions

21–307.

(k) (1) For each employee who is subject to the contributory pension benefit under Title 23, Subtitle 2, Part II of this article, Frederick County shall pay the additional liabilities that result from the contributory pension benefit according to a schedule of amortization that is subject to the approval of the Board of Trustees.

(2) FOR EACH EMPLOYEE WHO IS SUBJECT TO THE ALTERNATE CONTRIBUTORY PENSION SELECTION UNDER TITLE 23, SUBTITLE 2, PART III OF THIS ARTICLE, FREDERICK COUNTY SHALL PAY THE ADDITIONAL LIABILITIES THAT RESULT FROM THE ALTERNATE CONTRIBUTORY PENSION SELECTION ACCORDING TO A SCHEDULE OF AMORTIZATION THAT IS SUBJECT TO THE APPROVAL OF THE BOARD OF TRUSTEES.

23-221.

(a) In this section, "active member" means a member who is not separated from employment with the State or a participating employer of the State.

(b) Except as provided in subsection (c) of this section, this part applies to an individual who on or after June 30, 2006, is:

(1) an active member of the Employees' Pension System or the Teachers' Pension System; or

(2) a member of the Teachers' Retirement System or Employees' Retirement System who is subject to Selection C (Combination Formula) as provided in § 22-221 of this article.

(c) This Part III does not apply to:

(1) an employee of a participating governmental unit participating in the Employees' Pension System that has not elected to participate in the Alternate Contributory Pension Selection under § 31-116.1 of this article or a former participating governmental unit, **OTHER THAN FREDERICK COUNTY**, that has withdrawn from the Employees' Pension System; or

(2) a member of the Employees' Pension System or the Teachers' Pension System who transferred from the Employees' Retirement System or the Teachers' Retirement System after April 1, 1998.

23-307.2.

(a) This section applies only to a former member, member, retiree, or surviving beneficiary of the Employees' Pension System who, while a member, was an employee of Frederick County.

(b) Except as provided in subsection [(c)] (D) of this section, a member who is subject to the contributory pension benefit under Subtitle 2, Part II of this title may purchase credit for eligibility service for the period of employment from July 1, 1998, through July 1, 2000, by paying to the Board of Trustees:

(1) on or before June 30, 2001, the amount the member would have been required to contribute for that period of employment; or

(2) on or after July 1, 2001, the amount the member would have been required to contribute for that period of employment plus regular interest compounded annually.

(C) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A MEMBER WHO IS SUBJECT TO THE ALTERNATE CONTRIBUTORY PENSION SELECTION UNDER SUBTITLE 2, PART III OF THIS TITLE MAY PURCHASE CREDIT FOR ELIGIBILITY SERVICE FOR THE PERIOD OF EMPLOYMENT FROM JULY 1, 2006, THROUGH JULY 1, 2007, BY PAYING TO THE BOARD OF TRUSTEES:

(1) ON OR BEFORE JUNE 30, 2008, THE AMOUNT THE MEMBER WOULD HAVE BEEN REQUIRED TO CONTRIBUTE FOR THAT PERIOD OF EMPLOYMENT; OR

(2) ON OR AFTER JULY 1, 2008, THE AMOUNT THE MEMBER WOULD HAVE BEEN REQUIRED TO CONTRIBUTE FOR THAT PERIOD OF EMPLOYMENT PLUS REGULAR INTEREST COMPOUNDED ANNUALLY.

[(c)] (D) If the member fails to make the payment as provided under subsection (b) OR (C) of this section, the Board of Trustees shall reduce actuarially the allowance payable to a former member, retiree, or surviving beneficiary of a deceased member, former member, or retiree.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007, contingent on approval on or before July 1, 2007, by the Board of County Commissioners of Frederick County for the participation of the employees of Frederick County in the Alternate Contributory Pension Selection of the Employees' Pension System under Title 23, Subtitle 2, Part III of the State Personnel and Pensions Article. If the Board of County Commissioners of Frederick County does not approve on or before July 1, 2007, the participation of the employees of Frederick County in the Alternate Contributory Pension Selection of the Employees' Pension System, this Act, with no further action required by the General Assembly, shall be null and void and of no force and effect. On or before July 15, 2007, the State Retirement Agency shall verify whether the Board of County Commissioners of Frederick County approved on or before July 1, 2007, the participation of the employees of Frederick County in the

Alternate Contributory Pension Selection of the Employees' Pension System and shall notify in writing the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.

Approved by the Governor, May 8, 2007.

CHAPTER 365

(Senate Bill 970)

AN ACT concerning

Environment - Water Appropriation Permits - Penalties

FOR the purpose of altering permit requirements relating to the appropriation and use of State groundwater; exempting from permit requirements certain users that appropriate or use groundwater below a certain quantity; authorizing the Department of the Environment to seek civil penalties for certain violations relating to the misappropriation or misuse of State groundwater or otherwise failing to comply with a water appropriation and use permit; requiring the Department to meet and consult with a local government before bringing a certain civil action; providing that the Department shall be considered in compliance of certain provisions of this Act after certain consultation with a local government; providing for the issuance of orders or notices of violations and providing for certain hearings relating to orders; ~~increasing certain criminal penalties and eliminating a certain cap on criminal penalties~~ altering certain penalties for violations of certain provisions of law; requiring certain funds to be paid into the Maryland Clean Water Fund; altering the uses of the Maryland Clean Water Fund; defining certain terms; and generally relating to water appropriation permits.

BY repealing and reenacting, with amendments,
Article - Environment
Section 5-101, 5-502, 5-514, and 9-320
Annotated Code of Maryland
(1996 Replacement Volume and 2006 Supplement)

BY adding to
Article - Environment
Section 5-515 and 5-516
Annotated Code of Maryland
(1996 Replacement Volume and 2006 Supplement)

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

Article - Environment

5-101.

- (a) In this title the following words have the meanings indicated.
- (b) "Administration" means Water Management Administration.
- (c) "Appropriate county governing body" means the county commissioners of any nonchartered county or the county council of any chartered county in which a portion of the watershed is located.
- (d) "County" includes Baltimore City unless otherwise indicated.
- (e) "Department" means Department of the Environment.
- (f) "Director" means Director of the Water Management Administration.
- (g) "Person" includes the federal government, the State, any county, municipal corporation, or other political subdivision of the State, or any of their units, or an individual, receiver, trustee, guardian, executor, administrator, fiduciary, or representative of any kind, or any partnership, firm, association, public or private corporation, or any other entity.
- (h) (1) "Pollution" means every contamination or other alteration of the physical, chemical, or biological properties, of any waters of the State.
(2) "Pollution" includes change in temperature, taste, color, turbidity, or odor of the waters of the State or the discharge or deposit of any organic matter, harmful organism, or liquid, gaseous, solid, radioactive, or other substance into any waters of the State as will render the waters of the State harmful, detrimental, or injurious to public health, safety, or welfare, domestic, commercial, industrial, agricultural, recreational, other legitimate beneficial uses, or livestock, wild animals, birds or fish or other aquatic life.
- (i) **"PUBLIC WATER SYSTEM" HAS THE MEANING STATED IN § 9-401 OF THIS ARTICLE.**
- [(i)] (j) "Secretary" means Secretary of the Department of the Environment.

(K) **“WATER MANAGEMENT STRATEGY AREA” MEANS AN AREA DESIGNATED BY THE DEPARTMENT IN WHICH A SPECIFIC WATER RESOURCE PROBLEM HAS BEEN IDENTIFIED AND FOR WHICH THE DEPARTMENT HAS ADOPTED SPECIFIC WATER USE RESTRICTIONS OR CRITERIA FOR PERMIT APPROVAL IN ORDER TO PROTECT THE WATER RESOURCE OR EXISTING WATER USERS.**

[(j)] (L) “Waters of the State” includes:

- (1) Both surface and underground waters within the boundaries of the State subject to its jurisdiction;
- (2) That portion of the Atlantic Ocean within the boundaries of the State;
- (3) The Chesapeake Bay and its tributaries;
- (4) All ponds, lakes, rivers, streams, public ditches, tax ditches, and public drainage systems within the State, other than those designed and used to collect, convey, or dispose of sanitary sewage; and
- (5) The floodplain of free-flowing waters determined by the Department on the basis of the 100-year flood frequency.

5-502.

(a) Every person is required to obtain a permit from the Department to appropriate or use or begin to construct any plant, building, or structure which may appropriate or use any waters of the State, whether surface water or groundwater. The permit is obtained upon written application to the Department. The applicant shall provide the Department with satisfactory proof that the proposed withdrawal of water will not jeopardize the State’s natural resources.

(b) This section does not apply to [use of water for]:

- (1) **[Domestic] USE OF WATER FOR DOMESTIC** purposes other than for heating and cooling; [or]
- (2) **[Agricultural] USE OF WATER FOR AGRICULTURAL** purposes, if the average annual water use is less than 10,000 gallons per day, except as provided in subsection (c)(2) of this section; **OR**
- (3) **USE OF GROUNDWATER AT AN AVERAGE ANNUAL WATER USE OF 5,000 GALLONS OF WATER PER DAY OR LESS, PROVIDED THAT:**

(I) 1. THE USE IS NOT FOR A PUBLIC WATER SYSTEM THAT:

A. SERVES AT LEAST 15 SERVICE CONNECTIONS USED BY YEAR-ROUND RESIDENTS OF THE AREA SERVED BY THE SYSTEM; OR

B. REGULARLY SERVES AT LEAST 25 YEAR-ROUND RESIDENTS; OR

2. THE USE WILL NOT OCCUR WITHIN A WATER MANAGEMENT STRATEGY AREA ESTABLISHED BY THE DEPARTMENT; AND

(II) THE USER FILES A NOTICE OF EXEMPTION WITH THE DEPARTMENT AT LEAST 30 DAYS BEFORE THE USE IS PROPOSED TO BEGIN.

(c) (1) The Department shall issue a permit to a person using water prior to July 1, 1988 for agricultural purposes upon written application to the Department.

(2) A person using less than an annual average of 10,000 gallons of water per day for agricultural purposes may apply for a permit to appropriate or use waters of the State.

(d) When the Department determines that a water supply emergency exists and available water supplies are inadequate in an area to meet the needs of all persons who have permits under this subtitle, the following uses shall have priority for appropriation or use of water in the order listed:

(1) Domestic and municipal uses for sanitation, drinking water, and public health and safety;

(2) Agricultural uses, including the processing of agricultural products; and

(3) All other uses.

(e) Notwithstanding any other provision of this subtitle, an application for a certificate of public convenience and necessity associated with power plant construction which involves use or diversion of waters of the State made to the Public Service Commission under the Public Utility Companies Article constitutes an application for the permit required by this section, and the provisions of § 3-306 of the Natural Resources Article apply. If an application is made to the Public Service Commission, the hearing provided for by this subtitle is not required. All evidence relevant to the purposes of this subtitle shall be presented at the hearing held by the Public Service Commission, as required by § 7-207 of the Public Utility Companies

Article. The permit required by this subtitle is included in the certificate of public convenience and necessity issued by the Public Service Commission.

5-514.

(A) (1) IN ADDITION TO BEING SUBJECT TO AN INJUNCTIVE ACTION UNDER THIS SUBTITLE, A PERSON WHO VIOLATES ANY PROVISION OF THIS SUBTITLE RELATING TO WATER APPROPRIATION AND USE OR ANY RULE, REGULATION, ORDER, OR PERMIT ADOPTED OR ISSUED UNDER ANY SUCH PROVISION IS LIABLE FOR A CIVIL PENALTY NOT EXCEEDING ~~\$10,000~~ \$5,000 PER VIOLATION TO BE COLLECTED IN A CIVIL ACTION BROUGHT BY THE DEPARTMENT.

(2) EACH DAY A VIOLATION OCCURS OR CONTINUES IS A SEPARATE VIOLATION UNDER THIS SUBSECTION.

(3) (I) BEFORE BRINGING A CIVIL ACTION AGAINST A LOCAL GOVERNMENT UNDER THIS SUBSECTION, THE DEPARTMENT SHALL MEET AND CONSULT WITH THE LOCAL GOVERNMENT TO SEEK AN ALTERNATIVE RESOLUTION TO THE CONTESTED ISSUE.

(II) PRIOR CONSULTATION BY THE DEPARTMENT WITH THE LOCAL GOVERNMENT SHALL CONSTITUTE COMPLIANCE WITH THIS SUBSECTION.

(B) A person who violates ~~or causes an act which violates~~ a provision of this subtitle or a regulation adopted under this subtitle ~~or who violates or fails to comply with a permit or an order of the Department when due notice is given is guilty of a misdemeanor. Upon conviction the violator is subject to a fine not exceeding [500] \$10,000 per day for each day of the offense, [and not to exceed a total fine of \$25,000,] with costs imposed in the discretion of the court~~ IS SUBJECT TO THE PENALTIES PROVIDED IN § 9-343 OF THIS ARTICLE.

(C) ALL FUNDS COLLECTED BY THE DEPARTMENT UNDER THIS SECTION, INCLUDING ANY CIVIL PENALTY OR ANY FINE IMPOSED BY A COURT UNDER THE PROVISIONS OF THIS SECTION, SHALL BE PAID INTO THE MARYLAND CLEAN WATER FUND.

5-515.

(A) AFTER OR CONCURRENTLY WITH THE SERVICE OF A COMPLAINT UNDER THIS SUBTITLE RELATING TO WATER APPROPRIATION AND USE, THE DEPARTMENT MAY:

(1) ISSUE AN ORDER THAT REQUIRES THE PERSON TO WHOM THE ORDER IS DIRECTED TO TAKE CORRECTIVE ACTION WITHIN A TIME SET IN THE ORDER;

(2) SEND A WRITTEN NOTICE THAT REQUIRES THE PERSON TO WHOM THE NOTICE IS DIRECTED TO FILE A WRITTEN REPORT ABOUT THE ALLEGED VIOLATION; OR

(3) SEND A WRITTEN NOTICE THAT REQUIRES THE PERSON TO WHOM THE NOTICE IS DIRECTED:

(I) TO APPEAR AT A HEARING BEFORE THE DEPARTMENT AT A TIME AND PLACE THE DEPARTMENT SETS TO ANSWER THE CHARGES IN THE COMPLAINT; OR

(II) TO FILE A WRITTEN REPORT AND ALSO TO APPEAR AT A HEARING BEFORE THE DEPARTMENT AT A TIME AND PLACE THE DEPARTMENT SETS TO ANSWER THE CHARGES IN THE COMPLAINT.

(B) ANY ORDER ISSUED UNDER THIS SECTION IS EFFECTIVE IMMEDIATELY, ACCORDING TO ITS TERMS, WHEN IT IS SERVED.

5-516.

(A) THE DEPARTMENT SHALL GIVE NOTICE AND HOLD ANY HEARING RELATED TO ORDERS IMPOSED UNDER THE WATER APPROPRIATION AND USE PROVISIONS OF THIS SUBTITLE IN ACCORDANCE WITH THE ADMINISTRATIVE PROCEDURE ACT.

(B) (1) WITHIN 10 DAYS AFTER BEING SERVED WITH AN ORDER UNDER § 5-515(A)(1) OF THIS SUBTITLE, THE PERSON SERVED MAY REQUEST IN WRITING A HEARING BEFORE THE DEPARTMENT.

(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, IF A REQUEST FOR A HEARING ON AN ORDER IS MADE UNDER THIS SUBSECTION, THE DEPARTMENT SHALL:

1. HOLD THE HEARING PROMPTLY AFTER RECEIVING THE REQUEST; AND

2. RENDER A DECISION PROMPTLY AFTER THE HEARING.

(II) IF A REQUEST FOR A HEARING ON AN ORDER IS MADE UNDER THIS SUBSECTION AND THE DEPARTMENT ALLEGES IN THE ORDER THAT THERE IS AN IMMINENT THREAT OR DANGER TO THE PUBLIC HEALTH OR SAFETY OR TO THE ENVIRONMENT, THE DEPARTMENT SHALL:

1. HOLD THE HEARING WITHIN 10 DAYS AFTER RECEIVING THE REQUEST; AND

2. RENDER A DECISION WITHIN 10 DAYS AFTER THE HEARING.

(C) WITHIN 10 DAYS AFTER BEING SERVED WITH A NOTICE UNDER § 5-515(A)(2) OF THIS SUBTITLE, THE PERSON SERVED MAY REQUEST IN WRITING A HEARING BEFORE THE DEPARTMENT.

(D) THE DEPARTMENT MAY MAKE A VERBATIM RECORD OF THE PROCEEDINGS OF ANY HEARING HELD UNDER THIS SUBTITLE.

(E) (1) IN CONNECTION WITH ANY HEARING UNDER THIS SUBTITLE, THE DEPARTMENT MAY:

(I) SUBPOENA ANY PERSON OR EVIDENCE; AND

(II) ORDER A WITNESS TO GIVE EVIDENCE.

(2) A SUBPOENAED WITNESS SHALL RECEIVE THE SAME FEES AND MILEAGE REIMBURSEMENT AS IF THE HEARING WERE PART OF A CIVIL ACTION.

(3) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA OR ORDER ISSUED UNDER THIS SUBSECTION, ON PETITION OF THE DEPARTMENT, A CIRCUIT COURT, BY ORDER, MAY:

(I) COMPEL OBEDIENCE TO THE DEPARTMENT'S ORDER OR SUBPOENA; OR

(II) COMPEL TESTIMONY OR THE PRODUCTION OF EVIDENCE.

(4) THE COURT MAY PUNISH AS CONTEMPT ANY FAILURE TO OBEY ITS ORDER ISSUED UNDER THIS SECTION.

(a) There is a Maryland Clean Water Fund.

(b) **THE FOLLOWING PAYMENTS SHALL BE MADE INTO THE MARYLAND CLEAN WATER FUND:**

(1) All application fees, permit fees, renewal fees, and funds collected by the Department under this subtitle, including any civil or administrative penalty or any fine imposed by a court under the provisions of this subtitle[, shall be paid into the Maryland Clean Water Fund]; AND

(2) **ANY CIVIL PENALTY OR ANY FINE IMPOSED BY A COURT UNDER THE PROVISIONS OF TITLE 5, SUBTITLE 5 OF THIS ARTICLE RELATING TO WATER APPROPRIATION AND USE.**

[(c) The Department shall use the Maryland Clean Water Fund for activities that are related to identifying, monitoring, and regulating the proper discharge of effluent into the waters of the State including program development of these activities as provided in the State budget. Priority shall be given to activities pertaining to the water quality of the Chesapeake Bay and its tributaries.]

(c) **THE DEPARTMENT SHALL USE THE MARYLAND CLEAN WATER FUND FOR ACTIVITIES THAT ARE RELATED TO:**

(1) **THE IDENTIFICATION, MONITORING, AND REGULATION OF THE PROPER DISCHARGE OF EFFLUENT INTO THE WATERS OF THE STATE INCLUDING PROGRAM DEVELOPMENT OF THESE ACTIVITIES AS PROVIDED BY THE STATE BUDGET; AND**

(2) **THE MANAGEMENT, CONSERVATION, PROTECTION, AND PRESERVATION OF THE STATE'S GROUNDWATER AND SURFACE WATER INCLUDING PROGRAM DEVELOPMENT OF THESE ACTIVITIES AS PROVIDED BY THE STATE BUDGET.**

(d) **IN DETERMINING THE USE OF THE MARYLAND CLEAN WATER FUND, PRIORITY SHALL BE GIVEN TO ACTIVITIES RELATING TO THE WATER QUALITY OF THE CHESAPEAKE BAY AND ITS TRIBUTARIES.**

[(d)] (E) Notwithstanding any law to the contrary, unexpended moneys in the Fund shall not revert to the general treasury at the end of a fiscal year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 366

(Senate Bill 973)

AN ACT concerning

Environment – Permissible Methods of Service

FOR the purpose of altering the permissible methods of service of complaints, corrective orders, notices, or other instruments issued by the Department of the Environment to allow service in the same manner allowed by the Maryland Rules for service of a summons; and generally relating to permissible methods of service.

BY adding to

Article – Environment
Section 1–204
Annotated Code of Maryland
(1996 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Article – Environment
Section 4–111, 4–210, 4–412(c), 6–421, 7–260, 8–504, 9–336, 9–414, 11–313,
13–311, and 16–503
Annotated Code of Maryland
(1996 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, without amendments,

Article – Environment
Section 4–412(d)
Annotated Code of Maryland
(1996 Replacement Volume and 2006 Supplement)

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

Article - Environment

1-204.

NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY IN THIS ARTICLE, SERVICE OF SHOW CAUSE ORDERS, COMPLAINTS, CORRECTIVE ORDERS, NOTICES, OR ANY OTHER INSTRUMENT ISSUED BY THE DEPARTMENT UNDER THIS ARTICLE FOR WHICH SERVICE IS REQUIRED MAY BE ACHIEVED BY ANY METHOD ALLOWED FOR SERVICE OF A SUMMONS UNDER THE MARYLAND RULES.

4-111.

(a) Any complaint, order, notice, or other instrument issued by the Department under this subtitle may be served on the person to whom it is directed[:

(1) Personally; or

(2) By certified mail, return receipt requested, bearing a postmark from the United States Postal Service, to the person's last known address as shown on the Department's records] **IN ACCORDANCE WITH § 1-204 OF THIS ARTICLE.**

(b) If service is made by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, the person who mails the document shall file with the Department verified proof of mailing.

(c) Any notice that requires filing of a report, attendance at a hearing, or both shall be served at least 10 days before the earlier of:

(1) The time set for the hearing, if any; or

(2) The time set for the filing of the report, if any.

4-210.

(a) Any complaint, order, notice, or other instrument issued by the Department under this subtitle may be served on the person to whom it is directed[:

(1) Personally; or

(2) By certified mail, return receipt requested, bearing a postmark from the United States Postal Service, to the person's last known address as shown on the Department's records] **IN ACCORDANCE WITH § 1-204 OF THIS ARTICLE.**

(b) If service is made by certified mail, return receipt requested, bearing a

postmark from the United States Postal Service, the person who mails the document shall file with the Department verified proof of mailing.

(c) Any notice that requires filing of a report, attendance at a hearing, or both shall be served at least 10 days before the earlier of:

- (1) The time set for the hearing, if any; or
- (2) The time set for the filing of the report, if any.

4-412.

(c) Except as otherwise provided, any notice, order, or other instrument issued by or under authority of the Department may be served [personally] **IN ACCORDANCE WITH § 1-204 OF THIS ARTICLE** or by publication on any person affected. [Service may be made by mailing a copy of the notice, order, or other instrument by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, to the person affected at his last known post-office address as shown by the Department's files or records. Proof] **IF SERVICE IS MADE BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, PROOF** of service may be made by the sworn statement or affidavit of the person who mailed the notice, order, or other instrument. The sworn statement or affidavit shall be filed with the Department.

(d) A verbatim record of the proceedings of hearings may be taken when necessary or advisable by the Department. A subpoenaed witness shall receive the same fees and mileage as in any civil action. If a witness refuses to obey a notice of hearing or subpoena issued under this section, any circuit court, upon the application of the Department, may issue an order requiring the person to appear, testify, or produce evidence as required. The failure to obey a court order may be punished by the court as contempt.

6-421.

(a) Any complaint, corrective order, notice, or other instrument issued by the Department under this subtitle may be served on the person to whom it is directed[:

- (1) Personally; or
- (2) By certified mail, return receipt requested, bearing a postmark from the United States Postal Service, to the last known address as shown on the Department's records] **IN ACCORDANCE WITH § 1-204 OF THIS ARTICLE.**

(b) If service is made by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, the person who mails the document

shall file with the Department verified proof of mailing.

(c) Any notice that requires filing of a report, attendance at a hearing, or both, shall be served at least 10 days before the earlier of:

- (1) The time set for the hearing, if any; or
- (2) The time set for the filing of the report, if any.

7-260.

(a) Any complaint, corrective order, notice, or other instrument issued by the Department under this subtitle may be served on the person to whom it is directed:

(1) [Personally;] **IN ACCORDANCE WITH § 1-204 OF THIS ARTICLE;**
OR

(2) By publication[; or

(3) By certified mail, return receipt requested, bearing a postmark from the United States Postal Service, to the last known address as shown on the Department's records].

(b) If service is made by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, the person who mails the document shall file with the Department verified proof of mailing.

(c) Any notice that requires filing of a report, attendance at a hearing, or both shall be served at least 10 days before the earlier of:

- (1) The time set for the hearing, if any; or
- (2) The time set for the filing of the report, if any.

8-504.

(a) (1) Except as otherwise provided, any notice, order, or other instrument issued by or under authority of the Department under this subtitle may be served [personally or by mailing a copy of the notice, order, or other instrument by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, to the person affected at the person's last known post office address as shown by the Department's files or records] **IN ACCORDANCE WITH § 1-204 OF THIS ARTICLE.**

(2) Proof of service may be made by the sworn statement or affidavit of

the person who mailed the notice, order, or other instrument.

(3) The sworn statement or affidavit shall be filed with the Department.

(b) Any notice that requires filing of a report, attendance at a hearing, or both shall be served at least 10 days before the earlier of:

- (1) The time set for the hearing if any; or
- (2) The time set for the filing of the report, if any.

9-336.

(a) Any complaint, order, notice, or other instrument issued by the Department under this subtitle may be served on the person to whom it is directed:

(1) [Personally;] **IN ACCORDANCE WITH § 1-204 OF THIS ARTICLE;**
OR

(2) By publication[; or

(3) By certified mail, return receipt requested, bearing a postmark from the United States Postal Service, to the person's last known address as shown on the Department's records].

(b) If service is made by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, the person who mails the document shall file with the Department verified proof of mailing.

(c) Any notice that requires filing of a report, attendance at a hearing, or both shall be served at least 10 days before the earlier of:

- (1) The time set for the hearing, if any; or
- (2) The time set for the filing of the report, if any.

9-414.

(a) The Department may issue an order or notice if the Department has reasonable grounds to believe that a person to whom the order or notice is directed has violated:

(1) This subtitle;

- (2) Any rule or regulation adopted under this subtitle; or
 - (3) Any order or permit issued under this subtitle.
- (b) An order or notice issued under this subtitle shall:
- (1) Specify the provision that allegedly has been violated;
 - (2) State the alleged facts that constitute the violation;
 - (3) State the actions necessary to correct the violation and the time allowed for corrections; and
 - (4) State the procedure for requesting a hearing to respond to the violation alleged in the order.
- (c) If the person served with an order does not request a hearing within 30 days, the order becomes a final order.
- (d) Any notice or order issued by the Department under this subtitle may be served on the person to whom it is directed:

(1) [Personally;] **IN ACCORDANCE WITH § 1-204 OF THIS ARTICLE;**

OR

[(2) By certified mail, return receipt requested, to the person's last known address as shown on the Department's records; or]

[(3)] **(2)** By publication.

11-313.

(a) (1) Except as otherwise provided in the Administrative Procedure Act, before the Board takes any action under § 11-312 of this subtitle, it shall give the individual against whom this action is contemplated an opportunity for a hearing before the Board.

(2) A hearing shall be held within a reasonable time not to exceed 6 months after charges have been brought.

(b) The Board shall give notice and hold the hearing in accordance with the Administrative Procedure Act.

(c) At least 30 days before the hearing, the hearing notice to be given to the individual shall be[:

(1) Served personally on the individual; or

(2) Sent by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, to the last known address of the individual] **SERVED IN ACCORDANCE WITH § 1-204 OF THIS ARTICLE.**

(d) The individual may be represented at the hearing by counsel.

(e) Over the signature of an officer or the administrator of the Board, the Board may issue subpoenas and administer oaths in connection with any investigation under this title and any hearings or proceedings before it.

(f) If, without lawful excuse, a person disobeys a subpoena from the Board or an order by the Board to take an oath or to testify or answer a question, then, on petition of the Board, a court of competent jurisdiction may punish the person as for contempt of court.

(g) If, after due notice, the individual against whom the action is contemplated fails or refuses to appear, the Board may hear and determine the matter.

13-311.

(a) Except as otherwise provided in the Administrative Procedure Act, before the Board takes any action under § 13-310 or § 13-506 of this title, it shall give the person against whom the action is contemplated an opportunity for a hearing before the Board.

(b) The Board shall give notice and hold the hearing in accordance with the Administrative Procedure Act.

(c) The hearing notice shall be served [personally or sent by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, to the last known address of the person] **IN ACCORDANCE WITH § 1-204 OF THIS ARTICLE** at least 30 days before the hearing.

(d) The person may be represented at the hearing by counsel.

(e) The Board may issue subpoenas and administer oaths in connection with any proceeding under this section.

(f) If after due notice the person against whom the action is contemplated fails or refuses to appear, nevertheless the Board may hear and determine the matter.

16-503.

(a) Whenever the Department believes a violation of any provision of this title or any regulation has occurred, the Department shall cause a written complaint to be served upon the alleged violator. The complaint shall specify the provision of law or regulation allegedly violated and the alleged fact that constitutes the violation. Subsequent to or concurrent with service of the complaint as provided in subsection (c) of this section, the Department may issue an order requiring necessary corrective action be taken within the time prescribed in its order.

(b) Any person named in the order may request in writing a hearing before the Department not later than 10 days after the date the order is served, in which case a hearing shall be scheduled within 10 days from the receipt of the request. A decision shall be rendered within 30 days from the date of the hearing. Notice of a hearing shall be served on the alleged violator in accordance with the provisions of subsection (c) of this section not less than 10 days before the time set for the hearing. The order shall become effective immediately according to its terms upon service.

(c) Except as otherwise provided, any notice, order, or other instrument issued by or under authority of the Department shall be served [personally on any person affected. Service may be made by mailing a copy of the notice, order, or other instrument by certified or registered mail to the person affected at the last known post office address as shown by the Department's files or records. Proof] **IN ACCORDANCE WITH § 1-204 OF THIS ARTICLE. WHERE SERVICE IS MADE BY MAILING, PROOF** of service may be made by the sworn statement or affidavit of the person who mailed the notice, order, or other instrument. The sworn statement or affidavit shall be filed with the Department.

(d) A verbatim record of the proceedings of hearings may be taken when necessary or advisable by the Department. A subpoenaed witness shall receive the same fees and mileage as in any civil action. If a witness refuses to obey a notice of hearing or subpoena issued under this section, any circuit court, upon the application of the Department, may issue an order requiring the person to appear, testify, or produce evidence as required. The failure to obey a court order may be punished by the court as contempt.

(e) (1) A person aggrieved by an order may appeal to the circuit court of the county in which the land is located.

(2) The court shall review the administrative record of the Department's order.

(3) The court shall declare the Department's order invalid if the court finds that the order:

- (i) Is unconstitutional;
- (ii) Exceeds the statutory authority or jurisdiction of the Department;
- (iii) Results from an unlawful procedure;
- (iv) Is affected by any other error of law;
- (v) Is unsupported by competent, material, and substantial evidence in light of the entire record as submitted; or
- (vi) Is arbitrary or capricious.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 367

(Senate Bill 975)

AN ACT concerning

Oil Pollution and Tank Management

FOR the purpose of altering the definition of oil to include ethanol and ~~any edible oils intended to be used as a motor fuel or fuel source~~ biodiesel fuel; requiring an underground storage facility to be in substantial compliance with Maryland law and regulations before selling oil to the facility or receiving oil at the facility; and generally relating to oil pollution and tank management.

BY repealing and reenacting, with amendments,
Article – Environment
Section 4-401(g) and 4-411.1
Annotated Code of Maryland
(1996 Replacement Volume and 2006 Supplement)

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

Article - Environment

4-401.

- (g) (1) “Oil” means oil of any kind and in any liquid form including:
- (i) Petroleum;
 - (ii) Petroleum by-products;
 - (iii) Fuel oil;
 - (iv) Sludge containing oil or oil residues;
 - (v) Oil refuse;
 - (vi) Oil mixed with or added to or otherwise contaminating soil, waste, or any other liquid or solid media;
 - (vii) Crude oils;
 - (viii) Aviation fuel;
 - (ix) Gasoline;
 - (x) Kerosene;
 - (xi) Light and heavy fuel oils;
 - (xii) Diesel motor ~~fuels~~ **FUEL, INCLUDING BIODIESEL FUEL, REGARDLESS OF WHETHER THE FUEL IS PETROLEUM BASED;**
 - (xiii) Asphalt; [and]
 - (XIV) ETHANOL THAT IS INTENDED TO BE USED AS A MOTOR FUEL OR FUEL SOURCE; AND**
 - [(xiv)] (XV) Regardless of specific gravity, every other nonedible, nonsubstituted liquid petroleum fraction unless that fraction is specifically identified as a hazardous substance under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 et seq.**
- (2) “Oil” does not include:
- (i) Liquefied propane;

(ii) Liquefied natural gas; or

(iii) Any edible oils, ~~UNLESS INTENDED TO BE USED AS A MOTOR FUEL OR FUEL SOURCE.~~

4-411.1.

(a) On or before July 1, 1990, the owner, operator, or person in charge of an underground oil storage facility shall register the underground oil storage facility with the Department.

(b) Unless an underground oil storage facility is registered with the Department in accordance with the provisions of subsection (a) of this section **AND IS IN SUBSTANTIAL COMPLIANCE WITH STATE LAW AND REGULATIONS RELATING TO OIL STORAGE, AS DEFINED BY REGULATION**, no oil may be sold to or received by the underground oil storage facility.

(c) For the purposes of this section, if any underground oil storage facility registered with the Department under subsection (a) of this section is removed, or no longer in use, the owner, operator, or person in charge of the underground oil storage facility shall notify the Department not later than 30 days after the removal or discontinuance of use.

(d) The Department shall adopt regulations to:

- (1) Implement the provisions of this section; and
- (2) Define "underground oil storage facility".

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 368

(Senate Bill 999)

AN ACT concerning

State Retirement and Pension System – Investment Oversight

FOR the purpose of authorizing the Board of Trustees of the State Retirement and Pension System to determine the qualifications, appointment, and compensation of the Chief Investment Officer of the State Retirement Agency after the Board of Trustees receives certain recommendations; authorizing the Board of Trustees to provide certain financial incentives for the Chief Investment Officer; requiring the Board of Trustees to base certain financial incentives on certain criteria; requiring certain criteria to be included in the investment policy manual; requiring the Board of Trustees to submit certain reports to the Joint Committee on Pensions on or before a certain date; providing that the compensation and financial incentives awarded to the Chief Investment Officer shall be in accordance with certain limitations; providing that the Chief Investment Officer is a State employee and entitled to certain benefits; requiring the Executive Director of the State Retirement Agency to terminate the appointment of the Chief Investment Officer under certain circumstances; authorizing the Chief Investment Officer to hire certain investment managers; authorizing the Chief Investment Officer to terminate the appointment of ~~the~~ certain investment managers; requiring the Chief Investment Officer to provide certain written documentation to the Board of Trustees and Investment Committee under certain circumstances; requiring the Board of Trustees to submit certain criteria to certain committees for review and comment prior to awarding certain financial incentives; requiring certain committees to submit written comments to the Board of Trustees within a certain period of time; and generally relating to the investment oversight of the State Retirement and Pension System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 21–108(c) and 21–122
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

BY adding to
Article – State Personnel and Pensions
Section 21–118.1
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 21–315(c)
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

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

Article – State Personnel and Pensions

21-108.

(c) Subject to [§ 21-123] §§ 21-122 AND 21-123 of this subtitle, the Board of Trustees shall have full power to invest the assets of the several systems.

21-118.1.

(A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ON THE RECOMMENDATION OF THE EXECUTIVE DIRECTOR AND THE INVESTMENT COMMITTEE, THE BOARD OF TRUSTEES SHALL DETERMINE THE QUALIFICATIONS AND APPOINTMENT, AS WELL AS COMPENSATION AND LEAVE, FOR THE CHIEF INVESTMENT OFFICER WHO SHALL BE THE HEAD OF THE INVESTMENT DIVISION.

(B) IN MAKING DETERMINATIONS AND APPOINTMENTS UNDER THIS SECTION, THE EXECUTIVE DIRECTOR AND THE INVESTMENT COMMITTEE SHALL CONSIDER THE COMPARATIVE ~~STATUS~~ QUALIFICATIONS, COMPENSATION, AND LEAVE OF EMPLOYEES SERVING IN SIMILAR POSITIONS AND DISCHARGING SIMILAR DUTIES AT COMPARABLE PUBLIC PENSION FUNDS.

(C) IN ADDITION TO THE BOARD OF TRUSTEES SETTING THE SALARY OF THE CHIEF INVESTMENT OFFICER UNDER SUBSECTION (A) OF THIS SECTION IN ACCORDANCE WITH THE STATE BUDGET, THE BOARD OF TRUSTEES MAY ALSO AWARD FINANCIAL INCENTIVES TO THE CHIEF INVESTMENT OFFICER IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION.

(D) (1) ON THE RECOMMENDATION OF THE INVESTMENT COMMITTEE, THE BOARD OF TRUSTEES SHALL ESTABLISH CRITERIA FOR AWARDING FINANCIAL INCENTIVES TO THE CHIEF INVESTMENT OFFICER.

(2) THE CRITERIA UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE BASED ON:

(I) OBJECTIVE BENCHMARKS OF INVESTMENT PERFORMANCE FOR THE ASSETS OF THE SEVERAL SYSTEMS; AND

(II) CRITERIA USED BY COMPARABLE PUBLIC PENSION FUNDS AWARDING FINANCIAL INCENTIVES TO CHIEF INVESTMENT OFFICERS; AND

~~**(III) THE INVESTMENT PERFORMANCE OF THE SEVERAL SYSTEMS AS COMPARED TO COMPARABLE PUBLIC PENSION FUNDS RANKED IN THE 25TH PERCENTILE OF THE ANNUAL EVALUATION PERFORMED BY THE TRUST UNIVERSE COMPARISON SERVICE.**~~

(3) THE CHIEF INVESTMENT OFFICER MAY NOT PARTICIPATE IN ANY DELIBERATIONS REGARDING THE ESTABLISHMENT OF CRITERIA UNDER THIS SUBSECTION.

(4) THE CRITERIA ESTABLISHED UNDER THIS SUBSECTION SHALL BE INCLUDED IN THE INVESTMENT POLICY MANUAL.

(5) ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE BOARD OF TRUSTEES SHALL SUBMIT TO THE JOINT COMMITTEE ON PENSIONS, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, A COPY OF THE MOST RECENT CRITERIA ESTABLISHED UNDER THIS SECTION AND ANY FINANCIAL INCENTIVES THAT WERE AWARDED FOR THE PREVIOUS FISCAL YEAR TO THE CHIEF INVESTMENT OFFICER.

(E) THE COMPENSATION AND ANY FINANCIAL INCENTIVES AWARDED TO THE CHIEF INVESTMENT OFFICER SHALL BE IN ACCORDANCE WITH THE LIMITATIONS ON ADMINISTRATIVE AND OPERATIVE EXPENSES UNDER § 21-315(C) OF THIS TITLE.

(F) THE CHIEF INVESTMENT OFFICER APPOINTED UNDER THIS SECTION IS A STATE EMPLOYEE AND SHALL BE ENTITLED TO PARTICIPATE IN THE EMPLOYEES' PENSION SYSTEM UNDER TITLE 23 OF THIS ARTICLE.

(G) ON THE RECOMMENDATION OF EITHER THE INVESTMENT COMMITTEE OR THE EXECUTIVE DIRECTOR AND ON RECEIVING AN AFFIRMATIVE VOTE FROM A MAJORITY OF THE BOARD OF TRUSTEES, THE EXECUTIVE DIRECTOR SHALL TERMINATE THE APPOINTMENT OF THE CHIEF INVESTMENT OFFICER.

21-122.

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

(b) As the Board of Trustees specifies, the Investment Division shall invest the assets of the several systems.

(c) [On recommendation of the Executive Director of the State Retirement Agency, the Board of Trustees shall appoint a Chief Investment Officer who shall be the head of the Investment Division.

(d)] (1) Quarterly, the Investment Division shall submit to the Board of Trustees a report about the commissions that the State Retirement Agency pays on investments.

(2) The report shall detail:

(i) the identity of each recipient of a commission that the State Retirement Agency paid during the previous quarter;

(ii) the dollar amount of commission business that each recipient performs;

(iii) the average price-per-share each recipient charged or, if the commission was paid on a net basis, the markup or markdown that the recipient uses; and

(iv) a reasonable history of the allocation of commissions.

(D) THE CHIEF INVESTMENT OFFICER:

(1) MAY HIRE EXTERNAL INVESTMENT MANAGERS TO INVEST THE ASSETS OF THE SEVERAL SYSTEMS; AND

(2) MAY TERMINATE THE APPOINTMENT OF AN EXTERNAL INVESTMENT MANAGER HIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(E) PRIOR TO TERMINATING THE APPOINTMENT OF AN EXTERNAL INVESTMENT MANAGER UNDER SUBSECTION (D)(2) OF THIS SECTION, THE CHIEF INVESTMENT OFFICER SHALL PROVIDE WRITTEN DOCUMENTATION TO THE BOARD OF TRUSTEES AND THE INVESTMENT COMMITTEE EXPLAINING THE BASIS FOR THE TERMINATION.

21-315.

(c) Each year the Board of Trustees shall estimate the amount, not exceeding 0.22% of the payroll of members, necessary for the administrative and operational expenses of the Board of Trustees and the State Retirement Agency.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(1) Prior to awarding financial incentives to the Chief Investment Officer of the State Retirement Agency under Section 1 of this Act, the Board of Trustees of the State Retirement and Pension System shall submit for the review and comment of the Senate Budget and Taxation Committee, the House Appropriations Committee, and the Joint Committee on Pensions, in accordance with § 2-1246 of the State Government Article, a copy of the criteria established by the Board of Trustees for awarding financial incentives to the Chief Investment Officer as provided under § 21-118.1(d) of the State Personnel and Pensions Article, as enacted by Section 1 of this Act; and

(2) Within 45 days of receiving the criteria under paragraph (1) of this section, the committees shall submit written comments to the Board of Trustees regarding the criteria.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 369

(Senate Bill 1014)

AN ACT concerning

**Higher Education – Morgan State University – Board of Regents – ~~Student~~
Member Membership**

FOR the purpose of altering the residency qualifications of ~~the student member~~ certain members of the Morgan State University Board of Regents; ~~repealing certain provisions relating to the residency of the student member of the Board of Regents;~~ and generally relating to the ~~student member~~ membership of the Morgan State University Board of Regents.

BY repealing and reenacting, with amendments,
Article – Education
Section 14-102
Annotated Code of Maryland
(2006 Replacement Volume)

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

Article - Education

14-102.

- (a) The government of the University is vested in the Board of Regents.
- (b) The Board of Regents consists of 15 members appointed by the Governor with the advice and consent of the Senate.
- (c) (1) One member of the Board of Regents shall be a student in good academic standing at the University who:
 - (i) Is at least 18 years old; and
 - (ii) Has the qualifications required to be student body president.
- (2) The student member serves for a term of 1 year and until a successor is appointed and qualifies.
- ~~¶~~(3) The student may be a resident of a state other than Maryland, but the residency status of the student may not be considered in determining the number of resident or nonresident regents as provided for in subsection (d)(2) of this section.~~¶~~
- (d) (1) Except for the student member, each member serves for a term of 6 years and until a successor is appointed and qualifies. The terms are staggered as required by the terms of the members serving on July 1, 1978.
- (2) ~~¶~~Except for the student member, at least ~~10~~ **8** members of the Board of Regents shall be residents of the State.
- (3)~~¶~~ A member appointed to fill a vacancy in an unexpired term serves only for the remainder of that term and until a successor is appointed and qualifies.
- (e) Each member of the Board of Regents:
 - (1) Serves without compensation; and
 - (2) Is entitled to reimbursement for expenses in accordance with the Standard State Travel Regulations.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 370

(Senate Bill 1033)

AN ACT concerning

Tax Credits for Individuals Facing Employment Barriers – Sunset Extension

FOR the purpose of altering certain termination provisions and dates of applicability for certain tax credits allowed to employers that hire certain qualified employment opportunity employees or certain qualifying individuals with disabilities; repealing certain obsolete provisions of law; recodifying certain provisions relating to certain tax credits allowed to employers that hire certain qualified employment opportunity employees; providing for the termination of certain provisions of this Act; and generally relating to certain tax credits allowed to employers that hire certain qualified employees facing certain employment barriers.

BY repealing

Article 88A – Department of Human Resources
Section 54
Annotated Code of Maryland
(2003 Replacement Volume and 2006 Supplement)

BY repealing

Article – Tax – General
Section 8–213
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – General
Section 8–410 and 10–704.3
Annotated Code of Maryland
(2004 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance
Section 6–105.1
Annotated Code of Maryland
(2003 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Chapter 492 of the Acts of the General Assembly of 1995, as amended by
Chapter 10 of the Acts of the General Assembly of 1996, Chapters 598
and 599 of the Acts of the General Assembly of 1998, Chapter 448 of the
Acts of the General Assembly of 2000, Chapter 454 of the Acts of the
General Assembly of 2003, and Chapter 394 of the Acts of the General
Assembly of 2006
Section 3

BY repealing and reenacting, with amendments,
Chapter 112 of the Acts of the General Assembly of 1997, as amended by
Chapter 614 of the Acts of the General Assembly of 1998, Chapter 448 of
the Acts of the General Assembly of 2000, Chapter 454 of the Acts of the
General Assembly of 2003, and Chapter 394 of the Acts of the General
Assembly of 2006
Section 4 and 6

BY repealing and reenacting, with amendments,
Chapter 113 of the Acts of the General Assembly of 1997, as amended by
Chapter 614 of the Acts of the General Assembly of 1998, Chapter 448 of
the Acts of the General Assembly of 2000, Chapter 454 of the Acts of the
General Assembly of 2003, and Chapter 394 of the Acts of the General
Assembly of 2006
Section 4 and 6

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 54 of Article 88A – Department of Human Resources of the Annotated Code of Maryland be repealed.

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 8–213 of Article – Tax – General of the Annotated Code of Maryland be repealed.

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – General

10–704.3.

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

(2) “BUSINESS ENTITY” MEANS:

(I) A PERSON CONDUCTING OR OPERATING A TRADE OR BUSINESS IN MARYLAND; OR

(II) AN ORGANIZATION OPERATING IN MARYLAND THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE.

(3) “QUALIFIED CHILD CARE EXPENSES” MEANS STATE REGULATED CHILD CARE EXPENSES THAT ARE INCURRED BY A BUSINESS ENTITY TO ENABLE A QUALIFIED EMPLOYMENT OPPORTUNITY EMPLOYEE OF THE BUSINESS TO BE GAINFULLY EMPLOYED.

(4) (I) “QUALIFIED EMPLOYMENT OPPORTUNITY EMPLOYEE” MEANS AN INDIVIDUAL WHO IS A RESIDENT OF MARYLAND AND WHO FOR ANY 3 MONTHS DURING THE 18-MONTH PERIOD BEFORE THE INDIVIDUAL’S EMPLOYMENT WITH A BUSINESS ENTITY WAS A RECIPIENT OF TEMPORARY CASH ASSISTANCE FROM THE STATE UNDER THE AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM OR THE FAMILY INVESTMENT PROGRAM AND WHO FOR 6 MONTHS BEFORE THE INDIVIDUAL’S EMPLOYMENT WITH A BUSINESS ENTITY WAS A MARYLAND RESIDENT.

(II) “QUALIFIED EMPLOYMENT OPPORTUNITY EMPLOYEE” DOES NOT INCLUDE AN INDIVIDUAL WHO IS THE SPOUSE OF, OR HAS ANY OF THE RELATIONSHIPS SPECIFIED IN § 152(A)(1) THROUGH (8) OF THE INTERNAL REVENUE CODE TO, A PERSON WHO CONTROLS, DIRECTLY OR INDIRECTLY, MORE THAN 50% OF THE OWNERSHIP OF THE BUSINESS ENTITY.

(5) “TRANSPORTATION EXPENSES” MEANS EXPENSES THAT ARE INCURRED BY A BUSINESS ENTITY TO ENABLE A QUALIFIED EMPLOYMENT OPPORTUNITY EMPLOYEE TO TRAVEL TO AND FROM WORK.

(6) “WAGES” MEANS WAGES, WITHIN THE MEANING OF § 51(C)(1), (2), AND (3) OF THE INTERNAL REVENUE CODE WITHOUT REGARD TO § 51(C)(4) OF THE INTERNAL REVENUE CODE, THAT ARE PAID BY A BUSINESS ENTITY TO AN EMPLOYEE FOR SERVICES PERFORMED IN A TRADE OR BUSINESS OF THE BUSINESS ENTITY.

(B) (1) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A BUSINESS ENTITY MAY CLAIM A TAX CREDIT IN THE AMOUNTS DETERMINED UNDER SUBSECTIONS (C) AND (D) OF THIS SECTION FOR THE WAGES AND QUALIFIED CHILD CARE OR TRANSPORTATION EXPENSES WITH RESPECT TO A QUALIFIED EMPLOYMENT OPPORTUNITY EMPLOYEE THAT ARE PAID IN THE TAXABLE YEAR FOR WHICH THE BUSINESS ENTITY CLAIMS THE CREDIT.

(2) THE SAME TAX CREDIT CANNOT BE APPLIED MORE THAN ONCE AGAINST DIFFERENT TAXES BY THE SAME TAXPAYER.

(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, FOR EACH TAXABLE YEAR, FOR THE WAGES PAID TO EACH QUALIFIED EMPLOYMENT OPPORTUNITY EMPLOYEE, A CREDIT IS ALLOWED IN AN AMOUNT EQUAL TO:

(I) 30% OF UP TO THE FIRST \$6,000 OF THE WAGES PAID TO THE QUALIFIED EMPLOYMENT OPPORTUNITY EMPLOYEE DURING THE FIRST YEAR OF EMPLOYMENT; AND

(II) 20% OF UP TO THE FIRST \$6,000 OF THE WAGES PAID TO THE QUALIFIED EMPLOYMENT OPPORTUNITY EMPLOYEE DURING THE SECOND YEAR OF EMPLOYMENT.

(2) IF THE QUALIFIED EMPLOYMENT OPPORTUNITY EMPLOYEE HAS BEEN A RECIPIENT OF TEMPORARY CASH ASSISTANCE FROM THE STATE UNDER THE AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM OR THE FAMILY INVESTMENT PROGRAM FOR AT LEAST 18 OF THE LAST 48 MONTHS, WHETHER CONSECUTIVE OR NOT CONSECUTIVE, AND HAS BEEN EMPLOYED FOR A FULL YEAR BY A BUSINESS ENTITY CLAIMING THE CREDIT, THE CREDIT ALLOWED UNDER THIS SECTION IS AN AMOUNT EQUAL TO 40% OF UP TO THE FIRST \$10,000 IN WAGES PAID TO THE QUALIFIED EMPLOYMENT OPPORTUNITY EMPLOYEE DURING THE FIRST YEAR OF EMPLOYMENT.

(D) FOR EACH TAXABLE YEAR, FOR CHILD CARE PROVIDED OR PAID FOR BY A BUSINESS ENTITY FOR THE CHILDREN OF A QUALIFIED EMPLOYMENT OPPORTUNITY EMPLOYEE OF THE BUSINESS ENTITY OR FOR TRANSPORTATION EXPENSES, A CREDIT IS ALLOWED IN AN AMOUNT EQUAL TO:

(1) UP TO \$600 OF THE QUALIFIED CHILD CARE OR TRANSPORTATION EXPENSES INCURRED FOR EACH QUALIFIED EMPLOYMENT OPPORTUNITY EMPLOYEE DURING THE FIRST YEAR OF EMPLOYMENT; AND

(2) UP TO \$500 OF THE QUALIFIED CHILD CARE OR TRANSPORTATION EXPENSES INCURRED FOR EACH QUALIFIED EMPLOYMENT OPPORTUNITY EMPLOYEE DURING THE SECOND YEAR OF EMPLOYMENT.

(E) (1) A BUSINESS ENTITY MAY NOT CLAIM THE CREDIT UNDER THIS SECTION FOR AN EMPLOYEE:

(I) WHO IS HIRED TO REPLACE A LAID-OFF EMPLOYEE OR TO REPLACE AN EMPLOYEE WHO IS ON STRIKE; OR

(II) FOR WHOM THE BUSINESS ENTITY SIMULTANEOUSLY RECEIVES FEDERAL OR STATE EMPLOYMENT TRAINING BENEFITS.

(2) A BUSINESS ENTITY MAY NOT CLAIM THE CREDIT UNDER THIS SECTION UNTIL IT HAS NOTIFIED THE APPROPRIATE GOVERNMENT AGENCY THAT THE QUALIFIED EMPLOYMENT OPPORTUNITY EMPLOYEE HAS BEEN HIRED.

(3) A BUSINESS ENTITY MAY CLAIM A CREDIT IN THE AMOUNT PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION FOR AN EMPLOYEE WHOSE EMPLOYMENT LASTS LESS THAN 1 YEAR IF THE EMPLOYEE:

(I) VOLUNTARILY TERMINATES EMPLOYMENT WITH THE EMPLOYER;

(II) IS UNABLE TO CONTINUE EMPLOYMENT DUE TO DEATH OR A DISABILITY; OR

(III) IS TERMINATED FOR CAUSE.

(4) (I) IF A BUSINESS ENTITY IS ENTITLED TO A TAX CREDIT UNDER SUBSECTION (C)(1) OF THIS SECTION FOR AN EMPLOYEE WHO IS EMPLOYED FOR LESS THAN 1 YEAR BECAUSE THE EMPLOYEE VOLUNTARILY TERMINATES EMPLOYMENT WITH THE EMPLOYER TO TAKE ANOTHER JOB, THE BUSINESS ENTITY MAY CLAIM A TAX CREDIT OF 30% OF UP TO THE FIRST \$6,000 OF THE WAGES PAID TO THE EMPLOYEE DURING THE COURSE OF EMPLOYMENT.

(II) IF A BUSINESS ENTITY IS ENTITLED TO A TAX CREDIT UNDER SUBSECTION (C)(1) OF THIS SECTION FOR AN EMPLOYEE WHO IS EMPLOYED FOR LESS THAN 1 YEAR FOR A REASON OTHER THAN THAT DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE AMOUNT OF THE CREDIT SHALL BE REDUCED BY THE PROPORTION OF A YEAR THAT THE EMPLOYEE DID NOT WORK.

(F) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE BUSINESS ENTITY FOR THAT TAXABLE YEAR, A BUSINESS ENTITY MAY APPLY THE EXCESS AS A CREDIT FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

(1) THE FULL AMOUNT OF THE EXCESS IS USED; OR

(2) THE EXPIRATION OF THE FIFTH TAXABLE YEAR AFTER THE TAXABLE YEAR IN WHICH THE WAGES OR QUALIFIED CHILD CARE OR TRANSPORTATION EXPENSES FOR WHICH THE CREDIT IS CLAIMED ARE PAID.

(G) IF A CREDIT IS CLAIMED UNDER THIS SECTION, THE CLAIMANT MUST MAKE THE ADDITION REQUIRED IN § 10-205 OR § 10-306 OF THIS ARTICLE.

(H) THE COMPTROLLER IN COOPERATION WITH THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION AND THE DEPARTMENT OF HUMAN RESOURCES SHALL ADMINISTER THE CREDIT UNDER THIS SECTION.

(I) THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION, THE DEPARTMENT OF HUMAN RESOURCES, AND THE COMPTROLLER SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY BEFORE JANUARY 15 OF EACH YEAR ON:

(1) MARKETING ACTIVITIES;

(2) THE COORDINATION OF INTERAGENCY ACTIVITIES;

(3) THE NUMBER OF BUSINESS ENTITIES WHO HIRED EMPLOYMENT OPPORTUNITY EMPLOYEES DURING THE PRECEDING YEAR, INCLUDING A SEPARATE ACCOUNT OF THE NUMBER OF ORGANIZATIONS THAT ARE EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE;

(4) THE NUMBER OF EMPLOYMENT OPPORTUNITY EMPLOYEES:

(I) HIRED IN EACH BUSINESS SECTOR FOR THE PRECEDING YEAR; AND

(II) HIRED DURING THE PRECEDING YEAR AND EMPLOYED FOR LESS THAN 1 YEAR;

(5) A SUMMARY OF THE WAGES PAID TO EMPLOYMENT OPPORTUNITY EMPLOYEES FOR THE PRECEDING YEAR;

(6) THE TOTAL NUMBER AND AMOUNT OF JOB CERTIFICATIONS ISSUED AND CREDITS CLAIMED DURING THE PRECEDING YEAR AS WELL AS THE NUMBER AND AMOUNT OF JOB CERTIFICATIONS ISSUED AND CREDITS CLAIMED DURING THE PRECEDING YEAR FOR EMPLOYMENT OPPORTUNITY EMPLOYEES ELIGIBLE FOR THE CREDIT GRANTED UNDER SUBSECTION (C)(2) OF THIS SECTION;

(7) THE NUMBER AND AMOUNT OF CREDITS CLAIMED FOR CHILD CARE OR TRANSPORTATION EXPENSES INCURRED, INCLUDING A SUMMARY OF THE TYPES OF TRANSPORTATION EXPENSES INCURRED BY BUSINESS ENTITIES; AND

(8) THE NUMBER OF EMPLOYMENT OPPORTUNITY EMPLOYEES EMPLOYED FOR:

- (I) MORE THAN 1 YEAR BUT LESS THAN 2 YEARS;**
- (II) MORE THAN 2 YEARS BUT LESS THAN 3 YEARS; AND**
- (III) 3 YEARS OR MORE.**

[(a)] (J) An individual or a corporation may claim a credit against the income tax for wages paid to qualified employment opportunity employees and for child care provided or paid for by a business entity for the children of a qualified employment opportunity employee or transportation expenses as provided under [Article 88A, § 54 of the Code] **SUBSECTIONS (A) THROUGH (H) OF THIS SECTION.**

[(b)] (K) (1) An organization that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code may apply the credit under this section:

(i) as a credit against income tax due on unrelated business taxable income as provided under §§ 10-304 and 10-812 of this title; or

(ii) as a credit for the payment to the Comptroller of taxes that the organization:

1. is required to withhold from the wages of employees under § 10-908 of this title; and

2. is required to pay to the Comptroller under § 10-906(a) of this title.

(2) If the credit allowed under this subsection in any taxable year exceeds the sum of the State income tax otherwise payable by the organization for that taxable year and the taxes that the organization has withheld from the wages of employees and is required to pay to the Comptroller under § 10-906(a) of this title for the taxable year, the organization may apply the excess as a credit under paragraph (1)(i) or (ii) of this subsection in succeeding taxable years for the carryforward period provided in [Article 88A, § 54 of the Code] **SUBSECTION (F) OF THIS SECTION.**

(3) The Comptroller shall adopt regulations to provide procedures for claiming and applying credits authorized under paragraph (1)(ii) of this subsection.

SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Insurance

6-105.1.

An insurer may claim a credit against the premium tax payable under this subtitle for wages paid to a qualified employment opportunity employee and for child care provided or paid by the insurer for the children of a qualified employment opportunity employee or transportation expenses as provided under [Article 88A, § 54 of the Code] **§ 10-704.3 OF THE TAX - GENERAL ARTICLE.**

Article - Tax - General

8-410.

A public service company may claim a credit against the public service company franchise tax for wages paid to qualified employment opportunity employees and for child care provided or paid for by a business entity for the children of a qualified employment opportunity employee or transportation expenses as provided under [Article 88A, § 54 of the Code] **§ 10-704.3 OF ~~THE~~ THIS ARTICLE.**

Chapter 492 of the Acts of 1995, as amended by Chapter 10 of the Acts of 1996, Chapters 598 and 599 of the Acts of 1998, Chapter 448 of the Acts of 2000, Chapter 454 of the Acts of 2003, and Chapter 394 of the Acts of 2006

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1995, and shall be applicable to all taxable years beginning after December 31, 1994 but before January 1, [2010] **2011**; provided, however, that the tax credit under [Article 88A, § 54 of the Code] **§ 10-704.3 OF THE TAX - GENERAL ARTICLE,** as

enacted under Section 1 of this Act, shall be allowed only for employees hired on or after June 1, 1995 but before July 1, [2007] **2008**; and provided further that any excess credits under [Article 88A, § 54 of the Code] **§ 10-704.3 OF THE TAX – GENERAL ARTICLE** may be carried forward and, subject to the limitations under [Article 88A, § 54 of the Code] **§ 10-704.3 OF THE TAX – GENERAL ARTICLE**, may be applied as a credit for taxable years beginning on or after January 1, [2010] **2011**. Except as otherwise provided in this Section, this Act shall remain in effect for a period of [12] **13** years and at the end of June 30, [2007] **2008**, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Chapter 112 of the Acts of 1997, as amended by Chapter 614 of the Acts of 1998, Chapter 448 of the Acts of 2000, Chapter 454 of the Acts of 2003, and Chapter 394 of the Acts of 2006

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall be applicable to all taxable years beginning after December 31, 1996 but before January 1, [2010] **2011**; provided, however, that the tax credit under § 21-309 of the Education Article, as enacted under Section 1 of this Act, shall be allowed only for employees hired on or after October 1, 1997 but before July 1, [2007] **2008**; and provided further that any excess credits under § 21-309 of the Education Article may be carried forward and, subject to the limitations under § 21-309 of the Education Article, may be applied as a credit for taxable years beginning on or after January 1, [2010] **2011**.

SECTION 6. AND BE IT FURTHER ENACTED, That, subject to the provisions of Section 4 of this Act, this Act shall take effect October 1, 1997. It shall remain in effect for a period of [9] **10** years and 9 months and at the end of June 30, [2007] **2008**, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Chapter 113 of the Acts of 1997, as amended by Chapter 614 of the Acts of 1998, Chapter 448 of the Acts of 2000, Chapter 454 of the Acts of 2003, and Chapter 394 of the Acts of 2006

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall be applicable to all taxable years beginning after December 31, 1996 but before January 1, [2010] **2011**; provided, however, that the tax credit under § 21-309 of the Education Article, as enacted under Section 1 of this Act, shall be allowed only for employees hired on or after October 1, 1997 but before July 1, [2007] **2008**; and provided further that any excess credits under § 21-309 of the Education Article may be carried forward and, subject to the limitations under § 21-309 of the Education Article, may be applied as a credit for taxable years beginning on or after January 1, [2010] **2011**.

SECTION 6. AND BE IT FURTHER ENACTED, That, subject to the provisions of Section 4 of this Act, this Act shall take effect October 1, 1997. It shall remain in effect for a period of [9] 10 years and 9 months and at the end of June 30, [2007] 2008, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007. Section 3 of this Act shall remain effective until the taking effect of the termination provision in Section 3 of Chapter 492 of the Acts of the General Assembly of 1995. If that termination provision takes effect, Section 3 of this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 8, 2007.

CHAPTER 371

(Senate Bill 1036)

AN ACT concerning

Anne Arundel County - Alcoholic Beverages - Immediate Suspension of Licenses

FOR the purpose of authorizing the Board of License Commissioners for Anne Arundel County to suspend a license immediately ~~for a violation of the alcoholic beverages law~~ if a certain person alleges that the licensee has sold or furnished alcoholic beverages to a person under a certain age under certain circumstances; requiring that the suspension be in effect not longer than a certain amount of time; ~~specifying that an appeal does not stay the order of the Board suspending a license~~ requiring the Board to hold a hearing and give notice within a certain time; requiring that the licensee be allowed to resume the sale of alcoholic beverages under certain circumstances; specifying that this Act does not prevent a licensee from seeking certain relief; making certain technical and stylistic changes; making this Act an emergency measure; and generally relating to the Board of License Commissioners for Anne Arundel County.

BY repealing and reenacting, without amendments,
Article 2B - Alcoholic Beverages
Section 10-401(a)(2), 12-108(a), and 16-405
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Article 2B – Alcoholic Beverages
Section 10–401(a)(3), 10–403(a), and 15–112(c)(1)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

BY adding to
Article 2B – Alcoholic Beverages
Section 15–112(c)(6)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article 2B – Alcoholic Beverages

10–401.

(a) (2) Any license or permit issued under the provisions of this article may be revoked or suspended by the issuing authority for any cause which in the judgment of the official, court or board, is necessary to promote the peace or safety of the community in which the place of business is situated.

(3) The license or permit must be revoked or suspended, except as provided in § 10–402 of this subtitle **OR § 15–112(C)(6) OR (P) OF THIS ARTICLE**, for the following causes:

(i) Conviction of the licensee or permittee for violation of any of the provisions of the Tax – General Article that relate to the alcoholic beverage tax or the provisions of this article;

(ii) Willful failure or refusal of any licensee or permittee to comply with the provisions of the Tax – General Article that relate to the alcoholic beverage tax or any provisions of this article, or any rule or regulation that may be adopted in pursuance of this article or the provisions of the Tax – General Article that relate to the alcoholic beverage tax;

(iii) Making of any material false statement in any application for a license or permit;

(iv) Two or more convictions of one or more of the clerks, agents, employees and servants of a licensee or permittee under the provisions of this article or the provisions of the Tax – General Article that relate to the alcoholic beverage tax

of any violation on the premises subject to the license or permit, within a period of two years;

(v) Possession upon the premises of any retail dealer other than the holder of a Class E, Class F or Class G license of any alcoholic beverage upon which the tax imposed by § 5-102 of the Tax – General Article has not been paid;

(vi) Violation of the provisions of § 12-104 of this article;

(vii) Willful failure of any licensee or permittee to keep the records required by this article or the provisions of the Tax – General Article that relate to the alcoholic beverage tax or to allow any inspections of such records by a duly authorized person;

(viii) Possession of any alcoholic beverage which any licensee or permittee other than the holder of a Class E, Class F or Class G license is not licensed to sell;

(ix) Suspension or revocation of a permit issued to any licensee or permittee by the Federal Bureau of Alcohol, Tobacco and Firearms or for conviction of violating any federal laws relating to alcoholic beverages; and

(x) Failure to furnish bond as required by this article within fifteen days after notice from the Comptroller.

10-403.

(a) **(1)** The Comptroller or the Board of License Commissioners for any county or Baltimore City, as the case may be, may on its own initiative or upon the written complaint of ten or more citizens, residents, real estate owners and voters of the precinct in which any licensed place of business is situated or upon the complaint of any deputy or inspector employed by the Comptroller in the administration of this law, or any peace officer, or if the licensee is located within the corporate limits of any municipality, which is within a county, upon complaint of the mayor and council of that municipality, after a hearing upon charges to be framed by the officer or Board, or upon the complaint, notice of which shall be given to the licensee at least ten days before the hearing, revoke or suspend any license issued under the provisions of this article.

(2) Nothing contained in this section shall prevent the immediate suspension of any license by:

(I) [the] **THE** Comptroller [as provided,];

(II) THE BOARD OF LICENSE COMMISSIONERS FOR ANNE ARUNDEL COUNTY, UNDER § 15-112 (C)(6) OF THIS ARTICLE; OR

(III) [nor in] **THE BOARD OF LICENSE COMMISSIONERS OF Kent County**, [the remedies provided in] **UNDER § 15-112(p)** of this article.

12-108.

(a) (1) A licensee licensed under this article, or any employee of the licensee, may not sell or furnish any alcoholic beverages at any time to a person under 21 years of age:

(i) For the underage person's own use or for the use of any other person; or

(ii) To any person who, at the time of the sale, or delivery, is visibly under the influence of any alcoholic beverage.

(2) Any licensee or any employee of the licensee who is charged with a violation of this subsection shall receive a summons to appear in court on a certain day to answer the charges placed against that person. The person charged may not be required to post bail bond pending trial in any court of this State.

(3) (i) A licensee or employee of the licensee violating any of the provisions of this subsection is guilty of a misdemeanor and, upon conviction, suffers the penalties provided by § 16-503 of this article.

(ii) A licensee or employee of the licensee who is charged with selling or furnishing any alcoholic beverages to a person under 21 years of age may not be found guilty of a violation of this subsection, if the person establishes to the satisfaction of the jury or the court sitting as a jury that the person used due caution to establish that the person under 21 years of age was not, in fact, a person under 21 years of age if a nonresident of the State.

(iii) The licensee or employee of the licensee may accept, as proof of a person's age:

1. If the person is a resident of the State, the person's driver's license or identification card as provided for in the Maryland Vehicle Law; or

2. A United States military identification card.

(iv) Except as otherwise provided in this section, if any licensee or employee of the licensee is found not guilty, or placed on probation without a verdict, of any alleged violation of this subsection, this finding operates as a complete bar to any proceeding by any alcoholic beverage law enforcement or licensing authorities against the licensee on account of the alleged violation.

15-112.

(c) (1) (I) This subsection applies only in Anne Arundel County.

(II) Except for paragraph (2) of this subsection, it does not apply in the City of Annapolis.

~~(6) (I) THE BOARD OF LICENSE COMMISSIONERS MAY SUSPEND IMMEDIATELY AN ALCOHOLIC BEVERAGES LICENSE FOR ANY VIOLATION OF THIS ARTICLE, FOR NOT LESS THAN 15 DAYS AND NOT EXCEEDING 90 DAYS.~~

~~(II) AN APPEAL DOES NOT STAY THE ORDER OF THE BOARD SUSPENDING A LICENSE. IF A PERSON AUTHORIZED UNDER § 16-405 OF THIS ARTICLE ALLEGES THAT THE LICENSEE HAS SOLD OR FURNISHED ALCOHOLIC BEVERAGES TO A PERSON UNDER THE AGE OF 21 YEARS WITH SUCH FREQUENCY AND DURING SUCH A LIMITED TIME PERIOD SO AS TO DEMONSTRATE A WILLFUL FAILURE TO COMPLY WITH § 12-108(A) OF THIS ARTICLE.~~

(II) A SUSPENSION UNDER THIS PARAGRAPH MAY NOT EXCEED 7 DAYS.

(III) IF A LICENSE IS SUSPENDED UNDER THIS PARAGRAPH, THE BOARD SHALL:

1. HOLD A HEARING ON THE MATTER WITHIN 7 DAYS AFTER THE SUSPENSION; AND

2. GIVE NOTICE TO THE LICENSEE AT LEAST 2 DAYS BEFORE THE HEARING.

(IV) IF THE BOARD FAILS TO PROVIDE THE LICENSEE WITH NOTICE OF A HEARING BEFORE THE END OF THE FIFTH DAY FOLLOWING A SUSPENSION, THE SUSPENSION SHALL END, AND THE LICENSEE SHALL BE ALLOWED TO RESUME THE SALE OF ALCOHOLIC BEVERAGES ON THE NEXT DAY ALLOWED UNDER THE LICENSE.

(V) THIS PARAGRAPH DOES NOT PREVENT A LICENSEE WHOSE LICENSE IS SUSPENDED UNDER THIS PARAGRAPH FROM SEEKING AN INJUNCTION OR OTHER APPROPRIATE RELIEF.

16-405.

The Comptroller, his duly authorized deputies, inspectors and clerks, the board of license commissioners of the county or the city in which the place of business is located, its duly authorized agents and employees, and any peace officer of such county or city, or any of them, shall be fully authorized to inspect and search, without warrant, at all hours, any building, vehicle and premises in which any alcoholic beverages are authorized to be kept, transported, manufactured or sold under a license or permit issued under the provisions of this article, and any evidence discovered during any such inspections shall be admissible in any prosecution for the violation of the provisions of this or any other article, or upon any hearing for revocation, suspension or restriction of the license or permit. Any alcoholic beverages taken as evidence shall be returned to the license or permit holder if he be adjudged not guilty; otherwise it shall be sold to license holders, turned over to State institutions for medicinal use or destroyed. Receipts from such sales shall be credited to the general fund account of the State, county or Baltimore City as the case may be.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, May 8, 2007.

CHAPTER 372

(House Bill 13)

AN ACT concerning

Somerset County – County Commissioners and Members of the County Roads Board – Salaries

FOR the purpose of increasing the salaries of the County Commissioners for Somerset County and the members of the County Roads Board of Somerset County; establishing a salary for the President of the County Commissioners for Somerset County and the President of the County Roads Board; providing that this Act does not apply to the salary or compensation of the incumbent County Commissioners, President of the County Commissioners, members of the County Roads Board, or President of the County Roads Board; and generally relating to the salaries of the County Commissioners for Somerset County, the

President of the County Commissioners for Somerset County, members of the County Roads Board of Somerset County, and the President of the County Roads Board of Somerset County.

BY repealing and reenacting, with amendments,
The Public Local Laws of Somerset County
Section 2-101 and 9-104(a)
Article 20 – Public Local Laws of Maryland
(2003 Edition and 2006 Supplement, as amended)

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

Article 20 – Somerset County

2-101.

(a) There are 5 County Commissioners for Somerset County, who hold office for 4 years and until their successors are elected and qualified.

(b) [Each Commissioner shall receive an annual salary of \$6,000.]

(1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, EACH COMMISSIONER SHALL RECEIVE AN ANNUAL SALARY OF \$7,500.

(2) THE PRESIDENT OF THE COUNTY COMMISSIONERS SHALL RECEIVE AN ANNUAL SALARY OF \$8,500.

(c) Each Commissioner may receive reimbursement of no more than \$2,500 a year for food and mileage expenses for any official duties. The County Commissioner shall submit a reimbursement voucher for each excursion, signed by 3 of the 5 Commissioners.

9-104.

(a) **(1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE** members of the County Roads Board shall each receive, in addition to their compensation as County Commissioners, a salary of [~~\$6,000~~] **\$7,500** annually as a member of the County Roads Board.

(2) THE PRESIDENT OF THE COUNTY ROADS BOARD SHALL RECEIVE, IN ADDITION TO COMPENSATION RECEIVED AS PRESIDENT OF THE COUNTY COMMISSIONERS, AN ANNUAL SALARY OF \$8,500.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the County Commissioners for Somerset County, the President of the County Commissioners for Somerset County, members of the County Roads Board of Somerset County, or the President of the County Roads Board of Somerset County in office on the effective date of this Act, but the provisions of this Act concerning the salary or compensation of the County Commissioners for Somerset County, the President of the County Commissioners for Somerset County, members of the County Roads Board of Somerset County, or the President of the County Roads Board of Somerset County shall take effect at the beginning of the next following term of office.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 373

(House Bill 19)

AN ACT concerning

Task Force to Implement Holocaust, Genocide, Human Rights, and Tolerance Education - Membership

FOR the purpose of altering the membership of the Task Force to Implement Holocaust, Genocide, Human Rights, and Tolerance Education ~~to authorize certain individuals to appoint certain former members of the Senate of Maryland and the House of Delegates, respectively, as members of the Task Force; and generally relating to the Task Force to Implement Holocaust, Genocide, Human Rights, and Tolerance Education.~~

BY repealing and reenacting, with amendments,
Chapter 483 of the Acts of the General Assembly of 2005
Section 1

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

Chapter 483 of the Acts of 2005

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) There is a Task Force to Implement Holocaust, Genocide, Human Rights, and Tolerance Education in the State.

(b) (1) The Task Force consists of the following members:

(i) ~~two members~~ ONE MEMBER of the Senate of Maryland ~~THE FOLLOWING MEMBERS~~, appointed by the President of the Senate: ;

~~1. ONE MEMBER OF THE SENATE OF MARYLAND;~~

AND

~~2. ONE FORMER MEMBER OF THE SENATE OF MARYLAND;~~

(ii) ~~two members~~ ONE MEMBER of the House of Delegates ~~THE FOLLOWING MEMBERS~~, appointed by the Speaker of the House: ;

~~1. ONE MEMBER OF THE HOUSE OF DELEGATES;~~

AND

~~2. ONE FORMER MEMBER OF THE HOUSE OF DELEGATES;~~

(iii) the Secretary of the Maryland Higher Education Commission, or the Secretary's designee;

(iv) the Chancellor of the University System of Maryland, or the Chancellor's designee;

(v) the State Superintendent of Schools, or the Superintendent's designee; and

(vi) the following members, appointed by the Governor:

1. one professor of sociology at the University System of Maryland; and

2. ~~five~~ SEVEN members of the public who are residents of the State, with preference given to:

A. individuals who have served prominently as spokespersons for or as leaders of organizations serving members of religious, ethnic, national heritage, or social groups that were subject to genocide, torture, wrongful deprivation of liberty or property, officially imposed or sanctioned violence, or other forms of human rights violations and persecution;

B. individuals who are involved in activities to enhance the public's awareness of the Holocaust and genocide or who have demonstrated an interest or involvement in the study of the Holocaust or genocide; and

C. representatives of the academic community with specialized knowledge of the Holocaust or genocide studies.

(2) The members of the Task Force shall be residents of the State.

(c) The Governor shall designate the chair of the Task Force.

(d) The University System of Maryland shall provide staff for the Task Force.

(e) A member of the Task Force:

(1) may not receive compensation; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) (1) The Task Force shall advise the University System of Maryland regarding the establishment of a pilot program at a campus chosen by the Board of Regents that creates a Center for Excellence on the Study of the Holocaust, Genocide, Human Rights, and Tolerance that promotes education regarding the Holocaust, genocide, human rights, and tolerance.

(2) The Task Force may examine:

(i) current course offerings on the subjects of the Holocaust, genocide, human rights, and tolerance at constituent institutions of the University System of Maryland;

(ii) academic approaches taken in other states for the effective teaching of the Holocaust, genocide, human rights, and tolerance;

(iii) national best practices regarding training activities and exercises for public school teachers to effectively teach about the Holocaust, genocide, human rights, and tolerance; and

(iv) possible sources of funds to establish and sustain a Center for Excellence on the Study of the Holocaust, Genocide, Human Rights, and Tolerance.

(3) The Task Force may not make recommendations regarding mandatory course content or curricular materials for the University System of Maryland or public schools.

(g) The Task Force shall submit to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly:

- (1) an interim report on or before March 1, 2007; and
- (2) a final report on or before September 1, 2008.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 374

(House Bill 62)

AN ACT concerning

Dorchester County – Alcoholic Beverages – Class D License

FOR the purpose of authorizing the Board of License Commissioners of Dorchester County to issue a Class D (on-sale) beer, wine and liquor license; specifying a license fee; specifying that the license is for a certain period; requiring that alcoholic beverages sold under the license be consumed only on the licensed premises; prohibiting an individual under a certain age from being on the licensed premises; providing that only the Board may decide the number of Class D licenses to be issued; requiring the Board to determine whether the premises for which a Class D license is issued meets certain requirements; requiring the Board to adopt certain regulations; and generally relating to alcoholic beverages licenses in Dorchester County.

BY repealing and reenacting, with amendments,
Article 2B – Alcoholic Beverages
Section 6-401(k)

Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, without amendments,
Article 2B – Alcoholic Beverages
Section 9–210
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article 2B – Alcoholic Beverages

6–401.

(k) (1) This [section does not apply] **SUBSECTION APPLIES ONLY** in Dorchester County.

(2) **THE BOARD OF LICENSE COMMISSIONERS MAY ISSUE A CLASS D (ON-SALE) BEER, WINE AND LIQUOR LICENSE.**

(3) **THE ANNUAL LICENSE FEE IS \$1,500.**

(4) **A LICENSE ISSUED UNDER THIS SUBSECTION IS A ~~7-DAY~~ 7-DAY LICENSE.**

(5) **ALCOHOLIC BEVERAGES SOLD UNDER THIS SUBSECTION MAY BE CONSUMED ONLY ON THE LICENSED PREMISES.**

(6) **AN INDIVIDUAL WHO IS UNDER THE AGE OF 21 YEARS MAY NOT BE ON THE LICENSED PREMISES.**

(7) **IN ACCORDANCE WITH § 9–201 OF THIS ARTICLE, ONLY THE BOARD OF LICENSE COMMISSIONERS MAY DECIDE THE NUMBER OF CLASS D LICENSES TO BE ISSUED.**

(8) **THE BOARD OF LICENSE COMMISSIONERS SHALL:**

(i) **DETERMINE WHETHER THE PREMISES FOR WHICH A CLASS D LICENSE IS ISSUED MEETS THE REQUIREMENTS OF § 9–210 OF THIS ARTICLE; AND**

(ii) **ADOPT REGULATIONS TO CARRY OUT THIS SUBSECTION.**

9-210.

(a) Except as provided in subsection (b) of this section, in Dorchester County, a new license may not be granted to sell any alcoholic beverage on any premises located within 300 feet of a church or public school.

(b) Subsection (a) of this section does not apply to the granting of a license for a premises located within the restricted distance if a license to sell alcoholic beverages on the premises existed as of October 1, 1996.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 375

(House Bill 65)

AN ACT concerning

Dorchester County - Alcoholic Beverages - Issuance of Additional Class A Beer Licenses

FOR the purpose of ~~adding~~ repealing in Dorchester County ~~a certain type of certain~~ limitations on the types of certain alcoholic beverages ~~license to the types of~~ licenses that entitle premises to be issued additional Class A beer licenses; authorizing the Board of License Commissioners of Dorchester County to limit the number of additional Class A beer licenses that it issues; and generally relating to alcoholic beverages licenses in Dorchester County.

BY repealing and reenacting, with amendments,
Article 2B - Alcoholic Beverages
Section 9-102(b-6)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article 2B - Alcoholic Beverages

9-102.

(b-6) ~~(1)~~ **(1)** Notwithstanding any other provision of this section, in Dorchester County an additional Class A beer license may be issued for any premises licensed under a Class B [beer license], ~~CLASS C~~, or Class D [beer license or beer, wine and liquor] license.

~~(1)~~ **(2)** **THE BOARD OF LICENSE COMMISSIONERS OF DORCHESTER COUNTY MAY LIMIT THE NUMBER OF ADDITIONAL CLASS A BEER LICENSES THAT IT ISSUES PURSUANT TO THE REQUIREMENTS OF § 9-102 OF THIS ARTICLE.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 376

(House Bill 80)

AN ACT concerning

**Wicomico County – Alcoholic Beverages – Minimum Seating Capacity for
Licensed Restaurants**

FOR the purpose of lowering the minimum seating capacity requirement for restaurants in Wicomico County for which a Class B beer, wine and liquor license is issued; and generally relating to alcoholic beverages licenses in Wicomico County.

BY repealing and reenacting, without amendments,
 Article 2B – Alcoholic Beverages
 Section 6-201(a)(1) and (x)(1)
 Annotated Code of Maryland
 (2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
 Article 2B – Alcoholic Beverages
 Section 6-201(x)(2)(iv)1.C.

Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article 2B - Alcoholic Beverages

6-201.

(a) (1) A Class B beer, wine and liquor license shall be issued by the license issuing authority of the county in which the place of business is located, and the license authorizes its holder to keep for sale and sell all alcoholic beverages at retail at any hotel or restaurant at the place described, for consumption on the premises or elsewhere, or as provided in this section.

(x) (1) This subsection applies only in Wicomico County.

(2) (iv) 1. This license may be issued only to a restaurant that:

C. Has a regular seating capacity at tables (not including seats at bars or counters) for [75] **40** or more persons seated comfortably and adequately and shall meet the minimum requirements of the fire code applicable to the jurisdiction where the restaurant is located; and

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 377

(House Bill 119)

AN ACT concerning

Health - Laboratory Examination Reports - Invasive Diseases

FOR the purpose of adding certain invasive diseases to the list of invasive diseases that a medical laboratory director must report to a certain county health officer; requiring the Department of Health and Mental Hygiene to provide a certain report to certain committees of the General Assembly on or before a certain

date; providing for the termination of this Act; and generally relating to reportable invasive diseases by laboratories.

BY repealing and reenacting, without amendments,
Article – Health – General
Section 18–205(a) and (b)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Article – Health – General
Section 18–205(c)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article – Health – General

18–205.

(a) In this section, “invasive disease” means a disease in which an organism is detected in a specimen taken from a normally sterile body site.

(b) (1) The director of a medical laboratory located in this State shall submit a report to the health officer for the county where the laboratory is located within 48 hours after an examination of a human specimen shows evidence of any disease or condition listed in subsection (c) of this section.

(2) The director of a medical laboratory located outside of this State that performs a medical laboratory test on a human specimen acquired from a person in this State shall submit a report to the Secretary within 48 hours after an examination of that specimen shows evidence of any disease or condition listed in subsection (c) of this section.

(c) The diseases or conditions reportable by a medical laboratory director under this section are:

(1) Amoebiasis.

(2) ANAPLASMOSIS.

[(2)] (3) Anthrax.

- [(3)] (4) Arbovirus infection (all types).
- (5) **BABESIOSIS.**
- [(4)] (6) Bacteremia in newborns.
- ~~(7)~~ **~~BARTONELLOSIS.~~**
- [(5)] ~~(8)~~ (7) Botulism.
- [(6)] ~~(9)~~ (8) Brucellosis.
- [(7)] ~~(10)~~ (9) Campylobacter infection.
- [(8)] ~~(11)~~ (10) CD 4+ count, if less than 200/MM3.
- [(9)] ~~(12)~~ (11) Chlamydia infection.
- [(10)] ~~(13)~~ (12) Cholera.
- [(11)] ~~(14)~~ (13) Coccidioidomycosis.
- [(12)] ~~(15)~~ (14) Creutzfeldt–Jakob Disease.
- [(13)] ~~(16)~~ (15) Cryptosporidiosis.
- [(14)] ~~(17)~~ (16) Cyclosporiasis.
- [(15)] ~~(18)~~ (17) Dengue fever.
- [(16)] ~~(19)~~ (18) Diphtheria.
- [(17)] ~~(20)~~ (19) Ehrlichiosis.
- [(18)] ~~(21)~~ (20) Encephalitis, infectious.
- [(19)] ~~(22)~~ (21) E. Coli 0157:H7 infection.
- [(20)] ~~(23)~~ (22) Giardiasis.
- [(21)] ~~(24)~~ (23) Gonorrhea.
- [(22)] ~~(25)~~ (24) Haemophilus influenzae, invasive disease.

- [(23)] ~~(26)~~ (25) Hansen disease (leprosy).
- [(24)] ~~(27)~~ (26) Hantavirus infection.
- [(25)] ~~(28)~~ (27) Hepatitis, viral, types A, B, C, and other types.
- [(26)] ~~(29)~~ (28) Human immunodeficiency virus infection.
- [(27)] ~~(30)~~ (29) Isosporiasis.
- [(28)] ~~(31)~~ (30) Legionellosis.
- [(29)] ~~(32)~~ (31) Leptospirosis.
- [(30)] ~~(33)~~ (32) Listeriosis.
- [(31)] ~~(34)~~ (33) Lyme disease.
- [(32)] ~~(35)~~ (34) Malaria.
- [(33)] ~~(36)~~ (35) Measles.
- [(34)] ~~(37)~~ (36) Meningococcal invasive disease.
- [(35)] ~~(38)~~ (37) Meningitis, infectious.
- [(36)] ~~(39)~~ (38) Microsporidiosis.
- [(37)] ~~(40)~~ (39) Mumps.
- [(38)] ~~(41)~~ (40) Pertussis.
- [(39)] ~~(42)~~ (41) Pesticide related illness.
- [(40)] ~~(43)~~ (42) Plague.
- [(41)] ~~(44)~~ (43) Poliomyelitis.
- [(42)] ~~(45)~~ (44) Psittacosis.
- [(43)] ~~(46)~~ (45) Q fever.
- [(44)] ~~(47)~~ (46) Rabies.

- [(45)] ~~(48)~~ (47) Ricin toxin.
- [(46)] ~~(49)~~ (48) Rocky Mountain spotted fever.
- [(47)] ~~(50)~~ (49) Rubella and congenital rubella syndrome.
- [(48)] ~~(51)~~ (50) Salmonellosis (nontyphoid fever types).
- [(49)] ~~(52)~~ (51) Severe acute respiratory syndrome.
- [(50)] ~~(53)~~ (52) Shiga-like toxin production.
- [(51)] ~~(54)~~ (53) Shigellosis.
- [(52)] ~~(55)~~ (54) Smallpox and other orthopox viruses.
- ~~(56) SOUTHERN TICK ASSOCIATED RASH ILLNESS.~~
- [(53)] ~~(57)~~ (55) Staphylococcal enterotoxin.
- [(54)] ~~(58)~~ (56) Streptococcal invasive disease, group A.
- [(55)] ~~(59)~~ (57) Streptococcal invasive disease, group B.
- [(56)] ~~(60)~~ (58) Streptococcus pneumoniae, invasive disease.
- [(57)] ~~(61)~~ (59) Syphilis.
- [(58)] ~~(62)~~ (60) Trichinosis.
- [(59)] ~~(63)~~ (61) Tuberculosis.
- [(60)] ~~(64)~~ (62) Tularemia.
- [(61)] ~~(65)~~ (63) Typhoid fever.
- [(62)] ~~(66)~~ (64) Varicella (chickenpox), fatal cases only.
- [(63)] ~~(67)~~ (65) Vibriosis, noncholera.
- [(64)] ~~(68)~~ (66) Viral hemorrhagic fevers (all types).
- [(65)] ~~(69)~~ (67) Yellow fever.

[(66)] ~~(70)~~ **(68)** Yersiniosis.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) the Department of Health and Mental Hygiene shall pursue epidemiologic follow-up and laboratory confirmation of anaplasmosis and babesiosis; and

(b) on or before January 1, 2010, the Department shall report to the House Health and Government Operations Committee and the Senate Education, Health, and Environmental Affairs Committee, in accordance with § 2-1246 of the State Government Article, on the continued need to monitor and require the reporting of anaplasmosis and babesiosis.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007. It shall remain effective for a period of 3 years and, at the end of September 30, 2010, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 8, 2007.

CHAPTER 378

(House Bill 141)

AN ACT concerning

State Board of Pharmacy – Sending Renewal Notices by Electronic Means

FOR the purpose of ~~authorizing~~ requiring the State Board of Pharmacy, on request, to send renewal notices by electronic means to licensed pharmacists, pharmacy and distribution permit holders, and registered pharmacy technicians; requiring that renewal notices sent by electronic means be sent a certain number of times within a certain period of time and to a certain electronic address; requiring the Board to send a renewal notice by first-class mail if a renewal notice sent by electronic means is returned as undeliverable; making stylistic and clarifying changes; and generally relating to the State Board of Pharmacy sending renewal notices by electronic means.

BY repealing and reenacting, with amendments,

Article – Health Occupations

Section 12-308(b), 12-407(b), 12-602(j)(2), and 12-6B-07(b)

Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article - Health Occupations

12-308.

~~(b) At least 1 month before the license expires, the Board shall send to the licensee, by first class mail OR ELECTRONIC MEANS to the last known address of the licensee, a renewal notice that states:~~

(1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE BOARD SHALL SEND TO EACH LICENSEE, AT LEAST 1 MONTH BEFORE A LICENSE EXPIRES, A RENEWAL NOTICE BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE LICENSEE.

(2) IF REQUESTED BY A LICENSEE, THE BOARD SHALL SEND TO THE LICENSEE, AT LEAST TWO TIMES WITHIN THE MONTH BEFORE A LICENSE EXPIRES, A RENEWAL NOTICE BY ELECTRONIC MEANS TO THE LAST KNOWN ELECTRONIC ADDRESS OF THE LICENSEE.

(3) IF A RENEWAL NOTICE SENT BY ELECTRONIC MEANS UNDER PARAGRAPH (2) OF THIS SUBSECTION IS RETURNED TO THE BOARD AS UNDELIVERABLE, THE BOARD SHALL SEND TO THE LICENSEE A RENEWAL NOTICE BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE LICENSEE.

(4) A RENEWAL NOTICE SENT UNDER THIS SUBSECTION SHALL STATE:

(I) The date on which the current license expires;

~~(2)~~ (II) The date by which the renewal application must be received by the Board for the renewal to be issued and mailed before the license expires; and

~~(3)~~ (III) The amount of the renewal fee.

12-407.

~~(b) On or before November 1 of each year, the Board shall send to each pharmacy permit holder, by first class mail OR ELECTRONIC MEANS to the last known address of the PHARMACY PERMIT holder:~~

~~(1) A pharmacy permit renewal application form for each pharmacy permit held; and~~

~~(2) A renewal notice that states~~

(1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, ON OR BEFORE NOVEMBER 1 OF EACH YEAR, THE BOARD SHALL SEND TO EACH PHARMACY PERMIT HOLDER A RENEWAL NOTICE AND RENEWAL APPLICATION FORM FOR EACH PHARMACY PERMIT BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE PHARMACY PERMIT HOLDER.

(2) IF REQUESTED BY A PHARMACY PERMIT HOLDER, THE BOARD SHALL SEND TO THE PHARMACY PERMIT HOLDER, AT LEAST TWO TIMES WITHIN THE MONTH BEFORE A PHARMACY PERMIT EXPIRES, A RENEWAL NOTICE FOR EACH PHARMACY PERMIT BY ELECTRONIC MEANS TO THE LAST KNOWN ELECTRONIC ADDRESS OF THE PHARMACY PERMIT HOLDER.

(3) IF A RENEWAL NOTICE SENT BY ELECTRONIC MEANS UNDER PARAGRAPH (2) OF THIS SUBSECTION IS RETURNED TO THE BOARD AS UNDELIVERABLE, THE BOARD SHALL SEND TO THE PHARMACY PERMIT HOLDER A RENEWAL NOTICE FOR EACH PHARMACY PERMIT BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE PHARMACY PERMIT HOLDER.

(4) A RENEWAL NOTICE SENT UNDER THIS SUBSECTION SHALL STATE:

(i) The date on which the current pharmacy ~~permits expire~~ **PERMIT EXPIRES;**

(ii) The date by which the renewal ~~applications~~ **APPLICATION** must be received by the Board for the ~~renewals~~ **RENEWAL** to be issued and mailed before the pharmacy ~~permits expire~~ **PERMIT EXPIRES;** and

(iii) The amount of the renewal fee ~~for each pharmacy permit.~~

12-602.

~~(j) (2) At least 1 month before a distribution permit expires, the Board shall send to the distribution permit holder, by first class mail OR ELECTRONIC MEANS to the last known address of the distribution permit holder, a renewal notice that contains a statement of:~~

(i) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE BOARD SHALL SEND TO EACH DISTRIBUTION PERMIT HOLDER, AT LEAST 1 MONTH BEFORE THE DISTRIBUTION PERMIT EXPIRES, A RENEWAL NOTICE BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE DISTRIBUTION PERMIT HOLDER.

(ii) IF REQUESTED BY A DISTRIBUTION PERMIT HOLDER, THE BOARD SHALL SEND TO THE DISTRIBUTION PERMIT HOLDER, AT LEAST TWO TIMES WITHIN THE MONTH BEFORE A DISTRIBUTION PERMIT EXPIRES, A RENEWAL NOTICE BY ELECTRONIC MEANS TO THE LAST KNOWN ELECTRONIC ADDRESS OF THE DISTRIBUTION PERMIT HOLDER.

(iii) IF A RENEWAL NOTICE SENT BY ELECTRONIC MEANS UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH IS RETURNED TO THE BOARD AS UNDELIVERABLE, THE BOARD SHALL SEND TO THE DISTRIBUTION PERMIT HOLDER A RENEWAL NOTICE BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE DISTRIBUTION PERMIT HOLDER.

(iv) A RENEWAL NOTICE SENT UNDER THIS PARAGRAPH SHALL STATE:

1. The date on which the current distribution permit expires;
- ~~(ii)~~ 2. The date by which the renewal application must be received by the Board for the renewal to be issued and mailed before the distribution permit expires; and
- ~~(iii)~~ 3. The amount of the renewal fee.

12-6B-07.

~~(b) At least 1 month before a registration expires, the Board shall send to the registered pharmacy technician, by first class mail OR ELECTRONIC MEANS to the last known address of the registered pharmacy technician, a renewal notice that states:~~

(1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE BOARD SHALL SEND TO EACH REGISTERED PHARMACY TECHNICIAN, AT LEAST 1 MONTH BEFORE A REGISTRATION EXPIRES, A RENEWAL NOTICE BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE REGISTERED PHARMACY TECHNICIAN.

(2) IF REQUESTED BY A REGISTERED PHARMACY TECHNICIAN, THE BOARD SHALL SEND TO THE REGISTERED PHARMACY TECHNICIAN, AT LEAST TWO TIMES WITHIN THE MONTH BEFORE A PHARMACY TECHNICIAN REGISTRATION EXPIRES, A RENEWAL NOTICE BY ELECTRONIC MEANS TO THE LAST KNOWN ELECTRONIC ADDRESS OF THE REGISTERED PHARMACY TECHNICIAN.

(3) IF A RENEWAL NOTICE SENT BY ELECTRONIC MEANS UNDER PARAGRAPH (2) OF THIS SUBSECTION IS RETURNED TO THE BOARD AS UNDELIVERABLE, THE BOARD SHALL SEND THE REGISTERED PHARMACY TECHNICIAN A RENEWAL NOTICE BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE REGISTERED PHARMACY TECHNICIAN.

(4) A RENEWAL NOTICE SENT UNDER THIS SUBSECTION SHALL STATE:

(I) The date on which the CURRENT registration expires;

~~(2)~~ (II) The date by which the renewal application must be received by the Board for the renewal to be issued and mailed before the ~~pharmacy technician's~~ registration expires; and

~~(3)~~ (III) The amount of the renewal fee.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 379

(House Bill 143)

AN ACT concerning

Queen Anne's County - Property Tax Credits - Commercial Investment and Economic Development

FOR the purpose of authorizing the governing body of Queen Anne's County to grant, by law, a property tax credit against the county property tax imposed on certain property owned by certain businesses under certain circumstances; ~~limiting the~~

~~amount~~ providing that the governing body may define, fix, or limit the amount, terms, scope, and duration of a certain property tax credit; providing for the application of this Act; and generally relating to county property tax credits for certain businesses in Queen Anne's County.

BY adding to
Article – Tax – Property
Section 9–319(d)
Annotated Code of Maryland
(2001 Replacement Volume and 2006 Supplement)

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

Article – Tax – Property

9–319.

(D) (1) THE GOVERNING BODY OF QUEEN ANNE’S COUNTY MAY GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY PROPERTY TAX IMPOSED ON REAL PROPERTY OWNED BY A BUSINESS THAT:

(I) MAKES SIGNIFICANT REAL PROPERTY IMPROVEMENTS IN THE COUNTY, INCLUDING CONSTRUCTION, RECONSTRUCTION, REHABILITATION, OR EXPANSION OF A NONRESIDENTIAL STRUCTURE; AND

(II) EMPLOYS AT LEAST 25 NEW ADDITIONAL FULL–TIME EMPLOYEES.

(2) IN EACH YEAR FOLLOWING THE YEAR IN WHICH THE NONRESIDENTIAL REAL PROPERTY IMPROVEMENTS ARE COMPLETED AND ASSESSED, A TAX CREDIT GRANTED UNDER THIS SUBSECTION MAY NOT EXCEED:

(I) 80% OF THE AMOUNT OF THE COUNTY PROPERTY TAX IMPOSED ON THE INCREASED ASSESSMENT IN THE FIRST TAXABLE YEAR;

(II) 60% OF THE AMOUNT OF THE COUNTY PROPERTY TAX IMPOSED ON THE INCREASED ASSESSMENT IN THE SECOND TAXABLE YEAR;

(III) 40% OF THE AMOUNT OF THE COUNTY PROPERTY TAX IMPOSED ON THE INCREASED ASSESSMENT IN THE THIRD TAXABLE YEAR;

(IV) 20% OF THE AMOUNT OF THE COUNTY PROPERTY TAX IMPOSED ON THE INCREASED ASSESSMENT IN THE FOURTH TAXABLE YEAR; AND

(V) 0% OF THE AMOUNT OF THE COUNTY PROPERTY TAX IMPOSED ON THE INCREASED ASSESSMENT IN THE FIFTH TAXABLE YEAR AND ALL TAXABLE YEARS AFTER THE FIFTH TAXABLE YEAR.

(3) THE GOVERNING BODY OF QUEEN ANNE'S COUNTY MAY FURTHER DEFINE, FIX, OR LIMIT THE AMOUNT, TERMS, SCOPE, AND DURATION OF ANY CREDIT AUTHORIZED UNDER THIS SUBSECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007, and shall be applicable to all taxable years beginning after June 30, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 380

(House Bill 179)

AN ACT concerning

Frederick County - Board of Education - Nonvoting Student Member

FOR the purpose of adding a nonvoting student member to the Frederick County Board of Education; requiring the student member to meet certain qualifications; specifying the term of the student member; requiring that the student member advise the County Board on certain matters; prohibiting the student member from attending an executive session of the Board; providing that only voting members of the Board may receive certain compensation; and generally relating to the Frederick County Board of Education.

BY repealing and reenacting, with amendments,
 Article - Education
 Section 3-5B-01 and 3-5B-04(a)
 Annotated Code of Maryland
 (2006 Replacement Volume)

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

Article - Education

3-5B-01.

(a) The Frederick County Board consists of **EIGHT MEMBERS AS FOLLOWS:**

(1) [seven] **SEVEN** members elected from the county at large; **AND**

(2) **ONE NONVOTING STUDENT MEMBER.**

(b) (1) A candidate elected to the County Board shall be a resident and registered voter of Frederick County.

(2) Any member who no longer resides in the county may not continue as a member of the Board.

(c) (1) A **VOTING** member serves for a term of 4 years beginning the first Tuesday in December after the member's election and until a successor is elected and qualifies.

(2) [Members] **VOTING MEMBERS** of the Frederick County Board shall be elected as follows:

(i) Three members of the County Board shall be elected in the November general election of 2000 and every 4 years thereafter; and

(ii) Four members of the County Board shall be elected in the November general election of 2002 and every 4 years thereafter.

(d) (1) The terms of **VOTING** members are staggered as provided in subsection (c) of this section.

(2) The County Commissioners shall appoint a qualified individual to fill a vacancy on the County Board for the remainder of the term and until a successor is elected and qualifies.

(e) (1) **THE STUDENT MEMBER SHALL:**

(i) **BE AN ELEVENTH OR TWELFTH GRADE STUDENT IN THE FREDERICK COUNTY PUBLIC SCHOOL SYSTEM ELECTED BY THE HIGH SCHOOL STUDENTS OF THE COUNTY IN ACCORDANCE WITH PROCEDURES ESTABLISHED BY THE SCHOOL SYSTEM;**

(II) SERVE FOR 1 YEAR BEGINNING ON JULY 1 AFTER THE ELECTION OF THE MEMBER;

(III) BE A NONVOTING MEMBER; AND

(IV) ADVISE THE COUNTY BOARD ON THE THOUGHTS AND FEELINGS OF STUDENTS.

(2) UNLESS INVITED TO ATTEND BY AN AFFIRMATIVE VOTE OF A MAJORITY OF THE COUNTY BOARD, THE STUDENT MEMBER MAY NOT ATTEND AN EXECUTIVE SESSION.

[(e)](F) (1) The State Board may remove a VOTING member of the County Board for:

- (i) Immorality;
- (ii) Misconduct in office;
- (iii) Incompetency; or
- (iv) Willful neglect of duty.

(2) Before removing a VOTING member, the State Board shall send the member a copy of the charges against the member and give the member an opportunity within 10 days to request a hearing.

(3) If the VOTING member requests a hearing within the 10-day period:

(i) The State Board promptly shall hold a hearing, but a hearing may not be set within 10 days after the State Board sends the VOTING member a notice of the hearing; and

(ii) The VOTING member shall have an opportunity to be heard publicly before the State Board in the member's own defense, in person or by counsel.

(4) A VOTING member removed under this subsection has the right to a de novo review of the removal by the Circuit Court for Frederick County.

3-5B-04.

(a) The President of the Frederick County Board is entitled to receive \$11,000 annually as compensation, and each other VOTING member of the Frederick County Board is entitled to receive \$10,000 annually as compensation.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 381

(House Bill 188)

AN ACT concerning

Estates, Trusts, and Real Property - Rule Against Perpetuities

FOR the purpose of establishing that the common-law rule against perpetuities as now recognized in this State does not apply to certain options, rights to acquire land, rights or privileges to acquire interests in certain business entities, or nondonative property interests; establishing the effective date of certain nondonative property interests; establishing that certain nondonative property interests shall be void unless the interests are not subject to the common-law rules against perpetuities or the interests have become effective, been exercised, or become vested within certain periods of time under certain circumstances; providing that certain executory interests and powers of appointment are subject to the common-law rule against perpetuities as modified by this Act; defining certain terms; making stylistic changes; and generally relating to the common-law rule against perpetuities.

BY repealing and reenacting, with amendments,
Article - Estates and Trusts
Section 11-102
Annotated Code of Maryland
(2001 Replacement Volume and 2006 Supplement)

BY adding to
Article - Estates and Trusts
Section 11-102.1
Annotated Code of Maryland
(2001 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Article – Real Property
Section 2–116(d)
Annotated Code of Maryland
(2003 Replacement Volume and 2006 Supplement)

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

Article – Estates and Trusts

11–102.

(A) IN THIS SECTION, “USUFRUCTUARY” MEANS A PERSON HAVING A USUFRUCT OR RIGHT TO ENJOY A THING IN WHICH THE PERSON HAS NO PROPERTY INTEREST.

(B) Subject to §§ 4–409 and 11–103, the common-law rule against perpetuities as now recognized in the State is preserved, but the rule does not apply to the following:

~~(a)~~ **(1)** A legacy or inter vivos conveyance having a value of \$5,000 or less, or of any burial lot of any value, in trust or otherwise, for the purpose of providing for the perpetual care or keeping in good order and condition, or making repairs to, any lot, vault, mausoleum, or other place of sepulture belonging to any individual or several individuals in any cemetery or graveyard, the lots in which are intended for the burial of members of the family, family connections, relatives, or friends of the owners, or their successors in ownership;

~~(b)~~ **(2)** A legacy or inter vivos conveyance intended to transfer assets from any corporation incorporated for charitable objects, to any other charitable corporation on a contingency or future event;

~~(c)~~ **(3)** A trust created by an employer as part of a pension, stock bonus, disability, death benefit, profit-sharing, retirement, welfare, or other plan for the exclusive benefit of some or all of the employees of the employer or their beneficiaries, to which contributions are made by the employer or employees, or both the employer and employees, for the purpose of making distributions to or for the benefit of employees or their beneficiaries out of the income or principal or both the income and principal of the trust, or for any other purposes set out in the plan;

~~(d)~~ **(4)** A trust for charitable purposes, which shall include all purposes as are within the spirit or letter of the statute of 43 Elizabeth Ch. 4 (1601), commonly known as the statute of charitable uses;

~~(e)~~ **(5)** 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 that is required for an interest created under the governing instrument to vest, so as to be good under the rule against perpetuities;

~~(f)~~ **(6)** AN OPTION OF A TENANT TO RENEW A LEASE;

~~(g)~~ **(7)** AN OPTION OF A TENANT TO PURCHASE ALL OR PART OF THE PREMISES LEASED BY THE TENANT;

~~(h)~~ **(8)** ~~(1) IN THIS SUBSECTION, "USUFRUCTUARY" MEANS A PERSON HAVING A USUFRUCT OR RIGHT TO ENJOY A THING IN WHICH THE PERSON HAS NO PROPERTY INTEREST.~~

~~(2)~~ AN OPTION OF A USUFRUCTUARY TO EXTEND THE SCOPE OF AN EASEMENT OR PROFIT;

~~(i)~~ **(9)** THE RIGHT OF A COUNTY, A MUNICIPALITY, A PERSON FROM WHOM LAND IS ACQUIRED, OR THE SUCCESSOR-IN-INTEREST OF A PERSON FROM WHOM LAND IS ACQUIRED, TO ACQUIRE LAND FROM THE STATE IN ACCORDANCE WITH § 8-309 OF THE TRANSPORTATION ARTICLE; ~~OR~~

(10) A RIGHT OR PRIVILEGE, INCLUDING AN OPTION, WARRANT, PRE-EMPTIVE RIGHT, RIGHT OF FIRST REFUSAL, RIGHT OF FIRST OPTION, RIGHT OF FIRST NEGOTIATION, CALL RIGHT, EXCHANGE RIGHT, OR CONVERSION RIGHT, TO ACQUIRE AN INTEREST IN A DOMESTIC OR FOREIGN JOINT VENTURE, PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP, LIMITED PARTNERSHIP, LIMITED LIABILITY LIMITED PARTNERSHIP, CORPORATION, COOPERATIVE, LIMITED LIABILITY COMPANY, BUSINESS TRUST, OR SIMILAR ENTERPRISE, WHETHER THE INTEREST IS CHARACTERIZED AS A JOINT VENTURE INTEREST, PARTNERSHIP INTEREST, LIMITED PARTNERSHIP INTEREST, MEMBERSHIP INTEREST, SECURITY, STOCK, OR OTHERWISE; OR

~~(j)~~ ~~(10)~~ **(11)** A NONDONATIVE PROPERTY INTEREST AS DESCRIBED IN § 11-102.1 OF THIS ~~ARTICLE~~ SUBTITLE.

11-102.1.

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

(2) "LIVES IN BEING" MEANS THE LIVES OF PARTICULAR INDIVIDUALS IN EXISTENCE AT THE TIME OF THE CREATION OF A NONDONATIVE PROPERTY INTEREST.

(3) "NONDONATIVE" MEANS GIVEN FOR CONSIDERATION OTHER THAN NOMINAL CONSIDERATION.

(4) (I) "PROPERTY INTEREST" MEANS A CONTRACT, LEASE, OPTION, RIGHT OF FIRST OFFER, RIGHT OF FIRST REFUSAL, RIGHT OF FIRST NEGOTIATION, OR SIMILAR PREEMPTIVE RIGHT RELATING TO A RIGHT TO THE USE, POSSESSION, TRANSFER, OR OWNERSHIP OF REAL OR PERSONAL PROPERTY OR AN INTEREST IN OR APPURTENANT TO REAL OR PERSONAL PROPERTY.

(II) "PROPERTY INTEREST" INCLUDES A RIGHT OF THE TYPE DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH EVEN IF THE RIGHT IS NOT APPLICABLE UNTIL AFTER ANOTHER PARTY HAS FAILED TO EXERCISE OR CONSUMMATE A PRIOR RIGHT OF THE SAME TYPE.

(III) "PROPERTY INTEREST" DOES NOT INCLUDE A PROPERTY INTEREST, POWER OF APPOINTMENT, OR CONTRACT TO EXERCISE A RELEASE OF A POWER OF APPOINTMENT ARISING OUT OF:

1. A PREMARITAL OR POSTMARITAL AGREEMENT;
2. A SEPARATION OR DIVORCE SETTLEMENT;
3. AN ELECTION BY A SPOUSE;
4. AN ARRANGEMENT ARISING OUT OF A PROSPECTIVE, EXISTING, OR PRIOR MARITAL RELATIONSHIP BETWEEN THE PARTIES TO THE RELATIONSHIP;
5. A CONTRACT TO MAKE OR NOT TO REVOKE A WILL OR TRUST;
6. A CONTRACT TO EXERCISE OR NOT TO EXERCISE A POWER OF APPOINTMENT;

7. A TRANSFER IN SATISFACTION OF A DUTY OF SUPPORT; OR

8. A RECIPROCAL TRANSFER.

(B) THE COMMON-LAW RULE AGAINST PERPETUITIES AS NOW RECOGNIZED IN THE STATE DOES NOT APPLY TO A NONDONATIVE PROPERTY INTEREST THAT BECOMES EFFECTIVE ON OR AFTER OCTOBER 1, 2007.

(C) (1) FOR THE PURPOSES OF THIS SECTION, A NONDONATIVE PROPERTY INTEREST BECOMES EFFECTIVE AS OF THE DATE OF DELIVERY OF THE PROPERTY INTEREST.

(2) THE DATE OF DELIVERY IS PRESUMED TO BE THE LATER OF:

(I) THE DATE OF THE LAST ACKNOWLEDGMENT OF THE NONDONATIVE PROPERTY INTEREST, IF ANY; OR

(II) THE DATE STATED ~~ON~~ IN THE DOCUMENT CREATING THE NONDONATIVE PROPERTY INTEREST.

(D) (1) A NONDONATIVE PROPERTY INTEREST THAT BECOMES EFFECTIVE ON OR AFTER OCTOBER 1, 2007, SHALL BE VOID UNLESS THE NONDONATIVE PROPERTY INTEREST:

(I) IS NOT SUBJECT TO THE RULE AGAINST PERPETUITIES UNDER § 11-102 OF THIS SUBTITLE; OR

(II) IS EXERCISED OR VESTED WITHIN THE APPLICABLE PERIOD OF TIME SET FORTH IN PARAGRAPH (2), (3), OR (4) OF THIS SUBSECTION.

(2) A DOCUMENT CREATING A NONDONATIVE PROPERTY INTEREST THAT DOES NOT STATE A DATE OR MAKE REFERENCE TO LIVES IN BEING BY WHICH THE PROPERTY INTEREST MUST BE EXERCISED OR VESTED SHALL BE VOID UNLESS EXERCISED OR VESTED WITHIN 7 YEARS OF THE EFFECTIVE DATE OF THE PROPERTY INTEREST.

(3) A DOCUMENT CREATING A NONDONATIVE PROPERTY INTEREST THAT EITHER EXPRESSLY STATES A DATE BY WHICH THE PROPERTY INTEREST SHALL BE EXERCISED OR VESTED OR ONE FROM WHICH THE DATE MAY BE DETERMINED SHALL BE VOID ON THE EARLIER OF THE EXPRESSED OR

DETERMINED DATE OR **60** YEARS AFTER THE EFFECTIVE DATE OF THE PROPERTY INTEREST.

(4) A DOCUMENT CREATING A NONDONATIVE PROPERTY INTEREST THAT REFERS TO ONE OR MORE LIVES IN BEING FOR DETERMINING THE DATE BY WHICH THE PROPERTY INTEREST SHALL BE EXERCISED OR VESTED SHALL BE VOID:

(i) IF THE REFERENCE IS TO THE DURATION OF NOT MORE THAN 10 IDENTIFIED LIVES IN BEING AND NOT MORE THAN 21 YEARS, AT THE EXPIRATION OF THE PERIOD OF TIME REFERENCED; OR

(ii) IF THE REFERENCE IS TO THE DURATION OF MORE THAN 10 IDENTIFIED LIVES IN BEING OR TO IDENTIFIED LIVES IN BEING AND MORE THAN 21 YEARS, AT THE EXPIRATION OF 60 YEARS.

Article - Real Property

2-116.

(d) Notwithstanding the repeal of the British Statute of Uses, executory interests and powers of appointment are valid in the State, subject to the rule against perpetuities **AS MODIFIED BY §§ 11-102 AND 11-102.1 OF THE ESTATES AND TRUSTS ARTICLE.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 382

(House Bill 196)

AN ACT concerning

Frederick County - Public Facilities Bonds

FOR the purpose of authorizing and empowering the County Commissioners of Frederick County, from time to time, to borrow not more than \$120,000,000 in order to finance the cost of certain public facilities in Frederick County, as

herein defined, ~~to finance the payment of any unfunded liability of the County to the State Retirement and Pension System of Maryland,~~ and to effect such borrowing by the issuance and sale at public or private sale of its general obligation bonds; empowering the County to fix and determine, by resolution, the form, tenor, interest rate or rates or method of determining the same, terms, conditions, maturities, and all other details incident to the issuance and sale of the bonds; empowering the County to issue refunding bonds for the purchase or redemption of bonds in advance of maturity; empowering and directing the County to levy, impose, and collect, annually, ad valorem taxes in rate and amount sufficient to provide funds for the payment of the maturing principal of and interest on the bonds; exempting the bonds and refunding bonds and the interest thereon and any income derived therefrom from all State, county, municipal, and other taxation in the State of Maryland; providing that nothing in this Act shall prevent the County from authorizing the issuance and sale of bonds the interest on which is not excludable from gross income for federal income tax purposes; providing that such borrowing may be undertaken by Frederick County in the form of installment purchase obligations executed and delivered by Frederick County for the purpose of acquiring agricultural land and woodland preservation easements; ~~providing that such borrowing may be undertaken by Frederick County to finance the payment of any unfunded liability of Frederick County to the State Retirement and Pension System of Maryland for certain public purposes;~~ and generally relating to the issuance and sale of the bonds by Frederick County.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That, as used herein, the term "County" means the body politic and corporate of the State of Maryland known as the County Commissioners of Frederick County, and the term "public facilities" means the cost of construction and reconstruction of capital projects, including but not limited to landfill projects, public schools, roads, bridges, flood control projects, solid waste facilities, water and leachate treatment facilities, libraries, easements or similar or related rights in land that restrict the use of agricultural land or woodland to maintain the character of the land as agricultural land or woodland, and communication systems, including the development of property, the acquisition and installation of equipment and furnishings, together with any related architectural, financial, legal, planning, or engineering services.

SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby authorized to finance any part or all of the costs of the public facilities described in Section 1 of this Act, ~~to finance the payment of any unfunded liability of the County to the State Retirement and Pension System of Maryland,~~ and to borrow money and incur indebtedness for ~~those purposes~~ that purpose, at one time or from time to time, in an amount not exceeding, in the aggregate, \$120,000,000 and to evidence such borrowing by the issuance and sale upon its full faith and credit of general obligation

bonds, which may be issued at one time or from time to time, in one or more groups or series, as the County may determine.

SECTION 3. AND BE IT FURTHER ENACTED, That the bonds shall be issued pursuant to a resolution of the County, which shall describe generally the public facilities, ~~and the unfunded liability of the County to the State Retirement and Pension System of Maryland,~~ for which the proceeds of the bond sale are intended and the amount needed for those purposes. The County shall have and is hereby granted full and complete authority and discretion in the resolution to fix and determine with respect to the bonds of any issue: the designation, date of issue, denomination or denominations, form or forms, and tenor of the bonds which, without limitation, may be issued in registered form within the meaning of Section 30 of Article 31 of the Annotated Code of Maryland, as amended; the rate or rates of interest payable thereon, or the method of determining the same, which may include a variable rate; the date or dates and amount or amounts of maturity, which need not be in equal par amounts or in consecutive annual installments, provided only that no bond of any issue shall mature later than 30 years from the date of its issue; the manner of selling the bonds, which may be at either public or private sale, for such price or prices as may be determined to be for the best interests of Frederick County; the manner of executing and sealing the bonds, which may be by facsimile; ~~the terms and conditions of a payment by the County of any unfunded liability of the County to the State Retirement and Pension System of Maryland;~~ the terms or conditions, if any, under which bonds may or shall be redeemed prior to their stated maturity; the place or places of payment of the principal of and the interest on the bonds, which may be at any bank or trust company within or without the State of Maryland; covenants relating to compliance with applicable requirements of federal income tax law, including covenants regarding the payment of rebate or penalties in lieu of rebate; covenants relating to compliance with applicable requirements of federal or state securities laws; and generally all matters incident to the terms, conditions, issuance, sale, and delivery thereof.

The County may enter into agreements with agents, banks, fiduciaries, insurers, or others for the purpose of enhancing the marketability of any security for the bonds and for the purpose of securing any tender option that may be granted to holders of the bonds.

In case any officer whose signature appears on any bond ceases to be such officer before the delivery thereof, such signature shall nevertheless be valid and sufficient for all purposes as if he had remained in office until such delivery. The bonds and the issuance and sale thereof shall be exempt from the provisions of Sections 2C, 9, 10, and 11 of Article 31 of the Annotated Code of Maryland.

If the County determines in the resolution to offer any of the bonds by solicitation of competitive bids at public sale, the resolution shall fix the terms and conditions of the public sale and shall adopt a form of notice of sale, which shall

outline the terms and conditions, and a form of advertisement, which may be published in one or more daily or weekly newspapers having a general circulation in the County and which may also be published in one or more journals having a circulation primarily among banks and investment bankers. Upon delivery of any bonds to the purchaser or purchasers, payment therefor shall be made to the Treasurer of Frederick County or such other official of Frederick County as may be designated to receive such payment in a resolution passed by the County Commissioners of Frederick County before delivery. For purposes of issuance and sale, bonds authorized hereunder may be consolidated into a single issue with any other bonds authorized to be issued by the County.

SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the sale of bonds shall be used and applied exclusively and solely for the public facilities ~~or to finance the payment of any unfunded liability of the County to the State Retirement and Pension System of Maryland~~ for which the bonds are sold. If the net proceeds of the sale of any issue of bonds exceeds the amount needed to finance the public facilities described in the resolution ~~or to finance the payment of any unfunded liability of the County to the State Retirement and Pension System of Maryland~~, the excess funds so borrowed and not expended shall be applied to the payment of the next principal maturity of the bonds or to the redemption of any part of the bonds which have been made redeemable or to the purchase and cancellation of bonds, unless the County shall adopt a resolution allocating the excess funds to the costs of other public facilities.

~~SECTION 5. AND BE IT FURTHER ENACTED, That the borrowing authorized by this Act to finance the payment of any unfunded liability of the County to the State Retirement and Pension System of Maryland may be issued for the public purposes of (i) realizing savings with respect to the aggregate cost of the County payment liability being funded, on either a direct comparison or present value basis; or (ii) structuring or restructuring payment liability costs in a manner that (a) in the aggregate effects a reduction in the total cost of the County payment liability as described, or (b) is determined by the County to be in the best interests of the County, to be consistent with the County's long-term financial plan, and to realize a financial objective of the County, including improving the relationship of liability payment costs to a source of payments such as taxes, assessments or other charges. Any findings made by the County in the resolution regarding the public purposes achieved by the issuance of bonds for such purposes shall be conclusive.~~

SECTION ~~6~~ 5. AND BE IT FURTHER ENACTED, That the bonds hereby authorized shall constitute, and they shall so recite, an irrevocable pledge of the full faith and credit and unlimited taxing power of the County to the payment of the maturing principal of and interest on the bonds as and when they become payable. In each and every fiscal year that any of the bonds are outstanding, the County shall levy or cause to be levied ad valorem taxes upon all the assessable property within the corporate limits of Frederick County in rate and amount sufficient to provide for or

assure the payment, when due, of the principal of and interest on all the bonds maturing in each such fiscal year and, in the event the proceeds from the taxes so levied in any such fiscal year shall prove inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up any such deficiency. The County may apply to the payment of the principal of and interest on any bonds issued hereunder any funds received by it from the State of Maryland, the United States of America, any agency or instrumentality thereof, or from any other source. If such funds are granted for the purpose of assisting the County in financing the construction, improvement, development, or renovation of the public facilities defined in this Act and, to the extent of any such funds received or receivable in any fiscal year, the taxes that might otherwise be levied under this Act, may be reduced or need not be levied.

SECTION ~~7~~ 6. AND BE IT FURTHER ENACTED, That the County is hereby further authorized and empowered, at any time and from time to time, to issue its bonds in the manner herein above described for the purpose of refunding, by payment at maturity or upon purchase or redemption, any bonds issued hereunder. The validity of any such refunding bonds shall in no way be dependent upon or related to the validity or invalidity of the obligations so refunded. The powers herein granted with respect to the issuance of bonds shall be applicable to the issuance of refunding bonds. Such refunding bonds may be issued by the County for the purpose of providing it with funds to pay any of its outstanding bonds issued hereunder at maturity, for the purpose of providing it with funds to purchase in the open market any of its outstanding bonds issued hereunder, prior to the maturity thereof, or for the purpose of providing it with funds for the redemption prior to maturity of any outstanding bonds issued hereunder which are, by their terms, redeemable, for the purpose of providing it with funds to pay interest on any outstanding bonds issued hereunder prior to their payment at maturity of purchase or redemption in advance of maturity, or for the purpose of providing it with funds to pay any redemption or purchase premium in connection with the refunding of any of its outstanding bonds issued hereunder. The proceeds of the sale of any such refunding bonds shall be segregated and set apart by the County as a separate trust fund to be used solely for the purpose of paying the purchase or redemption prices of the bonds to be refunded.

SECTION ~~8~~ 7. AND BE IT FURTHER ENACTED, That the County may, prior to the preparation of definitive bonds, issue interim certificates or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds have been executed and are available for such delivery, provided, however, that any such interim certificates or temporary bonds shall be issued in all respects subject to the restrictions and requirements set forth in this Act. The County may, by appropriate resolution, provide for the replacement of any bonds issued hereunder which shall have become mutilated or lost or destroyed upon such conditions and after receiving such indemnity as the County may require.

SECTION ~~8~~ 8. AND BE IT FURTHER ENACTED, That any and all obligations issued pursuant to the authority of this Act, their transfer, the interest payable thereon, and any income derived therefrom in the hands of the holders thereof from time to time (including any profit made in the sale thereof) shall be and are hereby declared to be at all times exempt from State, county, municipal, or other taxation of every kind and nature whatsoever within the State of Maryland. Nothing in this Act shall prevent the County from authorizing the issuance and sale of bonds the interest on which is not excludable from gross income for federal income tax purposes.

SECTION ~~10~~ 9. AND BE IT FURTHER ENACTED, That the authority to borrow money and issue bonds conferred on the County by this Act shall be deemed to provide additional, alternative, and supplemental authority for borrowing money and shall be regarded as supplemental and additional to powers conferred upon the County by other laws and shall not be regarded as in derogation of any power now existing; and all Acts of the General Assembly of Maryland heretofore passed authorizing the County to borrow money are hereby continued to the extent that the powers contained in such Acts have not been exercised, and nothing contained in this Act may be construed to impair, in any way, the validity of any bonds that may have been issued by the County under the authority of any said Acts, and the validity of the bonds is hereby ratified, confirmed, and approved. This Act, being necessary for the welfare of the inhabitants of Frederick County, shall be liberally construed to effect the purposes hereof. All Acts and parts of Acts inconsistent with the provisions of this Act are hereby repealed to the extent of such inconsistency.

SECTION ~~11~~ 10. AND BE IT FURTHER ENACTED, That the borrowing authorized by this Act may also be undertaken by the County in the form of installment purchase obligations executed and delivered by the County for the purpose of acquiring easements or similar or related rights in land that restrict the use of agricultural land or woodland to maintain the character of the land as agricultural land or woodland. The form of installment purchase obligations, the manner of accomplishing the acquisition of easements, which may be by the direct exchange of installment purchase obligations for easement, and all matters incident to the execution and delivery of the installment purchase obligations and acquisition of the easements by the County shall be determined in the resolution. Except where the provisions of this Act would be inapplicable to installment purchase obligations, the term "bonds" used in this Act shall include installment purchase obligations and matters pertaining to the bonds under this Act, such as the security for the payment of the bonds, the exemption of the bonds from State, county, municipal, or other taxation, and authorization to issue refunding bonds and the limitation on the aggregate principal amount of bonds authorized for issuance, shall be applicable to installment purchase obligations.

~~SECTION 12. AND BE IT FURTHER ENACTED, That the borrowing authorized by this Act to finance the payment of any unfunded liability of the County to the State Retirement and Pension System of Maryland may be issued for the public~~

~~purposes of (i) realizing savings with respect to the aggregate cost of the County payment liability being funded, on either a direct comparison or present value basis; or (ii) structuring or restructuring payment liability costs in a manner that (a) in the aggregate effects a reduction in the total cost of the County payment liability as described, or (b) is determined by the County to be in the best interests of the County, to be consistent with the County's long-term financial plan, and to realize a financial objective of the County, including improving the relationship of liability payment costs to a source of payments such as taxes, assessments or other charges. Any findings made by the County in the resolution regarding the public purposes achieved by the issuance of bonds for such purposes shall be conclusive.~~

SECTION ~~13~~ 11. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 383

(House Bill 227)

AN ACT concerning

Maryland Transportation Authority - Public-Private Partnerships

FOR the purpose of requiring that the Maryland Transportation Authority provide certain notice and information to certain committees of the General Assembly and the Department of Legislative Services prior to issuing a public notice of procurement related to certain public-private partnership arrangements or entering into certain public-private partnership arrangements; ~~prohibiting the Authority from entering into certain public-private partnership arrangements in which the total amount of certain payments exceeds a certain amount without certain approval from the General Assembly;~~ defining certain terms; and generally relating to the Maryland Transportation Authority and certain public-private partnership arrangements.

BY repealing and reenacting, with amendments,
 Article - Transportation
 Section 4-205(c)
 Annotated Code of Maryland
 (2001 Replacement Volume and 2006 Supplement)

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

Article - Transportation

4-205.

(c) (1) Subject to the limitations described in [paragraph (2)] **PARAGRAPHS (2) AND (3)** of this subsection, the Authority may make any contracts and agreements necessary or incidental to the exercise of its powers and performance of its duties.

(2) Not less than 45 days before entering into any contract or agreement to acquire or construct a revenue-producing transportation facilities project, subject to § 2-1246 of the State Government Article, the Authority shall provide, to the Senate Budget and Taxation Committee, the House Committee on Ways and Means, and the House Appropriations Committee, for review and comment, and to the Department of Legislative Services, a description of the proposed project, a summary of the contract or agreement, and a financing plan that details:

(i) The estimated annual revenue from the issuance of bonds to finance the project; and

(ii) The estimated impact of the issuance of bonds to finance the project on the bonding capacity of the Authority.

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

2. "PUBLIC NOTICE OF PROCUREMENT" INCLUDES A REQUEST FOR PROPOSALS ISSUED BY THE AUTHORITY.

3. "PUBLIC-PRIVATE PARTNERSHIP ARRANGEMENT" MEANS A LEASE AGREEMENT BETWEEN THE AUTHORITY AND A PRIVATE ENTITY UNDER WHICH THE PRIVATE ENTITY ASSUMES CONTROL OF THE OPERATION AND MAINTENANCE OF AN EXISTING OR FUTURE REVENUE-PRODUCING HIGHWAY, BRIDGE, TUNNEL, OR TRANSIT FACILITY.

(II) NOT LESS THAN 45 DAYS BEFORE ISSUING A PUBLIC NOTICE OF PROCUREMENT RELATED TO A PUBLIC-PRIVATE PARTNERSHIP ARRANGEMENT, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE AUTHORITY SHALL PROVIDE, TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE COMMITTEE ON WAYS AND MEANS, AND THE HOUSE APPROPRIATIONS COMMITTEE, FOR REVIEW AND COMMENT, AND TO THE

DEPARTMENT OF LEGISLATIVE SERVICES, ~~A DESCRIPTION OF THE PROPOSED LEASE AGREEMENT AND~~ A SUMMARY OF THE PROPOSED PROCUREMENT DOCUMENT TO BE USED FOR SOLICITATION OF THE PUBLIC-PRIVATE PARTNERSHIP ARRANGEMENT.

(III) NOT LESS THAN 45 DAYS BEFORE ENTERING INTO ANY PUBLIC-PRIVATE PARTNERSHIP ARRANGEMENT, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE AUTHORITY SHALL PROVIDE, TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE COMMITTEE ON WAYS AND MEANS, AND THE HOUSE APPROPRIATIONS COMMITTEE, FOR REVIEW AND COMMENT, AND TO THE DEPARTMENT OF LEGISLATIVE SERVICES, A DESCRIPTION OF THE PROPOSED LEASE AGREEMENT AND A FINANCING PLAN, INCLUDING:

- 1. THE LENGTH OF THE PROPOSED LEASE;**
- 2. THE SCOPE OF ANY TOLL-SETTING AUTHORITY TO BE GRANTED TO THE PRIVATE ENTITY;**
- 3. THE SCOPE OF PAYMENTS TO THE AUTHORITY FROM THE PROPOSED PUBLIC-PRIVATE PARTNERSHIP ARRANGEMENT;**
- 4. A COST-BENEFIT ANALYSIS OF THE PROPOSED PUBLIC-PRIVATE PARTNERSHIP ARRANGEMENT; AND**
- 5. REQUIREMENTS PERTAINING TO THE ONGOING OPERATION AND MAINTENANCE OF THE FACILITY AND CONTRACT OVERSIGHT.**

~~(IV) THE AUTHORITY MAY NOT ENTER INTO A PUBLIC-PRIVATE PARTNERSHIP ARRANGEMENT IN WHICH THE TOTAL AMOUNT PAID TO THE AUTHORITY BY THE PRIVATE ENTITY OVER THE LIFETIME OF THE AGREEMENT EXCEEDS \$150,000,000 UNTIL THE GENERAL ASSEMBLY HAS APPROVED, THROUGH LEGISLATION, THE PUBLIC-PRIVATE PARTNERSHIP ARRANGEMENT.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 384

(House Bill 231)

AN ACT concerning

Recordation Tax - Exemption for Transfers from a Government or Public Agency

FOR the purpose of ~~exempting~~ authorizing the Mayor and City Council of Baltimore City or the governing body of a county to exempt from recordation tax certain instruments of writing if the transferor is the United States, the State, an agency of the State, or a political subdivision of the State; and generally relating to exemptions from the recordation tax.

BY ~~repealing and reenacting, with amendments,~~ adding to
Article - Tax - Property
Section ~~12-108(a)(1)~~ 12-116
Annotated Code of Maryland
(2001 Replacement Volume and 2006 Supplement)

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

Article - Tax - Property

~~12-108.~~

~~(a) (1) Except as provided in paragraph (2) of this subsection, an instrument of writing is not subject to recordation tax, if the instrument of writing transfers property [to] TO, or grants a security interest to OR FROM:~~

- ~~(i) the United States;~~
- ~~(ii) the State;~~
- ~~(iii) an agency of the State; or~~
- ~~(iv) a political subdivision in the State.~~

12-116.

THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY MAY EXEMPT, BY LAW, FROM THE

RECORDATION TAX AN INSTRUMENT OF WRITING THAT TRANSFERS PROPERTY FROM OR GRANTS A SECURITY INTEREST FROM:

- (1) THE UNITED STATES;**
- (2) THE STATE;**
- (3) AN AGENCY OF THE STATE; OR**
- (4) A POLITICAL SUBDIVISION IN THE STATE.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 385

(House Bill 236)

AN ACT concerning

Health Occupations - ~~Registered~~ Nurses - Dispensing Methadone

FOR the purpose of authorizing certain nurses to dispense methadone in a certain clinic licensed by the Department of Health and Mental Hygiene in accordance with certain regulations developed and adopted by the State Board of Nursing and the State Board of Pharmacy; and generally relating to nurses dispensing methadone.

BY adding to

Article - Health Occupations

Section 8-511

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

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

Article - Health Occupations

8-511.

A REGISTERED NURSE OR LICENSED PRACTICAL NURSE WORKING IN A METHADONE CLINIC LICENSED BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE MAY DISPENSE METHADONE IN ACCORDANCE WITH REGULATIONS JOINTLY DEVELOPED AND ADOPTED BY THE BOARD AND THE STATE BOARD OF PHARMACY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 386

(House Bill 254)

AN ACT concerning

Somerset County – Sale of Property to City of Crisfield

FOR the purpose of authorizing the County Commissioners of Somerset County to sell certain property to the City of Crisfield under terms the County Commissioners consider appropriate; exempting the sale of certain property from certain general requirements for the sale of surplus property; and generally relating to the sale of county property in Somerset County.

BY repealing and reenacting, without amendments,
Article 25 – County Commissioners
Section 11A(a) and (b)(1) and (5)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Article 25 – County Commissioners
Section 11A(d)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article 25 – County Commissioners

11A.

(a) (1) Except as provided in subsection (b) of this section, the county commissioners of every county may:

(i) Acquire by purchase, gift, devise, bequest, condemnation, or otherwise, any property, or any interest therein, of any kind needed for any public purpose;

(ii) Erect buildings thereon for the benefit of the county;

(iii) Sell at public sale any property when no longer needed for public use; and

(iv) Provide for the financing of any housing or housing project in whole or in part, including the placement of a deed of trust, mortgage, or other instrument upon the property to ensure repayment of funds used to purchase, construct, rehabilitate, or otherwise develop the housing project. The authority provided for in this subparagraph does not limit the existing powers of a county or county commissioners.

(2) Property may not be sold until it has been advertised for at least 20 days prior to the date of sale.

(b) (1) The provisions of this subsection prevail over those of subsection (a) of this section to the extent of any inconsistency.

(5) (i) In Somerset County, the County Commissioners may sell any interest in surplus property held by the county by acceptance of sealed bids solicited by advertisement.

(ii) An advertisement for bids shall be published at least twice in a newspaper of general circulation in the county not less than 10 days nor more than 90 days before the date set for opening the bids.

(iii) The bids shall be opened in public and the County Commissioners shall act on the bids only during a public session of the County Commissioners.

(iv) If the County Commissioners determine that the highest bid fails to yield a reasonable price for the property, the County Commissioners may reject all bids on the property.

(v) If all bids are rejected, the County Commissioners shall record the highest bid in the minutes of the public session and may proceed to sell the property:

1. By readvertising for sealed bids;
2. By public auction; or
3. If the property is surplus school property, in accordance with paragraph (2) of this subsection.

(vi) The County Commissioners shall adopt a local ordinance or resolution governing the sale of property under this paragraph.

(d) **(1)** The County Commissioners of Somerset County may sell the property known as the old Somerset County Jail, located on 48 North Beckford Avenue, Princess Anne, to the Town of Princess Anne.

(2) (I) THE PROVISIONS OF THIS SECTION DO NOT APPLY TO A SALE OF PROPERTY UNDER THIS PARAGRAPH.

(II) THE COUNTY COMMISSIONERS OF SOMERSET COUNTY MAY SELL THE FOLLOWING PROPERTY TO THE CITY OF CRISFIELD UNDER TERMS CONSIDERED APPROPRIATE BY THE COUNTY COMMISSIONERS:

- 1. 7 N. FIRST STREET, TAX MAP 101, GRID 22, PARCEL 757 (.073 ACRES);**
- 2. 320-322 LOCUST STREET, TAX MAP 101, GRID 21, PARCEL 810 (.158 ACRES);**
- 3. 304 TYLER STREET, TAX MAP 102, GRID 11, PARCEL 616 (.146 ACRES); AND**
- 4. 15 W. MAIN STREET, TAX MAP 103, GRID 1, PARCEL 1373 (.386 ACRES).**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 387

(House Bill 274)

AN ACT concerning

Study Commission to Explore the Expanded Application of State Stipends for National Certification of Teachers

FOR the purpose of establishing a Study Commission to Explore the Expanded Application of State Stipends for National Certification of Teachers; providing for the membership of the Study Commission; requiring the Governor to designate the chair of the Study Commission; requiring the State Department of Education to provide staff for the Study Commission; providing that a member of the Study Commission may not receive compensation but is entitled to certain reimbursement; requiring the Study Commission to assess the rigor of national certification for certain occupations and determine how these national certifications compare to national teacher certification and make certain recommendations; requiring the Study Commission to report certain findings and recommendations to the Governor and to the General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to the expanded application of State stipends for national certification of teachers.

BY repealing and reenacting, without amendments,

Article – Education

Section 6–306(a) and (b)(2)

Annotated Code of Maryland

(2006 Replacement Volume)

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

Article – Education

6–306.

(a) (1) In this section the following words have the meanings indicated.

(2) “County grant for national certification” means an annual grant distributed to a teacher certified by the National Board for Professional Teaching Standards established:

(i) Outside of the collective bargaining process; or

(ii) As part of a collective bargaining agreement with the local employee organization.

(3) "School-based employee" means a certificated employee who works directly with students or teachers at a public school.

(b) (2) A classroom teacher or other nonadministrative school-based employee who holds a standard professional certificate or an advanced professional certificate who is employed by a county board and who holds a certificate issued by the National Board for Professional Teaching Standards shall receive a stipend from the State in an amount equal to the county grant for national certification, up to a maximum of \$2,000 per qualified individual.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) There is a Study Commission to Explore the Expanded Application of State Stipends for National Certification of Teachers under § 6-306(b)(2) of the Education Article.

(b) The Study Commission consists of the following members:

(1) one member of the Senate of Maryland, appointed by the President of the Senate;

(2) one member of the House of Delegates, appointed by the Speaker of the House;

(3) the State Superintendent of Schools, or the Superintendent's designee; and

(4) the following members, appointed by the Governor:

(i) one individual who holds a certificate issued by the National Board for Professional Teaching Standards;

(ii) one representative of the National Board for Professional Teaching Standards;

(iii) two local superintendents;

(iv) two representatives of local school systems that employ individuals who hold a certificate issued by the National Board for Professional Teaching Standards;

(v) one representative from a private Maryland university that has a program of teacher education; and

(vi) one representative from a public Maryland university that has a program of teacher education.

(c) The Governor shall designate the chair of the Study Commission.

(d) The State Department of Education shall provide staff for the Study Commission.

(e) A member of the Study Commission:

(1) may not receive compensation as a member of the Study Commission; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The Study Commission shall:

(1) assess the rigor of national certification for speech–language pathologists, occupational therapists, *school* psychologists, physical therapists, school counselors, and others to determine how each of these national certifications compares to national teacher certification by the National Board for Professional Teaching Standards;

(2) invite academic experts to submit testimony; and

(3) make recommendations regarding whether the stipends awarded to teachers and other school–based employees under § 6–306(b)(2) of the Education Article should be expanded to include speech–language pathologists, occupational therapists, physical therapists, *school* psychologists, school counselors, or others.

(g) On or before December 31, 2007, the Study Commission shall report its findings and recommendations to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007. It shall remain effective for a period of 1 year and, at the end of May 31, 2008, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 8, 2007.

CHAPTER 388

(House Bill 278)

AN ACT concerning

Expungement – Civil Offenses or Infractions

FOR the purpose of providing for expungement of court, police, and other governmental records concerning certain civil offenses or infractions under certain circumstances; providing for the application of this Act; and generally relating to expungement of court, police, and other governmental records concerning certain civil offenses or infractions under certain circumstances.

BY repealing and reenacting, with amendments,
Article – Criminal Procedure
Section 10–101(c)(1) and (h) and 10–105(a)
Annotated Code of Maryland
(2001 Volume and 2006 Supplement)

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

Article – Criminal Procedure

10–101.

(c) (1) “Court record” means an official record of a court [about a criminal proceeding] that the clerk of a court or other court personnel keeps **ABOUT:**

(I) A CRIMINAL PROCEEDING; OR

(II) ANY OTHER PROCEEDING, EXCEPT A JUVENILE PROCEEDING, CONCERNING A CIVIL OFFENSE OR INFRACTION ENACTED UNDER STATE OR LOCAL LAW AS A SUBSTITUTE FOR A CRIMINAL CHARGE.

(h) “Police record” means an official record that a law enforcement unit, booking facility, or the Central Repository maintains about the arrest and detention of, or further proceeding against, a person for:

(1) a criminal charge;

(2) a suspected violation of a criminal law; [or]

(3) a violation of the Transportation Article for which a term of imprisonment may be imposed; **OR**

(4) A CIVIL OFFENSE OR INFRACTION, EXCEPT A JUVENILE OFFENSE, ENACTED UNDER STATE OR LOCAL LAW AS A SUBSTITUTE FOR A CRIMINAL CHARGE.

10-105.

(a) A person who has been charged with the commission of a crime, including a violation of the Transportation Article for which a term of imprisonment may be imposed, **OR WHO HAS BEEN CHARGED WITH A CIVIL OFFENSE OR INFRACTION, EXCEPT A JUVENILE OFFENSE, AS A SUBSTITUTE FOR A CRIMINAL CHARGE** may file a petition listing relevant facts for expungement of a police record, court record, or other record maintained by the State or a political subdivision of the State if:

(1) the person is acquitted;

(2) the charge is otherwise dismissed;

(3) a probation before judgment is entered, unless the person is charged with a violation of § 21-902 of the Transportation Article or Title 2, Subtitle 5 or § 3-211 of the Criminal Law Article;

(4) a nolle prosequi or nolle prosequi with the requirement of drug or alcohol treatment is entered;

(5) the court indefinitely postpones trial of a criminal charge by marking the criminal charge "stet" or stet with the requirement of drug or alcohol abuse treatment on the docket;

(6) the case is compromised under § 3-207 of the Criminal Law Article;

(7) the charge was transferred to the juvenile court under § 4-202 of this article; or

(8) the person:

(i) is convicted of only one criminal act, and that act is not a crime of violence; and

(ii) is granted a full and unconditional pardon by the Governor.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply retroactively and shall be applied to and interpreted to affect a civil offense or infraction occurring on or before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 389

(House Bill 296)

AN ACT concerning

Harford County - Liquor Control Board - Salaries

FOR the purpose of altering the annual salaries of the Chairman and regular members of the Harford County Liquor Control Board; providing that this Act does not apply to the salary or compensation of the incumbent Chairman or regular members of the Board; and generally relating to the Harford County Liquor Control Board.

BY repealing and reenacting, with amendments,
Article 2B - Alcoholic Beverages
Section 15-201(h)(2)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

Article 2B - Alcoholic Beverages

15-201.

(h) Members of the several boards shall receive compensation as follows:

(2) In Harford County:

(i) The Chairman of the Board shall receive an annual compensation of [~~\$4,500~~] **\$7,000**;

(ii) Each member of the Board shall receive an annual compensation of [~~\$4,000~~] **\$6,000**; and

(iii) The Chairman and each member of the Board shall receive any additional compensation that the County Council deems appropriate.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the Chairman or regular members in office on the effective date of this Act, but the provisions of this Act concerning the salary or compensation of the Chairman or regular members shall take effect at the beginning of the next following term of office.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.

CHAPTER 390

(House Bill 299)

AN ACT concerning

Harford County – Alcoholic Beverages – Repeal of Obsolete and Unused Provisions

FOR the purpose of repealing certain alcoholic beverage provisions for Harford County that are obsolete or no longer used; repealing certain provisions regarding a Class B-4 (seafood restaurant) license, the distance required between a school and a premises licensed for alcoholic beverages, the use of a neighborhood by the Liquor Control Board as a factor in deciding whether to issue a license, possession of alcoholic beverages brought on the premises of a racetrack in the county, a certain requirement regarding alcoholic beverages inspectors, licenses for racquet clubs and box lacrosse clubs, and the borrowing power of the Board for the benefit of dispensaries; and generally relating to alcoholic beverages in Harford County.

BY repealing

Article 2B – Alcoholic Beverages

Section 5-201(n)(6), 9-213(b)(4) and (7) and (g), 11-513(b)(2), and 12-213(d)(3)

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, without amendments,
Article 2B – Alcoholic Beverages
Section 6–301(n)(1)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,
Article 2B – Alcoholic Beverages
Section 6–301(n)(6), 10–202(a)(2), 15–112(n), and 15–202(b)(2) and (c)(1)
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

Preamble

WHEREAS, The statutory provisions regulating alcoholic beverages in Harford County are found throughout Article 2B – Alcoholic Beverages of the Annotated Code of Maryland; and

WHEREAS, Over the years, some of these provisions have been allowed to remain in the Code, despite having become irrelevant or obsolete; and

WHEREAS, Some examples of these provisions pertain to licenses that the Liquor Control Board has not issued for years and to conditions that no longer exist in the county, such as the operation of a racetrack and the operation of a liquor dispensary system; and

WHEREAS, Repealing these provisions from Article 2B of the Code would be beneficial to users of the Code; now, therefore,

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

Article 2B – Alcoholic Beverages

5–201.

(n) [(6) (i) There is a 7–day Class B–4 on–sale seafood restaurant license.

(ii) The annual license fee is \$500.

(iii) The Liquor Control Board may issue this license only to an applicant who is the operator of and who has been the operator of a seafood restaurant in existence prior to January 1, 1995, at the same location for which this license is requested.

(iv) The exclusion of Harford County in § 1-102(a)(22)(iii) of this article does not apply to this Class B-4 (seafood restaurant) license; a licensee shall comply with the 50% average gross monthly receipts of food commodities mandated in § 1-102(a)(22)(iii) of this article.

(v) A licensee may not have facilities outside of the building in which the restaurant is located, such as an outdoor cafe, a patio, or a beer garden.

(vi) A licensee may not permit any gambling, keno, gaming, pinball, video machines, video poker, or similar games or devices on the premises. A licensee may not operate a pool hall or have pool tables on the premises. Further, a licensee may not have a bar on the premises.

(vii) The license may not be transferred except after a hearing and upon the approval of the Liquor Board.

(viii) The licensee may not have any signs on the exterior of the building that advertise any alcoholic beverages.]

6-301.

(n) (1) This subsection applies only in Harford County.

(6) (i) In this paragraph the following words have the meanings indicated.

1. “Miscellaneous organization or club” means a country club, [racquet club, indoor soccer box lacrosse club,] a yacht or boat club, or topiary garden.

[2. “Box lacrosse and indoor soccer club” means a club or organization that:

A. May be operated for profit or not for profit;

B. Has at the time of application for the license and continues to maintain facilities for playing box lacrosse and indoor soccer;

C. Has 75 or more bona fide members each of whom pays dues of not less than \$50 per year;

D. Has a facility for preparing food;

E. Is not located within 300 feet of an existing establishment that is licensed to sell alcoholic beverages for on-sale or off-sale consumption; and

F. Allows the sale of beer, wine, and liquor only from the hours of 11:30 a.m. to 12:00 a.m.]

[3.] 2. "Country club" means a club or organization that:

- A. May be operated for profit or not for profit;
- B. Has 75 or more bona fide members each of whom pays not less than \$50 per year; and
- C. Maintains at the time of the application for the license and continues to maintain a regular or championship golf course of 9 holes or more, or, instead of the golf course, a swimming pool at least 20 by 40 feet in size, and at least 6 tennis courts.

[4. "Racquet club" means a club or organization:

- A. That may be operated for profit or not for profit;
- B. That has 75 or more bona fide members each of whom pays dues of not less than \$50 per year;
- C. That has at the time of application for the license and continues to maintain a minimum of 6 playing courts and has facilities for preparing food; and
- D. The premises of which is to be licensed is not located within 300 feet of any existing establishment licensed to sell alcoholic beverages for on-sale or off-sale consumption.]

[5.] 3. "Topiary garden" means an organization that:

- A. Operates a public museum and garden for its membership and the general public as guests of the membership;
- B. Is open to the general public for at least 6 days a week for at least 6 hours a day during 5 months each year; and
- C. Has food preparation facilities on the topiary garden premises for the convenience of visiting guests.

[6.] 4. "Yacht or boat club" means a club or organization that:

- A. May be operated for profit or not for profit; and
- B. Owns real property in Harford County; and

C. Has not less than 150 bona fide dues-paying members and not less than 50 of whom own a yacht, boat, or other vessel.

(ii) A Class C-3 license may be issued only to a miscellaneous organization or club.

(iii) 1. The fee for a 6-day, Monday through Saturday, (on-sale) Class C-3 license under this paragraph is \$1,300.

2. The fee for a 7-day Class C-3 license under this paragraph is \$1,400.

9-213.

(b) [(4) The Board may waive restrictions under this subsection in approving an application for an alcoholic beverages license where an existing retail building or unit has an entrance not within 1,000 feet of the nearest point of a school building and no more than 25 percent of the floor area of the existing unit is within 1,000 feet of a school building.]

[(7) The provisions of paragraph (1) of this subsection do not apply to the issuance of a Class B-4 (seafood restaurant) license as set forth in § 5-201(n)(6) of this article.]

[(g) Except as otherwise provided in this article, in Harford County, the Board of License Commissioners may not issue or transfer to any neighborhood a Class A (off-sale) beer, wine and liquor license, if any of these classes of licenses exist in that neighborhood. This restriction does not apply if the license is acquired pursuant to the provisions of subsection (f)(2) of this section.]

10-202.

(a) (2) [(i) This paragraph does not apply in Harford County.]

[(ii)] (I) Before approving an application and issuing a license, the board shall consider:

1. The public need and desire for the license;
2. The number and location of existing licensees and the potential effect on existing licensees of the license applied for;
3. The potential commonality or uniqueness of the services and products to be offered by the applicant's business;

4. The impact on the general health, safety, and welfare of the community, including issues relating to crime, traffic conditions, parking, or convenience; and

5. Any other necessary factors as determined by the board.

[(iii)] (II) The application shall be disapproved and the license for which application is made shall be refused if the Board of License Commissioners for the City or any county determines that:

1. The granting of the license is not necessary for the accommodation of the public;

2. The applicant is not a fit person to receive the license for which application is made;

3. The applicant has made a material false statement in his application;

4. The applicant has practiced fraud in connection with the application;

5. The operation of the business, if the license is granted, will unduly disturb the peace of the residents of the neighborhood in which the place of business is to be located; or

6. There are other reasons, in the discretion of the board, why the license should not be issued.

[(iv)] (III) Except as otherwise provided in this section, if no such findings are made by the board, then the application shall be approved and the license issuing authority shall issue the license for which application is made upon payment of the fee required to the local collecting agent.

11-513.

(b) [(2) A Class B-4 (seafood restaurant) licensee may offer to sell beer and wine:

(i) On Mondays through Saturdays from 5:30 p.m. to 11:00 p.m.; and

(ii) On Sundays from 12 noon to 11:00 p.m.]

12-213.

(d) Notwithstanding the provisions of § 12-107 or of any other contrary provisions of this article, the possession of alcoholic beverages upon the premises of a

licensee under the provisions of this article is not unlawful under any of the following conditions:

[(3) When the alcoholic beverages have been brought upon the premises of a racetrack licensed under the provisions of the Maryland Horse Racing Act, and the track is licensed for the sale of alcoholic beverages under this article. However, it is lawful if the alcoholic beverages have been furnished by the licensee.]

15-112.

(n) (1) This subsection applies only in Harford County.

(2) In addition to any inspector who is serving prior to July 1, 1979, the Board and general manager may appoint additional inspectors as necessary to provide appropriate control over newly created Class A off-sale licensees. [Each inspector shall be directly responsible on a day to day basis to the general manager.]

15-202.

(b) (2) The aggregate sum advanced to or borrowed by the liquor control board may not exceed the following amounts:

[(i) Harford County -- \$75,000]

[(ii) (I) Somerset County -- \$50,000

[(iii) (II) Wicomico County -- \$500,000

[(iv) (III) Worcester County -- \$5,000,000.

(c) (1) The interest rate limitation provided in paragraph (2) of this subsection does not apply in [the following jurisdictions:

(i) Harford County;

(ii) Somerset County; and

(iii) Worcester County] **SOMERSET COUNTY AND WORCESTER**

COUNTY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.