

# SENATE BILL 87

B1

11r0142  
CF HB 72

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

Introduced and read first time: January 21, 2011

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Budget Reconciliation and Financing Act of 2011**

3 FOR the purpose of altering or repealing certain required appropriations; altering the  
4 distribution of certain revenues; altering or repealing certain funding  
5 requirements; altering the authorized use of certain funds; altering or repealing  
6 certain grant programs; authorizing certain units of government to charge a  
7 certain fee for certain purposes; repealing certain requirements for a certain  
8 notice relating to abandoned property to be published in certain newspapers;  
9 requiring the Comptroller to maintain, or cause to be maintained, an abandoned  
10 property database containing the names and last known addresses, if any, of  
11 persons listed in certain reports; requiring the Comptroller to maintain, or  
12 cause to be maintained, a certain Internet website relating to the abandoned  
13 property database; requiring the Comptroller to publish certain notices of a  
14 certain Internet website; altering the distribution of certain moving violation  
15 surcharges; altering a certain fee imposed on persons supervised by the Division  
16 of Parole and Probation; altering certain State education funding for a certain  
17 fiscal year; providing that certain grants to county boards of education may be  
18 funded from the proceeds of certain bonds; requiring certain counties to  
19 reimburse the State for certain nonpublic education costs; authorizing the  
20 Maryland Higher Education Commission to impose certain fees; prohibiting new  
21 awards under a certain scholarship program and abolishing the program by a  
22 certain date; altering the payment schedule for certain developmental  
23 disabilities providers; providing for the accreditation of certain youth camps by  
24 nationally recognized organizations; altering certain youth camp regulatory  
25 responsibilities of the Department of Health and Mental Hygiene; repealing  
26 certain youth camp inspection requirements; abolishing the Youth Camp Safety  
27 Advisory Council; altering certain hospital assessments for certain purposes;  
28 altering a certain quality assessment on certain nursing facilities; repealing the  
29 sunset date for the quality assessment paid by certain nursing facilities; making  
30 the Injured Workers' Insurance Fund subject to the premium tax; altering  
31 certain provisions relating to certain requirements that certain nonprofit health

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 service plans use certain funds for certain purposes under certain  
2 circumstances; requiring the transfer of certain interest from certain funds into  
3 the General Fund; authorizing the State to establish separate health insurance  
4 benefit options for retirees that differ from those for active employees;  
5 authorizing the State to discontinue certain health benefits for certain retirees  
6 in a certain year; altering certain requirements that certain subsidies be  
7 deposited in the State Employees and Retirees Health and Welfare Benefits  
8 Program; establishing a certain reformed contributory pension benefit for new  
9 members of the Employees' Pension System and the Teachers' Pension System  
10 on or after a certain date; altering for certain members of the Employees'  
11 Pension System and the Teachers' Pension System the method for calculating  
12 the average final compensation that is used to determine certain retirement  
13 allowances; requiring the adjustment of a certain employer contribution rate for  
14 certain State retirement and pension systems to reflect the cost of legislative  
15 changes under certain circumstances; requiring certain members of the  
16 Employees' Pension System and the Teachers' Pension System to make a  
17 certain selection that affects the rate of member contributions and the rate used  
18 to calculate certain benefits; providing for a certain selection if an individual  
19 fails to make a selection on or before a certain date or within a certain time  
20 period; making the selections irrevocable and not subject to change; altering the  
21 rate of member contributions and the method for calculating certain benefits for  
22 certain members of the Employees' Pension System and the Teachers' Pension  
23 System; altering eligibility for, and the method of calculating, an early service  
24 retirement allowance for certain members of the Employees' Pension System  
25 and the Teachers' Pension System; altering certain eligibility requirements for  
26 participation in certain deferred retirement option programs for members of the  
27 State Police Retirement System and the Law Enforcement Officers' Pension  
28 System; altering the rate of member contributions for certain members of the  
29 Judges' Retirement System; altering certain eligibility requirements for a  
30 certain vested allowance for certain members of the Employees' Pension System  
31 and the Teachers' Pension System; providing for a certain cost-of-living  
32 adjustment for members of the Employees' Pension System and the Teachers'  
33 Pension System who are subject to the reformed contributory pension benefit;  
34 altering the method for applying service credit for military service so as to use  
35 the accrual rate in effect at the time of application for the military service  
36 credit; requiring the Governor's Salary Commission and the General Assembly  
37 Salary Commission to make certain recommendations concerning benefit and  
38 contribution levels; requiring the Board of Trustees for the State Retirement  
39 and Pension System to provide certain reports to the Governor and the Joint  
40 Committee on Pensions; requiring the counties and Baltimore City to share  
41 certain costs of administering the Department of Assessments and Taxation;  
42 authorizing the Comptroller to withhold the distribution of certain local income  
43 tax revenue to a county or Baltimore City under certain circumstances; altering  
44 certain provisions relating to the funding of a certain highway; altering the  
45 distribution of certain highway user revenues for a certain fiscal year; requiring  
46 certain tax clearance verification before registration or renewal of registration  
47 of a motor vehicle; requiring certain tax clearance verification before issuance or  
48 renewal of a driver's license; requiring the Motor Vehicle Administration to

1 assess certain fees against certain licensees under certain circumstances;  
2 requiring the Administration to send a notice to an individual subject to a  
3 certain fee; requiring the suspension of an individual's driver's license unless  
4 the individual pays a certain fee; providing for the distribution of certain fees  
5 assessed by the Administration; requiring a court to provide a certain notice to a  
6 certain defendant; repealing certain credits allowed against certain taxes for the  
7 purchase of Maryland-mined coal; authorizing the transfer of certain funds for  
8 certain purposes; providing that the Governor is not required to include certain  
9 appropriations in the budget for certain fiscal years under certain  
10 circumstances; prohibiting certain payments for certain rate increases for  
11 certain providers for a certain fiscal year; prohibiting the payment of certain  
12 merit increases for certain State employees for a certain period; authorizing the  
13 prefunding of certain education funding obligations; making the provisions of  
14 this Act severable; providing for the effective dates and application of this Act;  
15 and generally relating to the financing of State government.

16 BY repealing and reenacting, with amendments,  
17 Article – Commercial Law  
18 Section 15–607 and 17–311  
19 Annotated Code of Maryland  
20 (2005 Replacement Volume and 2010 Supplement)

21 BY repealing and reenacting, with amendments,  
22 Article – Courts and Judicial Proceedings  
23 Section 7–301(f)  
24 Annotated Code of Maryland  
25 (2006 Replacement Volume and 2010 Supplement)

26 BY repealing and reenacting, with amendments,  
27 Article – Criminal Procedure  
28 Section 6–226(b)  
29 Annotated Code of Maryland  
30 (2008 Replacement Volume and 2010 Supplement)

31 BY repealing and reenacting, with amendments,  
32 Article – Economic Development  
33 Section 10–523(a)(3)(i)  
34 Annotated Code of Maryland  
35 (2008 Volume and 2010 Supplement)

36 BY repealing and reenacting, with amendments,  
37 Article – Education  
38 Section 5–202(a)(13), 5–206(f)(1), 11–105(o), 16–310(d)(1), 23–205(c) and (d),  
39 and 23–503(b)  
40 Annotated Code of Maryland  
41 (2008 Replacement Volume and 2010 Supplement)

42 BY adding to

- 1 Article – Education  
2 Section 8–507 and 18–1107  
3 Annotated Code of Maryland  
4 (2008 Replacement Volume and 2010 Supplement)
- 5 BY repealing and reenacting, with amendments,  
6 Article – Financial Institutions  
7 Section 13–1114(g)(3)  
8 Annotated Code of Maryland  
9 (2003 Replacement Volume and 2010 Supplement)
- 10 BY repealing  
11 Article – Health – General  
12 Section 14–401(b), (d), and (e), 14–402(b), (c), and (d), and 14–403 through  
13 14–410  
14 Annotated Code of Maryland  
15 (2009 Replacement Volume and 2010 Supplement)
- 16 BY repealing and reenacting, with amendments,  
17 Article – Health – General  
18 Section 7–306.1(d), 14–402(a), 14–411, 19–214(b) through (e), and 19–310.1(b)  
19 Annotated Code of Maryland  
20 (2009 Replacement Volume and 2010 Supplement)
- 21 BY adding to  
22 Article – Health – General  
23 Section 14–401(b), 14–402(b), and 14–403 through 14–405  
24 Annotated Code of Maryland  
25 (2009 Replacement Volume and 2010 Supplement)
- 26 BY repealing and reenacting, with amendments,  
27 Article – Insurance  
28 Section 6–101(a)  
29 Annotated Code of Maryland  
30 (2003 Replacement Volume and 2010 Supplement)
- 31 BY repealing and reenacting, with amendments,  
32 Article – Insurance  
33 Section 14–106(d)(1)(iv) and (2) and 14–106.1  
34 Annotated Code of Maryland  
35 (2006 Replacement Volume and 2010 Supplement)
- 36 BY repealing and reenacting, with amendments,  
37 Article – Labor and Employment  
38 Section 10–105(a)  
39 Annotated Code of Maryland  
40 (2008 Replacement Volume and 2010 Supplement)

- 1 BY repealing and reenacting, with amendments,  
2 Article – Natural Resources  
3 Section 5–212(g), 5–212.1(g), and 5–215(b) and (c)  
4 Annotated Code of Maryland  
5 (2005 Replacement Volume and 2010 Supplement)
- 6 BY repealing and reenacting, with amendments,  
7 Article – State Finance and Procurement  
8 Section 3A–309(e) and 6–226(a)  
9 Annotated Code of Maryland  
10 (2009 Replacement Volume and 2010 Supplement)
- 11 BY adding to  
12 Article – State Personnel and Pensions  
13 Section 2–508(b)(3), 20–101(hh–1), 20–205.1, 23–212(d) and (e), 23–221(d);  
14 23–225 and 23–226 to be under the new part “Part IV. Reformed  
15 Contributory Pension Benefit”; 23–401(f) and (g), 29–303(h); 29–430  
16 through 29–432 to be under the new part “Part VII. Three/One Percent  
17 Compound Adjustment”; and 31–116.2  
18 Annotated Code of Maryland  
19 (2009 Replacement Volume and 2010 Supplement)
- 20 BY repealing and reenacting, with amendments,  
21 Article – State Personnel and Pensions  
22 Section 2–509.1, 2–516, 20–101(g) and (bb), 20–205(a), 21–304(e) and (f),  
23 23–212(c), 23–221(a), 23–222, 23–401(a), (b), and (d), 23–402, 24–401.1(c),  
24 26–401.1(c), 27–202, 29–303(b), (c), and (e), 34–101(d), and 38–104(d)  
25 Annotated Code of Maryland  
26 (2009 Replacement Volume and 2010 Supplement)
- 27 BY repealing and reenacting, with amendments,  
28 Article – Tax – General  
29 Section 2–202(b), 2–1104, 2–1302.1, and 11–105(c)  
30 Annotated Code of Maryland  
31 (2010 Replacement Volume)
- 32 BY repealing and reenacting, with amendments,  
33 Article – Tax – Property  
34 Section 2–106  
35 Annotated Code of Maryland  
36 (2007 Replacement Volume and 2010 Supplement)
- 37 BY repealing  
38 Article – Transportation  
39 Section 1–103(c)  
40 Annotated Code of Maryland  
41 (2008 Replacement Volume and 2010 Supplement)

- 1 BY repealing and reenacting, with amendments,  
2 Article – Transportation  
3 Section 4–321(e) and 8–402(c)(2)  
4 Annotated Code of Maryland  
5 (2008 Replacement Volume and 2010 Supplement)
- 6 BY repealing and reenacting, with amendments,  
7 Article – Transportation  
8 Section 12–120(a), 13–406(9) and (10), and 16–103.1(11) and (12)  
9 Annotated Code of Maryland  
10 (2009 Replacement Volume and 2010 Supplement)
- 11 BY adding to  
12 Article – Transportation  
13 Section 13–406(11), 16–115(j); and 16–1001 through 16–1003 to be under the  
14 new subtitle “Subtitle 10. Assessment of Fees”  
15 Annotated Code of Maryland  
16 (2009 Replacement Volume and 2010 Supplement)
- 17 BY repealing and reenacting, with amendments,  
18 Chapter 503 of the Acts of the General Assembly of 2007  
19 Section 6
- 20 BY repealing  
21 Article – Education  
22 Section 18–1101 through 18–1107 and the subtitle “Subtitle 11. Distinguished  
23 Scholar Programs”  
24 Annotated Code of Maryland  
25 (2008 Replacement Volume and 2010 Supplement)
- 26 BY repealing  
27 Article – Education  
28 Section 18–1201 through 18–1207 and the subtitle “Subtitle 12. Private Career  
29 School Student Grant Program”  
30 Annotated Code of Maryland  
31 (2008 Replacement Volume and 2010 Supplement)
- 32 BY repealing  
33 Article – Tax – General  
34 Section 8–406(b) and 10–704.1  
35 Annotated Code of Maryland  
36 (2010 Replacement Volume)

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

39 **Article – Commercial Law**

1 15-607.

2 (A) Wages, due from or payable by the State, or a county, municipal  
3 corporation, or other political subdivision, and the public officers of the State or a  
4 county, municipal corporation, or other political subdivision to an individual, are  
5 subject to attachment process brought for the enforcement of the private legal  
6 obligations of the individual in the same manner and to the same extent as if the  
7 State, county, municipal corporation, or other political subdivision, and their  
8 respective public officers, were a private person.

9 (B) THE STATE, OR A COUNTY, MUNICIPAL CORPORATION, OR OTHER  
10 POLITICAL SUBDIVISION, AND THEIR RESPECTIVE PUBLIC OFFICERS, MAY  
11 DEDUCT AND RETAIN FROM THE INDIVIDUAL'S WAGES AN ADDITIONAL \$2 FOR  
12 EACH DEDUCTION MADE UNDER THE ATTACHMENT PROCESS OF THIS SUBTITLE  
13 OR UNDER TITLE 31, U.S.C. § 3720D.

14 17-311.

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

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

22 (b) The published notice shall be entitled "Notice of Names of Persons  
23 Appearing to Be Owners of Abandoned Property" and shall contain:

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

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

31 (3) A statement that a proof of claim may be presented by the owner to  
32 the Administrator.

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

1           **(A) IN THIS SECTION, "ABANDONED PROPERTY DATABASE" MEANS AN**  
2 **ELECTRONIC DATABASE CONTAINING THE NAMES AND LAST KNOWN**  
3 **ADDRESSES, IF ANY, OF PERSONS WHO APPEAR TO BE OWNERS OF ABANDONED**  
4 **PROPERTY.**

5           **(B) (1) THE ADMINISTRATOR SHALL MAINTAIN, OR CAUSE TO BE**  
6 **MAINTAINED, AN ABANDONED PROPERTY DATABASE.**

7                   **(2) WITHIN 365 DAYS AFTER THE FILING OF THE REPORT**  
8 **REQUIRED BY § 17-310 OF THIS SUBTITLE, THE ADMINISTRATOR SHALL ADD TO**  
9 **THE ABANDONED PROPERTY DATABASE THE NAMES AND LAST KNOWN**  
10 **ADDRESSES, IF ANY, OF PERSONS LISTED IN THE REPORT.**

11           **(3) THE ADMINISTRATOR SHALL MAINTAIN, OR CAUSE TO BE**  
12 **MAINTAINED, AN INTERNET WEBSITE THAT:**

13                   **(I) PROVIDES REASONABLE MEANS BY WHICH A PERSON**  
14 **MAY SEARCH THE ABANDONED PROPERTY DATABASE REQUIRED BY THIS**  
15 **SUBSECTION;**

16                   **(II) CONTAINS A STATEMENT THAT INFORMATION**  
17 **CONCERNING THE AMOUNT OR DESCRIPTION OF THE PROPERTY AND THE NAME**  
18 **AND ADDRESS OF THE PERSON WHO HELD THE PROPERTY MAY BE OBTAINED BY**  
19 **ANY PERSON WHO POSSESSES AN INTEREST IN THE PROPERTY, BY ADDRESSING**  
20 **AN INQUIRY TO THE ADMINISTRATOR;**

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

23                   **(IV) INCLUDES A LINK TO AN ABANDONED PROPERTY CLAIM**  
24 **FORM.**

25           **(C) (1) THE ADMINISTRATOR SHALL PUBLISH NOTICE OF THE**  
26 **INTERNET WEBSITE REQUIRED BY SUBSECTION (B)(3) OF THIS SECTION.**

27                   **(2) THE NOTICE SHALL:**

28                   **(I) BE PUBLISHED AT LEAST ONCE EACH CALENDAR**  
29 **QUARTER IN ONE OR MORE NEWSPAPERS OF GENERAL CIRCULATION IN EACH**  
30 **COUNTY OF THE STATE; AND**

31                   **(II) CONTAIN:**



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

4                   **2. A STATEMENT THAT ANY PERSON MAY SEARCH**  
 5 **THE ADMINISTRATOR'S ABANDONED PROPERTY RECORDS THROUGH THE**  
 6 **ADMINISTRATOR'S INTERNET WEBSITE; AND**

7                   **3. THE ADDRESS OF THE INTERNET WEBSITE.**

8           (d) Within 120 days from the receipt of the report required by § 17-310 of  
 9 this subtitle, the Administrator shall mail a notice to each person who has an address  
 10 listed in the report who appears entitled to property valued at \$100 or more and  
 11 presumed abandoned under this subtitle.

12           (e) The mailed notice shall contain:

13                   (1) A statement that, according to a report filed with the  
 14 Administrator, property is being held to which the addressee appears entitled;

15                   (2) The name and address of the person who held the property and  
 16 any necessary information regarding any change of the name or address of the holder;  
 17 and

18                   (3) A statement that a proof of claim may be presented by the owner to  
 19 the Administrator.

20                   **Article – Courts and Judicial Proceedings**

21           7-301.

22           (f) (1) This subsection does not apply to a traffic case under § 21-202.1, §  
 23 21-809, or § 21-810 of the Transportation Article or to a parking or impounding case.

24                   (2) In a traffic case under subsection (a)(1) of this section the court  
 25 shall add a \$7.50 surcharge to the court costs imposed by the court.

26                   (3) **(I)** The Comptroller annually shall credit the surcharges  
 27 collected under this subsection [to:

28                           (i) The Volunteer Company Assistance Fund to be used in  
 29 accordance with the provisions of Title 8, Subtitle 2 of the Public Safety Article; and

30                           (ii) The General Fund after \$20,000,000 is credited to the  
 31 Volunteer Company Assistance Fund in accordance with item (i) of this paragraph.

1                   (4) Notwithstanding any other provision of this subsection, for fiscal  
2 year 2010 only, the surcharges collected under this subsection shall be credited as  
3 follows:

4                   (i) 25% to the Volunteer Company Assistance Fund to be used  
5 in accordance with the provisions of Title 8, Subtitle 2 of the Public Safety Article; and

6                   (ii) 75% to the General Fund] **AS PROVIDED IN THIS**  
7 **PARAGRAPH.**

8                   **(II) AN AMOUNT ANNUALLY AS SET FORTH IN THE STATE**  
9 **BUDGET SHALL BE DISTRIBUTED FOR THE CHARLES W. RILEY FIRE AND**  
10 **EMERGENCY MEDICAL SERVICES TUITION REIMBURSEMENT PROGRAM AS**  
11 **ESTABLISHED IN § 18-603 OF THE EDUCATION ARTICLE.**

12                   **(III) AFTER THE DISTRIBUTION UNDER SUBPARAGRAPH (II)**  
13 **OF THIS PARAGRAPH:**

14                   1. **SUBJECT TO SUBPARAGRAPH (IV) OF THIS**  
15 **PARAGRAPH, 50% SHALL BE CREDITED TO THE VOLUNTEER COMPANY**  
16 **ASSISTANCE FUND TO BE USED IN ACCORDANCE WITH THE PROVISIONS OF**  
17 **TITLE 8, SUBTITLE 2 OF THE PUBLIC SAFETY ARTICLE; AND**

18                   2. **50% SHALL BE CREDITED TO THE GENERAL**  
19 **FUND.**

20                   **(IV) AFTER A TOTAL OF \$20,000,000 IS CREDITED TO THE**  
21 **VOLUNTEER COMPANY ASSISTANCE FUND UNDER SUBPARAGRAPH (III)1 OF**  
22 **THIS PARAGRAPH, 100% OF THE REMAINDER AFTER THE DISTRIBUTION UNDER**  
23 **SUBPARAGRAPH (II) OF THIS PARAGRAPH SHALL BE DISTRIBUTED TO THE**  
24 **GENERAL FUND.**

25                   **Article – Criminal Procedure**

26 6-226.

27                   (b) [(1)] Unless the supervisee is exempt under subsection (d) of this  
28 section, except as provided in paragraph (2) of this subsection, the court shall impose a  
29 monthly fee of [\$25] **\$50** on a supervisee.

30                   [(2) For fiscal years 2006 through 2010 only, the monthly fee imposed  
31 under this subsection shall be \$40.]

32                   **Article – Economic Development**

1 10-523.

2 (a) (3) (i) To assist the Corporation in complying with subsection (c) of  
 3 this section, the Governor shall include each year in the State budget bill an  
 4 appropriation to the Corporation for rural business development and assistance [for  
 5 each of fiscal years 2010 and 2011 in the amount of \$2,750,000 and for each of fiscal  
 6 years 2012 through 2020, in the amount of \$4,000,000] **AS FOLLOWS:**

7 1. **FOR FISCAL YEAR 2011, \$2,750,000;**

8 2. **FOR FISCAL YEAR 2012, \$1,000,000;**

9 3. **FOR FISCAL YEAR 2013, \$2,000,000;**

10 4. **FOR FISCAL YEAR 2014, \$3,000,000; AND**

11 5. **FOR EACH OF FISCAL YEARS 2015 THROUGH 2020,**  
 12 **\$4,000,000.**

13 **Article – Education**

14 5-202.

15 (a) (13) “Target per pupil foundation amount” means:

16 (i) In fiscal years 2008, 2009, and 2010, \$6,694;

17 (ii) Except as provided in [item (iii)] **ITEMS (III) AND (IV)** of  
 18 this paragraph, in subsequent fiscal years:

19 1. The target per pupil foundation amount for the prior  
 20 fiscal year increased by the same percentage as the lesser of:

21 A. The increase in the implicit price deflator for State  
 22 and local government expenditures for the second prior fiscal year;

23 B. The Consumer Price Index for all urban consumers for  
 24 the Washington–Baltimore metropolitan area, or any successor index, for the second  
 25 prior fiscal year; or

26 C. 5%; or

27 2. If there is no increase in the implicit price deflator for  
 28 State and local government expenditures for the second prior fiscal year or in the  
 29 Consumer Price Index for all urban consumers for the Washington–Baltimore

1 metropolitan area, or any successor index, for the second prior fiscal year, the target  
2 per pupil foundation amount for the prior fiscal year;

3 **(III) IN FISCAL YEAR 2012, \$6,599;** and

4 ~~[(iii)]~~ **(IV)** In each of fiscal years ~~[2012]~~ **2013** through 2015:

5 1. The target per pupil foundation amount for the prior  
6 fiscal year increased by the same percentage as the lesser of:

7 A. The increase in the implicit price deflator for State  
8 and local government expenditures for the second prior fiscal year;

9 B. The Consumer Price Index for all urban consumers for  
10 the Washington–Baltimore metropolitan area, or any successor index, for the second  
11 prior fiscal year; or

12 C. 1%; or

13 2. If there is no increase in the implicit price deflator for  
14 State and local government expenditures for the second prior fiscal year or in the  
15 Consumer Price Index for all urban consumers for the Washington–Baltimore  
16 metropolitan area, or any successor index, for the second prior fiscal year, the target  
17 per pupil foundation amount for the prior fiscal year.

18 5–206.

19 (f) (1) In fiscal year 2006 and in each fiscal year thereafter, the State  
20 shall distribute grants **FROM AN APPROPRIATION IN THE STATE BUDGET OR**  
21 **GENERAL OBLIGATION BONDS** to county boards under the Aging Schools Program  
22 administered by the Interagency Committee on School Construction in amounts equal  
23 to the funding level calculated under paragraph (2) of this subsection.

24 **8–507.**

25 **(A) IN THIS SECTION, “BASIC COST” MEANS THE AVERAGE AMOUNT**  
26 **SPENT BY A COUNTY FROM COUNTY AND STATE DOLLARS FOR THE PUBLIC**  
27 **EDUCATION OF A NONDISABLED CHILD.**

28 **(B) A COUNTY SHALL REIMBURSE THE DEPARTMENT OF JUVENILE**  
29 **SERVICES OR THE DEPARTMENT OF HUMAN RESOURCES THE AMOUNT OF THE**  
30 **BASIC COST CALCULATED UNDER SUBSECTION (A) OF THIS SECTION FOR EACH**  
31 **CHILD WHO WAS DOMICILED IN THE COUNTY PRIOR TO THE PLACEMENT IF:**

32 **(1) THE DEPARTMENT OF JUVENILE SERVICES OR THE**  
33 **DEPARTMENT OF HUMAN RESOURCES PLACES A CHILD WHO IS IN**

1 STATE-SUPERVISED CARE IN A NONPUBLIC RESIDENTIAL PLACEMENT THAT  
2 ALSO PROVIDES THE EDUCATION PROGRAM FOR THE CHILD; AND

3 (2) THE CHILD DOES NOT MEET THE CRITERIA FOR SHARED  
4 STATE AND LOCAL PAYMENT OF EDUCATIONAL COSTS AS PROVIDED IN §§ 8-406  
5 AND 8-415 OF THIS TITLE.

6 11-105.

7 (o) (1) The Commission may require an application fee from an institution  
8 of postsecondary education seeking [certification]:

9 (I) CERTIFICATION to operate in the State; OR

10 (II) APPROVAL OF ANY ACADEMIC PROGRAM ACTION TAKEN  
11 UNDER SUBTITLE 2 OF THIS TITLE.

12 (2) (I) THE REVENUES FROM APPLICATION FEES SHALL BE  
13 DISTRIBUTED TO A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO §  
14 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

15 (II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH,  
16 THE SPECIAL FUND MAY BE USED ONLY TO CARRY OUT THE PROVISIONS OF  
17 SUBTITLE 2 OF THIS TITLE.

18 (III) AT THE END OF EACH FISCAL YEAR, ANY AMOUNT IN  
19 EXCESS OF \$100,000 SHALL REVERT TO THE GENERAL FUND.

20 (IV) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE  
21 CREDITED TO THE GENERAL FUND.

22 (3) Subject to the provisions of § 11-203 of this title, the Commission  
23 may require bonds or other financial guaranties from institutions of postsecondary  
24 education seeking certification or recertification to operate in the State.

25 16.310.

26 (d) (1) Notwithstanding subsection (b) of this section, if any student is a  
27 resident of this State and enrolls in an instructional program that the Commission  
28 designates as a health manpower shortage program or a statewide or regional  
29 program, the student shall pay only the student tuition and fees payable by a resident  
30 of a county that supports the community college and the Commission shall pay any  
31 applicable out-of-county fee. For any fiscal year **BEGINNING ON OR AFTER JULY 1,**  
32 **2011,** if State appropriations to the Commission for payment of any applicable  
33 out-of-county fee under this paragraph do not provide sufficient funds to fully

1 reimburse applicable out-of-county fees, [the Governor shall include in the budget bill  
 2 for the next fiscal year a deficiency appropriation to provide the additional funds to  
 3 fully reimburse the out-of-county fees] **THE COMMISSION SHALL PRORATE THE**  
 4 **REIMBURSEMENT FOR THE OUT-OF-COUNTY FEES.**

5 **18-1107.**

6 **NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE COMMISSION**  
 7 **MAY NOT AWARD ANY NEW SCHOLARSHIPS UNDER THIS SUBTITLE FOR THE**  
 8 **2011-2012 ACADEMIC YEAR OR FOR ANY SUBSEQUENT ACADEMIC YEAR.**

9 23-205.

10 (c) (1) Each year each participating regional resource center shall receive  
 11 a minimum amount of funding for each resident of the area served, to be used for  
 12 operating and capital expenses.

13 (2) The allocation shall be calculated as follows:

14 (i) [For fiscal year 2009.....\$6.50 per each resident of the  
 15 area served;

16 (ii) For fiscal year 2010.....\$6.75 per each resident of the  
 17 area served;

18 (iii) For **EACH OF** fiscal [year] **YEARS 2011 THROUGH**  
 19 **2016**.....\$6.75 per each resident of the area served; [and]

20 **(II) FOR FISCAL YEAR 2017.....\$7.00 PER EACH**  
 21 **RESIDENT OF THE AREA SERVED;**

22 **(III) FOR FISCAL YEAR 2018.....\$7.25 PER EACH**  
 23 **RESIDENT OF THE AREA SERVED; AND**

24 (iv) For fiscal year [2012] **2019** and each fiscal year  
 25 thereafter.....\$7.50 per each resident of the area served.

26 (d) (1) Each year the State Library Resource Center shall receive a  
 27 minimum amount of funding for each State resident in the previous fiscal year, to be  
 28 used for operating and capital expenses.

29 (2) The allocation shall be calculated as follows:

30 (i) [For fiscal year 2009.....\$1.85 per State resident;

1 (ii) For each of fiscal years 2010 [and 2011] THROUGH  
2 2016.....\$1.67 per State resident; [and]

3 (II) FOR FISCAL YEAR 2017.....\$1.73 PER STATE  
4 RESIDENT;

5 (III) FOR FISCAL YEAR 2018.....\$1.79 PER STATE  
6 RESIDENT; AND

7 [(iii)] (IV) For fiscal year [2012] 2019 and each fiscal year  
8 thereafter.....\$1.85 per State resident.

9 23-503.

10 (b) (1) Each county public library system that participates in the  
11 minimum library program shall be provided for each resident of the county, to be used  
12 for operating and capital expenses:

13 (i) [For fiscal year 2009 – \$14.00;

14 (ii) For fiscal year 2010 – \$14.00;

15 (iii) For EACH OF fiscal [year] YEARS 2011 THROUGH 2016 –  
16 \$14.00; [and]

17 (II) FOR FISCAL YEAR 2017 – \$14.30;

18 (III) FOR FISCAL YEAR 2018 – \$14.60; AND

19 (iv) For fiscal year [2012] 2019 and each fiscal year thereafter –  
20 \$15.00.

21 Article – Financial Institutions

22 13-1114.

23 (g) (3) (i) Up to 10% of Program Open Space funds transferred to the  
24 Authority may be used to pay the operating expenses of the Authority.

25 (ii) Up to 50% of Program Open Space funds transferred to the  
26 Authority may be expended for debt service on bonds issued by the Authority.

27 (III) FOR FISCAL YEAR 2012 ONLY, AN ADDITIONAL \$500,000  
28 OF PROGRAM OPEN SPACE FUNDS TRANSFERRED TO THE AUTHORITY MAY BE  
29 USED TO PAY OPERATING EXPENSES IN THE DEPARTMENT OF PLANNING.

1 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 14–401(b), (d),  
2 and (e), 14–402(b), (c), and (d), and 14–403 through 14–410 of Article – Health –  
3 General of the Annotated Code of Maryland be repealed.

4 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
5 read as follows:

6 **Article – Health – General**

7 7–306.1.

8 (d) **(1)** Subject to the provisions of subsections (e), (f), and (g) of this  
9 section, the Administration shall provide payment to private providers for the services  
10 provided from the funds designated in subsection (c) of this section in accordance with  
11 the following payment schedule:

12 **[(1) (I)** On or before the third business day of the fiscal quarter  
13 beginning July 1, **[33%] 17%** of the total annual amount to be paid to the provider;

14 **[(2)** On or before the third business day of the fiscal quarter beginning  
15 October 1, 25% of the total annual amount to be paid to the provider;

16 **(3)** On or before the third business day of the fiscal quarter beginning  
17 January 1, 25% of the total annual amount to be paid to the provider; and

18 **(4)** On or before the third business day of the fiscal quarter beginning  
19 April 1, 17% of the total annual amount to be paid to the provider]**AND**

20 **(II) THEREAFTER, MONTHLY FOR SERVICES THAT HAVE**  
21 **BEEN PROVIDED DURING THE PREVIOUS MONTH, IN AN AMOUNT AS**  
22 **DETERMINED BY THE ADMINISTRATION.**

23 **(2) TOTAL PAYMENTS UNDER PARAGRAPH (1)(I) AND (II) OF THIS**  
24 **SUBSECTION MAY NOT EXCEED THE TOTAL AMOUNT TO BE PAID TO THE**  
25 **PROVIDER.**

26 14–401.

27 **(B) “ACCREDITATION ORGANIZATION” MEANS A PRIVATE ENTITY THAT**  
28 **CONDUCTS INSPECTIONS AND SURVEYS OF YOUTH CAMPS BASED ON**  
29 **NATIONALLY RECOGNIZED AND DEVELOPED STANDARDS.**

30 14–402.



1 (a) This subtitle and the regulations issued under this subtitle do not apply  
2 to:

3 (1) Purely social activities of a family or the guests of a family;

4 (2) [Subject to subsection (b) of this section, programs] **PROGRAMS** or  
5 activities directed or operated by a board of recreation, recreation department, or  
6 similar public unit of a county, a municipal corporation, as defined by Article 23A of  
7 the Code, or the Maryland–National Capital Park and Planning Commission, that  
8 involve use of neighborhood facilities, including:

9 (i) Schools;

10 (ii) Playgrounds;

11 (iii) Parks; or

12 (iv) Recreation centers;

13 (3) [Subject to subsection (c) of this section, programs] **PROGRAMS** or  
14 activities directed or operated by an agency of the State that involve occasional use of  
15 public facilities including:

16 (i) Schools;

17 (ii) Playgrounds;

18 (iii) Parks; or

19 (iv) Recreation centers; or

20 (4) Youth overnight programs sponsored by religious or community  
21 organizations operating or conducted for not more than 5 consecutive days during any  
22 1 calendar year, such as a vacation bible school, youth bike trip, and similar activities.

23 **(B) EACH LOCAL GOVERNMENT SHALL ADOPT HEALTH AND SAFETY**  
24 **STANDARDS PERTAINING TO THE OPERATION OF YOUTH CAMPS.**

25 **14–403.**

26 **THE SECRETARY MAY ADOPT REGULATIONS TO IMPLEMENT THE**  
27 **REQUIREMENTS OF THIS SUBTITLE.**

28 **14–404.**

29 **(A) EACH YOUTH CAMP OPERATED IN THIS STATE SHALL BE**  
30 **ACCREDITED BY AN ACCREDITATION ORGANIZATION.**

1           **(B) THE SECRETARY SHALL MAINTAIN A LIST OF ACCREDITED YOUTH**  
2 **CAMPS.**

3 **14-405.**

4           **(A) AN ACCREDITATION ORGANIZATION SHALL APPLY TO THE**  
5 **SECRETARY FOR APPROVAL.**

6           **(B) PRIOR TO APPROVAL OF AN ACCREDITATION ORGANIZATION, THE**  
7 **SECRETARY SHALL:**

8                   **(1) DETERMINE THAT THE STANDARDS OF THE ACCREDITATION**  
9 **ORGANIZATION ARE EQUAL TO OR MORE STRINGENT THAN EXISTING STATE**  
10 **REQUIREMENTS;**

11                   **(2) EVALUATE THE SURVEY OR INSPECTION PROCESS OF THE**  
12 **ACCREDITATION ORGANIZATION TO ENSURE THE INTEGRITY OF THE SURVEY OR**  
13 **INSPECTION PROCESS; AND**

14                   **(3) ENTER INTO A FORMAL WRITTEN AGREEMENT WITH THE**  
15 **ACCREDITATION ORGANIZATION THAT INCLUDES REQUIREMENTS FOR:**

16                           **(I) NOTICE OF ALL SURVEYS AND INSPECTIONS;**

17                           **(II) SHARING OF COMPLAINTS AND OTHER RELEVANT**  
18 **INFORMATION;**

19                           **(III) PARTICIPATION OF THE DEPARTMENT IN**  
20 **ACCREDITATION ORGANIZATION ACTIVITIES; AND**

21                           **(IV) ANY OTHER PROVISION NECESSARY TO ENSURE THE**  
22 **INTEGRITY OF THE ACCREDITATION PROCESS.**

23           **(C) (1) WHEN AN APPROVED ACCREDITATION ORGANIZATION HAS**  
24 **ISSUED A FINAL REPORT FINDING A YOUTH CAMP TO BE IN SUBSTANTIAL**  
25 **COMPLIANCE WITH THE ACCREDITATION ORGANIZATION'S STANDARDS, THE**  
26 **SECRETARY SHALL ADD THE YOUTH CAMP TO THE LIST OF ACCREDITED YOUTH**  
27 **CAMPS.**

28                   **(2) A YOUTH CAMP THAT FAILS TO ACHIEVE SUBSTANTIAL**  
29 **COMPLIANCE WITH THE STANDARDS OF AN APPROVED ACCREDITATION**  
30 **ORGANIZATION MAY NOT OPERATE IN THIS STATE.**

1           **(D) (1) AN APPROVED ACCREDITATION ORGANIZATION SHALL SEND**  
2 **THE DEPARTMENT ANY PRELIMINARY AND FINAL REPORT OF EACH INSPECTION**  
3 **AND SURVEY AT THE TIME IT IS SENT TO THE YOUTH CAMP.**

4           **(2) A FINAL REPORT OF AN APPROVED ACCREDITATION**  
5 **ORGANIZATION SHALL BE MADE IMMEDIATELY AVAILABLE TO THE PUBLIC ON**  
6 **REQUEST.**

7           **(3) A PRELIMINARY OR FINAL REPORT OF AN APPROVED**  
8 **ACCREDITATION ORGANIZATION IS NOT ADMISSIBLE IN EVIDENCE IN ANY CIVIL**  
9 **ACTION OR PROCEEDING.**

10          **(E) THE DEPARTMENT MAY PARTICIPATE IN OR OBSERVE A SURVEY OR**  
11 **INSPECTION OF A YOUTH CAMP CONDUCTED BY AN APPROVED ACCREDITATION**  
12 **ORGANIZATION.**

13          **(F) ON A DETERMINATION BY THE SECRETARY THAT AN APPROVED**  
14 **ACCREDITATION ORGANIZATION HAS FAILED TO MEET ITS OBLIGATIONS UNDER**  
15 **THIS SECTION, THE SECRETARY MAY WITHDRAW THE APPROVAL FROM THE**  
16 **ACCREDITATION ORGANIZATION.**

17 **[14-411.] 14-406.**

18           This subtitle may be cited as the “Maryland Youth Camp Act”.

19 19-214.

20          (b) The Commission may adopt regulations establishing alternative methods  
21 for financing the reasonable total costs of hospital uncompensated care **AND**  
22 **HOSPITAL GRADUATE MEDICAL EDUCATION** provided that the alternative methods:

23           (1) Are in the public interest;

24           (2) Will equitably distribute the reasonable costs of uncompensated  
25 care **AND GRADUATE MEDICAL EDUCATION**;

26           (3) Will fairly determine the cost of reasonable uncompensated care  
27 **AND GRADUATE MEDICAL EDUCATION** included in hospital rates;

28           (4) Will continue incentives for hospitals to adopt fair, efficient, and  
29 effective credit and collection policies; and

30           (5) Will not result in significantly increasing costs to Medicare or the  
31 loss of Maryland’s Medicare Waiver under § 1814(b) of the Social Security Act.

1 (c) Any funds generated through hospital rates under an alternative method  
2 adopted by the Commission in accordance with subsection (b) of this section may only  
3 be used to finance the delivery of hospital uncompensated care **AND HOSPITAL**  
4 **GRADUATE MEDICAL EDUCATION.**

5 (d) (1) Each year, the Commission shall assess a uniform, broad-based,  
6 and reasonable amount in hospital rates to:

7 (i) Reflect the aggregate reduction in hospital uncompensated  
8 care realized from the expansion of health care coverage under Chapter 7 of the Acts of  
9 the 2007 Special Session of the General Assembly; [and]

10 **(II) SUPPORT THE GENERAL OPERATIONS OF THE**  
11 **MEDICAID PROGRAM; AND**

12 [(ii)] **(III)** Operate and administer the Maryland Health  
13 Insurance Plan established under Title 14, Subtitle 5 of the Insurance Article.

14 (2) (i) For the portion of the assessment under paragraph (1)(i) of  
15 this subsection:

16 1. The Commission shall ensure that the assessment  
17 amount does not exceed the **GREATER OF:**

18 **A. THE TOTAL** savings realized in averted hospital  
19 uncompensated care from the health care coverage expansion; **OR**

20 **B. 1.5% OF HOSPITAL NET PATIENT REVENUE; [and]**

21 2. **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**  
22 **THIS PARAGRAPH, THE COMMISSION SHALL REQUIRE THAT ASSESSMENTS ARE**  
23 **PAID BY ALL ACUTE CARE AND SPECIALTY HOSPITALS LICENSED BY THE**  
24 **DEPARTMENT, INCLUDING PUBLICLY OPERATED HOSPITALS; AND**

25 3. Each hospital shall remit its assessment amount to  
26 the Health Care Coverage Fund established under § 15-701 of this article.

27 **(II) EXCEPT AS PROHIBITED BY FEDERAL LAW OR**  
28 **REGULATION, THE COMMISSION MAY EXEMPT SPECIALTY HOSPITALS NOT**  
29 **SUBJECT TO RATE REGULATION BY THE COMMISSION FROM THE PORTION OF**  
30 **THE ASSESSMENT UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION.**

31 [(ii)] **(III)** Any savings realized in averted uncompensated care  
32 as a result of the expansion of health care coverage under Chapter 7 of the Acts of the  
33 2007 Special Session of the General Assembly that are not subject to the assessment

1 under paragraph (1)(i) of this subsection shall be shared among purchasers of hospital  
2 services in a manner that the Commission determines is most equitable.

3           **(3) (I) FOR THE PORTION OF THE ASSESSMENT UNDER**  
4 **PARAGRAPH (1)(II) OF THIS SUBSECTION:**

5                           **1. THE COMMISSION SHALL ENSURE THAT THE**  
6 **ASSESSMENT AMOUNT EQUALS 2.5% OF NET PATIENT REVENUE AND THAT**  
7 **ASSESSMENT COSTS ARE SHARED AMONG HOSPITALS AND PURCHASERS OF**  
8 **HOSPITAL SERVICES IN A MANNER THAT THE COMMISSION DETERMINES IS**  
9 **MOST EQUITABLE;**

10                           **2. EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**  
11 **THIS PARAGRAPH, THE COMMISSION SHALL ENSURE THAT ASSESSMENTS ARE**  
12 **PAID BY ALL ACUTE CARE AND SPECIALTY HOSPITALS OPERATING IN THE**  
13 **STATE, INCLUDING PUBLICLY OPERATED HOSPITALS; AND**

14                           **3. EACH HOSPITAL SHALL REMIT ITS ASSESSMENT**  
15 **AMOUNT TO THE DEPARTMENT.**

16                           **(II) EXCEPT AS PROHIBITED BY FEDERAL LAW OR**  
17 **REGULATION, THE COMMISSION MAY EXEMPT SPECIALTY HOSPITALS NOT**  
18 **SUBJECT TO RATE REGULATION BY THE COMMISSION FROM THE PORTION OF**  
19 **THE ASSESSMENT UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION.**

20           **(4) For the portion of the assessment under paragraph (1)(ii) of this**  
21 **subsection:**

22                           (i) The Commission shall ensure that the assessment:

23   1. Shall be included in the reasonable costs of each  
24 hospital when establishing the hospital's rates;

25   2. May not be considered in determining the  
26 reasonableness of rates or hospital financial performance under Commission  
27 methodologies; and

28   3. May not be less as a percentage of net patient revenue  
29 than the assessment of 0.8128% that was in existence on July 1, 2007; and

30   (ii) Each hospital shall remit monthly one-twelfth of the  
31 amount assessed under paragraph (1)(ii) of this subsection to the Maryland Health  
32 Insurance Plan Fund established under Title 14, Subtitle 5 of the Insurance Article,  
33 for the purpose of operating and administering the Maryland Health Insurance Plan.

1            [(4)] **(5)**      The assessment authorized under paragraph (1) of this  
2 subsection may not exceed [3%] **6%** in the aggregate of any hospital's total net  
3 [regulated] patient revenue.

4            [(5)] **(6)**      Funds generated from the assessment under this subsection  
5 may be used only as follows:

6                            (i)      To supplement coverage under the Medical Assistance  
7 Program beyond the eligibility requirements in existence on January 1, 2008;

8                            (ii)     To provide funding for the operation and administration of  
9 the Maryland Health Insurance Plan, including reimbursing the Department for  
10 subsidizing the plan costs of members of the Maryland Health Insurance Plan under a  
11 Medicaid waiver program; and

12                           (iii)    Any funds remaining after expenditures under items (i) and  
13 (ii) of this paragraph have been made may be used for the general operations of the  
14 Medicaid program.

15            (e)      On or before January 1 each year, the Commission shall report to the  
16 Governor and, in accordance with § 2–1246 of the State Government Article, the  
17 General Assembly the following information:

18                           (1)      The aggregate reduction in hospital uncompensated care realized  
19 from the expansion of health care coverage under Chapter 7 of the Acts of the General  
20 Assembly of the 2007 Special Session **AND PUBLIC LAW NO. 111–148 (THE**  
21 **PATIENT PROTECTION AND AFFORDABLE CARE ACT)**; and

22                           (2)      The number of individuals who enrolled in Medicaid as a result of  
23 the change in eligibility standards under § 15–103(a)(2)(ix) and (x) of this article and  
24 the expenses associated with the utilization of hospital inpatient care by these  
25 individuals.

26            19–310.1.

27            (b)      (1)      The Department may impose a quality assessment on each  
28 freestanding nursing facility subject to this section.

29                           (2)      The amount assessed in the aggregate on all nursing facilities may  
30 not exceed [4%] **5.5%** of the operating revenue for all nursing facilities subject to this  
31 section for the previous fiscal quarter.

32                           (3)      The assessment authorized by this section shall be paid by each  
33 nursing facility in accordance with this section.

1 6–101.

2 (a) The following persons are subject to taxation under this subtitle:

3 (1) a person engaged as principal in the business of writing insurance  
4 contracts, surety contracts, guaranty contracts, or annuity contracts;

5 (2) a managed care organization authorized by Title 15, Subtitle 1 of  
6 the Health – General Article;

7 (3) a for–profit health maintenance organization authorized by Title  
8 19, Subtitle 7 of the Health – General Article;

9 (4) an attorney in fact for a reciprocal insurer;

10 (5) the Maryland Automobile Insurance Fund; [and]

11 (6) a credit indemnity company; AND

12 (7) **THE INJURED WORKERS’ INSURANCE FUND.**

13 14–106.

14 (d) (1) Notwithstanding subsection (c) of this section, a nonprofit health  
15 service plan that is subject to this section and issues comprehensive health care  
16 benefits in the State shall:

17 (iv) subsidize the [Maryland Pharmacy Discount Program under  
18 § 15–124.1] **KIDNEY DISEASE PROGRAM UNDER TITLE 13, SUBTITLE 3** of the  
19 Health – General Article; and

20 (2) (i) **[The] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**  
21 **THIS PARAGRAPH, THE** support provided under [paragraph (1)(v)1, 3, and 4 of]  
22 **PARAGRAPH (1)(IV) AND (V) OF** this subsection to the **DEPARTMENT OF HEALTH**  
23 **AND MENTAL HYGIENE FOR THE** Community Health Resources Commission **AND**  
24 **THE KIDNEY DISEASE PROGRAM** shall be [limited to:

25 1. \$2,000,000 in fiscal year 2006; and

26 2. in fiscal year 2007 and annually thereafter,] the value  
27 of the premium tax exemption less[:

28 A.] the subsidy required under this subsection for the  
29 Senior Prescription Drug Assistance Program[;

1 B. the subsidy required under this subsection for the  
2 Maryland Pharmacy Discount Program; and

3 C. the funding required under this subsection for the  
4 unified data information system.

5 (ii) The subsidy provided under paragraph (1)(iv) of this  
6 subsection for the Maryland Pharmacy Discount Program shall be limited to:

7 1. \$500,000 in fiscal year 2006; and

8 2. \$300,000 in fiscal year 2007 and annually thereafter.

9 (iii) The amount provided under paragraph (1)(v)2 of this  
10 subsection to fund a unified data information system shall be limited to:

11 1. \$500,000 in fiscal year 2006; and

12 2. \$1,700,000 in fiscal year 2007 and annually  
13 thereafter].

14 (II) FOR EACH OF FISCAL YEARS 2012 AND 2013, THE  
15 SUBSIDY PROVIDED UNDER THIS SUBSECTION TO THE DEPARTMENT OF  
16 HEALTH AND MENTAL HYGIENE FOR THE COMMUNITY HEALTH RESOURCES  
17 COMMISSION MAY NOT BE LESS THAN \$3,000,000.

18 14-106.1.

19 Beginning in fiscal year 2006, a nonprofit health service plan shall transfer  
20 funds in the amounts provided under § 14-106(d)(2) of this subtitle to THE  
21 DEPARTMENT OF HEALTH AND MENTAL HYGIENE FOR:

22 (1) the Community Health Resources Commission Fund established  
23 under § 19-2201 of the Health – General Article to support the costs of the  
24 Community Health Resources Commission as provided in § 14-106(d)(1)(v) of this  
25 subtitle; and

26 (2) [the Department of Health and Mental Hygiene to subsidize the  
27 Maryland Pharmacy Discount Program under § 15-124.1 of the Health – General  
28 Article] THE KIDNEY DISEASE PROGRAM UNDER TITLE 13, SUBTITLE 3 OF THE  
29 HEALTH – GENERAL ARTICLE.

30 Article – Labor and Employment

31 10-105.



1 (a) Except for Title 3, Subtitle 1, [Title 6, Subtitle 1,] Title 8, Subtitle 3, and  
2 Title 11 of the Insurance Article and as otherwise provided by law, the Fund is subject  
3 to the Insurance Article to the same extent as an authorized domestic workers'  
4 compensation insurer.

5 **Article – Natural Resources**

6 5–212.

7 (g) The Fund may be used only for:

8 (1) [(i)] Purchasing and managing in the name of the State lands  
9 suitable for forest culture, reserves, watershed protection, State parks, scenic  
10 preserves, historic monuments, parkways, and State recreational reserves; [and]

11 [(ii)] (2) Helping to offset the costs to the Forest and Park  
12 Service for developing and implementing a forest health emergency contingency  
13 program under § 5–307 of this title; **AND**

14 [(2) Annual payments to counties in the amount of:

15 (i) If the State forest or park reserve comprises less than 10% of  
16 the total land area of the county, a sum equal to 15% of the revenue derived from the  
17 State forest or park reserve located in that county; and

18 (ii) If the State forest or park reserve comprises 10% or more of  
19 the total land area of the county, a sum equal to 25% of the revenue derived from the  
20 State forest or park reserve located in that county; and]

21 (3) Administrative costs calculated in accordance with § 1–103(b)(2) of  
22 this article.

23 5–212.1.

24 (g) [(1)] [Except as provided in paragraph (2) of this subsection, the] **THE**  
25 Account shall be used only for:

26 [(i)] (1) The maintenance and operation of concession  
27 operations;

28 [(ii)] (2) The function of State forests and parks to the extent  
29 of the projected balance of the Account from the prior fiscal year; and

30 [(iii)] (3) Administrative costs calculated in accordance with §  
31 1–103(b)(2) of this article.





1                    **[(8)] (7)**      any other money from any source accepted for the benefit of  
2 the Fund.

3 6-226.

4            (a)    **(1)**      Except as otherwise specifically provided by law or by regulation of  
5 the Treasurer, the Treasurer shall credit to the General Fund any interest on or other  
6 income from State money that the Treasurer invests.

7                    **(2) (I)    NOTWITHSTANDING ANY OTHER PROVISION OF LAW,  
8 AND UNLESS INCONSISTENT WITH A FEDERAL LAW, GRANT AGREEMENT, OR  
9 OTHER FEDERAL REQUIREMENT OR WITH THE TERMS OF A GIFT OR  
10 SETTLEMENT AGREEMENT, NET INTEREST ON ALL STATE MONEY ALLOCATED  
11 BY THE STATE TREASURER UNDER THIS SECTION TO SPECIAL FUNDS OR  
12 ACCOUNTS, AND OTHERWISE ENTITLED TO RECEIVE INTEREST EARNINGS, AS  
13 ACCOUNTED FOR BY THE COMPTROLLER, SHALL ACCRUE TO THE GENERAL  
14 FUND OF THE STATE.**

15                                    **(II)    THE PROVISIONS OF SUBPARAGRAPH (I) OF THIS  
16 PARAGRAPH DO NOT APPLY TO THE FOLLOWING FUNDS:**

17                                    1.    **MARYLAND HOUSING LOAN FUNDS OF 1976,  
18 1978, 1979, AND 1984;**

19                                    2.    **MICROSOFT COST SHARE FUND;**

20                                    3.    **SUBSEQUENT INJURY FUND;**

21                                    4.    **UNINSURED EMPLOYERS' FUND;**

22                                    5.    **STATE AGENCY LOAN PROGRAM FUND;**

23                                    6.    **JANE E. LAWTON CONSERVATION LOAN  
24 PROGRAM;**

25                                    7.    **ENERGY OVERCHARGE RESTITUTION FUND;**

26                                    8.    **PEPCO/CONNECTIV SETTLEMENT FUND;**

27                                    9.    **BASEBALL CAPITAL IMPROVEMENTS FUND;**

28                                    10.   **STATE VICTIMS OF CRIME FUND;**

- 1  
2 **GRANT FUND;**
- 3  
4 **RELOCATION FUND;**
- 5  
6  
7  
8  
9  
10  
11  
12  
13 **ARCHIVES FUND;**
- 14  
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16  
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18  
19  
20 **WELFARE BENEFITS FUND;**
- 21  
22 **DEVELOPMENT PROJECT FUND;**
- 23  
24  
25 **FUND;**
11. **JUVENILE ACCOUNTABILITY INCENTIVE BLOCK**
12. **VICTIM AND WITNESS PROTECTION AND**
13. **UNCLAIMED RESTITUTION – VICTIMS OF CRIME;**
14. **JUSTICE ASSISTANCE GRANT;**
15. **BYRNE JUSTICE ASSISTANCE GRANT;**
16. **MARYLAND ELECTION MODERNIZATION FUND;**
17. **SCRIVEN ESTATE FUND;**
18. **VOLUNTEER COMPANY ASSISTANCE FUND;**
19. **RADOFF MEMORIAL FUND;**
20. **ARCHIVES ENDOWMENT ACCOUNT WITHIN THE**
21. **ELLEFSON ENDOWMENT FUND;**
22. **ALBERT C. RITCHIE MEMORIAL FUND;**
23. **RATE STABILIZATION FUND;**
24. **MARYLAND HEALTH INSURANCE PLAN FUND;**
25. **FAIR CAMPAIGN FINANCING FUND;**
26. **STATE EMPLOYEES AND RETIREES HEALTH AND**
27. **MAJOR INFORMATION TECHNOLOGY**
28. **STATE RETIREMENT AGENCY FUNDS;**
29. **POSTRETIREMENT HEALTH BENEFITS TRUST**

- 1 **OPERATIONS FUND;**
  - 2
  - 3 **PROTECTION FUND;**
  - 4
  - 5 **FUND;**
  - 6
  - 7
  - 8
  - 9
  - 10
  - 11 **FUND;**
  - 12
  - 13
  - 14 **UNIVERSITY;**
  - 15
  - 16 **COLLEGE OF MARYLAND;**
  - 17
  - 18 **SYSTEM OF MARYLAND;**
  - 19
  - 20
  - 21
  - 22 **CITY COMMUNITY COLLEGE;**
  - 23
  - 24
  - 25
  - 26 **DEVELOPMENT;**
  - 27
30. MARYLAND EMERGENCY MEDICAL SYSTEM
  31. STATE WILDLIFE MANAGEMENT AND
  32. FISHERIES MANAGEMENT AND PROTECTION
  33. OCEAN BEACH REPLENISHMENT FUND;
  34. COMMUNITY SERVICES TRUST FUND;
  35. WAITING LIST EQUITY FUND;
  36. HEALTH CARE COVERAGE FUND;
  37. HEALTH SERVICES COST REVIEW COMMISSION
  38. HOSPITAL UNCOMPENSATED CARE FUND;
  39. FUNDS IN THE ACCOUNTS OF MORGAN STATE
  40. FUNDS IN THE ACCOUNTS OF ST. MARY'S
  41. FUNDS IN THE ACCOUNTS OF THE UNIVERSITY
  42. MARYLAND PREPAID COLLEGE TRUST FUND;
  43. NURSE SUPPORT PROGRAM ASSISTANCE FUND;
  44. FUNDS IN THE ACCOUNTS OF THE BALTIMORE
  45. EDUCATION TRUST FUND;
  46. SECTION 8 CONSTRUCTION AND ADMINISTRATION

- 1                   **47. MACARTHUR GRANT FUND;**
- 2                   **48. ALL SPECIAL FUNDS WITHIN THE DEPARTMENT**
- 3 **OF BUSINESS AND ECONOMIC DEVELOPMENT;**
- 4                   **49. MARYLAND WATER QUALITY REVOLVING LOAN**
- 5 **FUND;**
- 6                   **50. MARYLAND DRINKING WATER REVOLVING LOAN**
- 7 **FUND;**
- 8                   **51. BAY RESTORATION FUND;**
- 9                   **52. MIGRATORY GAME BIRD FUND;**
- 10                  **53. DEER STAMP FUND;**
- 11                  **54. WILDLIFE HABITAT INCENTIVE FUND;**
- 12                  **55. FISHERIES RESEARCH AND DEVELOPMENT**
- 13 **FUND;**
- 14                  **56. STRATEGIC ENERGY INVESTMENT FUND;**
- 15                  **57. CRIMINAL INJURIES COMPENSATION FUND;**
- 16                  **58. 50% OF THE INTEREST FROM THE 9-1-1 TRUST**
- 17 **FUND;**
- 18                  **59. ALL ACCOUNTS WITHIN THE STATE RESERVE**
- 19 **FUND;**
- 20                  **60. LOCAL REVENUE ACCOUNTS COLLECTED BY THE**
- 21 **JUDICIARY;**
- 22                  **61. ASSISTIVE TECHNOLOGY LOAN FUND; AND**
- 23                  **62. VETERANS TRUST FUND.**

24                   **Article – State Personnel and Pensions**

25    2-508.

1           (b)   **(3)**   NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION  
2   AND §§ 2-509 AND 2-509.1 OF THIS SUBTITLE, THE STATE MAY ESTABLISH  
3   SEPARATE HEALTH INSURANCE BENEFIT OPTIONS FOR RETIREES THAT DIFFER  
4   FROM THOSE FOR ACTIVE STATE EMPLOYEES.

5   2-509.1.

6           (A)   [The] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,  
7   THE State shall continue to include a prescription drug benefit plan in the health  
8   insurance benefit options established under the Program and available to retirees  
9   under §§ 2-508 and 2-509 of this subtitle notwithstanding the enactment of the  
10   federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003 or  
11   any other federal law permitting states to discontinue prescription drug benefit plans  
12   to retirees of a state.

13           (B)   **THE STATE MAY DISCONTINUE PRESCRIPTION DRUG BENEFITS FOR**  
14   **MEDICARE-ELIGIBLE RETIREES IN FISCAL YEAR 2020.**

15   2-516.

16           (a)   In this section, "Fund" means the State Employees and Retirees Health  
17   and Welfare Benefits Fund established under this section.

18           (b)   (1)   A special reserve fund is established to retain certain State  
19   revenues and State general and special funds for the purpose of funding the State  
20   Employee and Retiree Health and Welfare Benefits Program established under this  
21   subtitle.

22                   (2)   The Fund is a continuing, nonlapsing fund that is not subject to §  
23   7-302 of the State Finance and Procurement Article.

24                   (3)   [The Fund consists of the moneys distributed to the Fund under  
25   subsection (c) of this section.

26                   (4)]   The Treasurer shall separately hold and the Comptroller shall  
27   account for the Fund.

28                   [(5)] (4)   (i)   The Fund shall be invested and reinvested in the  
29   same manner as other State funds.

30                           (ii)   Any investment earnings shall be credited to the Fund.

31           (c)   [(1)   Notwithstanding any other provision of law, for fiscal years 2010  
32   through 2012 only, there shall be credited to the Fund any subsidy received by the  
33   State that is provided to employers as a result of the federal Medicare Prescription  
34   Drug, Improvement, and Modernization Act of 2003, or similar federal subsidy  
35   received as a result of the State's prescription drug program.



1           (2) The Fund [also] consists of moneys appropriated for State  
2 Employee and Retiree Health Insurance or authorized to be transferred to that  
3 purpose in the State budget.

4           (d) (1) Except as otherwise provided in this section, the Fund shall be  
5 retained in reserve and may not be spent for any purpose.

6           (2) Subject to the budget amendment procedure provided for in §  
7 7–209 of the State Finance and Procurement Article, moneys credited to the Fund may  
8 be used only for the purpose of funding the State costs of the State Employee and  
9 Retiree Health and Welfare Benefits Program.

10 20–101.

11           (g) “Average final compensation” means the average annual earnable  
12 compensation that is computed as provided in § 20–204 [or], § 20–205, **OR § 20–205.1**  
13 of this title.

14           (bb) “Normal retirement age” means:

15           (1) 50 years old, for a member of:

16                   (i) the State Police Retirement System; or

17                   (ii) the Law Enforcement Officers’ Pension System;

18           (2) 60 years old, for a member of:

19                   (i) the Correctional Officers’ Retirement System, for the  
20 purpose of disability retirement only;

21                   (ii) the Employees’ Retirement System;

22                   (iii) the Judges’ Retirement System;

23                   (iv) the Local Fire and Police System, who transferred from the  
24 Employees’ Retirement System; or

25                   (v) the Teachers’ Retirement System; [or]

26           (3) 62 years old, for a member of:

27                   (i) the Employees’ Pension System **WHO IS NOT SUBJECT TO**  
28 **THE REFORMED CONTRIBUTORY PENSION BENEFIT UNDER TITLE 23, SUBTITLE**  
29 **2, PART IV OF THIS ARTICLE;**

1 (ii) the Local Fire and Police System, who has not transferred  
2 from the Employees' Retirement System; or

3 (iii) the Teachers' Pension System **WHO IS NOT SUBJECT TO**  
4 **THE REFORMED CONTRIBUTORY PENSION BENEFIT UNDER TITLE 23, SUBTITLE**  
5 **2, PART IV OF THIS ARTICLE; OR**

6 **(4) 65 YEARS OLD, FOR A MEMBER OF THE EMPLOYEES' PENSION**  
7 **SYSTEM OR TEACHERS' PENSION SYSTEM WHO IS SUBJECT TO THE REFORMED**  
8 **CONTRIBUTORY PENSION BENEFIT UNDER TITLE 23, SUBTITLE 2, PART IV OF**  
9 **THIS ARTICLE.**

10 **(HH-1) "REFORMED CONTRIBUTORY PENSION BENEFIT" MEANS THE**  
11 **PART OF THE EMPLOYEES' PENSION SYSTEM AND THE TEACHERS' PENSION**  
12 **SYSTEM THAT PROVIDES THE REFORMED CONTRIBUTORY PENSION BENEFIT**  
13 **UNDER TITLE 23, SUBTITLE 2, PART IV OF THIS ARTICLE.**

14 20-205.

15 (a) **(1) [This] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**  
16 **SUBSECTION, THIS section applies only to:**

17 **[(1)] (I) the Employees' Pension System;**

18 **[(2)] (II) the Local Fire and Police System;**

19 **[(3)] (III) the Law Enforcement Officers' Pension System; and**

20 **[(4)] (IV) the Teachers' Pension System.**

21 **(2) THIS SECTION DOES NOT APPLY TO:**

22 **(I) A MEMBER OF THE EMPLOYEES' PENSION SYSTEM OR**  
23 **TEACHERS' PENSION SYSTEM WHO IS SUBJECT TO THE REFORMED**  
24 **CONTRIBUTORY PENSION BENEFIT UNDER TITLE 23, SUBTITLE 2, PART IV OF**  
25 **THIS ARTICLE; OR**

26 **(II) A MEMBER OF THE EMPLOYEES' PENSION SYSTEM OR**  
27 **TEACHERS' PENSION SYSTEM WHO HAS FEWER THAN 5 YEARS OF ELIGIBILITY**  
28 **SERVICE IN THE EMPLOYEES' PENSION SYSTEM OR TEACHERS' PENSION SYSTEM**  
29 **AS OF JULY 1, 2011.**

30 **20-205.1.**

31 **(A) THIS SECTION APPLIES TO:**

1           **(1) A MEMBER OF THE EMPLOYEES' PENSION SYSTEM OR**  
2 **TEACHERS' PENSION SYSTEM WHO IS SUBJECT TO THE REFORMED**  
3 **CONTRIBUTORY PENSION BENEFIT UNDER TITLE 23, SUBTITLE 2, PART IV OF**  
4 **THIS ARTICLE; AND**

5           **(2) A MEMBER OF THE EMPLOYEES' PENSION SYSTEM OR**  
6 **TEACHERS' PENSION SYSTEM WHO HAS FEWER THAN 5 YEARS OF ELIGIBILITY**  
7 **SERVICE IN THE EMPLOYEES' PENSION SYSTEM OR TEACHERS' PENSION**  
8 **SYSTEM AS OF JULY 1, 2011.**

9           **(B) (1) IN THIS SUBSECTION, "BREAK IN SERVICE" MEANS A PERIOD**  
10 **OF EMPLOYMENT IN WHICH THE MEMBER'S EMPLOYER DID NOT:**

11                   **(I) DEDUCT THE MEMBER CONTRIBUTIONS FROM THE**  
12 **COMPENSATION OF THE MEMBER; OR**

13                   **(II) REPORT THE HOURS WORKED BY THE MEMBER.**

14           **(2) (I) FOR THE PURPOSE OF COMPUTING BENEFITS UNDER**  
15 **THIS DIVISION II, THE AVERAGE FINAL COMPENSATION OF A MEMBER EQUALS**  
16 **THE AVERAGE ANNUAL EARNABLE COMPENSATION OF THE MEMBER, ADJUSTED**  
17 **AS PROVIDED IN THIS SECTION, DURING THE 5 CONSECUTIVE YEARS THAT**  
18 **PROVIDE THE HIGHEST AVERAGE EARNABLE COMPENSATION.**

19                   **(II) IF THE MEMBER EXPERIENCED ANY BREAK IN SERVICE**  
20 **DURING THE 5 CONSECUTIVE YEARS THAT PROVIDE THE MEMBER'S HIGHEST**  
21 **AVERAGE EARNABLE COMPENSATION, THE BOARD OF TRUSTEES:**

22                           **1. MAY NOT INCLUDE IN THE COMPUTATION OF**  
23 **AVERAGE FINAL COMPENSATION THE PERIOD OF MONTHS OF THE BREAKS IN**  
24 **SERVICE THAT OTHERWISE WOULD BE INCLUDED IN THE COMPUTATION; AND**

25                           **2. IN ORDER TO GENERATE THE HIGHEST AVERAGE**  
26 **EARNABLE COMPENSATION FOR THE MEMBER, SHALL EXTEND THE 5-YEAR**  
27 **PERIOD BY AN EQUAL NUMBER OF MONTHS IMMEDIATELY PRECEDING OR**  
28 **FOLLOWING THAT PERIOD.**

29           **(C) (1) THIS SUBSECTION APPLIES TO A MEMBER WHOSE ELIGIBILITY**  
30 **SERVICE HAS BEEN ADJUSTED UNDER THIS DIVISION II TO COMPUTE**  
31 **CREDITABLE SERVICE, ON THE BASIS OF THE MEMBER HAVING COMPLETED**  
32 **LESS THAN THE NORMAL HOURS OF SERVICE FOR THE MEMBER'S POSITION.**

1           **(2) A MEMBER'S EARNABLE COMPENSATION SHALL BE ADJUSTED**  
2 **TO A FULL-TIME BASIS FOR ANY PERIOD INCLUDED IN THE COMPUTATION OF**  
3 **AVERAGE FINAL COMPENSATION.**

4           **(D) EXCEPT FOR A SALARY INCREASE BECAUSE OF A MEMBER'S**  
5 **PROMOTION, THE MEMBER'S AVERAGE FINAL COMPENSATION DOES NOT**  
6 **INCLUDE A SALARY INCREASE IN THE LAST 5 YEARS OF EMPLOYMENT IF IT IS AN**  
7 **EXTRAORDINARY SALARY INCREASE ACCORDING TO REGULATIONS THAT THE**  
8 **BOARD OF TRUSTEES ADOPTS.**

9 21-304.

10           (e) (1) When the funding ratio for the employees' systems is between 90%  
11 and 110%, inclusive, the employees' system contribution rate is the rate for the  
12 previous fiscal year, adjusted to reflect legislative changes that result in changes in  
13 normal cost and to amortize over 25 years any actuarial liabilities of the employees'  
14 systems.

15           (2) [When] **EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS**  
16 **SUBSECTION, WHEN** the funding ratio for the employees' systems is below 90%, the  
17 employees' system contribution rate shall be the sum of:

18                   (i) the employees' system contribution rate for the previous  
19 fiscal year; and

20                   (ii) 20% of the difference between the full funding rate for the  
21 current fiscal year and the employees' system contribution rate for the previous fiscal  
22 year.

23           (3) [When] **EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS**  
24 **SUBSECTION, WHEN** the funding ratio for the employees' systems is above 110%, the  
25 employees' system contribution rate shall be the difference between:

26                   (i) the employees' system contribution rate for the previous  
27 fiscal year; and

28                   (ii) 20% of the difference between the employees' system  
29 contribution rate for the previous fiscal year and the full funding rate for the current  
30 fiscal year.

31           **(4) THE CONTRIBUTION RATE FOR THE EMPLOYEES' SYSTEMS**  
32 **SHALL BE ADJUSTED TO REFLECT THE COST OF LEGISLATIVE CHANGES.**

33           (f) (1) When the funding ratio for the teachers' systems is between 90%  
34 and 110%, the teachers' system contribution rate is the rate for the previous fiscal

1 year, adjusted to reflect legislative changes that result in changes in normal cost and  
2 to amortize over 25 years any actuarial liabilities of the teachers' systems.

3 (2) [When] **EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS**  
4 **SUBSECTION, WHEN** the funding ratio for the teachers' systems is below 90%, the  
5 teachers' system contribution rate shall be the sum of:

6 (i) the teachers' system contribution rate for the previous fiscal  
7 year; and

8 (ii) 20% of the difference between the full funding rate for the  
9 current fiscal year and the teachers' system contribution rate for the previous fiscal  
10 year.

11 (3) [When] **EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS**  
12 **SUBSECTION, WHEN** the funding ratio for the teachers' systems is above 110%, the  
13 teachers' system contribution rate shall be the difference between:

14 (i) the teachers' system contribution rate for the previous fiscal  
15 year; and

16 (ii) 20% of the difference between the teachers' system  
17 contribution rate for the previous fiscal year and the full funding rate for the current  
18 fiscal year.

19 (4) **THE CONTRIBUTION RATE FOR THE TEACHERS' SYSTEMS**  
20 **SHALL BE ADJUSTED TO REFLECT THE COST OF LEGISLATIVE CHANGES.**

21 23-212.

22 (c) [The] **EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION,**  
23 **THE** contribution rate of a member who is subject to the Alternate Contributory  
24 Pension Selection under Part III of this subtitle is:

25 (1) 3% of the member's earnable compensation received from July 1,  
26 2006 to June 30, 2007, both inclusive;

27 (2) 4% of the member's earnable compensation received from July 1,  
28 2007 to June 30, 2008, both inclusive; and

29 (3) 5% of the member's earnable compensation received on or after  
30 July 1, 2008.

31 (D) **THE CONTRIBUTION RATE OF A MEMBER WHO IS SUBJECT TO**  
32 **SELECTION TWO (SEVEN PERCENT MEMBER CONTRIBUTIONS) UNDER § 23-221**  
33 **OF THIS SUBTITLE IS:**

1           **(1) 3% OF THE MEMBER'S EARNABLE COMPENSATION RECEIVED**  
2 **FROM JULY 1, 2006, TO JUNE 30, 2007, BOTH INCLUSIVE;**

3           **(2) 4% OF THE MEMBER'S EARNABLE COMPENSATION RECEIVED**  
4 **FROM JULY 1, 2007, TO JUNE 30, 2008, BOTH INCLUSIVE;**

5           **(3) 5% OF THE MEMBER'S EARNABLE COMPENSATION RECEIVED**  
6 **FROM JULY 1, 2008, TO JUNE 30, 2011, BOTH INCLUSIVE; AND**

7           **(4) 7% OF THE MEMBER'S EARNABLE COMPENSATION RECEIVED**  
8 **ON OR AFTER JULY 1, 2011.**

9           **(E) THE CONTRIBUTION RATE OF A MEMBER WHO IS SUBJECT TO THE**  
10 **REFORMED CONTRIBUTORY PENSION BENEFIT UNDER PART IV OF THIS**  
11 **SUBTITLE IS 7% OF THE MEMBER'S EARNABLE COMPENSATION.**

12 23–221.

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

15           **(2) “ACTIVE member” means a member who is not separated from**  
16 **employment with the State or a participating employer of the State.**

17           **(3) “SELECTION ONE (FIVE PERCENT MEMBER**  
18 **CONTRIBUTIONS)” MEANS THE SELECTION AVAILABLE UNDER SUBSECTION**  
19 **(D)(1)(I) OF THIS SECTION.**

20           **(4) “SELECTION TWO (SEVEN PERCENT MEMBER**  
21 **CONTRIBUTIONS)” MEANS THE SELECTION AVAILABLE UNDER SUBSECTION**  
22 **(D)(1)(II) OF THIS SECTION.**

23           **(D) (1) AN INDIVIDUAL WHO IS AN ACTIVE MEMBER SUBJECT TO THE**  
24 **ALTERNATE CONTRIBUTORY PENSION SELECTION UNDER THIS PART III**  
25 **SHALL SELECT ONE OF THE FOLLOWING:**

26           **(I) SELECTION ONE (FIVE PERCENT MEMBER**  
27 **CONTRIBUTIONS) THAT PROVIDES FOR MEMBER CONTRIBUTIONS OF 5% OF**  
28 **SALARY AND A BENEFIT ACCRUAL RATE OF 1.5% OF A MEMBER'S AVERAGE**  
29 **FINAL COMPENSATION FOR CREDITABLE SERVICE ON OR AFTER JULY 1, 2011;**  
30 **OR**

31           **(II) SELECTION TWO (SEVEN PERCENT MEMBER**  
32 **CONTRIBUTIONS) THAT PROVIDES FOR MEMBER CONTRIBUTIONS OF 7% OF**

1 SALARY ON OR AFTER JULY 1, 2011, AND A BENEFIT ACCRUAL RATE OF 1.8% OF  
2 A MEMBER'S AVERAGE FINAL COMPENSATION.

3 (2) (I) AN INDIVIDUAL WHO, ON JUNE 1, 2011, IS AN ACTIVE  
4 MEMBER SUBJECT TO THE ALTERNATE CONTRIBUTORY PENSION SELECTION  
5 UNDER THIS PART III SHALL MAKE A SELECTION IN THE MANNER PRESCRIBED  
6 BY THE STATE RETIREMENT AGENCY ON OR BEFORE JUNE 15, 2011.

7 (II) AN INDIVIDUAL WHO BECOMES A MEMBER OF THE  
8 EMPLOYEES' PENSION SYSTEM OR TEACHERS' PENSION SYSTEM BETWEEN  
9 JUNE 2, 2011, AND JUNE 30, 2011, SHALL MAKE A SELECTION IN THE MANNER  
10 PRESCRIBED BY THE STATE RETIREMENT AGENCY WITHIN 15 DAYS AFTER THE  
11 INDIVIDUAL'S FIRST DAY OF EMPLOYMENT.

12 (3) AN INDIVIDUAL WHO FAILS TO MAKE A SELECTION AS  
13 REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL BE DEEMED TO  
14 HAVE MADE SELECTION TWO (SEVEN PERCENT MEMBER CONTRIBUTIONS).

15 (4) THE SELECTION OF AN INDIVIDUAL UNDER PARAGRAPH (2)  
16 OR (3) OF THIS SUBSECTION IS IRREVOCABLE AND NOT SUBJECT TO CHANGE.

17 23-222.

18 (A) A member who is subject to this part shall:

19 (1) receive an allowance for all creditable service as follows:

20 (i) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS  
21 SECTION, for normal service retirement as provided in § 23-401(d) of this title;

22 (ii) for early service retirement as provided in § 23-402 of this  
23 title;

24 (iii) for ordinary disability retirement as provided in § 29-108 of  
25 this article; and

26 (iv) for accidental disability retirement as provided in § 29-110  
27 of this article;

28 (2) have the allowance adjusted as provided in Title 29, Subtitle 4 of  
29 this article; and

30 (3) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION,  
31 make the member contributions at the rate specified in § 23-212(c) of this subtitle.

1           **(B) A MEMBER WHO IS SUBJECT TO SELECTION ONE (FIVE PERCENT**  
2 **MEMBER CONTRIBUTIONS), AS DEFINED IN § 23-221(A) OF THIS SUBTITLE,**  
3 **SHALL RECEIVE AN ALLOWANCE FOR NORMAL SERVICE RETIREMENT AS**  
4 **PROVIDED IN § 23-401(F) OF THIS TITLE.**

5           **(C) A MEMBER WHO IS SUBJECT TO SELECTION TWO (SEVEN PERCENT**  
6 **MEMBER CONTRIBUTIONS), AS DEFINED IN § 23-221(A) OF THIS SUBTITLE,**  
7 **SHALL MAKE MEMBER CONTRIBUTIONS AT THE RATE SPECIFIED IN § 23-212(D)**  
8 **OF THIS SUBTITLE.**

9 **23-223. RESERVED.**

10 **23-224. RESERVED.**

11           **PART IV. REFORMED CONTRIBUTORY PENSION BENEFIT.**

12 **23-225.**

13           **THIS PART IV OF THIS SUBTITLE (REFORMED CONTRIBUTORY PENSION**  
14 **BENEFIT) APPLIES TO AN INDIVIDUAL WHO BECOMES A MEMBER OF THE**  
15 **EMPLOYEES' PENSION SYSTEM OR THE TEACHERS' PENSION SYSTEM ON OR**  
16 **AFTER JULY 1, 2011.**

17 **23-226.**

18           **A MEMBER WHO IS SUBJECT TO THIS PART IV OF THIS SUBTITLE SHALL:**

19           **(1) RECEIVE AN ALLOWANCE FOR ALL CREDITABLE SERVICE AS**  
20 **FOLLOWS:**

21                   **(I) FOR NORMAL SERVICE RETIREMENT AS PROVIDED IN §**  
22 **23-401(G) OF THIS TITLE;**

23                   **(II) FOR EARLY SERVICE RETIREMENT AS PROVIDED IN §**  
24 **23-402(C) OF THIS TITLE;**

25                   **(III) FOR A VESTED ALLOWANCE AS PROVIDED IN §**  
26 **29-303(H) OF THIS ARTICLE;**

27                   **(IV) FOR ORDINARY DISABILITY RETIREMENT AS PROVIDED**  
28 **IN § 29-108 OF THIS ARTICLE; AND**

29                   **(V) FOR ACCIDENTAL DISABILITY RETIREMENT AS**  
30 **PROVIDED IN § 29-110 OF THIS ARTICLE;**



1                   **(2) HAVE THE ALLOWANCE ADJUSTED AS PROVIDED IN TITLE 29,**  
 2 **SUBTITLE 4, PART VII OF THIS ARTICLE; AND**

3                   **(3) MAKE THE MEMBER CONTRIBUTIONS AT THE RATE SPECIFIED**  
 4 **IN § 23-212(E) OF THIS SUBTITLE.**

5 23-401.

6           (a) **[A] EXCEPT AS PROVIDED IN SUBSECTION (G) OF THIS SECTION, A**  
 7 member may retire with a normal service retirement allowance if:

8                   (1) the member completes and submits a written application to the  
 9 Board of Trustees stating the date when the member desires to retire; and

10                   (2) on or before the date of retirement, the member:

11                           (i) has at least 30 years of eligibility service;

12                           (ii) has a combined total of at least 30 years of eligibility service  
 13 from the Employees' Pension System, the Teachers' Pension System, the Employees'  
 14 Retirement System, or the Teachers' Retirement System; or

15                           (iii) has attained the age and the years of eligibility service as  
 16 follows:

Age	Years of Eligibility Service
62 with	5
63 with	4
64 with	3
65 or more with	2

23           (b) Except as provided in subsections (c), (d), **[and] (e), (F), AND (G)** of this  
 24 section, on retirement under this section, a member is entitled to receive a normal  
 25 service retirement allowance that equals the number of years of the member's  
 26 creditable service multiplied by:

27                   (1) 0.8% of the member's average final compensation that is not in  
 28 excess of the Social Security integration level; and

29                   (2) 1.5% of the member's average final compensation that exceeds the  
 30 Social Security integration level.

31           (d) Except as provided in **[subsection] SUBSECTIONS (e) AND (F)** of this  
 32 section, a member who is subject to the Alternate Contributory Pension Selection

1 under Subtitle 2, Part III of this title is entitled to receive a normal service retirement  
2 allowance that equals the sum of:

3 (1) the greater of:

4 (i) the number of years of the member's creditable service on or  
5 before June 30, 1998 multiplied by 1.2% of the member's average final compensation;  
6 or

7 (ii) the number of years of the member's creditable service on or  
8 before June 30, 1998 multiplied by:

9 1. 0.8% of the member's average final compensation that  
10 is not in excess of the Social Security integration level; and

11 2. 1.5% of the member's average final compensation that  
12 exceeds the Social Security integration level; and

13 (2) the number of years of the member's creditable service on or after  
14 July 1, 1998 multiplied by 1.8% of the member's average final compensation.

15 **(F) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A**  
16 **MEMBER WHO IS SUBJECT TO SELECTION ONE (FIVE PERCENT MEMBER**  
17 **CONTRIBUTIONS) UNDER § 23-221 OF THIS SUBTITLE IS ENTITLED TO RECEIVE**  
18 **A NORMAL SERVICE RETIREMENT ALLOWANCE THAT EQUALS THE SUM OF:**

19 **(1) THE GREATER OF:**

20 **(I) THE NUMBER OF YEARS OF THE MEMBER'S CREDITABLE**  
21 **SERVICE ON OR BEFORE JUNE 30, 1998, MULTIPLIED BY 1.2% OF THE**  
22 **MEMBER'S AVERAGE FINAL COMPENSATION; OR**

23 **(II) THE NUMBER OF YEARS OF THE MEMBER'S CREDITABLE**  
24 **SERVICE ON OR BEFORE JUNE 30, 1998, MULTIPLIED BY:**

25 **1. 0.8% OF THE MEMBER'S AVERAGE FINAL**  
26 **COMPENSATION THAT IS NOT IN EXCESS OF THE SOCIAL SECURITY**  
27 **INTEGRATION LEVEL; AND**

28 **2. 1.5% OF THE MEMBER'S AVERAGE FINAL**  
29 **COMPENSATION THAT EXCEEDS THE SOCIAL SECURITY INTEGRATION LEVEL;**

30 **(2) THE NUMBER OF YEARS OF THE MEMBER'S CREDITABLE**  
31 **SERVICE FROM JULY 1, 1998, TO JUNE 30, 2011, MULTIPLIED BY 1.8% OF THE**  
32 **MEMBER'S AVERAGE FINAL COMPENSATION; AND**

1           **(3) THE NUMBER OF YEARS OF THE MEMBER'S CREDITABLE**  
2 **SERVICE ON OR AFTER JULY 1, 2011, MULTIPLIED BY 1.5% OF THE MEMBER'S**  
3 **AVERAGE FINAL COMPENSATION.**

4           **(G) (1) A MEMBER WHO IS SUBJECT TO THE REFORMED**  
5 **CONTRIBUTORY PENSION BENEFIT UNDER SUBTITLE 2, PART IV OF THIS TITLE**  
6 **MAY RETIRE WITH A NORMAL SERVICE RETIREMENT ALLOWANCE IF:**

7                   **(I) THE MEMBER COMPLETES AND SUBMITS A WRITTEN**  
8 **APPLICATION TO THE BOARD OF TRUSTEES STATING THE DATE WHEN THE**  
9 **MEMBER DESIRES TO RETIRE; AND**

10                   **(II) ON OR BEFORE THE DATE OF RETIREMENT, THE**  
11 **MEMBER:**

12                           **1. HAS AT LEAST 30 YEARS OF ELIGIBILITY SERVICE;**  
13 **OR**

14                           **2. IS AT LEAST 65 YEARS OLD AND HAS 10 YEARS OF**  
15 **ELIGIBILITY SERVICE.**

16           **(2) ON RETIREMENT UNDER THIS SUBSECTION, A MEMBER WHO**  
17 **IS SUBJECT TO THE REFORMED CONTRIBUTORY PENSION BENEFIT UNDER**  
18 **SUBTITLE 2, PART IV OF THIS TITLE IS ENTITLED TO RECEIVE A NORMAL**  
19 **SERVICE RETIREMENT THAT EQUALS THE NUMBER OF YEARS OF THE MEMBER'S**  
20 **CREDITABLE SERVICE MULTIPLIED BY 1.5% OF THE MEMBER'S AVERAGE FINAL**  
21 **COMPENSATION.**

22 23-402.

23           **(a) [A] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A**  
24 **member may retire with an early service retirement allowance if:**

25                   **(1) the member completes and submits a written application to the**  
26 **Board of Trustees stating the date when the member desires to retire; and**

27                   **(2) on or before the date of retirement, the member:**

28                           **(i) has at least 15 years but less than 30 years of eligibility**  
29 **service; and**

30                           **(ii) is at least 55 but less than 62 years old.**

1 (b) A MEMBER WHO IS SUBJECT TO THE REFORMED CONTRIBUTORY  
2 PENSION BENEFIT UNDER SUBTITLE 2, PART IV OF THIS TITLE MAY RETIRE  
3 WITH AN EARLY SERVICE RETIREMENT ALLOWANCE IF:

4 (1) THE MEMBER COMPLETES AND SUBMITS A WRITTEN  
5 APPLICATION TO THE BOARD OF TRUSTEES STATING THE DATE WHEN THE  
6 MEMBER DESIRES TO RETIRE; AND

7 (2) ON OR BEFORE THE DATE OF RETIREMENT, THE MEMBER:

8 (I) HAS AT LEAST 15 YEARS OF ELIGIBILITY SERVICE; AND

9 (II) IS AT LEAST 60 YEARS OLD.

10 (c) (1) [On] EXCEPT A PROVIDED IN PARAGRAPH (2) OF THIS  
11 SUBSECTION, retirement under this section, a member is entitled to receive an early  
12 service retirement allowance that equals the normal service retirement allowance  
13 under § 23-401 of this subtitle, reduced by 0.5% for each month that the member's  
14 early retirement date precedes the date the member will be 62 years old.

15 (2) ON RETIREMENT UNDER THIS SECTION, A MEMBER WHO IS  
16 SUBJECT TO THE REFORMED CONTRIBUTORY PENSION BENEFIT UNDER  
17 SUBTITLE 2, PART IV OF THIS TITLE IS ENTITLED TO RECEIVE AN EARLY  
18 SERVICE RETIREMENT ALLOWANCE THAT EQUALS THE NORMAL SERVICE  
19 RETIREMENT ALLOWANCE UNDER § 23-401(G) OF THIS SUBTITLE, REDUCED BY  
20 0.5% FOR EACH MONTH THAT THE MEMBER'S EARLY RETIREMENT DATE  
21 PRECEDES THE DATE THE MEMBER WILL BE 65 YEARS OLD.

22 24-401.1.

23 (c) (1) Except for the Secretary of State Police, a member of the State  
24 Police Retirement System is eligible to participate in the DROP if the member:

25 (i) has at least 22 and less than 28 years of eligibility service;

26 [and]

27 (ii) is less than 60 years old; AND

28 (III) HAS AT LEAST 5 YEARS OF ELIGIBILITY SERVICE AS OF  
29 JULY 1, 2011.

30 (2) The Secretary of State Police is eligible to participate in the DROP  
31 if the Secretary has at least 22 years of eligibility service AND HAS AT LEAST 5  
32 YEARS OF ELIGIBILITY SERVICE AS OF JULY 1, 2011.

1 26-401.1.

2 (c) (1) In this subsection, "creditable service" does not include credit for  
3 unused sick leave as provided in § 20-206 of this article.

4 (2) A member of the Law Enforcement Officers' Pension System is  
5 eligible to participate in the DROP if the member has at least 25 and less than 30  
6 years of creditable service **AND HAS AT LEAST 5 YEARS OF CREDITABLE SERVICE**  
7 **ON OR BEFORE JULY 1, 2011.**

8 27-202.

9 (a) Except as provided in [subsection] **SUBSECTIONS (b) AND (C)** of this  
10 section, a member's contribution rate is 6% of the member's earnable compensation.

11 (b) **THE CONTRIBUTION RATE FOR AN INDIVIDUAL WHO BECOMES A**  
12 **MEMBER ON OR AFTER JULY 1, 2011, IS 8% OF THE MEMBER'S EARNABLE**  
13 **COMPENSATION.**

14 (c) After 16 years of service as a member, a member does not make any  
15 further contributions.

16 29-303.

17 (b) **[A] EXCEPT AS PROVIDED IN SUBSECTION (H) OF THIS SECTION, A**  
18 **member is eligible to receive a vested allowance if:**

19 (1) the member separated from employment other than by death or  
20 retirement; and

21 (2) the member has at least 5 years of eligibility service.

22 (c) Except as provided in subsections (e), (f), [and] (g), **AND (H)** of this  
23 section, a vested allowance:

24 (1) is a deferred allowance that begins at normal retirement age;

25 (2) is computed as a normal service retirement allowance on the basis  
26 of the member's average final compensation and eligibility service at separation from  
27 employment; and

28 (3) may be paid in one of the optional forms of allowances under §  
29 21-403 of this article.

30 (e) Except as provided in [subsection] **SUBSECTIONS (f) AND (H)** of this  
31 section, a former member of the Employees' Pension System or the Teachers' Pension

1 System who has separated from employment before the age of 55 with at least 15  
2 years of eligibility service is eligible to receive a vested allowance that:

3 (1) begins on the first day of the month following the member's 55th  
4 birthday; and

5 (2) equals the reduced allowance computed under § 23-402 of this  
6 article.

7 **(H) (1) A MEMBER WHO IS SUBJECT TO THE REFORMED**  
8 **CONTRIBUTORY PENSION BENEFIT UNDER TITLE 23, SUBTITLE 2, PART IV OF**  
9 **THIS ARTICLE IS ELIGIBLE TO RECEIVE A VESTED ALLOWANCE IF:**

10 **(I) THE MEMBER SEPARATED FROM EMPLOYMENT OTHER**  
11 **THAN BY DEATH OR RETIREMENT; AND**

12 **(II) THE MEMBER HAS AT LEAST 10 YEARS OF ELIGIBILITY**  
13 **SERVICE.**

14 **(2) A VESTED ALLOWANCE UNDER THIS SUBSECTION:**

15 **(I) IS A DEFERRED ALLOWANCE THAT MAY BEGIN NO**  
16 **EARLIER THAN NORMAL RETIREMENT AGE;**

17 **(II) IS COMPUTED AS A NORMAL SERVICE RETIREMENT**  
18 **ALLOWANCE ON THE BASIS OF THE MEMBER'S AVERAGE FINAL COMPENSATION**  
19 **AND ELIGIBILITY SERVICE AT SEPARATION FROM EMPLOYMENT; AND**

20 **(III) MAY BE PAID IN ONE OF THE OPTIONAL FORMS OF**  
21 **ALLOWANCES UNDER § 21-403 OF THIS ARTICLE.**

22 **(3) TO COMMENCE RECEIVING A VESTED ALLOWANCE UNDER**  
23 **THIS SUBSECTION, AN INDIVIDUAL SHALL COMPLETE AND SUBMIT A WRITTEN**  
24 **APPLICATION TO THE BOARD OF TRUSTEES.**

25 **(4) AN INDIVIDUAL MAY NOT RECEIVE A VESTED ALLOWANCE**  
26 **FOR THE PERIOD BEFORE THE INDIVIDUAL SUBMITTED A COMPLETED**  
27 **APPLICATION TO THE BOARD OF TRUSTEES.**

28 **29-428. RESERVED.**

29 **29-429. RESERVED.**

30 **PART VII. THREE/ONE PERCENT COMPOUND ADJUSTMENT.**

1 **29-430.**

2 **THIS PART VII OF THIS SUBTITLE (THREE/ONE PERCENT COMPOUND**  
3 **ADJUSTMENT) APPLIES TO AN ALLOWANCE RECEIVED BY A FORMER MEMBER,**  
4 **RETIREE, OR SURVIVING BENEFICIARY OF A DECEASED MEMBER, FORMER**  
5 **MEMBER, OR RETIREE OF THE EMPLOYEES' PENSION SYSTEM OR THE**  
6 **TEACHERS' PENSION SYSTEM WHO IS SUBJECT TO THE REFORMED**  
7 **CONTRIBUTORY PENSION BENEFIT UNDER TITLE 23, SUBTITLE 2, PART IV OF**  
8 **THIS ARTICLE.**

9 **29-431.**

10 **EACH FISCAL YEAR, THE BOARD OF TRUSTEES SHALL ADJUST EACH**  
11 **ALLOWANCE AS PROVIDED IN THIS PART VII OF THIS SUBTITLE.**

12 **29-432.**

13 **(A) EACH FISCAL YEAR, THE BOARD OF TRUSTEES SHALL ADJUST AN**  
14 **ALLOWANCE BY MULTIPLYING THE ALLOWANCE FOR THE PRECEDING FISCAL**  
15 **YEAR, EXCLUSIVE OF ANY ADDITIONAL VOLUNTARY ANNUITY, BY A RATE THAT:**

16 **(1) IS OBTAINED BY DIVIDING THE CONSUMER PRICE INDEX FOR**  
17 **THE CALENDAR YEAR ENDING DECEMBER 31 IN THE PRECEDING FISCAL YEAR**  
18 **BY THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER**  
19 **31 IN THE SECOND PRECEDING FISCAL YEAR; AND**

20 **(2) DOES NOT EXCEED:**

21 **(I) 3%, IF FOR THE CALENDAR YEAR ENDING DECEMBER 31**  
22 **IN THE PRECEDING FISCAL YEAR, THE TOTAL INVESTMENT PERFORMANCE OF**  
23 **THE SEVERAL SYSTEMS EQUALS OR EXCEEDS THE ASSUMED RATE OF**  
24 **INVESTMENT RETURN ESTABLISHED BY THE BOARD OF TRUSTEES IN**  
25 **ACCORDANCE WITH § 21-125(C) OF THIS ARTICLE; OR**

26 **(II) 1%, IF FOR THE CALENDAR YEAR ENDING DECEMBER 31**  
27 **IN THE PRECEDING FISCAL YEAR, THE TOTAL INVESTMENT PERFORMANCE OF**  
28 **THE SEVERAL SYSTEMS DOES NOT EQUAL OR EXCEED THE ASSUMED RATE OF**  
29 **INVESTMENT RETURN ESTABLISHED BY THE BOARD OF TRUSTEES IN**  
30 **ACCORDANCE WITH § 21-125(C) OF THIS ARTICLE.**

31 **(B) THE ADJUSTMENT UNDER SUBSECTION (A) OF THIS SECTION SHALL**  
32 **BEGIN THE SECOND JULY 1 AFTER THE DAY PRECEDING THE RETIREE'S DATE**  
33 **OF RETIREMENT OR THE FORMER MEMBER'S EFFECTIVE DATE FOR RECEIPT OF**  
34 **A VESTED ALLOWANCE.**

1           **(C) THE TOTAL ALLOWANCE PAYABLE IN EACH FISCAL YEAR SHALL BE**  
2 **THE SUM OF:**

3                   **(1) THE ANNUAL RATE OF ALLOWANCE PAID DURING THE**  
4 **PRECEDING FISCAL YEAR;**

5                   **(2) THE ADJUSTMENT IN ALLOWANCE PROVIDED FOR UNDER**  
6 **THIS SECTION; AND**

7                   **(3) ANY ADDITIONAL ANNUITY.**

8 **31-116.2.**

9           **(A) THIS SECTION APPLIES TO AN INDIVIDUAL WHO BECOMES AN**  
10 **EMPLOYEE OF A PARTICIPATING GOVERNMENTAL UNIT ON OR AFTER JULY 1,**  
11 **2011.**

12           **(B) AN INDIVIDUAL DESCRIBED IN SUBSECTION (A) OF THIS SECTION IS**  
13 **SUBJECT TO THE REFORMED CONTRIBUTORY PENSION BENEFIT UNDER TITLE**  
14 **23, SUBTITLE 2, PART IV OF THIS ARTICLE.**

15 **34-101.**

16           **(d) [For fiscal year 2013 and each fiscal year thereafter, the following funds**  
17 **shall be deposited into the Postretirement Health Benefits Trust Fund:**

18                   **(1) any subsidy received by the State that is provided to employers as**  
19 **a result of the federal Medicare Prescription Drug, Improvement, and Modernization**  
20 **Act of 2003, or similar federal subsidy received as a result of the State's prescription**  
21 **drug program; and**

22                   **(2) THE POSTRETIREMENT HEALTH BENEFITS TRUST FUND**  
23 **SHALL CONSIST OF any funds appropriated to the Postretirement Health Benefits**  
24 **Trust Fund, whether directly or through the budgets of any State agency.**

25 **38-104.**

26           **(d) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**  
27 **SUBSECTION, THE service credit for military service that an individual receives under**  
28 **this section shall be applied to the individual's retirement allowance using the accrual**  
29 **rate in effect at the time the individual retires from a State system.**

30                   **(2) IF AN INDIVIDUAL APPLIES FOR MILITARY SERVICE CREDIT**  
31 **ON OR AFTER JULY 1, 2011, THE SERVICE CREDIT FOR MILITARY SERVICE THAT**



1 THE INDIVIDUAL RECEIVES UNDER THIS SECTION SHALL BE APPLIED TO THE  
2 INDIVIDUAL'S RETIREMENT ALLOWANCE USING THE ACCRUAL RATE IN EFFECT  
3 AT THE TIME THE INDIVIDUAL SUBMITS AN APPLICATION FOR MILITARY  
4 SERVICE CREDIT TO THE STATE RETIREMENT AGENCY.

5 **Article – Tax – General**

6 2–202.

7 (b) The revenue to be distributed in accordance with subsection (a)(1) of this  
8 section:

9 (1) for fiscal year 2010 only, shall be distributed to the General Fund  
10 of the State; [and]

11 (2) for fiscal year 2011 only, shall be distributed as follows:

12 (i) \$500,000 to the Special Fund for Preservation of Cultural  
13 Arts in Maryland, as provided in § 4–801 of the Economic Development Article;

14 (ii) \$500,000 to a special fund, to be used only as provided in  
15 subsection (c) of this section; and

16 (iii) the balance to the General Fund of the State; AND

17 **(3) FOR FISCAL YEAR 2012 ONLY, SHALL BE DISTRIBUTED AS**  
18 **FOLLOWS:**

19 **(I) \$1,000,000 TO THE SPECIAL FUND FOR PRESERVATION**  
20 **OF CULTURAL ARTS IN MARYLAND, AS PROVIDED IN § 4–801 OF THE ECONOMIC**  
21 **DEVELOPMENT ARTICLE; AND**

22 **(II) THE BALANCE TO THE GENERAL FUND OF THE STATE.**

23 2–1104.

24 (a) Except as **OTHERWISE** provided in [subsections (b), (c), and (d) of] this  
25 section, after making the distributions required under §§ 2–1101 through 2–1103 of  
26 this subtitle, from the remaining motor fuel tax revenue, the Comptroller shall  
27 distribute:

28 (1) 2.3% to the Chesapeake Bay 2010 Trust Fund; and

29 (2) any remaining balance to the Gasoline and Motor Vehicle Revenue  
30 Account of the Transportation Trust Fund.

1 (b) For [the] EACH fiscal year beginning ON OR BEFORE July 1, [2008]  
2 **2015**, instead of the distribution required under subsection (a)(1) of this section, the  
3 Comptroller shall distribute 2.3% of the remaining motor fuel tax revenue as follows:

4 (1) [\$6,500,000] to the General Fund of the State:

5 (I) **\$5,000,000 FOR EACH FISCAL YEAR BEGINNING ON OR**  
6 **BEFORE JULY 1, 2014; AND**

7 (II) **\$4,624,687 FOR THE FISCAL YEAR BEGINNING JULY 1,**  
8 **2015; and**

9 (2) the balance to the Chesapeake Bay 2010 Trust Fund.

10 [(c) For the fiscal year beginning July 1, 2009, instead of the distribution  
11 required under subsection (a)(1) of this section, the Comptroller shall distribute 2.3%  
12 of the remaining motor fuel tax revenue as follows:

13 (1) \$8,385,845 to the General Fund of the State; and

14 (2) the balance to the Chesapeake Bay 2010 Trust Fund.

15 (d) For the fiscal year beginning July 1, 2010, instead of the distribution  
16 required under subsection (a)(1) of this section, the Comptroller shall distribute 2.3%  
17 of the remaining motor fuel tax revenue as follows:

18 (1) \$5,000,000 to the General Fund of the State; and

19 (2) the balance to the Chesapeake Bay 2010 Trust Fund.]

20 2-1302.1.

21 (a) Except as **OTHERWISE** provided in [subsections (b), (c), and (d) of] this  
22 section, after making the distributions required under §§ 2-1301 and 2-1302 of this  
23 subtitle, of the sales and use tax collected on short-term vehicle rentals under §  
24 11-104(c) of this article the Comptroller shall distribute:

25 (1) 45% to the Transportation Trust Fund established under § 3-216  
26 of the Transportation Article; and

27 (2) the remainder to the Chesapeake Bay 2010 Trust Fund.

28 (b) For [the] EACH fiscal year beginning ON OR BEFORE July 1, [2008]  
29 **2014**, after the distribution required under subsection (a)(1) of this section, the  
30 Comptroller shall distribute the remainder of the sales and use tax collected on  
31 short-term vehicle rentals under § 11-104(c) of this article as follows:

- 1           (1)    **[\$18,500,000]** to the General Fund of the State:
- 2                    **(I)    \$13,669,444 FOR THE FISCAL YEAR BEGINNING JULY 1,**  
3 **2011;**
- 4                    **(II)   \$10,076,582 FOR THE FISCAL YEAR BEGINNING JULY 1,**  
5 **2012;**
- 6                    **(III)  \$6,535,845 FOR THE FISCAL YEAR BEGINNING JULY 1,**  
7 **2013; AND**
- 8                    **(IV)  \$3,049,199 FOR THE FISCAL YEAR BEGINNING JULY 1,**  
9 **2014; and**
- 10           (2)    the remainder to the Chesapeake Bay 2010 Trust Fund.

11           **[(c) For the fiscal year beginning July 1, 2009, after the distribution required**  
12 **under subsection (a)(1) of this section, the Comptroller shall distribute the remainder**  
13 **of the sales and use tax collected on short-term vehicle rentals under § 11-104(c) of**  
14 **this article as follows:**

- 15                   (1)    \$21,100,711 to the General Fund of the State; and
- 16                   (2)    the remainder to the Chesapeake Bay 2010 Trust Fund.

17           **(d) For the fiscal year beginning July 1, 2010, after the distribution required**  
18 **under subsection (a)(1) of this section, the Comptroller shall distribute the remainder**  
19 **of the sales and use tax collected on short-term vehicle rentals under § 11-104(c) of**  
20 **this article as follows:**

- 21                   (1)    \$17,101,428 to the General Fund of the State; and
- 22                   (2)    the remainder to the Chesapeake Bay 2010 Trust Fund.]

23 11-105.

24           **(c) [From January 3, 2008 through June 30, 2011:]**

25                   (1)    **[the] THE** credit allowed under subsection (a) of this section may  
26 not exceed \$500 for each return[; and].

27                   (2)    **[for] FOR** a vendor who files or is eligible to file a consolidated  
28 return under § 11-502 of this title, the total maximum credit that the vendor is  
29 allowed under this section for all returns filed for any period is \$500.

**Article – Tax – Property**

2 2–106.

3 (A) Each county shall provide the supervisor of the county with an office in  
4 the county seat or in Baltimore City, for the supervisor of Baltimore City. The  
5 Department is responsible for providing each supervisor with clerical staff, equipment,  
6 and other facilities and assistance that the Department considers necessary and as  
7 provided in the State budget.

8 (B) EACH COUNTY AND BALTIMORE CITY SHALL BE RESPONSIBLE FOR  
9 REIMBURSING THE STATE FOR THE COSTS OF ADMINISTERING THE  
10 DEPARTMENT AS FOLLOWS:

11 (1) 90% OF THE COSTS OF REAL PROPERTY VALUATION;

12 (2) 90% OF THE COSTS OF BUSINESS PERSONAL PROPERTY  
13 VALUATION; AND

14 (3) 90% OF THE COSTS OF THE OFFICE OF INFORMATION  
15 TECHNOLOGY WITHIN THE DEPARTMENT, INCLUDING ANY FUNDING FOR  
16 DEPARTMENTAL PROJECTS IN THE MAJOR INFORMATION TECHNOLOGY  
17 DEVELOPMENT PROJECT FUND ESTABLISHED UNDER § 3A–309 OF THE STATE  
18 FINANCE AND PROCUREMENT ARTICLE.

19 (C) COSTS UNDER SUBSECTION (B) OF THIS SECTION SHALL BE  
20 ALLOCATED AMONG THE COUNTIES AND BALTIMORE CITY AS FOLLOWS:

21 (1) COSTS UNDER SUBSECTIONS (B)(1) AND (B)(3) OF THIS  
22 SECTION WILL BE ALLOCATED BASED ON THE NUMBER OF REAL PROPERTY  
23 ACCOUNTS OF A COUNTY OR BALTIMORE CITY AS A PERCENTAGE OF THE TOTAL  
24 NUMBER OF REAL PROPERTY ACCOUNTS STATEWIDE AS OF JULY 1 OF THE  
25 PRECEDING FISCAL YEAR; AND

26 (2) COSTS UNDER SUBSECTION (B)(2) OF THIS SECTION WILL BE  
27 ALLOCATED BASED ON THE BUSINESS PERSONAL PROPERTY ASSESSABLE BASE  
28 OF A COUNTY OR BALTIMORE CITY AS A PERCENTAGE OF THE TOTAL BUSINESS  
29 PERSONAL PROPERTY ASSESSABLE BASES STATEWIDE AS OF JULY 1 OF THE  
30 PRECEDING FISCAL YEAR.

31 (D) EACH COUNTY AND BALTIMORE CITY SHALL REMIT A QUARTERLY  
32 PAYMENT TO THE COMPTROLLER FOR 25% OF THE JURISDICTION'S SHARE OF  
33 COSTS ON THE FOLLOWING DATES:

34 (1) JULY 1;

1 (2) OCTOBER 1;

2 (3) JANUARY 1; AND

3 (4) APRIL 1.

4 (E) THE COMPTROLLER MAY WITHHOLD A PORTION OF A LOCAL  
5 INCOME TAX DISTRIBUTION OF A COUNTY OR BALTIMORE CITY THAT FAILS TO  
6 MAKE TIMELY PAYMENT IN ACCORDANCE WITH THIS SECTION.

7 Article – Transportation

8 1–103.

9 [(c) Subsection (b) of this section does not apply to licenses issued under:

10 (1) Title 13 of this article (motor vehicle registrations); or

11 (2) Title 16 of this article (drivers’ licenses).]

12 4–321.

13 (e) The Governor shall transfer to the Authority for the Intercounty  
14 Connector:

15 (1) From the Transportation Trust Fund, at least \$30,000,000 each  
16 year for fiscal years 2007 through 2010;

17 (2) From the General Fund or general obligation bonds, an aggregate  
18 appropriation by fiscal year [2012] **2013** equal to \$264,913,000, as follows:

19 (i) \$53,000,000 for fiscal year 2007;

20 (ii) \$55,000,000 for fiscal year 2010;

21 (iii) At least \$80,000,000 for fiscal year 2011; and

22 (iv) The remaining balance for fiscal year 2012 **OR FISCAL**  
23 **YEAR 2013**; and

24 (3) At least \$10,000,000 federal aid from any source in amounts as  
25 deemed prudent.

26 8–402.

1 (c) (2) For fiscal years 2010 through 2012, the Account shall be  
2 distributed as follows:

3 (i) A portion to the General Fund of the State as follows:

4 1. 19.5% for fiscal year 2010;

5 2. 23% for fiscal year 2011; and

6 3. ~~[20.4%]~~ **24.01931%** for fiscal year 2012;

7 (ii) A portion to be used as provided in § 3–216 of this article, as  
8 follows:

9 1. 70% for fiscal year 2010;

10 2. 68.5% for fiscal year 2011; and

11 3. ~~[71.5%]~~ **65.5%** for fiscal year 2012; [and]

12 **(IV) FOR FISCAL YEAR 2012 ONLY, 2.38069% TO THE**  
13 **REVENUE STABILIZATION ACCOUNT ESTABLISHED UNDER § 7–311 OF THE**  
14 **STATE FINANCE AND PROCUREMENT ARTICLE; AND**

15 ~~[(iii)]~~ **(IV)** The balance to be used to pay the allocations of  
16 highway user revenues provided under this subtitle to the counties, municipalities,  
17 and Baltimore City.

18 12–120.

19 (a) In this section, “miscellaneous fees” means all fees collected by the  
20 Administration under this article other than:

21 (1) The vehicle titling tax; [and]

22 (2) Vehicle registration fees under Part II of Title 13, Subtitle 9 of this  
23 article; **AND**

24 **(3) FEES COLLECTED UNDER TITLE 16, SUBTITLE 10 OF THIS**  
25 **ARTICLE.**

26 13–406.

27 The Administration shall refuse to register, **RENEW**, or transfer the registration  
28 of any vehicle if:

29 (9) The Administration has reasonable grounds to believe:

- 1 (i) That the vehicle is stolen;
- 2 (ii) That the grant or transfer of registration would be a fraud  
3 against another person; or
- 4 (iii) That the vehicle does not comply with Title 2, Subtitle 11 of  
5 the Environment Article or any regulations adopted under that subtitle; [or]
- 6 (10) The gross vehicle weight is 55,000 pounds or over and the  
7 applicant has failed to furnish proof of payment of the Federal Heavy Vehicle Use  
8 Tax[.]; OR

9 **(11) THE APPLICANT HAS NOT PAID ALL UNDISPUTED TAXES AND**  
10 **UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER**  
11 **OR THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR HAS**  
12 **PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT**  
13 **RESPONSIBLE FOR COLLECTION.**

14 16-103.1.

15 The Administration may not issue a driver's license to an individual:

- 16 (11) Who does not provide:
- 17 (i) Satisfactory documentary evidence that the applicant has a  
18 valid Social Security number by presenting the applicant's Social Security  
19 Administration account card or, if the Social Security Administration account card is  
20 not available, any of the following documents bearing the applicant's Social Security  
21 number:
- 22 1. A current W-2 form;
- 23 2. A current SSA-1099 form;
- 24 3. A current non-SSA-1099 form; or
- 25 4. A current pay stub with the applicant's name and  
26 Social Security number on it; or
- 27 (ii) Satisfactory documentary evidence that the applicant is not  
28 eligible for a Social Security number; [or]

29 **(12) WHO HAS NOT PAID ALL UNDISPUTED TAXES AND**  
30 **UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER**  
31 **OR THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR PROVIDED**

1 FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT RESPONSIBLE FOR  
2 COLLECTION; OR

3 (13) Who otherwise does not qualify for a license under this title.

4 16-115.

5 (J) THE ADMINISTRATION MAY NOT RENEW THE DRIVER'S LICENSE OF  
6 AN APPLICANT WHO HAS NOT PAID ALL UNDISPUTED TAXES AND  
7 UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER  
8 OR THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR PROVIDED  
9 FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT RESPONSIBLE FOR  
10 COLLECTION.

11 SUBTITLE 10. ASSESSMENT OF FEES.

12 16-1001.

13 (A) THE ADMINISTRATION SHALL ASSESS THE FOLLOWING FEES  
14 AGAINST A LICENSEE HOLDING A NONCOMMERCIAL CLASS A, B, C, D, E, OR M  
15 DRIVER'S LICENSE:

16 (1) IF THE LICENSEE IS ASSESSED MORE THAN 5 POINTS UNDER  
17 SUBTITLE 4 OF THIS TITLE FOR VIOLATIONS OCCURRING WITHIN ANY 2-YEAR  
18 PERIOD, EXCLUDING POINTS ASSESSED FOR A CONVICTION UNDER § 21-902 OF  
19 THIS ARTICLE, FOR EACH POINT THAT THE LICENSEE IS ASSESSED OVER 5  
20 POINTS, A FEE OF \$100 ANNUALLY FOR A PERIOD OF 3 YEARS FROM THE DATE  
21 THAT THE POINT WAS ASSESSED; AND

22 (2) FOR EACH TIME A LICENSEE IS CONVICTED FOR A VIOLATION  
23 OF § 21-902 OF THIS ARTICLE, OR AN OFFENSE IN ANOTHER JURISDICTION  
24 THAT WOULD BE A VIOLATION OF § 21-902 OF THIS ARTICLE IF COMMITTED IN  
25 THIS STATE, A FEE OF \$500 ANNUALLY FOR A PERIOD OF 3 YEARS FROM THE  
26 DATE OF CONVICTION.

27 (B) IN CALCULATING THE TOTAL NUMBER OF POINTS ASSESSED  
28 AGAINST AN INDIVIDUAL WITHIN A 2-YEAR PERIOD FOR PURPOSES OF  
29 SUBSECTION (A)(1) OF THIS SECTION, THE ADMINISTRATION MAY INCLUDE NO  
30 MORE THAN 5 POINTS ASSESSED BEFORE JUNE 1, 2011.

31 16-1002.

32 (A) THE ADMINISTRATION SHALL SEND NOTICE TO EACH INDIVIDUAL  
33 ASSESSED A FEE UNDER § 16-1001 OF THIS SUBTITLE NO MORE THAN 30 DAYS



1 AFTER THE CONVICTION THAT SUBJECTS THE INDIVIDUAL TO THE FEE IS  
2 POSTED TO THE INDIVIDUAL'S DRIVING RECORD.

3 (B) (1) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE  
4 ADMINISTRATION SHALL SUSPEND THE DRIVER'S LICENSE OF AN INDIVIDUAL  
5 UNLESS ALL FEES ASSESSED UNDER § 16-1001 OF THIS SUBTITLE ARE PAID  
6 WITHIN A TIME PERIOD ESTABLISHED BY THE ADMINISTRATION.

7 (2) AN INDIVIDUAL MAY REQUEST A HEARING CONCERNING A  
8 PROPOSED DECISION OF THE ADMINISTRATION TO SUSPEND THE INDIVIDUAL'S  
9 DRIVER'S LICENSE OR PRIVILEGE TO DRIVE UNDER THIS SUBSECTION.

10 (3) AT A HEARING UNDER THIS SUBSECTION, THE ISSUE SHALL  
11 BE LIMITED TO:

12 (I) WHETHER THE ADMINISTRATION HAD MISTAKEN THE  
13 IDENTITY OF THE INDIVIDUAL WHOSE DRIVER'S LICENSE OR PRIVILEGE TO  
14 DRIVE HAS BEEN SUSPENDED;

15 (II) WHETHER THE INDIVIDUAL HAS BEEN ASSESSED A  
16 TOTAL OF MORE THAN 5 POINTS FOR VIOLATIONS WITHIN ANY 2-YEAR PERIOD;  
17 AND

18 (III) WHETHER AT LEAST ONE OF THE TOTAL NUMBER OF  
19 POINTS ON WHICH THE FEE ASSESSMENT IS BASED WAS ASSESSED FOR A  
20 VIOLATION THAT OCCURRED ON OR AFTER JUNE 1, 2011.

21 (C) (1) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE  
22 ADMINISTRATION MAY ESTABLISH A SCHEDULE FOR PAYMENT OF FEES  
23 IMPOSED UNDER § 16-1001 OF THIS SUBTITLE.

24 (2) IF THE PAYMENT SCHEDULE ESTABLISHED UNDER THIS  
25 SUBSECTION IS FOLLOWED, THE ADMINISTRATION:

26 (I) MAY NOT SUSPEND AN INDIVIDUAL'S LICENSE FOR  
27 NONPAYMENT OF THE FEES IMPOSED UNDER § 16-1001 OF THIS SUBTITLE; AND

28 (II) SHALL REINSTATE A LICENSE THAT WAS SUSPENDED  
29 FOR FAILURE TO PAY THE FEES IMPOSED UNDER § 16-1001 OF THIS SUBTITLE.

30 (3) A LICENSEE MAY PREPAY AT ANY TIME THE TOTAL AMOUNT  
31 OF FEES THAT WILL BE DUE OVER THE 3-YEAR PERIOD FOR WHICH THE FEES  
32 WERE ASSESSED UNDER § 16-1001 OF THIS SUBTITLE.

1 **16-1003.**

2 **OF THE REVENUES DERIVED FROM FEES IMPOSED UNDER THIS SUBTITLE,**  
3 **THE ADMINISTRATION SHALL RETAIN AN AMOUNT SUFFICIENT TO COVER THE**  
4 **COSTS NEEDED TO ADMINISTER THE PROVISIONS OF THIS SUBTITLE, AND THE**  
5 **BALANCE SHALL BE DISTRIBUTED AS FOLLOWS:**

6 **(1) FOR FISCAL YEARS 2012 AND 2013, TO THE GENERAL FUND;**  
7 **AND**

8 **(2) FOR ALL FISCAL YEARS BEGINNING ON OR AFTER JULY 1,**  
9 **2013, TO THE MARYLAND EMERGENCY MEDICAL SYSTEM OPERATIONS FUND**  
10 **ESTABLISHED UNDER § 13-955 OF THIS ARTICLE.**

11 **Chapter 503 of the Acts of 2007**

12 SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in  
13 Section 3 and subject to Section 4 of this Act, this Act shall take effect July 1, 2007. [It  
14 shall remain effective for a period of 5 years and, at the end of June 30, 2012, with no  
15 further action required by the General Assembly, this Act shall be abrogated and of no  
16 further force and effect.]

17 SECTION 4. AND BE IT FURTHER ENACTED, That Section(s)  
18 18-1101 through 18-1107 and the subtitle "Subtitle 11 – Distinguished Scholar  
19 Programs" of Article – Education of the Annotated Code of Maryland be repealed.

20 SECTION 5. AND BE IT FURTHER ENACTED, That Section(s) 18-1201  
21 through 18-1207 and the subtitle "Subtitle 12. Private Career School Student Grant  
22 Program" of Article – Education of the Annotated Code of Maryland be repealed.

23 SECTION 6. AND BE IT FURTHER ENACTED, That Section(s)  
24 8-406(b) and 10-704.1 of the Tax – General Article of the Annotated Code of Maryland  
25 be repealed.

26 SECTION 7. AND BE IT FURTHER ENACTED, That, notwithstanding any  
27 other provision of law, on or before June 30, 2011, the Governor may transfer to the  
28 General Fund:

29 \$1,000,000 of the funds in the Maryland Health Care Commission Fund  
30 established under § 19-111 of the Health – General Article;

31 \$500,000 of the funds in the State Used Tire Cleanup and Recycling Fund  
32 established under § 9-273 of the Environment Article;

33 \$256,000 of the funds in the Forest or Park Reserve Fund established under §  
34 5-212 of the Natural Resources Article;

1           \$250,000 of the funds in the Maryland Not-For-Profit Development Center  
2 Program Fund established under § 5-1204 of the Economic Development  
3 Article;

4           \$150,000 of the funds in the Board of Veterinary Medical Examiners Fund  
5 established under § 2-303 of the Agriculture Article.

6           SECTION 8. AND BE IT FURTHER ENACTED, That, notwithstanding any  
7 other provision of law, on or before June 30, 2012, the Governor may transfer to the  
8 General Fund:

9           \$10,000,000 of the funds in the Circuit Court Real Property Records  
10 Improvement Fund established under § 13-602 of the Courts and Judicial  
11 Proceedings Article;

12           \$2,000,000 of the funds in the State Insurance Trust Fund established under §  
13 9-103 of the State Finance and Procurement Article;

14           \$500,000 of the funds in the Spinal Cord Injury Research Trust Fund  
15 established under § 13-1406 of the Health – General Article;

16           \$237,888 of the funds in the State Board of Pharmacy Fund established under §  
17 12-206 of the Health Occupations Article;

18           \$125,000 of the funds in the Maryland Not-For-Profit Development Center  
19 Program Fund established under § 5-1204 of the Economic Development  
20 Article;

21           \$44,888 of the funds in the State Board of Examiners of Psychologists Fund  
22 established under § 18-207 of the Health Occupations Article.

23           SECTION 9. AND BE IT FURTHER ENACTED, That, notwithstanding any  
24 other provision of law, on or before June 30, 2012, the Governor may transfer to the  
25 General Fund:

26           \$90,000,000 of the funds in the Bay Restoration Fund established under §  
27 9-1605.2 of the Environment Article that is not needed to pay debt service on  
28 Revenue Bonds issued by the Water Quality Financing Administration for the  
29 Enhanced Nutrient Removal Program;

30           \$2,200,000 of the funds in the Special Loan Programs Fund established under §  
31 4-505 of the Housing and Community Development Article;

32           \$2,050,000 of the funds in the Neighborhood Business Development Fund  
33 established under § 6-310 of the Housing and Community Development Article;

1           \$1,500,000 of the funds in the Homeownership Programs Fund established  
2           under § 4–502 of the Housing and Community Development Article;

3           \$1,090,000 of the funds in the Waterway Improvement Fund established under  
4           § 8–707 of the Natural Resources Article.

5           SECTION 10. AND BE IT FURTHER ENACTED, That, notwithstanding any  
6           other provision of law, beginning in fiscal year 2011, any subsidy received by the State  
7           that is provided to employers as a result of the federal Medicare Prescription Drug,  
8           Improvement, and Modernization Act of 2003, or similar federal subsidy received as a  
9           result of the State’s prescription drug program shall be credited to the General Fund  
10          of the State. The provisions of this section shall be construed retroactively and shall be  
11          applied to any revenue received by the State on or after July 1, 2010.

12          SECTION 11. AND BE IT FURTHER ENACTED, That, notwithstanding any  
13          other provision of law, on or before June 30, 2011, the Governor may transfer to the  
14          General Fund \$5,591,172 of the funds in the special fund established under § 13–209  
15          of the Tax – Property Article. A transfer of funds from the special fund to the General  
16          Fund under this section may not be taken into account for purposes of determining  
17          any allocation or appropriation required under § 13–209(f) or (g) of the Tax – Property  
18          Article.

19          SECTION 12. AND BE IT FURTHER ENACTED, That, notwithstanding any  
20          other provision of law, on or before June 30, 2012, the Governor may transfer to the  
21          General Fund \$94,491,115 of the funds in the special fund established under § 13–209  
22          of the Tax – Property Article. A transfer of funds from the special fund to the General  
23          Fund under this section may not be taken into account for purposes of determining  
24          any allocation or appropriation required under § 13–209(f) or (g) of the Tax – Property  
25          Article.

26          SECTION 13. AND BE IT FURTHER ENACTED, That, notwithstanding the  
27          provisions of Title 1, Subtitle 3 of the Public Safety Article or any other law,  
28          \$1,000,000 in fiscal year 2012 revenue from the State 9–1–1 fee on wired lines may be  
29          used to support the Computer Aided Dispatch/Records Management System project in  
30          the Maryland State Police.

31          SECTION 14. AND BE IT FURTHER ENACTED, That, notwithstanding any  
32          other provision of law, the Governor may transfer from the Senior Prescription Drug  
33          Assistance Program account of the Maryland Health Insurance Plan Fund established  
34          under § 14–504(e) of the Insurance Article to the Kidney Disease Program established  
35          under Title 13, Subtitle 3 of the Health – General Article up to \$3,000,000 in fiscal  
36          year 2012, and up to \$3,000,000 in fiscal year 2013.

37          SECTION 15. AND BE IT FURTHER ENACTED, That, notwithstanding any  
38          other provision of law, the Governor may transfer from the Senior Prescription Drug  
39          Assistance Program account of the Maryland Health Insurance Plan Fund established  
40          under § 14–504(e) of the Insurance Article to the Medical Assistance Program

1 established under Title 15, Subtitle 1 of the Health – General Article up to \$2,500,000  
2 in fiscal year 2011.

3 SECTION 16. AND BE IT FURTHER ENACTED, That, notwithstanding the  
4 provisions of § 9–1A–29 of the State Government Article or any other provision of law,  
5 for fiscal year 2011, the first \$3.6 million in funds deposited to the Racetrack Facility  
6 Renewal Account shall be transferred to the Maryland Economic Development  
7 Corporation. If less than \$3.6 million is transferred in fiscal year 2011, the difference  
8 between the actual transfer in fiscal year 2011 and \$3.6 million shall be transferred in  
9 fiscal year 2012. Additional funding of up to \$400,000 shall be transferred in fiscal  
10 year 2012 to cover interest expense, fees, and administrative costs. The provisions of  
11 this section shall be construed retroactively and shall be applied to any revenue  
12 received by the State on or after July 1, 2010.

13 SECTION 17. AND BE IT FURTHER ENACTED, That, notwithstanding §  
14 9–20B–05 of the State Government Article or any other provision of law, for each of  
15 fiscal years 2012 through 2014, proceeds received by the Strategic Energy Investment  
16 Fund from the sale of allowances under § 2–1002(g) of the Environment Article shall  
17 be allocated as follows:

18 (1) Up to 50% shall be credited to an energy assistance account to be  
19 used for the Electric Universal Service Program and other electricity assistance  
20 programs in the Department of Human Resources;

21 (2) At least 20% shall be credited to a low and moderate income  
22 efficiency and conservation programs account and to a general efficiency and  
23 conservation programs account for energy efficiency and conservation programs,  
24 projects, or activities and demand response programs, of which at least one-half shall  
25 be targeted to the low and moderate income efficiency and conservation programs  
26 account for:

27 (i) the low-income residential sector at no cost to the  
28 participants of the programs, projects, or activities; and

29 (ii) the moderate-income residential sector;

30 (3) At least 20% shall be credited to a renewable and clean energy  
31 programs account for:

32 (i) renewable and clean energy programs and initiatives;

33 (ii) energy related public education and outreach; and

34 (iii) climate change programs; and

35 (4) Up to 10%, but not more than \$4 million, shall be credited to an  
36 administrative expense account for costs related to administration of the Fund,

1 including the review of electric company plans for achieving electricity savings and  
2 demand reductions that the electric companies are required under law to submit to the  
3 Administration.

4 SECTION 18. AND BE IT FURTHER ENACTED, That, notwithstanding any  
5 other provision of law, \$124,420,746 of the State funds that exceed the State share of  
6 the foundation program under § 5–202 of the Education Article, because of the use of  
7 federal funds available to the State through Public Law 111–226, shall be distributed  
8 to each county board on June 1, 2011 to prefund in fiscal year 2011 \$124,420,746 of  
9 the fiscal year 2012 State share of the foundation program required under § 5–202 of  
10 the Education Article. The \$124,420,746 of State funds paid in June 2011 shall be  
11 prorated according to the funding formulas applicable to fiscal year 2012 and counted  
12 towards satisfaction of the State’s fiscal year 2012 obligation to provide financial  
13 assistance under the foundation program.

14 SECTION 19. AND BE IT FURTHER ENACTED, That, notwithstanding any  
15 other provision of law, for each of fiscal years 2013 through 2016:

16 (a) Except as provided in subsection (b) of this section, the Governor is not  
17 required to include an appropriation in the budget for any program or item in an  
18 amount that exceeds the fiscal year 2012 appropriation for that item or program as  
19 approved in the State budget for fiscal year 2012 as enacted by the General Assembly.

20 (b) Subsection (a) of this section does not apply to:

21 (1) funding required for State aid to public elementary and secondary  
22 education as provided under Title 5, Subtitle 2 or § 4–121, § 4–122, § 6–306, § 8–310.3,  
23 § 8–317, or § 8–415 of the Education Article;

24 (2) the State’s employer contribution to the State Retirement and  
25 Pension System required under § 21–308 of the State Personnel and Pensions Article;

26 (3) any appropriation to the Maryland Agricultural and  
27 Resource–Based Industry Development Corporation established under Title 10,  
28 Subtitle 2 of the Economic Development Article; or

29 (4) any appropriation required to the Revenue Stabilization Account of  
30 the State Reserve Fund under § 7–311 of the State Finance and Procurement Article.

31 SECTION 20. AND BE IT FURTHER ENACTED, That, notwithstanding any  
32 other provision of law, no amounts may be expended in fiscal year 2012 to pay  
33 increases over the rates in effect on January 21, 2011, for providers with rates set by  
34 the Interagency Rates Committee under § 8–406 of the Education Article or providers  
35 of nonpublic placements under § 8–417 of the Education Article.

36 SECTION 21. AND BE IT FURTHER ENACTED, That, notwithstanding any  
37 other provision of law, State employees employed by any entity, including the  
38 University System of Maryland, Morgan State University, and St. Mary’s College of

1 Maryland, may not receive merit increases prior to April 1, 2014. This provision does  
2 not affect salaries for constitutional officers or members of the General Assembly or  
3 increases necessary for the retention of faculty in the University System of Maryland,  
4 Morgan State University, or St. Mary's College of Maryland.

5 SECTION 22. AND BE IT FURTHER ENACTED, That, notwithstanding § 36 of  
6 Chapter 484 of the Acts of the General Assembly of 2010 or any other provision of law,  
7 for fiscal years 2011 and 2012 only, State employees employed by the Department of  
8 Health and Mental Hygiene at a facility that is scheduled to be closed may, subject to  
9 the approval of the Secretary of Budget and Management, receive retention bonuses.

10 SECTION 23. AND BE IT FURTHER ENACTED, That, notwithstanding State  
11 Personnel and Pensions Article, §§ 21–304 and 21–308, or any other provision of law,  
12 to reflect the actuarially determined impact of legislation increasing employee  
13 contributions to and reducing the liabilities of the State Retirement and Pension  
14 System, the Governor shall include in the budget bill the following amounts:

15 (1) For fiscal year 2012 only, the Governor is not required to include in  
16 the budget bill the total amount of the State's contributions to each system as  
17 ascertained based on the rates certified by the Board of Trustees for the State  
18 Retirement and Pension System, but the Governor shall include in the budget bill the  
19 total amount of the State's contributions to each system as ascertained based on the  
20 rates certified by the Board of Trustees less \$120,000,000;

21 (2) For fiscal year 2013 only, in addition to the total amount of the  
22 State's contributions to each system certified by the Board of Trustees, the Governor  
23 shall include in the budget bill an additional amount that reflects the difference  
24 between the State's required contribution for that fiscal year and the amount that the  
25 Board determines would have been required had legislation increasing employee  
26 contributions to, and reducing the liabilities of, the State Retirement and Pension  
27 System not been enacted in 2011, less \$60,000,000; and

28 (3) For fiscal year 2014 and each year thereafter, in addition to the  
29 total amount of the State's contributions to each system certified by the Board of  
30 Trustees, the Governor shall include in the budget bill an additional amount that  
31 reflects the difference between the State's required contribution for that fiscal year  
32 and the amount that the Board determines would have been required had legislation  
33 increasing employee contributions to, and reducing the liabilities of, the State  
34 Retirement and Pension System not been enacted in 2011.

35 SECTION 24. AND BE IT FURTHER ENACTED, That the Governor's Salary  
36 Commission and the General Assembly Salary Commission shall, taking into account  
37 the sustainability of the pension systems, include specific recommendations in their  
38 respective reports concerning appropriate benefit and member contribution levels.

39 SECTION 25. AND BE IT FURTHER ENACTED, That the Board of Trustees  
40 for the State Retirement and Pension System shall provide an annual report to the  
41 Governor and the Joint Committee on Pensions, on or before December 15 of each

1 year, on the funding progress of the several systems. The Secretary of the Department  
2 of Budget and Management shall report biennially, beginning on January 1, 2013, to  
3 the Governor and the General Assembly, in accordance with § 2-1246 of the State  
4 Government Article, on the financial health of the several systems. The Secretary's  
5 report shall reflect the State system's progress towards achieving the statutory  
6 funding goals, and shall include recommendations concerning modifications to the  
7 funding methods or benefits structure.

8 SECTION 26. AND BE IT FURTHER ENACTED, That, notwithstanding the  
9 provisions of § 8-402(c) of the Transportation Article as enacted by this Act, the  
10 modified percentage of distribution of highway user revenues to the Department of  
11 Transportation for fiscal year 2012 does not apply unless the General Assembly  
12 appropriates in the Budget Bill (S.B. 85/H.B. 70) for fiscal year 2012 funds that are  
13 sufficient to pay in fiscal year 2012 the principal of and interest due and payable in  
14 that fiscal year on the Department's Consolidated Transportation Bonds that were  
15 issued before July 1, 2011. If funds are appropriated by the General Assembly in the  
16 fiscal year 2012 Budget Bill (S.B. 85/H.B. 70) to pay in fiscal year 2012 the principal of  
17 and interest due and payable in fiscal year 2012 on the Department's Consolidated  
18 Transportation Bonds that were issued before July 1, 2011, the distribution of  
19 highway user revenues to the Department of Transportation for fiscal year 2012 shall  
20 be made in accordance with § 8-402(c)(2) as enacted by this Act.

21 SECTION 27. AND BE IT FURTHER ENACTED, That, if any provision of this  
22 Act or the application thereof to any person or circumstance is held invalid for any  
23 reason in a court of competent jurisdiction, the invalidity does not affect other  
24 provisions or any other application of this Act which can be given effect without the  
25 invalid provision or application, and for this purpose the provisions of this Act are  
26 declared severable.

27 SECTION 28. AND BE IT FURTHER ENACTED, That, except as provided in §  
28 16-1001(b) of the Transportation Article, as enacted by this Act, Title 16, Subtitle 10  
29 of the Transportation Article, as enacted by this Act, shall be construed to apply only  
30 prospectively and may not otherwise be applied or interpreted to have any effect on or  
31 application to a conviction of, or the assessment of points against or points  
32 accumulated by, a licensee before the effective date of this Act.

33 SECTION 29. AND BE IT FURTHER ENACTED, That Section 4 of this Act  
34 shall take effect July 1, 2015.

35 SECTION 30. AND BE IT FURTHER ENACTED, That, except as otherwise  
36 provided in this Act, this Act shall take effect June 1, 2011.