

SENATE BILL 114

D3, P3, B1

2lr0582

(PRE-FILED)

By: **Senator Waldstreicher**

Requested: September 27, 2021

Introduced and read first time: January 12, 2022

Assigned to: Budget and Taxation

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,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 That the Laws of Maryland read as follows:

2 **Article – General Provisions**

3 8–109.

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

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

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

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

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

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

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

23 **Article – Health – General**

24 2–610.

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

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

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

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

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

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

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

14 **Article – State Finance and Procurement**

15 7-302.

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

19 7-304.

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

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