

HOUSE BILL 391

D3, P3, B1

2lr2342
CF SB 114

By: **Delegate Bartlett**

Introduced and read first time: January 19, 2022

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **False Claims – Civil Penalties or Damages – Exceptions to General Fund Deposit**
3 **by Comptroller**

4 FOR the purpose of requiring that the Comptroller deposit civil penalties or damages
5 collected by the State under the Maryland False Claims Act or under certain
6 provisions of law prohibiting false claims against State health plans and health
7 programs into certain funds or special funds rather than the General Fund of the
8 State under certain circumstances; requiring that funds deposited by the
9 Comptroller under this Act be on a pro rata basis under certain circumstances; and
10 generally relating to the Maryland False Claims Act.

11 BY repealing and reenacting, with amendments,
12 Article – General Provisions
13 Section 8–109(c)
14 Annotated Code of Maryland
15 (2019 Replacement Volume and 2021 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Health – General
18 Section 2–610(c)
19 Annotated Code of Maryland
20 (2019 Replacement Volume and 2021 Supplement)

21 BY repealing and reenacting, without amendments,
22 Article – State Finance and Procurement
23 Section 7–302 and 7–304
24 Annotated Code of Maryland
25 (2021 Replacement Volume)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – General Provisions

8–109.

(c) (1) [The] EXCEPT AS PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE Comptroller shall deposit any civil penalty or damages collected by the State under this title into the General Fund of the State.

(2) (I) IF A VIOLATION OF THIS TITLE AFFECTS ANY OF THE FOLLOWING FUNDS, THE COMPTROLLER SHALL DEPOSIT ANY CIVIL PENALTY OR DAMAGES COLLECTED BY THE STATE UNDER THIS TITLE INTO THE AFFECTED FUND:

1. A FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE;

2. A SPECIAL FUND REQUIRING THE REVERSION OF APPROPRIATED FUNDS TO THE SPECIAL FUND UNDER § 7–304 OF THE STATE FINANCE AND PROCUREMENT ARTICLE;

3. A FUND UNDER THE JURISDICTION OF THE STATE RETIREMENT AND PENSION SYSTEM; OR

4. A FUND UNDER THE JURISDICTION OF THE STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM.

(II) IF MORE THAN ONE FUND IS AFFECTED BY A VIOLATION OF THIS TITLE, THE COMPTROLLER SHALL DEPOSIT ANY CIVIL PENALTY OR DAMAGES COLLECTED BY THE STATE INTO THE APPROPRIATE FUND OR THE GENERAL FUND OF THE STATE ON A PRO RATA BASIS.

Article – Health – General

2–610.

(c) (1) [The] EXCEPT AS PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE Comptroller shall deposit any civil penalty or damages collected under this subtitle in the General Fund of the State.

(2) (I) IF A VIOLATION OF THIS SUBTITLE AFFECTS ANY OF THE FOLLOWING FUNDS, THE COMPTROLLER SHALL DEPOSIT ANY CIVIL PENALTY OR DAMAGES COLLECTED BY THE STATE UNDER THIS TITLE INTO THE AFFECTED FUND:

1. A FUND THAT IS NOT SUBJECT TO § 7–302 OF THE

1 **STATE FINANCE AND PROCUREMENT ARTICLE;**

2 **2. A SPECIAL FUND REQUIRING THE REVERSION OF**
3 **APPROPRIATED FUNDS TO THE SPECIAL FUND UNDER § 7-304 OF THE STATE**
4 **FINANCE AND PROCUREMENT ARTICLE;**

5 **3. A FUND UNDER THE JURISDICTION OF THE STATE**
6 **RETIREMENT AND PENSION SYSTEM; OR**

7 **4. A FUND UNDER THE JURISDICTION OF THE STATE**
8 **EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM.**

9 **(II) IF MORE THAN ONE FUND IS AFFECTED BY A VIOLATION OF**
10 **THIS SUBTITLE, THE COMPTROLLER SHALL DEPOSIT ANY CIVIL PENALTY OR**
11 **DAMAGES COLLECTED BY THE STATE INTO THE APPROPRIATE FUND OR THE**
12 **GENERAL FUND OF THE STATE ON A PRO RATA BASIS.**

13 **Article – State Finance and Procurement**

14 7-302.

15 Except as otherwise provided by law, at the end of a fiscal year, the unspent balance
16 of each appropriation that was made for that fiscal year to an officer or unit of the State
17 government or to an institution reverts to the General Fund of the State.

18 7-304.

19 At the end of a fiscal year, the unspent part of an appropriation from a source that
20 State law or an Act of Congress dedicates to a specific purpose does not revert to the General
21 Fund of the State but reverts to the appropriate special fund.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2022.