SENATE BUDGET AND TAXATION

COMMITTEE REPRINT

to HOUSE BILL 102

B1

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CF SB 127

By: **The Speaker (By Request – Administration)**
Introduced and read first time: January 16, 2013
Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted with floor amendments
Read second time: March 13, 2013

CHAPTER _____

AN ACT concerning

Budget Reconciliation and Financing Act of 2013

FOR the purpose of altering the frequency with which certain payments from a certain special fund are required to be paid; requiring the reduction of certain grants and payments under certain circumstances; ~~repealing certain requirements for a certain notice relating to abandoned property to be published in certain newspapers; requiring the Comptroller to maintain, or cause to be maintained, an abandoned property database containing the names and last known addresses, if any, of persons listed in certain reports; requiring the Comptroller to maintain, or cause to be maintained, a certain Internet Web site relating to the abandoned property database; requiring the Comptroller to publish certain notices of a certain Internet Web site; providing that a certain District Court surcharge shall be added to fines imposed for certain traffic cases and not to court costs; requiring a certain arrest – citation form to include a line to add a certain surcharge; requiring a police officer to add a certain surcharge to a certain fine on a certain traffic citation; requiring the Comptroller to annually pay a certain surcharge in a certain manner;~~ altering certain circumstances under which a county board of education is required to reimburse the Department of Juvenile Services; altering or repealing certain required appropriations; providing for the applicability of certain provisions of law relating to a statewide information technology master plan to certain projects that involve certain agreements with certain public institutions of higher education; repealing the requirement that certain licensed veterans' organizations purchase or lease certain instant ticket lottery machines from the

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets] indicate matter deleted from existing law.
Underlining indicates amendments to bill.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.
Italics indicate opposite chamber/conference committee amendments.

State Lottery and Gaming Control Agency; *altering a certain maximum fee for commissioning a notary public; altering a certain maximum fee that may be set for certain notarial acts;* altering the distribution of certain revenue; providing for the transfer of certain funds for certain purposes; *altering a certain requirement for the Maryland Transit Administration to set certain fare prices to include a requirement that the Administration increase base fare prices for certain services by a certain percentage from a certain Consumer Price Index;* altering a certain requirement that the Health Services Cost Review Commission and the Department of Health and Mental Hygiene adopt certain policies to provide a certain combined amount in revenues and savings so as to place a limit on the combined amount of revenues and savings beginning in a certain fiscal year; ~~providing that for certain fiscal years certain savings from the adoption of certain policies may be used to offset certain hospital assessment and remittance revenue in a certain year;~~ repealing certain reporting requirements; providing for the expiration of certain tax credits under certain circumstances; requiring the Director of the Maryland Historical Trust to notify certain persons and, on or before a certain date, to submit a certain report to the Comptroller; *altering the calculation of certain State distributions made to certain counties and Baltimore City based on per capita yield of county income taxes; altering the minimum rate for the county income tax for a county to qualify for a certain grant; repealing a certain obsolete provision;* ~~repealing certain credits allowed against certain taxes for the purchase of Maryland–mined coal;~~ setting certain limits in increases in payments to certain providers for a certain fiscal year; requiring the Department of Health and Mental Hygiene to achieve certain savings from certain rates; requiring the Health Services Cost Review Commission to conduct a certain study in a certain manner; requiring the Medicaid Program to provide certain information under certain circumstances; providing certain criteria for a certain study; requiring that a certain report be provided to the Governor and General Assembly on or before a certain date; requiring that the Commission take certain actions to provide certain General Fund savings; restricting the use of certain appropriations for a certain fiscal year; requiring the reversion to the General Fund of certain funding under certain circumstances; *prohibiting merit increases for State employees before a certain date, except under certain circumstances; requiring certain reports to be submitted to certain committees of the General Assembly on or before a certain date;* defining certain terms; *providing for the effective dates of certain provisions of this Act; providing for the termination of certain provisions of this Act;* making a technical correction; ~~making conforming changes;~~ making the provisions of this Act severable; and generally relating to the financing of State and local government.

BY repealing and reenacting, with amendments,
Article – Business Regulation
Section 11–404(a) and 11–404.1
Annotated Code of Maryland
(2010 Replacement Volume and 2012 Supplement)

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

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

~~BY repealing and reenacting, with amendments,~~
~~Article – Courts and Judicial Proceedings~~
~~Section 1–605(d)(8) and 7–301(a)(1) and (f)~~
~~Annotated Code of Maryland~~
~~(2006 Replacement Volume and 2012 Supplement)~~

~~BY repealing and reenacting, with amendments,~~
~~Article – Economic Development~~
~~Section 4–801(f)~~
~~Annotated Code of Maryland~~
~~(2008 Volume and 2012 Supplement)~~

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

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

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 3A–302
Annotated Code of Maryland
(2009 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, with amendments,
Article – State Government
Section 9–112(d)(4), *18–103(e)(3), and 18–112*
Annotated Code of Maryland
(2009 Replacement Volume and 2012 Supplement)

1 *BY repealing and reenacting, with amendments,*
2 *Article – State Personnel and Pensions*
3 *Section 21–308(a)(4)*
4 *Annotated Code of Maryland*
5 *(2009 Replacement Volume and 2012 Supplement)*

6 BY repealing and reenacting, with amendments,
7 Article – Tax – General
8 Section ~~2–202(a) and~~ 2–606(e)
9 Annotated Code of Maryland
10 (2010 Replacement Volume and 2012 Supplement)

11 BY adding to
12 Article – Tax – General
13 Section 2–606(g)
14 Annotated Code of Maryland
15 (2010 Replacement Volume and 2012 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Tax – Property
18 Section 13–209(g)(1)
19 Annotated Code of Maryland
20 (2012 Replacement Volume)

21 BY adding to
22 Article – Tax – Property
23 Section 13–209(h)
24 Annotated Code of Maryland
25 (2010 Replacement Volume and 2012 Supplement)

26 *BY repealing and reenacting, with amendments,*
27 *Article – Transportation*
28 *Section 7–208(b–1)*
29 *Annotated Code of Maryland*
30 *(2012 Replacement Volume)*

31 ~~BY repealing~~
32 ~~Article – Tax – General~~
33 ~~Section 8–406(b) and 10–704.1~~
34 ~~Annotated Code of Maryland~~
35 ~~(2010 Replacement Volume and 2012 Supplement)~~

36 ~~BY adding to~~
37 ~~Article – Transportation~~
38 ~~Section 27–101.3~~
39 ~~Annotated Code of Maryland~~

~~(2012 Replacement Volume)~~

BY repealing and reenacting, with amendments,
Chapter 76 of the Acts of the General Assembly of 2004
Section 2 1.(h)

BY repealing and reenacting, with amendments,
Chapter 397 of the Acts of the General Assembly of 2011
Section 16

BY repealing and reenacting, without amendments,
Article 24 – Political Subdivisions – Miscellaneous Provisions
Section 9–1101(a)
Annotated Code of Maryland
(2011 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, with amendments,
Article 24 – Political Subdivisions – Miscellaneous Provisions
Section 9–1101(b)(2) and (3) and (d)
Annotated Code of Maryland
(2011 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, without amendments,
Article – Local Government
Section 16–501(a) and (c)(3)
Annotated Code of Maryland
(As enacted by Chapter (H.B. 472) of the Acts of the General Assembly of 2013)

BY repealing and reenacting, with amendments,
Article – Local Government
Section 16–501(b) and (e)
Annotated Code of Maryland
(As enacted by Chapter (H.B. 472) of the Acts of the General Assembly of 2013)

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

Article – Business Regulation

11–404.

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

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

11–404.1.

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

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

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

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

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

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

~~**Article – Commercial Law**~~

~~**17–311.**~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(2) THE NOTICE SHALL:~~

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

~~(II) CONTAIN:~~

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

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

~~3. THE ADDRESS OF THE INTERNET WEB SITE.~~

~~**Article – Courts and Judicial Proceedings**~~

~~1–605.~~

~~(d) In addition to the powers and duties granted and imposed in subsections (a), (b), and (c) of this section, or elsewhere by law or rule, the Chief Judge of the District Court shall:~~

~~(8) After consultation with police administrators and the Motor Vehicle Administrator, design arrest – citation forms that shall [be]:~~

~~(I) BE used by all law enforcement agencies in the State when charging a person with a criminal, civil, or traffic offense, except for:~~

~~[(i)] 1. Violations by juveniles listed in § 3–8A–33(a) of this article;~~

~~[(ii)] 2. Violations of parking ordinances or regulations adopted under Title 26, Subtitle 3 of the Transportation Article; and~~

~~[(iii)] 3. Other violations as expressly provided by law; AND~~

~~(II) INCLUDE A LINE ON WHICH TO ADD THE $7.50 SURCHARGE ASSESSED UNDER § 27–101.3 OF THE TRANSPORTATION ARTICLE;~~

~~7–301.~~

~~(a) (1) Except as provided in paragraphs (2) and (3) of this subsection, the court costs in a traffic case, including parking and impounding cases, cases under § 21–202.1, § 21–809, § 21–810, or § 24–111.3 of the Transportation Article in which costs are imposed, and cases under § 10–112 of the Criminal Law Article in which costs are imposed:~~

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~~(i) Are $22.50 [plus the surcharge under subsection (f) of this section]; and~~

~~(ii) Shall also be applicable to those cases in which the defendant elects to waive the defendant's right to trial and pay the fine or penalty deposit established by the Chief Judge of the District Court by administrative regulation.~~

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

~~(2) In a traffic case under subsection (a)(1) of this section the court shall add a $7.50 surcharge to [the court costs] ANY FINE imposed by the court.~~

~~(3) (i) The Comptroller annually shall credit the surcharges collected under this subsection as provided in this paragraph.~~

~~(ii) An amount annually as set forth in the State budget shall be distributed for the Charles W. Riley Fire and Emergency Medical Services Tuition Reimbursement Program as established in § 18–603 of the Education Article.~~

~~(iii) After the distribution under subparagraph (ii) of this paragraph, $200,000 shall be distributed to the Maryland State Firemen's Association.~~

~~(iv) After the distribution under subparagraphs (ii) and (iii) of this paragraph and until a total of $20,000,000 has been distributed to the Volunteer Company Assistance Fund since the establishment of the surcharge under this subsection, the remainder shall be credited to the Volunteer Company Assistance Fund to be used in accordance with the provisions of Title 8, Subtitle 2 of the Public Safety Article.~~

~~(v) After a total of $20,000,000 has been distributed to the Volunteer Company Assistance Fund, 100% of the remainder shall be credited to the Maryland Emergency Medical [Systems Operation] SYSTEM OPERATIONS Fund established under § 13–955 of the Transportation Article.~~

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~~(vi) On or before September 1 of each year until $20,000,000 has been distributed to the Volunteer Company Assistance Fund, the State Court Administrator shall submit a report to the Senate Budget and Taxation Committee and the House Appropriations Committee, in accordance with § 2–1246 of the State Government Article, on the amount of revenue distributed to the Volunteer Company Assistance Fund under this paragraph.~~

~~Article – Economic Development~~

~~4–801.~~

~~(f) The Fund consists of[:~~

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~~(1) revenue distributed to the Fund under § 2–202(a)(1)(ii) of the Tax – General Article; and~~

~~(2)] any [other] money from any [other] source accepted for the benefit of the Fund.~~

Article – Education

22–306.1.

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

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

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

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

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

Article – Natural Resources

5–903.

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

Article – State Finance and Procurement

3A–302.

(a) This subtitle does not apply to changes relating to or the purchase, lease, or rental of information technology by:

(1) public institutions of higher education solely for academic or research purposes;

(2) the Maryland Port Administration;

(3) the University System of Maryland;

(4) St. Mary's College of Maryland; or

(5) Morgan State University.

(B) EXCEPT AS PROVIDED IN SUBSECTION (A) OF THIS SECTION, THIS SUBTITLE APPLIES TO ANY PROJECT OF A UNIT OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT THAT INVOLVES AN AGREEMENT WITH A PUBLIC INSTITUTION OF HIGHER EDUCATION FOR A PORTION OF THE DEVELOPMENT OF THE PROJECT, WHETHER THE WORK ON THE DEVELOPMENT IS DONE DIRECTLY OR INDIRECTLY BY THE PUBLIC INSTITUTION OF HIGHER EDUCATION.

[(b)] **(C)** Notwithstanding any other provision of law, except as provided in subsection (a) of this section and §§ 3A–307(a)(2), 3A–308, and 3A–309 of this subtitle, this subtitle applies to all units of the Executive Branch of State government including public institutions of higher education other than Morgan State University, the University System of Maryland, and St. Mary's College of Maryland.

Article – State Government

9–112.

(d) (4) (i) Subject to subparagraph (ii) of this paragraph, a veterans' organization issued a license under this subsection shall purchase or lease [from the Agency] the instant ticket lottery machines to be used by the veterans' organization.

(ii) An organization may not use receipts from the sale of tickets from instant ticket lottery machines that would otherwise be credited to the State Lottery Fund for the costs of purchasing or leasing instant ticket lottery machines.

18–103.

(e) (3) Each notary shall pay to the clerk: 4

(i) a fee of $1 for qualifying the notary and registering the name, address, and commission expiration date of the notary; and

*(ii) a fee of [$10] **$11** or a lesser amount as prescribed by the Secretary of State for the commission issued.*

18–112.

*(a) The Secretary of State shall adopt regulations to establish fees, not to exceed [$2] **$4** for an original notarial act, and an appropriate lesser amount for the repetition of that original notarial act or to make a copy of the matter addressed by that original notarial act.* 4

(b) A notary public may charge 19 cents per mile, or a higher amount set by regulation of the Secretary of State, and a fee not to exceed $5, as compensation for travel required for the performance of a notarial act.

Article – State Personnel and Pensions

21–308.

*(a) (4) For fiscal year 2014 and each fiscal year thereafter, in addition to the amounts required under paragraph (2) of this subsection, the Governor shall include in the budget bill [$300,000,000] **$200,000,000**.* 5

~~**Article – Tax – General**~~

~~2–202.~~

~~(a) After making the distribution required under § 2–201 of this subtitle, within 20 days after the end of each quarter, the Comptroller shall distribute:~~ 3

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

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

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

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

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

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

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

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

2–606.

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

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

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

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

Article – Tax – Property

13–209.

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

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

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

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

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

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

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

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

Article – Transportation

7–208.

(b–1) Subject to § 7–506 of this title, the Administration:

(1) [Shall] ***SUBJECT TO ITEMS (2) AND (3) OF THIS SUBSECTION, SHALL*** *set the fare prices and collect other operating revenues in an amount sufficient to achieve the farebox recovery requirement established in subsection (b) of this section; [and]*

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(2) BEGINNING IN FISCAL YEAR 2014, SHALL INCREASE BASE FARE PRICES TO THE NEAREST DIME FOR CORE BUS, LIGHT RAIL, AND METRO SUBWAY SERVICES BY AT LEAST THE SAME PERCENTAGE AS THE 3–YEAR INCREASE IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS, FOR THE WASHINGTON–BALTIMORE METROPOLITAN AREA, AS DETERMINED FROM JANUARY 1, 2010, TO DECEMBER 31, 2012, AND EACH SUBSEQUENT 3–YEAR PERIOD FOR WHICH THE AMOUNT IS BEING CALCULATED; AND

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(3) May not reduce the level of services provided by the Administration for the purpose of achieving the farebox recovery requirement.

~~Article – Transportation~~

~~27–101.3.~~

~~(A) AFTER COMPUTING THE FINE TO BE ASSESSED UNDER THE DISTRICT COURT'S SCHEDULE OF PRESET FINES OR PENALTY DEPOSITS, A POLICE OFFICER ISSUING A TRAFFIC CITATION FOR A VIOLATION FOR WHICH A SURCHARGE IS REQUIRED TO BE IMPOSED UNDER § 7–301(F) OF THE COURTS ARTICLE SHALL ADD A $7.50 SURCHARGE TO THE AMOUNT OF THE TOTAL FINE BEFORE PRESENTING THE CITATION TO THE DRIVER BEING CHARGED.~~

~~(B) THE COMPTROLLER SHALL ANNUALLY PAY THE SURCHARGES COLLECTED UNDER THIS SECTION AS REQUIRED UNDER § 7–301(F) OF THE COURTS ARTICLE.~~

Chapter 76 of the Acts of 2004

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 5–801 of Article 83B – Department of Housing and Community Development of the Annotated Code of Maryland be repealed and reenacted, with amendments, and transferred to the Session Laws, to read as follows:

1.

(h) (1) Subject to the provisions of this subsection, the provisions of this section and the tax credit authorized under this section shall terminate as of July 1, 2004.

(2) On or after July 1, 2004[:

(i) The], THE tax credit authorized under this section may be claimed for:

[1.] (I) a project for rehabilitation of a single–family, owner–occupied residence for which an application for approval of a plan of proposed rehabilitation was received by the Director on or before June 30, 2004; or

[2.] (II) **SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION,** a commercial rehabilitation project for which an application of a plan of proposed rehabilitation has been approved by the Director on or before June 30, 2004.

[(ii) The Director shall continue to report to the Governor and the General Assembly as required under subsection (g) of this section for as long as any rehabilitation project for which an application for approval of a plan of proposed rehabilitation was received by the Director on or before June 30, 2004 remains incomplete.]

(3) THE TAX CREDIT AUTHORIZED UNDER THIS SECTION FOR A COMMERCIAL REHABILITATION PROJECT EXPIRES ON JULY 1, 2014, UNLESS, ON OR BEFORE JUNE 30, 2014, THE APPLICANT DEMONSTRATES TO THE DIRECTOR THAT THE COMMERCIAL REHABILITATION PROJECT HAS A VALID, UNEXPIRED BUILDING PERMIT FOR THE REHABILITATION PROJECT.

(4) THE DIRECTOR SHALL NOTIFY, IN WRITING, THE OWNER OR DEVELOPER THAT RECEIVED APPROVAL OF A PLAN OF PROPOSED REHABILITATION FOR A COMMERCIAL REHABILITATION PROJECT OF THE REQUIREMENTS OF THIS SUBSECTION.

(5) ON OR BEFORE AUGUST 1, 2014, THE DIRECTOR SHALL REPORT TO THE COMPTROLLER THE NUMBER OF TAX CREDITS AND THE AMOUNT OF THE TAX CREDITS THAT HAVE EXPIRED IN ACCORDANCE WITH THIS SUBSECTION.

Chapter 397 of the Acts of 2011

SECTION 16. AND BE IT FURTHER ENACTED, That, in addition to any other revenue generated under § 19–214 of the Health – General Article, as amended by this Act:

(a) For fiscal year 2012, the Health Services Cost Review Commission shall approve a combination of hospital assessments and remittances in the amount of $389,825,000 to support the general operations of the Medicaid program. The Commission may reduce assessments or remittances by the amount of any reduction in State Medicaid expenditures that will result from any Commission–approved changes in hospital rates or policies.

(b) For fiscal [year] **YEARS** 2013 and [every fiscal year thereafter] **2014**, the Commission and the Department of Health and Mental Hygiene shall adopt policies

that will provide at least $389,825,000 from a combination of special fund revenues and General Fund savings from reduced hospital or other payments made by the Medicaid program. The policies adopted under this subsection shall be in lieu of the hospital assessment and remittance revenue generated in fiscal year 2012, but may include hospital assessments and remittances. To the maximum extent possible, the Commission and the Department shall adopt policies that preserve the State Medicare waiver.

(C) FOR FISCAL YEAR 2015 AND EVERY FISCAL YEAR THEREAFTER, THE COMMISSION AND THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL ADOPT POLICIES THAT WILL PROVIDE UP TO $389,825,000 IN SPECIAL FUND REVENUES FROM ~~HOSPITAL ASSESSMENT AND REMITTANCE REVENUE. IN EACH FISCAL YEAR, THE COMMISSION AND THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE MAY ADOPT POLICIES THAT RESULT IN NEW GENERAL FUND SAVINGS FROM REDUCED HOSPITAL OR OTHER PAYMENTS MADE BY THE MEDICAID PROGRAM AND THOSE SAVINGS MAY BE USED TO OFFSET HOSPITAL ASSESSMENT AND REMITTANCE REVENUE IN THE FIRST YEAR THAT THOSE POLICIES ARE ADOPTED.~~ *A COMBINATION OF SPECIAL FUND REVENUES AND GENERAL FUND SAVINGS FROM REDUCED HOSPITAL OR OTHER PAYMENTS MADE BY THE MEDICAID PROGRAM. THE POLICIES ADOPTED UNDER THIS SUBSECTION SHALL BE IN LIEU OF THE HOSPITAL ASSESSMENT AND REMITTANCE REVENUE GENERATED IN FISCAL YEAR 2012, BUT MAY INCLUDE HOSPITAL ASSESSMENTS AND REMITTANCES.* TO THE MAXIMUM EXTENT POSSIBLE, THE COMMISSION AND THE DEPARTMENT SHALL ADOPT POLICIES THAT PRESERVE THE STATE'S MEDICARE WAIVER. (7)

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

Article 24 – Political Subdivisions – Miscellaneous Provisions

9–1101.

(a) (1) Subject to subsection (d) of this section, for each fiscal year, the Comptroller shall distribute to a county the amount determined for each county under this section. (8)

(2) The amount a county shall receive under this section in any fiscal year shall be based on the county income tax collected from individuals for the taxable year that ended in the second prior fiscal year, from returns filed through November 1 immediately preceding the applicable fiscal year, as determined by the Comptroller.

(b) (2) [(i) Subject to subparagraph (ii) of this paragraph, if] ***IF*** *the per capita yield of the county income tax for a county determined under paragraph (1)(i) of this subsection is less than 75% of the per capita statewide yield of the county income*

tax determined under paragraph (1)(ii) of this subsection, the Comptroller shall determine the amount that would increase the county per capita yield to equal 75% of the statewide per capita yield, as rounded to the nearest dollar.

[(ii) For fiscal year 2012 only, if the per capita yield of the county income tax for a county determined under paragraph (1)(i) of this subsection is less than 77% of the per capita statewide yield of the county income tax determined under paragraph (1)(ii) of this subsection, the Comptroller shall determine the amount that would increase the county per capita yield to equal 77% of the statewide per capita yield, as rounded to the nearest dollar.]

(3) A county may not receive a distribution under this subsection if the county tax rate in that county was less than [2.4%] ***2.6%:***

(8)

(i) For the taxable year that ended in the second prior fiscal year; or

(ii) For any subsequent taxable year through the taxable year that ends in the current fiscal year.

(d) ***(1)*** *[For]* ***EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, FOR*** *fiscal year 2011 and each subsequent fiscal year, the distribution provided to any county or Baltimore City under this section may not exceed the amount distributed to the county or Baltimore City for fiscal year 2010.*

(2) (I) IF A COUNTY OR BALTIMORE CITY HAS A COUNTY INCOME TAX RATE OF AT LEAST 2.8% BUT LESS THAN 3%, THE COUNTY OR BALTIMORE CITY MAY RECEIVE A MINIMUM OF 20% OF THE AMOUNT DETERMINED UNDER SUBSECTION (B)(2) OF THIS SECTION.

(8)

(II) IF A COUNTY OR BALTIMORE CITY HAS A COUNTY INCOME TAX RATE OF AT LEAST 3% BUT LESS THAN 3.2%, THE COUNTY OR BALTIMORE CITY MAY RECEIVE A MINIMUM OF 40% OF THE AMOUNT DETERMINED UNDER SUBSECTION (B)(2) OF THIS SECTION.

(III) IF A COUNTY OR BALTIMORE CITY HAS A COUNTY INCOME TAX RATE OF AT LEAST 3.2%, THE COUNTY OR BALTIMORE CITY MAY RECEIVE A MINIMUM OF 60% OF THE AMOUNT DETERMINED UNDER SUBSECTION (B)(2) OF THIS SECTION.

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

Article – Local Government

16–501.

(a) Subject to subsection (e) of this section, for each fiscal year, the Comptroller shall pay to an eligible county a grant in the amount determined under subsection (c)(3) of this section.

*(b) A county may not receive a grant under subsection (a) of this section if the county's income tax rate was less than [2.4%] **2.6%**:* (8)

(1) for the taxable year that ended in the second prior fiscal year; or

(2) for any subsequent taxable year through the taxable year that ends in the current fiscal year.

(c) (3) If the per capita yield of the county income tax for a county determined under paragraph (2)(i) of this subsection is less than 75% of the per capita statewide yield of the county income tax determined under paragraph (2)(ii) of this subsection, the Comptroller shall determine the amount that would increase the county per capita yield to equal 75% of the statewide per capita yield, as rounded to the nearest dollar.

*(e) **(1)** [For] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, FOR** fiscal year 2011 and each subsequent fiscal year, the distribution provided to any county or Baltimore City under this section may not exceed the amount distributed to the county or Baltimore City for fiscal year 2010.*

(2) (I) IF A COUNTY OR BALTIMORE CITY HAS A COUNTY INCOME TAX RATE OF AT LEAST 2.8% BUT LESS THAN 3%, THE COUNTY OR BALTIMORE CITY MAY RECEIVE A MINIMUM OF 20% OF THE AMOUNT DETERMINED UNDER SUBSECTION (C)(3) OF THIS SECTION. (8)

(II) IF A COUNTY OR BALTIMORE CITY HAS A COUNTY INCOME TAX RATE OF AT LEAST 3% BUT LESS THAN 3.2%, THE COUNTY OR BALTIMORE CITY MAY RECEIVE A MINIMUM OF 40% OF THE AMOUNT DETERMINED UNDER SUBSECTION (C)(3) OF THIS SECTION.

(III) IF A COUNTY OR BALTIMORE CITY HAS A COUNTY INCOME TAX RATE OF AT LEAST 3.2%, THE COUNTY OR BALTIMORE CITY MAY RECEIVE A MINIMUM OF 60% OF THE AMOUNT DETERMINED UNDER SUBSECTION (C)(3) OF THIS SECTION.

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

SECTION ~~3.~~ ~~2.~~ *4.* AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or before June 30, 2013, the Governor may transfer

$1,000,000 of the funds in the State Insurance Trust Fund established under § 9–103 of the State Finance and Procurement Article to the General Fund.

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

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

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

SECTION ~~7.~~ ~~5.~~ *7.* AND BE IT FURTHER ENACTED, That:

(1) In this section, "Commission" means the Health Services Cost Review Commission.

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

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

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

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

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

2. Compare the amount Medicaid would pay for each service using the preliminary or final Commission–approved clinic and emergency

department rates established by the Commission for fiscal year 2014 to the amount Medicaid will pay using the fiscal year 2014 tiered rates developed by the hospitals.

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

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

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

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

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

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

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

SECTION ~~6.~~ *8.* AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or before June 30, 2013, the Governor may transfer $430,000 from the Sustainable Communities Tax Credit Reserve Fund established under § 5A–303(d) of the State Finance and Procurement Article, which is the amount of commercial tax credit certificates that were issued in Fiscal Year 2007 and that have not been claimed under § 5A–303(f)(4) of the State Finance and Procurement Article or extended under § 5A–303(c)(3)(ii) of the State Finance and Procurement Article. The Director of the Maryland Historical Trust shall notify, in writing, the owner or developer that received approval of a plan of proposed rehabilitation that these tax credit certificates have expired.

SECTION ~~7.~~ *9.* AND BE IT FURTHER ENACTED, That $2,100,000 of the unexpended and unencumbered General Fund appropriations that were included in program M00L01.03 of the Budget Bill for Fiscal Year 2013, as enacted during the 2012 Session (Chapter 148 of the Acts of 2012), may be used only to increase, effective January 1, 2013, specialty physician evaluation and management rates in the public

mental health system to the calendar 2013 Medicare rate for the same services. If any unexpended and unencumbered funding is not used for this restricted purpose, it shall revert to the General Fund.

SECTION ~~8.~~ *10.* AND BE IT FURTHER ENACTED, That $4,200,000 of the unexpended and unencumbered General Fund appropriations that were included in program M00L01.03 of the Budget Bill for Fiscal Year 2013, as enacted during the 2012 Session (Chapter 148 of the Acts of 2012), may be used only for the payment of any remaining fiscal year 2012 unprovided for General Fund payables reported to the Office of the Comptroller at the fiscal year 2012 closeout in program M00L01.02 Community Services and program M00L01.03 Community Services for Medicaid Recipients. If any unexpended and unencumbered funding is not used for this restricted purpose, it shall revert to the General Fund.

SECTION ~~9.~~ *11.* AND BE IT FURTHER ENACTED, That any unexpended and unencumbered General Fund appropriations that were included in program RA02.07 of the Budget Bill for Fiscal Year 2013, as enacted during the 2012 Session (Chapter 148 of the Acts of 2012), or program RA02.05 of the Budget Bill for Fiscal Year 2013, as enacted during the 2012 Session (Chapter 148 of the Acts of 2012), may be used only for the Quality Teacher Incentive Program under § 6–306(b) of the Education Article. If any unexpended and unencumbered funding is not used for this restricted purpose, it shall revert to the General Fund.

SECTION ~~10.~~ *12.* AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or before June 30, 2013, the Governor may transfer any funds in the Special Fund for Preservation of Cultural Arts in Maryland established under § 4–801 of the Economic Development Article to the General Fund.

SECTION 13. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal year 2014, the Governor may include in the annual operating or capital budget submission for county library capital projects the lesser of: 9

(1) $5,000,000; or

(2) the total estimated State cost of capital projects approved by the State Board of Education under § 23–510(e)(4) of the Education Article.

SECTION 14. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law: 10

(a) Except as otherwise provided in this section, State employees employed by any entity, including the University System of Maryland, Morgan State University, and St. Mary's College of Maryland, may not receive merit increases before April 1, 2014.

(b) This provision does not affect:

(1) salaries for constitutional officers or members of the General Assembly;

(2) increases necessary for the retention of faculty in the University System of Maryland, Morgan State University, or St. Mary's College of Maryland;

(3) payments under a collective bargaining agreement negotiated with an accredited representative in accordance with § 7–601 of the Transportation Article; or

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(4) for fiscal year 2014 only, operationally critical staff.

(c) On or before December 1, 2013, in accordance with § 2–1246 of the State Government Article, the University System of Maryland, Morgan State University, and St. Mary's College of Maryland shall each submit a report to the Senate Budget and Taxation Committee and the House Appropriations Committee that details the policies adopted by the governing boards of those institutions to designate operationally critical staff, all staff identified as critical under subsection (b)(4) of this section, and any merit increases awarded as a consequence of this designation.

(d) On or before December 1, 2013, in accordance with § 2–1246 of the State Government Article, the Department of Budget and Management shall submit a report to the Senate Budget and Taxation Committee and the House Appropriations Committee that details the policies adopted to designate operationally critical staff, all Executive Branch staff identified as critical under subsection (b)(4) of this section, and any merit increases awarded as a consequence of this designation.

SECTION ~~8.~~ ~~11.~~ *15.* AND BE IT FURTHER ENACTED, That, if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act which can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

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

SECTION 16. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2013.

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SECTION 17. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take effect on the taking effect of Chapter (H.B. 472) of the Acts of the General Assembly of 2013. If Section 3 of this Act takes effect, Section 2 of this Act shall be abrogated and of no further force and effect.

1 SECTION ~~10.~~ ~~12.~~ *18.* AND BE IT FURTHER ENACTED, That~~, except as~~ (11)
2 ~~provided in Section 9 of this Act,~~*, except as provided in Sections 16 and 17 of this Act,*
3 this Act shall take effect June 1, 2013.