

# SENATE BILL 222

P5

EMERGENCY BILL

5lr0599

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By: **The President (By Request – Department of Legislative Services)**

Introduced and read first time: February 2, 2015

Assigned to: Rules

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Committee Report: Favorable

Senate action: Adopted

Read second time: February 13, 2015

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Annual Curative Bill**

3 FOR the purpose of generally curing previous Acts of the General Assembly with possible  
4 title defects; increasing the maximum average final compensation of a retiree of the  
5 Local Fire and Police System at the time of retirement for purposes of applying an  
6 exemption from a certain reemployment earnings limitation; requiring the  
7 Department of Health and Mental Hygiene to certify to the Comptroller the  
8 applicability of a certain income tax credit for each Health Enterprise Zone employer  
9 and the amount of each credit assigned to a Health Enterprise Zone employer for  
10 each taxable year; requiring the State Board of Physicians to conduct a certain  
11 examination and provide certain information to the Naturopathic Medicine Advisory  
12 Committee; providing for the effect and construction of certain provisions of this Act;  
13 making this Act an emergency measure; and generally repealing and reenacting  
14 without amendments certain Acts of the General Assembly that may be subject to  
15 possible title defects in order to validate those Acts.

16 BY repealing and reenacting, without amendments,  
17 Article – Education  
18 Section 8–412(c)  
19 Annotated Code of Maryland  
20 (2014 Replacement Volume and 2014 Supplement)

21 BY repealing and reenacting, without amendments,  
22 Article – State Personnel and Pensions  
23 Section 28–402(b)

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**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 Annotated Code of Maryland  
2 (2009 Replacement Volume and 2014 Supplement)

3 BY repealing and reenacting, without amendments,  
4 Article – Tax – General  
5 Section 7–309(c)(3), 10–207(y), and 10–731  
6 Annotated Code of Maryland  
7 (2010 Replacement Volume and 2014 Supplement)

8 BY repealing and reenacting, without amendments,  
9 Chapter 153 of the Acts of the General Assembly of 2014  
10 Section 4

11 BY repealing and reenacting, without amendments,  
12 Chapter 399 of the Acts of the General Assembly of 2014  
13 Section 4

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

16 **Article – Education**

17 8–412.

18 (c) Any request to the local school superintendent for the appointment of a parent  
19 surrogate under subsection (b) of this section shall include:

20 (1) The name, date of birth, sex, legal domicile, and present residence of  
21 the child;

22 (2) A statement that the child is eligible for the appointment of a parent  
23 surrogate in accordance with subsection (b) of this section;

24 (3) Documentation, as applicable, of the efforts made over the course of 15  
25 business days to identify the parent if unknown or to locate the parent if unavailable that  
26 include, at a minimum:

27 (i) A search of telephone directories; and

28 (ii) Letters sent by certified mail; and

29 (4) The name and qualifications of the proposed parent surrogate whom  
30 the public agency considers to be qualified to represent the child in the educational decision  
31 making process.

32 DRAFTER'S NOTE:

1 Error: Function paragraph of bill being cured incorrectly indicated that § 8–412(c) of  
2 the Education Article was unamended.

3 Occurred: Chapter 136 (Senate Bill 120) of the Acts of 2014.

#### 4 **Article – State Personnel and Pensions**

5 28–402.

6 (b) (1) The Board of Trustees shall reduce the allowance of an individual who  
7 accepts employment as provided under subsection (a) of this section if the individual's  
8 current employer is a participating employer other than the State and is the same  
9 participating employer that employed the individual at the time of the individual's last  
10 separation from employment with a participating employer before the individual  
11 commenced receiving a service retirement allowance or vested allowance.

12 (2) The reduction required under paragraph (1) of this subsection shall  
13 equal the amount that the sum of the individual's initial annual basic allowance and the  
14 individual's annual compensation exceeds the average final compensation used to compute  
15 the basic allowance.

16 (3) Except for an individual whose allowance is subject to a reduction as  
17 provided under paragraph (1) of this subsection, the reduction of an allowance under this  
18 subsection does not apply to:

19 (i) an individual whose average final compensation was less than  
20 \$25,000 and who is reemployed on a temporary or contractual basis;

21 (ii) an individual who is serving in an elected position as an official  
22 of a participating governmental unit or as a constitutional officer for a county that is a  
23 participating governmental unit; or

24 (iii) an individual who has been retired for 5 years, beginning on  
25 January 1 after the date the individual retires.

26 **DRAFTER'S NOTE:**

27 Error: Purpose paragraph of bill being cured failed to accurately describe the changes  
28 made by the bill.

29 Occurred: Chapter 304 (Senate Bill 575) of the Acts of 2014.

#### 30 **Article – Tax – General**

31 7–309.

1 (c) (3) If the value of qualified agricultural property that passes from the  
2 decedent to or for the use of a qualified recipient exceeds \$5,000,000, the Maryland estate  
3 tax imposed on the Maryland estate of the decedent may not exceed the sum of:

4 (i) 16% of the amount by which the decedent's taxable estate,  
5 excluding the value of all qualified agricultural property that passes from the decedent to  
6 or for the use of a qualified recipient, exceeds the applicable exclusion amount specified  
7 under subsection (b) of this section; and

8 (ii) 5% of the amount by which the value of qualified agricultural  
9 property that passes from the decedent to or for the use of a qualified recipient exceeds  
10 \$5,000,000.

11 DRAFTER'S NOTE:

12 Error: Function paragraph of bill being cured incorrectly indicated that § 7-309(c),  
13 rather than § 7-309(c)(3) of the Tax – General Article was being amended.

14 Occurred: Chapter 612 (House Bill 739) of the Acts of 2014.

15 10-207.

16 (y) (1) The subtraction under subsection (a) of this section includes the amount  
17 that would have been allowed for indebtedness discharged for qualified principal residence  
18 indebtedness under the federal Mortgage Forgiveness Debt Relief Act of 2007, as amended,  
19 prior to its expiration on December 31, 2012, and without regard to the date limitation in §  
20 108(a)(1)(e) of the Internal Revenue Code.

21 (2) The subtraction under paragraph (1) of this subsection applies only to  
22 an owner-occupied principal residence.

23 (3) The subtraction under paragraph (1) of this subsection may not exceed:

24 (i) \$100,000 for an individual; or

25 (ii) \$200,000 for a married couple filing a joint return or an  
26 individual described in § 2 of the Internal Revenue Code as a head of household or as a  
27 surviving spouse.

28 DRAFTER'S NOTE:

29 Error: Function paragraphs of bills being cured incorrectly indicated that § 10-207(y)  
30 of the Tax – General Article was unamended.

31 Occurred: Chapters 528 and 529 (Senate Bill 596/House Bill 923) of the Acts of 2014.

32 10-731.

1 (a) (1) In this section the following words have the meanings indicated.

2 (2) “Department” means the Department of Health and Mental Hygiene.

3 (3) “Fund” means the Health Enterprise Zone Reserve Fund established  
4 under § 20–1406 of the Health – General Article.

5 (4) “Health Enterprise Zone” has the meaning stated in § 20–1401 of the  
6 Health – General Article.

7 (5) “Health Enterprise Zone employer” means a Health Enterprise Zone  
8 practitioner, a for–profit entity, or a nonprofit entity that employs qualified employees and  
9 provides health care services in a Health Enterprise Zone.

10 (6) “Health Enterprise Zone practitioner” has the meaning stated in §  
11 20–1401 of the Health – General Article.

12 (7) “Qualified employee” means a Health Enterprise Zone practitioner,  
13 community health worker, or interpreter who:

14 (i) provides direct support to a Health Enterprise Zone practitioner;  
15 and

16 (ii) expands access to services in a Health Enterprise Zone.

17 (8) (i) “Qualified position” means a qualified employee position that:

18 1. pays at least 150% of the federal minimum wage;

19 2. is full time and of indefinite duration;

20 3. is located in a Health Enterprise Zone;

21 4. is newly created as a result of the establishment of, or  
22 expansion of services in, a Health Enterprise Zone; and

23 5. is filled.

24 (ii) “Qualified position” does not include a position that is filled for a  
25 period of less than 12 months.

26 (b) A Health Enterprise Zone practitioner who practices health care in a Health  
27 Enterprise Zone may be eligible for a tax credit against the State income tax in accordance  
28 with a proposal approved by the Secretary of Health and Mental Hygiene, if the individual:

1 (1) demonstrates competency in cultural, linguistic, and health literacy in  
2 a manner determined by the Department;

3 (2) accepts and provides care for patients enrolled in the Maryland Medical  
4 Assistance Program and for uninsured patients; and

5 (3) meets any other criteria established by the Department.

6 (c) (1) A nonprofit community-based organization or a local government  
7 agency that submits a proposal to the Department and the Community Health Resources  
8 Commission under Title 20, Subtitle 14 of the Health – General Article may also submit to  
9 the Department a request for certification of eligibility for certain income tax credits on  
10 behalf of a Health Enterprise Zone practitioner practicing or seeking to practice in a Health  
11 Enterprise Zone.

12 (2) The proposal shall meet the requirements specified under Title 20,  
13 Subtitle 14 of the Health – General Article.

14 (d) (1) If the Department approves a request for certification submitted under  
15 this section, a Health Enterprise Zone practitioner may claim a credit against the State  
16 income tax in an amount equal to 100% of the amount of the State income tax expected to  
17 be due from the Health Enterprise Zone practitioner from income to be derived from  
18 practice in the Health Enterprise Zone, as certified by the Department for the taxable year.

19 (2) (i) A Health Enterprise Zone employer may claim a refundable  
20 credit of \$10,000 against the State income tax for hiring for a qualified position in the  
21 Health Enterprise Zone, as certified by the Department for the taxable year.

22 (ii) To be eligible for the credit provided under this paragraph, a  
23 Health Enterprise Zone employer may create one or more qualified positions during any  
24 24-month period.

25 (iii) The credit earned under this paragraph shall be taken over a  
26 24-month period, with one-half for the credit amount allowed each year beginning with  
27 the first taxable year in which the credit is certified.

28 (iv) If the qualified position is filled for a period of less than 24  
29 months, the tax credit shall be recaptured as follows:

30 1. the tax credit shall be recomputed and reduced on a  
31 prorated basis, based on the period of time the position was filled, as determined by the  
32 Department and reported to the Comptroller; and

33 2. the Health Enterprise Zone employer who received the tax  
34 credit shall repay any amount of the credit that may have already been refunded to the  
35 employer that exceeds the amount recomputed by the Department in accordance with item  
36 1 of this subparagraph.

1           (3)   (i)    To be certified as eligible for the credits provided under this  
2 section, a Health Enterprise Zone practitioner or employer may apply for certification  
3 through the nonprofit community–based organization or local government that submits an  
4 approved proposal under Title 20, Subtitle 14 of the Health – General Article.

5                   (ii)   1.    Eligibility for the certification for the credits provided  
6 under this section is limited by availability of budgeted funds for that purpose, as  
7 determined by the Department.

8                           2.    Certificates of eligibility shall be subject to approval by the  
9 Department on a first–come, first–served basis, as determined by the Department in its  
10 sole discretion.

11           (e)   (1)   The Department shall certify to the Comptroller the applicability of the  
12 credit provided under subsection (d)(1) of this section for each Health Enterprise Zone  
13 practitioner and the amount of each credit assigned to a Health Enterprise Zone  
14 practitioner, for each taxable year.

15                   (2)   The Department shall certify to the Comptroller the applicability of the  
16 credit provided under subsection (d)(2) of this section for each Health Enterprise Zone  
17 employer and the amount of each credit assigned to a Health Enterprise Zone employer, for  
18 each taxable year.

19           (f)   When certifying applications for tax credits provided under subsection (d)(2)  
20 of this section, the Department, in consultation with the Commission, shall give special  
21 consideration to applicants that are community–based and serve the overall goals of the  
22 Health Enterprise Zone that the applicant is seeking to serve.

23           (g)   The credits allowed under this section for a fiscal year may not exceed the  
24 amount provided for in the State budget for that fiscal year.

25           (h)   The Department, in consultation with the Comptroller, shall adopt  
26 regulations to implement the tax credit under this section.

27           DRAFTER’S NOTE:

28           Error: Purpose paragraph of bill being cured failed to accurately describe the changes  
29 made by the bill.

30           Occurred: Chapter 417 (House Bill 668) of the Acts of 2014.

31                           **Chapter 153 of the Acts of 2014**

32           SECTION 4. AND BE IT FURTHER ENACTED, That the State Board of Physicians  
33 shall examine methods to identify physicians who are willing to collaborate with

1 naturopathic doctors and provide information on the methods to the Naturopathic Medicine  
2 Advisory Committee established in Section 1 of this Act.

3 DRAFTER'S NOTE:

4 Error: Purpose paragraph of bill being cured failed to accurately describe the changes  
5 made by the bill.

6 Occurred: Chapter 153 (Senate Bill 314) of the Acts of 2014.

7 **Chapter 399 of the Acts of 2014**

8 SECTION 4. AND BE IT FURTHER ENACTED, That the State Board of Physicians  
9 shall examine methods to identify physicians who are willing to collaborate with  
10 naturopathic doctors and provide information on the methods to the Naturopathic Medicine  
11 Advisory Committee established in Section 1 of this Act.

12 DRAFTER'S NOTE:

13 Error: Purpose paragraph of bill being cured failed to accurately describe the changes  
14 made by the bill.

15 Occurred: Chapter 399 (House Bill 402) of the Acts of 2014.

16 SECTION 2. AND BE IT FURTHER ENACTED, That the Drafter's Notes contained  
17 in this Act are not law and may not be considered to have been enacted as part of this Act.

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency  
19 measure, is necessary for the immediate preservation of the public health or safety, has  
20 been passed by a yea and nay vote supported by three-fifths of all the members elected to  
21 each of the two Houses of the General Assembly, and shall take effect from the date it is  
22 enacted.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.