

HOUSE BILL 1059

J5, J1, Q3

5lr2647

By: **Delegates Fair, Acevero, Guzzone, Kerr, Simpson, Watson, and Woods**

Introduced and read first time: February 5, 2025

Assigned to: Health and Government Operations and Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Health – Maryland Helping Everyone Afford Life–Saving Treatments and Health**
3 **Care (HEALTH) Fund and Income Tax Checkoff**

4 FOR the purpose of establishing the Maryland Helping Everyone Afford Life–Saving
5 Treatments and Health Care (HEALTH) Fund as a special, nonlapsing fund to assist
6 Maryland Medical Assistance Program enrollees and insured individuals with health
7 care costs associated with services and benefits provided under State law that are
8 subject to federal restrictions; requiring the Comptroller to include a checkoff on
9 individual income tax return forms for voluntary contributions to the Fund;
10 requiring the Comptroller to collect and account for contributions made through the
11 checkoff system and to credit the proceeds to the Fund after deducting the amount
12 necessary to administer the checkoff; and generally relating to the Maryland Helping
13 Everyone Afford Life–Saving Treatments and Health Care (HEALTH) Fund and an
14 income tax checkoff for contributions to the Fund.

15 BY adding to

16 Article – Insurance

17 Section 31–107.3

18 Annotated Code of Maryland

19 (2017 Replacement Volume and 2024 Supplement)

20 BY adding to

21 Article – Tax – General

22 Section 2–113.2 and 10–804(m)

23 Annotated Code of Maryland

24 (2022 Replacement Volume and 2024 Supplement)

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

27 **Article – Insurance**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **31-107.3.**

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

4 (2) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
5 THE EXCHANGE.

6 (3) "FUND" MEANS THE MARYLAND HELPING EVERYONE AFFORD
7 LIFE-SAVING TREATMENTS AND HEALTH CARE (HEALTH) FUND ESTABLISHED
8 UNDER THIS SECTION.

9 (4) "INCOME TAX CHECKOFF SYSTEM" MEANS THE CHECKOFF
10 SYSTEM ESTABLISHED UNDER § 2-112 OF THE TAX - GENERAL ARTICLE.

11 (B) (1) THERE IS A MARYLAND HELPING EVERYONE AFFORD
12 LIFE-SAVING TREATMENTS AND HEALTH CARE (HEALTH) FUND.

13 (2) THE PURPOSE OF THE FUND IS TO PROVIDE ASSISTANCE TO
14 MARYLAND MEDICAL ASSISTANCE PROGRAM ENROLLEES AND INDIVIDUALS WITH
15 HEALTH INSURANCE FOR HEALTH CARE COSTS ASSOCIATED WITH HEALTH CARE
16 SERVICES AND BENEFITS PROVIDED UNDER STATE LAW THAT ARE SUBJECT TO
17 FEDERAL RESTRICTIONS, INCLUDING FUNDING RESTRICTIONS.

18 (3) THE EXECUTIVE DIRECTOR SHALL ADMINISTER THE FUND.

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

21 (II) THE STATE TREASURER SHALL HOLD THE FUND
22 SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

23 (5) THE FUND CONSISTS OF:

24 (I) THE NET PROCEEDS FROM CONTRIBUTIONS UNDER THE
25 INCOME TAX CHECKOFF SYSTEM DISTRIBUTED TO THE FUND UNDER § 2-113.2(B)(3)
26 OF THE TAX - GENERAL ARTICLE;

27 (II) MONEY APPROPRIATED IN THE STATE BUDGET TO THE
28 FUND; AND

1 (III) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED
2 FOR THE BENEFIT OF THE FUND.

3 (6) (I) THE FUND MAY BE USED ONLY FOR PROVIDING ASSISTANCE
4 TO ELIGIBLE INDIVIDUALS WHO PROVIDE EVIDENCE OF A NEED FOR HEALTH CARE
5 ASSISTANCE FOR HEALTH CARE SERVICES AUTHORIZED UNDER STATE LAW THAT
6 HAVE BEEN IMPACTED BY FEDERAL RESTRICTIONS.

7 (II) THE FUND MAY NOT BE USED FOR ADMINISTRATIVE
8 EXPENSES.

9 (7) (I) THE STATE TREASURER SHALL INVEST THE MONEY OF THE
10 FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

11 (II) ANY INTEREST EARNINGS OF THE FUND SHALL BE
12 CREDITED TO THE GENERAL FUND OF THE STATE.

13 (8) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN
14 ACCORDANCE WITH THE STATE BUDGET.

15 (9) MONEY EXPENDED FROM THE FUND FOR HEALTH CARE
16 ASSISTANCE IS SUPPLEMENTAL TO AND NOT INTENDED TO TAKE THE PLACE OF
17 FUNDING THAT WOULD OTHERWISE BE APPROPRIATED TO THE EXCHANGE FOR
18 INDIVIDUALS FOR HEALTH CARE COSTS.

19 (C) (1) ON OR BEFORE AUGUST 31 EACH YEAR, THE EXECUTIVE
20 DIRECTOR SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE
21 WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE ADMINISTRATION OF
22 THE FUND.

23 (2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS
24 SUBSECTION SHALL INCLUDE:

25 (I) THE GROSS AMOUNT OF DONATIONS TO THE FUND
26 THROUGH THE INCOME TAX CHECKOFF SYSTEM AND OTHERWISE;

27 (II) THE COSTS OF ADMINISTRATION BY THE COMPTROLLER OF
28 THE INCOME TAX CHECKOFF SYSTEM; AND

29 (III) A DETAILED ACCOUNTING OF THE USE OF THE FUND.

30 (D) THE EXCHANGE SHALL ADOPT REGULATIONS TO CARRY OUT THIS
31 SECTION.

Article – Tax – General

2-113.2.

(A) (1) THE COMPTROLLER SHALL INCLUDE ON THE INDIVIDUAL INCOME TAX RETURN FORM A CHECKOFF DESIGNATED AS THE “MARYLAND HELPING EVERYONE AFFORD LIFE-SAVING TREATMENTS AND HEALTH CARE (HEALTH) FUND”.

(2) THE CHECKOFF SHALL STATE THAT:

(I) THE INDIVIDUAL, OR EACH SPOUSE IN THE CASE OF A JOINT RETURN, MAY CONTRIBUTE TO THE MARYLAND HELPING EVERYONE AFFORD LIFE-SAVING TREATMENTS AND HEALTH CARE (HEALTH) FUND THE AMOUNT DESIGNATED BY THE INDIVIDUAL; AND

(II) 1. THE INDIVIDUAL SHALL DEDUCT THE AMOUNT OF THE CONTRIBUTION FROM ANY REFUND TO WHICH THE INDIVIDUAL IS ENTITLED; OR

2. IF THE INDIVIDUAL IS NOT ENTITLED TO A REFUND, THE INDIVIDUAL SHALL ADD THE AMOUNT OF THE CONTRIBUTION TO THE INCOME TAX TO BE PAID WITH THE RETURN.

(3) THE COMPTROLLER SHALL INCLUDE, WITH THE INDIVIDUAL INCOME TAX RETURN PACKAGE, A DESCRIPTION OF THE PURPOSES FOR WHICH THE MARYLAND HELPING EVERYONE AFFORD LIFE-SAVING TREATMENTS AND HEALTH CARE (HEALTH) FUND WAS ESTABLISHED AND THE PURPOSES FOR WHICH THE FUND MAY BE USED.

(B) THE COMPTROLLER SHALL:

(1) COLLECT THE CHECKOFF CONTRIBUTIONS AND ACCOUNT TO THE STATE TREASURER FOR THE MONEY COLLECTED;

(2) FROM THE CONTRIBUTIONS COLLECTED, DISTRIBUTE THE AMOUNT NECESSARY TO ADMINISTER THE CHECKOFF SYSTEM TO AN ADMINISTRATIVE COST ACCOUNT; AND

(3) AFTER THE DISTRIBUTION UNDER ITEM (2) OF THIS SUBSECTION, DISTRIBUTE THE REMAINDER OF THE MONEY COLLECTED UNDER ITEM (1) OF THIS SUBSECTION TO THE MARYLAND HELPING EVERYONE AFFORD LIFE-SAVING TREATMENTS AND HEALTH CARE (HEALTH) FUND ESTABLISHED UNDER § 31-107.3 OF THE INSURANCE ARTICLE.

1 10-804.

2 (M) AN INDIVIDUAL MAY DESIGNATE A CONTRIBUTION TO THE MARYLAND
3 HELPING EVERYONE AFFORD LIFE-SAVING TREATMENTS AND HEALTH CARE
4 (HEALTH) FUND ESTABLISHED UNDER § 31-107.3 OF THE INSURANCE ARTICLE
5 BY THE CHECKOFF SYSTEM ON THE RETURN.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
7 1, 2025, and shall be applicable to all taxable years beginning after December 31, 2024.