

SENATE BILL 127

B1

3lr0136
CF 3lr0137

By: **The President (By Request – Administration)**

Introduced and read first time: January 16, 2013

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Budget Reconciliation and Financing Act of 2013**

3 FOR the purpose of altering the frequency with which certain payments from a certain
4 special fund are required to be paid; requiring the reduction of certain grants
5 and payments under certain circumstances; repealing certain requirements for
6 a certain notice relating to abandoned property to be published in certain
7 newspapers; requiring the Comptroller to maintain, or cause to be maintained,
8 an abandoned property database containing the names and last known
9 addresses, if any, of persons listed in certain reports; requiring the Comptroller
10 to maintain, or cause to be maintained, a certain Internet Web site relating to
11 the abandoned property database; requiring the Comptroller to publish certain
12 notices of a certain Internet Web site; altering certain circumstances under
13 which a county board of education is required to reimburse the Department of
14 Juvenile Services; altering or repealing certain required appropriations;
15 altering the distribution of certain revenue; providing for the transfer of certain
16 funds for certain purposes; repealing certain credits allowed against certain
17 taxes for the purchase of Maryland–mined coal; setting certain limits in
18 increases in payments to certain providers for a certain fiscal year; requiring
19 the Department of Health and Mental Hygiene to achieve certain savings from
20 certain rates; requiring the Health Services Cost Review Commission to conduct
21 a certain study in a certain manner; requiring the Medicaid Program to provide
22 certain information under certain circumstances; providing certain criteria for a
23 certain study; requiring that a certain report be provided to the Governor and
24 General Assembly on or before a certain date; requiring that the Commission
25 take certain actions to provide certain General Fund savings; defining certain
26 terms; making the provisions of this Act severable; and generally relating to the
27 financing of State and local government.

28 BY repealing and reenacting, with amendments,
29 Article – Business Regulation
30 Section 11–404(a) and 11–404.1

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2010 Replacement Volume and 2012 Supplement)

3 BY repealing
4 Article – Commercial Law
5 Section 17–311(a), (b), and (c)
6 Annotated Code of Maryland
7 (2005 Replacement Volume and 2012 Supplement)

8 BY adding to
9 Article – Commercial Law
10 Section 17–311(a), (b), and (c)
11 Annotated Code of Maryland
12 (2005 Replacement Volume and 2012 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Education
15 Section 22–306.1(b)
16 Annotated Code of Maryland
17 (2008 Replacement Volume and 2012 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Natural Resources
20 Section 5–903(a)(2)(v)
21 Annotated Code of Maryland
22 (2012 Replacement Volume)

23 BY repealing and reenacting, with amendments,
24 Article – Tax – General
25 Section 2–202(a) and 2–606(e)
26 Annotated Code of Maryland
27 (2010 Replacement Volume and 2012 Supplement)

28 BY adding to
29 Article – Tax – General
30 Section 2–606(g)
31 Annotated Code of Maryland
32 (2010 Replacement Volume and 2012 Supplement)

33 BY repealing and reenacting, with amendments,
34 Article – Tax – Property
35 Section 13–209(g)(1)
36 Annotated Code of Maryland
37 (2012 Replacement Volume)

38 BY adding to
39 Article – Tax – Property

1 Section 13–209(h)
 2 Annotated Code of Maryland
 3 (2010 Replacement Volume and 2012 Supplement)

4 BY repealing
 5 Article – Tax – General
 6 Section 8–406(b) and 10–704.1
 7 Annotated Code of Maryland
 8 (2010 Replacement Volume and 2012 Supplement)

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

11 **Article – Business Regulation**

12 11–404.

13 (a) (1) To help pay for facilities and services in communities within 2
 14 miles of the Pimlico Race Course or 3 miles of the Laurel Race Course, the Comptroller
 15 shall pay money to Baltimore City, the City of Laurel, and Anne Arundel and Howard
 16 counties in accordance with this section.

17 (2) The money shall be paid from the Special Fund in [half-yearly
 18 installments] AN ANNUAL GRANT.

19 11–404.1.

20 (A) IF IN ANY FISCAL YEAR REVENUES TO THE SPECIAL FUND
 21 ESTABLISHED UNDER § 11–402 OF THIS SUBTITLE ARE INSUFFICIENT TO FULLY
 22 FUND ALL GRANTS REQUIRED UNDER §§ 11–403 AND 11–404 OF THIS SUBTITLE,
 23 THE COMPTROLLER SHALL PROPORTIONALLY REDUCE THE AMOUNT OF
 24 PAYMENTS REQUIRED UNDER §§ 11–403(A)(2) AND (4), 11–403(B)(2), AND
 25 11–404 OF THIS SUBTITLE.

26 (B) [After all] IF IN ANY FISCAL YEAR REVENUES TO THE SPECIAL FUND
 27 ESTABLISHED UNDER § 11–402 OF THIS SUBTITLE ARE SUFFICIENT TO FULLY
 28 FUND ALL GRANTS REQUIRED UNDER §§ 11–403 AND 11–404 OF THIS SUBTITLE,
 29 AFTER ALL REQUIRED deductions from the Special Fund [as required under §§
 30 11–403 and 11–404 of this subtitle] are made, the Comptroller shall pay from the
 31 Special Fund an annual grant of:

32 (1) \$300,000 to be allocated in the following way:

33 (i) 70% to the Maryland–Bred Race Fund; and

1 (ii) 30% to the Maryland Standardbred Race Fund, to be divided
2 equally between the Sire Stakes Program and the Foaled Stakes Program; and

3 (2) \$260,000 to the Maryland Agricultural Education and Rural
4 Development Assistance Fund established under § 2–206 of the State Finance and
5 Procurement Article, with \$130,000 to be allocated to support the operations of the
6 Rural Maryland Council.

7 Article – Commercial Law

8 17–311.

9 [(a) (1) Within 365 days from the filing of the report required by § 17–310
10 of this subtitle, the Administrator shall cause notice to be published in a newspaper of
11 general circulation in the county in the State within which is located the last known
12 address of any person to be named in the notice.

13 (2) If an address is not listed or if the address is outside the State, the
14 notice shall be published in the county within which the person who held the
15 abandoned property has the principal place of business in this State.]

16 (A) IN THIS SECTION, “ABANDONED PROPERTY DATABASE” MEANS AN
17 ELECTRONIC DATABASE CONTAINING THE NAMES AND LAST KNOWN
18 ADDRESSES, IF ANY, OF PERSONS WHO APPEAR TO BE OWNERS OF ABANDONED
19 PROPERTY.

20 [(b) The published notice shall be entitled “Notice of Names of Persons
21 Appearing to Be Owners of Abandoned Property” and shall contain:

22 (1) The names in alphabetical order and last known addresses, if any,
23 of persons listed in the report and entitled to notice in the county specified in this
24 section;

25 (2) A statement that information concerning the amount or description
26 of the property and the name and address of the person who held the property may be
27 obtained by any person who possesses an interest in the property, by addressing an
28 inquiry to the Administrator; and

29 (3) A statement that a proof of claim may be presented by the owner to
30 the Administrator.]

31 (B) (1) THE ADMINISTRATOR SHALL MAINTAIN, OR CAUSE TO BE
32 MAINTAINED, AN ABANDONED PROPERTY DATABASE.

33 (2) WITHIN 365 DAYS AFTER THE FILING OF A REPORT REQUIRED
34 BY § 17–310 OF THIS SUBTITLE, THE ADMINISTRATOR SHALL ADD TO THE

1 ABANDONED PROPERTY DATABASE THE NAMES AND LAST KNOWN ADDRESSES,
2 IF ANY, OF PERSONS LISTED IN THE REPORT.

3 (3) THE ADMINISTRATOR SHALL MAINTAIN, OR CAUSE TO BE
4 MAINTAINED, AN INTERNET WEB SITE THAT:

5 (I) PROVIDES REASONABLE MEANS BY WHICH A PERSON
6 MAY SEARCH THE ABANDONED PROPERTY DATABASE REQUIRED BY THIS
7 SUBSECTION;

8 (II) CONTAINS A STATEMENT THAT INFORMATION
9 CONCERNING THE AMOUNT OR DESCRIPTION OF THE PROPERTY AND THE NAME
10 AND ADDRESS OF THE PERSON WHO HELD THE PROPERTY MAY BE OBTAINED BY
11 ANY PERSON WHO POSSESSES AN INTEREST IN THE PROPERTY, BY ADDRESSING
12 AN INQUIRY TO THE ADMINISTRATOR;

13 (III) CONTAINS A STATEMENT THAT A PROOF OF CLAIM MAY
14 BE PRESENTED BY THE OWNER TO THE ADMINISTRATOR; AND

15 (IV) INCLUDES A LINK TO AN ABANDONED PROPERTY CLAIM
16 FORM.

17 [(c) The Administrator is not required to publish in the notice any item
18 valued at less than \$100 unless the Administrator considers the publication to be in
19 the public interest.]

20 (C) (1) THE ADMINISTRATOR SHALL PUBLISH NOTICE OF THE
21 INTERNET WEB SITE REQUIRED BY SUBSECTION (B)(3) OF THIS SECTION.

22 (2) THE NOTICE SHALL:

23 (I) BE PUBLISHED AT LEAST ONCE EACH CALENDAR
24 QUARTER IN ONE OR MORE NEWSPAPERS OF GENERAL CIRCULATION IN EACH
25 COUNTY OF THE STATE; AND

26 (II) CONTAIN:

27 1. A STATEMENT THAT THE ADMINISTRATOR
28 MAINTAINS RECORDS OF THE NAMES AND LAST KNOWN ADDRESSES, IF ANY, OF
29 PERSONS WHO APPEAR TO BE OWNERS OF ABANDONED PROPERTY;

1 **2. A STATEMENT THAT ANY PERSON MAY SEARCH**
2 **THE ADMINISTRATOR'S ABANDONED PROPERTY RECORDS THROUGH THE**
3 **ADMINISTRATOR'S INTERNET WEB SITE; AND**

4 **3. THE ADDRESS OF THE INTERNET WEB SITE.**

5 **Article – Education**

6 22–306.1.

7 (b) A county board shall reimburse the Department of Juvenile Services the
8 amount of the basic cost calculated under subsection (a) of this section for each child
9 who was domiciled in the county prior to the placement if the child:

10 (1) Is [committed to the Department of Juvenile Services and is] in a
11 [program at a] facility or a residential facility;

12 (2) Is [not] in detention [or awaiting placement after disposition] **FOR**
13 **15 CONSECUTIVE DAYS OR MORE;**

14 (3) Does not meet the criteria for shared State and local payment of
15 educational costs as provided in §§ 8–406 and 8–415 of this article; and

16 (4) Was included in the full–time equivalent enrollment of the county
17 as calculated under § 5–202 of this article.

18 **Article – Natural Resources**

19 5–903.

20 (a) (2) (v) For each of fiscal years 2010 through [2013] **2015**,
21 \$1,217,000 of the State's share of funds available under subparagraph (i)1A of this
22 paragraph may be appropriated in the budgets of the Department, the Department of
23 General Services, and the Department of Planning for expenses necessary to
24 administer this Program.

25 **Article – Tax – General**

26 2–202.

27 (a) After making the distribution required under § 2–201 of this subtitle,
28 within 20 days after the end of each quarter, the Comptroller shall distribute:

29 (1) except as provided in subsection (b) of this section, from the
30 revenue from the State admissions and amusement tax on electronic bingo and
31 electronic tip jars under § 4–102(e) of this article[:

1 (i) , the revenue attributable to a tax rate of [20%] 25% to the
2 General Fund of the State; and

3 [(ii) the revenue attributable to a tax rate of 5% to the Special
4 Fund for Preservation of Cultural Arts in Maryland, as provided in § 4-801 of the
5 Economic Development Article; and]

6 (2) the remaining admissions and amusement tax revenue:

7 (i) to the Maryland Stadium Authority, county, or municipal
8 corporation that is the source of the revenue; or

9 (ii) if the Maryland Stadium Authority and also a county or
10 municipal corporation tax a reduced charge or free admission:

11 1. 80% of that revenue to the Authority; and

12 2. 20% to the county or municipal corporation.

13 2-606.

14 (e) [(1)] On or before June 30, 2010, the Comptroller shall distribute
15 \$350,000,000 from the Local Reserve Account established to comply with this section
16 to the Education Trust Fund established under § 9-1A-30 of the State Government
17 Article.

18 [(2) In each of fiscal years 2014 through 2020, the State shall pay to
19 the Local Reserve Account \$50,000,000 to repay the \$350,000,000 transfer to the
20 Education Trust Fund authorized under paragraph (1) of this subsection.]

21 **(G) (1) ON OR BEFORE JUNE 30, 2013, THE COMPTROLLER SHALL**
22 **DISTRIBUTE \$15,379,979 FROM THE LOCAL RESERVE ACCOUNT ESTABLISHED**
23 **TO COMPLY WITH THIS SECTION TO A SPECIAL FUND ESTABLISHED IN THE**
24 **DEPARTMENT OF TRANSPORTATION FOR THE PURPOSE OF PROVIDING**
25 **TRANSPORTATION GRANTS TO MUNICIPALITIES.**

26 **(2) THE GRANTS AUTHORIZED UNDER THIS SUBSECTION SHALL**
27 **BE ALLOCATED TO ELIGIBLE MUNICIPALITIES AS PROVIDED IN § 8-405 OF THE**
28 **TRANSPORTATION ARTICLE.**

29 **Article – Tax – Property**

30 13-209.

1 (g) (1) Notwithstanding § 7–311(j) of the State Finance and Procurement
2 Article, subject to paragraph (3) of this subsection, for fiscal year [2012] **2016** and for
3 each subsequent fiscal year, if the unappropriated General Fund surplus as of June 30
4 of the second preceding year exceeds \$10,000,000, the Governor shall include in the
5 budget bill a General Fund appropriation to the special fund under subsection (a) of
6 this section in an amount equal to at least the lesser of \$50,000,000 or the excess
7 surplus over \$10,000,000.

8 (H) (1) **THE DISTRIBUTIONS REQUIRED UNDER THIS SECTION MAY**
9 **NOT BE UTILIZED OR CONSIDERED FOR THE PURPOSES OF CALCULATING ANY**
10 **ALLOCATION OR APPROPRIATION UNDER SUBSECTION (F) OR (G) OF THIS**
11 **SECTION.**

12 (2) **NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE**
13 **GOVERNOR MAY TRANSFER FUNDS FROM THE SPECIAL FUND ESTABLISHED**
14 **UNDER THIS SECTION TO THE GENERAL FUND AS FOLLOWS:**

15 (I) **ON OR BEFORE JUNE 30, 2014, \$89,198,555;**

16 (II) **FOR THE FISCAL YEAR BEGINNING JULY 1, 2014,**
17 **\$75,062,000;**

18 (III) **FOR THE FISCAL YEAR BEGINNING JULY 1, 2015,**
19 **\$77,654,000;**

20 (IV) **FOR THE FISCAL YEAR BEGINNING JULY 1, 2016,**
21 **\$82,771,000; AND**

22 (V) **FOR THE FISCAL YEAR BEGINNING JULY 1, 2017,**
23 **\$86,028,000.**

24 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 8–406(b) and
25 10–704.1 of the Tax – General Article of the Annotated Code of Maryland be repealed.

26 SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding any
27 other provision of law, on or before June 30, 2013, the Governor may transfer
28 \$1,000,000 of the funds in the State Insurance Trust Fund established under § 9–103
29 of the State Finance and Procurement Article to the General Fund.

30 SECTION 4. AND BE IT FURTHER ENACTED, That, notwithstanding any
31 other provision of law, on or before June 30, 2014, the Governor may transfer
32 \$2,000,000 from the Small, Minority, and Women–Owned Business Investment
33 Account established under § 9–1A–35 of the State Government Article to the Small
34 Business Development Contract Financing Fund established under Part III of Title 5,
35 Subtitle 5 of the Economic Development Article.

1 SECTION 5. AND BE IT FURTHER ENACTED, That, for fiscal year 2014,
2 payments to providers of nonpublic placements under § 8–406 of the Education Article
3 may not increase by more than 2.5% over the rates in effect on January 16, 2013.

4 SECTION 6. AND BE IT FURTHER ENACTED, That, for fiscal year 2014,
5 payments to providers with rates set by the Interagency Rates Committee under §
6 8–417 of the Education Article may not increase by more than 2.5% over the rates in
7 effect on January 16, 2013.

8 SECTION 7. AND BE IT FURTHER ENACTED, That:

9 (1) In this section, “Commission” means the Health Services Cost
10 Review Commission.

11 (2) The Department of Health and Mental Hygiene shall achieve
12 \$30,000,000 of General Fund savings in fiscal year 2014 from a combination of tiered
13 rates for hospital outpatient and emergency department services and hospital update
14 factors approved by the Commission that are lower than assumed in the Medicaid
15 budget for fiscal year 2014.

16 (3) (i) The Commission shall engage an independent consultant to
17 prepare an analysis projecting the savings Medicaid will achieve from tiered rates in
18 fiscal year 2014.

19 (ii) The Medicaid Program shall make available to the
20 Commission and any related consultants the data deemed necessary for the consultant
21 to prepare the analysis.

22 (iii) In calculating the Medicaid savings from tiered rates, the
23 consultant shall:

24 1. Estimate fiscal year 2014 Medicaid utilization of the
25 clinics and emergency departments using available fiscal year 2013 data adjusted for
26 Medicaid’s estimates of enrollment growth for fiscal year 2014; and

27 2. Compare the amount Medicaid would pay for each
28 service using the preliminary or final Commission–approved clinic and emergency
29 department rates established by the Commission for fiscal year 2014 to the amount
30 Medicaid will pay using the fiscal year 2014 tiered rates developed by the hospitals.

31 (4) On or before December 15, 2013, the Commission shall submit a
32 report to the Governor and, in accordance with § 2–1246 of the State Government
33 Article, the General Assembly identifying the projected fiscal year 2014 savings, if
34 any, to the Medicaid Program from:

1 (i) Tiered rates at hospital outpatient clinics and emergency
2 departments as projected by the independent consultant; and

3 (ii) A fiscal year 2014 update factor that is less than assumed in
4 the fiscal year 2014 Medicaid budget.

5 (5) If the report projects General Fund savings of less than
6 \$30,000,000, the Commission shall take one or more of the following actions:

7 (i) Adjust the Medicaid hospital assessment so that the fiscal
8 year 2014 assessment rate as a percentage of projected regulated net patient revenue
9 equals the fiscal year 2013 assessment rate as a percentage of projected regulated net
10 patient revenue;

11 (ii) Reduce the Maryland Health Insurance Plan hospital
12 assessment by an amount sufficient to ensure that the combined Medicaid and
13 Maryland Health Insurance Plan assessments do not exceed \$518,000,000 in fiscal
14 year 2014; or

15 (iii) Identify and implement additional or alternative actions
16 that will bring the combined Medicaid General Fund savings in fiscal year 2014 to
17 \$30,000,000.

18 SECTION 8. AND BE IT FURTHER ENACTED, That, if any provision of this
19 Act or the application thereof to any person or circumstance is held invalid for any
20 reason in a court of competent jurisdiction, the invalidity does not affect other
21 provisions or any other application of this Act which can be given effect without the
22 invalid provision or application, and for this purpose the provisions of this Act are
23 declared severable.

24 SECTION 9. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
25 take effect July 1, 2013, and shall be applicable to all taxable years beginning after
26 December 31, 2012.

27 SECTION 10. AND BE IT FURTHER ENACTED, That, except as provided in
28 Section 9 of this Act, this Act shall take effect June 1, 2013.