

SENATE BILL 749

C4

3lr2159
CF HB 1132

By: ~~Senator Middleton~~ Senators Middleton, Astle, Garagiola, Glassman,
Kelley, Kittleman, Klausmeier, Mathias, Pugh, and Ramirez

Introduced and read first time: February 1, 2013

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 5, 2013

CHAPTER _____

1 AN ACT concerning

2 **Maryland Automobile Insurance Fund – Operational Changes**

3 FOR the purpose of providing that the Maryland Automobile Insurance Fund is not
4 subject to certain provisions of State law; providing that the Fund is subject to
5 specified provisions of State law; providing that the Fund is independent of all
6 State units; altering the composition, powers, and duties of the Board of
7 Trustees of the Fund; requiring the Governor to appoint all members of the
8 Board; requiring the Governor to consider the geographic and demographic
9 diversity of the State in appointing individuals to the Board; altering the term
10 of a member of the Board; altering the manner in which vacancies on the Board
11 are filled; repealing certain provisions of law relating to a deemed resignation of
12 a member of the Board; authorizing the Governor to remove a member of the
13 Board for certain reasons; altering the compensation and reimbursement to
14 which a member of the Board is entitled; providing that a member of the Board
15 is not required to take compensation under certain circumstances; repealing a
16 provision of law that requires compensation of the Executive Director of the
17 Fund to be determined with the approval of the Governor; requiring the Board
18 to employ certain attorneys for certain purposes; removing employees of the
19 Fund from the State Personnel Management System except under certain
20 circumstances; requiring the Executive Director to appoint and remove
21 employees in accordance with certain policies; requiring the two members of the
22 Board who serve on a certain financial committee to have certain expertise;
23 repealing provisions of law that authorize the Legislative Auditor to conduct
24 certain audits of the Fund; requiring a certain audit committee to require 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.



1 Fund's internal auditors to conduct certain audits; exempting the Fund from
 2 certain State procurement law; clarifying that the employees of the Fund are
 3 authorized to participate in the State's health insurance program; clarifying
 4 that the employees of the Fund are eligible to participate in the State's pension
 5 system; providing for the initial terms of members of the Board; making
 6 stylistic, conforming, and clarifying changes; providing for the effective dates of
 7 this Act; and generally relating to the Maryland Automobile Insurance Fund.

8 BY repealing and reenacting, with amendments,
 9 Article – Insurance
 10 Section 20–201 through 20–204 and 20–303(a)
 11 Annotated Code of Maryland
 12 (2011 Replacement Volume and 2012 Supplement)

13 BY repealing
 14 Article – Insurance
 15 Section 20–304
 16 Annotated Code of Maryland
 17 (2011 Replacement Volume and 2012 Supplement)

18 BY adding to
 19 Article – Insurance
 20 Section 20–304
 21 Annotated Code of Maryland
 22 (2011 Replacement Volume and 2012 Supplement)

23 BY repealing and reenacting, with amendments,
 24 Article – State Finance and Procurement
 25 Section 11–203(a)(1)(ix) through (xix)
 26 Annotated Code of Maryland
 27 (2009 Replacement Volume and 2012 Supplement)

28 BY repealing and reenacting, with amendments,
 29 Article – State Personnel and Pensions
 30 Section 2–511 and 23–201(a)
 31 Annotated Code of Maryland
 32 (2009 Replacement Volume and 2012 Supplement)

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

35 **Article – Insurance**

36 20–201.

37 (a) There is a Maryland Automobile Insurance Fund.

1 **(B) THE FUND IS INDEPENDENT OF ALL STATE UNITS.**

2 **[(b)] (C)** The Fund is a member of the Property and Casualty Insurance
3 Guaranty Corporation.

4 **[(c)] (D) (1) EXCEPT AS OTHERWISE PROVIDED BY LAW, THE FUND**
5 **IS SUBJECT TO THE PROVISIONS OF THIS ARTICLE.**

6 **(2) EXCEPT AS PROVIDED IN ~~PARAGRAPHS (2) AND~~ PARAGRAPH**
7 **(3) OF THIS SUBSECTION, THE FUND IS NOT SUBJECT TO ANY LAW, INCLUDING §**
8 **6-106 OF THE STATE GOVERNMENT ARTICLE, THAT AFFECTS GOVERNMENTAL**
9 **UNITS.**

10 ~~**(2) In addition to the provisions of this title, the Fund is subject to**~~
11 ~~**Title 2, Subtitle 5 of this article.**~~

12 **(3) THE FUND IS SUBJECT TO:**

13 **(I) TITLE 10, SUBTITLE 6, PART III OF THE STATE**
14 **GOVERNMENT ARTICLE;**

15 **(II) TITLE 10, SUBTITLE 5 OF THE STATE GOVERNMENT**
16 **ARTICLE;**

17 **(III) THE MARYLAND PUBLIC ETHICS LAW;**

18 **(IV) TITLE 12 OF THE STATE GOVERNMENT ARTICLE; AND**

19 **(V) TITLE 5, SUBTITLE 3 OF THE STATE PERSONNEL AND**
20 **PENSIONS ARTICLE; ~~AND~~**

21 ~~**(VI) §§ 2-205, 2-209, AND 4-116 OF THIS ARTICLE.**~~

22 **(4) PARAGRAPH ~~(1)~~ (2) OF THIS SUBSECTION DOES NOT AFFECT**
23 **THE EXEMPTION FROM PROPERTY TAX UNDER § 7-210 OF THE TAX - PROPERTY**
24 **ARTICLE.**

25 20-202.

26 **(a)** There is a Board of Trustees of the Fund.

27 **(b) (1)** The Board of Trustees consists of [13] **9** members [.

28 **(2)** Of the 13 members:

1 (i) seven shall be] appointed by the Governor with the advice
2 and consent of the Senate[;

3 (ii) five shall be appointed by the Board of Directors; and

4 (iii) one shall be the Executive Director].

5 [(3) Except as provided in § 20–203(a)(3) of this subtitle, the Executive
6 Director may vote on all matters before the Board of Trustees.]

7 **(2) OF THE NINE MEMBERS:**

8 **(I) AT LEAST THREE SHALL HAVE INSURANCE INDUSTRY**
9 **EXPERTISE; AND**

10 **(II) AT LEAST TWO SHALL HAVE FINANCIAL MANAGEMENT**
11 **EXPERTISE.**

12 **(3) OF THE MEMBERS DESCRIBED IN PARAGRAPH (2)(I) OF THIS**
13 **SUBSECTION, AT LEAST ONE SHALL BE APPOINTED FROM A LIST OF TWO OR**
14 **MORE INDIVIDUALS RECOMMENDED BY THE BOARD OF DIRECTORS.**

15 (c) A member [appointed by the Governor] may not be actively affiliated with
16 an insurance agency, insurance producer, insurer, or premium finance company that
17 does business with the Fund.

18 (d) **(1)** [At least three of the five members appointed by the Board of
19 Directors] **EACH MEMBER** shall be [residents] **A RESIDENT** of the State.

20 **(2) IN DECIDING WHICH INDIVIDUALS TO APPOINT, THE**
21 **GOVERNOR, TO THE EXTENT PRACTICABLE, SHALL CONSIDER THE GEOGRAPHIC**
22 **AND DEMOGRAPHIC, INCLUDING RACE AND GENDER, DIVERSITY OF THE STATE.**

23 **(E) BEFORE TAKING OFFICE, EACH APPOINTEE TO THE BOARD OF**
24 **TRUSTEES SHALL TAKE THE OATH REQUIRED BY ARTICLE I, § 9 OF THE**
25 **MARYLAND CONSTITUTION.**

26 [(e)] **(F)** (1) [A member appointed by the Governor serves at the
27 pleasure of the Governor.

28 **(2)]** The term of a member [appointed by the Board of Directors] is **[4]**
29 **5 years [and begins on September 1].**

1 **(2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY**
2 **THE TERMS PROVIDED FOR MEMBERS OF THE BOARD OF TRUSTEES ON**
3 **OCTOBER 1, 2013.**

4 (3) At the end of a term, a member [appointed by the Board of
5 Directors] continues to serve until a successor is [chosen] **APPOINTED** and qualifies.

6 (4) **A MEMBER MAY NOT SERVE FOR MORE THAN:**

7 **(I) TWO FULL TERMS; OR**

8 **(II) A TOTAL OF 10 YEARS.**

9 **(5) If a member OF THE BOARD OF TRUSTEES** [appointed by the
10 Board of Directors] ceases to be a member of the Board [of Trustees], the [Board of
11 Directors] **GOVERNOR** shall appoint a successor for the unexpired term.

12 **[(5) A member appointed by the Board of Directors is deemed to have**
13 **resigned, causing a vacancy on the Board of Trustees, if:**

14 (i) the member was employed by an Association member or
15 insurance trade association when the member's term on the Board of Trustees began;
16 and

17 (ii) for any reason, the member's employment with the
18 Association member or insurance trade association ends during the member's term on
19 the Board of Trustees.]

20 **[(f) (G) [(1) The Board of Trustees shall choose a [chairman] CHAIR**
21 **from among its members.**

22 **[(2) For each successive term, the position of chairman shall alternate**
23 **between a gubernatorial appointee and an Association appointee.**

24 (3) The Executive Director may not be the chairman of the Board of
25 Trustees.]

26 **[(g) (H) THE GOVERNOR MAY REMOVE A MEMBER OF THE BOARD OF**
27 **TRUSTEES FOR INCOMPETENCE OR MISCONDUCT.**

28 **(I) (1) Each member of the Board of Trustees is entitled to:**

29 **[(1) (I) [per diem compensation set by the Board of Public Works for**
30 **each day actually engaged in the discharge of official duties, if the member is not**
31 **otherwise an officer or employee of the State] REASONABLE COMPENSATION:**

1 **1. IN THE FORM OF SALARY FOR WORK PERFORMED**
 2 **FOR THE BENEFIT OF THE FUND; AND**

3 **2. AS PROVIDED IN THE BUDGET OF THE BOARD OF**
 4 **TRUSTEES; and**

5 **[(2)] (II) reimbursement for expenses:**

6 **1. [under the Standard State Travel Regulations,]**
 7 **INCURRED IN THE PERFORMANCE OF THE MEMBER'S DUTIES; AND**

8 **2. as provided in the budget of the Board of Trustees.**

9 **(2) NOTHING IN PARAGRAPH (1)(I) OF THIS SUBSECTION**
 10 **REQUIRES A MEMBER OF THE BOARD OF TRUSTEES TO TAKE COMPENSATION IF**
 11 **THE MEMBER HAS A CONFLICT OF INTEREST WITH OTHER EMPLOYMENT THAT**
 12 **PRECLUDES THE MEMBER FROM TAKING COMPENSATION FOR WORK**
 13 **PERFORMED FOR THE BENEFIT OF THE FUND.**

14 **[(h)] (J) The Board of Trustees:**

15 **(1) shall [formulate policy for the Fund] ADOPT RULES,**
 16 **BYLAWS, AND PROCEDURES; AND**

17 **(2) MAY ADOPT ANY POLICY TO CARRY OUT THIS TITLE.**

18 20–203.

19 (a) (1) The Board of Trustees shall:

20 **(I) appoint the Executive Director of the Fund [with the**
 21 **approval of the Governor]; AND**

22 **(II) EMPLOY ATTORNEYS TO ADVISE AND REPRESENT THE**
 23 **FUND IN ALL LEGAL MATTERS AND, WHERE NECESSARY, TO SUE OR DEFEND**
 24 **SUITS IN THE NAME OF THE FUND.**

25 (2) The Executive Director serves at the pleasure of the Board of
 26 Trustees.

27 (3) [The incumbent Executive Director may not vote on the choice of a
 28 successor.

1 (4)] If the Board of Trustees fails to agree on a successor **EXECUTIVE**
2 **DIRECTOR**, the Governor shall appoint the successor.

3 (b) (1) The Executive Director:

4 (i) is the administrative head of the Fund; and

5 (ii) shall exercise the powers and perform the duties conferred
6 on the Fund by this title, except for those powers and duties conferred on the Board of
7 Trustees.

8 (2) The Board of Trustees shall advise the Executive Director on the
9 exercise of the powers and duties conferred on the Executive Director by this title.

10 (c) The Board of Trustees shall determine the compensation of the Executive
11 Director [with the approval of the Governor].

12 ~~20-204.~~

13 (a) ~~[(1) Except as provided in paragraph (2) of this subsection or otherwise~~
14 ~~by law, the Executive Director shall appoint and remove staff of the Fund in~~
15 ~~accordance with the provisions of the State Personnel and Pensions Article.~~

16 ~~(2) Positions that the Executive Director designates with the approval~~
17 ~~of the Board of Trustees as technical or professional positions are in the executive~~
18 ~~service, management service, or are special appointments of the skilled service or the~~
19 ~~professional service in the State Personnel Management System.]~~

20 ~~(1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS~~
21 ~~SUBSECTION, EMPLOYEES OF THE FUND ARE NOT IN THE STATE PERSONNEL~~
22 ~~MANAGEMENT SYSTEM.~~

23 ~~(2) A SKILLED SERVICE EMPLOYEE OF THE FUND HIRED BEFORE~~
24 ~~OCTOBER 1, 2013, IN A NONPROFESSIONAL OR NONTECHNICAL POSITION~~
25 ~~SHALL REMAIN IN THE SKILLED SERVICE IN THE STATE PERSONNEL~~
26 ~~MANAGEMENT SYSTEM OR ITS EQUIVALENT AS LONG AS THE EMPLOYEE~~
27 ~~REMAINS IN A NONPROFESSIONAL OR NONTECHNICAL POSITION WITH THE~~
28 ~~FUND.~~

29 ~~(3) THE EXECUTIVE DIRECTOR SHALL APPOINT AND REMOVE~~
30 ~~EMPLOYEES OF THE FUND IN ACCORDANCE WITH THE POLICIES OF THE BOARD~~
31 ~~OF TRUSTEES.~~

1 ~~[(3)] (4) Notwithstanding any other provision of law, the Executive~~
 2 ~~Director may appoint claims adjusters, attorneys, and other necessary personnel~~
 3 ~~directly as employees or on a contract basis.~~

4 ~~(b) The Executive Director shall determine and administer the compensation~~
 5 ~~of the [personnel] EMPLOYEES of the Fund [designated under subsection (a)(2) of this~~
 6 ~~section] with the approval of the Board of Trustees.~~

7 ~~(c) Except as otherwise provided in this subtitle, an employee of the Fund is~~
 8 ~~not subject to any law, regulation, or executive order governing State employee~~
 9 ~~compensation, including furloughs, salary reductions, and any other General Fund~~
 10 ~~cost-saving measure.~~

11 20-303.

12 (a) (1) A financial management committee of the Fund shall manage and
 13 invest all moneys collected by or for the Fund through premiums, earnings from
 14 investments, or from other sources.

15 (2) The financial management committee consists of the Executive
 16 Director and two members of the Board of Trustees [whom] **WHO HAVE FINANCIAL**
 17 **MANAGEMENT EXPERTISE, CHOSEN BY** the Board of Trustees [chooses].

18 [(3) Of the two members from the Board of Trustees:

19 (i) one shall be chosen from the members appointed by the
 20 Governor; and

21 (ii) one shall be chosen from the members appointed by the
 22 Association.]

23 [20-304.

24 (a) The Legislative Auditor:

25 (1) may conduct fiscal audits and compliance audits of the accounts
 26 and transactions of the Fund each year instead of every 2 years; and

27 (2) shall advise officials of the Fund whether audits will be conducted
 28 each year or every 2 years.

29 (b) (1) If an independent auditor conducts a fiscal audit of the Fund, the
 30 Legislative Auditor may not duplicate the fiscal audit for the same period.

1 (2) If, at the request of the Fund, the Legislative Auditor conducts the
2 fiscal audit instead of an independent auditor, the Legislative Auditor may charge the
3 Fund for the cost of the fiscal audit.

4 (c) An audit conducted in accordance with this section is in addition to and
5 not instead of any audit or regulatory authority of the Commissioner.]

6 **20-304.**

7 **(A) (1) AN AUDIT COMMITTEE, COMPOSED OF MEMBERS OF THE**
8 **BOARD OF TRUSTEES AND THE EXECUTIVE DIRECTOR, SHALL REQUIRE THE**
9 **FUND'S INTERNAL AUDITOR TO CONDUCT FISCAL COMPLIANCE AND FISCAL**
10 **AUDITS OF THE ACCOUNTS AND TRANSACTIONS OF THE FUND EACH YEAR.**

11 **(2) A FISCAL COMPLIANCE AUDIT SHALL:**

12 **(I) EXAMINE FINANCIAL TRANSACTIONS AND RECORDS AND**
13 **INTERNAL CONTROLS;**

14 **(II) EVALUATE COMPLIANCE WITH APPLICABLE LAWS AND**
15 **REGULATIONS; AND**

16 **(III) EXAMINE ELECTRONIC DATA PROCESSING OPERATIONS.**

17 **(B) IF AN INDEPENDENT AUDITOR CONDUCTS A FISCAL AUDIT OF THE**
18 **FUND, THE AUDIT COMMITTEE SHALL DIRECT THE FUND'S INTERNAL AUDITORS**
19 **NOT TO DUPLICATE THE FISCAL AUDIT FOR THE SAME PERIOD.**

20 **Article – State Finance and Procurement**

21 11-203.

22 (a) Except as provided in subsection (b) of this section, this Division II does
23 not apply to:

24 (1) procurement by:

25 (ix) [the Maryland Automobile Insurance Fund;

26 (x)] the Maryland Historical Trust for:

27 1. surveying and evaluating architecturally,
28 archeologically, historically, or culturally significant properties; and

29 2. other than as to architectural services, preparing
30 historic preservation planning documents and educational material;

1 [(xi) (X)] the University of Maryland, for University College
2 Overseas Programs, if the University adopts regulations that:

3 1. establish policies and procedures governing
4 procurement for University College Overseas Programs; and

5 2. promote the purposes stated in § 11-201(a) of this
6 subtitle;

7 [(xii) (XI)] the Department of Business and Economic
8 Development, for negotiating and entering into private sector cooperative marketing
9 projects that directly enhance promotion of Maryland and the tourism industry where
10 there will be a private sector contribution to the project of not less than 50% of the
11 total cost of the project, if the project is reviewed by the Attorney General and
12 approved by the Secretary of Business and Economic Development or the Secretary's
13 designee;

14 [(xiii) (XII)] the Rural Maryland Council;

15 [(xiv) (XIII)] the Maryland State Lottery Agency, for negotiating
16 and entering into private sector cooperative marketing projects that directly enhance
17 promotion of the Maryland State Lottery and its products, if the cooperative
18 marketing project:

19 1. provides a substantive promotional or marketing
20 value that the lottery determines acceptable in exchange for advertising or other
21 promotional activities provided by the lottery;

22 2. does not involve the advertising or other promotion of
23 alcohol or tobacco products; and

24 3. is reviewed by the Attorney General and approved by
25 the Maryland Lottery Director or the Director's designee;

26 [(xv) (XIV)] the Maryland Health Insurance Plan established
27 under Title 14, Subtitle 5 of the Insurance Article;

28 [(xvi) (XV)] the Maryland Energy Administration, when
29 negotiating or entering into grants or cooperative agreements with private entities to
30 meet federal specifications or solicitation requirements related to energy conservation,
31 energy efficiency, or renewable energy projects that benefit the State;

32 [(xvii) (XVI)] the Maryland Developmental Disabilities
33 Administration of the Department of Health and Mental Hygiene for family and

1 individual support services, and individual family care services, as those terms are
2 defined by the Department of Health and Mental Hygiene in regulation;

3 ~~[(xviii)] (XVII)~~ the Department of General Services for the
4 renovation of a structure that:

5 1. was built during the 18th or 19th century; and

6 2. is listed in or eligible for listing in the National
7 Register of Historic Places; and

8 ~~[(xix)] (XVIII)~~ the Department of Natural Resources, for
9 negotiating or entering into grants, agreements, or partnerships with nonprofit
10 entities related to conservation service opportunities;

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

13 **Article – Insurance**

14 20–204.

15 (a) [(1) Except as provided in paragraph (2) of this subsection or otherwise
16 by law, the Executive Director shall appoint and remove staff of the Fund in
17 accordance with the provisions of the State Personnel and Pensions Article.

18 (2) Positions that the Executive Director designates with the approval
19 of the Board of Trustees as technical or professional positions are in the executive
20 service, management service, or are special appointments of the skilled service or the
21 professional service in the State Personnel Management System.]

22 **(1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
23 **SUBSECTION, EMPLOYEES OF THE FUND ARE NOT IN THE STATE PERSONNEL**
24 **MANAGEMENT SYSTEM.**

25 **(2) A SKILLED SERVICE EMPLOYEE OF THE FUND HIRED BEFORE**
26 **JULY 1, 2013, IN A NONPROFESSIONAL OR NONTECHNICAL POSITION SHALL**
27 **REMAIN IN THE SKILLED SERVICE IN THE STATE PERSONNEL MANAGEMENT**
28 **SYSTEM OR ITS EQUIVALENT AS LONG AS THE EMPLOYEE REMAINS IN A**
29 **NONPROFESSIONAL OR NONTECHNICAL POSITION WITH THE FUND.**

30 **(3) THE EXECUTIVE DIRECTOR SHALL APPOINT AND REMOVE**
31 **EMPLOYEES OF THE FUND IN ACCORDANCE WITH THE POLICIES OF THE BOARD**
32 **OF TRUSTEES.**

1 (2) except as provided in subsection (d) of this section, is subject to the
2 same terms and conditions as those provided under § 2–508 of this subtitle, with the
3 employee’s service with the Maryland Environmental Service, Northeast Maryland
4 Waste Disposal Authority, [and] the Baltimore Metropolitan Council, **AND THE**
5 **MARYLAND AUTOMOBILE INSURANCE FUND** being included as part of the
6 employee’s State service.

7 (d) For each participant under this section, the Maryland Environmental
8 Service, the Northeast Maryland Waste Disposal Authority, [and] the Baltimore
9 Metropolitan Council, **AND THE MARYLAND AUTOMOBILE INSURANCE FUND** or
10 any successor agency, shall pay to the State the respective employer share of the cost
11 of the Program based on the State subsidy allowed under this subtitle.

12 23–201.

13 (a) Except as provided in subsection (b) of this section, §§ 23–203 through
14 23–205 of this subtitle apply only to:

15 (1) a regular employee whose compensation is provided by State
16 appropriation or paid from State funds;

17 (2) an appointed or elected official of the State, including:

18 (i) a clerk of the circuit court;

19 (ii) a register of wills;

20 (iii) a State’s Attorney; and

21 (iv) a sheriff;

22 (3) an employee or official of a participating governmental unit who is
23 eligible to participate under Title 31, Subtitle 1 of this article;

24 (4) an employee of the Office of the Sheriff of Baltimore City;

25 (5) an additional employee or agent of the State Racing Commission
26 authorized by § 11–207 of the Business Regulation Article;

27 (6) a permanent employee of the board of supervisors of elections of a
28 county;

29 (7) a full–time master in chancery or in juvenile causes who is
30 appointed on or after July 1, 1989, in any county by the circuit court for that county;

1 (8) an employee of the Maryland Environmental Service who is a
2 member of the Employees' Pension System on June 30, 1993, or transfers from the
3 Employees' Retirement System on or after July 1, 1993;

4 (9) a former Baltimore City jail employee who became an employee of
5 the Baltimore City Detention Center and a member of the Employees' Pension System
6 on July 1, 1991;

7 (10) a nonfaculty employee of the Baltimore City Community College
8 who:

9 (i) is a member of the Employees' Pension System on October 1,
10 2002;

11 (ii) transfers from the Employees' Retirement System on or
12 after October 1, 2002;

13 (iii) transfers from the Teachers' Pension System in accordance
14 with § 23-202.1 of this subtitle; or

15 (iv) becomes an employee of the Baltimore City Community
16 College on or after October 1, 2002;

17 (11) a court reporter for the Circuit Court for Charles County who is a
18 member of the Employees' Pension System on July 1, 1994, or transfers from the
19 Employees' Retirement System on or after July 1, 1994;

20 (12) a staff employee of the University System of Maryland, Morgan
21 State University, or St. Mary's College who is:

22 (i) a member of the Employees' Pension System on January 1,
23 1998, or transfers from the Employees' Retirement System on or after January 1,
24 1998; or

25 (ii) a staff employee of the University System of Maryland,
26 Morgan State University, or St. Mary's College who becomes an employee on or after
27 January 1, 1998;

28 (13) on or after the date that the Board of Education of Kent County
29 begins participation in the Employees' Pension System, a supportive service employee
30 of the Board of Education of Kent County;

31 (14) an employee of the Town of Oakland on or after the date that the
32 Town of Oakland begins participation in the Employees' Pension System;

33 (15) an employee of the City of Frostburg on or after the date that the
34 City of Frostburg begins participation in the Employees' Pension System;

1 (16) an employee of the Town of Berwyn Heights on or after the date
2 that the Town of Berwyn Heights begins participation in the Employees' Pension
3 System;

4 (17) an employee of the Town of Sykesville on or after the date that the
5 Town of Sykesville begins participation in the Employees' Pension System; [and]

6 (18) an employee of the Town of University Park on or after the date
7 that the Town of University Park begins participation in the Employees' Pension
8 System; AND

9 **(19) AN EMPLOYEE OF THE MARYLAND AUTOMOBILE INSURANCE**
10 **FUND ON OR AFTER THE DATE THAT THE MARYLAND AUTOMOBILE INSURANCE**
11 **FUND BEGINS PARTICIPATION IN THE EMPLOYEE'S PENSION SYSTEM.**

12 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That:

13 (a) The term for each member of the Board of Trustees of the Fund serving
14 on September 30, 2013, expires effective October 1, 2013.

15 (b) The initial terms of members of the Board of Trustees of the Fund shall
16 begin on October 1, 2013, and expire as follows:

17 (1) two ~~members~~ in 2015;

18 (2) two in 2016;

19 (3) three ~~members~~ in 2017; and

20 (4) two in 2018.

21 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That Sections 1 and 3 of
22 this Act shall take effect October 1, 2013.

23 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in
24 Section 4 of this Act, this Act shall take effect July 1, 2013.