MAJOR ISSUES REVIEW

2019–2022

Department of Legislative Services
Maryland General Assembly

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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Ryan Bishop
Director

June 2022

The Honorable Bill Ferguson, President of the Senate
The Honorable Adrienne A. Jones, Speaker of the House of Delegates
Members of the General Assembly

Dear President Ferguson, Speaker Jones, and Members:

We are pleased to present to you the *Major Issues Review* for the 2019-2022 term. This document summarizes legislative activity over the four-year term. It includes a discussion of all major enacted legislation, significant bills that did not pass, and gubernatorial vetoes of major legislation.

Similar to *The 90 Day Report* prepared after each session, the *Major Issues Review* is divided into 12 major policy parts which are listed in the contents. A listing of major issues considered during the 2019-2022 term is also provided.

We hope that you find the *Major Issues Review* helpful and if you have any questions about the contents of this document, please contact us.

Sincerely,

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Part A
Budget and State Aid

Operating Budget

Overview

The onset of the COVID-19 pandemic and subsequent response and recovery overshadowed the majority of the 2019 to 2022 term. Beginning in early calendar 2020, the pandemic caused a near complete shutdown of the State and a premature end to the 2020 session, creating an uncertain and ultimately unprecedented fiscal environment. In response to the temporary yet severe recession in 2020, the U.S. Congress authorized historic levels of federal aid, which provided over $68 billion in funding for Maryland households, businesses and other private entities, schools, and state and local governments. With the fiscal support in the form of expanded unemployment insurance benefits, stimulus checks, and aid for small businesses cushioning total income, the economy was able to recover more quickly than anticipated. Increases in personal income and wage growth combined with the beneficial timing of expanding the State's tax base to capture online sales, which increased significantly during the pandemic, generated a sizable cash surplus in the general fund by the final year of the term. As a result, the State budget reflects a near 40% increase in total funds over the past four years, with general fund spending growing by nearly 57%.

Actions taken by the legislature reflect the uncertainty of the fiscal environment by focusing discretionary federal spending and the use of general fund surpluses on one-time expenditures and increasing reserves. Despite the substantial increase in the size of the State budget, only 50% of the growth has an ongoing impact, and rather than facing a structural deficit in excess of $1.5 billion, as was projected in 2018, the structural outlook instead anticipates surpluses through fiscal 2027. Final action at each session met the recommendations of the Spending Affordability Committee (SAC). The State also continued to receive a "AAA" rating on its general obligation (GO) debt issuances from all three of the credit rating agencies, demonstrating confidence in the State's management of its finances.

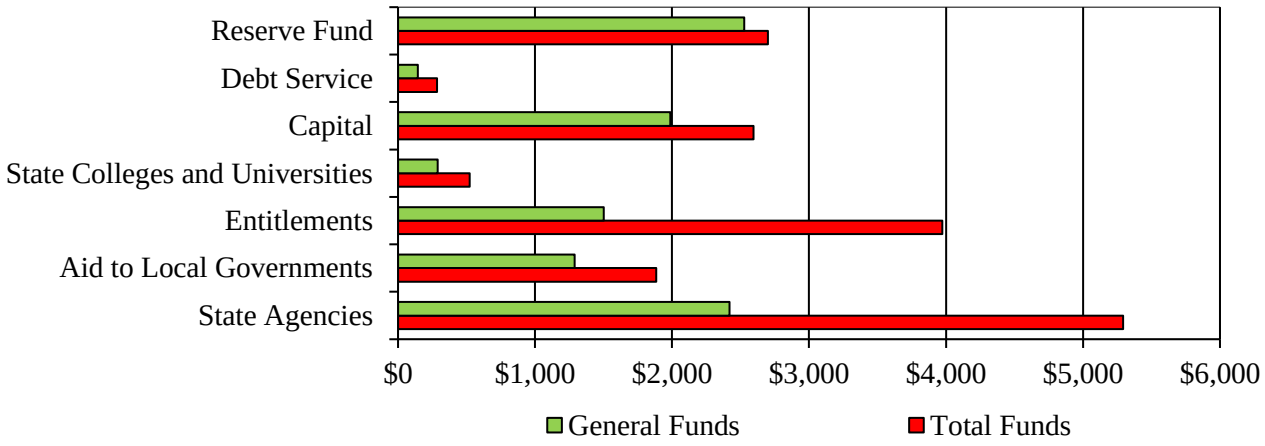
Budget Change (Fiscal 2019 through 2023)

The change in State spending in the operating budget by major category of expenditure is shown in **Exhibit A-1.1**. Between fiscal 2019 and 2023, total expenditures increased by more than $17.2 billion, or 39.4%. On average, this equates to about 8.7% annual growth. Every category of spending experienced an increase over the term. General fund spending, which is supported primarily from income and sales tax revenues, increased by 56.8%. This accounted for 59% of the total budget growth, with the majority of the increase occurring in the final year of the term due to the accumulation of a $6.1 billion general fund surplus.

Federal funding grew by nearly $6.0 billion over the term, accounting for 35% of the total increase, largely reflective of the multiple rounds of federal coronavirus aid authorized since the start of the pandemic. Growth in funding for entitlement programs, reflecting enhanced assistance benefit payments and federal matching funds for the Medicaid program, account for nearly half of the total federal fund increase, with other funding in the Maryland Department of Health (MDH) accounting for an additional $1.1 billion. Federal funds for the State's transportation sector increase by $785 million, in part due to COVID-19 relief funds allocated to maintain adequate service for public transit throughout the pandemic.

Special and higher education funding increased by slightly less than $1.1 billion (8.1%), accounting for approximately 6% of the total increase in spending during the term.

Exhibit A-1.1
Budget Change by Category
Fiscal 2019-2023
($ in Millions)



General Funds

	2019 Actual	2023 Leg Approp.	$ Change	% Change
State Agencies	$5,587	$8,006	$2,419	43.3%
Aid to Local Governments	6,713	8,001	1,288	19.2%
Entitlements	3,721	5,222	1,501	40.3%
State Colleges and Universities	1,494	1,783	290	19.4%
Capital	60	2,047	1,987	3,339.8%
Debt Service	286	430	144	100.0%
Reserve Fund	9	2,537	2,528	27,182.8%
	$17,869	**$28,026**	**$10,156**	**56.8%**

Total Funds

State Agencies	$11,940	$17,233	$5,292	44.3%
Aid to Local Governments	8,618	10,502	1,884	21.9%
Entitlements	12,642	16,615	3,973	31.4%
State Colleges and Universities	6,185	6,708	523	8.5%
Capital	2,760	5,355	2,595	94.0%
Debt Service	1,636	1,920	284	17.3%
Reserve Fund	9	2,709	2,699	28,882.7%
	$43,791	**$61,041**	**$17,249**	**39.4%**

Entitlement Programs: Funding for entitlement programs accounts for 23% of the total budget growth since fiscal 2019 and nearly 15% of the general fund change. An enhanced federal Medicaid match, pandemic-driven caseload growth, and temporary increases in cash assistance and Supplemental Nutrition Assistance Program benefits contributed to a $2.7 billion increase in federal expenditures. General fund growth almost entirely consists of additional funding for the Medicaid program. The $1.4 billion (40%) increase in general funds for Medicaid reflects enrollment growth and substantial increases in provider rates – including an 8% increase in fiscal 2023 – as well as an expansion of benefits to include dental coverage, expanded postpartum coverage, and increased community options waiver slots.

Higher Education: Funding for State colleges and universities increased by $523 million (8.5%) between fiscal 2019 and 2023. State general fund aid accounted for approximately 55.4% of the total growth, with funding from grants and contracts and enrollment-driven tuition being the other contributors to the overall increase. In addition to providing State assistance to limit the growth in tuition rates to 2% per year, enhanced funding was provided to assist State colleges and universities in returning to normal operations after experiencing significant enrollment declines and operational shutdowns during the pandemic. This increased funding provided to public four-year institutions also contributed to growth in the funds provided as aid to independent colleges and universities and community colleges.

Debt Service: Debt service, which is paid from the State share of the property tax credited to the Annuity Bond Fund (ABF) or the Transportation Trust Fund, grew by $284 million (17.3%) during the 2019 to 2022 legislative term. General fund growth accounted for more than 51% of this overall change. This increase was driven by increased authorizations, issuances, and debt outstanding. Since fiscal 2014, property tax revenues have been insufficient to make debt service payments solely from the ABF, requiring the use of general fund support. As such, general funds dedicated to debt service more than doubled since fiscal 2019. Of note, the fiscal 2023 budget only uses $20 million in bond premiums for debt service, while previous budgets had higher amounts of premiums supporting debt service.

Reserve Funds: Appropriations to the State Reserve Fund are based on the unappropriated general fund surplus in excess of $10 million at closeout, with up to $50 million split evenly between the State's unfunded pension and retirement benefit liabilities and the remainder distributed to the Rainy Day Fund. Over the 2019 to 2022 term, appropriations to the fund varied widely, ranging from $9.3 million in fiscal 2019 to $2.7 billion in fiscal 2023, as the closing general fund balance fluctuated considerably from year to year, in part due to changing economic conditions. In addition, the Dedicated Purpose Account was utilized more frequently in the latter half of the term, serving as a repository for appropriations supporting legislative priorities and other multi-year expenditures.

Local Aid: Aid to local governments increased less over the past four years when compared with other areas of the budget, particularly with regard to general fund spending, but still grew by nearly $1.9 billion (21.9%). Local governments were also recipients of a considerable amount of federal stimulus aid that did not flow through the State budget. Mandated funding

formulas for providing aid for education and libraries, driven by implementation of the Commission on Innovation and Excellence in Education recommendations, accounted for over 80% of the total and general fund increase in State and total aid provided during the term. County/municipality aid increased by $203 million (27%), largely reflective of additional funding for disparity grants, local transportation grants funded through highway user revenues, and other public safety and police aid grants.

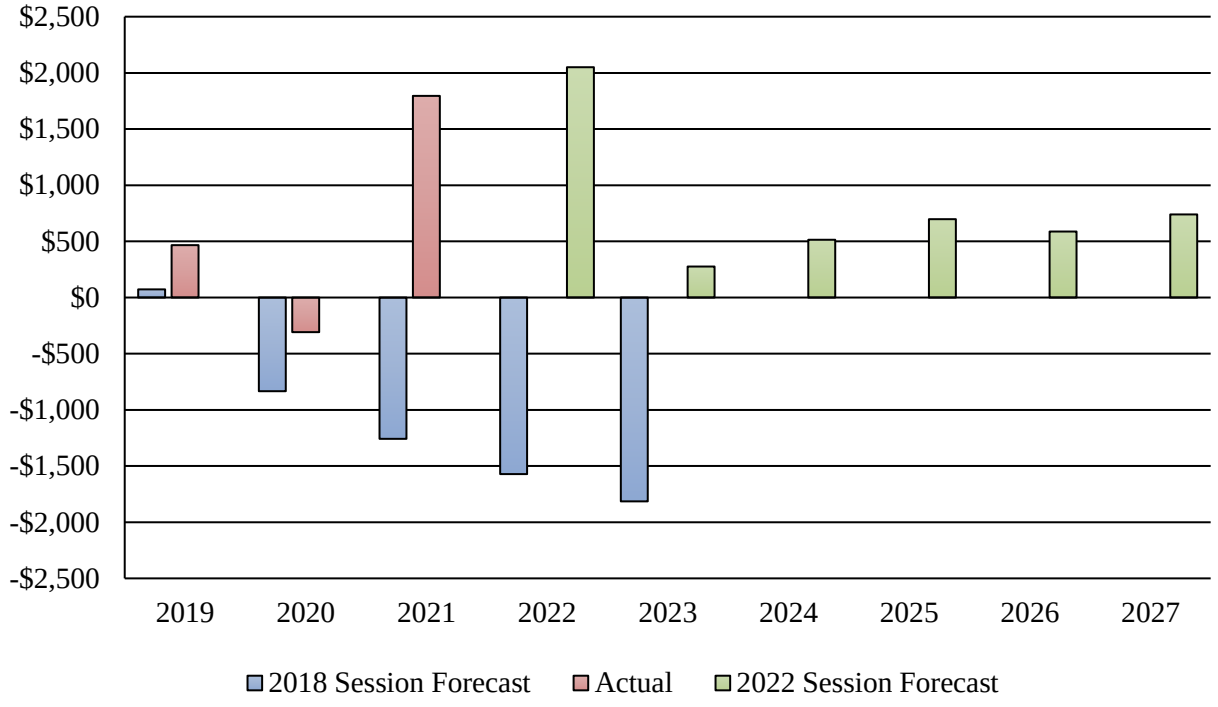
Pay-as-you-go (PAYGO) Capital: More than $5.3 billion in total funds was provided for PAYGO capital projects in fiscal 2023. This $2.6 billion increase over the 2019 to 2022 term reflects the largest percentage change of any spending category over the four-year period except for the Reserve Fund, which varies based on revenue performance. General fund spending for capital PAYGO accounts for more than three-quarters of the overall change, increasing by nearly $2.0 billion. Higher than anticipated revenues throughout the term contributed to a multibillion-dollar general fund balance for the 2022 session. Recognizing the one-time nature of the surplus, the increased use of general funds targeted PAYGO spending for infrastructure investments without negatively impacting the structural balance. The general fund PAYGO spending for fiscal 2019 through 2021 averaged $56.0 million; the fiscal 2023 legislative appropriation provides $2.0 billion for one-time capital investments.

State Agencies: Spending for State agency operations accounts for the largest category of change by dollar for total funds and the second largest change for general funds. Overall, spending on State agencies increased by $5.3 billion (44.3%) during the 2019 to 2022 term. General fund increases accounted for approximately 46% of that growth. Personnel-related expenses make up nearly 26% of the overall State agency budget change ($1.4 billion), with State employees receiving general salary increases in every year of the term. Compensation enhancements to improve the hiring and retention of public safety, police, and healthcare personnel were of note throughout the four-year period. Funding to support legislative priorities and the response and recovery from the COVID-19 pandemic, discussed in greater detail later in this section, also accounted for a significant portion of the overall growth.

Fiscal Outlook Improved by Federal and State Stimulus Aid

Despite a turbulent and uncertain fiscal environment for much of the 2019 to 2022 term, the fiscal outlook at the end of the current term is considerably better than the projection at the end of the previous term. **Exhibit A-1.2** shows how the long-term forecast from the 2018 session (the final year of the previous term) compares with the current outlook.

Exhibit A-1.2
Actual and Projected General Fund Structural Trends
Fiscal 2019-2027
($ in Millions)



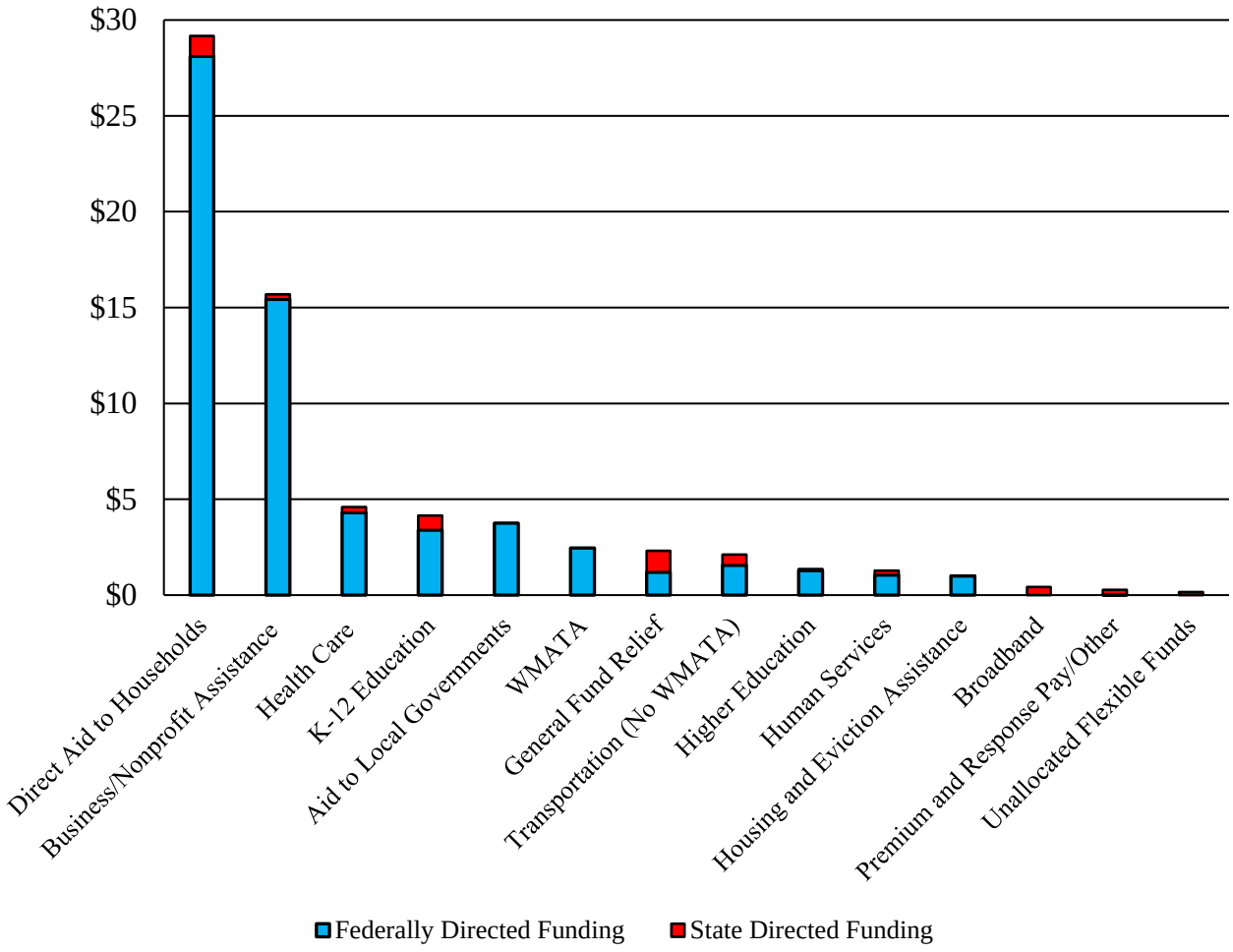
The 2018 forecast projected a small structural surplus for fiscal 2019 followed by increasing structural deficits ranging from $830 million to just over $1.8 billion by fiscal 2023. The current forecast shows a much better picture with structural surpluses projected in each year of the forecast. Federal COVID-19 relief and stimulus funding, and its impacts on Maryland's economy, were major contributors to the structural surplus experienced in fiscal 2021.

Federal Stimulus Aid for the COVID-19 Pandemic

Since the start of the pandemic in March 2020, three federal stimulus packages were authorized to assist with the COVID-19 response and recovery effort: the Coronavirus Aid, Relief, and Economic Security Act; the Consolidated Appropriations Act; and the American Rescue Plan Act. **Exhibit A-1.3** illustrates the allocation of federal COVID-19 aid by purpose. Approximately 42% of the total federal stimulus funds available ($29.1 billion) are in the form of direct assistance payments to households, with another $15.7 billion provided as direct assistance to businesses and other private entities. More than $4.1 billion is allocated to K-12 schools, and another $3.7 billion flows to county and municipal governments. Transportation-related funding, including for the Washington Metropolitan Area Transit Authority, exceeds $4.5 billion. Approximately

$16.2 billion of the federal stimulus money identified in Exhibit A-1.3 will flow through the State budget, of which $5.2 billion is eligible for State direction on the use of funds.

Exhibit A-1.3
Federal COVID-19 Response Funding Exceeds $68 Billion
($ in Billions)



WMATA: Washington Metropolitan Area Transit Authority

State-funded Stimulus Initiatives

Over $1.5 billion in State resources were committed during the 2021 session to respond to the COVID-19 pandemic, primarily through the Recovery for the Economy, Livelihoods,

Industries, Entrepreneurs, and Families (RELIEF) Act and the *Governor's Maryland Strong: Economic Recovery Initiative*. The Maryland Strong initiative provided $250 million from the Rainy Day Fund in fiscal 2021 to provide assistance to restaurants, small businesses, local entertainment venues, and arts organizations impacted by the pandemic. The RELIEF Act, ***Chapter 39 of 2021***, was emergency legislation designed to provide income tax relief to certain taxpayers, economic impact payments of up to $500 to certain taxpayers, and other forms of more immediate assistance to businesses and employers impacted by the COVID-19 pandemic. The Act also authorized the Governor to spend a total of $687 million over fiscal 2021 and 2022, a portion of which was to assist schools in reopening in-person classroom instruction and for summer school instruction; the balance was to provide financial assistance to individuals, businesses, and nonprofit organizations and funding for specified State agencies. Federal recovery funds were ultimately used to fund many of the RELIEF Act expenses. **Exhibit A-1.4** provides a summary of the RELIEF Act's revenue and spending impacts.

Exhibit A-1.4
RELIEF Act
Impact on Revenues and Spending
($ in Millions)

	2021	2022
General Fund Revenues		
Sales Tax Vendor Discount	-$186	$0
UI Benefits Subtraction Modification	-50	-30
Increase REIC – All Claimants	-132	-132
Increase EIC – No Children 100% Refundable	-26	-28
Revenue Total	**-$394**	**-$190**
Additional Spending *	$582	$105
Total Fiscal Impact – State Funds	**$976**	**$295**
Spending Detail		
Economic Impact Payments	$178	
Human Services	115	
Business and Nonprofit Assistance	103	
Transportation	28	
Unemployment Insurance	36	
Health	39	
Housing	18	
Education	56	$105
Other	9	

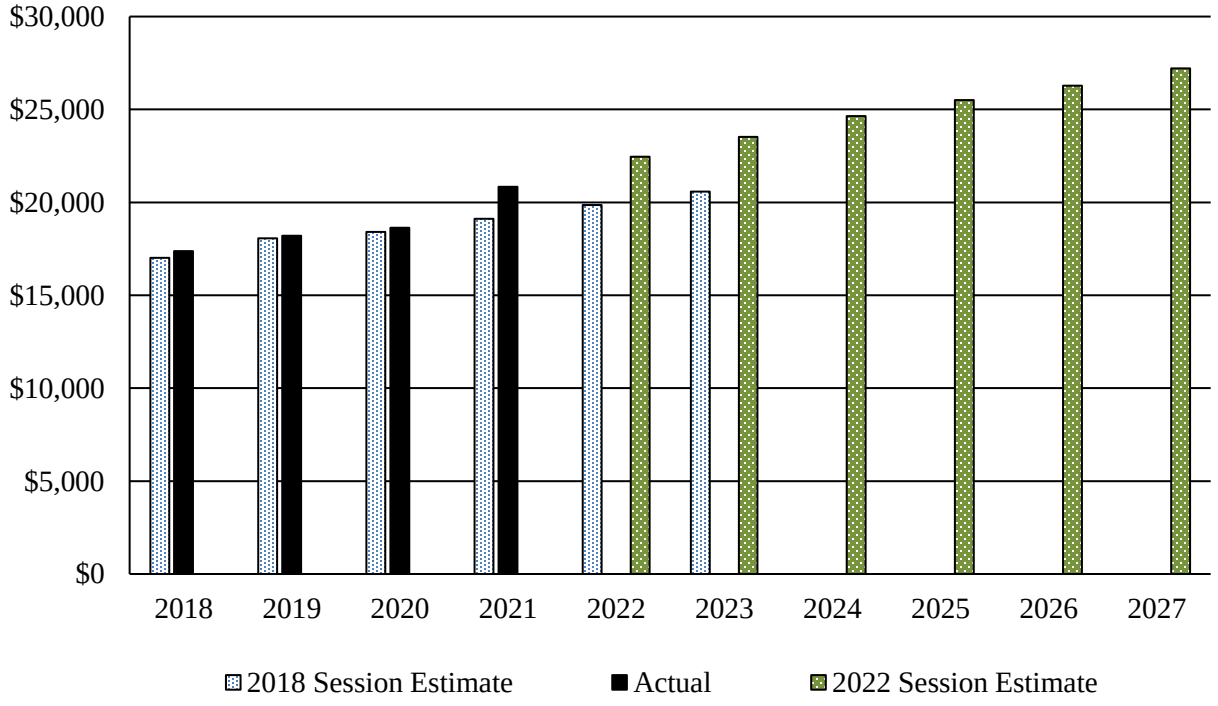
EIC: Earned Income Credit
REIC: Refundable Earned Income Credit
UI: Unemployment Insurance

*$456 million of the State funding would ultimately be replaced with federal aid.

Board of Revenue Estimates Revision

Heading into the 2019 to 2022 term, economic expansion was continuing at a lethargic pace on both the national and State level, with Maryland's employment growth decelerating, although wage income and revenues were showing positive increases. This modest growth was reflected in the revenue estimates from the 2018 session, showing general fund revenues increasing from $17.0 billion in fiscal 2018 to $20.6 billion in fiscal 2023. The onset of the global pandemic raised concerns about revenue losses in excess of $2.0 billion by fiscal 2022. Significant State and federal aid combined with the expansion of sales tax revenues to capture online purchases for digital goods and services, however, buoyed the economy and general fund revenues. As shown in **Exhibit A-1.5**, fiscal 2021 actual revenues outperformed the 2018 session estimate by more than $1.7 billion. The March 2022 estimate provided by the Board of Revenue Estimates (BRE) projects that fiscal 2022 and 2023 revenues will exceed the 2018 estimate by over $2.6 billion each year and grow by 15% to more than $27.0 billion by fiscal 2027.

Exhibit A-1.5
Actual and Projected General Fund Revenue Estimates
($ in Millions)



Source: Board of Revenue Estimates

As seen in **Exhibit A-1.6**, legislation enacted during the 2019 to 2022 term also affected both revenues and spending, with actions adopted by the legislature during the 2022 session having a greater fiscal impact than in the previous years of the term when the revenue outlook was more challenging.

Exhibit A-1.6
Effects of Selected Revenue and Spending Legislation
2019-2022 Sessions
($ in Millions)

Sessions	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues								
2019	$34	-$27	-$34	-$37	-$43	-$43	-$43	-$43
2020		242	282	219	148	131	131	131
2021			-191	-177	43	38	34	34
2022				-1,223	-604	-640	-727	-766
Total	**$34**	**$215**	**$57**	**-$1,217**	**-$456**	**-$514**	**-$604**	**-$644**
Spending								
2019		$128	$207	$248	$283	$283	$283	$283
2020			35	36	42	44	44	44
2021				246	250	263	270	270
2022					483	354	102	-460
Total	**$0**	**$128**	**$242**	**$531**	**$1,059**	**$945**	**$699**	**$137**

* Estimates beyond the last year of the fiscal note are equal to the last year of the fiscal note unless the legislation sunsets or clearly specifies a different figure.

Budget Outlook

Exhibit A-1.7 provides the cash and structural forecast for the General Fund at the end of the 2022 session. The fiscal 2023 budget is projected to end with a fund balance of $219 million. Ongoing revenues exceed ongoing spending by $276 million. This structural surplus is projected to remain throughout the forecast period with a structural balance of $740 million projected at the end of fiscal 2027. Between fiscal 2023 and 2027, ongoing revenues are projected to grow at an average annual rate of 3.4%, while ongoing spending is projected to grow at an average annual rate of 3.0%.

Exhibit A-1.7
General Fund Budget Outlook
Fiscal 2023-2027
($ in Millions)

	Leg. Approp. 2023	Est. 2024	Est. 2025	Est. 2026	Est. 2027	Average Annual Change 2023-2027
Revenues						
Opening Fund Balance	$4,634	$219	$0	$0	$0	
Transfers	1,166	231	15	129	0	
Subtotal One-time Revenue	***$5,070***	***$435***	***$14***	***$129***	***$0***	
Ongoing Revenues	$23,566	$24,706	$25,577	$26,364	$27,298	
Revenue Adjustments – Legislation	-393	-590	-639	-727	-766	
Subtotal Ongoing Revenue	***$23,174***	***$24,116***	***$24,937***	***$25,637***	***$26,531***	**3.4%**
Total Revenues and Fund Balance	**$28,244**	**$24,551**	**$24,952**	**$25,766**	**$26,531**	**-1.6%**
Spending						
Ongoing Spending	***$22,898***	***$23,602***	***$24,240***	***$25,050***	***$25,792***	**3.0%**
One-time Spending	***$5,127***	***$949***	***$712***	***$717***	***$623***	
Total Spending	**$28,025**	**$24,551**	**$24,952**	**$25,766**	**$26,415**	**-1.5%**
Ending Balance	**$219**	**$0**	**$0**	**$0**	**$117**	
Rainy Day Fund Balance	$2,350	$2,130	$2,136	$2,028	$2,048	
Balance over 5% of GF Revenues	1,174	927	893	750	726	
As % of GF Revenues	10.2%	8.9%	8.6%	7.9%	7.7%	
Structural Balance	**$276**	**$514**	**$697**	**$587**	**$740**	

GF: general fund

Source: Department of Legislative Services

The forecast reflects legislation enacted during the term that collectively increases general fund spending and reduces revenues. Legislation with a significant impact on revenues enacted during the term includes:

- ***Chapter 735 of 2019*** required a marketplace facilitator and a marketplace seller to collect and remit the State sales and use tax under specified circumstances, with the first $10 million in revenues distributed to the General Fund and any excess revenues distributed to the Blueprint for Maryland's Future Fund. With the heightened use of online sales resulting from the COVID-19 pandemic, this legislation significantly improved revenue collections for the State. ***Chapter 33 of 2022*** later repealed the specific distribution established in ***Chapter 735*** and instead directed the one-time diversion of $800 million in income tax revenues to the Blueprint for Maryland's Future Fund in fiscal 2023 and specified that the fund receive specific percentages of sales and use tax revenues in a given year, resulting in an annual general fund revenue loss of approximately $100 million.

- ***Chapter 37 of 2021*** increased the tobacco tax and imposed a tax on the annual gross revenues of a business derived from specified digital advertising services in the State. The Act required a business with at least $100 million in global annual gross revenues to pay the tax at a rate determined by the business's global annual gross revenues. Revenues from the tax are distributed to the Blueprint for Maryland's Future Fund. The legislation was passed during the 2020 session but vetoed by the Governor. The legislature overrode the veto during the 2021 session. At that time, it was estimated that special fund revenues could increase by as much as $250.0 million in the first full year that the tax is imposed and collected and that general fund revenues would increase by $100 million in fiscal 2021 and by $80.5 million in fiscal 2025 due to additional cigarette, electronic smoking, and other tobacco product revenues.

- ***Chapters 3 and 4 of 2022*** created a nonrefundable credit against the State income tax for a resident who is at least age 65 and whose federal adjusted gross income does not exceed $100,000 ($150,000 if married filing jointly). The amount of the tax credit is equal to (1) $1,000 for an individual or if only one of the individuals filing a joint return is an eligible individual or (2) $1,750 if married filing jointly and both individuals are at least age 65. The value of the tax credit is reduced for certain taxpayers if specified revenue estimates are below a certain amount. ***Chapters 3 and 4*** also expanded the State income tax subtraction modification for retired law enforcement; correctional officer; and fire, rescue, and emergency services personnel. It is estimated that the Acts will reduce general fund revenues by about $291.9 million in fiscal 2023, increasing to $332.5 million by fiscal 2027.

- ***Chapter 240 of 2022*** increased the portion of the corporate income tax revenue that must be distributed to support highway user revenues, thus reducing general fund revenues by $325.8 million from fiscal 2024 through 2027.

Legislation passed in the 2019 to 2022 sessions with significant impacts on general fund spending include:

- ***Chapters 10 and 11 of 2019*** phased in an increase in the State minimum wage to $15.00 per hour by January 1, 2025, with a longer phase-in for employers with 14 or fewer employees. General fund spending, related to payroll costs and health care provider rate increases, exceeded previous estimates by $26.7 million in fiscal 2021 growing to $118.1 million in fiscal 2024;

- ***Chapter 576 of 2020*** established specific pay rates and salary increases for certain employees within MDH, generating an additional $10.1 million in general fund expenses in fiscal 2021, growing to $28.3 million by fiscal 2025;

- ***Chapter 20 of 2020*** authorized the Maryland Stadium Authority to issue up to $2.2 billion in revenue bonds, backed by annual payments from the Education Trust Fund beginning in fiscal 2022, for public school construction projects in the State. The Act also expanded school construction costs eligible for State funding and increased or established new mandated State funding for other public school construction programs. The legislation, passed during the 2020 session, was contingent on enactment of the Blueprint for Maryland's Future legislation and became effective when the veto of the Blueprint legislation was overridden during the 2021 session. General fund spending under the Act increases by $40 million per year for fiscal 2023 through 2026;

- ***Chapters 41 and 42 of 2021*** provided an additional $577.0 million (in total) for Maryland's historically black colleges and universities (HBCU) from fiscal 2023 through 2032 to be distributed and used as specified, contingent on final settlement of *The Coalition for Equity and Excellence in Maryland Higher Education, et al. v. Maryland Higher Education Commission, et al.* lawsuit by June 1, 2021. General fund spending increases by about $60 million annually due to the Acts. General fund expenses will be lower to extent certain Cigarette Restitution Fund revenues are available to support the HBCU grants;

- ***Chapter 33 of 2022*** increased available revenues to the Blueprint Fund and allowed those revenues to support Blueprint implementation costs beginning in fiscal 2026, reducing general fund spending by $260 million in fiscal 2026, $770 million in fiscal 2027, and lesser amounts in subsequent years; and

- ***Chapters 302 and 303 of 2022*** required Medicaid, beginning January 1, 2023, to provide dental services for adults with household incomes up to 133% of the federal poverty level. Under the Acts, general fund spending increases annually between $53 million and $55 million from fiscal 2024 through 2027.

Legislative Priorities

Through fiscal 2023, the legislature is constitutionally prohibited from adding to the budget or transferring appropriations between agencies to address its policy prerogatives. Historically,

one mechanism for expressing legislative priorities has been restricting appropriations in the budget to only be expended for a new purpose (a.k.a. "fencing off" funds), with the provision that the funds revert to the General Fund or cancel should the Governor choose not to spend the restricted funds as directed. During the latter half of the 2019 to 2022 term, with significant federal aid and general fund surpluses available for appropriation, legislative leaders opted to negotiate with the Administration during consideration of the budget, resulting in the submission of multiple supplemental budgets reflecting both legislative and executive priorities.

Restricted Appropriations

Exhibit A-1.8 highlights the amount of funding restricted for a specific purpose or restored by the General Assembly after being proposed for reduction by the Administration in budget reconciliation legislation in the fiscal 2020 to 2023 budgets.

Exhibit A-1.8
Appropriations Restricted or Restored for Legislative Priorities
2019-2022 Sessions
($ in Millions)

Sessions	Amount
2019	$292.7
2020	88.0
2021	620.9
2022	93.1
Total	**$1,094.7**

The bulk of the funding restrictions during the 2019 session were tied to public school construction or K-12 education enhancements related to the Blueprint for Maryland's Future Fund. The Administration chose not to release $243.7 million (84%) of the earmarked funds. Actions to designate legislative priorities were considerably lessened during the 2020 session with the abrupt end to the session and uncertainty about the pandemic's fiscal impact. However, the legislature did express its spending priorities by restoring $82.1 million of appropriations namely to protect provider rate increases and funding for community college and other higher education aid, in addition to restricting $6.0 million for specific purposes. Of the $620.9 million in funding designated for legislative budget priorities in the 2021 session, $616 million was to restore funding that had been contingently reduced by the Administration. Increasing the Rainy Day Fund appropriation to a 6.8% fund balance accounted for nearly 70% of the restored funding. Funds restricted during the 2022 session target initial costs for implementing legislation relating to cannabis reform, paid family leave, climate change, and abortion access.

Priorities Funded Through Supplemental Budget Negotiations

Recognizing the unique opportunity that the availability of $3.9 billion of flexible federal resources from the American Rescue Plan Act presented, the legislature worked with the Administration on the best uses of the funds during the 2021 session. The agreement was formalized in Supplemental Budget No. 5, which added $1.6 billion to the budget for various legislative priorities and for fund swaps that allowed the State to save resources for the future, in addition to preserving $1.6 billion for future transportation and unemployment insurance needs.

A similar situation arose during the 2022 session, which required a negotiated agreement between the executive and legislative bodies to appropriate the $6.1 billion general fund surplus. Per the agreement between the two branches, over $1.4 billion of the funding added through supplemental budgets supported legislative priorities, while $350 million in tax relief was provided and a fund balance in the Rainy Day Fund equal to 10% of general fund revenues was maintained based on the revised March estimate.

Exhibit A-1.9 provides a summary of the legislative initiatives funded via negotiated agreement with the Administration.

Exhibit A-1.9
Legislative Priorities Funded by Supplemental Budget
2021-2022 Sessions
($ in Millions)

Priorities Funded with Federal Stimulus – 2021 Session

Broadband	$300
Extended Response Pay for Essential Workers	100
School HVAC/Ventilation	80
Employment Training/Apprenticeships	75
Enhanced Assistance Payments	46
Blueprint Learning Loss Future Spending	46
Temporary Nursing Home Rate Increase	26
Assistance with Utility Bills	20
Support for State Employees and Private-sector Telework	15
Other	18
Total	**$726**

Priorities Funded with General Funds – 2022 Session

Shift Capital Projects Proposed by Administration from Bonds to Cash	$800
4% Provider Rate Increase	110
COVID-19 Recovery Assistance for Health Care Providers	90
Arts and Tourism Grants	50
Increase Cash Assistance Benefits by $45 Per Month Per Person	35
Victims of Crime Assistance	35
Expand Capacity to Serve People Experiencing a Mental Health Crisis	35
Autism Waiver	30
Expand Medicaid Dental Benefits to Adults	26
Western Maryland Economic Future Investment Program	20
Other	127
Total	**$1,358**

HVAC: heating, ventilation, and air conditioning

Legislative Authority to Add to the Budget

Section 52 of Article III of the Constitution of Maryland prohibits the General Assembly from increasing any budget item or adding any new appropriation item to the Governor's operating budget for Executive Branch agencies. The General Assembly can decrease an appropriation for any branch of State government and increase appropriations relating only to the legislature or Judiciary. Under current provisions of the Constitution, the budget bill is enacted immediately upon passage by both houses of the General Assembly, without further action by the Governor. The Maryland General Assembly is one of only a few state legislatures that does not have the authority to increase or add an item of appropriation in an operating budget for the Executive Branch.

During the 2020 session, after recognizing the limited authority that the State's constitution afforded the legislature to direct State and federal resources in response to the COVID-19 pandemic, legislation was enacted to propose a constitutional amendment, ultimately approved by the voters at the 2020 general election, that would require the budget bill to be presented to the Governor for approval or disapproval and would authorize the General Assembly, beginning with the fiscal 2024 operating budget, to increase appropriations made by the Governor and add items to appropriations for Executive Branch agencies. The total appropriation in the operating budget for the Executive Branch approved by the General Assembly cannot exceed the total proposed appropriation for the Executive Branch submitted by the Governor, and the Governor is allowed to veto items increased or added by the General Assembly for Executive Branch agencies;

however, the General Assembly may convene in extraordinary session to consider and vote on whether to override any vetoed items. Subsequent to ***Chapter 645 of 2020*** and in preparation for the fiscal 2024 budget, the General Assembly also passed ***Chapter 27 of 2022***, expanding SAC reporting requirements and requiring the Maryland Department of Transportation to submit certain information related to capital projects and funding.

Personnel

As seen in **Exhibit A-1.10**, the number of regular positions in the Executive Branch decreased by a net 1,235 positions, or -2.5% of the workforce, from fiscal 2018 to 2022. The elimination of vacant positions within the Department of Public Safety and Correctional Services to reflect the closure of facilities and better align staffing with the shrinking correctional population more than accounts for the decrease. Other notable changes include the loss of positions within the Department of Human Services related to reduced caseloads and a decrease of 116 positions in the Maryland Department of Labor primarily based on declines in the Division of Unemployment Insurance. The loss of positions was somewhat mitigated by an increase in positions addressing health, police, and education services, all areas which were recipients of targeted funding enhancements and legislative priorities during the term.

A more troublesome trend in State personnel has involved high rates of position vacancies, particularly for correctional officers (CO), information technology-related personnel, physicians, nurses, and selected other position classifications. As reflected in Exhibit A-1.10, all but three agencies were experiencing double-digit vacancy rates in January 2022. The statewide vacancy rate had grown by nearly 2 percentage points and over 650 positions compared to four years prior, despite eliminating 1,235 regular positions from the State workforce.

Persistently high and increasing vacancy rates, exacerbated even more by the COVID-19 pandemic, were a noted concern throughout the term. In response, compensation enhancements, both targeted and statewide, were provided to a varying degree in each year of the term. **Exhibit A-1.11** summarizes statewide salary actions for regular employees for fiscal 2019 through 2023.

In addition to general salary increases and increments, funding was directed toward recruitment and retention efforts for targeted classifications, such as CO bonuses, Annual Salary Review increases, and funding for apprenticeship and training programs.

Exhibit A-1.10
Executive Branch Vacancy Rates
January 2018 and January 2022

Department/Service Area	Positions 2018	Vacancies 2018	Vacancy Rate 2018	Positions 2022	Vacancies 2022	Vacancy Rate 2022
Public Safety, Health and Human Services						
Public Safety and Correctional Services	10,554	1,901	18.0%	9,229	1,305	14.1%
Health	6,207	598	9.6%	6,370	825	12.9%
Human Services	6,220	478	7.7%	5,991	882	14.7%
Police and Fire Marshal	2,436	310	12.7%	2,506	327	13.1%
Juvenile Services	1,987	202	10.2%	1,996	254	12.7%
Subtotal	***27,404***	***3,489***	***12.7%***	***26,091***	***3,593***	***13.8%***
Transportation	**9,058**	**630**	**7.0%**	**9,058**	**904**	**10.0%**
Other Executive						
Legal (Excluding Judiciary)	1,474	134	9.1%	1,493	182	12.2%
Executive and Administrative Control	1,560	160	10.2%	1,603	182	11.4%
Financial and Revenue Administration	2,099	167	7.9%	2,115	262	12.4%
Budget and Management and DoIT	567	63	11.2%	505	63	12.4%
Retirement	210	12	5.7%	188	23	12.2%
General Services	581	75	12.8%	656	69	10.4%
Natural Resources	1,333	130	9.8%	1,353	175	12.9%
Agriculture	355	31	8.7%	412	64	15.4%
Labor	1,471	222	15.1%	1,355	129	9.5%
MSDE and Other Education	1,940	174	9.0%	2,004	309	15.4%
Housing and Community Development	333	27	8.1%	333	20	6.0%
Commerce	193	10	5.2%	188	21	11.2%
Environment	893	87	9.7%	880	85	9.6%
Subtotal	***13,008***	***1,292***	***9.9%***	***13,086***	***1,581***	***12.1%***
Executive Branch	**49,469**	**5,411**	**10.9%**	**48,235**	**6,079**	**12.6%**

DoIT: Department of Information Technology
MSDE: Maryland State Department of Education

Note: Totals may not sum due to rounding.

Exhibit A-1.11
Employee Compensation Increases
2019-2022 Sessions

Fiscal Year	Date of General Salary Increase	General Salary Increase	Increments
2019 (1)	January 1, 2019	2%	None
2019	April 1, 2019	0.5%, $500 one-time bonus	None
2020	July 1, 2019	3%	None
2020 (2)	January 1, 2020	1%	None
2021	January 1, 2021	2%	None
2022 (3)	January 1, 2022	1%, $1,500 one-time bonus	January 1, 2022
2023	July 1, 2022	3%	On time

(1) Funded in 2018 session
(2) Not applied to the American Federation of State, County and Municipal Employees (AFSCME)-represented employees
(3) AFSCME-represented employees received a 2% cost-of-living adjustment and $1,000 bonus

Note: Members of the State Law Enforcement Officers Labor Alliance union received a 5% salary increase in fiscal 2020 and 2021, a 4% general salary increase in fiscal 2022, and a 7% general salary increase in fiscal 2023. Increments were also provided in each year of the term.

2019 Session (Fiscal 2020)

Education was the focus of the 2019 session, as legislators sought to establish funding to support the recommendations of the Kirwan Commission and prioritize committing $500.0 million for school construction. Better than anticipated revenue performance at the end of fiscal 2018 and a positive outlook eliminated any immediate concerns regarding cash and structural shortfalls for fiscal 2020. The out-year forecast presented to SAC, however, projected a return of the structural deficit beginning in fiscal 2021. SAC set dual goals of maintaining structural balance while limiting spending growth to no more than 3.75% above the 2018 session spending.

The Governor's budget plan proposed $46.6 billion in spending for fiscal 2020, a $1.8 billion increase over the fiscal 2019 spending plan, of which 90% was general fund growth. Although the balancing plan did rely on the transfer of $158 million from the Rainy Day Fund, lowering the fund's balance to 6.5% of general fund revenues, the sizable cash balance in the General Fund estimated at the close of fiscal 2019 meant that the Governor's allowance did not

require the use of budget reconciliation legislation to balance the fiscal 2020 budget. The budget, as introduced, met nearly all of the SAC goals by being $20.2 million below the 3.75% spending limit set by SAC and providing a $105.5 million closing general fund balance. From a structural perspective, however, the Governor's allowance did not comply with the SAC recommendation to maintain structural balance, instead leaving a shortfall of $64 million.

During legislative consideration of the budget, BRE revised its general fund revenue projections downward by a combined $268.5 million across fiscal 2019 and 2020 based on lower expected attainment from estimated income tax payments. In response, the chairs of the General Assembly's budget committees introduced budget reconciliation legislation, which was enacted as ***Chapter 16 of 2019***, in order to identify sufficient revenues and reductions to achieve a balanced budget, meet all of the identified SAC goals, and address legislative priorities, which included restricting or authorizing $255.7 million to begin implementing preK-12 funding enhancements and committing $170.5 million in the operating budget toward the $500 million in total funds spent on school construction. To accommodate this plan, the fiscal 2020 budget was reduced by $183.1 million across all fund types, including $32.0 million in contingent reductions implemented by ***Chapter 16***.

Final action on the budget met all SAC goals by maintaining general fund structural balance in fiscal 2020 and limiting growth to 3.31%. Fund balance goals were met by preserving $1.1 billion, or 6% of estimated general fund revenues, in the Rainy Day Fund and leaving an estimated closing fund balance of $105.1 million in the General Fund.

2020 Session (Fiscal 2021)

Federal tax changes, combined with favorable caseload and spending trends, continued to place the State in a better than anticipated fiscal position as the General Assembly began consideration of the fiscal 2021 budget. Several factors, however, including the continued projection of a structural imbalance, the desire to significantly enhance the amount of funding provided for education, and the potential for an economic recession, led SAC to recommend that the budget, as introduced and enacted, maintain structural balance and prioritize the preservation of cash reserves by maintaining a $100 million minimum closing balance in the General Fund and the equivalent of at least 6% of general fund revenues in the Rainy Day Fund.

The fiscal 2021 budget plan proposed $48.0 billion in total spending, a 1.6% increase over the fiscal 2020 appropriation, including $197 million in additional general funds. The budget, as introduced, met nearly all the SAC goals by providing a $108.5 million closing general fund balance and the equivalent of nearly 6.3% of general fund revenues in the Rainy Day Fund; however, achieving these goals required budget reconciliation legislation, which reduced general fund spending by $530.6 million, mainly by reducing the statutory appropriation to the Rainy Day Fund, and generated nearly $157 million in additional revenue. A significant part of the additional revenue resulted from a proposed modification to the revenue volatility calculation, which did not adhere to SAC recommendations. In addition, the Governor's allowance did not comply with the SAC recommendation to maintain structural balance, instead leaving a shortfall of $37 million.

Legislative action on the budget was largely driven by the rapidly developing public health and economic crisis resulting from the spread of the COVID-19 virus across the world during the early part of calendar 2020. The magnitude of the situation was not fully known at the time that the legislature adjourned but was impactful enough to reduce the legislative session by nearly three weeks. Given the significant uncertainty, BRE opted to make no alterations to its general fund revenue assumptions for fiscal 2020 and 2021. The legislature adopted $207.4 million in cuts to the fiscal 2021 budget, along with an additional $393.0 million in contingent reductions implemented through ***Chapter 538 of 2020***. Legislative action also restored approximately $82.1 million in funding from reductions proposed by the Administration.

In anticipation of a worsening impact from the COVID-19 crisis, the General Assembly authorized the expenditure of up to $160 million in State funding for battling the public health and economic crises. Final actions on the budget also guarded the State against severe fiscal impacts from the pandemic by exceeding SAC recommendations and generating a $160 million structural surplus, a $324 million estimated closing fiscal 2021 balance in the General Fund and preserving $1.2 billion in the Rainy Day Fund. Although in opposition to the SAC recommendation, in recognizing the need to have additional cash reserves available to fund the public health and economic response to the COVID-19 pandemic, the legislature concurred with the Administration to alter the overall methodology for calculating the revenue volatility adjustment and repealed the redirection of revenues for fiscal 2021. Subsequent to the conclusion of the 2020 session, the U.S. Congress authorized substantial financial assistance to state and local governments in response to the severity of the pandemic.

2021 Session (Fiscal 2022)

Fiscal uncertainty created by the global COVID-19 pandemic, which included the near complete shutdown of the State and the economy for eight weeks and a 14% decrease in employment between February and April 2020, prompted BRE to release revised revenue estimates in May 2020 that suggested significant revenue shortfalls ranging from $925 million in fiscal 2020 to $2.6 billion less than estimated in fiscal 2022. The Administration responded with two rounds of budget reductions implemented by the Board of Public Works and a proposal to spend $250 million from the Rainy Day Fund for relief aid to businesses and organizations impacted by the pandemic. Over the course of calendar 2020, however, the availability of multiple rounds of federal aid and more accurate revenue data indicated that the State's fiscal position going into the 2021 session was not quite as dire as originally thought at the start of the pandemic. With a fiscal 2022 projected cash shortfall of $632 million and a structural deficit of $816 million, SAC recommended that the structural imbalance not exceed $700 million and that ongoing spending commitments be minimized to avoid the historical pitfalls of relying on one-time federal assistance to support continuing expenses.

The Administration's budget plan included a combination of tax relief provided to individuals and businesses impacted by the pandemic through the RELIEF Act and substantial reductions to mandated spending proposed in budget reconciliation legislation. The budget, as introduced, met all of the SAC spending goals by providing a $192.3 million closing general fund

balance and the equivalent of 5% of general fund revenues in the Rainy Day Fund. The Governor's allowance also met the SAC recommendation to limit the structural imbalance by reducing the structural gap to $76 million.

The budget ultimately enacted by the General Assembly was very different than the budget proposed by the Governor as federal stimulus legislation passed in December 2020 and March 2021 provided substantial resources to the State that were not included in the initial budget, and the general fund estimate was revised upward in March 2021 by almost $900 million over fiscal 2021 and 2022. Through five supplemental budgets, Governor Hogan responded to the improved outlook by adding $5.4 billion of federal funds and more than $840 million of general funds to the budget. With collaborative input from the legislature, the additional spending allowed the State to respond to the pandemic, expand capital spending through the use of PAYGO, and invest in key legislative priorities including broadband accessibility, employment training and apprenticeships, State employees, and healthy schools.

Final action on the budget exceeded SAC goals by eliminating the structural deficit, providing an estimated cash balance of $679 million and a Rainy Day Fund balance of $1.4 billion (equivalent to 6.8% of general fund revenues). Enhancements were provided to assist households, schools, and businesses in weathering the pandemic, increase provider rates, expand access to broadband, and increase employee compensation. Even still, the $52.5 billion fiscal 2022 budget approved at the end of the 2021 session did not reflect roughly $6.5 billion in additional federal aid.

2022 Session (Fiscal 2023)

Unprecedented federal aid provided in response to the COVID-19 pandemic contributed to better than anticipated revenue performance, with fiscal 2021 closing with a $3.2 billion fund balance that would grow to over $4.0 billion for the start of fiscal 2023. Recognizing that the availability of the sizable general fund balance was partially dependent on one-time revenue sources and acknowledging the potential risks of high inflation and other economic uncertainties, SAC recommended that structural balance be maintained and that cash surpluses be used to shore up reserves for future use, which included a $200 million closing general fund balance and maintaining 9% in the Rainy Day Fund, along with targeting spending toward one-time investments in facility maintenance, capital infrastructure and cybersecurity.

The Governor's budget plan proposed $58.0 billion in total spending for fiscal 2023. The $3.3 billion (5.4%) decrease from the prior year masked significant change among the different funds, as general fund spending increased by $4.6 billion (21.9%) due to a $2.4 billion mandatory appropriation to the Rainy Day Fund and the need to backfill the loss of temporary federal aid. Absent the appropriation to the Rainy Day Fund, general fund growth was limited to 13.3%. The Administration's proposal also included $224 million in tax and fee relief, which would grow to over $1.0 billion in revenue reductions by fiscal 2027. As introduced, the budget met the primary SAC spending goals by providing a $583.7 million closing general fund balance and the equivalent

of 15.9% of general fund revenues in the Rainy Day Fund. The Governor's allowance also maintained structural balance by leaving an estimated surplus of $289 million.

During the legislature's consideration of the budget, BRE revised its fiscal 2022 and 2023 general fund revenue estimates upward by a combined $1.6 billion across the two fiscal years in recognition of strong year-to-date revenue collections for both wage and non-wage income. With a total $6.1 billion general fund surplus, extensive negotiations between the executive and legislative branches culminated in the submission of five supplemental budgets adding $4.4 billion in total spending, including $2.3 billion in general funds. The surplus was used to fund over $2.0 billion in PAYGO capital, $800 million set aside for future Blueprint education costs, $645 million in employee compensation enhancements, and over $650 million for legislative priorities. The final fiscal 2023 spending plan also accounted for $350 million in tax relief.

Final action on the budget appropriated $61.0 billion for fiscal 2023 and fulfilled all SAC recommendations, leaving an estimated general fund balance of $219 million and $2.4 billion (10% of general fund revenues) in the Rainy Day Fund. Spending enhancements in the budget were largely targeted toward one-time expenses, with over $2.4 billion spent on capital investments, facility renewal, and cybersecurity, leaving a structural surplus of $276 million in fiscal 2023. This structural surplus grows in every year but fiscal 2026 and is projected to reach $729 million by fiscal 2027.

Exhibit A-1.12 sets forth State expenditures during the 2019 to 2022 term as follows: general funds; special and higher education funds; federal funds; all State funds; and all funds.

Exhibit A-1.12
State Expenditures – General Funds
Fiscal 2019-2023
($ in Millions)

Category	Actual 2019	Actual 2020	Actual 2021	Working Appr. 2022	Legislative Appr. 2023	$ Change 2019 to 2023	% Change 2019 to 2023
Debt Service	$286.0	$287.0	$131.0	$260.0	$430.0	$144.0	50.3%
County/Municipal	$286.2	$296.2	$311.0	$314.7	$388.5	$102.3	35.8%
Community Colleges	321.7	330.3	330.2	371.5	435.3	113.7	35.3%
Education/Libraries	6,053.2	6,403.2	6,620.9	6,601.2	7,102.0	1,048.8	17.3%
Health	51.9	41.8	35.0	60.4	74.9	23.0	44.4%
Aid to Local Governments	***$6,712.9***	***$7,071.5***	***$7,297.1***	***$7,347.9***	***$8,000.8***	***$1,287.8***	***19.2%***
Foster Care Payments	$188.2	$202.3	$206.2	$215.2	$240.5	$52.3	27.8%
Assistance Payments	41.6	43.3	116.1	104.4	133.9	92.3	221.9%
Medical Assistance	3,394.3	3,483.5	3,102.9	3,978.7	4,751.3	1,356.9	40.0%
Property Tax Credits	96.8	88.4	82.2	102.9	96.1	-0.7	-0.7%
Entitlements	***$3,720.9***	***$3,817.4***	***$3,507.4***	***$4,401.3***	***$5,221.7***	***$1,500.8***	***40.3%***
Health	$1,489.5	$1,590.1	$1,984.1	$1,729.1	$2,150.7	$661.2	44.4%
Human Services	376.0	367.9	384.7	398.5	402.3	26.3	7.0%
Juvenile Services	262.1	259.6	244.1	254.9	280.9	18.8	7.2%
Public Safety/Police	1,529.5	1,496.8	1,417.7	1,272.3	1,683.8	154.4	10.1%
Higher Education	1,493.6	1,577.9	1,596.7	1,544.0	1,783.2	289.6	19.4%
Other Education	456.6	467.2	481.3	604.0	717.5	260.9	57.1%
Agriculture/Natural Res./Environment	127.3	134.4	129.1	172.7	178.6	51.3	40.3%
Other Executive	746.5	800.6	791.6	1,149.4	1,872.0	1,125.5	150.8%
Judiciary	508.0	536.3	555.3	586.5	627.7	119.7	23.6%
Legislative	91.6	97.6	104.8	106.2	137.2	45.6	49.8%
State Agencies	***$7,080.7***	***$7,328.3***	***$7,689.3***	***$7,817.5***	***$9,834.0***	***$2,753.3***	***38.9%***
Total Operating	**$17,800.5**	**$18,504.2**	**$18,624.9**	**$19,826.7**	**$23,486.4**	**$5,685.9**	**31.9%**
Capital [1]	$59.5	$52.1	$56.7	$458.7	$2,046.7	$1,987.2	3,341.0%
Subtotal	***$17,860.0***	***$18,556.3***	***$18,681.5***	***$20,285.4***	***$25,533.1***	***$7,673.1***	***43.0%***
Reserve Funds [2]	$9.3	$405.2	$114.0	$879.6	$2,537.3	$2,528.0	27,050.7%
Appropriations	**$17,869.3**	**$18,961.5**	**$18,795.5**	**$21,165.1**	**$28,070.4**	**$10,201.1**	**57.1%**
Reversions	$0.0	$0.0	$0.0	-$35.0	-$45.0	-$45.0	n/a.
Grand Total	**$17,869.3**	**$18,961.5**	**$18,795.5**	**$21,130.1**	**$28,025.4**	**$10,156.1**	**56.8%**

[1] Includes the Historic Revitalization Tax Credit Reserve Fund. Fiscal 2023 includes $1.3 billion budgeted in the Dedicated Purpose Account of which $10 million is for the Historic Revitalization Tax Credit Reserve Fund.

[2] The fiscal 2023 legislative appropriation for the Reserve Funds excludes $370 million budgeted in the Dedicated Purpose Account. The amount is included in various other categories where it is intended to be transferred by budget amendment.

Note: The fiscal 2022 working appropriation reflects deficiencies and $33.6 million in targeted reversions. The General Assembly reduced the Rainy Day Fund fiscal 2023 allowance by $69 million but provided authorization for those funds to be used for a variety of purposes. However, spending the $69 million is at the discretion of the Governor.

Exhibit A-1.12 (Cont.)
State Expenditures – Special and Higher Education Funds*
Fiscal 2019-2023
($ in Millions)

Category	Actual 2019	Actual 2020	Actual 2021	Working Appr. 2022	Legislative Appr. 2023	$ Change 2019 to 2023	% Change 2019 to 2023
Debt Service	$1,338.3	$1,381.4	$1,549.8	$1,574.3	$1,480.5	$142.2	10.6%
County/Municipal	$381.1	$366.3	$434.2	$460.2	$477.5	$96.4	25.3%
Community Colleges	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Education/Libraries	556.4	682.0	674.8	805.3	875.9	319.5	57.4%
Health	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Aid to Local Governments	***$937.5***	***$1,048.3***	***$1,108.9***	***$1,265.5***	***$1,353.4***	***$415.9***	***44.4%***
Foster Care Payments	$3.6	$2.8	$2.8	$2.8	$2.9	-$0.7	-19.0%
Assistance Payments	9.5	14.3	12.6	14.4	13.7	4.1	43.3%
Medical Assistance	958.7	979.3	1,025.7	824.6	754.5	-204.2	-21.3%
Property Tax Credits	0.0	0.0	0.0	9.9	0.0	0.0	n/a
Entitlements	***$971.8***	***$996.4***	***$1,041.1***	***$851.6***	***$771.1***	***-$200.7***	***-20.7%***
Health	$362.6	$423.0	$1,185.3	$466.3	$582.4	$219.8	60.6%
Human Services	100.8	81.6	75.4	95.0	147.0	46.3	45.9%
Juvenile Services	3.2	2.8	1.5	3.4	2.3	-1.0	-29.7%
Public Safety/Police	213.6	246.2	238.4	138.5	139.4	-74.2	-34.7%
Higher Education	4,691.7	4,627.3	4,643.0	4,981.0	4,924.8	233.1	5.0%
Other Education	65.8	72.9	89.3	101.9	189.3	123.6	187.9%
Agriculture/Natural Res./Environment	2,029.1	1,712.5	1,672.8	2,011.6	1,879.5	-149.6	-7.4%
Other Executive	281.9	276.2	268.0	288.7	337.8	55.9	19.8%
Judiciary	624.4	616.2	930.9	1,072.6	1,085.9	461.5	73.9%
Legislative	53.0	53.7	49.7	67.6	64.5	11.5	21.7%
State Agencies	***$8,426.0***	***$8,112.4***	***$9,154.2***	***$9,226.7***	***$9,352.9***	***$926.9***	***11.0%***
Total Operating	**$11,673.6**	**$11,538.4**	**$12,854.0**	**$12,918.1**	**$12,957.8**	**$1,284.3**	**11.0%**
Capital	$1,850.6	$2,016.4	$1,752.9	$2,093.2	$1,665.7	-$184.9	-10.0%
Transportation	1,402.8	1,583.7	1,307.5	1,557.2	1,090.4	-312.4	-22.3%
Environment	220.3	177.7	216.4	259.8	217.4	-2.8	-1.3%
Other	227.6	254.9	229.0	276.2	357.9	130.3	57.3%
Subtotal	***$13,524.2***	***$13,554.8***	***$14,606.9***	***$15,011.3***	***$14,623.6***	***$1,099.3***	***8.1%***
Reserve Funds	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Grand Total	**$13,524.2**	**$13,554.8**	**$14,606.9**	**$15,011.3**	**$14,623.6**	**$1,099.3**	**8.1%**

* Includes higher education fund (current unrestricted and current restricted) net of general and special funds.

Note: Excludes special fund expenditures that double count other spending ($8.5 million in fiscal 2020, $5.6 million in fiscal 2021, $20.7 million in fiscal 2022, and $195.9 million in fiscal 2023). The fiscal 2022 working appropriation includes deficiencies.

Exhibit A-1.12 (Cont.)
State Expenditures – Federal Funds
Fiscal 2019-2023
($ in Millions)

Category	Actual 2019	Actual 2020	Actual 2021	Working Appr. 2022	Legislative Appr. 2023	$ Change 2019 to 2023	% Change 2019 to 2023
Debt Service	$11.6	$10.4	$9.3	$11.0	$9.0	-$2.6	-22.4%
County/Municipal	$70.9	482.3	$88.2	$74.7	$74.8	$3.9	5.5%
Community Colleges	0.0	0.0	8.8	0.0	0.0	0.0	n/a
Education/Libraries	896.6	1,086.2	1,770.6	3,599.9	1,072.6	176.0	19.6%
Health	0.0	0.0	3.7	13.5	0.0	0.0	n/a
Aid to Local Governments	***$967.5***	***$1,168.5***	***$1,871.2***	***$3,688.1***	***$1,147.4***	***$179.9***	***18.6%***
Foster Care Payments	$79.0	$84.5	$83.9	$90.8	$90.5	$11.5	14.6%
Assistance Payments	991.8	1,336.5	2,504.2	4,296.3	2,072.7	1,080.9	109.0%
Medical Assistance	6,878.7	7,155.0	8,145.3	9,188.0	8,459.1	1,580.4	23.0%
Property Tax Credits	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Entitlements	***$7,949.5***	***$8,576.0***	***$10,733.4***	***$13,575.1***	***$10,622.3***	***$2,672.8***	***33.6%***
Health	$1,036.7	$1,750.3	$2,508.3	$2,703.5	$2,130.8	$1,094.1	105.5%
Human Services	545.1	601.4	662.1	710.8	597.1	52.0	9.5%
Juvenile Services	3.7	3.1	7.8	5.5	6.9	3.2	85.8%
Public Safety/Police	35.4	37.4	86.7	390.3	38.5	3.1	8.7%
Higher Education	0.0	0.0	1.2	0.0	0.0	0.0	n/a
Other Education	246.3	379.7	318.7	844.4	415.5	169.2	68.7%
Agriculture/Natural Res./Environment	90.8	430.3	495.7	227.5	419.7	329.0	362.4%
Other Executive	66.0	64.4	75.7	84.9	83.0	17.0	25.8%
Judiciary	594.5	794.0	2,694.3	2,613.6	1,106.6	512.1	86.1%
Legislative	0.5	0.4	3.3	6.6	0.8	0.3	46.6%
State Agencies	***$2,619.0***	***$4,060.9***	***$6,853.8***	***$7,586.9***	***$4,798.9***	***$2,179.9***	***83.2%***
Total Operating	**$11,547.5**	**$13,815.9**	**$19,467.6**	**$24,861.1**	**$16,577.6**	**$5,030.1**	**43.6%**
Capital	$850.2	$1,143.7	$938.9	$1,534.9	$1,642.9	$792.7	93.2%
Transportation	788.4	971.2	827.8	1,314.4	1,244.0	455.6	57.8%
Environment	43.3	106.0	53.1	58.8	213.5	170.2	393.0%
Other	18.6	66.4	58.0	161.7	185.5	166.9	898.9%
Subtotal	***$12,397.8***	***$14,959.6***	***$20,406.6***	***$26,396.0***	***$18,220.5***	***$5,822.8***	***47.0%***
Reserve Funds	0.0	0.0	0.0	108.1	171.2	171.2	n/a
Grand Total	**$12,397.8**	**$14,959.6**	**$20,406.6**	**$26,504.1**	**$18,391.8**	**$5,994.0**	**48.3%**

Note: The fiscal 2022 working appropriation includes deficiencies.

Exhibit A-1.12 (Cont.)
State Expenditures – State Funds
Fiscal 2019-2023
($ in Millions)

Category	Actual 2019	Actual 2020	Actual 2021	Working Appr. 2022	Legislative Appr. 2023	$ Change 2019 to 2023	% Change 2019 to 2023
Debt Service	$1,624.3	$1,668.4	$1,680.8	$1,834.3	$1,910.5	$286.2	17.6%
County/Municipal	$667.2	$662.5	$745.2	$774.9	$866.0	$198.8	29.8%
Community Colleges	321.7	330.3	330.2	371.5	435.3	113.7	35.3%
Education/Libraries	6,609.6	7,085.1	7,295.7	7,406.5	7,977.9	1,368.3	20.7%
Health	51.9	41.8	35.0	60.4	74.9	23.0	44.4%
Aid to Local Governments	***$7,650.4***	***$8,119.8***	***$8,406.0***	***$8,613.4***	***$9,354.2***	***$1,703.8***	***22.3%***
Foster Care Payments	$191.8	$205.1	$209.0	$218.0	$243.4	$51.6	26.9%
Assistance Payments	51.1	57.5	128.7	118.8	147.6	96.4	188.5%
Medical Assistance	4,353.0	4,462.8	4,128.6	4,803.3	5,505.7	1,152.7	26.5%
Property Tax Credits	96.8	88.4	82.2	112.8	96.1	-0.7	-0.7%
Entitlements	***$4,692.7***	***$4,813.8***	***$4,548.5***	***$5,252.9***	***$5,992.8***	***$1,300.1***	***27.7%***
Health	$1,852.0	$2,013.1	$3,169.4	$2,195.4	$2,733.1	$881.0	47.6%
Human Services	476.8	449.4	460.1	493.5	549.3	72.5	15.2%
Juvenile Services	265.4	262.3	245.5	258.3	283.2	17.8	6.7%
Public Safety/Police	1,743.1	1,743.0	1,656.1	1,410.8	1,823.2	80.1	4.6%
Higher Education	6,185.3	6,205.1	6,239.7	6,525.0	6,708.0	522.8	8.5%
Other Education	522.3	540.1	570.6	706.0	906.8	384.5	73.6%
Agriculture/Natural Res./Environment	2,029.1	1,712.5	1,672.8	2,011.6	1,879.5	-149.6	-7.4%
Other Executive	409.2	410.7	397.1	461.4	516.4	107.2	26.2%
Judiciary	1,370.9	1,416.8	1,722.5	2,222.0	2,958.0	1,587.1	115.8%
Legislative	561.0	589.9	605.0	654.1	692.2	131.2	23.4%
State Agencies	***$15,506.7***	***$15,440.7***	***$16,843.6***	***$17,044.2***	***$19,186.8***	***$3,680.2***	***23.7%***
Total Operating	**$29,474.1**	**$30,042.6**	**$31,478.9**	**$32,744.9**	**$36,444.3**	**$6,970.2**	**23.6%**
Capital [1]	$1,910.1	$2,068.5	$1,809.5	$2,551.9	$3,712.4	$1,802.3	94.4%
Transportation	1,402.8	1,583.7	1,307.5	1,557.2	1,090.4	-312.4	-22.3%
Environment	220.8	178.0	216.6	260.5	217.4	-3.3	-1.5%
Other	286.5	306.8	285.4	734.1	2,404.5	2,118.0	739.1%
Subtotal	***$31,384.2***	***$32,111.1***	***$33,288.4***	***$35,296.7***	***$40,156.7***	***$8,772.5***	***28.0%***
Reserve Funds [2]	$9.3	$405.2	$114.0	$879.6	$2,537.3	$2,528.0	27,050.7%
Appropriations	**$31,393.5**	**$32,516.3**	**$33,402.4**	**$36,176.4**	**$42,694.0**	**$11,300.4**	**36.0%**
Reversions	$0.0	$0.0	$0.0	-$35.0	-$45.0	-$45.0	n/a.
Grand Total	**$31,393.5**	**$32,516.3**	**$33,402.4**	**$36,141.4**	**$42,649.0**	**$11,255.4**	**35.9%**

[1] Includes the Historic Revitalization Tax Credit Reserve Fund. Fiscal 2023 includes $1.3 billion budgeted in the Dedicated Purpose Account of which $10 million is for the Historic Revitalization Tax Credit Reserve Fund.
[2] The fiscal 2023 legislative appropriation for the Reserve Funds excludes $370 million budgeted in the Dedicated Purpose Account. The amount is included in various other categories where it is intended to be transferred by budget amendment.

Note: Excludes special fund expenditures that double count other spending ($8.5 million in fiscal 2020, $5.6 million in fiscal 2021, $20.7 million in fiscal 2022, and $195.9 million in fiscal 2023). The fiscal 2022 working appropriation includes deficiencies and $33.6 million in targeted reversions. The General Assembly reduced the Rainy Day Fund fiscal 2023 allowance by $69 million but provided authorization for those funds to be used for a variety of purposes. However, spending the $69 million is at the discretion of the Governor.

Exhibit A-1.12 (Cont.)
State Expenditures – All Funds
Fiscal 2019-2023
($ in Millions)

Category	Actual 2019	Actual 2020	Actual 2021	Working Appr. 2022	Legislative Appr. 2023	$ Change 2019 to 2023	% Change 2019 to 2023
Debt Service	$1,635.9	$1,678.7	$1,690.1	$1,845.3	$1,919.5	$283.6	17.3%
County/Municipal	$738.1	$744.8	$833.3	$849.7	$940.8	4202.7	27.5%
Community Colleges	321.7	330.3	339.0	371.5	435.3	113.7	35.3%
Education/Libraries	7,506.2	8,171.4	9,066.2	11,006.4	9,050.5	1,544.3	20.6%
Health	51.9	41.8	38.7	73.9	74.9	23.0	44.4%
Aid to Local Governments	***$8,617.9***	***$9,288.3***	***$10,277.2***	***$12,301.5***	***$10,501.5***	***$1,883.7***	***21.9%***
Foster Care Payments	$191.8	$205.1	$209.0	$218.0	$243.4	$51.6	26.9%
Assistance Payments	51.1	57.5	128.7	118.8	147.6	96.4	188.5%
Medical Assistance	4,353.0	4,462.8	4,128.6	4,803.3	5,505.7	1,152.7	26.5%
Property Tax Credits	96.8	88.4	82.2	112.8	96.1	-0.7	-0.7%
Entitlements	***$4,692.7***	***$4,813.8***	***$4,548.5***	***$5,252.9***	***$5,992.8***	***$1,300.1***	***27.7%***
Health	$2,888.7	$3,763.4	$5,677.7	$4,898.8	$4,863.8	$1,975.1	68.4%
Human Services	1,021.9	1,050.8	1,122.3	1,204.2	1,146.3	124.5	12.2%
Juvenile Services	269.1	265.5	253.3	263.8	290.1	21.0	7.8%
Public Safety/Police	1,778.5	1,780.4	1,742.8	1,801.1	1,861.7	83.2	4.7%
Higher Education	6,185.3	6,205.1	6,240.9	6,525.0	6,708.0	522.8	8.5%
Other Education	768.6	919.8	889.3	1,550.4	1,322.3	553.7	72.0%
Agriculture/Natural Res./Environment	2,119.9	2,142.8	2,168.4	2,239.1	2,299.2	179.3	8.5%
Other Executive	475.2	475.1	472.8	546.3	599.4	124.2	26.1%
Judiciary	1,965.4	2,210.8	4,416.7	4,835.6	4,064.6	2,099.2	106.8%
Legislative	561.6	590.3	608.3	660.7	693.0	131.4	23.4%
State Agencies	***$18,125.7***	***$19,501.6***	***$23,697.3***	***$24,631.1***	***$23,985.7***	***$5,860.1***	***32.3%***
Total Operating	**$41,021.6**	**$43,858.5**	**$50,946.5**	**$57,606.0**	**$53,021.9**	**$12,000.2**	**29.3%**
Capital [1]	$2,760.3	$3,212.2	$2,748.5	$4,086.7	$5,355.4	$2,595.0	94.0%
Transportation	2,191.2	2,554.9	2,135.3	2,901.8	2,344.4	153.3	7.0%
Environment	264.1	284.0	269.7	319.3	451.1	187.0	70.8%
Other	305.1	373.2	343.4	865.6	2,559.8	2,254.7	739.0%
Subtotal	***$43,782.0***	***$47,070.7***	***$53,694.9***	***$61,692.7***	***$58,377.2***	***$14,595.2***	***33.3%***
Reserve Funds [2]	$9.3	$405.2	$114.0	$987.7	$2,708.5	$2,699.2	28,882.9%
Appropriations	**$43,791.3**	**$47,475.8**	**$53,808.9**	**$62,680.5**	**$61,085.7**	**$17,294.4**	**39.5%**
Reversions	$0.0	$0.0	$0.0	-$35.0	-$45.0	-$45.0	n/a
Grand Total	**$43,791.3**	**$47,475.8**	**$53,808.9**	**$62,645.5**	**$61,040.7**	**$17,249.4**	**39.4%**

[1] Includes the Historic Revitalization Tax Credit Reserve Fund. Fiscal 2023 includes $1.3 billion budgeted in the Dedicated Purpose Account of which $10 million is for the Historic Revitalization Tax Credit Reserve Fund.
[2] The fiscal 2023 legislative appropriation for the Reserve Funds excludes $370 million budgeted in the Dedicated Purpose Account. The amount is included in various other categories where it is intended to be transferred by budget amendment.

Note: Excludes special fund expenditures that double count other spending ($8.5 million in fiscal 2020, $5.6 million in fiscal 2021, $20.7 million in fiscal 2022, and $195.9 million in fiscal 2023). The fiscal 2022 working appropriation includes deficiencies and $33.6 million in targeted reversions. The General Assembly reduced the Rainy Day Fund fiscal 2023 allowance by $69 million but provided authorization for those funds to be used for a variety of purposes. However, spending the $69 million is at the discretion of the Governor.

Capital Budget

A total of $22.9 billion was authorized by the General Assembly for the State's capital program during the 2019 to 2022 term. Total authorizations by funding type and major category are shown in **Exhibit A-2.1**.

Exhibit A-2.1
Authorization by Major Category
2019-2022 Sessions
($ in Millions)

	Total	% of Total
Uses		
Transportation	$11,083.5	48.3%
Education	3,281.7	14.3%
Environment	2,830.8	12.3%
Higher Education	1,991.3	8.7%
Housing/Community Development	1,325.5	5.8%
Local Projects	1,174.0	5.1%
State Facilities	706.5	3.1%
Health/Social	353.0	1.5%
Public Safety	185.4	0.8%
Total	**$22,931.7**	**100.0%**
Sources		
Special Funds	$6,862.9	29.9%
Federal Funds	6,230.2	27.2%
General Obligation Bonds	4,526.2	19.7%
General Funds	2,667.8	11.6%
Built to Learn Revenue Bonds	1,265.0	5.5%
Transportation Revenue Bonds	635.0	2.8%
Bond Premiums	618.6	2.7%
Academic Revenue Bonds	126.0	0.5%
Total	**$22,931.7**	**100.0%**

Transportation projects accounted for approximately 48% of the capital program, with environment, higher education, and education comprising the other top three capital program categories. **Exhibit A-2.2** provides greater detail on capital authorizations by session year.

Exhibit A-2.2
Capital Program Authorizations
2019-2022 Sessions
($ in Millions)

	2019 Session Fiscal 2020	2020 Session Fiscal 2021	2021 Session Fiscal 2022	2022 Session Fiscal 2023	Total
Uses of Funds					
State Facilities	$138.3	$69.4	$128.6	$370.2	$706.5
Health/Social	86.0	31.9	60.0	175.1	353.0
Environment	541.7	518.9	732.8	1,037.4	2,830.8
Public Safety	57.2	56.0	19.9	52.3	185.4
Education	368.9	415.8	1,239.9	1,257.1	3,281.7
Higher Education	338.0	441.2	465.0	747.1	1,991.3
Housing/Community Development	180.5	254.3	284.4	606.3	1,325.5
Local Projects	85.2	123.0	237.4	728.4	1,174.0
Transportation	2,864.0	2,319.6	3,114.2	2,785.7	11,083.5
Total	**$4,659.8**	**$4,230.1**	**$6,282.2**	**$7,759.6**	**$22,931.7**
Sources of Funds					
Debt					
General Obligation	$1,092.2	$1,108.1	$1,106.4	$1,219.5	$4,526.2
Academic Revenue Bonds	34.0	32.0	30.0	30.0	126.0
Built to Learn Revenue Bonds	0	0.0	785.0	480.0	1,265.0
MDOT Revenue Bonds	635.0	0.0	0.0	0.0	635.0
Subtotal	***$1,761.2***	***$1,140.1***	***$1,921.4***	***$1,729.5***	***$6,552.2***
Current Funds (PAYGO)					
General	$51.9	$68.1	$490.2	$2,057.6	$2,667.8
Special	1,480.4	1,462.3	2,087.4	1,832.8	6,862.9
Bond Premiums	0.0	136.0	222.9	259.7	618.6
Federal	1,366.3	1,423.6	1,560.3	1,880.0	6,230.2
Subtotal	***$2,898.6***	***$3,090.0***	***$4,360.8***	***$6,030.1***	***$16,379.5***
Total Funds	**$4,659.8**	**$4,230.1**	**$6,282.2**	**$7,759.6**	**$22,931.7**

MDOT: Maryland Department of Transportation
PAYGO: pay-as-you-go

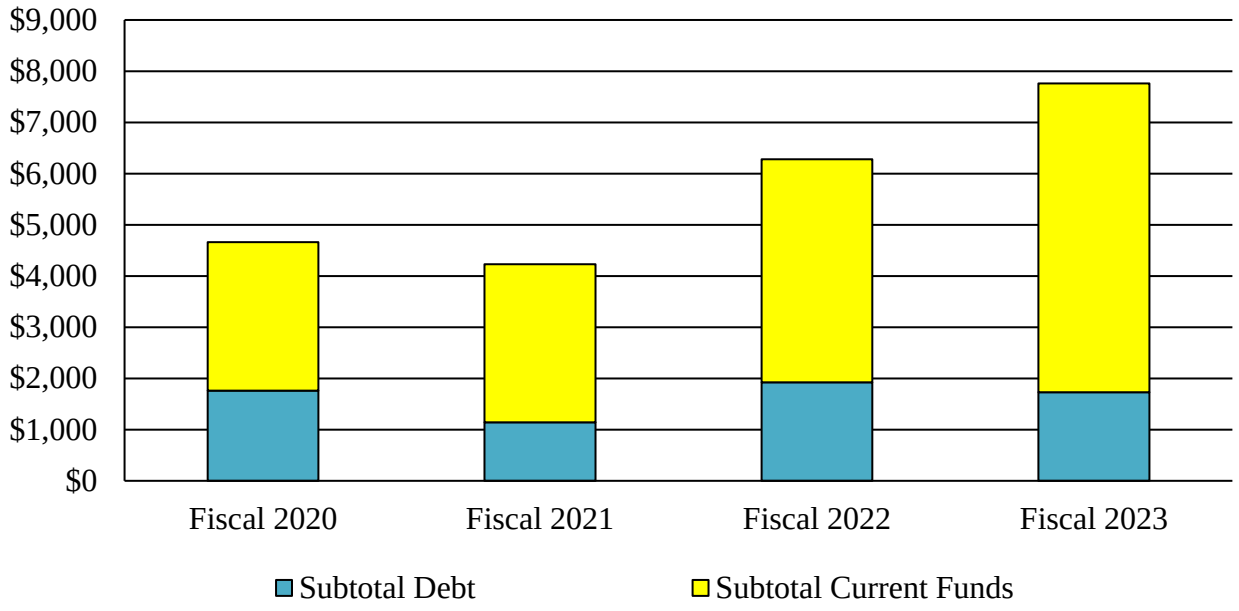
Expanded Capital Program

When the four-year term began, the State's fiscal outlook was uncertain. Despite an improved revenue forecast, the outbreak of the COVID-19 pandemic in March 2020 resulted in Board of Public Works (BPW) reductions and a general contraction of both the fiscal 2020 and 2021 budgets as a hedge against anticipated revenue shortfalls. However, this period of relative fiscal austerity did not last long, and by March 2021, the Board of Revenue Estimates (BRE) forecast for both fiscal 2021 and 2022 improved dramatically. In light of this improved BRE forecast, the General Assembly negotiated with the Governor to use some of the surplus revenues to expand the capital program that for many years had not been supported with general fund pay-as-you-go (PAYGO). This expansion was possible due to the increase in the general fund revenue estimates for fiscal 2021 and 2022 as well as by the enactment of the federal American Rescue Plan Act (ARPA), which provided Maryland with billions of flexible funding. The fiscal 2022 capital budget passed by the General Assembly approached $6.3 billion, which was $2.0 billion more than the previous year's capital program.

The State's cash and structural outlook was even stronger as deliberations on the fiscal 2023 budget began, with revenues strongly outpacing estimates at the close of fiscal 2021 and BRE substantially increasing the estimates for fiscal 2022 and 2023. Once again, the General Assembly negotiated with the Governor to use much of the surplus to support one-time capital infrastructure spending. This resulted in a fiscal 2023 capital program of almost $7.8 billion, which is almost $1.5 billion more than the fiscal 2022 program and $3.5 billion more than the fiscal 2021 capital program.

As shown in **Exhibit A-2.3**, this expansion was made possible without a substantial increase in the level of debt. While the general obligation (GO) bond level authorized in the 2022 session provided a $50 million increase to account for inflationary pressures, the level of new GO bond authorizations during the four-year term otherwise remained consistent with the Spending Affordability Committee policy of 1% annual increases. Instead, the budget surplus allowed for the use of general funds, which were only a minor source of funds for the capital program in the first two years of the term. By the end of the term, general funds provided the largest fund source for the capital program at over $2.0 billion in fiscal 2023. The capital program was further supplemented with bond premium proceeds, including a record $259.7 million in fiscal 2023 and a total of $618.6 million during the term. In the final two years of the term, the State's capital program received additional federal fund support. Funds made available in fiscal 2022 and 2023 through the American Recovery and Reinvestment Act were used principally to support broadband expansion initiatives. The fiscal 2023 capital budget included the first portion of federal funds from the Infrastructure Investment and Jobs Act (IIJA) with $200 million for water quality and drinking water projects administered by the Maryland Department of the Environment (MDE). The final significant change to the capital program during the term is the use of almost $1.3 billion of revenue bonds through the Built to Learn Act.

Exhibit A-2.3
Total Capital Funding by Source
2019-2022 Sessions
($ in Millions)



Source: Department of Legislative Services

Transportation

Transportation Trust Fund

The Transportation Trust Fund (TTF) is a nonlapsing special fund that provides funding for the Maryland Department of Transportation (MDOT) operating and capital budgets as well as for payment of debt service on MDOT bonds and transportation aid to Maryland counties and municipalities provided through mandated capital grants.

Local Transportation Aid

Chapter 240 of 2022 (1) increased the base share of corporate income tax revenues credited to the TTF Gasoline and Motor Vehicle Revenue Account (GMVRA) – commonly referred to as Highway User Revenues (HUR) – and (2) set the base HUR-mandated capital grants for local governments at 15.6% of GMVRA beginning in fiscal 2024, with enhanced rates for fiscal 2025 through 2027. **Exhibit A-2.4** shows the current and enhanced funding percentages for Baltimore City, counties, and municipalities. For a fuller discussion of local transportation aid changes, see

the subpart "Transportation" of Part G – Transportation and Motor Vehicles of this *Major Issues Review*.

Exhibit A-2.4
Highway User Revenues
Share Going to Local Jurisdictions
Fiscal 2023-2027

	2023	2024	2025	2026	2027
Baltimore City	8.3%	9.5%	11.0%	12.2%	12.2%
Counties	3.2%	3.7%	4.3%	4.8%	4.8%
Municipalities	2.0%	2.4%	2.7%	3.0%	3.0%
Total Local Share	**13.5%**	**15.6%**	**18.0%**	**20.0%**	**20.0%**

Source: Department of Legislative Services

Public-private Partnerships

Purple Line: In April 2016, MDOT and the Maryland Transit Administration (MTA) entered into a 36-year public-private partnership (P3) agreement with Purple Line Transit Partners (PLTP) for the finance, design, construction, and operation of the Purple Line Light Rail Project. Litigation delayed the start of construction for over a year and disagreements over project delays and cost increases resulted in the design-build contractor leaving the project. Under a settlement agreement between MDOT – MTA and PLTP, MDOT – MTA assumed direct oversight of the project, while PLTP procured a replacement design-build contractor. The new design-build contractor was approved by BPW in January 2022. BPW's approval included an increase to the P3 contract of $3.4 billion and an extension to the term of just over four years. The cost increase results in a revised contract of $9.3 billion. Revenue service is projected to begin in October 2026.

Traffic Relief Plan: In September 2017, the Administration announced plans to add four new express toll lanes to I-270, the Maryland portion of the Capital Beltway (I-495), and to the Baltimore-Washington Parkway (MD-295) at a total estimated cost of $9 billion. Facing opposition from local governments and citizen and environmental groups to portions of the proposed project, the Administration proposed to construct the project in phases, starting with Phase 1 South comprising I-495 from the vicinity of the George Washington Memorial Parkway in Virginia north to I-270 (including the reconstruction of the American Legion Bridge) and the section of I-270 extending from the west spur of I-270 connecting to I-495 north to the interchange with I-370.

MDOT and the Maryland Transportation Authority (MDTA), together as the reporting agencies, entered into a P3 Phase Development Agreement with Accelerate Maryland Partners, LLC (AMP) in August 2021 for predevelopment work focusing on advancing preliminary design and performing due diligence activities. After completion of the predevelopment work, assuming a build alternative is identified under the National Environmental Protection Act approval process, MDOT – MDTA will move forward with a section P3 agreement with a subsidiary of AMP for the final design, construction, financing, operations, and maintenance of Phase 1 South for a term of 50 years. During the operations term of the agreement, the AMP subsidiary would receive the net toll revenue generated by the project subject to certain revenue sharing requirements should project performance exceed expectations.

Execution of the P3 section agreement is anticipated for summer or fall 2022 but this may be delayed by ongoing litigation.

Environment

Capital funding for environmental programs totaled $2.8 billion over the four-year period. These programs are typically administered by the Department of Natural Resources (DNR), the Maryland Department of Agriculture (MDA), MDE, the Maryland Environmental Service, and the Maryland Department of Emergency Management. Programs receiving significant funding over the four-year term included:

- $1.3 billion for MDE capital programs, including $942.8 million for grants and loans under the Water Quality and Drinking Water Loan programs, $358.1 million for nutrient removal programs for wastewater treatment plants (WWTP) and septic systems funded through the Bay Restoration Fund (BRF), and $42.2 million for the Comprehensive Flood Management Program;

- $1.1 billion for DNR capital programs, including $751.7 million for Program Open Space (POS) and other land preservation and park improvement programs, $170.0 million for the new Local Parks and Playgrounds Infrastructure program, $64.2 million for Waterway Improvement Program projects, and $25.2 million for oyster restoration efforts in the Chesapeake Bay; and

- $251.8 million for MDA capital programs, including $213.8 million for Agricultural Land Preservation, $23.5 million for the Maryland Agricultural Cost-Share program, and $13.5 million for the new Salisbury Animal Health Laboratory replacement project.

The largest undertaking during the 2019 to 2022 term, as was the case for the previous four-year term, was the continuing effort to improve the water quality of the Chesapeake Bay. This included substantially completing upgrades to the State's 67 largest WWTPs that were principally funded through the BRF – 65 facilities are in operation, 1 facility is under construction, and 1 facility is in planning as of April 2022 – which is administered by the Water Quality Financing Administration within MDE. Capital authorizations from BRF are derived from a fee paid by users

of WWTPs and users of onsite sewage septic systems. The revenues are used on a PAYGO basis and to support the issuance of revenue bonds.

During the term, legislation was enacted implementing two mandatory distributions from the BRF, which may only happen after funding any cost-effective minor WWTP upgrades. These distributions are as follows, and the fiscal impact of the expanded uses of the fund are shown in **Exhibit A-2.5**, which reflects that all BRF funding is allocated to minor WWTP upgrades in fiscal 2023.

- ***Clean Water Commerce Act: Chapters 694 and 695 of 2021***, beginning in fiscal 2022, transferred $20 million annually to the Clean Water Commerce Account to purchase environmental outcomes in support of the State's efforts to achieve the Chesapeake Bay Total Maximum Daily Load. This reflects an extension of Chapters 366 and 367 of 2017, which authorized up to $4 million in fiscal 2018, $6 million in fiscal 2019, and $10 million per year in fiscal 2020 and 2021 from the BRF for this purpose.

- ***Tree Solutions Now Act: Chapter 645 of 2021***, in fiscal 2023 only, transferred (1) $10 million to the Chesapeake Bay Trust's Urban Trees Program; (2) $2.5 million to DNR's Chesapeake and Atlantic Coastal Bays 2010 Trust Fund; and (3) $2.5 million to MDA for tree plantings under the Conservation Reserve Enhancement Program and other tree-planting programs on agricultural land.

Exhibit A-2.5
Bay Restoration Fund Expanded Uses
Fiscal 2020-2023

	2020	2021	2022	2023
Wastewater Projects				
Combined Sewer Overflows Abatement, Rehabilitation of Existing Sewers, and Upgrading Conveyance Systems, Including Pumping Stations	$48,624,406	$50,661,216	$16,584,000	$0
Septic System and Sewage Holding Tank Upgrades (Includes Connection of Septic to Public Sewer)	0	16,220,000	10,335,000	0
Wastewater Treatment Plant Upgrade to Enhanced Nutrient Removal (ENR) – Discharge into the Atlantic Coastal Bays or other Waters of the State	0	4,896,546	0	0
Minor Wastewater Treatment Plant Upgrade to ENR	17,900,594	3,222,238	34,498,000	78,056,000

	2020	2021	2022	2023
Major Wastewater Treatment Plant Upgrade to ENR (Includes ENR Refinement)	1,000,000	0	11,910,000	0
Local Government Stormwater Control Measures	2,475,000	0	0	0
Stormwater Alternative Compliance Plans	0	0	1,673,000	0
Subtotal	***$70,000,000***	***$75,000,000***	***$75,000,000***	***$78,056,000***
Expanded Uses				
Clean Water Commerce Act	$10,000,000	$10,000,000	$20,000,000	$20,000,000
Tree Solutions Now Act	0	0	0	15,000,000
Subtotal	***10,000,000***	***10,000,000***	***20,000,000***	***35,000,000***
Total	**$80,000,000**	**$85,000,000**	**$95,000,000**	**$113,056,000**

Note: The Clean Water Commerce Act funding is budgeted in the Maryland Department of the Environment's operating budget. The Tree Solutions Now Act fiscal 2023 funding is budgeted as follows: $10.0 million in MDE; $2.5 million in DNR; and $2.5 million in MDA.

Program Open Space Transfers and Repayment Plan

Chapter 10 of 2016 established the repayment of $242.2 million in past redirected transfer tax funds. The plan provided for the use of general funds as a source of repayment to be expended as special funds in the budget. In the four-year term, the legislature modified the repayment plan a number of times to help close budget shortfalls. Prior to the actions of the General Assembly in the 2022 session, the remaining portion of the plan required the repayment of $174.1 million between fiscal 2023 and 2031. ***Chapter 39 of 2022*** accelerated the repayment schedule to provide $171.4 million through fiscal 2024 and the remaining $2.7 million in fiscal 2025.

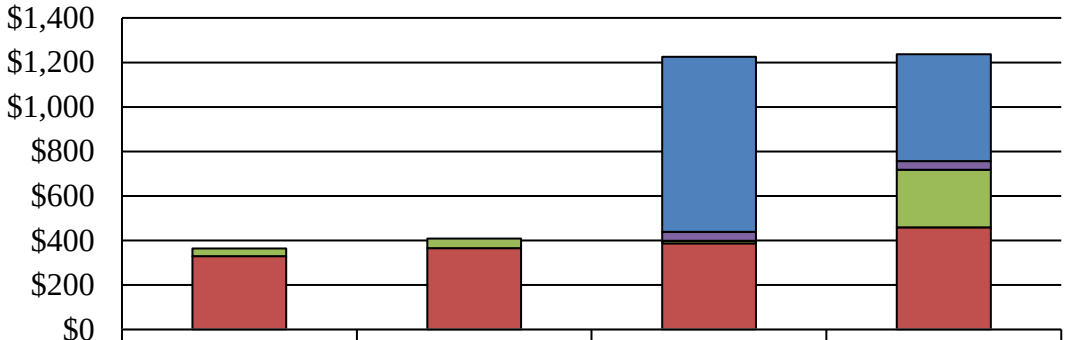
Local Parks and Playground Infrastructure Program

The fiscal 2022 and 2023 budgets each included $85.0 million in GO bonds for the new Local Parks and Playgrounds Infrastructure Program. The 23 counties and Baltimore City received the same funding allocations in both years but, in fiscal 2023, funding was partially allocated with $40.6 million allocated for 52 projects in 12 jurisdictions; the remaining $44.6 million was allocated based on applications received by DNR. The Local Parks and Playgrounds Infrastructure Program provides grants to the county administrative units managing local parks to acquire, design, construct, and capital equip indoor and outdoor park infrastructure and other capital-eligible projects that enhance recreational amenities including, but not limited to, trails, playgrounds, and recreational facilities.

Public School Construction

During the 2019 to 2022 term, the General Assembly provided approximately $3.3 billion for public school construction. This includes almost $1.3 billion authorized by the Built to Learn Act enacted as ***Chapter 20 of 2020***. The Maryland Stadium Authority is authorized by ***Chapter 20*** to issue up to $2.2 billion in revenue bonds to support public school facilities. The legislation also authorizes State funding for a P3 agreement for Prince George's County, which is dependent on the county's entrance into a qualified project agreement by July 1, 2024. **Exhibit A-2.6** shows the historic public school construction funding levels and the impact of the Built to Learn revenue bonds on expanding the program.

Exhibit A-2.6
School Construction Capital Funding
Fiscal 2020-2023



	2020	2021	2022	2023
Revenue Bonds	$0	$0	$786	$480
PAYGO FF	0	0	40	40
PAYGO GF	34	44	12	258
GO Bonds	330	365	387	459

FF: federal funds
GF: general funds
GO: general obligation
PAYGO: pay-as-you-go

Exhibit A-2.7 shows the mandated distribution of Built to Learn funds based on the estimated total proceeds of $2.0 billion.

Exhibit A-2.7
Built To Learn Act
Allocation of Bond Sale Proceeds
($ in Millions)

	Percent of Total	Proceeds
Anne Arundel	12.5%	$250.0
Baltimore City	21.0%	420.0
Baltimore	21.0%	420.0
Frederick	5.1%	102.0
Howard	6.6%	132.0
Montgomery	21.0%	420.0
Prince George's	*	*
All Other Counties	11.5%	230.0
Unallocated/MSA	1.3%	26.0
Total	**100.0%**	**$2,000.0**

MSA: Maryland Stadium Authority

*Under the Act, Prince George's County receives $25.0 million annually for up to 30 years to supplement local funds for an availability payment if it enters into a public-private partnership agreement, subject to other provisions in the Act.

Higher Education

The General Assembly authorized $2.0 billion for higher education projects during the 2019 to 2022 term. These funds provided for the construction of science, engineering, computer science, and interdisciplinary life science facilities; research centers; and infrastructure projects at the State's public and independent four-year institutions and at community colleges throughout the State. **Exhibit A-2.8** shows funding for each public four-year institution and total funding for community colleges and four-year independent institutions.

Exhibit A-2.8
Higher Education Capital Funding by Institution
Fiscal 2020-2023
($ in Thousands)

Institution	2020	2021	2022	2023	Four-year Total
UM, Baltimore	$13,159	$9,944	$13,807	$20,638	$57,548
UM, College Park	21,104	25,000	72,065	109,817	227,986
Bowie State University	6,500	6,250	3,600	79,357	95,707
Towson University	73,491	7,437	50,684	108,761	240,373
UM Eastern Shore	11,023	67,287	22,716	13,365	114,391
Frostburg State University	6,200	35,069	49,655	15,000	105,924
Coppin State University	0	7,963	35,851	6,364	50,178
University of Baltimore	0	0	0	0	0
Salisbury University	0	0	0	1,940	1,940
UM Global College	0	0	0	1,500	1,500
UM Baltimore County	6,000	7,640	13,936	41,886	69,462
UM Center for Environmental Science	0	1,448	0	11,889	13,337
USM Office	28,646	33,000	28,800	90,308	180,754
Subtotal, USM Institutions	***$166,123***	***$201,038***	***$291,114***	***$500,825***	**$1,159,100**
Morgan State University	$41,963	$22,233	$48,856	$108,083	$221,135
St. Mary's College of Maryland	16,971	36,150	23,013	10,989	87,123
Regional Centers[1]	11,953	62,202	4,829		78,984
BCCC	874	4,623	4,000	12,686	22,183
Community Colleges	82,550	103,000	81,174	98,550	365,274
Independents	17,600	12,000	12,000	15,976	57,576
Total	**$338,034**	**$441,246**	**$464,986**	**$747,109**	**$1,991,375**

BCCC: Baltimore City Community College
UM: University of Maryland
USM: University System of Maryland

[1] Includes USM's Southern Maryland Higher Education Center

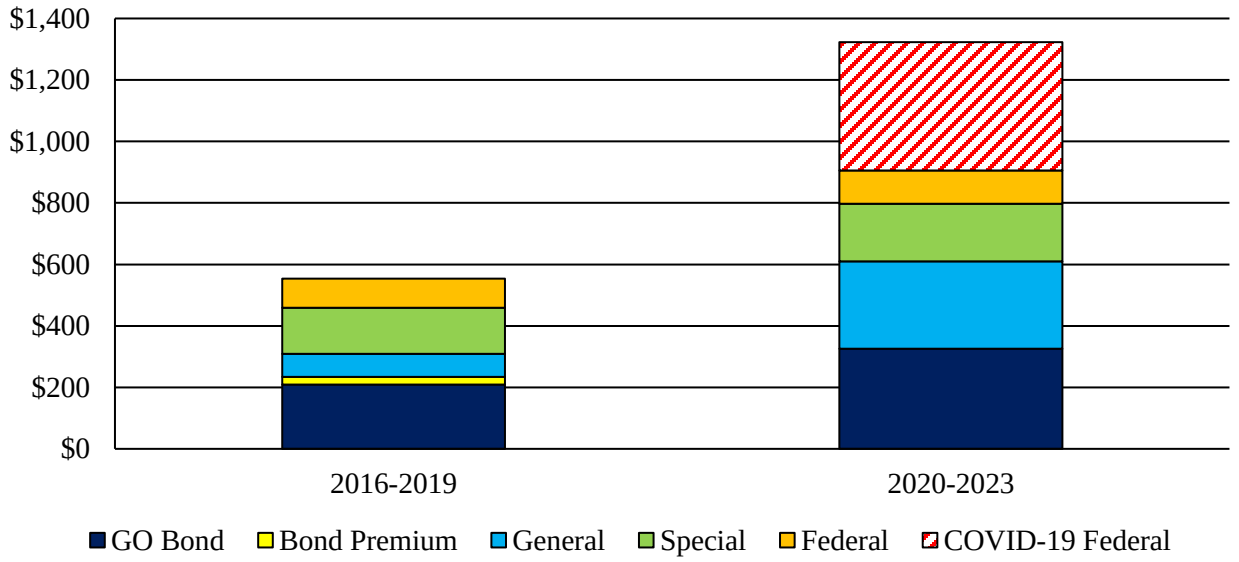
Note: Includes academic revenue bonds (USM), general obligation bonds, general funds, and recycled funds.

The University System of Maryland institutions received 59% ($1.16 billion) of the funding. During the 2019 to 2022 term, the State's contribution for community college construction increased from $232.0 million during the previous four-year term to $387.5 million, including $22.2 million for Baltimore City Community College. Regional centers received $79.0 million in funding attributable to the construction of the Southern Maryland Higher Education Center. Morgan State University received $221.1 million, up from $132.9 million received in the previous four-year term, St. Mary's College of Maryland received $87.1 million compared to $30.7 million in the previous four-year term, and independent institutions received $57.6 million compared to $70.5 million in the previous four-year term.

Housing and Community Development

Capital investment in programs administered by the Department of Housing and Community Development (DHCD) totaled $1.3 billion over the four-year term compared to $554 million in the previous four-year term, as shown in **Exhibit A-2.9**. While much of this increase is due to federal funds provided for COVID-19 relief, State funds also increased by nearly 75%. The majority of COVID-19 relief funds are invested in broadband initiatives ($242.8 million), while the remaining relief funds provide financial assistance to homeowners at risk of displacement ($132 million), support small businesses ($33 million), and fund a pilot program to promote homeownership through targeted investments in communities ($10 million). Expenditures using federal homeowner and small business relief funding are expected to continue well into the next term. With the exception of fiscal 2023, the State continued to rely on the use of GO bond funds and special funds (derived from investments and principal and interest payments on loans) rather than on general funds.

Exhibit A-2.9
Housing and Community Development Capital Funding by Source
Fiscal 2016-2023
($ in Millions)



GO: general obligation

Note: COVID-19 federal funds include funding for broadband initiatives, the Homeowner Assistance Fund, the Homeownership Works pilot program, and the Department of Housing and Community Development's portion of the State Small Business Credit Initiative.

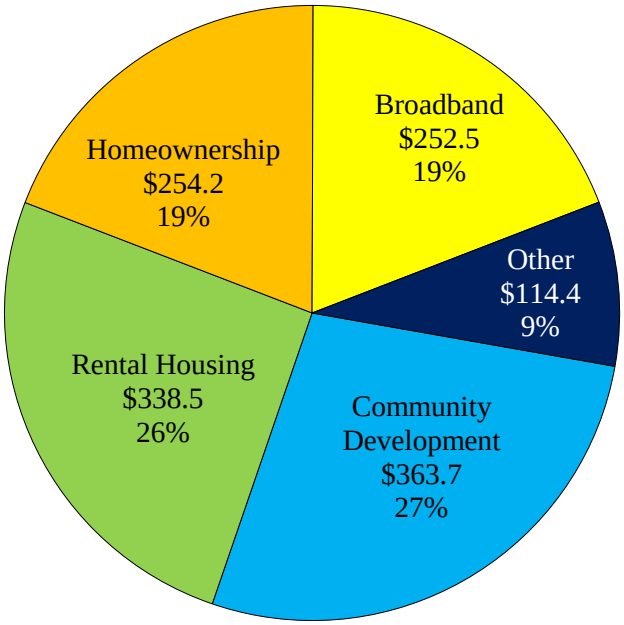
Maryland's Office of Rural Broadband was established in 2017, and ***Chapter 74 of 2021*** renamed the office as the Office of Statewide Broadband and expanded its responsibilities to include the development of a statewide broadband plan, collecting and publishing data on broadband availability and speed, and furthering digital inclusion efforts. Funding for broadband programs started in fiscal 2020 using State funds and was expanded significantly through federal COVID-19 relief legislation. DHCD is using $400 million in federal funds from ARPA to expand broadband access across the State, including $242.8 million in the capital budget. Additional federal funding for broadband initiatives totaling at least $100 million is expected in the coming years from the IIJA.

State funds for most of DHCD's programs continually increased over the four-year term, particularly for Rental Housing Programs, Homeownership Programs, and Neighborhood BusinessWorks. In addition, funding for various community development programs increased significantly due to additional mandated funding. The Seed Community Development Anchor Institution Fund and the National Capital Strategic Economic Development Fund each received

funding for the first time in fiscal 2019, the final year of the previous term. Current law now mandates $10 million in annual funding for the Seed program and $7 million in annual capital funding for the National Capital Strategic Economic Development Fund. Funding across both programs totaled $51.5 million over the four-year term, compared to $5 million in the previous term.

Exhibit A-2.10 shows DHCD funding by category over the four-year term. Rental Housing Programs, which aim to increase the supply of affordable housing through low-interest loans to developers, continued to be DHCD's largest single program, although expenditures on rental housing were matched by combined spending on various community development programs. During the four-year term, a total of $338.5 million, or 26%, of all housing and community development funding was provided to address the development of affordable housing.

Exhibit A-2.10
Housing and Community Development Capital Funding by Category
Fiscal 2019-2023
($ in Millions)



Note: Other includes Housing and Building Energy, Special Loan Programs, Shelter and Transitional Housing, and miscellaneous projects.

Source: Department of Legislative Services

State Aid to Local Governments

Recent Trends

State aid to local governments will total $9.4 billion in fiscal 2023, which represents record funding and a continued commitment by the State to fund public services at the local level. During the 2019 to 2022 term (fiscal 2020 to 2023), State aid to local governments will increase by $1.7 billion. This represents a 22.5% increase over the four-year period, or 5.2% on an average annual basis. The vast majority of this funding increase went to public schools with direct aid for public schools increasing by $1.4 billion. This represents a 23.9% increase over the four-year period, or 5.5% on an average annual basis. Other units of local governments also receive a significant increase in State aid during this four-year period. State aid for local health departments increases by 44.4% over the four-year period, representing a $23.0 million funding increase; while State aid for local community colleges increases by 40.6%, representing a $112.8 million funding increase. County and municipal governments will receive an additional $198.0 million in State aid over the four-year period, which represents a 29.6% increase. State aid to local libraries will increase by 13.8% over the four-year period, resulting in an additional $8.3 million in funding. **Exhibits A-3.1** and **A-3.2** show the change in State aid by governmental entity from fiscal 2019 to 2023.

Exhibit A-3.1
State Aid to Local Governments
Fiscal 2019 and 2023
($ in Millions)

	2019	2023	$ Difference	% Difference
Public Schools	$5,817.5	$7,209.8	$1,392.4	23.9%
Libraries	60.3	68.7	8.3	13.8%
Community Colleges	277.6	390.4	112.8	40.6%
Local Health	51.9	74.9	23.0	44.4%
County/Municipal	668.1	866.0	198.0	29.6%
Subtotal – Direct Aid	***$6,875.3***	***$8,609.8***	***$1,734.5***	***25.2%***
Retirement Payments	$795.9	$790.4	-$5.5	-0.7%
Total	**$7,671.2**	**$9,400.2**	**$1,728.9**	**22.5%**

Source: Department of Legislative Services

Exhibit A-3.2
Annual Change in State Aid
Fiscal 2020-2023
($ in Millions)

	2020	2021	2022	2023	Total
Public Schools	$409.1	$284.1	$243.5	$455.6	$1,392.4
Libraries	2.0	1.3	0.8	4.2	8.3
Community Colleges	7.1	8.9	32.0	64.8	112.8
Local Health	7.5	9.6	4.9	1.0	23.0
County/Municipal	-3.9	86.0	33.1	82.8	198.0
Subtotal – Direct Aid	***$421.9***	***$389.8***	***$314.3***	***$608.4***	***$1,734.5***
Retirement Payments	$38.3	-$18.6	$29.8	-$55.0	-$5.5
Total	**$460.2**	**$371.2**	**$344.1**	**$553.4**	**$1,728.9**

Source: Department of Legislative Services

Major Legislative and Budgetary Actions

The General Assembly took several actions during the 2019 to 2022 term that altered State aid to local governments. These actions included both legislative and budgetary measures, many of which were phased in over several years. Major areas of change during this time include enhancements to direct aid for public schools through the enactment of The Blueprint for Maryland's Future (Blueprint), which incorporated the recommendations of the Commission on Innovation and Excellence in Education. The General Assembly also enhanced the State funding formulas for local libraries and local health departments while gradually increasing State funding under the local highway user revenues program. To improve the fiscal health of low-wealth counties, the General Assembly approved legislation that enhanced State funding under the disparity grant program. The General Assembly also adopted several budgetary measures that provided additional financial assistance to local governments through supplemental grants for local health departments, law enforcement agencies, and low-wealth counties. The following provides a summary of the legislative and budgetary actions that the General Assembly took over the current legislative term.

Public Schools

State aid to public schools will total $7.9 billion in fiscal 2023, which includes $7.2 billion in direct aid and $724.6 million in retirement payments. Public schools account for the vast majority of State funding to local governments, representing approximately 85% of total State aid.

In recent years, the General Assembly examined the funding structure of public schools and adopted several legislative measures that overhauled both the State and local funding requirements for public schools.

Chapter 771 of 2019 and Chapter 36 of 2021 implemented the recommendations of the Commission on Innovation and Excellence in Education and established the Blueprint as State education policy. ***Chapter 771*** enhanced funding for special education and created an array of programs including (1) a Concentration of Poverty School Grant Program; (2) a Teacher Collaborative Grant Program; (3) a Teacher Salary Incentive Grant Program; and (4) a Transitional Supplemental Instruction for Struggling Learners Program. ***Chapter 36*** implemented the Blueprint, as established by ***Chapter 771***, substantially altering State policy for public schools in the policy areas of (1) early childhood education; (2) high-quality and diverse teachers and leaders; (3) college and career readiness; (4) more resources to ensure all students are successful; and (5) governance and accountability. ***Chapter 36*** altered existing funding formulas, expanded programs, and phased in new programs and funding over more than a decade. Both State and local funding for public schools is substantially increased by ***Chapter 36***.

Chapter 55 of 2021, among other provisions, revised ***Chapter 36*** to account for the timing of its enactment. The fiscal 2022 budget and ***Chapter 55*** also addressed conditions brought about by the COVID-19 pandemic, including unusually low enrollment counts for public school formula aid, by offsetting decreases in formula aid and extending by one year funding of certain programs under ***Chapter 771***. ***Chapter 33 of 2022*** specified the minimum local effort that county governments (including Baltimore City) must make in provision of local funds for public schools in fiscal 2023 and altered the due dates related to Blueprint implementation plans. Largely due to Blueprint reforms, total State aid for public schools (including retirement payments) increased from $6.6 billion in fiscal 2019 to $7.9 billion in fiscal 2023, or 21.1%.

Local Libraries

State aid to local libraries will total $89.4 million in fiscal 2023, which includes $68.7 million in direct aid and $20.8 million in retirement payments. Local libraries account for approximately 1% of total State aid to local governments, with funding targeted to local library systems, regional resource centers, and the State Library Resource Center in Baltimore City.

The State provides funding to local library systems through a formula that determines the State and local shares of a minimum per capita library program. Per capita funding has increased from $15.50 in fiscal 2019 to $17.50 in fiscal 2023. Fiscal 2023 funding totals $47.7 million, a $5.8 million increase compared to fiscal 2019. In addition, through ***Chapters 401 and 402 of 2021***, Baltimore City continues to receive $3.0 million annually to support expanded operations as it has since fiscal 2018. The State also provides funding to the State Library Resource Center and to regional resource centers. Per capita funding for the State and regional resource centers have respectively increased from $1.77 and $7.95 in fiscal 2019 to $1.93 and $9.19 in fiscal 2023. Fiscal 2023 State library network funding totals $21.0 million, an increase of $2.6 million over fiscal 2019. Including retirement payments, State aid for local libraries has increased from

$79.2 million in fiscal 2019 to $89.4 million in fiscal 2023, or 12.9%. This degree of increase is largely due to ***Chapters 6 and 27 of 2021*** and ***Chapters 496 and 497 of 2022,*** which collectively increased per capita funding for local libraries and the State and regional resource centers.

Community Colleges

State aid to local community colleges will total $435.3 million in fiscal 2023, which includes $390.4 million in direct aid and $45.0 million in retirement payments. Community colleges account for 4.6% of total State aid to local governments.

The Cade funding formula is the main source of State funding in support of community colleges. The formula is based on a percentage of the current year's State aid to selected four-year public higher education institutions and the total number of full-time equivalent (FTE) students at the community colleges. The total is then distributed to each college based on the previous year's direct grant, enrollment, and a small-size factor. The percentage of four-year institution funding reflected in the State aid formula has increased from 22% in fiscal 2019 to 29% in fiscal 2023. This, combined with a 39% increase in per FTE funding at the four-year institutions, has resulted in an 84% increase in Cade per pupil funding from fiscal 2019 to 2023. Due, however, to considerable community college enrollment declines, the Cade formula funding has increased by a lesser, though still substantial, 47.7% ($114.6 million) over this same period. Largely due to increases in Cade formula aid, in total (including retirement payments), State aid for community colleges has increased from $321.7 million in fiscal 2019 to $435.3 million in fiscal 2023, or 35.3%.

Local Health

The State provides funds to support the delivery of public health services, including child health, communicable disease prevention, maternal health, family planning, environmental health, and administration of local health departments. The funding formula is adjusted annually for inflation and statewide population growth for the second preceding fiscal year. The annual adjustment is generally allocated to each county based on its percentage share of State funds distributed in the previous fiscal year. The need to address a substantial change in community health needs as determined by the Secretary of Health may also affect allocations of the annual adjustment. In fiscal 2023, State funding for local health departments will total $74.9 million, which accounts for less than 1% of total State aid. This funding amount includes $63.5 million under the formula and $11.4 million in supplemental funding.

Chapter 805 of 2021 established a new base level of State funding for the local health formula, which will total $70.0 million in fiscal 2025 and $80.0 million in fiscal 2026. Beginning in fiscal 2027, State funding must be the greater of the (1) funding provided by the formula for the immediately preceding fiscal year or (2) actual funds appropriated for the immediately preceding year adjusted for inflation and population growth.

Transportation

The Maryland Department of Transportation provides capital transportation grants to local governments based on the amount of revenue allocated to the Gasoline and Motor Vehicle Revenue Account (GMVRA). These grants, which are more commonly known as local highway user revenues, will total $276.5 million in fiscal 2023. Of this amount, county governments will receive $65.5 million, municipal governments will receive $41.0 million, and Baltimore City will receive $170.0 million. Over the last four years, State funding for local transportation grants has increased by $35.2 million, which represents a 3.5% average annual increase since fiscal 2019. Even with this increase, State funding for local transportation grants remains below the level of funding provided in fiscal 2007 when State funding reached a high of $554.9 million.

Due to the ongoing pressure at the local level to restore local highway user revenues to fiscal 2007 levels, ***Chapter 240 of 2022*** enhances State funding for local transportation projects. Specifically, as shown in **Exhibit A-3.3**, the Act increases the share of GMVRA funds used to calculate the capital transportation grants beginning in fiscal 2024. As a result, State funding for local highway user revenues is projected to increase by $51.9 million in fiscal 2024 and by $245.6 million in fiscal 2028.

Exhibit A-3.3
Local Share of Highway User Revenues
Fiscal 2023–2028

	2023	2024	2025	2026	2027	2028
MDOT	86.5%	84.4%	82.0%	80.0%	80.0%	84.4%
Baltimore City	8.3%	9.5%	11.0%	12.2%	12.2%	9.5%
Counties	3.2%	3.7%	4.3%	4.8%	4.8%	3.7%
Municipalities	2.0%	2.4%	2.7%	3.0%	3.0%	2.4%

MDOT: Maryland Department of Transportation

Note: The distribution in fiscal 2028 continues in future fiscal years.

Source: Department of Legislative Services

Public Safety

State aid for public safety programs will total $250.8 million in fiscal 2023, which represents a $118.6 million increase over the past four years. Most of this increase is due to enhanced discretionary funding for police aid and targeted crime grants, along with legislation increasing funding for emergency 9-1-1 systems.

Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with a higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. State funding for police aid will total $76.6 million in fiscal 2023, which represents a $2.2 million increase over the past four years. In response to the rise in violent crime, the General Assembly approved an additional $45.9 million in funding for police aid in fiscal 2023, with the enhanced funding allocated based on each jurisdiction's share of total violent offenses committed in the State.

Local law enforcement agencies also receive additional State funding through targeted crime grants, which will total $53.4 million in fiscal 2023. In the past four years, State funding for targeted crime grants has increased by $25.4 million, mostly due to the expansion in the number of grant programs. Since fiscal 2019, several new grant programs have been established, including funding for police recruitment and retention, police accountability, warrant apprehension, rape kit testing, license plate readers, and cross jurisdictional task forces.

Another program receiving a considerable increase in State funding includes grants for emergency 9-1-1 systems. The State 9-1-1 system is supported by a State and a local fee on telephone subscribers that is deposited into a trust fund that provides reimbursements to counties for improvements and enhancements to their 9-1-1 systems. Counties may only use the trust fund money to supplement their spending, not to supplant it. ***Chapters 301 and 302 of 2019*** doubled the State 9-1-1 fee, allowed counties to double their 9-1-1 fees, and required the fee to be assessed on each phone line on a customer account as opposed to being assessed once per account. As a result, State funding for 9-1-1 systems has increased from $13.0 million in fiscal 2019 to $58.0 million in fiscal 2023, an increase of $45.0 million.

Disparity Grants

The disparity grant program provides funding to low-wealth jurisdictions where per capita local income tax revenue is below 75% of the statewide average. To help alleviate potential disparities in local income tax collections, the program provides a grant to enable local income tax revenues to reach at least 75% of the statewide average. Due to the significant growth in the mandated funding level for the program, the General Assembly approved legislation in 2009 to cap annual funding to the amount that each jurisdiction received in fiscal 2010. While this provision restrained the growth in mandated funding, it failed to recognize changes in local wealth among jurisdictions due to the varying economic and social conditions across the State. To address this concern, the General Assembly approved legislation in 2013 that established a minimum funding level based on a county's local income tax rate. The minimum funding level is set at 20% for jurisdictions with at least a 2.8% local income tax rate, 40% for jurisdictions with at least a 3% rate, and 60% for jurisdictions with the maximum 3.2% rate. Subsequent legislation increased the minimum grant amount for jurisdictions with the maximum 3.2% local income tax rate to 67.5% on a temporary basis.

In 2020, the General Assembly passed House Bill 737, which altered the enhanced State funding provided under the disparity grant program to jurisdictions with a local income tax rate of 3.2% by (1) increasing the minimum grant amount from 67.5% to 75% and (2) repealing the termination date for the enhanced funding. The Governor vetoed the bill, but the veto was overridden at the 2021 session and the legislation became law as ***Chapter 26 of 2021***. Of the 10 jurisdictions that qualify for disparity grants, 6 impose the maximum 3.2% local income tax rate. In fiscal 2023, disparity grant funding will total $161.2 million, which represents a $20.4 million increase over the last four years. Funding in fiscal 2023 includes $15.4 million in hold harmless grants for eligible jurisdictions with a 3.2% local income tax rate.

Changes by Program

The State distributes aid or shares revenue with the local governments through over 80 different programs. To promote fiscal equity among jurisdictions, about 70% of State aid is distributed inversely to local wealth. **Exhibit A-3.4** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees in fiscal 2019 and 2023. **Exhibit A-3.5** compares total State aid in fiscal 2019 and 2023 by program.

Exhibit A-3.4
State Aid to Local Governments
Fiscal 2023 Legislative Appropriation
($ in Thousands)

			Direct State Aid						Change	
County	**County – Municipal**	**Community Colleges**	**Public Schools**	**Libraries**	**Health**	**Subtotal**	**Retirement**	**Total**	**Over Fiscal 2019**	**Percent Change**
Allegany	$17,364	$9,132	$97,294	$870	$2,491	$127,150	$8,057	$135,207	$15,694	13.1%
Anne Arundel	52,081	42,972	471,213	2,730	5,970	574,966	69,616	644,582	121,251	23.2%
Baltimore City	321,507	0	1,126,504	9,652	10,690	1,468,353	61,532	1,529,885	302,752	24.7%
Baltimore	34,872	64,966	836,781	7,357	6,954	950,930	96,333	1,047,263	183,235	21.2%
Calvert	6,724	5,084	102,941	578	1,118	116,445	13,770	130,215	24,101	22.7%
Caroline	7,181	2,143	69,020	361	1,258	79,963	4,712	84,675	14,354	20.4%
Carroll	7,525	12,832	157,927	1,222	2,954	182,460	20,664	203,123	29,686	17.1%
Cecil	11,528	8,827	119,048	925	2,049	142,376	13,465	155,842	13,271	9.3%
Charles	5,998	9,361	222,572	1,328	2,396	241,655	21,680	263,335	38,438	17.1%
Dorchester	8,020	1,626	55,289	344	1,291	66,570	3,875	70,445	14,725	26.4%
Frederick	12,293	17,380	329,080	1,820	3,305	363,878	35,121	399,000	88,658	28.6%
Garrett	6,871	5,398	24,670	182	1,347	38,468	3,328	41,796	4,547	12.2%
Harford	9,646	17,677	263,582	2,030	3,717	296,652	30,470	327,121	58,975	22.0%
Howard	10,916	31,306	331,408	1,163	2,967	377,759	58,978	436,737	82,430	23.3%
Kent	1,509	645	11,263	119	1,290	14,827	1,672	16,499	312	1.9%
Montgomery	37,194	70,709	868,664	3,717	5,172	985,456	166,207	1,151,663	173,409	17.7%
Prince George's	131,139	45,390	1,348,373	8,729	8,217	1,541,848	116,986	1,658,834	242,240	17.1%
Queen Anne's	2,614	2,809	41,596	201	1,020	48,241	5,974	54,215	5,757	11.9%
St. Mary's	4,023	6,263	127,136	881	1,675	139,977	13,627	153,604	21,841	16.6%
Somerset	9,451	1,431	40,953	324	1,139	53,298	2,797	56,095	10,358	22.6%
Talbot	3,256	2,413	18,850	131	892	25,543	3,822	29,365	4,956	20.3%
Washington	11,331	14,541	213,779	1,604	3,053	244,308	17,502	261,810	42,535	19.4%
Wicomico	19,927	7,756	181,856	1,232	2,413	213,184	13,015	226,200	40,236	21.6%
Worcester	9,557	3,250	25,418	184	1,519	39,928	7,190	47,118	7,538	19.0%
Unallocated	123,481	6,460	124,616	20,973	0	275,530	0	275,530	187,648	213.5%
Total	**$866,007**	**$390,370**	**$7,209,834**	**$68,656**	**$74,896**	**$8,609,763**	**$790,395**	**$9,400,158**	**$1,728,949**	**22.5%**

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit A-3.4 (Cont.)

State Aid to Local Governments

Dollar Difference Between Fiscal 2023 Legislative Appropriation and Fiscal 2019 Actual

($ in Thousands)

			Direct State Aid					
County	**County – Municipal**	**Community Colleges**	**Public Schools**	**Libraries**	**Health**	**Subtotal**	**Retirement**	**Total**
Allegany	-$1,199	$2,703	$13,612	$53	$954	$16,124	-$430	$15,694
Anne Arundel	4,825	11,379	101,405	380	1,652	119,641	1,610	121,251
Baltimore City	37,960	0	265,131	274	2,323	305,688	-2,936	302,752
Baltimore	7,411	20,582	152,983	1,147	1,435	183,558	-323	183,235
Calvert	950	2,234	20,380	96	460	24,120	-19	24,101
Caroline	1,393	461	12,159	44	473	14,530	-176	14,354
Carroll	1,023	3,776	23,622	189	1,157	29,766	-80	29,686
Cecil	-676	2,241	11,123	85	825	13,598	-327	13,271
Charles	745	99	37,723	221	825	39,614	-1,176	38,438
Dorchester	2,803	324	11,003	48	599	14,776	-51	14,725
Frederick	1,567	5,906	77,737	327	1,135	86,672	1,986	88,658
Garrett	374	1,363	2,311	19	637	4,704	-157	4,547
Harford	1,125	4,704	51,204	358	1,256	58,647	328	58,975
Howard	1,853	10,722	70,301	180	1,115	84,171	-1,740	82,430
Kent	-997	94	737	16	666	516	-204	312
Montgomery	4,062	21,330	148,604	481	1,133	175,610	-2,200	173,409
Prince George's	24,204	12,042	202,214	1,252	1,752	241,464	775	242,240
Queen Anne's	-178	651	5,198	25	390	6,088	-331	5,757
St. Mary's	-840	3,106	18,976	109	553	21,904	-63	21,841
Somerset	1,436	594	7,826	21	496	10,374	-15	10,358
Talbot	411	562	3,521	16	366	4,876	80	4,956
Washington	3,215	4,822	33,554	243	1,105	42,939	-404	42,535
Wicomico	4,496	2,122	32,208	141	995	39,963	274	40,236
Worcester	1,014	818	4,880	24	728	7,463	74	7,538
Unallocated	100,978	138	83,938	2,593	0	187,648	0	187,648
Total	**$197,956**	**$112,773**	**$1,392,352**	**$8,343**	**$23,031**	**$1,734,454**	**-$5,506**	**$1,728,949**

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit A-3.4 (Cont.)

State Aid to Local Governments

Percent Change: Fiscal 2023 Legislative Appropriation Over Fiscal 2019 Actual

	Direct State Aid							
County	**County – Municipal**	**Community Colleges**	**Public Schools**	**Libraries**	**Health**	**Subtotal**	**Retirement**	**Total**
Allegany	-6.5%	42.0%	16.3%	6.5%	62.1%	14.5%	-5.1%	13.1%
Anne Arundel	10.2%	36.0%	27.4%	16.2%	38.3%	26.3%	2.4%	23.2%
Baltimore City	13.4%	n/a	30.8%	2.9%	27.8%	26.3%	-4.6%	24.7%
Baltimore	27.0%	46.4%	22.4%	18.5%	26.0%	23.9%	-0.3%	21.2%
Calvert	16.5%	78.4%	24.7%	19.9%	69.9%	26.1%	-0.1%	22.7%
Caroline	24.1%	27.4%	21.4%	13.8%	60.3%	22.2%	-3.6%	20.4%
Carroll	15.7%	41.7%	17.6%	18.3%	64.4%	19.5%	-0.4%	17.1%
Cecil	-5.5%	34.0%	10.3%	10.1%	67.4%	10.6%	-2.4%	9.3%
Charles	14.2%	1.1%	20.4%	20.0%	52.5%	19.6%	-5.1%	17.1%
Dorchester	53.7%	24.9%	24.8%	16.1%	86.6%	28.5%	-1.3%	26.4%
Frederick	14.6%	51.5%	30.9%	21.9%	52.3%	31.3%	6.0%	28.6%
Garrett	5.8%	33.8%	10.3%	11.4%	89.8%	13.9%	-4.5%	12.2%
Harford	13.2%	36.3%	24.1%	21.4%	51.1%	24.6%	1.1%	22.0%
Howard	20.4%	52.1%	26.9%	18.3%	60.2%	28.7%	-2.9%	23.3%
Kent	-39.8%	17.0%	7.0%	15.9%	106.7%	3.6%	-10.9%	1.9%
Montgomery	12.3%	43.2%	20.6%	14.9%	28.0%	21.7%	-1.3%	17.7%
Prince George's	22.6%	36.1%	17.6%	16.8%	27.1%	18.6%	0.7%	17.1%
Queen Anne's	-6.4%	30.2%	14.3%	14.5%	61.9%	14.4%	-5.2%	11.9%
St. Mary's	-17.3%	98.4%	17.5%	14.1%	49.3%	18.6%	-0.5%	16.6%
Somerset	17.9%	71.0%	23.6%	7.0%	77.1%	24.2%	-0.5%	22.6%
Talbot	14.4%	30.3%	23.0%	13.7%	69.8%	23.6%	2.1%	20.3%
Washington	39.6%	49.6%	18.6%	17.9%	56.7%	21.3%	-2.3%	19.4%
Wicomico	29.1%	37.7%	21.5%	13.0%	70.2%	23.1%	2.1%	21.6%
Worcester	11.9%	33.6%	23.8%	15.1%	92.0%	23.0%	1.0%	19.0%
Unallocated	448.7%	2.2%	206.3%	14.1%	n/a	213.5%	-50.0%	213.5%
Total	**29.6%**	**40.6%**	**23.9%**	**13.8%**	**44.4%**	**25.2%**	**-0.7%**	**22.5%**

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit A-3.4 (Cont.)

State Aid to Local Governments

Fiscal 2019 Actual

($ in Thousands)

	Direct State Aid							
County	**County – Municipal**	**Community Colleges**	**Public Schools**	**Libraries**	**Health**	**Subtotal**	**Retirement**	**Total**
Allegany	$18,563	$6,429	$83,681	$817	$1,536	$111,026	$8,487	$119,513
Anne Arundel	47,255	31,593	369,808	2,350	4,318	455,325	68,006	523,331
Baltimore City	283,548	0	861,373	9,378	8,367	1,162,665	64,468	1,227,133
Baltimore	27,461	44,384	683,798	6,210	5,519	767,372	96,656	864,028
Calvert	5,774	2,849	82,561	482	658	92,324	13,790	106,114
Caroline	5,788	1,682	56,861	317	785	65,433	4,889	70,321
Carroll	6,503	9,056	134,306	1,032	1,797	152,693	20,744	173,437
Cecil	12,204	6,586	107,925	840	1,224	128,778	13,792	142,570
Charles	5,253	9,262	184,849	1,107	1,571	202,041	22,856	224,897
Dorchester	5,217	1,302	44,286	296	692	51,794	3,926	55,720
Frederick	10,726	11,474	251,343	1,493	2,171	277,207	33,135	310,342
Garrett	6,497	4,034	22,359	163	710	33,764	3,484	37,249
Harford	8,521	12,973	212,378	1,672	2,461	238,005	30,142	268,146
Howard	9,063	20,583	261,107	983	1,851	293,588	60,719	354,307
Kent	2,506	552	10,526	103	624	14,311	1,875	16,186
Montgomery	33,132	49,379	720,060	3,236	4,039	809,847	168,407	978,254
Prince George's	106,935	33,348	1,146,159	7,477	6,465	1,300,383	116,211	1,416,594
Queen Anne's	2,792	2,158	36,398	175	630	42,153	6,305	48,458
St. Mary's	4,862	3,156	108,160	772	1,122	118,072	13,690	131,763
Somerset	8,015	837	33,126	303	643	42,924	2,813	45,736
Talbot	2,845	1,852	15,329	116	525	20,666	3,742	24,408
Washington	8,116	9,718	180,224	1,361	1,948	201,368	17,906	219,275
Wicomico	15,431	5,634	149,648	1,091	1,418	173,222	12,742	185,963
Worcester	8,542	2,433	20,539	159	791	32,464	7,115	39,580
Unallocated	22,502	6,322	40,678	18,380	0	87,882	0	87,882
Total	**$668,052**	**$277,597**	**$5,817,482**	**$60,313**	**$51,865**	**$6,875,308**	**$795,901**	**$7,671,209**

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit A-3.5
Total State Aid to Local Governments
Fiscal 2019 and 2023

Program	2019	2023	Difference
Foundation Aid	$3,056,189,470	$3,659,452,582	$603,263,112
Supplemental Program	46,620,083	0	-46,620,083
Geographic Cost of Education Index	141,573,510	157,909,651	16,336,141
Net Taxable Income Education Grant	62,523,818	0	-62,523,818
Foundation – Special Grants	12,955,565	0	-12,955,565
Tax Increment Financing Education Grants	535,131	0	-535,131
Declining Enrollment Education Grants	18,663,687	0	-18,663,687
Compensatory Education	1,308,336,290	1,295,201,860	-13,134,430
Student Transportation – Regular	256,452,211	308,751,983	52,299,772
Student Transportation – Special Education	26,121,000	27,213,000	1,092,000
Special Education – Formula	290,806,520	401,310,445	110,503,925
Special Education – Nonpublic Placements	123,500,000	141,413,212	17,913,212
Special Education – Infants and Toddlers	10,170,853	14,673,430	4,502,577
English Language Learners Grant	288,041,382	422,465,014	134,423,632
Guaranteed Tax Base	48,169,682	45,783,860	-2,385,822
Prekindergarten Expansion Program	11,605,644	26,644,000	15,038,356
Prekindergarten Supplemental Grants	16,039,177	0	-16,039,177
School Safety Grants	30,581,246	20,600,000	-9,981,246
Blueprint – Concentration of Poverty	0	190,286,426	190,286,426
Blueprint – Transitional Supplemental Instruction	0	49,951,813	49,951,813
Blueprint – Transition Grants	0	57,688,465	57,688,465
Blueprint – Full Day Prekindergarten	0	144,063,352	144,063,352
Blueprint – College and Career Readiness	0	18,669,966	18,669,966
Blueprint – Education Effort Index	0	125,673,115	125,673,115
Blueprint – Career Ladder	0	9,033,505	9,033,505
Food Service	11,236,664	15,796,664	4,560,000
SEED School	10,450,207	12,291,760	1,841,553
Judy Hoyer Centers	10,575,000	24,936,380	14,361,380
Teacher Development	3,503,190	2,696,000	-807,190
Next Generation Scholars	4,700,000	5,000,000	300,000
Public School Opportunities	3,000,000	3,000,000	0
Out-of-county Foster Placements	2,000,164	2,000,000	-164

Program	2019	2023	Difference
Head Start	1,799,999	3,000,000	1,200,001
Other Education Aid	21,331,686	24,327,260	2,995,574
Total Primary and Secondary Education	**$5,817,482,179**	**$7,209,833,743**	**$1,392,351,564**
Library Formula	$41,932,865	$47,683,020	$5,750,155
Library Network	18,380,048	20,972,879	2,592,831
Total Libraries	**$60,312,913**	**$68,655,899**	**$8,342,986**
Community College Formula	$240,441,140	$355,061,437	$114,620,297
Optional Retirement	16,734,952	16,700,000	-34,952
Grants for ESOL Programs	5,534,272	3,026,334	-2,507,938
Small College Grants	6,559,101	9,121,808	2,562,707
Other Community College Aid	8,327,244	6,460,457	-1,866,787
Total Community Colleges	**$277,596,709**	**$390,370,036**	**$112,773,327**
Highway User Revenue	$183,348,097	$276,501,000	$93,152,903
County Transportation Grants	35,451,141	0	-35,451,141
Municipal Transportation Grants	22,480,289	0	-22,480,289
Elderly and Disabled Transportation Aid	4,374,842	4,305,908	-68,934
Paratransit Grants	1,500,562	1,408,450	-92,112
Total Transportation	**$247,154,931**	**$282,215,358**	**$35,060,427**
Police Aid	$74,450,463	$76,633,868	$2,183,405
Police Aid Enhancement	0	45,878,144	45,878,144
Fire and Rescue Aid	15,000,000	15,000,000	0
9-1-1 Grants	13,006,802	58,042,886	45,036,084
Baltimore City Direct Police Grant	9,180,112	9,180,113	1
Safe Streets Program	4,589,746	3,600,000	-989,746
State’s Attorney Grants	3,228,840	2,905,955	-322,885
Violent Crime Grants	2,292,489	2,292,489	0
Vehicle Theft Prevention	1,839,697	1,886,020	46,323
Drug Enforcement Grants	1,011,696	1,214,610	202,914
Maryland Criminal Intelligence Network	1,200,000	6,723,865	5,523,865
Police Recruitment and Retention	0	1,300,000	1,300,000
Rape Kit Testing Grant Fund	0	3,500,000	3,500,000
Police Accountability	0	8,000,000	8,000,000
Warrant Apprehension Grant	0	3,250,000	3,250,000

Program	2019	2023	Difference
License Plate Reader Grant	0	5,000,000	5,000,000
Cross Jurisdictional Task Forces	0	1,000,000	1,000,000
Other Public Safety Aid	6,489,481	5,431,509	-1,057,972
Total Public Safety	**$132,289,326**	**$250,839,459**	**$118,550,133**
Wastewater Treatment – Nutrient Removal	$5,327,250	$11,000,000	$5,672,750
Critical Area Grants	253,900	138,450	-115,450
Total Recreation/Environment	**$5,581,150**	**$11,138,450**	**$5,557,300**
Local Health Formula	**$51,864,717**	**$74,895,642**	**$23,030,925**
Disparity Grant	**$140,804,172**	**$161,217,795**	**$20,413,623**
Gaming Impact Grants	$92,844,277	$101,518,357	$8,674,080
Teachers Retirement Supplemental Grants	27,658,661	27,658,661	0
Adult Education	7,875,407	8,011,986	136,579
Statewide Voting Systems	3,067,129	5,372,337	2,305,208
Revenue Equity Program	3,303,370	3,928,657	625,287
Payments in Lieu of Taxes (PILOT)	2,189,598	1,667,392	-522,206
PILOT – Park Service	2,056,592	2,879,000	822,408
PILOT – Forest Service	212,385	144,708	-67,677
Instant Bingo	2,250,413	3,150,000	899,587
Behavioral Health Crisis Response	0	5,000,000	5,000,000
Senior Citizens Activities Center	764,238	765,117	879
State Center Redevelopment Plan	0	500,000	500,000
Total Other Direct Aid	**$142,222,070**	**$160,596,215**	**$17,874,145**
Total Direct Aid	**$6,875,308,167**	**$8,609,762,597**	**$1,734,454,430**
Retirement – Teachers	$732,920,781	$724,643,897	-$8,276,884
Retirement – Libraries	18,912,773	20,776,867	1,864,094
Retirement – Community Colleges	44,067,171	44,974,265	907,094
Total Payments-in-behalf	**$795,900,725**	**$790,395,029**	**-$5,505,696**
Total State Aid	**$7,671,208,892**	**$9,400,157,626**	**$1,728,948,734**

ESOL: English for Speakers of Other Languages

County Level Detail

This section includes information for each county on State aid, State funding of selected services, and capital projects in the county. The three parts included under each county are described below.

Direct Aid and Retirement Payments

Direct Aid: The State distributes aid or shares revenue with the counties, municipalities, and Baltimore City through over 80 different programs. Part A, section 1 of each county's statistical tables compares aid distributed to the county in fiscal 2020 and 2023.

Retirement Payments: County teachers, librarians, and community college faculty are members of either the teachers' retirement or pension systems maintained and operated by the State. The State pays a portion of the employer share of the retirement costs on behalf of the counties for these local employees. Although these funds are not paid to the local governments, each county's allocation is estimated from salary information collected by the State retirement systems. The figure shown in this report for each county is the four-year cumulative total retirement costs (fiscal 2020 through 2023). These estimates are presented in Part A, section 2 of each county.

Estimated State Spending on Health and Social Services

The State funds the provision of health and social services in the counties either through local governments, private providers, or State agencies in the counties. Part B of each county shows the fiscal 2020 to 2023 estimated allocation of appropriations, excluding federal funds, for health services, social services, and senior citizen services.

Health Services: The Maryland Department of Health, through its various administrations, funds in whole or part community health programs that are provided in the local subdivisions. In addition, the Medicaid program provides funding for medical services for low-income persons. This report does not include spending at the State mental health hospitals, developmental disability facilities, or chronic disease centers. The fiscal 2023 funding is allocated among the subdivisions based on each jurisdiction's share of fiscal 2022 funding and may change.

- ***Behavioral Health Services:*** The Behavioral Health Administration was formed from the combination of the Alcohol and Drug Abuse Administration with the Mental Health Administration. Substance abuse programs include primary and emergency care, intermediate care facilities, halfway houses and long-term care programs, outpatient care, and prevention programs. Community mental health services are developed and monitored at the local level by Core Service Agencies. The Core Service Agencies have the clinical, fiscal, and administrative responsibility to develop a coordinated network of services for all public mental health clients of any age within a given jurisdiction. These services

include inpatient hospital and residential treatment facility stays, outpatient treatment, psychiatric rehabilitation services, counseling, and targeted case management services.

- ***Family Health and Chronic Disease Services:*** The Prevention and Health Promotion Administration funds a variety of community-based programs through the local health departments and private-sector agencies in each of the subdivisions. These programs include maternal health (family planning, pregnancy testing, prenatal and perinatal care, *etc*.) and infant and child health (disease prevention, child health clinics, specialty services, *etc*.). The Administration is also responsible for chronic and hereditary disease prevention (cancer, heart disease, diabetes, *etc*.) and the prevention and control of infectious diseases including HIV/AIDS. Beginning in fiscal 2022, this category includes funding for kidney disease treatment services that was formerly included under the Medicaid program.

- ***Medicaid:*** The Medical Assistance Program funds medical services for low-income Marylanders. The program covers physician services, hospital inpatient and outpatient services, and pharmacy services. Medicaid funding for mental health services is included under the Behavioral Health Services category.

- ***Developmental Disabilities:*** The Developmental Disabilities Administration's community-based programs include residential services; day programs; transportation services; summer recreation for children; individual and family support services, including respite care; individual family care; behavioral support services; and community supported living arrangements.

Social Services: The Department of Human Services; the Governor's Office of Crime Prevention, Youth and Victim Services; and the Department of Housing and Community Development provide funding for various social and community services in the subdivisions. Part B of each county's statistical tables shows fiscal 2020 to 2023 estimates of funding for those programs that are available by subdivision. Note that fiscal 2023 funding for homeless services, women's services, foster care, and Temporary Cash Assistance (TCA) is allocated among the subdivisions based on each jurisdiction's share of fiscal 2022 funding and may change.

- ***Homeless Services:*** The State funds programs that provide emergency and transitional housing, food, and transportation for homeless families and individuals. Funding is available by county for the housing counselor, the homeless solutions program, and the ending youth homelessness program.

- ***Women's Services:*** The State provides funding for a variety of community-based programs for women. These include the domestic violence program, rape crisis centers, crime victim's services, and services for homeless women and children.

- ***Adult Services:*** The State social services departments in each of the subdivisions provide a variety of services to disabled, elderly, neglected, and exploited adults. Services include

information and referral, crisis intervention, case management, protective services, in-home aid, and respite care for families.

- ***Child Welfare Services:*** The State social services departments in each of the subdivisions offer programs to support the healthy development of families, assist families and children in need, and protect abused and neglected children. Services include adoptive services, foster care programs, family preservation programs, and child protective services.

- ***Foster Care:*** The foster care program places children who cannot remain in the care of their parents or legal guardian in alternate settings. The program includes payments to foster family homes, group homes, and residential facilities for neglected children.

- ***TCA:*** The TCA program provides financial assistance to dependent children and other family members deprived of support due to the death, incapacitation, underemployment, or unemployment of one or both parents.

Senior Citizen Services: The Maryland Department of Aging funds a variety of services for senior citizens mostly through local area agencies on aging. In Part B of each county, these programs have been combined into two broad categories – long-term care and community services. In this report, the fiscal 2023 general funds are allocated among the subdivisions based on each jurisdiction's share of fiscal 2022 funding and may change.

- ***Long-term Care:*** This category includes the following programs: vulnerable elderly; senior care; senior guardianship; and the ombudsman program.

- ***Community Services:*** Included in this category are the senior information and assistance program, the senior nutrition program, the community for life program and the hold harmless grant.

Capital Grants and Capital Projects for State Facilities

This section shows capital grants for local projects as well as capital spending at State-owned facilities authorized by the fiscal 2020 to 2023 operating and capital budgets. In addition, it reflects subsequent actions taken by the legislature to amend or deauthorize funding in either the annual capital budget or separate legislation. For each capital project, the total authorized amount is given, regardless of the funding source, although federally funded projects are shown separately.

Selected State Grants for Capital Projects: The State provides capital grants for public schools; community colleges; local jails; parks and playgrounds; community health facilities; water quality projects; waterway improvements; homeless shelters; and other cultural, historical, and economic development projects. These projects are listed in Part C for each county. Projects at regional community colleges are shown for each county that the college serves. Similarly,

projects at wastewater treatment plants that serve more than one county are shown for each county served.

The projects included for loan programs are those anticipated at the time the operating and capital budgets were adopted for each of the four fiscal years covered in this report. In addition, for some loan programs, total allocations may reflect available funds from prior years, resulting in project lists that add to more than the budget approved in a specific fiscal year. The actual projects funded and/or the amount of funding for specific projects could be significantly different from what is reported here depending on which projects were ready to move forward and final costs.

The school construction projects for fiscal 2020 to 2022 reflect the Interagency Commission on School Construction's (IAC) final allocation based on the adopted operating and capital budgets for each year and available prior year funds. The fiscal 2023 budget includes $522.0 million in funding for the main school construction program of which $252.0 million has been allocated to specific projects as of the publication of this report. **The projects funded and/or the amount of the funding for specific projects could change pending the final IAC allocation for fiscal 2023.** In addition, the fiscal 2023 capital budget specifies six jurisdictions earmarked to receive $237 million for school construction. Part C shows these allocated funding amounts under public schools.

The fiscal 2023 budget includes $95.4 million for the Supplemental Capital Grant Program for Local School Systems, available to school systems with significant enrollment growth or relocatable classrooms. The funding has not been allocated to specific projects, but this report shows the total grants for each of the seven qualifying school systems. Similarly, funding for the Aging Schools Program for fiscal 2020 to 2023 is allocated by county but not to specific projects.

Capital Projects for State Facilities Located in the County: Part D for each jurisdiction shows capital projects at State facilities and public colleges and universities by the jurisdiction in which the facility is located. If a facility is located in more than one county, such as a State park, the total amount of the capital project is shown for all relevant counties. For each capital project, the total authorized amount is given regardless of funding source although federally funded projects are generally shown separately. For the universities, projects funded from auxiliary revenue bonds are excluded. This report generally excludes transportation projects but does include such projects funded by general funds or general obligation bonds in the operating and capital budgets.

Allegany County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$43,932	$44,464	$41,939	$47,484
Compensatory Education	22,243	22,064	20,881	21,308
Student Transportation	5,066	5,116	5,090	5,540
Special Education	7,578	7,424	7,072	8,662
English Language Learners Grant	87	117	119	198
Guaranteed Tax Base	4,468	4,603	5,094	5,813
Blueprint Funding[1]	3,018	4,910	10,445	6,831
Prekindergarten Grants	130	330	330	330
Other Education Aid	1,520	1,580	1,075	1,126
Primary and Secondary Education	***$88,041***	***$90,608***	***$92,045***	***$97,294***
Libraries	$840	$859	$868	$870
Community Colleges	6,588	6,889	7,900	9,132
Health Formula Grant	1,947	3,707	4,335	2,491
Transportation[2]	2,731	2,991	3,077	3,149
Police and Public Safety[2]	1,384	873	844	1,252
Fire and Rescue Aid[2]	352	349	350	350
Disparity Grant	7,299	7,299	7,299	7,299
Teachers Retirement Supplemental Grant	1,632	1,632	1,632	1,632
Gaming Impact Aid	1,860	2,560	2,675	2,710
Other Direct Aid	1,197	1,118	966	972
Total Direct Aid	**$113,870**	**$118,885**	**$121,991**	**$127,150**
Aid Per Capita ($)	$1,676	$1,750	$1,801	$1,877
Property Tax Equivalent ($)	2.88	2.97	3.00	3.04

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Allegany County for teachers, librarians, and community college faculty are estimated to be $33,821,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$74,455	$66,554	$75,873	$87,574
Family Health and Chronic Disease	548	573	581	1,550
Developmental Disabilities	13,638	13,494	14,697	17,752
Behavioral Health Services	12,723	13,151	16,778	18,732
Total	**$101,364**	**$93,772**	**$107,929**	**$125,608**
Social Services				
Homeless Services	$117	$117	$121	$240
Women's Services	299	299	299	302
Adult Services	255	348	254	258
Child Welfare Services	3,903	4,050	3,303	3,366
Foster Care	2,164	2,607	3,299	3,687
Temporary Cash Assistance	55	1,624	935	1,142
Total	**$6,793**	**$9,045**	**$8,211**	**$8,995**
Senior Citizen Services				
Long-term Care	$180	$182	$178	$204
Community Services	74	54	62	137
Total	**$254**	**$236**	**$240**	**$341**

C. Selected State Grants for Capital Projects

Public Schools

Bel Air Elementary School – renovations (roof)	$972,000
Braddock Middle School – renovations (boiler)	986,000
Braddock Middle School – renovations (electrical/elevator)	712,484
Center for Career and Technical Education – renovations (roof)	1,572,750
Fort Hill High School – renovations (boilers)	1,897,000
Northeast Elementary School – renovations (roof)	945,000
Washington Middle School – renovations (boiler)	927,000
Washington Middle School – renovations (electrical)	688,500
Aging Schools Program	391,164
	$9,091,898

Public Libraries

LaVale Library – renovation and expansion	$3,797,000

Allegany College of Maryland

Campuswide – facilities renewal	$949,250
Technology Building – renovation	5,374,000
	$6,323,250

Strategic Demolition Fund

Allegany High School – demolition	$2,500,000

Program Open Space

Park acquisition and development	$2,626,308

Community Parks and Playgrounds

Barton Meadow Park Playground	$100,000
Church Street Playground	185,000
Countywide – indoor and outdoor park infrastructure	1,000,000
East First Street Playground	149,000
Frostburg – Armory Field	12,376
Lonaconing Town Parks	80,310
Luke – Nevison Avenue Park	75,000

Luke Inclusive Nature Playground	200,000
Park acquisition and development	1,000,000
	$2,801,686

Chesapeake Bay Water Quality Projects

Flintstone Wastewater Treatment Plant	$1,500,000
Frostburg – combined sewer overflow	173,086
Luke – Mullen Avenue sewer collection system	488,000
Oldtown Wastewater Treatment Plant	1,500,000
	$3,661,086

Chesapeake Bay Restoration Fund

Braddock and Jennings Run – sewage conveyance improvements	$20,074,000
Evitts Creek – combined sewer overflow	4,180,000
Frostburg – combined sewer overflow	4,449,313
Mill Race – combined sewer overflow	46,337,974
	$75,041,287

Water Supply Financial Assistance Program

Decatur Street – water main replacement	$703,000
Luke – water distribution system	722,000
Westernport – water distribution system improvements	1,250,000
	$2,675,000

Comprehensive Flood Mitigation Program

Cumberland – flood control system	$188,000
Flintstone Wastewater Treatment Plant	375,000
Oldtown Wastewater Treatment Plant	375,000
	$938,000

Waterway Improvement

North Branch – boat access ramp and parking	$54,000
Westernport – boat launch	121,000
	$175,000

Mining Remediation Program

Jennings Run – watershed remediation	$500,000
Upper George's Creek – shaft restoration	300,000
Upper George's Creek – stream sealing	1,200,000
	$2,000,000

Other Projects

Allegany County – Adaptive Community and Workforce Training Facility	$1,650,000
Allegany County – Barton Fire Station	250,000
Allegany County – Cumberland to La Vale water and sewer line	250,000
Allegany County – Fairgrounds	500,000
Allegany County – Western Maryland Works	360,000
Allegany County Informational Historic Markers	20,000
Allegany Museum	250,000
Allegany Oxford House	50,000
Berkeley Springs Instruments, LLC	300,000
Civil Air Patrol Squadron Building	142,000
Cumberland – Baltimore Street Town Centre	500,000
Cumberland Economic Development Corporation – Baltimore Street project	750,000
Frostburg – City Hall relocation	500,000
Frostburg – Municipal Center	200,000
Frostburg Fire Department, No. 1, Inc	500,000
Greenway Avenue Stadium	1,500,000
Maryland Fire and Rescue Institute – Western Maryland Training Center	150,000
UPMC Western Maryland – Children's Specialty Clinic	375,000
UPMC Western Maryland – Heart and Vascular Institute	2,400,000
Western Maryland Scenic Railroad	45,000
YMCA of Cumberland	1,498,652
Youth Robotics and Engineering Center	150,000
	$12,340,652

D. Capital Projects for State Facilities in the County

Maryland State Police

Cumberland Barrack and Garage	$9,506,000

Department of Natural Resources

Rocky Gap State Park – boating facilities improvements	$250,000
Rocky Gap State Park – campground renovations, utilities, and site work	299,000
	$549,000

Maryland Environmental Service

Rocky Gap State Park – collection system	$1,525,000

University System of Maryland

Frostburg State – Challenger Center	$3,000,000
Frostburg State – Education Professions and Health Sciences Center	87,924,000
Frostburg State – facilities renewal	10,000,000
Frostburg State – Regional Recreational Complex	5,000,000
	$105,924,000

Anne Arundel County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$226,735	$233,121	$232,101	$269,742
Compensatory Education	71,252	73,680	74,814	74,814
Student Transportation	26,493	27,425	25,701	29,585
Special Education	29,547	31,382	31,046	38,585
English Language Learners Grant	16,739	19,269	19,273	25,086
Geographic Cost of Education Index	10,543	10,885	10,777	11,648
Blueprint Funding[1]	13,561	21,041	31,807	18,422
Prekindergarten Grants	0	900	900	900
Other Education Aid	3,307	3,125	2,466	2,431
Primary and Secondary Education	***$398,178***	***$420,828***	***$428,884***	***$471,213***
Libraries	$2,432	$2,516	$2,552	$2,730
Community Colleges	31,769	32,729	36,183	42,972
Health Formula Grant	4,790	5,209	5,094	5,970
Transportation[2]	7,901	8,616	8,893	9,107
Police and Public Safety[2]	13,281	15,423	9,067	12,446
Fire and Rescue Aid[2]	1,250	997	1,241	1,241
Gaming Impact Aid	25,480	28,286	28,860	29,212
Other Direct Aid	490	513	75	75
Total Direct Aid	**$485,571**	**$515,117**	**$520,848**	**$574,966**
Aid Per Capita ($)	$825	$875	$882	$974
Property Tax Equivalent ($)	0.52	0.53	0.52	0.56

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Anne Arundel County for teachers, librarians, and community college faculty are estimated to be $283,982,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$256,414	$238,910	$272,429	$314,452
Family Health and Chronic Disease	1,368	1,446	1,409	1,271
Developmental Disabilities	43,705	43,244	47,100	56,891
Behavioral Health Services	66,399	66,653	84,858	98,214
Total	**$367,886**	**$350,253**	**$405,796**	**$470,828**
Social Services				
Homeless Services	$398	$364	$406	$694
Women's Services	364	364	364	367
Adult Services	156	144	253	265
Child Welfare Services	7,662	7,671	7,958	8,008
Foster Care	7,285	7,237	7,492	8,371
Temporary Cash Assistance	161	5,609	3,010	3,675
Total	**$16,026**	**$21,389**	**$19,483**	**$21,380**
Senior Citizen Services				
Long-term Care	$754	$761	$756	$879
Community Services	348	233	237	511
Total	**$1,102**	**$994**	**$993**	**$1,390**

C. Selected State Grants for Capital Projects

Public Schools

Annapolis Middle School – renovations (HVAC/windows/ceilings/lighting)	$9,500,000
Arundel Middle School – construction	3,875,000
Bates Middle School – renovations (HVAC/electrical)	5,961,694
Brock Bridge Elementary School – kindergarten/pre-k addition	1,674,900
Crofton Area High School – construction	49,746,122
Crofton Woods Elementary School – construction	1,585,000
Edgewater Elementary School – construction	9,212,000
George Cromwell Elementary School – construction	747,735
Glen Burnie High School – renovations (building enclosure)	1,279,079
Lindale Middle School – renovations (electrical)	200,000
Linthicum Elementary School – kindergarten addition	1,873,000
Maryland City Elementary School – renovations (roof)	857,000
Meade Heights Elementary School – kindergarten/pre-k addition	1,371,600
Millersville Elementary School – kindergarten addition	1,277,000
North County High School – renovations (HVAC/fire safety)	13,560,000
Quarterfield Elementary School – construction	12,956,826
Richard Henry Lee Elementary School – construction	10,017,000
Solley Elementary School – construction	140,000
Sunset Elementary School – kindergarten addition	1,312,000
Tyler Heights Elementary School – construction	4,135,000
Van Bokkelen Elementary School – kindergarten addition	1,281,000
Aging Schools Program	2,024,152
Supplemental Capital Grant Program for Local School Systems	14,600,000
	$149,186,108

Public Libraries

Riviera Beach Library – construction	$2,863,000

Anne Arundel Community College

Campuswide – facilities renewal	$949,250
Health Sciences and Biology Building – construction	49,133,000
	$50,082,250

Local Jails and Detention Centers

County Central Holding and Processing Center – construction	$1,715,000

Community Health Facilities Grant Program

Chrysalis House, Inc.	$1,800,000
People Encouraging People, Inc.	500,000
Serenity Sistas, Inc.	547,000
	$2,847,000

Senior Center Capital Grant Program

Severn Intergenerational Center	$800,000

Program Open Space

Park acquisition and development	$28,529,754

Community Parks and Playgrounds

Acton's Cove Park	$100,000
Annapolis – Truxtun Park	828,270
Blacks of the Chesapeake Foundation – Carr's and Elktonia Beach	1,200,000
Countywide – indoor and outdoor park infrastructure	9,000,000
Downs Park	500,000
Ellen O. Moyer Park	102,000
Fort Smallwood	600,000
Harundale Civic Association, Inc. – playground	50,000
South Shore Trail	500,000
Park acquisition and development	5,350,000
	$18,230,270

Chesapeake Bay Restoration Fund

85 Dover Road – sewer extension	$64,000
BWI Commerce Park – sewer extension	1,285,000
I-97 Business Park – sewer extension	1,112,000
International Trade Center – sewer extension	1,270,000
	$3,731,000

Comprehensive Flood Mitigation Program

Annapolis – city dock stormwater and flood mitigation	$3,100,000

Waterway Improvement

Annapolis – Adaptive Boating Center	$250,000
Annapolis – bulkhead and dinghy dock	99,000
Annapolis – Burtis Basin docks	51,000
Annapolis – floating dock installation	441,000
Annapolis Fire Department – fire boat equipment	4,300
Annapolis Fire Department – outboard motor and thermal imaging system	2,000
Annapolis Maritime Museum – construct Back Creek dock	89,460
Brady and Old Glory Coves – maintenance dredging	168,500
Deep Creek – headwaters and cove dredging	257,000
Dividing Creek – maintenance dredging	147,000
Dredge material use site – south county	250,000
Franklin Manor – dredging	505,500
Grays Creek and Hunters Harbor – maintenance dredging	222,000
Mathias Cove and Main Creek – maintenance dredging	341,500
Mill Creek – dredging	362,500
Old Man Creek – maintenance dredging	131,500
Podickory Creek – dredging	325,000
Riviera Beach Volunteer Fire Department – replace fire rescue boat pump	13,037
Rock Creek – dredge material placement site	375,000
Severn River – headwaters maintenance dredging	375,000
Spriggs Pond and Ross Cove – maintenance dredging	128,400
Yantz and Saltworks Creeks – dredging	110,000
	$4,648,697

Hazardous Substance Cleanup Program

Former Generals Highway Landfill	$150,000

Resiliency Through Restoration Initiative Program

Deale Beach – shoreline enhancements	$530,000
Honeysuckle Drive – shoreline enhancements	1,130,000
Long View Community – shoreline improvements	20,000
St. Mary's Church – shoreline enhancements	1,280,000
West River – shoreline and stormwater enhancements	1,080,000
	$4,040,000

Other Projects

American Legion Guy C. Parlett Post 7	$38,000
American Legion Post 141	25,000
American Legion Post 226	40,000

Ancient City Lodge No. 175	100,000
Annapolis – City Dock	10,000,000
Annapolis – downtown mural project	15,000
Annapolis – Newtowne Community Resource Center	2,250,000
Annapolis – park and playground improvements	1,350,000
Annapolis – Stanton Community Center	1,200,000
Annapolis – underground utilities	750,000
Annapolis Maritime Museum and Park	325,000
Annapolis Middle School – athletic facilities	100,000
Anne Arundel County – Brooklyn Heights Community Center	400,000
Anne Arundel County – Brooklyn Park Athletic Complex	1,080,000
Anne Arundel County – Crownsville Hospital Memorial Park	25,500,000
Anne Arundel County – Crownsville Hospital Patient Cemetery Memorial	100,000
Anne Arundel County – Defenders of Freedom Capital Gazette Memorial	300,000
Anne Arundel County – fire boat	1,500,000
Anne Arundel County – Glen Burnie street lights	200,000
Anne Arundel County – Greenhaven Wharf bulkhead	250,000
Anne Arundel County – Michael E. Busch Annapolis Library	100,000
Anne Arundel County – Shadyside Community Center	37,000
Anne Arundel County Community Garden	10,000
Anne Arundel County Fairgrounds	210,000
Anne Arundel County Food Bank, Inc.	500,000
Anne Arundel Medical Center	1,323,000
Arundel Lodge	100,000
Arundel Rivers Federation, Inc. – Hillsmere Shores marsh and oyster habitat	109,000
Baltimore Washington Medical Center – Critical Care Unit	3,000,000
Banneker-Douglass Museum	75,000
Bates Middle School – athletic facilities	1,000,000
Bello Machre Community Training and Gathering Center	150,000
Benfield Elementary School – walking path	60,000
Benson-Hammond House	100,000
Boys and Girls Clubs of Annapolis and Anne Arundel County – Lothian Club	240,000
Brewer Hill Cemetery	170,000
Cape St. Claire Improvements Association, Inc. – beach replenishment	525,000
Captain Avery Museum	25,000
Chesapeake Arts Center	150,000
Chesapeake Children’s Museum	25,000
Chesapeake High School – field house	800,000
Chesapeake High School – stadium improvements	125,000
Chesapeake Region Accessible Boating, Inc.	1,075,000

Children's Theatre of Annapolis	300,000
Chrysalis House Child Development Center	200,000
Chrysalis House, Inc.	250,000
Corkran Middle School – concession stand	1,000,000
Deale Elks Lodge No. 2528	40,000
Deale Volunteer Fire Department	25,000
Eastport Elementary School – playground improvements	40,000
Elks Camp Barrett	89,200
Fort Meade Kuhn Hall – Resiliency and Education Center	250,000
Galesville Community Properties, Inc. – Historic Kolb Store	100,000
Girl Scouts of Central Maryland – Camp Woodlands	450,000
Girl Scouts of Central Maryland – new campus	2,000,000
Glen Burnie High School – stadium	500,000
Glen Burnie Improvement Association	235,000
Goshen Farmhouse	60,000
Hammond-Harwood House	150,000
Highland Beach – Dr. Mary Church Terrell Pavilion	125,000
Historic Annapolis, Inc.	8,100,000
Hope House Treatment Centers	100,000
Howard L. Turner American Legion Post 276	50,000
Kingdom Kare Veterans Resource Support Center	850,000
Lakeshore Volunteer Fire Department	100,000
Langton Green Community Farm	295,000
Laurel Park – backstretch housing	10,000,000
Lindale Middle School – tennis courts	60,000
Lindale Middle School – track facility	250,000
Linthicum Elementary School – electronic marquee sign	60,000
Linthicum Veterans Memorial	82,000
Love Wins Movement, Inc.	500,000
Lutheran Mission Society of Maryland – Annapolis Compassion Center	50,000
Marley Neck School Center	100,000
Maryland City Communities Association, Inc. – athletic complex lighting	100,000
Maryland Fire Rescue Services Memorial	250,000
Maryland Hall for the Creative Arts	1,000,000
Monarch Academy	325,000
National Cryptologic Museum	725,000
North County High School – field house	2,843,500
North County High School – turf field and scoreboard	1,800,000
North Glen Elementary School – electronic marquee sign	40,000
Northeast High School – physical endurance training course	175,000

Odenton Masonic Center	75,000
PAL Park Field	45,000
Pascal Crisis Stabilization Center	750,000
Peerless Rens Club	70,000
Preservation Maryland – Burtis House	75,000
Provinces Civic Association, Inc. – Lake Marion stormwater restoration	250,000
Ralph J. Bunche Community Center	287,000
Rise and Shine Bakery	100,000
Riviera Beach Volunteer Fire Company	100,000
Rockbridge Academy	500,000
Senior Dog Sanctuary	100,000
Severn Intergenerational Center	3,000,000
Severna Park American Legion Post 175	55,000
Shipley's Choice Community Association – playgrounds	50,000
South Shore Recovery Club	28,970
SPCA of Anne Arundel County	100,000
St. John's College – Mellon Hall	5,000,000
The Johns Hopkins House, Inc. – Whites Hall acquisition	243,000
The Summit School	500,000
Thomas Point Shoal Lighthouse	200,000
Universal Lodge No. 14	100,000
University of Maryland Baltimore Washington Medical Center	500,000
VFW Post 160	300,000
Waugh Chapel Swim Club, Inc.	250,000
Wellness House of Annapolis	200,000
West County Family Support Center	200,000
Westelee Civic Association, Inc. – John Marshall Park	13,000
Wild Kid Acres	250,000
Woods Community Center	100,000
Woodside Gardens Apartments	100,000
YMCA of Metropolitan Washington – Camp Letts Cabin	65,000
YWCA Domestic Violence and Trafficking Shelters	1,550,000
YWCA Education and Wellness Center	300,000
	$104,558,670

D. Capital Projects for State Facilities in the County

General Government

45 Calvert Street – facilities renewal	$2,500,000
Courts of Appeal Building	8,016,000
General Assembly – Department of Legislative Services building	55,500,000
Lawyer's Mall – underground infrastructure and utilities	11,000,000
State House – exterior and grounds restoration	28,873,000
State House – portraits	300,000
Wineland Building – facilities renewal	2,000,000
	$108,189,000

Maryland State Police

Barrack J – communications room and garage	$232,000

Department of Public Safety and Correctional Services

Jessup Region – electrical infrastructure upgrade	$20,033,000

Department of Natural Resources

Franklin Point State Park – shoreline improvements	$100,000
Sandy Point State Park – boat ramp and marina parking improvements	250,000
	$350,000

Maryland Environmental Service

Crownsville Hospital Center – water tower	$436,000
Dorsey Wastewater Treatment Plant – sludge processing facility upgrade	523,000
Jessup Correctional Institution – boiler plant improvements	900,000
Sandy Point State Park – water tower and water treatment plant upgrade	382,000
	$2,241,000

Baltimore City

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$397,532	$386,693	$378,559	$406,359
Compensatory Education	286,650	289,071	297,507	297,878
Student Transportation	21,129	21,270	18,585	22,496
Special Education	57,388	58,089	58,390	70,503
English Language Learners Grant	27,564	35,446	37,354	48,572
Guaranteed Tax Base	17,376	15,880	21,305	15,117
Geographic Cost of Education Index	22,387	22,641	22,679	23,399
Blueprint Funding[1]	50,974	86,011	129,177	235,922
Prekindergarten Grants	20,505	2,750	2,750	2,750
Other Education Aid	6,388	7,810	5,192	3,508
Primary and Secondary Education	***$907,892***	***$925,661***	***$971,498***	***$1,126,504***
Libraries	$9,501	$9,549	$9,525	$9,652
Health Formula Grant	8,593	8,778	8,963	10,690
Transportation	146,175	160,370	164,130	170,376
Police and Public Safety	17,420	15,589	18,506	36,095
Fire and Rescue Aid	1,353	1,375	1,329	1,329
Disparity Grant	76,580	79,052	76,194	76,194
Teachers Retirement Supplemental Grant	10,048	10,048	10,048	10,048
Gaming Impact Aid	18,729	25,137	24,881	25,372
Other Direct Aid	3,777	3,899	1,591	2,092
Total Direct Aid	**$1,200,070**	**$1,239,458**	**$1,286,665**	**$1,468,353**
Aid Per Capita ($)	$2,058	$2,126	$2,232	$2,547
Property Tax Equivalent ($)	2.75	2.79	2.84	3.20

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Baltimore City for teachers, librarians, and community college faculty are estimated to be $254,268,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$938,708	$804,104	$917,432	$1,058,707
Family Health and Chronic Disease	6,594	7,636	8,618	6,823
Developmental Disabilities	44,889	44,415	48,375	58,431
Behavioral Health Services	205,450	220,774	245,722	284,317
Total	**$1,195,641**	**$1,076,929**	**$1,220,147**	**$1,408,278**
Social Services				
Homeless Services	$1,397	$1,347	$1,397	$2,630
Women's Services	1,096	1,096	1,096	1,104
Adult Services	1,911	2,372	3,036	3,108
Child Welfare Services	51,767	49,141	55,791	56,308
Foster Care	74,175	75,944	78,843	88,098
Temporary Cash Assistance	966	35,651	21,210	25,901
Total	**$131,312**	**$165,551**	**$161,373**	**$177,149**
Senior Citizen Services				
Long-term Care	$1,838	$1,822	$1,812	$2,099
Community Services	633	551	559	1,141
Total	**$2,471**	**$2,373**	**$2,371**	**$3,240**

C. Selected State Grants for Capital Projects

Public Schools

Armistead Gardens Elementary/Middle School #243 – construction	$14,000,000
Baltimore City College High School #480 – renovations (pool)	2,021,820
Baltimore Polytechnic Institute #403 – renovations (classroom A/C units)	2,155,461
Baltimore Polytechnic Institute #403 – renovations (elevator)	446,000
Barclay Elementary/Middle School #54 – renovations (roof)	1,267,000
Belmont Elementary School #217 – renovations (classroom A/C units)	1,116,000
Charles Carroll Barrister Elem. School #34 – renovations (HVAC/fire alarm)	4,008,000
Collington Square Elem./Middle School #97 – renovations (classroom A/C)	1,253,640
Collington Square Elem./Middle School #97 – renovations (fire safety)	288,000
Curtis Bay Elementary/Middle School #207 – renovations	8,018,000
Dickey Hill Elementary/Middle School #201 – renovations (roof)	1,555,000
Diggs-Johnson Building #162 – renovations (classroom A/C units)	1,632,000
Digital Harbor High School #416 – renovations (heating/ventilation)	1,200,000
Edgecombe Circle Elem. School #62 – renovations (roof/windows/doors)	10,931,000
Eutaw-Marshburn Elem. School #11 – renov. (windows/doors/class A/C)	2,466,360
Fallstaff Elementary/Middle School #241 – construction	672,000
Fallstaff Elementary/Middle School #241 – renovations (fire safety)	408,000
Fallstaff Elementary/Middle School #241 – renovations (HVAC)	4,608,000
Federal Hill Preparatory School #45 – renovations (roof/elevator/structural)	2,742,000
Franklin Square Elem./Middle School #95 – renovations (classroom A/C)	1,172,730
Franklin Square Elementary/Middle School #95 – renovations	6,720,000
Frederick Douglass High School #450 – renovations (classroom A/C units)	3,013,200
Fruman L. Templeton Elementary School #125 – renovations (roof)	1,958,000
Furley Elementary School #206 – construction	11,300,000
Garrett Heights Elem./Middle School #212 – renovations (roof/fire alarm)	1,493,000
George Washington Elementary School #22 – renovations	3,994,000
Graceland Park/O'Donnell Heights Elem./Middle School #240 – construction	5,967,000
Gwynn Falls Elementary School #60 – renovations (fire alarm/heater)	792,000
Harlem Park Building #78 – renovations (classroom A/C units)	2,264,550
Harlem Park Building #78 – renovations (elevator)	446,000
Harlem Park Elementary/Middle School #35 – renovations (HVAC)	5,952,000
Hazelwood Elem./Middle School #210 – renovations (classroom A/C units)	887,220
Hazelwood Elem./Middle School #210 – renovations (roof)	1,897,000
Highland Park Elementary/Middle School #215 – renovations (windows)	1,498,000
Hilton Elementary School #21 – renovations (classroom A/C units)	1,041,600
Holabird Elementary/Middle School #229 – construction	6,591,000
Johnston Square Elementary School #16 – renovations (classroom A/C units)	1,779,090

Maree Garnett Farring Elementary/Middle School #203 – construction	6,021,000
Matthew A. Henson Elem. School #29 – renovations (classroom A/C units)	981,150
North Bend Elementary/Middle School #81 – renovations (fire safety)	534,480
Northeast Middle Building #49 – construction	2,504,000
Northern Building #402 – renovations (elevator/roof)	5,438,000
Paul Laurence Dunbar Middle School #133 – renovations (class A/C units)	3,221,000
Roland Park Elementary/Middle School #233 – renovations (boiler room)	2,496,000
The Mount Washington School #221 – renovations (roof)	854,000
Thomas Jefferson Elem./Middle School #232 – renovations (A/C units)	727,167
Thomas Jefferson Elem./Middle School #232 – renovations (windows/doors)	5,664,000
Thomas Jefferson Elem./Middle School #232 – renovations (roof/elevator)	2,347,000
Walbrook Building #411 – renovations (roof)	5,280,000
Western High School #407 – renovations (classroom A/C units)	1,763,559
Western High School #407 – renovations (pool)	2,021,820
Westport Academy #225 – renovations (elevator)	432,000
Woodhome Elementary/Middle School #205 – renovations (roof)	2,995,000
Yorkwood Elem. School #219 – renovations (class A/C units/fire safety)	1,396,470
Yorkwood Elem. School #219 – renovations (roof/HVAC)	8,184,000
Additional Funding	75,000,000
Aging Schools Program	5,551,708
	$252,967,025

Community Health Facilities Grant Program

My Father's Heart, Inc.	$33,000
People Encouraging People, Inc.	2,465,835
Project PLASE, Inc.	2,470,000
Tuerk House, Inc.	4,180,000
	$9,148,835

Federally Qualified Health Centers Grant Program

Baltimore Medical System, Inc.	$1,478,825
Native American Lifelines, Inc.	1,437,737
Park West Health System, Inc.	1,817,303
	$4,733,865

Senior Center Capital Grant Program

Harford Road Senior Center	$300,000

Partnership Rental Housing Program

Housing Authority – Perkins Somerset Oldtown redevelopment	$4,000,000

Strategic Demolition Fund

Baltimore City Parks and Recreation – Solo Gibbs Recreation Center	$1,000,000
Cherry Hill Development Corporation	750,000
Housing Authority – Perkins Somerset Oldtown redevelopment	1,000,000
Project C.O.R.E	60,081,810
	$62,831,810

Program Open Space

Ambrose Kennedy Park	$500,000
Baltimore City Direct Grant	12,000,000
Bond Street Park	50,000
Cylburn Arboretum	250,000
Druid Hill Park – Druid Lake Recreational Park	17,000,000
Garrett Park	250,000
Johnston Square – greenspace	15,000
Park acquisition and development	29,560,789
Rachel Wilson Memorial for Fallen Firefighters	150,000
Warwick Park	50,000
	$59,825,789

Community Parks and Playgrounds

Alhambra Park – Woodbourne-McCabe Community Association	$125,000
Cal Ripken Sr. Foundation – South Baltimore Youth Development Park	500,000
Citywide – indoor and outdoor park infrastructure	10,000,000
Farring-Baybrook Park	250,000
Greenmount Park – Johnston Square Football Field	500,000
Hamilton Elementary/Middle School – playground	100,000
Hanlon Park	150,000
Latrobe Park Longhouse	100,000
Leon Day Baseball Field	500,000
Mary Rodman Recreation Center	255,688
Mount Vernon Place Conservancy – North and South Square restoration	2,500,000
North West Park	75,000
O'Donnell Heights Park	500,000
Parks & People Foundation, Inc. – Nathaniel J. McFadden Learn & Play Park	1,000,000
Patterson Observatory	125,000

Patterson Park – bathhouse	500,000
Riverside Park – bathhouse and light installation	1,350,000
Riverside Park – pool	250,000
Union Square Park	750,000
Violetville Park	260,000
Park acquisition and development	725,000
	$20,515,688

Comprehensive Flood Mitigation Program

Community of Ednor Gardens-Lakeside	$5,000,000
Frederick Avenue	667,000
	$5,667,000

Waterway Improvement

City Fire Department – purchase fire/rescue boat	$23,000
Living Classroom Foundation – marina improvements and replacement	600,000
	$623,000

Hazardous Substance Cleanup Program

1600 Harford Avenue – hazardous waste remediation	$200,000
Chemical Metals, Inc. – hazardous waste remediation	100,000
	$300,000

Other Projects

29th Street Community Center Renovation	$250,000
40 West Assistance and Referral Center	200,000
4MyCiTy, Inc. – community onsite composting facility	245,000
4MyCiTy, Inc. – zero waste facility	100,000
Afro Charities, Inc. – Upton Mansion	375,000
Ahavas Chaim Center	300,000
Ambassador Theater	2,750,000
Andre De Shields Center for the Arts	3,000,000
Arch Social Club, Inc.	1,150,000
Archbishop Curley High School	100,000
Arena Players Theater	1,600,000
Ark Church – The Haven Project	500,000
Artistic Laborers in Visual Exaltation, Inc.	200,000
Associated Catholic Charities, Inc. – Cherry Hill Town Center	250,000
B&O Railroad Museum	1,100,000
Baltimore City – East Baltimore neighborhood development	500,000

Baltimore City – Engine Companies 14 and 27	10,000,000
Baltimore City – Greenway Trail	1,500,000
Baltimore City – Guilford neighborhood improvements	250,000
Baltimore City – Madison Park North Redevelopment	500,000
Baltimore City – Middle Branch Park	500,000
Baltimore City – Northeastern and Northwestern Police District Stations	10,000,000
Baltimore City – Patterson Park	1,500,000
Baltimore City – Penn Station redevelopment	9,000,000
Baltimore City – street and sidewalk improvements	10,000,000
Baltimore City – swimming pool renovations	3,000,000
Baltimore City – Warner and Stockholm Streets improvements	2,000,000
Baltimore City – Warner Street Entertainment District	3,000,000
Baltimore City – Waverly community greenspace	250,000
Baltimore City – Waverly Firehouse Engine Company 31	500,000
Baltimore City Comm. Action Partnership – Northern Community Action	3,000,000
Baltimore City Dept. of Public Works – Bowley's Lane Sanitation Yard	4,000,000
Baltimore City Firefighter Museum	250,000
Baltimore City Health Department – Druid Health Clinic	1,500,000
Baltimore City Housing & Comm. Dev. – Druid Health Clinic/Enoch Pratt	2,000,000
Baltimore City Housing & Comm. Dev. – Penn North acquisition	650,000
Baltimore City Parks and Recreation – city farms	100,000
Baltimore City Parks and Recreation – Latrobe Park Longhouse	200,000
Baltimore City Parks and Recreation – Solo Gibbs Recreation Center	2,500,000
Baltimore City Public Library – Waverly Branch	750,000
Baltimore Civic Fund, Inc. – East Baltimore Neighborhood Dev. Fund	500,000
Baltimore Clayworks, Inc.	100,000
Baltimore Museum of Art	10,500,000
Baltimore Museum of Industry	413,500
Baltimore Police Department – evidence storage facility	1,500,000
Baltimore Police Mounted Unit – stables	900,000
Baltimore Public Markets Corporation	4,100,000
Baltimore Pumphouse	75,000
Baltimore Rock Opera Society	25,000
Baltimore Squashwise, Inc.	250,000
Baltimore Symphony Orchestra	1,800,000
Baltimore Unity Hall	200,000
Baltimore Zoo – infrastructure improvements	22,550,000
Banner Neighborhoods Community Center	300,000
Belair Edison Area Revitalization, Inc. – Community Outreach Center	25,000
Belair-Edison Neighborhoods, Inc.	200,000

Beloved Community Services Corp. – Public School 103 building	350,000
Belvedere Place	75,000
Bit Community Center, Inc.	300,000
BLISS Meadows Farmhouse	50,000
Bon Secours Community Works	825,000
Boys and Girls Clubs of Metropolitan Baltimore – Baltimore City Club	700,000
BraveHeart Veterans, LLC – assisted living facility	400,000
C.A.R.E. Community Association Resource Center	50,000
Cal Ripken Sr. Foundation – athletic fields	1,000,000
Catholic Charities – Intergenerational Center	2,000,000
Cecil Elementary School Community Park	300,000
Center for Community Arts, Education and Job Training	100,000
Center Stage	1,000,000
Central Baltimore Partnership, Inc. – Greenmount corridor redevelopment	2,000,000
Central Baltimore Partnership, Inc. – Neil Muldrow Business Dev. Fund	2,000,000
Central Baltimore Partnership, Inc. – Safe and Healthy Homes	250,000
Central Baltimore Partnership, Inc. – Station North Investment Fund	2,000,000
Cherry Hill Development Corporation	270,000
Chesapeake Bay Outward Bound School, Inc.	125,000
Chesapeake Charities – Ruth M. Kirk Recreation and Learning Center	250,000
Chesapeake Shakespeare Company	550,000
Choo Smith Youth Empowerment, Inc.	150,000
City Life Community Builders, Ltd. – Hoen Building	75,000
Citywide Youth Development, Inc. – EMAGE Center	850,000
Clinton Street Community Center	150,000
Community Empowerment and Wellness Center	700,000
Community Mediation Program, Inc.	150,000
Coppin Heights Community Development Corporation – West North Avenue	300,000
Creative Alliance	450,000
Cross Street Market	400,000
Delta Lambda Foundation Outreach Center	1,000,000
Digital Bay Center, Inc.	350,000
Downtown Partnership of Baltimore, Inc.	10,000,000
Druid Heights Community Development Corporation – Sphinx Club	300,000
East Baltimore Development, Inc.	640,400
East Baltimore Library	100,000
Edward A. Myerberg Senior Center	75,000
Enoch Pratt Free Library System – Northwood Branch	300,000
Enoch Pratt Free Library System – Park Heights Branch	5,000,000
Eubie Blake National Jazz Institute and Cultural Center	1,200,000

Everyman Theatre	500,000
Fayette Street Outreach Community Center	100,000
Filbert Street Garden, Inc.	100,000
Forest Park Senior Center	500,000
Francis Scott Key Elementary and Middle School – playgrounds	30,000
Franciscan Center, Inc.	200,000
Frederick P. Blue Workforce Development Center	125,000
Friends of Melrose Avenue Bridge, Inc. – pedestrian bridge restoration	540,000
Friends of Patterson Park	1,650,000
Fund for Education Excellence, Inc.	200,000
Gatehouse Community Resource Center	100,000
Gaudenzia Foundation, Inc.	450,000
Gilchrist Hospice Care, Inc.	3,000,000
Girl Scouts of Central Maryland	50,000
Govans Ecumenical Development Corporation	375,000
Great Blacks in Wax Museum	3,000,000
Greater Baltimore Urban League, Inc. – Orchard Street Church	500,000
Greater Baybrook Alliance, Inc. – Garrett Park	75,000
Greenmount West Community Center	30,000
Habitat for Humanity of the Chesapeake	250,000
Hamilton Elementary/Middle School – playground and schoolyard	75,000
Hamilton-Lauraville Main Street, Inc.	200,000
Hampden Family Center	110,000
Harford Road Senior Center	250,000
Harlem Park Community Center	200,000
Heart of America	170,000
Helping Up Mission	2,900,000
Hippodrome Foundation, Inc. – France-Merrick Performing Arts Center	9,000,000
Historic East Baltimore Community Action Coalition, Inc.	425,000
Hoen Lithograph Building	200,000
Hollins and Pennsylvania Avenue Markets	500,000
Hon’s Honey – storefront improvements	100,000
HopeWork Community Development Corporation	375,000
House of Ruth Maryland, Inc.	500,000
Howell Celebrating Lives Viola Family Support Center, Inc.	150,000
Italian Cultural Center of Maryland	25,000
Itineris Foundation, Inc.	100,000
Ivy Family Support Center	300,000
Johns Hopkins Bayview Medical Center	2,000,000
Johns Hopkins Health System – Children’s Medical and Surgical Center	16,500,000

Johns Hopkins Hospital	691,000
Johns Hopkins University – academic building	2,900,000
Johns Hopkins University – Henrietta Lacks Building	4,000,000
Johns Hopkins University – Milton S. Eisenhower Library	5,000,000
Johnston Square	215,000
Junior Achievement of Central Maryland	350,000
Kappa Alpha Psi Youth and Community Center	150,000
Kennedy Krieger Children's Hospital	1,450,000
Kennedy Krieger Institute	5,000,000
Kennedy Krieger Institute – Center for the Neuroscience of Social Injustice	3,750,000
KEYS Development – Community Healing Center	1,000,000
Langston Hughes Community, Business and Resource Center	150,000
Le Mondo	100,000
Level82 Fund – Hilton Recreation Center	500,000
Lexington Market	7,500,000
Liberty Elementary – playing fields	200,000
Liberty Recreation Center	100,000
LIFE Church Ministries Food Pantry	10,000
Living Classrooms Opportunity Hub	650,000
Lovely Lane Arts and Neighborhood Center	225,000
Lyric Theater	1,500,000
Mary Harvin Transformation Center	2,000,000
Maryland Center for History and Culture	3,500,000
Maryland Historical Society	1,500,000
Maryland Institute College of Art – 81 Mosher Street Building	4,000,000
Maryland School for the Blind – construction	22,792,709
Maryland Science Center	4,500,000
Maryland State LGBT Center	500,000
McElderry Park Resource Center	75,000
MedStar Harbor Hospital	1,200,000
MedStar Union Memorial Hospital	425,000
Men and Families Center	250,000
Mercy High School – artificial turf field	150,000
Mercy Medical Center, Inc.	2,221,000
Mission First Housing Development Corporation	1,000,000
Modell Performing Arts Center at the Lyric	500,000
Mount Pleasant Family Life Center	100,000
Mount Vernon Place Conservancy, Inc.	1,000,000
Mount Washington Pediatric Hospital	750,000
National Aquarium in Baltimore	12,000,000

New Antioch Baptist Church Community Outreach Center	15,000
New City of Hope Literacy Center	100,000
New Creation Christian Church, Inc. – Hoop House	100,000
Next One Up Foundation, Inc.	500,000
Nexus-Woodbourne Family Healing, Inc.	500,000
North East Housing Initiative, Inc.	75,000
North Wolfe and North Gay Streets – aesthetic enhancements	192,000
Northeast Family and Community Center, Inc.	50,000
Northwood Baseball League, Inc.	1,000,000
Northwood Commons	500,000
Notre Dame of Maryland University – Knott Science Building	4,000,000
Ohr Chadash Academy	350,000
Oliver Community Center	200,000
Orchard Street Church	300,000
Our Saviour Lutheran Church	40,000
Park West Health System, Inc.	500,000
Parks and People Foundation, Inc. – Gwynns Falls Trail	1,500,000
Parks and People Foundation, Inc. – North Central Park	350,000
Parks and People Foundation, Inc. – Radecke Park	220,000
Parks and People Foundation, Inc. – Solo Gibbs Playground	190,000
Parren Mitchell House	300,000
Patterson Park Public Charter School, Inc.	300,000
Paul's Place	750,000
Peale Museum	400,000
Philemon Ministry's Step Up House	100,000
Pimlico Market Cafe	175,000
Pimlico Race Course – demolition	5,000,000
Plantation Park Heights Urban Farm	250,000
Port Discovery Children's Museum	5,250,000
Pride of Baltimore II	450,000
Project PLASE, Inc. – Beacon House Square	300,000
Reginald F. Lewis Museum of MD African American History & Culture	5,500,000
Restoration House	50,000
Reveille Grounds, Inc.	75,000
Rise Tek Global LLC – VERGE data analytics platform	500,000
Roberta's House	1,800,000
Roland Park Community Foundation, Inc. – Hillside Park	1,000,000
Roland Park Community Foundation, Inc. – recreational park	250,000
Roland Park Community Foundation, Inc. – water tower stabilization	75,000
Ronald McDonald House	1,000,000

Saint Agnes Foundation – Gibbons Commons	1,000,000
Sanaa Center	100,000
SB7 Coalition, Inc.	100,000
Schreiber Brothers Development LLC – North Avenue Zero Energy Housing	250,000
Sheppard Pratt Health System, Inc.	1,200,000
Sinai Hospital	13,500,000
Social Settlement House	100,000
South Baltimore Community Land Trust	550,000
South Baltimore Learning Center	175,000
Southeast Community Development Corporation – Conkling Street Garden	300,000
Southeast Community Development Corporation – Eager Park	2,750,000
Southeast Community Development Corporation – Tench Tilghman property	200,000
Southwest Partnership, Inc. – Lord Baltimore Theater	250,000
Southwest Partnership, Inc. – Poppleton Recreation Center	500,000
St. Ambrose Housing Aid Center, Inc.	1,000,000
St. Francis Neighborhood Center	500,000
St. Luke's Youth Center	100,000
Stony Run Walking Path and Wyman Park	1,500,000
Strong City Baltimore, Inc. – Club at Collington Square	200,000
Studio 541 Museum	194,000
Temple X Experiential Community Center	200,000
The Associated Jewish Federation of Baltimore – Park Heights Campus	1,000,000
The Children's Guild, Inc. – Transformation Academy	1,000,000
The Compound, Inc.	200,000
The Garden Community of Baltimore	100,000
The Hub Integrated Learning Resource Center	200,000
The League for People with Disabilities	1,250,000
The Society for the Preservation of Federal Hill and Fell's Point, Inc.	200,000
The Urban Oasis, Inc.	250,000
The YMCA of Central Maryland	2,000,000
Ulman House	100,000
University of Maryland Medical Center – Midtown Campus	432,000
Upton Planning Committee, Inc.	200,000
USS Constellation – renovations	2,500,000
Vehicles for Change, Inc. – Full Circle Auto Repair and Training Center	100,000
Visionary Venture Charities, Inc. – Coldspring Commons	400,000
Waterfront Management Authority – Inner Harbor Promenade	7,500,000
Waterfront Management Authority – Point Park at Harbor Point	750,000
Waterfront Partnership of Baltimore, Inc. – Rash Field	5,000,000
Waverly Main Street, Inc. – business corridor enhancements	250,000

WBC Community Development Corporation – Wayland Village	150,000
Weinberg Community Center	60,000
West Arlington – playground improvements	100,000
West Arlington – water tower	250,000
West North Avenue Development Authority	1,000,000
Westport Community Economic Development Corporation	4,125,000
Woodbourne Center	380,000
Woodbourne-McCabe Community Association	50,000
WYPR Radio	175,000
Young Adult Residential Fellowship Program	125,000
Youth Empowered Society Drop-In Center	100,000
Zeta Sigma Foundation Community Center	100,000
	$388,476,609

D. Capital Projects for State Facilities in the City

General Government

2100 Guilford Avenue – renovations	$32,084,000
Baltimore City District Court – Shillman Building	37,058,000
	$69,142,000

Department of Juvenile Services

Baltimore City Juvenile Justice Center – expansion	$14,692,000

Maryland State Police

State Law Enforcement Special Operations Group Center	$2,200,000

Department of Public Safety and Correctional Services

Baltimore City Detention Center – demolition	$29,463,000
Therapeutic Treatment Center	13,945,000
	$43,408,000

Department of Housing & Community Development

North East Housing Initiative	$200,000
Pennsylvania Avenue Black Arts and Entertainment District	500,000
	$700,000

Baltimore City Community College

Bard Building – demolition	$7,400,000
Campuswide – deferred maintenance	14,500,000
Campuswide – facilities renewal	919,000
Learning Commons – renovation and addition	2,186,000
Liberty Campus – improve and expand roadway and parking lots	5,497,000
	$30,502,000

Morgan State University

Campuswide – deferred maintenance and site improvements	$55,000,000
Carter Grant Wilson Building – renovation	1,196,000
Health and Human Services Building	113,778,000
Lake Clifton High School demolition	5,000,000
Science Center – design	7,040,000
Science Center – Washington Service Center demolition	4,111,000
Student Services Support Building	27,510,000
	$213,635,000

University System of Maryland

Baltimore – Anatomy Laboratory	$2,000,000
Baltimore – electric substation and electrical infrastructure	50,548,000
Baltimore – School of Social Work	5,000,000
Coppin State – dormitory and student union	3,000,000
Coppin State – Percy Julian Building	42,864,000
Coppin State – public safety building	450,000
Coppin State – residence hall	3,864,000
	$107,726,000

Department of Transportation

Howard Street Tunnel	$51,500,000

Other

Univ. of Maryland Medical System – cancer treatment/organ transplant	$115,500,000
Univ. of Maryland Medical System – shock trauma center	10,500,000
	$126,000,000

Baltimore County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$416,976	$425,219	$416,752	$484,069
Compensatory Education	154,225	160,497	143,875	143,875
Student Transportation	34,546	35,414	31,642	37,934
Special Education	61,538	63,504	63,514	74,662
English Language Learners Grant	27,866	32,799	32,380	43,301
Geographic Cost of Education Index	6,356	6,490	6,369	6,903
Blueprint Funding[1]	22,622	32,725	83,808	40,837
Prekindergarten Grants	1,000	500	500	500
Other Education Aid	6,900	5,525	4,621	4,701
Primary and Secondary Education	***$732,029***	***$762,672***	***$783,460***	***$836,781***
Libraries	$6,407	$6,541	$6,646	$7,357
Community Colleges	45,524	46,900	52,231	64,966
Health Formula Grant	5,668	5,901	5,924	6,954
Transportation[2]	8,695	9,473	9,699	10,022
Police and Public Safety[2]	13,734	15,614	12,681	20,157
Fire and Rescue Aid[2]	1,712	1,745	1,693	1,693
Teachers Retirement Supplemental Grant	3,000	3,000	3,000	3,000
Other Direct Aid	1,054	1,096	0	0
Total Direct Aid	**$817,823**	**$852,942**	**$875,333**	**$950,930**
Aid Per Capita ($)	$959	$1,000	$1,031	$1,120
Property Tax Equivalent ($)	0.91	0.92	0.91	0.97

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Baltimore County for teachers, librarians, and community college faculty are estimated to be $405,418,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$573,495	$537,920	$613,626	$708,252
Family Health and Chronic Disease	2,318	2,673	2,349	2,386
Developmental Disabilities	158,577	157,067	171,054	206,589
Behavioral Health Services	100,146	106,837	138,398	154,475
Total	**$834,536**	**$804,497**	**$925,427**	**$1,071,702**
Social Services				
Homeless Services	$475	$425	$425	$673
Women's Services	549	549	549	554
Adult Services	710	833	996	991
Child Welfare Services	12,483	13,697	11,193	11,321
Foster Care	27,543	26,532	27,018	30,189
Temporary Cash Assistance	345	11,381	8,608	10,512
Total	**$42,105**	**$53,417**	**$48,789**	**$54,240**
Senior Citizen Services				
Long-term Care	$1,583	$1,574	$1,555	$1,793
Community Services	564	447	470	984
Total	**$2,147**	**$2,021**	**$2,025**	**$2,777**

C. Selected State Grants for Capital Projects

Public Schools

Battle Monument Special School – renovations (HVAC)	$3,786,600
Berkshire Elementary School – construction	13,963,000
Chadwick Elementary School – construction	16,108,000
Chesapeake High School – renovations (HVAC)	5,120,100
Colgate Elementary School – construction	13,520,000
Deep Creek Elementary School – renovations (roof)	838,000
Dundalk Elementary School – construction	15,402,000
Fort Garrison Elementary School – renovations (roof)	963,000
Honeygo Elementary School – construction	4,590,000
Joppa View Elementary School – renovations (fire safety)	139,500
Loch Raven High School – renovations (boiler/chillers)	2,191,500
Loch Raven High School – renovations (roof)	1,317,000
Milford Mill Academy – renovations (roof)	3,615,300
Northeast Area at Ridge Road Elementary School – construction	19,095,000
Owings Mills High School – renovations (electrical)	599,700
Parkville High School – renovations (boilers)	610,500
Parkville High School – renovations (roof)	2,594,000
Patapsco High School and Center for the Arts – construction	3,314,016
Perry Hall High School – renovations (chiller/electrical/fire safety)	2,649,200
Powhatan Elementary School – renovations (roof)	855,000
Red House Run Elementary School – construction	20,906,000
Rosedale Center Middle/High School – renovations (roof)	1,103,400
Stoneleigh Elementary School – renovations (roof)	741,000
Timber Grove Elementary School – renovations (roof)	1,186,200
Woodlawn High School – construction	17,463,179
Additional Funding	80,000,000
Aging Schools Program	3,496,908
Supplemental Capital Grant Program for Local School Systems	4,400,000
	$240,568,103

Public Libraries

Catonsville Library – renovation	$1,100,000

Community College of Baltimore County

Campuswide – facilities renewal	$949,250
Campuswide – roof replacements	626,000
Catonsville – Student Services Center renovation and expansion	1,170,000
Catonsville and Essex – roof replacements	700,000
Dundalk – Student Services Center renovation	256,000
Essex – Health Careers and Technology Building renovation/expansion	17,322,000
Essex – Wellness and Athletics Center renovation and addition	8,533,000
	$29,556,250

Community Health Facilities Grant Program

Key Point Health Services, Inc.	$578,000
Main Street Housing, Inc.	307,000
Prologue, Inc.	622,000
	$1,507,000

Federally Qualified Health Centers Grant Program

Baltimore Medical System, Inc.	$800,000

Senior Center Capital Grant Program

Ateaze Senior Center	$328,000
Cockeysville Senior Center	90,000
Edgemere Senior Center	250,000
Overlea-Fullerton Senior Center	55,000
Parkville Senior Center	263,000
Victory Villa Senior Center	81,000
Woodlawn Senior Center	800,000
	$1,867,000

Program Open Space

Park acquisition and development	$32,093,501

Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	$10,000,000
Holt Park	3,000,000
Park acquisition and development	7,000,000
	$20,000,000

Chesapeake Bay Restoration Fund

Woodstock Job Corps Center – wastewater treatment plant	$2,766,000

Waterway Improvement

Arbutus Volunteer Fire Department – purchase fire/rescue boat and equipment	$12,500
Bowleys Quarters Volunteer Fire Department – purchase fire/rescue boat	200,000
County Fire Department – purchase fire/rescue boat	15,000
	$227,500

Other Projects

Baltimore Association of Nepalese in America	$125,000
Baltimore County – acquire Stevenson University's Greenspring campus	10,000,000
Baltimore County – Arbutus streetscaping projects	200,000
Baltimore County – Benjamin Banneker Historical Park and Museum	3,000,000
Baltimore County – Benjamin Banneker Parkway signage	50,000
Baltimore County – bus stop enclosures	850,000
Baltimore County – Cromwell Valley Park	200,000
Baltimore County – Double Rock Park	150,000
Baltimore County – Eastern Boulevard streetscape improvements	400,000
Baltimore County – Franklin Boulevard and Quarry Place parking lot	200,000
Baltimore County – Franklin Fire Station 56	100,000
Baltimore County – Hamiltowne Park	150,000
Baltimore County – Hazelwood Park	150,000
Baltimore County – Highlands Trail	500,000
Baltimore County – Impact Baltimore Family Enrichment Center	500,000
Baltimore County – Liberty Family Resource Center	350,000
Baltimore County – Liberty Road bus stop enclosures	150,000
Baltimore County – Liberty Road sidewalks	200,000
Baltimore County – Liberty Road streetscaping	3,800,000
Baltimore County – Liberty Senior Center	150,000
Baltimore County – Linover Park	150,000
Baltimore County – McCormick Elementary PAL Recreation Center	50,000
Baltimore County – Northwest Regional Park	15,000
Baltimore County – Oregon Ridge Park Trail & Woodland Garden Memorial	100,000
Baltimore County – Owings Mills exercise pavilion	150,000
Baltimore County – police athletic league centers	500,000
Baltimore County – Police Department Precinct 1 Wilkens	2,000,000
Baltimore County – Radebaugh Park	100,000
Baltimore County – Randallstown Community Center	225,000

Baltimore County – Randallstown Library	550,000
Baltimore County – Reisterstown Regional Park	25,000
Baltimore County – Reisterstown Sportsplex	280,000
Baltimore County – school playgrounds and parks	2,000,000
Baltimore County – Security Mall renovation and replacement	10,000,000
Baltimore County – South Marlyn Avenue improvements	1,000,000
Baltimore County – Tradepoint Atlantic infrastructure improvements	3,000,000
Baltimore County – Tradepoint Atlantic west berth dredging	3,500,000
Baltimore County – Westchester Avenue improvements	120,000
Baltimore County – Woodlawn Senior Center	3,000,000
Baltimore County Game and Fish Protective Association, Inc.	50,000
Baltimore County Humane Society	500,000
Beacon of Hope	75,000
B'More Artists Guild, Inc. – Clubhouse of Catonsville	200,000
Born2Bmore Boys and Girls Club	200,000
Camp Puh'tok	250,000
Catholic Charities – Gallagher Services Community Center	1,000,000
Catonsville Emergency Assistance, Inc.	300,000
Catonsville Middle School – scoreboard and electronic sign	100,000
Chestnut Ridge Volunteer Fire Company	50,000
Chimes International	500,000
Community Assistance Network Food Pantry	250,000
Community Learning Center	200,000
Community Therapy Clinic	275,000
Cromwell Valley Elementary School – playground	150,000
Deer Park Middle School – signage	75,000
Diggs Johnson Museum	155,000
Easter Seals Medical Adult Day Center	195,000
Essex Elementary School – playground	59,000
Family Crisis Center	1,000,000
Fire Museum of Maryland	200,000
First Fruits Farm	1,150,000
Foundation for Baltimore County Public Library, Inc. – Woodlawn Library	450,000
Franklin Middle School – infrastructure improvements	500,000
Friends of the Patapsco Valley State Park – Simkins Site	540,000
Friends of the Patapsco Valley State Park – Trail Center	340,000
Glenn L. Martin Maryland Aviation Museum	250,000
Gordon Center for the Performing Arts	150,000
Graces Quarters Robotic Research Collaboration Campus	300,000
Graham Equestrian Center	100,000

Greater Baltimore Medical Center, Inc.	625,000
Gunpowder Elementary School – playground improvements	150,000
Harford Park Community Center	150,000
Harvey Johnson Community Center	100,000
Hereford High School – Burton Barn renovation	275,000
Hereford High School – tennis courts	250,000
Idlewylde Hall	75,000
Irvine Nature Center	500,000
Islamic Society of Baltimore, Md., Inc. – Smart Playground	300,000
Jewish Community Center of Baltimore	500,000
JK Elm, Inc. – 600 Frederick Road	200,000
Junior Achievement of Central Maryland, Inc.	150,000
Kenwood High School – turf field	400,000
Lansdowne Volunteer Fire Department	75,000
Liberty Community Development Youth Center	550,000
Liberty Road Volunteer Fire Company	1,500,000
Long Green Volunteer Fire Company	75,000
Maryland Council for Special Equestrians, Inc.	100,000
Maryland Horse Breeders Association	500,000
Maryland State Fairgrounds	5,550,000
MedStar Franklin Square Hospital	9,250,000
Morning Star Family Life Center	1,900,000
National Center on Institutions and Alternatives	1,850,000
Nepali American Cultural Center of Baltimore	300,000
Northwest Hospital Center	125,000
Oakwood Community Village Association, Inc.	2,000
Our Lady of Mount Carmel School, Inc.	300,000
Overlea High School – electronic sign	310,000
Owings Mills High School – indoor scoreboard	27,084
Parkville High School – athletic facilities	1,500,000
Parkville High School – turf field	250,000
Pearlstone Conference and Retreat Center	3,000,000
Perry Hall High School – stadium press box	200,000
Pikesville Armory	4,000,000
Pikesville High School – artificial turf field	850,000
Pikesville High School – comfort station	800,000
Pikesville Volunteer Fire Company	150,000
Prologue, Inc. – Outreach Center	550,000
Randallstown Elementary School – signage	75,000
Reisterstown Improvement Association, Inc. – Franklin Woodlands	40,000

Relay Town Hall	22,500
Sheppard Pratt Health System, Inc.	6,972,000
Simmons Museum of Negro Leagues Baseball	50,000
Sparrows Point High School – scoreboard	15,000
Special Olympics Maryland – headquarters facility	875,000
St. Gabriel Windsor Mill Pantry	96,000
St. Luke's United Methodist Church – affordable housing facility	350,000
St. Luke's United Methodist Church Fellowship Hall	160,000
St. Stephen Church – fire suppression water tank	55,000
Stevenson University – academic building	2,900,000
Stevenson University – black box theater	6,838,000
Stevenson University – Rosewood environmental abatement	6,000,000
The American Legion Dundalk Post No. 38	500,000
The Arc Baltimore, Inc.	170,000
Timonium Elementary School – playground improvements	25,000
Torah Institute	250,000
Towson Armory	1,000,000
Towson High School – stadium	225,000
University of Maryland St. Joseph Medical Center	1,470,000
Upper Falls Odd Fellows Lodge	53,000
Upperco Volunteer Fire Company	85,000
Warren Elementary School – playground	150,000
Westowne Elementary School – playground	150,000
WIN Team Headquarters and Treatment Facility	627,000
Woodlawn High School – athletic facilities	500,000
Yeshivas Torah Simcha	200,000
	$124,796,584

D. Capital Projects for State Facilities in the County

Department of Public Safety and Correctional Services

Brooklandville – building demolition	$2,900,000

Military Department

Camp Fretterd Military Reservation – access control point	$553,000
Camp Fretterd Military Reservation – access control point (federal funds)	2,833,000
Emergency Management Agency – headquarters renovation and expansion	1,575,000
	$4,961,000

Maryland Emergency Management Agency

Headquarters – renovation and expansion	$9,090,000

Department of Natural Resources

Gunpowder Falls State Park – Dundee Creek Marina	$400,000
Gunpowder Falls State Park – Hammerman boat launch	130,000
North Point State Park – waterfront improvements	343,000
Patapsco Valley Park Avalon – Simkins Mill property	300,000
	$1,173,000

Maryland Environmental Service

Camp Fretterd Military Reservation – water & wastewater system upgrade	$7,700,000
Woodstock – wastewater treatment plant upgrades	8,740,000
	$16,440,000

University System of Maryland

Baltimore County – Sherman Hall	$9,886,000
Baltimore County – stadium and athletic facility improvements	1,500,000
Baltimore County – utility upgrades	56,999,000
Towson University – athletic fields	1,000,000
Towson University – College of Health Professions Building	151,082,000
Towson University – Institute for Well-Being	14,000,000
Towson University – Science Facility	68,225,000
Towson University – Smith Hall renovation	6,066,000
	$308,758,000

Department of Transportation

State Highway Administration – Back River bridge enhancements	$400,000

Other

Maryland Public Television – Studio “A” renovation and addition	$545,000

Calvert County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$62,734	$63,961	$59,871	$71,786
Compensatory Education	10,133	10,072	9,401	9,817
Student Transportation	6,296	6,412	6,313	6,917
Special Education	5,307	5,628	5,470	7,263
English Language Learners Grant	555	607	608	917
Geographic Cost of Education Index	2,354	2,398	2,312	2,469
Blueprint Funding[1]	2,805	3,999	10,627	3,143
Prekindergarten Grants	0	0	0	0
Other Education Aid	1,251	1,234	642	629
Primary and Secondary Education	***$91,434***	***$94,311***	***$95,243***	***$102,941***
Libraries	$515	$546	$568	$578
Community Colleges	2,796	2,874	3,026	5,084
Health Formula Grant	881	1,114	1,512	1,118
Transportation[2]	1,939	1,902	2,155	2,240
Police and Public Safety[2]	1,384	1,082	809	1,034
Fire and Rescue Aid[2]	300	306	300	300
Other Direct Aid	2,651	3,402	2,670	3,150
Total Direct Aid	**$101,900**	**$105,537**	**$106,283**	**$116,445**
Aid Per Capita ($)	$1,097	$1,137	$1,132	$1,240
Property Tax Equivalent ($)	0.81	0.82	0.81	0.86

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Calvert County for teachers, librarians, and community college faculty are estimated to be $57,284,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$39,631	$36,523	$41,610	$48,025
Family Health and Chronic Disease	660	719	543	571
Developmental Disabilities	6,171	6,105	6,650	8,032
Behavioral Health Services	9,672	9,068	12,395	14,425
Total	**$56,134**	**$52,415**	**$61,198**	**$71,053**
Social Services				
Homeless Services	$525	$531	$526	$1,043
Women's Services	191	191	191	191
Adult Services	66	97	106	108
Child Welfare Services	1,792	1,987	1,504	1,510
Foster Care	2,783	2,841	3,213	3,590
Temporary Cash Assistance	14	500	164	201
Total	**$5,371**	**$6,147**	**$5,704**	**$6,643**
Senior Citizen Services				
Long-term Care	$133	$133	$133	$157
Community Services	41	39	56	143
Total	**$174**	**$172**	**$189**	**$300**

C. Selected State Grants for Capital Projects

Public Schools

Beach Elementary School – construction	$14,640,901
Calvert Country School – renovations (HVAC)	1,034,000
Calvert Elementary School – renovations (HVAC)	1,487,180
Huntingtown Elementary School – renovations (HVAC)	716,000
Mt. Harmony Elementary School – renovations (HVAC)	821,500
Northern High School – renovations (sewage plant)	848,000
Patuxent High School – renovations (HVAC)	1,473,400
Plum Point Middle School – renovations (HVAC)	1,000,000
Southern Middle School – renovations (HVAC)	2,404,109
Aging Schools Program	153,172
	$24,578,262

Public Libraries

Twin Beaches Library – construction	$4,800,000

College of Southern Maryland

Campuswide – facilities renewal	$949,250
Hughesville – Center for Health Sciences	14,731,000
La Plata – Student Resource Center	4,050,000
	$19,730,250

Local Jails and Detention Centers

County Detention Center – site and security improvements	$249,000

Senior Center Capital Grant Program

Calvert Pines Senior Center	$800,000

Program Open Space

Park acquisition and development	$2,844,886

Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	$1,000,000
North Beach Wetlands Overlook Park Nature Center	110,000
Park acquisition and development	1,000,000
	$2,110,000

Chesapeake Bay Restoration Fund

Prince Frederick WWTP – enhanced nutrient removal	$14,200,539

Comprehensive Flood Mitigation Program

North Beach – flooding pump/equipment	$225,000

Waterway Improvement

Calvert Marine Museum – boat basin pier and bulkhead replacement	$400,000
Chesapeake Beach – dredge material placement site	250,000
Chesapeake Beach – maintenance dredging and pier repairs	240,000
Solomons Island – boating facility repaving	250,000
Solomons Volunteer Fire Department – purchase rescue raft and equipment	3,500
St. Leonard Volunteer Fire Department – purchase fire/rescue boat	25,000
	$1,168,500

Other Projects

Annmarie Sculpture Garden and Arts Center	$225,000
Bayside History Museum	70,000
Calvert Animal Welfare League	25,000
Calvert County – Calvert Pines Senior Center/Calvert County Office on Aging	630,000
Calvert County Day School, Inc. – The Calverton School	700,000
Calvert Elks Lodge	60,000
Calvert Marine Museum	550,000
Chesapeake Beach – Kellams Complex	50,000
Chesapeake Beach – parks and playgrounds	150,000
Chesapeake Beach – Richfield Station Water Tower	400,000
End Hunger in Calvert County, Inc.	828,000
Huntingtown High School – electronic message sign	60,000
North Beach – parks and playgrounds	150,000

St. John Vianney Inter–Faith Food Pantry	125,000
St. Johns Methodist Church	120,000
	$4,143,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Jefferson Patterson Park and Museum – Patterson Center	$3,875,000

Department of Planning

Jefferson Patterson Park and Museum – Patterson Center	$4,714,000
Maryland Archaeological Conservation Laboratory – expansion/renovation	5,041,000
	$9,755,000

Morgan State University

Patuxent Environmental and Aquatic Research Laboratory	$500,000

University System of Maryland

Center for Environmental Science – Chesapeake Analytics Collaboration	$10,837,000
Center for Environmental Science – Horn Point Laboratory	2,500,000
	$13,337,000

Caroline County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$31,353	$31,595	$30,506	$33,364
Compensatory Education	16,120	16,193	14,614	16,864
Student Transportation	2,960	3,001	2,994	3,253
Special Education	2,993	3,155	2,974	3,642
English Language Learners Grant	2,771	3,094	2,825	3,463
Guaranteed Tax Base	1,827	2,170	2,356	2,138
Blueprint Funding[1]	3,156	4,587	8,529	4,750
Prekindergarten Grants	1,470	600	600	600
Other Education Aid	1,191	740	899	946
Primary and Secondary Education	***$63,841***	***$65,135***	***$66,297***	***$69,020***
Libraries	$334	$345	$351	$361
Community Colleges	1,786	1,860	2,017	2,143
Health Formula Grant	1,003	1,078	1,106	1,258
Transportation[2]	1,450	1,590	1,636	1,699
Police and Public Safety[2]	375	923	352	454
Fire and Rescue Aid[2]	305	313	307	307
Disparity Grant	3,301	3,415	4,035	4,035
Teachers Retirement Supplemental Grant	685	685	685	685
Other Direct Aid	499	22	0	0
Total Direct Aid	**$73,579**	**$75,366**	**$76,787**	**$79,963**
Aid Per Capita ($)	$2,210	$2,264	$2,300	$2,395
Property Tax Equivalent ($)	2.75	2.73	2.68	2.69

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Caroline County for teachers, librarians, and community college faculty are estimated to be $20,024,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$30,086	$27,484	$31,331	$36,163
Family Health and Chronic Disease	555	630	602	426
Developmental Disabilities	6,753	6,682	7,278	8,791
Behavioral Health Services	6,470	6,256	8,564	9,872
Total	**$43,864**	**$41,052**	**$47,775**	**$55,252**
Social Services				
Homeless Services	$527	$459	$516	$931
Women's Services	56	56	56	56
Adult Services	50	61	121	117
Child Welfare Services	1,976	1,978	1,442	1,388
Foster Care	989	991	783	875
Temporary Cash Assistance	17	435	324	396
Total	**$3,615**	**$3,980**	**$3,242**	**$3,763**
Senior Citizen Services				
Long-term Care	$394	$392	$392	$462
Community Services	151	70	69	149
Total	**$545**	**$462**	**$461**	**$611**

Note: Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

C. Selected State Grants for Capital Projects

Public Schools

Greensboro Elementary School – construction	$29,707,212
Ridgely Elementary School – renovations (roof)	1,950,000
Aging Schools Program	200,296
	$31,857,508

Public Libraries

Denton Library – renovation	$987,000

Chesapeake College

Campuswide – facilities renewal	$919,000
Campuswide – network and security infrastructure upgrades	833,000
Learning Resource Center – chiller and roof replacement	903,000
	$2,655,000

Federally Qualified Health Centers Grant Program

Choptank Community Health System, Inc.	$1,253,000

Program Open Space

Park acquisition and development	$1,240,744

Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	$1,000,000
Denton – Fourth Street Park	342,262
Greensboro – Ober Park Basketball Court	70,125
Hillsboro – Community Park garden design and amenities	305,402
Marina Park Fit-Trail Stations	7,000
Martin Sutton Park	29,500
Marydel Community Park	200,000
North County Regional Park	750,000
Ober Park	200,000
Preston – James T. Wright Park Meditation Garden	18,200
Templeville – Community Park	141,300
Park acquisition and development	250,000
	$3,313,789

Comprehensive Flood Mitigation Program

Federalsburg – Lake Chambers dam repairs	$6,000

Waterway Improvement

Choptank Marina – auxiliary parking lot expansion and surfacing	$150,000
Choptank Marina – fuel tank and seawall redesign	55,000
Choptank Marina – fuel tank installation	250,000
Choptank Marina – maintenance dredging	400,000
Choptank Marina – parking lot improvements	75,000
Crouse Park – parking lot paving	99,000
Marina Park – bulkhead repair	30,000
	$1,059,000

Other Projects

Caroline County – public high school tracks	$325,000
Caroline County Historical Society, Inc. – Agricultural Interpretive Center	150,000
Chesapeake Culinary Center	50,000
Choptank Community Health System, Inc. – Federalsburg Health Center	420,893
Colonel Richardson High School – track replacement	368,500
Compass Regional Hospice	400,000
Denton – Sharp Road Park exercise equipment	66,555
Federalsburg Activities Center, Inc.	150,000
Greensboro Elementary School – Judy Hoyer Early Learning Center	1,000,000
Ridgely – Telephone Exchange Building	9,000
Ridgely – town hall roof	87,000
The Benedictine School	1,500,000
	$4,526,948

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Martinak State Park – bulkhead and dock replacement	$2,075,000
Martinak State Park – dredge material placement rehabilitation	200,000
Tuckahoe State Park – boat ramp replacement	150,000
	$2,425,000

Maryland Environmental Service

Martinak State Park – water tower upgrades	$275,000

Carroll County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$94,954	$95,953	$92,834	$109,287
Compensatory Education	14,252	14,889	11,724	11,724
Student Transportation	10,674	10,859	10,737	11,871
Special Education	10,858	11,389	10,934	14,474
English Language Learners Grant	1,148	1,217	1,169	1,676
Geographic Cost of Education Index	2,517	2,563	2,503	2,627
Blueprint Funding[1]	4,591	6,068	15,507	4,363
Prekindergarten Grants	420	720	720	720
Other Education Aid	2,063	1,569	1,320	1,185
Primary and Secondary Education	***$141,478***	***$145,228***	***$147,447***	***$157,927***
Libraries	$1,069	$1,107	$1,126	$1,222
Community Colleges	9,147	9,526	10,282	12,832
Health Formula Grant	2,308	2,408	2,792	2,954
Transportation[2]	4,483	4,891	5,023	5,178
Police and Public Safety[2]	2,008	4,869	1,605	1,963
Fire and Rescue Aid[2]	388	396	385	385
Other Direct Aid	478	528	0	0
Total Direct Aid	**$161,358**	**$168,952**	**$168,659**	**$182,460**
Aid Per Capita ($)	$933	$977	$970	$1,049
Property Tax Equivalent ($)	0.78	0.80	0.77	0.81

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Carroll County for teachers, librarians, and community college faculty are estimated to be $86,455,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$73,253	$67,503	$76,963	$88,834
Family Health and Chronic Disease	722	802	754	742
Developmental Disabilities	16,304	16,132	17,571	21,223
Behavioral Health Services	17,389	19,156	22,632	25,632
Total	**$107,668**	**$103,593**	**$117,920**	**$136,431**
Social Services				
Homeless Services	$235	$250	$244	$422
Women's Services	143	143	143	143
Adult Services	46	1	108	110
Child Welfare Services	2,495	2,698	2,445	2,556
Foster Care	2,798	2,655	2,396	2,678
Temporary Cash Assistance	20	475	275	336
Total	**$5,737**	**$6,222**	**$5,611**	**$6,245**
Senior Citizen Services				
Long-term Care	$258	$258	$260	$298
Community Services	73	64	64	129
Total	**$331**	**$322**	**$324**	**$427**

C. Selected State Grants for Capital Projects

Public Schools

Career and Technology Center – construction	$27,826,128
Cranberry Station Elementary School – renovations (roof)	1,082,060
South Carroll High School – renovations (windows/doors)	1,000,000
Westminster East Middle School – construction	1,084,790
Westminster High School – science facilities	1,622,500
Winfield Elementary School – renovations (mechanical)	4,899,360
Winfield Elementary School – renovations (roof)	1,380,000
Aging Schools Program	549,044
	$39,443,882

Public Libraries

Westminster Library – renovation	$800,000

Carroll Community College

Campuswide – facilities renewal	$919,000
Campuswide – systemic renovations	3,478,000
	$4,397,000

Community Health Facilities Grant Program

Carroll County Youth Service Bureau, Inc.	$1,000,000
Way Station, Inc.	1,200,000
	$2,200,000

Program Open Space

Park acquisition and development	$6,382,942

Community Parks and Playgrounds

Bollinger Park	$150,000
Cooper Park	150,000
Countywide – indoor and outdoor park infrastructure	1,500,000
Hampstead War Memorial Park	200,000
Manchester – Christmas Tree Park Playground	75,000
New Windsor Town Park	50,825
Sykesville – Linear Park Natural Play and Learning Area	100,000
Tahoma Road Boulder Park	75,000

Taneytown – High School Park Skatepark	136,346
Watkins Park	200,728
Westminster – Municipal Pool	113,000
Westminster – Wakefield Valley Park	1,000,000
Park acquisition and development	500,000
	$4,250,899

Chesapeake Bay Restoration Fund

Countywide – stormwater management restoration projects	$2,475,000
New Windsor WWTP – enhanced nutrient removal	3,434,283
	$5,909,283

Water Supply Financial Assistance Program

New Windsor – water storage tanks	$250,000

Other Projects

American Legion Sykesville Post 223	$350,000
Boys and Girls Club of Westminster	50,000
Carroll County – Charles Carroll Community Center	250,000
Carroll County – Farm Museum	250,000
Carroll County – Hampstead Wastewater Treatment Plant	500,000
Carroll County – law enforcement building	3,000,000
Carroll County – Public Safety Training Center	2,000,000
Carroll County – turf field	200,000
Carroll County Agriculture Center, Inc.	650,000
Carroll County Veterans Independence Project, Inc.	250,000
Carroll County Youth Service Bureau, Inc.	120,000
Carroll Hospice – Dove House	650,000
Carroll Hospital Center	1,556,000
Cascade Lake Recreation and Adventure Park	250,000
Fairhaven and Raincliffe water treatment plants	1,000,000
Freedom District Elementary School – playground	25,000
Hampstead Elementary School – playground	50,000
Hampstead Volunteer Fire Company	175,000
Historical Society of Carroll County	40,000
McDaniel College – McDaniel Environmental Center/Harvey Stone Pavilion	2,300,000
Mount Airy – Center Street extension	500,000
New Windsor – water main replacement	4,000,000
Penn-Mar Human Services and Change	50,000

Sykesville – warehouse and bridge improvements	1,000,000
Union Bridge – sewer plant upgrade	5,000,000
Westminster – historic clock tower renovations	200,000
Westminster Elementary School – playground	50,000
Westminster Rescue Mission	100,000
	$24,566,000

D. Capital Projects for State Facilities in the County

Department of Veterans Affairs

Veterans Home – construction	$63,261,000

Military Department

Freedom Readiness Center	$3,015,000
Freedom Readiness Center (federal funds)	1,635,000
	$4,650,000

Maryland Environmental Service

Central Correctional Facility – sewer system improvements	$557,000

Cecil County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$68,546	$66,449	$63,567	$72,891
Compensatory Education	23,141	23,185	20,477	20,477
Student Transportation	5,672	5,764	5,732	6,294
Special Education	8,197	8,446	8,367	10,777
English Language Learners Grant	1,306	1,376	1,263	1,611
Blueprint Funding[1]	3,949	8,160	15,348	6,283
Other Education Aid	1,173	987	732	715
Primary and Secondary Education	***$111,985***	***$114,367***	***$115,487***	***$119,048***
Libraries	$867	$890	$897	$925
Community Colleges	6,820	7,083	7,446	8,827
Health Formula Grant	1,608	1,770	1,900	2,049
Transportation[2]	2,454	2,559	2,762	2,859
Police and Public Safety[2]	1,261	1,041	1,006	1,493
Fire and Rescue Aid[2]	307	315	309	309
Disparity Grant	1,504	1,846	1,601	1,601
Gaming Impact Aid	3,232	4,902	5,226	5,266
Other Direct Aid	203	241	0	0
Total Direct Aid	**$130,241**	**$135,012**	**$136,634**	**$142,376**
Aid Per Capita ($)	$1,255	$1,301	$1,315	$1,370
Property Tax Equivalent ($)	1.20	1.20	1.19	1.23

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Cecil County for teachers, librarians, and community college faculty are estimated to be $56,847,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$72,575	$64,312	$73,344	$84,658
Family Health and Chronic Disease	492	444	454	460
Developmental Disabilities	8,847	8,754	9,534	11,516
Behavioral Health Services	13,537	14,083	17,501	19,827
Total	**$95,451**	**$87,593**	**$100,833**	**$116,461**
Social Services				
Homeless Services	$121	$121	$120	$240
Women's Services	117	117	117	117
Adult Services	113	136	149	151
Child Welfare Services	3,823	3,918	3,105	3,101
Foster Care	5,814	6,324	7,045	7,872
Temporary Cash Assistance	54	1,469	1,023	1,250
Total	**$10,042**	**$12,085**	**$11,559**	**$12,731**
Senior Citizen Services				
Long-term Care	$159	$152	$156	$182
Community Services	56	68	44	89
Total	**$215**	**$220**	**$200**	**$271**

C. Selected State Grants for Capital Projects

Public Schools

Bohemia Manor Middle/High School – renovations (chiller/cooling tower)	$333,000
Cecil Manor Elementary School – renovations (HVAC)	1,597,000
Chesapeake City Elementary School – construction	10,436,919
Elkton Middle School – renovations (roof)	1,348,000
Leeds Elementary School – renovations (boiler)	350,000
North East Middle/High School – construction	3,461,331
Aging Schools Program	384,096
	$17,910,346

Public Libraries

North East Library – construction	$1,000,000

Cecil Community College

Campuswide – facilities renewal	$949,250
Facilities Management Building and entrance/roadway construction	8,827,000
	$9,776,250

Program Open Space

Park acquisition and development	$3,298,516

Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	$1,500,000
Elkton – Neighborhood Community Center Park Playground	247,000
Fair Green Park	113,000
Rice Tot Lot Park	67,186
Park acquisition and development	1,500,000
	$3,427,186

Chesapeake Bay Restoration Fund

Elk Neck WWTP – enhanced nutrient removal	$4,837,925
Perryville WWTP – enhanced nutrient removal	6,721,769
Port Deposit WWTP – replacement	4,396,000
Triumph Industrial Park – county sanitary sewer connection	3,575,000
	$19,530,694

Water Supply Financial Assistance Program

Perryville Fire Company – service line	$140,000

Comprehensive Flood Mitigation Program

Bay View – stream restoration and sewer repair	$1,800,000

Waterway Improvement

Charlestown – dredge material site repair and improvements	$300,000
Elk River Park – dredging	940,000
Water Witch Volunteer Fire Company – fire boat repairs	26,000
	$1,266,000

Hazardous Substance Cleanup Program

Montgomery Brothers – dump site	$100,000
Ordnance Products, Inc.	127,000
	$227,000

Other Projects

Bainbridge Development Corporation	$11,000,000
Bee Hive Colonial Village	75,000
Cecil County – Health Department parking lot renovation	300,000
Cecil County – shooting range	1,000,000
Cecil County Farm Museum	95,000
Elkton Colored School Museum and Cultural Center	250,000
Historical Society of Cecil County – Rev. Duke Log Cabin	150,000
North East Library – Our Town Literacy Center	50,000
NorthBay Education, Inc.	3,550,000
Turkey Point Light Station, Inc. – Bell Tower reconstruction	100,000
Upper Bay Counseling and Support Services, Inc.	500,000
VFW Post No. 8185	92,000
	$17,162,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Elk Neck State Park – Mauldin Mountain day use improvements	$235,000

Elk Neck State Park – rustic cabin renovations	502,000
	$737,000

Maryland Environmental Service

Elk Neck State Park – wastewater treatment plant upgrade	$1,943,000
Elk Neck State Park – water towers	300,000
Fair Hill NRMA – water treatment plant/distribution system upgrades	154,000
	$2,397,000

Charles County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$122,264	$124,601	$122,478	$134,164
Compensatory Education	35,505	36,634	39,368	39,368
Student Transportation	11,968	12,203	11,440	13,185
Special Education	11,458	11,166	10,669	13,789
English Language Learners Grant	3,393	3,924	4,051	5,310
Guaranteed Tax Base	2,137	791	1,685	2,865
Geographic Cost of Education Index	3,812	3,897	3,847	4,120
Blueprint Funding[1]	7,076	9,676	15,474	8,075
Prekindergarten Grants	100	105	105	105
Other Education Aid	2,261	2,167	1,594	1,593
Primary and Secondary Education	***$199,974***	***$205,164***	***$210,710***	***$222,572***
Libraries	$1,163	$1,211	$1,268	$1,328
Community Colleges	9,331	9,574	10,599	9,361
Health Formula Grant	1,667	2,832	3,804	2,396
Transportation[2]	2,722	2,910	3,044	3,183
Police and Public Safety[2]	1,582	2,930	1,420	2,428
Fire and Rescue Aid[2]	386	394	388	388
Other Direct Aid	9	9	0	0
Total Direct Aid	**$216,834**	**$225,023**	**$231,233**	**$241,655**
Aid Per Capita ($)	$1,301	$1,350	$1,371	$1,432
Property Tax Equivalent ($)	1.15	1.16	1.14	1.13

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Charles County for teachers, librarians, and community college faculty are estimated to be $92,537,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$79,625	$73,714	$84,063	$97,031
Family Health and Chronic Disease	783	949	858	729
Developmental Disabilities	13,842	13,696	14,917	18,018
Behavioral Health Services	15,189	17,780	20,366	22,979
Total	**$109,439**	**$106,139**	**$120,204**	**$138,757**
Social Services				
Homeless Services	$525	$531	$526	$1,043
Women's Services	295	295	295	297
Adult Services	93	112	157	160
Child Welfare Services	3,647	3,772	3,744	3,784
Foster Care	3,502	3,972	3,285	3,671
Temporary Cash Assistance	48	1,346	708	864
Total	**$8,110**	**$10,028**	**$8,715**	**$9,819**
Senior Citizen Services				
Long-term Care	$225	$224	$223	$260
Community Services	66	76	64	128
Total	**$291**	**$300**	**$287**	**$388**

C. Selected State Grants for Capital Projects

Public Schools

Benjamin Stoddert Middle School – construction	$25,329,766
Dr. Gustavus Brown Elementary School – construction	3,428,000
Dr. James Craik Elementary School – kindergarten/pre-k addition	1,377,871
Elementary School #23 School – construction	2,908,100
Eva Turner Elementary School – construction	10,519,969
Indian Head Elementary School – renovations (HVAC)	802,913
T.C. Martin Elementary School – construction	7,982,949
Westlake High School – renovations (roof)	2,317,770
Additional Funding	5,000,000
Aging Schools Program	200,296
Supplemental Capital Grant Program for Local School Systems	7,900,000
	$67,767,634

College of Southern Maryland

Campuswide – facilities renewal	$949,250
Hughesville – Center for Health Sciences	14,731,000
La Plata – Student Resource Center	4,050,000
	$19,730,250

Program Open Space

Park acquisition and development	$5,833,609

Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	$3,000,000
Waldorf Urban Park and Amphitheater	3,000,000
	$6,000,000

Chesapeake Bay Restoration Fund

La Plata – stormwater upgrades	$181,736

Comprehensive Flood Mitigation Program

Gilbert Run Watershed Dam – retrofit	$1,484,000

Other Projects

American Legion, Randolph Furey, Post 170	$300,000
Benedict Volunteer Fire Department and Rescue Squad	150,000
Charles County – basketball courts	100,000
Charles County – Behavioral Health Crisis Mobile Response Unit	500,000
Charles County – Multicultural Recreational and Amphitheatre Facilities	1,000,000
Charles County – Regency Furniture Stadium	1,500,000
College of Southern Maryland – Velocity Center	125,000
Energetics Technology Center	750,000
Historic Willing Helpers Society	30,000
Hospice of Charles County	450,000
Indian Head – community recreation center	200,000
Indian Head Center for the Arts	65,000
La Plata – Kent Avenue Corridor Community Center	750,000
LifeStyles of Maryland Foundation, Inc.	750,000
Lions Camp Merrick	250,000
Maryland Veterans Memorial Museum	400,000
Melwood Horticultural Training Center, Inc.	200,000
Pleasant Grove Missionary Baptist Church – Addie E. Thomas Community	250,000
Poiema Movement, Inc. – Recovery Residence	600,000
RXBSA Properties, LLC – Indian Head grocery store	300,000
Senior Network, Inc. – Fenwick Landing Senior Center	50,000
Southern Maryland Martial Arts and Fitness Center – Boys and Girls Club	75,000
St. Ignatius Chapel Point and St. Thomas Manor	250,000
United States Bomb Technician Association Corp. – Technology Training	150,000
Westlake Business Association – Waldorf Urban Park & Amphitheater	100,000
Willing Helpers Society, Inc.	50,000
	$9,345,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Smallwood State Park – concession building upgrades	$100,000
Smallwood State Park – Sweden Point Marina	1,200,000
	$1,300,000

St. Mary's College

Mount Aventine at Chapman State Park	$100,000

Dorchester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$24,016	$24,602	$24,333	$24,776
Compensatory Education	13,502	13,387	13,932	13,932
Student Transportation	2,730	2,742	2,681	2,972
Special Education	1,870	1,954	1,895	2,385
English Language Learners Grant	931	964	945	1,200
Guaranteed Tax Base	1,413	1,400	1,913	1,665
Blueprint Funding[1]	3,511	4,163	6,231	7,046
Prekindergarten Grants	1,395	540	540	540
Other Education Aid	1,075	1,126	761	773
Primary and Secondary Education	***$50,442***	***$50,878***	***$53,231***	***$55,289***
Libraries	$309	$317	$322	$344
Community Colleges	1,201	1,255	1,318	1,626
Health Formula Grant	977	962	1,805	1,291
Transportation[2]	1,832	1,854	2,027	2,121
Police and Public Safety[2]	563	2,717	369	742
Fire and Rescue Aid[2]	329	330	329	329
Disparity Grant	2,023	3,975	3,733	3,830
Teachers Retirement Supplemental Grant	309	309	309	309
Other Direct Aid	602	570	645	690
Total Direct Aid	**$58,586**	**$63,168**	**$64,089**	**$66,570**
Aid Per Capita ($)	$1,802	$1,943	$1,973	$2,049
Property Tax Equivalent ($)	2.00	2.10	2.06	2.06

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Dorchester County for teachers, librarians, and community college faculty are estimated to be $16,106,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$34,952	$30,951	$35,267	$40,705
Family Health and Chronic Disease	760	738	609	575
Developmental Disabilities	2,636	2,608	2,840	3,431
Behavioral Health Services	7,103	7,489	8,826	10,070
Total	**$45,451**	**$41,786**	**$47,542**	**$54,781**
Social Services				
Homeless Services	$527	$459	$516	$931
Women's Services	56	56	56	56
Adult Services	124	133	225	235
Child Welfare Services	1,655	1,826	1,483	1,470
Foster Care	1,123	1,381	1,347	1,505
Temporary Cash Assistance	21	607	436	532
Total	**$3,506**	**$4,462**	**$4,063**	**$4,729**
Senior Citizen Services				
Long-term Care	$583	$581	$591	$692
Community Services	156	165	134	270
Total	**$739**	**$746**	**$725**	**$962**

Note: Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

C. Selected State Grants for Capital Projects

Public Schools

Cambridge-South Dorchester High School – renovations (roof)	$2,018,503
Cambridge-South Dorchester High School – renovations (roof/fire alarm)	2,917,000
Cambridge-South Dorchester High School – renovations (security vestibule)	152,000
Mace's Lane Middle School – renovations (security vestibule)	114,000
North Dorchester High School – construction	3,408,000
Sandy Hill Elementary School – renovations (roof)	1,558,000
South Dorchester Elementary/Middle School – renovations (HVAC)	2,150,848
Vienna Elementary School – renovations (roof)	729,600
Aging Schools Program	153,172
	$13,201,123

Chesapeake College

Campuswide – facilities renewal	$919,000
Campuswide – network and security infrastructure upgrades	833,000
Learning Resource Center – chiller and roof replacement	903,000
	$2,655,000

Program Open Space

Park acquisition and development	$1,064,318

Community Parks and Playgrounds

Cambridge – Cornish Park	$200,900
Countywide – indoor and outdoor park infrastructure	1,000,000
Friendship Park	160,300
Triangle Park	138,710
Vienna – sports field upgrade	208,295
Vienna Playground	137,040
Park acquisition and development	1,000,000
	$2,845,245

Chesapeake Bay Restoration Fund

Valley Proteins WWTP – enhanced nutrient removal	$12,786,550
Vienna WWTP – enhanced nutrient removal	3,570,722
	$16,357,272

Water Supply Financial Assistance Program

Secretary – water meter replacement	$198,000
Vienna – water treatment plant replacement	459,605
Vienna – wells replacement project	388,430
	$1,046,035

Comprehensive Flood Mitigation Program

Cambridge – seawall replacement	$368,000

Waterway Improvement

Cambridge – Franklin Street boat ramp improvements	$330,000
Cambridge Municipal Marina – improvements	694,000
Crocheron Wharf – boat ramp repairs and improvements	250,000
Crocheron Wharf – bulkhead and parking lot improvements	150,000
Elliott Island Marina – jetty and shoreline improvements	350,000
Hoopersville – boat ramp and bulkhead construction	90,000
Hoopersville – boat ramp replacement	250,000
Public boating facilities – countywide maintenance	250,000
Secretary – boat ramp floating dock and pier redecking	80,000
Smithville Road – boat ramp replacement	250,000
Tyler's Cove – boat ramp and bulkhead construction	90,000
Vienna Waterfront Park – slip improvements	75,000
	$2,859,000

Resiliency Through Restoration Initiative Program

Hurst Creek – shoreline improvements	$1,300,000

Other Projects

American Legion Post 91	$100,000
Boys and Girls Clubs of Metropolitan Baltimore – Cambridge Club	750,000
Cambridge – cemetery fencing	75,000
Cambridge Waterfront Development, Inc.	5,000,000
Chesapeake Grove – Harry and Jeanette Weinberg Intergenerational Center	2,200,000
Chesapeake Grove – Wellness Center	1,500,000
Dorchester Center for the Arts	80,000
Eldorado and Brookview Volunteer Fire Company, Inc.	400,000
Fraternal Order of Police Lodge 27	250,000

Harriet Tubman Pavilion	350,000
Harriet Tubman Statue	50,000
Maces Lane Community Center	1,300,000
Patriot Point	470,000
Richardson Maritime Museum	120,000
The Bayly House	650,000
	$13,295,000

D. Capital Projects for State Facilities in the County

Maryland Environmental Service

Horn Point Laboratory – sewer collection system upgrade	$188,000

Frederick County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$171,209	$176,560	$176,199	$209,240
Compensatory Education	35,632	37,450	37,154	39,719
Student Transportation	14,076	14,573	13,887	16,290
Special Education	18,571	19,600	19,052	25,660
English Language Learners Grant	10,695	11,496	11,367	15,106
Geographic Cost of Education Index	7,185	7,434	7,457	7,829
Blueprint Funding[1]	8,720	12,653	20,252	12,621
Prekindergarten Grants	550	900	900	900
Other Education Aid	2,677	2,430	1,716	1,715
Primary and Secondary Education	***$269,315***	***$283,096***	***$287,983***	***$329,080***
Libraries	$1,563	$1,623	$1,661	$1,820
Community Colleges	12,339	12,680	14,348	17,380
Health Formula Grant	2,679	2,848	2,878	3,305
Transportation[2]	6,994	7,692	7,760	8,262
Police and Public Safety[2]	2,832	10,692	2,565	3,437
Fire and Rescue Aid[2]	583	600	593	593
Other Direct Aid	1,314	1,330	0	0
Total Direct Aid	**$297,619**	**$320,562**	**$317,788**	**$363,878**
Aid Per Capita ($)	$1,091	$1,175	$1,136	$1,300
Property Tax Equivalent ($)	0.92	0.94	0.88	0.96

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Frederick County for teachers, librarians, and community college faculty are estimated to be $144,170,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$111,134	$103,012	$117,421	$135,530
Family Health and Chronic Disease	643	729	631	642
Developmental Disabilities	18,548	18,352	19,989	24,144
Behavioral Health Services	25,543	29,076	33,141	38,009
Total	**$155,868**	**$151,169**	**$171,182**	**$198,325**
Social Services				
Homeless Services	$306	$407	$277	$477
Women's Services	139	139	139	139
Adult Services	129	140	221	218
Child Welfare Services	4,482	4,763	4,168	4,225
Foster Care	3,647	4,019	4,178	4,668
Temporary Cash Assistance	47	1,206	697	851
Total	**$8,750**	**$10,674**	**$9,680**	**$10,578**
Senior Citizen Services				
Long-term Care	$352	$361	$365	$423
Community Services	249	103	104	210
Total	**$601**	**$464**	**$469**	**$633**

C. Selected State Grants for Capital Projects

Public Schools

Ballenger Creek Middle School – renovations (roof)	$2,409,100
Blue Heron Elementary School – construction	17,227,396
Brunswick Elementary School – construction	2,500,000
Butterfly Ridge Elementary School – construction	5,785,000
Carroll Manor Elementary School – renovations (windows/doors)	558,000
Catoctin High School – renovations (HVAC)	2,091,395
Countywide – renovations (security access control)	149,000
Governor Thomas Johnson High School – renovations (roof)	448,000
Heather Ridge School – renovations (roof)	579,200
Lincoln "A" Elementary School – renovations (roof)	551,040
Middletown High School – renovations (roof)	168,320
Monocacy Elementary School – construction	1,882,001
Rock Creek School – construction	18,072,198
Thurmont Elementary School – construction	4,189,069
Urbana Elementary School – construction	14,465,512
Walkersville Middle School – renovations (roof)	124,000
Waverley Elementary School – construction	9,299,060
Additional Funding	10,000,000
Aging Schools Program	730,488
Supplemental Capital Grant Program for Local School Systems	15,300,000
	$106,528,779

Public Libraries

Middletown Library – construction	$2,300,000

Frederick Community College

Building E – renovation and addition	$2,538,000
Campuswide – facilities renewal	919,000
Linganore Hall – renovation	6,382,000
	$9,839,000

Local Jails and Detention Centers

County Adult Detention Center – medical addition	$6,648,000

Program Open Space

Park acquisition and development	$6,823,197

Community Parks and Playgrounds

Baker Park – Culler Lake	$228,155
Countywide – indoor and outdoor park infrastructure	6,000,000
Emmitsburg – Silo Hill Playground	146,263
Emmitsburg Disc Golf Course	14,000
FC Frederick, Inc. – Youth Sporting Complex	250,000
Mount Airy – Rails to Trails	250,000
Myersville – Terraces of South Mountain Playground	45,000
New Market Community Park	231,451
Woodsboro – Town Park	214,000
Park acquisition and development	5,500,000
	$12,878,869

Chesapeake Bay Restoration Fund

Gas House Pike WWTP – enhanced nutrient removal	$3,295,000

Comprehensive Flood Mitigation Program

New Market – conveyance phase 3 and 4	$428,000

Waterway Improvement

Frederick – Riverside Park boat ramp improvements	$250,000

Other Projects

African American Heritage Center	$200,000
Asian American Center of Frederick	1,000,000
Boonsboro – replace reservoir	1,000,000
Brunswick – emergency operations center	2,059,000
Brunswick – public works repair	100,000
Brunswick – reservoir storage tank	500,000
Brunswick – stormwater tunnel repairs	100,000
Brunswick – Yourtee Springs	1,600,000
Brunswick Heritage Museum	100,000

Brunswick Volunteer Ambulance Company	1,150,000
Carroll Manor Fire Company – Adamstown Fire Station	84,000
Community Arts Inc. – Frederick Sports Mural	50,000
CrossRoads Freedom Center Recovery Housing	100,000
Eastview Community Center, Inc. – playground	40,000
Emmitsburg – water treatment plant water clarifier	1,000,000
FC Frederick, Inc. – Youth Sporting Complex	1,000,000
Federated Charities Corporation of Frederick	75,000
Frederick – bocce ball courts	50,000
Frederick – Community Bridge murals and l'oeil paintings	250,000
Frederick – police department headquarters	4,250,000
Frederick – Sophie and Madigan Lillard Memorial Playground	250,000
Frederick – Westside Regional Park	400,000
Frederick Arts Council, Inc.	50,000
Frederick County – animal control addition	100,000
Frederick County – business innovation center	250,000
Frederick County – county landfill compost pad	150,000
Frederick County – Crisis Stabilization Center	1,000,000
Frederick County – detox facility	500,000
Frederick County – Green Valley Fire Station water & sewer line extension	500,000
Frederick County – Lake Linganore dredging	2,000,000
Frederick County – Public Safety Training Facility	1,500,000
Frederick County – Rose Hill Manor Park and Museums	500,000
Frederick Innovative Technology Center	1,000,000
Frederick Memorial Hospital	2,500,000
Fredericktowne Players, Inc.	100,000
Goodwill Industries of Monocacy Valley, Inc.	500,000
Harry Grove Stadium – sports mural	150,000
Historical Society of Frederick County, Inc.	25,000
Hood College – Beneficial-Hodson Library and Technology Center	2,900,000
Hood College – Hodson Science and Technology Center	6,838,000
Jefferson Ruritan Club, Inc. – community tennis court	13,000
Lefty Kreh Memorial	50,000
Maryland Deaf Community Center	2,500,000
Maryland Ensemble Theatre	75,000
Middletown – pedestrian and vehicular improvements	203,000
Mount Airy – Rails to Trails	300,000
Mount St. Mary's University – Coad Science Building	2,000,000
Mount St. Mary's University – Knott Academic Center	2,900,000
Mountain City Elks Lodge No. 382	375,000

Museum of the Ironworker	50,000
New Market – stormwater infrastructure	456,000
Phoenix Foundation of Maryland, Inc.	85,000
Prince Hall Masonic Lodge #49	15,000
Ranch Residence Hall	150,000
Religious Coalition for Emergency Human Needs in Frederick County, Inc.	500,000
Shafer Farm House	100,000
Way Station, Inc. – Frederick County Psychiatric Rehabilitation Program	847,455
Weinberg Center for the Arts	200,000
Woodsboro – Town Hall	400,000
YMCA of Frederick County	1,915,000
	$49,055,455

D. Capital Projects for State Facilities in the County

Military Department

Frederick Readiness Center – renovation and expansion	$382,000
Frederick Readiness Center – renovation and expansion (federal funds)	845,000
	$1,227,000

Department of Natural Resources

Cunningham Falls State Park – boat ramp ADA improvements	$150,000

Maryland Environmental Service

Cunningham Falls State Park – sewer line upgrade	$2,000,000
Cunningham Falls State Park – water treatment plant	256,000
Victor Cullen – wastewater treatment plant upgrades	4,564,000
	$6,820,000

Other

School for the Deaf – Veditz Building	$18,226,000

Garrett County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$12,440	$13,159	$11,842	$12,616
Compensatory Education	4,561	4,466	4,407	4,407
Student Transportation	3,249	3,279	3,302	3,572
Special Education	845	816	792	968
English Language Learners Grant	29	29	32	33
Blueprint Funding[1]	607	1,645	3,396	2,031
Prekindergarten Grants	640	0	0	0
Other Education Aid	1,341	1,353	1,070	1,043
Primary and Secondary Education	***$23,712***	***$24,747***	***$24,841***	***$24,670***
Libraries	$169	$176	$179	$182
Community Colleges	4,120	4,339	4,518	5,398
Health Formula Grant	987	1,425	1,835	1,347
Transportation[2]	1,734	1,881	1,933	1,987
Police and Public Safety[2]	1,182	1,565	220	332
Fire and Rescue Aid[2]	300	306	300	300
Disparity Grant	2,131	2,131	2,131	2,131
Teachers Retirement Supplemental Grant	406	406	406	406
Other Direct Aid	1,552	1,402	1,697	1,714
Total Direct Aid	**$36,294**	**$38,379**	**$38,060**	**$38,468**
Aid Per Capita ($)	$1,262	$1,334	$1,326	$1,340
Property Tax Equivalent ($)	0.78	0.81	0.78	0.77

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Garrett County for teachers, librarians, and community college faculty are estimated to be $13,969,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$24,278	$21,797	$24,864	$28,700
Family Health and Chronic Disease	689	607	492	451
Developmental Disabilities	3,835	3,794	4,133	4,992
Behavioral Health Services	4,894	5,333	6,302	7,135
Total	**$33,696**	**$31,531**	**$35,791**	**$41,278**
Social Services				
Homeless Services	$139	$141	$142	$273
Women's Services	251	251	251	253
Adult Services	25	8	28	28
Child Welfare Services	1,588	1,605	1,540	1,529
Foster Care	1,513	1,692	1,627	1,818
Temporary Cash Assistance	10	271	152	185
Total	**$3,526**	**$3,968**	**$3,740**	**$4,086**
Senior Citizen Services				
Long-term Care	$130	$130	$130	$153
Community Services	27	25	29	68
Total	**$157**	**$155**	**$159**	**$221**

C. Selected State Grants for Capital Projects

Public Schools

Grantsville Elementary School – construction	$1,958,000
Grantsville Elementary School – renovations (open space enclosure)	1,908,836
Grantsville Elementary School – renovations (roof)	1,402,000
Southern High School – renovations (building envelope)	1,335,000
Southern High School – renovations (fire safety)	443,221
Southern Middle School – construction	75,000
Aging Schools Program	153,172
	$7,275,229

Garrett Community College

Campuswide – facilities renewal	$919,000

Federally Qualified Health Centers Grant Program

Western Maryland Health Care Corporation	$374,000

Program Open Space

Park acquisition and development	$1,327,106

Community Parks and Playgrounds

Accident Community Pond – Fishing Pier	$27,731
Countywide – indoor and outdoor park infrastructure	1,000,000
Friendsville Community Park	25,006
Grantsville – Community Park Basketball and Volleyball Court	155,000
Leo Martin Memorial Park	159,000
Oakland Broadford Park – multi-use trails	125,000
Park acquisition and development	1,000,000
	$2,491,737

Chesapeake Bay Restoration Fund

Grantsville WWTP – enhanced nutrient removal	$14,167,313
Oakland Trout Run Regional WWTP – enhanced nutrient removal	31,448,389
	$45,615,702

Water Supply Financial Assistance Program

Oakland – water plant improvements	$182,500

Other Projects

Believe in Tomorrow Children's House at Deep Creek Lake	$27,200
Friendsville Veterans Memorial	200,000
Garrett College – ballfield reconstruction	450,000
Garrett College – Community Education and Performing Arts Center	15,400,000
Garrett County – Bittinger Volunteer Fire Department	1,000,000
Garrett County – emergency operations center	500,000
Garrett County – high school athletic facilities	3,100,000
Garrett County Historical Society, Inc.	100,000
Grantsville Volunteer Fire Department	200,000
McHenry Business Park	100,000
Oakland – Broadford Park	50,000
	$21,127,200

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Deep Creek Lake – dredging	$1,200,000
Deep Creek Lake State Park – boat dock replacement	200,000
Mount Nebo WMA – natural resources police garage/office/storage facility	293,000
New Germany State Park – day use area/beach improvements	1,899,000
New Germany State Park – day use area/beach improvements (federal funds)	1,350,000
	$4,942,000

Maryland Environmental Service

Meadow Mountain Youth Center – well upgrades	$415,000
New Germany State Park – water/wastewater/collection system upgrades	4,145,000
Swallow Falls State Park – water and wastewater treatment plant upgrades	7,023,000
	$11,583,000

Harford County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$145,571	$150,152	$147,022	$169,588
Compensatory Education	35,045	36,191	35,891	35,891
Student Transportation	13,728	14,077	13,700	15,483
Special Education	18,705	19,292	19,214	25,628
English Language Learners Grant	2,626	2,939	2,913	3,809
Blueprint Funding[1]	8,656	11,216	21,246	11,288
Prekindergarten Grants	1,800	970	970	970
Other Education Aid	1,824	1,666	1,022	924
Primary and Secondary Education	***$227,955***	***$236,504***	***$241,979***	***$263,582***
Libraries	$1,749	$1,820	$1,884	$2,030
Community Colleges	12,691	13,111	14,763	17,677
Health Formula Grant	2,979	3,589	3,232	3,717
Transportation[2]	4,626	5,052	5,157	5,416
Police and Public Safety[2]	7,058	4,609	2,878	3,668
Fire and Rescue Aid[2]	569	579	561	561
Other Direct Aid	339	329	0	0
Total Direct Aid	**$257,966**	**$265,593**	**$270,454**	**$296,652**
Aid Per Capita ($)	$988	$1,017	$1,028	$1,128
Property Tax Equivalent ($)	0.87	0.87	0.86	0.94

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Harford County for teachers, librarians, and community college faculty are estimated to be $125,235,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$120,646	$112,393	$128,104	$147,859
Family Health and Chronic Disease	1,031	1,007	978	1,032
Developmental Disabilities	19,903	19,693	21,448	25,907
Behavioral Health Services	24,756	27,038	34,566	37,149
Total	**$166,336**	**$160,131**	**$185,096**	**$211,947**
Social Services				
Homeless Services	$289	$317	$300	$520
Women's Services	299	299	299	302
Adult Services	153	200	257	274
Child Welfare Services	5,366	5,667	4,331	4,343
Foster Care	9,864	9,829	10,575	11,817
Temporary Cash Assistance	69	1,666	1,490	1,819
Total	**$16,040**	**$17,978**	**$17,252**	**$19,075**
Senior Citizen Services				
Long-term Care	$401	$403	$399	$461
Community Services	114	119	117	245
Total	**$515**	**$522**	**$516**	**$706**

C. Selected State Grants for Capital Projects

Public Schools

Aberdeen Middle School – renovations (roof)	$2,222,000
Bakerfield Elementary School – renovations (chiller)	631,000
Bel Air Middle School – renovations (roof)	4,284,000
Center for Educational Opportunity – renovations (roof)	2,479,000
George D. Lisby Elementary School – renovations (HVAC)	4,410,000
Harford Technical High School – construction	7,857,426
Hickory Elementary School – renovations (roof)	1,966,000
Joppatowne High School – construction	16,763,263
Meadowvale Elementary School – renovations (chiller)	436,000
North Bend Elementary School – renovations (chiller/cooling tower)	976,500
Roye-Williams Elementary School – renovations (ceiling)	4,977,000
Aging Schools Program	869,516
	$47,871,705

Public Libraries

Abingdon Library – renovation	$120,000
Bel Air Library – renovation	1,414,000
	$1,534,000

Harford Community College

Campuswide – facilities renewal	$919,000
Chesapeake Welcome Center – renovation and addition	11,329,000
	$12,248,000

Community Health Facilities Grant Program

Way Station, Inc.	$462,638

Program Open Space

Park acquisition and development	$9,500,400

Community Parks and Playgrounds

Aberdeen – Grasmere Pocket Park Playground	$145,000
Aberdeen – Rock Glenn Park	157,000
Countywide – indoor and outdoor park infrastructure	1,500,000
Homestead Park	115,000
Plumtree Park	42,000

Park acquisition and development	1,500,000
	$3,459,000

Waterway Improvement

Havre de Grace – marina dredging	$150,000
Havre de Grace – Water Street boat ramp parking lot	133,500
Mariner Point Park – parking lot improvements	200,000
Mariner Point Park – remediation of dredge material placement site	1,300,000
Otter Point Creek – boat ramp repairs and pier replacement	165,000
	$1,948,500

Hazardous Substance Cleanup Program

Former Ames Shopping Plaza – hazardous waste remediation	$215,000

Other Projects

Aberdeen – Family Swim Center	$100,000
Aberdeen B&O Railroad Station	850,000
American Legion Post No. 47	100,000
Boy Scouts of America – Broad Creek Scout Reservation	775,000
Boys and Girls Club of Harford County	400,000
Charlton-Miller VFW Post No. 6054	85,000
Chesapeake Therapeutic Riding, Inc.	100,000
Coppermine Edgewood Athletic Facility	250,000
Discovery Center at Water's Edge, Inc.	750,000
Habitat for Humanity Susquehanna, Inc.	100,000
Harford Community College Foundation, Inc. – work force training facility	260,000
Harford County – Agricultural Center	400,000
Harford County – Ma and Pa Trail	100,000
Harford County – National Center for Manufacturing Sciences	875,000
Harford County – Walters Mill canoe and kayak launch	25,000
Harford Crisis Center, Inc.	750,000
Harmer's Town Art Center, Inc.	900,000
Havre de Grace – community redevelopment plan	150,000
Havre de Grace – cultural and scholastic event center	100,000
Havre de Grace – Sgt. Alfred B. Hilton Memorial	50,000
Hosanna School Museum	50,000
Izaak Walton League of America, Inc. – Conservation & Education Center	350,000
Jericho Road Stone Bank Barn	250,000
Maryland Center for the Arts	125,000

Ripken Baseball – tournament fields	2,500,000
Ripken Stadium	1,719,000
Sexual Assault/Spousal Abuse Resource Center	150,000
The Klein Family Harford Crisis Center	300,000
The Miracle League of Harford County, Inc. – baseball field	100,000
	$12,664,000

D. Capital Projects for State Facilities in the County

General Government

Harford County District Court	$12,000,000

Military Department

Havre de Grace Surface Equip/Auto Maintenance Facility	$11,629,000
Havre de Grace Surface Equip/Auto Maintenance Facility (federal funds)	48,014,000
	$59,643,000

Department of Natural Resources

Susquehanna State Park – carriage barn renovations and sitework	$218,000

Howard County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$183,890	$190,190	$183,455	$214,761
Compensatory Education	33,848	34,920	35,840	36,181
Student Transportation	19,740	20,362	18,785	22,055
Special Education	18,804	20,159	19,774	25,063
English Language Learners Grant	10,352	10,966	10,634	14,494
Geographic Cost of Education Index	6,129	6,310	6,180	6,781
Blueprint Funding[1]	8,732	11,872	24,026	10,096
Prekindergarten Grants	660	400	400	400
Other Education Aid	2,232	2,880	1,633	1,576
Primary and Secondary Education	***$284,386***	***$298,060***	***$300,726***	***$331,408***
Libraries	$1,028	$1,062	$1,103	$1,163
Community Colleges	21,802	22,394	25,759	31,306
Health Formula Grant	2,324	2,384	2,602	2,967
Transportation[2]	3,901	4,247	4,308	4,467
Police and Public Safety[2]	6,094	4,739	3,924	5,743
Fire and Rescue Aid[2]	619	634	617	617
Gaming Impact Aid	89	89	89	89
Other Direct Aid	452	493	0	0
Total Direct Aid	**$320,695**	**$334,102**	**$339,128**	**$377,759**
Aid Per Capita ($)	$964	$1,004	$1,014	$1,129
Property Tax Equivalent ($)	0.58	0.59	0.58	0.62

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Howard County for teachers, librarians, and community college faculty are estimated to be $251,422,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$127,084	$122,555	$139,806	$159,005
Family Health and Chronic Disease	741	1,548	1,916	2,004
Developmental Disabilities	36,361	35,977	39,185	47,330
Behavioral Health Services	23,390	25,212	32,632	36,533
Total	**$187,576**	**$185,292**	**$213,539**	**$244,872**
Social Services				
Homeless Services	$231	$236	$135	$270
Women's Services	118	118	118	118
Adult Services	32	32	39	40
Child Welfare Services	3,868	3,940	3,596	3,648
Foster Care	3,190	3,117	3,637	4,064
Temporary Cash Assistance	54	1,382	998	1,219
Total	**$7,493**	**$8,825**	**$8,523**	**$9,359**
Senior Citizen Services				
Long-term Care	$373	$395	$413	$479
Community Services	94	106	110	223
Total	**$467**	**$501**	**$523**	**$702**

C. Selected State Grants for Capital Projects

Public Schools

Cradlerock Elementary/Lake Elkhorn Middle School – renovations (boiler)	$316,250
Fulton Elementary School – renovations (HVAC)	3,643,807
Guilford Elementary School – renovations (windows/doors)	800,800
Hammond High School – construction	6,894,584
Jeffers Hill Elementary School – renovations (boiler)	369,600
Manor Woods Elementary School – renovations (HVAC)	5,160,967
Murray Hill Middle School – renovations (roof)	805,200
New High School #13 – construction	51,379,787
Pointers Run Elementary School – renovations (roof)	1,350,261
Talbott Springs Elementary School – construction	16,897,173
Additional Funding	35,000,000
Aging Schools Program	351,104
Supplemental Capital Grant Program for Local School Systems	18,745,823
	$141,715,356

Howard Community College

Campuswide – facilities renewal	$919,000
Mathematics and Athletics Complex – construction	37,487,000
	$38,406,000

Community Health Facilities Grant Program

Hilda's Place Behavioral Health Organization, Inc.	$700,000
Mission First Housing Development Corporation	1,300,000
	$2,000,000

Strategic Demolition Fund

Ellicott City	$5,000,000

Program Open Space

Park acquisition and development	$16,842,102

Community Parks and Playgrounds

Blandair Regional Park	$1,700,000
Centennial Park – west area playground	200,000
Countywide – indoor and outdoor park infrastructure	8,000,000

North Laurel Community Center	2,000,000
Rockburn Branch Park	150,000
Savage Park	2,000,000
Waterloo Park	550,000
West Friendship Park	400,000
Park acquisition and development	1,000,000
	$16,000,000

Comprehensive Flood Mitigation Program

Ellicott City – flood mitigation	$3,400,000
Ellicott City – H4 dry flood mitigation pond	5,000,000
Ellicott City – H7 mitigation pond	2,400,000
Ellicott City – Maryland Avenue culverts	3,370,000
New Cut Branch – streambank stabilization	2,100,000
	$16,270,000

Other Projects

Athelas Institute	$25,000
Carroll Baldwin Hall	100,000
Carrollton Hall Restoration	50,000
Chrysalis Pavilion in Merriweather Park at Symphony Woods	1,000,000
Columbia Association, Inc. – Historic Oakland elevator	300,000
Columbia Center for the Theatrical Arts	2,000,000
Community Action Council – Early Childhood Education Center	200,000
Days End Farm Horse Rescue, Inc.	1,100,000
Ellicott City Holding Company – Patmos-Solomon's Lodge	100,000
Gateway Innovation Center	200,000
Grassroots Crisis Intervention Center	600,000
Harriet Tubman Community Center and Museum	300,000
Howard County – Asian American Cultural Center	750,000
Howard County – Bain 50+ Center	350,000
Howard County – Barnard Fort House	350,000
Howard County – Caplan's department store facade	500,000
Howard County – East Columbia 50+ Center	1,250,000
Howard County – Ellicott City downtown signage	250,000
Howard County – Ellicott City Main Street building reconstruction	500,000
Howard County – Ellicott City Main Street streetscape	250,000
Howard County – Ellicott City Maryland Avenue culverts	1,000,000
Howard County – Ellicott City pedestrian bridge	150,000
Howard County – Ellicott City vehicle drop arm barriers	175,000

Howard County – Harriet Tubman Cultural Center	950,000
Howard County – Leola Dorsey Community Resource Center	150,000
Howard County – Long Reach Village Center	100,000
Howard County – north tunnel stormwater management	12,000,000
Howard County – Patapsco Regional Greenway	1,250,000
Howard County – Route 29 north/south jug handle connector	9,000,000
Howard County – Savage Mill Trail	250,000
Howard County – T1 Pond	2,000,000
Howard County – Tiber Park	126,230
Howard County Conservancy, Inc.	480,000
Howard County Economic Development Authority – Maryland Innovation	200,000
Howard County Fairgrounds – multi-purpose athletic house	600,000
Howard County General Hospital	347,000
Howard County Historical Society – Ellicott City Quaker School	100,000
Howard County Veterans Monument	1,000,000
Humanim, Inc.	650,000
iHomes, Inc.	100,000
Linwood Center	100,000
Living in Recovery, Inc.	325,000
Maryland University of Integrated Health, Inc.	2,850,000
Merriweather Post Pavilion	8,000,000
Mission First Housing Development Corporation – Patuxent Commons	820,000
Preservation of Maryland Antiquities, Inc. – Ellicott City Jail	500,000
Safe Haven Equine Warriors, Inc.	100,000
Sheppard Pratt Hospital	4,000,000
The Community Ecology Institute	550,000
The Living Farm Heritage Museum	200,000
United Way of Central Maryland	500,000
Winter Growth, Inc.	50,000
	$58,798,230

D. Capital Projects for State Facilities in the County

Department of Health

Perkins Hospital Center – north wing renovation	$3,375,000

Maryland State Police

Tactical Services Facility – operations building	$4,807,000

Department of Natural Resources

Patapsco Valley State Park – Hollofield & McKeldin restroom upgrades	$7,268,000

Department of Agriculture

Maryland Food Center Authority – Wholesale Produce Market	$10,000,000

Other

School for the Deaf – Columbia Campus emergency notification system	$4,600,000

Kent County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$3,591	$3,497	$3,442	$3,332
Compensatory Education	2,771	2,868	2,509	2,509
Student Transportation	1,699	1,719	1,727	1,868
Special Education	728	787	764	916
English Language Learners Grant	201	226	219	276
Geographic Cost of Education Index	130	132	128	137
Blueprint Funding[1]	311	678	1,722	1,829
Prekindergarten Grants	140	0	0	0
Other Education Aid	673	660	489	396
Primary and Secondary Education	***$10,243***	***$10,566***	***$11,001***	***$11,263***
Libraries	$105	$111	$117	$119
Community Colleges	554	564	592	645
Health Formula Grant	855	1,277	1,894	1,290
Transportation[2]	833	909	934	963
Police and Public Safety[2]	645	1,156	188	235
Fire and Rescue Aid[2]	311	315	311	311
Other Direct Aid	0	10	0	0
Total Direct Aid	**$13,548**	**$14,909**	**$15,036**	**$14,827**
Aid Per Capita ($)	$708	$779	$780	$769
Property Tax Equivalent ($)	0.45	0.49	0.49	0.47

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Kent County for teachers, librarians, and community college faculty are estimated to be $7,248,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$14,955	$13,293	$15,113	$17,440
Family Health and Chronic Disease	532	749	541	525
Developmental Disabilities	3,105	3,073	3,347	4,042
Behavioral Health Services	4,399	4,415	5,288	6,315
Total	**$22,991**	**$21,530**	**$24,289**	**$28,322**
Social Services				
Homeless Services	$527	$459	$516	$931
Women's Services	56	56	56	56
Adult Services	58	73	74	76
Child Welfare Services	778	805	766	785
Foster Care	490	540	559	625
Temporary Cash Assistance	8	187	110	134
Total	**$1,917**	**$2,120**	**$2,081**	**$2,607**
Senior Citizen Services				
Long-term Care	$394	$392	$392	$462
Community Services	101	70	69	149
Total	**$495**	**$462**	**$461**	**$611**

Note: Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

C. Selected State Grants for Capital Projects

Public Schools

Galena Elementary School – construction	$2,916,000
Galena Elementary School – renovations (security vestibule)	24,430
Garnett Elementary School – renovations (security vestibule)	16,604
Kent County High School – renovations (roof)	1,624,300
Kent County High School – renovations (security vestibule)	26,966
Kent County Middle School – renovations (security vestibule)	38,374
Rock Hall Elementary School – construction	740,000
Rock Hall Elementary School – renovations (HVAC/fire safety)	76,760
Rock Hall Elementary School – renovations (roof/HVAC)	587,000
Aging Schools Program	153,172
	$6,203,606

Chesapeake College

Campuswide – facilities renewal	$919,000
Campuswide – network and security infrastructure upgrades	833,000
Learning Resource Center – chiller and roof replacement	903,000
	$2,655,000

Strategic Demolition Fund

Washington College – student housing and mixed-use space	$750,000

Program Open Space

Park acquisition and development	$799,469

Community Parks and Playgrounds

Betterton – Community Park Basketball Court	$23,866
Chestertown – Wilmer Park	209,394
Countywide – indoor and outdoor park infrastructure	1,000,000
Sixth Avenue Park	200,000
Park acquisition and development	1,000,000
	$2,433,260

Chesapeake Bay Water Quality Projects

Rock Hall WWTP – enhanced nutrient removal	$1,500,000

Chesapeake Bay Restoration Fund

Rock Hall WWTP – enhanced nutrient removal	$4,953,803

Water Supply Financial Assistance Program

Rock Hall – water meter system upgrade	$669,000

Comprehensive Flood Mitigation Program

Betterton – shoreline erosion mitigation	$600,000

Waterway Improvement

Bayside Landing Marina – renovation	$430,000
Betterton Volunteer Fire Company – purchase fire/rescue boat	50,000
Chestertown Marina – slip dredging and basin improvements	245,000
Cliff City Public Landing – riprap bulkhead	178,000
Rock Hall Volunteer Fire Department – purchase fire/rescue boat	50,000
Turner's Creek – boat ramp replacement	246,200
	$1,199,200

Other Projects

Camp Fairlee	$500,000
Echo Hill Outdoor School	1,025,000
Kent Agricultural Center, Inc.	150,000
Kent County Family YMCA	250,000
Kent County High School – athletic track and tennis courts	250,000
Kent Cultural Arts Center	250,000
Kent School	100,000
Rock Hall – Town Hall	750,000
	$3,275,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Sassafras NRMA – day use area improvements	$2,919,000

Other

University of Maryland Medical System – Aging and Wellness Center	$1,000,000

Montgomery County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$368,197	$388,036	$384,202	$424,689
Compensatory Education	143,061	148,570	133,784	133,784
Student Transportation	46,449	47,626	42,164	50,978
Special Education	61,192	63,553	64,032	78,656
English Language Learners Grant	76,847	81,960	77,169	94,674
Geographic Cost of Education Index	38,902	39,977	39,382	42,290
Blueprint Funding[1]	24,424	35,848	85,140	38,844
Prekindergarten Grants	1,580	370	370	370
Other Education Aid	8,232	7,615	5,858	4,380
Primary and Secondary Education	***$768,884***	***$813,555***	***$832,101***	***$868,664***
Libraries	$3,388	$3,459	$3,509	$3,717
Community Colleges	51,959	53,511	57,255	70,709
Health Formula Grant	4,148	4,223	4,505	5,172
Transportation[2]	13,615	14,861	15,209	15,711
Police and Public Safety[2]	18,451	19,180	16,375	19,548
Fire and Rescue Aid[2]	1,959	1,995	1,935	1,935
Other Direct Aid	1,363	1,524	0	0
Total Direct Aid	**$863,769**	**$912,307**	**$930,890**	**$985,456**
Aid Per Capita ($)	$814	$860	$883	$934
Property Tax Equivalent ($)	0.43	0.45	0.45	0.46

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Montgomery County for teachers, librarians, and community college faculty are estimated to be $688,167,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$456,453	$431,686	$492,430	$568,406
Family Health and Chronic Disease	1,582	1,560	1,602	1,376
Developmental Disabilities	104,468	103,365	112,581	135,984
Behavioral Health Services	81,492	91,130	111,314	123,214
Total	**$643,995**	**$627,741**	**$717,927**	**$828,980**
Social Services				
Homeless Services	$327	$277	$277	$532
Women's Services	224	224	224	224
Adult Services	1,016	957	500	1,100
Child Welfare Services	9,181	9,174	67	1,195
Foster Care	16,370	17,311	18,186	20,320
Temporary Cash Assistance	152	4,856	3,024	3,693
Total	**$27,270**	**$32,799**	**$22,278**	**$27,064**
Senior Citizen Services				
Long-term Care	$1,604	$1,603	$1,592	$1,847
Community Services	431	432	443	911
Total	**$2,035**	**$2,035**	**$2,035**	**$2,758**

C. Selected State Grants for Capital Projects

Public Schools

Argyle Middle School – renovations (roof)	$428,000
Ashburton Elementary School – construction	73,000
Belmont Elementary School – renovations (roof)	622,000
Bethesda Elementary School – renovations (roof)	518,000
Brookhaven Elementary School – renovations (HVAC)	474,000
Clarksburg Elementary School – renovations (HVAC)	562,000
Cold Springs Elementary School – renovations (HVAC)	1,325,000
Colonel Zadok Magruder High School – renovations (roof)	232,000
Damascus Elementary School – renovations (roof)	353,000
Diamond Elementary School – renovations (HVAC)	474,000
Diamond Elementary School – renovations (roof)	836,100
Dr. Martin Luther King Jr. Middle School – renovations (roof)	574,000
East Silver Spring Elementary School – renovations (roof)	427,050
Eastern Middle School – renovations (roof)	1,227,000
Fallsmead Elementary School – renovations (HVAC)	412,000
Flower Valley Elementary School – renovations (HVAC)	1,800,000
Flower Valley Elementary School – renovations (roof)	344,000
Forest Oak Middle School – renovations (roof)	1,255,000
Gaithersburg Cluster Elementary School – construction	8,725,000
Gaithersburg Middle School – renovations (HVAC)	4,300,000
Harmony Hills Elementary School – renovations (HVAC/roof)	2,396,250
John F. Kennedy High School – construction	1,886,300
John F. Kennedy High School – renovations (roof)	1,210,050
John Poole Middle School – renovations (roof)	479,000
Judith A. Resnik Elementary School – renovations (HVAC)	2,300,000
Kemp Mill Elementary School – renovations (roof)	301,000
Kingsview Middle School – renovations (roof)	867,000
Lucy V. Barnsley Elementary School – construction	208,000
Lucy V. Barnsley Elementary School – renovations (roof)	307,000
Luxmanor Elementary School – construction	6,921,000
Maryvale Elementary/Carl Sandburg School – construction	12,436,000
Meadow Hall Elementary School – renovations (HVAC)	499,000
Meadow Hall Elementary School – renovations (roof)	146,250
Monocacy Elementary School – renovations (HVAC)	1,150,000
Montgomery Blair High School – renovations (roof)	968,000
Montgomery Knolls Elementary School – construction	1,445,000
Montgomery Knolls Elementary School – renovations (HVAC)	562,000

North Bethesda Middle School – renovations (roof)	1,005,000
Odessa Shannon Middle School – construction	13,043,000
Pine Crest Elementary – construction	1,891,000
Potomac Elementary School – construction	5,149,000
Quince Orchard High School – renovations (HVAC)	624,000
Ritchie Park Elementary School – renovations (roof)	242,550
Rock View Elementary School – renovations (roof)	742,500
Ronald McNair Elementary School – renovations (HVAC)	1,462,000
Rosemont Elementary School – renovations (roof)	236,000
S. Christa McAuliffe Elementary School – construction	1,541,000
Seneca Valley High School – construction	34,586,000
Sherwood Elementary School – renovations (roof)	348,000
Sligo Middle School – renovations (HVAC)	4,050,000
Spark M. Matsunaga Elementary School – renovations (HVAC)	1,900,000
Springbrook High School – renovations (HVAC)	1,575,000
Takoma Park Middle School – construction	4,957,000
Thomas Edison High School of Technology – construction	5,639,000
Thomas W. Pyle Middle School – construction	5,081,343
Tilden Middle/Rock Terrace School – construction	17,468,000
Twinbrook Elementary School – renovations (roof)	1,051,000
Walt Whitman High School – construction	6,133,000
Watkins Mill High School – renovations (HVAC)	2,750,000
Westland Middle School – renovations (HVAC)	4,050,000
Westland Middle School – renovations (roof)	558,000
Westover Elementary School – renovations (roof)	571,500
White Oak Middle School – renovations (HVAC)	4,050,000
Woodfield Elementary School – renovations (roof)	681,750
Wyngate Elementary School – renovations (roof)	325,800
Aging Schools Program	2,410,604
Supplemental Capital Grant Program for Local School Systems	18,600,000
	$201,765,047

Public Libraries

Chevy Chase Library – renovation	$200,000

Montgomery College

Campuswide – facilities renewal	$949,250
Catherine and Isiah Leggett Math and Science Building	36,764,000
Takoma Park/Silver Spring – library renovation	3,693,000

Takoma Park/Silver Spring – Math and Science Center	6,500,000
	$47,906,250

Community Health Facilities Grant Program

Community Services for Autistic Adults and Children, Inc.	$974,000
Cornerstone Montgomery, Inc.	1,957,000
Housing Unlimited, Inc.	2,026,461
Main Street Connect, Inc.	1,452,000
	$6,409,461

Federally Qualified Health Centers Grant Program

Mary's Center for Maternal and Child Care, Inc.	$289,000

Program Open Space

Park acquisition and development	$42,584,932

Community Parks and Playgrounds

Bethesda Market – lots 10-24	$2,500,000
Duvall Park	150,000
Gaithersburg – Morris Park Playground	275,000
Laytonsville Local Park	150,000
Little Falls Stream Valley Park	600,000
Long Branch Parks	2,500,000
McKnew Local Park	250,000
Pepco Powerline Trail	10,000,000
Rockville – Croydon Creek Nature Center Playground	96,014
Rockville – Potomac Woods Park playground	122,750
Rosemary Hills-Lyttonsville Local Park	800,000
Watkins Mill Recreation Area – Outdoor Fitness Park	700,000
Wheaton Regional Park – Action Sports Center	2,500,000
	$20,643,764

Chesapeake Bay Restoration Fund

Poolesville Wastewater Plant – denitrification upgrade	$6,188,671

Hazardous Substance Cleanup Program

Linden Lane	$50,000

Other Projects

A Wider Circle Community Service Center	$1,325,000
Adventist Community Services of Greater Washington, Inc.	132,000
Adventist Healthcare, Inc. – Shady Grove Medical Center	1,200,000
AHC Inc. – Randolph Road property	350,000
Akhmedova Ballet Academy	75,000
Allen Chapel A.M.E. Church – Community Center	300,000
Arts on the Block Studio	100,000
Bender Jewish Community Center of Greater Washington	600,000
Black Hill SEED Classroom Building	250,000
BlackRock Center for the Arts	1,100,000
Boys and Girls Clubs of Greater Washington	91,000
Brooke Grove Retirement Village	100,000
Brookeville – Market Street improvements	100,000
Brookeville – road improvements	200,000
Centerway Local Park	250,000
Charles E. Smith Jewish Day School	600,000
Charles E. Smith Life Communities	935,000
Chevy Chase – Bethesda Market lots 10-24	500,000
Columbia Local Park	200,000
Community Services for Autistic Adults and Children, Inc.	2,348,500
Conduit Road Fire Board, Inc.	500,000
Cornerstone Montgomery, Inc.	100,000
Damascus Recreational Park	225,000
Don Bosco Cristo Rey High School	1,500,000
Easter Seals Inter-Generational Center	325,000
EveryMind, Inc.	75,000
Fairland Recreation Park	100,000
Fox Chapel Neighborhood Park	150,000
Friends House Retirement Community, Inc.	550,000
Friends of White Flint – transit station rebranding	250,000
Gaithersburg – Blohm Park Trails	250,000
Gaithersburg – Great Seneca Highway pedestrian bridge	250,000
Gaithersburg – Pleasant View Park	250,000
Gaithersburg – police station	2,000,000
Germantown Volunteer Fire Department	3,250,000

Gibson Grove	550,000
Glen Echo Park	134,552
Greenwood Local Park	250,000
Guru Gobind Singh Foundation Trust, Inc. – Community Outreach Center	300,000
Guru Nanak Health Clinic	100,000
Habitat for Humanity Metro Maryland, Inc.	225,000
Hero Dogs, Inc.	30,000
Holy Cross Hospital	1,692,000
Homecrest House	175,000
Imagination Stage	850,000
Impact Silver Spring, Inc.	750,000
Interfaith Works Vocational Services Center	350,000
Islamic Community Center	250,000
Ivymount School, Inc.	950,000
Jewish Foundation for Group Homes, Inc.	550,000
Josiah Henson Park	250,000
KID Museum	300,000
Laytonsville – Dolores R. Miller Park	35,000
Laytonsville District Volunteer Fire Station	150,000
Long Branch Local Park	250,000
Long Branch Stream Valley – pedestrian bridge	200,000
Long Branch Trail – Clayborne Avenue bridge replacement	300,000
Long Branch-Arliss Neighborhood Park	362,701
Long Branch-Garland Neighborhood Park	350,000
Madison House Autism Foundation, Inc.	510,000
Manna Food Center, Inc.	300,000
MedStar Montgomery Medical Center	400,000
Melvin J. Berman Hebrew Academy	665,000
Metropolitan Apartments	1,600,000
Montgomery Community Television, Inc.	100,000
Montgomery County – Avery Road Treatment Center	525,000
Montgomery County – Bowie Mill Bike Trail	1,500,000
Montgomery County – Burtonsville commuter parking facility	5,000,000
Montgomery County – Burtonsville Crossing Shopping Center	5,000,000
Montgomery County – bus rapid transit	69,400,000
Montgomery County – Cherry Hill Road bike facility	4,000,000
Montgomery County – food systems facility	150,000
Montgomery County – Great Seneca Science Corridor	2,500,000
Montgomery County – Kensington Multipurpose Recreation Center	100,000
Montgomery County – Norwood Road Bike Path	6,000,000

Montgomery County – Oak Drive and MD 27 pedestrian upgrades	1,000,000
Montgomery County – Park Overlook lighting	250,000
Montgomery County – public school playgrounds	1,350,000
Montgomery County – Restoration Center	12,000,000
Montgomery County – White Flint redevelopment	10,000,000
Montgomery County – zero emissions buses	8,800,000
Montgomery County Historical Society, Inc.	700,000
Montgomery County Homeless Youth Drop-In Center	282,500
Montgomery County Humane Society	250,000
Montgomery County Muslim Foundation, Inc.	600,000
Montgomery Village Foundation, Inc.	800,000
Newport Mill Local Park	300,000
Nourish Now	600,000
Noyes Children's Library	525,000
OASIS Farm	44,000
Olney Boys and Girls Club – Crop Duster Stadium	1,000,000
Olney Boys and Girls Club – Performance Sports Center	250,000
Olney Chamber of Commerce – Satellite Police Station & Comm. Facility	1,175,000
Olney Family Neighborhood Park	325,000
Olney Mill Neighborhood Park	150,000
Olney Theatre	13,500,000
Ovid Hazen Wells Recreational Park	200,000
Pleasant View United Methodist Church – historic site restoration	100,000
Poolesville Grape Crushing Economic Development Facility	1,000,000
Rainbow Community Development Center, Inc. – food storage facility	200,000
Randolph Hills Local Park	150,000
Rockville – F. Scott Fitzgerald Theatre and Social Hall	250,000
Rockville – Lincoln Park Community Center	250,000
Rockville Welcome Center	200,000
Round House Theatre	2,500,000
Sandy Spring Meadow – community basketball court	7,000
Sandy Spring Museum	284,500
Sandy Spring Volunteer Fire Department	1,000,000
Sheppard Pratt Health System, Inc. – Rockville Campus	400,000
Silver Spring Artspace	285,000
South Germantown Recreational Park	1,150,000
Strathmore Local Park	250,000
Sunflower Bakery, Inc.	75,000
Takoma Park – library	150,000
The Shepherd's Table, Inc. – Progress Place gazebo	30,000

VisArts	150,000
Warrior Canine Connection, Inc.	1,825,000
Washington Grove – stormwater mitigation and management	250,000
Wheaton Regional Park	200,000
Willett Branch Greenway	950,000
WMATA – Bethesda Metro south entrance	12,000,000
Woodend Nature Sanctuary	400,000
YMCA Bethesda-Chevy Chase	625,000
	$206,418,753

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Patuxent River State Park	$100,000

Prince George's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$598,059	$618,514	$593,987	$627,698
Compensatory Education	289,088	298,754	254,469	254,469
Student Transportation	44,369	45,654	41,502	50,289
Special Education	68,780	70,958	69,991	81,090
English Language Learners Grant	113,919	126,627	117,340	143,639
Geographic Cost of Education Index	44,290	45,950	45,228	48,808
Blueprint Funding[1]	53,628	72,898	199,625	137,637
Prekindergarten Grants	2,106	900	900	900
Other Education Aid	7,585	6,069	4,719	3,842
Primary and Secondary Education	***$1,221,825***	***$1,286,324***	***$1,327,762***	***$1,348,373***
Libraries	$7,628	$7,641	$7,722	$8,729
Community Colleges	33,547	34,558	40,449	45,390
Health Formula Grant	6,708	8,050	7,647	8,217
Transportation[2]	14,311	15,800	15,895	16,455
Police and Public Safety[2]	21,199	21,741	19,567	26,184
Fire and Rescue Aid[2]	1,703	1,742	1,696	1,696
Disparity Grant	36,197	39,442	36,273	43,704
Teachers Retirement Supplemental Grant	9,629	9,629	9,629	9,629
Gaming Impact Aid	14,738	26,388	32,734	33,472
Other Direct Aid	988	1,586	0	0
Total Direct Aid	**$1,368,471**	**$1,452,901**	**$1,499,374**	**$1,541,848**
Aid Per Capita ($)	$1,417	$1,505	$1,570	$1,614
Property Tax Equivalent ($)	1.35	1.37	1.35	1.32

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Prince George's County for teachers, librarians, and community college faculty are estimated to be $482,625,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$509,083	$472,872	$539,414	$622,639
Family Health and Chronic Disease	17,556	17,964	12,979	12,296
Developmental Disabilities	82,908	82,033	89,347	107,920
Behavioral Health Services	83,063	90,918	113,773	125,976
Total	**$692,610**	**$663,787**	**$755,513**	**$868,831**
Social Services				
Homeless Services	$886	$675	$836	$1,219
Women's Services	464	464	464	467
Adult Services	472	539	735	729
Child Welfare Services	12,400	11,403	11,777	11,768
Foster Care	23,899	23,046	24,545	27,426
Temporary Cash Assistance	232	8,746	7,092	8,661
Total	**$38,353**	**$44,873**	**$45,449**	**$50,270**
Senior Citizen Services				
Long-term Care	$1,284	$1,295	$1,300	$1,514
Community Services	350	383	352	713
Total	**$1,634**	**$1,678**	**$1,652**	**$2,227**

C. Selected State Grants for Capital Projects

Public Schools

Charles Flowers High School – renovations (HVAC)	$7,000,000
Charles Flowers High School – renovations (roof)	4,664,700
Cherokee Lane Elementary School – construction	10,455,000
Chillum Elementary School – construction	1,000
Glenridge Area Middle School – construction	41,853,000
H. Winship Wheatley Early Childhood Center School – renovations (HVAC)	6,937,808
James Madison Middle School – renovations (HVAC)	6,079,000
Patuxent Elementary School – renovations (HVAC)	3,461,000
Phyllis E. Williams Elementary School – renovations (HVAC)	4,667,000
Stephen Decatur Middle School – construction	644,000
William Schmidt Outdoor Educational Center – construction	19,037,000
William Wirt Middle School – construction	42,516,000
Additional Funding	30,000,000
Aging Schools Program	4,837,704
Supplemental Capital Grant Program for Local School Systems	32,458,187
	$214,611,399

Public Libraries

Baden Library – relocation and renovation	$1,549,000

Prince George's Community College

Campuswide – facilities renewal	$949,250
Dr. Charlene Mickens Dukes Student Center	9,500,000
Largo Student Center – renovation and addition	3,067,000
Marlboro Hall – renovation and addition	60,945,000
	$74,461,250

Federally Qualified Health Centers Grant Program

Community Clinic Health and Wellness Services, Inc.	$500,000
Greater Baden Medical Services, Inc.	1,000,000
	$1,500,000

Program Open Space

Park acquisition and development	$36,385,074

Community Parks and Playgrounds

Bowie – Glen Allen Park Playground	$195,000
Central Avenue Connector Trail	10,000,000
Colmar Manor – Larlcey Open Air Park	33,000
Edmonston Park	74,500
Fairland Regional Park – Gunpowder Golf Course	100,000
Hyatt Park	125,000
Landover Hills – neighborhood playground improvements	215,000
Mount Rainier – Frederick Richardson Memorial Park	105,726
North Brentwood – Rhode Island Pocket Park	30,000
North College Park Community Center	1,000,000
Riverdale Park – Field of Dreams Park	177,750
Seat Pleasant Park	192,700
University Park – Community Park Tot Lot	225,000
Upper Marlboro – Community Playground	392,424
West Beltsville Park	500,000
Park acquisition and development	8,400,000
	$21,766,100

Chesapeake Bay Restoration Fund

Beaverdam Basin – sanitary sewer reconstruction	$6,892,000
Broad Creek Basin – sanitary sewer reconstruction	3,856,000
Cheltenham Boy's Village Youth Facility – wastewater treatment plant	3,018,000
Lower Anacostia Basin – sanitary sewer reconstruction	5,233,000
Oxon Run Basin – sanitary sewer reconstruction	11,716,000
Parkway Basin – sanitary sewer reconstruction	808,280
Piscataway Basin – sanitary sewer reconstruction	2,235,000
	$33,758,280

Comprehensive Flood Mitigation Program

Beaverdam Creek – flooding mitigation	$2,700,000
Calvert Hills/College Park – Guilford Run storm drain improvement	5,000,000
	$7,700,000

Waterway Improvement

County Fire Department – water safety rescue equipment	$39,000

Hazardous Substance Cleanup Program

Anacostia River – Northeast and Northwest Branches	$400,000
Mr. G's Cleaners – hazardous waste remediation	50,000
	$450,000

Resiliency Through Restoration Initiative Program

Eagle Harbor – shoreline improvements	$100,000
Hyattsville – urban flooding enhancements	340,000
	$440,000

Other Projects

Addiction Recovery, Inc. – Hope House Treatment Center	$750,000
African American Museum and Cultural Center	500,000
Al-Huda School – playground	200,000
Alice Ferguson Foundation, Inc. – Hard Bargain Farm Environmental Center	750,000
Allentown Splash, Tennis and Fitness Park	150,000
Alpha and Beta Houses	75,000
American Legion – Southern Maryland District Youth Camp	250,000
American Legion Post 66	30,000
Anacostia Watershed Society, Inc. – George Washington House	300,000
Baysox Stadium	1,000,000
Beacon Heights – East Pines redevelopment	200,000
Berwyn Heights – Senior Center	215,000
Bishop McNamara High School – La Reine Science and Innovation Center	2,000,000
Bladensburg – Historic Bostwick House	500,000
Bladensburg – Municipal Center	800,000
Bladensburg World War I Memorial Peace Cross	480,000
Bowie Lions Club	10,000
Bowie State University Foundation, Inc. – Goodloe Alumni House	75,000
Boys and Girls Clubs of Greater Washington – Palmer Park/Landover Club	300,000
Brandywine Elementary School – playground	70,000
Brentwood – Town Center	400,000
Camp Springs Elks Lodge No. 2332	150,000
Capitol Heights and Seat Pleasant Boys and Girls Club	100,000
Central Avenue Connector Trail	1,500,000
Central Baptist Church of Camp Springs – food storage facility	250,000
Champ House	50,000
College Park – Attick Towers Apartments	2,000,000
College Park – city hall improvements	1,000,000
College Park – Discovery Park at the University of Maryland	150,000

College Park City-University Partnership, Inc. – bike trail improvements	400,000
College Park City-University Partnership, Inc. – rental housing projects	7,900,000
College Park Woods – community facility	200,000
College Park Woods – neighborhood park	200,000
Cottage City – Community Outreach Center	500,000
COZ Apt. LP – Hampton Park sustainable parking	500,000
Crossland High School – stadium bleachers and press box	325,000
Crossland High School – weight room	23,670
Delta Cultural Center	140,000
DeMatha Catholic High School – Engineering, Arts and Robotics Building	1,200,000
Dinosaur Park	50,000
District Heights – Senior Center	700,000
Doctors Community Medical Center	1,054,000
Ebenezer A.M.E. Church of Fort Washington	150,000
ECO City Farms	100,000
Educare Resource Center, Inc.	50,000
Elizabeth Seton High School – cafeteria improvements	250,000
Elizabeth Seton High School – outdoor athletic facility	200,000
Employ Prince George's, Inc.	250,000
Forest Heights – Cree Drive improvements	125,000
Forest Heights – safe route to school project	125,000
Fort Foote Baptist Church Youth and Adult Center	200,000
Fort Washington Medical Center	4,742,000
Fort Washington Tucker Road Ice Rink	100,000
Foundation for Arts, Music, and Education	175,000
Fountain Food Pantry	30,000
Fraternal Order of Police Lodge 89	25,000
Friendship Charities Foundation Center	300,000
Glut Food Co-op	50,000
Good Food Markets, Inc. – Addison Plaza	250,000
Greater Washington Comm. Foundation – Benjamin Tasker Middle School	25,000
Green Branch Athletic Complex	6,300,000
Greenbelt – Buddy Attick Park playground	150,000
Greenbelt – Greenbelt Station Hiker and Biker Trail	1,000,000
Greenbelt Consumer Cooperative, Inc.	350,000
Gwynn Park High School – electronic message sign	60,000
Headen Spring Community Development	200,000
Helpers To Good, Inc.	225,000
Henson Creek Golf Course – club house	200,000
Hillel Center for Social Justice	1,600,000

Human Services Coalition of Prince George's County, Inc.	650,000
Huntington City Community Development Corp. – Guide Right Facility	550,000
Huntington City Community Development Corp. – Old Town Bowie	800,000
Hyattsville – David C. Driskell Community Park	238,000
Hyattsville – downtown parking garage	25,000
Hyattsville – police and public safety headquarters	1,475,000
Hyattsville – Teen Activity and Mentoring Center	1,375,000
Hyattsville Community Development Corporation	1,500,000
Kettering Largo Mitchellville Boys and Girls Club	100,000
Kingdom Global Community Development Corporation	11,000,000
Lake Arbor – park project	1,000,000
Lake Arbor Foundation, Inc.	450,000
Langley Park Boys and Girls Club	250,000
Laurel – Dam Ruins at Riverfront Park	1,000,000
Laurel – Laurel Museum at Riverfront Park	100,000
Laurel – multi-service center	5,325,000
Laurel – municipal building improvements	150,000
Laurel – Turney Recreational Complex	250,000
Laurel Advocacy and Referral Services, Inc.	17,000
Liberty Sports Park	750,000
Marlboro Pike – revitalization	500,000
Maryland Family Life Center	50,000
Maryland Intergenerational Family Life Center	75,000
Maryland Sports and Entertainment Innovation Center	20,000,000
MD-Nat'l Capital Park & Planning Comm. – redevelop Lake Arbor golf course	500,000
MD-Nat'l Capital Park & Planning Comm. – acquire College Park property	500,000
Meals on Wheels of College Park	250,000
MedStar Southern Maryland Hospital	1,340,000
Melwood Horticultural Training Center, Inc.	450,000
Mission of Love Charities, Inc.	1,500,000
Morningside Volunteer Fire Department	425,000
Mount Rainier – green street and flood mitigation projects	530,000
Mount Rainier – library	50,000
Mount Rainier – Public Safety Community Training and Workout Center	300,000
Mount Rainier – Welcome Center	250,000
Neighborhood Culinary Alliance, Corp. – Savor Food Hall	75,000
North Brentwood – Sis's Tavern	125,000
North Brentwood – stormwater remediation	250,000
Omega Gold Community Outreach Center	300,000
Oxon Hill Swim Club	50,000

Paint Branch Parkway – pedestrian improvements	200,000
Paint Branch Trail and Baltimore Avenue Bridge – walkways	250,000
Paint Branch Trail and Trolley Trail	443,000
Prince George's Arts and Humanities Council, Inc. – Gateway Arts District	100,000
Prince George's Arts and Humanities Council, Inc. – public art projects	1,150,000
Prince George's County – Baden Library	250,000
Prince George's County – blue line corridor transportation infrastructure	37,600,000
Prince George's County – Brandywine Road infrastructure improvements	1,000,000
Prince George's County – Cheverly Hospital site redevelopment	2,000,000
Prince George's County – Edmonston infrastructure	300,000
Prince George's County – high school athletic facilities	16,300,000
Prince George's County – Hill Road Park	500,000
Prince George's County – hospital center redevelopment	200,000
Prince George's County – Kettering Community Center	500,000
Prince George's County – New Carrollton Skate Park	250,000
Prince George's County – public school electronic signs	105,000
Prince George's County – Riverdale Park Purple Line	500,000
Prince George's County – Shepherd's Cove Family Shelter	3,220,000
Prince George's County Amphitheatre at Central Park	20,250,000
Prince George's County Boys and Girls Club, Inc. – Sports Park	125,000
Prince George's Cultural Arts Foundation, Inc.	650,000
Prince George's Pride Lacrosse, Inc. – indoor sport facility	900,000
Riverdale Park – Hiker Biker Trail	850,000
Riverdale Park – municipal center improvements	75,000
Riverdale Park Business Association, Inc.	250,000
Sacred Heart House on the Hill Community Outreach	75,000
Sarvis Empowerment Cafe	125,000
Scenic America – walkable community projects	250,000
Seat Pleasant – city hall improvements	250,000
Southern Prince George's County Community Charities, Inc.	660,000
St. Ann's Center for Children, Youth and Families	50,000
St. Pius X Catholic Church and Regional School	200,000
St. Vincent Pallotti High School – student activities center	400,000
Success Factors Foundation Youth Development Center	75,000
Suitland Civic Association, Inc.	1,200,000
Temple Hills Swim Club	600,000
The Arc of Prince George's County	250,000
The Ivy Village Incubator for Nonprofit Excellence	800,000
The Training Source, Inc.	250,000
United Communities Against Poverty, Inc.	820,000

University Park – pedestrian bridge replacement and repair	125,000
University Park – town hall	200,000
Uplift Foundation	600,000
Upper Marlboro – community playground	275,000
Upper Marlboro – downtown parking lot and pocket park	175,000
Upper Marlboro – streetscape improvements	450,000
VFW Free State Post 217 – parking lot improvements	75,000
VFW Free State Post 8950 – Aquaculture Training Center	300,000
Walker Mill Community Development Corporation	150,000
White Rose Foundation, Inc.	250,000
World Arts Focus, Inc. – Joe's Movement Emporium	300,000
	$196,077,670

D. Capital Projects for State Facilities in the County

General Government

Hyattsville District Court	$1,500,000

Department of Veterans Affairs

Cheltenham Veterans Cemetery – expansion (federal funds)	$11,538,000

Department of Juvenile Services

Cheltenham Youth Facility – new female detention center	$1,623,000
Cheltenham Youth Facility – Treatment Center	8,427,000
	$10,050,000

Maryland State Police

Forestville – barrack and garage	$995,000

Department of Natural Resources

Cedarville State Forest – visitors center/camp loops/forestry complex	$521,000
Fort Washington Marina – dredge engineering	250,000
Rosaryville State Park – Mount Airy Mansion improvements	236,000
	$1,007,000

Maryland Environmental Service

Cheltenham Youth Center – wastewater treatment plant upgrade	$6,733,000
Cheltenham Youth Center – water treatment plant upgrade	1,490,000
	$8,223,000

Department of Housing & Community Development

East-West CDC Foundation, Inc.	$1,000,000

University System of Maryland

Bowie State – campuswide site improvements	$6,110,000
Bowie State – Communication Arts and Humanities Building	88,047,000
Bowie State – pedestrian and vehicular infrastructure improvements	150,000
Bowie State – Robinson Hall	1,400,000
College Park – campuswide infrastructure improvements	25,000,000
College Park – Chemistry Building	112,670,000
College Park – Cole Field House	4,316,000
College Park – graduate student housing	5,000,000
College Park – Health and Human Science Building	25,000,000
College Park – Interdisciplinary Engineering Building	11,000,000
College Park – quantum and advanced computing infrastructure	20,000,000
College Park – School of Public Policy	15,000,000
Global Campus – Adelphi Building	1,500,000
	$315,193,000

Other

UMMS Capital Region Medical Center	$83,200,000
UMMS Capital Region Medical Center – Oncology Center	13,500,000
	$96,700,000

Queen Anne's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$22,790	$23,394	$20,865	$25,686
Compensatory Education	5,092	5,121	4,794	4,794
Student Transportation	3,676	3,736	3,727	4,078
Special Education	2,103	2,134	2,067	2,654
English Language Learners Grant	843	953	907	1,189
Geographic Cost of Education Index	597	605	583	630
Blueprint Funding[1]	1,372	2,200	5,376	1,726
Prekindergarten Grants	461	200	200	200
Other Education Aid	809	981	684	639
Primary and Secondary Education	***$37,744***	***$39,326***	***$39,204***	***$41,596***
Libraries	$192	$206	$207	$201
Community Colleges	2,176	2,249	2,409	2,809
Health Formula Grant	839	831	999	1,020
Transportation[2]	1,465	1,533	1,631	1,707
Police and Public Safety[2]	2,700	2,768	448	608
Fire and Rescue Aid[2]	300	306	300	300
Other Direct Aid	12	12	0	0
Total Direct Aid	**$45,429**	**$47,229**	**$45,198**	**$48,241**
Aid Per Capita ($)	$909	$945	$890	$950
Property Tax Equivalent ($)	0.53	0.54	0.50	0.52

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Queen Anne's County for teachers, librarians, and community college faculty are estimated to be $25,376,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$21,282	$19,941	$22,701	$26,199
Family Health and Chronic Disease	492	467	473	448
Developmental Disabilities	3,808	3,768	4,104	4,957
Behavioral Health Services	4,885	4,903	6,484	7,480
Total	**$30,467**	**$29,079**	**$33,762**	**$39,084**
Social Services				
Homeless Services	$527	$459	$516	$931
Women's Services	56	56	56	56
Adult Services	44	70	51	61
Child Welfare Services	1,098	1,164	942	952
Foster Care	495	712	604	675
Temporary Cash Assistance	9	262	211	258
Total	**$2,229**	**$2,723**	**$2,380**	**$2,933**
Senior Citizen Services				
Long-term Care	$126	$126	$127	$150
Community Services	35	25	28	61
Total	**$161**	**$151**	**$155**	**$211**

C. Selected State Grants for Capital Projects

Public Schools

Bayside Elementary School – renovations (roof)	$248,000
Bayside Elementary School – renovations (windows/doors)	147,900
Church Hill Elementary School – renovations (fire safety)	96,548
Kennard Elementary School – renovations (roof)	663,000
Kent Island Elementary School – renovations (roof)	312,000
Kent Island High School – renovations (roof)	2,040,000
Queen Anne's County High School – renovations (roof)	3,991,600
Sudlersville Elementary School – renovations (chiller/fire safety)	303,000
Aging Schools Program	200,296
	$8,002,344

Public Libraries

Kent Island Library – renovation and expansion	$3,630,000

Chesapeake College

Campuswide – facilities renewal	$919,000
Campuswide – network and security infrastructure upgrades	833,000
Learning Resource Center – chiller and roof replacement	903,000
	$2,655,000

Local Jails and Detention Centers

County Detention Center – addition and renovations	$5,530,000

Senior Center Capital Grant Program

Queen Anne's County Family YMCA and Senior Center	$800,000

Program Open Space

Park acquisition and development	$1,738,282

Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	$1,000,000
Queen Anne – Roosevelt Park Walking Path	23,000

Wharf Park	157,983
Park acquisition and development	1,000,000
	$2,180,983

Chesapeake Bay Water Quality Projects

Barclay – sanitary project	$1,500,000

Chesapeake Bay Restoration Fund

Barclay – sanitary project	$1,640,000
Southern Kent Island – sanitary project	10,760,000
	$12,400,000

Waterway Improvement

Centreville Landing – boat ramp replacement	$250,000
Centreville Landing – parking lot and bulkhead enhancements	250,000
Centreville Wharf – boat slip improvements	87,000
Chesapeake Heritage and Visitor Center – boat ramp and pier	250,000
Crumpton Landing – boat ramp and bulkhead replacement	250,000
Deep Landing – boat landing facility improvements	250,000
Deep Landing – bulkhead replacement	125,000
Grasonville Volunteer Fire Department – fire pump and generator	12,500
Kent Narrows – maintenance dredging	1,000,000
Kent Narrows Landing – parking lot improvements	100,000
Matapeake Public Landing – boat ramp replacement	250,000
Queenstown – bulkhead and decking improvements	250,000
Queenstown – channel dredging	100,000
Queenstown – slip dredging	50,000
Southeast Creek Landing – dredging	100,000
	$3,324,500

Resiliency Through Restoration Initiative Program

Chesapeake Bay Environmental Center – wetland enhancement	$1,100,000

Other Projects

Chesapeake Bay Environmental Center	$300,000
Compass Regional Hospice	500,000
Grasonville Community Center, Inc.	40,000
Haven Ministries, Inc.	150,000

Maryland Museum of Women's History	150,000
Queen Anne's County – Centerville Middle/High School	250,000
Queen Anne's County – high school synthetic turf fields	250,000
Queen Anne's County Arts Council, Inc.	375,000
Queen Anne's County Family YMCA and Senior Center	565,000
Talisman Therapeutic Riding, Inc.	650,000
Washington College – Foremen's Branch Bird Observatory	300,000
	$3,530,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Hillsboro Natural Resources Police – shooting range	$2,512,000
Hydraulic boat trailer	150,000
Love Point State Park – facility improvements	1,000,000
Matapeake Marine Terminal – access channel dredging	100,000
Matapeake Marine Terminal – replace gas dock and fuel system	100,000
	$3,862,000

Maryland Environmental Service

Eastern Pre-Release Facility – wastewater treatment plant improvements	$881,000

St. Mary's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$75,737	$76,112	$73,811	$82,150
Compensatory Education	18,866	19,377	16,435	16,435
Student Transportation	7,587	7,671	7,295	8,294
Special Education	6,116	6,571	6,310	8,244
English Language Learners Grant	1,083	1,272	1,127	1,514
Geographic Cost of Education Index	247	251	247	267
Blueprint Funding[1]	3,925	5,670	14,642	9,369
Prekindergarten Grants	194	0	0	0
Other Education Aid	1,478	1,301	928	862
Primary and Secondary Education	***$115,233***	***$118,225***	***$120,797***	***$127,136***
Libraries	$807	$841	$867	$881
Community Colleges	3,301	3,387	3,195	6,263
Health Formula Grant	1,347	1,393	1,509	1,675
Transportation[2]	2,060	1,967	2,251	2,381
Police and Public Safety[2]	1,251	1,353	962	1,342
Fire and Rescue Aid[2]	300	306	300	300
Other Direct Aid	0	3	0	0
Total Direct Aid	**$124,299**	**$127,475**	**$129,881**	**$139,977**
Aid Per Capita ($)	$1,091	$1,119	$1,135	$1,223
Property Tax Equivalent ($)	0.96	0.96	0.95	0.99

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for St. Mary's County for teachers, librarians, and community college faculty are estimated to be $56,308,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$57,622	$48,539	$55,347	$63,884
Family Health and Chronic Disease	641	670	592	568
Developmental Disabilities	7,039	6,965	7,586	9,163
Behavioral Health Services	11,246	11,730	13,709	15,596
Total	**$76,548**	**$67,904**	**$77,234**	**$89,211**
Social Services				
Homeless Services	$525	$531	$526	$1,043
Women's Services	222	222	191	191
Adult Services	15	7	91	94
Child Welfare Services	2,167	2,244	2,279	2,267
Foster Care	3,075	3,441	3,903	4,361
Temporary Cash Assistance	64	1,775	887	1,084
Total	**$6,068**	**$8,220**	**$7,877**	**$9,040**
Senior Citizen Services				
Long-term Care	$159	$160	$165	$191
Community Services	45	46	48	97
Total	**$204**	**$206**	**$213**	**$288**

C. Selected State Grants for Capital Projects

Public Schools

Dynard Elementary School – renovations (HVAC/roof)	$4,395,000
Great Mills High School – renovations (roof)	883,000
Green Holly Elementary School – renovations (HVAC)	2,258,000
Hollywood Elementary School – renovations (roof/HVAC/fire safety)	1,177,280
Lettie Marshall Dent Elementary School – construction	3,724,000
Mechanicsville Elementary School – construction	5,489,000
Park Hall Elementary School – relocatable classrooms	143,840
Park Hall Elementary School – renovations (HVAC/roof)	1,253,080
Town Creek Elementary School – renovations (HVAC)	1,182,160
Aging Schools Program	200,296
	$20,705,656

College of Southern Maryland

Campuswide – facilities renewal	$949,250
Hughesville – Center for Health Sciences	14,731,000
La Plata – Student Resource Center	4,050,000
	$19,730,250

Local Jails and Detention Centers

County Adult Detention Center – upgrades, housing, and medical units	$12,897,000

Program Open Space

Park acquisition and development	$3,221,054

Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	$1,500,000
Leonardtown Alley Network	225,000
Park acquisition and development	1,125,000
	$2,850,000

Chesapeake Bay Restoration Fund

Point Lookout WWTP – enhanced nutrient removal	$3,222,000

Waterway Improvement

Bushwood Wharf – pier repair	$125,000
Leonardtown Wharf – construct transient boat dock and slips	175,000
Ridge Volunteer Fire Department – purchase emergency response raft/equipment	50,000
Ridge Volunteer Fire Department – purchase fire/rescue boat	50,000
Snow Hill Park – boat ramp	500,000
St. George Creek – maintenance dredging	540,000
St. Inigoes Landing – boat ramp improvements	250,000
St. Patricks Creek – federal navigation channel maintenance dredging	800,000
	$2,490,000

Resiliency Through Restoration Initiative Program

Myrtle Point – shoreline enhancements	$1,100,000
Piney Point Lighthouse and Museum – shoreline enhancements	640,000
St. Catherine's Island – shoreline improvements	65,000
	$1,805,000

Other Projects

Beach Management Corp. of Golden Beach – Trent Hall Creek replace pier	$80,000
Breton Bay Golf & Country Club	100,000
Chancellor's Point Community Sailing Center	73,300
Chopticon High School – stadium field press box	100,000
EAG Properties, LLC – St. James public comfort station	100,000
Farming 4 Hunger, Inc.	250,000
Historic St. Mary's City Fort to 400 Commission	125,000
Innovative Center for Autonomous Systems	1,250,000
MedStar St. Mary's Hospital	600,000
Newtowne Manor House	150,000
Patuxent River Naval Air Museum and Visitor Center	150,000
Ridge Volunteer Fire Department	500,000
Sotterley Plantation	50,000
St. Mary's Caring Soup Kitchen	250,000
St. Mary's County – mobile library	50,000
St. Mary's County – Sports Complex	150,000
St. Mary's County Health Department – Lexington Park Hub	100,000
Three Notch Theater	100,000
Tri-County Council of Southern Maryland – Regional Agricultural Center	200,000
	$4,378,300

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Historic St. Mary's Commission – facilities renewal	$1,000,000
Point Lookout State Park – pier redecking	100,000
Point Lookout State Park – replace boat ramps and pier	500,000
St. Clement's Island State Park – accessibility improvements	375,000
	$1,975,000

Maryland Environmental Service

Charlotte Hall Veterans Home – water treatment plant/storage system upgrade	$490,000
Point Lookout State Park – water distribution & sewer collection system	7,068,000
St. Mary's College – water distribution & treatment facilities improvements	1,447,000
	$9,005,000

Historic St. Mary's City Commission

Deferred maintenance program	$2,000,000
Leonard Calvert House	683,000
Maryland Dove	2,500,000
Maryland Heritage Interpretive Center	16,803,000
Sitewide – infrastructure improvements	2,000,000
	$23,986,000

St. Mary's College

Academic Building and Auditorium – construction	$63,899,000
Campuswide – infrastructure improvements	16,235,000
Goodpasture Hall – renovation	1,889,000
Hilda C. Landers Library – renovations	4,000,000
	$86,023,000

University System of Maryland

Southern Maryland Regional Higher Education Center	$78,984,000

Somerset County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$14,887	$15,193	$14,788	$16,024
Compensatory Education	10,461	10,532	10,689	10,689
Student Transportation	2,074	2,095	2,070	2,248
Special Education	1,901	1,944	1,915	2,465
English Language Learners Grant	637	667	695	803
Guaranteed Tax Base	1,626	1,743	2,011	1,854
Blueprint Funding[1]	1,943	3,898	4,294	5,209
Prekindergarten Grants	1,226	340	340	340
Other Education Aid	1,705	1,602	1,318	1,321
Primary and Secondary Education	***$36,460***	***$38,014***	***$38,119***	***$40,953***
Libraries	$314	$321	$327	$324
Community Colleges	913	972	1,234	1,431
Health Formula Grant	891	935	1,450	1,139
Transportation[2]	951	1,029	1,053	1,086
Police and Public Safety[2]	1,980	1,155	236	363
Fire and Rescue Aid[2]	309	315	310	310
Disparity Grant	5,429	5,950	6,757	6,757
Teachers Retirement Supplemental Grant	382	382	382	382
Other Direct Aid	623	632	535	553
Total Direct Aid	**$48,252**	**$49,704**	**$50,403**	**$53,298**
Aid Per Capita ($)	$1,964	$2,023	$2,050	$2,168
Property Tax Equivalent ($)	3.23	3.26	3.22	3.34

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Somerset County for teachers, librarians, and community college faculty are estimated to be $11,979,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$27,525	$26,358	$30,024	$34,652
Family Health and Chronic Disease	569	482	505	458
Developmental Disabilities	6,726	6,655	7,248	8,755
Behavioral Health Services	7,126	6,758	9,160	10,482
Total	**$41,946**	**$40,253**	**$46,937**	**$54,347**
Social Services				
Homeless Services	$370	$370	$382	$750
Women's Services	81	81	81	81
Adult Services	44	45	123	124
Child Welfare Services	1,492	1,746	1,730	1,758
Foster Care	968	996	984	1,099
Temporary Cash Assistance	25	741	581	710
Total	**$2,980**	**$3,979**	**$3,881**	**$4,522**
Senior Citizen Services				
Long-term Care	$583	$581	$591	$692
Community Services	156	165	134	270
Total	**$739**	**$746**	**$725**	**$962**

Note: A portion of women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

C. Selected State Grants for Capital Projects

Public Schools

Crisfield High School and Academy – renovations (roof)	$2,900,000
Greenwood Elem. School – renovations (building envelope/windows/doors)	647,237
J.M. Tawes Technology and Career Center – construction	3,161,000
Aging Schools Program	153,172
	$6,861,409

Program Open Space

Park acquisition and development	$761,857

Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	$1,000,000
Pocomoke City – Cypress Park	43,250
Park acquisition and development	1,000,000
	$2,043,250

Chesapeake Bay Restoration Fund

Smith Island – clean water project	$2,641,206

Water Supply Financial Assistance Program

Deal Island Road – water main loop	$176,000

Comprehensive Flood Mitigation Program

Crisfield – tide gates, culvert modification and pump station	$172,000

Waterway Improvement

Crisfield – depot piers and walkways	$90,000
Crisfield – dock mooring piles and deckboard replacement	75,000
Dames Quarter – bulkhead and pier improvements	150,000
Dames Quarter – bulkhead replacement	99,000
Rumbley Harbor – dock and retainment walls replacement	150,000
Smith Island – sheep pen gut dredging	500,000
St. Peters Creek Marina – bulkhead and finger pier replacement	50,000

St. Peters Creek Marina – bulkhead replacement	199,000
Tylerton – dock and harbor improvements	75,000
Webster's Cove Marina – improvements	150,000
	$1,538,000

Resiliency Through Restoration Initiative Program

Deal Island – shoreline improvements	$100,000

Other Projects

Crisfield – waterfront development	$100,000
Crisfield Customs House	60,000
Crisfield Elks Lodge No. 1044	100,000
Somerset County – courthouse renovation and expansion	150,000
Somerset County – Crisfield Airport	1,000,000
Somerset County – visitor center	500,000
	$1,910,000

D. Capital Projects for State Facilities in the County

Department of Public Safety and Correctional Services

Eastern Correctional Institution – hot water system/perimeter improvements	$28,917,000

Department of Natural Resources

Janes Island State Park – boat ramp repair and transient slips	$175,000
Janes Island State Park – cabin replacement and sitework	1,899,000
Somers Cove Marina – bulkhead replacement and site improvements	5,000,000
Somers Cove Marina – bulkhead, bath house and electric trunk line	996,000
Somers Cove Marina – maintenance and upgrades	2,100,000
	$10,170,000

Maryland Environmental Service

Eastern Correctional Institution – co-gen. plant conversion to natural gas	$3,589,000
Eastern Correctional Institution – co-generation plant upgrades	2,103,000
Eastern Correctional Institution – wastewater treatment plant upgrade	2,450,000
	$8,142,000

University System of Maryland

Eastern Shore – campus flood mitigation	$13,200,000
Eastern Shore – campuswide facilities renewal	3,000,000
Eastern Shore – School of Pharmacy and Allied Health Professions	98,191,000
	$114,391,000

Talbot County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$4,777	$4,892	$4,757	$5,434
Compensatory Education	5,520	5,886	5,413	5,710
Student Transportation	1,842	1,875	1,873	2,044
Special Education	1,223	1,275	1,248	1,646
English Language Learners Grant	1,165	1,478	1,399	1,885
Blueprint Funding[1]	666	1,442	2,290	1,141
Prekindergarten Grants	715	575	575	575
Other Education Aid	784	671	413	416
Primary and Secondary Education	***$16,691***	***$18,093***	***$17,968***	***$18,850***
Libraries	$119	$121	$124	$131
Community Colleges	1,822	1,915	2,127	2,413
Health Formula Grant	678	744	790	892
Transportation[2]	2,043	1,944	2,283	2,328
Police and Public Safety[2]	626	2,389	414	612
Fire and Rescue Aid[2]	317	322	316	316
Other Direct Aid	0	10	0	0
Total Direct Aid	**$22,296**	**$25,539**	**$24,022**	**$25,543**
Aid Per Capita ($)	$595	$682	$638	$679
Property Tax Equivalent ($)	0.26	0.29	0.27	0.28

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Talbot County for teachers, librarians, and community college faculty are estimated to be $15,600,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$22,670	$20,724	$23,602	$27,239
Family Health and Chronic Disease	487	326	509	324
Developmental Disabilities	4,576	4,528	4,932	5,957
Behavioral Health Services	5,137	5,411	6,616	7,646
Total	**$32,870**	**$30,989**	**$35,659**	**$41,166**
Social Services				
Homeless Services	$527	$459	$516	$931
Women's Services	56	56	56	56
Adult Services	53	73	76	77
Child Welfare Services	1,593	1,764	1,399	1,425
Foster Care	786	982	880	983
Temporary Cash Assistance	11	249	172	210
Total	**$3,026**	**$3,583**	**$3,099**	**$3,682**
Senior Citizen Services				
Long-term Care	$394	$392	$392	$462
Community Services	101	70	69	149
Total	**$495**	**$462**	**$461**	**$611**

Note: Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

C. Selected State Grants for Capital Projects

Public Schools

Easton Elementary School/Dobson Building – construction	$11,972,571
Easton High School – renovations (roof)	1,811,867
Aging Schools Program	153,172
	$13,937,610

Public Libraries

St. Michaels Library – renovation and expansion	$120,000

Chesapeake College

Campuswide – facilities renewal	$919,000
Campuswide – network and security infrastructure upgrades	833,000
Learning Resource Center – chiller and roof replacement	903,000
	$2,655,000

Program Open Space

Park acquisition and development	$1,817,010

Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	$1,000,000
Easton Point Park	200,000
Motion Park	135,145
Oxford – Causeway Basketball and Pickleball Court	40,000
Oxford Community Central Park	122,000
Park acquisition and development	1,000,000
	$2,497,145

Chesapeake Bay Restoration Fund

Oxford WWTP – enhanced nutrient removal	$4,426,000
Region II – sewer system extension	16,940,000
Trappe WWTP – enhanced nutrient removal	3,965,723
	$25,331,723

Comprehensive Flood Mitigation Program

North Fork Tanyard Branch – stream stabilization	$106,000
Windmill Sanitary Sewer Pump Station – relocation	1,789,000
	$1,895,000

Waterway Improvement

Bellevue Landing – deck and handrail replacement	$40,000
Dogwood Harbor – finger pier	15,000
Easton Point – boat ramp and parking lot improvements	50,000
Fairbanks Landing – deck replacement	60,000
Oak Creek Landing – redecking	30,000
Oxford – dinghy dock	25,000
Oxford – purchase fire rescue vessel	50,000
Oxford Volunteer Fire Department – fire rescue boat	50,000
Skipton Landing – dock replacement	55,000
St. Michaels – Harbor Road boat slip improvements	30,000
St. Michaels – marina restroom construction and slip improvements	60,000
Tongers Basin – bulkhead repairs	55,000
Windy Hill Landing – redecking	10,000
Wye Landing – repaving	65,000
	$595,000

Hazardous Substance Cleanup Program

Glebe Road	$150,000

Resiliency Through Restoration Initiative Program

Oxford – shoreline and stormwater enhancements	$1,200,000

Other Projects

American Legion Post 77	$150,000
Building African American Minds, Inc. – Academic Center	1,050,000
Chesapeake Bay Maritime Museum	1,690,000
For All Seasons, Inc.	300,000
HOPE Center	150,000
Mid-Shore Community Foundation – Water's Edge and Bellevue Passage	675,000
Neighborhood Service Center, Inc.	200,000
St. Michaels Community Center	1,225,000

St. Michaels Family YMCA Senior Center	250,000
Talbot County – athletic fields	200,000
The Arc of the Central Chesapeake Region – Eastern Shore Headquarters	1,000,000
	$6,890,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Black Walnut Point – shore erosion control	$185,000

Washington County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$108,977	$109,692	$105,150	$119,869
Compensatory Education	45,733	47,083	44,942	45,109
Student Transportation	7,935	8,038	7,951	8,705
Special Education	9,869	10,149	10,050	13,447
English Language Learners Grant	2,877	3,079	2,959	3,631
Guaranteed Tax Base	7,644	7,021	7,501	8,571
Blueprint Funding[1]	9,208	14,517	25,266	12,965
Prekindergarten Grants	1,606	100	100	100
Other Education Aid	2,286	2,225	1,310	1,382
Primary and Secondary Education	***$196,135***	***$201,903***	***$205,230***	***$213,779***
Libraries	$1,417	$1,460	$1,489	$1,604
Community Colleges	9,852	10,222	11,971	14,541
Health Formula Grant	2,501	3,661	2,675	3,053
Transportation[2]	4,110	4,571	4,660	4,777
Police and Public Safety[2]	4,297	3,442	1,505	2,385
Fire and Rescue Aid[2]	337	345	335	335
Disparity Grant	2,060	7,781	8,361	3,834
Other Direct Aid	235	290	0	0
Total Direct Aid	**$220,945**	**$233,675**	**$236,226**	**$244,308**
Aid Per Capita ($)	$1,429	$1,512	$1,525	$1,577
Property Tax Equivalent ($)	1.64	1.70	1.67	1.68

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Washington County for teachers, librarians, and community college faculty are estimated to be $73,732,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$127,698	$118,907	$135,616	$156,537
Family Health and Chronic Disease	704	756	680	710
Developmental Disabilities	29,335	29,025	31,613	38,185
Behavioral Health Services	24,502	25,741	32,169	36,348
Total	**$182,239**	**$174,429**	**$200,078**	**$231,780**
Social Services				
Homeless Services	$328	$385	$356	$544
Women's Services	252	252	252	254
Adult Services	263	257	380	388
Child Welfare Services	5,184	5,702	4,920	4,910
Foster Care	6,775	6,220	6,297	7,036
Temporary Cash Assistance	104	2,776	1,790	2,186
Total	**$12,906**	**$15,592**	**$13,995**	**$15,318**
Senior Citizen Services				
Long-term Care	$284	$271	$276	$320
Community Services	216	108	84	170
Total	**$500**	**$379**	**$360**	**$490**

C. Selected State Grants for Capital Projects

Public Schools

Boonsboro Elementary School – renovations (roof)	$997,000
Boonsboro Middle School – renovations (electrical)	428,000
Eastern Elementary School – renovations (roof)	532,000
Emma K. Doub Elementary School – renovations (electrical)	277,000
Hancock Middle/High School – renovations (HVAC)	608,000
North Hagerstown High School – renovations (chiller)	711,000
North Hagerstown High School – renovations (windows and masonry)	790,000
Paramount Elementary School – renovations (roof)	1,139,000
Sharpsburg Elementary School – construction	8,777,978
Smithsburg High School – renovations (HVAC)	4,336,000
Smithsburg High School – renovations (roof)	2,391,000
Smithsburg Middle School – renovations (roof)	2,206,227
South Hagerstown High School – renovations (roof)	1,509,000
Urban Educational Campus – construction	4,707,000
Washington County Technical High School – renovations (electrical)	593,000
Western Heights Middle School – renovations (roof)	1,873,000
Williamsport Elementary School – renovations (boilers/roof)	1,874,000
Williamsport High School – renovations (electrical/roof)	3,281,534
Aging Schools Program	539,616
	$37,570,355

Hagerstown Community College

Campuswide – facilities renewal	$919,000
Center for Business and Entrepreneurial Studies	6,011,000
Learning Resource Center – renovation	1,175,000
Road and pedestrian infrastructure improvements	3,989,000
	$12,094,000

Community Health Facilities Grant Program

The Arc of Washington County, Inc.	$1,500,000

Senior Center Capital Grant Program

Washington County Senior Activities Center	$100,000

Program Open Space

Park acquisition and development	$5,010,902

Community Parks and Playgrounds

Boonsboro – Shafer Park Trail	$148,850
Countywide – indoor and outdoor park infrastructure	1,500,000
Hancock – Widmyer Splash Park	200,000
Lions Community Park	157,640
Park acquisition and development	1,500,000
	$3,506,490

Chesapeake Bay Water Quality Projects

Hancock – wastewater system	$1,500,000
Williamsport – sewer line and manhole rehabilitation	874,457
	$2,374,457

Chesapeake Bay Restoration Fund

Hancock – wastewater system	$13,235,407
Smithsburg WWTP – upgrade	4,527,830
	$17,763,237

Waterway Improvement

Hancock – boat ramp improvements	$500,000
Potomac Valley Fire Company – rescue boat	17,550
Williamsport – boat ramp engineering	70,000
Williamsport Volunteer Fire Department – purchase fire/rescue boat	17,500
	$605,050

Hazardous Substance Cleanup Program

Garden State Tannery	$200,000

Other Projects

Boonsboro – Chase 6 Boulevard and Campus Avenue improvements	$200,000
Boonsboro – parking lot	25,000
Boonsboro – Weir Wall	115,000
Boonsboro – WWTP sludge dewatering facility	150,000
Boys and Girls Club of Washington County	2,000,000
Clara Barton Memorial	250,000

DiPietro & Son, LLC – Boonsboro concert hall/retail/nonprofit space	125,000
Easterseals Adult Day Services Hagerstown Center	150,000
Fort Ritchie Community Center – Ritchie History Museum	400,000
Hagerstown – burn building	500,000
Hagerstown – Field House	1,000,000
Hagerstown – minor league baseball stadium	2,300,000
Hagerstown Aviation Museum	5,150,000
Hagerstown BMX Track	75,000
Hagerstown Elks Lodge No. 378	23,000
Hagerstown-Washington County Industrial Foundation – sports/event facility	8,500,000
Hancock – downtown improvements	1,000,000
Meritus Medical Center	721,000
Museum of Fine Arts	1,000,000
Preservation Maryland – Jonathan Street improvements	250,000
Robert W. Johnson Community Center	600,000
Smithsburg – Water Street improvements	1,000,000
Smithsburg Community Volunteer Fire Company	75,000
Smithsburg High School – athletic facilities	750,000
The Arc of Washington County, Inc.	500,000
Vietnam War Veterans Monument	30,000
Washington County – Hagerstown revitalization	5,250,000
Washington County – public service academy	1,000,000
Washington County Commission on Aging, Inc. – Senior Activities Center	18,000
Williamsport – Springfield Barn	160,000
YMCA of Hagerstown	715,000
	$34,032,000

D. Capital Projects for State Facilities in the County

General Government

Hagerstown District Court	$1,300,000
Washington County District Court	10,250,000
	$11,550,000

Department of Public Safety and Correctional Services

Correctional Training Center – replace windows and heating system	$12,797,000

Department of Natural Resources

Albert Powell Fish Hatchery – improvements	$8,719,000

Greenbrier State Park – dock improvements	200,000
Greenbrier State Park – entry gate fee station improvements	1,517,000
National Park Service – Four Locks boat ramp improvements	250,000
	$10,686,000

Maryland Environmental Service

Maryland Correctional Institution – boiler plant improvements	$1,385,000

Wicomico County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$78,055	$80,045	$76,163	$86,464
Compensatory Education	46,283	46,288	45,918	47,453
Student Transportation	5,734	5,864	5,767	6,317
Special Education	7,825	7,939	7,355	9,338
English Language Learners Grant	7,044	7,305	7,127	9,628
Guaranteed Tax Base	7,194	7,625	8,000	7,760
Blueprint Funding[1]	7,528	10,995	20,562	12,304
Prekindergarten Grants	1,800	1,065	1,065	1,065
Other Education Aid	2,093	1,974	1,502	1,528
Primary and Secondary Education	***$163,556***	***$169,099***	***$173,457***	***$181,856***
Libraries	$1,132	$1,166	$1,188	$1,232
Community Colleges	5,918	6,139	6,554	7,756
Health Formula Grant	1,860	2,215	2,356	2,413
Transportation[2]	3,415	3,792	3,958	4,070
Police and Public Safety[2]	3,255	1,418	1,127	2,030
Fire and Rescue Aid[2]	339	337	427	427
Disparity Grant	9,649	12,431	11,832	11,832
Teachers Retirement Supplemental Grant	1,568	1,568	1,568	1,568
Other Direct Aid	163	251	0	0
Total Direct Aid	**$190,854**	**$198,417**	**$202,467**	**$213,184**
Aid Per Capita ($)	$1,844	$1,918	$1,947	$2,050
Property Tax Equivalent ($)	2.85	2.87	2.83	2.85

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Wicomico County for teachers, librarians, and community college faculty are estimated to be $53,320,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$97,134	$89,081	$101,497	$117,145
Family Health and Chronic Disease	916	1,043	804	869
Developmental Disabilities	21,384	21,159	23,045	27,836
Behavioral Health Services	18,121	20,477	24,222	27,078
Total	**$137,555**	**$131,760**	**$149,568**	**$172,928**
Social Services				
Homeless Services	$370	$370	$382	$750
Women's Services	81	81	81	81
Adult Services	13	4	33	35
Child Welfare Services	2,906	3,339	2,919	3,029
Foster Care	1,840	2,383	3,089	3,452
Temporary Cash Assistance	61	1,734	1,448	1,768
Total	**$5,271**	**$7,911**	**$7,952**	**$9,115**
Senior Citizen Services				
Long-term Care	$583	$581	$591	$692
Community Services	156	165	134	270
Total	**$739**	**$746**	**$725**	**$962**

Note: A portion of women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

C. Selected State Grants for Capital Projects

Public Schools

Beaver Run Elementary School – construction	$27,399,000
Delmar Elementary School – construction	3,709,000
Mardela Middle/High School – construction	21,049,098
Aging Schools Program	426,508
	$52,583,606

Wor-Wic Community College

Applied Technology Building	$28,797,000
Campuswide – facilities renewal	949,250
	$29,746,250

Community Health Facilities Grant Program

Lower Shore Clinic, Inc.	$905,000

Federally Qualified Health Centers Grant Program

Three Lower Counties Community Services, Inc.	$1,078,000

Program Open Space

Park acquisition and development	$3,333,402

Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	$1,500,000
Mardela Springs – baseball field	210,943
Mardela Springs – recreation area	202,000
Pittsville – Town Park Playground	125,300
Salisbury – Rail Trail	500,000
Willards – Town Park	250,000
Park acquisition and development	1,000,000
	$3,788,243

Chesapeake Bay Water Quality Projects

Delmar – sewer replacement project	$1,139,457

Chesapeake Bay Restoration Fund

Fruitland – Tuxents Branch drainage	$1,490,648
Sharptown WWTP – replacement	3,679,919
	$5,170,567

Water Supply Financial Assistance Program

Pittsville – water treatment plant upgrade	$968,000

Comprehensive Flood Mitigation Program

Fruitland – Tuxents Branch stormwater drainage upgrade	$945,000
Salisbury – Hunters Mill Pond rehabilitation	428,000
	$1,373,000

Waterway Improvement

Cedar Hill Landing – dredge material placement site expansion	$750,000
Cedar Hill Marina – bulkhead replacement	549,000
Nanticoke Harbor – dredging	50,000
Pirates Wharf – boating facility construction	400,000
Salisbury – Riverside Drive boat ramp renovation	99,000
	$1,848,000

Hazardous Substance Cleanup Program

Elite Free State Cleaners	$150,000
Former Linens of the Week	50,000
	$200,000

Other Projects

Boys and Girls Clubs of Metropolitan Baltimore – Salisbury Club	$350,000
Christian Shelter, Inc.	306,693
Delmar – Community Center	250,000
Delmar – South Pennsylvania Avenue streetscape improvements	350,000
Fruitland – park improvements	14,000
Fruitland Volunteer Fire Company	50,000
Junior Achievement Eastern Shore	1,000,000
Peninsula Regional Medical Center	800,000
Queen City Elks Lodge No. 1051 and Success Temple No. 154	200,000
Salisbury – infrastructure upgrades	1,000,000
Salisbury – Truitt Street Community Center	100,000
Salisbury – Zoological Park	250,000

Salisbury Elks Lodge No. 817	95,000
The Salvation Army Lower Eastern Shore	150,000
Vehicles for Change, Inc.	400,000
Wicomico County – bookmobile	100,000
Wicomico County – inclusive playground and sensory trail	100,000
	$5,515,693

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Johnson WMA – shooting range	$2,512,000

Department of Agriculture

Salisbury Animal Health Laboratory	$13,491,000

University System of Maryland

Salisbury – Blackwall Hall renovation	$1,940,000

Worcester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Foundation Aid	$6,926	$7,061	$7,019	$7,980
Compensatory Education	7,445	7,559	7,827	7,994
Student Transportation	3,349	3,404	3,392	3,697
Special Education	1,731	1,715	1,722	2,202
English Language Learners Grant	399	430	413	449
Blueprint Funding[1]	689	1,282	1,779	1,936
Prekindergarten Grants	0	730	730	730
Other Education Aid	901	921	653	431
Primary and Secondary Education	***$21,439***	***$23,101***	***$23,535***	***$25,418***
Libraries	$165	$170	$175	$184
Community Colleges	2,415	2,487	2,693	3,250
Health Formula Grant	1,167	1,702	2,290	1,519
Transportation[2]	2,423	2,509	2,578	2,672
Police and Public Safety[2]	875	4,421	687	1,121
Fire and Rescue Aid[2]	373	380	368	368
Gaming Impact Aid	3,418	4,791	5,311	5,396
Other Direct Aid	211	282	0	0
Total Direct Aid	**$32,487**	**$39,843**	**$37,637**	**$39,928**
Aid Per Capita ($)	$619	$760	$708	$751
Property Tax Equivalent ($)	0.20	0.24	0.22	0.23

[1] State funding for several education aid programs starts to phase out in fiscal 2023 as the State transitions to the new funding structure established under the Blueprint legislation. The phase-in of the Blueprint legislation results in significant increases in other categories of education aid (*e.g.*, foundation program) in fiscal 2023.

[2] Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2020 to 2023 State payments for Worcester County for teachers, librarians, and community college faculty are estimated to be $29,772,000.

B. Estimated State Spending on Selected Health and Social Services

The Department of Aging; the Department of Health; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. For many programs, the amounts shown for fiscal 2023 are based on the county's share of prior year funding (fiscal 2022) and may change. See the discussion at the beginning of this section for more detail on the types of services funded.

	FY 2020	FY 2021	FY 2022	FY 2023
		($ in Thousands)		
Health Services				
Medicaid	$34,677	$31,696	$36,036	$41,584
Family Health and Chronic Disease	679	627	752	546
Developmental Disabilities	3,816	3,776	4,113	4,968
Behavioral Health Services	8,936	8,129	11,001	12,820
Total	**$48,108**	**$44,228**	**$51,902**	**$59,918**
Social Services				
Homeless Services	$370	$370	$382	$750
Women's Services	81	81	81	81
Adult Services	43	46	63	64
Child Welfare Services	1,554	1,545	1,642	1,709
Foster Care	1,241	1,452	1,441	1,610
Temporary Cash Assistance	14	568	517	632
Total	**$3,303**	**$4,062**	**$4,126**	**$4,846**
Senior Citizen Services				
Long-term Care	$583	$581	$591	$692
Community Services	216	165	134	270
Total	**$799**	**$746**	**$725**	**$962**

Note: A portion of women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

C. Selected State Grants for Capital Projects

Public Schools

Pocomoke Middle School – renovations (roof)	$1,275,000
Showell Elementary School – construction	4,336,000
Stephen Decatur Middle School – construction	4,814,000
Aging Schools Program	153,172
	$10,578,172

Public Libraries

Pocomoke Library – renovation and expansion	$120,000

Wor-Wic Community College

Applied Technology Building	$28,797,000
Campuswide – facilities renewal	949,250
	$29,746,250

Federally Qualified Health Centers Grant Program

Three Lower Counties Community Services, Inc.	$2,223,000

Program Open Space

Park acquisition and development	$3,252,746

Community Parks and Playgrounds

Berlin – Dr. William Henry Park Basketball Court	$111,650
Berlin – Stephen Decatur Park	99,000
Countywide – indoor and outdoor park infrastructure	1,000,000
Cypress Park Pickleball Courts	73,000
Ocean City – Northside Park Playground	265,400
Ocean City Dog Park	108,620
Park acquisition and development	1,000,000
	$2,657,670

Water Supply Financial Assistance Program

Pocomoke City – water tanks	$867,000
Snow Hill – Purnell Street water improvements	396,465
	$1,263,465

Waterway Improvement

Ocean City – maintenance dredging	$248,500
Ocean City Fire Department – fire/rescue boat engine replacement	50,000
Pocomoke City – town marina construction	363,000
Public Landing Marina – dredging	200,000
Public Landing Marina – finger piers installation	250,000
Public Landing Marina – retaining wall and rip rap engineering	50,000
South Point – boat ramp and bulkhead replacement and improvements	250,000
South Point – boat ramp improvements	250,000
	$1,661,500

Resiliency Through Restoration Initiative Program

Selsey Road – shoreline enhancements	$300,000
Tizzard Island – shoreline enhancements	1,100,000
	$1,400,000

Other Projects

Atlantic General Hospital	$800,000
Believe In Tomorrow House at the Beach	100,000
Boys and Girls Clubs of Metropolitan Baltimore – Pocomoke City Club	450,000
Delmarva Discovery Center and Museum	26,000
Ocean City Lifesaving Museum	600,000
Pocomoke City Elks Lodge No. 1624	75,000
Worcester County – Ocean Pines Volunteer Fire Department	1,600,000
	$3,651,000

D. Capital Projects for State Facilities in the County

Maryland State Police

Berlin Barrack, Forensic Lab, and Garage	$23,505,000

Department of Natural Resources

Assateague State Park – registration building replacement	$5,220,000

Natural Resources Police – marine facility maintenance dredging	50,000
Ocean City – beach replenishment	8,000,000
Pocomoke River State Park – boat ramp repair and marina replacement	200,000
Pocomoke River State Park – Milburn Landing boat ramp repairs	100,000
Pocomoke River State Park – Shad/Milburn Landings boat ramp replacement	1,200,000
	$14,770,000

B

Part B
Taxes

Property Tax

Administration

Assessment of Conservation Property

Chapter 241 of 2019 altered the definition of conservation property for property tax assessment purposes by including certain land subject to a perpetual conservation easement that is sold or donated (1) to the Maryland Agricultural Land Preservation Foundation; (2) to a specified land trust; or (3) under another public land conservation or preservation program. The former law required that the perpetual conservation easement be donated to the Department of Natural Resources or the Maryland Environmental Trust.

Optional Installment Payment Program for Local Property Taxes

Chapter 647 of 2019 authorized local governments to provide for an installment payment schedule for county, municipal, or special taxing district real property taxes. Local governments may not authorize an installment payment schedule for property taxes imposed on real property that is subject to a deed of trust, a mortgage, or any other encumbrance that includes the escrowing of property taxes. A taxpayer may choose whether to pay property taxes through an installment payment schedule authorized under ***Chapter 647***.

Assessment of Country Club and Golf Course Property

The Budget Reconciliation and Financing Act (BRFA) of 2020 (***Chapter 538)*** altered the special use assessment for country clubs and golf courses that enter into or extend the term of a specified agreement with the State Department of Assessments and Taxation (SDAT) on or after June 1, 2020. The assessment increased from $1,000 per acre to the lesser of market value or $2,000 per acre (year one), $3,500 per acre (year two), and $5,000 per acre (year three). Beginning in the fourth year of the agreement or the extended term, the annual per acre assessment increased by a specified percentage based on a calculated assessment rate index.

The BRFA of 2021 (***Chapter 150***) clarified the special use assessment rates established by ***Chapter 538***. Beginning with the first assessment occurring after the expiration of a special use assessment agreement, the assessment rate equals to the lesser of market value or $5,000 per acre. Assessment increases are phased in over a three-year period as with all other real property.

Assessment Appeals

Chapter 644 and 645 of 2022 altered specified notification and appeal processes used by SDAT. The Acts authorized an appeal authority to consider the following criteria in making its final decision in hearing an appeal that relates to the value of real property: (1) the fair market value of the real property; (2) the valuation and assessment methodology employed by the assessor; (3) depreciation factors; or (4) any other criteria related to the valuation and assessment of real property.

The appeal authority must notify the appropriate local government of a decision of an appeal authority that reduces the value of commercial real property by more than 20% within 10 days after the decision. The local government may appeal to the appropriate appeal authority within 90 days after receiving the notice.

Chapters 644 and 645 also required SDAT to publish on the department's website a plain language description of the following: (1) the methodology applied in the valuation and assessment process; (2) any adjustments in value that an assessor is authorized to make; (3) the criteria used to determine the depreciation value of real property; (4) the circumstances under which the department must revalue real property in any year of a three-year cycle; and (5) any other factors relevant to the valuation of real property by the department.

Personal Property Taxes

Tax Credit for Vehicles

A county or municipality must grant a property tax credit against the applicable county or municipal property tax imposed on vehicles valued as stock in business in an amount equal to 50% of the tax imposed on those vehicles. ***Chapter 250 of 2019*** authorized a county or municipality to provide up to a 100% property tax credit for vehicles valued as stock in business beginning in fiscal 2020. This property tax credit is in addition to the mandatory 50% property tax credit.

Tax Filing Requirements

Chapter 529 of 2020 altered a reference to a specified personal property tax report to clarify the different filing requirements for business entities that have and do not have personal property. Only businesses with personal property are required to file a personal property report; however, all business entities in the State must file an annual report with the appropriate fee.

Tax Exemption for Businesses

Chapters 327 and 328 of 2022 exempted a business from personal property tax if the total original cost of all the business's personal property is less than $20,000. ***Chapters 327 and 328*** also prohibited SDAT from (1) collecting personal property information from these businesses or (2) requiring these businesses to submit a personal property tax return. Previously, a business was exempt from personal property tax if the total original cost of all the business's personal property was less than $2,500. In addition, the former law provided a personal property tax exemption to a home business if the total original cost of all the business's personal property was less than $10,000.

Homeowners' and Renters' Property Tax Credit Programs

The Homeowners' Property Tax Credit Program is a State funded program (*i.e.*, the State reimburses local governments) providing credits against State and local real property taxation for homeowners who qualify based on a sliding scale of property tax liability and income.

The Renters' Property Tax Credit Program provides financial assistance for elderly, disabled, and certain low-income renters from the cost attributable to State and local real property taxes. The concept behind the program is that renters indirectly pay property taxes as part of their rent and thus should have some protection, as do homeowners. The program makes payments directly to eligible renters to provide relief for the "assumed property tax" that renters indirectly pay as part of their rent.

Chapter 507 of 2020 altered various deadlines for the application and processing for the homeowners' and renters' property tax credits. ***Chapter 507*** (1) extended the application deadline for both tax credit programs from September 1 to October 1; (2) specified that SDAT must make the application for the homeowners' property tax credit program available by February 15; and (3) changed the date by which SDAT must request county governments to prepare a tax bill that reflects the final tax liability after the application of the homeowners' property tax credit from May 1 to April 15.

Chapters 717 and 718 of 2021 altered the definition of total real property tax for purposes of calculating the homeowners' property tax credit by specifying that the total real property tax does not include any adjustment for any other property tax credit against the property tax imposed on the dwelling. Homeowners must receive a refund of any additional homeowners' property tax credits they are owed for the prior three years due to the revised calculation of the credit.

Chapter 333 of 2021 altered the definition of legal interest, as it pertains to the homeowners' property tax credit, to include an interest in a dwelling as a surviving family member who stands to inherit the dwelling of a deceased homeowner under the terms of (1) the deceased homeowner's will or trust or a nonprobate instrument of writing or (2) under the laws of intestate succession. As a result, certain surviving family members of a homeowner who stand to inherit the dwelling of the homeowner are eligible to receive the homeowners' property tax credit.

In order to receive the homeowners' property tax credit, a homeowner must file an application with SDAT by October 1. However, SDAT may accept an application within three years after April 15 of the taxable year for which a credit is sought, if the homeowner (1) is at least 70 years old as of the taxable year for which a credit is sought and (2) was eligible for the credit for the taxable year for which the credit is sought. ***Chapters 131 and 132 of 2022*** enabled homeowners under 70 years old to take advantage of the deadline flexibility by establishing a one-year extension to the application deadline. Specifically, ***Chapters 131 and 132*** authorized SDAT to accept an application for the homeowners' property tax credit from a homeowner one year after April 15 of the taxable year for which the tax credit is sought if the homeowner (1) is applying for the first time or (2) has filed an application by October 1 for the preceding three fiscal years.

SDAT must provide the Comptroller with a list of owners of residential properties with an assessed value of $300,000 or less who failed to claim the homeowners' property tax credit during the preceding three years. The Comptroller must (1) review the information provided by SDAT; (2) identify individuals who may be eligible but failed to claim the homeowners' property tax credit; and (3) provide contact information of the identified individuals to SDAT. SDAT must then contact these individuals by mail to inform them of how to apply for the tax credit. ***Chapter 112 of 2022*** required the Comptroller's Office to include individuals who failed to file an income tax return for any of the three most recent taxable years when identifying individuals for SDAT who may be eligible for the homeowners' property tax credit.

Chapter 329 of 2022 authorized SDAT to accept an application for the renters' property tax relief program within three years after October 1 of the calendar year for which property tax relief is sought, if the renter was (1) at least 70 years old in the calendar year for which property tax relief is sought and (2) eligible for the property tax relief for the taxable year for which the credit is sought.

Homestead Property Tax Credit

The Homestead Property Tax Credit Program provides tax credits against State, county, and municipal real property taxes for owner-occupied residential properties for the amount of real property taxes resulting from an annual assessment increase that exceeds a certain percentage or "cap" in any given year. The State requires the cap on assessment increases to be set at 10% for State property tax purposes; however, local governments have the authority to lower the cap.

Chapter 420 of 2020 altered the deadline for a new owner of a dwelling to apply to SDAT to have the date of the deed accepted as the date of transfer of the dwelling for purposes of the homestead property tax credit. The deadline for submitting the application was extended from September 1 of the first taxable year following the date of the deed to September 1 of the second taxable year after the date of the deed.

Chapter 333 of 2021 required contracts of sale for residential real property to include a notice about the homestead tax credit. In addition, buyers of residential property must be presented

with a document at the settlement for the property that explains how to apply for the tax credit online and also includes a complete application for the credit.

Chapters 129 and 130 of 2022 required SDAT to retroactively grant the homestead property tax credit for the prior taxable year, upon receiving an application from the homeowner, if the homeowner was eligible for the property tax credit in the prior year.

Exemptions

Disabled Active Duty Service Members

Chapter 520 of 2019 provided a property tax exemption for the dwelling owned by a specified disabled active duty service member. A disabled active duty service member is defined as an individual in active service of the military, naval, or air service as defined in 38 U.S.C. § 101 who has a service-connected physical disability that is reasonably certain to continue for the life of the service member and was not caused or incurred by misconduct of the service member.

Data Center Personal Property

Chapter 640 of 2020 authorized local governments to reduce or eliminate the percentage of the assessment of any data center personal property used in a qualified data center that is subject to local property tax.

For a discussion of the sales tax provisions of ***Chapter 640***, see the subpart "Sales Tax" of this Part B of this *Major Issues Review*.

Disabled Veterans and Surviving Spouses

There is a 100% exemption from property taxes for the dwelling house of a disabled active duty service member, disabled veteran, or surviving spouse who meets certain requirements. In some instances, there is a delay in the time a veteran applies to the federal government for disability benefits and when a State and local property tax exemption is granted due to the time it takes to process claims at the federal level. As a result, the individual has to pay State and local property taxes while the application is being processed. ***Chapters 726 and 727 of 2021*** required the State, a county, or a municipality to provide a property tax refund to a disabled active duty service member, disabled veteran, or surviving spouse if the individual applies for the refund within three calendar years of becoming eligible for the exemption. ***Chapters 726 and 727*** applied retroactively for three years.

Disabled Veterans, Disabled Active Duty Service Members, and Surviving Spouses

Chapters 195 and 196 of 2022 authorized an individual to submit an application to SDAT for the property tax exemption for disabled veterans, disabled active duty service members, and surviving spouses for a specific dwelling house the individual intends to purchase before purchasing the dwelling house. Following receipt of the application, SDAT must process the

application and send the applicant a letter, within 15 business days, stating (1) that the application is preliminarily approved or preliminarily denied and (2) if the application is preliminarily approved, the amount of the tax exemption for the dwelling the individual intends to purchase. An individual who is issued a letter preliminarily approving the exemption must receive the exemption for the dwelling referenced in the letter after becoming the owner of the dwelling without having to file another application.

Community Solar Energy Generating Systems

Chapters 658 and 659 of 2022 provided several tax benefits for community solar energy generating systems that are placed in service after June 30, 2022, and approved on or before December 31, 2025. First, personal property is exempt from county and municipal taxation if the property is machinery or equipment that is part of a community solar energy generating system that (1) provides at least 50% of the energy it produces to low- or moderate-income customers at a cost that is at least 20% less than the amount charged by the electric company that serves the area where the system is located and (2) is used for agrivoltaics or is installed on a rooftop, brownfield, parking facility canopy, landfill, or clean fill. Second, State and local governments must grant a 50% real property tax credit for a brownfield, landfill, or clean fill on which a specified community solar energy generating system is installed. Finally, SDAT must assess and qualify land that is used by a community solar energy generating system for agrivoltaics as land that is actively used for farm or agricultural purposes.

Chapters 38 and 415 of 2022 exempted personal property of specified community solar energy generating systems from county and municipal personal property taxes. Personal property is exempt from county and municipal personal property taxes if the personal property is machinery or equipment that (1) is part of a community solar energy generating system that has a generating capacity that does not exceed 2 megawatts as measured by the alternating current rating of the system's inverter; (2) provides at least 50% of the energy it produces to low- or moderate-income customers at a cost that is at least 20% less than the amount charged by the electric company that serves the area where the community solar energy generating system is located; and (3) is installed on a rooftop, parking facility canopy, or brownfield. For a further discussion of ***Chapter 38***, see the subpart "Environment and Energy" within Part K – Natural Resources, Environment, and Agriculture of this *Major Issues Review*.

Payment in Lieu of Taxes Agreements

Prince George's County

Chapter 206 of 2020 repealed the June 30, 2021 termination date of the authorization for Prince George's County to exempt specified economic development projects located in designated focus areas from county real property taxes. In addition, ***Chapter 206*** authorized Prince George's County to enter into multiple payment in lieu of taxes agreements for different phases of an economic development project.

Special Taxing Districts

Eastern Shore Code Counties

Chapter 481 of 2020 authorized code counties in the Eastern Shore Class (Caroline, Kent, Queen Anne's, and Worcester) to establish special taxing districts, impose *ad valorem* or special taxes, and issue bonds for the purpose of financing the cost of certain infrastructure improvements.

Statewide Local Option Tax Credits

Seniors and Veterans

Chapter 498 of 2016 authorized local governments to grant a property tax credit for a dwelling owned by (1) an individual who is at least 65 years old and has lived in the same dwelling for at least the preceding 40 years or (2) a retired member of the U.S. Armed Forces who is at least 65 years old. Chapter 184 of 2017 altered the eligibility criteria by specifying that eligible individuals must be members of the uniformed services of the United States, the military reserves, or the National Guard. Chapters 309 and 310 of 2018 altered the eligibility criteria once again by adding the surviving spouse of the retired service member as an eligible recipient of the property tax credit. The amount of the tax credit was limited to 20% of the property tax imposed on the property, and the duration of the credit was limited to five years.

Chapter 36 of 2019 altered the eligibility criteria for the property tax credit by requiring the surviving spouse to be at least 65 years old to be eligible for the property tax credit and allowing a surviving spouse to receive the credit if the service member was under 65 years old at the time of the service member's death.

Chapters 332 and 333 of 2019 altered one of the eligibility criteria for the property tax credit by removing the requirement that the individual must have lived in the same dwelling for at least the preceding 40 years. In lieu of this requirement, local governments were authorized to provide for the minimum number of years, not to exceed 40 years, which the individual must have resided in the same dwelling.

Chapter 642 of 2020 altered the eligibility criteria of the property tax credit by extending eligibility to certain disabled military personnel under the age of 65. Eligible individuals include specified active duty, retired, or honorably discharged members of (1) the uniformed services of the United States as defined in 10 U.S.C. § 101; (2) the military reserves; or (3) the National Guard. To qualify for the property tax credit, an individual must have a service-connected disability as defined in a local law. In addition, a surviving spouse of these individuals who has not remarried also qualifies for the tax credit. Local governments are authorized to establish the criteria that define a service-connected disability of an eligible individual.

Chapters 267 and 268 of 2022 altered the property tax credit by authorizing counties and municipalities to determine the amount and duration of the tax credit.

Disabled Veterans

Chapters 629 and 630 of 2020 authorized local governments to grant a property tax credit for the dwelling house of disabled veterans who meet certain eligibility requirements. Local governments are authorized to continue providing the property tax credit to the surviving spouse of the veteran. In order to qualify for the property tax credit, the disabled veteran's federal adjusted gross income for the immediately preceding taxable year cannot exceed $100,000. The amount of the tax credit is based on the disabled veteran's level of service-connected disability.

Opportunity Zones

Chapter 211 of 2019 authorized local governments to grant a property tax credit for qualified investments made within an opportunity zone. In order to qualify, the property must have been vacant for at least 12 months prior to the acquisition of the property by a qualified opportunity fund. The amount and duration of the property tax credit is determined by the local government.

Local Income Tax Offset

Local governments are authorized to grant a property tax credit against the county or municipal property tax imposed on real property in order to offset increases in local income tax revenues resulting from a county income tax rate in excess of 2.6%. ***Chapter 445 of 2020*** altered the eligibility criteria for this local property tax credit. In order to be eligible for the property tax credit, the homeowner must have an application for the homestead property tax credit on file with SDAT. ***Chapter 445*** is applicable to all taxable years beginning after June 30, 2022.

Business Entities during a State of Emergency

Chapters 210 and 211 of 2021 authorized county and municipal governments to grant a property tax credit for real or personal property owned or leased by a business entity affected by a declared state of emergency.

Surviving Spouses of Fallen Service Members

Chapter 165 of 2022 authorized local governments to grant a property tax credit against the county or municipal property tax imposed on the dwelling of a surviving spouse of a fallen service member, if the surviving spouse has not remarried and is ineligible for the existing property tax exemption for the surviving spouse of a disabled veteran and the surviving spouse of an individual who died in the line of duty while in active military, naval, or air service of the United States. Local governments must define who is a fallen service member.

Tax Sales

The tax sale system in Maryland, like many states throughout the country, is designed for counties to collect delinquent real property taxes and other unpaid charges owed to the counties (such as water or environmental liens), all of which are liens against the real property.

Each county in Maryland conducts a tax sale, whereby the tax liens are offered to the public at auction. Generally, the highest bidder in the auction pays the total amount of the tax liens to the county and receives a tax sale certificate from the county which gives the bidder the right to obtain ownership of the property by filing a tax sale foreclosure lawsuit. Chapters 615 and 616 of 2017 established a task force to study tax sales in the State. The task force was required to (1) evaluate and assess the impact of tax sales in Maryland; (2) evaluate how tax sales are conducted in each county; (3) evaluate tax sales to collect delinquent water charges and alternative methods of collecting delinquent water charges; and (4) examine and make recommendations for reform of the tax sale process in Maryland.

In Rem Foreclosure and Sale

Chapter 276 of 2019 was based on one of the task force's recommendations, and established procedures for counties and municipalities to authorize by law a process to initiate a judicial in rem foreclosure proceeding and subsequently sell the property after an in rem foreclosure. Real property may be subject to foreclosure and sale under this procedure only if (1) the property consists of a vacant lot, or an improved property cited as vacant and unsafe or unfit for habitation or other authorized use on a housing or building violation notice, and (2) the total amount of liens for unpaid taxes on the property exceeds the value of the property. A county or municipal corporation may file a complaint for an in rem foreclosure in the circuit court of the county after the tax on the real property has been delinquent for at least six months and the right to appeal the notice of the property as vacant and unsafe or unfit has expired. A complaint must include a request that the circuit court enter a judgement that forecloses the existing interests of all interested parties in the real property and orders ownership of the real property to be transferred to the county or municipal corporation. All parties with an interest in the property must be notified of the foreclosure proceeding. A circuit court must hold a hearing on the complaint at which any interested party has the right to be heard and to contest the delinquency of the taxes and the adequacy of the proceedings. If the circuit court transfers ownership of the real property to the county or municipal corporation, the county or municipal corporation is authorized, but not required, to subsequently sell the property.

Collection of Unpaid Taxes and Tax Sales

Chapter 730 of 2019 included several provisions to assist homeowners in tax sale proceedings. ***Chapter 730*** established the State Tax Sale Ombudsman within SDAT to (1) help homeowners understand the process for collection of delinquent taxes; (2) actively assist homeowners to apply for tax credits and other programs that may help the homeowners to pay delinquent taxes and improve their financial situation; (3) refer homeowners to legal services, housing services, and other social services; (4) maintain a website that functions as a clearinghouse for information concerning the tax sale process and services and programs that are available to assist homeowners; and (5) maintain a toll-free telephone number that a homeowner may call to obtain individualized personal assistance with delinquent taxes. A county is authorized to establish a county tax sale ombudsman to fulfill all the responsibilities of the State Tax Sale Ombudsman with respect to homeowners within the county. A county or municipality is authorized to withhold

from tax sale a dwelling owned by a homeowner who is low income, at least 65 years old, or disabled if the homeowner meets eligibility criteria established by the county or municipal corporation. The local tax collector is required to send to property owners a plain-language summary of the tax sale process and how to retain the property. SDAT is required to survey counties and municipal corporations annually to obtain specified data concerning tax sales and submit a report of the information each year.

Chapter 440 of 2020 altered and expanded the data collection and reporting responsibilities of SDAT regarding tax sales that were required by ***Chapter 730***.

Homeowner Protection Program

Chapter 382 of 2021 established the Homeowner Protection Program, within SDAT, for the purpose of diverting vulnerable homeowners from the private tax lien sale process into an alternative program with the primary purpose of (1) minimizing tax collection costs to homeowners; (2) assisting homeowners to pay their taxes; and (3) allowing homeowners to remain in their homes.

Homeowners must submit an application to SDAT to enroll in the program. Enrollment in the program is open to homeowners who reside in a dwelling with an assessed value of $300,000 or less and have a combined income of $60,000 or less. Priority for enrollment is given to elderly and disabled homeowners. The number of homeowners who may enroll in the program is determined annually by SDAT based on the funding available for the program. SDAT purchases the tax lien of a homeowner enrolled in the program from the county or municipal corporation, or, if the lien has been sold to a private investor, from the private investor. SDAT is required to conduct intensive outreach to homeowners enrolled in the program to help them pay the taxes due. SDAT may enter into an installment payment plan with a homeowner to pay the taxes due or help the homeowner to apply for existing tax credits and public and private programs and benefits. SDAT may charge interest on the tax debt of a homeowner at a rate of 6% or less, but interest may be waived entirely at SDAT's discretion. Other than interest, SDAT may not impose any fees or costs on a homeowner in addition to the taxes owed.

A homeowner enrolled in the program is protected from foreclosure for three years. While a homeowner is enrolled in the program, SDAT must pay the county or municipal corporation the full amount of any tax lien that becomes due on the homeowner's dwelling, and the county or municipal corporation is required to withhold the dwelling from tax sale. After three years, if a homeowner has not paid the taxes due, SDAT is authorized to foreclose on the homeowner's dwelling using an in rem judicial process and sell the property at public auction for market value. Any amount paid for the dwelling at auction that exceeds the taxes due is returned to the homeowner and any other persons with an interest in the dwelling. SDAT is authorized to purchase the dwelling if the minimum bid is not made or exceeded at the auction.

Chapter 382 established the Homeowner Protection Fund to support the program. The fund consists of tax and interest payments made by homeowners enrolled in the program and money appropriated in the State budget to the fund. ***Chapter 382*** required the Governor to include an

appropriation of $750,000 in the annual budget bill in each of fiscal 2023, 2024, and 2025 to fund the program. The fiscal 2023 budget includes an additional $1.3 million in funding for the program.

Nondelinquent Taxes

Chapter 108 of 2021 altered the amount that a person must pay to a local tax collector to redeem a property sold at a tax sale by requiring that only delinquent taxes accruing after the date of the tax sale be paid, instead of any taxes accruing after the date of the tax sale.

Owner-occupied Residential Real Property

Chapter 75 of 2021 authorized a county or municipality to withhold owner-occupied residential property from tax sale during the period from June 1, 2021, through June 30, 2023.

Chapter 663 of 2022 permanently authorized a county or municipality to withhold from a tax sale owner-occupied residential property (the existing authorization ends June 30, 2023). The Act authorized a county or municipality to withhold from a tax sale a residential property or a property owned by a nonprofit organization if the property is enrolled in a payment program established by law by the county or municipality for the payment of taxes in arrears. ***Chapter 663*** also authorized counties and municipalities to cancel or postpone a tax sale during a state of emergency declared by the Governor or a county or municipality.

Baltimore City Water Liens

Chapter 320 of 2019 permanently limited the authority of the Mayor and City Council of Baltimore City to conduct tax sale proceedings on properties to enforce liens for unpaid water and sewer service charges. ***Chapter 320*** continued the previous exclusion of residential property from such a sale. ***Chapter 320*** also newly excluded from such a sale real property that is exempt from taxation because the property is used exclusively for public religious worship or as a parsonage or convent. ***Chapter 320*** also prohibited the Mayor and City Council from enforcing a lien for unpaid charges for water and sewer service on residential or tax-exempt religious property if the property is being sold to enforce another lien.

Prince George's County Limited Auction

Chapter 390 of 2021 limited the properties for which the tax collector in Prince George's County must conduct a tax sale by limited auction (prior to conducting a public auction) to abandoned property consisting of either a vacant lot or improved property cited as vacant and unfit for habitation on a housing or building violation notice. In addition, the Act altered the existing list of eligible individuals that may participate in the limited auction by requiring that (1) an eligible federal employee be employed by a federal agency located in the county and (2) an eligible veteran be employed in the county.

Income Tax

Opportunity Zone Incentives

The Federal Tax Cuts and Jobs Act of 2017 established the Qualified Opportunity Zones Program to incentivize private investment in distressed communities. Under the Act, states may nominate up to 25% of specified low-income census tracts for designation by the U.S. Treasury as opportunity zones. The program offers federal tax incentives related to capital gains for persons who make qualifying investments within these designated opportunity zones.

Chapter 211 of 2019 established the Opportunity Zone Enhancement Program, to be administered by the Department of Commerce. Qualifying businesses within an opportunity zone may qualify for enhanced incentives under the following tax credit programs: (1) job creation; (2) One Maryland; (3) enterprise zone; (4) biotechnology investment incentive; (5) cybersecurity investment incentive; and (6) More Jobs for Marylanders. These enhanced incentives (Level 1) are in addition to the standard credit provided under each program and in certain circumstances in addition to the enhanced additional credit available under each program. The program also provides an additional enhancement (Level 2) beyond the enhanced credit under certain circumstances.

Chapter 38 of 2020 altered the Opportunity Zone Enhancement Program by (1) limiting the enhanced tax benefits available under the program to tax years 2019 through 2026; (2) restricting eligibility for the enhanced benefits under the biotechnology investment incentive and cybersecurity investment incentive tax credit programs; (3) requiring businesses to pay the greater of 120% of the State or county minimum wage; and (4) altering certain application and reporting requirements.

More Jobs for Marylanders Extension and Alterations

Chapter 149 of 2017 established the More Jobs for Marylanders Program, which is administered by the Department of Commerce and provides State income tax, sales tax, property tax, and fee benefits to certain businesses that create and maintain a minimum number of qualified jobs. Eligibility for specific benefits is determined by the type of business, its location, and whether or not it is a new business.

Chapter 211 of 2019 extended, from June 1, 2020, to June 1, 2022, the authority of the Department of Commerce to certify a business entity for participation in the program. The Act also expanded eligibility criteria for the program to include businesses in opportunity zones and altered the program's property tax benefit for nonmanufacturing businesses. In addition, the Act expanded the types of new businesses that could qualify for all of the Tier I incentives available within opportunity zones. Under the Act, in opportunity zones, the only business activity limitations are that a business not be a refiner (an existing requirement), provide adult entertainment, or be primarily engaged in retail activities (except for grocery stores) or the sale or

distribution of alcoholic beverages. These businesses are subject to enhanced requirements for qualified position salaries.

Chapter 38 of 2020 prohibited golf courses, country clubs, tanning salons, and bail bondsmen from participating in the More Jobs for Marylanders Program.

Chapter 136 of 2022 extended the program for two additional years through June 1, 2024. The Act also altered certain program application and administrative procedures, including reducing the benefit of the income tax credit for newly enrolled program entities and reducing the maximum amount of income tax credits that may be issued in each fiscal year.

For an additional discussion of the More Jobs for Marylanders Program, see the subpart "Economic Development" of Part H – Business and Economic Issues of this *Major Issues Review*.

Pass-through Entities and Corporations

Under the federal Tax Cuts and Jobs Act of 2017, the deduction for state and local taxes paid is limited to $10,000-$5,000 for married taxpayers filing separately – in aggregate of income or sales taxes, real property taxes, and certain personal property taxes through tax year 2025. In response to this limitation, several states enacted or proposed legislation subjecting pass-through entities (PTE) to an entity-level income tax in order to allow state and local taxes to be deducted notwithstanding the limitation. ***Chapter 641 of 2020*** authorized a PTE to elect to be taxed at the entity level for the income tax. A PTE must pay the tax imposed on nonresident entity members as required under current law. An individual or corporation that is a member of a PTE may claim a tax credit against the State income tax equal to the tax paid by the PTE on the member's share of the PTE's taxable income.

Prior to tax year 2018, corporations were generally required to use either a three-factor apportionment formula of payroll, property, and sales, with sales double weighted or, in the case of a manufacturing corporation, a one-factor formula based on sales, referred to as a single sales factor formula. Chapters 341 and 342 of 2018 phase in a requirement that all corporations subject to the corporate income tax, with an exception for specified worldwide headquartered companies, use a single sales factor formula to apportion income to the State. ***Chapter 641*** altered the number of employees that a worldwide headquartered company must have for purposes of the single sales apportionment exemption. If the parent corporation is a franchisor, it must be part of a group of corporations that employs at least 400 full-time employees at the parent corporation's principal executive office that is located within the State, among other requirements, to be considered a worldwide headquartered corporation.

Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families Act

Chapter 39 of 2021 established several enhanced tax benefits for individuals and businesses. The Act required the Comptroller to issue an economic impact payment of up to $500

to a resident who claimed the State earned income credit in tax year 2019. These payments are exempt from the State income tax.

In tax years 2020 and 2021, the Act exempted from the State income tax the unemployment benefits received by an individual if the benefits were paid by the Maryland Department of Labor or by a jurisdiction with which the State has a reciprocal taxation agreement (currently Pennsylvania, Virginia, West Virginia, and the District of Columbia). In order to qualify, a taxpayer was required to have a federal adjusted gross income of $75,000 or less ($100,000 if married filing jointly).

In tax years 2020 and 2021, the Act exempted from the State income tax a coronavirus relief payment received by a person. A coronavirus relief payment is a federal, State, or local government grant or forgiven loan (1) provided to a person for the purpose of assisting with the economic hardships resulting from the coronavirus pandemic and (2) applied for on or after March 5, 2020.

The Act authorized the Public Service Commission to distribute grants to utility companies to assist households with utility arrearages. Forgiven utility arrearages may result in taxable income under certain circumstances. To address this, ***Chapter 669 of 2021*** created a subtraction modification against the State income tax for certain utility arrearage amounts forgiven in tax year 2021.

Lastly, for tax years 2020 through 2022, the Act expanded the State refundable earned income credit. This expansion is discussed in more detail below.

For an additional discussion of the Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families (RELIEF) Act's provisions, see the subpart "Operating Budget" of Part A – Budget and State Aid of this *Major Issues Review*.

Earned Income Tax Credit Alterations and Expansion

Under the State earned income credit program, a taxpayer may be eligible for both a refundable and nonrefundable earned income credit against the State income tax and a nonrefundable credit against the local income tax. Maryland generally conforms to the federal eligibility standards – only those individuals who claim the federal earned income tax credit may claim the State credit. In addition to these benefits, taxpayers who claim the nonrefundable State earned income credit may be eligible to claim the State and local poverty tax credits.

Chapter 39 of 2021 expanded, for tax years 2020 through 2022, the State refundable earned income credit. The Act increased the value of the refund for qualified individuals from 28% to 45% of the federal earned income tax credit, minus any pre-credit State income tax liability. For individuals without a qualifying child, the value of the credit was increased to 100% of the federal credit, subject to a maximum of $530. A taxpayer without a qualifying child may claim this fully refundable credit instead of the nonrefundable and refundable State earned income credits provided under current law.

Chapter 40 of 2021 expanded, for tax years 2020 through 2022, eligibility of the State and local earned income tax credits, and thereby the State and local poverty level credits, by allowing a taxpayer to claim the tax credits notwithstanding certain federal requirements, which generally require that a taxpayer have a valid Social Security number at the time of tax filing.

Chapters 110 and 111 of 2022 established the Maryland Earned Income Tax Credit Assistance Program for Low-Income Families. The Comptroller's Office must (1) identify Maryland residents who are eligible for the State earned income credit but did not claim the tax credit; (2) establish a streamlined mechanism by which eligible taxpayers may claim the credit; and (3) notify eligible taxpayers of the program.

County Income Tax Rates

The counties and Baltimore City are required to levy a local income tax. During the 2021 session, the General Assembly passed ***Senate Bill 133 and House Bill 319***. The Governor vetoed the bills, but the General Assembly overrode the vetoes during the 2021 special session, and the bills became law as ***Chapters 17 and 23***. The Acts authorized local governments to impose the county income tax on a bracket basis and required all local governments to impose a minimum tax rate of 2.25%. The Acts also altered the local income tax rates that a jurisdiction must impose in order to qualify for enhanced State disparity grant funding, subject to the jurisdiction imposing the county income tax on a bracket basis.

Senior and Retiree Tax Relief

Chapters 3 and 4 of 2022 created a nonrefundable credit against the State income tax for a resident who is at least age 65 and whose federal adjusted gross income does not exceed $100,000 ($150,000 if married filing jointly). The amount of the tax credit is equal to (1) $1,000 for an individual or if only one of the individuals filing a joint return is an eligible individual or (2) $1,750 if married filing jointly and both individuals are at least age 65. The value of the tax credit is reduced for certain taxpayers if specified revenue estimates are below a certain amount.

The Acts also expanded the State income tax subtraction modification for retired law enforcement, correctional officer, and fire, rescue, and emergency services personnel.

Historic Revitalization Tax Credit Program

The Historic Revitalization Tax Credit Program provides tax credits for commercial, small commercial, and owner-occupied residential property rehabilitation. During the course of the 2019-2022 term, the program underwent significant alterations.

Chapter 211 of 2019 renamed the Heritage Structure Rehabilitation Tax Credit Program as the Historic Revitalization Tax Credit Program. The Act also extended the program's termination date through fiscal 2024 for commercial, small commercial, and owner-occupied residential property rehabilitations and authorized the Maryland Historical Trust to award credits

through June 30, 2024. Commercial rehabilitations within an opportunity zone qualify for an additional tax credit and increased maximum credit amounts if certain requirements are met. Subject to these requirements, the Act also increased the maximum tax credit for small commercial projects located within an opportunity zone. ***Chapter 211*** also altered eligibility for small commercial projects by specifying that a small commercial project includes a residential unit in a consecutive series of similar residential units that are arranged in a row, side by side, and is sold as part of a specified development project. The Act also extended small commercial project eligibility to agricultural and post-World War II structures that meet certain requirements.

Chapter 633 of 2020 allowed, subject to specified requirements, the commercial tax credit to be transferable. ***Chapter 314 of 2020*** allowed the rehabilitation of a condominium or cooperative project to qualify for the small commercial tax credit if the rehabilitation is undertaken by the governing body of the condominium or cooperative housing corporation, and the rehabilitation targets only the common elements of the structure.

Chapters 342 and 343 of 2021 increased to $5.0 million the total amount of small commercial tax credits that the Maryland Historical Trust may award, thereby increasing small commercial credit funding by a total of $1.0 million. ***Chapters 520 and 521 of 2021*** altered the definition of a certified historic structure and single-family, owner-occupied residence to include certain structures that are located on property owned by the Department of Natural Resources or one of its units and occupied by a person under an agreement with the department by which the person pays for rehabilitation of the structure as a condition of occupancy. ***Chapter 332 of 2021*** required the Governor, for fiscal 2023 and 2024, to include in the budget bill an appropriation of at least $12.0 million to the Historic Revitalization Tax Credit Reserve Fund.

Chapters 449 and 450 of 2022 (1) extended through fiscal 2031 the termination date of the Historic Revitalization Tax Credit Program; (2) required the Governor to provide minimum appropriations to the existing commercial credit program and to the small commercial project trust account established by the Acts; and (3) increased the maximum value of the commercial tax credit. Beginning in fiscal 2023, the Governor must provide an annual appropriation to the commercial tax credit reserve fund that is at least $20.0 million. Beginning with fiscal 2024, the Governor must provide an annual appropriation of at least $4.0 million to the small commercial project trust account.

Other Tax Credit Legislation

New Tax Credits

In addition to passing senior and retiree income tax relief and the Opportunity Zone Enhancement Program, the General Assembly passed several additional new tax credits during the 2019-2022 term, as discussed below.

Workforce Housing Projects: Chapter 211 of 2019 created a State income tax credit for qualified workforce housing projects located within an opportunity zone. The housing must either be rental housing that is affordable to a household with an aggregate annual income of between

50% and 100% of the area median income or homeownership housing that is affordable to a household with an aggregate annual income of between 60% and 120% of the area median income. In target areas under the Maryland Mortgage Program, the homeownership housing affordability threshold is equal to between 60% and 150% of the area median income. The total amount of credits awarded in each fiscal year cannot exceed the lesser of $4.0 million or the amount of funds appropriated to the program in the State budget.

Donations to Qualified Endowments: Chapter 544 of 2019 created a State income tax credit for 25% of a donation made to a qualified permanent endowment fund at Bowie State University, Coppin State University, Morgan State University, or the University of Maryland Eastern Shore. The Comptroller's Office may award a maximum of $240,000 in tax credits each taxable year. ***Chapter 77 of 2022*** extended the termination date for the credit to December 31, 2028.

Dependent Children: Chapter 40 of 2021 created a refundable credit against the State income tax equal to $500 for each dependent child who is a qualified dependent under Section 152 of the Internal Revenue Code and is under the age of 17 years and has a disability. In order to qualify, a taxpayer must have federal adjusted gross income of $6,000 or less. The credit is reduced by the amount of any federal child tax credit claimed for the child in the year.

Catalytic Revitalization Project: Chapter 332 of 2021 created a refundable credit against the State income tax for 20% of the rehabilitation and new construction costs incurred for a qualified catalytic revitalization project in the State. The Department of Housing and Community Development must administer the credit and may not award (1) an initial credit certificate for more than one project within a two-year period and (2) more than $15.0 million in tax credits for each project.

Work Opportunity: The Work Opportunity Tax Credit is a federal income tax credit available to employers for hiring individuals who are considered to face significant barriers to employment. ***Chapters 5 and 6 of 2022*** created a nonrefundable credit against the State income tax for up to 50% of the federal Work Opportunity Tax Credit claimed by an employer with respect to a qualified individual who is employed in the State.

Theatrical Production: Chapters 258 and 259 of 2022 created a refundable credit against the State income tax for 25% of qualified theatrical production costs incurred in the State by a qualified theatrical production entity. In order to qualify for the tax credit, the estimated total direct costs incurred in the State must exceed $100,000. A maximum of $5 million in credits may be awarded in each fiscal year.

Health Care Preceptorships: Chapters 153 and 154 of 2021 established a physician assistant preceptorship income tax credit and ***Chapter 675 of 2022*** established a preceptorship income tax credit for licensed practical nurses and registered nurses. The tax credits generally mirror the credits under current law for licensed physicians and nurse practitioners who serve without compensation as preceptors in an approved preceptorship program. For an additional

discussion of ***Chapter 675***, see the subpart "Health Occupations" of Part J – Health and Human Services of this *Major Issues Review*.

Tax Credit Extensions, Expansions, or Alterations

Child and Dependent Care Expenses: Taxpayers who qualify for the federal child and dependent care credit can claim a nonrefundable State income tax credit for qualified child and dependent care expenses. ***Chapter 432 of 2019*** increased the income thresholds at which the credit phases out, provided that the applicable income phase-outs are indexed for inflation and made the credit refundable for certain taxpayers.

Apprenticeships: Chapter 149 of 2017 established a credit against the State income tax for individuals or corporations that employ an eligible apprentice. ***Chapter 643 of 2020*** (1) extended the termination date of the income tax credit to December 31, 2025; (2) altered the definition of an eligible apprentice; (3) increased the credit from $1,000 to $3,000 for each eligible apprentice under specified circumstances; and (4) limited the amount of credits that can be claimed by a taxpayer. The Act also removed the $500,000 annual cap on the program and created an apprenticeship tax credit reserve fund. The Governor must include in the annual budget bill an appropriation to the fund, and the amount of credits that can be awarded each year may not exceed the amount appropriated to the fund.

Research and Development: Chapters 515 and 516 of 2000 established the research and development tax credit program and provided two types of credits for businesses – a basic credit and a growth credit. ***Chapter 85 of 2019*** extended the program termination date to June 30, 2022, and ***Chapter 114 of 2021*** further extended the termination date to June 30, 2025. ***Chapter 114*** also (1) eliminated the basic credit and increased to $12.0 million the amount of growth tax credits that can be awarded each year; (2) required that $3.5 million of the total tax credits awarded annually be set aside for qualified small businesses; (3) limited to $250,000 the maximum value of the tax credit; and (4) established the objective and goals of the program.

Biotechnology: The biotechnology investment incentive tax credit program provides tax credits for eligible investments in biotechnology companies. ***Chapter 112 of 2021*** (1) reduced the percentage value of the tax credit; (2) altered several program eligibility requirements; (3) terminates the program effective June 30, 2028; and (4) established the objective and goals of the program.

Cybersecurity: Chapter 113 of 2021 altered the cybersecurity investment incentive tax credit program by (1) renaming the program to be the Innovation Investment Incentive Tax Credit program; (2) extending the program termination date to June 30, 2025; (3) expanding the applicability of the program to eligible investments in technology companies, rather than solely cybersecurity companies; (4) establishing certain reporting requirements and an evaluation and recommendation process for determining eligible industry sectors; (5) establishing the objective and goals of the program; (6) specifying that a qualified investor may not be a founder or current employee of the company receiving the investment if the company has been in active business for

more than five years; and (7) extending the $2.0 million mandated appropriation for the program through fiscal 2025.

Job Creation: The job creation tax credit provides a tax credit to businesses that expand or establish a facility in the State resulting in the creation of new jobs. ***Chapter 84 of 2019*** extended the termination date for the tax credit to January 1, 2022, and ***Chapter 191 of 2021*** further extended the termination date to January 1, 2027. ***Chapter 191*** also (1) established an enhanced tax credit for the hiring of qualified veterans and (2) repealed the Hire Our Veterans Tax Credit and extended program eligibility to small businesses who hire qualified veterans.

With the override of the Governor's veto of ***House Bill 278 of 2021, Chapter 22 of the 2021 special session*** altered eligibility for the job creation tax credit by requiring an eligible business to pay a qualified position at specified minimum amounts and to provide certain benefits, including career advancement training, paid sick leave, and retirement benefits. In addition, the Act expanded the definition of "revitalization area" to include a Tier I county. Tier I counties are counties that qualify under income or unemployment standards for certain Department of Commerce programs, including the More Jobs for Marylanders and One Maryland programs.

Regional Institution Strategic Enterprise Zones: The Regional Institution Strategic Enterprise (RISE) Zone Program aims to promote economic and community development within communities anchored around institutions of higher education. Businesses that are located within a zone and meet program requirements qualify for tax credits and priority consideration for specified State financial assistance programs. ***Chapters 206 and 207 of 2021*** altered the program by (1) establishing for qualified businesses a rental assistance grant program and enhanced biotechnology and innovation investment incentive tax credits; (2) limiting to 500 acres the maximum size of a zone; (3) limiting existing income tax and property tax credits to businesses that locate in a RISE zone before January 1, 2023; (4) expanding the purposes of the program; and (5) terminating program tax credits and benefits effective January 1, 2028.

Health Care Preceptorships: Chapters 153 and 154 of 2021 extended the termination dates of the preceptorship tax credits for licensed physicians and nurse practitioners to June 30, 2026. The Acts also altered eligibility for the credit for licensed physicians by specifying that, in order to qualify, each rotation worked by a qualifying preceptor must consist of at least 100 hours of community-based clinical training.

Film Production Activity: Chapter 544 of 2019 decreased, from one year to three months, the length of time an entity must be incorporated in Maryland in order to qualify as a small or independent film entity for purposes of the film production activity tax credit. ***Chapter 323 of 2022*** expanded eligibility for the tax credit to include certain digital animation projects.

Energy Storage Systems: Chapter 389 of 2017 established a credit against the State income tax for the costs of installing an energy storage system. ***Chapter 636 of 2020*** altered the energy storage system tax credit by (1) increasing to $150,000 the maximum credit that may be claimed for a system installed on commercial property and (2) specifying that a person that owns

or pays for the installation of a system that supplies electrical energy intended for use on a residential or commercial property may claim the credit.

Chapter 246 of 2022 extended the termination date of the energy storage system income tax credit to December 31, 2024. The Act also converts the tax credit into a grant program and authorizes the Maryland Energy Administration to award grants for energy storage systems installed beginning January 1, 2025.

Venison Donation: Chapter 446 of 2021 altered the existing venison donation income tax credit by extending eligibility to certain donations made to the Montgomery County Deer Donation Program. The Act also converts, beginning in fiscal 2023, the tax credit into a grant program to be administered by DNR.

Food Donations: Chapters 232 and 233 of 2017 established a tax credit for eligible food donations made by a qualified farm located in Anne Arundel, Calvert, Charles, Montgomery, Prince George's, or St. Mary's counties. ***Chapter 361 of 2019*** extended the tax credit through tax year 2021, expanded program eligibility to all qualified farms in the State, and decreased the maximum amount of tax credit certificates that may be issued annually from $250,000 to $100,000. ***Chapters 170 and 171 of 2021*** extended the tax credit through tax year 2023.

Commuter Benefits: Chapter 118 of 2022 expanded the existing commuter benefit income tax credit by extending eligibility to certain employer-funded programs for carpools, walking and biking to work, teleworking, and multimodal commuting. The Maryland Department of Transportation may award a maximum of $1.0 million in credits each year.

Employment of Individuals with Disabilities: Chapter 533 of 2022 expanded the Maryland disability employment tax credit by increasing the maximum value of the tax credit that can be claimed for each qualified employee.

Subtraction Modification Legislation

Qualified Mortgage Debt Relief: A State income tax subtraction modification may be claimed for the amount of the discharge of qualified principal residence indebtedness allowable under the federal Mortgage Forgiveness Debt Relief Act of 2007, as amended. The maximum amount of the subtraction may not exceed $100,000 ($200,000 if married filing jointly). ***Chapter 303 of 2019*** repealed the June 30, 2019, termination date of the subtraction modification for qualified mortgage debt relief.

Law Enforcement Officers: Chapter 519 of 2016 established a subtraction modification of up to $5,000 of the income earned by a law enforcement officer if (1) the officer resides in the political subdivision in which the officer is employed and (2) the crime rate in the political subdivision exceeds the State's crime rate. ***Chapters 67 and 68 of 2019*** expanded eligibility for the subtraction modification to include Maryland Transportation Authority law enforcement officers. ***Chapter 631 of 2020*** expanded the subtraction to include law enforcement officers of the

Maryland-National Capital Park Police and Washington Suburban Sanitary Commission Police Force.

Diaper Banks: Chapters 221 and 222 of 2021 created a subtraction modification against the State income tax for a person who makes a qualified donation to a diaper bank or a charitable entity registered with the Comptroller. The amount of the subtraction modification may not exceed $1,000.

Homebuyer Savings Accounts: Chapter 512 of 2021 allowed a taxpayer to designate an account with a financial institution as a first-time homebuyer savings account. An eligible account holder may claim a subtraction modification for (1) the amount contributed, up to $5,000, during the taxable year to a designated account and (2) the earnings, including interest and other income on the principal, from the designated account during the tax year. The subtraction modification may be claimed for up to 10 years and for a maximum earnings amount of $50,000 during the 10-year period.

Living Organ Donors: Chapters 498 and 499 of 2021 expanded the existing living organ donor State income tax subtraction modification by (1) increasing from $7,500 to $10,000 the maximum value of the subtraction modification and (2) allowing individuals to deduct unreimbursed child or elder care expenses and medication expenses attributable to a qualified organ donation.

Cannabis: Chapter 26 of 2022 created a subtraction modification against the State individual and corporate income tax for the amount of ordinary and necessary expenses, including a reasonable allowance for salaries or compensation, paid or incurred during the taxable year in carrying on a trade or business as a State licensed medical cannabis grower, processor, or dispensary or any other cannabis establishment licensed by the State. The subtraction modification may be claimed if the deduction for ordinary and necessary expenses is disallowed under Section 280E of the Internal Revenue Code. For an additional discussion of ***Chapter 26***, see the subpart "Criminal Law" of Part E – Crimes, Corrections, and Public Safety of this *Major Issues Review*.

Centenarians: Chapter 291 of 2022 created a subtraction modification against the State income tax for an individual who is at least 100 years of age. The maximum value of the subtraction modification is equal to $100,000 of the income received by an eligible individual.

Tax Administration

Chapters 763 and 764 of 2021 altered a one-year decoupling provision under the State personal and corporate income tax relating to certain amendments to the Internal Revenue Code. The Acts specified that the decoupling provision also applies to certain amendments to the Internal Revenue Code that affect State revenues in any taxable year that precedes the calendar year in which the amendment is enacted.

Sales Tax

Digital Products

Legislation passed in 2020 that imposed the sales and use tax on digital products became law during the 2021 session, when the General Assembly overrode the Governor's veto of the legislation. ***Chapter 38 of 2021*** imposed the sales and use tax on specified digital products and codes. A digital product is a product that is obtained electronically by the buyer or delivered by means other than tangible storage media through the use of technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities. A digital code is a code that may be obtained by any means, including in a tangible form, such as a card or through email, and provides a buyer with a right to obtain one or more digital products. A digital code does not include a gift certificate or gift card with a monetary value that may be redeemable for an item other than a digital product. The retail sale of a digital code or digital product is presumed to be made in the state in which the customer's tax address is located.

Chapter 38 also required all sales and use tax revenue received from the sale of digital products and codes to be distributed to the Blueprint for Maryland's Future Fund (BMFF); however, this requirement was subsequently repealed by ***Chapter 33 of 2022***.

Chapter 669 of 2021 generally clarified the implementation of ***Chapter 38***. The Act specified, among other things, which existing sales and use tax exemptions and other provisions of law governing the sales and use tax apply to digital products and codes. In addition, the definitions of digital product and digital code were altered. Certain types of digital instruction, seminars, discussions, and professional services were excluded from the definition of digital product. A digital code was defined to include a number, symbol, alphanumeric sequence, barcode, or similar code.

Chapters 534 and 535 of 2022 further specified that digital products do not include (1) a product having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities where the purchaser holds a copyright or other intellectual property interest in the product, in whole or in part, if the purchaser uses the product solely for commercial purposes, including advertising or other marketing activities or (2) computer software or software as a service purchased or licensed solely for commercial purposes in an enterprise computer system, including operating programs or application software for the exclusive use of the enterprise software system, that is housed or maintained by the purchaser or on a cloud server, whether hosted by the purchaser, the software vendor, or a third party.

Peer-to-peer Car Sharing

A peer-to-peer car sharing program is an online platform that is in the business of connecting vehicle owners with drivers to enable the sharing of motor vehicles for financial consideration. Legislation enacted in 2018 established a (1) regulatory framework for peer-to-peer car sharing in the State and (2) a sales and use tax rate of 8% for related sales and charges, which

was to terminate June 30, 2020. ***Chapter 567 of 2020*** extended the termination date of the 8% sales and use tax rate through June 30, 2021. During the 2021 session, the General Assembly passed ***House Bill 1209*** to repeal the June 30, 2021 termination date for the 8% tax rate. In addition, the bill imposed a sales and use tax rate of 11.5% on peer-to-peer car sharing if the vehicle is part of a fleet of vehicles that includes more than 10 vehicles owned by the same person. The Governor vetoed the bill; however, the General Assembly overrode the veto, and the bill became law as ***Chapter 9 of the 2021 special session***. ***Chapter 9*** also required the sales and use tax revenue from peer-to-peer car sharing to be distributed to the Transportation Trust Fund and the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund in the same manner as the sales and use tax revenue from short-term vehicle rentals.

Remote Sales Tax Collection

In *South Dakota v. Wayfair, Inc.*, the U.S. Supreme Court upheld a South Dakota law requiring remote sellers with sales over $100,000 or with more than 200 different transactions to residents in the state to collect the state's sales tax. Effective October 1, 2018, regulations promulgated by the Comptroller required a similar threshold for the collection of sales tax by out-of-state vendors who sell tangible personal property or taxable services for delivery in Maryland. The regulations did not address the collection of sales tax by online marketplace facilitators that host third-party marketplace sellers.

Chapter 735 of 2019 required a marketplace facilitator to collect and remit the State sales and use tax due on retail sales transacted on behalf of a marketplace seller. The Act also directed the Comptroller to pay into BMFF any sales tax revenues in excess of $100 million that are collected from marketplace facilitators and certain out-of-state vendors, but this requirement was subsequently repealed by ***Chapter 33 of 2022***.

Short-term Rental Units

Short-term rental platforms function as a marketplace facilitator for short-term rentals. A short-term rental is the temporary use of a short-term rental unit to provide lodging to transient guests in exchange for consideration. ***Chapters 704 and 758 of 2019*** imposed the State sales and use tax on specified short-term rental transactions facilitated by a short-term rental platform and required short-term rental platforms to collect and remit the tax.

Vendor Collection Credit

In order to cover expenses for collecting the State sales and use tax, persons filing timely returns are allowed to take a vendor credit against the gross tax remitted in an amount equal to 1.2% of the first $6,000 collected and 0.9% of the excess, capped at $500 per filing period (monthly basis).

Chapter 39 of 2021, the Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families Act, was the General Assembly's principal economic relief response

to the COVID-19 pandemic and authorized, among other things, eligible vendors to retain an increased vendor tax credit for the three consecutive months following enactment. The amount of the vendor credit allowed was equal to the lesser of the amount of sales and use tax collected during the month the vendor qualifies for the increased credit or $3,000. The credit was to be claimed by eligible vendors in lieu of the standard vendor credit authorized under current law.

Taxable Services

A telephone answering service is a taxable service under the State sales and use tax. ***Chapter 292 of 2019*** defined a "telephone answering service" as a service provided to a customer that consists exclusively of the taking of messages, either by an automated system or by a live operator, and transmitting the messages to the customer. The service is not taxable if the physical act of answering a telephone on behalf of a customer is incidental to and less than 5% of the service provider's total gross receipts in a calendar year.

The cleaning of a commercial or industrial building is a taxable service under the State sales and use tax. ***Chapter 293 of 2019*** exempted from the State sales and use tax cleaning or janitorial services of a commercial or industrial building owned by a common ownership community or retirement community and used for a specified common use purpose, unless that purpose requires the collection of the sales and use tax.

Exemptions

Aircraft Materials, Parts, and Equipment

Chapter 638 of 2020 exempted from the State sales and use tax the sale of materials, parts, or equipment used to repair, maintain, or upgrade aircraft or the avionics systems of aircraft if the aircraft has (1) a maximum gross takeoff weight of less than 12,500 pounds or (2) a maximum gross takeoff weight of 12,500 pounds or more and is primarily used in interstate or foreign commerce. The exemption terminates on June 30, 2025.

Artificial Hearing Devices

Chapter 637 of 2020 exempted from the State sales and use tax the sale of the following parts and equipment for an artificial hearing device: (1) a custom-made earmold; (2) a battery charger; or (3) a receiver. The Act also repealed an existing exemption for a replacement cord for an artificial hearing device.

Baby Products

Chapters 7, 8, and 9 of 2022 exempted from the State sales and use tax the sale of baby bottles, baby bottle nipples, diapers, diaper rash cream, baby wipes, and infant car seats.

Construction Material

Chapter 20 of 2020 exempted from the State sales and use tax a sale of construction material if (1) the material is purchased for use in furtherance of the construction or redevelopment of a public school facility that is managed by the Maryland Stadium Authority (MSA); (2) the sale is made on or after June 1, 2020; and (3) the buyer provides the vendor with eligibility of the exemption issued by the Comptroller.

Chapter 590 of 2020 exempted from the State sales and use tax a sale of construction material if (1) the material is purchased for use in furtherance of the construction or redevelopment at the Laurel Park racing facility site or Pimlico racetrack site; (2) the sale is made before January 1, 2026; and (3) the buyer provides the vendor with eligibility of the exemption issued by the Comptroller.

Chapter 639 of 2020 exempted from the State sales and use tax a sale of construction material or warehousing equipment purchased by a person solely for use in a "qualified opportunity zone" in Baltimore County or a "target redevelopment area" in Washington County. The exemption terminates on June 30, 2025.

Chapters 281 and 282 of 2021 exempted from the State sales and use tax a sale of construction material or warehousing equipment if the material or equipment is purchased by a person solely for use in a specified federal facilities redevelopment area in Cecil County. The exemption terminates June 30, 2031.

Chapter 353 of 2021 exempted from the State sales and use tax a sale of construction material if (1) the material is purchased for use in furtherance of the construction or redevelopment of the Hagerstown Multi-Use Sports and Events Facility that is managed by MSA; (2) the sale is made on or after October 1, 2021; and (3) the buyer provides the vendor with eligibility of the exemption issued by the Comptroller.

Chapter 61 of 2022 exempted from the State sales and use tax a sale of construction material if (1) the material is purchased for use in furtherance of the construction or redevelopment of a sports entertainment facility or a Prince George's County Blue Line Corridor facility; (2) the sale is made on or after October 1, 2021; and (3) the buyer provides the vendor with evidence of eligibility for the exemption issued by the Comptroller.

Data Centers

A data center houses computer systems, computer storage equipment, and associated infrastructure that businesses use to organize, process, store, and disseminate large amounts of data. ***Chapter 640 of 2020*** exempted from the State sales and use tax the sale of qualified personal property for use at a qualified data center if, within three years after submitting an application for the exemption, an individual or corporation has (1) invested at least $2.0 million in qualified data center personal property and created at least five qualified positions for a data center located within

a Tier I area or (2) invested at least $5.0 million in qualified data center personal property and created at least five qualified positions for a data center located in any other area of the State.

Licensed Caterers

Chapter 644 of 2020 exempted from the State sales and use tax the sale of materials, equipment, or supplies to a licensed caterer if they are (1) used by the caterer to perform a contract for catering services and (2) intended for resale by the caterer and to be used directly or predominantly by the caterer in performing a catering contract. The exemption does not apply if the licensed caterer is a food service facility that is primarily engaged in the preparation and service of food to the general public at the facility.

Medical Devices and Products

Chapters 12, 13, and 14 of 2022 exempted from the State sales and use tax the sale of the following: (1) medical or clinical thermometers; (2) pulse oximeters; (3) blood pressure monitors; (4) specified filtering facepiece respirators; and (5) various diabetic care items.

Oral Hygiene Products

Chapters 10 and 11 of 2022 exempted from the State sales and use tax the sale of toothbrushes, toothpaste, tooth powders, mouthwash, dental floss, and other similar oral hygiene products.

Blueprint for Maryland's Future Fund

BMFF is a special nonlapsing fund that may be used only to assist in providing adequate funding for early childhood education and primary and secondary education based on the recommendations of the Commission on Innovation and Excellence in Education.

Chapter 33 of 2022 required the Comptroller, after making certain other distributions, to pay to BMFF the following percentage of the remaining sales and use tax revenues:

- 9.2% for fiscal 2023;
- 11.0% for fiscal 2024;
- 11.3% for fiscal 2025;
- 11.7% for fiscal 2026; and
- 12.1% for fiscal 2027 and each subsequent fiscal year.

Chapter 33 repealed the requirement in ***Chapter 735 of 2019*** that specified sales and use tax revenue from marketplace facilitators and certain out-of-state vendors be distributed to BMFF.

Chapter 33 also repealed the requirement in ***Chapter 38 of 2021*** that the sales and use tax revenue from the sale or use of specified digital products or digital codes be distributed to BMFF.

Miscellaneous Taxes

Digital Advertising Gross Revenues Tax

During the 2020 session, the General Assembly passed ***House Bill 732***. The bill imposed a tax on the annual gross revenues of a business derived from digital advertising services in the State. After passage in the 2020 session, the Governor vetoed the bill, and the General Assembly overrode the veto during the 2021 session. The bill became law as ***Chapter 37 of 2021***. A business with at least $100.0 million in global annual gross revenues is required to pay the tax at a rate determined by the business's global annual gross revenues. Revenues from the digital advertising gross revenues tax are distributed to the Blueprint for Maryland's Future Fund, after the Comptroller's costs to administer the tax are deducted. However, the potential for legal challenges and compliance issues may significantly impact the amount of revenues the State collects from the tax, particularly in the short term. Following the enactment of ***Chapter 37***, ***Chapter 669 of 2021*** exempted broadcast and news media entities from the digital advertising gross revenues tax and prohibited passing on the cost of the tax to a customer through a separate fee, surcharge, or line-item.

Tobacco and Electronic Smoking Device Taxes

With the override of the Governor's veto of ***House Bill 732***, ***Chapter 37*** also increased various taxes imposed on cigarettes, electronic smoking devices (ESD), and other tobacco products (OTP). The legislation increased the tobacco tax rate from $2.00 to $3.75 per pack of 20 cigarettes; increased from 10 cents to 17.5 cents the tax rate for each cigarette in a package of more than 20 cigarettes; and increased the OTP tax rate for all products other than pipe tobacco and cigars from 30% to 53% of the wholesale price. The tax rate remained at 30% for pipe tobacco, 15% for premium cigars, and 70% for all other cigars. Beginning in fiscal 2022, the Governor must include at least $18.25 million in annual funding for the Tobacco Use Prevention and Cessation Program.

Chapter 37 also increased the sales and use tax rate imposed on ESD, commonly known as e-cigarettes or vaping products. The sales and use tax rate imposed on ESD was increased from 6% to 12%, except the tax rate was increased to 60% for vaping liquids sold in containers of 5 milliliters or less. An ESD does not include a battery or battery charger when sold separately.

Chapter 735 of 2019 required a marketplace facilitator and a marketplace seller to collect and remit the State sales and use tax under specified circumstances. The Act also required out-of-state sellers to pay the tobacco tax (if it has not otherwise been paid) on sales into the State of pipe tobacco and premium cigars under certain circumstances.

Chapters 767 and 768 of 2021 modified the tobacco tax provisions as they apply to out-of-state sellers of premium cigars and pipe tobacco and clarified the definition of an "out-of-state seller" as it applies to the tobacco tax. The Acts also required a person located outside of Maryland to be licensed as a remote tobacco seller in order to sell premium cigars or pipe tobacco to consumers in the State. Finally, the Acts modified the definition of "other tobacco products," as it applies to OTP licensing and tobacco tax provisions, to exclude specified tobacco pipes from OTP excise taxes and specified that the sales and use tax rate for tobacco pipes is 12% of the taxable price. For a further discussion of ***Chapters 767 and 768,*** see the subpart "Business Regulation" of Part H – Business and Economic Issues of this *Major Issues Review*.

Transportation Taxes

Motor Fuel Taxes

Chapters 1 and 2 of 2022 eliminated motor fuel taxes on gasoline and clean-burning fuel (36.1 cents per gallon) and diesel and special fuel (36.85 cents per gallon) during a 30-day period beginning with the effective date of the Acts (March 18, 2022). The Acts were estimated to provide significant motor fuel tax relief to consumers, and the fiscal 2023 budget provided $100.0 million in general fund revenues to offset losses in special funds resulting from the Acts.

Vehicle Excise Taxes

Chapters 70 and 71 of 2022 exempted from the vehicle excise tax a vehicle that was formerly titled and registered in another state by a member of the U.S. Uniformed Services who is on active duty or returning to the State from active duty.

Chapter 213 of 2019 expanded the existing qualified plug-in electric vehicle excise tax credit by increasing to $6.0 million the total amount of credits that the Motor Vehicle Administration could award for fiscal 2020, extending eligibility to qualified fuel cell electric vehicles, and altering the value of the credit. Subject to available funding, a person who purchased a qualified plug-in electric vehicle or a qualified fuel cell electric vehicle prior to July 1, 2020, was authorized to claim a credit against the vehicle excise tax equal to 100% of the excise tax imposed, not to exceed $3,000. ***Chapter 670 of 2021*** required the transfer from the Strategic Energy Investment Fund (SEIF) to the Transportation Trust Fund (TTF) of the lesser of $10.0 million or the amount of vehicle excise tax credits applied for prior to July 1, 2020.

Chapter 234 of 2022 reestablished the electric vehicle excise tax credit for zero-emission plug-in electric vehicles and fuel cell electric vehicles for a vehicle with a purchase price that does not exceed $50,000 and the purchase of which is made on or after July 1, 2023, but before July 1, 2027. The credit was also extended to two-wheeled zero-emission electric motorcycles, three-wheeled zero-emission electric motorcycles, and autocycles. The credit was limited to 1 vehicle per individual and 10 vehicles per business entity. The Act required the Maryland Energy Administration to transfer annually, in fiscal 2024 through 2027, the lesser of $8.25 million or the total amount of credits allowed against the excise tax from SEIF to TTF. For a further discussion

of ***Chapter 234***, see the subpart "Motor Vehicles" of Part G – Transportation of this *Major Issues Review*.

Tax Administration

Alcohol and Tobacco Commission

Chapter 12 of 2019 established the Alcohol and Tobacco Commission and transferred to the commission the staff, powers, and duties of the Field Enforcement Division of the Comptroller's Office for the regulation of alcoholic beverages and tobacco. Generally, tax information may not be disclosed by an officer, employee, former officer, or former employee of the State or any political subdivision of the State; however, tax information may be disclosed to specified individuals and entities. ***Chapter 12*** authorized disclosure of tax information to the commission. For a further discussion of ***Chapter 12***, see the subpart "Alcoholic Beverages" within Part H – Business and Economic Issues of this *Major Issues Review*.

Estate Tax

Chapter 111 of 2020 authorized the Comptroller to examine the Maryland estate tax return of a predeceased spouse in order to validate a deceased spousal unused exclusion (DSUE) election and the amount of DSUE exclusion claimed by an estate. ***Chapter 111*** did not provide the Comptroller authority to impose an additional tax on the estate of the predeceased spouse beyond that provided under current law. The Act conformed State law to federal law by requiring an individual to file a Maryland estate tax return within two years after the date of death of a decedent if the return is filed solely for the purpose of making a DSUE election. The Act also clarified the calculation of the DSUE amount in the event that the last predeceased spouse was a Maryland resident who died before January 1, 2019.

Tax Evaluation

Chapter 575 of 2021 altered the Tax Credit Evaluation Act, which provides for the review of State tax credits, by eliminating the Tax Credit Evaluation Committee. The Department of Legislative Services (DLS) is required to evaluate a tax credit, exemption, or preference on request from the Senate Budget and Taxation Committee, the House Ways and Means Committee, the Executive Director of DLS, or the Director of the Office of Policy Analysis of DLS. For each evaluation conducted, DLS must report its findings to the General Assembly. Beginning on October 1, 2022, DLS must evaluate at least once every 10 years each income tax credit that is primarily claimed by businesses and has an annual fiscal impact exceeding $5.0 million and publish on its website a schedule of the evaluations that will be conducted. Lastly, a unit of State government must report the measures that have been taken to implement a tax credit within 1 year after its enactment.

Tax Collections and Enforcement

Chapter 225 of 2019 altered or established the expiration date of specified tax liens, including liens related to unpaid taxes, liens on unpaid inheritance taxes, and liens on personal and real property. Under the Act, the liens expire 20 years after the date of the lien assessment.

Chapter 515 of 2021 established a whistleblower reward program administered by the Comptroller's Office. A whistleblower who voluntarily provides original information to the Comptroller in a sworn affidavit that results in a final assessment in a covered enforcement action, or a successful outcome against a taxpayer in a related action, is entitled to receive a monetary award of at least 15%, but not more than 30%, of the taxes, penalties, and interest collected through the enforcement action or related action. The Act also provided protections against retaliation against a whistleblower and established rules regarding disclosure of the whistleblower's identity. Lastly, the Act extended from 7 to 10 years the statute of limitations for tax collections and applied the extension retroactively.

Chapter 357 of 2022 authorized the disclosure of tax information to a person or governmental entity authorized by the Comptroller in writing to receive tax information for the purpose of identifying, preventing, or responding to fraud. The tax information may be disclosed provided that the information is anonymized to the extent possible consistent with the information's intended use and in addition to any other protections and safeguards under law, subject to any protections and safeguards set forth by the Comptroller in the written authorization.

Chapter 481 of 2022 established a legal division in the Comptroller's Office to provide expanded and detailed tax guidance to taxpayers and to perform other duties relating to private letter rulings (PLRs) as assigned by the Comptroller. A PLR is defined as a written determination issued by the Comptroller on the application of tax laws and regulations to a specific set of facts that is intended to apply only to that specific set of facts. The Comptroller must issue specified PLRs on the written request of a person, subject to certain exceptions. When denying a PLR request, the Comptroller must provide the requestor with written reasons for the denial within 60 days of the request submission.

Admissions and Amusement Tax

Legislation passed in the 2020 session that altered the distribution of State admissions and amusement (A&A) tax revenues was vetoed by the Governor and became law in the 2021 session when the General Assembly overrode the Governor's veto. ***Chapter 14 of 2021*** extended a budget mandate for the Maryland E-Nnovation Initiative Fund (MEIF), provided a distribution of revenues from the A&A tax on electronic bingo to the Town of Chesapeake Beach and the Michael Erin Busch Sports Fund, and maintained the required $1 million distribution to the Maryland State Arts Council beyond fiscal 2021. For an additional discussion of the changes to MEIF, see the subpart "Higher Education" of Part L – Education of this *Major Issues Review*.

Chapter 255 of 2022 prohibited the A&A tax from being imposed on any proceeds generated from sports wagering.

Recordation and Transfer Taxes

Chapter 268 of 2019 altered the distribution of specified recordation taxes and local transfer taxes collected by the State Department of Assessments and Taxation (SDAT) so that these revenues are now distributed directly to the counties by SDAT instead of SDAT collecting the taxes and remitting the revenue to the Comptroller for distribution.

Chapter 290 of 2019 clarified that an instrument of writing that transfers property from the United States, the State or an agency of the State, or a political subdivision of the State is not subject to the transfer tax.

Chapters 566 and 567 of 2019 repealed an exemption from the State agricultural land transfer tax for land that has had the property tax paid for five consecutive taxable years under an assessment other than the farm or agricultural use assessment. In lieu of this exemption, the Acts provided a partial transfer tax reduction. The Acts also exempted transfers of agricultural land from the agricultural land transfer tax if the land was subject to the tax for a previous transfer. ***Chapter 609 of 2021*** clarified that, with regard to the State agricultural land transfer tax, ***Chapters 566 and 567 of 2019*** applied to a transfer under a contract of sale dated on or after July 1, 2019. The Act authorized a person who paid the tax under a contract of sale dated prior to July 1, 2019, to seek a refund of any excess tax paid.

Part C
State Government

C

State Agencies, Offices, and Officials/Regulations

State Officials

Salaries and Benefits of Governor and Constitutional Officers

The Governor's Salary Commission was established by a 1976 constitutional amendment to create a salary setting mechanism for the Governor and Lieutenant Governor. In 1981 the Governor's Salary Commission began making recommendations, per the Governor's request, on salaries for four constitutional officers: the State Treasurer; the Comptroller of the Treasury; the Attorney General; and the Secretary of State. The commission submitted recommendations for the Governor, Lieutenant Governor, and constitutional officers in its January 2022 report.

Joint Resolutions 4 and 5 of 2022 implemented the recommendations contained in the commission's January 2022 report by increasing the salaries for the Governor and Lieutenant Governor beginning in January 2023. The salaries increase each year of their term for up to four years, ranging from $184,000 to $195,000 for the Governor and $165,000 to $175,000 for the Lieutenant Governor.

Additionally, ***Chapter 616 of 2022*** implemented the recommendations contained in the commission's January 2022 report by increasing the salaries of the State Treasurer, the Comptroller, and the Attorney General from $165,000 in 2023 to $175,000 in 2026 and the Secretary of State from $112,500 in 2023 to $120,000 in 2026.

Reorganization of State Government

Maryland Environmental Service

The Maryland Environmental Service (MES) is an instrumentality of the State and a self-supporting, not-for-profit public corporation that serves State, local, and federal agencies and the private sector through designing, planning, financing, constructing, operating, and monitoring

projects for water and wastewater treatment, solid waste management, composting, recycling, dredged material management, hazardous materials cleanup, stormwater services, and renewable energy.

As a result of an investigation conducted by the Joint Committee on Fair Practices and State Personnel Oversight and other legal proceedings involving a former Director of Environmental Services, ***Chapter 72 of 2021*** made significant changes to the governance and administration of MES, including changes to (1) the board of directors; (2) the director and other MES officers; (3) spending and procurement provisions; (4) training and other policies; and (5) personnel matters, including collective bargaining.

The Act altered the composition of the board of directors, changed the appointment process and qualifications for certain members, established procedures for board meetings, and removed certain MES officers from the board. The director, renamed to be the executive director, was removed as the presiding officer of the board of directors but remains the administrative head. The Act required the board of directors to observe a certain standard of care, receive annual training on the standard of care required, and adopt a conflict of interest policy. Additionally, the board of directors annually must evaluate the executive director in accordance with certain criteria.

The executive director must appoint a diversity officer to coordinate the development and implementation of a diversity policy for MES and to assist employees in resolving grievances related to alleged violations of the diversity policy or State or federal antidiscrimination laws. Also, the board of directors must adopt certain policies; receive annual training on ethics, harassment, diversity, and other policies; and submit certain reports each year to certain persons.

Additionally, the Act required MES to submit to the Board of Public Works (BPW) for approval certain contracts with a value of $250,000 or more. MES also must notify its board of directors of certain nonemergency expenditures and receive approval from the board of directors for nonemergency expenditures greater than $200,000. MES is required to submit a full and detailed operating and capital budget each year to the Department of Budget and Management (DBM), and the budget must specify MES's revenue sources in a certain manner. The Act also required certain audits and assessments.

Chapter 72 also clarified the authority of MES employees to enter into collective bargaining agreements. Further, the Act added requirements for MES's personnel system and required MES to follow a certain process for filling certain MES positions.

Maryland Department of Emergency Management and the 9-1-1 Board

Chapters 287 and 288 of 2021 established the Maryland Department of Emergency Management (MDEM) as a principal department of the Executive Branch of State government and as the successor to the Maryland Emergency Management Agency (MEMA). All duties and responsibilities associated with MEMA's existing functions continue under MDEM. The Acts also transferred the Maryland 9-1-1 Board from the Department of Public Safety and Correctional Services (DPSCS) to MDEM.

Commission on LGBTQ Affairs

Chapter 648 of 2021 established the Commission on LGBTQ Affairs in the Governor's Office of Community Initiatives. The commission's responsibilities include (1) assessing the challenges facing lesbian, gay, bisexual, transgender, and queer (LGBTQ) communities; (2) collecting data across State agencies on the implementation of LGBTQ inclusive policies and complaints alleging discrimination based on sexual orientation or gender identity; (3) studying and establishing best practices for inclusion of LGBTQ individuals and communities; (4) informing the Executive and Legislative branches of State government on issues concerning women and LGBTQ persons; and (5) publishing an annual report, and any other material the commission considers necessary, that includes recommendations on policies for LGBTQ adults and youth that work to end discriminatory practices in the State.

Governor's Office of Immigrant Affairs

Chapters 674 and 675 of 2021 established the Governor's Office of Immigrant Affairs to assist immigrants in the State and to advise the Governor on matters relating to immigrants in the State. Responsibilities of the office include:

- establishing a network of neighborhood-based opportunity centers that provide immigration services to immigrants;
- assisting immigrants in matters relating to immigration status, including assisting with the naturalization process and applications for Deferred Action for Childhood Arrivals;
- connecting immigrants to business resources that use immigrants' skills, employment referral programs, and other workforce development programs;
- developing and leveraging immigrants' skills to benefit the immigrants' communities and the State;
- establishing a toll-free, multilingual hotline and a website for purposes including disseminating information about the programs and services offered by the office, referring for services, and receiving complaints relating to fraud and other related crimes against immigrants;
- reducing exploitation of immigrants and using information developed by the office through the hotline, to assist law enforcement in combating crimes against immigrants; and
- advising the Governor and the director concerning matters affecting immigrants in the State in order to promote and encourage the full participation of immigrants in the State's civic and economic life.

Baltimore Police Department

Although the Baltimore Police Department (BPD) is a State agency, the State does not control the appointment or removal of the police commissioner and is not responsible for providing funding for the operations of the police department. However, the State retains the ability to amend the law relating to the department in order to implement policy changes.

Chapter 73 of 2019 required the Office of Legislative Audits (OLA), beginning July 1, 2020, and at least once every six years thereafter, to conduct an audit of BPD to evaluate the effectiveness and efficiency of the financial management practices of BPD. ***Chapter 535 of 2020*** made several changes relating to the OLA audit requirement by (1) allowing for multiple audits to be conducted; (2) requiring that the scope and objectives of the audit or audits be determined by the Legislative Auditor; (3) specifying that the employees or authorized representatives of OLA must have access to and may inspect the records, including those that are confidential by law, of BPD and the Baltimore City government to perform the required audits; and (4) requiring the Baltimore City government to make available to OLA all city employees, records, and information systems deemed necessary by the Legislative Auditor to conduct the required audit or audits.

Chapter 133 of 2021 established BPD as an agency and instrumentality of Baltimore City, rather than the State. The transfer of BPD from a State agency to an agency of Baltimore City is contingent on the passage of an amendment to the Charter of Baltimore City and the ratification of the amendment by voters.

Impact of Regulations on Small Businesses

Chapter 212 of 2019 added requirements that State agencies establish an electronic registry and notification system for proposed regulations that will affect small businesses, post the proposed regulations or the scope of the proposed regulations on the agency's website, and prepare compliance guides for proposed regulations that are expected to have a significant small business impact. The Act also repealed the Advisory Council on the Impact of Regulations on Small Businesses as of October 1, 2021.

Maryland Capitol Police

The Department of General Services (DGS) has jurisdiction over the operation, maintenance, and protection of certain buildings and public grounds in Annapolis and Baltimore. The Maryland Capitol Police (MCP) is a full-service police department within DGS that provides law enforcement and security services for certain State buildings and certain State parking lots and garages in Annapolis and Baltimore.

Chapter 564 of 2020 expanded the jurisdiction of DGS and MCP to include any State-owned or State-leased buildings and grounds, including extending 1,000 feet in any direction from the boundaries of those buildings and grounds. However, the Act specified that the Presiding Officers of the General Assembly have the final authority over the use of and access to

State legislative buildings in Annapolis by the members of the General Assembly, their staff, and personnel of the Department of Legislative Services (DLS).

The Act also required the Secretary of General Services to appoint the Chief of the Maryland Capitol Police, who serves at the pleasure of the Secretary. In addition, ***Chapter 564*** specified that, within the jurisdiction of MCP, an MCP officer has all of the powers granted to a peace officer and a police officer of the State, provided the officer meets the legal requirements set forth by the Maryland Police Training and Standards Commission and is designated by DGS as a police officer.

Special Education Ombudsman

Chapter 562 of 2020 established the Special Education Ombudsman in the Office of the Attorney General (OAG) to serve as a resource to provide information and support to parents, students, and educators regarding special education rights and services, including by providing a toll-free telephone number to assist individuals seeking information or advice about special education. The Act also required the submission of an annual report, beginning July 1, 2022, to certain committees of the General Assembly regarding (1) the number and type of calls made to the toll-free number; (2) the types of complaints filed by parents; (3) a summary of services provided by the ombudsman over the previous year; and (4) recommendations concerning the State's implementation of special education services and procedures.

Bureau of Revenue Estimates

The Bureau of Revenue Estimates (BRE) serves as economic staff for the Comptroller's Office and staff for the Board of Revenue Estimates. BRE also serves as legislative staff for the Comptroller's Office on all tax bills as well as other types of legislation.

Chapters 654 and 655 of 2021 reorganized BRE within the Comptroller's Office and altered the operations of BRE and the Board of Revenue Estimates. The Acts required the board to announce its meeting schedule at the beginning of each fiscal year and maintain a website that provides certain information, including access to BRE's reports and other work product, as well as specified information regarding upcoming board meetings. In addition, the Acts altered certain BRE reporting requirements and required DLS to submit a report to the General Assembly on BRE operations.

Maryland Office of the Inspector General for Health

Chapters 325 and 326 of 2021 renamed the Office of the Inspector General (OIG) in the Maryland Department of Health (MDH) to be the Maryland Office of the Inspector General for Health and established it as an independent unit of the State. The Acts also specified the Inspector General's (IG) appointment process, term limits, and required qualifications. The Inspector General of OIG is authorized to investigate fraud, waste, and abuse of departmental funds. ***Chapter 43 of 2022*** expanded the authority of the IG to investigate behavior in MDH that threatens the public safety or demonstrates negligence, incompetence, or malfeasance. ***Chapter 43*** also established a professionally qualified Compliance Officer within OIG to ensure that units and

employees of MDH comply with (1) best practices in health care, public health, and government administration and (2) laws, regulations, and MDH policies.

Renaming

Chapter 91 of 2019 renamed the Department of Labor, Licensing, and Regulation as the Maryland Department of Labor and renamed the Secretary of Labor, Licensing, and Regulation as the Secretary of Labor.

Chapters 38 and 39 of 2019 renamed the State Law Library to be the Thurgood Marshall State Law Library.

Compensation to Erroneously Convicted Individuals

Chapters 76 and 77 of 2021 made several changes to existing provisions pertaining to payments by BPW to an individual erroneously convicted, sentenced, and confined under State law for a crime the individual did not commit.

The Acts repealed provisions regarding BPW's discretion to grant payments to an individual erroneously convicted, sentenced, and confined in the State for a crime the individual did not commit. The Acts also repealed eligibility based on a certification from a State's Attorney under specified statutory provisions that a conviction was in error. Instead, BPW must compensate the individual upon receipt of a specified order granting a petition for eligibility from an Administrative Law Judge (ALJ) in the Office of Administrative Hearings (OAH). The Acts required an ALJ in OAH to issue an order that an individual is eligible for compensation and benefits from the State/BPW for being erroneously convicted, sentenced, and confined under certain circumstances.

The Acts applied retroactively to any application for compensation or benefits pending on or after the effective date of the Acts. Notwithstanding any prior compensation awarded, the Acts must be construed to apply retroactively to allow a person to apply for modification of any compensation awarded by BPW between January 1, 1984, and July 1, 2005.

Open Meetings Act

Under the Open Meetings Act (OMA), with limited exceptions, a public body must (1) meet in open session in locations reasonably accessible to potential attendees and (2) provide reasonable advance notice of the time and location of meetings, including, when appropriate, whether any portion of a meeting will be conducted in closed session.

Chapter 486 of 2019 required the State Board of Elections (SBE), in consultation with the Department of Information Technology, to make publicly available on the Internet (1) each meeting agenda, made available at least 24 hours in advance of each meeting; (2) live video streaming of each open meeting of SBE; and (3) a complete, unedited archived video recording of each open meeting for a minimum of four years after the date of the meeting. SBE must also prepare written minutes of each meeting as soon as practicable after the meeting.

Chapters 202 and 203 of 2020 established enhanced open meetings requirements and procedures for making certain information publicly available online. The requirements applied to the Maryland Stadium Authority, SBE, the Maryland 9-1-1 Board, the Public Service Commission, and the Maryland Transportation Authority. These bodies are required to hold meetings in an open session and provide reasonable advance notice of the meeting time and location. Additionally, these bodies must (1) post open meeting agendas in a publicly available website at least 48 hours in advance, unless there is a special unanticipated meeting; (2) post open meeting minutes on a publicly available website within two business days after approval; (3) make live video streaming of open sessions publicly available, as specified; and (4) maintain meeting minutes and recordings in a certain manner. ***Chapter 72*** established the same enhanced open meetings requirements for MES.

Chapter 346 of 2022 repealed exemptions from OMA requirements for the Bainbridge Development Corporation (BDC), the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO), the Maryland Clean Energy Center (MCEC), the Maryland Economic Development Corporation (MEDCO), and the Maryland Technology Development Corporation (TEDCO). Additionally, the Act recodified the existing enhanced open meetings requirements of ***Chapters 202 and 203*** and ***Chapter 72*** under OMA, and expanded the application of the enhanced open meeting requirements to include the boards of directors of BDC, MARBIDCO, MCEC, and MEDCO, as well as the Canal Place Preservation and Development Authority, the Maryland Food Center Authority, the Maryland Health and Higher Educational Facilities Authority, the Maryland Industrial Development Financing Authority, the Northeast Maryland Waste Disposal Authority, TEDCO, and the Historic St. Mary's City Commission.

Chapter 345 of 2022 increased, from one year to three years, the time period a public body is required to keep copies of (1) the public notice required to be provided by a public body in advance of meeting in a closed or open session and (2) the written statement that must be prepared by a public body prior to meeting in a closed session. In addition, the Act required, to the extent practicable, a public body to post the written statement online.

Public Information Act

The Maryland Public Information Act (PIA) grants the public a broad right of access to records that are in the possession of State and local government agencies. PIA's basic mandate is to enable people to have access to government records without unnecessary cost or delay. Custodians have a responsibility to provide such access unless the requested records fall within one of the exemptions in the statute. A custodian is an officer or employee of the State or of a political subdivision who is responsible for keeping a public record. ***Chapter 297 of 2019*** required a custodian, before granting inspection of the part of a 9-1-1 communications record that depicts a victim of domestic violence, abuse or neglect of a child, abuse or neglect of a vulnerable adult, or certain sexual crimes, to notify the victim or the victim's representative and consider any response received from the victim or victim's representative before granting or denying the inspection. A custodian may also redact relevant portions of a 9-1-1 record to avoid denying the release of the entire record.

During the 2021 session, the Governor vetoed ***House Bill 23***; however, the General Assembly overrode the veto at the following session, and the bill was enacted as ***Chapter 18 of the 2021 special session***. The Act modified PIA to require an officer, an employee, an agent, or a contractor of the State or a political subdivision to deny inspection of records that contain specified personal information, and deny inspection using facial recognition searches, by any federal agency seeking access for the purpose of enforcing federal immigration law unless provided with a valid warrant. In addition, a person who receives specified personal information under PIA may not disclose the information to a federal agent or federal agency for the purpose of federal immigration enforcement unless presented with a valid warrant. The Motor Vehicle Administration, the Department of State Police, and DPSCS must submit an annual report to the General Assembly on records requests from federal agencies seeking access for immigration enforcement purposes. Finally, the Act restricted access to databases operated by State and local law enforcement agencies.

Chapter 658 of 2021 made various revisions to PIA, including (1) expanding the duties and jurisdiction of the Public Information Act Compliance Board (PIACB) to include additional types of PIA disputes; (2) modifying provisions pertaining to the filing of written complaints to PIACB and modifying the timelines and procedures for the review and resolution of complaints; (3) expanding the duties of the Office of Public Access Ombudsman; (4) requiring a custodian to adopt a specified proactive disclosure policy; and (5) establishing staffing requirements for OAG.

Chapter 124 of 2021 merged the Address Confidentiality Program for victims of domestic violence and the Human Trafficking Address Confidentiality Program into a single Address Confidentiality Program administered by the Secretary of State (SOS). Program eligibility was expanded to include survivors of threatened, attempted, or actual domestic violence, sexual assault, stalking, harassment, or human trafficking. Eligible applicants were expanded to include individuals who reside in the same household as an eligible applicant or program participant.

Chapter 62 of 2021 established that, except for a record of a "technical infraction," a record relating to an administrative or criminal investigation of misconduct by a police officer, including an internal affairs investigatory record, a hearing record, and a record relating to a disciplinary decision, is not a personnel record for purposes of PIA. Thus, those records are not subject to mandatory denial of inspection under PIA; instead, they are subject to discretionary denial as provided under PIA. However, a custodian may deny inspection by a person in interest only under specified conditions that apply to the denial of various investigatory records. The Act was construed to apply prospectively to any PIA request made on or after the Act's October 1, 2021 effective date, regardless of when the requested record was created.

For a discussion of the provisions of ***Chapter 62*** pertaining to no-knock warrants, see the subpart "Public Safety and Corrections" of Part E – Crimes, Corrections, and Public Safety of this *Major Issues Review*.

Protection of Personal Information – Public Institutions of Higher Education

State law requires certain units of State or local government that collect an individual's personal information to implement and maintain reasonable security procedures and practices appropriate to the nature of the information collected and the nature of the unit and its operations, including a written information security policy. Similarly, a unit that uses a nonaffiliated third party as a service provider and discloses personal information about an individual must require that the third party implement and maintain reasonable security procedures and practices.

Chapter 429 of 2020 expanded and enhanced the security protocols that govern the collection, processing, sharing, and disposal of certain types of personally identifiable information (PII) by public institutions of higher education in the State.

The Act required each public institution of higher education to review and designate systems within the respective institution as systems of record based on specified criteria. The Act also established numerous technical specifications for the protection of institutions' information systems and PII. Broadly, each public institution of higher education must:

- develop and adopt a privacy governance program to govern each system of record;
- develop and adopt an information security and risk management program for the protection of PII, as specified;
- publish a privacy notice on its website, as specified;
- follow specified procedures when destroying PII records; and
- follow specified procedures when it discovers or is notified of a breach of the security of one of its systems.

The requirements of the Act take effect October 1, 2024.

Military and Veterans

Prevention of Veteran Suicide

According to the U.S. Department of Veterans Affairs report on veteran suicide rates in the United States, in 2014 there were 89 veteran suicides in Maryland. ***Chapter 35 of 2019*** required MDH to develop a comprehensive action plan to increase access to and availability of professional veteran health services to prevent veteran suicides. The action plan must include short-term and long-term initiatives and reforms and a plan for implementation by specified dates. MDH is required to implement the short-term initiatives and reforms by June 30, 2023, and the long-term initiatives and reforms by June 30, 2029.

Veterans Service Animal Program

Chapter 416 of 2017 established the Maryland Veterans Service Animal Program. The program is designed to refer eligible veterans to selected nonprofit training organizations to be paired with service dogs or support dogs and facilitate their training. ***Chapter 465 of 2019*** expanded the Maryland Veterans Service Animal Program to include nonprofit training entities that use trained therapy horses for interaction with veterans. The expansion allows such organizations to receive funding from the Maryland Veterans Service Animal Program Fund.

Charlotte Hall Veterans Home

The Maryland Department of Veterans Affairs (MDVA) oversees Charlotte Hall Veterans Home, which is a Medicare-and Medicaid-certified facility that includes an assisted living unit and a skilled nursing unit. ***Chapters 23 and 24 of 2020*** broadened the population of veterans eligible for residency at Charlotte Hall Veterans Home by basing eligibility on whether an individual is a veteran who was honorably discharged from active service from any uniformed service of the United States, rather than a specified list of uniformed services that may change over time.

Honorable Discharges

Chapter 422 of 2022 provided that, with respect to any State program of benefits, rights, or privileges applicable to a veteran under Maryland law, an honorable discharge includes a discharge that is less than honorable (1) solely due to the sexual orientation or gender identity of the individual being discharged or (2) based on a statement or consensual act of the individual being discharged related to the individual's sexual orientation or gender identity, if the statement or consensual act was prohibited by the military or naval service at the time of discharge.

Business and Professional Licensing

The Veterans Full Employment Act of 2013 facilitated professional licensing for active military personnel, veterans, and their spouses. ***Chapter 312 of 2019*** required MDL to issue an expedited regular license, rather than a temporary license, to an eligible service member, veteran, or military spouse within 60 days after receiving a completed application. The Act removed the requirement that the application be submitted within one year of discharge, if the applicant is a veteran, or of the death of the service member, if the applicant is a surviving spouse.

Commission to Establish a Maryland Women Veterans Memorial

Chapter 423 of 2022 established the Commission to Establish a Maryland Women Veterans Memorial to provide recommendations for the funding, design, construction, and placement of an appropriate memorial dedicated to Maryland women veterans.

Communications, Outreach, and Advocacy Program

Chapters 72 and 73 of 2022 renamed the Outreach and Advocacy Program within MDVA to be the Communications, Outreach, and Advocacy Program. In addition, the program, in

collaboration with the Maryland Higher Education Commission, must actively help veterans and their dependents become aware of and access education and training benefits to which they are entitled. The director of the program must refer veterans and their dependents and survivors to the appropriate governmental unit for claim assistance.

States of Emergency

Maryland Insurance Commissioner

Chapter 495 of 2022 was an emergency Act that required the Maryland Insurance Commissioner to adopt regulations that may be applied when a national or public health emergency (1) is issued by the President of the United States under the federal National Emergencies Act or the U.S. Secretary of Health and Human Services under the federal Public Health Services Act; (2) is based on a serious threat to health resulting from the existence of a deadly agent, as defined in existing law; and (3) within the Commissioner's discretion, will affect the State. A regulation activated in response to a national or public health emergency may not apply beyond the duration of the President's or the Secretary's declaration.

Public Funds

The Governor vetoed ***Senate Bill 780 and House Bill 1003 of 2021***; however, the General Assembly overrode the vetoes, and the bills were enacted as ***Chapters 3 and 7 of the 2021 special session***. The Acts required the Governor or the head of a unit, when authorizing an emergency procurement during a declared state of emergency, to provide specified notice to the Legislative Policy Committee (LPC) within 72 hours after the execution of the contract or the expenditure of funds. LPC may request that OLA conduct an audit of an emergency procurement contract authorized during a declared state of emergency. The Acts also required the Governor to provide specified notice to LPC and, if applicable, the Administrative, Executive, and Legislative Review Committee, within 72 hours after suspending the effect of a statute, rule, or regulation during a declared state of emergency, as authorized under State law.

Land Acquisition

During the 2020 session, the General Assembly passed ***Senate Bill 148 and House Bill 125***. The Governor vetoed the bills, but the General Assembly overrode the vetoes, and the bills were enacted as ***Chapters 5 and 23 of 2021***. The Acts prohibited BPW from approving the acquisition of specified real property worth at least $500,000 unless BPW provides LPC with a justification for the acquisition. The Acts required BPW, on request of the LPC co-chairs, to provide a cost-benefit analysis of a proposed acquisition. Certain acquisitions were made exempt from the requirements of the Acts.

Seniors and Vulnerable Adults

Under State law, it is a criminal offense for a person to knowingly and willfully obtain by deception, intimidation, or undue influence the property of an individual who the person knows or

reasonably should know is at least 68 years of age or is a vulnerable adult with the intent to deprive that individual of the individual's property.

During the 2020 session, the General Assembly passed ***Senate Bill 407***. The Governor vetoed the bill, but the General Assembly overrode the veto, and the bill was enacted as ***Chapter 3 of 2021***. The Act established the Senior and Vulnerable Adult Asset Recovery Unit in OAG. At the direction of the Attorney General, the unit is required to (1) hire new staff for the unit and (2) investigate and assist the unit in bringing civil actions. The Act also authorized the unit to bring a civil action for damages, as specified, against a person who violates the State's prohibition against exploitation of a vulnerable adult on behalf of the victim of the offense or, if the victim is deceased, the victim's estate.

Commissions and Councils

Alcohol and Tobacco Commission

During the 2019 session, the General Assembly passed ***House Bill 1052***, but it was vetoed by the Governor. The General Assembly overrode the veto, and the bill became law as ***Chapter 12 of 2019***. The Act established the Alcohol and Tobacco Commission. The commission was granted various powers and duties, including (1) educating the public on topics related to using and consuming tobacco products and alcoholic beverages; (2) ensuring that all alcoholic beverages sold in the State with an alcohol content exceeding 4.5% by volume bear a large and conspicuous label stating the percentage of alcohol content; (3) conducting certain studies; and (4) developing best practices for various topics related to alcoholic beverages regulation. The Act also transferred the Field Enforcement Division and the personnel of the division from the Comptroller's Office to the commission.

Maryland Efficient Grant Application Council

Chapters 484 and 485 of 2020 established the Maryland Efficient Grant Application Council. The council is tasked with studying and making recommendations to the Governor's Grants Office and DBM regarding the entire life cycle of a grant and the creation of materials for use by grant-making agencies.

Maryland Lynching Truth and Reconciliation Commission

Chapter 41 of 2019 established the Maryland Lynching Truth and Reconciliation Commission. The commission was required to (1) hold public regional hearings in areas where a lynching of an African American by a White mob has been documented; (2) receive recommendations from the public, including families and communities affected by lynching, for addressing, engaging, and reconciling affected families and communities; and (3) make recommendations for addressing the legacy of lynching that are rooted in the spirit of restorative justice and may include the placement of memorial plaques or signage at or near sites of racially motivated lynchings.

Commission on African American History and Culture

Among other powers and duties, the Maryland Commission on African American History and Culture operates the Banneker-Douglass Museum in Annapolis to house and display photographs, objects, oral history tapes, artifacts, and other materials of African American historic and cultural significance. ***Chapters 451 and 452 of 2022*** made the commission an independent unit in the Executive Branch of State government, rather than a part of the Governor's Office of Community Initiatives.

Notaries Public and Notarial Acts

Chapter 407 of 2019 altered the laws related to notaries public and notarial acts. The Act modified the qualifications necessary for an individual to be appointed as a notary public in the State to require that the individual be a resident of the State or have a place of employment or practice in the State, instead of requiring that the individual live or work in the State. The Act also repealed the requirement that an individual must be of good moral character and integrity and required applicants to complete a course regarding laws, regulations, procedures, and ethics relevant to notarial acts and initial applicants to pass an exam on those topics. Additionally, the Act modified provisions relating to the removal and suspension of a notary public by the Governor and clarified procedures for the denial of applicants for initial commissions.

Chapter 407 also modified certain fees and charges that may be charged by a notary public and repealed existing provisions relating to various powers and duties of notaries public and replaced them with provisions of the Revised Uniform Law on Notarial Acts. The Act (1) expanded current notarization practices to include remote and electronic notarization practices; (2) provided for requirements regarding certifications, stamps, and records; (3) required SOS to maintain an electronic database of notaries public; and (4) generally updated laws related to notaries public.

Chapters 714 and 715 of 2022 altered the laws related to remote notarizations involving tangible records and the authority of a notary public to administer oaths and affirmations to remotely located individuals. The Acts (1) repealed an exception to remote notarization provisions that applies to wills and trust instruments; (2) established requirements and procedures by which a notary public located in the State may use communication technology to take an acknowledgement of a signature on a tangible record that is physically present before the notary if the record is displayed to and identified by the remotely located individual during the audio-visual recording; (3) specified procedures by which a notary public located in the State may use communication technology to administer an oath or affirmation to a remotely located individual; (4) authorized SOS to adopt regulations prescribing the methods for reasonable confirmation of a tangible record; (5) increased the maximum fees for an original notarial act and performance of a remote notarial act; and (6) specified that the notarization of any document under the requirements of specified executive orders authorizing remote notarizations must be deemed valid if the notarization occurred during the time that the orders were in effect.

Diaper-changing Facilities

Chapter 523 of 2019 required a diaper-changing facility to be installed in at least one public restroom within a public building constructed on or after October 1, 2019. A public building is defined as a building, structure, or improved area that is owned by the State or a political subdivision of the State or constructed for lease by the State or a political subdivision of the State. The requirement also applies to a public restroom (in an existing public building) that is built or substantially renovated on or after October 1, 2019. If the restrooms in the building are divided by gender, then a diaper-changing facility is required in at least one men's restroom and one women's restroom. A diaper-changing facility is not required if the building inspector determines that it is not practicable or if it would interfere with access for disabled individuals.

State Designations

Historic St. Mary's City Fort to 400 Commission

The 400th anniversary of the founding of Maryland takes place on March 25, 2034. ***Chapters 687 and 688 of 2021*** established the Historic St. Mary's City Fort to 400 Commission to plan, produce, and facilitate commemoration of the State's 400th anniversary.

State Song

Chapters 148 and 149 of 2021 repealed the State song, *Maryland! My Maryland!*

Juneteenth

The holiday of "Juneteenth" celebrates the notification on June 19, 1865, to the last slaves in the state of Texas, that President Abraham Lincoln issued the Emancipation Proclamation on January 1, 1863. In June 2021, President Joseph R. Biden, Jr. signed into law the Juneteenth National Independence Day Act, which designates June 19 as a federal legal holiday. ***Chapter 64 of 2022*** established Juneteenth National Independence Day as a State legal holiday and State employee holiday on June 19.

Elections

Expanding Access to Voting

The General Assembly expanded access to voting by passing legislation establishing same-day voter registration, adding early voting center locations and hours, making it easier to

vote by mail, and increasing voting opportunities for incarcerated individuals, students, and members of the military.

Election Day Registration

At the general election in November 2018, the voters approved a constitutional amendment authorizing the General Assembly to allow a qualified individual to register and vote at a precinct polling place on Election Day. This practice is often referred to as "same-day registration." Same-day registration was already available at early voting centers beginning with the 2016 elections. ***Chapters 609 and 755 of 2019*** implemented same-day registration at precinct polling places on Election Day. An individual may appear at any precinct polling place in the individual's county of residence and apply to register to vote. An applicant for voter registration is required to provide proof of residency, which may be a Maryland driver's license or Maryland identification card that contains the applicant's current address or a copy of an official document that contains the applicant's name and current address and meets the requirements established by the State Board of Elections (SBE).

Early Voting Centers

The State first offered early voting in the 2010 elections and has expanded early voting locations, days, and hours in subsequent years. The number of early voting centers each county must operate is set in statute and is based on the number of registered voters in each county. Until 2019, only counties with fewer than 200,000 registered voters were authorized to establish one early voting center in addition to the number of early voting centers the county is required to operate. ***Chapter 539 of 2019*** expanded that authorization to apply to all counties.

Chapter 43 of 2021 altered the number of early voting centers each county must establish based on the number of registered voters in the county, as shown in **Exhibit C-1**.

Exhibit C-1
Early Voting Centers

Previous Requirements		*Chapter 43 of 2021*	
Registered Voters In a County	**Early Voting Centers***	**Registered Voters In a County**	**Early Voting Centers***
<125,000	1	<50,000	1
125,000-200,000	3	50,000-100,000	2
200,000-300,000	4	100,000-200,000	3
300,000-450,000	7	200,000-300,000	5
>450,000	11	300,000-400,000	7
		400,000-500,000	9
		500,000-600,000	11
		≥600,000	13

* The existing authorization for counties to establish one early voting center in addition to the required centers was continued under ***Chapter 43***.

Chapter 43 also required a local board of elections to take into account certain factors when determining the location of an early voting center, including accessibility of the early voting center to historically disenfranchised communities, accessibility of the early voting center by public transportation, and maximization of voter participation, among other factors.

Chapters 659 and 660 of 2021 expanded early voting center hours by requiring that the centers be open from 7:00 a.m. to 8:00 p.m. on each early voting day during each regular election.

Absentee Ballots/Ballot Drop Boxes

State law allows any registered voter the option to vote by absentee ballot without having to provide a reason that the voter cannot vote in person. Due to concerns about the safety of in-person voting during the coronavirus pandemic, the number of voters casting absentee ballots in the 2020 elections greatly increased compared to previous elections. The General Assembly, SBE, and the local boards of elections implemented many policies to make absentee voting more accessible and convenient.

Chapters 36 and 37 of 2020 required SBE and the local boards of elections to refer to absentee ballots as "mail-in ballots" and absentee voting as "mail-in voting" in all communications with voters and the general public. ***Chapters 36 and 37*** also required that envelopes used to return absentee ballots that are delivered to voters by mail include prepaid postage.

Chapters 56 and 514 of 2021 created a permanent absentee ballot list that any voter may apply to join. Voters on the list will receive an absentee ballot automatically for each election without having to apply for it. ***Chapters 56 and 514*** also codified procedures concerning ballot

drop boxes, which were first deployed in the 2020 elections in response to the pandemic. A local board must consider certain factors when determining the location of a ballot drop box, which are similar to the factors described above with respect to early voting center locations. Ballot drop box locations must then be submitted to the State Administrator of Elections for approval. ***Chapters 56 and 514*** also established security requirements for ballot drop boxes, including monitoring by security cameras at all times. Finally, ***Chapters 56 and 514*** required each local board of elections to send an absentee ballot application to each eligible voter at least 60 days before the statewide primary elections in 2022 and 2024.

Senate Bill 163 and House Bill 862 of 2022, which were vetoed by the Governor, would have facilitated more timely processing of absentee ballots by authorizing local boards of elections to accept, reject, open, or process an absentee ballot starting on the day that is eight business days before the first day of early voting. ***Senate Bill 163 and House Bill 862*** would have required SBE to adopt regulations requiring a local board to notify a voter who failed to sign the oath on an absentee ballot envelope and provide the voter an opportunity to provide a signature and have the ballot counted. A ballot would not have been counted unless it had been accompanied by a signed oath. ***Senate Bill 163 and House Bill 862*** would have altered canvassing procedures when more than one ballot, in separate envelopes, is received from the same individual for the same election by requiring the local board to count the first ballot from an individual that is determined to be legally sufficient and reject any other ballot. Finally, ***Senate Bill 163 and House Bill 862*** would have required that a report of election results produced by SBE include the early, absentee, and provisional vote broken down by precinct.

Voting by Incarcerated Individuals

Individuals who are incarcerated are eligible to vote only if they are being detained while awaiting trial or are serving a sentence of imprisonment for a misdemeanor. ***Chapter 734 of 2021*** required SBE to adopt regulations establishing a program to inform individuals who are incarcerated in a State or local correctional facility and have the right to vote in upcoming elections and how they may exercise their right to vote. The regulations must require SBE or local boards to, among other things, (1) disseminate information on eligibility requirements to register to vote and voter registration applications to eligible voters in a correctional facility; (2) disseminate instructions on absentee voting, absentee ballot applications, and absentee ballots to eligible voters in a correctional facility; and (3) provide for the timely return of voter registration applications, absentee ballot applications, and absentee ballots completed by eligible voters in a correctional facility. ***Chapter 734*** also required the Department of Public Safety and Correctional Services to provide each individual who is released from a correctional facility with a voter registration application and documentation informing the individual that the individual's voting rights have been restored.

Chapter 646 of 2021 required the Baltimore City centralized booking facility to provide a ballot drop box that eligible voters incarcerated at the facility may use to submit absentee ballot applications, absentee ballots, and voter registration forms to SBE or a local board of elections.

Student and Military Voters

Chapters 656 and 657 of 2021 included various measures to make it easier for students enrolled in institutions of higher education and members of the military to vote. Public institutions of higher education must designate a staff member to serve as the student voting coordinator. The student voting coordinator is required to develop and implement a student voting plan to increase student voter registration and voting. The student voting plan must include, among other things, wide dissemination of information about voter registration and voting opportunities to all students and provision of voter registration materials on campus. Private nonprofit institutions of higher education that receive operating or capital funding from the State must provide a link to the State's online voter registration system on the home page of the online portal used by students to register for course work. Public institutions of higher education were already required to provide such a link under previous law.

Chapters 656 and 657 also required SBE to establish a process for an individual to submit the federal post card application electronically and use a common access card to sign a federal post card application. The federal post card application is a form required by federal law that absent uniformed services voters and overseas voters may use to simultaneously register to vote and request an absentee ballot. The common access card is an identification card issued by the U.S. Department of Defense to active-duty military personnel, eligible reserve personnel, Department of Defense civilian employees, and eligible Department of Defense contractor personnel.

Campaign Finance

Enforcement

The General Assembly passed several significant pieces of legislation to strengthen enforcement of campaign finance law. ***Chapter 703 of 2019*** increased the fees due for each day or part of a day that a campaign finance report, an affidavit, or an amended campaign finance report is overdue. The fee is $20 for each of the first seven days, $35 for each of the following seven days, and $50 for each day thereafter. The maximum fee payable for a report or affidavit is $1,000. In addition, ***Chapter 703*** prohibited the issuance of a certificate of nomination to a candidate if the candidate has failed to file a report or affidavit or pay a late filing fee on or before the deadline for declining the nomination.

Chapter 647 of 2021 required campaign finance entities to submit bank statements with their campaign finance reports for a certain period of time if the campaign finance entity is liable for a civil penalty imposed for (1) making a disbursement in an unauthorized manner; (2) failure to maintain a campaign bank account; (3) making a disbursement by an unauthorized method; (4) failure to maintain detailed and accurate account books and records; (5) fundraising during the General Assembly session in an unauthorized manner; or (6) failure to sufficiently report all contributions received and expenditures made on a campaign finance report. Bank statements must document all expenditures made by or on behalf of the campaign finance entity during the reporting period.

Chapter 642 of 2022 extended the statute of limitations, from three years to four years, for a misdemeanor offense under State election law and for a civil fine for an unknowing violation of campaign finance laws and certain other State election laws. ***Chapter 642*** also established a four-year statute of limitations for certain civil fines for violations of campaign finance laws and laws governing disclosure of campaign contributions by persons doing public business.

Chapter 642 increased the maximum civil penalty SBE may impose on a campaign finance entity for specified violations from $500 for each violation to $1,000 for each violation. ***Chapter 642*** also prohibited an individual with an unpaid civil penalty from (1) becoming a candidate or becoming a treasurer for a campaign finance entity; (2) being issued a certificate of nomination; or (3) being deemed to be elected to office, taking the oath or otherwise assuming the duties of the office, or receiving any salary or compensation for the office. In addition, an official may not issue a commission or administer an oath of office to an individual who has an unpaid civil penalty.

Under previous law, a person who, within a specified six-month reporting period, spent at least $500 to provide compensation to one or more regulated lobbyists and contributed $500 or more to specified State elected officials or candidates for those offices was required to file statements with SBE regarding the contributions. ***Chapter 642*** altered these provisions to require any person who spends at least $500 during a specified six-month reporting period to provide compensation to one or more regulated lobbyists to file reports, regardless of whether the person made contributions of $500 or more. ***Chapter 642*** also enhanced civil and criminal penalties for violations of these provisions.

Finally, ***Chapter 642*** increased fees and penalties for failure to comply with Title 14 of the Election Law Article, which requires reporting of contributions by persons doing public business.

Public Financing

The State provides public campaign financing to eligible gubernatorial tickets under the Public Financing Act. ***Chapter 733 of 2021*** made various changes to the gubernatorial public financing system. The most significant changes included (1) requiring participating tickets to accept only small private contributions from individuals; (2) matching small private contributions with public funds on a sliding scale; (3) altering the amount of small private contributions a ticket must raise to qualify for the program; (4) requiring a participating ticket to raise small private contributions to receive public funds in the general election; (5) repealing expenditure limits for participating tickets; and (6) requiring the Governor to include appropriations for the system in the annual budget bill in certain fiscal years.

Under the previous system, participating gubernatorial tickets could accept private contributions up to the normal contribution limits from any contributor, including business entities and political action committees, but only that part of a monetary or in-kind contribution from an individual that did not exceed $250 was eligible to be matched with public funds. ***Chapter 733*** generally prohibited participating tickets from accepting private contributions except private contributions from individuals that do not exceed $250 in the aggregate during the election cycle.

Under the previous system, in the primary election, each dollar of an eligible private contribution was matched with public funds at a one-to-one ratio, unless the participating ticket was unopposed. ***Chapter 733*** provided public matching funds for eligible private contributions on a specified sliding scale.

The previous system required gubernatorial tickets, to qualify to participate in the public financing system, to raise "seed money" in an amount equaling 10% or more of the expenditure limit for the election. ***Chapter 733*** required a gubernatorial ticket to raise 1,500 eligible private contributions and an aggregate total of $120,000 to qualify to participate.

The previous system provided a lump sum public contribution for the general election equal to the expenditure limit to an eligible gubernatorial ticket that was nominated. A gubernatorial ticket was not required to raise eligible private contributions to receive a public contribution in the general election. ***Chapter 733*** repealed the lump sum public contribution for the general election and required a participating gubernatorial ticket to raise eligible private contributions to receive public funds in the general election.

The previous system limited total expenditures by participating gubernatorial tickets in accordance with a formula that was based on the population of the State and inflation. ***Chapter 733*** repealed the expenditure limit. Participating gubernatorial tickets were authorized to spend as much as they can raise, but the amount of public matching funds a gubernatorial ticket may receive was limited to $3 million in each of the primary and general elections.

The gubernatorial public financing system is funded through the Fair Campaign Financing Fund, which receives funding from a variety of sources, including a checkoff on the State income tax return and various penalties, fines, and fees imposed under State election law. ***Chapter 733*** required the Governor to include an appropriation in the annual budget bill for the appropriate fiscal year sufficient to supplement the balance in the fund in order to provide a full public contribution to two gubernatorial tickets in the primary election and one gubernatorial ticket in the general election. ***Chapter 733*** also separately required the Governor to include in the annual budget bill, for fiscal 2023, an appropriation of at least $4.0 million to the fund.

Redistricting

Congressional district boundaries must be redrawn every 10 years following the decennial census to adjust for population changes. Congressional districts must comply with the U.S. Constitution and the federal Voting Rights Act of 1965. The U.S. Census Bureau apportioned eight congressional seats to Maryland in accordance with 2020 census figures.

In July 2021, the Presiding Officers of the General Assembly appointed the Legislative Redistricting Advisory Commission to conduct virtual and in-person town hall meetings across the State and to prepare congressional and State legislative district plans for consideration by the General Assembly. ***Chapter 32 of the 2021 special session*** established new boundaries for the State's congressional districts and was based on the work of the commission.

In 2022, the Circuit Court for Anne Arundel County considered two consolidated cases (*Szeliga et. al v. Lamone et. al and Parrott et. al v. Lamone et. al*) challenging the 2021 congressional districting plan. On March 25, 2022, the circuit court entered a declaratory judgment ruling that the 2021 congressional districting plan violated the Maryland Constitution and Declaration of Rights and issued a permanent injunction enjoining the State from using, applying, administering, enforcing, or implementing the 2021 plan in any future election in Maryland, including the 2022 primary and general elections. While the Maryland Constitution does not explicitly address congressional districting, the circuit court held that Article III, Section 4 of the Maryland Constitution, which establishes standards for legislative districts in the State, applies to congressional districting. Article III, Section 4 of the Maryland Constitution requires each legislative district to consist of adjoining territory, be compact in form, and be of substantially equal population, and further requires that due regard be given to natural boundaries and the boundaries of political subdivisions.

The circuit court remanded the plan to the General Assembly to develop a new plan that comported with Article III, Section 4 of the Maryland Constitution and the Voting Rights Act. In response to this mandate, the General Assembly passed a new map that was enacted as ***Chapter 16 of 2022***.

For information concerning State legislative redistricting, see the subpart "General Assembly" of this Part C of this *Major Issues Review*.

Contested Elections

Chapters 624 and 625 of 2022 altered various requirements relating to the conduct and financing of an election contest, including a recount or a judicial challenge. The Acts required a county, rather than the candidate who petitioned for the recount, to pay the costs of a recount when the margin of difference between the number of votes received by an apparent winner and the losing candidate with the highest number of votes for an office is 0.25% or less of the total votes cast for those candidates. For ballot questions, the county must pay for a recount, rather than the registered voter who petitioned for the recount, when the margin of difference between the number of votes cast for and the number cast against the ballot question is 0.25% or less. Under previous law, for both candidate elections and ballot questions, a county had to pay for a recount when the margin of difference was 0.1% or less. ***Chapters 624 and 625*** also prohibited a recount when the margin of difference is greater than 5%.

Chapters 624 and 625 authorized a campaign finance entity to accept contributions and make expenditures to pay for a recount or judicial challenge to an election and repealed a provision providing that limits on contributions and transfers to campaign finance entities do not affect the right of an individual to pay reasonable legal expenses associated with maintaining or contesting the results of an election. ***Chapters 624 and 625*** also required a person who accepts public campaign financing to establish a separate contested election committee to pay costs associated with contesting an election. Finally, ***Chapters 624 and 625*** authorized a county to provide public financing to a contested election committee as part of any public financing system the county chooses to establish for offices in the Executive or Legislative branches of county government.

Ethics

Conduct Restrictions for Officials and Employees

Members of the General Assembly generally may send electronic legislative newsletters using the electronic newsletter system provided by the General Assembly in accordance with guidance issued by the Presiding Officers. ***Chapter 563 of 2020*** authorized an incumbent member of the General Assembly to include a link to a social media account in an official electronic legislative newsletter if the account is used to communicate legislative and constituent information, is not primarily used for electoral purposes, and is not used for personal economic gain of the incumbent and is not used for the economic gain of another person, other than a usual and customary constituent service.

A former member of the General Assembly, Governor, Lieutenant Governor, Attorney General, Comptroller, or State Treasurer may not assist or represent another party for compensation in a matter that is the subject of legislative action for one calendar year from the date the official leaves State office. The limitation does not, however, apply to representation of a municipal corporation, county, or State governmental entity. ***Chapter 164 of 2020*** expanded this restriction to include a former Secretary of a principal department of the Executive Branch. In addition, ***Chapter 164*** increased the minimum and maximum penalties for bribery. Specifically, the minimum monetary penalty was increased from $1,000 to $5,000, and the maximum monetary penalty was increased from $10,000 to $25,000.

Among other things, ***Chapter 425 of 2021*** established various disclosure requirements that apply to specified officials in the Executive Branch. For example, ***Chapter 425*** required the Governor, Lieutenant Governor, Attorney General, Treasurer, Comptroller, and Secretaries of principal departments in the Executive Branch to disclose certain conflicts of interest to the General Assembly and the State Ethics Commission (SEC). ***Chapter 425*** also required SEC to provide specified notice to the Joint Ethics Committee when authorizing specified employment or a specified financial interest by the Governor, Lieutenant Governor, Attorney General, Treasurer, or Comptroller.

In addition, ***Chapter 425*** made several other modifications to the Ethics Law as it applies to State and public officials and employees. Specifically, it (1) expanded the types of interests attributable to an individual for purposes of financial disclosure; (2) required certain officials to disclose specified information relating to any financial or contractual relationship with the University of Maryland Medical System or a governmental or quasi-governmental entity of the State or a local government in the State; (3) prohibited former officials and employees from using specified confidential information acquired by reason of the individual's former public position for personal economic benefit or the economic benefit of another; and (4) required State officials subject to the jurisdiction of SEC to receive a training course on the requirements of the Ethics Law.

Chapters 253 and 254 of 2021 prohibited a State or public official or employee from retaliating against an individual for reporting or participating in an investigation of a potential violation of the Ethics Law. ***Chapters 253 and 254*** also generally prohibited an official or

employee from knowingly accepting a gift, directly or indirectly, from an entity that the official or employee knows or has reason to know is an association, or any entity acting on behalf of an association, that is engaged only in representing counties or municipal corporations, subject to exceptions.

Local Government Ethics Requirements

The Ethics Law includes special provisions for Frederick County related to campaign activities by an appointed member of the Frederick County Board of Zoning Appeals, the Frederick County Ethics Commission, the Frederick County Planning Commission, or the Board of License Commissioners for Frederick County. ***Chapter 375 of 2019*** prohibited (1) a member of one of these boards; (2) a person acting on behalf of the member; (3) a campaign finance entity of the member; or (4) any other campaign finance entity operated in coordination with the member, from soliciting, receiving, depositing, or using a contribution while the member is serving on the board or commission. In addition, ***Chapter 375*** prohibited a campaign finance entity of the member, or any campaign finance entity operated in coordination with the member, from making an expenditure, except to pay a specified late filing fee or civil penalty, while the member is serving on the board or commission. A campaign finance entity of the member or a campaign finance entity operated in coordination with the member must pay any outstanding obligations before the member begins serving on the board or commission.

Chapters 554 and 555 of 2019 authorized the County Council of Anne Arundel County to enact local laws regulating (1) campaign contributions made to, or for the benefit of, a member of the county council or the county executive, or a candidate for those offices, by an individual or business entity involved with specified legislative action related to zoning or land use and (2) participation by a member or county executive in such a legislative action if the member or county executive accepts or has accepted such a contribution, including while a candidate for the office.

The Ethics Law, with respect to Prince George's County, includes restrictions on an individual or a business entity with an interest in, or specified connection to, land that is the subject of an application for a land use decision. Specifically, these individuals or business entities were not authorized to make a campaign contribution to the county executive, a member of or candidate for the county council, or a slate that includes the county executive or a member or candidate for the county council during the pendency of the application. ***Chapter 151 of 2020*** removed the county executive and a slate that includes the county executive from the persons that may not receive these contributions.

The Ethics Law also generally prohibits a member of the Prince George's County Council from voting or participating in a proceeding on an application for a land use decision in the county if the member, or a slate to which the member belongs or belonged during a specified period, received a specified payment from any of the applicants or agents of the applicants. ***Chapter 429 of 2021*** exempted a member from this prohibition if the proceeding in which the member participates is part of a countywide zoning map amendment that is recommended by the Prince George's County Planning Board, where the intent is to implement an approved general

plan by repealing and replacing all zoning categories applicable to land in Prince George's County. In addition, ***Chapter 429*** generally prohibited, during the period when the District Council of Prince George's County is adopting and approving a countywide zoning map amendment, the planning board from recommending and the district council from approving specified zone intensification requests that differ substantially from a certain applicable zoning category or classification. Finally, ***Chapter 429*** required a member who receives a payment or transfer from an applicant, agent, or entity that requests a specified zone intensification to (1) return the payment or transfer and (2) make note in the public record of the returned payment or transfer before the adoption of the countywide zoning map amendment. ***Chapter 429*** terminates December 31, 2022.

Procurement

Emergency Procurement

To expedite procurement for needed resources in extraordinary circumstances, State procurement officers may use emergency procurement methods, which lack the procedural safeguards and the normal review required for traditional competitive procurements. During the 2021 regular session, the General Assembly passed two sets of bills that modified procedures and added reporting requirements for units making emergency procurements. These bills were vetoed by the Governor, but the General Assembly overrode the vetoes during the 2021 special session.

Chapters 3 and 7 of the 2021 special session required the Governor or the head of a unit, when authorizing an emergency procurement during a declared state of emergency, to provide specified notice to the Legislative Policy Committee (LPC) within 72 hours after the execution of the contract or the expenditure of funds. LPC may request that the Office of Legislative Audits conduct an audit of an emergency procurement contract authorized during a declared state of emergency.

Chapters 4 and 8 of the 2021 special session established a statutory definition of "emergency" for the purpose of deciding when to use an emergency procurement and further required, under specified circumstances, that emergency procurements be approved in advance by the Chief Procurement Officer (CPO). CPO must approve or disapprove the request within 48 hours; if CPO does not respond within 48 hours, the request is considered to be approved. Prior approval by CPO is not necessary if delaying an emergency procurement by up to 48 hours would likely result in imminent harm. The Acts also established requirements related to the determination of the appropriate minority business enterprise (MBE) participation goal and outreach for an emergency procurement contract. Among other changes, the measures codified and expanded reporting requirements related to emergency procurements.

Prevailing Wage

Contractors and subcontractors working on eligible public works projects in Maryland must pay their employees the prevailing wage rate. "Public works" are structures or works,

including a bridge, building, ditch, road, alley, waterwork, or sewage disposal plant, that are constructed for public use or benefit or paid for entirely or in part by public money.

Prevailing wages are wages paid to at least 50% of workers in a given locality who perform the same or similar work on projects that resemble the proposed public works project. If fewer than 50% of workers in a job category earn the same wage, the prevailing wage is the rate paid to at least 40% of those workers. If fewer than 40% receive the same wage rate, the prevailing wage is calculated using a weighted average of local pay rates. The Commissioner of Labor and Industry is responsible for determining prevailing wages for each public works project and job category based on annual surveys of contractors and subcontractors working on both public works and private construction projects. The commissioner has the authority to enforce contractors' compliance with the prevailing wage law.

Prevailing Wage Enforcement

Chapters 9 and 663 of 2019 authorized an employee under a public work contract who is paid less than the applicable prevailing wage rate to sue to recover the difference between wages paid and the prevailing wage rate without first filing a complaint with the commissioner. A determination by the commissioner that a contractor is required to make restitution does not preclude the employee filing the action. The Acts also provided that a contractor and subcontractor are jointly and severally liable for any violation of the subcontractor's obligation to pay prevailing wage rates.

Chapter 49 of 2022, enacted when the General Assembly overrode the Governor's veto, authorized the commissioner, after an investigation, to issue a stop work order to a public works contractor or subcontractor that may have violated the State's prevailing wage law. The Act also required the commissioner to promptly conduct an investigation of compliance with prevailing wage requirements when the commissioner receives a complaint of a violation or is otherwise made aware of a possible violation.

Within 72 hours after receiving a stop work order, a contractor or subcontractor may submit a written appeal to the commissioner. If an appeal is not filed within 72 hours, the stop work order becomes final. The commissioner must hold a hearing within seven days after receiving the appeal. If a hearing is not held in that time, the contractor or subcontractor may ask an administrative law judge to release the stop work order. The commissioner must issue a written decision on the appeal within five days after hearing the appeal.

The commissioner may impose a penalty of up to $5,000 for each day that a contractor or subcontractor violates a stop work order. In addition to any other penalty, the commissioner may impose a civil fine of up to $1,000 against a contractor or subcontractor that knowingly fails to produce records or attend a hearing or deposition required by the investigation.

Prevailing Wage Applicability

Chapters 12 and 21 of the 2021 special session, enacted when the General Assembly overrode the Governor's vetoes of ***Senate Bill 95 and House Bill 174 of 2021,*** required

investor-owned gas and/or electric utilities to require contractors and subcontractors on specified underground projects to pay their employees at least the applicable prevailing wage rate. The Acts applied to projects involving the construction, reconstruction, installation, demolition, restoration, or alteration of any of the company's underground gas or electric infrastructure, and any related traffic control activities.

Chapters 57 and 58 of 2021, enacted when the General Assembly overrode the Governor's vetoes, expanded the applicability of the State's prevailing wage law to include (1) a public work project contract with a value of $250,000 or more (instead of $500,000 or more) and (2) a public work project for which State funds constitute at least 25% of the construction costs (instead of at least 50% of construction costs). The Acts applied only to a public work project contract executed on or after October 1, 2021. Legislative bond initiatives that receive State funds in the capital budget are exempt from the Acts' requirements.

Chapter 51 of 2022 was also enacted when the General Assembly overrode the Governor's veto. The Act applied the State's prevailing wage requirements to mechanical systems service contracts that are part of public work contracts with a value that exceeds a specified threshold in federal law, which is currently $2,500. A "mechanical systems service contract" is defined as a contract for (1) heating, ventilation, and air conditioning, including ductwork; (2) refrigeration systems; (3) plumbing systems; (4) electrical systems; and (5) elevator systems.

Health Benefits

The calculation of the prevailing wage rate is required to include a fringe benefit component (which is in addition to the base hourly rate) that reflects the cost to an employer of providing medical coverage, retirement benefits, and other fringe benefits. If a contractor on a prevailing wage project elects not to provide health insurance and other fringe benefits, the fringe benefit component of the wage is instead paid to the employee.

Chapters 686 and 687 of 2019 required the Board of Public Works (BPW) to adopt regulations that require all bidders, contractors, and subcontractors on State-funded construction projects to pay employee health care expenses, as defined by the Acts. The Acts did not apply to MBEs or businesses with 30 or fewer employees. The Department of General Services (DGS) and the Maryland Department of Transportation (MDOT) must establish by regulation procedures for bidders, contractors, and subcontractors to certify that the employee health care expenses are paid as required. If a responsible bidder that is awarded a contract fails to timely submit any records required by the procurement officer to support the certification, the procurement officer may void the contract. Additionally, the Acts established penalties for providing false information and required BPW to collect and report information on the provision of health care coverage for all construction-related, competitive sealed bids for three years after the Acts' enactment.

Chapter 264 of 2020 altered the requirements created by ***Chapters 686 and 687 of 2019*** by changing the definition of subcontractor to include a person added to a construction contract with the State after the contract is awarded. The Act limited the application of provisions requiring the payment of employee health care expenses to subcontractors providing only construction

services rather than providing goods or any type of services under a contract. The Act also extended less stringent compliance requirements for contractors and subcontractors by one year.

Procurement Preferences

Minority Business Enterprise Program

The State's MBE program requires that a statewide goal for MBE contract participation be established biennially through the regulatory process under the Administrative Procedure Act. The biennial statewide MBE goal is established by the Special Secretary for the Governor's Office of Small, Minority, and Women Business Affairs (GOSBA), in consultation with the Secretary of Transportation and the Attorney General. Since 2013 and through the date of this publication, the goal is 29% of the total value of contracts awarded, with applicable subgoals for women- and minority-owned businesses.

Minority Business Enterprise Reauthorization: Under federal law, a program granting a preference to a member of a protected class must demonstrate clear evidence that the program is narrowly tailored to address actual disparities in the marketplace for the jurisdiction that operates the program. As a result, prior to each reauthorization of the State's MBE program, the State conducts a disparity study to determine whether there is continued evidence that MBEs are underutilized in State contracting. The MBE program was scheduled to terminate July 1, 2022, and Chapter 340 of 2017 required the disparity study to be completed by September 30, 2021, so that the General Assembly could review the report before the 2022 legislative session. However, delays in procuring a contractor to conduct the study due to the COVID-19 pandemic meant that the study was not completed by that deadline. ***Chapter 117 of 2022*** extended the termination date for the State's MBE program by two years, until July 1, 2024. It also extended the deadline for MDOT to submit a completed disparity study to the General Assembly until September 30, 2023.

General Minority Business Enterprise Provisions: Chapters 280 and 281 of 2019 extended by one year, to July 1, 2020, the requirement that a video lottery facility applicant or licensee be subject to the MBE participation goal set in State law and any other corresponding MBE provisions. ***Chapter 553 of 2020*** further extended that to July 1, 2023.

Chapter 553 also applied the State's MBE program to a public-private partnership (P3) for certain offshore wind projects. BPW may not approve a P3 agreement until a reporting agency, if permissible under the U.S. Constitution, establishes reasonable and appropriate MBE participation goals and procedures for the project, as specified. To the extent practicable and consistent with the U.S. Constitution, approved applicants for a proposed offshore wind project must comply with the State's MBE program.

Chapter 258 of 2021 expanded the duties of the Special Secretary of GOSBA to include (1) establishing a mentoring program in which large and established MBEs mentor start-up and small MBEs; (2) conducting a feasibility study for providing one-on-one assistance to MBEs in submitting competitive and successful bids and proposals for procurement contracts; (3) providing training and educational opportunities for nonminority prime contractors regarding their duties

under the State's MBE program; and (4) establishing an annual awards program to recognize localities that demonstrate the highest excellence in MBE support.

Chapter 322 of 2021 altered MBE provisions to allow a business that is certified as a woman-owned business and as a business owned by a member of an ethnic or racial minority to be counted as a business owned by both (1) a woman (or women) and (2) a member of an ethnic or racial minority for purposes of meeting MBE goals on a specific contract. Prior to ***Chapter 322*** taking effect, a dually certified firm could be counted as either a woman-owned firm or a minority-owned firm, but not both.

Chapter 728 of 2021 required GOSBA – prior to the release of funds to a recipient of a State capital grant of $3.0 million or more from a miscellaneous grant program, a House of Delegates initiative, or a Senate initiative – to review the project for subcontracting opportunities under the State's MBE program and, if practicable, establish MBE subgoals for the project. If GOSBA establishes MBE subgoals for a capital project, the recipient must (1) certify to DGS that the recipient expects to achieve the subgoals or (2) request a waiver of all or part of the subgoals from GOSBA. GOSBA must review each request for a waiver and report the revised subgoals to DGS. The Act also established oversight and reporting requirements for GOSBA and DGS.

Chapters 155 and 156 of 2022 established an MBE Ombudsman within GOSBA to (1) assist procurement officers in attempts to resolve disputes between MBEs and prime contractors, including disputes over contract scope and payments; (2) serve as a resource to MBE liaisons, procurement officers in units of State government, prime contractors, and MBEs in resolving disputes on relevant contracts; and (3) conduct trainings for procurement officers on enforcement of the requirements of the MBE program, including the assessment of liquidated damages. The Acts expanded transparency for MBE goals by requiring each solicitation for bids or proposals that includes an expected degree of MBE participation to include a summary of the factors used to determine the MBE participation goal, including subcontracting opportunities identified for the project, any applicable industry codes linked to those opportunities, and the number of certified MBEs identified for those opportunities. The measures further sought to improve accountability by (1) expanding reporting requirements for compliance assessments; (2) requiring GOSBA and the Office of State Procurement, in consultation with specified entities, to adopt by regulation criteria used to determine that a prime contractor, in the absence of mitigating factors, has persistently failed to meet MBE participation goals on their contracts and requiring GOSBA to refer prime contractors identified under the criteria to the Office of the Attorney General (OAG) for debarment under law; and (3) expanding the requirement that prime contractors pay undisputed amounts to their subcontractors within 10 days and expanding State agencies' authority to withhold progress payments from prime contractors that do not pay their subcontractors undisputed amounts in a timely fashion.

To qualify as an MBE for purposes of State law, including procurement preferences, an entity must be certified by the State's MBE certification authority, MDOT. ***Chapter 514 of 2022*** required MDOT to study options for streamlining the certification process for MBEs. It also required specified State entities to provide, within 75 days, information requested by MDOT to assess the need for remedial measures. Each entity must require licensees, preapproved licensees,

applicants, grantees, and other program participants to provide any information deemed necessary within 60 days of the request.

Small Business Procurement

The State's Small Business Preference program (SBP) applies to the procurement of supplies, services, and construction-related services by DGS, MDOT, the University System of Maryland, Morgan State University (MSU), and the Department of Public Safety and Correctional Services (with respect to the construction of correctional facilities). Under SBP, a qualified small business may receive up to a 5% price preference, a veteran-owned small business may receive up to a 7% price preference, and a disabled veteran-owned small business may receive up to an 8% price preference on any contract that is designated as eligible under the program. ***Chapters 315 and 316 of 2019*** established that regulations governing SBP must require qualification of a Maryland business as a small business for the exclusive purpose of pursuing out-of-state contracts if the business has 250 or fewer employees or average annual gross receipts of $10 million or less over the previous three years. The Acts also required that regulations governing the State's MBE program allow for the certification of a business as an MBE if the business has obtained certification under the federal Disadvantaged Business Enterprise Program and meets the eligibility requirements of the State's MBE program.

Veteran-owned Businesses

Chapters 78 and 79 of 2021 repealed the statewide goal that at least 1% of the value of procurement contracts be made to veteran-owned small business enterprises (VSBE) and instead require the Special Secretary of GOSBA to adopt a statewide goal by regulation. The Acts also specified that contract goals for VSBEs must be based on both prime contracting and subcontracting opportunities for VSBEs, as determined through an analysis of the scope of work presented in the solicitation documents. The Acts included provisions to align management of the VSBE preference program with other preference program management structures. They also specified that verification of a business owner's prior active military service does not have to come only from the Maryland Department of Veteran Affairs. Finally, the measures established an Advisory Committee on VSBEs within GOSBA. The committee is required to (1) review GOSBA's annual report to LPC on the VSBE program to identify areas for improvement and recommend actions to achieve those improvements and (2) ensure that a continuous oversight and improvement structure exists for the program.

Maryland-National Capital Park and Planning Commission Preference Programs

Chapter 354 of 2019 required the Maryland-National Capital Park and Planning Commission (M-NCPPC), in consultation with MDOT and OAG, to complete a study to evaluate whether a compelling interest exists to assist minorities and women to participate in the commission's procurement contracts. If the study concludes that a compelling interest exists, the Act authorized M-NCPPC to establish an MBE program similar to the State's program. The Act also authorized the commission to establish a local small business enterprise preference program under specified conditions. Authorization for the MBE program terminates October 1, 2022.

Additionally, M-NCPPC must adopt procurement regulations consistent with standards and methods for source selection in State law.

Natural Resources, Environment, and Agriculture

Chapters 237 and 238 of 2022 expanded opportunities for agencies to obtain private investment and financing for State environmental projects, including conservation efforts, restoration projects, and the installation and repair of green and blue infrastructure. The Acts authorized a unit of State government to enter a pay-for-success contract only if the procurement officer determines (1) the contract will produce estimated financial savings, or other quantifiable public benefits for the State and (2) a substantial portion of the outcome payment due under the contract will be paid only after specific outcomes have been documented. Additionally, the Acts specifically authorized certain agencies to enter into a pay-for-success contract with an aggregator to procure (1) delivery of an environmental outcomes project or (2) already certified environmental outcomes. For a discussion of ***Chapters 237 and 238*** in relation to environmental conservation and natural resources management, see the subpart "Environment and Energy" of Part K – Natural Resources, Environment, and Agriculture of this *Major Issues Review*.

Energy: State law defines an energy performance contract (EPC) as an agreement for the provision of energy services in which a person agrees to design, install, finance, maintain, or manage energy systems or equipment to improve the energy efficiency of a building or facility in exchange for a portion of the energy savings. Primary procurement units in the State are authorized to enter into EPCs, subject to specified reviews by the Maryland Energy Administration (MEA) and the approval and control of BPW. ***Chapter 134 of 2019*** made DGS rather than MEA responsible for reviewing requests for proposals for EPCs prior to their issuance and for reviewing the proposed EPCs prior to their approval by BPW.

Chapter 289 of 2020 codified and implemented the requirements of an executive order by the Governor that required that the State reduce energy consumption in State-owned buildings by 10% by 2029 compared with a fiscal 2018 baseline. Annually, DGS must analyze all State-owned buildings to identify which buildings are least energy-efficient and conduct an energy audit of at least two million square feet of the least energy-efficient State-owned buildings; the audits must identify low-cost measures to increase energy efficiency. State agencies that receive energy audits must implement the identified measures to the fullest extent practicable. Additionally, DGS must develop a comprehensive utility records management database and use the database to monitor each agency's energy use, track changes resulting from the measures, and calculate any energy cost savings. As of July 1, 2020, provisions promoting the State's energy efficiency goals must be included in requests for proposals for space to be leased to the State that would obligate the State to pay utility bills for the leased space. In addition to codifying the executive order, ***Chapter 289*** also instituted new requirements for State agencies that plan, pursue, and enter into an EPC. Specifically, (1) a State agency must consult with DGS during the development phase of a project that will require an EPC; (2) an agency pursuing an EPC must receive final approval from DGS before submitting the proposed contract to BPW for approval; and (3) an agency that has entered into an EPC must submit any required annual measurement and verification reports to DGS for review.

State procurement units are authorized to enter into EPCs only if the duration is below a certain limit. ***Chapter 247 of 2022*** extended the statutory limit on the duration of EPCs from 15 years to 30 years.

Certified Local Farm Enterprise Program: During the 2019 interim, DGS, the Maryland Department of Agriculture (MDA), and the Maryland Agriculture and Resource-Based Industry Development Corporation (MARBIDCO) led a workgroup to study strategies for increasing the procurement of food grown in Maryland under State contracts. During the 2020 session, the General Assembly passed ***Senate Bill 985*** **and** ***House Bill 1488*** to implement recommendations of that workgroup. The Governor vetoed both bills, but the General Assembly overrode the vetoes, and the bills became law as ***Chapters 2 and 32 of 2021***.

Chapters 2 and 32 established the Certified Local Farm Enterprise Program in MDA to encourage State agencies (including public four-year universities) to achieve an overall goal of 20% of the agency's food purchases being made from certified local farm enterprises. The Office for the Certified Local Farm Enterprise Program was established in MDA to administer the program. The measures also established a Certified Local Farm Enterprise Food Aggregation Grant Fund, administered by MARBIDCO, to establish and operate food aggregation, storage, processing, and distribution sites across the State through grants and near-equity investments.

Invasive Plant Species: Chapter 526 of 2021 prohibited State funds from being used to purchase or plant an invasive species for an outdoor project unless the plant species is commonly used for agricultural or horticultural purposes and is being maintained for the purposes of education or research. ***Chapters 551 and 552 of 2022*** required State agencies and entities that receive State funds to prioritize, whenever possible, the planting of native species.

Historically Underserved Business Zones

The purpose of the federal HUBZone program is to provide federal contracting assistance for qualified small businesses located in historically underutilized business zones (HUBZones) in an effort to increase employment opportunities, investment, and economic development in those areas. As of 2022, no equivalent program exists for the State. ***Chapter 518 of 2022*** required DGS, in consultation with GOSBA, to study the feasibility and impacts of establishing a State procurement percentage preference for businesses located in HUBZones.

Procurement of Information Technology

The Department of Information Technology (DoIT) is responsible for reviewing most Executive Branch agency project plans to make information and services available to the public over the Internet. An agency must generally confer with DoIT on any information technology (IT) proposal involving resource sharing, the exchange of goods or services, or a gift, contribution, or grant of real or personal property. After being notified by an agency, DoIT must then determine if the value of resources, services, and/or property to be obtained by the State under the terms of the proposal equals or exceeds $100,000. ***Chapter 115 of 2022*** clarified that Executive Branch agencies must advise DoIT of any IT proposal involving the sale, lease, exchange, or other

disposition of communication sites, facilities, or frequencies and that the Secretary must consider other consideration received by the State when determining the value obtained by the State.

Generally, BPW is the authority for regulations and review of procurements made by units of State government. ***Chapter 243 of 2022*** exempted DGS from oversight and approval by BPW for procurements valued below $1,000,000 that are made for the purpose of modernizing cybersecurity infrastructure in the State. However, by December 1 of each year, DGS must submit a report to BPW on the exempted procurements. For an additional discussion of ***Chapter 243***, see the subpart "Information Technology/Cybersecurity" of this Part C of this *Major Issues Review*.

Chapters 467 and 468 of 2012 created the Major Information Technology Development Project Fund to pay for major information technology development projects in general funded agencies. Among other sources of revenue, the fund consists of money received from IT agreements involving resource sharing, but MDOT, the Maryland Transportation Authority, the Maryland Public Broadcasting Commission, as well as the Legislative Branch and the Judiciary are exempt from paying any money into the fund. ***Chapter 751 of 2019*** exempted proceeds from resource-sharing agreements entered into by Baltimore City Community College (BCCC) from having to be deposited into the fund. However, the Act did not apply to any money received by BCCC from a lease or resource-sharing agreement before the Act's October 1, 2019 effective date.

Procurement Oversight and Administration

The Department of Budget and Management (DBM) must submit an annual report to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the Department of Legislative Services (DLS) on selected interagency agreements between an agency or unit of the Executive Branch of State government and a public institution of higher education. ***Chapters 682 and 683 of 2019*** required DBM to include in this annual report information about interagency agreements with the public four-year historically black colleges and universities (HBCUs) in Maryland: Bowie State University; Coppin State University; MSU; and the University of Maryland Eastern Shore. The information must include the total percentage of interagency contracts with HBCUs, by agency or unit, and any recommendations for regulatory or statutory changes necessary to address barriers to interagency agreements with HBCUs.

To the extent practicable and subject to a waiver process established jointly by DBM and DGS, the State must include public art in all construction projects funded entirely with State funds. ***Chapter 83 of 2019*** extended this requirement to apply also to capital projects that are funded with a combination of at least 50% State funds and funds from private entities and are not funded in the State capital budget as a miscellaneous grant program or as a local House of Delegates or Senate initiative.

Chapter 734 of 2018 required that the terms of a grant or contract for the provision of services by a nonprofit organization that is funded either wholly with State funds or with a combination of State and other nonfederal funds allow for reimbursement of indirect costs. ***Chapters 640 and 641 of 2019*** specified that, in addition to applying to grants or contracts awarded on or after October 1, 2018, Chapter 734 also applied to (1) a multi-year grant or grant or contract

awarded before October 1, 2018, if the grant or contract remained in effect after that date and funding for the grant or contract is required to be authorized separately for each fiscal year and (2) an extension or a renewal of a grant or contract if the extension or renewal was awarded on or after July 1, 2019. However, any indirect costs incurred under a multi-year grant or contract in a fiscal year that began prior to July 1, 2019, were not required to be reimbursed.

Qualification-based selection (QBS) is a procurement process in which selection is based on qualifications such as knowledge, skill, experience, and other related factors, rather than on fees. Fees are negotiated with the top-ranked firm selected through a competitive process for an agreed-upon scope of work. Chapters 588 and 589 of 2017 authorized the use of QBS for the procurement of architectural and engineering services by DGS and MDOT if the procurement is made on a competitive basis, includes an evaluation of technical proposals of at least two persons, and the services cannot be provided feasibly and economically with existing in-house resources. ***Chapter 356 of 2019*** authorized DGS and MDOT to use QBS to procure land surveying services by integrating the procurement of land surveying services into existing QBS law.

Chapters 652 and 653 of 2021 merged the Council for the Procurement of Health, Educational, and Social Services with the Procurement Improvement Council (PIC) and modified PIC membership. The measures expanded PIC's authority to include providing a forum for the discussion of the use of eMaryland Marketplace (eMM) and compliance with a requirement that State and local entities publish notices of procurements or notices of procurement awards on eMM and required PIC to report on these topics. The Acts expressed legislative intent that a business, or representative of a business, that participates in PIC will not be favored in, disfavored in, or disqualified from State procurement based on participation with PIC.

In general, each unit of State government must notify the Maryland Department of Planning (MDP) in writing of any real property that is in excess of its needs. MDP must then (1) study the proper disposition of the property; (2) determine whether any unit of State or local government is interested in the property; and (3) make an appropriate recommendation to the unit that referred the property and to BPW. However, prior to ***Chapter 130 of 2021*** taking effect, the Military Department was subject to a different process for the disposal of superfluous armories, which gives the local jurisdiction in which an armory is located the right of first refusal to purchase the armory. ***Chapter 130*** altered that process by conforming it to procedures for the disposal of excess and surplus State real property. Only if no unit of State government is interested in the property can the Military Department offer it for sale, first to the local government with a right of refusal, and then to the public, as described above, and with BPW's approval.

Chapter 732 of 2021 generally exempted BCCC from most provisions of State procurement law and from State oversight of its (1) capital improvement projects valued at $500,000 or less and (2) IT policies, standards, and procurement. BPW must review and approve procurements for capital improvements and services valued at more than $500,000, and the Act established responsibilities for review of procurements of lesser values. BCCC must adopt procurement procedures and policies consistent with the purposes of State procurement law and submit them for review and approval by the Joint Committee on Administrative, Executive, and Legislative Review and BPW.

Federal Executive Order 11246 generally prohibits federal contractors from engaging in discriminatory employment practices because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The U.S. Department of Labor is responsible for enforcing the executive order. ***Chapter 159 of 2022*** made a person eligible for debarment from entering into a contract with the State if the person or other specified individual associated with the person (1) has been found to have violated provisions of State law prohibiting employment discrimination or (2) has been debarred from federal contracts under federal Executive Order 11246 due to engaging in discriminatory hiring practices in the State. The Act applied only prospectively and has no effect on final findings or decisions issued before the Act's effective date.

Chapters 157 and 158 of 2022 provided that interest begins to accrue on invoices under State procurement contracts that are due and payable and remain unpaid after 37 days, rather than 45 days, from when the agency receives the invoice. The Acts also required DLS to conduct a study and report on the processing and timing of payments to contractors under State procurement contracts. The Acts required DoIT to consult with specified agencies and report on the status of the Comptroller's online payment portal and the planned upgrade to the State's Financial Management Information System (FMIS) and related issues. ***Chapters 157 and 158*** also expressed legislative intent that any upgrade to FMIS include goals to significantly reduce the amount of time in which payments are processed.

Chapter 515 of 2022 established a Broker Rebate Fee Fund in DGS to provide funding to support the implementation, regulation, administration, and enforcement of real estate lease transactions on behalf of State agencies. The fund is primarily funded by broker rebate fees received in connection with the lease of building space by the State.

State procurement law requires BPW to adopt regulations on price and cost principles that must be used as guidelines for negotiations on estimated costs or fixed prices, price adjustments for contract modifications and change orders, and settlements of terminated contracts. State regulations prohibited the use of cost-plus-a-percentage-of-cost contracts and subcontracts. The regulations authorize agencies to use any type of contract that promotes the best interests of the State but require that preference be given in the following order: (1) fixed-price; (2) fixed-price incentive; (3) cost plus incentive fee; and (4) cost plus fixed fee or cost reimbursement. ***Chapter 516 of 2022*** required the Secretary of Transportation and the Secretary of General Services, by December 1, 2022, to each report to the General Assembly on (1) the number and percentage of State construction procurements using a fixed-price contract with price adjustment; (2) the number and percentage of the identified contracts where a price adjustment for materials was made during the contract; and (3) for any price adjustments identified, the material types affected and the average price adjustment for each material type.

Chapters 527 and 528 of 2022 authorized CPO, in consultation with DBM and with the approval of BPW, to establish fees for training, strategic sourcing, and administrative costs related to the use of eMM. The Acts also transferred authority for reviewing the pricing of commodities sold by Maryland Correctional Enterprises from DGS to the Pricing and Selection Committee. Lastly, the Acts modified DoIT's procurement authority, consistent with the centralization of

procurement by DGS under Chapter 590 of 2017 and made other changes consistent with the provisions of Chapter 590.

The Maryland State Board of Contract Appeals (MSBCA) is an independent agency in the Executive Branch that is responsible for adjudicating bid protests and contract disputes between State agencies and contractors or vendors doing business with the State. ***Chapter 741 of 2022*** added three additional members to MSBCA, bringing the total number of members to six, as well as providing for three additional staff positions. MSBCA must employ at least three law clerks, including a graduate of the University of Maryland School of Law, a graduate of the University of Baltimore School of Law, and a graduate of the Howard University School of Law. The measure also required that an appeal before MSBCA be heard by a panel of not more than three members designated by the chairman.

Personnel

Although the number of authorized positions across State government was very stable during the 2019 to 2022 term, vacancies rose to historically high levels. In an effort to address the high vacancy rates, the General Assembly took action to increase State employee compensation and to provide additional benefits and flexibility through the expansion of collective bargaining for some State employees, authorizing alternate workweeks for employees of State health care facilities, and establishing a statewide telework policy.

Impact of Budget Actions on State Employees

State employees received compensation increases each year during the 2019 to 2022 term. The fiscal 2020 budget included a 3% general salary increase for most State employees effective July 1, 2019. In addition, the Budget Reconciliation and Financing Act (BRFA) of 2019 ***(Chapter 16)*** included a provision through which most State employees received a 1% general salary increase effective January 1, 2020, because fiscal 2019 revenues exceeded forecasted levels. The fiscal 2021 budget included funding for a 2% general salary increase for most State employees effective January 1, 2021.

The trend of State employee compensation increases continued in the fiscal 2022 budget with all State employees receiving a 2% general salary increase effective January 1, 2021, and most State employees receiving a $1,500 bonus. The fiscal 2022 budget also included funding for Level 1 and Level 2 response pay for front line workers, retroactive from September 2020 through December 2021, and funding to raise the State employee minimum wage to $15 per hour. Funding also was provided for additional adjustments for specified law enforcement bargaining unit members and employees in the Judicial Branch.

The fiscal 2023 budget included funding for a 1% general salary increase, salary increments, and a bonus effective January 1, 2022, for most State employees, as well as a 3% general salary increase and salary increments effective July 1, 2022. The fiscal 2023 budget also

included a 7% cost-of-living adjustment and an increment for law enforcement officers and retention and recruitment bonus for correctional officers.

During the 2019 to 2022 term, the number of authorized positions across State government was very stable with 80,863 positions in fiscal 2020 and 80,904 positions projected for fiscal 2023. However, among the three branches of government, the Judicial and Legislative branches experienced a growth in the number of positions while the Executive Branch experienced a decline of almost 2,100 positions.

State Employees and State Employee Collective Bargaining

The 2019 to 2022 term continued the expansion and alteration of collective bargaining rights for State employees or individuals who provide State-funded services. During the 2021 special session and 2022 session, the General Assembly overrode the Governor's vetoes of several collective bargaining bills.

The Governor vetoed ***Senate Bill 746 and House Bill 894 of 2021***, and the General Assembly voted to override the vetoes. The bills became law as ***Chapters 16 and 27 of the 2021 special session***, which authorized collective bargaining and established a collective bargaining process for public employees of all community colleges in the State, including full-time faculty, part-time faculty, and specified staff.

Beginning on September 1, 2022, collective bargaining on noneconomic terms and conditions of employment could begin for employees of Anne Arundel Community College, the Community College of Baltimore County, Frederick Community College, Harford Community College, Howard Community College, Montgomery College, Prince George's Community College, and the College of Southern Maryland. Beginning on September 1, 2023, collective bargaining on noneconomic terms and conditions of employment could begin for employees of Allegany College of Maryland, Carroll Community College, Cecil College, Chesapeake College, Garrett College, Hagerstown Community College, and Wor-Wic Community College. Beginning on July 1, 2023, and July 1, 2024, negotiations on wages are authorized for the previously mentioned groups of community colleges, respectively. Beginning on October 1, 2024, full-time and part-time faculty at Baltimore City Community College (BCCC) will be authorized to collectively bargain.

Legislation also passed in the 2021 session that altered collective bargaining processes for the University System of Maryland (USM) and became law in the 2021 special session when the General Assembly overrode the Governor's veto. ***Chapter 1 of the 2021 special session*** required the Chancellor of USM to act on behalf of USM and its constituent institutions for the purposes of collective bargaining. The Act required other delineated matters to be negotiated between the president of a constituent institution and the exclusive representative and prohibited these matters from being included in a consolidated memorandum of understanding (MOU) negotiated for all of USM. The Act also specified that good faith negotiations for State employees and employees of public four-year institutions and BCCC include facilitating the meaningful use of a fact finder.

During the 2022 session, legislation passed that clarified that employees of Office of the Public Defender (OPD) are in specified services within the State Personnel Management System (SPMS) and authorized collective bargaining for assistant public defenders. After the General Assembly voted to override the Governor's veto, the legislation was enacted as ***Chapter 46 of 2022***. The Act established that the deputy public defender and district public defenders within OPD are in the executive service and management service of SPMS, respectively. The Act authorized the Public Defender, with the advice of the district public defenders, to employ rather than appoint, assistant public defenders and established that these positions are in the professional service of SPMS. All other employees of OPD are in the executive, management, professional, or skilled service of SPMS. Additionally, the Act made assistant public defenders in OPD subject to specified State employee grievance procedures and authorized assistant public defenders to bargain collectively.

Workweeks and Benefits

State Employee Workweeks

In response to the COVID-19 pandemic, ***Chapters 13 and 14 of 2020*** authorized the Governor, for the duration of the emergency, to order the Maryland Department of Health to authorize an alternative workweek for employees of State health care facilities that are open 24 hours a day, seven days per week. The alternative workweek allowed employees to work hours or shifts that are not the typical 40 hours per week for State employees.

Chapters 327 and 328 of 2021 made this practice permanent by authorizing the Secretary of Health to allow employees of State health care facilities that are open 24 hours a day, seven days per week, to work an alternative workweek if the workweek is consistent with any applicable collective bargaining agreement or, for employees not covered by an applicable agreement, any other written agreement. Employees working an alternative workweek are considered to be full-time employees. Generally, the Acts applied to nurses working at State health care facilities and allowed the nurses to work 12-hour shifts over a three-day period rather than 40 hours per week, which is similar to the hours nurses work at private health care facilities.

State Employee Benefits

To address the increased need for teleworking during the COVID-19 pandemic, ***Chapter 696 of 2021*** established a statewide telework policy by altering existing telework requirements for Executive Branch agencies and applying the policies to the Legislative and Judicial branches. The Act required designated officials in all three branches of government and public institutions of higher education to establish a telework program and adopt related policies and guidelines. Officials in the Executive Branch must coordinate with the Department of Information Technology when developing the guidelines.

The Act also established the Office of Telework Assistance and the Business Telework Assistance Grant Program in the Department of Commerce and required each governing body of a county or municipality or the governing body's designee to establish a countywide or municipality-wide telework program and adopt related policies and guidelines.

The State Employee and Retiree Health and Welfare Benefits Program (State plan) was established in statute to provide health insurance benefit options to State employees and retirees. Chapter 397 of 2011 established new eligibility requirements for retirees to enroll in the State plan and qualify for the premium subsidy if they were hired on or after July 1, 2011, and made changes to the coverage provided to State retirees, particularly in the area of prescription drug coverage. State prescription drug coverage for Medicare-eligible retirees was to end July 2019; however, Chapter 10 of 2018 (the BRFA) accelerated the elimination of State prescription drug coverage for Medicare-eligible retirees to January 1, 2019, to align with federal improvements to Medicare Part D coverage under the Affordable Care Act. However, State prescription drug coverage is currently still in effect as a result of a temporary restraining order and preliminary injunction issued by a federal court on October 16, 2018, which prevents the State from terminating coverage until the lawsuit is resolved.

To assist the transition for State retirees to Medicare Part D coverage, ***Chapter 767 of 2019*** established prescription drug out-of-pocket reimbursement or catastrophic coverage programs for specified State retirees and their dependents, or surviving dependents, who are enrolled in a Medicare prescription drug benefit plan. Except as specified in the Act, by January 1, 2020, the Department of Budget and Management (DBM) must have established the following three plans: (1) the Maryland State Retiree Prescription Drug Coverage Program; (2) the Maryland State Retiree Catastrophic Prescription Drug Assistance Program; and (3) the Maryland State Retiree Life-Sustaining Prescription Drug Assistance Program.

The implementation of the three plans has been delayed while the lawsuit is pending and requires that there be at least nine months before open enrollment before the Act is implemented. Therefore, the earliest the Act would be implemented would be January 1, 2023. The Act required DBM to ensure access to specified one-on-one counseling to Medicare-eligible retirees and required the Secretary of Budget and Management, by September 1, 2019, to notify specified individuals of their eligibility to enroll in the programs. The Act also established two reporting requirements. DBM was required to submit a report to certain committees by December 31, 2019, identifying details of the one-on-one counseling and related services and plans for communicating with Medicare-eligible retirees. DBM must also submit quarterly reports to certain committees on the status of implementing the provisions of the Act. Pending the outcome of the litigation, the previously mentioned dates will need to be adjusted accordingly.

State Employee Merit Protections and Grievance Proceedings

An SPMS employee may file a grievance, which is a dispute between an employee and the employer about the interpretation of, and application to, the employee of a personnel policy or regulation adopted by the Secretary of Budget and Management, or any other policy or regulation over which management has control. Grievances are not permitted over pay grades, the timing or amount of statewide pay increases, or other specified items. In addition, Maryland Department of Transportation (MDOT) employees may file a grievance in writing within 30 days of the alleged cause of complaint or knowledge of the complaint. In the MDOT Human Resources System, a grievance is a cause of complaint arising between an MDOT employee and MDOT over the interpretation and application of regulations, rules, or policies over which management has control.

During the 2019 session, the General Assembly passed legislation that became ***Chapter 6 of 2020*** when the General Assembly overrode the Governor's veto during the following session. ***Chapter 6*** expanded the application of State employee grievance proceedings to include a dispute between an employee and the employer about the interpretation and application of any term or condition of an MOU between the State and the exclusive representative. The State employee grievance proceedings apply to other independent personnel systems; however, the Act does not apply to Maryland Transit Administration employees, who have a separate collective bargaining law.

Chapters 697 and 698 of 2019 established that a constituent institution of USM may remove, suspend, or demote a regular full-time or part-time employee represented by an exclusive representative under Title 3 of the State Personnel and Pensions Article who is not on probation only (1) for cause; (2) on written charges; and (3) in accordance with University of Maryland Regular Employee Grievance Procedures (Title 13, Subtitle 2 of the Education Article, as renamed by the Acts). The Acts also clarified that USM may not remove, suspend, or demote a regular full-time or part-time employee for any reason prohibited by State antidiscrimination law, as specified. The three-step grievance procedure for USM classified employees applies to all USM regular full-time and part-time employees who are represented by an exclusive representative under Title 3 of the State Personnel and Pensions Article.

Most positions within the Maryland State Department of Education (MSDE) were designated as "professional assistants," which is a designation that did not exist anywhere else in State government. The State Board of Education appointed all professional assistants nominated by the State Superintendent to MSDE, and the employees were classified as being in the executive service, management service, or special appointments within SPMS. ***Chapters 645 and 646 of 2019*** altered the employment categories of professional assistants within MSDE. The Acts reclassified special appointment positions within MSDE, except those who perform a significant policy role or provide direct support to a member of the executive service, to positions in the professional or skilled service under SPMS. Beginning on July 1, 2019, all employees hired by MSDE in those classifications must be hired, promoted, or transferred in accordance with the requirements of employees under SPMS. Ultimately, the category of professional assistant should be eliminated, and all employees of MSDE will be in the executive, management, professional, or skilled services, or special appointments, in SPMS.

State Employment Safeguards and Transfer Practices

The Maryland Commission on Civil Rights enforces the State's laws against employment discrimination and on reasonable accommodation found in Title 20 of the State Government Article. The State's laws regarding discrimination in employment generally apply to employers with at least 15 employees, including the State. Disabilities caused or contributed to by pregnancy or childbirth are temporary disabilities for all job-related purposes, and must be treated as such, under any health or temporary disability insurance or sick leave plan available in connection with employment. Reasonable accommodation is defined as an accommodation for an employee's disability caused or contributed to by pregnancy and that does not impose an undue hardship on

the employee's employer. If an employee requests a reasonable accommodation, the employer must explore with the employee all possible means of providing the reasonable accommodation.

Chapters 233 and 234 of 2020 generally codified existing practice for most State agencies by requiring a unit of State government to provide reasonable accommodations for an employee with a limitation caused or contributed to by pregnancy or childbirth. A limitation includes (1) a temporary disability caused or contributed to by pregnancy or childbirth and (2) a restriction on the ability of an employee to perform job functions caused or contributed to by pregnancy or childbirth. Reasonable accommodations include changing the employee's job duties or work hours, relocating the employee's work area, providing mechanical or electrical aids, transferring the employee to a less strenuous or less hazardous position, or providing leave.

Pensions and Retirement

Investments and Risk Management

Chapter 769 of 2018 required the Board of Trustees for SRPS, consistent with its fiduciary duties, to adopt policies regarding the management of risk, including climate risks, in the investment of system assets and to submit an annual report to the General Assembly on the risk assessment of the system's investments. ***Chapters 24 and 25 of 2022*** required a fiduciary of SRPS, when managing assets of the system, and in accordance with statutory fiduciary responsibilities, to consider the potential systemic risks of the impact of climate change on the system's assets. The SRPS board must include risk management policies in the investment policy manual that include consideration of climate risk in the investment of system assets. The policies must address investment principles, guidelines, and the selection and retention of investments, including proxy voting and engagement guidelines.

Russia's invasion of Ukraine in February 2022 precipitated an international response of economic sanctions to communicate disapproval of Russia's actions. The U.S. government joined other nations to boycott and sanction Russian goods and services. In response, ***Chapter 343 of 2022*** required the SRPS board to review its investment holdings to determine the extent to which the system is invested in Russia-restricted investments and to take divestment action with regard to any current investments in Russia-restricted investments or Russian securities. The Act also prohibited SRPS from making any new investments in a Russia-restricted investment. The requirement to divest does not apply to a company that the U.S. government affirmatively declares to be excluded from federal sanctions and whose divestment cannot be executed for at least fair market value. The SRPS board must act in good faith to implement the legislation in compliance with all applicable State and federal laws. The Act does not require the SRPS board to act unless the board has determined in good faith that the action is consistent with its fiduciary responsibilities. The restrictions in the Act do not apply if the U.S. government declares an end to financial sanctions against the Russian Federation related to its invasion of and violation of the sovereignty of Ukraine. Within six months after the end of U.S. sanctions, the SRPS board must recommend appropriate legislation to the Joint Committee on Pensions.

Carried interest is earned by investment managers in private market investments and is the amount that a general partner (investment manager) retains as an ownership interest in the investment profits generated by the partnership. Since carried interest generally is not considered as part of SRPS investment fees, ***Chapter 202 of 2019*** required SRPS to report annually on the amount of carried interest on any assets in the system. The Act conformed statutory reporting requirements with current SRPS practice.

Benefits

Death Benefits

Current law provides death benefits to specified surviving family members when a member of SRPS dies during active membership. If the death occurs out of or in the course of actual performance of duty and without willful negligence, a "line-of-duty" death benefit consists of a return of the member's accumulated contributions as well as a monthly allowance equal to two-thirds of the member's average final compensation. ***Chapters 421 and 422 of 2021*** clarified that members of SRPS who die before July 1, 2022, and for whom death was caused or contributed to by COVID-19, may be eligible for the line-of-duty death benefit. The Acts specified conditions that must be met and the documentation that must be provided in order to qualify for the benefit, and also made payment of a line-of-duty death benefit retroactive to any qualifying death that occurred on or after March 5, 2020. ***Chapter 355 of 2022*** extended the termination dates and application of ***Chapters 421 and 422*** to June 30, 2023, and is applicable to members who die before July 1, 2023.

State pension law allows surviving beneficiaries to receive some or all of a retiree's pension allowance when the retiree dies. ***Chapter 208 of 2019*** provided a survivor benefit equal to 50% of the basic allowance that would have been paid to a deceased member of SRPS to specified surviving children if there is no surviving spouse. The Act also allowed specified surviving children to enroll in the State Employee and Retiree Health and Welfare Benefits Program (the State health insurance plan) under specified circumstances.

Vesting

Chapters 397 and 398 of 2021 addressed the membership status and vesting rights of the executive directors of two State agencies – the Alcohol and Tobacco Commission (ATC) and the State Retirement Agency (SRA). The Acts require that the Executive Director of ATC be a sworn police officer and a member of the Law Enforcement Officers' Pension System instead of the Employees' Pension System (EPS) as a condition of employment. Similar to other agency heads, the Executive Director of SRA serves at the pleasure of the Board of Trustees for SRPS and thus is not eligible for immediate vesting rights. The Acts established that an Executive Director of SRA who commences service on or after January 1, 2021, has immediate vesting rights in EPS.

Chapters 397 and 398 also required SRA to conduct a review to identify other heads of executive units who were not eligible for immediate vesting. ***Chapter 353 of 2022*** established immediate vesting for an individual who is serving as the head of a department, an office, or other unit of State government who is appointed by the Governor for a fixed term. The Act also included

legislative requests introduced to the Joint Committee on Pensions by the SRPS board to clarify or update existing statutory provisions.

Reemployment of Retirees

In general, and subject to specified exceptions, SRPS retirees who are reemployed by the same employer from which they retired may be subject to an offset of their benefit payments if their compensation exceeds specified limits. The Budget Reconciliation and Financing Act of 2021 ***(Chapter 150***) exempted retirees of the Maryland Department of Health (MDH) and the Maryland Department of Labor (MDL) from a benefit offset through December 31, 2021, if they were rehired by those same agencies to assist in the administration of federal funds related to the COVID-19 pandemic. ***Chapters 57 and 58 of 2022*** exempted two similar categories of State retirees from the statutory earnings limitation and offset for periods of reemployment from January 1, 2020, through December 31, 2022: (1) MDH retirees who are rehired by MDH to assist in the administration of certain COVID-19-related response functions; and (2) MDL retirees who are rehired to assist with the administration of unemployment benefits related to the COVID-19 pandemic.

Chapters 558 and 559 of 2022 authorized a local school superintendent or the superintendent of the Maryland School for the Deaf to hire up to 25 retirees of each of the Teachers' Retirement System and the Teachers' Pension System as classroom teachers, substitute classroom teachers, teacher mentors, or principals without the retirees being subject to the statutory earnings limitation and offset. The offset exemption applies to retirees rehired by a superintendent in accordance with the Acts from July 1, 2022, through June 30, 2024.

Correctional Officers' Retirement System

In 2016, the General Assembly passed legislation to include correctional case management specialists, supervisors, and managers in the Correctional Officers' Retirement System (CORS). In 2017, legislation added parole and probation agents, supervisors, and regional administrators, and specified counselors, social workers, psychologists, and recreation officers within the Department of Public Safety and Correctional Services (DPSCS) to CORS. In 2018, specified detention officers, resident advisors, recreation specialists, and transportation officers within the Department of Juvenile Services (DJS) and specified supervisory positions within DPSCS were also included in CORS.

Chapter 147 of 2022 established that individuals who are employed with DJS on or after July 1, 2022, as a case management specialist I, II, or III; case management specialist supervisor; case management specialist program supervisor; or group life manager I or II are members of CORS as a condition of employment. An individual who is employed in a specified position on or before June 30, 2022, is eligible to retire from CORS if vested in CORS with a combined total of at least 20 years of eligibility service credit in CORS and either the Employees' Retirement System (ERS) or EPS. By January 1, 2023, SRA was required to notify individuals affected by the bill of their right to transfer their service credit from ERS or EPS to CORS. The Act also required service credit earned in EPS to be combined into a member's CORS service for specified individuals.

Individuals whose positions were transferred to CORS and did not transfer their EPS/ERS service credit to CORS will retire with a vested benefit from EPS/ERS. These individuals were not eligible for credit for unused sick leave earned in EPS/ERS because they would not be retiring within 30 days of ending service in EPS/ERS; therefore, these individuals would lose most of their credit for unused sick leave. ***Chapter 347 of 2019*** entitled specified members of CORS, whose position was previously included in EPS/ERS, to receive creditable service for the total amount of unused sick leave accrued by the member at the time of retirement. The Act included a retroactive provision that requires, for specified CORS retirees, an adjustment to their retirement benefit to reflect credit for unused sick leave.

General Assembly

Membership

Legislative Redistricting

The boundaries of the State's 47 legislative districts must be redrawn every 10 years following the decennial census to adjust for population changes. Legislative districts must comply with the U.S. Constitution, the Maryland Constitution, and the federal Voting Rights Act of 1965. Pursuant to Article III, Section 4 of the Maryland Constitution, each legislative district must consist of adjoining territory, be compact in form, and be of substantially equal population, and due regard must be given to natural boundaries and the boundaries of political subdivisions.

Legislative districts must also comply with Chapters 66 and 67 of 2010, which require that population counts used to create the State's legislative and congressional district plans and legislative districts used to elect local governing bodies exclude individuals incarcerated in State or federal correctional facilities, as determined by the decennial census, who were not State residents prior to their incarceration. Individuals incarcerated in State or federal correctional facilities who were residents of the State prior to their incarceration must be counted at their last known residence.

The General Assembly may adopt a State legislative district plan by joint resolution. If the General Assembly does not adopt a plan by the forty-fifth day after the opening of the regular session, the plan presented by the Governor in accordance with Article III, Section 5 of the Maryland Constitution becomes law.

In July 2021, the Presiding Officers of the General Assembly appointed the Legislative Redistricting Advisory Commission to conduct virtual and in-person town hall meetings across the State and to prepare congressional and State legislative district plans for consideration by the General Assembly. The Legislative Districting Plan of 2022, contained in ***Joint Resolution 1 of 2022***, was enacted on January 27, 2022. The joint resolution is based on the work of the commission.

The plan was challenged in the Maryland Court of Appeals as authorized under Article III, Section 5 of the Maryland Constitution. On April 13, 2022, the court issued an order finding the

plan consistent with the requirements of the U.S. Constitution and the Maryland Constitution and ordering that the plan be used for all purposes in acting upon or implementing the State's legislative redistricting plan.

For a discussion on congressional redistricting, see the subpart "Elections" within this part of this *Major Issues Review*.

Eligibility to Serve as a Senator or Delegate

A person is eligible to serve as a senator or delegate if the person is (1) at least age 25 or 21, respectively; (2) is a citizen of the State; (3) has resided in the State for at least one year preceding election; and (4) *has resided in* the district to which the person has been elected to represent for six months preceding election or, if the district has been established for less than six months prior to the date of election, as long as the district has been established.

Chapter 808 of 2021 proposed a constitutional amendment that, if approved by the voters at the 2022 general election, alters eligibility requirements for the office of senator or delegate. Specifically, the proposed amendment requires, beginning January 1, 2024, a person to have resided in *and maintained a primary place of abode* in the district that the person has been chosen to represent for six months preceding election or, if applicable, as long as the district has been established.

Department of Legislative Services

Office of Legislative Audits

State law authorizes the Office of Legislative Audits (OLA) in the Department of Legislative Services (DLS) to conduct separate investigations of acts or allegations of fraud, waste, or abuse in the obligation, expenditure, receipt, or use of State resources. The Legislative Auditor is responsible for determining whether an investigation must be conducted in conjunction with a required audit or separately. OLA operates a fraud hotline, administered by OLA's Fraud Investigation Unit, to receive allegations of fraud, waste, and abuse of State government resources.

Chapter 225 of 2021 codified OLA's hotline program and required each unit of State government to post and distribute specified information prepared by OLA relating to the reporting of fraud, waste, and abuse. In addition, ***Chapter 225*** required OLA, in consultation with the Office of the Attorney General and the Office of the State Prosecutor, to evaluate and develop appropriate statutory or regulatory language to (1) enhance the authority, duties, and powers of OLA related to investigations of acts or allegations of fraud, waste, or abuse; (2) coordinate and cooperate with appropriate prosecutorial entities to maximize the effectiveness of investigations conducted by OLA; and (3) require State agencies to report any instance of possible criminal or unethical behavior in the obligation, expenditure, receipt, or use of State resources at the agency to OLA unless otherwise prohibited by law.

Collection of Data for Racial Equity Impact Notes

In advance of the 2021 session, the Presiding Officers of the General Assembly initiated a pilot program to include racial impact statements in the legislative analysis of criminal justice bills. DLS prepared racial equity impact notes for various pieces of legislation during the 2021 and 2022 sessions. During the 2021 interim, DLS commissioned the University of Baltimore's Schafer Center for Public Policy to make recommendations regarding additional criminal justice-related data that should be collected in Maryland to support equity-related research. DLS also formed a workgroup to identify data that various State agencies were collecting for reporting and internal purposes.

Chapter 508 of 2022 required various State agencies, including the Department of Public Safety and Correctional Services; the Department of State Police (DSP); the Maryland Police Training and Standards Commission; the Governor's Office of Crime Prevention, Youth, and Victim Services; and the Department of Juvenile Services (DJS) to provide to DLS specified data and reports necessary for the completion of racial equity impact notes. ***Chapter 508*** also altered existing reporting requirements relating to serious officer-involved incidents and use of force incidents by law enforcement officers. By August 1, 2022, DSP and DJS must each enter into a memorandum of understanding with DLS to provide specified information to DLS.

Legislative Oversight

State Budget Process

Chapter 645 of 2020 proposed a constitutional amendment that was ratified by the voters in the 2020 general election. The constitutional amendment modified the State budget process by allowing the General Assembly to increase appropriations made by the Governor and add items to appropriations for Executive Branch agencies, beginning with the fiscal 2024 budget bill. The total appropriation for the Executive Branch approved by the General Assembly cannot exceed the total proposed appropriation for the Executive Branch submitted by the Governor. The constitutional amendment also explicitly authorized the General Assembly to add items to appropriations for the General Assembly and the Judiciary, beginning with the fiscal 2024 budget bill.

Notice of Emergency Procurements and Other Emergency Actions

Legislation passed in the 2021 regular session related to the Governor's emergency actions during a declared state of emergency became law during the 2021 special session, when the General Assembly overrode the Governor's veto of the legislation. ***Chapters 3 and 7 of the 2021 special session*** (1) required the Governor or the head of a unit to provide specified notice to the Legislative Policy Committee (LPC) when authorizing an emergency procurement during a declared state of emergency and (2) authorized LPC to request that OLA conduct an audit of an emergency procurement contract authorized during a state of emergency. ***Chapters 3 and 7*** further required the Governor to provide notice to LPC and, if applicable, the Administrative, Executive, and Legislative Review Committee within 72 hours after suspending the effect of a statute, rule, or regulation during a state of emergency.

Program Evaluation (Sunset Review)

Prior to the enactment of ***Chapters 510 and 511 of 2019***, the Maryland Program Evaluation Act (MPEA) was used by the General Assembly as a mechanism to monitor and evaluate regulatory boards, commissions, and other agencies of the Executive Branch of State government. The law required DLS to periodically undertake the evaluations according to a statutorily based schedule. These evaluations were more commonly known as "sunset reviews" because the agencies subject to review were usually also subject to termination (sunset) unless legislation was enacted to reauthorize them. ***Chapters 510 and 511*** eliminated the evaluations required under MPEA and instead required DLS to conduct evaluations of an entity when directed by LPC, the Joint Audit and Evaluation Committee, the Executive Director of DLS, the Director of the Office of Policy Analysis, or the Director of the Office of Program Evaluation and Government Accountability. The termination dates for the various entities subject to the law were maintained, and each entity is required to ensure that legislation is requested to extend the entity; however, the legislation may not extend the entity for a period that exceeds 10 years.

During the 2019 to 2022 term, program evaluation (sunset review) activities focused on the following regulatory agencies and programs:

- Apprenticeship and Training Counsel;
- State Athletic Commission;
- State Board of Barbers;
- Office of Cemetery Oversight;
- State Board of Chiropractic Examiners;
- State Collection Agency Licensing Board;
- State Board of Cosmetologists;
- State Board of Dental Examiners;
- State Board of Electricians;
- State Board of Heating, Ventilation, Air Conditioning, and Refrigeration Contractors;
- Maryland Home Improvement Commission;
- Office of the Commissioner of Financial Regulation;

- State Real Estate Commission;
- State Board of Pilots;
- State Board of Plumbing;
- State Board of Physical Therapy Examiners;
- State Board of Physicians;
- State Board of Podiatric Medical Examiners;
- State Board of Professional Counselors and Therapists;
- State Board for Professional Engineers;
- State Board of Veterinary Medical Examiners;
- State Board of Well Drillers;
- State Board of Waterworks and Waste Systems Operators; and
- Security System Technicians, regulated by the Maryland State Police.

Solidarity with Ukraine

Russia invaded Ukraine on February 24, 2022, as a major escalation of the Russo-Ukrainian War that began in 2014 following the Ukrainian Revolution of Dignity. ***Joint Resolutions 6 and 7 of 2022*** declared that the State stands in solidarity with the government and the people of Ukraine as they resist the unprovoked invasion of their territory by the Russian Federation. The joint resolutions stated that the General Assembly encourages all Marylanders to assist as they are able in providing humanitarian assistance to the people of Ukraine affected by this conflict.

Information Technology/Cybersecurity

Policy and Governance

In response to an increasing frequency and severity of cyber attacks on the State and its residents, Governor Lawrence J. Hogan, Jr. signed Executive Order 01.01.2019.07, which established the Maryland Cyber Defense Initiative, the Office of Security Management (OSM),

and the Maryland Cybersecurity Coordinating Council (MCCC) in the Department of Information Technology (DoIT). ***Chapter 242 of 2022*** codified and expanded the responsibilities of MCCC and OSM in the executive order, and it established the State Chief Information Security Officer (SCISO) as the head of OSM. OSM is required to ensure that each unit of State government completes an external assessment at least every two years and is required to assist each unit to remediate any unsatisfactory findings. The Act also established reporting requirements for State agencies and local governments. Additionally, ***Chapter 242*** required units within the Legislative and Judicial branches, the Office of the Attorney General, the Office of the Comptroller, and the Office of the State Treasurer to be evaluated by an independent auditor for compliance with specified cybersecurity standards. Local government entities (not including municipal governments) must consult with the local emergency manager to create or update a cybersecurity preparedness and response plan and complete a cybersecurity preparedness assessment in a manner and frequency established in regulations adopted by DoIT.

Furthermore, ***Chapter 242*** expanded DoIT's responsibilities to include (1) centralizing the management and direction of information technology (IT) policy within the Executive Branch under the control of DoIT; (2) ensuring the statewide IT master plan allows a State agency to maintain its own IT unit; (3) developing a statewide cybersecurity strategy; (4) developing and requiring basic security requirements to be included in State contracts; and (5) developing a centralization transition strategy and conduct a performance and capacity assessment.

Strategy

Chapter 318 of 2021 expanded the responsibilities of the Secretary of Information Technology to include (1) advising and consulting with the Legislative and Judicial branches of State government regarding a cybersecurity strategy; (2) advising and overseeing a consistent cybersecurity strategy for units of State government, including institutions of higher education; and (3) developing guidance on consistent cybersecurity strategies for counties, municipal corporations, school systems, and all other political subdivisions of the State. None of the Secretary's responsibilities created by this Act may be construed as establishing a mandate for any of these local government entities.

Building on the policy instituted by ***Chapter 318***, ***Chapter 241 of 2022*** established the Cybersecurity Preparedness Unit in the Maryland Department of Emergency Management and the Information Sharing and Analysis Center in DoIT, both of which are tasked with supporting and cooperating with OSM and SCISO, which are codified identically to ***Chapter 242 of 2022***. ***Chapters 241 and 242*** also required local governments (other than municipalities) to, in a manner and frequency established by DoIT, create cybersecurity preparedness plans and complete assessments and report local cybersecurity incidents. Units of local government that use the State-operated broadband network are also required to certify to DoIT their compliance with the established minimum standards in a manner and frequency established by DoIT. OSM must provide guidance to a unit of local government that fails to achieve compliance with the State's cybersecurity standards. By December 31 of each year, OSM must provide an annual report to the Governor and specified committees of the General Assembly, which includes (1) OSM's activities and accomplishments from the previous 12 months and (2) a compilation and analysis of the data

and information contained in cybersecurity reports received from State and local agencies, as specified.

Modernization and Funding

Chapter 243 of 2022 established an independent Modernize Maryland Oversight Commission to ensure security of information and advise the Secretary of Information Technology and SCISO on, among other things, appropriate cybersecurity upgrades based on information provided to the commission by certain assessments that are to be completed every two years. In addition to making periodic recommendations on investments in State IT structures, the oversight commission must advise the Secretary on a strategic roadmap with a timeline and budget that will (1) require the updates and investments of critical IT and cybersecurity systems to be completed by December 31, 2025, and (2) require all updates and investments of IT and cybersecurity to be made by December 31, 2030.

By December 1, 2023, each water and sewer system that serves more than 10,000 users and receives financial assistance from the State must assess its vulnerability to cyber attacks, develop a cybersecurity plan if one is appropriate, and report statutory recommendations to the General Assembly. The Maryland Water Quality Financing Administration may provide financial assistance to a system for the assessment and plan development required by the bill.

Chapter 243 also established the Local Cybersecurity Support Fund to support local government cybersecurity preparedness by providing financial assistance to local governments to improve cybersecurity preparedness and assist local governments applying for federal cybersecurity preparedness grants. To be eligible to receive assistance from the fund, a local government must provide proof to DoIT that the local government conducted a cybersecurity preparedness assessment in the previous 12 months or, within 12 months, undergo a cybersecurity preparedness assessment, as specified.

For a discussion of procurement policy changes in ***Chapter 243***, see the subpart "Procurement" within this part of this *Major Issues Review*.

Cyber Warrior Diversity Program

Chapter 567 of 2018 established the Cyber Warrior Diversity Program (CWDP) at the Baltimore City Community College and the four historically black colleges and universities in the State to train students in computer networking and cybersecurity, including training to achieve specified CompTIA certifications. ***Chapters 454 and 455 of 2019*** added the University of Maryland Baltimore County (UMBC) Training Centers located in the State to the CWDP and allowed the centers to be eligible for specified grants. The Acts also changed the distribution of the $2.5 million mandated for the program to include distributions to the UMBC centers.

Regulation of Private Entities

The Maryland Personal Information Protection Act generally requires businesses to protect their customers' and employees' personal information by implementing and maintaining reasonable security procedures and practices that are appropriate to the nature of the personal information. It also requires businesses to investigate any breach of its security systems and report specified information to the Attorney General and to individuals whose personal information may have been accessed. ***Chapter 231 of 2022*** adopted the National Association of Insurance Commissioners Model 668 – Data Security Model Law, which established data security standards for insurance regulators, insures, and other specified carriers. The Act also, under certain circumstances, requires a carrier to notify the Maryland Insurance Commissioner that a cybersecurity event has occurred.

Part D
Local Government

D

Local Government – Generally

Local Cybersecurity Support

In recent years, cybersecurity and privacy issues have received significant attention from the general public and policymakers as a result of the many ransomware attacks, data breaches, and other cyberattacks that have taken place in the nation and the State.

Chapter 241 of 2022 made numerous changes to the State's cybersecurity infrastructure, practices, and procedures. Among other provisions, the Act required local governments, including local school systems, local school boards, and local health departments, to report cybersecurity incidents, including attacks on a State system used by the local government, to certain entities. Each unit of local government and any local agency that uses a certain State telecommunication and computer network is required to periodically certify to the Department of Information Technology (DoIT) that the unit is in compliance with DoIT's minimum security standards.

Apart from municipal governments, ***Chapter 241*** also required each county government, local school system, and local health department to periodically consult with the local emergency manager to create or update a cybersecurity preparedness and response plan and complete a cybersecurity preparedness assessment.

In addition, by June 30, 2023, each unit of local government is required to certify to the Office of Security Management compliance with State minimum cybersecurity standards established by DoIT. The certification must be reviewed by independent auditors, and any findings must be remediated.

For a further discussion of ***Chapter 241***, see the subpart "Information Technology/Cybersecurity" within Part C – State Government of this *Major Issues Review*.

Baltimore Police Department

Chapter 133 of 2021 established the Baltimore Police Department as an agency and instrumentality of Baltimore City, rather than the State of Maryland. It is contingent on the passage of an amendment to the Charter of Baltimore City and the ratification of the amendment by voters of Baltimore City at either the 2022 or the 2024 general election.

For a more detailed discussion of ***Chapter 133***, see the subpart "Public Safety and Corrections" within Part E – "Crimes, Corrections, and Public Safety" of this *Major Issues Review*.

Counties

Local Health Officer Removal Process

During the 2022 session, the General Assembly passed ***House Bill 609***, which altered the procedure for removing a county health officer by requiring that, if the Secretary of Health and the county governing body concur on the removal of a health officer, the Secretary must provide certain written notice to the health officer. The measure also established a process for a hearing and review of the removal. The Governor vetoed ***House Bill 609***, and the General Assembly overrode the veto before the end of the 2022 session. The bill became law as ***Chapter 53 of 2022***.

For a further discussion of ***Chapter 53***, see the subpart "Public Health – Generally" within Part J – Health and Human Services of this *Major Issues Review*.

County Indebtedness

Chapter 428 of 2004 established the Bay Restoration Fund (BRF), which is administered by the Water Quality Financing Administration within the Maryland Department of the Environment, to, among other things, support upgrades to Maryland's 67 major publicly owned wastewater treatment plants with enhanced nutrient removal technology.

Chapters 277 and 278 of 2021 authorized a county to borrow money and incur indebtedness through the issuance and sale of notes in anticipation of the receipt of the county's allocation of funds from the Septics Account within the BRF. A county may expend the net proceeds of the sale of notes to make specified grants and loans or to refund one or more issues of notes.

Income Tax Disparity Grants

The disparity grant program provides noncategorical State aid to low-wealth jurisdictions to help address the differences in the abilities of counties to raise revenues from the local income tax, which for most counties is one of the larger revenue sources.

During the 2020 session, the General Assembly passed ***House Bill 737***. The Governor vetoed the bill, and the General Assembly overrode the veto during the 2021 session. The bill

became law as ***Chapter 26 of 2021***. The Act altered the calculation of the disparity grant program for counties with a local income tax rate of 3.2% by increasing the minimum grant amount from 67.5% to 75% and repealed the termination date for the enhanced funding. As a result, beginning in fiscal 2022, eligible jurisdictions receive at least 75% of their formula allocation under the disparity grant program.

Code Counties

There are four classes of code counties, based on the geographic region of the State where the county is located. The classes are Central Maryland, Eastern Shore, Southern Maryland, and Western Maryland.

Chapter 481 of 2020 granted Eastern Shore code counties broad authority to create special taxing districts, impose *ad valorem* taxes, and issue bonds for purposes of financing infrastructure improvements. The types of infrastructure improvements authorized include storm drainage systems, water and sewer systems, roads, lighting, parking, parks and recreational facilities, libraries, schools, transit facilities, and solid waste facilities. The Act applies to Caroline, Kent, Queen Anne's, and Worcester counties.

Chapters 209 and 210 of 2020 granted Southern Maryland code counties the authority to enact a local law to provide regular county employees, with specified exceptions, collective bargaining rights with binding arbitration. A local law enacted in accordance with the Acts may not affect the rights and duties of a county and any exclusive representatives under local laws enacted in accordance with existing collective bargaining rights for public safety officers. The only county in the Southern Maryland class that has adopted code home rule is Charles County.

Special Taxing Districts

Chapters 709 and 710 of 2019 authorized Cecil County to establish special taxing districts for the purpose of providing Internet service in unincorporated areas of the county.

Municipalities

Urban Renewal for Blight Clearance

Two municipalities in Washington County sought and received from the General Assembly urban renewal authority for blight clearance under the provisions of Article III, § 61 of the Constitution of Maryland. These Acts added an appendix to the charter of the two municipalities addressing that municipality's powers relating to urban renewal projects, the creation of an urban renewal agency, approval of an urban renewal plan, disposal, and condemnation of property in an urban renewal area, and the issuance of general obligation (GO) and revenue bonds. The Acts granted urban renewal authority for blight clearance and redevelopment to the Town of Williamsport in ***Chapter 599 of 2022*** and the Town of Hancock in ***Chapter 600 of 2022***.

Municipal Infractions

Unless State law classifies a violation as a criminal offense, the legislative body of a municipality may provide, by local law, that a violation of a municipal ordinance is a municipal infraction. A municipal infraction is a civil offense; may be prosecuted by the State's Attorney for a county; and may result in the imposition of certain fines, costs, and an order to abate the infraction. State law also authorizes a municipality to designate an attorney to prosecute a municipal infraction in the same manner as the State's Attorney for a county.

Chapter 369 of 2019 authorized a municipality to designate a qualified building inspector or enforcement officer to testify in a municipal infraction proceeding without the assistance of a prosecuting attorney. ***Chapter 369*** also specified the criteria for a qualified building inspector or enforcement officer and did not limit or restrict the ability of a prosecuting attorney to call individuals to testify in a municipal infraction proceeding.

Counties and Municipalities

Clean Energy Loan Program

Chapter 743 of 2009 authorized a county or municipality to enact an ordinance or a resolution establishing a clean energy loan program to provide loans to residential property owners, including low-income residential property owners, and commercial property owners, to finance energy efficiency projects and renewable energy projects.

Chapter 441 of 2021 expanded the types of projects that may be financed under a clean energy loan program to include water efficiency projects, environmental remediation projects, and resiliency projects. ***Chapter 441*** also specified that projects may be refinanced under a clean energy loan program and included a provision under a clean energy loan program requiring that a loan be repaid over a term that may not exceed the useful life of the project.

Resilience Authorities

Resilience financing authorities are generally quasi-governmental instrumentalities that can be established at the State, county, or municipal level that focus on infrastructure resilience and related issues. Many examples of such entities are referred to as "green banks" – particularly if they also fund clean or renewable energy initiatives. Many resilience projects do not generate an obvious revenue stream, which makes traditional forms of financing difficult. Financing for resilience infrastructure can incorporate nontraditional methods, such as resilience bonds, which monetize future avoided costs (such as losses due to a flood) to fund current investments.

Resilience authorities are a form of revenue authority. The structure of these entities depends on their purpose. A common characteristic is an ability to finance projects (for the public benefit) outside of the normal governmental budget/debt issuance process, meaning that the debt is not considered government debt. Bonds are a common financing method, although how the bonds are structured varies.

Chapters 235 and 236 of 2020 authorized counties and municipalities to solely or jointly establish and fund resilience authorities, subject to specified requirements. Resilience authorities may issue and sell State and local tax-exempt bonds for resilience infrastructure projects and other related financing purposes. Bonds issued by resilience authorities are limited obligations and are not a pledge of the faith and credit or taxing power of the local governments; however, the local governing body may dedicate any revenues of the local government for repayment of bonds and to support the operations or resilience infrastructure projects of a resilience authority. Subject to specified requirements, ***Chapters 235 and 236*** authorized a local government, by local law, to (1) set or change the powers, structure, organization, procedures, programs, or activities of the resilience authority; (2) determine the revenue sources of the resilience authority, including the use of general fund revenue and GO bonds; (3) establish the budgetary and financial procedures of the resilience authority; and (4) and terminate the resilience authority.

On termination of a resilience authority, title to all property of the resilience authority must be transferred to and be vested in the incorporating local government, and all obligations of the authority must be transferred to and assumed by the incorporating local government. A resilience authority must also, at least annually, report to the incorporating local government on the activities of the resilience authority, and a related report must also be provided to specified committees of the General Assembly each year.

Regulation of Amateur Radio Station Antenna Structures

Under federal law, regulation of radio broadcasting, including the placement of amateur radio equipment, is regulated by the Federal Communications Commission (FCC). By regulation, FCC has prohibited state and local regulations of a radio station antenna structure from precluding amateur service communications. Rather, any state or local regulation must reasonably accommodate these communications and must constitute the minimum practicable regulation in order to accomplish the state or local authority's legitimate purpose in adopting a regulation.

Chapter 638 of 2022 required that an ordinance adopted by a county or municipality that regulates amateur radio station antenna structures (1) may not preclude amateur radio communications; (2) must reasonably accommodate amateur radio communications; and (3) must constitute the minimum practicable regulation to accomplish the legitimate purpose of the ordinance. The Act declared that it is the intent of the General Assembly to codify the provisions of § 97.15 of Title 47 of the Code of Federal Regulations concerning FCC's preemption of local ordinances regulating amateur radio station antenna structures.

Animal Control

Chapters 226 and 227 of 2021 required a new officer of a humane society or animal control to satisfactorily complete at least 80 hours of training for animal care and control professionals to be approved by the appropriate unit of a county, including Baltimore City, or municipality within the first 12 months of employment. An officer of a humane society or animal control is also required to satisfactorily complete at least six hours of continuing education each year that is approved by the appropriate unit of a county or municipality.

Chapters 309 and 310 of 2021 required an animal control facility operated by a county, including Baltimore City, or municipality to waive the adoption fee for a dog or cat adopted by a veteran who presents specified identification that notes the individual is a veteran. An animal control facility may limit the number of adoption fee waivers granted to an individual to one dog and one cat within a six-month period.

Teleworking

Chapter 696 of 2021 established the Office of Telework Assistance and the Business Telework Assistance Grant Program in the Department of Commerce and specified that the Governor must include $1.0 million annually in the State budget for the program. ***Chapter 696*** also (1) required the Judicial and Legislative branches of State government to each maintain a telework program; (2) altered the statewide telework program that must be maintained by the Executive Branch; and (3) required public institutions of higher education to comply with the statewide telework program.

Under ***Chapter 696***, counties and municipalities are required to establish a telework program and adopt related policies and guidelines that apply to governmental entities and employees of the county or municipality.

For a more detailed discussion of ***Chapter 696***, see the subpart "Personnel" within Part C – State Government of this *Major Issues Review*.

Use of Public Funds

Chapter 737 of 2021 prohibited a unit of State, county, or municipal government from knowingly using public funds to influence the decisions of public employees to (1) support or oppose an employee organization that represents or seeks to represent the employees of the unit or government or (2) become a member of an employee organization.

Land Use

Local jurisdictions, including counties and municipalities, must enact, adopt, amend, and execute a comprehensive plan, and the plan must include visions and elements specified in statute. At least once every 10 years, each planning commission must review the comprehensive plan and, if necessary, revise or amend the plan to include all of the required elements and visions.

Chapter 532 of 2020 established statutory definitions for "alcohol production" and "agricultural alcohol production" in the Land Use Article. Either or both definitions may be (but are not required to be) adopted by a local jurisdiction by local ordinance, resolution, law, or rule.

Housing Element of Comprehensive Plans

Chapters 713 and 714 of 2019 required a comprehensive plan adopted by a local jurisdiction to include a "housing element." A housing element (1) must address the need for

affordable housing within the local jurisdiction, including workforce housing and low-income housing and (2) may include goals, objectives, policies, plans, and standards.

Chapters 751 and 752 of 2021 required the Department of Housing and Community Development to administer its programs and activities to "affirmatively further fair housing" among local jurisdictions. The Acts established that local jurisdictions have a duty to affirmatively further fair housing. The housing element of a local comprehensive plan that is enacted or amended on or after January 1, 2023, must include an assessment of fair housing that ensures the local jurisdiction is affirmatively furthering fair housing. The requirement to include the assessment of fair housing in the housing element of the local comprehensive plan does not require a local jurisdiction to take, or prohibit the local jurisdiction from taking, a specific action to affirmatively further fair housing.

Chapters 751 and 752 also established that a local jurisdiction that completed or revised an Assessment of Fair Housing under the federal U.S. Department of Housing and Urban Development Affirmatively Furthering Fair Housing Rule must incorporate relevant portions of the Assessment of Fair Housing or analysis of impediments into the housing element of the local jurisdiction's comprehensive plan by reference. Those provisions are required to be incorporated the next time the local jurisdiction amends its comprehensive plan.

For a more detailed discussion of ***Chapters 751 and 752***, see the subpart "Housing and Community Development" within Part H – Business and Economic Issues of this *Major Issues Review*.

Bi-county Agencies

Washington Suburban Sanitary Commission

The Washington Suburban Sanitary Commission (WSSC) is among the largest water and wastewater utilities in the country, providing water and sewer services to 1.8 million residents in Montgomery and Prince George's counties. It has approximately 475,000 customer accounts, serves an area of around 1,000 square miles, and currently employs more than 1,700 people. The commission operates three reservoirs, two water filtration plants, and six wastewater treatment plants. The six wastewater treatment facilities, as well as the Blue Plains Advanced Wastewater Treatment Plant, handle more than 200 million gallons of wastewater per day. The commission maintains more than 5,700 miles of water main lines and more than 5,500 miles of sewer main lines.

Indirect Customer Assistance Program

Chapter 474 of 2015 established the WSSC Customer Assistance Program to provide financial assistance with water and sewer bills to eligible ratepayers who hold accounts with WSSC and are primarily responsible for payment of accrued water and sewer charges. ***Chapter 162 of 2019*** authorized WSSC to establish an Indirect Customer Assistance Program to

provide financial assistance with water and sewer bills to eligible indirect customers who receive water or sewer service or both from WSSC but are not billed by WSSC.

Minority Business Enterprise Program

The minority business enterprise (MBE) utilization program within WSSC helps facilitate the participation of responsible certified MBEs for design/build construction contracts. Because the program was set to expire July 1, 2022, ***Chapter 612 of 2022*** extended the termination date for the program one year to July 1, 2023.

Prohibited Discrimination

WSSC is prohibited from discriminating against a person on the basis of sex, race, creed, color, age, mental or physical disability, sexual orientation, religion, marital status, gender identity, or national origin. In addition, WSSC may not award a water and sewer procurement contract unless the contract prohibits the contractor from discriminating in any manner against an employee or an applicant for employment on the basis of sex, race, creed, color, age, mental or physical disability, sexual orientation, religion, marital status, gender identity, or national origin.

Chapter 161 of 2019 extended the mandatory nondiscrimination policy, at the time applicable only to water and sewer procurement contracts, to all WSSC contracts.

Chapter 487 of 2020 prohibited WSSC from discriminating against a person on the basis of genetic information or family responsibilities and required the mandatory nondiscrimination provisions in contracts entered into by WSSC to also prohibit discrimination based on genetic information.

Collective Bargaining

Chapter 563 of 2019 expanded the number of collective bargaining units at WSSC from four to five by establishing two separate collective bargaining units (office and technical) from the joint "office/technical" unit. The new technical bargaining unit includes technical classification titles in which employees have a combination of basic scientific or technical knowledge and manual skill that is usually acquired through specialized postsecondary school education or through equivalent on-the-job training.

Video and Audio Streaming and Archiving Meetings and Financial Assistance

Chapter 291 of 2021 required WSSC to stream live video or live teleconference audio or other audio of its open meetings and to maintain on its website a complete and unedited archived recording of each open meeting. ***Chapter 291*** further established that if WSSC is unable to comply with the recording requirements because of a technical failure that entirely prevents or affects the quality of the audio or video stream, the validity of any action taken during the meeting is not affected under certain circumstances.

Chapter 291 also specified that financial assistance provided as part of a Customer Assistance Program can include the reduction or waiver of fees, including late fees.

Hiring and Promotion

Chapter 457 of 2022 authorized WSSC to grant a hiring and promotion preference to an eligible veteran, the spouse of an eligible veteran who has a service-connected disability, or the surviving spouse of a deceased eligible veteran, without being in violation of any State or local Equal Employment Opportunity law.

"Eligible veteran" is defined as a veteran of any branch of the U.S. Armed Forces who has received an honorable discharge or a certificate of satisfactory completion of military service, including the National Guard, the military reserves, the Commissioned Corps of the Public Health Service, and the Commissioned Corps of the National Oceanic and Atmospheric Administration.

Licensure of Plumbing and Fuel Gas Services

Chapter 598 of 2022 prohibited a person from providing, attempting to provide, or offering to provide plumbing services in any area of Montgomery or Prince George's counties under the regulatory jurisdiction of WSSC without a license from WSSC. It similarly prohibited a person from assisting, attempting to assist, or offering to assist in providing fuel gas services in the same areas without a license. In addition, ***Chapter 598*** provided for enforcement of violations of certain of the Act's provisions.

Maryland-National Capital Park and Planning Commission

The Maryland-National Capital Park and Planning Commission (M-NCPPC) is a bi-county agency serving Montgomery and Prince George's counties that was empowered by the State in 1927 to acquire and administer a regional system of parks within the Maryland-Washington Metropolitan District and administer a general plan for the physical development of the area. Additionally, in 1970, M-NCPPC became responsible for managing the Prince George's County public recreation program.

Procurement

Chapter 354 of 2019 authorized M-NCPPC to establish an MBE program, under specified conditions, and a local small business enterprise preference program. Authorization to establish an MBE program was based on whether M-NCPPC determined if there was a compelling interest to implement remedial measures to assist minority- and women-owned businesses who wish to participate in commission procurement contracts. Accordingly, M-NCPPC, in consultation with the Maryland Department of Transportation (MDOT) and the Office of the Attorney General, was required to complete a study to evaluate whether such a compelling interest exists and report its findings and recommendations to the Montgomery County and Prince George's County delegations and the Legislative Policy Committee by January 1, 2020.

Collective Bargaining

Prior to 2019, the exclusive representative of a collective bargaining unit at M-NCPPC represented all employees regardless of if they pay membership dues or fees. ***Chapter 562 of 2019*** authorized the exclusive employee bargaining representative for M-NCPPC to require a nonmember employee to pay specified costs and fees associated with filing a grievance or arbitrating a matter that arises under a collective bargaining agreement brought by the representative on behalf of the nonmember employee. ***Chapter 562*** also established provisions governing the failure to pay costs and fees, the dispute of such costs and fees, and an exclusive representative's duty of fair representation owed to a public employee who is in the bargaining unit.

Mandatory Referral Review

A public board, public body, or public official is required to refer certain activities in the Maryland-Washington Regional District to M-NCPPC. The proposed location, character, grade, and extent of the activity must be referred and approved by M-NCPPC. During the 2021 special session, the General Assembly overrode the Governor's veto of ***House Bill 464***, which was passed during the 2021 session, and the bill was enacted as ***Chapter 6 of the 2021 special session***. The Act established guidelines for what constitutes a complete submission referral to M-NCPPC for specified activities in the Maryland-Washington Regional District and designated timelines and feedback required of M-NCPPC following receipt of a mandatory referral.

Single Jurisdictions

Montgomery County – Voting Thresholds of County and District Councils: Chapter 611 of 2022 established new voting thresholds for the Montgomery County Council or Montgomery County District Council in matters concerning M-NCPPC in order to account for the increase in the total number of councilmembers after the 2020 general election.

Montgomery County – Video and Audio Streaming and Minutes of Planning Board Open Meetings: Chapter 456 of 2022, in addition to preparing meeting minutes in accordance with the Open Meetings Act, required the Montgomery County Planning Board to (1) stream live video or audio of the open meetings of the board and (2) maintain on its website a complete and unedited archived recording of each livestreamed meeting. Further, it required the board to publish and maintain on its website the minutes of each open meeting.

Prince George's County – Adaptive Reuse of Glenn Dale Hospital Property: Chapter 165 of 2019 authorized M-NCPPC to sell, lease, or otherwise transfer the approximately 60 acres of the Glenn Dale Hospital Property that had been developed as a hospital campus to a person who will adaptively reuse, at a minimum, the main hospital campus buildings on the property by returning the property to a state of utility through repair and alteration that (1) gives the property an efficient and contemporary use and (2) preserves portions and features of the property that are historically, architecturally, and culturally significant. Previously, any sale, lease, or transfer was contingent on the use of the property as a continuing care retirement community.

Prince George's County – Youth Sports Program and Nontraditional Recreational Opportunities: M-NCPPC is comprised of the Montgomery County Planning Board and the Prince George's County Planning Board. In Prince George's County, the planning board also administers the county's public recreation program.

Chapter 166 of 2019 required the Prince George's County Planning Board to offer a comprehensive youth sports program that provided a variety of sports programming, leagues, and teams throughout Prince George's County, as part of the county's recreation programs. ***Chapter 166*** also required the planning board to create a youth sports division to (1) coordinate youth sports programming, leagues, and teams and (2) incorporate youth sports activities into the programs.

Chapter 228 of 2021 required the planning board to incorporate nontraditional recreational opportunities, defined as "sports, recreational activities, programs, or facilities in the county with a reasonable promise of growth in (1) popularity or (2) participation or demand among youth populations that are otherwise under-represented or underserved by traditional recreational activities," into the county's recreation programs. ***Chapter 228*** additionally established the Nontraditional Recreation Fund (1) for capital improvement projects that contribute to providing nontraditional recreational opportunities; (2) to provide patrons of the commission access to equipment necessary to participate in nontraditional recreational opportunities; and (3) for supplies and other direct program costs associated with providing nontraditional recreational opportunities in the county.

Washington Suburban Transit Commission

The Washington Suburban Transit Commission (WSTC), established in 1965, is responsible for administering the Washington Suburban Transit District and is authorized to develop a transportation system, including mass transit facilities, for Montgomery and Prince George's counties. It coordinates mass transit programs with the two county governments, the Washington Metropolitan Area Transit Authority (WMATA), and MDOT. MDOT provides annual operating grants to the commission, which then provides funding to WMATA for operation of the Metrorail, Metrobus, and MetroAccess systems.

Repeal of Term Limits of County Commissioners

WSTC consists of seven members: two appointed by the County Executive of Montgomery County; two appointed by the County Executive of Prince George's County; two appointed by the Governor; and one that is the Secretary of Transportation as an *ex officio* member. At least one commissioner from Prince George's County must be appointed from among the members of the Prince George's County Council.

Chapter 740 of 2022 authorized the members of WSTC that are appointed by the County Executive of Montgomery County and the member appointed by the County Executive of Prince George's County who is not the member from the county council to serve more than two consecutive terms.

Part E
Crimes, Corrections, and Public Safety

E

Criminal Law

Generally

Classification of Offenses

Chapters 372 and 578 of 2019 established the Task Force to Study Crime Classification and Penalties to review criminal and civil violations throughout the Maryland Code and make recommendations regarding any changes to the statutory scheme to the Governor and General Assembly by December 31, 2020.

Decriminalization and Repeal of Offenses

Alcohol: In addition to establishing the Task Force to Study Crime Classification and Penalties, ***Chapter 578 of 2019*** established that it is a code violation and a civil offense, rather than a criminal misdemeanor offense, to (1) consume an alcoholic beverage in public or (2) possess an alcoholic beverage in an open container. ***Chapter 578*** required that violators be issued citations and be subject to a maximum fine of $100, the same monetary penalties that already existed for these offenses under State law.

Gambling: Chapter 495 of 2019 decriminalized and altered penalties for various betting and gambling-related offenses prohibited under § 12-102 and § 12-103 of the Criminal Law Article.

Attempted Suicide: Chapter 571 of 2019 decriminalized attempted suicide and abrogated and repealed the common law offense of attempted suicide. The Act provided that it may not be construed to prohibit a person who commits one or more crimes in the course of attempting to commit suicide from being charged with the other crime or crimes.

Sodomy: Chapter 45 of 2020 repealed the crime of sodomy and made conforming and technical changes. The Act prohibited the expungement of a conviction for sodomy, as the offense

existed prior to October 1, 2020, under certain circumstances, and clarified that evidence of a witness's conviction for sodomy as it existed prior to October 1, 2020, is not admissible as evidence to prove a witness's conviction of an infamous crime.

Drug Paraphernalia: Senate Bill 420 of 2021, which was vetoed by the Governor, would have altered the definition of "controlled paraphernalia" to remove a hypodermic syringe, needle, or any other object or combination of objects adapted to administer a controlled dangerous substance (CDS) by hypodermic injection. The bill would have also altered the prohibition on the use of or possession with the intent to use drug paraphernalia to provide that the prohibition would not apply to paraphernalia used to inject, ingest, inhale, or otherwise introduce CDS into the human body, and would have removed a measuring spoon as an item commonly used to illegally manufacture, distribute, or dispense a CDS for purposes of establishing an unlawful intent to use controlled paraphernalia. Finally, the bill would have reduced the penalties for offenses involving controlled paraphernalia and drug paraphernalia.

Drug Offenses

Cannabis

As of 2022, 18 states and the District of Columbia allowed for the recreational use of cannabis by an adult, and 37 states, including Maryland, allowed for the medical use of cannabis. In 2016, the State repealed the criminal prohibition on the use or possession of marijuana related drug paraphernalia and eliminated the associated penalties. The 2016 law also established that the use or possession of marijuana involving smoking marijuana in a public place was a civil offense, punishable by a maximum fine of $500.

During the 2022 legislative session, several bills were passed and enacted relating to the legalization and regulation of cannabis.

Chapter 26 of 2022 altered various provisions of law applicable to the use, possession, and distribution of cannabis. Most provisions of the Act are subject to the ratification of the constitutional amendment in ***Chapter 45 of 2022*** (discussed later).

Cannabis – Definition: Chapter 26 repealed the term "marijuana" and replaced it with the term "cannabis". Cannabis is defined as the plant Cannabis sativa L. and any part of the plant, including all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9-tetrahydrocannabinol (delta-9-THC) concentration greater than 0.3% on a dry weight basis. Cannabis does not include hemp as defined in § 14-101 of the Agriculture Article.

Personal Use and Civil Use Amounts of Cannabis: Chapter 26, beginning January 1, 2023, defined a "personal use amount" as (1) up to 1.5 ounces of usable cannabis; (2) up to 12 grams of concentrated cannabis; (3) cannabis products containing up to 750 milligrams of delta-9-THC; or (4) as of July 1, 2023, up to two cannabis plants.

Beginning January 1, 2023, a "civil use amount" is defined as (1) more than 1.5 ounces but not more than 2.5 ounces of usable cannabis; (2) more than 12 grams but not more than 20 grams of concentrated cannabis; or (3) cannabis products containing more than 750 milligrams of delta-9-THC but not more than 1,250 milligrams of delta-9-THC.

Effective January 1, 2023, and continuing through June 30, 2023, possession of the personal use amount of cannabis is a civil offense, and violators will be subject to a maximum fine of $100. Effective July 1, 2023, possession of a personal use amount is legal for an individual who is at least age 21. Possession of a personal use amount of cannabis by an individual who is younger than age 21 continues to be a civil offense on and after July 1, 2023, and violators will be subject to a maximum fine of $100.

Effective January 1, 2023, possession of the civil use amount of cannabis, regardless of an individual's age, is a civil offense, and violators will be subject to a maximum fine of $250. A person who possesses more than the civil use amount of cannabis is guilty of a misdemeanor, punishable by imprisonment for up to six months and/or a $1,000 maximum fine.

Charge on Citation and Summons for Trial: Effective January 1, 2023, a police officer must issue a citation for the use or possession of the personal use amount of cannabis or the civil use amount of cannabis, both civil offenses, the adjudication of which does not constitute a criminal conviction for any purpose and does not impose any of the civil disabilities that may result from a criminal conviction. If a citation is issued to a person younger than age 21 for these civil offenses, the court must summon the person for trial. ***Chapter 26*** repealed a requirement that a person at least age 21 be summoned for trial after having been found guilty at least twice previously for the use or possession of minimal amounts of marijuana.

Possession with the Intent to Distribute and Adult Sharing of Cannabis: Effective January 1, 2023, ***Chapter 26*** prohibits a person from possessing cannabis in sufficient quantity to reasonably indicate, under all circumstances, an intent to distribute or dispense cannabis. However, possession of the personal use amount of cannabis or the civil use amount of cannabis without other evidence of an intent to distribute or dispense does not constitute a violation of this prohibition. A police officer must charge a violation of this prohibition by citation. A person who violates this prohibition is guilty of a misdemeanor and subject to a maximum penalty of three years imprisonment and/or a $5,000 fine. With specified exclusions, "adult sharing" is defined as the transfer of cannabis between persons who are at least age 21 without remuneration. Effective July 1, 2023, the prohibition against distributing, dispensing, or possessing with the intent to distribute a CDS does not prohibit adult sharing of the personal use amount of cannabis. A civil or criminal penalty may not be imposed for adult sharing of the personal use amount of cannabis.

Growing or Manufacturing Cannabis and Cannabis Products: Effective January 1, 2023, a person may not cultivate or grow cannabis, manufacture a cannabis product, or manufacture, distribute, or possess related equipment. A police officer must charge a violation of

this prohibition by citation, and a violator is guilty of a misdemeanor and subject to a penalty of imprisonment for up to three years and/or a fine of up to $5,000.

Smoking Cannabis in Public: Effective January 1, 2023, ***Chapter 26*** altered the penalty for the civil offense of smoking cannabis in a public place from a maximum fine of $500 to a maximum fine of $250 for a first finding of guilt and a maximum fine of $500 for a second or subsequent finding of guilt. The Act also incorporated cannabis and hemp into specified existing prohibitions under the Clean Indoor Air Act.

Smoking Cannabis in the Passenger Area of a Vehicle: Beginning July 1, 2023, an occupant of a motor vehicle may not smoke cannabis in the passenger area of a motor vehicle on a highway. A violation of this prohibition is a civil offense subject to a maximum fine of $25. A driver of a motor vehicle may not smoke or consume cannabis in the passenger area of a motor vehicle on a highway. A violation of this prohibition is a misdemeanor subject to a maximum fine of $500.

Paraphernalia Repeal: Effective January 1, 2023, the definition of "drug paraphernalia" is altered to specifically exclude cannabis from the specified items that, when used with CDS, would constitute drug paraphernalia. ***Chapter 26*** also repealed the list of drug paraphernalia examples that can be used to ingest or inhale a CDS into the human body. In addition, the Act repealed the penalty provisions for controlled paraphernalia related to the use or possession of marijuana.

Criminal Provisions for Personal Cannabis Cultivation: Beginning July 1, 2023, a person age 21 or older may cultivate up to two cannabis plants. A person who cultivates cannabis must (1) cultivate cannabis in a location outside of public view; (2) take reasonable precautions, as specified, to ensure the plants are secure from unauthorized access and access by an underage person; and (3) only cultivate cannabis on property the cultivator lawfully possesses or with the consent of the property's lawful possessor. An underage person may not cultivate cannabis. A person may not cultivate more than two cannabis plants. Also, if two or more individuals at least age 21 reside at the same residence, no more than two cannabis plants may be cultivated at the residence. A person who violates these provisions is guilty of a misdemeanor and subject to a maximum penalty of three years imprisonment and/or a $5,000 fine.

Resentencing and Release: Effective January 1, 2023, ***Chapter 26*** authorized a person incarcerated for a conviction of possession of cannabis under § 5-601 of the Criminal Law Article to apply to the court for resentencing and required the court to grant the application and resentence the person to time served. If the person is not serving another sentence, the person must be released from incarceration.

Expungements: Beginning January 1, 2023, a person convicted of possession of cannabis under § 5-601 of the Criminal Law Article may file a petition for expungement of the conviction after the satisfactory completion of the sentence including probation (rather than the current waiting period of the later of four years after the conviction or the satisfactory completion of the sentence). The "unit rule," which states that if a person is not entitled to expungement of

one charge or conviction in a unit, the person is not entitled to expungement of any other charge or conviction in the unit, does not apply to possession of cannabis under §5-601 of the Criminal Law Article. A person who is convicted of possession with the intent to distribute cannabis under § 5-602(b)(1) of the Criminal Law Article may file a petition for expungement of the conviction three years after satisfaction of the sentence or sentences imposed for all convictions for which expungement is requested, including parole, probation, or mandatory supervision. By July 1, 2024, the Department of Public Safety and Correctional Services must "expunge" all cases in which the possession of cannabis is the only charge in the case and the charge was issued before July 1, 2023. For purposes of this provision, expunge is limited to mean removal of all references to a specified criminal case from the Criminal Justice Information System Central Repository.

Opinion by Attorney General: Chapter 26 required that on or before December 1, 2022, the Attorney General must provide the General Assembly with a formal opinion regarding the impact of cannabis legalization on the authority of police officers to conduct searches of individuals and vehicles based on detection of the odor of burnt or unburnt cannabis, including in cases involving suspicion of possession with intent to distribute cannabis, growing or manufacturing cannabis or cannabis products, or driving under the influence of cannabis.

The Act also (1) required certain agencies and entities to complete studies, collect and report data, and develop standards regarding the use of cannabis, the medical cannabis industry, and the adult-use cannabis industry; (2) addressed taxation of business expenses by cannabis establishments; (3) created a Cannabis Public Health Advisory Council; and (4) established various funds relating to business assistance and public health.

Constitutional Amendment: Chapter 45 proposed a constitutional amendment, which if approved by the voters at the general election to be held in November 2022, would authorize an individual at least age 21 to use and possess cannabis in the State beginning July 1, 2023. The provision would be subject to a requirement that the General Assembly pass legislation regarding the use, distribution, possession, regulation, and taxation of cannabis.

Delta-8- and Delta-10-Tetrahydrocannabinol: The passage of the federal Agriculture and Nutrition Improvement Act in 2018 legalized Cannabis sativa L. plants that contain less than 0.3% delta-9 THC, which is the primary psychoactive isomer found in cannabis. Under State and federal law, any product derived from these plants is legal as long as delta-9 THC does not exceed the 0.3% limit. According to the Maryland Medical Cannabis Commission, neither the 2018 federal law nor Maryland law addressed other THC isomers, including delta-8, delta-10, delta-6a10a, and THC-O-acetate, that provide a similar psychoactive effect or "high" to delta-9.

Chapters 511 and 512 of 2022 prohibited certain persons licensed under the Business Regulation Article from distributing, purchasing for sale, or selling a product containing delta-8- or delta-10-THC to an individual under the age of 21 years. A person who violates this prohibition is guilty of a misdemeanor and on conviction is subject to maximum fines of (1) $300 for a first violation; (2) $1,000 for a second violation occurring within two years after the first violation; and (3) $3,000 for each subsequent violation occurring within two years after the preceding violation.

Controlled Dangerous Substance Schedules

As of 2022, CDS were listed on one of five schedules (Schedules I through V) set forth in State and federal law depending on their potential for abuse and acceptance for medical use. The federal Controlled Substances Act and the Maryland Controlled Dangerous Substances Act contained parallel eligibility criteria for each of the schedules. Provisions of State criminal law generally restricted and provided for various criminal and civil penalties relating to the unauthorized possession, distribution, and manufacture of CDS in the State.

Under the Maryland Controlled Dangerous Substances Act, if the federal government placed a substance on Schedules I through V, it was automatically considered a substance on the same schedule under Maryland law unless the Maryland Department of Health (MDH) objected to the designation. MDH was required to update and republish schedules annually.

Chapter 298 of 2020 altered the lists of substances designated as CDS in Schedules I through V of the Maryland Controlled Dangerous Substances Act. ***Chapter 298*** conformed the classification and nomenclature in the State's statutory schedules to the federal CDS schedules while retaining the State's more stringent classification and treatment of specified substances.

Chapters 285 and 286 of 2022 repealed the specific list of substances included in Schedules I through V of the Maryland Controlled Dangerous Substances Act and instead incorporated by reference (1) CDS added to any Schedule I through V by MDH; (2) CDS scheduled by the federal government on any Schedule I through V unless MDH objects; and (3) CDS analogues, as defined and designated under existing statute.

Crimes Involving Children

Abuse and Exploitation of Children

Sale of a Minor: Chapter 365 of 2019 reclassified the prohibition against selling, bartering, or trading a minor for money, property, or anything else of value from a misdemeanor to a felony.

Continuing Course of Conduct: Chapters 47 and 48 of 2019 established that for purposes of prosecution for a continuing course of unlawful sexual conduct under the Criminal Law Article, violations occurring in separate periods of 90 days or more must be considered separate violations.

Child Pornography: Chapters 325 and 326 of 2019 expanded the prohibition against knowingly possessing and intentionally retaining a film, videotape, photograph, or other visual representation showing an actual child younger than age 16 (1) engaged as a subject of sadomasochistic abuse; (2) engaged in sexual conduct; or (3) in a state of sexual excitement. The Acts prohibited the knowing possession and intentional retention of a computer-generated image that is indistinguishable from an actual and identifiable child younger than age 16 under the circumstances described above. The Acts also altered the definition of "sexual conduct" to include the "lascivious exhibition of the genitals or pubic area of any person."

Sexual Solicitation of a Minor through Parent, Guardian, or Custodian: Chapters 128 and 129 of 2020 added to the crime of sexual solicitation of a minor by prohibiting a person from knowingly soliciting the consent of a parent, guardian, or custodian of a minor, or a law enforcement officer posing as a parent, guardian, or custodian of a minor, to engage in activities with the minor with the intent to commit (1) rape in the second degree; (2) sexual offense in the third degree; (3) engaging in prostitution; (4) receiving the earnings of a prostitute; (5) abduction of a child younger than age 16 for the commission of a sexual crime; (6) procuring or soliciting prostitution; or (7) maintaining a house of prostitution, with the intent to commit any of these crimes. Violators are subject to maximum penalties of imprisonment for 10 years and/or a fine of $25,000 for a first offense of sexual solicitation of a minor. The Acts created a new maximum penalty of imprisonment for 20 years and/or a fine of $50,000 for a second or subsequent offense.

Continuing Course of Abuse: Chapters 183 and 184 of 2021 established that it is a violation of the State's prohibition on first-degree child abuse to engage in a continuing course of conduct that includes three or more acts of second-degree child abuse.

Harassment and Bullying

Chapters 26 and 27 of 2019 made several changes to the prohibitions in State law against electronic harassment and bullying, including establishing that a person may not violate the prohibitions with the intent to induce a minor to commit suicide. A person who violates the prohibitions with the intent to induce a minor to commit suicide is guilty of a misdemeanor, punishable by imprisonment for up to 10 years and/or a $10,000 maximum fine. All other violations are misdemeanors, punishable by imprisonment for up to three years and/or a $10,000 maximum fine.

Reporting Child Abuse and Neglect

Health care practitioners, police officers, educators, and human service workers (mandatory reporters) who are acting in a professional capacity, and who have reason to believe that a child has been subjected to abuse or neglect, must notify the local department of social services or the appropriate law enforcement agency. ***Chapters 53 and 54 of 2019*** made it a misdemeanor for a mandatory reporter to knowingly fail to provide a required notice or make a required report of suspected child abuse or neglect if the mandatory reporter has actual knowledge of the abuse or neglect. A violator is guilty of a misdemeanor and subject to a maximum penalty of up to three years imprisonment and/or a $10,000 fine. For a further discussion of these bills, see the subpart "Family Law" within Part F – Courts and Civil Proceedings of this *Major Issues Review*.

Abuse or Neglect of Vulnerable Adults

Chapter 34 of 2020 expanded the crime of abuse or neglect of a vulnerable adult in the second degree by prohibiting a caregiver, a parent, a household member, a family member, or other person who has permanent or temporary care or responsibility for the supervision of a vulnerable

adult from intentionally and maliciously inflicting severe emotional distress on the vulnerable adult. A violation is a misdemeanor punishable by a maximum penalty of imprisonment for five years and/or a $5,000 fine.

Crimes Involving Animals

Payment of Costs in Animal Abuse and Neglect Cases

Chapters 61 and 62 of 2019 authorized a court, as a condition of sentencing, to order a defendant convicted of animal abuse or neglect or specified felony offenses involving aggravated cruelty to animals to pay all reasonable costs incurred in removing, housing, treating, or euthanizing an animal confiscated from the defendant. The payment is in addition to any other fines and costs imposed by the court.

Sexual Contact with Animals

Chapter 72 of 2019 expanded the prohibition against aggravated cruelty to animals to include engaging in sexual contact with an animal, as specified. Under the Act, a person who engages in sexual contact with an animal is guilty of the felony of aggravated cruelty to animals and is subject to maximum penalties of three years imprisonment and/or a $5,000 fine.

Equines

A person may not commit the following acts against a horse used for racing, breeding, or a competitive exhibition of skill, breed, or stamina: (1) willfully and maliciously interfering with, injuring, destroying, or tampering with the horse; (2) willfully starting, instigating, engaging in, or furthering an act that interferes with, injures, destroys, or tampers with the horse; or (3) committing an act that tends to interfere with, injure, destroy, or tamper with the horse. ***Chapter 93 of 2020*** expanded application of these prohibitions to all equines and applied the prohibitions to equines used for any lawful activity. Equine includes horses, donkeys, mules, and ponies. The Act specified that the prohibitions do not apply to the owner of the equine or a person acting on behalf of or at the direction of the owner of the equine and altered the existing penalty provision such that violators are guilty of a misdemeanor, rather than a felony, and on conviction are subject to a fine of up to $1,000 and/or imprisonment for up to one year, rather than imprisonment of between one and three years.

Harm to Service Animals

Chapters 178 and 179 of 2021 prohibited a person from willfully and maliciously killing, injuring, or interfering with the use of a service animal under specified circumstances. A person who violates the prohibition against killing or injuring a service animal is guilty of a misdemeanor and subject to imprisonment for up to two years and/or a $2,500 maximum fine. A person who violates the prohibition against interfering with the use of a service animal is guilty of a misdemeanor and subject to imprisonment for up to one year and/or a $1,000 maximum fine. Violators may also be ordered to pay full restitution for all damages arising out of the offense.

Declawing Cats

State law prohibits certain procedures performed on dogs or cats unless performed under specified circumstances by a licensed veterinarian. The prohibited procedures are (1) cropping or cutting off the ear of a dog; (2) docking or cutting off the tail of a dog; (3) cutting off the dewclaw of a dog; (4) surgically birthing a dog; and (5) surgically devocalizing a dog or cat.

Chapters 178 and 179 of 2022 prohibited a person from performing a declawing procedure on a cat unless the person is a veterinarian, and the procedure is necessary for a therapeutic purpose. Violators are subject to a civil fine not exceeding $1,000. ***Chapters 178 and 179*** also established sanctions specific to veterinarians and veterinary practitioners that violate the prohibition.

Unattended Dogs and Extreme Weather Conditions

Chapters 181 and 182 of 2022 prohibited a person from leaving a dog outside and unattended for longer than 30 minutes without access to continuous (1) suitable shelter during "extreme weather conditions" and (2) suitable shelter or suitable shade when temperatures are above 90 degrees Fahrenheit.

Violators of the Acts' provisions are guilty of a civil offense punishable by a warning for a first violation, a civil penalty of up to $500 for a second violation, and a civil penalty of up to $1,000 for a third or subsequent violation. The prohibition does not apply if the dog is lawfully and actively engaged in hunting, livestock herding or guarding, sledding, sporting, or training.

Hate Crimes

Threats

Chapters 28 and 29 of 2019 prohibited a person from threatening to commit a specified hate crime relating to damaging property of a religious entity, obstructing the free exercise of religious beliefs, harassment or destruction of property, or damage to an associated building.

Motive

Chapters 367 and 368 of 2020 altered the State's hate crime statutes to prohibit the commission of specified criminal acts if they are motivated either in whole or in substantial part by another person's or group's race, color, religious beliefs, sexual orientation, gender, disability, or national origin.

Use of Item or Symbol to Threaten or Intimidate

Chapters 21 and 22 of 2020 prohibited a person from placing or inscribing an item or a symbol, including an actual or depicted noose or swastika, whether temporary or permanent, on any real or personal property, public or private, without the express permission of the owner,

owner's agent, or lawful occupant of the property, with the intent to threaten or intimidate any person or group of persons. Violators are guilty of a misdemeanor, punishable by imprisonment for up to three years and/or a $5,000 fine.

Mitigation and Defense

Chapter 369 of 2021 established that the discovery or perception of, or belief about, another person's race, color, national origin, sex, gender identity, or sexual orientation, whether or not accurate (1) does not constitute legally adequate provocation to mitigate a killing from the crime of murder to manslaughter and (2) is not a defense to the crime of assault in any degree.

Gender Identity and Antibias Education

Chapters 385 and 386 of 2021 altered the list of protected classes under the hate crime statutes to include "gender identity," as defined in § 20-101 of the State Government Article. The Acts also (1) authorized a sentencing court to order a person convicted of a hate crime to complete an antibias education program and (2) required the University System of Maryland to manage the development of an antibias education program. Gender identity means the gender-related identity, appearance, expression, or behavior of a person, regardless of the person's assigned sex at birth, which may be demonstrated by consistent and uniform assertion of the person's gender identity or any other evidence that the gender identity is sincerely held as part of the person's core identity.

False Statements to Law Enforcement Officers

Chapters 166 and 167 of 2022 clarified that it is a hate crime for a person to make or cause to be made a false statement, report, or complaint that the person knows to be false, either as a whole or in material part, to a specified law enforcement officer, in violation of § 9-501 of the Criminal Law Article, about a group or person with the intent to deceive and to cause an investigation or other action to be taken as a result of the statement, report, or complaint when the perpetrator's actions were motivated in whole or in substantial part by the subject's race, color, religious beliefs, sexual orientation, gender, gender identity, disability, national origin, or homeless status.

Violent Crimes

Threat of Mass Violence

Chapters 30 and 31 of 2019 altered the statutory prohibition on knowingly threatening to commit or threatening to cause to be committed a crime of violence, as defined in § 14-101 of the Criminal Law Article, by prohibiting a person from making such a threat that would place five or more people at substantial risk of death or serious physical injury if the threat were carried out. A violator is guilty of a misdemeanor, punishable by imprisonment for up to 10 years and/or a fine of up to $10,000.

Crime of Violence Against a Pregnant Person

Chapter 388 of 2019 prohibited a person from committing a crime of violence, as defined in § 14-101 of the Criminal Law Article, against another person when the person knows or believes that the other person is pregnant. A person who violates the prohibition is guilty of a felony and, in addition to any other penalty imposed for the underlying crime of violence, is subject to a maximum penalty of 10 years imprisonment.

Solicitation and Conspiracy to Commit Murder

Chapters 246 and 247 of 2019 clarified that a person who solicits another or conspires with another to commit murder in the first degree is guilty of murder in the first degree if the death of another person occurs as a result of the solicitation or conspiracy. A person who commits a murder in the first degree is guilty of a felony and on conviction must be sentenced to imprisonment for life, with or without the possibility of parole.

Strangulation

Chapters 119 and 120 of 2020 expanded the crime of felony first-degree assault to include the commission of an assault by intentionally strangling another. The Acts defined strangling as impeding the normal breathing or blood circulation of another person by applying pressure to the other person's throat or neck. A violator is subject to the statutory penalty for felony first-degree assault of imprisonment for up to 25 years.

Human Trafficking

Reorganization of Human Trafficking Subtitle

Chapters 21 and 22 of 2019 recodified prohibitions relating to prostitution and human trafficking and distinguished and renamed conduct referred to as "human trafficking" to instead be "sex trafficking" and "forced marriage." The Acts grouped the offenses of sex trafficking and forced marriage under a new subtitle designation, Human Trafficking. The prohibition on sex trafficking was expanded by making it a felony to violate the prohibition with the use of, or intent to use, force, fraud, or coercion. Additionally, the Acts provided that it is not a defense to the crime of abduction of a child younger than age 16 that the defendant did not know the age of the victim. The Acts also added felony offenses under the new Human Trafficking subtitle to the definition of a "crime of violence" under the Criminal Law Article and the Public Safety Article.

Labor Trafficking

Chapters 23 and 24 of 2019 established the offense of labor trafficking, a felony punishable by imprisonment for up to 25 years and/or a $15,000 maximum fine.

Stalking

Violation of Conditions of Release

Chapter 49 of 2019 added the crime of stalking to the list of charges in connection with which it is a crime to violate a condition of pretrial or posttrial release that prohibits contact, harassment, or abuse of the alleged victim or going in or near the alleged victim's residence or place of employment. A violator is guilty of a misdemeanor and on conviction is subject to imprisonment for up to 90 days.

Definition of Stalking

Chapters 148 and 149 of 2022 altered the definition of stalking to include conduct that occurs in person, by electronic communication, or through the use of a device that can pinpoint or track the location of another without the person's knowledge or consent.

Crimes Committed by Police Officers

In response to incidents across the country in which citizens were seriously injured or killed by police officers and other acts of misconduct involving police officers, the General Assembly considered extensive legislation relating to police reform during the 2021 session. Among the legislation considered, some bills contained criminal prohibitions against certain conduct by police officers.

Use of Force

Common law allowed police officers to use any force necessary to effectuate a felony arrest; however, in *Tennessee v. Garner*, 471 U.S. 1 (1985), the U.S. Supreme Court held that when a police officer is pursuing a fleeing suspect, the officer may not use deadly force to prevent escape unless "the officer has probable cause to believe that the suspect poses a significant threat of death or serious physical injury to the officer or others." In *Graham v. Connor*, 490 U.S. 386 (1989), the Supreme Court expanded its definition to include the objective reasonableness standard. The court held that the Fourth Amendment "reasonableness" inquiry is "whether the officers' actions are 'objectively reasonable' in light of the facts and circumstances confronting them, without regard to their underlying intent or motivation. The 'reasonableness' of a particular use of force must be judged from the perspective of a reasonable officer on the scene, and its calculus must embody an allowance for the fact that police officers are often forced to make split-second decisions about the amount of force necessary in a particular situation." In *Randall v. Peaco*, 175 Md. App. 320 (2007), the Court of Special Appeals applied principles of the *Graham v. Connor* case and stated that the test for determining the objective reasonableness of an officer's conduct for purposes of deciding a claim of excessive force brought under the State constitution is the test that the Supreme Court announced in *Graham v. Connor*.

Chapter 60 of 2021 prohibited a police officer from using force against a person unless, under the totality of the circumstances, the force is necessary and proportional to (1) prevent an

imminent threat of physical injury to a person or (2) effectuate a legitimate law enforcement objective. Additionally, the Act required that a police officer cease the use of force as soon as (1) the person on whom the force is used is under the officer's control or no longer poses an imminent threat of physical injury or death to the officer or another or (2) the police officer determines that force will no longer accomplish a legitimate law enforcement objective. A police officer who intentionally violates this standard, resulting in serious physical injury or death to a person, is guilty of a misdemeanor, punishable by a maximum penalty of 10 years imprisonment.

Prohibition on Sexual Activity

A law enforcement officer may not engage in sexual contact, vaginal intercourse, or a sexual act with a person in the custody of the law enforcement officer. Violators are guilty of a misdemeanor, punishable by maximum penalties of three years imprisonment and/or a $3,000 fine. ***Chapter 314 of 2021*** expanded the list of individuals a law enforcement officer is statutorily prohibited from engaging in sexual contact, vaginal intercourse, or a sexual act with to include (1) a person who is a victim, witness, or suspect in an open investigation that the law enforcement officer is conducting, supervising, or assisting with if the law enforcement officer knew or should have known that the person is a victim, witness, or suspect in the investigation and (2) a person requesting assistance from or responding to the law enforcement officer in the course of the officer's official duties.

For a more detailed discussion of police reform legislation, see the subpart "Public Safety" within this part of this *Major Issues Review*.

Criminal Organizations

Chapter 422 of 2020 made several changes to provisions of law relating to what were previously termed criminal gangs. The Act (1) replaces references to "criminal gang" with "criminal organization" and made corresponding changes; (2) expanded the list of underlying crimes for criminal organization offenses; and (3) specified that assets divested from criminal organizations as a result of local investigations and prosecutions must go to local jurisdictions to be used only on specified services and law enforcement-related efforts. The Act also required the Attorney General, in consultation with the Maryland State's Attorneys' Association, to develop a plan for a formal process for oversight of prosecutions involving criminal organizations. The Attorney General was required to report to the Governor and the General Assembly on the plan by December 31, 2020.

Crimes Involving Computers

Chapters 145 and 146 of 2021 prohibited a person from knowingly possessing "ransomware" with the intent to use the ransomware for the purpose of introduction into the computer, computer network, or computer system of another person without the authorization of the other person. The prohibition does not apply to a person who has a bona fide scientific, educational, governmental, testing, news, or other similar justification for possessing ransomware.

Violators are guilty of a misdemeanor, punishable by imprisonment for up to two years and/or a maximum fine of $5,000. The Acts also (1) prohibited committing a ransomware offense – or other prohibited acts, as currently specified – with the intent to interrupt or impair the functioning of a health care facility or a public school and (2) altered monetary penalties for specified computer-related offenses.

Miscellaneous

Indecent Exposure

Chapter 331 of 2021 established that the offense of indecent exposure includes engaging in an act of masturbation in public, whether or not the person's genitalia are exposed. Violators are guilty of a misdemeanor and subject to the statutory penalty applicable to indecent exposure of imprisonment for up to three years and/or a $1,000 maximum fine.

Life-Threatening Injury Involving a Motor Vehicle or Vessel

Chapter 144 of 2021 established the offense of life-threatening injury by motor vehicle or vessel – criminal negligence. The Act prohibited a person from causing a life-threatening injury to another as a result of driving, operating, or controlling a motor vehicle or vessel in a criminally negligent manner. A violator is guilty of a misdemeanor, and on conviction, is subject to maximum penalties of imprisonment for one year and/or a fine of $5,000.

Violation of Protective Order

Chapter 168 of 2022 prohibited a conviction for the violation of specified provisions of a protective order from merging with a conviction for any other crime based on the act establishing the violation. Under the Act, a sentence imposed for a violation of a protective order may be imposed separate from and consecutive to or concurrent with a sentence for any crime based on the act establishing the violation.

Swatting

Chapter 150 of 2022 established the Task Force to Study the Practice Known as "Swatting" to be staffed by the Office of the Attorney General. The Act required the task force to (1) study the laws applicable to, and otherwise relating to, the practice known as "swatting" and (2) make recommendations relating to legislative changes needed to prohibit the practice known as "swatting." By June 1, 2023, the task force must report its findings and recommendations to the Governor and the General Assembly. While there is no statutory definition of "swatting," the term is often used to refer to the making of fake calls to 9-1-1 in an effort to elicit a significant response by law enforcement and other emergency services personnel.

Criminal Procedure

Police Reform

Investigation and Prosecution of Deaths Caused by Police Officers

According to the Governor's Office of Crime Prevention, Youth, and Victim Services (GOCPYVS), there were approximately 31 police-related civilian deaths per year from 2017 through 2020. The Medical Examiner's Office classified almost half of the cases (60) as a homicide by law enforcement. All of the cases classified as homicides involved the fatal shooting of the individual; 33 of the civilians killed were African American.

As part of the comprehensive police reform measures introduced during the 2021 session, ***Chapter 132*** sought to increase the oversight and uniformity of investigations of civilian deaths involving a police officer by creating an Independent Investigative Unit within the Office of the Attorney General (OAG). ***Chapter 132*** required the unit to investigate all alleged or potential police-involved deaths of a civilian and authorized the unit to investigate any other crimes related to police misconduct that are discovered during an investigation. The unit was authorized to act with the full powers, rights, privileges, and duties of a State's Attorney, including the use of a grand jury in any county. Within 15 days after the completion of an investigation, the unit must submit a confidential report of its findings to the State's Attorney that has jurisdiction to prosecute the matter. The Governor is required to include funding in the annual State budget sufficient to provide for the full and proper operation of the unit.

Chapter 132 also prohibited police departments from purchasing certain surplus military equipment, including weaponized aircrafts, drones, or vehicles, destructive devices, firearm silencers, or grenade launchers.

Chapter 141 of 2022 made several changes to the Independent Investigative Unit, including (1) renaming the unit as the "Independent Investigations Division"; (2) specifying that the division is the primary investigative unit for police-involved incidents that result in the death of civilians or injuries likely to result in death; and (3) specifying that OAG must determine whether an incident is police-involved and whether an injury is likely to result in death. Additionally, for the limited purpose of furthering an ongoing criminal investigation, ***Chapter 141*** also granted the Attorney General (or a deputy Attorney General or assistant Attorney General, as specified) the authority to issue in any court in the State a subpoena to a person to produce telephone, business, government, or corporate records or documents. The Act included numerous provisions related to the issuance of such subpoenas, including those concerning a person's right to counsel in connection with a subpoena and the circuit court's authority to grant appropriate relief if a person fails to obey a lawfully served subpoena.

Body-worn Cameras and Use of Force

Chapter 60 of 2021, required, by specified timeframes, the Department of State Police (DSP) and county law enforcement agencies to require the use of a body-worn camera (BWC) by each law enforcement officer employed by the law enforcement agency who regularly interacts with members of the public as part of the officer's official duties, subject to the agency's policy on the use of BWCs. Among other provisions, the Act also established specific standards for and related requirements regarding the use of force by a police officer.

For a further discussion of ***Chapter 60***, see the subpart "Criminal Law" within this part of this *Major Issues Review*. For a more detailed discussion of police reform legislation, see the subpart "Public Safety" within this part of this *Major Issues Review*.

Data Collection and Reporting Requirements

Numerous bills considered during the 2022 legislative session included provisions to increase the availability and transparency of criminal justice-related data. ***Chapter 141*** also required the Division of Parole and Probation (DPP) to submit to the Senate Judicial Proceedings Committee and the House Judiciary Committee an annual report on (1) measures DPP will take to improve oversight of offenders under its supervision who are involved in homicides and (2) the number of offenders supervised by DPP that were victims of or charged with certain crimes. The Act also required the Maryland State Commission on Criminal Sentencing Policy to include in its annual report specified information regarding sentences involving crimes of violence (disaggregated by judicial circuit) and conspicuously post such information publicly on its website. In addition, ***Chapter 141*** repealed a statutory provision that previously excluded criminal records from the types of records that the Maryland Longitudinal Data System Center, which collects and facilitates the exchange of specified student data for analysis, may collect. These provisions of ***Chapter 141*** terminate on September 30, 2025.

For a further discussion of ***Chapter 141***, see the subpart "Public Safety and Corrections" within this part of this *Major Issues Review*.

Pretrial Procedures and Services

Charge by Citation

Chapters 370 and 371 of 2021 established that a police officer is not required to charge a defendant by citation for a misdemeanor or local ordinance that carries a penalty of imprisonment for 90 days or less if the misdemeanor or violation involves serious injury or an immediate health risk. The Acts also expanded the offenses for which an officer may charge by citation to include possession of a controlled dangerous substance other than marijuana. The criteria that must be met before an officer may charge by citation was also altered to allow for the issuance of a citation even if a defendant is subject to arrest for another criminal charge arising out of the same set of circumstances. However, the defendant must not be subject to arrest for an alleged misdemeanor involving serious injury or immediate health risks or an alleged felony arising out of the same

incident, or subject to arrest based on an outstanding warrant, as specified. The Acts also made conforming changes to statutory provisions pertaining to an application to the Governor for extradition of a person charged with a crime by citation in Maryland.

Recall of Arrest Warrants

Chapters 594 and 595 of 2021 authorized a District Court judge or a circuit court judge, on a finding of good cause, to recall an arrest warrant issued by a District Court commissioner and issue a summons in its place.

Sex Offenders

In most cases, pretrial release determinations are made at the defendant's initial appearance before a District Court commissioner. However, a District Court commissioner is prohibited from authorizing the pretrial release of specified individuals, including a defendant who is registered as a sex offender in Maryland. ***Chapter 389 of 2019*** prohibited a District Court commissioner from authorizing the pretrial release of a defendant who the commissioner knows is required to register as a sex offender in Maryland. Accordingly, only a judge may authorize the pretrial release of such a defendant, subject to provisions specified in existing statute.

Violations of Conditions of Release

A person charged with a violation of certain statutes may not violate a condition of pretrial or posttrial release that prohibits contact, harassment, or abuse of the alleged victim or going in or near the alleged victim's residence or place of employment. Violators are guilty of a misdemeanor, punishable by up to 90 days imprisonment. A police officer is authorized to make a warrantless arrest if the officer has probable cause to believe that the person has violated a condition of pretrial or posttrial release under these circumstances. ***Chapter 49 of 2019*** added the crime of stalking under § 3-802 of the Criminal Law Article to the list of charges for which a person is subject to criminal responsibility for violating a condition of pretrial or posttrial release.

Pretrial Release Programs

Home Detention Monitoring Fees: Generally, the court may require, as a condition of a defendant's pretrial release, that the defendant be monitored by a private home detention monitoring agency (PHDMA) licensed under Title 20 of the Business Occupations and Professions Article. A defendant placed in private home detention must pay the agency's monitoring fee directly to PHDMA. According to the Department of Public Safety and Correctional Services (DPSCS), the limited number of companies providing these services in the State charge fees ranging from $10 to $18 per day. ***Chapter 597 of 2021*** prohibited a pretrial defendant from being required to pay a PHDMA for any costs or fees incurred if the defendant (1) qualifies as indigent under § 16-210 of the Criminal Procedure Article (eligibility for services of the Office of the Public Defender) or (2) is provided a private home detention monitoring device or global positioning system device by the State or a local jurisdiction. Instead, the State must pay a PHDMA for any

costs or fees incurred by defendants who meet this criteria. Generally, as enacted, these provisions were subject to a termination date related to the COVID-19 State of Emergency.

Chapter 544 of 2022 (1) repealed the termination date for the payment-related provisions of ***Chapter 597***; (2) added language specifying that State payments for PHDMA costs and fees are subject to the availability of federal funding; and (3) required the State to use available federal funds to pay for PHDMA costs and fees. Among other provisions, ***Chapter 544*** also extended (to December 31, 2023) the termination date of the Workgroup on Home Detention Monitoring and added additional reporting requirements for the workgroup.

Pretrial Services Program Grant: Chapter 364 of 2021 prohibited a pretrial services program that receives a grant from the Pretrial Services Program Grant Fund from charging a fee to any defendant for participation in the program. The Act also extended the termination date of the fund from June 30, 2023, to June 30, 2028.

Baltimore City

Chapters 520 and 521 of 2022 required DPSCS to notify the Baltimore Police Department (BPD) within 24 hours if a defendant is released before trial. Additionally, ***Chapter 521*** required BPD to submit an annual report to the Governor and the General Assembly regarding the firearms destroyed, seized, or recovered by BPD during the preceding calendar year. If BPD fails to submit a required report, GOCPYVS may not make any grant funds available to BPD. The requirements regarding firearms reports terminate June 30, 2027. ***Chapter 521*** also established the Jobs Court Pilot Program in Baltimore City, which is further discussed in the subpart "Judges and Court Administration" within Part F – Courts and Civil Proceedings of this *Major Issues Review*.

Petition for Costs of Care of Seized Animal

Chapter 180 of 2022 established procedures for an officer or authorized agent of a humane society or a police officer or other public official required to protect animals to petition the District Court to order the owner or custodian of an animal that has been seized to protect it from cruelty or for its health to pay for the reasonable costs of caring for the animal. Among its provisions, ***Chapter 180*** established requirements for filing petitions for reasonable costs of care and related court hearings. The Act's provisions may not be construed to prevent individuals from seeking restitution as part of sentencing if a person does not seek costs of care as authorized in the Act. ***Chapter 180*** also modified existing provisions authorizing the removal or seizure of an animal to protect it from cruelty or for its health.

Evidence

Generally

Prior to 2022, the State Toxicologist was administratively housed at the Office of the Chief Medical Examiner (OCME) within the Maryland Department of Health (MDH) and had oversight responsibilities with respect to breath alcohol and blood alcohol and drug testing for drunk and

drugged driving investigations. However, MDH advised that these oversight responsibilities were a substantial burden and did not align with OCME's mission, which is focused on postmortem investigations. ***Chapter 226 of 2022*** generally transferred approval and oversight authority relating to such testing from the State Toxicologist in OCME to the toxicologist in the Department of State Police Forensic Sciences Division.

Sexual Assault Evidence Kits

Chapters 33 and 34 of 2019 required a sexual assault evidence collection kit to be submitted to a forensic laboratory for testing unless specified requirements are met. Among other provisions, the Acts (1) required a law enforcement agency to submit a sexual assault evidence collection kit and all requested associated reference standards to a forensic laboratory within 30 days of receipt; (2) required a forensic laboratory to process a sexual assault evidence collection kit and all requested associated reference standards in a timely manner; and (3) established that the failure to complete the screening, testing, and analysis of a sexual assault evidence collection kit and all requested associated reference standards in a timely manner does not constitute the basis for excluding the analysis or results as evidence in a criminal proceeding.

Witnesses

Testimony of In-custody Witness: Chapters 281 and 282 of 2020 required a State's Attorney to take specified actions regarding testimony from an "in-custody witness." An in-custody witness means an individual, other than an accomplice or a co–defendant, who (1) is incarcerated at the time that the individual offers or provides testimony against a suspect or defendant and (2) receives, or has an expectation of receiving, a benefit in return for the testimony. An in-custody witness does not include a confidential informant who does not provide testimony against a suspect or defendant. Among other requirements, the Acts required that, if a State's Attorney obtains testimony from an in-custody witness, the State's Attorney must make a written record of specified information, including whether the witness received a benefit, and, if so, what the benefit is or will be. The information must be reported to GOCPYVS and disclosed to the defendant. GOCPYVS must securely store and maintain the reported information and may disclose it only to a State's Attorney, the Attorney General, and the State Prosecutor (or a designee of one of these individuals).

Unavailability of Witness: While evidentiary rules generally exclude hearsay from being admitted into evidence, there are exceptions. For example, under § 10-901 of the Courts and Judicial Proceedings Article, a statement is not excluded by the hearsay rule and is admissible during the criminal trial of a defendant charged with specified crimes of violence or felony drug crimes if the statement is offered against a party who, through wrongdoing, has caused the unavailability of the witness who made the statement. ***Chapters 607 and 608 of 2020*** lowered, from clear and convincing evidence to a preponderance of the evidence, the standard of proof needed to admit evidence under this limited exception to the hearsay rule. ***Chapter 608*** also expanded the application of this hearsay exception to all felony criminal cases.

Child Victims and Witnesses: Chapters 161 and 162 of 2022 expanded statutory evidentiary provisions, sometimes referred to as the "tender years statute," that authorize the admission of an out of court statement in a juvenile court or criminal proceeding made by a child victim under specified circumstances to include (1) a statement made by a child victim who is younger than age 13 and is an alleged victim or a child alleged to be in need of assistance in a case before the court concerning neglect of a minor and (2) a statement made by a child victim or witness who is younger than age 13 and is an alleged victim or a witness in a case before the court concerning a crime of violence under § 14-101 of the Criminal Law Article.

Spousal Privilege: Chapter 486 of 2022 established that the spouse of a person on trial for a crime may be compelled to testify as an adverse witness if the person on trial and the spouse married after the date on which the alleged crime for which the person is on trial occurred.

Use of Cell Site Simulators

A "cell site simulator" is a device that mimics a cell tower and captures identifying information of electronic devices that are in the range of the device. According to information published by the American Civil Liberties Union, numerous law enforcement agencies in over half the states, including Maryland and the District of Columbia, use cell site simulator technology to track the location of cell phones. ***Chapters 222 and 223 of 2020*** authorized a court to issue an order authorizing or directing a law enforcement officer to use a cell site simulator under specified circumstances. An application from law enforcement for a court order must be in writing, be accompanied by an affidavit setting forth the basis of the probable cause, and meet specified content and procedural requirements. Among other provisions, the Acts further established requirements for a court order and the use of any information obtained relating to the use of a cell site simulator. The Acts also required each law enforcement agency to post on its website and report to the Governor and the General Assembly the number of times a cell site simulator was used by the law enforcement agency during the previous calendar year; these requirements terminate September 30, 2025. Additionally, ***Chapter 392 of 2021*** further authorized an application for a court order for the use of a cell site simulator (or to otherwise obtain location information) to be submitted to a judge in person, by secure fax, or by secure electronic mail.

Use of Genealogical DNA Analysis

Chapters 681 and 682 of 2021 established numerous requirements and procedures regarding the use of "Forensic genetic genealogical DNA analysis and search" (FGGS) by law enforcement. The Acts prohibited law enforcement from initiating FGGS without first obtaining judicial authorization and certifying before the court that the forensic sample and the criminal case meet specified criteria. As part of this process, a law enforcement agent must submit a sworn affidavit, with prosecutorial approval, asserting specified facts regarding the crime being investigated, testing that has already been conducted on the forensic sample, and the progress of the investigation. The Acts restricted FGGS to certain databases that meet specified notice requirements and established requirements regarding informed consent that must be met prior to obtaining a DNA sample from a third party to assist in FGGS.

The Acts also required law enforcement seeking to collect a covert DNA sample from a potential putative perpetrator or a third party to meet specified criteria, including notification to the authorizing court prior to collection of the covert sample and a proffer by investigative authorities to the court of their plan to collect the sample without unduly intrusive surveillance and invasions of privacy. The Acts also specified requirements regarding testing, use, and destruction of the sample and included provisions that require periodic progress reports to the court and restrict the duration of efforts to collect a covert sample.

Chapters 681 and 682 also required DNA samples and genetic genealogical information to be destroyed in a specified manner, required genealogists participating in an FGGS to turn over records relating to an investigation at the completion of the investigation, and required a prosecutor to make certain disclosures regarding information obtained during an FGGS. Furthermore, a defendant charged with a crime of violence or convicted of a crime of violence who seeks post-conviction DNA testing is entitled to seek judicial authorization for FGGS; the Acts established related procedures and requirements.

Among other requirements, the Office of Health Care Quality (OHCQ) in MDH must, by specified dates, (1) establish a licensing program for laboratories performing specified testing on evidence in support of FGGS and (2) establish a licensing program for individuals performing genetic genealogy. Prohibitions may not be placed on any laboratory conducting specified types of testing or on genetic genealogists participating in an FGGS before the relevant required licensing program is established. However, laboratories and genetic genealogists must apply for the required license within one year after OHCQ establishes the relevant licensing program. The Acts also required the Maryland Forensic Laboratory Advisory Committee to perform related functions, as specified.

Finally, GOCPYVS must submit a publicly available report, on an annual basis, on the number of requests for FGGS and related information to the Governor and the General Assembly. A panel that includes specified stakeholders must review the report each year and make policy recommendations.

Postconviction Procedures

Juveniles Convicted as Adults

Chapter 61 of 2021 prohibited a court from imposing a sentence of life imprisonment without the possibility of parole or release on a minor convicted as an adult. It also entitled an individual to a hearing to reduce the duration of the individual's sentence if the individual was convicted as an adult for a crime committed as a minor, was sentenced before October 1, 2021, and has been imprisoned for the offense for at least 20 years. The Act also authorized the court to impose less than the minimum sentence required under law for a minor convicted as an adult.

For a further discussion of ***Chapter 61***, see the subpart "Juvenile Law" within this part of this *Major Issues Review*.

Motion to Vacate

A person convicted of a crime has a number of alternatives for seeking review of a conviction, including an appeal and review at the trial court level (motion for new trial and a petition for writ of actual innocence). In general, a defendant is not limited to any particular option for judicial review and may pursue multiple avenues for review in connection with a single conviction. However, the pursuit of these options must be initiated by the defendant, not the State. ***Chapter 702 of 2019*** authorized a court with jurisdiction over the case, on motion of the State, to vacate a probation before judgment or conviction when (1) there is newly discovered evidence that could not have been discovered by due diligence in time to move for a new trial and creates a substantial or significant probability that the result would have been different or (2) the State's Attorney received new information after the entry of a probation before judgment or judgment of conviction that calls into question the integrity of the probation before judgment or conviction. The interest of justice and fairness must also justify vacating the probation before judgment or conviction.

Sentencing for Certain Animal Cruelty Offenses

As a condition of sentencing, a court may order a defendant convicted of animal abuse or neglect to participate in and pay for psychological counseling. As a condition of sentencing for a defendant convicted of felony aggravated cruelty to animals (general), felony aggravated cruelty to animals (dogfighting), or felony aggravated cruelty to animals (cockfighting), a court may (1) order the defendant to participate in and pay for psychological counseling and (2) prohibit a defendant from owning, possessing, or residing with an animal for a specified period of time. ***Chapters 61 and 62 of 2019*** authorized a court to order a defendant convicted of specified animal cruelty offenses to pay all reasonable costs incurred in removing, housing, treating, or euthanizing an animal confiscated from the defendant. The order is a condition of sentencing, and the payment is in addition to any other fines and costs imposed by the court. The applicable offenses are the aforementioned felonies and animal abuse or neglect (a misdemeanor).

Diminution Credits

Inmates sentenced to a State correctional facility are generally entitled to earn diminution of confinement credits to reduce the lengths of their incarcerations. However, inmates who are serving sentences for specified crimes/circumstances are subject to further restrictions regarding the maximum number of credits that may be earned or altogether prohibited from earning such credits. Diminution credits are made for good conduct, work tasks, education, and special projects or programs. ***Chapter 365 of 2021*** authorized diminution credits to reduce the term of confinement of an inmate who successfully obtains (1) an intermediate high academic certificate; (2) a certificate of completion of a technical or vocational training program, as specified; (3) a State High School Diploma by Examination; (4) a high school diploma; (5) an associate degree; or (6) a bachelor's degree. In general, the deduction allowed is 60 days per program completed and is in addition to any other deduction awarded. However, inmates serving a sentence for a crime of violence are only eligible for a deduction of up to 40 days, and inmates serving a sentence for

murder in the first degree or a sexual offense requiring registration on the Maryland Sex Offender Registry are not entitled to the diminution credits provided under the Act. ***Chapter 365*** has prospective application only and does not have any effect on awards of diminution credits before the October 1, 2021 effective date.

Parole

Generally, under prior law, an inmate sentenced to life imprisonment is not eligible for parole until the inmate serves 15 years, or the equivalent of 15 years with allowances for diminution credits. ***Senate Bill 202 of 2021*** increased this time period to 20 years, or the equivalent of 20 years with allowances for diminution credits, for individuals sentenced to life imprisonment for a crime committed on or after October 1, 2021. The bill was vetoed by the Governor, but the General Assembly subsequently overrode the veto and the bill became law as ***Chapter 30 of the 2021 special session***.

Chapter 30 made additional changes to the parole process in the State. Under existing law, the Maryland Parole Commission has the exclusive power to authorize the parole of an inmate in State correctional facilities, and the Patuxent Board of Review has the exclusive power to recommend an inmate of the Patuxent Institution for parole to the Secretary of Public Safety and Correctional Services or the Governor. However, under prior law, the parole of any person serving a parole-eligible term of life in either a State correctional facility or the Patuxent Institution required the approval of the Governor. ***Chapter 30*** eliminated the role of the Governor in the parole process for individuals serving life imprisonment.

Chapter 30 also modified requirements for parole hearings for individuals who have been sentenced to life imprisonment (for a crime committed on or after October 1, 2021) by requiring affirmative votes by at least six commissioners in order to approve the inmate for parole. Generally, under prior law, the affirmative votes of at least two commissioners was necessary.

Resentencing Cannabis-related Offenses

Among numerous other provisions (some of which are discussed below), ***Chapter 26 of 2022*** authorized an individual who is incarcerated for a conviction related to cannabis under § 5-601 of the Criminal Law Article to apply to the court for resentencing; the court must grant the application and resentence the person to time served. If the person is not serving another sentence, the person must be released from incarceration. These provisions are effective January 1, 2023, contingent on ratification of a related constitutional amendment.

Expungement

Automatic Expungement

Under prior law, all individuals eligible for expungement had to initiate the process by filing a petition with the court. ***Chapter 680 of 2021*** essentially established automatic expungement for certain cases by requiring that, beginning October 1, 2021, any police record,

court record or other record maintained by the State or a political subdivision of the State relating to the charging of a crime or a civil offense under § 5-601 (c)(2)(ii) of the Criminal Law Article (possession of less than 10 grams of marijuana), including a must-appear violation of the Transportation Article, must be expunged three years after a disposition of the charge if no charge in the case resulted in a disposition other than acquittal, dismissal, not guilty, or *nolle prosequi* (other than *nolle prosequi* with a requirement of drug or alcohol treatment).

Because some defendants may qualify for expungement prior to the automatic expungement process established in ***Chapter 680*** (if willing to waive potential tort claims), the Act also required that specified notice be provided to the defendant of the existing right to petition-based expungement under § 10-105 of the Criminal Procedure Article. The required notice by the court must include a written form for general waiver and release of all tort claims relating to the charge or charges eligible for expungement.

Cannabis-related Offenses

Chapter 26 of 2022 further altered expungement eligibility for individuals convicted of certain cannabis-related offenses. The Act authorized a person who is convicted of possession of cannabis under § 5-601 of the Criminal Law Article to file a petition for expungement of the conviction after the satisfactory completion of the sentence including probation (rather than the existing waiting period of the later of four years after the conviction or the satisfactory completion of the sentence). The Act also required DPSCS, by July 1, 2024, to expunge all cases in which the possession of cannabis is the only charge in the case and the charge was issued before July 1, 2023. For purposes of this provision, expunge is limited to mean removal of all references to a specified criminal case from the Central Repository. As with other provisions of ***Chapter 26*** discussed previously, these provisions are effective January 1, 2023, contingent on ratification of a related constitutional amendment.

For a more detailed discussion of ***Chapter 26***, see the subpart "Criminal Law" within this part of this *Major Issues Review*.

Other Offenses

Chapters 599 and 600 of 2019 authorized a person to file a petition for expungement if the person is convicted of any prohibited act related to speed limits for personal watercraft or specified provisions in the Natural Resources Article (generally related to speed limits or noise levels, waste and refuse disposal, use of flashing lights or signal devices, or operating a vessel in a reckless or dangerous manner).

During the 2020 session, the General Assembly passed ***House Bill 1336***, but the Governor vetoed the bill. The General Assembly overrode the veto, and the bill became law as ***Chapter 31 of 2021***. Among other provisions, ***Chapter 31*** added a conviction for fourth-degree burglary to the list of misdemeanors eligible for expungement.

Chapter 620 of 2021 added a conviction under § 16-303 of the Transportation Article (driving on a canceled, suspended, refused, or revoked license/privilege) to the list of offenses that can be expunged. The Act also established that the subsequent offender penalty under § 16-303 only applies when a person commits a violation of § 16-303 within three years of a prior conviction under § 16-303.

Criminal History Records

The Maryland Judiciary Case Search is a website maintained by the Maryland Judiciary that provides Internet-based access to various Maryland case records. Accessible records include District Court traffic, criminal, and civil case records and criminal and civil case records for the circuit courts. Information is removed from view on Maryland Judiciary Case Search through expungement and shielding only.

During the 2020 session, the General Assembly passed ***House Bill 83***, but the Governor vetoed the bill. The General Assembly overrode the veto during the 2021 session, and the bill became law as ***Chapter 21 of 2021***. The Act prohibited the Maryland Judiciary Case Search from in any way referring to the existence of a District Court criminal case in which a charge of possession of marijuana under § 5-601 of the Criminal Law Article is the only charge in the case and the charge was disposed of before October 1, 2014. In addition to provisions regarding expungement, ***Chapter 31*** (as originally discussed above) also prohibited the Maryland Judiciary Case Search from in any way referring to the existence of records of a charge in a case with electronic records if the charge resulted in acquittal, dismissal, or *nolle prosequi*, except *nolle prosequi* with the requirement of drug or alcohol treatment.

Victims of Crime

Criminal Injuries Compensation Board

The Criminal Injuries Compensation Fund, within the Victim Services Unit of GOCPYVS, is a special fund that provides financial assistance for innocent victims of crime. The Criminal Injuries Compensation Board (CICB) may compensate victims who suffer physical or psychological injury for the victim's medical expenses and loss of earnings only if the injury is a direct result of a criminal or delinquent offense.

Chapter 378 of 2019 increased the maximum amount of specified claims to CICB and authorized CICB to negotiate a settlement with a person that has provided funeral or death-related services in relation to the death of a victim. The Act also (1) altered the timeframes in which a claimant must file a claim for compensation from CICB; (2) authorized the electronic filing of a claim to CICB, as specified; and (3) expanded application of specified CICB claim requirements and prohibitions to include funeral or death-related services. The provisions increasing the maximum amount of specified claims and authorization for CICB to negotiate a specified settlement only apply prospectively and are not applicable to any claim due to a crime committed before the Act's January 1, 2020 effective date.

Victims of Sexually Assaultive Behavior

Prohibition Against Waiver of Rights: An investigation by the *Baltimore Sun* determined that between 2017 and 2018, more than 200 sexual assault victims in the Baltimore region were prompted by law enforcement agencies to waive their rights to an investigation. ***Chapter 584 of 2020*** prohibited a law enforcement agency from presenting a victim of sexually assaultive behavior with a form that (1) relieves the law enforcement agency of an obligation to the victim; (2) precludes or defines the scope of an investigation into an act allegedly committed against the victim; (3) prevents or limits a prosecution of such an act; or (4) limits a private right of action of the victim pertaining to such an act or to the victim's interaction with the law enforcement agency. Each law enforcement agency was required to adopt a policy to enforce this prohibition by January 1, 2021. If a law enforcement agency violates these provisions, an affected victim may bring an action seeking injunctive or declaratory relief.

Sexual Assault Evidence Kits: Chapter 659 of 2017 established the Maryland Sexual Assault Evidence Kit Policy and Funding Committee to, among other things, develop and disseminate best practice information and recommendations regarding the testing and retention of sexual assault evidence collection kits. The committee's 2019 annual report noted that because recent advancements in forensic science have extended the window during which DNA can be collected, policies should allow reimbursement for the collection and submission of cervical swabs taken within 15 days of a sexual assault. Accordingly, ***Chapters 204 and 205 of 2020*** altered the services for which compensation from CICB may be requested by allowing a physical and sexual assault forensic examination to be eligible for compensation when the examination is conducted within 15 days of the alleged crime or a longer period as provided by regulation. ***Chapters 204 and 205*** also established additional requirements when specified medical providers seek reimbursement from CICB for services provided to a victim of an alleged rape, sexual offense, or child sexual abuse, including prohibiting the request for compensation from including a narrative describing the alleged offense or a photograph of the victim.

Victims of Human Trafficking

Chapters 126 and 127 of 2020 authorized a person convicted of specified qualifying offenses to file a motion to vacate the judgment if the person's participation in the offense was a direct result of being a "victim of human trafficking." A victim of human trafficking is a person who has been subjected to an act of another committed in violation of Title 3, Subtitle 11 of the Criminal Law Article (sex trafficking and marriage trafficking) or specified federal statutes. The Acts (1) expanded upon existing statutory provisions that authorize a person convicted of prostitution under such circumstances to petition to vacate the judgment; (2) eliminated a former requirement that the motion to vacate be signed and consented to by the State's Attorney and made other procedural changes; and (3) authorized a person whose conviction is vacated to petition for expungement of the conviction.

U Nonimmigrant Status

Individuals without legal status in the United States who are victims of criminal activity may file for U Nonimmigrant Status with the U.S. Citizenship and Immigration Services (USCIS), which is status set aside for victims of crimes who have suffered substantial mental or physical abuse due to the criminal activity and who are willing to assist law enforcement agencies or government officials in the investigation of that activity. In order to file for the status, the individual must provide a certification from a federal, state, or local law enforcement official that certifies the information specified above. Although a certification alone is not sole evidence that the petitioner meets eligibility requirements, USCIS will give the certification significant weight in determining whether to grant the status. Certifying agencies are under no legal obligation to complete the certification; however, without one, the individual will be ineligible for U Nonimmigrant Status.

Chapters 421 and 422 of 2019 established provisions by which a victim or a victim's parent, guardian, or next of kin may request specified entities to certify victim helpfulness for purposes of obtaining U Nonimmigrant Status with USCIS. The victim must have been a victim of a qualifying criminal activity and demonstrated helpfulness, as specified, in the detection, investigation, or prosecution of the criminal activity. If the victim satisfies the criteria, the certifying official must fully complete and sign the relevant certification form. ***Chapters 421 and 422*** also contained provisions pertaining to withdrawal of certification, disclosure of information regarding a victim who is seeking or has obtained U Nonimmigrant Status, and immunity from liability for certifying officials and entities.

Forfeiture

Chapter 235 of 2019 increased, from 20% to 100%, the amount of controlled dangerous substances forfeiture proceeds deposited in the General Fund that the Governor must appropriate to MDH for the purpose of funding drug treatment and education programs. ***Chapter 235*** also required GOCPYVS to include related information in its annual aggregate report on forfeitures, including how the appropriated funds were spent.

Occupational Licenses

It is the policy of the State to encourage the employment of nonviolent ex-offenders and remove barriers to their ability to demonstrate fitness for occupational licenses or certifications required by the State. Under prior law, unless an applicant had a conviction for a crime of violence under § 14-101 of the Criminal Law Article, specified departments and each unit in the departments were prohibited from denying an occupational license or certificate to an applicant solely on the basis of a prior conviction, unless the department, after considering specified factors, determined that (1) there was a direct relationship between the applicant's previous conviction and the specific occupational license or certificate sought; or (2) the issuance of the license or certificate would involve an unreasonable risk to property or to the safety or welfare of specific individuals or the general public. These provisions applied to the Maryland Department of

Agriculture, the Maryland Department of the Environment, MDH, the Department of Human Services, the Maryland Department of Labor, DPSCS, and each unit in those departments.

Chapter 568 of 2019 altered the prior standard by prohibiting the aforementioned departments and each unit in those departments from denying an application for an occupational license or certificate based solely on the applicant's prior criminal conviction if (1) a period of at least seven years has passed since the applicant completed serving the sentence for the crime, including all imprisonment, mandatory supervision, probation, and parole and (2) the applicant has not been charged with another crime, other than a minor traffic violation, during that time. The provisions of ***Chapter 568*** do not apply to a conviction of a crime of violence under § 14-101 of the Criminal Law Article or a conviction of a crime for which registration on the sex offender registry is required.

Juvenile Law

With certain exceptions, the juvenile justice system handles persons younger than the age of 18 who commit illegal acts. Unlike the adult criminal system, the juvenile system is designed to protect public safety while restoring order to the lives of young offenders without a determination of guilt or the imposition of fixed sentences. The Department of Juvenile Services (DJS) administers the majority of the State's juvenile programs. The goals of DJS include keeping supervised and committed youth safe while holding youth accountable for their actions and delivering services to meet their needs.

Juvenile Justice Reform

Juvenile Justice Reform Council

Chapters 252 and 253 of 2019 established the Juvenile Justice Reform Council. Among other requirements, the council was required to (1) convene an advisory stakeholder group and work with the group to conduct roundtable discussion forums seeking public input in all geographic regions of the State; (2) research best practices for the treatment of juveniles who are subject to the criminal and juvenile justice systems; and (3) identify and make recommendations to limit or otherwise mitigate risk factors that contribute to juvenile contact with the criminal and juvenile justice systems.

Under ***Chapters 252 and 253***, a final report of the council's findings and recommendations was due by December 1, 2020, and the council was to terminate June 30, 2021. ***Chapter 596 of 2021*** extended the work of the council until June 30, 2022, and required the council to submit a supplemental report by October 1, 2021. ***Chapter 596*** also required the Governor, beginning in fiscal 2023, to appropriate at least $2 million annually for a grant to Roca Baltimore, LLC, an organization that applies a direct intervention model to engage youth as an approach to disrupt cycles of poverty and urban violence.

Chapters 41 and 42 of 2022 made numerous changes to the juvenile justice process in the State by generally implementing the recommendations of the Juvenile Justice Reform Council. Among other provisions, the Acts (1) limited the circumstances under which a child younger than age 13 is subject to the jurisdiction of the juvenile court; (2) altered the use of informal adjustments; (3) established limitations on terms of probation imposed by a juvenile court, the use of detention, and out-of-home placements; (4) created a permanent Commission on Juvenile Justice Reform and Emerging and Best Practices; and (5) established numerous reporting requirements. ***Chapters 41 and 42*** are discussed in additional detail below.

Juvenile Court Jurisdiction

Generally, the juvenile court has jurisdiction over a child alleged to be delinquent, in need of supervision, or who has received a citation for specified violations. The juvenile court does not have jurisdiction over children at least age 16 who are alleged to have committed specified violent crimes, children age 14 and older charged with a crime punishable by life imprisonment, and children who have previously been convicted as an adult of a felony and are subsequently alleged to have committed an act that would be a felony if committed by an adult. However, a circuit court may transfer a case involving such a child to the juvenile court if such a transfer is believed to be in the interests of the child or society ("reverse waiver"). A reverse waiver is not permitted in limited circumstances related to specified prior convictions of the child or when the alleged crime is murder in the first degree and the child was 16 or 17 years old at the time that the alleged crime was committed.

Chapters 41 and 42 generally established that a child younger than 13 years old is not subject to the jurisdiction of the juvenile court for purposes of a delinquency proceeding and may not be charged with a crime. However, the juvenile court has jurisdiction over a child who is at least 10 years old who is alleged to have committed a crime of violence, as defined in § 14-101 of the Criminal Law Article. The jurisdiction of the juvenile court under these circumstances remains subject to the jurisdictional provisions of existing law discussed above.

Department of Juvenile Services Intake

After a complaint has been received and certain statutory requirements have been satisfied, a DJS intake officer may authorize or deny authorization to file a petition and/or peace order request in the juvenile court. Under specified circumstances, a copy of the complaint and the intake file must be forwarded to the State's Attorney if the intake officer denies authorization to file a petition or proposes an informal adjustment. ***Chapters 41 and 42*** established that, if a complaint alleges the commission of an act that would be a felony if committed by an adult, the intake officer is not required to forward the complaint and a copy of the intake file to the State's Attorney if (1) the intake officer proposes the matter for informal adjustment; (2) the act did not involve the intentional causing of, or attempt to cause, the death of or physical injury to another; and (3) the act would not be a crime of violence (as defined under § 14-101 of the Criminal Law Article) if committed by an adult.

Informal Adjustments

An intake officer may propose an informal adjustment if, based on the complaint and the inquiry, the officer concludes that a juvenile court has jurisdiction but that an informal adjustment, rather than judicial action, is in the best interests of the public and the child. Under prior law, an intake officer was prohibited from proceeding with an informal adjustment without notice to and the consent of the victim, the child, and the child's parent or guardian. ***Chapters 41 and 42*** authorized an intake officer to proceed with an informal adjustment without the consent of the victim and without informing the victim if the intake officer has made reasonable efforts to contact the victim. The Acts also authorized the court, at any time before an adjudicatory hearing, to hold the proceedings in abeyance for informal adjustment if consented to by the State's Attorney, the child who is the subject of the petition and the child's counsel, and the court. If the child successfully completes the informal adjustment, the court is required to dismiss the petition. If the child does not successfully complete the informal adjustment, the court must resume proceedings against the child.

Authorized Detention

Statutory provisions generally authorize a child who is taken into custody to be placed in detention or community detention prior to a hearing if such action is required to protect the child or others or the child is likely to leave the jurisdiction of the court. ***Chapters 41 and 42*** established that a child alleged to have committed a delinquent act may not be placed in detention before a hearing if the most serious offense would be a misdemeanor if committed by an adult unless (1) the act involved a handgun and would be a violation under the Criminal Law Article or Public Safety Article if committed by an adult or (2) the child has been adjudicated delinquent at least twice in the preceding 12 months. The Acts also required the court or an intake officer to consider the results of a risk scoring instrument before placing a child in detention.

Detention Stays

Under prior law, if a child remained in a facility used for detention for the specific act for which the child had been adjudicated delinquent for more than 25 days after the court made a disposition, DJS was required to (1) on the first available court date after the twenty-fifth day that the child remained in such a facility, appear at a hearing before the court with the child to explain the reasons for continued detention and (2) continue to appear every 25 days thereafter to explain the reasons for continued detention. ***Chapters 41 and 42*** altered the applicable timeframes to within 14 days after the child's initial detention and every 14 days thereafter. The Acts further required that within 10 days after a decision to detain a child in a facility used for detention, DJS must submit a plan to the court for releasing the child into the community.

Juvenile Dispositions – Placements

Generally, a disposition hearing is held to determine whether a child who has been adjudicated delinquent needs or requires the court's guidance, treatment, or rehabilitation and, if so, the nature of the guidance, treatment, or rehabilitation. With limited exception, a child was

prohibited from being committed to DJS for out-of-home placement under prior law if the most serious offense was one of several specified offenses, including use or possession of less than 10 grams of marijuana. ***Chapters 41 and 42*** retained the exemption for the marijuana-related offense but repealed the remainder of the specified offenses. The Acts instead prohibited a child from being committed to DJS for out-of-home placement for an offense that would be a misdemeanor if committed by an adult, unless the offense involves a firearm. Further, the Acts prohibited the commitment of a child to DJS for out-of-home placement (or the placement of a child in a facility used for detention) based on a "technical violation," as specified.

Juvenile Dispositions – Probation

At disposition, among other options, and subject to specified limitations, a juvenile court may place the child on probation or under supervision in the child's own home or in the custody or under the guardianship of a relative or other fit person, on terms the court deems appropriate, including community detention. No limitations on the term of a probation were previously specified in statute.

Chapters 41 and 42 established that if the most serious offense committed by a child would be a misdemeanor if committed by an adult, the court may place the child on probation for a period not exceeding six months. The court may, after a hearing, extend the probation by periods of up to three months if the court finds good cause and the purpose of extending the probation is to ensure that the child completes a treatment or rehabilitative program or service. The total period of probation, including extensions of the probation, may not exceed one year.

If the most serious offense committed by a child would be a felony if committed by an adult, the Acts authorized the court to place the child on probation for a period of up to one year and to extend the term of probation under conditions similar to those specified above. Generally, the total period of probation may not exceed two years. However, probation may exceed two years if, after a hearing, the court finds by clear and convincing evidence that there is good cause to extend the probation and extending the probation is in the best interest of the child. If probation is extended under these conditions, the total period of probation, including extensions, may not exceed three years.

The limitations on the term of probation under the Acts are not applicable to an offense committed by a child that, if committed by an adult, would be a felony and a crime of violence under § 14-101 of the Criminal Law Article.

Commission on Juvenile Justice Reform and Emerging and Best Practices

Chapters 41 and 42 also established a Commission on Juvenile Justice Reform and Emerging and Best Practices in order to, among other duties, research culturally competent, evidence-based, research-based, and promising practices relating to child welfare; juvenile rehabilitation; mental health services for children; and prevention and intervention services for juveniles. Beginning December 31, 2023, and annually thereafter, the commission is required to report its findings to the Governor and the General Assembly.

Additional Reporting Requirements

Finally, ***Chapters 41 and 42*** also required (1) DJS to report to the General Assembly by April 15, 2023, on a variety of issues, including services provided to juveniles in the care and custody of the department; (2) the Governor's Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) to request and analyze data from a variety of entities relating to juveniles who are charged, convicted, and sentenced as adults in the State and report to the Governor and the General Assembly by December 31, 2023, and annually thereafter; and (3) GOCPYVS to perform additional tasks by December 31, 2023, including developing a model policy for diversion of juveniles from the juvenile justice system and criminal justice system.

Juveniles Convicted as Adults

Chapter 61 of 2021, the Juvenile Restoration Act, authorized a court, when sentencing a minor convicted as an adult, to impose a sentence less than the minimum term required under law and prohibited a court from imposing a sentence of life imprisonment without the possibility of parole or release. The Act also authorized an individual to file a motion with the court to reduce the duration of the individual's sentence if the individual (1) was convicted as an adult for an offense committed when the individual was a minor; (2) was sentenced for the offense before October 1, 2021; and (3) has been imprisoned for at least 20 years for the offense.

If an individual files a motion to reduce the duration of the sentence under the Act's provisions, the court must conduct a hearing where both the individual and the State may introduce evidence regarding the motion. Notice of the hearing must be given to the victim or the victim's representative, as specified.

After a hearing, the court may reduce the duration of a sentence imposed if the court determines that the individual is not a danger to the public and the interests of justice will be better served by a reduced sentence. The court must consider specified factors when determining whether to reduce the duration of a sentence, including (1) the individual's age at the time of the offense; (2) the nature of the offense; (3) whether the individual has substantially complied with the rules of the institution in which the individual has been confined; (4) whether the individual has demonstrated maturity, rehabilitation, and fitness to reenter society sufficient to justify a sentence reduction; (5) any statement offered by a victim or a victim's representative; (6) the individual's family and community circumstances at the time of the offense, including any history of trauma, abuse, or involvement in the child welfare system; and (7) the extent of the individual's role in the offense and whether and to what extent an adult was involved in the offense.

The court must issue a written decision that addresses the specified factors. If the court denies or grants, in part, a motion to reduce the duration of the sentence, the individual may not file a second motion for at least three years; ***Chapter 61*** further established additional limitations on filing subsequent motions. Although the Governor vetoed the legislation, the General Assembly overrode the veto before the end of the 2021 session.

Custodial Interrogation

Although statutory provisions prior to 2022 specified certain procedures to be followed by law enforcement when taking a child into custody, including a general requirement to immediately notify the child's parents, guardian, or custodian, numerous bills were considered during the term to add additional protections for children who are subjected to custodial interrogation.

Chapter 50 of 2022 specified that if a law enforcement officer takes a child into custody, the officer must immediately notify, or cause to be notified, the child's parents, guardian, or custodian in a manner reasonably calculated to give actual notice of the action. The notice must meet specified requirements, including instruction on how to make immediate in-person contact with the child.

The Act prohibited the custodial interrogation of a child by a law enforcement officer until the child has consulted with an attorney and the law enforcement officer has made an effort reasonably calculated to give actual notice to the parent, guardian, or custodian that the child will be interrogated. In addition to other related provisions, ***Chapter 50*** required the attorney consultation to be confidential and authorized the consultation to be by telephone or video conference. The requirement of consultation with an attorney may not be waived and applies whether the child is proceeded against as a child or is charged as an adult.

An exception to the notice and consultation requirements of ***Chapter 50*** authorized a law enforcement officer to conduct an otherwise lawful custodial interrogation of a child if (1) the law enforcement officer reasonably believes that the information sought is necessary to protect against a threat to public safety and (2) the questions posed to the child by the law enforcement officer are limited to those questions reasonably necessary to obtain the information necessary to protect against the threat to public safety. Unless it is impossible, impracticable, or unsafe to do so, an interrogation under these circumstances must be recorded.

Chapter 50 also established a rebuttable presumption that a statement made by a child during a custodial interrogation is inadmissible in a delinquency proceeding or a criminal prosecution against that child if a law enforcement officer willfully failed to comply with the Act's requirements regarding custodial interrogation. The State may overcome the presumption by showing, by clear and convincing evidence, that the statement was made knowingly, intelligently, and voluntarily. The provisions of the Act may not be construed to render a statement by that child inadmissible in a proceeding against another individual.

Although the Governor vetoed the legislation, the General Assembly overrode the veto before the end of the 2022 session.

Sexting

In the case of *In re: S.K.*, 466 Md. 61 (2019), the Maryland Court of Appeals upheld a juvenile court's ruling that a 16-year-old girl who texted to her friends a video of herself

participating in a consensual sexual act with another person was delinquent under statutory prohibitions against distribution of child pornography and displaying an obscene item to a minor. In the opinion, the Court of Appeals noted that states other than Maryland had responded to the issues surrounding teenage sexting with specific legislation and recognized that there may be compelling reasons for treating teenage sexting differently than child pornography. The court stated that, "in light of these policy concerns, such legislation ought to be considered by the General Assembly in the future."

Chapter 393 of 2021 established special procedures for juveniles who commit certain offenses involving or arising out of sexting. Specifically, the Act (1) established that, in juvenile court proceedings for violations of specified obscenity and child pornography laws, it is a mitigating factor that the violation involved or arose out of sexting; (2) prohibited the juvenile court from making certain dispositions for these violations, except under certain circumstances; (3) authorized the juvenile court to order a child to participate in an educational program on the risks and consequences of sexting; and (4) established that a child who violates a provision of Title 11, Subtitle 2 of the Criminal Law Article (Obscene Matter) is not subject to sex offender registration.

Sexting means (1) the sending of a photograph, image, or video that depicts sexual conduct or sexual excitement, as those terms are defined in § 11-101 of the Criminal Law Article, of oneself to another or of oneself and the recipient by mobile telephone, computer, or other electronic or digital device or (2) the receipt and retention of a photograph, image, or video described above. Sexting does not include conduct described above if (1) the sender is more than four years older than the recipient; (2) the recipient is more than four years older than the sender; (3) the child did not consent to committing the conduct constituting the violation; or (4) the child was coerced, threatened, or intimidated into committing the conduct constituting the violation.

Fines, Fees, and Costs

Chapter 35 of 2020 repealed the authority of the juvenile court to impose a civil fine if a child has been issued a citation for a violation of specified offenses, including prohibitions against the use or possession of less than 10 grams of marijuana. Additionally, the Act repealed statutory provisions that authorized the juvenile court (1) to impose reasonable court costs against a respondent found to be delinquent, or the respondent's parent, guardian, or custodian; (2) to assess attorney's fees against any party or a parent of the child for the services of an attorney appointed to represent a child in a juvenile proceeding; and (3) after giving the parent a reasonable opportunity to be heard, to order either or both parents to pay a sum in the amount that the court directs to cover the support of the child wholly or partly. The Act further provided that on October 1, 2020, the balance of any court-ordered fines, fees, or costs previously assessed, as specified, were to be deemed unenforceable and uncollectable, with the applicable portion of any judgment vacated.

Juvenile Records

In general, police and court records concerning a child are confidential, and their contents may not be divulged, by subpoena or otherwise, except by court order upon a showing of good cause or in certain circumstances relating to notification of a local superintendent or nonpublic school principal upon the arrest of a child for specified offenses.

Juveniles Charged as Adults

Chapter 12 of 2021 established that certain provisions relating to the confidentiality of juvenile records apply to all police and court records concerning a child excluded from the jurisdiction of the juvenile court from the time of the child's arrest until (1) the time for the filing of a motion to transfer to juvenile court under the Maryland Rules has expired and no such motion has been filed or (2) a motion to transfer to juvenile court has been denied. In addition, it established certain exceptions to provisions of law relating to the confidentiality of juvenile police records. For example, it established that law enforcement agencies, DJS, or the criminal justice information system are not prohibited from including, in the law enforcement computer system, information about (1) an outstanding criminal court issued warrant for the sole purpose of apprehending a child named in the warrant or (2) a missing child. Furthermore, under certain circumstances, a law enforcement agency is not prohibited from releasing to the public photographs and identifying information regarding a missing child, a child who has escaped from a correctional unit, or a child over whom the court does not have jurisdiction pursuant to specified statutory provisions and who is subject to arrest, or an arrest warrant issued by a criminal court.

Although the Governor vetoed the legislation, the General Assembly overrode the veto during the 2021 session.

Children in Need of Assistance

All court records pertaining to a child in a child in need of assistance (CINA) proceeding are confidential, and their contents may not be divulged, by subpoena or otherwise, except by order of the court on good cause shown. However, personnel of the court, a party or a party's counsel, a court-appointed special advocate for the child, or authorized personnel of the Social Services Administration and local departments of social services, as specified, may review the records.

Chapter 419 of 2020 specified that provisions of law regarding the confidentiality of court records in CINA cases do not prohibit DJS from reviewing the court record, if DJS is providing treatment, services, or care to a child who is the subject of the record. The Act also altered statutory provisions regarding access to court records in juvenile matters by specifying that the Department of Human Services or local departments may access and use the records if the entities are providing treatment, services, or care to a child who is the subject of the record. In addition, the Act repealed conditions that limited the use of the juvenile court records to circumstances in which the records were being used for a purpose relevant to the provision of the services or care and in coordination with DJS.

Department of Juvenile Services

Whistleblower Protection

The Maryland Whistleblower Law protects State Executive Branch employees who disclose information believed to evidence abuse of authority, gross mismanagement or waste of money, a substantial and specific danger to public health or safety, or a violation of the law. The Whistleblower Law prohibits reprisal against an employee who, after making a disclosure, seeks a remedy provided by any law or policy.

The Juvenile Justice Monitoring Unit within the Office of the Attorney General investigates the needs of children under the jurisdiction of DJS and determines whether the children's needs are being met in compliance with State law. This includes reporting on allegations of abuse and on the treatment of and services for youth held in facilities.

Chapter 483 of 2020 prohibited a supervisor, appointing authority, or head of a principal unit from taking or refusing to take any personnel action as a reprisal against an employee of DJS who discloses information to the Juvenile Justice Monitoring Unit relating to the unit's duties. An employee who discloses information may seek a remedy as provided under existing law. The Secretary of Juvenile Services must provide all DJS employees with specified notice and information regarding these protections and remedies.

Educational Programs

Between 2003 and 2013, the Maryland State Department of Education (MSDE) gradually assumed responsibility of educational programming at all residential facilities operated by DJS. ***Chapter 147 of 2021*** repealed statutory provisions regarding the Juvenile Services Education Program within MSDE and instead established a Juvenile Services Education Board as an independent unit within DJS to oversee and provide for educational services to all juveniles who are in a residential facility operated by DJS. For a more detailed discussion of ***Chapter 147***, see the subpart "Education – Primary and Secondary" within Part L – Education of this *Major Issues Review*.

State Advisory Board for Juvenile Services

The State Advisory Board for Juvenile Services consists of representatives from various entities, including DJS, MSDE, the Department of State Police, the Judiciary, and the General Assembly. It also includes members of the general public. Among other duties, the advisory board recommends policies and programs to improve juvenile services in the State and consults with the Secretary of Juvenile Services on each aspect of the State's juvenile services program.

Chapter 271 of 2019 expanded the duties of the advisory board to include examining and reviewing fatalities involving children under the supervision of DJS for the purpose of advising the Secretary of Juvenile Services on policies and programs to prevent fatalities. Fatalities subject

to review include (1) the death of a child under the supervision of DJS and (2) a death caused by a child under the supervision of DJS, if the child is convicted or adjudicated for the death. ***Chapter 271*** also created an exception to the general rule of confidentiality of juvenile records by authorizing the advisory board to access and use court records for this purpose.

Public Safety and Corrections

Law Enforcement

Community Safety and Strengthening Act

Chapter 25 of 2019 authorized Johns Hopkins University (JHU) to establish a police department based on a memorandum of understanding entered into by JHU and the Baltimore Police Department (BPD) relating to police jurisdiction, functions, and operations. Any police department that JHU establishes is subject to a 15-member University Police Accountability Board to also be established by JHU.

If JHU establishes a police department, the Act required the Department of Legislative Services to conduct an evaluation of the police department. ***Chapter 25*** also established a Law Enforcement Cadet Apprenticeship Program in the Maryland Department of Labor (MDL) to award competitive grants to specified law enforcement agencies. The purposes of the program are to:

- provide young individuals opportunities to begin a career in law enforcement;
- foster positive relationships between the public, particularly young individuals, and law enforcement agencies;
- develop a cohort of individuals qualified to join a law enforcement agency;
- encourage law enforcement agencies to hire apprentices; and
- help law enforcement agencies offset additional costs, if any, associated with hiring apprentices.

To be eligible for an award, the law enforcement agency must employ at least one apprentice who (1) has been employed by the agency for at least seven months; (2) is enrolled in the first year of a specified apprenticeship program; and (3) lives in a zip code in which at least 10% of the population is below the federal poverty level. The amount of a grant awarded under the program is based on the number of apprentices within the law enforcement agency who meet all three of the eligibility criteria and is generally capped at $2,000 for each apprentice. However, for an eligible university law enforcement agency, a grant award is capped at $1,000 for each apprentice.

Chapter 25 also modified and established mandated appropriations for the Seed Community Development Anchor Institution Fund, the Baltimore Children and Youth Fund, the Baltimore City YouthWorks Summer Jobs Program, and the Law Enforcement Cadet Apprenticeship Program.

Law Enforcement Body Camera Task Force

Chapter 309 of 2020 established the Law Enforcement Body Camera Task Force to (1) study options for the economical storage of audio and video recordings made by law enforcement body-worn cameras and (2) make recommendations for storage considering the budgets of State, county, local, and campus law enforcement jurisdictions. ***Chapter 309*** required the task force to report its findings and recommendations to the General Assembly by December 1, 2020. ***Chapter 60 of 2021*** extended the termination date of the task force from June 30, 2021, to June 30, 2023, expanded the required duties of the task force, and required the task force to report its findings and recommendations to the General Assembly by December 1, 2022.

Special Police Officers

Chapter 426 of 2020 repealed the authorization for the Secretary of State Police to require training and education for special police officers (SPO) as the Secretary considers necessary. Instead, the Act required, with specified exceptions, an applicant for an initial commission as an SPO to complete a training course approved by the Secretary in consultation with the Maryland Police Training and Standards Commission (MPTSC) consisting of at least 80 hours of instruction. Before submitting an application for renewal, an SPO must complete 12 hours of in-service training approved by the Secretary in consultation with MPTSC.

Maryland Police Accountability Act of 2021

Due to growing concerns surrounding police misconduct, on May 30, 2020, Speaker of the House Adrienne A. Jones and House Judiciary Committee Chairman Luke Clippinger created an interim Workgroup to Address Police Reform and Accountability in Maryland. The workgroup was charged with (1) reviewing policies and procedures relating to the investigation of police misconduct, including the then existing Law Enforcement Officers' Bill of Rights (LEOBR); (2) determining the viability of uniform statewide use of force policies and arrest procedures; (3) reviewing practices regarding the use of body cameras and disclosure of body camera footage; and (4) identifying national best practices for independent prosecution of law enforcement-related crimes.

The workgroup held eight meetings between June and October 2020 and received testimony from MPTSC, national experts on criminology and policing, public interest advocates, members of the public, law enforcement representatives, the Office of the Public Defender, and State's Attorneys.

On December 1, 2020, the workgroup published a report with 12 multi-part recommendations. Many of the recommendations were incorporated into legislation collectively referred to as the Maryland Police Accountability Act of 2021.

Police Discipline and Law Enforcement Programs and Procedures: Chapter 59 of 2021 took effect July 1, 2022, and altered requirements for police officers during traffic stops, established higher education financial assistance programs for police officers, increased civil liability limits applicable to police misconduct lawsuits, and repealed LEOBR and established a framework for a statewide accountability and discipline process for police officers.

Traffic Stops: At the commencement of a traffic stop or other stop, absent exigent circumstances, a police officer must (1) display proper identification to the stopped individual and (2) provide to the stopped individual the officer's name, the officer's identification number, and the reason for the traffic stop or other stop. A police officer's failure to comply with these requirements (1) may be grounds for administrative disciplinary action against the police officer and (2) may not serve as the basis for the exclusion of evidence under the exclusionary rule. A police officer may not prohibit or prevent a citizen from recording the police officer's actions if the citizen is otherwise acting lawfully and safely.

Educational Assistance: ***Chapter 59*** established the Maryland Loan Assistance Repayment Program for Police Officers to assist in the repayment of a higher education loan owed by a police officer who meets specified requirements. The Office of Student Financial Assistance must adopt regulations to implement the program, which must include a limit on the total amount of assistance provided by the office in repaying the loan of an eligible individual, based on the individual's total income and outstanding higher education loan balance. The Governor must include an annual appropriation of at least $1.5 million in the State budget for the program.

The Act also established the Maryland Police Officers Scholarship Program to provide tuition assistance. A recipient of a scholarship must meet specified requirements, including satisfying any additional criteria that the Maryland Higher Education Commission may establish. A recipient of a scholarship must repay the commission the funds received if the recipient does not satisfy or fulfill the program requirements. The Governor must include in the annual budget bill an appropriation of at least $8.5 million to the commission to award scholarships, of which $6.0 million must be used for students intending to become police officers after graduation and $2.5 million must be used for existing police officers.

Civil Liability: ***Chapter 59*** increased the limits on civil liability for claims subject to the Maryland Tort Claims Act (MTCA) and the Local Government Tort Claims Act (LGTCA) that arise from intentional tortious acts or omissions or a violation of a constitutional right committed by a law enforcement officer to $890,000 for all claims arising out of the same incident or occurrence, regardless of the number of claimants or beneficiaries who share in the award for both economic and noneconomic damages. For MTCA, the limit was increased from $400,000 to a single claimant for injuries arising from a single incident or occurrence, and for LGTCA, the limit

was increased from $400,000 per an individual claim and $800,000 per total claims that arise from the same occurrence.

Police Accountability and Discipline: LEOBR was enacted in 1974 to guarantee police officers specified procedural safeguards in any investigation that could lead to disciplinary action. It extended to police officers of specified State and local agencies and provided uniform protections to officers in two major components of the disciplinary process: (1) the conduct of internal investigations of complaints that may lead to a recommendation of disciplinary action against a police officer and (2) procedures that must be followed once an investigation results in a recommendation that an officer be disciplined. ***Chapter 59*** repealed LEOBR in its entirety and established a framework relating to a discipline process for police officers.

Police Accountability Boards: ***Chapter 59*** required each county to have a police accountability board to (1) hold quarterly meetings with heads of law enforcement agencies and otherwise work with law enforcement agencies and the county government to improve matters of policing; (2) appoint civilian members to charging committees and trial boards; (3) receive complaints of police misconduct filed by members of the public; (4) on a quarterly basis, review outcomes of disciplinary matters considered by charging committees; and (5) by December 31, each year, submit a report to the governing body of the county that identifies any trends in the disciplinary process of police officers in the county and makes recommendations on changes to policy that would improve police accountability in the county. The local governing body must (1) establish the membership of a police accountability board, establish the budget and staff for a police accountability board, appoint a chair of the police accountability board who has relevant experience to the position and (2) establish the procedures for record keeping by a police accountability board. An active police officer may not be a member of a police accountability board.

Chapter 59 also established requirements for the contents of a complaint of police misconduct filed with a police accountability board and the process after the complaint is filed.

Administrative Charging Committees: The Act required each county to have one administrative charging committee to serve countywide law enforcement agencies and local law enforcement agencies within the county. In addition, there must be at least one statewide administrative charging committee to serve statewide and bi-county law enforcement agencies. The Act established the composition and requirements for the committees and required that before serving as a member of an administrative charging committee, an individual must receive training on matters relating to police procedures from MPTSC.

In executing its duties, an administrative charging committee may (1) request certain information or action from the law enforcement agency; (2) if the police officer is not administratively charged, make a determination that the allegations against the police officer are unfounded or the police officer is exonerated; and (3) record, in writing, any failure of supervision that caused or contributed to a police officer's misconduct.

Disciplinary Matrix: ***Chapter 59*** required MPTSC to develop and adopt, by regulation, a model uniform disciplinary matrix for use by each law enforcement agency in the State. Each law enforcement agency must adopt the matrix.

Within 15 days after an administrative charging committee issues an administrative charge against a police officer, the chief of the law enforcement agency must offer discipline to the police officer who has been administratively charged in accordance with the disciplinary matrix. The chief may offer the same discipline that was recommended by the administrative charging committee or a higher degree of discipline within the applicable range of the disciplinary matrix but may not deviate below the discipline recommended by the administrative charging committee.

If the police officer accepts the chief's offer of discipline, then the offered discipline must be imposed. If the police officer does not accept the chief's offer of discipline, then the matter must be referred to a trial board. At least 30 days before a trial board proceeding begins, the police officer must be (1) provided a copy of the investigatory record; (2) notified of the charges against the police officer; and (3) notified of the disciplinary action being recommended.

Trial Board Process: ***Chapter 59*** required each law enforcement agency to establish a trial board process to adjudicate matters for which a police officer is subject to discipline. A small law enforcement agency may use the trial board process of another law enforcement agency by mutual agreement.

Proceedings of a trial board must be open to the public, with specified exceptions. A law enforcement agency has the burden of proof by a preponderance of the evidence. A police officer may be disciplined only for cause. Within 30 days after the date of issuance of a decision of a trial board, the decision may be appealed by the employee. An appeal taken from a trial board decision must be on the record. A trial board decision that is not appealed is final.

Suspensions and Terminations: Pending an investigatory, administrative charging committee, and trial board process, the chief may impose an emergency suspension with or without pay under specified circumstances, and under specified circumstances, the suspended police officer is entitled to receive back pay. The chief must terminate the employment of a police officer who is convicted of a felony and may terminate the employment of a police officer who receives a probation before judgment for a felony or is convicted of a misdemeanor committed in the performance of duties as a police officer; misdemeanor second degree assault; or a misdemeanor involving dishonesty, fraud, theft, or misrepresentation.

In connection with a disciplinary matter, a police officer may be required to submit to blood alcohol tests; blood, breath, or urine tests for controlled dangerous substances; polygraph examinations; or interrogations that specifically relate to the subject matter of the investigation; however, the test, examination, and interrogation are not admissible or discoverable in a criminal proceeding against the officer, and the polygraph examination is not admissible or discoverable in a civil or criminal proceeding against the officer. If a police officer is required to submit to a test, examination, or interrogation and the police officer refuses to do so, the law enforcement agency may commence an action that may lead to a punitive measure as a result of the refusal.

Victims' Rights Advocates: ***Chapter 59*** further required each law enforcement agency to designate an employee as a victims' rights advocate to act as the contact for the public within the agency on matters related to police misconduct with specified duties.

Each law enforcement agency must create a database that enables a complainant to enter the complainant's case number to follow the status of the case.

Rights of Police Officers: A police officer who is the subject of a complaint of police misconduct and a complainant may have the assistance of a representative in connection with disciplinary proceedings. In addition, a police officer may not be discharged, disciplined, demoted, or denied promotion, transfer, or reassignment, or otherwise discriminated against or threatened in regard to the police officer's employment because the police officer (1) disclosed information that evidences mismanagement, a waste of government resources, a danger to public health or safety, or a violation of law or policy committed by another police officer or (2) lawfully exercised constitutional rights. A police officer may not be denied the right to bring suit arising out of the police officer's official duties. A police officer has the same rights to engage in political activity as a State employee, except when on duty. A law enforcement agency may not prohibit secondary employment by a police officer.

Collective Bargaining: A law enforcement agency may not negate or alter any of the requirements of the Act through collective bargaining.

Expungement and Destruction of Records: ***Chapter 59*** prohibited a record relating to an administrative or criminal investigation of misconduct by a police officer, including an internal affairs investigatory record, a hearing record, and a record relating to a disciplinary decision, from being expunged or destroyed by a law enforcement agency.

MPTSC: ***Chapter 59*** altered the composition of MPTSC and added to the duties of MPTSC by requiring the commission to (1) develop a training program for individuals who will be serving as a member of a trial board, administrative charging committee, or the commission; (2) hold law enforcement agencies accountable for violations of the Maryland Use of Force Statute and work with the Comptroller and the Governor's Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) to ensure that State grant funding is withheld from a law enforcement agency that violates those provisions; and (3) develop and require a test and training for implicit bias, subject to the availability of implicit bias testing standards that are generally accepted by experts in the field of police psychology.

The Act expanded the requirements for certification of a police officer by MPTSC to require each individual to submit to (1) a specified mental health screening (instead of a psychological evaluation) and (2) a specified physical agility assessment.

The commission may suspend or revoke the certification of a police officer if the police officer violates the Maryland Use of Force Statute. The commission must revoke the certification of a police officer if the police officer was convicted of a felony, was convicted of perjury or

another misdemeanor relating to truthfulness and veracity or was previously fired, or resigned while being investigated for serious misconduct or use of excessive force.

The Act required MPTSC to create a statewide database to track police officer decertification due to improper use of force. An individual who applies for a position as a police officer must disclose to the hiring law enforcement agency all prior instances of employment as a police officer at other law enforcement agencies and authorize the hiring law enforcement agency to obtain the police officer's full personnel and disciplinary record from each law enforcement agency that previously employed the police officer. The hiring law enforcement agency must certify to the commission that the law enforcement agency has reviewed the applicant's disciplinary record.

Swat Team Reports: ***Chapter 59*** also restored the data collection and reporting program related to law enforcement "SWAT team" activities that was established by Chapters 542 and 543 of 2009 and that terminated June 30, 2014. Beginning July 1, 2022, the information must be reported every six months to GOCPYVS. GOCPYVS must analyze and summarize the reports submitted by law enforcement agencies and by September 1 each year, GOCPYVS must publish the report on its website and submit it to the Governor, the General Assembly, and each law enforcement agency.

Use of Force Reporting: By March 1 each year, each law enforcement agency must submit to MPTSC the number of use of force complaints made against its police officers during the previous calendar year, and by July 15 each year, MPTSC must post on its website and submit to the General Assembly a compendium of the information submitted by the law enforcement agencies.

Posting Complaints: ***Chapter 59*** required each law enforcement agency to post in a prominent public location an explanation of the procedures for filing a complaint of police officer misconduct and a request to obtain records relating to an administrative or criminal investigation of misconduct by a police officer under the Public Information Act (PIA).

Body-worn Cameras, Employee Programs, and Use of Force: Chapter 60 of 2021 made changes relating to body-worn cameras (BWCs), employee programs, and use of force.

Body-worn Cameras: By July 1, 2023, the Department of State Police (DSP), the Anne Arundel County Police Department, the Howard County Police Department, and the Harford County Sheriff's Office must require the use of a BWC by each law enforcement officer employed by the law enforcement agency who regularly interacts with members of the public as part of the law enforcement officer's official duties, subject to the agency's policy on the use of BWCs. A law enforcement agency of a county that is not subject to the July 1, 2023, deadline must comply with the requirement by July 1, 2025.

A law enforcement agency subject to the Act's BWC requirements must develop and maintain a written policy consistent with the policy published by MPTSC for the use of BWCs. The policy must specify which law enforcement officers employed by the law enforcement agency

are required to use BWCs. A BWC that possesses the requisite technological capability must automatically record and save at least 60 seconds of video footage immediately prior to the officer activating the record button on the device.

A law enforcement agency may not negate or alter any of the requirements or policies established in accordance with the Act through collective bargaining.

Employee Programs: ***Chapter 60*** altered a provision of law that required each law enforcement agency to establish a confidential and nonpunitive early intervention policy for counseling officers who receive three or more citizen complaints within a 12-month period to require the establishment of a confidential and nonpunitive early intervention system to identify police officers who are at risk of engaging in the use of excessive force and to provide the officers with training, behavioral interventions, reassignments, or other appropriate responses to reduce the risk of the use of excessive force. Such a system may not prevent the investigation of or imposition of discipline for any particular complaint. In addition, the Act required each law enforcement agency to provide access to an employee assistance program for all police officers who the law enforcement agency employs, which must provide access to specified confidential mental health services.

Maryland Use of Force Statute: ***Chapter 60*** required each police officer to sign an affirmative written sanctity of life pledge to respect every human life and act with compassion toward others. A police officer may not use force against a person unless, under the totality of the circumstances, the force is necessary and proportional to (1) prevent an imminent threat of physical injury to a person or (2) effectuate a legitimate law enforcement objective. A police officer must cease the use of force as soon as (1) the person on whom the force is used is under the police officer's control or no longer poses an imminent threat of physical injury or death to the police officer or to another person or (2) the police officer determines that force will no longer accomplish a legitimate law enforcement objective. The Act also specified duties for a police officer, a police supervisor, and a law enforcement agency relating to the use of force. A police officer who intentionally violates the Act's use of force requirements, resulting in serious physical injury or death to a person is guilty of a misdemeanor, punishable by imprisonment for up to 10 years.

General fund expenditures were projected to increase by $2.6 million in fiscal 2023 for the Department of State Police to comply with the Act's BWC requirements. Significant expenditures were also expected for certain counties to comply with the Act's BWC requirements.

Search Warrants and Inspection of Records Relating to Police Misconduct: Chapter 62 of 2021 contained provisions relating to search warrants and inspection of records relating to police misconduct.

Search Warrants: ***Chapter 62*** required an application for a no-knock search warrant to be approved in writing by a police supervisor and the State's Attorney. It repealed an authorized basis for a no-knock search warrant that the property subject to seizure may be destroyed, disposed of, or secreted, and set forth a number of items that must be included in an application for a no-knock search warrant. The Act also required that a no-knock search warrant be executed

between 8:00 a.m. and 7:00 p.m., absent exigent circumstances. In addition, the Act reduced, from 15 days to 10 days, the time within which a search warrant must be executed after issuance and set forth requirements and prohibitions for police officers while executing a search warrant.

Inspection of Records: ***Chapter 62*** established that, except for a record of a "technical infraction," a record relating to an administrative or criminal investigation of misconduct by a law enforcement officer, including an internal affairs investigatory record, a hearing record, and records relating to a disciplinary decision, is not a personnel record for purposes of PIA. Thus, such records are not subject to mandatory denial of inspection under PIA; instead, they are subject to discretionary denial as provided under PIA. However, a custodian must allow inspection of such records by the U.S. Attorney, the Attorney General, the State Prosecutor, or the State's Attorney for the jurisdiction relevant to the record. In addition, a custodian must redact the portions of a record that reflects medical information of the person in interest, personal contact information of the person in interest or a witness, or information relating to the family of the person in interest. A custodian may redact the portions of a record to the extent that the record reflects witness information. A custodian must notify the person in interest when the record is inspected but may not disclose the identity of the requestor to the person in interest. "Technical infraction" means a minor rule violation by an individual solely related to the enforcement of administrative rules that (1) does not involve an interaction between a member of the public and the individual; (2) does not relate to the individual's investigative, enforcement, training, supervision, or reporting responsibilities; and (3) is not otherwise a matter of public concern.

The Act must be construed to apply prospectively to any PIA request made on or after the Act's October 1, 2021, effective date, regardless of when the requested record was created.

Search Warrant Reporting: ***Chapter 62*** required a law enforcement agency to report specified information relating to search warrants executed by the law enforcement agency during the prior calendar year to GOCPYVS. MPTSC, in consultation with GOCPYVS, must develop a standardized format for each law enforcement agency to use in reporting the data.

GOCPYVS must analyze and summarize the reports submitted by law enforcement agencies. By September 1 each year, GOCPYVS must submit a report of the analyses and summaries to the Governor and General Assembly and publish the report on its website.

Surplus Military Equipment and Investigation of Deaths Caused by Police Officers: Chapter 132 of 2021 prohibited a law enforcement agency from receiving certain equipment from a surplus program operated by the federal government. It also established an Independent Investigative Unit within the Office of the Attorney General (OAG) to investigate police-involved deaths. For a further discussion of ***Chapter 132***, see the subpart "Criminal Procedure" within this part of this *Major Issues Review*.

Police Disciplinary Process

Chapter 141 of 2022 modified requirements relating to the disciplinary process for police officers established by ***Chapter 59 of 2021***. Specifically, the Act:

- required all complaints of police misconduct involving a member of the public to be forwarded to the appropriate administrative charging committee regardless of whether the complaint originated from within the law enforcement agency or from an external source;

- required each law enforcement agency to adopt the uniform State disciplinary matrix for all matters that may result in discipline of a police officer;

- modified the composition of a trial board for a statewide or bi-county law enforcement agency, except for BPD, to require a trial board to be composed of (1) an actively serving or retired administrative law judge appointed by the Chief Administrative Law Judge of the Maryland Office of Administrative Hearings; (2) a civilian who is not a member of an administrative charging committee or MPTSC; and (3) a police officer of equal rank to the police officer who is accused of misconduct appointed by the head of the law enforcement agency;

- required that the actively serving or retired administrative law judge or retired judge of the District Court or circuit court who serves on a trial board be the chair of the trial board, be responsible for ruling on all motions before the trial board, and prepare the written decision of the trial board;

- required a trial board to issue a written decision reflecting the findings, conclusions, and recommendations of a majority of the trial board within 45 days after the final hearing by the trial board;

- modified the appeal process after a decision of a trial board to authorize the decision of a trial board for a statewide or bi-county law enforcement agency to be appealed by the police officer to a circuit court in a county in which the incident that gave rise to the disciplinary proceeding occurred; and

- prohibited the use of collective bargaining to establish or alter any aspect of the disciplinary process for police officers.

In addition, ***Chapter 141*** (1) required the Division of Correction to report certain information annually to the General Assembly; (2) required a certain annual report by the Maryland State Commission on Criminal Sentencing Policy to include certain information for crimes of violence; (3) altered the definition of student data to allow certain records to be shared with the Maryland Longitudinal Data System Center; (4) renamed the Independent Investigative Unit in the Office of the Attorney General to be the Independent Investigations Division and altered its duties and powers; and (5) created the Task Force to Study Transparency Standards for State's Attorneys. For a further discussion of ***Chapter 141***, see the subpart "Criminal Procedure" within this part of this *Major Issues Review*.

Reporting on Monetary Settlements and Judgements

Chapter 391 of 2021 required, by March 1, 2022, and each March 1 thereafter, each local law enforcement agency to report to GOCPYVS specified information on each use of force incident, for the previous calendar year, involving a police officer employed by the law enforcement agency that resulted in a monetary settlement or judgment against the law enforcement agency. GOCPYVS must (1) adopt procedures for the collection and analysis of the required information; (2) by June 30 each year, compile and submit an annual report on the required information to the General Assembly; and (3) annually post the required report on its website.

Warrant Apprehension Efforts and Absconding

Chapter 174 of 2022 required the Governor, for fiscal 2024 through 2026, to include each year in the annual budget bill an appropriation of $2 million for local law enforcement agencies to be used as grants for warrant apprehension efforts. GOCPYVS must administer the grant funds. An eligible local law enforcement agency that receives a grant pursuant to the Act must submit, for each fiscal year, specified information to the Executive Director of GOCPYVS. The Act also modified the definition of "absconding" as it relates to parole and probation to include leaving an inpatient residential treatment facility that an individual was placed in pursuant to a court order for drug or alcohol treatment without the permission of the administrator. The Act's provisions relating to grants for warrant apprehension efforts terminate December 31, 2026.

Employment by Cannabis Dispensary

Chapters 345 and 346 of 2020 specified that employment by a business licensed as a medical cannabis dispensary, grower, or processor does not constitute involvement in the illegal distribution, production, cultivation, transportation, or sale of a controlled dangerous substance for purposes of police officer certification or recertification if the individual's employment was not terminated for illegal or improper conduct.

Race-based Traffic Stops

Chapters 342 and 343 of 2001 required the State's law enforcement agencies to adopt a policy against race-based traffic stops as a management tool to promote nondiscriminatory law enforcement practices. MPTSC, in consultation with the Maryland Statistical Analysis Center (MSAC), was required to develop a model policy against race-based traffic stops that a law enforcement agency can use in developing its own policy. Generally, since 2002 (and phased in over a three-year period based on agency size), Maryland law enforcement agencies have been required to collect and report traffic stop data. Initially, data collection and related reporting was required for a five-year period, but the requirement has been extended (or reestablished) multiple times, most recently with a termination date of May 31, 2020. ***Chapters 625 and 626 of 2019*** repealed the termination date for the data collection. In addition, ***Chapter 626*** repealed a requirement that MSAC report the data annually to the Governor and the General Assembly and instead required MSAC to post data from the previous calendar year on its website in a location

that is easily accessible and in a manner that is filterable by location and other factors. The Act also required GOCPYVS to provide written notice to the General Assembly when MSAC updates the information.

Hate Crimes Reporting

In 1975, Maryland instituted a program to require all local law enforcement agencies to submit standardized crime reports based on the federal reporting system to ensure consistency. The Department of State Police (DSP) must also collect and analyze information about incidents apparently directed against an individual or group because of race, religion, ethnicity, or sexual orientation. Each local law enforcement agency and the State Fire Marshal must provide DSP with information relating to such hate crimes. ***Chapter 32 of 2019*** altered and expanded the categories of incidents for which each local law enforcement agency and the State Fire Marshal must report to DSP and for which DSP must collect, analyze, and report to the Maryland Commission on Civil Rights. The altered and expanded categories include incidents apparently directed against an individual or group because of color, religious beliefs, gender, disability, national origin, and homelessness.

Certification of Law Enforcement Officers

Chapters 489 and 490 of 2019 modified the eligibility requirements for a person to be certified as a law enforcement officer by MPTSC to require that an individual be (1) a U.S. citizen or (2) a permanent legal resident of the United States and an honorably discharged veteran of the U.S. Armed Forces, provided that the individual has applied to obtain U.S. citizenship and the application is still pending approval. MPTSC must terminate the commission of a police officer who fails to obtain U.S. citizenship as required.

Training

Hate Crimes: Chapters 237 and 238 of 2020 required MPTSC to require, for entrance-level police training and at least every three years for in-service level police training conducted by the State and each county and municipal police training school, that the curriculum and minimum courses of study include special training and attention to, and study of, the application and enforcement of the criminal laws concerning hate crimes, including the recognition of, response to, and reporting of incidents of hate crimes.

Stalking: Chapter 383 of 2022 required MPTSC to require, for entry-level police training and at least every three years for in-service level police training conducted by the State and each county and municipal police training school, that the curriculum and minimum courses of study include special training, attention to, and study of the application and enforcement of the criminal laws concerning stalking as they pertain to electronic surveillance or tracking, including services available to victims, related prevention methods for victims, and how victims may request additional assistance to identify and preserve digital evidence.

Baltimore City

Police Districts: Chapter 74 of 2019 required the Police Commissioner of Baltimore City, following each decennial census of the United States, to prepare a plan for (1) the adjustment of the geographic boundaries and composition of each Baltimore City police district and (2) the reallocation of the resources and personnel of BPD among the districts. The commissioner must present the plan to the Mayor and City Council of Baltimore City within one year from the issuance of the decennial census population and housing data by the U.S. Census Bureau. The Mayor and City Council must approve the plan by resolution within 180 days from presentation or the plan becomes effective on the one hundred eighty-first day. A plan approved by the mayor and city council becomes effective immediately. The commissioner must implement any plan in effect.

Funding Accountability: Chapter 75 of 2019 required BPD to prepare specified reports, in fiscal 2019 and 2020, regarding the expenditure of grants received from GOCPYVS. By December 31 each year, BPD must submit the required report to the Baltimore City Delegation to the General Assembly. The report must include the intended use of each grant from GOCPYVS to BPD and the specific expenditures made by BPD with any monetary grants received from GOCPYVS. The stated purpose of the Act is to ensure that grants from GOCPYVS to BPD for community policing efforts are used for that purpose.

Commission to Restore Trust in Policing: Chapter 753 of 2018 established the Commission to Restore Trust in Policing to review, investigate, and make recommendations relating to BPD. ***Chapters 459 and 460 of 2019*** extended the termination date of the commission from January 15, 2020, to January 15, 2021, and extended the due date by which the commission must submit its final report to the Governor and the General Assembly from December 31, 2019, to December 31, 2020. In addition, the Acts requested and encouraged the Governor to appropriate sufficient funds for fiscal 2020 and 2021 to enable the commission to complete its work in a timely and comprehensive manner.

Juvenile Violence Prevention: Chapter 736 of 2019 established a Student Peer Mediation Program Fund to provide grants to schools and community-based organizations in Baltimore City to establish student peer mediation programs to reduce juvenile violence. The Executive Director of GOCPYVS must administer the fund, establish application procedures, and make grants from the fund to schools and community-based organizations in Baltimore City. The Governor must annually appropriate at least $50,000 for the fund.

Control of the Baltimore Police Department: Chapter 133 of 2021 established BPD as an agency and instrumentality of Baltimore City (rather than the State of Maryland) contingent on the passage of an amendment to the Charter of Baltimore City that provides for the transfer of control of BPD to Baltimore City and its ratification by the voters of Baltimore City at either the 2022 or the 2024 general election. In addition, the Act established an Advisory Board on the Transfer of Control of the Police Department of Baltimore City to study potential issues related to the transfer.

Promotional Appointments: Chapter 366 of 2021 (1) altered provisions relating to the number of applicants included on an eligible list prepared for use by the Commissioner of BPD when making promotional appointments to require that such appointments be made from the top or highest 25% of the positions on the list, instead of the top or highest five positions on the list; (2) required that subsequent appointments be filled from the top or highest remaining and available candidates on the eligible list; and (3) renamed the procedure from the "Rule of Five" to the "Rule of 25%." In addition, the Act authorized the commissioner to remove eligible appointees from the list under specified circumstances.

Firearms

Untraceable Firearms

According to the U.S. Department of Justice, between 2016 and 2020, more than 23,000 ghost guns were recovered by law enforcement from potential crime scenes, including 325 in connection with homicides and attempted homicides. In November 2020, the *Baltimore Sun* reported that between 2016 and 2019, more than 12,000 build kits were shipped to Maryland, with total sales of the kits exceeding $1 million. The *Baltimore Sun* further reported that BPD recovered 126 privately made firearms in 2020 compared to 29 recovered in 2019, and that nearly one-quarter of such firearms recovered were from individuals under the age of 21.

Several states and the District of Columbia have enacted laws regulating privately made firearms to varying degrees. California and Connecticut have enacted laws that require privately made firearms to be registered and marked with a serial number obtained from a governmental agency within each state. Nevada and New Jersey require serialization of unfinished frames and receivers by federally licensed firearms manufacturers and importers. The District of Columbia passed legislation in 2020 to ban build kits and specifically the possession of unfinished frames and receivers and untraceable firearms.

Some cities and local jurisdictions have also started to implement laws to address privately made firearms. In August 2021, San Diego became the first city in California to prohibit the sale of unserialized frames and receivers, and San Francisco passed similar legislation shortly thereafter. In Maryland, Montgomery County passed legislation in April 2021 to restrict the access of privately made firearms to minors and in places of public assembly within the county.

Chapters 18 and 19 of 2022 prohibited a person from purchasing, receiving, selling, offering to sell, or transferring an unfinished frame or receiver unless it is required by federal law to be, and has been, imprinted with a serial number by a federally licensed firearms manufacturer or federally licensed firearms importer in compliance with all federal laws and regulations applicable to the manufacture and import of firearms. Except as otherwise authorized, a person may not sell, offer to sell, or transfer a firearm unless it is imprinted with a specified serial number. A violator of the provisions relating to required imprinting is guilty of a misdemeanor and on conviction is subject to imprisonment for up to five years and/or a fine of up to $10,000. Each violation is a separate crime.

The Acts prohibited, beginning March 1, 2023, a person from possessing a firearm unless:

- (1) the firearm is required by federal law to be, and has been, imprinted by a federally licensed firearms manufacturer or federally licensed firearms importer, or other federal licensee authorized to provide marking services, with a serial number in compliance with all federal laws and regulations applicable to the manufacture and import of firearms or (2) the firearm has been imprinted by a federally licensed firearms dealer, federal firearms manufacturer, or other federal licensee authorized to provide marking services with specified information and has been registered with the Secretary of State Police.

The prohibition does not apply to:

- possession of a firearm unless a person knew or reasonably should have known that the firearm was not imprinted with a serial number;

- possession of a firearm that does not comply with the marking requirements by a person who received the firearm through inheritance and is not otherwise prohibited from possessing the firearm, for up to 30 days after inheriting the firearm; or

- possession of an unfinished frame or receiver by a person who made or manufactured the unfinished frame or receiver, without the use of any prefabricated parts, and who is not otherwise prohibited from possessing the unfinished frame or receiver for up to 30 days after the person made or manufactured the unfinished frame or receiver.

A violation of the provisions of ***Chapter 18 and 19*** that begin March 1, 2023, is guilty of a misdemeanor and on conviction is subject to imprisonment for up to two years and/or a fine of up to $10,000. Each violation is a separate crime.

A federally licensed firearms dealer or other federal licensee authorized to provide marking services who imprints a firearm under the Acts' provisions must imprint the firearm in compliance with all federal laws and regulations applicable to affixing serial numbers to firearms.

The provisions relating to untraceable firearms do not apply to (1) a firearm that was manufactured before October 22, 1968, or is an antique firearm; (2) a sale, an offer to sell, a transfer, or a delivery of a firearm or an unfinished frame or receiver to, or possession of a firearm or unfinished frame or receiver by, a federally licensed firearms dealer, a federally licensed firearms manufacturer, or a federally licensed firearms importer; or (3) a transfer or surrender of a firearm or an unfinished frame or receiver to a law enforcement agency.

Nothing in ***Chapters 18 and 19*** may be construed in a manner that abridges or otherwise limits a person's right against self-incrimination under the U.S. Constitution or the Maryland Declaration of Rights.

Registration data provided for registration of a firearm under the Acts' provisions is not open to public inspection.

"Unfinished frame or receiver" means a forged, cast, printed, extruded, or machined body or similar article that has reached a stage in manufacture where it may readily be completed, assembled, or converted to be used as the frame or receiver of a functional firearm.

The Secretary of State Police must suspend a dealer's license if the licensee is charged with a crime under the provisions of ***Chapters 18 and 19*** relating to untraceable firearms. The Secretary must revoke a dealer's license if the licensee is convicted of a crime under the same provisions.

Loan of a Regulated Firearm

Chapter 458 of 2019 expanded and altered prohibitions against a firearms dealer or other person selling, renting, or transferring a regulated firearm to a purchaser, lessee, or transferee who the dealer or other person knows or has reasonable cause to believe is not able to possess a regulated firearm, to include a loan of a regulated firearm to a borrower. The Act also expanded the prohibitions to include circumstances when the dealer or other person knows or has reasonable cause to believe that the purchaser, lessee, transferee, or recipient intends to use the regulated firearm to commit a crime or cause harm to him/herself or another person. In addition, the Act provided an exception to the prohibition for a dealer or other person to loan a regulated firearm to a person younger than age 21 when the recipient who is younger than age 21 may otherwise possess the regulated firearm under current law.

Under the Act, a borrower of a firearm is not required to complete a specified certified firearms safety training course.

Licensed Firearms Dealers – Security Requirements

According to the Bureau of Alcohol, Tobacco, Firearms and Explosives, in 2021, a total of 152 firearms were reported lost or stolen by federal firearms licensees in the State. ***Chapter 55 of 2022*** prohibited a licensed firearms dealer from conducting business and storing firearms at a location unless (1) the premises on which the licensed dealer operates is equipped with specified security features or (2) outside business hours, the licensed dealer locks all firearms stored on the premises in a vault, a safe, or a room or building that meets specified requirements. The Secretary of State Police must adopt rules and regulations to determine whether a licensed dealer has met these requirements. A violator is subject to a maximum civil penalty of $1,000 imposed by the Secretary.

In addition to the civil penalty, a person who knowingly and willfully violates the Act's provisions is subject to (1) for a second offense, suspension of the person's dealer's license and (2) for a third or subsequent offense, revocation of the person's dealer's license. These penalties do not apply if the equipment or alarm system became temporarily inoperable through no fault of the licensed dealer. The Secretary must (1) suspend a dealer's license if the licensee is found in

violation of a second offense of the Act's provisions and (2) revoke a dealer's license if the licensee is found in violation of a third or subsequent offense of the Act's provisions.

Repeal of Handgun Permit Review Board

Chapters 2 and 4 of 2020 repealed the Handgun Permit Review Board. A person who is denied a permit to wear, carry, or transport a handgun, or a renewal of such a permit, or whose permit is revoked or issued with restrictions by the Secretary of State Police, may request to directly appeal the decision to the Office of Administrative Hearings (OAH) instead of requesting that the board review the decision and then appealing the board's decision to OAH. The Acts (1) authorized an individual with a hearing request pending before the board on the effective date of the Acts, after specified notice by the Department of Public Safety and Correctional Services, to file an amended request for a hearing by OAH and (2) required OAH to schedule and conduct a *de novo* hearing on the matter.

Gun Center and Inmates

Chapter 142 of 2022 established the Maryland State Police Gun Center within the Department of State Police as a statewide firearms enforcement center for the tracking, screening, and vetting of all firearm crimes committed in the State. Beginning in 2023, and annually thereafter, the Governor must include in the annual State budget an appropriation sufficient to fund the operations of the center.

Additionally, ***Chapter 142*** (1) expanded the types of cases in which the State may appeal from a decision of a trial court; (2) required the Commissioner of Correction to include in a certain report certain statistics related to the cost of living of inmates at certain facilities; and (3) required the Division of Correction (DOC) to include in a certain report regarding Maryland Correctional Enterprises (MCE) certain statistics regarding the race, age, and sex of certain inmates, disaggregated in a certain manner.

Transfers of Rifles and Shotguns

Chapters 11 and 35 of 2021 required, with specified exceptions, that a licensed firearms dealer facilitate the sale, rental, or transfer of a rifle or shotgun, including conducting a background check on the purchaser, lessee, or transferee through the Federal Bureau of Investigation's National Instant Criminal Background Check System. The Act also prohibited a licensee or any other person from selling, renting, transferring, or loaning a rifle or shotgun to a purchaser, lessee, transferee, or recipient who the licensee or other person knows or has reasonable cause to believe (1) is prohibited from possession of a rifle or shotgun; (2) is visibly under the influence of alcohol or drugs; (3) is a participant in a straw purchase; or (4) intends to use the rifle or shotgun to commit a crime or cause harm to the purchaser, lessee, transferee, or recipient or another person.

The Act established criminal penalties for violations of the Act's provisions.

Firearm Crime Study

Chapter 491 of 2020 required the Office of the Attorney General (OAG) to (1) study specified information regarding firearm crimes committed in the State since August 1, 2015; (2) identify specified information for each 9-1-1 request for emergency assistance involving a firearm crime; (3) study specified information regarding firearm injuries and fatalities occurring in the State since July 1, 2020; and (4) with regard to crime firearms, study, report, compile, collect, and gather specified information. All State and local law enforcement agencies and other governmental units must provide OAG with any and all information necessary to complete the study. OAG must report to the Governor and the General Assembly, by specified dates, specified findings and conclusions regarding firearm crimes committed, firearm injuries and fatalities occurring, and crime firearms recovered.

Chapter 651 of 2021 extended the termination date of ***Chapter 491 of 2020*** from December 31, 2022, to December 31, 2024, and modified the provisions of that Act. Specifically, ***Chapter 651*** extended certain requirements for OAG. The Act also authorized OAG to access certain information from the District Court concerning protective orders for specified research purposes. In addition, the Act (1) extended, by one year, specified dates by which OAG must report to the Governor and the General Assembly specified findings and conclusions regarding firearm crimes committed, firearm injuries and fatalities occurring, and crime firearms recovered and (2) required an additional report with similar information.

Corrections

Treatment Services

Chapter 532 of 2019 established programs for opioid use disorder screening, evaluation, and treatment (specifically medication-assisted treatment) in local correctional facilities and in the Baltimore Pre-trial Complex. The program began in four counties and phased in to include all counties and the Baltimore Pre-trial Complex by January 2023.

Inmate Labor

Annually, the Commissioner of Correction and DOC must submit a complete financial and operational report of MCE and the MCE revolving fund to the Governor, the Secretary of Public Safety and Correctional Services, and the Secretary of Budget and Management. ***Chapter 524 of 2019*** expanded the information that must be included in the Commissioner of Correction Annual Report and the DOC Financial and Operational Report to include information relating to inmate employment and wages, including (1) the job classifications for inmate labor in each department and facility, (2) the daily wage scale at each prison for each job classification, and (3) the total number of inmates currently employed at facilities, disaggregated by facility.

Immigration Detention

Federal law does not mandate that state and local law enforcement agencies become involved in immigration efforts. However, federal law does prohibit a state or local government from prohibiting or in any way restricting any government entity or official from sending to or receiving from the U.S. Immigration, Customs, and Enforcement Division (ICE) information regarding the citizenship or immigration status, lawful or unlawful, of any individual. It also prohibits restrictions on any of the following with respect to information regarding the immigration status, lawful or unlawful, of any individual (1) sending such information to, or requesting or receiving such information from, ICE; (2) maintaining such information; or (3) exchanging such information with any other federal, state, or local government authority.

During the 2021 legislative session, the General Assembly passed ***House Bill 16***. The Governor vetoed the bill, but the General Assembly overrode the veto, and the bill became law as ***Chapter 19 of the 2021 special session.*** The Act prohibited the State or any local jurisdiction from (1) entering into an agreement of any kind for the detention of individuals in an immigration detention facility owned, managed, or operated, in whole or in part, by a private entity; (2) paying, reimbursing, subsidizing, or defraying in any way any costs related to the sale, purchase, construction, development, ownership, management, or operation of an immigration detention facility that is or will be owned, managed, or operated, in whole or in part, by a private entity; (3) receiving any payment related to the detention of individuals in an immigration detention facility owned, managed, or operated in whole or in part, by a private entity; or (4) otherwise giving any financial incentive or benefit to any private entity or person in connection with the sale, purchase, construction, development, ownership, management, or operation of an immigration detention facility that is or will be owned, managed, or operated, in whole or in part, by a private entity.

With specified exceptions and requirements, the State, local governments, and specified State and local agents are prohibited from approving a zoning variance or issuing a permit for the construction of a building or the reuse of existing buildings or structures by any private entity for use as an immigration detention facility. The State, local governments, and specified State and local agents are prohibited from entering into or renewing an immigration detention agreement. Those with an existing immigration detention agreement must exercise the termination provision contained in the immigration detention agreement no later than October 1, 2022. In any dispute over an immigration detention agreement with the State, the provisions of the Act govern. However, the Act's provisions may not be construed to authorize or prohibit the State, local governments, and specified State and local agents from entering into an agreement with the federal government under 8 U.S.C. § 1357(g).

Additionally, ***Chapter 19*** prohibited law enforcement agents, during the performance of regular police functions, from (1) inquiring about an individual's citizenship, immigration status, or place of birth during a stop, a search, or an arrest; (2) detaining, or prolonging the detention of an individual for the purpose of investigating the individual's citizenship or immigration status or

based on the suspicion that the individual has committed a civil immigration violation; (3) transferring an individual to federal immigration authorities unless required by federal law; or (4) coercing, intimidating, or threatening an individual based on the actual or perceived citizenship or immigration status of the individual or the individual's family.

Correctional Officer Death Benefit

Chapter 137 of 2022 authorized the Secretary of Public Safety and Correctional Services, on a case-by-case basis, to award a public safety death benefit if additional evidence arises that the decedent's death resulted from an act committed against the decedent by another due to the nature and performance of the decedent's duties. An application for such benefit must be submitted within three years of the finding of evidence to support the claim. ***Chapter 137*** applied both prospectively and retroactively to the eligibility of death benefits before, on, or after July 1, 2022.

Inmate Education Requirements

Chapter 98 of 2021 doubled the minimum number of days, from 120 calendar days to 240 calendar days, that an inmate is required to take education classes or participate in a workforce skills training program if the inmate does not have a GED or high school diploma, has at least 18 months remaining on the inmate's sentence, and is not exempt due to a medical, developmental, or learning disability. The Act aligns with the Federal Bureau of Prisons' mandatory school requirements for inmates.

Gender-based Equity in Prelease Programming and Facilities

Chapter 60 of 2019 required the Commissioner of Correction to conduct a study on gender-based equity in prerelease programming and facilities in Maryland and report on the results of the study to the Governor and the General Assembly by January 1, 2020.

During the 2020 session, the General Assembly passed ***Senate Bill 684*** to, among other things, require the Commissioner of Correction to operate a comprehensive rehabilitative prerelease unit for women that is a separate structure in which specified services are provided, has security features for specified female inmates, and matches a specified security level. The Governor vetoed the bill, but the General Assembly overrode the veto during the 2021 session and the bill became law as ***Chapter 16 of 2021***.

Restrictive Housing

Chapters 526 and 527 of 2019 expanded the entities required to submit information relating to inmates in restrictive housing to GOCPYVS and repealed the requirement that the information also be submitted directly to the General Assembly. Instead of the Department of Public Safety and Correctional Services (DPSCS), each correctional unit must submit the information to GOCPYVS, and when GOCPYVS has received the information from every correctional unit, GOCPYVS must promptly submit the information in a report to the

General Assembly. ***Chapters 526 and 527*** additionally prohibited a correctional unit from placing a minor in restrictive housing, with specified exceptions.

Chapter 324 of 2019 prohibited, with specified exceptions, the involuntary placement of a pregnant inmate in restrictive housing and set forth requirements for when a pregnant inmate is placed in restrictive housing. ***Chapter 324*** required each correctional facility to have a written policy in place regarding the medical care of pregnant inmates that addresses the use of involuntary medical isolation or restrictive housing for administrative, protective, or disciplinary purposes during pregnancy and eight weeks during the postpartum or post-pregnancy recovery period.

Chapter 543 of 2022 specified that, to the extent possible, the Commissioner of Correction may not prohibit an inmate placed in restrictive housing from having access to a reentry specialist or case manager within 180 days before the inmate is released to the community.

Crime Prevention Measures

Youth Crime Prevention and Diversion

Chapter 738 of 2019 established the Markell Hendricks Youth Crime Prevention and Diversion Parole Fund to provide grants to local law enforcement agencies to administer a diversion program for juveniles or a youth engagement program or event in a high-crime area. The Executive Director of GOCPYVS must administer the fund, establish application procedures, and make grants from the fund to local law enforcement agencies. The Governor must annually appropriate at least $50,000 for the fund.

Crime Plan and Law Enforcement Councils

During the 2020 session, the General Assembly passed ***Senate Bill 907*** to establish the Law Enforcement Coordinating Council within the Department of State Police (DSP) to prevent and reduce crime by (1) coordinating and focusing State resources and (2) ensuring interagency communications and intelligence sharing. The Governor vetoed the bill, but the General Assembly overrode the veto and the bill became law as ***Chapter 19 of 2021***.

The Act required the council to prepare a comprehensive crime plan for the State or for each region of the State and required DSP to establish a regional law enforcement council for each region established by the council with a similar purpose of preventing and reducing crime. The Act established membership, duties, and reporting requirements for the council and the regional councils and required DSP to provide staff for the council and each regional council. GOCPYVS must submit a specified report twice annually.

Public Resources Organizing to End Crime Together Program

During the 2020 session, the General Assembly passed ***Senate Bill 929***, which established the Public Resources Organizing to End Crime Together (P.R.O.T.E.C.T.) Program and related requirements for DSP, DPSCS, the Department of Juvenile Services, and GOCPYVS with

mandated appropriations and reporting requirements. The Governor vetoed the bill, but the General Assembly overrode the veto, and the bill became law as ***Chapter 20 of 2021***.

The Act stated the purpose of the program is to maximize the use of State, local, and community resources to combat neighborhood decline in Baltimore City and throughout the State; support comprehensive strategies to reduce crime and fear in those communities; and ensure that BPD sworn officers are utilized in direct public safety roles. GOCPYVS must select 10 high-crime micro-zones within the State and create, as a civilian position, an "End the Violence" P.R.O.T.E.C.T. coordinator position for each high-crime micro-zone with specified duties.

Maryland Violence Intervention and Prevention Program Fund and Advisory Council – Alterations

During the 2020 session, the General Assembly passed ***Senate Bill 708*** to alter provisions relating to the Maryland Violence Intervention and Prevention Program Fund and advisory council with mandated appropriations. The Governor vetoed the bill, but the General Assembly overrode the veto and the bill became law as ***Chapter 17 of 2021***.

Specifically, ***Chapter 17*** (1) required the Governor to include in the annual budget bill an appropriation composed of at least $3.0 million in general funds to the Maryland Violence Intervention and Prevention Program Fund; (2) altered the authorized uses of the fund; and (3) altered the application requirements for grants from the fund. The Act also (1) altered the membership of the Maryland Violence Intervention and Prevention Advisory Council and expanded its duties and (2) expanded the duties of the Executive Director of GOCPYVS relating to the fund and the council. In addition, ***Chapter 17*** (1) authorized Baltimore City to use funding appropriated for the Safe Streets Initiative to cover its related expenses and (2) increased the maximum grant amount that may be made under the initiative from $300,000 to $600,000 per initiative.

Emergency Services

Comprehensive Emergency Management System

Chapter 288 of 2020 generally clarified the responsibilities of the Maryland Emergency Management Agency, now known as the Maryland Department of Emergency Management (MDEM). The Act specified that, among other things, it is necessary to ensure that the State will be adequately prepared to deal with emergencies by authorizing a comprehensive emergency management system that empowers all State departments and agencies to systematically prepare for, mitigate, respond to, and recover from potential or actual emergencies through risk reduction and consequence management.

Chapter 288 established that it is the policy of the State that the initial governmental authority and responsibility for emergency management activities and operations be placed at the local level. The State must prepare for emergency management activities and operations and coordinate activity in support of the response but may not preempt local authority for responding

to an emergency unless (1) the emergency involves more than one political subdivision and one or more of the political subdivisions involved makes a request for State-level authority to coordinate or intervene; (2) the political subdivision or subdivisions in which the emergency occurs issues a request from the senior elected official for the State to assume authority for the emergency; (3) evidence exists that the political subdivision is overwhelmed by the emergency; or (4) the Governor or the Governor's designee determines that additional resources are necessary to protect the public interest. The Act specified that MDEM has primary responsibility and authority for developing emergency management policies and is responsible for coordinating disaster risk reduction, consequence management, and disaster recovery activities. MDEM may act to (1) reduce the disaster risk and vulnerability of persons and property located in the State; (2) develop and coordinate emergency planning and preparedness; and (3) coordinate emergency management activities and operations.

Continuity of Operations Plans

Broadly, continuity of operations plans are guidelines that, in the event of an emergency, ensure the continuation of essential services. Continuity of government plans, in addition to ensuring the continuation of essential government services at the State and federal level, are designed to preserve the statutory and constitutional authority of elected officials across the government in the event of an emergency.

Chapter 516 of 2020 required each principal department of the Executive Branch of State government to develop and annually update a continuity of operations plan to maintain department operations if an emergency or other crisis disrupts normal operations. Each plan, and the required plan updates, must be submitted to MDEM. MDEM must develop guidelines and serve as the coordinating agency to assist each principal department in writing and maintaining a continuity of operations plan. MDEM must also (1) work with each department to develop and maintain a continuity of government plan; (2) present the plan to the Governor and the General Assembly; and (3) review the plan for revisions at least once every four years. The Act also expressed the intent of the General Assembly that MDEM implement the Act's provisions with existing personnel and resources.

Maryland Department of Emergency Management

Chapters 287 and 288 of 2021 established MDEM as a principal department of the Executive Branch of State government and as the successor to the Maryland Emergency Management Agency (MEMA). All duties and responsibilities associated with MEMA's existing functions continue under MDEM. The Acts also transferred the Maryland 9-1-1 Board from DPSCS to MDEM. Employees transferred under the Acts were transferred without any change in pay and retained all rights, status, and merit system and retirement status they might have had on the date of transfer.

Peer Support Programs

Chapters 151 and 152 of 2022, with specified exceptions, prohibited the disclosure of the contents of any written or oral communication regarding a peer support counseling session by a "peer support specialist" or a peer support participant. By October 1, 2024, the Behavioral Health Administration (BHA), in consultation with the Maryland Institute for Emergency Medical Services Systems, must develop a report on best practices and professional standards for a "peer support counseling program." BHA must make the published report and a list of peer support specialist training programs publicly available on its website.

"Peer support counseling program" means a program provided by a fire, rescue, or emergency medical services (EMS) entity or the International Association of Fire Fighters (IAFF) that provides counseling services from a peer support specialist to a member of a fire, rescue, or EMS entity.

"Peer support specialist" means a member of a fire, rescue, or EMS entity or the IAFF who (1) has received training in peer support counseling and providing emotional and moral support to members of fire, rescue, or EMS entities who have been involved in or exposed to an emotionally traumatic experience in the course of duty as a member of a fire, rescue, or EMS entity and (2) is designated by the fire, rescue, or EMS entity to provide these services.

Property Acquisition and Construction of Facilities

Chapter 421 of 2022 authorized State money provided to the Senator William H. Amoss Fire, Rescue, and Ambulance Fund to be used to acquire land for the purpose of rehabilitation or construction of a fire, a rescue, or an ambulance facility.

Maryland Intrastate Emergency Management Assistance Compact

Chapter 287 of 2020 renamed the Maryland Emergency Management Assistance Compact as the Maryland *Intrastate* Emergency Management Assistance Compact (MIEMAC) and made several changes to the compact. MIEMAC is a statewide program that provides for mutual aid between jurisdictions for emergency assistance. The compact provides for the procedures to request assistance and to resolve financial and liability issues for assistance given.

Among other things, the Act altered provisions governing (1) how participating jurisdictions request assistance under the compact and (2) when the resource-sharing provisions of the compact are effective.

Specifically, ***Chapter 287*** required the senior official of each participating jurisdiction to designate *more than one* representative who is authorized to make assistance requests from other participating compact member jurisdictions. Requests for assistance must include (1) the functional areas for which assistance is needed; (2) the mission, capability, size, and amount of the requested aid; and (3) the logistics, location, and time for staging the aid from a responding party jurisdiction. Specified requirements relating to written requests were repealed. Additionally,

jurisdictions are no longer required to declare a local state of emergency in order to activate the compact. Instead, the Act specified that the provisions of the compact relating to resource sharing only take effect when resources loaned under the terms and conditions of the compact by the responding party jurisdiction arrive in the requesting party's jurisdiction. The provisions must continue in effect as long as resources loaned under the terms and conditions of the compact by the responding party jurisdiction remain in the requesting party jurisdiction.

Chapter 281 of 2022 included the City of Bowie as a participating jurisdiction in MIEMAC, to join each county, Baltimore City, Annapolis, Laurel, and Ocean City as members.

9-1-1

9-1-1 Specialists – Compensation and Benefits

Local governments are authorized to provide a property tax credit for a dwelling owned by a 9-1-1 public safety telecommunicator. ***Chapters 299 and 300 of 2019*** expanded eligibility for the tax credit by establishing that (1) 9-1-1 specialists include employees of a county public safety answering point or employees working in a county safety answering point and (2) 9-1-1 specialist duties and responsibilities include receiving and processing 9-1-1 requests for emergency assistance and other support functions directly related to 9-1-1 requests for emergency assistance.

Fees

Chapters 604 and 605 of 2020 required telephone companies and commercial mobile radio service (CMRS) providers to keep records of 9-1-1 fees collected and remitted for at least four years after the fees are remitted. The Comptroller, in consultation with the Maryland 9-1-1 Board, must adopt procedures for auditing fee collection and remittance by both telephone companies and CMRS providers (instead of the board being required to adopt procedures for auditing only CMRS providers). The Comptroller is entitled to 0.5% of the State 9-1-1 fees to cover the expenses of conducting audits. The Acts also reduced the percentage of State 9-1-1 fees that each 9-1-1 service carrier is entitled to keep to cover administrative costs, from 0.75% to 0.50% of the fees.

Maryland 9-1-1 Board

The Maryland 9-1-1 Board is the agency responsible for administering the 9-1-1 Trust Fund and overseeing the State's 9-1-1 system. Its responsibilities include, among other things, (1) dispersing funds to local governments from the 9-1-1 Trust Fund; (2) reviewing and approving or disapproving requests for reimbursement of the costs of enhancing 9-1-1 systems; (3) ensuring the inspection of public safety answering points (PSAP); (4) auditing counties to ensure that 9-1-1 trust funds are being used for authorized purposes; and (5) establishing training standards for PSAP personnel based on national best practices.

Chapters 375 and 376 of 2020 altered the statutory framework that governs the State's 9-1-1 system in the following ways:

- the Emergency Number Systems Board was renamed to be the Maryland 9-1-1 Board;
- the county additional charge was renamed to be the county 9-1-1 fee;
- the roles and responsibilities of the Maryland 9-1-1 Board, PSAPs, and counties were expanded;
- the percentage of State 9-1-1 fees that each 9-1-1 service carrier is entitled to keep to cover administrative costs was reduced from 0.75% to 0.50% of the fees collected;
- funds in the 9-1-1 Trust Fund were prohibited from being used for the maintenance or operation of communications centers other than PSAPs;
- any person that installs or operates a multiple-line telephone system must ensure that a line on the system can dial 9-1-1 without requiring the user to dial any other number or set of on the date that the multiple-line telephone system of the unit is next upgraded. A county or municipality is responsible for enforcing this requirement and may set a fine or series of fines to do so; and
- by June 30, 2020, the Department of General Services must report on State agency compliance with the multiple-line telephone system requirement to the Commission to Advance Next Generation 9-1-1 Across Maryland and the General Assembly.

Commission to Advance Next Generation 9-1-1 Across Maryland – Extension and Reports

Chapters 301 and 302 of 2018 established the Commission to Advance Next Generation 9-1-1 Across Maryland to study and make recommendations regarding next generation 9-1-1 emergency communication services. The entities represented on the commission were required to jointly staff the commission; however, the Maryland 9-1-1 Board was authorized to contract with a third party to provide staff for the commission. ***Chapter 506 of 2020*** extended the termination date of the commission from June 30, 2020, to June 30, 2022.

Chapter 506 also required the commission to submit two additional reports to the Governor and the General Assembly (one due December 15, 2020, and one due December 15, 2021) on the progress toward the implementation and evolution of Next Generation 9-1-1 service across the State. The additional reports that were to be submitted by the commission were required to include:

- a determination as to whether the State 9-1-1 fee and local additional charge generate sufficient revenue to cover eligible expenses;
- a determination as to whether the State and counties are receiving the fees;

- an evaluation of the operational needs of the 9-1-1 system, including specified staffing information;
- recommendations for potential statutory or administrative changes to protect against cybersecurity threats to the system; and
- an evaluation of county satisfaction with the current 9-1-1 statutory and regulatory framework for the management and funding of the 9-1-1 system and any recommendations for changes to that framework.

9–1–1 System Alterations

Chapters 301 and 302 of 2019 enhanced and altered the regulatory framework that governs the State's 9-1-1 system. Among other things, the Acts expanded the responsibilities of the Maryland 9-1-1 Board, increased the State 9-1-1 fee, authorized local governments to increase their 9-1-1 fee under specified circumstances, and applied both fees to each separate outbound call voice channel capacity instead of each account.

Chapters 378 and 379 of 2021 changed the regulatory structure governing the State's 9-1-1 system related to 9-1-1 service outages, Maryland 9-1-1 Board composition and responsibilities, authorized uses of the 9-1-1 Trust Fund, and multi-line telephone systems. The Acts also established study and reporting requirements for the University System of Maryland and the Commission to Advance Next Generation 9-1-1 Across Maryland.

Chapter 349 of 2022 changed the statutory framework that governs the State's 9-1-1 system by, among other things:

- establishing a definition of "first responder" for use in the Public Safety Article;
- establishing specified rights for 9-1-1 specialists related to occupational well-being and requiring counties to classify 9-1-1 specialists in a certain manner;
- modifying the Maryland 9-1-1 Board's procedures for filling vacancies on the board and selecting a chair and vice chair;
- expanding the Maryland 9-1-1 Board's responsibilities related to the development of training standards and implementation of cybersecurity standards by public safety answering points;
- establishing new reporting requirements for the Comptroller related to audits of surcharge collection and remittance of 9-1-1 fees by telephone companies and commercial mobile radio service providers; and

- repealing the limit on the maximum charge for the county 9-1-1 fee and requiring a county that increases the fee to certify the amount to the Maryland 9-1-1 Board and, no later than 60 days before the implementation of the change, the Comptroller.

Buildings and Construction

Photovoltaic Systems

Chapter 279 of 2019 required each company that installs solar photovoltaic (PV) systems to install a lockout tag at each residential installation at the time of installation. The Act also required MDL to report to the House Economic Matters Committee and the Senate Finance Committee by December 1, 2019, on (1) the advisability of requiring the provision of lockout tags to residential customers with solar PV systems installed on their property, the provision of notice about the safety benefits of lockout tags to residential customers with solar PV systems installed on their property, and any other more effective method of making customers aware of the safety benefits of lockout tags to residential customers with solar PV systems installed on their property and (2) the most effective method of implementing any recommendation made.

Natural Gas and Liquefied Propane Piping Systems

Chapter 140 of 2022 prohibited the use of non-arc-resistant jacketed corrugated stainless steel tubing in (1) the new construction of a customer-owned natural gas or liquefied propane piping system in a building; (2) a natural gas or liquefied propane piping system in a renovated property if the renovation affects more than 50% of the total square footage of the property; or (3) a natural gas or liquefied propane piping system that requires the addition of a new gas line to the gas piping system. The Act applied to any building that uses fuel gas piping systems not subject to Title 49, Part 192 of the Code of Federal Regulations. The Act applied prospectively only and may not be applied or interpreted to have any effect on or application to any new construction for which a building permit is issued before the Act's October 1, 2022, effective date.

Residential Construction

Chapter 629 of 2021 required a builder (or a builder's agent) of specified new housing units to provide each buyer or prospective buyer with the option to include in or on the garage, carport, or driveway either (1) an electric vehicle charging station capable of providing at least Level 2 charging or (2) a dedicated electric line of sufficient voltage to support the later addition of such a charging station. The builder must provide notice of these options and other specified information to each buyer or prospective buyer. The Act applied only prospectively to any new construction for which a building permit is issued on or after the Act's October 1, 2021, effective date.

Miscellaneous

Use of Firefighting Foam Containing Per- and Polyfluoroalkyl Substances

Per- and polyfluoroalkyl substances (PFAS) are a group of synthetic chemicals that include perfluorooctanoic acid, perfluorooctyl sulfonate, GenX, and many other chemicals. PFAS have been manufactured and used in a variety of industries in the United States since the 1940s. PFAS can be found in firefighting foam, nonstick cookware (*e.g.*, Teflon), fast food wrappers, and stain-resistant sprays. PFAS manufacturing and processing facilities, facilities using PFAS in the production of other goods, airports, and military installations are some of the contributors of PFAS releases into the air, soil, and water. PFAS are persistent in the environment and the human body, which means they do not break down easily and can accumulate over time. Most people in the United States have been exposed to PFAS. There is evidence that exposure to PFAS can lead to adverse human health effects, including low infant birth weights, effects on the immune system, cancer, and thyroid hormone disruption.

Chapters 276 and 277 of 2020 prohibited, beginning October 1, 2021, the use of Class B fire-fighting foam that contains intentionally added PFAS chemicals for testing purposes, with specified exceptions, or training purposes. Nonfluorinated training foam must be used for firefighting training purposes. The Acts do not apply to firefighting foams used at the Baltimore/Washington International Thurgood Marshall Airport and do not restrict the manufacture, sale, distribution, discharge, or use of Class B firefighting foam that contains intentionally added PFAS chemicals in emergency firefighting or fire prevention operations. A person who violates the provisions is subject to a civil penalty of up to $500 for a first violation and up to $1,000 for a second or subsequent violation.

Chapters 138 and 139 of 2022 established and expanded several prohibitions and requirements that relate to the manufacture, sale, and distribution for sale or use in the State of specified products that contain "intentionally added" PFAS chemicals. For more information regarding ***Chapters 138 and 139***, see the subpart "Environment and Energy" within Part K – Natural Resources, Environment, and Agriculture of this *Major Issues Review*.

Governor's Office of Crime Prevention, Youth, and Victim Services and Public Safety Center of Excellence

Chapter 350 of 2022 required GOCPYVS to ensure that all reports issued by the office related to grant programs include a summary of all collected performance measure data and information necessary to provide transparency in the results of competitive grant awards. GOCPYVS must also create, for inclusion in its annual report, a scorecard of quantifiable safety indicators. In addition to the appropriate indicators, the scorecard must include (1) crime statistics for violent crime and property crime as reported in the *Uniform Crime Report* or the National Incident-based Reporting System, and the crime clearance rates for those crimes; (2) the portion of committed crimes not reported to law enforcement as estimated based on the National Crime Victimization Survey or other sources; (3) indicators of safety and fairness in the criminal justice

system in the State; and (4) indicators of the underlying factors and conditions affecting progress toward a safer State. Beginning in fiscal 2024, the Governor must include in the annual budget bill an appropriation of $500,000 for the Maryland Behavioral Health and Public Safety Center of Excellence within GOCPYVS for the center to enter into contracts for the purposes of carrying out its mission.

Office of Resilience

Chapter 482 of 2022 established the Office of Resilience in MDEM. The Act required the appointment of a chief resilience officer to coordinate State and local efforts to build resilience to risks identified in the Maryland Hazard Mitigation Plan and to develop a State Resilience Strategy. The Act also (1) specified the duties and responsibilities of the office and (2) established that it is the intent of the General Assembly that State agencies and entities coordinate and cooperate with the office to carry out strategies and programs related to resilience. In addition, the Act established requirements for the University of Maryland Center for Environmental Science to coordinate with the office.

Behavioral Health Crisis Response

Chapters 687 and 688 of 2022 required the Maryland Department of Health (MDH), in awarding grants from the Behavioral Health Crisis Response Grant Program, to require that proposals include response standards that prioritize mobile crisis units over law enforcement when responding to individuals in crisis. Each PSAP must develop a written policy on the procedures to be followed when a call is received that involves an individual suffering an active mental health crisis. The policy must include (1) the procedures to triage a call involving an individual suffering an active mental health crisis; (2) the resources that are available for dispatch; (3) the procedures for making a dispatch decision; and (4) training for applicable staff on implementing the procedures. Each PSAP must submit its written policy to MDH and make the policy available to the public by December 1, 2022. MDH must submit the policies to the General Assembly by January 1, 2023. The Acts also altered the definition of "mobile crisis team" (MCT) to specify that an MCT prioritizes limiting the interaction of law enforcement with individuals in crisis.

Crisis Intervention Team Center of Excellence

Chapter 547 of 2020 established a Crisis Intervention Team Center of Excellence (CITCE) in GOCPYVS to (1) provide technical support to local governments, law enforcement, public safety agencies, behavioral health agencies, and crisis service providers and (2) develop and implement a crisis intervention model program. The office must appoint specified individuals to oversee CITCE. In addition, the Act established a Collaborative Planning and Implementation Committee for CITCE and provided for the membership and duties of the committee. The operation of CITCE is subject to the limitations of the State budget, and the operation of both CITCE and the committee must be supported by appropriations provided in the State budget, grants, or other assistance from federal, State, or local government, and any other money made available to CITCE from any public or private source.

K-9s

Retired Law Enforcement K-9s: According to DSP, the average service life of a law enforcement dog is eight years, followed by an expected post service life of four years. ***Chapter 90 of 2021*** required a State or local law enforcement agency that removes a publicly owned dog used in law enforcement work from duty to reimburse an individual who, under a written agreement with the law enforcement agency, takes possession of the dog on or after October 1, 2020, for reasonable and necessary veterinary treatment provided to the dog. Reimbursement (1) may only be for usual and customary veterinary treatment that is not attributable to abuse or neglect of the dog and is verified by written receipt and (2) may not exceed $2,500 during a calendar year and $10,000 over the life of the dog.

State and local law enforcement agencies may accept donations to meet the Act's requirements. The Act also (1) established the K-9 Compassionate Care Fund within DSP to provide for veterinary care of retired State law enforcement dogs adopted pursuant to the Act and (2) authorized a local law enforcement agency to establish a separate fund.

Retired Fire and Rescue K-9s**:** ***Chapter 185 of 2022*** required a State or local fire and rescue entity that removes a publicly owned dog used in fire and rescue work from duty to reimburse an individual who, under a written agreement with the State or local fire and rescue entity, takes possession of the dog on or after October 1, 2022, for reasonable and necessary veterinary treatment provided to the dog. Reimbursement (1) may only be for usual and customary veterinary treatment that is not attributable to abuse or neglect of the dog and is verified by written receipt and (2) may not exceed $2,500 during a calendar year and $10,000 over the life of the dog.

A State fire and rescue entity may accept public donations to meet the Act's requirements. The revenue from public donations must be distributed to the K-9 Compassionate Care Fund. A local fire and rescue entity may establish a separate fund to accept and manage public donations to meet the Act's requirements.

Part F
Courts and Civil Proceedings

Judges and Court Administration

Additional Judgeships

The Chief Judge of the Court of Appeals annually certifies to the General Assembly the need for additional judges in the State. The Judiciary uses best practices developed by the National Center for State Courts to calculate judicial need, which take into account the amount of judicial work generated on average per case filing within each distinct case type. Although the fiscal 2020 certification indicated a projected need of 14 additional judges throughout the State, the Judiciary requested 7 judges for the locations deemed to be in most critical need of additional judicial resources.

Chapter 749 of 2019 increased the number of resident judges of the circuit court by adding one additional judgeship in Washington County. ***Chapter 749*** also created one additional District Court judgeship in District 4 (which must be appointed from St. Mary's County), one additional District Court judgeship in District 7 (Anne Arundel County), and two additional District Court judgeships in District 5 (Prince George's County) and District 8 (Baltimore County). General fund expenditures are expected to increase by at least $2.9 million annually by fiscal 2023. Due in part to the impacts of the COVID-19 pandemic, the Judiciary did not request any additional judges in fiscal 2021 through 2023.

Judicial Compensation

The Judicial Compensation Commission is required to review judicial salaries and make recommendations to the Governor and the General Assembly once every four years. The General Assembly may amend a joint resolution from the commission to decrease, but not increase, any of the commission's salary recommendations. The General Assembly may not reduce a judge's salary below its current level. Failure to adopt or amend the joint resolution within 50 calendar days of its introduction results in adoption of the salaries recommended by the commission. If the General Assembly rejects any or all of the commission's recommendations, the

affected judges' salaries remain unchanged, unless modified by other provisions of law. General State employee salary increases apply to judges only in years in which judges' salaries are not increased in accordance with a resolution from the commission's recommendations.

Salaries for judges were last increased by Joint Resolution 3 in 2018, which phased in a $20,000 increase for all judges from fiscal 2019 through 2022. The commission met two times in December 2021 to consider salary recommendations, ultimately recommending to increase judicial salaries over a four-year period by $40,000 ($10,000 per judge per year). The recommendations were submitted as joint resolutions in the House and the Senate. Because the General Assembly failed to act on either of the resolutions within 50 days, the resolutions were enacted under statutory requirements. Therefore, ***Joint Resolutions 2 and 3 of 2022*** increased the salaries of all Maryland judges by $10,000 each year from fiscal 2023 through 2026, pursuant to the recommendations of the Judicial Compensation Commission. General fund expenditures are projected to increase in fiscal 2023 by $5.9 million and by increasing amounts annually thereafter to implement the salary increases.

Courts of Appeals and Special Appeals – Renaming

The Maryland Constitution establishes the Court of Appeals as the highest court in the State. Among other powers, the Court of Appeals adopts rules to govern practice, procedure, and judicial administration and may review a case decided by the Court of Special Appeals by exercising its discretion in granting a petition for *certiorari* (*i.e.*, on review) or electing to transfer a case filed in, but not already decided by, the Court of Special Appeals. The Court of Special Appeals is established by statute, pursuant to constitutional authorization, as an intermediate appeals court with statewide jurisdiction. It hears almost all initial appeals from circuit courts and orphans' courts.

Chapters 82 and 83 of 2021 proposed an amendment to the Maryland Constitution that, if approved by the voters at the 2022 general election, renames the Court of Appeals as the Supreme Court of Maryland and renames the Court of Special Appeals as the Appellate Court of Maryland. If the constitutional amendment is approved, a Justice of the Supreme Court of Maryland is the successor to a Judge of the Court of Appeals, and the Chief Justice of the Supreme Court of Maryland is the successor to the Chief Judge of the Court of Appeals. The proposed amendment makes similar changes in regard to judges of the Court of Special Appeals and the clerks of both of the courts to reflect the courts' new names.

District Court Civil Jurisdiction

In *Angel Enterprises Limited Partnership v. Talbot County, Maryland, et al.*, 474 Md. 236 (2021), the Court of Appeals dismissed a lawsuit (and invalidated penalties that had been imposed) on the basis that the adjudication of civil penalties by a charter county was within the original jurisdiction of the courts and not a local board of appeals established by a charter county under the Express Powers Act (as set forth in the Local Government Article).

Chapter 381 of 2022 established that the District Court has concurrent civil jurisdiction with a governing body of a county or the Mayor and City Council of Baltimore over a proceeding for adjudication of a violation of an ordinance enacted (1) by a charter county for which a civil penalty is provided under § 10-202 of the Local Government Article; (2) by the Mayor and City Council of Baltimore for which a civil penalty is provided by ordinance; or (3) by a code county for which a civil citation is issued under Title 11, Subtitle 3 of the Local Government Article.

The governing body of a county or the Mayor and City Council of Baltimore may delegate the authority (described above) to a board, commission, agency, or officer under its jurisdiction and control. Correspondingly, ***Chapter 381*** amended § 10-305 of the Local Government Article to specify that a county board of appeals may have original jurisdiction or jurisdiction to review the action of an administrative officer or unit of county government over matters arising under any law, ordinance, or regulation of the county council that concerns the adjudication of a violation of an ordinance that has been delegated in the manner authorized under the Act.

Jury Service

Juror Qualifications

Chapter 750 of 2019 increased, from more than six months to more than one year, the length of time of a criminal sentence or potential sentence that disqualifies an individual from jury service.

Jury Service Compensation

Chapters 545 and 546 of 2022 increased, from $15 to $30, the basic State per diem for jury service and the per diem for trial jurors for the first five days of jury service. The Acts did not alter the $50 per diem for trials lasting longer than five days.

Compensation of Court Personnel

Clerks of the Circuit Court

The Board of Public Works (BPW) determines, within the allowed statutory range, the annual salary of the clerk of each circuit court on the basis of the relative volume of business and receipts in the clerk's office***. Chapters 188 and 189 of 2022*** increased the maximum annual salary that BPW may set for the clerk of each circuit court from $124,500 to $146,500, effective at the beginning of the subsequent term of office.

Registers of Wills

Similar to the salaries of clerks of the circuit court, while the maximum permissible salary for a register of wills is set by statute, BPW determines the salary for each register based on specified factors. ***Chapter 427 of 2022*** increased the maximum annual salary that BPW may set

for a register of wills from $124,500 to $146,500, effective at the beginning of the subsequent term of office.

Court Programs

Jobs Court Pilot Program

Chapter 522 of 2022 established the Jobs Court Pilot Program in the District Court sitting in Baltimore City. The purpose of the program is to reduce recidivism by offering defendants an opportunity to participate in full-time job training and job placement programs as a condition of probation, an alternative to incarceration, or a condition of pretrial release. The provisions regarding the pilot program take effect July 1, 2023, and terminate June 30, 2028. From fiscal 2024 through 2028, the Governor must include in the annual State budget an appropriation of at least $500,000 to the Baltimore Workforce Development Board to be distributed to entities that participate in the pilot program.

Chapter 521 of 2022 also included provisions that established the Jobs Court Pilot Program in Baltimore City. For a discussion of other provisions within the Act that require specified reports regarding firearms and notification if a defendant is released before trial in Baltimore City, see the subpart "Criminal Procedure" within Part E – Crimes, Corrections, and Public Safety of this *Major Issues Review*.

Court Dog Program

In recognition of the vulnerable emotional state of child witnesses in court proceedings, especially in cases related to child abuse or child sexual abuse, the use of therapy animals during the testimony of child witnesses has become increasingly popular. Chapter 467 of 2016 initially created a three-year pilot program in the circuit courts for Anne Arundel and Harford counties to determine whether to establish a systematic approach for providing a courthouse dog to a child witness in circuit court proceedings in the State. Under Chapter 467, a child witness was limited to witnesses who were minors when testifying in criminal proceedings. In subsequent years, the pilot program was extended and expanded to include minors testifying in civil proceedings.

Chapters 161 and 162 of 2020 expanded upon these efforts and established a Court Dog and Child Witness Program in the circuit court of each county that voluntarily participates in the program. As enacted in 2020, the program's purpose was to provide a facility dog or therapy dog to a child witness in any circuit court proceeding or other related court process, meeting, or interview in the State, including meetings with custody evaluators and interactions with a judge or a magistrate. ***Chapters 161 and 162*** required AOC to develop and establish related plans and procedures and make the details of the program publicly available.

Chapters 181 and 182 of 2021 renamed the Court Dog and Child Witness Program to be the Court Dog Program and expanded the voluntary program to any participating circuit court or District Court that offers a Veterans Treatment Court Program. A "Veterans Treatment Court" means a court-supervised, comprehensive, and voluntary treatment-based program for veterans.

Maryland Legal Services Corporation

The Maryland Legal Services Corporation (MLSC) is a statutorily created entity that provides funding for legal services in civil proceedings for persons with limited incomes. It receives State funding through the MLSC Fund. In addition to State funding from the Unclaimed Property Fund, the MLSC Fund receives funding from surcharges applied to civil filings in circuit court and the District Court. Attorneys are also required to place small or short-term client trust funds into an Interest on Lawyer Trust Accounts account, the interest on which is paid into the MLSC Fund. MLSC does not provide legal services directly but provides grants to eligible organizations that assist indigent clients in civil proceedings.

Funding

Statutory provisions under Title 17 of the Commercial Law Article set forth procedures regarding the treatment of abandoned property in the State, including procedures relating to the sale of abandoned property. All funds received by the State under Title 17 must be credited by the Comptroller to the Unclaimed Property Fund. ***Chapters 806 and 807 of 2021*** increased, from $2 million to $8 million, the required annual distribution by the Comptroller from the Unclaimed Property Fund to the MLSC Fund.

Access to Counsel in Evictions Program

Chapter 746 of 2021 established the Access to Counsel in Evictions Program, administered by MLSC, in order to provide specified low-income tenants in the State with access to legal representation in proceedings to evict or terminate a tenancy or housing subsidy. ***Chapter 746*** also established the Access to Counsel in Evictions Special Fund, also administered by MLSC, to fully implement access to legal representation in evictions and other related proceedings in the State. MLSC may contract with a designated organization (a nonprofit entity) to provide all or part of the services required under ***Chapter 746*** and must designate and contract with appropriate community groups to conduct outreach and provide education to tenants, as specified. For a more detailed discussion of access to counsel in evictions, see the subpart "Real Property" within this part of this *Major Issues Review*.

Civil Actions and Procedures

Amount in Controversy

Article 23 of the Maryland Declaration of Rights preserves the right to a jury trial in all civil proceedings where the amount in controversy exceeds $15,000. ***Chapter 809 of 2021*** is a proposed constitutional amendment that, if approved by the voters at the November 2022 general election, would increase this amount in controversy threshold to more than $25,000. ***Chapter 598 of 2021*** makes a corresponding statutory change necessary to implement the constitutional amendment and will take effect only if the amendment is approved by the voters.

Expansion of Causes of Action

Susceptible or Older Adults

Chapter 311 of 2021 established a civil cause of action that a financially exploited "susceptible adult" or "older adult" may bring against a financial exploiter of the susceptible or older adult. The cause of action survives the death of the susceptible or older adult and is in addition to and cumulative with any other criminal or administrative claims, legal or equitable cause of action, and other remedies available to the susceptible or older adult. ***Chapter 311*** authorized specified individuals, as well as the Consumer Protection Division and the Division of Securities within the Office of the Attorney General, to bring an action on behalf of a susceptible or older adult. A plaintiff in an action may recover compensatory damages, treble damages, and other specified remedies.

Peace Orders

An individual who does not meet specified relationship requirements under the domestic violence protective order statutes may file a petition for a peace order with the District Court or a District Court commissioner that alleges the commission of specified acts against the petitioner by the respondent if the act occurred within 30 days before the filing of the petition. Such acts include an act that causes serious bodily harm, an act that places the petitioner in fear of imminent serious bodily harm, harassment, stalking, trespass, and malicious destruction of property.

Chapter 341 of 2021 authorized an employer to file a petition for a peace order that alleges the commission of specified acts against the petitioner's employee at the employee's workplace. An employer must notify an employee before petitioning for a peace order. ***Chapter 341*** extended application of most statutory provisions relating to the filing, issuance, modification, and extension of peace orders and the shielding of related court records to peace orders filed by employers on this basis. ***Chapter 341*** prohibited an employer from retaliating against an employee for not providing information for or testifying at a peace order proceeding. In addition, an employer is immune from civil liability that may result from the failure of the employer to file a petition on behalf of an employee; however, this immunity provision terminates October 1, 2023.

Disclosure of Information

Prelitigation Discovery of Insurance Coverage

An insurer must provide a claimant, after the claimant files a written tort claim concerning a vehicle accident and provides specified documentation to the insurer, with documentation of the applicable limits of liability coverage in any insurance agreement under which the insurer may be liable to (1) satisfy all or part of the claim or (2) indemnify or reimburse for payments made to satisfy the claim. The insurer must provide the claimant with this documentation within 30 days after receipt of the claimant's written request, regardless of whether the insurer contests the applicability of coverage to a claim.

Chapter 748 of 2019 extended application of these provisions from claims involving only vehicle accidents to claims pertaining to any tort involving bodily injury or death. Under ***Chapter 748***, this prelitigation discovery applies to the applicable limits of coverage in any automobile, homeowner's, or renter's insurance policy. ***Chapter 748*** expanded the documentation a claimant must submit in order to receive this information by requiring a claimant to also submit a letter from an attorney admitted to practice law in the State certifying that (1) the attorney has made reasonable efforts to investigate the underlying facts of the claim and (2) based on the attorney's investigation, the attorney reasonably believes that the claim is not frivolous. ***Chapter 748*** also made corresponding changes to other statutory provisions.

Corporate Ownership

Chapter 428 of 2021 required a nongovernmental corporate party to file a copy of a disclosure statement (1) identifying any parent corporation and publicly held corporation owning 10% or more of its stock; (2) identifying any member or owner in a joint venture or limited liability corporation; (3) identifying all parties in a partnership or limited liability partnership; (4) identifying any corporate member, if the party is any other unincorporated association; or (5) stating that there is no such corporation. A nongovernmental corporate party must file one copy of the disclosure statement with its first appearance, pleading, petition, motion, response, or other request addressed to the court. The nongovernmental corporate party must file a supplemental statement if any of the relevant information changes.

Evidence

Malpractice Claims Against Licensed Design Professionals

Generally, a claimant that files a claim against specified licensed design professionals for an alleged negligent act or omission within the scope of the professional's license must also file a certificate of a qualified expert attesting that the licensed professional failed to meet the applicable standard of care. On written request of the claimant, a defendant/licensed professional must produce any documentary evidence that is otherwise discoverable and reasonably necessary to obtain a certificate of a qualified expert. ***Chapters 347 and 348 of 2020*** authorized a defendant/licensed professional to move for a protective order to limit the disclosure of documentary evidence requested by a claimant to obtain a certificate of a qualified expert in order to protect the defendant from annoyance, embarrassment, oppression, or undue burden or expense. A court may issue a defendant a protective order for good cause shown.

Health Care Malpractice Claims

Chapter 525 of 2019 made multiple changes related to the qualification of an expert in a health care malpractice action. ***Chapter 525*** (1) changed the definition "professional activities" to mean all activities arising from or related to the health care profession; (2) increased, from 20.0% to 25.0%, the limit on the amount of an expert's professional activities that may directly involve testimony in personal injury claims during the 12 months immediately before the date when the claim was first filed; and (3) specified that once a health care provider meets the requirements to

qualify as an expert, the health care provider must be deemed to be a qualified expert during the pendency of the claim. ***Chapter 525*** also established that, unless there is a showing of bad faith, if a court dismisses a claim or action because a qualified expert failed to comply with the Act's requirements, a party may refile the same claim or action before the later of (1) the expiration of the applicable period of limitation or (2) 120 days after the date of the dismissal. However, a claim may be refiled only once.

Damages

Use of Demographic Data

In a civil action seeking damages for personal injury or wrongful death, one category of damages available to plaintiffs is compensatory damages for loss of earnings. The amount of a plaintiff's or decedent's loss of earnings is often determined with the aid of expert witness reports, which use demographic data to predict a person's future earnings. ***Chapter 541 of 2022*** prohibited a calculation of damages for loss of earnings resulting from personal injury or wrongful death from being reduced based on race, ethnicity, or gender. ***Chapter 541*** applies prospectively to causes of action arising on or after October 1, 2022.

False Claims

The Maryland False Claims Act prohibits a person from making a false or fraudulent claim against a governmental entity and authorizes a governmental entity to bring an action seeking civil penalties and damages. In addition to making other changes related to actions for making false claims, ***Chapters 608 and 609 of 2022*** authorized a governmental entity to seek court costs and attorney's fees in such actions.

Family Law

Marriage

Marriage of Minors

Chapter 175 of 2022 (1) prohibited individuals younger than age 17 from marrying (by repealing prior provisions that authorized individuals ages 15 and 16 to marry under specified circumstances) and (2) altered and expanded the procedural requirements that must be satisfied before an individual who is age 17 may marry.

Under the Act, an individual age 17 may not marry unless (1) the individual has the consent of each living parent, guardian, or legal custodian or (2) if the individual does not have this consent, either party to be married can produce a certificate from a medical professional stating that the medical professional has examined the woman to be married and has found that she is pregnant or has given birth to a child. (Prior to 2022, the law required the consent of a parent or guardian who swore that the individual was at least 16 years old or, if the individual did not have consent, the

certificate from a medical professional.) Furthermore, the Act provided that an individual age 17 may not marry unless the individual also presents a certified copy of an order granting authorization to marry to the clerk of the circuit court no earlier than 15 days after the order was issued.

The Act expanded the jurisdiction of an equity court to include petitions for authorization for minors to marry and specified procedures for judicial review and criteria for the granting or denial of petitions. Among other provisions, the Act required the court to appoint a lawyer to represent the minor seeking authorization to marry; set a hearing on the petition, provide specified information to the minor concerning abuse, domestic violence, and human trafficking; and give specified notice to the child's parent, guardian, or legal custodian.

After a hearing, the court may issue an order granting authorization for a minor to marry if the court makes specified written findings, including that the petitioner seeks to marry voluntarily and free from force, coercion, and fraud and is mature and capable of self-sufficiency and self-support.

The court may deny a petition for authorization to marry if the court makes a written finding that marriage is not in the best interest of the petitioner. There is a rebuttable presumption that marriage is not in the best interests of the petitioner if all the parents, guardians, or legal custodians of the petitioner oppose the petition.

A court may not issue an order granting authorization for a minor to marry if the court determines that (1) the intended spouse of the petitioner has ever been in a position of authority or special trust with the petitioner or has had a professional relationship with the petitioner or has been convicted or adjudicated delinquent for specified crimes; (2) one party is pregnant or has a child with the other party that evidences that the petitioner was the victim of a sexual crime committed by the intended spouse; or (3) a protective order or peace order was issued against the intended spouse of the petitioner, regardless of whether the petitioner was the person to be protected.

Under the Act, a minor who is married may file an action for divorce and is deemed emancipated for the limited purpose of obtaining a divorce.

Marriage Records

Chapter 540 of 2022 established specified procedures and requirements for the issuance of a new marriage record when the name of a party to the marriage has been changed. The Act required the clerk of the circuit court for the county that issued the (original) marriage license to issue a new marriage record (1) on written request made under penalty of perjury of both parties to a marriage if the clerk receives satisfactory proof that a court of competent jurisdiction (regardless of location) has issued an order for a change of name for a party to the marriage; (2) on presentation of a death certificate for a party to the marriage; or (3) if a court order instructing a marriage record to be changed is presented. A new marriage record issued under the Act's provisions must designate the parties using gender-neutral language and, if the name of a party to

the marriage has been changed at any time, reflect the name that was most recently established and for which a certified order of change of name or other appropriate evidence has been submitted. The new marriage record may not be marked as "amended" or otherwise show that changes have been made to a name of a party or, if applicable, a gender designation.

Child Abuse and Neglect

Reporting Suspected Child Abuse and Neglect

Failure to Report: In Maryland, health care practitioners, police officers, educators, and human service workers who are acting in a professional capacity, and who have reason to believe that a child has been subjected to abuse or neglect, must notify the local department of social services or the appropriate law enforcement agency. An "educator or human service worker" includes any teacher, counselor, social worker, caseworker, and parole or probation officer. Individuals who are required to report suspected child abuse and neglect because of their professional capacity are often referred to as "mandatory reporters."

According to the Child Welfare Information Gateway, prior to 2019, Maryland was one of only two states that did not impose a penalty on a mandatory reporter who knowingly or willfully fails to report suspected child abuse or neglect. ***Chapters 53 and 54 of 2019*** made it a misdemeanor for a worker described above to knowingly fail to report suspected child abuse or neglect if the worker has actual knowledge of the abuse or neglect. A violator is subject to a maximum penalty of up to three years imprisonment and/or a $10,000 fine. The provisions of ***Chapters 53 and 54*** only apply to a failure to report child abuse or neglect that occurs during the time the child is a minor.

Identification, Prevention, and Reporting – Online Course: Although mandatory reporters generally receive training on how to identify, prevent, and report suspected child abuse or neglect, individuals who are not mandatory reporters are also required to report suspected child abuse and neglect to the local department of social services or the appropriate law enforcement agency. However, these individuals may not have the training necessary to identify the signs of abuse and know how to report it to the appropriate authorities. ***Chapter 84 of 2021*** required the Department of Human Services (DHS) to post on its website a free online course on the identification, prevention, and reporting of child abuse.

Military Family Advocacy Programs: Military Family Advocacy Programs are programs established by the U.S. Department of Defense to address child abuse and neglect in military families. At military institutions where a memorandum of understanding (MOU) exists between such programs and local child welfare agencies, each agency agrees to shared case management, allowing the military program to coordinate with civilian child welfare agencies and provide military-specific services when appropriate.

Chapters 185 and 186 of 2021 required a local department of social services that has a U.S. military installation located within its jurisdiction to enter into an MOU with the Military Family Advocacy Program. An MOU must establish procedures and protocols for (1) identifying

an individual alleged to have committed abuse or neglect as military personnel; (2) reporting by a local department to a military family advocacy program when an investigation implicating military personnel has been initiated; and (3) maintaining confidentiality requirements under State and federal law.

Investigating Suspected Child Abuse and Neglect

A 2021 audit of the Social Services Administration (SSA) within the Department of Human Services (DHS) contained numerous repeat findings, including that SSA had not established an effective monitoring process to ensure the timeliness of child abuse and neglect investigations. ***Chapter 200 of 2022*** responded to concerns raised in the audit by requiring DHS to implement policies to ensure that specified actions are taken if a local department or the appropriate law enforcement agency fails to see a child who is the suspected victim of child abuse or neglect within the timeframes required in statute. Among other requirements, the policies must ensure that the reason for the delay is documented in the child's case file and that a supervisor reviews the documentation during the review of the final investigation report. The Act also required DHS to (1) prepare and issue quarterly reports identifying investigations or reports that are not completed within required timeframes; (2) submit an annual report to the General Assembly detailing the progress of local departments in complying with statutory timeframes for conducting investigations and completing required reports; and (3) complete a child welfare workload assessment and report to specified legislative committees on the outcome of the assessment, a plan to address understaffing in the State's child welfare system, cost estimates to address understaffing in the State's child welfare system, and the benefits to children and families in the State of a properly staffed child welfare system. The Act also established that a clinical professional counselor licensed under Title 17 of the Health Occupations Article may serve as one of the two individuals who conducts an assessment as part of an investigation if mental injury of a child is suspected (as required under existing provisions). Provisions requiring the implementation of policies and quarterly and annual reports terminate September 30, 2027.

Services for Victims

Child Advocacy Centers: Child advocacy centers provide a comprehensive, multidisciplinary, community response to child abuse and neglect. The centers may be based in private nonprofit organizations, local departments of social services, local law enforcement agencies, or a partnership among any of these entities. Among other requirements, child advocacy centers must be included in all joint investigation procedures regarding suspected cases of abuse and neglect, as specified. The Governor's Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) may contract with public or private nonprofit organizations to operate child advocacy centers.

Chapters 50 and 51 of 2019 required GOCPYVS to ensure that every child in the State has access to a child advocacy center and to contract with a nonprofit organization to establish a statewide organization to provide training, technical assistance, data collection, and capacity building to meet local, State, and national requirements for child advocacy centers. The statewide

organization must establish standards for child advocacy centers in the State that meet national accreditation standards and include specified items, including cultural competency and diversity, a formal case review process, and forensic interviews that are neutral, fact finding, and avoid duplicative interviewing. Among other provisions, ***Chapters 50 and 51*** also required money for child advocacy centers to be distributed in accordance with a formula agreed on by the statewide organization and GOCPYVS.

Sex Trafficking: The Workgroup to Study Safe Harbor Policy for Youth Victims of Human Trafficking (as established by Chapter 91 of 2015) was tasked with various responsibilities relating to human trafficking, including making recommendations regarding legislation to address the provision of services for youth victims of human trafficking in the State.

Chapter 559 of 2019 resulted from the workgroup's recommendations and established the Safe Harbor Regional Navigator Grant Program to support services for "youth" (individuals younger than age 24) victims of sex trafficking. GOCPYVS must provide grant funding for services provided by the program; the Governor may appropriate up to $3 million annually for grant funding. The program must support services for youth victims of sex trafficking by specified methods, including (1) creating and sustaining projects to provide services that are victim centered and trauma informed; (2) facilitating and coordinating among specified entities that respond to youth victims of sex trafficking; and (3) training providers to appropriately identify and serve youth victims of sex trafficking. Grantees under the program may include child advocacy centers, sexual assault crisis programs, or qualified community-based services providers.

Services coordinated and provided by a grantee must include safety planning, emergency response, basic living needs, trauma counseling and mental health services, drug and alcohol abuse treatment, legal services, victim advocacy, case management, and designation of regional navigators. A "regional navigator" is a provider of services designated by a grantee of the program. A law enforcement officer who has reason to believe that a child who has been detained is a victim of sex trafficking must notify any appropriate regional navigator, as specified. A local department of social services that receives a report of suspected abuse or neglect involving a child who is a suspected victim of sex trafficking must refer the child to any appropriate regional navigator. ***Chapter 559*** also required a joint investigation procedure for reported cases of suspected abuse and neglect to include screening to determine whether a child is a victim of sex trafficking.

Child Abuse and Neglect Records

Chapter 79 of 2019 authorized the disclosure of reports or records concerning child abuse or neglect to local or State officials responsible for the administration of juvenile services on request and as necessary to carry out their official functions. ***Chapter 79*** was intended to ensure that DHS and the Department of Juvenile Services are able to exchange all information necessary to care for or provide services to children and their families.

Children in Need of Assistance

A child in need of assistance (CINA) is a child who requires court intervention because (1) the child has been abused or neglected, has a developmental disability, or has a mental disorder and (2) the child's parents, guardian, or custodian are unable or unwilling to give proper care and attention to the child and the child's needs. Numerous bills were considered during the 2019 to 2022 term that addressed CINAs, including those related to children who, as a result of CINA proceedings, are placed in an out-of-home placement.

Guardianship and Financial Accounts

In making a disposition on a CINA petition, the court may grant limited guardianship to DHS or an individual (or both) for specific purposes, including medical and educational purposes, if a parent is unavailable, unwilling, or unable to consent to services that are in the best interest of the child. A guardian appointed pursuant to these provisions has no control over the property of the child unless the court expressly grants that authority.

Chapter 304 of 2019 required a court, on request of a local department that has been granted guardianship over a CINA, to issue a separate order granting the local department guardianship authority to establish (1) an individual savings account; (2) an "Achieving a Better Life Experience" account, if unable to establish an individual savings account due to the child's age; or (3) a pooled special needs trust account. An order issued pursuant to ***Chapter 304*** must meet specified requirements, including prohibiting the local department from withdrawing funds from any account or trust established under the order.

Custody and Guardianship and Review Hearings

Statutory provisions outline numerous requirements for CINA proceedings, including those related to mandatory hearings. ***Chapter 228 of 2022*** added additional requirements for hearings to review the permanency plan of a CINA who is in an out-of-home placement in order to bring the State into compliance with federal law. Most significantly, ***Chapter 228*** (1) repealed a prior exception for a review hearing every 12 months if the child is continued in an out-of-home placement with a specific caregiver and, instead, required that a review hearing be held every six months and (2) required the court at review hearings to determine the appropriateness of and the extent of compliance with the case plan for the child. When the permanency plan is another planned permanent living arrangement, the Act also required the review hearing to include (1) a determination on the adequacy of the steps that the local department is taking to ensure that the child's foster family home or child care institution is following the reasonable and prudent parent standard; (2) a determination of whether the child has regular, ongoing opportunities to engage in age or developmentally appropriate activities; and (3) a consultation with the child in an age-appropriate manner regarding the opportunities for the child to participate in such activities.

Kinship Care Program

SSA within DHS is required to maintain a program for kinship care, which is continuous 24-hour care and supportive services provided for a minor child placed by a child placement agency in the home of a "kinship parent." A "kinship parent" is an individual who is related by blood or marriage within five degrees of consanguinity or affinity to a child who is in the care, custody, or guardianship of a local department of social services and with whom the child may be placed for temporary or long-term care other than adoption. When selecting a placement that is in the best interests of a child in need of out-of-home placement, the local department must take specified measures to prioritize placing the child with a kinship parent.

Because prior law limited participation in the kinship program to those adults related by blood or marriage within specified degrees, other individuals who had a significant bond with the child were excluded. ***Chapters 77 and 78 of 2019*** expanded the kinship care program by allowing individuals who are at least age 21 and have specified relationships with a child to serve as "kinship caregivers." The local department may approve an individual as a "kinship caregiver" only if (1) the individual is related to the child by blood or marriage beyond five degrees of consanguinity or affinity, as specified, or is a close family friend of the child or the child's family; (2) the individual meets specified criteria, including that the individual has maintained regular contact with the child or the child's family sufficient to demonstrate strong familiarity with the child's activities and daily needs; and (3) placement with the individual is in the child's best interest. Among other provisions, the Acts authorized a local department, if no kinship parent is located at the time of the initial placement, to place the child with a kinship caregiver as an alternative to foster care.

Family First Prevention Services Act

The federal Family First Prevention Services Act of 2018 made numerous changes to the foster care program, in part with the purpose of increasing the use of family foster care homes and reducing the use of group care for children in out-of-home placements. ***Chapter 497 of 2019*** conformed State law to federal requirements by requiring the juvenile court to review placements in "qualified residential treatment programs" according to specified timeframes. A "qualified residential treatment program" is a program within a licensed child care institution that provides continuous, 24-hour care and supportive services to children in a residential, nonfamily home setting that, among other criteria, (1) has a trauma-informed treatment model that is designed to address the clinical and other needs of children with serious emotional or behavioral disorders or disturbances; (2) has registered or licensed nursing staff and other licensed clinical staff who meet specified requirements; and (3) appropriately facilitates outreach to family members and integrates the family members into the treatment of the children.

Within 60 days after a child is placed in a qualified residential treatment program, the court must conduct a hearing to review the status of the child and determine the appropriateness of the placement. Specifically, the court must (1) review the assessment of the child conducted by a qualified individual; (2) consider whether the needs of the child can be met through placement in

a foster family home; (3) consider whether placement of the child in a qualified residential treatment program provides the most effective and appropriate care for the child in the least restrictive environment; and (4) consider whether placement of the child in a qualified residential treatment program is consistent with the short-term and long-term goals for the child as specified in the permanency plan.

The juvenile court must make related determinations at a hearing to review the child's permanency plan, as specified. At each of the required hearings, the court must state, in writing, the reasons for its decision to approve or disapprove the continued placement of a child in a qualified residential treatment program.

Parentage and Adoption

Chapters 437 and 438 of 2019 made numerous changes to statutory provisions regarding parentage and adoption to address the parental rights of same-sex couples and couples who conceive by means of assisted reproduction. These changes included altering numerous presumptions of parentage for purposes of inheritance and specified legal proceedings. For example, the Acts established that a child conceived by means of assisted reproduction during the marriage of the child's mother with the consent of the mother's spouse is the legitimate child of both spouses for all purposes. A child born to parents who are not married to one another is the child of the parent who did not give birth to the child if (1) the parent has been judicially determined to be the child's father in specified proceedings, and that determination has not been modified or set aside or (2) the parent and the child's mother consented to the conception of the child by means of assisted reproduction with the shared express intent to be the parents of the child, subject to specified conditions if the child is conceived after the death of a parent.

Chapters 437 and 438 also established a rebuttable presumption that a child born to parents who are unmarried to one another is the child of an individual who did not give birth to the child if the individual (1) has acknowledged himself or herself, in writing, to be a parent of the child; (2) has openly and notoriously recognized the child to be the individual's child; or (3) has subsequently married the mother and has acknowledged himself or herself, orally or in writing, to be a parent of the child. An individual who is the presumed parent of a child must be considered to be the child's parent for all purposes, as specified, unless the presumption of parentage is rebutted according to specified procedures. The Acts also made numerous conforming and clarifying changes, such as repealing numerous references to "paternity" and "father" and authorizing individuals who did not give birth to a child to execute an affidavit of parentage, as specified.

Finally, the Acts established an expedited adoption process by (1) an individual who is the spouse of the prospective adoptee's mother at the time of the prospective adoptee's birth or conception or (2) an individual who, together with the prospective adoptee's mother, consented to the conception of the prospective adoptee by means of assisted reproduction with the shared express intent of being parents of the prospective adoptee.

Child Support

Child Support Guidelines

In a proceeding to establish or modify child support, whether *pendente lite* or permanent, the court is required to use the child support guidelines. The basic child support obligation is established in accordance with a schedule provided in statute. The schedule uses the combined monthly adjusted actual income of both parents and the number of children for whom support is required to determine the basic child support obligation. There is a rebuttable presumption that the amount of child support that would result from the application of the child support guidelines is the correct amount of child support that the court is to award. States are required by federal regulation to review child support guidelines at least once every four years as a condition of receiving Title IV-D funds. Several bills in the 2020 session stemmed from the recommendations of the Child Support Guidelines Advisory Committee coordinated by DHS.

Revision of Child Support Guidelines

Schedule and Basic Child Support Obligation: ***Chapters 383 and 384 of 2020*** (1) revised the schedule of basic child support obligations; (2) expanded the schedule to include monthly incomes of up to $30,000; and (3) specified amounts for monthly incomes between $0 and $1,200. The Acts authorized the court, when considering whether the application of the guidelines would be unjust or inappropriate in a particular case, to consider whether an obligor's monthly child support obligation would leave the obligor with a monthly actual income below a specified threshold. The Acts altered the definition of "basic child support obligation" to take into account a "self-support reserve." Generally, a "self-support reserve" is an adjustment intended to ensure that a child support obligor maintains a minimum amount of monthly income after payment of child support and applicable taxes, as specified.

The Acts also authorized a court to decline to establish a child support order if the parent who would have the obligation to pay child support (1) lives with the child who would be the subject of the order and is contributing to the support of the child or (2) is unemployed, has no financial resources from which to pay child support, and meets one of other specified criteria, including being incarcerated or institutionalized in a psychiatric care facility. The fact that a parent meets or ceases to meet the criteria described constitutes a material change of circumstances for the purpose of a modification of a child support award.

Potential Income and Voluntary Impoverishment: If a parent is voluntarily impoverished, as discussed below, child support may be calculated based on a determination of potential income. A determination of potential income may not be made for a parent who is unable to work because of a physical or mental disability or is caring for a child younger than age two for whom the parents are jointly and severally responsible. ***Chapters 383 and 384*** also altered the definition of "potential income" to mean income attributed to a parent determined by the parent's employment potential and probable earnings level based on, but not limited to, the parent's (1) age; (2) physical and behavioral condition; (3) educational attainment; (4) special training or skills;

(5) literacy; (6) residence; (7) occupational qualifications and job skills; (8) employment and earnings history; (9) record of efforts to obtain and retain employment; and (10) criminal record and other employment barriers. A determination of "potential income" must also consider employment opportunities in the community where the parent lives, as specified, the parent's assets and actual income from all sources, and any other factor bearing on the parent's ability to obtain funds for child support.

Finally, the Acts specified that "voluntarily impoverished" means that a parent has made the free and conscious choice, not compelled by factors beyond the parent's control, to render the parent without adequate resources. If there is a dispute as to whether a parent is voluntarily impoverished, the court must take specified actions, including making a finding as to whether, based on the totality of the circumstances, the parent is voluntarily impoverished.

Delayed Implementation: The Acts have prospective application and only affect cases filed on or after the effective date. As enacted, ***Chapters 383 and 384*** were to take effect October 1, 2021. However, in response to unanticipated issues with the development and implementation of a new child support management system by DHS, ***Chapter 305 of 2021*** delayed, until July 1, 2022, the effective date for ***Chapters 383 and 384***.

Shared Physical Custody: "Shared physical custody" means that each parent keeps the child or children overnight for a specified percentage of the year and that both parents contribute to the expenses of the child or children in addition to the payment of child support. In general, the amount of child support awarded in shared physical custody cases is based on calculations related to the basic child support obligation (which accounts for the adjusted actual income of each parent) and the percentage of time each parent spends with the child or children.

Chapters 142 and 143 of 2020 altered the threshold of overnight stays, from more than 35% to more than 25%, that confers the status of shared physical custody for purposes of determining a child support obligation. The Acts also established a formula for the calculation of a child support obligation under the child support guidelines when a parent with shared physical custody keeps the child or children overnight for more than 25% but less than 30% of the year. The Acts only apply to cases filed on or after the October 1, 2020 effective date.

Incarcerated Obligors

Federal law requires states, as a condition of receiving federal funding related to child support services, to review and adjust, as appropriate, child support orders when either parent has experienced a substantial change in circumstances. Accordingly, a child support payment is not past due and arrearages may not accrue during an obligor's incarceration (and through the next 60 days after the obligor's release from confinement), if (1) the obligor is not on work release and has insufficient resources with which to make payment and (2) the obligor did not commit the crime with the intent of being incarcerated or otherwise becoming impoverished. Prior to 2020, the obligor must also have been sentenced to a term of imprisonment of 18 consecutive months or more. ***Chapters 121 and 122 of 2020*** aligned the timeframes in State law with federal requirements

by changing the applicable timeframe from 18 consecutive months or more to 180 consecutive calendar days or more.

Child Custody and Visitation

Chapter 52 of 2019 created the Workgroup to Study Child Custody Court Proceedings Involving Child Abuse or Domestic Violence Allegations. The workgroup met extensively in 2019 and 2020 and developed numerous recommendations related to the State's family court system and its handling of child custody cases. The workgroup's recommendations included expanding training requirements for judges who preside over child custody cases in which child abuse or domestic violence is alleged. ***Chapter 351 of 2022*** stemmed from these recommendations and required the Judiciary, in consultation with domestic violence and child abuse organizations, to develop (and update, as appropriate) a training program for judges and magistrates presiding over child custody cases involving child abuse or domestic violence. The training must include numerous specified topics, including (1) the dynamics and effects of child sexual abuse, physical and emotional child abuse, and domestic violence and (2) the impact of exposure to domestic violence on children and the importance of considering this impact when making child custody and visitation decisions. The Judiciary must adopt procedures to identify custody cases involving child abuse or domestic violence as soon as possible to ensure that only judges who have received the specified training are assigned such cases. Beginning July 1, 2024, within a judge's first year of presiding over child custody cases involving child abuse or domestic violence, the judge must receive at least 20 hours of initial training approved by the Judiciary that meets the requirements of the training program.

Domestic Violence

Eligibility for Relief

Only individuals who meet specified relationship requirements are defined as "persons eligible for relief" and authorized to file for a domestic violence protective order if certain acts of abuse are alleged to have occurred. Individuals who do not meet these relationship requirements but allege that specified acts have occurred within the past 30 days must instead file for a peace order. While certain types of relief, such as requiring a respondent to stay away from a person's residence and place of employment, may be included in both peace orders and protective orders, protective orders may be issued and extended for longer periods of time and also require the surrender of any firearms owned by the respondent for the duration of the order. ***Chapters 132 and 133 of 2020*** expanded eligibility for a protective order by altering the definition of a person eligible for relief to include any individual who alleges the commission, within six months before the filing of the petition, of rape or specified sexual offenses, or attempted rape or sexual offense in any degree.

Electronic Filing of Temporary Protective Order Petitions

The process of obtaining a protective order is initiated during court operating hours by filing a petition for a temporary protective order in the District Court or a circuit court and, if the courts are not open, by filing a petition for an interim protective order with a District Court Commissioner. Generally, once a temporary protective order is granted, a final protective order hearing occurs one week later.

Chapters 334 and 335 of 2022 authorized a petitioner to file electronically a petition for a temporary protective order from specified locations, including (1) a domestic violence and sexual assault prevention or assistance program and (2) a hospital where the petitioner is receiving medical treatment while the petitioner is at the hospital. A court that receives a petition filed electronically must hold a hearing on the petition through the use of video conferencing on (1) the same business day if the petition is filed during regular court hours and the court is open or (2) the next business day that the court is open if the petition is not filed during regular court hours.

Human Relations

Housing Discrimination

Chapters 116 and 117 of 2020 expanded State discrimination laws to prohibit discriminatory practices in residential real estate transactions and the sale or rental of a dwelling because of a person's source of income. "Source of income" means any lawful source of money paid directly or indirectly to or on behalf of a renter or buyer of housing. It includes income from (1) lawful employment; (2) any government or private assistance, grant, loan, or rental assistance program, including low-income housing assistance vouchers; (3) a gift, inheritance, pension, annuity, alimony, child support, or other consideration or benefit; or (4) the sale or pledge of property or an interest in property. ***Chapters 116 and 117*** did not require an individual to consider income derived from criminal activity and did not prohibit a person from determining the ability of a potential buyer or renter to pay a purchase price or pay rent by verifying, in a commercially reasonable and nondiscriminatory manner, the source and amount of income or creditworthiness of the potential buyer or renter. The Acts also did not prohibit a person from determining, in accordance with applicable federal and State laws, the ability of a potential buyer to repay a mortgage loan.

Employment Discrimination

Definition of Employer and Employee

State law generally prohibits an employer with at least 15 employees from discharging, failing or refusing to hire, or otherwise discriminating against any individual with respect to the individual's compensation, terms, conditions, or privileges of employment because of race, color, religion, sex, age, national origin, marital status, sexual orientation, gender identity, genetic

information, or disability. ***Chapter 222 of 2019*** broadened the definition of "employer" for purposes of employment discrimination on the basis of harassment to include a person that is engaged in an industry or business and has one or more employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year. The Act also broadened the definition of an "employee" protected from employment discrimination to include an individual working as an independent contractor for an employer. ***Chapter 222*** contained several additional provisions, including provisions that generally reflect the recommendations of the Workplace Harassment Commission created by the Presiding Officers in 2018.

Harassment and Sexual Harassment

An employer is prohibited from engaging in the harassment of an employee. ***Chapter 657 of 2022*** altered the statutory definition of "harassment" relating to employment discrimination by establishing that "harassment" includes unwelcome and offensive conduct, which need not be severe or pervasive, when (1) the conduct is based on race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, gender identity, or disability and (2) submission to the conduct is made either explicitly or implicitly a term or condition of employment of an individual; submission to or rejection of the conduct is used as a basis for employment decisions affecting the individual; or, based on the totality of the circumstances, the conduct unreasonably creates a working environment that a reasonable person would perceive to be abusive or hostile.

Among other provisions, ***Chapter 657*** also explicitly included sexual harassment in the definition of harassment in employment discrimination provisions. "Sexual harassment" is defined to include conduct, which need not be severe or pervasive, that consists of unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature when (1) submission to the conduct is made either explicitly or implicitly a term or condition of employment; (2) submission to or rejection of the conduct is used as a basis for employment decisions affecting the individual; or (3) based on the totality of the circumstances, the conduct unreasonably creates a working environment that a reasonable person would perceive to be abusive or hostile.

Procedural Requirements

Chapters 201 and 202 of 2021 increased the time for filing a complaint with the Maryland Commission on Civil Rights (MCCR) alleging an unlawful employment practice other than harassment from within six months to within 300 days after the date on which the alleged discriminatory act occurred. ***Chapters 201 and 202*** specified that a complaint filed with a federal human relations commission within six months or a local human relations commission within 300 days is deemed to have complied with the requirements.

A timely filed administrative complaint (either with MCCR or with a federal or local human relations commission) is generally necessary in order for a complainant to bring a subsequent civil action that alleges an unlawful employment practice. Statute further specifies when and how claims alleging an unlawful employment practice may subsequently be determined in a civil action.

Chapter 660 of 2022 established that the timing limitations within which a person may file a civil action in circuit court alleging an unlawful employment practice (within two years after the alleged unlawful employment practice occurred or within three years for a harassment allegation) are tolled while an administrative charge or complaint is pending.

Reasonable Accommodations for Applicants

In addition to the general prohibition against discrimination in employment on the basis of disability, an employer is prohibited from failing or refusing to make a reasonable accommodation for the known disability of an otherwise qualified employee. ***Chapter 325 of 2022*** prohibited an employer from failing or refusing to make a reasonable accommodation for the known disability of an applicant for employment. An employer is not required to reasonably accommodate the disability of an applicant if the accommodation would cause undue hardship on the conduct of the employer's business.

Discrimination in Education

State regulations establish that all public-school students, regardless of race, ethnicity, region, religion, gender, sexual orientation, language, socioeconomic status, age, or disability, have the right to educational environments that are safe, appropriate for academic achievement, and free from harassment. Prior to 2022, no State law directly applied to private schools that receive State funds to prohibit them from discrimination. However, pursuant to recurring language in the annual operating budget bill, nonpublic schools participating in specified State programs (and thereby receiving State funding) must certify compliance with Title 20, Subtitle 6 of the State Government Article, which prohibits discrimination in employment. Furthermore, nonpublic schools participating in the programs may not discriminate in student admissions, retention, or expulsion or otherwise discriminate on the basis of race, color, national origin, sexual orientation, or gender identity or expression. A nonpublic school that does not comply with these requirements must return specified scholarship funds and may not charge the student tuition and fees instead. Prior to 2022, the only other legal remedy for a violation of these provisions was ineligibility for participation in the programs, as specified. The budget bill has also routinely specified that nonpublic schools must comply with Title VI of the Civil Rights Act, which prohibits discrimination on the basis of race, color, or national origin.

Chapter 739 of 2022 generally prohibited (subject to limited exceptions) local boards of education, public schools and programs, and nonpublic schools and prekindergarten programs that receive State funds from refusing enrollment of a prospective student, expelling a current student, or otherwise withholding privileges from or discriminating against a student (current or prospective) or the parent or guardian of a student because of an individual's race, ethnicity, color, religion, sex, age, national origin, marital status, sexual orientation, gender identity, or disability. Among other provisions, ***Chapter 739*** also established a complaint, mediation, and appeal process for violations and prohibited the retaliation against individuals who file a complaint alleging specified discrimination, regardless of the outcome of the complaint. All or part of specified

funding may be withheld from a board, program, or school that violates the nondiscrimination requirements.

Definition of Race

For the purposes of specified State laws that prohibit discrimination based on race, ***Chapters 473 and 474 of 2020*** defined "race" as including traits associated with race, including hair texture, afro hairstyles, and protective hairstyles. ***Chapters 473 and 474*** also defined "protective hairstyle" as a hairstyle that includes braids, twists, and locks.

Maryland Lynching Truth and Reconciliation Commission

The Maryland Lynching Memorial Project is a nonprofit organization that works to advance the cause of reconciliation in Maryland by documenting the history of racial terror lynchings, advocating for public acknowledgement of these murders, and working to honor and dignify the lives of the victims. ***Chapter 41 of 2019*** established the Maryland Lynching Truth and Reconciliation Commission, staffed by Bowie State University in consultation with the Maryland Lynching Memorial Project. Under ***Chapter 41***, the commission must (1) hold regional public hearings in areas where a lynching of an African American by a white mob has been documented; (2) receive from the public, including families and communities affected by lynching, recommendations for addressing, engaging, and reconciling affected communities, including the erection of memorial plaques or signage at or near the sites of racially motivated lynchings; and (3) make recommendations for addressing the legacy of lynching that are rooted in the spirit of restorative justice. The commission may also research cases of racially motivated lynchings that are not documented but are brought to the commission's attention and research the involvement of government entities and news media in cases of racially motivated lynching. ***Chapter 92 of 2021*** extended the termination date for the commission from June 30, 2022, to June 30, 2024, and extended the deadline for the commission's final report to December 1, 2023.

Real Property

Landlord and Tenant

Widespread concern over a housing crisis and a potential large increase in evictions due to the COVID-19 pandemic prompted the federal government as well as many states and local jurisdictions to implement interventions, such as eviction moratoriums, rental assistance programs, and increased legal representation for tenants facing eviction. This increased focus on maintaining housing stability prompted extensive legislation regarding landlord and tenant issues.

Access to Counsel in Evictions

Chapter 746 of 2021 required that a landlord, prior to filing a complaint for failure to pay rent, provide the tenant with written notice of the landlord's intent to file a claim to repossess the residential premises if the tenant does not cure the unpaid rent within 10 days after the notice is

provided to the tenant. The notice must be in a form created by the Maryland Judiciary and contain certain information.

Additionally, ***Chapter 746*** created the Access to Counsel in Evictions Program. The program provides individuals who occupy a residential property under a claim of legal right other than the owner and whose household income is not greater than 50% of the median income in the State (adjusted for household size) with access to legal representation in judicial or administrative proceedings to evict or to terminate a tenancy or housing subsidy. Access to this legal representation is subject to the availability of funding. If feasible, legal representation should begin no later than the individual's first scheduled appearance in a covered proceeding.

The program is administered by the Maryland Legal Services Corporation (MLSC). MLSC is a statutorily created entity that provides funding for legal services in civil proceedings for individuals with limited incomes. ***Chapter 746*** also authorized MLSC to contract with designated organizations to provide all or part of the required services. MLSC must designate and contract with appropriate community groups to conduct outreach and provide education to tenants locally and throughout the State regarding tenants' rights and the access to legal representation.

Under the Act, a local jurisdiction may enact local law to provide for legal representation in eviction proceedings in the jurisdiction. If a local jurisdiction enacts a substantially similar program, MLSC must direct funding that would have been allocated under the Act's provisions for the benefit of that jurisdiction's tenants to the local program.

Finally, ***Chapter 746*** established the Access to Counsel in Evictions Task Force and the Access to Counsel in Evictions Special Fund, which is a special fund to be administered by MLSC for the purpose of providing funding to fully implement access to legal representation in evictions and other related proceedings in the State. Access to legal representation established by the Act is subject to the availability of funding and must be phased in over time as MLSC determines appropriate, with the goal of full implementation before October 1, 2025. Priority in funding during the phase-in period will be given to tenants in a local jurisdiction that provides or agrees to provide significant additional local funding to effectuate access to counsel in the local jurisdiction. According to MLSC estimates, $11.8 million is needed to begin the phased-in implementation in fiscal 2023, with costs for full implementation totaling approximately $30.0 million in fiscal 2025.

Chapter 746 did not include a funding mechanism for legal representation under the program. Legislation was introduced during the 2022 session to specify funding sources for the special fund. ***Chapters 20 and 21 of 2022*** altered the funding sources of the Access to Counsel in Evictions Special Fund to include funds received by the Consumer Protection Division in the Office of the Attorney General from any final settlement, agreement, or judgment related to an investigation or enforcement action of the Maryland Consumer Protection Act for unfair, abusive, or deceptive trade practice regarding residential rental property. ***Chapters 20 and 21*** excluded from the fund any restitution and costs incurred by the Office of the Attorney General to bring the action.

Chapter 40 of 2022 provided additional funding by requiring, for fiscal 2024 only, the Comptroller to distribute $14 million from the State's Unclaimed Property Fund to the Access to Counsel in Evictions Special Fund. The Act also required the Governor to include in the annual budget bill for fiscal 2024 an appropriation of $14 million from the Access to Counsel in Evictions Special Fund to MLSC.

Tenant Protections

Right of Redemption

In an action for repossession for failure to pay rent, a tenant may execute a right of redemption of the leased premises by tendering to the landlord, at any time before actual execution of the eviction order, all past due amounts determined by the court plus all court-awarded costs and fees. A tenant may tender this payment in cash, certified check, or money order. The right of redemption does not apply to any tenant against whom three judgments of possession have been entered for rent due and unpaid in the 12 months prior to the initiation of the action. Residents in a mobile home park have a similar right to redemption under State law. ***Chapters 671 and 672 of 2022*** are emergency measures that established that an electronic or written check issued by a political subdivision or on behalf of a governmental entity has the same legal effect as payment by the tenant in cash, certified check, or money order.

Shielding of Court Records

Chapter 722 of 2022 authorized a tenant to petition the court to shield court records relating to an action for repossession for failure to pay rent filed on or after March 5, 2020, but before January 1, 2022, if the failure to pay rent was due to a loss of income arising out of the COVID-19 pandemic. A tenant may not file a petition until the appeal period for the action has lapsed. ***Chapter 722*** does not apply to any record relating to an action for repossession for failure to pay rent that resulted in a money judgment in favor of a landlord unless the petitioner provides evidence to the court that the judgment has been satisfied.

A court is required to grant a petition to shield records in actions in which there was not a judgment entered in favor of a landlord. For a record in which a judgment was entered in favor of a landlord, the Act required the petitioner to serve a copy of the petition on the landlord and required that a hearing take place if the landlord filed a timely objection. If the petitioner demonstrates at the hearing that the failure to pay rent was due to a loss of income arising out of the COVID-19 pandemic, the court may grant the petition to shield records relating to that judgment. If a landlord failed to file a timely objection, the court may grant or deny the petition to shield records relating to that judgment but must provide specific reasons for a denial.

Tenant Protection Act

Chapter 34 of 2022 made multiple changes to tenant rights and protections under State law. The Act required a landlord that uses a ratio utility billing system to provide specified information to a tenant in writing and established that a lease provision that requires a tenant to

pay utility charges under a ratio utility billing system is unenforceable if the information is not provided to the tenant. "Ratio utility billing system" is defined as an allocation of one or more of a landlord's utility charges, collected via a master meter, among the tenants by any method that does not measure actual per tenant usage for the utility. Additionally, the Act altered an existing requirement that a landlord provide a general statement of costs if the landlord withholds the return of any portion of a security deposit by requiring a landlord to provide the tenant with an *itemized* statement of costs incurred, along with supporting documentation. Supporting documents may include estimates of costs incurred, subject to specified additional requirements.

Chapter 34 also established the right of tenant organizations to assemble in a meeting room within the apartment facility designated for use by tenants for events and community gatherings during reasonable hours and on reasonable notice to the landlord in order to conduct meetings. The landlord may impose reasonable terms and conditions on the use of a meeting room and may charge a reasonable fee for the use of the meeting room, as specified.

Finally, ***Chapter 34*** (1) expanded numerous statutory provisions for victims of domestic violence and sexual assault and established that the provisions are applicable to victims of "abuse" as defined in § 4-501 of the Family Law Article; (2) established that a tenant who vacates a leased premises due to being a victim of abuse is only responsible for rent from the tenant's notice of an intent to vacate until the tenant vacates the leased premises, up to a maximum of 30 days (as opposed to the 30 days under current law); and (3) authorized a report by a "qualified third party" to be used as documentation that a tenant or legal occupant is entitled to specified relief due to the individual's status as a victim of abuse. A landlord is prohibited from disclosing to a third party any information provided by a tenant under provisions applicable to victims of abuse unless the tenant consents in writing to the disclosure or the disclosure is required by law or a court order.

Termination of Tenancy by Landlord

Chapter 803 of 2021 altered statutory provisions specifying the amount of time prior to the expiration of a tenancy that a landlord is required to provide written notice to a tenant of the intent to repossess the property. The Act applied to (1) any residential lease executed on or after October 1, 2021, and (2) residential leases executed prior to October 1, 2021, that have expired and resulted in a tenancy created under the provisions of § 8-402 of the Real Property Article on or after the Act's effective date. Finally, except for property meeting specified criteria**,** ***Chapter 803*** created an exception to the standard notice requirements if a landlord receives a notice of intent to foreclose and desires to terminate a tenancy.

Lead Paint and Affected Properties

Chapter 729 of 2022 established that information regarding the status of a rental property as an affected property under certain lead-based paint abatement laws may be an issue of fact in a failure to pay rent action.

Eviction Data

Chapter 685 of 2022 required the Judiciary to collect, compile, and share residential eviction data on a monthly basis in a manner required by the Department of Housing and Community Development (DHCD). "Eviction data" means, in regard to specified landlord/tenant actions, (1) the county and zip code of the subject premises; (2) the date of execution of the warrant of restitution or writ of possession; and (3) the type of action from which the warrant or writ was issued. DHCD must organize and format the data and publish the data on DHCD's website in a specified manner. The data must be made available, as specified, on request by (1) a State agency; (2) an agency of a county or municipal corporation; or (3) an academic institution located in the State.

Common Ownership Communities

"Common ownership community" is a general term used to refer to a condominium, a cooperative housing corporation, or a homeowner's association (HOA).

Condominiums – Disclosures to Unit Owners

Chapter 479 of 2022 added to disclosure requirements in a contract for the initial sale of a condominium unit by requiring notice as to whether the council of unit owners has entered into any agreement that settles or releases the council of unit owners' claims related to common element warranties. Similarly, a specified certificate required prior to closing on the resale of a unit by a unit owner other than a developer must contain a statement as to whether the council of unit owners has entered into any agreement that settles or releases the council of unit owners' claims related to common element warranties as well as whether the board of directors has disclosed to the council of unit owners the board's intention to enter into an agreement for the purpose of settling a disputed common element warranty claim.

Chapter 479 also required the board of directors for a condominium to disclose to the council of unit owners any agreement by the board for the purpose of settling a disputed common element warranty claim at least 21 days prior to the execution of the agreement. A nondisclosure provision in an agreement may not prohibit the board of directors from disclosing the agreement to the council of unit owners.

Finally, ***Chapter 479*** established that provisions authorizing closed meetings of the board of directors of a condominium association may not be interpreted to authorize the board to withhold or agree to withhold from the unit owners the terms of any legal agreement to which the council of unit owners is a party.

Condominiums – Responsibility for Property Insurance Deductible

With certain exceptions, if a portion of the common elements and the unit of a condominium is damaged or destroyed, the damage must promptly be repaired or replaced by the council of unit owners. Generally, the cost of repair or replacement in excess of insurance proceeds

and reserves is a common expense. ***Chapters 56 and 57 of 2020*** specified that the council of unit owners' property insurance deductible is a common expense if the cause of damage to or destruction of the condominium originates from an event outside of the condominium units and common elements. The Acts also increased, from $5,000 to $10,000, the maximum amount of the council of unit owners' property insurance deductible for which a unit owner is responsible when the cause of any damage to or destruction of the common elements or units of a condominium originates from an event inside the owner's unit. ***Chapters 56 and 57*** apply to all policies of property and casualty insurance issued, delivered, or renewed in the State to a condominium council of unit owners on or after October 1, 2020.

Homeowners Associations – Number of Declarant Votes

Chapter 327 of 2019 specified that before the date when all lots in an HOA have been subdivided and recorded in the land records of the county in which the HOA is located, the declarant, when voting on an HOA matter, is entitled to the number of votes set forth in the governing documents of HOA. Beginning on the date on which all lots in an HOA that may be part of the development have been subdivided and recorded, the declarant is entitled to one vote per lot that has been subdivided and recorded in the land records of the county in which HOA is located and has not been sold to members of the public.

Amendments to Declarations and Governing Documents

The bylaws of a condominium may be amended without the explicit agreement of the holder of a mortgage or deed of trust under certain circumstances. ***Chapters 32 and 33 of 2020*** established a similar provision for amendments to the declaration of a condominium and the governing documents of an HOA. Under the Acts, if a declaration or a governing document contains a provision requiring any action on the part of a holder of a mortgage or deed of trust for a unit in a condominium or a lot in an HOA in order to amend the declaration or governing document, the council of unit owners of a condominium or HOA must deliver a copy of the proposed amendment to each holder of a mortgage or deed of trust entitled to notice. If the holder of the mortgage or deed of trust fails to object in writing within 60 days after the date of actual receipt of the proposed amendment, the holder is deemed to have consented to the adoption of the amendment. The authority to amend a declaration of a condominium or the governing documents of an HOA under the Acts does not extend to an amendment that (1) alters the priority of the lien of the mortgage or deed of trust; (2) materially impairs or affects the unit or lot as collateral; or (3) materially impairs or affects the right of the holder of the mortgage or deed of trust to exercise any rights under the mortgage, deed of trust, or applicable law.

Reserve Studies

Under State law, a "reserve study" is a study of the monetary reserves required for future major repairs and replacement of common elements or common areas of a common ownership community. In general, ***Chapter 664 of 2022*** expanded reserve study requirements applicable in Montgomery and Prince George's counties to certain common ownership communities statewide. An applicable common ownership community must perform an independent reserve study within

a specified timeframe, conduct updated reserve studies every five years, and ensure that the reserve needs of the community are adequately funded. Additionally, the Act altered who is eligible to perform reserve studies and modified the requirement for a common ownership community to fund reserves by providing the common ownership community with three fiscal years to attain the annual reserve funding level recommended in an initial reserve study.

Meetings

Subject to certain statutory requirements, rules governing a meeting of the governing body of a common ownership community are generally dictated by the governing documents of the community.

Chapters 523 and 524 of 2021 permitted, notwithstanding the requirements of a common ownership community's governing documents, the applicable governing body of a common ownership community to authorize any meetings to be conducted or attended by telephone conference, video conference, or similar electronic means, subject to specified standards. Further, the Acts (1) addressed the use of electronic means for meeting quorum and voting and (2) established that floor nominations are generally not required if at least one candidate has been nominated to fill each open position on a board or governing body. The inability of a member, unit owner, or lot owner to join a meeting due to technical difficulties does not invalidate the meeting or any action taken at the meeting.

Chapters 500 and 501 of 2021 established procedures by which an HOA may call an additional meeting of the board of directors or other governing body, if the number of lot owners present in person or by proxy at a meeting is insufficient to constitute a quorum. The Acts also made clarifying and technical changes to corresponding provisions of the Maryland Condominium Act and specified that (1) the notice of the original meeting of the council of unit owners must contain the date, time, and place of the additional meeting; (2) an additional meeting called must occur no less than 15 days after the initial properly called meeting; and (3) notice of the additional meeting must be provided, as specified, no less than 10 days before the additional meeting. Finally, ***Chapters 500 and 501*** authorized delivery of notice of an additional meeting of the council of unit owners by advertising in a newspaper published in the county where the condominium is located or posting on the homepage of the condominium's website.

Submission of Annual Budget

Generally, the council of unit owners of a condominium must prepare and submit to the unit owners an annual proposed budget at least 30 days before adoption of the budget. A similar requirement applies to an HOA that is responsible for maintaining and repairing common areas under its declaration.

Chapter 559 of 2020 required a condominium association or an HOA to submit its annual adopted budget to the unit or lot owners within 30 days after the meeting at which the budget was adopted. The adopted annual budget may be submitted to the unit or lot owners by electronic transmission, posting on the entity's homepage, or inclusion in the entity's newsletter.

Dispute Settlement in Condominiums and Homeowners Associations

A council of unit owners or board of directors of a condominium may not impose a fine, suspend voting, or infringe on any other rights of a unit owner or occupant without first taking specified actions. ***Chapter 282 of 2022*** made several changes to the notice and procedural requirements of the existing dispute settlement mechanism for condominiums and established a similar dispute mechanism for HOAs under the Homeowners Association Act. The Act does not apply to complaints or demands arising under the rules of a condominium or an HOA before October 1, 2022, unless otherwise provided under the declaration or bylaws of the condominium or HOA.

Ground Rent

Under a ground lease, a tenant makes periodic monetary payments (ground rent) to a ground lease holder in return for the right to dwell on the property (the land). The tenant's property interest is a leasehold estate that is personal – not – real property. The lease holder retains a reversionary interest in and fee simple title to the land. The State Department of Assessments and Taxation (SDAT) maintains an online registry of ground rents in the State.

Past-due Ground Rent

Generally, if a ground lease is not registered with SDAT in accordance with specified statutory provisions, the ground lease holder may not (1) collect any ground rent payments due under the ground lease; (2) bring a civil action against the leasehold tenant to enforce any rights that the ground lease holder may have under the ground lease; or (3) bring an action against the leasehold tenant under specified statutory provisions related to ground leases. In any suit, action, or proceeding to recover past-due ground rent, the ground lease holder or the transferee of the reversionary interest in the property may only recover up to three years of past-due ground rent, calculated from the date a specified notice required before filing an action for possession was sent by the ground lease holder.

Chapters 124 and 125 of 2020 prohibited a ground lease holder from bringing any suit, action, or proceeding against a current or former leasehold tenant to recover past due ground rent owed before the date that the current leasehold tenant acquired the interest in the residential property if the ground lease was not registered with SDAT prior to the current leasehold tenant acquiring title to the leasehold interest.

Redemption or Extinguishment of Ground Rent

Prior to ***Chapters 441 and 442 of 2020***, statute specified that the redemption or extinguishment of the ground rent is effective to conclusively vest a fee simple title in the ground lease tenant when the ground lease tenant records the certificate in the county land records. The title is free and clear of any and all right, title, or interest of the ground lease holder, any lien of a creditor of the ground lease holder, and any person making claims in relation to the ground lease holder.

In an effort to create a clearer procedure to address ground rents with sub-rents, ***Chapters 441 and 442*** altered these provisions by establishing that the redemption or extinguishment of the ground rent is effective to conclusively divest the ground lease holder of the reversion and vest the reversion in the leasehold tenant and eliminate all right, title, or interest of the ground lease holder, any lien of a creditor of the ground lease holder, and any person making claims in relation to the ground lease holder when the leasehold tenant records the certificate of redemption or extinguishment in the county land records.

Chapter 82 of 2020 repealed a requirement for a ground lease holder to promptly notify SDAT of a change in the name or address of a leasehold tenant and authorized a leasehold tenant or an interested party to submit documentation of the redemption of a ground lease to SDAT if the ground lease (1) was redeemed in a private transaction between the ground lease holder and the leasehold tenant and (2) the ground lease holder failed to notify SDAT of the redemption, as required under § 8-706(2) of the Real Property Article. The documentation submitted to SDAT must include a certified copy of the ground lease redemption deed that has been filed in the land records of the appropriate county. After accepting documentation, SDAT must update the online registry to indicate that the ground lease has been terminated.

Irredeemable Ground Rents

An irredeemable ground rent is a ground rent created under a ground lease executed before April 9, 1884, that does not contain a provision allowing the leasehold tenant to redeem the ground rent. To preserve the irredeemability of a ground rent, a notice of the intention to preserve irredeemability must have been recorded in the land records of the county in which the property is located by December 31, 2010, and on a regular schedule thereafter**.** ***Chapter 326 of 2022*** expanded requirements to preserve irredeemability by requiring the holder of an irredeemable ground rent to file with SDAT a renewal notice of intention to preserve irredeemability by April 1, 2023, and subsequent renewal notices within three months after the date that a renewal notice is recorded in the land records. The Act also required SDAT, in its online registry for ground rents, to identify each property for which a renewal notice to preserve the irredeemability of an irredeemable ground lease has been filed and include a clear notation of the expiration date for each renewal notice.

Sale of Residential Property

Escrow Agents

Chapter 349 of 2019 established a requirement that an escrow agent that is not a specified financial institution or subject to specified professional regulatory laws must enter into a written agreement with the purchaser and seller when the escrow agent agrees to hold trust money in escrow for a residential real estate transaction. The written agreement must contain (1) the amount of the trust money entrusted to the agent; (2) the date the trust money was entrusted to the agent; (3) the responsibility of the agent to notify the purchaser and seller of trust money returned due to dishonored funds; (4) the conditions under which the escrow agent may release the trust money;

and (5) the process to address disputes over the release of the trust money. The Act may not be construed to prohibit an escrow agent from transferring trust money to another escrow agent if the purchaser of the residential real estate for which the trust money is held chooses the escrow agent to whom the money is transferred.

Chapter 590 of 2021 clarified requirements enacted by ***Chapter 349 of 2019*** relating to the written agreements entered into when an escrow agent agrees to hold trust money for certain residential real estate transactions. The agreements dictate the distribution of deposit money maintained in a trust account when a dispute arises over the distribution of the trust money between a buyer and a seller.

Liens

Subordination of Junior Liens – Government Exception

A mortgagor or grantor may refinance the full amount of the unpaid indebtedness secured by a first mortgage or deed of trust on residential property for a lower interest rate without securing the permission of the holder of a junior lien if the principal amount secured by the junior lien does not exceed $150,000 and the principal amount secured by the refinance mortgage does not exceed the unpaid outstanding principal balance, plus closing and escrow costs of up to $5,000. A refinance mortgage that meets these requirements must contain a specified notice and has the same lien priority on recordation as the first mortgage or deed of trust that it replaces. ***Chapter 163 of 2020*** exempted junior liens securing a loan made by a State or local government agency with a 0% interest rate from these provisions. Thus, a mortgagor or grantor may not refinance a mortgage or deed of trust without the permission of the holder of such a junior lien, and the loan secured by the junior lien is not automatically subordinated.

Appraisals and Valuation

Task Force on Property Appraisal and Valuation Equity

Chapter 654 of 2022 established the Task Force on Property Appraisal and Valuation Equity to study and make recommendations to address the persistent misvaluation and undervaluation of property owned by minorities. The task force must report its findings and recommendations to the Governor and the General Assembly by October 31, 2023.

Partition of Real Property

Chapters 401 and 402 of 2022 established new procedures for the partition of jointly held real property unless all the cotenants agree otherwise in a record. Among other things, the Acts (1) required the court in an action to partition real property to determine the market value of the property unless the court makes specified determinations; (2) established procedures for the purchase of interests in real property by cotenants and for the partition in kind of real property among cotenants; and (3) specified requirements relating to the sale of such property. “Partition

by sale" is defined as a court-ordered sale of property by auction, sealed bids, or open-market sale conducted in accordance with the Acts. "Partition in kind" is the division of property by the court into physically distinct and separately titled parcels.

Recordation

Recordation of Conservation Easements – Notice Provisions

Chapter 127 of 2019 established that if an easement, covenant, restriction, or condition has been granted, devised, dedicated, reserved, or donated to the Maryland Agricultural Land Preservation Foundation, the Maryland Historical Trust, the Maryland Environmental Trust (MET), a land trust that has executed a cooperative agreement with MET, a county, or the Department of Natural Resources, a notice of the easement, covenant, restriction, or condition may be recorded in the land records of the county. The notice must (1) contain certain identifying information and (2) be indexed in the land records under the name of the holder of the easement, covenant, restriction, or condition and the fee simple owner specified in the notice. However, failure to record a notice in accordance with the requirements of the Act does not impair the rights or interests of the holders of the easement, covenant, restriction, or condition.

Restrictive Covenant Modifications

While unenforceable, covenants that restrict the ownership of real property based on race, religious belief, or national origin persist in historic land recordings. ***Chapter 421 of 2020*** permanently exempted the recordation of a covenant modification or an amendment to the common area deeds or other declarations of an HOA from specified fees and surcharges if the document being recorded modifies or deletes, in accordance with statutory provisions, a covenant or restriction that limits ownership based on these identifying characteristics.

Government Shutdown – Employee Protections

Chapter 522 of 2019 established certain protections for employees of the federal or State government or a local government in the State involuntarily furloughed from work without pay because of a government shutdown, regardless of whether the employee is required to report to work during the furlough. Under the Act, a public service company is prohibited from terminating electric or gas service to an eligible residential electric or gas customer if the customer contacts the company before the date of termination to provide verification of employment and enter a specified payment plan. Additionally, in an action to foreclose a mortgage or deed of trust on owner-occupied residential property or an action for the repossession of residential property, the court is required to stay a proceeding for a time that the court considers reasonable if the defendant, tenant, or occupant presents certain evidence satisfactory to the court.

Estates and Trusts

Probate

Remote Execution of Wills, Witnessing, and Notarization

In general, every will must be (1) in writing; (2) signed by the testator or by another person on behalf of the testator, in the testator's physical presence and by the testator's express direction; and (3) attested and signed by two or more credible witnesses in the presence of the testator.

Chapters 322 and 323 of 2019 established that, for the purpose of serving as a witness to the signing of a will, a witness is not in the presence of the testator if the witness is in a different physical location than the testator, regardless of whether the testator can observe the witness through electronic audio-video or other technological means. However, this requirement was later repealed by ***Chapter 686 of 2021***.

In response to the COVID-19 pandemic, ***Chapter 686 of 2021*** changed the method in which wills, powers of attorney (POA), and advance directives may be executed by (1) allowing wills and POAs to be executed electronically and witnessed remotely; (2) allowing written or electronic advance directives to be witnessed remotely; and (3) establishing requirements and protections for the proper use of electronic signing and remote witnessing. The Act defined "electronic presence" for the purpose of remote witnessing as two or more individuals communicating in real time using electronic audio-visual means to the same extent as if the individuals were in the physical presence of each other. ***Chapter 686*** also modified the statutory definition of "will" and expanded a provision regarding the execution of a will outside of the State. Finally, the Act established that wills, POAs, and advance directives executed in conformance with specified executive orders issued in response to the COVID-19 pandemic during the time that those executive orders were in effect are deemed in conformity with the Act's provisions. The Act applied retroactively to any will, POA, or advance directive executed on or after March 10, 2020.

Chapters 176 and 177 of 2022 authorized the execution of an electronic will or remotely witnessed will without a notary public if (1) the will is signed, acknowledged, and sworn to before a supervising attorney; (2) the supervising attorney attaches a specified form to the will; and (3) the supervising attorney does not serve as a witness to the will. A notary public may perform a notarial act using communication technology for a remotely located individual with respect to a trust instrument, as defined under § 14.5-103 of the Estates and Trusts Article, if specified requirements under the State Government Article are met. The Acts further made a clarifying change to remove a will as an exception to the authorization for a notary public to perform a notarial act using communication technology for a remotely located individual.

Among other things, ***Chapters 714 and 715 of 2022*** (1) repealed an exception to remote notarization provisions that applied to wills and trust instruments; (2) authorized a notary public to use communication technology to take an acknowledgement of a signature remotely under certain circumstances; (3) established certain requirements for a notary public to confirm a record

remotely; and (4) specified that the notarization of any document under the requirements of specified executive orders authorizing remote notarizations must be deemed valid if the notarization occurred during the time that the orders were in effect. For an additional discussion of these Acts, see the subpart "State Agencies, Offices, and Officials" within Part C – State Government of this *Major Issues Review*.

Custodianship of Wills

Only a testator or a testator's agent may deposit a will for safekeeping with the Register of Wills of the county in which the testator resides. Following a testator's death, a custodian of a testator's will must deliver it to the register for the county in which the estate should be administered. A custodian who willfully fails or refuses to deliver a will to the register after being informed of the death of the testator is liable to a person aggrieved for the damages sustained by reason of the failure or refusal.

Chapter 513 of 2021 altered provisions governing the custodianship and deposit of wills by (1) establishing duties and requirements applicable to a custodian of a will; (2) allowing a person having custody of a will, other than the testator or the testator's agent, to deposit the will for safekeeping with a Register of Wills; and (3) authorizing an attorney to dispose of a will in a specified manner under certain conditions. A violator of the provisions of the Act or other existing provisions governing the custodianship and deposit of wills is liable to a person aggrieved for the damages sustained as a result of the violation. However, an attorney or Register of Wills who disposes of a will in accordance with the provisions of the Act is not liable to the testator or any other person for damages sustained by the testator or other person as a result of the disposal of the will.

Finally, ***Chapter 513*** added to the "Maryland Statutory Form Limited Power of Attorney" under the Maryland General and Limited Power of Attorney Act by including, under the optional specific grants of authority, an option to authorize an agent to demand the delivery of the principal's will from the custodian of the will and, on delivery of the principal's will, take custody of the will subject to statutory requirements.

Share of Surviving Spouse

State law has long protected widows and widowers from disinheritance when their spouse dies. Generally, if there is no surviving issue (living lineal descendant), the surviving spouse of a decedent may elect to take an amount equal to one-half of the "net estate," instead of property left to the surviving spouse by will. If there is surviving issue, the surviving spouse may take an amount equal to one-third of the net estate.

Chapter 435 of 2019 altered the elective share for a surviving spouse by making numerous changes governing the calculation, election, and payment of an elective share of a surviving spouse. The Act (1) established definitions and procedures for calculating the estate subject to election; (2) expanded and clarified procedures by which the surviving spouse may elect to take an elective share; (3) established additional procedures for the payment of an elective share; and

(4) established standards for court modification of an elective share. ***Chapter 435*** also updated specified personal financial power of attorney and limited power of attorney forms contained in statute.

Generally, any part of a net estate of a decedent not effectively disposed of by the will must be distributed to the heirs of the decedent in the order prescribed in State law. A surviving spouse receives one-half of the intestate estate when there is a surviving minor child. If there is no surviving minor child, but there is surviving issue, or if there is no surviving issue, but there is a surviving parent, the share of the surviving spouse must be the first $40,000 plus one-half of the remaining estate. If there is no surviving issue or parent, the share of the spouse must be the whole estate. ***Chapter 262 of 2019*** modified the calculation of the share of an intestate estate inherited by a surviving spouse in instances where there is a surviving parent of the deceased. The Act specified that when calculating the share of a surviving spouse, if there is no surviving issue, but there is a surviving parent, (1) if the surviving spouse and the decedent had been married for less than five years, the share of the surviving spouse must be the first $40,000 plus one-half of the remainder; and (2) if the surviving spouse and the decedent had been married for at least five years, the share must be the whole estate.

Partition of Real Property

Under the Estates and Trusts Article, when two or more heirs or legatees are entitled to distribution of undivided interests in property of the estate, the personal representative or one or more of the heirs or legatees may petition the court before the formal or informal closing of the estate to make partition. After notice to the interested heirs or legatees, the court must partition the property in the same manner as provided by law for civil actions of partition. The court may direct the personal representative to sell property that cannot be partitioned without prejudice to the owners and cannot conveniently be allotted to one party. ***Chapters 401 and 402 of 2022*** established new procedures for the partition of real property, including procedures for the purchase of interests in real property by cotenants and for the partition in kind of real property among cotenants. The Acts specified that the statutory provisions under the Estates and Trusts Article in regard to partition of property are subject to the requirements under the Acts. For a more detailed discussion of ***Chapters 401 and 402***, see the subpart "Real Property" within this Part F of this *Major Issues Review*.

Estate Administration

Register of Wills – Probate Fees

Generally, registers of wills are entitled to charge and collect fees for the performance of specified duties, including taking probate of wills; furnishing certified copies of the will and codicils; granting letters of administration; furnishing certificates of letters as specified; issuing warrants to appraise; filing elections of surviving spouses to take intestate shares; and filing and recording wills, bonds, inventories, accounts of sale, releases, administration accounts, petitions, and orders. ***Chapter 224 of 2019*** required a register of wills to waive the fees for administration

of an estate if (1) the real property of the decedent is to be transferred to the decedent's heir who resides on the property or is encumbered by a lien and subject to a tax sale and (2) the estate is unable to pay the fees by reason of "poverty."

Chapter 716 of 2022 altered the existing statutory fee schedule that may be assessed by the registers of wills, including (1) eliminating the probate fees assessed for small estates (valued at $50,000 or less) and (2) altering the probate fees for other estates in a manner that in most cases reduces fees for smaller estates and increases fees for larger estates. The Act's provisions apply prospectively and may not be applied to any estate opened before the October 1, 2022 effective date.

Closed Estates – Subsequent Discovery of Check

Chapters 239 and 240 of 2020 authorized an orphans' court, following the discovery of a check payable to a decedent or the estate of a decedent for a sum not exceeding $1,000 after the estate is closed and the appointment of the personal representative is terminated, to enter an order authorizing an interested person who has made a verified petition, to endorse and deposit the check into the interested person's bank account for the limited purpose of distributing the funds in accordance with the will or, if the decedent died intestate, in accordance with applicable statutory provisions. The order may be entered without a hearing, unless requested by an interested person, and distribution of the funds must be made within 60 days after the court's order. An order may not be entered if (1) the estate of the decedent was insolvent when it was closed; (2) the check discovered after the estate was closed increases the value of the estate above the value that qualifies for administration as a small estate; or (3) any additional fees and inheritance taxes due as a result of the discovered check are not paid with the petition.

Payment of Commissions and Attorney's Fees

Generally, a personal representative or special administrator is entitled to reasonable compensation for services rendered. ***Chapter 630 of 2022*** clarified the circumstances under which the payment of commissions to personal representatives and attorney's fees may be made without court approval. Further, the Act specified that, under certain circumstances, unless a consent form is filed simultaneously with the final administration account or final report under a modified administration, each payment consented to must be for services rendered by the attorney or personal representative prior to the date of consent.

Trusts

Maryland Trust Act

Permissible methods of notice to a person or for sending a document to a person include first-class mail, personal delivery, or delivery to the last known place of residence or place of business of the person. The notice requirements apply to the proposed (1) termination of a trust; (2) modification of the administrative or dispositive terms of a trust; (3) combination of two or more trusts into a single trust; (4) division of a trust into two or more separate trusts; (5) resignation

of a trustee or co-trustee; or (6) transfer of the principal place of administration of a trust. ***Chapter 291 of 2019*** expanded and clarified the means of communication that may be employed to provide specified notice under the Maryland Trust Act (MTA). ***Chapter 291*** defined "delivery address" as (1) the last known place of residence or place of business of a person; (2) a facsimile number provided by a person for the purpose of receiving notice; or (3) an email address provided by a person for the purpose of receiving notice and specify that a permissible method of providing notice to a person or for sending a document to a person under MTA includes delivery to the person's delivery address. ***Chapter 291*** also specified methods of notice that may be employed by a trustee when providing notice to a person under MTA.

Generally, on petition by a trustee, personal representative, beneficiary, or party in interest, after meeting specified notice requirements and for good cause shown, a court may (1) divide a trust into two or more separate trusts or (2) consolidate two or more trusts into a single trust. A court may divide a trust or consolidate trusts (1) on terms and conditions as the court considers appropriate and (2) if the court is satisfied that a division of a trust or consolidation of trusts will not defeat or materially impair the accomplishment of trust purposes or the interests of the beneficiaries. ***Chapters 498 and 499 of 2019*** specified that if a trust instrument does not provide for the consolidation or division of a trust, a trustee may, without a court order (1) divide a trust into two or more separate trusts or (2) consolidate two or more trusts into a single trust. The Acts prohibited a trustee from dividing a trust or consolidating trusts if a beneficiary objects in writing within 30 days after the trustee provides notice as required under specified provisions of MTA.

Liability of Trustee – Report and Release by Interested Party

Chapters 361 and 362 of 2020 authorized a trustee, when a trust terminates in accordance with the terms of the trust or MTA or on the removal or resignation of the trustee in accordance with MTA, to send each interested party a specified report (that provides certain information and notice), by first-class, certified mail, return receipt requested, seeking the release of the trustee from liability for the administration of the trust. The Acts defined "interested party" as a beneficiary, representative of a beneficiary, co-trustee, successor trustee, or any other person having an interest in or authority over a trust. An interested party's failure to submit a written objection within 120 days after the trustee mailed the report results in the interested party releasing the trustee and consenting to and ratifying all actions of the trustee. If there are no objections submitted within the 120-day period, the trustee must distribute the trust property to the appropriate persons within a reasonable period of time. However, if an interested party submits a timely written objection, the objection may either be (1) submitted to the court, with notice to all interested parties, to commence a proceeding for resolution of the objection or (2) resolved by the agreement of all interested parties and the trustee.

Chapters 632 and 633 of 2022 modified the procedures described above that a trustee may elect to follow to seek the trustee's release from liability for the administration of the trust by (1) authorizing a trustee to send the aforementioned report to the interested party from whom the trustee is seeking release instead of to each interested party; (2) allowing for the interested party to whom the report was sent to submit within 120 days a written statement to the trustee that the

interested party does not object, in addition to the existing option to submit a written objection within 120 days; (3) allowing for an interested party who submits a written statement that they do not object to be deemed to have released the trustee and consented to and ratified all actions of the trustee; and (4) if each interested party to whom a report was sent provides a written statement that they do not object, allowing for the trustee to distribute the trust property prior to the end of the 120-day period after the mailing of the report. If an interested party to whom a report was sent submits a written objection to the trustee within 120 days after the trustee mailed the report, the Acts limit the interested parties to whom notice must be given of a court proceeding to resolve the objection or who must be in agreement along with the trustee in resolving the objection to those interested parties to whom a report was sent.

Health Savings Accounts – Application of Trust Law

Health Savings Accounts (HSA) administered in Maryland are governed by MTA, which dictates that a trust is established when the trustee accepts and takes legal ownership of the property to be placed in the trust***. Chapters 616 and 617 of 2020*** generally exempted an HSA from the requirements of the Estates and Trusts Article and authorized an HSA to be established on the first day that an individual becomes covered by a high-deductible health plan. The HSA must be opened without a trustee or custodian within the time period prescribed by law, without extensions, for filing a federal income tax return for the year in which the HSA is established. In addition, an HSA is established regardless of whether there is a transfer of cash or other property to the account and, unless required by the trustee or custodian, it is not necessary for any party to sign an HSA trust or custodial agreement regarding the HSA. Under the Acts, an individual with an HSA could use the individual's HSA to pay for medical expenses incurred prior to the date the individual opened the account with the HSA trustee.

Guardianship

Certificates of Competency

On receiving a petition and after notice and a hearing, a court may appoint a guardian for a disabled person, if it determines that the person lacks sufficient understanding or capacity to make or communicate responsible personal decisions due to a mental disability, disease, habitual drunkenness, or drug addiction and no less restrictive intervention is available. ***Chapter 568 of 2020*** added a nurse practitioner as a health care professional who may sign a certificate of competency that must be included with the petition. Under the Act, the two health care professionals that may sign a certificate may include one licensed physician and one licensed psychologist, licensed certified social worker-clinical, or nurse practitioner. For an additional discussion of ***Chapter 568***, see the subpart "Health Occupations" within Part J – Health and Human Services of this *Major Issues Review*.

Guardianship of Minors – Appointment by Court

The Estates and Trusts Article establishes circumstances under which an individual may be appointed as a guardian of the person and/or as a guardian of the property of a minor. The

orphans' courts and the circuit courts have specified concurrent jurisdiction over guardians of the person of a minor and proceedings to appoint a guardian of the person of a minor.

Chapters 619 and 620 of 2022 altered the circumstances under which a court may appoint a guardian of the person for an unmarried minor by requiring the court to find, by a preponderance of the evidence, that the appointment is in the best interests of the minor, that no testamentary appointment has been made, and that (1) no parent is willing or able to serve as the guardian of the person of the minor; (2) each parent consents to the appointment of the guardian of the person; or (3) no parent objects to the appointment of the guardian of the person. The Acts clarified that the appointment of a guardian of the person of a minor may not be construed to require the termination of any parental rights with respect to the minor under Title 5 of the Family Law Article.

Guardians of Property of Minors or Disabled Persons

At the time of the appointment of a guardian of the property of a minor or disabled person, the title to all property of the minor or disabled person that is held at the time of the appointment or acquired later vests in the guardian. A guardian of a minor or disabled person may, without court authorization or confirmation, pay or apply income and principal from the estate as needed for the minor or disabled person. ***Chapter 511 of 2021*** prohibited a guardian of the property of a minor or disabled person, who is not a family member of the minor or disabled person, from distributing or disbursing property without court authorization or confirmation if the distribution or disbursement would financially benefit (1) the guardian (except for specified reasonable compensation and reimbursement for expenses) or (2) a family member of the guardian. "Family member" means a child, parent, spouse, grandparent, brother, sister, uncle, or aunt by blood, adoption, or marriage. A guardian who violates this prohibition is liable for breach of the guardian's fiduciary duty to the minor, disabled person, or other interested persons for resulting damage or loss to the same extent as a trustee of an express trust.

On petition and after notice or hearing as required by law or the Maryland Rules, a court may appoint a guardian of the property for a minor or a disabled person and must appoint a guardian for a disabled person under certain circumstances. Unless an alleged disabled person has chosen counsel, the court must appoint an attorney to represent the alleged disabled person in a protective proceeding. ***Chapter 628 and 629 of 2022*** required the State to pay a reasonable attorney's fee for an alleged disabled person that is indigent in a protective proceeding. In any action in which payment for the services of a court-appointed attorney for the alleged disabled person is the responsibility of the local department of social services, the court must appoint an attorney who is under contract with the Department of Human Services (DHS) to provide legal representation for the alleged disabled person, unless the court finds that the appointment would not be in the best interests of the alleged disabled person. In such an action, if an attorney has previously been appointed, the court must strike and replace the previously appointed attorney with an attorney who is under contract with DHS, unless the previously appointed attorney is willing to accept the same fee, and the court does not find a conflict of interest. The effective date of the Acts is October 1, 2023.

Supported Decision Making

Chapter 631 of 2022 authorized the use of "supported decision making" to (1) assist adults by obtaining support for the adult to make, communicate, or effectuate decisions that correspond to the adult's will, preferences, and choices and (2) prevent the need for the appointment of a substitute decision maker, including a guardian of the person or property. "Supported decision making" means a process by which an adult, with or without having entered a supported decision-making agreement, utilizes support from a series of relationships in order to make, communicate, or effectuate the adult's own life decisions.

Chapter 631 specified that an adult may use supported decision making to (1) increase the adult's self-determination; (2) prevent the need for the appointment of a substitute decision maker; or (3) limit or terminate the use of a substitute decision maker. Further, the Act outlined the role of a supporter, established a process for entering a supported decision-making agreement, and established specified immunity for third parties. Lastly***, Chapter 631*** established that a competent adult individual who is able to communicate with support, including supported decision making in accordance with the Act, is not considered incapable of making an informed decision under the Health Care Decisions Act.

Orphans' Court – Appeals

A party who wishes to appeal a final judgment of an orphans' court may file a direct appeal to the Court of Special Appeals or appeal to the circuit court. An appeal to the circuit court must be heard *de novo* and treated as if it were a new proceeding. ***Chapters 130 and 131 of 2020*** altered statutory provisions regarding the appeal of a final judgment of an orphans' court by (1) requiring a notice of appeal, instead of an order for appeal, to be filed with the register of wills within a specified timeframe and (2) extending, from 30 days to 60 days, the time period by which the register of wills must transmit all pleadings and orders of the proceedings to the court to which the appeal is taken.

Maryland Revised Uniform Anatomical Gift Act

The Maryland Revised Uniform Anatomical Gift Act governs donations of all or part of a human body (that take effect after the donor's death) for the purpose of transplantation, therapy, research, training, or education. ***Chapters 508 and 509 of 2021*** (1) allowed for anatomical gifts made with only a general intent to be used for research or education as well as transplantation or therapy (with the exception of gifts for which a document of gift was registered before July 1, 2022); (2) established that, beginning July 1, 2022, a donor may designate the purpose for the anatomical gift, as specified; and (3) required, by July 1, 2022, related educational materials to be produced and displayed at each Motor Vehicle Administration location. The Acts also repealed specified requirements that certain first responders or hospitals conduct a reasonable search of an individual believed to be dead or whose death is imminent for documents related to the individual's status as an anatomical gift donor.

Rule Against Perpetuities

With limited exceptions, the common law "rule against perpetuities" applies in Maryland. Under the common law rule, a future property interest, either real or personal, must vest within a life or lives in being (the lifetime of a living person) at the time of the interest's creation, plus 21 years. The term of gestation is added in the case of a posthumous birth. An interest that will not or may not vest within the vesting period violates the rule and is void.

Under one statutory exception, the common law rule against perpetuities does not apply to an option of a tenant to purchase all or part of the premises leased by the tenant. ***Chapters 50 and 51 of 2020*** limited the application of this statutory exception by establishing that the common law rule does not apply to an option that is exercisable only during the term of the lease. The Acts applied prospectively and only affected an option to purchase leased premises granted on or after October 1, 2020.

Transfers on Death – Limited Liability Companies and Partnerships

Chapters 294 and 295 of 2022 specified that operating agreements and partnership agreements may provide for interests in limited liability companies (LLC) and partnerships to be transferred or assigned to other persons, including to nonmembers/nonpartners. The Acts further specified that transfers on death, pursuant to the operating agreement of an LLC or a partnership agreement, are effective according to the operating agreement or partnership agreement and are not to be considered testamentary. The Acts applied to all LLC operating agreements, general partnership agreements, and limited partnership agreements in effect on the Acts' October 1, 2022 effective date. For an additional discussion of ***Chapters 294 and 295***, see the subpart "Corporations and Associations" within Part I – Financial Institutions, Commercial Law, and Corporations of this *Major Issues Review***.**

Part G
Transportation and Motor Vehicles

Transportation

Governance, Planning, and Funding

The Maryland Department of Transportation (MDOT) coordinates, organizes, and manages the State's transportation systems and projects with funding primarily provided by the Transportation Trust Fund (TTF). Long-term transportation planning in the State is a collaborative process designed to consider input from the public, local jurisdictions, metropolitan planning organizations, elected officials, and statutory advisory committees. Among the numerous reports, meetings, and discussions that take place, MDOT annually develops the *Consolidated Transportation Program* (CTP). The CTP, which is issued to the General Assembly, local elected officials, and interested citizens, provides a description of projects proposed by MDOT for development and evaluation or construction over the next six-year period.

G

Equity and Transportation Access

Two significant pieces of legislation passed during the 2019 to 2022 term reflected a greater focus on transportation equity and access. First, ***Chapter 705 of 2019*** established the Task Force to Study Transportation Access through fiscal 2022. The purpose of the task force was to study and make recommendations to improve access to employment, training and education opportunities, health and rehabilitation services, and other social services for individuals and families in the State without access to public transportation or the ability to use personal motor vehicles.

Second, ***House Bill 141 of 2022 (passed)***, which was vetoed by the Governor, would have expanded various existing transportation plans, reports, and committees to include a greater focus on transportation equity issues. In addition, the bill would have required MDOT, beginning July 1, 2023, in collaboration with the Maryland Transit Administration (MTA), to conduct a transit equity analysis, perform a cost-benefit analysis, consult with members and leaders of affected communities, and take specified actions based on the results of these activities before

announcing any (1) service change that would constitute a major service change under specified federal guidelines or (2) reduction or cancellation of a capital expansion project in the construction program of the CTP that exceeds transit equity thresholds developed by MTA.

Spending Affordability Committee Reports

The Spending Affordability Committee (SAC) studies and reviews the status and projections of State revenues and expenditures and the status and projections of the Maryland economy. ***Chapters 27 and 563 of 2022*** changed the date by which SAC must submit its annual report from December 1 to December 20 and expanded the information that must be included in that report to include a recommended (1) end-of-the-year general fund balance; (2) end-of-the-year balance in the Revenue Stabilization Account; (3) structural balance goal; (4) fund balance for the TTF; and (5) minimum expenditure level for system preservation by MDOT.

Planning with Other States

Chapter 30 of 2021 required MTA to negotiate in good faith with various entities to reach written agreements to extend MARC train service to Virginia and Delaware and, by December 1 of each year, submit a report related to the negotiations to the General Assembly. The Act also required MTA to conduct a feasibility study on constructing a rail connection between Penn Station and Camden Station and submit a report of its findings and recommendations to the General Assembly by December 1, 2021.

Highway User Revenues

MDOT provides local transportation aid through mandated capital grants with funding levels based on certain percentages of the balance of the Gasoline and Motor Vehicle Revenue Account (GMVRA), which is a subaccount within the TTF. The revenues dedicated to the account include all or some portion of the motor vehicle fuel tax, vehicle titling tax, vehicle registration fees, short-term vehicle rental tax, and State corporate income tax. These capital grants, more commonly referred to as highway user revenues or HURs, may be used by local governments for authorized purposes generally related to roadways and highways.

Chapter 240 of 2022 increased the amount of funds from the GMVRA that MDOT must annually provide to local governments beginning in fiscal 2024, as show in **Exhibit G-1.**

Exhibit G-1
Highway User Revenues Distribution Under *Chapter 240 of 2022*
Fiscal 2024-2027

	2024	2025	2026	2027
MDOT	84.4%	82.0%	80.0%	80.0%
Baltimore City	9.5%	11.0%	12.2%	12.2%
Counties	3.7%	4.3%	4.8%	4.8%
Municipalities	2.4%	2.7%	3.0%	3.0%

MDOT: Maryland Department of Transportation

Source: Department of Legislative Services

In addition, the Act increased the portion of the corporate income tax credited to the GMVRA, further increasing highway user revenues for local governments and offsetting some of the impact on MDOT. The combined effect of the increased distribution to local governments and the increased share of the corporate income tax credited to the GMVRA provides an estimated increase in capital grant funding to local governments relative to current law of $52 million in fiscal 2024, $190 million in fiscal 2025, $242 million in fiscal 2026, and $246 million in fiscal 2027.

Resource-sharing Agreements

Resource-sharing agreements (RSA) are contractual agreements between State agencies and other entities, usually private companies, allowing the entities to use the State's rights-of-way, communications infrastructure (telecommunications towers), and/or real estate in exchange for a payment (monetary or in-kind). The Budget Reconciliation and Financing Act (BRFA) of 2019 (***Chapter 16***) reduced MDOT's revenues by requiring that any revenue received by MDOT from RSAs be credited to the Major Information Technology Development Project Fund instead of the TTF. ***Chapter 313 of 2021*** reversed the changes made by the BRFA of 2019 by requiring MDOT's RSA revenues to once again be credited to the TTF. MDOT collects approximately $5 million annually from its RSAs.

Mass Transit

Transit systems in the State are primarily operated by three agencies: MDOT, MTA, and the Washington Metropolitan Area Transit Authority (WMATA). As a modal unit with MDOT, MTA operates a comprehensive transit system throughout the Baltimore-Washington metropolitan area, including more than 50 local bus lines in Baltimore and other services, such as the light rail, Baltimore Metro subway, commuter buses, MARC trains, and mobility/paratransit vehicles. WMATA was established in 1967 through an interstate compact between Maryland, Virginia, and

the District of Columbia to construct and operate a rapid rail transit system for the Washington metropolitan area. However, WMATA operates various bus routes in addition to the District of Columbia metro system.

Considerable attention was given to the State's transit systems by the General Assembly during the 2019 to 2022 term. Legislation passed and enacted required transit studies and projects, implemented funding changes, required MTA to convert its bus fleet to zero-emission buses, and expanded eligibility for free ridership on MTA's transit vehicles.

Required Studies and Projects

Three major transit-related studies and projects were required by legislation passed by the General Assembly during the 2019 to 2022 term. First, ***Chapters 738 and 739 of 2021*** required the Governor, contingent on the receipt of federal funds, to include in the annual State budget an appropriation from the TTF of at least $5 million from fiscal 2023 through 2027, to provide matching funds needed to conduct an environmental impact study for the Southern Maryland Rapid Transit Project. The project is a proposed high-capacity, fixed-route rapid transit service with light rail transit as the preferred option, operating in a dedicated, grade-separated 18.7-mile transitway in the Maryland Route 5/U.S. Route 301 corridor from the Branch Avenue Metrorail Station in Prince George's County to Waldorf and White Plains in Charles County.

Second, ***House Bill 632 of 2022 (passed)***, which was vetoed by the Governor, would have required MDOT to establish project planning requirements in order to secure a record of decision for Baltimore City's planned Red Line light rail project and the MARC rail extension to the Johns Hopkins Bayview Medical Center in Baltimore City. For fiscal 2024 through 2027, the bill would have required the Governor to include in the annual budget bill an appropriation from the TTF of at least $5 million, contingent on the receipt of federal funds.

Third, ***Chapters 52 and 54 of 2022*** required MTA to establish individual investment programs to advance the MARC Cornerstone Plan and other MARC improvements by providing incremental enhancements for (1) the Brunswick Line, including a third track between Rockville and Germantown to better serve Western Maryland and existing communities served by the line; (2) the Camden Line; (3) the Penn Line; (4) new regional service between Perryville, Maryland, and Newark, Delaware; (5) new regional run-through rail service to Alexandria, Virginia; and (6) extending the Brunswick Line to better serve Western Maryland. The investment programs must commence in fiscal 2023 and include other specified plans and information. The MARC Cornerstone Plan addresses a 30-year planning period and identifies capital improvements needed to maintain a state of good repair for the MARC system. The plan also outlines capital needs required to improve and expand service.

Chapters 52 and 54 also required MTA to conduct a MARC Cornerstone Plan Implementation Study and established a workgroup to examine specified funding issues related to the TTF.

Maryland Metro/Transit Funding Changes

The Maryland Metro/Transit Funding Act was enacted by Chapters 351 and 352 of 2018 in response to financial difficulties experienced by WMATA and to increase funding for the State's transit systems. Broadly speaking and among other things, the Acts mandated (1) additional capital and operating funding to WMATA from the State and (2) additional capital and operating funding for MTA from fiscal 2020 through 2022.

Funding required by the Acts for WMATA was modified by House Bill 86 of 2020, which was enacted as ***Chapter 22 of 2021*** following a veto by the Governor and subsequent override of that veto. Specifically, the Governor or Secretary of Transportation must withhold a portion of the State's operating grant to WMATA if WMATA's operating expenditures increase by more than 3% compared to the previous fiscal year, excluding certain factors (*i.e.*, the cost of any service required by law or an approved capital project). However, ***Chapter 22*** prohibited the calculation to determine WMATA's operating expenditures from including (1) any payments or obligations arising from or related to arbitration proceedings and (2) any service increases approved by WMATA's board of directors.

Required funding for MTA was modified by Senate Bill 199 and House Bill 114 of 2021, which were enacted as ***Chapters 11 and 20 of the 2021 special session*** following a veto by the Governor and subsequent override of that veto. ***Chapters 11 and 20*** required (1) MTA's operating appropriation in each of fiscal 2023 through 2029 to be equal to or greater than the fiscal 2022 appropriation; (2) MDOT to include in the CTP each year a report that provides MTA's state of good repair budget for the current fiscal year and projections for the subsequent year; (3) the Governor to include in the annual State budget minimum levels of funding for MTA's state of good repair for fiscal 2023 through 2029; and (4) MTA to annually submit an accounting report for the projects that it identifies pursuant to a capital needs assessment required by the Maryland Metro/Transit Funding Act.

Chapters 11 and 20 also included two requirements that are not directly related to MTA and transit funding. First, the Acts established a Purple Line Construction Zone Grant Program in the Department of Commerce to provide funds to qualified small businesses to assist in offsetting business revenue lost as a result of the construction of the Purple Line light rail project in Montgomery and Prince George's counties. Second, the Acts required MDOT to conduct a study on the feasibility, including the cost, of extending the MARC rail service to Western Maryland. MDOT must submit a report of its findings and recommendations to the Governor and General Assembly by July 1, 2023.

Elderly and Handicapped Program Funding

MDOT provides annual funding to local governments to use for elderly and handicapped transportation service in each county (including Baltimore City). The funding must be distributed to counties using a specified formula based on the combined elderly and handicapped population in each county. ***Chapter 416 of 2022*** established minimum funding requirements for the program beginning in fiscal 2024, with adjustments for inflation beginning in fiscal 2025.

Zero-emission Buses

Chapter 693 of 2021 prohibited MTA, beginning in fiscal 2023, from entering into a contract to purchase buses for its transit bus fleet that are not zero-emission buses; however, MTA was authorized to purchase an alternative-fuel bus instead if it determines that no available zero-emission bus meets the performance requirements for a particular use. Additionally, the full cost of any zero-emission and alternative-fuel buses purchased must be paid from the TTF, and MTA must ensure the development of charging infrastructure to support the operation of zero-emission buses in the State transit bus fleet.

In preparation for the conversion to the zero-emissions fleet, ***Chapter 463 of 2022*** required MTA to provide safety and workforce development training to employees in order to safely repair and maintain any new or converted zero-emission buses and related charging infrastructure. The Act also required MTA, in its annual report on the conversion to zero-emission buses, to include a plan that ensures certain employee protections and a certification that MTA is adhering to the zero-emissions fleet transition plan.

Free Ridership on Transit Vehicles

Free ridership on MTA's transit vehicles has historically been a benefit provided to Executive Branch employees. Additionally, MTA has historically offered free or reduced fares to children, students, seniors, and disabled individuals. Three pieces of legislation enacted during the 2019 to 2022 term required MTA to provide similar benefits to additional individuals.

First, ***Chapter 420 of 2019*** codified and expanded the free ridership benefit for Executive Branch employees to include employees of government units with an independent personnel system (such as the State's universities). The Act also required MDOT and the Department of Budget and Management to study and report on the cost and feasibility of expanding the transit ridership program to include other transit services.

Second, ***Chapter 577 of 2020*** required MTA to make monthly transit passes available to opioid treatment programs for use by patients of the programs who qualify for MTA's Disabled Reduced Fare Program.

Third, ***Chapter 44 of 2022*** required MTA to provide ridership on transit to any eligible Baltimore City Public School (BCPS) student or youth worker in the Baltimore City YouthWorks program. MTA may not collect fees or reimbursement for these services. In conjunction with BCPS and the Mayor's Office of Employment Development, MTA must adopt regulations that establish the eligibility criteria for students and youth workers receiving a student transit pass to use these services.

Whistleblower Protection

Chapter 193 of 2020 applied the Maryland Whistleblower Law to all employees of WMATA, subject to the Commonwealth of Virginia and the District of Columbia either enacting

similar whistleblower protections or waiving their sovereign immunity as applied to WMATA for the purpose of providing whistleblower protections.

Roads and Highways

The State Highway Administration (SHA) plans, designs, builds, and maintains nearly 5,200 miles of roads in Maryland, including highway interstates and over 2,500 bridges. The agency ensures that State roads and bridges adhere to safety and performance standards while considering economic, environmental, and community concerns. SHA is also responsible for multiple programs that govern or implement these standards in various areas.

Chapter 160 of 2022 required SHA to designate Maryland Route 210 as the Piscataway Highway.

Complete Streets

In 2012, SHA published its Complete Streets policy, which required the agency to consider and incorporate principles and design elements in its transportation planning, construction and maintenance that encourage the use of multiple modes of transportation, including walking, bicycling, using public transportation, and driving. The policy was designed to create a balanced transportation network that would allow users to choose the mode of transportation best suited to their needs. In 2018, Chapters 717 and 718 significantly expanded the State's focus on Complete Streets policies by requiring SHA, the Maryland Aviation Administration (MAA), and MTA to adopt and implement Complete Streets policies for the State's roadways, airports, and transit systems.

Chapters 572 and 573 of 2019 expanded the Complete Streets policies required by Chapters 717 and 718 to include a focus on transportation access to retail stores that provide healthy food and other necessities, especially in "food deserts" designated by the Department of Housing and Community Development.

Highway and Roadway Safety

Vision Zero is a road traffic safety strategy designed to eliminate all traffic-related fatalities and major injuries. The first Vision Zero program was adopted in Sweden in 1997. Since then, similar strategies and programs have been initiated in numerous other countries and U.S. cities and states including Canada, the United Kingdom, New York City, Los Angeles, and Washington, D.C. ***Chapter 377 of 2019*** established a Vision Zero Program, administered by the Maryland Highway Safety Office in the Motor Vehicle Administration. ***Chapters 153 and 154 of 2022*** required SHA to conduct an infrastructure review of bicyclist and pedestrian fatalities occurring on a State highway or intersection of a State highway and another highway or municipal street. The Acts required SHA to conduct infrastructure reviews of roadways and intersections within six months after being notified of a fatality and required that those reviews be published on the SHA website.

Chapter 439 of 2019 required SHA, in consultation with appropriate county and municipal authorities, to (1) compile best practices for siting, constructing, and maintaining traffic calming devices; (2) coordinate and act as a clearinghouse for best practices; and (3) publish and periodically update the information it collected. A traffic calming device is a physical highway measure used to reduce vehicle speed and increase safety for bicycles, motorists, and pedestrians. It includes speed bumps, raised crosswalks, traffic circles, and narrowed roads.

Chapters 102 and 103 of 2020 required an entity permitted by SHA to do work within one mile of WMATA or MTA rail or bus rapid transit stations, including MARC stations, to maintain a safe alternative pedestrian path at the work site. The Acts also required SHA to adopt regulations to implement the Acts, compile an inventory of best practices for including pedestrian access in areas where construction or maintenance work is taking place, and publish and make available all best practices information for any interested parties.

Bicycle Programs

The Bikeways Network Program, administered by MDOT, was codified by ***Chapter 310 of 2020*** and renamed the Kim Lamphier Bikeway Network Program. Through the program, MDOT provides grants for a wide range of bicycle network development activities, with a focus on projects that maximize bicycle access.

Coastal Flooding Construction

Chapter 415 of 2014 created the Coast Smart Council, in part, to govern construction practices and repairs around highway facilities with the goals of (1) avoiding or minimizing the impacts of coastal flooding and sea level rise and (2) creating Coast Smart siting and design criteria that would apply to various State construction projects. Chapters 628 and 629 of 2018 expanded the applicability of the Coast Smart siting and design criteria established by the council to apply to State and local projects where at least 50% of the project costs were funded with State funds. ***Chapter 442 of 2019*** limited the applicability of those criteria to specified State and local capital projects.

Signs along Highways and Expressways

Generally, persons are prohibited from placing or maintaining signs on a State highway right-of-way without SHA's authorization. ***Chapter 534 of 2020*** increased the maximum civil penalty from $25 per sign to $100 per sign for affixing a commercial sign to a State highway sign, signal, or marker within a State highway right-of-way without SHA authorization.

Airports

The Maryland Aviation Administration (MAA) is responsible for fostering, developing, and regulating aviation activity throughout the State. MAA is also responsible for operating, maintaining, and developing Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall Airport) as a major center of commercial air carrier service in the State.

Donations at Airport Security Checkpoints

Chapter 278 of 2020 required the Executive Director of MAA to work with the House of Ruth Maryland (HRM) to install secure donation boxes at the entrance to each security screening checkpoint at BWI Marshall Airport. Money collected in the donation boxes was to be used only to support HRM, which is recognized as one of the nation's most comprehensive domestic violence centers.

Maryland Transportation Authority and Tolling

The Maryland Transportation Authority (MDTA) has exclusive authority over the supervision, financing, construction, operation, maintenance, and repair of Maryland's toll facilities as well as the financing of new revenue producing projects authorized under law.

Toll Operations and the COVID-19 Pandemic

In response to the COVID-19 pandemic, in March 2020, MDTA paused the processing and mailing of notices of toll due (NOTD) to its customers. In October 2020, MDTA resumed the mailing of notices, beginning with notices for unpaid transactions for trips made from March through June 2020. The temporary pausing of these mailings, combined with MDTA's transition to its third-generation electronic tolling system, resulted in a significant backlog of NOTD mailings and numerous operational issues for MDTA.

To address these issues, beginning in February 2022, MDTA implemented an eight-month grace period for people with outstanding unpaid tolls and associated civil penalties. Under a customer assistance plan adopted by MDTA, all outstanding civil penalties will be waived for motorists who pay their unpaid tolls by November 30, 2022. During the 2022 session, three bills passed that related to the payment of tolls and MDTA's operations to further address MDTA's operational issues.

Chapter 460 of 2022 reestablished provisions of Chapter 547 of 2018, which terminated May 31, 2021, by (1) expressly authorizing MDTA, under certain circumstances, to recall a delinquent account from the Central Collection Unit (CCU), which is generally responsible for collecting debts owed to State agencies, and (2) prohibiting CCU from collecting any debt recalled by MDTA.

Chapter 448 of 2022 authorized MDTA to waive any portion of a video toll or civil penalty assessed and required the agency to waive civil penalties associated with a video toll in accordance with its customer assistance plan and to reimburse any civil penalty paid in error under the plan. Under the Act, MDTA was required to submit a report to the General Assembly on the number of individuals who paid a civil penalty in error under the plan, what notification of reimbursement eligibility as well as reimbursement totals provided to those individuals by December 1, 2022. The Act terminates December 31, 2022.

Chapter 555 of 2022 required any individual who applied to establish an E-ZPass account to agree to abide by (1) the terms and conditions established by MDTA for the electronic collection of tolls and (2) the terms and conditions for E-ZPass accounts, which allow an individual to dispute any Maryland toll facility charge within at least one year after it is posted to the individual's E-ZPass account. Under MDTA's current practices, a dispute can only be made within 120 days after the date the transaction posts to the account.

Debt Collection from Out-of-state Residents

Chapter 141 of 2019 prohibited CCU from collecting any debt owed for unpaid video tolls and associated civil penalties from persons residing outside of the State. As a result, the Act indirectly allowed MDTA to use a means of debt collection other than CCU to collect those unpaid tolls and associated penalties. Historically, MDTA and CCU had had difficulty collecting video tolls from out-of-state violators, in part because MDTA lacks the enforcement tools that it has for in-state drivers, such as the suspension and nonrenewal of vehicle registrations.

Multi-modal Programs and Impacts

The following pieces of legislation apply to multiple modal units of MDOT or MDTA.

Chapters 293 and 294 of 2021 established the Urban Tree Program within MDOT, each of its modal units, and MDTA. MDOT was required to consult with relevant State agencies, local governments, businesses, communities, and residents to develop the program, and along with MDTA, replace trees removed due to the construction of any transportation facilities project.

Chapters 632 and 633 of 2021 required MDOT and units of local governments to allow joint trenching by broadband providers. "Trenching" means a construction project in which a highway right-of-way surface is opened or removed for the purpose of laying or installing one mile or more of conduit, fiber, or similar infrastructure.

Chapter 303 of 2021 expressly prohibited a person from willfully altering, disconnecting, tampering with, removing, or otherwise interfering with a transportation-related "component for electrical current transmission and storage" or "intelligent transportation system" if the component or system was placed by authority of a public body or official. The Act also established penalties for a violation similar to existing penalties for theft in the Criminal Law Article.

Motor Vehicles

Impaired Driving

Penalties for Drunk and Drugged Driving Offenses

Chapter 20 of 2019 increased the maximum penalties for a person convicted of driving while under the influence of alcohol or under the influence of alcohol *per se*, while impaired by

alcohol, while impaired by drugs or drugs and alcohol, or while impaired by a controlled dangerous substance when the person has certain prior convictions. Under ***Chapter 20***, a person who is convicted of, and has two prior convictions for, any of the above-mentioned offenses is guilty of a misdemeanor and subject to 5 years imprisonment or a $5,000 fine or both. The penalties were also increased for a person who is convicted of any of the above-mentioned offenses and (1) has three or more prior convictions for any of those offenses or (2) was previously convicted of a single specified homicide or life-threatening injury by motor vehicle or vessel offense. Such a violator is guilty of a misdemeanor and subject to 10 years imprisonment or a $10,000 fine or both.

Chapter 20 also increased certain maximum incarceration penalties for alcohol- and drug-related driving offenses. A first conviction of homicide by motor vehicle or vessel while impaired by drugs subjects the violator to 5 years imprisonment, while a subsequent conviction (after a previous conviction of the same or other specified offenses) subjects the violator to 10 years imprisonment. Additionally, for a person convicted of transporting a minor while impaired by alcohol or while impaired by drugs or drugs and alcohol, the maximum term of imprisonment was increased to 1 year for a first offense and 2 years for a second offense.

Ignition Interlock System Definition

An ignition interlock device connects a motor vehicle's ignition system to a breath analyzer that measures a driver's blood alcohol concentration (BAC). The device prevents the motor vehicle from starting if the driver's BAC exceeds a certain level. ***Chapters 65 and 66 of 2019*** altered the definition of an ignition interlock system to specify that an ignition interlock system is a device that has a camera (1) with the capability of recording still images of the person taking the test of the person's blood alcohol level; (2) without the capability to record sound or video; and (3) that records images only while the device is testing the blood alcohol level of the person taking the test or if the device is being tampered with.

Licensing and Registration

Applications and Renewals for Licenses, Permits, and Identification Cards

Chapter 139 of 2021 altered provisions restricting when and how a driver's license or identification card may be renewed or a learner's permit may be obtained. Specifically, ***Chapter 139*** (1) allowed the extension of an identification card expiration date for up to 90 days (to aid in gathering documents needed for REAL ID compliance); (2) repealed a requirement that the copy of a school attendance record required for applicants for a learner's instructional permit be a certified copy (to facilitate electronic transactions); (3) authorized the Motor Vehicle Administration (MVA) to renew a driver's license within 12 months, rather than 6 months, before expiration (to allow more drivers to become REAL ID compliant through the regular renewal process); (4) authorized MVA to renew a driver's license without the individual appearing in person if the individual's photograph was taken less than 16 years before renewal (to facilitate electronic transactions by taking into consideration drivers who had photographs taken for corrected or duplicate driver's licenses); and (5) extended the period of time, from one year to

two years, during which MVA may accept a certification of acceptable visual acuity from a licensed physician or optometrist for driver's license renewal purposes (to facilitate electronic transactions while remaining in line with the standard medical guidance).

Chapter 119 of 2022 authorized MVA to issue temporary renewals for driver's licenses and identification cards for up to two years for certain applicants including (1) active-duty members of the armed forces and their spouses and dependents; (2) members of the Foreign Service and their spouses and dependents; and (3) State residents whose driver's license or identification card would have otherwise expired during a state of emergency. ***Chapter 119*** does not apply to commercial driver's licenses.

Penalties for Possessing Canceled, Revoked, or Suspended Driver's Licenses

Chapters 493 and 494 of 2019 repealed a penalty of up to two months imprisonment for a person convicted of possessing a canceled, revoked, or suspended driver's license and reduced, from 12 to 3, the number of points required to be assessed by MVA against a person on conviction.

Suspension of Driver's Licenses and Registrations

Chapters 149 and 150 of 2020 repealed MVA's authority to suspend a driver's license for nonpayment of fines or installments under a payment plan and instead authorized the court to process the unpaid fines in the same manner as other unpaid fines owed to the court or refer the amount of the unpaid outstanding fine to the Central Collection Unit. The Acts also reduced the fine threshold, from $300 to $150, that an individual must meet to enter into an installment plan and repealed a requirement that the defendant make installment payments of 10% per month on the total amount of the fine or fines covered by the agreement. ***Chapters 149 and 150*** applied retroactively and required MVA to withdraw any suspensions for failure to pay motor vehicle fines or installment payments and the courts to process any outstanding debts underlying these suspensions under the installment plan payment program.

Chapters 149 and 150 also altered the procedures for driver's license suspensions related to failure to respond to notice provided in a traffic citation. For this violation, the Acts (1) authorized an individual to avoid suspension of the individual's driver's license by entering into an installment payment plan; (2) required MVA to withdraw a suspension if the individual pays the fine, enters an installment payment plan, or requests a new date for trial or hearing; and (3) if an individual fails to appear for a new trial or hearing date, required MVA to suspend the individual's driver's license or privileges until the individual pays the fine, enters an installment payment plan, or appears at a trial or hearing. This provision was also applied retroactively, and MVA was required to withdraw any suspensions of individuals' driver's licenses for failure to respond to a traffic citation and to subject the individuals to the above process.

Additionally, ***Chapters 149 and 150*** repealed a requirement that MVA suspend the driver's license of a debtor with unsatisfied motor vehicle judgements and the registrations of all vehicles owned by the debtor.

Chapters 39 and 40 of 2020 similarly repealed the authority of MVA to suspend the registration of a motor vehicle if the owner or driver of the vehicle fails to pay the penalty assessed for a violation recorded by a traffic control signal monitoring system (red light camera) or a speed monitoring system (speed camera). The Acts maintained MVA's authority to refuse to register or reregister the motor vehicle at the time of registration transfer or renewal.

Grace Period for Uninsured Motorist Penalties

An owner of a motor vehicle that is required to be registered in the State must maintain insurance for the vehicle during the registration period. A lapse in the required security subjects a vehicle owner to an uninsured motorist penalty of $150 for each vehicle without the required security for the first 30 days. Beginning on the thirty-first day, the fine increases by a rate of $7 for each day. However, the total fine imposed may not exceed $2,500 annually.

Chapter 549 of 2022 prohibited MVA from assessing a penalty for a vehicle for which the required security has terminated or lapsed if the vehicle's registration plates are returned within 10 days after the termination or lapse and (1) the title for the vehicle has been transferred to a new owner; (2) the registered owner has moved out-of-state and the registration plates are returned by mail; (3) a salvage certificate has been issued for the vehicle; or (4) a licensed dealer has taken possession of the vehicle with an obligation to return the registration plates. The Act further provided that MVA, before assessing a penalty for a termination or lapse of a required security, must first verify that the registration plates for the vehicle were not returned within 10 days after the termination or lapse.

Rules of the Road

Speed Monitoring Systems

Prince George's County: Chapter 806 of 2018 authorized Prince George's County to place one speed monitoring system at the intersection of Old Fort Road and Maryland Route 210 (Indian Head Highway), subject to specified requirements and termination on September 30, 2023. ***Chapter 586 of 2019*** repealed a limitation on the location of speed monitoring systems that may be placed on Indian Head Highway and increased from one to three the number of speed monitoring systems that Prince George's County and local jurisdictions within the county may use on that highway. ***Chapter 586*** also repealed a provision of law that limited recording by speed monitoring systems on that highway to the southbound lanes. ***Chapter 147 of 2020*** repealed a requirement that fine revenues resulting from violations enforced by speed monitoring systems on Indian Head Highway be distributed to the Criminal Injuries Compensation Fund and instead required the fine revenues to be distributed to SHA. ***Chapter 147*** required SHA to use the fine revenues solely to assist in covering the costs of (1) examining relevant factors that may contribute to safety issues on Indian Head Highway; (2) reporting its findings and recommendations on any solutions to the safety issues; and (3) implementing any solutions to the safety issues.

Chapter 447 of 2021 extended to Prince George's County the authorization to place speed monitoring systems on highways in residential districts with a maximum posted speed limit of 35 miles per hour that previously applied only in Montgomery County.

Baltimore City: Chapter 628 of 2021 authorized Baltimore City to place two speed monitoring systems on Interstate 83, subject to existing signage and placement requirements for speed monitoring systems. ***Chapter 628*** also required that a real-time display of a driver's traveling speed be placed proximate to signage indicating that speed monitoring systems are in use. From the fines collected as a result of violations enforced by speed monitoring systems on Interstate 83, any balance remaining after cost recovery must be distributed to the Baltimore City Department of Transportation to be used solely to assist in covering the cost (in a supplemental manner) of roadway improvements on Interstate 83 in Baltimore City. An agency must mail a warning notice instead of a citation for a violation recorded by a speed monitoring system during the first 90 days that the speed monitoring system is in operation.

Anne Arundel County: Chapter 642 of 2021 authorized the placement of speed monitoring systems in Anne Arundel County on Maryland Route 175 (Jessup Road) between the Maryland Route 175/295 interchange and the Anne Arundel County-Howard County line, subject to specified signage, placement, and real-time speed posting requirements. From the fines collected as a result of violations enforced by speed monitoring systems authorized under the Act, any balance remaining after cost recovery must be distributed to SHA to be used solely to assist in covering the cost of speed reduction measures and roadway and pedestrian safety improvements on Maryland Route 175 between the Maryland Route 175/295 interchange and the Anne Arundel County-Howard County line.

Vehicle Height Monitoring Systems

First authorized for use in Baltimore City under Chapters 375 and 376 of 2012, a vehicle height monitoring system is a device with one or more motor vehicle sensors that is capable of producing recorded images of vehicles whose height exceeds a predetermined limit. Vehicle height monitoring systems are used to detect trucks operating on unauthorized highways. A vehicle height monitoring system may be used only if the use of the system is authorized by local law. The appropriate enforcement entity of a local jurisdiction that has adopted the use of vehicle height monitoring systems must issue a warning for a vehicle's first violation. The maximum fine for a citation issued following a warning is $250 for a second violation and $500 for a third or subsequent violation.

Chapter 504 of 2020 authorized the use of vehicle height monitoring systems on highways in Baltimore County. Before a vehicle height monitoring system may be installed, the county must establish a workgroup including commercial transportation industry representatives to assist the local government in (1) evaluating existing truck routes; (2) identifying areas for vehicle height monitoring enforcement; and (3) evaluating existing signage and identifying locations where signage could be improved. In addition, the local jurisdiction must adopt a local law limiting the overall number of vehicle height monitoring systems that may be placed in the local jurisdiction.

The governing body of the local jurisdiction may exempt certain vehicles from the enforcement of height restrictions by a vehicle height monitoring system. ***Chapter 379 of 2022*** authorized the use of vehicle height monitoring systems in Harford County and municipalities within the county subject to the same requirements and restrictions as those for Baltimore County.

Chapter 450 of 2021 extended authorization for the use of vehicle height monitoring systems to Prince George's County and municipalities within the county. ***Chapter 450*** also established requirements for Prince George's County (and municipalities within the county) that must be met before a vehicle height monitoring system may be installed. Specifically, county and municipal workgroups must be convened and perform specified tasks, including the development of maps, processes, and exemptions. Should the authorization be used, a local government agency may issue warnings or citations to a vehicle owner for violating a State or local law restricting the presence of certain vehicles at certain times.

School Bus Monitoring Cameras

Local jurisdictions may use school bus monitoring camera systems if expressly authorized by the governing body. If authorized, a law enforcement agency, in consultation with the local board of education, may place school bus monitoring cameras on school buses in the county to capture an image depicting the failure of a driver to stop for a school vehicle operating alternately flashing red lights. Chapter 744 of 2017 increased, for a two-year period, from $250 to $500, the maximum civil penalty for a violation recorded by a school bus monitoring camera. ***Chapter 429 of 2019*** repealed the termination date of the increased maximum civil penalty.

Chapter 216 of 2022 required Montgomery County to compile and submit to various county entities an annual report on each school bus monitoring system operated by a local jurisdiction in the county. The report was required to include specified information relating to violations that occurred at each school bus stop in the previous six fiscal years. Additionally, Montgomery County, in coordination with the Maryland Department of Transportation (MDOT), was required to examine school bus stop violation data to determine the 10 school bus stops at which the highest number of citations for passing a stopped school bus were issued and implement operational alternatives for those stops. These alternatives may include specified public outreach and educational efforts, improved signage and markings at school bus stops, driver expectancy and pedestrian safety strategies, examination of alternative penalties for first offenses, relocating school bus stops, and stakeholder meetings.

Dedicated Bus Lanes and Bus Lane Monitoring Systems

Chapter 468 of 2022 created an express prohibition against a person driving a vehicle in a dedicated bus lane unless authorized to do so by the local jurisdiction in which the bus lane is located. Specified transit vehicles, school buses, bicycles, emergency vehicles, and vehicles making a right turn at the next immediate intersection may be driven in a dedicated bus lane. A violation of this prohibition is a misdemeanor subject to a maximum fine of $500.

Chapter 468 also authorized Baltimore City to use a bus lane monitoring system to record images of motor vehicles traveling in a dedicated bus lane, subject to specified requirements. The Baltimore City Police Department (BPD) may issue warnings or citations to vehicle owners or drivers for driving in a dedicated bus lane in an unauthorized vehicle. However, BPD was required to mail a warning notice in place of a citation for a violation recorded by a bus lane monitoring system during the first 45 days that the system is in operation. A violation recorded by a bus lane monitoring system is subject to a maximum civil penalty of $75.

Street Racing and Exhibition Driving

Chapters 622 and 623 of 2020 altered existing law governing special events and special event zones in Worcester County by prohibiting a person from engaging in "exhibition driving" within a special event zone. A violator is subject to imprisonment for up to 60 days or a fine of up to $1,000 or both. The Acts also established that specified violations of the Maryland Vehicle Law (negligent driving, driving in a race or speed contest, participating in a race or speed contest as a timekeeper or flagman, etc.) are subject to higher maximum fines when these violations occur in special event zones.

Senate Bill 612 of 2022 (passed), which was vetoed by the Governor, would have established a statewide prohibition on exhibition driving and increased existing penalties for participation in racing and speed contests. In addition, the bill would have authorized a police officer to order the towing and impounding of a vehicle that was driven in a race or speed contest or an exhibition driving event.

Move Over Law

A driver of a vehicle generally has the duty to move over or slow down, unless otherwise directed by a police officer or traffic control device, when approaching – from the rear – certain types of vehicles (an emergency vehicle, specified commercial vehicle, service vehicle, tow truck, or waste or recycling collection vehicle) that are stopped, standing, or parked on a highway. A violation of the "move over" law is a misdemeanor subject to a maximum fine of $500. ***Chapter 382 of 2022*** expanded the application of the "move over" requirement to a vehicle on a highway that is stopped, standing, or parked and displaying hazard warning lights, road flares, or other caution signals, including traffic cones, caution signs, or nonvehicular warning lights.

High Occupancy Vehicle Lanes

Chapter 734 of 2016 authorized qualified hybrid vehicles to use a high occupancy vehicle (HOV) lane on specified portions of U.S. Route 50 regardless of the number of passengers, under specified circumstances, through September 30, 2018. Chapters 678 and 679 of 2018 extended HOV lane privileges for qualified hybrid vehicles through September 30, 2022. The federal authorization for qualified hybrid vehicles to use HOV lanes regardless of vehicle occupancy, however, expired on September 29, 2019. ***Chapter 139 of 2019*** aligned State law with federal law by repealing the authorization for qualified hybrid vehicles to use an HOV lane along a specified portion of Route 50 regardless of the number of passengers in the vehicle.

Accidents Resulting in Injury or Death of a Vulnerable Individual

Chapters 165 and 166 of 2021 prohibited an individual from causing the serious physical injury or death of a vulnerable individual as a result of the individual operating a motor vehicle in violation of any rule of the road specified in the Maryland Vehicle Law. "Vulnerable individual" is defined as a pedestrian; an individual lawfully riding or leading an animal on a highway, shoulder, crosswalk, or sidewalk; or an individual lawfully operating or riding, on a highway, shoulder, crosswalk, or sidewalk, a bicycle, a farm tractor or other farm equipment, a play vehicle, a motor scooter, a motorcycle, an animal-drawn vehicle, an electric personal assistive mobility device, or a wheelchair. A violator is guilty of a misdemeanor and is subject to a maximum fine of $2,000. An individual charged with a violation must appear in court and may not prepay the fine. The court may, in addition to imposing a fine, order a violator to participate in a motor vehicle safety course and perform up to 150 hours of community service. MVA must suspend the driver's license of an individual convicted of a violation for at least seven days and up to six months.

Equipment and Inspections

Size, Weight, and Load: Highway Preservation

Chapters 254 and 255 of 2019 authorized MDOT to establish a permit program that allows an overweight vehicle carrying international freight, as specified, to travel on roads designated as being part of a heavy weight port corridor. The Acts increased the authorized maximum gross vehicle weight of such vehicles from 90,000 to 100,000 pounds. MDOT must adopt regulations for the issuance of permits pursuant to the Acts' requirements. The regulations (1) may set permit fees and (2) must establish axle and gross weight requirements, routes, and other necessary criteria.

Commercial Motor Vehicle Inspections

Chapter 460 of 2021 increased the mileage at which Class F (tractor) vehicles and certain Class E (truck) and Class E (dump truck) vehicles must be inspected, maintained, and repaired by a preventive maintenance technician. Specifically, a Class F (tractor) vehicle that has been in operation for five years or less from the vehicle's model year must be inspected, maintained, and repaired by a preventive maintenance technician at least every 35,000 miles or every 12 months, whichever occurs first. A Class E (truck) or a Class E (dump truck) vehicle that has been in operation for five years or less from the vehicle's model year must be inspected, maintained, and repaired by a preventive maintenance technician at least every 50,000 miles or every 12 months, whichever occurs first, if the vehicle is a zero-emission electric vehicle or a fuel cell electric vehicle.

Vehicle Emissions Inspection Program

Chapter 670 of 2021 required MVA and the Maryland Department of the Environment (MDE) to submit a joint report to specified committees of the General Assembly on proposed changes to the Vehicle Emissions Inspection Program (VEIP). The report was required to provide specified information regarding (1) legislative and regulatory changes necessary to effect proposed

changes to the program; (2) the projected fiscal impact of the proposed changes on the Transportation Trust Fund (TTF); (3) information on how the proposed changes may impact air quality, and any discussions and approvals sought by the U.S. Environmental Protection Agency; and (4) an environmental justice analysis of the impact of running the program and assessing fees only on citizens who own older cars, and a recommendation on whether to pay VEIP expenses from vehicle registration fees. The Act prohibited MVA from selecting a proposed awardee for a new contract to operate VEIP before the submission of the report and from awarding a contract to a new vendor before March 1, 2022.

Miscellaneous

Low- and Zero-emission Vehicles and Equipment

Excise Tax Credits: Chapter 490 of 2010 established a tax credit against the motor vehicle excise tax for the purchase of a qualified plug-in electric vehicle. The credit was available for qualified vehicles titled beginning on October 1, 2010, through June 30, 2013. Subsequent legislation extended authorization for the program and altered the value of the credit and the maximum amount that may be awarded in credits. ***Chapter 213 of 2019*** expanded the tax credit by (1) increasing from $3 million to $6 million the total amount of credits that MVA could award through fiscal 2020; (2) extending eligibility to qualified fuel cell electric vehicles; and (3) altering the value of the credit.

Chapter 670 of 2021 required the Maryland Energy Administration (MEA) to transfer from the Strategic Energy Investment Fund (SEIF) to the TTF the lesser of $10.0 million or the actual total outstanding amount of qualified plug-in electric vehicle and fuel cell electric vehicle tax credits applied for before July 1, 2020, to offset payments for a backlog of tax credits owed to eligible purchasers.

Chapter 234 of 2022 reestablished the tax credit for each of fiscal 2024 through 2027. ***Chapter 234*** also altered the eligibility for the tax credit to specified zero-emission motorcycles and autocycles and otherwise altered eligibility requirements and tax credit values. To be eligible for the tax credit, a zero-emission plug-in electric drive vehicle or fuel cell electric vehicle must (1) be acquired for use or lease by the taxpayer; (2) be purchased new and titled for the first time on or after July 1, 2023, and before July 1, 2027; and (3) have a maximum base purchase price of $50,000.

Maryland Zero-Emission Electric Vehicle Infrastructure Council: Chapter 213 of 2019 expanded the membership, responsibilities, and reporting requirements of the Maryland Electric Vehicle Infrastructure Council to include a focus on all zero-emission vehicles, including fuel cell electric vehicles, and renamed the Council as the Maryland Zero-Emission Electric Vehicle Infrastructure Council. The council was established by Chapters 400 and 401 of 2011 and was charged with developing a plan to facilitate the integration of electric vehicles into the State's transportation network and develop statewide charging infrastructure. ***Chapter 118 of 2020***

extended the termination date of the council, established new interim report deadlines, and extended the final report deadline to June 30, 2026.

Electric Vehicle Recharging Equipment Rebate Program: Chapter 670 of 2021 reestablished, through fiscal 2023, the Electric Vehicle Recharging Equipment Rebate Program and increased to $1.8 million the maximum amount of rebates MEA may award in each year.

Medium- and Heavy-Duty Zero-Emission Vehicle Grant Program: Chapter 234 of 2022 established the Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program within MEA. Subject to available funds, in each of fiscal 2024 through 2027, a person or unit of local government may apply to MEA for a grant of up to 20% of the cost for qualified medium-duty or heavy-duty zero-emission vehicles, zero-emission vehicle supply equipment, or zero-emission heavy equipment property. The Act required the Governor to include in the annual budget bill for each of fiscal 2024 through 2027 an appropriation from the SEIF of at least $1.75 million for the program, of which at least $1.0 million is for qualified medium-duty and heavy-duty zero-emission vehicles and $750,000 is for zero-emission heavy equipment property.

Zero-emission Buses: Chapter 492 of 2019 established the Zero-Emission Vehicle School Bus Transition Grant Program within MDE to provide grants to county boards of education (and entities that contract with county boards to provide transportation services) to (1) purchase zero-emission school buses; (2) install electric vehicle infrastructure for charging zero-emission school buses; (3) engage in planning for a transition to using zero-emission school buses; and (4) fund pilot programs to experiment with a transition to zero-emission school buses.

Chapter 38 of 2022 made broad changes to the State's approach to reducing statewide greenhouse gas emissions and addressing climate change. Among other things, the Act established the Electric School Bus Pilot Program to be implemented and administered by the Public Service Commission. Under the pilot program, an electric utility may partner with a local school system in an arrangement that lowers the costs to the school system of acquiring and operating an electric school bus fleet while providing additional electric storage capacity to the utility. ***Chapter 570 of 2022*** included identical provisions with respect to the pilot program. For an additional discussion of the Electric School Bus Pilot Program, see the subpart "Public Service Companies" of Part H – Business and Economic Issues of this *Major Issues Review*.

Chapter 38 also prohibited beginning in fiscal 2025, except under specified conditions, a county board of education from (1) purchasing a school bus that is not a zero-emission vehicle or (2) using certain school buses that are not zero-emission vehicles. For an additional discussion of the conditional mandate to purchase and use zero-emission school buses, see the subpart "Environment" of Part K – Natural Resources, Environment, and Agriculture of this *Major Issues Review*.

Chapter 693 of 2021 prohibited the Maryland Transit Administration (MTA), beginning in fiscal 2023, from entering into a contract to purchase buses for its transit bus fleet that are not zero-emission buses. However, MTA may purchase an alternative-fuel bus instead if it determines that no available zero emission bus meets the performance requirements for a particular use.

Additionally, MTA must ensure the development of charging infrastructure to support the operation of zero-emission buses in the State transit bus fleet.

Electrification of State Vehicle Fleet: Chapter 38 of 2022 required that all passenger cars and other light-duty vehicles in the State vehicle fleet, by 2031 and 2036, respectively, be zero-emission vehicles, subject to certain exceptions. The Act also established timelines for achieving these goals. For an additional discussion of requirements for zero-emissions passenger cars and other light-duty vehicles in the State vehicle fleet provided under ***Chapter 38***, see the subpart "Environment" of Part K – Natural Resources, Environment, and Agriculture of this *Major Issues Review*.

Part H
Business and Economic Issues

Business Occupations

General

Department Name Change

Chapter 91 of 2019 renamed the Department of Labor, Licensing, and Regulation as the Maryland Department of Labor (MDL); the Secretary of Labor, Licensing, and Regulation as the Secretary of Labor; and made various conforming renaming changes for consistency.

Application Approval Standards

Chapter 796 of 2018 required six executive agencies to submit a report to the Governor and the General Assembly regarding the prior criminal histories of applicants for occupational licenses and certificates and the denial of applications based on a prior criminal history. ***Chapter 568 of 2019*** prohibited the Maryland Department of Agriculture (MDA), the Maryland Department of the Environment, the Maryland Department of Health, the Department of Human Services, MDL, and the Department of Public Safety and Correctional Services from denying an application for an occupational license or certificate based solely on the applicant's prior criminal conviction, if seven years have passed since the sentence, the only additional crime that the individual has been charged with is a minor traffic violation, and the prior criminal conviction was not a crime of violence or a crime that require sex offender registry.

Program Evaluations

The Maryland Program Evaluation Act (MPEA) is used by the General Assembly as a mechanism to monitor and evaluate approximately 60 regulatory boards, commissions, and other activities and units of the Executive Branch of State government. Most such entities are subject to termination, which is why the process has historically been known as "sunset review." ***Chapters 510 and 511 of 2019*** established the Office of Program Evaluation and Government Accountability within the Department of Legislative Services (DLS) and eliminated required

evaluations under the MPEA, although the termination dates for the various entities subject to the MPEA were retained. Instead of required evaluations, ***Chapters 510 and 511*** authorized the entities subject to the MPEA to be evaluated in accordance with a DLS work plan. For an additional discussion of the Office of Program Evaluation and Government Accountability, see the subpart "General Assembly" of Part C – State Government of this *Major Issues Review*.

Changes by Profession

Accountants

Prior to the enactment of ***Chapters 329 and 330 of 2019***, a public accountancy firm must have held a permit issued by the State Board of Public Accountancy if the firm (1) had an office in the State that performed attest services or (2) had an office in the State that used the title "CPA" or "CPA firm." However, an out-of-state firm was authorized to perform two of the five "attest" services (a compilation or a financial statement review) for a client with a home office in the State if the firm performed the services through a licensed out-of-state accountant and met specified application and peer review requirements. ***Chapters 329 and 330*** authorized an out-of-state firm to perform all five attest" services in the State without a firm permit issued by the board, under specified conditions.

Architects

Generally, all architectural documents prepared in connection with the addition, alteration, construction, or design of a building, an integral part of a building, or a group of buildings, which are intended for public use or residential use, must be signed, sealed, and dated by a licensed architect. However, prior to the enactment of ***Chapters 251 and 252 of 2021***, a person could be exempt from the requirement to hire a licensed architect for alterations or repairs of an existing building or structure in a municipality if the project did not exceed $5,000. ***Chapters 251 and 252*** increased the amount to qualify for the exemption from $5,000 to either $10,000 or $25,000, depending on the scope of the work.

Barbers

Barbering Students: Prior to the enactment of ***Chapter 251 of 2019***, only one student enrolled in public barbering courses could work under the supervision of a licensed master barber in a barbershop. ***Chapter 251*** increased from one to three the number of students a licensed master barber was authorized to supervise.

Apprentice Barbers: Chapter 194 of 2021 increased, from one to three per master barber, the number of apprentice barbers that a barbershop could employ simultaneously.

Cosmetologists

Chapter 108 of 2022 increased, from one to two, the number of apprentice cosmetologists that a licensed senior cosmetologist may supervise at the same time. ***Chapter 108*** also authorized

an individual with a limited license (esthetician, hairstylist, or nail technician) who has two or more years of experience in the relevant field to directly train and supervise up to two limited license apprentices of the same limited practice.

Electricians

The statewide licensing and regulation of electricians had been a recurring issue for several terms of the General Assembly prior to enactment of ***Chapter 591 of 2020***, which required MDL to convene a workgroup to study and make recommendations on the licensing and regulation of master, journeyperson, and apprentice electricians, the provision of low-voltage electrical services, the role of local governments in licensing, and other related issues. The workgroup was required to submit recommendations to the Senate Education, Health, and Environmental Affairs Committee and the House Economic Matters Committee by December 1, 2020.

Chapter 708 of 2021 adopted many of the recommendations of the workgroup. ***Chapter 708*** established a uniform statewide licensing category and licensing requirements and waivers for journeyperson and apprentice electricians, which increased the statewide licensing categories from one to three and also renamed the State Board of Master Electricians to be the State Board of Electricians. ***Chapter 708*** removed the authority of local governments to license master, journeyperson, and apprentice electricians beginning July 1, 2021. Local governments instead may register, instead of license, applicants to provide electrical services. Each county government must implement standards for local registration that are comparable to or more stringent than the requirements for a State license. At least one licensed master or journeyperson electrician must be present at any job site where electrical services are provided, and the State board must enforce minimum standards for electrical services in compliance with the most recent version of the National Electrical Code. ***Chapter 708*** also included an intent provision clarifying that the amended Maryland Electricians Act continue to be interpreted to not apply to the low-voltage industry or the provision of low-voltage electrical services.

Chapters 655 and 656 of 2022 made additional changes to the statewide regulation of electricians. The State board must credit completion of certain apprenticeship programs toward the experience requirements for a master electrician license of a journeyperson electrician license. To obtain a local job permit, an applicant must provide proof of insurance in specified amounts and possess both a State license and, if required, a local registration. An applicant for a journeyperson electrician's license may waive the experience and examination requirements if the applicant has four, instead of three, years of work experience. Finally, MDL must report to the Governor and the General Assembly on out-of-state reciprocity agreements for electrical licenses.

Professional Engineers

Generally, an individual must be licensed by the State Board for Professional Engineers before being authorized to practice engineering in Maryland. There are several pathways to licensure, each of which require a specified amount of work experience in engineering that is satisfactory to the board, depending on the level of educational attainment. ***Chapter 497 of 2020***

repealed the requirement that 5 of the 12 years of work experience for qualification as a nonacademic licensed professional engineer be while the individual is in "responsible charge."

Professional Land Surveyors

Chapter 432 of 2021 established that the general licensure requirement for an individual to practice land or property line surveying does not apply to an individual who utilizes measurement devices or systems, regardless of the technology or methods used, for the exclusive purpose of determining topography and contours, provided that the individual is certified by an entity acceptable to the State Board for Professional Land Surveyors.

Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors

Additional Certifications: Generally, an individual must be licensed by the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors as a home inspector before the individual may provide home inspection services in the State. Regulations establish the standards of practice that home inspectors must follow. ***Chapter 746 of 2019*** prohibited a licensed home inspector in Baltimore City from making a certification regarding the presence or identification of pests as part of an inspection of a rental dwelling unless the inspector was certified as a pest control consultant, pest control applicator, or public agency applicator by MDA. Similarly, ***Chapter 746*** prohibited licensed home inspectors from making a certification relating to a rental dwelling's electrical system, unless the inspector completed a minimum of eight hours of training in electrical systems certified by the Baltimore City Housing Commissioner.

Work Requirements: Chapter 531 of 2020 reduced the statutory 2,000-hour minimum work experience requirements for licensure or certification as a real estate appraiser through the Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors to 1,000 hours and 1,500 hours, respectively, and modified licensure reinstatement provisions.

Real Estate Brokers and Salespersons

Confidentiality: Chapter 381 of 2019 prohibited an individual licensed by the State Real Estate Commission from disclosing confidential information obtained from a prospective client in anticipation of establishing a brokerage relationship unless the prospective client consents in writing to the disclosure. ***Chapter 381*** also made various clarifying and conforming changes to definitions.

Continuing Education: Chapters 475 and 476 of 2020 required the subject matter covered by the continuing education ethics course required for licensure renewal from the State Real Estate Commission to include discussions of fraudulent real estate practices and of professionalism. ***Chapter 333 of 2022*** required an entity that conducts a continuing education course for real estate brokers, associate brokers, and salespersons to require an individual enrolled in the course to provide documentation to verify the individual's identity for both in-person and remote courses.

Real Estate Teams: Chapter 582 of 2019 authorized two or more licensed associate real estate brokers and real estate salespersons, licensed under the State Real Estate Commission, to designate themselves as a collective through use of the phrase "and associates."

Title Insurance: Chapters 649 and 650 of 2022 authorized a licensed title insurance producer to pay compensation for the provision of real estate brokerage services to associate real estate brokers, real estate salespersons, or certain business entities on behalf of a real estate broker during a property settlement.

Business Regulation

Licenses for Military Personnel

The Veterans Full Employment Act of 2013 facilitated professional licensing for active military personnel, veterans, and their spouses by the State's major licensing agencies through expedited licensure. ***Chapter 312 of 2019*** required units within the Maryland Department of Labor (MDL) to issue an expedited *full* license, registration, or certification, instead of a temporary one, to an eligible service member, veteran, or military spouse who met the same standards required for an expedited temporary license within 60 days after receiving a completed application. The definitions of "veteran" and "military spouse" were altered to remove the requirements that the individuals be discharged or the spouse of an individual deceased, respectively, within one year.

Diversity in the Boardroom

Chapters 513 and 514 of 2019 required tax-exempt, domestic nonstock corporations with an operating budget exceeding $5 million or domestic stock corporations with total sales exceeding $5 million to report the number of female board members and the total number of members on the board of directors when filing a specified personal property report with the State Department of Assessments and Taxation. The Comptroller was required to report this information to the General Assembly by January 1 of each year and make the report publicly available on the Comptroller's website.

Chapter 795 of 2021 altered the provisions of ***Chapters 513 and 514*** to require certain businesses, enterprises, corporations, foundations, schools, hospitals, and other entities that do business in the State to demonstrate diversity on their board or to demonstrate support for "underrepresented communities" before qualifying for State contracts, grants, or tax credits of $1.0 million or more within a single fiscal year. Underrepresented community means a community whose members self-identify as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaskan Native, or with one or more of those racial or ethnic groups. Provisions of ***Chapter 795*** also required the Department of Commerce and the Governor's Office of Small, Minority, and Women Business Affairs to (1) develop and maintain a State equity report to assess diversity data for covered entities and (2) adopt regulations

to carry out certain requirements, including directives for State agencies and entities to comply with those requirements.

Alcohol and Tobacco

Alcohol and Tobacco Commission

Chapter 25 of 2018 established the Task Force to Study State Alcohol Regulation, Enforcement, Safety, and Public Health and required the task force to examine whether the State agency that was then assigned the tasks of regulating the State alcoholic beverages industry and enforcing associated laws was the most appropriate agency to ensure the safety and welfare of Maryland residents. Legislation passed in 2019 implemented the task force's recommendations, in part, by establishing the Alcohol and Tobacco Commission (ATC) and transferring Field Enforcement Division staff, powers, and duties related to alcoholic beverages and tobacco from the Comptroller's Office to ATC. The Governor vetoed the legislation, but the General Assembly overrode the veto, and the bill became law as ***Chapter 12 of 2019***.

For further discussion of ATC and related legislation affecting its powers and responsibilities, see the subpart "Alcoholic Beverages" of this Part H of this *Major Issues Review*.

Tobacco Products

Purchase and Sale: Chapter 396 of 2019 raised, from age 18 to age 21, the minimum age for an individual to purchase or be sold tobacco products in the State, with certain exclusions. In addition, the Act renamed "electronic nicotine delivery systems" to be "electronic smoking devices" (ESDs) and altered the definition of "tobacco product" to include ESDs, defined as a device that can be used to deliver aerosolized or vaporized nicotine to an individual inhaling from the device. "ESD" included an electronic cigarette, an electronic cigar, an electronic cigarillo, an electronic pipe, an electronic hookah, a vape pen, vaping liquid, and any component, part, or accessory of such a device, regardless of whether the component is sold separately, including any substance intended to be aerosolized or vaporized during the use of the devices.

Chapter 396 repealed a provision of criminal law that prohibits a minor from using or possessing a tobacco product, cigarette rolling paper, or an ESD or from using a false form of identification to obtain a tobacco product, cigarette rolling paper, or an ESD. The Act specified that it is a defense that the defendant examined the purchaser's or recipient's government-issued identification that positively identified the purchaser or recipient as either at least age 21 or as at least age 18 and an active duty member of the military.

Chapter 396 also altered one provision of law relating to vending machine sales and several provisions of law relating to retailers. For vending machine sales, a person was prohibited from selling, dispensing, or offering to sell or dispense a tobacco product through a vending machine unless the vending machine is located in an establishment that individuals younger than age 21 are prohibited by law from entering at any time. For retailers, first, the Act authorized the Maryland Department of Health to conduct unannounced inspections of a licensed cigarette, other tobacco

product, or ESD retailer to ensure the licensee's compliance with the criminal prohibition against the distribution or sale of tobacco products to underage individuals. Second, a cigarette, other tobacco product, or ESD retailer was required to post a sign in a location that is clearly visible to the consumer that states the prohibition against underage sales, as specified. Third, the Act specified that if a person acting on behalf of a retailer violates specified prohibitions against the sale or distribution of tobacco products or ESDs, the retailer must pay the civil penalty.

Out-of-state Sales: Chapters 767 and 768 of 2021 created a licensing framework, overseen by the Executive Director of ATC, for the out-of-state sale of premium cigars and pipe tobacco in Maryland by requiring an individual located outside the State to have a remote tobacco seller license to sell those products to a consumer in the State.

Unpackaged Sales in Baltimore City: Chapter 314 of 2019 prohibited persons licensed to sell cigarettes at retail in Baltimore City from selling an unpackaged cigarette. Enforcement officers within the Tobacco Use Prevention and Cessation Program in the Baltimore City Health Department were granted the authority to enforce the prohibition.

Consumer Reimbursement

The Home Builder Guaranty Fund, administered by the Consumer Protection Division (CPD) of the Office of the Attorney General, allows consumers to seek compensation for actual losses resulting from an act or omission by a registered home builder who constructs a new home for a consumer. The fund is supported by fees collected by local governments from home builders upon application for a construction permit. ***Chapters 58 and 59 of 2020*** increased, from $300,000 to $500,000, the maximum amount CPD could award from the Home Builder Guaranty Fund to all claimants for acts or omissions of one registered home builder before the registered builder was required to reimburse the fund.

The Maryland Home Improvement Commission (MHIC) in MDL also administers a guaranty fund for the purpose of reimbursing homeowners for actual losses due to the errors and omissions of licensed contractors and their subcontractors, salespersons, and employees. ***Chapters 646 and 647 of 2022*** increased, from $20,000 to $30,000, the maximum possible amount that may be awarded by MHIC from the Home Improvement Guaranty Fund to a claimant for acts or omissions of one contractor.

Trademarks

Chapter 501 of 2020 made various revisions to provisions pertaining to trademarks, service marks, and trade names, including (1) modifying definitions; (2) altering the classes of goods and services for which a person may register a mark; (3) generally prohibiting registration of a mark that is primarily an individual's name; (4) specifying application and renewal requirements; (5) altering the contents of a certificate of registration; (6) modifying renewal notice and application requirements; and (7) authorizing an officer of an assignor to submit an instrument of assignment for the registration of a mark.

Regulations Affecting Small Businesses

Chapter 333 of 2020 required an Executive Branch agency, when submitting regulations to the Joint Committee on Administrative, Executive and Legislative Review, to include a certification in its economic impact analysis relating to small businesses that indicates whether the agency has received notice of whether an existing, comparable regulation that is at least as stringent as the proposed regulation has been adopted by a unit of local government. If the promulgating unit certifies that the unit has received notice of and determined that an existing local regulation is at least as stringent as the proposed regulation, the unit may also include a statement that compliance with the local regulation will constitute compliance with the proposed regulation.

Miscellaneous Business License Changes

Chapter 315 of 2022 altered various provisions of law governing miscellaneous State business licenses, including licensing materials issued to circuit court clerks by the Comptroller, distribution of licensing fees, application requirements for new and renewed licenses, late fees, and the effective date of licenses. ***Chapter 315*** also altered numerous provisions relating to other specific types of licenses, including construction licenses, peddler licenses, junk dealer licenses, laundry and dry cleaner licenses, storage warehouse licenses, restaurant licenses, chain store licenses, trader's licenses (including yacht sales), and vending machine licenses**.** The Act also repealed several obsolete provisions of law, including those for the licensure of amusement devices, wholesale farm machinery dealers, plumbers and gas fitters, and trading stamp issuers.

Other Changes by Industry

Appraisal Management Companies

Chapter 594 of 1990 established what is now the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors to implement and administer a real estate appraiser licensing and certification program that complies with Title XI of the federal Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989. As federal standards change, the General Assembly passes conforming legislation.

Chapter 86 of 2019 conformed State law to federal law and established that an appraisal management company must always provide specified notice to an appraiser and an opportunity for the appraiser to respond when the appraisal management company removes an appraiser from its appraiser panel or otherwise refuses to assign requests for real estate appraisal services.

Chapter 89 of 2019 established the Annual Federal Registry Fee Fund in MDL for the collection and transmittal of fees, in accordance with FIRREA. ***Chapter 89*** required the Director of the State Commission of Real Estate Appraisers, appraisal management companies, and home inspectors to administer the fund and required the commission to collect the fee from each appraisal management company.

Cemetery Oversight

The Office of Cemetery Oversight in MDL regulates two types of trust funds related to cemetery services: perpetual care trust funds; and preneed trust accounts. The income from a perpetual care trust fund must be used only for the perpetual care of the cemetery, as defined, and may not be used to care for memorials or monuments. ***Chapters 241 and 242 of 2021*** increased the amount that could be withdrawn from a perpetual care trust fund, subject to specified conditions. The Director of the Office of Cemetery Oversight was authorized to either limit or prohibit a fund balance distribution authorized by the Acts for specified reasons.

Elevators

Chapter 569 of 2020 delayed the requirement that certain annual tests on an elevator in a privately owned building be performed in the physical presence of a licensed third-party qualified elevator inspector. The Act delayed the requirement from October 1, 2020, to October 1, 2021, for all elevators in privately owned buildings, except for direct-acting hydraulic elevators, which must comply beginning October 1, 2022.

Fence Security Systems

Chapters 407 and 408 of 2021 authorized a local government to regulate the installation of battery-charged fence security systems, which were defined as alarm systems that include a fence and an energizer connected to the fence to power the system and deliver impulses to the fence. The Acts also authorized a local government to issue a citation if the system failed to comply with criteria regarding the location of the system, the energizing of the system, or the interfacing of the system with an alarm and to impose a fine if the system is not made compliant.

Household Goods Moving Services

Chapters 684 and 685 of 2019 prohibited a person from providing household goods moving services with a commercial vehicle in the State unless the person is first registered with MDL. "Household goods moving services" means the loading, packing, moving, transporting, storing while in transit, unloading, or otherwise taking possession or control from a consumer of household goods for the purpose of moving them to another location at the direction of the consumer for a fee. It does not include moving household goods for disposal or destruction. An applicant must comply with specified application requirements, pay an annual registration fee established by MDL, and keep a copy of the annual registration in each vehicle used to perform household goods moving services. MDL was authorized to impose a civil penalty of up to $5,000 for related violations.

Lodging Establishments

Accessible Rooms: Chapter 319 of 2020 required accessible rooms, or rooms that meet transient lodging requirements under the Americans with Disabilities Act, in lodging establishments to be furnished with a bed that measures at least 20 inches but not more than

23 inches high from the floor to the top of the mattress, whether or not the mattress is compressed, and has at least a 7-inch vertical clearance under the bed for lift access. A yearly phase-in process was established whereby a lodging establishment was required to incrementally furnish the accessible rooms with a bed that meets the specified requirements. ***Chapter 260 of 2021*** delayed the yearly phase-in requirement for the furnishing of accessible rooms by one year. As delayed by ***Chapter 260***, at least 25% of rooms must be furnished by December 31, 2022; at least 50% by December 31, 2023; at least 75% by December 31, 2024; and 100% by December 31, 2025.

Human Trafficking: Chapters 487 and 488 of 2022 required the Governor's Office of Crime Prevention, Youth, and Victim Services and MDL to establish a training program for innkeeper employees that will provide for the identification of suspected human trafficking. An innkeeper was required to ensure that all employees of the lodging establishment receive the annual training, including new employees, within 90 days of hiring. The Acts also required each innkeeper to certify to MDL that all employees of the lodging establishment have received the annual training and to establish a procedure for reporting human trafficking.

State Board of On-Site Wastewater Professionals

Chapter 419 of 2022 established the State Board of On-Site Wastewater Professionals in the Maryland Department of the Environment to license and regulate individuals who provide on-site wastewater services in the State and established a related On-Site Wastewater Professionals Fund. For an additional discussion of the board, see the subpart "Environment and Energy" of Part K – Natural Resources, Environment, and Agriculture of this *Major Issues Review*.

Retail Pet Stores

Chapter 448 of 2021 altered the definition of a "retail pet store" that is prohibited from selling cats or dogs to (1) include brokers; (2) no longer specify that the store must be open to the public; and (3) exclude an establishment at which the animals being sold were born. Additionally, ***Chapter 448*** established a Task Force to Study Canine Breeding Facilities and Sourcing Standards.

Trader's Licenses

Prior to enactment of ***Chapters 569 and 570 of 2019***, an applicant for a trader's license was required to pay a tiered annual license fee to the clerk of the court based on the value of the person's stock-in-trade (*i.e.*, inventory). For those tiered fees, the revenues are generally split between local government (92%) and the State general fund (8%). ***Chapters 569 and 570*** authorized the governing body of a county or municipality to select a uniform trader's license fee instead of using the tiered license fee. Selecting the uniform trader's license fee is a one-time, irrevocable decision. As opposed to tiered licensing in which most licensing revenue is retained by local governments, all revenue from uniform traders' fees accrues to the State general fund.

Vehicle Dealers

Chapter 90 of 2020 authorized a vehicle dealer in Harford County to sell, barter, deliver, give away, show, or offer for sale a motorcycle or certificate of title for a motorcycle on Sundays. ***Chapter 270 of 2020*** authorized a vehicle dealer in Baltimore County to do likewise.

Public Service Companies

Climate Solutions Now Act of 2022

Chapter 38 of 2022 made broad changes to the State's approach to reducing statewide greenhouse gas (GHG) emissions, transitioning the State to a highly electrified building sector, and addressing climate change. Among its many other measures, the Act included several significant provisions relating to public service companies. The Act included provisions that (1) specify it is the goal of the State that the electric distribution system support, in a cost-effective manner, the State's policy goals with regard to GHG reduction; (2) prioritize renewable energy; (3) decrease dependence on electricity imported from other states; and (4) increase energy distribution resiliency, efficiency, and reliability. By January 1, 2030, each primary State procurement unit must ensure that at least 75% of the electricity supply procured by the unit for use in State facilities is derived from no- or low-carbon energy sources. The Public Service Commission (PSC) and the Maryland Energy Administration (MEA) must coordinate with utility providers in the State to apply for and obtain access to funds from the federal Infrastructure Investment and Jobs Act for specified policy goals relating to the State's electric distribution system, and among other requirements, PSC must adopt regulations or issue orders to implement specific policies for electric distribution system planning and improvements.

Chapter 38 established numerous working groups that must advise on, among other issues, the impacts of transitioning to renewable energy; opportunities related to energy infrastructure improvements, transmission efficiency improvements, and battery backup viability; and solar photovoltaic systems. The Act also imposed wage and labor requirements for contractors and subcontractors working on distribution system improvement projects for investor-owned electric companies and gas and electric companies that were supported by federal funds.

Under both ***Chapter 38*** and ***Chapter 570 of 2022***, the General Assembly established the Electric School Bus Pilot Program, to be implemented and administered by PSC. Generally, under the pilot program, a utility would install interconnection equipment and provide rebates to local school systems to cover incremental costs of an electric bus fleet. In return, the school system would allow the utility to access the stored electricity without additional compensation at times when the school system determined that the buses were not needed to transport students. A utility could apply to PSC to implement an electric school bus pilot program if the program was structured to begin by October 1, 2024, and met other specified requirements. Generally, the initial duration of an electric school bus pilot program must be at least three years and could be up to five years. However, on the request of a utility, PSC could authorize an expansion of the scope, deployment,

program costs, and duration of the pilot program. ***Chapter 38*** also generally prohibited a county board of education, beginning in fiscal 2025, from entering into a new contract to purchase any school bus that was not a zero-emission vehicle (ZEV) or to use any school bus that was not a ZEV, and imposed additional requirements for the purchase of ZEVs in the State vehicle fleet.

Chapter 38 extended the annual energy savings goals under the EmPOWER MEA beyond the 2021-2023 program cycle and increased the required annual energy savings. PSC must, by regulation or order, require each electric company to procure or provide cost-effective energy efficiency and conservation programs and services for its customers to achieve specified energy savings.

For any taxable year beginning after June 30, 2022, ***Chapter 38*** also established that personal property was exempt from county or municipal corporation property tax if the property was machinery or equipment that was part of a community solar energy generating system that had a specified generating capacity, provided energy in a specified manner, and was installed on a rooftop, parking facility canopy, or brownfield. Eligibility for the exemption would terminate after December 31, 2024.

For additional discussion of ***Chapter 38***, see the subpart "Environment and Energy" of Part K – Natural Resources, Environment, and Agriculture of this *Major Issues Review*.

Electricity and Energy

Renewable Energy Portfolio Standard

Maryland's Renewable Energy Portfolio Standard (RPS) was enacted in 2004 to facilitate a gradual transition to renewable sources of energy. Electric companies (distribution utilities) and other electricity suppliers must submit renewable energy credits equal to a percentage specified in statute each year or else pay an Alternative Compliance Payment (ACP) equivalent to their shortfall.

Chapter 757 of 2019 increased the RPS from 25% by 2020 to be 50% by 2030. Effective October 1, 2019, the Act reestablished the expired Tier 2 of the RPS as an additional requirement to include electricity from large hydroelectric sources for two years, in 2019 and 2020. New offshore wind capacity was required beginning with at least 400 megawatts in 2026, increasing to at least a cumulative 800 megawatts in 2028, and to at least a cumulative 1,200 megawatts in 2030, along with goals and reporting requirements for minority business enterprise and minority workforce participation. The carve-out for solar increased to 5.5% in 2019, with further annual increases until the solar carve-out reached 14.5% in 2028. Electric cooperatives were exempted from any solar carve-out increase beyond 2.5%.

To control ratepayer impacts, ***Chapter 757*** reduced Tier 1 ACPs beginning in 2019; by 2029, solar and nonsolar Tier 1 ACPs reach parity. ACP revenue remained dedicated to supporting new renewable energy sources in the State, but under the Act, those new renewable energy sources also must be owned by or must directly benefit low-income residents.

For an additional discussion of ***Chapter 757***, see the section "Labor and Workforce" within this subpart, and the subpart "Economic Development" of this Part H of this *Major Issues Review*.

Due to economic ripple effects from the COVID-19 pandemic on the capacity of the solar industry to meet solar Tier 1 targets, ***Chapter 673 of 2021*** reduced the amount of solar energy required under the RPS each year from 2022 through 2029, while leaving the nonsolar requirement generally unchanged, before realigning with current law beginning in 2030 when the total Tier 1 requirement would reach 50%, and the solar requirement would reach 14.5%. The Act also increased solar ACPs beginning in 2023, before gradually returning to near-parity with current law by 2030. Nonsolar ACPs were unchanged. In addition, the Act excluded black liquor, or any product derived from black liquor, from eligibility for inclusion in the RPS as a Tier 1 resource, by excluding them from the definition of "qualifying biomass." Other eligible forms of qualifying biomass remained unchanged. Finally, the Act indefinitely extended Tier 2, large-scale hydroelectric sources, each year from 2021 forward.

Generally, municipal electric utilities were not exempt from Maryland's RPS. ***Chapters 174 and 175 of 2021*** limited the annual Tier 1 percentage requirements of the State's RPS for municipal electric utilities to 20.4% in total, including at least 1.95% from solar energy and up to 2.5% from offshore wind. The Acts also required municipal electric utilities to purchase Tier 2 renewable energy credits in 2021 only.

Chapter 164 of 2021 created a carve-out for post-2022 geothermal systems in Tier 1 of the RPS, beginning in 2023 at 0.05% and increasing each year until reaching 1.0% in 2028 and later, subject to specified requirements and ACPs. A large post-2022 geothermal system was eligible for inclusion in the RPS only if the company installing the system provided certain employment compensation and benefits to its employees; compliance with that requirement must be regulated and enforced by the Maryland Department of Labor.

Chapter 578 of 2022 modified the collection mechanism under the RPS for Offshore Wind Renewable Energy Credits (ORECs) by shifting onto each electric company, rather than each electricity supplier, the obligation to purchase ORECs to meet the State's RPS requirements.

Clean Energy Innovation

Chapter 213 of 2019 expanded the State's qualified plug-in electric vehicle excise tax credit by increasing to $6.0 million the total amount of credits that the Motor Vehicle Administration (MVA) could award. The Act also extended tax credit eligibility to qualified fuel cell electric vehicles. For a more detailed discussion of the Act, see the subpart "Motor Vehicles" of Part G – Transportation and Motor Vehicles of this *Major Issues Review*.

During the 2021 session, the General Assembly passed ***Senate Bill 460 and House Bill 419***. The Governor vetoed the bills, but the General Assembly overrode the vetoes, and the bills became law as ***Chapters 13 and 24 of the 2021 special session***. The Acts required the Maryland Energy Innovation Institute (MEII) and the Maryland Clean Energy Center (MCEC) to implement an accelerator program for Maryland-based technology companies engaged in clean

energy innovation. MCEC was also designated as a green bank for the State and required to work in conjunction with other local and private green banks. Generally, the Strategic Energy Investment Fund (SEIF) must transfer at least $2.1 million annually to the Maryland Energy Innovation Fund, from which at least $900,000 must be apportioned to MEII and at least $1.2 million to MCEC.

Community Solar

An emerging feature of the electric industry, community solar, allowed electric customers to access solar energy without installing generating equipment at their residence. A community solar customer could purchase a subscription to a community solar project and receive a proportional electricity bill credit for energy produced. In 2015, PSC was required to establish a three-year Community Solar Energy Generating System Pilot Program subject to specified conditions. ***Chapters 461 and 462 of 2019*** extended the Community Solar Energy Generating Systems Pilot Program through December 31, 2024. The Acts also specified that a community solar energy generating system could have an unlimited number of subscribers.

Chapter 581 of 2022 increased the maximum generating capacity of a community solar energy generating system, including with respect to eligibility for net-energy metering credits, from 2 megawatts to 5 megawatts. The Act also clarified that a community solar energy generating system that exceeded 2 megawatts must obtain a Certificate of Public Convenience and Necessity (CPCN) for its construction. The CPCN process is discussed further below.

Net Metering

Generally, net energy metering is the measurement of the difference between the electricity that is supplied by an electric company and the electricity that is generated by an eligible customer-generator and fed back to the electric company over the eligible customer-generator's billing period. ***Chapters 271 and 272 of 2021*** doubled the statewide limit on net metered capacity from 1,500 megawatts to 3,000 megawatts.

Energy Storage

As the electric industry modernized and relied more heavily on renewable and associated emerging technologies, efforts continued both in the General Assembly and at PSC to ensure that the State's regulatory frameworks addressed the new technologies in an appropriate manner. Energy storage – the capture of energy produced at one time for use at a later time – was a technology that did not fit neatly within Maryland's deregulated electricity markets and its categories of distribution, transmission, and generation. ***Chapter 427 of 2019*** required PSC to establish an Energy Storage Pilot Program by June 1, 2019. Under the program, each of the State's four investor-owned electric companies was required to request proposals for two energy storage projects and apply for PSC approval. The projects were required to fit within four commercial and regulatory models, featuring varying levels of utility, private sector, and customer involvement. PSC must evaluate the program and submit to the General Assembly an interim report by July 1, 2024, and a final report by December 31, 2026.

Certificate of Public Convenience and Necessity

Under statute, a person must generally obtain a CPCN from PSC before beginning construction of a "generating station," unless an exemption was granted. Among other provisions, ***Chapters 614 and 615 of 2021*** prohibited PSC from taking final action on a CPCN without considering the effect of climate change on the project and, for a generating station, the impact of the project on GHG emissions and its consistency with the State's GHG emissions reduction goals.

During the 2021 session, the General Assembly also passed ***Senate Bill 417 and House Bill 777***. The Governor vetoed the bills, but the General Assembly overrode the vetoes, and the bills became law as ***Chapters 14 and 26 of the 2021 special session***. The Acts established a six-month deadline for the Maryland Department of the Environment and the Department of Natural Resources to review and make recommendations on a completed application for a CPCN. They also added additional specificity for evaluations and recommendations made by the two departments. Under the Acts, PSC must determine when a CPCN application is complete and may waive the six-month deadline for good cause or on agreement of the parties to the proceeding. The Acts also repealed a provision that allowed State agencies to modify recommendations after the public CPCN hearing.

Electric Companies (Mergers)

As of May 2022, there were four investor-owned electric companies (IOUs) operating in Maryland: Baltimore Gas and Electric Company; Delmarva Power and Light Company; Potomac Edison Company (PE); and Potomac Electric Power Company (Pepco). With the exception of PE, owned by First Energy Corporation, the remaining three IOUs were owned by Exelon Corporation. Exelon companies served about 80% of customer accounts in Maryland. PE served about 10% of customer accounts. The remaining customers were served by electric cooperatives and municipal electric companies.

Chapter 721 of 2019 prohibited a person from acquiring, directly or indirectly, the power to exercise substantial influence over the policies or actions of an IOU if the person would become an affiliate of each IOU in the State as a result of the acquisition. Among other transactions, the Act precluded a merger between First Energy and Exelon, the complete or partial transfer of PE to Exelon, and the complete or partial transfer of all three of Exelon's Maryland IOUs to First Energy.

Utility and Billing Issues

The Electric Customer Choice and Competition Act of 1999 facilitated the restructuring of the electric utility industry in Maryland. The resulting system of customer choice allowed the customer to purchase electricity from a competitive supplier or to continue receiving electricity under standard offer service (SOS). Issues surrounding energy affordability and the ability of residential ratepayers to benefit from customer choice received increased attention in the years following the restructuring. ***Chapter 305 of 2019*** required PSC to establish residential customer choice shopping websites for electricity and natural gas, each of which must include related

information and links to other resources. PSC must also add further educational information related to electric customer choice on its website.

Limited-income Customers and Assistance

The Office of Home Energy Programs (OHEP) in the Department of Human Services administers a variety of energy assistance programs and services for residential customers, including the Electric Universal Service Program (EUSP) and the Maryland Energy Assistance Program, which is Maryland's vehicle for funding from the federal Low Income Home Energy Assistance Program.

In response to concerns about the serious impact of utility service loss on medically vulnerable individuals, a critical medical needs pilot program was implemented in 2015 through a cooperative partnership between relevant entities, gas and electric companies, and nonprofit organizations. ***Chapters 282 and 283 of 2019*** formally established a statewide Critical Medical Needs Program in OHEP to facilitate assistance to critical medically vulnerable individuals and their households in obtaining financial assistance through navigators who would assist the individual in the energy assistance application process.

In 2020, one of the major economic impacts of the COVID-19 pandemic was a significant increase in demand for financial assistance to low-income households for electricity and gas service. For a time, utility services were subject to moratoriums on service terminations for nonpayment; however, the State moratoriums on utility service terminations expired on October 1, 2020, with electric and gas utilities technically authorized to begin terminations as of November 15, 2020. Although PSC conducted proceedings to require electric and gas utilities to allow customers to enter into extended payment plans of one year for most accounts and two years for households receiving certain public assistance, many households were still left facing the prospect of termination of electric or gas services.

In order to address potential termination of electric and gas services both as a result of the pandemic and longer-term systemic issues, ***Chapters 638 and 639 of 2021*** generally required utilities to adopt a "limited-income mechanism," subject to the approval of PSC and other specified requirements. The mechanism could take the form of a program, tariff provision, credit, rate, rider, or other means to assist an eligible limited-income customer to afford utility service. The Acts also expanded eligibility under EUSP.

Chapters 636 and 637 of 2021 required PSC, by January 1, 2023, to establish an administrative process to approve supply offers for electricity or gas for households in the State that received energy assistance through a program administered by OHEP, subject to specified requirements. An approved supply offer must include a commitment to charging at or below the SOS rate for customers receiving energy assistance. Beginning July 1, 2023, unless PSC had approved the supply offer, a third-party retail supplier was prohibited from charging a customer receiving assistance from an OHEP program, receiving funds from an OHEP program, or taking other specified actions.

Chapters 665 and 666 of 2022 required OHEP to develop a uniform redetermination process, to be updated annually, to assist eligible energy customers who were at least 65 years old in reenrolling in energy assistance programs each year.

Gas Companies

On August 17, 2016, the four-story Flower Branch apartment building in Silver Spring caught fire and exploded. The accident resulted in seven deaths. The National Transportation Safety Board determined that the probable cause of the explosion was the failure of an indoor service regulator with an unconnected vent line that allowed natural gas into the meter room where the gas then accumulated and ignited. ***Chapters 263 and 264 of 2021*** required gas service regulators to be installed or relocated outside of specified structures, subject to certain procedures, requirements and exemptions.

Labor and Workforce

Chapter 757 of 2019 required MEA to use SEIF to provide $7.0 million in funding for access to capital for small, minority, women-owned, and veteran-owned businesses in the clean energy industry under the Small, Minority, and Women-Owned Businesses Account in the Department of Commerce. The funding must be allocated in annual increments from fiscal 2021 through 2028. In addition, MEA must also use SEIF to invest in pre-apprenticeship, youth apprenticeship, and registered apprenticeship job training programs to establish career paths in the clean energy industry under the Maryland Employment Advancement Right Now program in the Department of Labor, Licensing, and Regulation.

For additional discussions of ***Chapter 757***, see the section "Renewable Energy Portfolio Standard" within this subpart, and the subpart "Economic Development" of this Part H of this *Major Issues Review*.

Contractors and subcontractors working on eligible public works projects in the State must pay their employees the prevailing wage rate. During the 2021 session, the General Assembly passed ***Senate Bill 95 and House Bill 174***. The Governor vetoed the bills, but the General Assembly overrode the vetoes, and the bills became law as ***Chapters 12 and 21 of the 2021 special session***. The Acts required investor-owned gas and electric utilities to require contractors and subcontractors on underground projects to pay their employees at least the applicable prevailing wage rate. The Acts applied to projects involving the construction, reconstruction, installation, demolition, restoration, or alteration of any underground gas or electric infrastructure of the company and any related traffic control activities.

As discussed above, ***Chapter 38 of 2022*** also imposed similar prevailing wage requirements on projects undertaken by electric companies to upgrade or enhance distribution systems and related facilities using funding from the federal Infrastructure Investment and Jobs Act.

Telecommunications and Broadband

9-1-1 Modernization

Chapters 301 and 302 of 2019 enhanced and altered the regulatory framework governing the State's 9-1-1 system. Among other changes, the Acts expanded the responsibilities of the Emergency Number Systems Board, increased the State 9-1-1 fee, authorized a local government to increase its 9-1-1 fee, and applied both fees to each separate outbound call voice channel capacity instead of to each account.

The 9-1-1 system is funded through the 9-1-1 Trust Fund. Each telephone company and commercial mobile radio service (CMRS) provider in the State must act as a collection agent for the 9-1-1 Trust Fund and must remit all money collected on a monthly basis. ***Chapters 604 and 605 of 2020*** required telephone companies and CMRS providers to keep records of 9-1-1 fees collected and remitted for at least four years after the fees were remitted. For additional discussion of ***Chapters 604 and 605***, see the subpart "Public Safety and Corrections" of Part E – Crimes, Corrections, and Public Safety of this *Major Issues Review*.

Rural Broadband

Over many years, the General Assembly sought to find ways to facilitate the expansion of rural broadband services. The 2019 report of the Task Force on Rural Internet, Broadband, Wireless, and Cellular Service discussed the issue in depth and recommended using existing easements and infrastructure of the State's electric cooperatives, which had a large geographic footprint in the rural areas of the State, to expand broadband deployment. Accordingly, ***Chapter 277 of 2019*** authorized an electric cooperative to construct, maintain, operate or allow others to construct, maintain, or operate specified facilities that furnish telecommunication, broadband, or related services in certain areas, subject to notification requirements. To ensure that an electric cooperative's electric customers did not subsidize the cost of broadband services, an electric cooperative must properly allocate costs incurred under the Act between electricity-related services and broadband services. The Act applied retroactively and must be applied to and interpreted to affect all real property, rights-of-way, and easements held by an electric cooperative on and after October 1, 2019.

Office of Statewide Broadband

In 2017, Executive Order 01.01.2017.14 established the Office of Rural Broadband (ORB) within the Department of Information Technology; in 2020, the office was moved to instead be housed within the Department of Housing and Development (DHCD). The purpose of ORB was to support the State's efforts to provide affordable, high-speed Internet service to every Maryland home.

The COVID-19 pandemic, and the remote work and schooling necessitated by it, served to highlight both the importance of reliable broadband service and the lack of it in various portions of the State, rural, urban, and suburban. ***Chapter 74 of 2021*** established the Office of Statewide

Broadband (OSB) within DHCD as the successor to ORB and gave OSB expanded responsibilities. The Act imposed extensive planning, data collection, outreach, and intergovernmental cooperation requirements on OSB. Significantly, the Act required OSB to prepare a statewide plan ensuring universal, affordable, reliable broadband Internet connectivity exceeding certain federal standards by December 31, 2026.

Chapter 74 also established the Digital Inclusion Fund and the Digital Connectivity Fund within DHCD to provide grants to local governments and nonprofits to increase access to high-speed Internet and to assist in the development of affordable broadband Internet infrastructure, as specified. The Act transferred the Rural Broadband Assistance Fund from the Department of Commerce to OSB, though spending from that fund was still subject to the Rural Broadband Coordination Board. The Act terminates June 30, 2030.

Joint Trenching Authority

In order to facilitate expansion of broadband Internet infrastructure under ***Chapter 74***, ***Chapters 632 and 633 of 2021*** required the Maryland Department of Transportation (MDOT) and units of local government to allow joint trenching by broadband providers, as specified. MDOT and local governments were generally authorized to assess fees to certain broadband providers that participated in joint trenching. Fees collected by MDOT were distributed to special funds that supported broadband development. To the extent practicable, the State must appropriate federal funding for the purpose of improving broadband access and adoption.

Transportation

In addition to its better-known role in the regulation of electric and gas utility rates, PSC also regulates persons engaged in the public transportation of individuals for-hire in vehicles such as cars, vans, limousines, and buses. This includes issuing relevant permits for the vehicles and issuing related licenses to authorize drivers to operate those vehicles for hire.

Under the regulatory framework governing TNCs such as Uber and Lyft, a transportation network operator (*i.e.*, a hired driver), a TNC on behalf of the transportation network operator, or a combination of both must maintain primary motor vehicle insurance that covered the operator while the operator was providing transportation network services. The required security must be an insurance policy issued by an insurer authorized to do business in the State or an eligible surplus lines insurer. ***Chapter 226 of 2019*** authorized MVA to accept another form of security, in place of an insurance policy, for vehicles operating for a TNC if (1) the other form of security adequately provided the same benefits required under an insurance policy and (2) the TNC was an affiliate of a company that provided taxicab services and had between 26 and 300 transportation network operators.

Chapters 269 and 270 of 2021 made administrative changes to the for-hire driver's license application process, generally to facilitate the receipt of driver photographs. The Acts also removed a requirement for Baltimore City taxicab drivers to complete an education course, removed a general requirement related to the display of specified information on taxicabs, and removed

taxicabs from the limited list of motor vehicles not required to have seat belts in the vehicle. Finally, provisions related to limousines with 15 or fewer passengers were expanded to include all motor vehicles, including a corresponding authorization to be operated by a licensed transportation network operator.

Underground Facilities

To protect underground facilities such as natural gas, telephone, cable, television, water, and sewer lines, the Maryland Underground Facilities Damage Prevention Authority was established in 2010. The authority heard complaints and assessed civil penalties for violations of the laws protecting underground facilities. During the 2020 session, the General Assembly passed ***Senate Bill 877***. The Governor vetoed the bill, but the General Assembly overrode the veto during the 2021 session, and the bill became law in February 2021 as ***Chapter 18***. The Act made various changes to the Maryland Underground Facilities Damage Prevention Authority, its composition and powers, and specified related procedures for the ongoing protection of underground facilities. For example, any previously detectable or underground facility locatable during planned or emergency work was required to be restored to be detectable or locatable, by October 1, 2021. Also, beginning on that date, except as otherwise provided, any newly installed specified underground facility was required to be detectable or locatable.

Persons planning an excavation or demolition project must generally notify the owners of nearby underground facilities such as natural gas, telephone, cable, television, water, and sewer lines so that the location of the facilities can be clearly marked. Notification is accomplished by initiating a ticket request and providing specified information through the one-call system. After receiving a ticket, an owner-member or its contract locator must mark the location of an underground facility and report that the facility has been marked or report that the owner-member has no underground facilities in the vicinity of the planned excavation or demolition. ***Chapters 113 and 114 of 2022*** authorized the authority to impose additional punitive measures when a person failed to notify the one-call system before performing excavation or demolition in the State or violated any other requirement related to excavation and demolition. Instead of or in addition to assessing a civil penalty, the authority could (1) require a person to participate in damage prevention training; (2) implement procedures to mitigate the likelihood of damage to underground facilities; or (3) impose other similar measures.

Chapters 435 and 436 of 2022 required a person, when using the one-call system to provide notification of a planned excavation or demolition, to select a start work date that was between 3 and 12 business days after the ticket was initiated. In addition, the Acts expanded the information that must be indicated in the notice provided to the one-call system to include the extent of the work to be performed in connection with the proposed excavation or demolition, rather than simply the type of the work.

Insurance Other Than Health Insurance

National Association of Insurance Commissioners Model Legislation

The National Association of Insurance Commissioners (NAIC) is a national standard-setting and regulatory support organization created and governed by the chief insurance regulators from 50 states, the District of Columbia, and five U.S. territories. NAIC regularly develops model legislation concerning new and existing insurance issues and encourages its member regulators to adopt the legislation. The State regularly adopts NAIC model legislation to ensure continued accreditation for the Maryland Insurance Administration (MIA) by NAIC.

Corporate Governance and Supervision

Chapter 105 of 2019 adopted NAIC model legislation, which generally requires each insurer in the State to provide the Maryland Insurance Commissioner with a summary of its corporate governance structure, policies, and practices on an annual basis. The Act specified penalties for an insurer's failure to submit the disclosure and authorized the Commissioner to adopt regulations to carry out the Act.

Chapter 104 of 2019 adopted NAIC model legislation that authorizes the Commissioner to act as the groupwide supervisor for an internationally active insurance group or recognize other groupwide supervisors as appropriate. The Act established the regulatory and supervisory powers for a groupwide supervisor, including assessing the enterprise risks within the insurance group to check its financial condition and coordinating and requiring development and implementation of reasonable measures designed to recognize and mitigate financial risks of the insurance group.

Authorized Investments

Chapter 229 of 2019 generally adopted NAIC model legislation that authorizes the reserve investments of an insurer, other than a life insurer, to include a fee simple or improved leasehold real estate, or interests in limited partnerships formed for the development or ownership of fee simple or improved leasehold real estate, under specified circumstances.

Reinsurance

Chapters 100 and 101 of 2020 updated Maryland's version of the NAIC Model Act # 785 "Credit for Reinsurance Model Law" by defining "covered agreement" and "reciprocal jurisdiction," requiring creation and publication of a list of reciprocal jurisdictions and authorized assuming insurers and specifying when credit must be allowed whenever reinsurance is ceded to an assuming insurer. ***Chapter 104 of 2021*** adopted additional changes to this model legislation by establishing rules and regulations governing a foreign reinsurer that is not (1) considered a reciprocal jurisdiction; (2) certified as a reinsurer in the State; or (3) certified or licensed in a specified number of states while maintaining at least $250 million in capital and surplus.

Cybersecurity

Chapter 231 of 2022 adopted NAIC model legislation establishing data security standards for insurance regulators, insurers, and other specified carriers. The Act established standards applicable to carriers for data security, prompt investigation, and notification to the Commissioner that a breach of a security system has occurred if the carrier conducts an investigation and determines that the breach creates a likelihood that personal information has been or will be misused.

Insurance Policy Cross-rating

Chapter 558 of 2020 expressly authorized a private passenger motor vehicle insurer to consider an applicant's homeowner's insurance claim history when initially rating a private passenger motor vehicle policy, but it prohibited the insurer from increasing the private passenger motor vehicle policy premium at the time of renewal based on a homeowner's insurance claim.

Similarly, the Act expressly authorized a homeowner's insurer to consider an applicant's private passenger motor vehicle insurance claim history when initially rating a policy, but it prohibited the insurer from increasing the homeowner's policy premium at the time of renewal based on a private passenger motor vehicle insurance claim.

Motor Vehicle Insurance

Maryland law requires an owner of a motor vehicle that is required to be registered in the State to maintain insurance for the vehicle during the registration period. The insurance must meet the minimum coverage amounts specified by State law.

Usage-Based Insurance Program

Usage-Based Insurance (UBI) programs use telematics devices installed on or used in an insured vehicle to directly monitor driving behavior, such as distances driven, speeding, or hard braking. Once the data are collected and analyzed, an insurer adjusts the premiums accordingly. ***Chapters 144 and 145 of 2020*** made various changes to the regulatory framework governing automobile insurance with respect to telematics and UBI programs. Among other things, the Acts exempted UBI program policies from the three-year window for review of claims and driving record and the ability to exclude a named individual from a policy, expressly allowed a premium increase based on usage under specified circumstances, and prohibited an insurer from using telematics to cancel or refuse to renew a policy. However, the Acts generally prohibited an insurer from requiring an applicant or policyholder to use telematics unless the insurer only offers UBI policies.

Uninsured Motorist Coverage

Uninsured motorist coverage (UM) and enhanced underinsured motorist coverage (EUIM) pay for injury and damages caused by an uninsured, underinsured, or hit-and-run motorist. The

coverage reimburses the policyholder, members of the policyholder's family, or a designated driver for an accident caused by the motorist. ***Chapter 77 of 2020*** clarified that UM or EUIM coverage must entitle the insured to recover from the owner or operator of an uninsured motor vehicle because of property damage, including the loss of use of the insured vehicle. The Act required that the minimum security amounts for bodily injury and property damage must include any loss of use of the insured vehicle.

Rental Vehicles

Generally, an owner of a rental vehicle must maintain the minimum security required by law for the vehicle. When a rental vehicle is involved in an accident, there may be two insurance policies covering the vehicle – the insurance maintained by the rental vehicle owner and the insurance maintained by the driver. ***Chapters 471 and 472 of 2019*** allowed the owner of a rental vehicle to satisfy the minimum security required by law for the rental vehicle by maintaining the minimum security on the vehicle that is secondary to the renter's personal insurance coverage, meaning that in the event of an accident, the driver's personal insurance coverage would pay for damages before the rental vehicle owner's coverage. However, the Acts established the circumstances under which the rental vehicle owner's insurance must still be primary and various other procedures related to rental vehicle insurance claims.

Chapter 433 of 2020 authorized the lessor of a Class E (truck) rental motor vehicle to offer the lessee a collision damage waiver if the truck being rented is used primarily for personal, household, family, or agricultural purposes and does not exceed a three-quarter ton capacity or 7,000 pounds gross vehicle weight. Class E (truck) rental motor vehicles include pickup trucks, dump trucks, tow trucks, and similar vehicles.

Emergency Roadside Service

Chapters 62 and 63 of 2020 prohibited a private passenger motor vehicle insurer from cancelling, refusing to renew, or otherwise terminating coverage for a policy because of a claim under the towing or emergency roadside service (ERS) coverage in the policy. However, the Acts expressly authorized an insurer to remove the towing or ERS coverage from a policy at the time of renewal based on the number of towing or ERS claims and increase the premium of a policy as a result of a towing or ERS claim.

Transportation Network Companies

Transportation network companies (TNCs) such as Lyft and Uber must maintain primary motor vehicle insurance that covers transportation network operators while the operators are providing transportation network services. The Public Service Commission authorizes certain other forms of for-hire drivers such as taxicab companies and sedan services to maintain security through self-insurance. ***Chapter 226 of 2019*** authorized certain TNCs affiliated with taxicab companies to self-insure their vehicles.

Complaints and Notifications

When a private passenger motor vehicle liability insurer proposes to cancel or fail to renew a policy, reduce coverage under a policy, or increase the total premium for a policy, the insured generally has the right to protest the proposed action and request a hearing before the Commissioner. ***Chapter 523 of 2020*** allowed an insured to file with MIA a protest of certain actions by a private passenger motor vehicle insurer through the consumer complaint portal on the MIA's website and generally simplified the protest process.

Homeowner's Insurance

Marital status is one of many factors that an insurer may choose to include in the factors used in its underwriting model for homeowner's insurance. ***Chapter 331 of 2019*** prohibited an insurer from increasing the homeowner's insurance premium of an insured who becomes a surviving spouse based solely on the insured's change in marital status.

Life Insurance

In the prior term, Chapters 430 and 431 of 2018 established additional obligations and requirements for life insurers when they consider, underwrite, and issue a life insurance policy on the life of a minor. Among other things, an application for or endorsement to such a policy must include a specified message warning that a beneficiary involved in the killing of the insured is not entitled to benefits under the policy. The statement must be included on the first page of the application for or on an endorsement to a policy. ***Chapter 533 of 2019*** allowed this statement to be on a separate disclosure provided to an applicant at the time of application.

Chapter 402 of 2019 prohibited a life, disability, or long-term care insurer from taking certain adverse actions against an applicant or insured, such as refusing or cancelling an insurance policy, refusing to pay a claim, or increasing premium rates, based solely on the applicant's or insured's status as an organ donor.

Chapter 527 of 2020 required universal and variable life insurers to provide written notice to a policyholder if a policy allows the policyholder to reduce the face amount of the policy. The notice must be sent at the beginning of the grace period for paying premiums and must state that the policy allows for a reduction of the face amount of the policy as an option to retain coverage, among other information. The notice must be sent to a policyholder's last known address at the beginning of the grace period required for payment of premiums for life insurance policies and at least 30 days before termination of coverage.

In Maryland, the value of any paid-up annuity, cash surrender, or death benefits under a life-insurance/annuity contract must be based on the minimum nonforfeiture amount calculations under the Insurance Article. ***Chapters 692 and 693 of 2022*** lowered the minimum nonforfeiture rate for a life insurance/annuity policy, that is the minimum interest rate that an insurer uses to determine the cash value of a policy as it grows over time, from 1% to 0.15%.

Title Insurance

Chapters 700 and 701 of 2022 made permanent the authority of a title insurer to conduct its annual producer reviews remotely, authorizing the reviews to take place (1) at the place of business of the title insurance producer; (2) remotely using mail, overnight delivery, or electronic means; or (3) through a combination of both on-site and remote methods. The Acts repealed the requirement that reviews address policy blank inventory and processing operations, and instead require reviews to address policy-issuing and processing operations.

Insurance Professionals

Insurance Producers

An insurance producer is a person licensed by MIA to sell insurance in the State on behalf of an insurer. If an applicant for an insurance producer license is not a resident of the State, the applicant may instead obtain a nonresident insurance producer license. ***Chapter 520 of 2020*** established qualifications for maintaining a nonresident insurance producer license. Additionally, the Act authorized the Commissioner to cancel, rather than having to deny, suspend, or revoke, the license of a nonresident insurance producer after receiving notice that the person is no longer licensed in the person's home state. Cancelling is not considered an adverse action and, therefore, need not be reported by the producer to other jurisdictions.

Third-party Administrators

A third-party administrator (TPA) is a person that acts for an insurer or plan sponsor. To act as a TPA, an applicant must register with the commissioner and meet other specified requirements.

Chapter 100 of 2019 expanded the regulatory authority of MIA over TPAs to include TPAs for life insurance. The Act also subjected TPAs for life insurance to the same prohibitions that apply to other TPAs and made other conforming changes.

Chapter 522 of 2020 allowed for the staggering of expiration dates for TPA registrations with MIA. Specifically, the Act altered registration terms to expire two years after the date of issuance, rather than every other June 30. The Act also authorized a TPA to renew a lapsed registration within one year after the expiration date, rather than within three months, established a $100 reinstatement fee, and repealed the former tiered reinstatement fee schedule.

Managing General Agents

A managing general agent is a person who manages all or part of the insurance business of an insurer, including the management of any separate division, department, office, or subsidiary of the insurer. Each insurer must maintain specified records, conduct reviews, and share information with the commissioner about the managing general agents that the insurer does business with or employs. During the COVID-19 emergency, MIA suspended on-site reviews and

authorized these reviews to be conducted through virtual or remote means during 2020. ***Chapter 121 of 2022*** made permanent the authority for an insurer to conduct reviews of the underwriting and claims processing operations of its managing general agent virtually or remotely by repealing the requirement that the reviews be conducted on-site.

Public Adjusters

A "public adjuster" is a person who for compensation acts or aids, solely in relation to first-party claims arising under a policy of real or personal property, on behalf of the insured in negotiating for, or effecting the settlement of, a claim for loss or damage covered by an insurance policy. ***Chapter 521 of 2020*** required a public adjuster to disburse insurance settlement payments received from an insurer on behalf of an insured within 15 business days after the payment date.

Surplus Lines Brokers

A person may purchase insurance from an unauthorized insurer as a surplus line under certain conditions, generally when the type of insurance sought is not available from any authorized insurer in the State. ***Chapters 723 and 724 of 2022*** increased the fees that may be charged related to surplus lines insurance policies. Specifically, the Acts prohibited the fees from exceeding (1) $200 on each personal lines policy or (2) the greater of $500 or 7% of the policy premium on each commercial lines policy. Additionally, the Acts authorized a surplus lines broker that holds a certificate of qualification to charge a reasonable policy fee, without specific numerical limits, on each policy for an exempt commercial policyholder under certain conditions.

Maryland Insurance Administration – Administration and Enforcement

Enforcement Authority

The Insurance Article grants the Commissioner broad enforcement authority to suspend or revoke a certificate of authority, impose a penalty for each violation of the article, and require restitution to any person who has suffered financial injury because of a violation. Other specified enforcement actions are authorized when a person is found to have committed an unfair claim settlement practice.

Chapter 120 of 2022 clarified the Commissioner's authority to enforce insurance contracts. Specifically, the Act expressly provided that instead of or in addition to suspending or revoking a certificate of authority, the Commissioner may require the holder to (1) fulfill any obligation under the policies or contracts that the holder failed to fulfill in violation of the Insurance Article or (2) pay a claim or an amount due under a policy or contract not paid in violation of the article. In addition, the Act expressly authorized the Commissioner to take specific enforcement actions when a person has committed an unfair claim settlement practice.

Hearings

During the COVID-19 emergency, MIA was unable to hold in-person public hearings. The Office of the Attorney General advised the agency that it could conduct hearings virtually if all parties agreed to do so. ***Chapter 230 of 2022*** extended the agency's ability to hold virtual hearings by authorizing the Commissioner to require an MIA hearing to be held virtually. However, the Commissioner could not require a party to participate virtually in a hearing if the party demonstrated that it was unable to exercise specific rights related to the hearing by appearing virtually. In that case, the Commissioner was required to make available a space within MIA with access to the equipment necessary to allow the parties to participate in the virtual hearing.

Notices

Chapter 105 of 2021 authorized MIA to send a notice or other communication using electronic means if (1) the notice or other communication was required to be provided in writing; (2) the recipient has provided an email address to MIA to receive notices or other communications; (3) the notice or other communication was sent to that email address; and (4) MIA maintained proof that the notice was sent to the recipient using that email address. While MIA could require entities that it regulates to use electronic communications, consumers and other nonlicensees who interact with the agency could still use traditional mail to communicate with the agency.

Maryland Automobile Insurance Fund

Created by the General Assembly in 1972, the Maryland Automobile Insurance Fund (MAIF) is an independent nonbudgeted quasi-State agency. Through its Insured Division, MAIF provides automobile liability insurance to residents of the State who are unable to obtain policies in the private insurance market. As the insurer of last resort for private passenger automobile insurance, MAIF is not in direct competition with the private insurance industry and has been subject to a number of marketing and operational restrictions since its creation.

Title 6 of the Insurance Article imposes a 2% premium tax on each authorized insurance company, surplus lines broker, or unauthorized insurance company that sells, or an individual who independently procures, any type of insurance coverage on a risk that is located in the State. Revenues accrue to the general fund. In the prior term, Chapter 509 of 2017 exempted MAIF from paying the premium tax on its automobile insurance policies through fiscal 2022. ***Chapters 468 and 469 of 2021*** made permanent that exemption, meaning that MAIF was no longer required to pay the premium tax for its automobile insurance policies.

Chapters 453 of 2022 repealed nearly all of the limitations on MAIF related to accepting premiums on an installment basis. The Act (1) expressly and simply authorized MAIF to accept premiums on an installment payment basis; (2) required the Commissioner, in approving MAIF's plan, to consider specified factors related to the cost, number, and affordability of premium payments under the plan; and (3) required the Commissioner to ensure that MAIF's installment payment plan would meet existing requirements for insurers related to the charging and collection of premiums on an installment basis. The Act also required the Commissioner to submit a report

to the General Assembly whenever MAIF would make a change to its plan for accepting premiums on an installment basis. The report must provide the reason for the change and include the effect the change would have on the factors that the Commissioner must consider when approving MAIF's installment plan.

Horse Racing and Gaming

Horse Racing

Racing Facilities

Chapter 590 of 2020 authorized the Maryland Stadium Authority (MSA) to issue up to $375.0 million in 30-year bonds for financing, planning, design, construction, and related expenses for racing facilities at Pimlico and Laurel Park. The bonds support improvements to both facilities, including the clubhouse, racetracks, stables, barns, and associated roads and walkways. The Act also established the Racing Community Development Financing Fund (RCDFF) and the Facilities Fund, which are revolving funds for implementing provisions of law concerning racing and community development projects and for the payment of debt service expenses incurred by MSA, or otherwise approved by MSA, concerning the projects. Beginning in fiscal 2022, the Act required the transfer of $17.0 million from the State Lottery Fund to the RCDFF for each fiscal year until the bonds issued for a racing facility have matured. The Lottery Fund is reimbursed under the Act as follows: (1) $8.5 million from Racetrack Facility Renewal Account (RFRA) funds allocated to thoroughbred racing; (2) $5 million from Purse Dedication Account funds dedicated to thoroughbred purses; and (3) $3.5 million from local impact grants to Baltimore City from video lottery terminal (VLT) proceeds.

Chapter 590 also provided for the conveyance of the Bowie Race Course Training Center to the City of Bowie by December 31, 2023. The Act specified permissible recreational uses for the transferred property and required the City of Bowie to enter into a joint use agreement, including an easement, with Bowie State University (BSU) for the future use of the property.

Lastly, ***Chapter 590*** specified the following:

- requirements for and the contents of long-term agreements for management and operations at the Pimlico and Laurel Park racing facility sites;

- beginning in fiscal 2021, $200,000 must be transferred annually from the amount allocated for Rosecroft Raceway from the RFRA to Employ Prince George's, Inc. for workforce development and small, minority, and women-owned business development;

- for fiscal 2021 through 2032, the greater of $2.4 million or 24% of the total amount of funds directed to the Pimlico Community Development Authority from VLT proceeds must be provided to Park Heights Renaissance, Inc.;

- between $1.0 million and $1.5 million from the Facilities Fund must be transferred to the City of Bowie for remediation costs at the Bowie Race Course Training Center, provided a specified agreement between the City of Bowie and BSU has been executed;

- the authorization of various tax incentives for the redevelopment and conveyance of the racing facilities and the Bowie Race Course Training Center;

- the Maryland Racing Commission (MRC) must consider the health, safety, and welfare of horses engaged in racing and training at tracks and training facilities in the State;

- the establishment of an Equine Health, Safety, and Welfare Advisory Committee within MRC; and

- any housing facilities for track workers located at Pimlico Race Course, Laurel Park, or the Bowie Race Course Training Center and used during the transition or construction periods of the development of the projects must meet local health and housing requirements.

Chapter 61 of 2022, in relevant part (1) required MSA to provide two reports on the progress of the Pimlico and Laurel Park racing facility redevelopment plans under ***Chapter 590 of 2020*** and (2) established the intent of the General Assembly that certain redevelopment projects at Pimlico and Laurel Park proceed by September 1, 2022, using funds from the Facilities Fund. Further, the Act required the Maryland Economic Development Corporation to undertake certain efforts related to the acquisition of Laurel Park by a government or nonprofit entity to ensure the redevelopment and construction of facilities at the Laurel Park racing facility site. Lastly, the Act required specified horse racing entities to report on the status of Maryland thoroughbred racing operations. For an additional discussion of ***Chapter 61***, see the subpart "Economic Development" of this Part H.

Satellite Simulcast Betting Facilities

Chapters 256 and 257 of 2022 provided that certain local zoning approval is not required to use a facility for satellite simulcast betting if the facility is properly zoned for operation of (1) a video lottery facility; (2) a sports wagering facility; or (3) electronic bingo or tip jar machines. The Acts also authorized MRC to waive review of an applicant for a satellite simulcast betting permit if the applicant is a video lottery or sports wagering licensee.

Sports and Event Wagering

In Maryland, legalized sports wagering is considered an expansion of commercial gaming. Article XIX of the Constitution of Maryland provides that the General Assembly may only authorize additional forms or an expansion of commercial gaming if approved through a referendum by a majority of the voters in a general election. ***Chapter 492 of 2020*** authorized sports and event wagering generally, subject to voter referendum, which was approved by Maryland

voters in November 2020. The Act also provided that revenues from sports and event wagering must primarily be used for public education.

Chapter 356 of 2021 implemented sports and event wagering in the State and provided for regulation of sports wagering by the State Lottery and Gaming Control Commission (SLGCC). The Act also established the Sports Wagering Application Review Commission (SWARC) to review and award applications for sports wagering facility and mobile sports wagering licensure. Sports wagering facility licensees designated in the Act include video lottery operators with more than 1,000 VLTs and specified professional sports franchises (Class A-1), video lottery operators with 1,000 or fewer VLTs and a specified horse racing licensee (Class A-2), and the Maryland State Fairgrounds and certain satellite simulcast betting and commercial bingo facilities (Class B-1 or B-2). Class B-2 licenses are reserved for applicants with (1) fewer than 25 employees or (2) less than $3,000,000 in annual gross receipts. Applicants may also compete for an additional 30 Class B facility licenses and 60 mobile sports wagering licenses; however, a Class B license may not be awarded to an applicant whose facility is located within (1) a 15-mile radius of a Class A facility located in Allegany, Cecil, or Worcester counties or (2) a 1.5-mile radius of a Class A facility located in any other county or any other Class B facility.

SWARC must actively seek to achieve diversity when awarding licenses and encourage small, minority, and women-owned businesses to apply for sports wagering licenses. Licensees retain 85% of sports wagering proceeds, with the remainder distributed to the Blueprint for Maryland's Future Fund (BMFF). Certain other revenues are distributed to the Problem Gambling Fund and the newly established Small, Minority-Owned, and Women-Owned Business Sports Wagering Assistance Fund, the purpose of which is to provide grants or loans to small, minority-owned, and women-owned businesses to facilitate participation in the sports wagering industry.

Lastly, ***Chapter 356*** (1) required the Governor to include in the State budget for fiscal 2023 an appropriation of $1,500,000 each for Morgan State University and BSU to establish centers for the study of data analytics and sports gaming at each university and (2) from sports wagering proceeds credited to the BMFF for fiscal 2022, included supplementary appropriations for certain programs.

Chapter 257 of 2022 altered the Class B license exclusion zones established under ***Chapter 356 of 2021*** by providing that, for applications for a sports wagering facility license submitted before June 1, 2025, SWARC may not award a Class B license for a location within (1) a 15-mile radius of a certain Class B sports wagering facility in Charles County; (2) a 10-mile radius of a certain Class B sports wagering facility in Carroll County; or (3) a 5-mile radius of a certain Class B sports wagering facility in Frederick County. In addition, the Act authorized SWARC to award a Class B license within a 15-mile radius of a video lottery facility located in Allegany County before the issuance of a Class A sports wagering license to that facility.

Chapter 255 of 2022 prohibited the admissions and amusement tax from being imposed on any proceeds from sports wagering.

Fantasy Competitions

In addition to the regulation of sports wagering, ***Chapter 356 of 2021*** required fantasy competition operators to register with SLGCC before offering a fantasy competition or related services in the State and required fantasy competition operators to remit 15% of their proceeds to SLGCC, which in turn distributes the funds to the BMFF.

Video Lottery Facilities

Distribution of Proceeds

Chapter 1 of the second special session of 2012 authorized SLGCC to increase the share of VLT revenues for a licensee in Anne Arundel County by up to two percentage points, for a licensee in Baltimore City by up to three percentage points, and for a licensee in Cecil County by up to five percentage points. In December 2018, SLGCC proposed increasing the licensee share for the three casinos by the maximum percentage points permitted for each location. The Budget Reconciliation and Financing Act (BRFA) of 2019 (***Chapter 16***), repealed the authority of SLGCC to increase the distribution of VLT proceeds to the three licensees. In addition, from the VLT revenues dedicated to local impact grants, the BRFA of 2019 required that $120,000 must be distributed annually to the Town of Forest Heights in Prince George's County.

Chapter 692 of 2021 altered the distribution of VLT proceeds from the video lottery facility in Allegany County after the first 10 years of operations, and beginning July 1, 2023, increases the percentage of VLT proceeds to be paid to the facility licensees in Baltimore City and Cecil County, subject to certain requirements. The Act also reduced the minimum average payout percentages for individual VLTs and gaming floors. Any amount of local impact grants distributed to Anne Arundel County or Baltimore City as a result of a specified hold harmless provision must be paid from the State Lottery Fund. Lastly, the Act repealed a prohibition regarding the development of lodging facilities within 10 miles of the Worcester County VLT facility.

Minority Business Enterprise Participation

Chapter 4 of the 2007 special session included a requirement that construction and procurement related to the operation of video lottery facilities meet the same requirements for minority business participation specified for State agencies under the State's Minority Business Enterprise (MBE) program. That requirement, reauthorized in 2011 and 2018, was scheduled to terminate July 1, 2019. ***Chapters 280 and 281 of 2019*** extended by one year (1) the requirements for minority business participation and (2) the deadline for the Maryland Department of Transportation to conduct a disparity study of the MBE requirements compliance with federal law. ***Chapter 553 of 2020*** extended the participation requirements an additional three years through June 30, 2023.

State Lottery and Instant Ticket Lottery Machines

Chapter 661 of 2022 increased the lottery agent sales commission from 5.5% to 6% of gross lottery sales. A veterans' organization that operates instant ticket lottery machines receives the same commissions as a licensed lottery agent.

Local Gaming

Chapter 14 of 2021 made permanent the distribution of admissions and amusement tax revenues from electronic gaming devices to the E-Nnovation Initiative Fund and the Maryland State Arts Council and provided, beginning in fiscal 2021, for the distribution of specified revenues to the Town of Chesapeake Beach and the Michael Erin Busch Sports Fund, subject to a certain contingency.

Economic Development

Economic Development Programs and Initiatives

More Jobs for Marylanders Program – Extension and Alterations

Chapter 149 of 2017 established the More Jobs for Marylanders Program, which is administered by the Department of Commerce (Commerce) and provides State income tax, sales tax, property tax, and fee benefits to certain businesses that create and maintain a minimum number of qualified jobs. Eligibility for specific benefits is determined by the type of business, its location, and whether or not it is a new business. Generally, a business must operate or conduct a trade or business that is primarily engaged in manufacturing, or else be located in a federal opportunity zone, and not be otherwise excluded by law.

The More Jobs for Marylanders Program has a multi-step application process – before applying for tax credits a business must first submit a notice of intent to seek designation as an eligible project. Following various extensions, the law allowed, through May 31, 2022, Commerce to certify that a project meets program requirements and, therefore, be eligible for 10-year tax benefits. ***Chapter 136 of 2022*** extended the program for two additional years so that Commerce can certify projects through May 31, 2024, and modified the program for projects certified beginning June 1, 2022, by (1) altering the wages that must be paid to employees filling qualified positions filled by newly enrolled business entities to 150% of the State minimum wage; (2) limiting benefits for projects in Tier II areas to five years; and (3) limiting the benefit to only an income tax credit that is reduced as compared to the prior law. For projects filing a notice of intent beginning June 1, 2022, the Act increased the number of new employees that must be hired to be qualified for benefits. Finally, the Act reduced the maximum amount of income tax credit certificates that Commerce may issue each year from $9.0 million to $5.0 million and codified the purpose of the program.

Maryland Arts Capital Grant Program

Chapters 394 and 395 of 2021 established the Maryland Arts Capital Grant Program, administered by the Maryland State Arts Council, to award grants to organizations with an operating budget under $3.0 million that participate in the council's Grants for Organizations Program or Community Arts Development Program or are open to the public and provide cultural educational experiences. A grant may be awarded for the acquisition of, expansion of, renovation of, or major repairs to a facility or other infrastructure that is operated by an eligible recipient. No more than 15% of funds may be used for operating expenses. For any fiscal year, an organization may not receive a grant of more than $1.0 million for a single project. From fiscal 2024 through 2029, the Governor must include $3.0 million in the State operating or capital budget for the program.

Enterprise Zone Program Alterations

Chapter 732 of 2022 altered the Enterprise Zone tax credit program by (1) codifying the purpose of the program to attract, retain, and encourage commercial development in economically distressed areas of the State by incentivizing capital investment and job creation through real property and income tax credits; (2) requiring the Secretary of Commerce to adopt regulations governing the evaluation and prioritization of applications for enterprise zone and expansion designations; (3) limiting the authority of the Secretary to expand existing zones by 25% instead of 50%; (4) altering the definitions of "focus area employee" and "qualified employee" for the income tax credit; and (5) adding reporting requirements.

Maryland New Start Act

Chapter 485 of 2022 established the Maryland New Start Grant Program in the Maryland Department of Labor (MDL), and the Maryland New Start Microloan Program, along with a nonlapsing special fund, in Commerce. MDL must award grants to at least five eligible organizations to create or support existing entrepreneurship development programs that assist specified formerly imprisoned individuals or specified individuals approved for release by a correctional facility. Commerce may award collateral-free loans to these formerly or currently imprisoned individuals participating in certain programs to establish a business. Commerce, in consultation with the Governor's Office of Small, Minority, and Women Business Affairs, must administer the microloan program. The Governor must include an appropriation of at least $300,000 to the Maryland New Start Microloan Fund and at least $200,000 for the Maryland New Start Grant Program in the annual budget bill in fiscal 2024 through 2028. The Act terminates June 30, 2029.

Opportunity Zones

The Federal Tax Cuts and Jobs Act of 2017 established the Qualified Opportunity Zones Program to incentivize private investment in distressed communities. Under the Act, states may nominate up to 25% of specified low-income census tracts for designation by the U.S. Treasury as

opportunity zones. The program offers federal tax incentives related to capital gains for persons who make qualifying investments within these designated opportunity zones.

State Opportunity Zone Enhancement Program

Chapter 211 of 2019 provided a number of incentives for businesses in opportunity zones, including the Opportunity Zone Enhancement Program, administered by Commerce. Under the program, certain businesses within an opportunity zone may qualify for enhanced incentives under the following tax credit programs: (1) job creation; (2) One Maryland; (3) enterprise zone; (4) biotechnology investment incentive; (5) cybersecurity investment incentive; and (6) More Jobs for Marylanders. The Act also extended the More Jobs for Marylanders program by two years and expanded the program's geographic and business eligibility criteria. Additionally, the Act extended the geographic eligibility for a number of other State economic development/tax credit and financing programs available for priority funding areas and/or sustainable communities to include opportunity zones in Allegany, Garrett, Somerset, and Wicomico counties.

Chapter 38 of 2020 altered the Opportunity Zone Enhancement Program by (1) limiting the enhanced tax benefits available under the program to tax years 2019 through 2026; (2) restricting eligibility for the enhanced benefits under the biotechnology investment incentive and cybersecurity investment incentive tax credit programs to investments made in a company that is newly established or expands into an opportunity zone on or after March 1, 2018; (3) requiring businesses in a county with a minimum wage that exceeds the State minimum wage to pay the greater of 120% of the State or county minimum wage; and (4) altering certain application and reporting requirements. The Act also prohibited golf courses, country clubs, tanning salons, and bail bondsmen from participating in the More Jobs for Marylanders Program.

For an additional discussion on Opportunity Zone incentives, see the subpart "Income Tax" of Part B – Taxes of this *Major Issues Review*.

Small, Minority, and Women-Owned Businesses Account

The purpose of the Small, Minority, and Women-Owned Businesses Account (SMWOBA), administered by Commerce, is to provide investment capital and loans to small, minority, and women-owned businesses, primarily in the jurisdictions and communities surrounding a video lottery facility. Grants are provided to eligible fund managers, who then provide funds to specific businesses.

Clean Energy Initiatives

Chapters 127 and 128 of 2008 established the Strategic Energy Investment Fund (SEIF) to receive and distribute revenues from Regional Greenhouse Gas Initiative carbon dioxide emission allowance auctions. ***Chapter 757 of 2019*** required, among other provisions, that the Maryland Energy Administration distribute a total of $7.0 million from SEIF for access to capital for small, minority, women, and veteran-owned businesses in the clean energy industry under SMWOBA,

subject to specified conditions. The funding must be allocated in annual increments from fiscal 2021 through 2028, as specified in the Act.

For an additional discussion of clean energy initiatives, see the subpart "Public Service Companies" of this Part H of this *Major Issues Review*.

State of Emergency

Federal and State Emergencies: In response to weather-related flood disasters, ***Chapter 116 of 2021***, an emergency bill, expanded the eligible uses of SMWOBA to include grants in areas declared to be federal disaster areas or subject to a federal or State declaration of emergency. In those circumstances, eligible fund managers may provide financial assistance in the form of a grant or by converting a prior loan to a grant. This authority is limited to $50,000 on either form of assistance to a single business and an aggregate limit of $10.0 million in a fiscal year.

Local Emergencies: In response to a damaging tornado, for a period of two years, until June 30, 2024, ***Chapters 490 and 491 of 2022*** expanded the eligible use of SMWOBA to include grants to businesses and nonprofit organizations in Anne Arundel County and the City of Annapolis when in a local state of emergency as declared by the principal executive officer. The Acts also established a Workgroup to Study the Establishment of a State Disaster Relief Fund, staffed by the Maryland Department of Emergency Management. The workgroup terminates June 30, 2023.

Small Business Assistance

Purple Line Construction Zone Grant Program

The Purple Line is a 16.2-mile light rail line that will extend from Bethesda, in Montgomery County, to New Carrollton, in Prince George's County. The Purple Line will operate largely at street level in a combination of dedicated and semi-exclusive rights-of-way and also includes segments on elevated structures and in tunnels.

During the 2021 session, the General Assembly passed ***Senate Bill 199 and House Bill 114.*** The bills were vetoed by the Governor, but the General Assembly overrode the vetoes, and the bills became law as ***Chapters 11 and 20 of the 2021 special session***. The Acts, in addition to other provisions affecting transportation planning and funding more directly, established a Purple Line Construction Zone Grant Program to provide funds to qualified small businesses to assist in offsetting business revenue lost as a result of the construction of the Purple Line. The Acts required Commerce to provide $1.0 million in general funds to the grant program in fiscal 2023 and 2024, with a maximum single award amount of $50,000. For a more detailed discussion of the Acts, see the subpart "Transportation" within Part G – Transportation and Motor Vehicles of this *Major Issues Review*.

Small Business Development Center Network Fund

During the 2020 session, the General Assembly passed ***Senate Bill 493***. The Governor vetoed the bill, but the General Assembly overrode the veto, and the bill became law as ***Chapter 15 of 2021***.

The Small Business Development Center offers free business consulting services to new and existing small businesses. The network is organized across five regions, with more than 20 offices located throughout the State; in order to receive federal funds, the State must provide at least a one-to-one match. ***Chapter 15*** increased the minimum required general fund appropriation to $1,150,000 beginning in fiscal 2022 from $950,000.

Economic Development Data Collection and Reporting

Chapter 408 of 2020 added the More Jobs for Marylanders Tax Credit, the Purchase of Cybersecurity Technology or Service Tax Credit, the Opportunity Zone Enhancement Tax Credit, and the Small Business Relief Tax Credit to the definition of economic development program for specified data collection, tracking, and reporting requirements under the Maryland Jobs Development Act. Additionally, ***Chapter 408*** required Commerce to establish, maintain, and annually update a publicly available database on the department's website that provides related specified information on its economic development programs.

The State's Minority Business Enterprise (MBE) program requires that a statewide goal for MBE contract participation be established biennially through the regulatory process under the Administrative Procedure Act, with the goal set at 29% as of January 2022. ***Chapters 194 and 195 of 2020*** required Commerce to include specified information related to MBEs in its annual consolidated report on economic development programs.

Chapter 116 of 2022 streamlined and consolidated reporting requirements for economic and tax credit programs administered by Commerce by eliminating separate reporting requirements and expanding the data collection, tracking, and reporting requirements of the Maryland Jobs Development Act and information to be published on the department's website.

RELIEF Act

The Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families Act (also known as the RELIEF Act), ***Chapter 39 of 2021***, an emergency Act, provided income tax relief, economic impact payments, and other forms of assistance to businesses and employers struggling from the fallout of the COVID-19 pandemic. The Act funded several initiatives that promoted economic development and recovery in the State through the Recovery Now Fund.

The Maryland Economic Development Assistance Authority and Fund in Commerce received the following funding:

- $10.0 million to provide grants of up to $9,000 to businesses that (1) do not engage in a business activity that requires the business to collect sales and use tax and (2) can demonstrate a need for assistance. At least 15% of the funds must be distributed to disadvantaged businesses;

- $10.0 million to provide funding to local governments to provide grants of up to $25,000 to businesses that (1) are considered hotels, motels, or bed-and-breakfast inns and (2) can demonstrate a need for assistance. If a business is a part of a franchise with multiple locations, the business must be owned by a local franchise;

- $22.0 million to provide local governments with funding to distribute grants of up to $12,000 to businesses that (1) are primarily engaged as caterers, drinking places, restaurants, or other eating places and (2) demonstrate a need for assistance. At least 15% of the amount of the grants distributed must be to disadvantaged businesses; and

- $500,000 to provide grants to assist businesses with setting up an online sales framework and to offer employees telework opportunities.

Other funding directly relevant to economic development included the following:

- the Maryland Statistical Analysis Center received $5.0 million to provide emergency grants to artists, art districts, and art organizations;

- SMWOBA received $10.0 million to be used in accordance with Title 5, Subtitle 15 of the Economic Development Article;

- the Maryland Technology Development Corporation (TEDCO) received $1.5 million to provide grants to rural and agricultural businesses in the State;

- the Maryland Agricultural and Resource-Based Industry Development Corporation received $2.0 million to provide grants to rural and agricultural businesses; and

- the Maryland Tourism Development Board received $1.0 million to market small businesses for tourism.

The Maryland Small Business Development Financing Authority is also authorized to convert up to $50,000 of coronavirus pandemic-related financing provided to a small business in fiscal 2021 or 2022 into a grant.

For a more detailed discussion of the Act, see the subpart "Operating Budget" within Part A – Budget and State Aid of this *Major Issues Review*.

Maryland Technology Development Corporation

TEDCO is an independent entity established by the General Assembly to facilitate the creation of technology companies and encourage collaboration between these emerging businesses and federal and State research laboratories.

Investments, Operations, and Board Member Composition

In February 2019, a fiscal compliance audit conducted by the Office of Legislative Audits contained three findings related to TEDCO's management of the Enterprise Fund/Maryland Venture Fund, Maryland Venture Fund Authority, and the InvestMaryland program, including private venture funds that received money under the program.

Chapters 487 and 488 of 2019 made several changes to the eligibility criteria for investments made by TEDCO, primarily to address the findings of the February 2019 fiscal compliance audit. The Acts altered and established eligibility criteria for TEDCO investments to generally require that a business have and subsequently maintain a presence in the State. Further, the Acts expanded the purposes of TEDCO to focus on Maryland-based companies and to foster inclusive and diverse entrepreneurship and innovation throughout the State. The Acts also required TEDCO to adopt regulations establishing an investment committee and authorized the TEDCO board to appoint an advisory committee, subject to specified requirements. The Maryland Venture Fund Authority must meet at least quarterly to review TEDCO's investment policy and investment decisions for the InvestMaryland program.

Chapters 195 and 196 of 2021 added four members to the board of directors of TEDCO – two appointed by each Presiding Officer, generally subject to the same qualifications as the members appointed by the Governor. The Acts also required at least one of the two existing board members representing colleges and universities to represent an historically black college or university and specified that any single college or university may not be represented on the board for more than two consecutive terms.

Programs and Funds

Comprehensive Technical Assistance Program: To provide technical assistance to any business that qualifies for financial assistance in the portfolio of TEDCO, ***Chapters 235 and 236 of 2021*** established the Comprehensive Technical Assistance Program. Services provided by the program include providing applied training services and offering experienced advisors. TEDCO was required to provide a detailed description of the implementation of the program in its annual report.

Pre-Seed Builder Fund: Chapter 415 of 2021 established the Pre-Seed Builder Fund in TEDCO as the successor to a similar fund established in TEDCO regulations. The fund supports

the development of startup companies run by entrepreneurs from socially or economically disadvantaged backgrounds that hinder access to traditional forms of capital and executive networks at the pre-seed stage. The Act required the Governor to include in the annual State budget an appropriation in the following amounts: $5.0 million in fiscal 2023; $6.2 million in fiscal 2024; and $7.5 million annually beginning in fiscal 2025.

Inclusion Fund: Chapter 180 of 2021 established the Inclusion Fund in TEDCO to provide capital investment in technology-based businesses that (1) would qualify for investment under the Builder Fund, as provided in TEDCO regulations; (2) are at least 30% owned by individuals who demonstrate economic disadvantage; and (3) are controlled and managed for at least one year after the time of investment by an individual or individuals who demonstrate economic disadvantage.

Maryland Makerspace Initiative Program: Chapter 322 of 2022 established the Maryland Makerspace Initiative Program in TEDCO to encourage the establishment and expansion of makerspaces throughout the State. "Makerspace" means a community space that (1) provides access to tools, technology, and knowledge for learners and entrepreneurs; (2) results in the prototyping or creation of physical goods; and (3) supports the development of educational opportunities for personal growth, workforce training, and early-stage business ventures. The Act also required the Governor to include an appropriation in the annual budget bill of at least $1.0 million in fiscal 2024 through 2028 for the fund. The Act terminates September 30, 2028.

Maryland Equity Investment Fund: Chapter 391 of 2022 established the Maryland Equity Investment Fund in TEDCO to allow unappropriated general fund surplus to be invested in a "qualified business" – with a goal to increase private equity and venture capital in the State – and the interest earnings and investment returns realized to the benefit of participants of the several pension systems managed by the State Retirement and Pension System (SRPS). For fiscal 2024, the Governor must include an appropriation in the budget bill to the fund equal to 10% of the unappropriated general fund surplus in excess of $10.0 million from the second prior fiscal year, up to a maximum of $10.0 million, with up to $15.0 million instead of up to $25.0 million being appropriated to the SRPS accumulation funds (trust fund) that year. A "qualified business" is a business that, at the time of the first investment, has its principal business operations located in the State and intends to remain in the State after receiving an investment; has agreed to use the qualified investment primarily to support business operations in the State or, in the case of a start-up company, establish and support business operations in the State; and has no more than 250 employees. A "qualified business" does not include those primarily engaged in retail sales; real estate development; the business of insurance, banking, or lending; or the provision of professional services by accountants, attorneys, or physicians.

Small Business Innovation Research and Technology Transfer Programs

The U.S. Small Business Administration Office of Technology administers the Small Business Innovation Research and Technology Transfer (SBIR/STTR) Programs, which are competitive federal grant programs for small high-tech innovative businesses. The programs

support a significant portion of the federal government's research and development efforts; however, many recipients are small businesses that encounter difficulties in receiving follow-on funding that would assist in commercialization.

Small Business Innovation Research and Technology Transfer Program Study: Chapter 306 of 2019 required Commerce to explore ways to (1) foster job creation and economic development in the State by capitalizing on the federal presence in the State; (2) encourage and facilitate the transfer of technology from small businesses; and (3) encourage small businesses to apply for federal grants through the SBIR/STTR Programs that are administered by the U.S. Small Business Administration Office of Technology. Commerce submitted its findings and recommendations to the General Assembly on January 24, 2020.

Small Business Innovation Research and Technology Transfer Incentive Program: To enhance federally awarded SBIR/STTR grants, the General Assembly passed ***Senate Bill 398 and House Bill 514*** during the 2020 session. The Governor vetoed the bills, but the General Assembly overrode the vetoes, and the bills became law as ***Chapters 8 and 25 of 2021***. The Acts established the Maryland Small Business Innovation Research and Technology Transfer Incentive Program, administered by TEDCO. An eligible small business may apply for a State award or investment of 25% of an SBIR/STTR federal grant, limited to $25,000 for Phase I funding or $75,000 for Phase II funding. TEDCO may make up to 20 Phase I distributions and 10 Phase II distributions per fiscal year. Recipients of grants similar to SBIR/STTR are also eligible, and awards or investments may exceed the maximum amount under specified circumstances. The Acts also established a special fund for the grant awards and administration of the program.

Chapter 205 of 2021 required the program to prioritize awards to and investments in eligible small businesses that are engaged in research and development activities that assist in the prevention of, preparedness for, or response to a public health crisis in the State. The Act also broadened an existing coordination and marketing requirement between the program and comparable State and county programs to specifically include minority-owned, women-owned, and rural small businesses.

Small Business Innovation Research Technical Assistance Program: Chapters 231 and 232 of 2020 established the Maryland Small Business Innovation Research Technical Assistance Program, administered by TEDCO, to provide technical assistance to eligible small businesses (those with no more than 50 employees, in addition to other criteria) to encourage and facilitate the receipt of grants under the federal SBIR/STTR programs.

Maryland Stadium Authority

The Maryland Stadium Authority (MSA) was established in 1986 as an independent unit in the Executive Branch to be responsible for the construction, operation, and maintenance of facilities for use by professional baseball and/or football teams. MSA's authority has been expanded over time to include other projects, such as convention centers and schools.

Sports Entertainment Facilities and Events, Prince George's County Blue Line Corridor Facilities, and Racing Facilities

Chapter 61 of 2022 authorized MSA to issue up to $200 million in bonds for "sports entertainment facilities" and up to $400 million in bonds for Prince George's County Blue Line Corridor (BLC) facilities, subject to specified requirements. "Sports entertainment facility" means a structure or other improvement in the State at which minor league games are played or other nonmajor league sporting events are held. It includes parking lots, garages, and other property adjacent and directly related to the facility. It does not include a facility located at Camden Yards or other specified facilities. A "BLC facility" means a facility located within BLC that is a convention center; an arts and entertainment amphitheater; and any other functionally related structures, improvements, infrastructure, furnishings, or equipment of the facility, including parking garages. "BLC" is an area, as designated by public local law, in central Prince George's County near the intersections of I-495 and Landover Road, Arena Drive, and Central Avenue. The Act established the Sports Entertainment Facilities Fund and the Prince George's County BLC Facility Fund to be used by MSA to implement the respective programs.

The Act also established the Major Sports and Entertainment Event Program and Fund to attract major sporting events and major entertainment events to the State and other related purposes and established a bus rapid transit system grant program in the Maryland Department of Transportation, subject to specified requirements. All three funds and the grant program are funded by State Lottery Fund distributions. The Act also exempted construction material purchased for specified related projects from the sales and use tax, subject to specified requirements.

Finally, the Act established reporting requirements and legislative intent relating to Laurel Park and Pimlico racing facilities, as specified. MSA must provide reports on the progress of the Pimlico and Laurel Park racing facility redevelopment plans under ***Chapter 590 of 2020***.

Camden Yards

The Baltimore Orioles' original lease with the State began April 1, 1992, and was set to expire at the end of 2021, but the Orioles signed a two-year extension taking the lease through the end of 2023, with the club retaining the right to exercise a one-time, five-year extension by February 1, 2023. The Baltimore Ravens' lease for M&T Bank Stadium ends after the 2027-2028 season in February 2028.

Supplemental Facilities: In anticipation of lease terms for the Orioles and the Ravens at Camden Yards expiring, ***Chapter 221 of 2019*** authorized MSA to prepare studies that relate to the development of supplemental facilities that directly or indirectly benefit the sports facilities at Camden Yards. The Act also authorized MSA to issue up to $25.0 million in bonds to finance site acquisition for and construction of any portion of a supplemental facility to facilitate the State, local, or private development of the area around Camden Yards.

Bond Authorization Increase for Camden Yards: To help ensure the continued location of the Baltimore Orioles and the Baltimore Ravens at Camden Yards beyond the teams' current

lease terms, ***Chapter 60 of 2022*** increased the amount of taxable or tax-exempt bonds that MSA may issue for sports facilities at Camden Yards to $1.2 billion, split evenly between the football and baseball stadiums (and the sports facilities directly related to their operation), and specified renovation as an additional purpose. To finance acquisition and construction of the stadiums, MSA must provide certification that it has negotiated a lease or renewal or extension of a lease that will not terminate prior to the maturity date or payoff of any bonds issued for the stadium. The Comptroller must distribute up to $90 million (instead of up to $20 million) annually from State lottery revenues to the Maryland Stadium Facilities Fund.

Hagerstown Multi-Use Sports and Events Facility

Chapter 353 of 2021 authorized MSA to issue up to $59.5 million in bonds for the purpose of financing acquisition, design, and construction expenses in connection with the Hagerstown Multi-Use Sports and Events Facility, subject to specified requirements. The facility, which will not be owned by MSA, will be used for minor league baseball games, other events, and related activities and includes fields and field houses; offices; parking lots and garages; access roads; food service facilities; and other functionally related structures, improvements, furnishings, or equipment. The Act required the Governor to include an annual appropriation of $3.75 million in the State budget until the bonds that have been issued to finance the facility are no longer outstanding.

Convention Centers

Baltimore Convention Center: The Baltimore Convention Center (BCC) opened in 1979, and an expansion was completed in 1997. The State contributed to the initial project by issuing $35.0 million in general obligation bonds and to the expansion by issuing $101.0 million in general obligation bonds and MSA bonds. Baltimore City agreed to provide $15.0 million for the initial construction and $50.0 million for the renovation. Under its existing statutory authority as part of that agreement, MSA is authorized to have up to $55.0 million in outstanding bonds related to BCC. The original bonds were retired in fiscal 2015, leaving $55.0 million in available debt capacity. In November 2016, MSA approved a request from the Mayor of Baltimore to conduct various program and construction-related analyses of a proposed BCC expansion; the report recommended expanding and renovating BCC and building a new hotel. A subsequent study outlining the preliminary design, cost estimates, and financing models was also completed.

Chapter 695 of 2019 required MSA and Baltimore City to promptly enter into a written agreement to begin planning and design of the expansion or renovation of BCC in fiscal 2020. The agreement must include a provision allocating two-thirds of the planning and design cost to MSA and the remaining one-third of the cost to Baltimore City. Total planning and design costs for the renovation/expansion of BCC were estimated to be $50.0 million.

Ocean City Convention Center: The Ocean City Convention Center (OCCC) provides approximately 60,000 square feet of exhibit space, 19,000 square feet of ballroom space, and 23 meeting rooms. However, inquiries from groups interested in using OCCC indicate that the

available space is inadequate – specifically there is not enough exhibit space. Consequently, in 2016, at the request of Ocean City, MSA procured a feasibility analysis to examine the market and economic impact of expanding the existing facility with an additional 30,000 square feet of exhibit space. Plans for a $34.0 million, 30,000 square feet OCCC expansion and improvement project were approved by the Mayor and City Council of Ocean City in November 2016.

Chapters 217 and 218 of 2019 authorized MSA to issue up to $24.5 million in bonds and structure financing terms for a renovation/expansion of OCCC and make related changes. Ocean City's required contribution is $15.0 million; most of the city's bonds have already been issued.

Regional and Local Economic Development

Task Force on the Economic Future of Western Maryland

Chapter 207 of 2020 established the Task Force on the Economic Future of Western Maryland to study the current economic conditions of Western Maryland and make recommendations on potential methods to improve the economies of Allegany, Garrett, and Washington counties. Potential methods may include opportunities to expand economic activity in technology-based industry, to strengthen tourism related-businesses, and strategies to overcome barriers to the creation and expansion of new small businesses. The task force issued a final report on its findings and recommendations to the Governor and General Assembly on January 6, 2022.

Western Maryland Economic Future Investment Board and Fund

The Tri-County Council for Western Maryland is a 26-member regional economic development organization representing Allegany, Garrett, and Washington counties. The council is governed by a board of directors, which includes representatives from both the public and private sectors. ***Chapters 62 and 63 of 2022*** established the Western Maryland Economic Future Investment program, board, and the Senator George C. Edwards Fund. The Tri-County Council for Western Maryland must staff the board and administer the fund. The purpose of the fund is to provide grants and loans for capital infrastructure projects and business development projects that improve economic conditions in the region. The Acts required the Governor to include an annual appropriation of $10.0 million in the State budget or capital budget for fiscal 2024 through 2026. The fiscal 2023 operating budget includes an appropriation of $20.0 million to the fund for a total infusion of $50.0 million between fiscal 2023 and 2026.

Charles County Tax Increment Financing and Special Taxing District

Chapters 174 and 175 of 2020 expanded the authority of Charles County to use tax increment financing (TIF) and special taxing districts to finance convention, conference, and visitors' centers and related purposes, subject to specified conditions. ***Chapter 174*** limited TIF to be used only in the Waldorf Urban Redevelopment Corridor, while ***Chapter 175*** did not establish such a limitation.

Housing and Community Development

Opportunity Zones

The Federal Tax Cuts and Jobs Act of 2017 established the Qualified Opportunity Zones Program to incentivize private investment in distressed communities. Under the Act, states may nominate up to 25% of specified low-income census tracts for designation by the U.S. Treasury as opportunity zones. The program offers federal tax incentives related to capital gains for persons who make qualifying investments within these designated opportunity zones.

Chapter 211 of 2019 provided several incentives for businesses in opportunity zones. Among other changes, the Act extended the geographic eligibility for several State economic development, tax credit, and financing programs available for priority funding areas or sustainable communities to include opportunity zones in Allegany, Garrett, Somerset, and Wicomico counties. These changes impacted several economic development programs administered by the Department of Housing and Community Development (DHCD), including the Community Legacy Program, the Neighborhood Business Development Program, and the Strategic Demolition and Smart Growth Impact Fund. Additionally, ***Chapter 211*** created a State income tax credit for qualified workforce housing projects located within opportunity zones.

For further discussion of ***Chapter 211***, see the subpart "Income Tax" of Part B – Taxes of this *Major Issues Review*.

Department of Housing and Community Development

Community Development and Revitalization

Neighborhood Business Development Program: The Neighborhood Business Development Program in DHCD provides grants and loans to community-based economic development activities in revitalization areas designated by local governments. ***Chapter 91 of 2021*** expanded the purposes of the program to include retaining (in addition to creating) small businesses and other food-related enterprises that provide access to healthy food and increased the cap on loans available. Additionally, the Act specified that loans may be used for operating costs incurred in providing access to healthy food in food deserts and required DHCD to forgive such loans after five years if the recipient maintains continuous operations at the same location during that time. ***Chapter 380 of 2022*** added a specified convertible promissory note as an additional form of financial assistance under the program and added money received from the sale, assignment, or other disposition of equity interests of the program to the available funding sources for the Neighborhood Business Development Fund.

Business Projects: Chapter 380 also altered provisions pertaining to financial assistance for business projects. The Act authorized the Community Development Administration (CDA) in DHCD to provide financial assistance for a qualifying business project as (1) a loan; (2) a reduction in the principal obligation of or interest rate on a loan or portion of a loan; (3) a prepayment of

interest on a subordinate or superior loan or portion of a loan; (4) an assurance; (5) a guarantee or other form of credit enhancement; or (6) a promissory note that may be converted to an equity ownership interest and liquidated at the earliest opportunity to realize the highest market value for CDA. The authorization to issue convertible promissory notes as financial assistance for a business project terminates July 1, 2026.

Among other criteria, a project had qualified as a business project if the project was located in an area designated as a priority funding area or in a qualified opportunity zone in Allegany, Garrett, Somerset, and Wicomico counties. ***Chapter 380*** added qualified opportunity zones in Baltimore City and Baltimore, Charles, Howard, Montgomery, and Prince George's counties to this list.

National Capital Strategic Economic Development Program: Chapter 732 of 2019 established the National Capital Strategic Economic Development Program within DHCD to provide financial assistance to specified government agencies (including a housing authority), entities controlled by housing authorities, and community development organizations for community enhancement projects in the national capital region, as defined. The program's purpose was to (1) provide strategic investment in local housing and businesses to encourage healthy, sustainable, communities with a growing tax base and enhanced quality of life and (2) focus on areas where modest investment and coordinated strategies will have an appreciable neighborhood revitalization impact. Additionally, ***Chapter 732*** mandated the Governor appropriate, for fiscal 2021 through 2025, (1) $200,000 in the annual operating budget and (2) $7.0 million in the annual operating or capital budget to the National Capital Strategic Economic Development Fund. ***Chapter 707 of 2021*** redefined "national capital region" to mean a sustainable community in Montgomery County or Prince George's County and permanently extended the program funding mandates beyond fiscal 2025.

West North Avenue Development Authority: Chapters 80 and 81 of 2021 established the West North Avenue Development Authority for the purpose of developing a comprehensive neighborhood revitalization strategy in Baltimore City. The authority applies to the portion of West North Avenue in Baltimore City between the 600 Block and the 3200 Block, inclusive, and a surrounding "buffer" zone.

Fair Housing

Affirmatively Furthering Fair Housing: Chapters 751 and 752 of 2021 required DHCD to administer programs related to housing and community development in a manner that affirmatively furthers fair housing and ensure that it is collaborating with and supporting nonprofit and governmental entities devoted to furthering fair housing. The Acts prohibited DHCD from taking any action materially inconsistent with this requirement. Furthermore, political subdivisions and housing authorities were required to submit an assessment of fair housing to DHCD as part of the housing element of a comprehensive plan.

On or before December 1, 2023, and every five years thereafter, DHCD was required to submit a report to the Governor and to the General Assembly on, among other things, the efforts

by the State, political subdivisions, and housing authorities to promote fair housing choice and racial and economic housing integration and the results of those efforts. Finally, local jurisdictions were required to affirmatively further fair housing through their housing and urban development programs. To ensure this requirement is met, the housing element of a comprehensive plan enacted or amended on or after January 1, 2023, must include an assessment of fair housing.

Appraisal Gap from Historic Redlining Financial Assistance Program: Chapters 702 and 703 of 2021 established the Appraisal Gap from Historic Redlining Financial Assistance Program and Recovery Now Fund within DHCD. The purpose of the program is to provide financial assistance to affordable housing developers working in low-income census tracts in order to help close "appraisal gaps" that occur in in historically redlined neighborhoods.

In addition to an ongoing annual reporting requirement, ***Chapters 702 and 703*** required DHCD to conduct a study, aggregated by race, zip codes, and census tracts, of housing values, appraisals, and refinancing rates across the State over the past 30 years, including the impact of State and federal policies, such as infrastructure (road, park, and water and sewer) and other investments, on those communities. DHCD was required to submit the findings of the study to the Governor and the General Assembly by June 30, 2022.

Housing Development

Net-zero Homes Contract Preferences: Chapter 410 of 2014 established the Energy-Efficient Homes Construction Loan Program and Recovery Now Fund within DHCD to provide loans to construct low-energy homes and net-zero homes. ***Chapters 301 and 302 of 2021*** required DHCD, when providing assistance under the program for a net-zero home, to give preference to applications that will use the services of small and minority-owned, women-owned, and veteran-owned businesses in the State in the clean energy industry.

Homebuyer Assistance

Live Near Your School Program: Chapter 247 of 2021 authorized CDA within DHCD to administer the Live Near Your School Program. The program administers community development projects that provide current students and recent graduates of public institutions of higher education with grants to buy homes in sustainable communities that are near the school attended by the student or graduate. CDA was further authorized to administer a home buyer assistance program that assists current students and recent graduates in receiving low-interest loans to purchase homes near the school attended.

Office of Statewide Broadband

Chapter 74 of 2021 established the Office of Statewide Broadband (OSB) within DHCD as the successor to the Office of Rural Broadband and gave OSB expanded responsibilities. The Act imposed extensive planning, data collection, outreach, and intergovernmental cooperation requirements on OSB. For further discussion, see the subpart "Public Service Companies" of this Part H of this *Major Issues Review*.

Affordable Housing

Use or Redevelopment of Excess Real Property of the State

Chapters 336 and 337 of 2022 required that DHCD, not later than 60 days after receiving a certain surplus property notice from the Maryland Department of Planning (MDP), and in consultation with the unit of State government that controls the property, determine if the property is suitable for use or redevelopment as affordable housing.

The Acts required DHCD to identify a property as suitable for use or redevelopment as affordable housing if the property (1) is located in an area designated as a priority funding area; (2) does not belong to a specified category of property generally related to parks and conservation; (3) is adequately sized for any type of residential use; (4) has access to public utilities; and (5) has access to feasible ingress and egress points; however, DHCD is required to consider other factors as well when evaluating surplus property for this purpose. DHCD was further tasked with compiling and regularly updating a list of properties it has determined are suitable for use or redevelopment as affordable housing and must make this list available to the public. For each property included in the list, DHCD is required to give notice of its determination to (1) the unit of State government that controls the property and (2) the State Treasurer of its determination. Additionally, DHCD must advise the unit of the requirements in the Acts with regard to the disposal of the listed property.

Units of State government with the specified excess properties are required to, in consultation with DHCD and MDP, develop a proposal to donate or sell the property to certain individuals who contract to buy or use the property as affordable housing, subject to certain conditions. If, after reasonable effort, a unit is unable to identify a suitable nonprofit organization or buyer for a designated property in accordance with the Acts, the unit is required to develop a proposal to sell the property at auction. A proposal developed in this manner must be submitted to the Board of Public Works for consideration as required under current law. When a property is disposed of in accordance with a proposal developed under the Acts, the unit must give notice of the disposition to DHCD.

Separately, the Acts required the Comptroller, after making the required distributions for paying income tax refunds and for costs generally related to administering the income tax laws, to distribute $30.0 million in personal income tax revenue to the Rental Housing Fund within DHCD by June 30, 2022.

Programs and Policies to Reduce Homelessness

Department of Housing and Community Development Programs

Local Housing Grant Program for Homeless Veterans and Survivors of Domestic Violence: Chapters 248 and 249 of 2019 established the Local Housing Grant Program for Homeless Veterans and Survivors of Domestic Violence to provide grants to counties for housing

vouchers to be given to homeless veterans and survivors of domestic violence. DHCD administers the program, establishes procedures for receiving and evaluating grant applications, and adopts implementing regulations. DHCD may establish application preferences for counties that (1) provide an additional 25% of county dedicated funding or voucher matching; (2) enact ordinances prohibiting discrimination in housing on the basis of an individual's source of income; or (3) adopt a "Housing First" policy, as defined by DHCD.

Workgroup to Study Shelter and Supportive Services for Unaccompanied Homeless Minors

Chapter 553 of 2019 established the Workgroup to Study Shelter and Supportive Services for Unaccompanied Homeless Minors. The Act required the workgroup to (1) compile existing information on, identify, and study the unique needs of unaccompanied homeless minors, and identify the public- and private-sector programs and resources available to meet those needs; (2) identify gaps in public- and private-sector programs and resources available to meet the needs of unaccompanied homeless minors; and (3) identify barriers to access to safe shelter for unaccompanied homeless minors, and compile information on and study shelter practices in other states. The Joint Committee on Ending Homelessness provided staff for the workgroup, and the workgroup was required to report its findings and recommendations to the Governor and the General Assembly by December 1, 2019.

Based on the recommendations of the workgroup, ***Chapters 108 and 109 of 2020*** authorized an unaccompanied minor in need of shelter to consent to shelter and supportive services if the service provider reasonably believes that (1) the unaccompanied minor understands the significant benefits, responsibilities, risks, and limits of the shelter and services and can communicate informed consent; (2) the unaccompanied minor understands the requirements and rules of the shelter and services; and (3) the shelter and services are necessary to ensure the unaccompanied minor's safety and well-being. An unaccompanied minor in need of shelter who is a parent could consent to shelter and supportive services for the minor's child. Further, the Acts required service providers to (1) register with DHCD; (2) develop and implement a procedure to screen each staff member who works with minors; and (3) obtain written consent from the unaccompanied minor in need of shelter. After providing shelter to an unaccompanied minor in need of shelter, a service provider is required to, as soon as possible and within 72 hours, contact a parent, a guardian, or an adult relative of the minor; however, if the service provider suspects abuse or neglect of the minor, the service provider must immediately notify the appropriate authorities. Other requirements were established in the event that contact cannot be made or when the service provider receives information that an unaccompanied minor is missing. Finally, ***Chapters 108 and 109*** required DHCD to establish and maintain a service provider registry.

Local Housing Authorities

Generally, local housing authorities are established under State law to undertake, construct, operate, and maintain housing projects and administer other housing assistance programs.

Annapolis Housing Authority

Chapters 241 and 242 of 2020 prohibited a State public body from making an exception for the Housing Authority of the City of Annapolis (HACA) to a law, a rule, a regulation, or an ordinance that operates in the City of Annapolis and relates to licensure or the inspection of real property. However, for HACA, such a public body was authorized to (1) extend the time period, within an inspection cycle, for the reinspection of a unit that fails an initial inspection or (2) waive a fee or fine that is associated with the licensure or inspection of real property.

Howard County

Chapter 151 of 2019 extended a real property tax exemption applicable to an entity that is owned in whole or in part, directly, or indirectly, through one or more wholly or partially owned subsidiaries of a Baltimore Housing Authority entity or a Montgomery County Housing Authority entity to an entity controlled or wholly owned by the Howard County Housing Commission or one of its subsidiaries if the entity enters into a payment-in-lieu of taxes agreement with Howard County and meets other specified requirements.

Montgomery County

Authority of Inspector General: Chapter 168 of 2019 authorized the Montgomery County Council, by local law, to grant the Inspector General of Montgomery County the same authority over the Housing Opportunities Commission of Montgomery County (HOC) that the inspector general has over a department of the county government.

Exclusive Representative Costs and Fees: The exclusive employee bargaining representative for HOC represents all employees in the bargaining unit regardless of whether they pay membership dues or fees. The exclusive representative's actions toward members and nonmembers may not be arbitrary, discriminatory, or in bad faith. ***Chapter 561 of 2019*** authorized the exclusive employee bargaining representative for HOC to require a nonmember employee to pay specified costs and fees associated with filing a grievance or arbitrating a matter that arises under a collective bargaining agreement brought by the representative on behalf of the nonmember employee.

Housing Opportunities Commission of Montgomery County Practices: Chapter 330 of 2020 required HOC to (1) prepare written minutes of each meeting as soon as practicable; (2) stream live video of its open meetings; (3) on or before December 15 each year, publish on its website a financial report and a full and complete copy of the certified audit report for the previous fiscal year; (4) publish in a public record all information that relates to a financial report or certified audit report, subject to specified exceptions; and (5) report payment data on a searchable website developed and operated by HOC.

Workers' Compensation

Benefits

Benefit Eligibility

Chapter 332 of 2020 specified that an individual who is a member of a volunteer company in Washington County is a covered employee for purposes of workers' compensation benefits (meaning the employee is eligible for benefits in the event of accidental injury or occupational disease) if the individual is at least 15 years old and is enrolled in the fire and rescue academy program operated by the Washington County Board of Education.

Occupational Disease Presumption

Workers' compensation law establishes a presumption of compensable occupational disease for certain public employees who are exposed to unusual hazards in the course of their employment. It is assumed that these injuries or diseases are due to the employee's work and, therefore, no additional evidence is required in the filing of a claim for workers' compensation. ***Chapter 214 of 2019*** established additional occupational disease presumptions for specified public safety employees who contract bladder cancer or kidney or renal cell cancer caused by contact with a toxic substance encountered in the line of duty. These additional occupational disease presumptions apply only to (1) volunteer and paid firefighters; (2) volunteer and paid firefighting instructors; (3) volunteer and paid rescue squad members; (4) volunteer and paid advanced life support unit members; and (5) fire marshals employed by an airport authority, a county, a fire control district, a municipality, or the State. Further, the presumptions only apply when the covered employee or volunteer meets the same eligibility criteria established for the existing cancer or leukemia occupational disease presumption, which was also modified in 2019.

Chapters 215 and 216 of 2019 altered the eligibility criteria for a firefighter, firefighting instructor, rescue squad member, advanced life support unit member, or sworn member of the Office of the State Fire Marshal to qualify for a cancer or leukemia occupational disease presumption. The Acts expanded the presumptions to apply for eligible workers who have completed 10 years of cumulative service within the State, rather than 10 years of cumulative service in the department where the individual currently is employed or serves. In addition, the Acts repealed the eligibility requirement that an individual be unable to perform their normal duties because of the cancer or leukemia and instead require that the individual's cancer or leukemia result in partial or total disability or death.

Chapter 39 of 2022 clarified that certain forest rangers, park rangers, and wildlife rangers are eligible for workers' compensation benefits and expanded an existing occupational disease presumption for Lyme disease to those individuals.

Enhanced Benefits

Certain defined public safety employees – including specified volunteer and paid firefighters, paramedics, and law enforcement officers – are entitled to receive enhanced workers' compensation benefits for permanent partial disabilities that are determined to be compensable for fewer than 75 weeks. Deputy sheriffs and correctional officers from certain local jurisdictions are included within the definition of "public safety employee" for this purpose. ***Chapter 256 of 2019*** altered the definition of "public safety employee" to include Baltimore City deputy sheriffs, thereby making these deputy sheriffs eligible for enhanced workers' compensation benefits for permanent partial disabilities. ***Chapter 303 of 2020*** also altered the definition of "public safety employee" to include Harford County deputy sheriffs, correctional officers, and detention officers, thereby making those individuals eligible for the enhanced workers' compensation benefits. ***Chapters 199 and 200 of 2021*** altered the definition of "public safety employee" as it applies to these enhanced benefits to include Baltimore County correctional officers and detention officers. In doing so, these correctional officers and detention officers are also eligible for the enhanced workers' compensation benefits.

Reporting an Injury

Generally, a covered employee that suffers an accidental personal injury must report the injury to the employer within 10 days and file a claim with the Workers' Compensation Commission within 60 days of the injury to be eligible for workers' compensation benefits; however, a covered employee may file a claim within two years after the injury under limited circumstances. For a hernia caused by an accidental personal injury or by a strain arising out of and in the course of employment, an employer must provide workers' compensation benefits to a covered employee if (1) the covered employee provides definite proof that the hernia either did not exist prior to the injury or strain or, as a result of the injury or strain, a preexisting hernia requires an immediate operation and (2) the injury or strain was reported to the employer within 30 days after it occurred. The two-year claim filing exception is not available to a covered employee who develops a hernia.

Chapter 582 of 2020 altered the reporting requirements for hernias by (1) increasing, from 30 days to 45 days, the time within which an employee must report an accidental personal injury or strain that causes or exacerbates a preexisting hernia and (2) allowing an employee to file a workers' compensation claim for a hernia up to two years after the injury or strain occurred unless the employer or its insurer has been prejudiced by the failure to do so within the typical 60-day timeframe.

Injured Workers' Insurance Fund

Chapter 570 of 2012 converted the Injured Workers' Insurance Fund (IWIF) into Chesapeake, a private, nonprofit, and nonstock workers' compensation insurer, as of October 1, 2013; however, some staff remained IWIF employees and, thus, IWIF continues to exist. Chesapeake was required to serve as the workers' compensation insurer of last resort in the

State. IWIF was authorized to be the third-party administrator for the State's Self-Insured Workers' Compensation Program for State Employees; currently Chesapeake and IWIF administer the program together.

Chapters 52 and 53 of 2020 made various changes to the administration and leadership of IWIF and Chesapeake. The changes included (1) *requiring* IWIF to be the third-party administrator for the State's Self-Insured Workers' Compensation Program for State Employees; (2) expressly authorizing IWIF to use nonsupervisory employees of Chesapeake in its operations and requiring Chesapeake to annually execute an agreement listing which employees are affected and meet other specified requirements; (3) repealing the requirement that the President of IWIF be the President of Chesapeake and instead specifying that the President of IWIF must be an IWIF employee; and (4) repealing the requirement that IWIF's board be the same as Chesapeake's board, and specifying the composition of IWIF's board.

Uninsured Employers' Fund and Subsequent Injury Fund

Two entities, the Uninsured Employers' Fund (UEF) and the Subsequent Injury Fund (SIF), each support the State's workers' compensation system in a different way. If an injured employee who should be receiving workers' compensation benefits is not properly compensated by his or her employer or the employer's insurer (which may happen because the employer has not purchased workers' compensation insurance or becomes insolvent), then UEF directly pays the claimant's compensation benefits and medical expenses. SIF exists to encourage the hiring of workers with preexisting disabilities by assuming the financial responsibility for a worker's preexisting disability in the event that the worker sustains an accidental workplace injury. SIF operates by reviewing and investigating workers' compensation claims when they involve preexisting health conditions. Under these circumstances, employer liability is limited to damages caused by the current injury, and SIF incurs any additional liability from the combined effects of the current and prior injuries. UEF and SIF are both special funded, and their revenues are primarily derived from an assessment on awards against employers or insurers for permanent disability or death and amounts payable by employers or insurers under settlement agreements.

In response to financial difficulties and solvency issues faced by UEF, ***Chapter 269 of 2019*** required the Director of UEF to report to the Senate Finance Committee, the House Economic Matters Committee, and the Joint Committee on Workers' Compensation Benefit and Insurance Oversight on the solvency of the fund and whether the General Assembly should adjust or provide authority to adjust the assessment that supports the fund. The report included specified information about (1) the solvency of the fund, including a review of solvency; (2) payments for compensation made from the fund; and (3) the fund's prospective liabilities, including a discussion of Bethlehem Steel Corporation hearing loss claims for compensation.

To directly address UEF's financial difficulties, ***Chapter 495 of 2020*** altered the assessments that fund UEF and SIF by decreasing SIF's assessment from 6.5% to 5.5% and increasing UEF's base assessment by 1%, meaning that the maximum amount that may be assessed

to fund UEF's operations increased from 2% to 3%. The percent changes remained in effect for one year and expired on June 30, 2021.

Unemployment Insurance

During the 2019-2022 term of the General Assembly, unemployment insurance (UI) underwent a variety of changes, primarily in response to the COVID-19 pandemic and the subsequent stress placed on the UI program. Generally, UI provides temporary, partial wage replacement benefits of up to $430 per week to individuals who are unemployed through no fault of their own and who are willing to work, able to work, and actively seeking employment. Both the federal and state governments have responsibilities for UI programs. Generally, funding for the program is provided by employers through UI taxes paid to both the federal government for administrative and other expenses and to the states for deposit in their UI trust funds from which benefits are paid. Using federal tax revenues, the UI program is administered pursuant to state law by state employees. The Division of Unemployment Insurance (DUI) within the Maryland Department of Labor (MDL) administers the State's UI program.

Each state law prescribes the tax structure, qualifying requirements, benefit levels, and disqualification provisions. These laws must, however, conform to broad federal guidelines.

State Response to the Effect of the COVID-19 Pandemic on the Unemployment Insurance Program

COVID-19, a novel coronavirus first identified in December 2019, arrived in Maryland in March 2020. According to the Maryland Department of Health (MDH), as of May 2022, there have been more than 1.0 million confirmed cases and more than 14,000 deaths in the State. The State response to the pandemic began on March 5, 2020, when the Governor declared a state of emergency to mobilize State resources. Subsequent emergency legislation in that year authorized temporary flexibility in the State UI program to protect citizens during long periods of isolation and unemployment due to businesses closing. Additional legislative changes were made during the 2021 and 2022 legislative sessions as the pandemic continued, and the UI program was stressed to its limits.

COVID-19 Pandemic Emergency Benefits

Chapters 13 and 14 of 2020, both emergency measures, authorized the Governor, for the duration of the emergency, to take actions relating to health insurance, Medicaid, retailer profits, employer actions, and personnel at State health care facilities as a result of the March 5, 2020 proclamation (or any other proclamation) declaring a state of emergency and the existence of a catastrophic health emergency relating to the outbreak of COVID-19. The Acts also authorized the Secretary of Labor to determine that an individual is eligible for UI benefits if (1) the individual's employer temporarily ceases operations due to COVID-19, preventing employees from coming to work; (2) the individual is quarantined due to COVID-19 with the expectation of returning to work

after the quarantine is over; or (3) the individual leaves employment due to a risk of exposure or infection of COVID-19 or to care for a family member due to COVID-19. An individual need not separate from the individual's employment to be determined eligible for benefits. The Acts terminated April 30, 2021.

Generally, an eligible UI claimant must be paid a weekly benefit amount that is computed by (1) determining the claimant's weekly benefit amount based on qualifying income; (2) adding any allowance for a dependent to which the claimant is entitled; and (3) subtracting any wages exceeding $50 payable to the claimant for the week. ***Chapters 52 and 53 of 2021*** temporarily increased, from $50 to $200, the wages that are disregarded for purposes of determining a UI claimant's weekly benefit amount. The Acts went into effect on April 9, 2021, and terminated July 1, 2021.

Federal Extended Benefits for Long-term Unemployment

Federal law includes three sets of circumstances that authorize the payment of federally funded extended benefits (EB) to UI claimants. States are required to adopt and implement the first "trigger," while adoption and implementation of the other two triggers is optional. Prior to the 2022 legislative session, the State had adopted the mandatory trigger and the first optional trigger. Generally, half of the costs of EB are financed by the federal government, although there have been temporary periods of 100% federal funding during recent recessions. ***Chapters 652 and 653 of 2022*** adopted and implemented the second optional EB trigger, subject to full federal funding being available. Specifically, the Acts established an additional "on" indicator for EB that is based on the average total unemployment rate (TUR) in the State. The additional on indicator for a week exists if:

- the average TUR for all states, seasonally adjusted, for the most recent three-month period is at least 6.5%; and

- the average TUR in the State, seasonally adjusted, for the most recent three-month period is at least 110% of the national average for either or both of the corresponding three-month periods ending in the two preceding calendar years.

The on indicator applies for weeks of unemployment (1) beginning after June 1, 2022, when 100% federal sharing is available and (2) ending 4 weeks before the last week for which 100% federal sharing is available. Generally, after the on indicator occurs, an "off" indicator (which ends EB) exists in a week when none of the circumstances related to the TUR apply for that week and the 12 immediately preceding weeks. The Acts also established a floor for the total amount of EB payable to an eligible individual for the applicable benefit year during a high unemployment period and authorized the Secretary of Labor to suspend the payment of those EB under specified circumstances.

Employer Contributions and Reimbursements

Employer Payment Flexibility: With respect to UI issues, ***Chapter 39 of 2021***, the Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families (RELIEF) Act, (1) exempted from the State income tax the UI benefits received by an individual whose federal adjusted gross income does not exceed a certain amount for taxable years 2020 and 2021; (2) set a "computation date" of July 1, 2019, for an employer's experience rating, if that date results in a lower rate of contribution, through the second July 1 after the COVID-19 state of emergency ends; and (3) authorized employers employing fewer than 50 employees to defer contribution payments for certain quarters in calendar 2021 and authorized nonprofit organizations and government entities of the same size to defer certain reimbursement payments during the same period of time. Additionally, the RELIEF Act authorized the Secretary of Labor to allow such entities to further defer payments and reimbursements in 2022. Other provisions of the Act provided funding for specific purposes related to UI program administration, discussed below.

Chapters 47 and 48 of 2021 enhanced existing requirements for employer payment plans when Table F is in effect and required the Secretary of Labor to offer payment plans when other tax tables are in effect. The Acts also altered a provision in ***Chapter 39*** to require that small employers still submit employment and contribution *reports*, even if they elect to defer the *payment* of UI taxes as originally authorized under ***Chapter 39***. Additionally, for calendar 2021, if the federal government was not providing emergency unemployment relief for nonprofit organizations and governmental entities for the entirety of the calendar quarter ending September 30, the Acts authorized a nonprofit organization or governmental entity that employed 50 or more individuals to defer certain reimbursement payments for the calendar quarter ending September 30.

Federal Funds to Replenish Unemployment Insurance Trust Fund (UITF) Balance: At a joint press conference with the President of the Senate and the Speaker of the House, on March 31, 2021, the Governor announced that $1.1 billion in federal funds available to the State under the American Rescue Plan Act of 2021 would be allocated to UITF. With the infusion of those federal funds, MDL estimated that the State would be able to pay off a pandemic-related loan from the federal government, resulting in a year-end balance of approximately $894 million, and trigger use of Table C for the calculation of employer UI taxes in calendar 2022. ***Chapter 73 of 2021*** required the Governor, based on the availability of qualified federal funds and notwithstanding any other provision of law, for fiscal 2022, to include in the annual budget bill an appropriation of funds toward replenishment of UITF in an amount sufficient to result in Table C of the table of rates for UI taxes applying in calendar 2022. The appropriation was authorized to be used for administrative costs, including the repayment of federal funds. Additionally, notwithstanding any other provision of law, the Act required Table C to apply in calendar 2023.

Work Sharing

The State has adopted an optional Short-Time Compensation Program, more commonly known as work sharing, as allowed under federal law. Maryland employers who participate in

work sharing can retain employees by temporarily reducing the hours of work among employees within an affected unit. The employees with reduced work hours receive partial UI benefits – the same percentage as the hourly reduction – to supplement lost wages. For example, an employer could reduce hours by 20%, and then those affected employees would be entitled to 80% of their normal earnings, plus 20% of their UI benefit.

Chapters 54 and 64 of 2021 expanded applicability of work sharing to include individuals who are rehired following a temporary closure or layoff due to the COVID-19 pandemic, subject to federal guidance. The range of reduced work hours under potential work sharing plans was expanded from 20% to 50%, to 10% to 60%, the maximum allowed under federal law. The Acts also required MDL to ensure that the work sharing program has sufficient staff and resources to complete the processing of a complete application within 10 days. MDL was required to send a related notice to employers within 30 days of the effective date of the Acts and contract with a professional marketing and communications firm for a marketing campaign about the work sharing program. The Acts authorized various funding sources to cover the cost of the marketing campaign, including ***Chapter 39***, which provided $1.0 million for a contract with a professional marketing and communications firm to develop and implement a marketing campaign for the program.

Administration

The COVID-19 pandemic raised questions about the administration of the State's UI program during periods of high unemployment. As a result, legislation was enacted to assist individuals with UI claims pending adjudication, to study and recommend program reforms, and to enhance administration.

In recognition of substantial administrative delays in the processing of pandemic-related UI claims, ***Chapter 39*** provided $32.0 million for the Revenue Administration Division within the Office of the Comptroller to provide $1,000 grants to individuals who had not received UI benefits as a result of pending adjudication of their claims. Supplemental Budget No. 5 of 2021 contained an additional $8.0 million for this purpose. The Act also provided $3.0 million for DUI to augment staffing to assist Maryland residents with accessing UI benefits.

Chapters 49 and 65 of 2021 required MDL to take specified actions in administering the State UI program, with most of the requirements relating to enhancing applicant and claimant services and enhancing general program administrative procedures. MDL must begin implementing a system through which a claimant may consent, as part of any weekly claim certification, to the sharing of relevant collected information by MDL with the Maryland Health Benefit Exchange (MHBE) and MDH to determine whether the individual qualifies for free or low-cost health insurance and, if so, to help the individual enroll. MHBE must open a special or other enrollment period for an individual who consents to share the information. The Acts also required MDL to provide demographic and related claimant information to the chief elected official of a county upon request, subject to specified requirements.

Chapters 45 and 46 of 2021 required MDL, in consultation with the Department of Legislative Services (DLS), to study and make recommendations regarding various reforms to the UI program. In conducting the study and making recommendations, MDL was required to (1) report monthly to DLS and the Joint Committee on Unemployment Insurance Oversight on the status of the study; (2) consult with the U.S. Department of Labor, other state UI agencies, and other stakeholders; and (3) examine and consider any report or recommendation made by the National Academy of Social Insurance Unemployment Insurance Task Force of 2021.

In an effort to make DUI activities more transparent, ***Chapters 50 and 51 of 2021*** required MDL to post specified information related to the State's UI program on its website on a weekly and monthly basis. The Acts also established, during a "disaster," additional actions MDL must take affecting the UI program and exempted the department from specified procurement laws related to staffing. The Assistant Secretary for DUI must oversee compliance with the disaster-related requirements.

Recovery of Benefits: The Secretary of Labor is authorized to recover benefits paid to a UI claimant if the Secretary finds that the claimant was not entitled to the benefits because (1) the claimant was not unemployed; (2) the claimant received or retroactively was awarded wages; or (3) due to a redetermination of an original claim, the claimant is disqualified or otherwise ineligible for benefits. Additionally, the Secretary may recover benefits paid – plus a monetary penalty and interest – for each affected week if the claimant knowingly made a false statement or representation or knowingly failed to disclose a material fact to obtain or increase a benefit or other payment. ***Chapter 651 of 2022*** established a process that the Secretary must follow when, after recovering benefits from a UI claimant, the claimant notifies the Secretary that the actual amount recovered exceeded the amount stated in the notice of repayment received by the claimant. The Act also required the Secretary to submit a monthly report to the General Assembly with information about these claims.

Labor and Industry

Payment of Wages

Minimum Wage and Secure Wage

The federal Fair Labor Standards Act (FLSA) requires workers to be paid a minimum hourly wage and overtime compensation for work over 40 hours in a week. The federal minimum wage is $7.25 per hour and has not been changed since July 2009. The Maryland Wage and Hour Law is the State complement to the FLSA, which specifies minimum wage and overtime requirements for employers and employees in the State. ***Chapters 10 and 11 of 2019*** increased the State minimum wage rate for employers with 15 or more employees in six increments until the full phase-in of $15.00 per hour on January 1, 2025. For employers with 14 or fewer employees, the wage rate reaches full phase-in after eight increments on July 1, 2026. The Board of Public Works

(BPW) may temporarily suspend a scheduled increase in the State minimum wage for one year under specified circumstances.

The Acts eliminated the payment of a training wage of 85% of the State minimum wage rate to employees under the age of 20 for the first six months of employment, or to employees who work for seasonal amusement, recreational, or swimming pool establishments. Instead, an employer may pay 85% of the State minimum wage rate to employees under the age of 18. The Commissioner of Labor and Industry was required to adopt regulations regarding the development of wage statements for tipped employees.

Additionally, the Governor's proposed budget through fiscal 2026 must include specified rate increases for several types of health care providers over the funding provided in the prior year's legislative appropriation, which are subject to the same one-year suspension provisions as the minimum wage. ***Chapters 671 and 672 of 2021*** required an employer to pay specified wages and benefits – called a "secure wage" – to a covered employee. A "covered employee" is a nonexempt employee under the FLSA who performs work at a "heightened security interest location," which includes the BWI Marshall Airport and the Pennsylvania Station in Baltimore. Employees of retail or food establishments, airlines, construction companies, and rental car companies were exempted from the wage requirement.

The secure wage increases in four increments so that by January 1, 2025, a covered employee is entitled to receive a secure wage of $16.00 per hour. In addition, starting on January 1, 2026, an employer must also pay a covered employee an additional supplement benefit rate with a value of at least $1.00 per hour, which is determined by either applying the full supplement benefit to assist in covering the employee's share of health or other benefits; applying a portion of the supplement benefit to assist in covering the employee's share of health or other benefits, and paying the balance in cash; or paying the entire supplement benefit in cash. Further, an employer must pay overtime wages of at least 1.5 times the usual hourly wage required under the Acts for each hour over 40 hours that a covered employee works during one workweek. Lastly, tipped employees are entitled to be paid the required secure wage and to retain all tips received.

The commissioner must enforce the Acts' provisions. If, however, an employer pays less than the wages required, the covered employee may bring an action against the employer. Covered employees are exempted from the minimum wage and enforcement requirements of the Maryland Wage and Hour Law and instead are subject to similar enforcement requirements established under the Acts.

Prevailing Wage

Contractors and subcontractors working on eligible public works projects in Maryland must pay their employees the prevailing wage determined by the Commissioner of Labor and Industry. ***Chapters 9 and 663 of 2019*** authorized an employee under a public work contract who is paid less than the appropriate prevailing wage rate to sue without first filing a complaint with the commissioner. A determination by the commissioner that a contractor is required to make restitution does not preclude an employee from also bringing a private cause of action. A contractor

and subcontractor are jointly and severally liable for any violation of the subcontractor's obligations in a civil action. ***Chapter 49 of 2022*** authorized the commissioner, after an investigation, to issue a stop work order to a public works contractor or subcontractor on a public work who may have violated the State's prevailing wage law.

Chapters 57 and 58 of 2021 required that a public works contract valued at $250,000 or more that receives 25% or more in State funding pay the State prevailing wage to employees working on the project. The Acts exempted legislative bond initiatives from the prevailing wage law. ***Chapter 51 of 2022*** applied the State's prevailing wage requirements to "mechanical systems service contracts," as defined by the Act, that are part of public works contracts with a value that exceeds $2,500.

For additional discussions of the State prevailing wage law, see the subpart "Procurement" of Part C – State Government of this *Major Issues Review*.

Family and Medical Leave Insurance

Based on the recommendations made by a 2016 Task Force to Study Family and Medical Leave Insurance (FAMLI), ***Chapter 48 of 2022*** established the FAMLI Program and FAMLI Fund administered by the Maryland Department of Labor (MDL). The program provides up to 12 weeks of benefits and paid leave to a covered individual, which includes a covered employee, an employee that works for an employer with one or more employees, or a self-employed individual.

Contributions

Beginning October 1, 2023, each employee, each employer with 15 or more employees, and each participating self-employed individual, must pay to the Secretary of Labor a percentage contribution based on wages, which are established in regulation. The Act established a process for determining the initial contribution rates of employers with 15 or more employees and employees, as well as a process for reassessing the contributions every two years. By June 1, 2023, the Secretary must set the total rate of contribution for employees, and the percentage of the total contribution rate to be paid by employers with 15 or more employees and employees.

Benefits

Claims for benefits are expected to begin January 1, 2025. To be eligible for benefits, a covered individual who is taking leave from employment may submit a claim for intermittent leave, or up to 12 weeks of benefits to (1) care for a newborn child or a child newly placed for adoption, foster care, or kinship care with the individual during the first year after the birth, adoption, or placement; (2) care for a family member with a serious health condition; (3) attend to a serious health condition that results in the individual being unable to perform the functions of the individual's position; (4) care for a next of kin service member; or (5) attend to a qualifying exigency arising out of the individual's family member's deployment, as defined by the Act.

The weekly benefit payable to a covered individual ranges from a minimum of $50 to a maximum of $1,000 for the 12-month period beginning January 1, 2025. Beginning January 1, 2026, the maximum weekly benefit must be increased by the annual percentage growth in the Consumer Price Index, subject to a determination by BPW based on expected economic conditions. If a covered individual is receiving FAMLI benefits or is taking leave, the employer must continue any employment health benefits for the time that the covered individual is absent from work or receiving FAMLI benefits. Additionally, the employer must restore the individual to an equivalent position of employment when the employee returns to work.

Private Employer Plan

An employer may satisfy the Act's requirements through a private employer plan consisting of employer provided benefits, insurance, or a combination of both, if the plan is offered to all eligible employees and at least meets the rights, protections, and benefits provided to a covered employee under the program.

Prohibited Acts and Penalties

A covered individual is disqualified from receiving benefits for one year if the individual willfully makes a false statement or misrepresentation regarding a material fact or willfully fails to report a material fact to obtain benefits. An employer is subject to a civil penalty of up to $1,000 for each occurrence if the employer willfully makes or causes a false statement to be made or willfully fails to report a material fact regarding an employee's claim for benefits. In addition, an employer is prohibited from retaliating against an employee who exercises their rights under the program.

On April 8, 2022, the Governor vetoed the bill, citing concerns about effect on small businesses and the lack of a plan for implementation. The General Assembly overrode the veto before the end of the 2022 session.

Employment Standards

Inquiries into Criminal Records

Chapters 3 and 8 of 2020 prohibited an employer with 15 or more full-time employees from, before the first in-person interview, requiring the applicant to disclose whether the applicant has a criminal record or has had criminal accusations brought against the applicant. The Governor vetoed the bills ***(Senate Bill 839 and House Bill 994 of 2019)***, but the General Assembly overrode the vetoes during the 2020 session and the bills became law. The prohibition does not apply to an employer that is expressly authorized to do so by another applicable federal or State law, or if the employer provides programs, services, or direct care to minors or to vulnerable adults. A local jurisdiction may enact or enforce a more restrictive criminal record screening law, and employers may not retaliate against an applicant or employee who claims a violation under the law. For a first violation, the commissioner must issue an order compelling compliance; for subsequent violations, the commissioner may assess a civil penalty of up to $300 for each violation.

Facial Recognition Services

Chapter 446 of 2020 prohibited an employer from using a facial recognition service for the purpose of creating a facial template during an applicant's interview for employment unless an applicant consents by signing a waiver. A facial recognition service is a technology that analyzes facial features and is used for recognition or persistent tracking of individuals in still or video images.

Safety Standards and Worker Protections during a Catastrophic Health Emergency

On March 5, 2020, the Governor declared a state of emergency and the existence of a catastrophic health emergency to deploy resources to control and prevent the spread of COVID-19. The declaration was renewed several times and resulted in, among other things, a stay-at-home order, and required closure of all nonessential businesses that lasted until May 15, 2020. ***Chapter 736 of 2021*** established various safety protections and benefits for "essential workers" and various requirements for "essential employers," when the Governor proclaims a catastrophic health emergency due to a communicable disease. The Act defined "essential worker" as an individual who performs a duty or work responsibility during an emergency that cannot be performed remotely or is required to be completed at the worksite and provides services that the essential employer determines to be essential or critical to its operations. "Essential employer" is a person that employs an essential worker and includes a unit of State or local government. The Act applied to essential employers in industries and sectors identified by the Governor or a federal or State agency as critical to remain in operation during the emergency.

Safety protections and benefits included requiring essential employers to comply with federal and State safety standards, provide safety equipment (if available), take proactive steps to minimize the risk of transmission of the communicable disease that is the subject of the emergency, and pay for the cost of testing if an essential worker does not have access to a free test or if insurance or other benefits do not cover the cost of the test. Additionally, if the federal or State government provides funding for public health emergency leave, an essential employer must provide up to 112 hours of paid leave for full-time workers and lesser amounts for part-time workers.

Apprenticeships

Generally, an apprenticeship is a voluntary, industry-sponsored system that prepares individuals for occupations typically requiring high-level skills and related technical knowledge. Apprenticeships are sponsored by one or more employers and may be administered solely by the employer or jointly by management and labor groups. An apprentice receives supervised, structured, on-the-job training under the direction of a skilled journeyperson and related technical instruction in a specific occupation.

The Maryland Employment Advancement Right Now (EARN) program was established in 2013 to create industry-led partnerships to advance the skills of the State's workforce, grow the State's economy, and increase sustainable employment for working families. Specifically, the

program provides general fund grants on a competitive basis for industry partnerships, workforce training programs, and job-readiness and skills training. ***Chapter 757 of 2019*** required the Maryland Energy Administration to use the Strategic Energy Investment Fund to invest in pre-apprenticeship, youth apprenticeship, and registered apprenticeship programs to establish career paths in the clean energy industry under the EARN program.

Chapters 409 and 410 of 2020 redirected funds from pre-apprenticeship and apprenticeship programs to provide funding for the recruitment of individuals, including veterans and formerly incarcerated individuals, to the pre-apprenticeship jobs training programs and the registered apprenticeship jobs training programs. The funding changes went into effect in fiscal 2021 and continue until all funds are spent. The Acts added energy efficiency and geothermal careers as permissible career fields for youth apprenticeship jobs training programs and registered apprenticeship jobs training programs under EARN. The Acts also expanded the definition of "clean energy industry" under EARN to include carpenters, pile-driver operators, millwrights, insulation workers, and well drillers that provide specified products and services.

Economic Stabilization Act

The Economic Stabilization Act established a quick response program to provide both employers and employees with services to assist in mitigating the impact on employees because of a reduction in operations. ***Chapters 406 and 407 of 2020*** narrowed the applicability of the Economic Stabilization Act by redefining "employer" based on a new definition of "employee." The Acts required an employer with at least 50 employees that operates an industrial, commercial, or business enterprise in the State to provide written notice at least 60 days before initiating a reduction in operations to specified employees, collective bargaining representatives, individuals, elected officials, and the dislocated worker unit within the Division of Workforce Development and Adult Learning of MDL. The Secretary of Labor, in cooperation with the Workforce Development Board, must develop mandatory guidelines that employers must adhere to during a reduction in operations.

Chapters 587 and 588 of 2021 altered definitions, thresholds, and notification requirements for employers under the Economic Stabilization Act. Among the changes, the Acts established two exemptions from the notice requirement, specified that the chief local elected official needs to be notified (rather than all elected officials), and clarified that a seller and a purchaser must provide notice when all or part of a business is sold.

Alcoholic Beverages

Alcohol and Tobacco Commission

Prior to 2019, alcoholic beverages manufacturers and wholesalers in the State were regulated by the Comptroller's Office. The Comptroller's Office considered applications and issued and oversaw licenses through two offices – the Revenue Administration Division (RAD)

and the Field Enforcement Division (FED). RAD was responsible for receiving and processing the tax returns and payments from alcoholic beverages manufacturers, and FED was responsible for enforcing statewide alcoholic beverages laws through inspection and oversight. In addition, RAD and FED oversaw tobacco and motor fuel taxation and regulation, respectively.

At the end of the prior term, Chapter 25 of 2018 established the Task Force to Study State Alcohol Regulation, Enforcement, Safety, and Public Health. The task force was required to examine whether the Comptroller's Office, the agency then assigned the tasks of regulating the State alcoholic beverages industry and enforcing associated laws, was the most appropriate agency to ensure the safety and welfare of Maryland residents, or whether those tasks should be assigned to another State agency or to a new agency created specifically to carry out those tasks. In its final report, the task force made 23 recommendations, including the establishment of a new separate agency in charge of regulating and enforcing alcohol, tobacco, and motor fuel laws in the State.

The General Assembly passed ***House Bill 1052 of 2019***, which implemented the task force's recommendations, in part, by establishing the Alcohol and Tobacco Commission (ATC) and transferring FED staff, powers, and duties related to alcoholic beverages and tobacco from the Comptroller's Office to ATC. The Governor vetoed the legislation, but the General Assembly overrode the veto, and the bill became law as ***Chapter 12 of 2019***.

ATC consists of five members appointed by the Governor with the advice and consent of the Senate. The Presiding Officer of either chamber of the General Assembly may recommend a list of individuals for appointment to the Governor. In addition to performing FED's former duties related to alcoholic beverages and tobacco enforcement, the Act established new responsibilities for ATC, including educating the public about specified topics related to the use of tobacco products and the consumption of alcoholic beverages and developing best practices for a number of activities related to alcoholic beverages licensing in the State.

Although ***Chapter 12*** required the transfer of certain FED agents to ATC, it did not make the explicit changes necessary to ensure that those agents retained their rights and responsibilities as police officers. Agents under FED utilized those powers to conduct inspections and investigations of alcoholic beverages and tobacco crimes under the then-existing regulatory structure, in addition to enforcement of motor fuel and certain other tax areas. As such, clarifying legislation, ***Chapters 359 and 360 of 2020***, included provisions that explicitly conferred on employees of FED who were transferred to ATC the powers of police and peace officers and classified them as police officers and law enforcement officers. Doing so ensured that the transferred employees continued to fulfill their regulatory duties after their transfer to ATC.

Chapters 359 and 360 also delayed the effective date of ***Chapter 12*** from June 1, 2020, to January 1, 2021, effectively postponing the establishment of ATC to the latter date and adding one year to the initial terms of ATC members. The Acts also clarified the responsibilities of ATC and the Comptroller's Office. These clarifications included authorizing ATC to conduct warrantless inspections and seize contraband under certain circumstances. Similarly, the Acts specified the respective authority and responsibilities of ATC and the Comptroller over the

regulation and taxation of alcohol and tobacco products and delineated the respective functions of personnel of FED under ATC and those remaining in the Comptroller's Office. The Acts required ATC and the Comptroller's Office to (1) cooperate and share information and personnel in investigations and other matters relating to alcohol and tobacco regulation and (2) enter into a memorandum of understanding (MOU) and other cooperative arrangements. The Acts also authorized ATC to enter into similar arrangements with other governmental agencies.

Chapters 397 and 398 of 2021 included the Executive Director of ATC in the State's retirement and pension plan and provided the executive director with the designation of a peace officer, giving the executive director the same status as other ATC employees in the pension system.

Chapter 743 of 2022 authorized the Executive Director of the ATC to enter into a MOU and cooperative arrangements with federal, State, and local governmental units to address operational matters and efficiencies in regulating alcohol and tobacco.

Commerce Clause and Residency Requirements

In June 2019, the U.S. Supreme Court decided *Tennessee Wine and Spirits Retailers Ass'n v. Thomas*, 588 U.S. ___, 139 S. Ct. 2449 (2019). In the case, the court struck down a residency requirement for obtaining and maintaining an alcoholic beverages license in Tennessee. Specifically, Tennessee had required an applicant for a retail liquor store license to have lived in the state for 2 years as a qualification for receiving a license, while an applicant for license renewal must have lived in the state for 10 years. The court found that this kind of residency requirement violates the Commerce Clause of the U.S. Constitution.

Many alcoholic beverages licenses and permits in Maryland law included residency requirements similar to those struck down in the *Thomas* decision. To maintain consistency of State law while respecting the federal decision, ***Chapter 462 of 2020*** codified the court's decision as it would apply to Maryland law by repealing various requirements that an alcoholic beverages license applicant or license holder be a registered voter, taxpayer, or resident of a jurisdiction for a period of time, generally one or more years, as a condition for obtaining or maintaining a license. Instead, the Act generally required the applicant or licensee to be a resident, voter, or taxpayer of the State or a local jurisdiction at the time of application and during the license period. The Act applied to various State and locally issued alcoholic beverages licenses and permits.

State COVID-19 Measures

On March 19, 2020, in response to the spread of COVID-19 in the State and citing the protection of public health by furthering the goals of social distancing and promotion of compliance with isolation and quarantine protocols, the Governor issued an executive order expanding alcoholic beverage delivery and carryout services. The order allowed manufacturers and licensed retail establishments to deliver or sell alcoholic beverages for off-premises consumption despite any restrictions inherent in their licenses. The order remained effective until

after the termination of the state of emergency and rescission of the proclamation of a catastrophic health emergency.

Once the executive order terminated, many manufacturers and retail establishments, still feeling the effects of the pandemic's economic impacts, wished to continue delivery and carryout services as their businesses slowly recovered.

Retail Delivery

For locally licensed retailers, ***Chapters 140 and 141 of 2021*** authorized local alcoholic beverages licensing boards to adopt regulations authorizing specified license holders to provide alcoholic beverages by delivery or sale for off-premises consumption on a temporary basis. In considering whether to adopt these regulations, a local licensing board was required to weigh the need to promote economic recovery for small businesses in the wake of the COVID-19 pandemic and the need to protect public health and welfare.

The Acts limited an alcoholic beverages license holder to delivering or selling alcoholic beverages authorized under its license. Local licensing boards were prohibited from increasing a license fee or otherwise charging extra for the expanded privileges authorized under the Acts, but the boards were authorized to set a limit on the amount of alcohol that could be sold or delivered in a single transaction.

Chapters 140 and 141 also required ATC and the Maryland Department of Health (MDH) to jointly conduct a study on the impact of the expansion of access to alcohol under the Acts and the Governor's Declaration of State of Emergency and Existence of Catastrophic Health Emergency – COVID-19. ATC and MDH were required to report to the General Assembly on the findings of the study by December 31, 2022. The Acts terminate on June 30, 2023.

Manufacturer's Licenses and Off-site Permits

For manufacturers, ***Chapters 359 and 360 of 2021*** were emergency Acts that made various temporary changes to the regulation of alcoholic beverage manufacturers in the State. Broadly, the Acts significantly altered provisions on off-site and special event permits and altered the licensing fees and privileges of several manufacturer's licenses. With respect to permits, the Acts repealed specified manufacturer's permits and established a manufacturer off-site permit and a brewery special event permit. With respect to licensing, the Acts altered the fee structure for most manufacturer's licenses, authorized most manufacturers to sell and deliver their own alcoholic beverage products to consumers if specified procedures were followed, altered the limitations of the Class 7 limited beer wholesaler's license, and altered the privileges associated with Class 1 distillery licenses and Class 8 farm-brewery licenses. The consumer delivery provisions in particular were intended to help manufacturers return to economic health after suffering the impacts of the pandemic, similar to ***Chapters 140 and 141***. Although the Acts originally were to terminate entirely on December 31, 2022, ***Chapters 477 and 478 of 2022*** extended the termination of the consumer delivery provisions to June 30, 2023, and made permanent the other licensing, permit, and operational changes enacted by ***Chapters 359 and 360***.

Local COVID-19 Measures – Annual Licensing Fee Reimbursement

In addition to the State responses to COVID-19, several counties implemented emergency legislation requiring local licensing boards to reimburse or waive the annual fees for specified alcoholic beverages licenses.

Allegany County

Chapters 232 and 233 of 2021 authorized the board of license commissioners to reimburse license holders for certain annual license fees for the 2020 to 2021 licensing period. The Acts also required the board to waive or impose lower annual fees relating to the same types of licenses for the 2021 to 2022 licensing period.

Anne Arundel County

Chapters 229 and 230 of 2021 required the board of license commissioners, subject to available funding, to reimburse each license holder in the county the entire amount of the annual license fee for specified licenses for the 2020 to 2021 licensing period. If the balance of fees remitted to the county by the Comptroller was not sufficient to reimburse each license holder in the county the entire amount of the annual license fee for specified licenses for the 2020 to 2021 licensing period, the board was required to (1) prorate reimbursements based on available funds and (2) for the following year, reimburse the remaining balance of the annual license fee.

Calvert County

Chapter 304 of 2021 required the board of license commissioners to reimburse each license holder in the county the entire amount of the annual fee for the 2020 to 2021 licensing period for any license authorizing the sale of alcoholic beverages for on-premises consumption at a bar or restaurant.

Montgomery County

Chapter 231 of 2021 required the board of license commissioners to refund the annual fees and late fees for each alcoholic beverages license issued for the 2020 to 2021 licensing period, as specified. The Act also required the board to waive the late fees for alcoholic beverages licenses issued for the 2021 to 2022 licensing period, as specified.

St. Mary's County

Chapter 234 of 2021 required the board of license commissioners to waive the entire annual licensing fee for the 2021 to 2022 licensing period for any alcoholic beverages license authorizing the holder to sell alcoholic beverages for on-premises consumption at a bar or restaurant if the license holder paid the fee for the 2020 to 2021 licensing period.

Other Local Legislation

Baltimore City

Block Security Plan: Chapter 36 of 2022 required specified licensed establishments located in a designated area commonly known as "The Block" to close by 10:00 p.m. unless specified conditions related to security plans were satisfied. The establishments must maintain and operate digital surveillance systems that are accessible by the city, and the Baltimore City Downtown Commercial District Management Authority must enter into a contract with the Baltimore Police Department to hire two officers to patrol the designated area.

Howard County

Retail Delivery: Chapter 662 of 2021 authorized the holder of a Class A license or an employee of the license holder to deliver alcoholic beverages within the county. An employee making an alcoholic beverages delivery must be at least 18 years old and a delivery may not be made unless the purchaser or another individual at least 21 years old designated by the purchaser is physically present to receive and pay for the alcoholic beverages at the time of delivery.

Somerset County

Abolishment of Liquor Control Board and Dispensary System: Chapter 758 of 2022 repealed the Somerset County Liquor Control Board and the alcoholic beverages dispensary system in the county. The Act generally transferred all assets from the liquor control board to the county and requires\d any reserve funds of the liquor control board to be distributed and deposited into the county's general fund. The Act also established a Class A beer, wine, and liquor license in the county.

Part I
Financial Institutions, Commercial Law, and Corporations

Financial Institutions

Commissioner of Financial Regulation

Extension of Termination

The Office of the Commissioner of Financial Regulation (OFCR) within the Maryland Department of Labor supervises the activities of the financial services industry through periodic on-site examinations and off-site monitoring programs. ***Chapter 102 of 2021*** extended the termination date for OCFR by 10 years to July 1, 2032.

Disclosure of Information

OCFR has the power to examine and investigate entities under OCFR's jurisdiction to ensure compliance with State and federal laws and regulations and to ensure the safety and soundness of the entities. As part of the examination process, business entities are regularly required to make their books and records available for review, as well as to engage in discussions with examiners. For an examination or investigation to be successful, the flow of information, both written and verbal, between the entity and OCFR must be open and frank. ***Chapters 106 and 107 of 2022*** clarified the application of certain provisions of law regarding how and when the commissioner and other persons may share information obtained or generated in the course of exercising the commissioner's authority to examine regulated persons.

Additionally, in order to clarify that the work product of an investigation is privileged and to aid OCFR in the conduct of investigations, ***Chapter 87 of 2019*** authorized OCFR to deny requests for records of an investigation, subject to the provisions of the Maryland Public Information Act.

Banking Institutions

Incorporation of State Banks, Trust Companies, and Savings Banks

To bring Maryland into line with national requirements and those of surrounding states, ***Chapter 498 of 2020*** reduced the number of individuals necessary to incorporate Maryland-chartered bank or trust companies and savings banks, from 5 to 3 and 15 to 3, respectively. The Act also repealed a requirement that each incorporator be a citizen of Maryland and instead required that at least one incorporator be a citizen of Maryland.

Finally, the Act repealed a provision that allowed stockholders of a commercial bank to create up to two additional directorships that may be left vacant to be filled in the discretion of the board of directors.

Banking and Credit Union Powers

Federally chartered banks and credit unions are authorized to engage in more banking activities than State-chartered banks and credit unions, such as providing debt cancellation services and opening a courier service. ***Chapter 499 of 2020*** modified the process for, and circumstances under which, a State-chartered bank could engage in any additional activity, service, or other practice that was already authorized for federal banks. The Act allowed a bank to undertake an action after filing a notice of intention to do so with OCFR if (1) OCFR did not reject or modify the proposal under the terms specified by the Act and (2) 45 calendar days had elapsed. ***Chapter 427 of 2021*** authorized State-chartered credit unions to do the same.

Nondepository Entities – Generally

National Multistate Licensing System

Consistent with the nationwide trend among state financial regulatory agencies, OCFR began to move all licensing processing to the Nationwide Multistate Licensing System and Registry (NMLS) during the 2015 to 2018 term. Prior to the 2015 to 2018 term, certain nondepository entities were required to apply for a license through NMLS and then obtain a paper license from OCFR in order to conduct business in the State. As a result, licensees had a unique NMLS-issued identification number and a separate OCFR-issued license number.

Chapter 90 of 2019 required debt settlement services providers to register with NMLS in order to conduct business in the State. The Act required registrants to obtain and maintain a valid unique identifier and transfer existing licensing information to NMLS on or after July 1, 2019.

Chapter 101 of 2021 eliminated the requirement that certain nondepository entities obtain a paper license with OCFR, including collection agencies, credit services businesses, lenders, installment lenders, and mortgage lenders. Instead, the Act required affected licensees to obtain a single electronic license issued by NMLS in order to conduct business in the State.

Nondepository Special Fund

The Nondepository Special Fund within OCFR supports licensing, registration, examination, and complaint resolution activities of nondepository entities under the jurisdiction of OCFR.

Chapter 296 of 2019 set forth numerous requirements and prohibitions in relation to credit card processors; however, because the Act did not authorize the Nondepository Special Fund to be used to implement and enforce the Act, OCFR's enforcement abilities were limited. ***Chapters 320 and 321 of 2020*** addressed the issues created in ***Chapter 296*** by adding to the fund certain fees, assessments, and revenues received by OCFR relating to credit card processors. Additionally, the Acts altered the purpose of the fund to include covering the direct and indirect costs of fulfilling the statutory and regulatory duties of the commissioner and the State Collection Agency Licensing Board related to the entirety of Title 12 of the Commercial Law Article. As a result, the Acts authorized OCFR to use the fund to investigate complaints of violations by credit card processors.

Enhanced Consumer Protection

The number and type of nondepository entities involved in the financial services industry has increased significantly over the years resulting in more nondepository entities being under the regulatory jurisdiction of OCFR. The General Assembly continued enhancement of this regulatory framework during the 2019 to 2022 term.

Chapters 106 and 107 of 2022 defined a "regulated person" generally as a nondepository entity that was required to be licensed or regulated by OCFR under specific provisions of law, including mortgage lenders and debt collectors. The Acts prohibited regulated persons from (1) advertising or making representations that were false, misleading, or deceptive or (2) engaging in acts that were unfair, deceptive, abusive, or injurious to the public interest. Additionally, the Acts prohibited regulated persons from engaging in anticompetitive practices such as imposing, as a condition for a loan or a service, a restriction on obtaining credit, property, or service from a competitor.

Check Cashing Services

A person offering check cashing services in the State must be licensed by OCFR, except under certain circumstances. ***Chapters 443 and 444 of 2020*** repealed the licensure exemption for check cashing services (1) for which a fee of up to 1.5% of the face amount of the payment instrument was charged per payment instrument and (2) that were incidental to the retail sale of goods or services by the check casher. Instead, the Acts authorized a person offering check cashing services to register with OCFR, rather than be licensed, if the person provided check cashing services that were incidental to the retail sale of goods or services by the person that was providing the check cashing services and other conditions were met. In addition, the Acts required the check cashing service to provide OCFR with the information required under the Acts through NMLS. Registrants were exempt from various regulatory requirements but were generally subject to the same enforcement mechanisms as check cashing licensees.

Debt Settlement Services

The Maryland Debt Settlement Services Act regulates how debt settlement services may be conducted in the State. ***Chapter 618 of 2022*** required specific information to be included in debt settlement services agreements and advertisements involving student education loan debt relief. The Act also prohibited debt settlement services providers engaged in student education loan debt relief from taking certain actions.

Mortgage Lenders, Loan Servicers, and Loan Originators

In order to bring the Maryland Mortgage Lender Law up to date with current national standards and other Maryland regulations, ***Chapter 92 of 2019*** (1) established a sliding scale tangible net worth requirement for mortgage loan servicers; (2) clarified and expanded methods that could be used to meet minimum net worth requirements for mortgage lenders, mortgage brokers, and mortgage loan servicers; (3) repealed a requirement that a mortgage lender license be canceled if the licensee failed to timely notify OCFR of a change in place of business; (4) reduced the frequency of examinations for mortgage lender licensees while also extending recordkeeping requirements; and (5) altered the initial license expiration for certain applicants.

Maryland Money Transmission Act

Virtual currency companies whose activities are covered by the Maryland Money Transmission Act (MMTA) must be licensed in the State. ***Chapter 100 of 2021*** expanded the MMTA by updating the definition of "money transmission" to clarify that certain forms of value, such as cryptocurrencies and prepaid access system cards, are items of monetary worth and are therefore subject to regulation under the MMTA. The Act also incorporated other applicable federal definitions by reference to align State law with federal law. Additionally, the Act updated the reporting requirements for money transmitters and required the use of NMLS. Finally, the Act reduced the fee associated with the establishment of ancillary branches and money transmission kiosks and addressed certain operational processes of licensees.

Security Questions

Arising out of heightened cybersecurity concerns, ***Chapters 409 and 410 of 2021*** required a financial institution to allow a customer to choose from at least two security question options for each security question if the financial institution required a customer to provide an answer to a security question in connection with the provision of an account. The Acts did not apply to any customer accounts created before October 1, 2021.

Disposition of Abandoned Property

Presumption of Property Abandonment

In Maryland, property that is held by a banking or financial organization or a banking association was generally presumed to be abandoned unless the owner of the property took certain

actions related to the property within the preceding three years, such as making a deposit into a bank account. ***Chapter 648 of 2022*** altered the method by which property held by a banking or financial organization or a business association could be considered abandoned.

The Act created a presumption of abandonment three years after the later of (1) the date the holder was deemed to no longer have a valid address for the owner of the property or (2) pursuant to already existing law, the date the owner last interacted with the banking or financial organization (or business association) through specific actions. The date the holder was deemed to no longer have a valid address for the owner was to be determined based on the date certain communications were sent by the holder and returned by the U.S. Postal Service as undeliverable to the apparent owner.

Waiver of Penalties

A person holding abandoned property must file a report detailing the abandoned property and its presumed owner with the Comptroller, and the property must be delivered or paid to the Comptroller at the time the report is filed. A person who failed to comply with those requirements was required to pay certain penalties. ***Chapter 361 of 2022*** authorized the Comptroller to waive any of those penalties.

Commercial Law - Generally

Credit Regulation

Maryland Mortgage Lending Law

Under the Maryland Mortgage Lending Law, a mortgage lender may not make a mortgage loan without giving due regard to a borrower's ability to repay the mortgage. "Due regard" involves consideration of the borrower's debt-to-income ratio as well as income and asset verification. There are no comparable requirements for applications for other types of credit extension. Federal regulations specify the factors that federally chartered financial institutions may and may not consider when evaluating loan applications.

Chapter 426 of 2021 required certain financial institutions to adhere to specified federal regulations when evaluating an application for a primary residential mortgage loan or an extension of credit. Under the Act, State-chartered banking institutions, credit unions, savings and loan associations, community development financial institutions, and specified credit grantors must follow the federal provisions. These include consideration of the following verifiable alternative indications of creditworthiness: (1) history of rent or mortgage payments; (2) history of utility payments; (3) school attendance; and (4) work attendance. In addition, on request by the applicant, any entity subject to the Act must consider other verifiable alternative indications of creditworthiness that the applicant presents or makes available to the entity.

Credit Services Businesses

In *Commissioner of Financial Regulation v. Brown*, 449 Md. 345 (2016), the Maryland Court of Appeals ruled that loan modifiers that assist consumers to obtain a line of credit are covered under the Maryland Credit Services Businesses Act. In order to reduce the consumer confusion resulting from this ruling, ***Chapter 88 of 2019*** amended the definition of "credit services business" under the Act. The measure divided the classification of credit services businesses into (1) those that improve a consumer's credit record, history, or rating or establish a new credit file or record and (2) those that assist consumers to obtain an extension of credit. Depending on how a credit services business is classified, the business must conform to different specific requirements for payment and consumer disclosures.

Credit Card Servicers

It is important for any small business that deals with a credit card processor to understand fully its servicing agreement with the processor and all the terms of that agreement. ***Chapter 296 of 2019*** (1) defined the agreement as a "merchant processing agreement;" (2) required each credit card processor to send a copy of the merchant processing agreement to each business with which it has such an agreement; and (3) specified particular information that the merchant processing agreement must contain.

Commercial Real Estate and Related Personal Property

To bring statutory consistency and certainty in law relating to commercial receivership, ***Chapter 284 of 2019*** established a comprehensive process for the appointment, powers, and duties of a receiver for commercial real estate and related personal property. The Act resulted from recommendations of the Maryland State Bar Association and was derived from draft language prepared by the National Conference of Commissioners on Uniform State Laws.

Under ***Chapter 284***, a court may appoint a receiver before judgment to protect property that may be subject to waste or impairment or that may be subject to fraudulent conveyance. After judgment, a court may appoint a receiver to enforce a judgment, preserve property, or wind up the business in case of dissolution and insolvency. The Act specified the powers, qualifications, and limitations of the receiver with regard to the property in receivership, the owner of the property, and creditors.

Financial Services Licensing and NMLS

Maryland has gradually moved from maintaining a standalone licensing system for many financial services to participating in the Nationwide Multistate Licensing System (NMLS). Nondepository licensees must apply for an electronic license through NMLS. ***Chapter 101 of 2021*** eliminated a separate Office of the Commissioner of Financial Regulation (OCFR) licensing requirement for collection agencies, credit services businesses, lenders, installment lenders, mortgage lenders, mortgage loan originators, sales finance companies, check cashing services, money transmission businesses, and debt management services businesses. As a result, these

entities must instead obtain a single electronic license issued by NMLS that serves as their OCFR license.

Commercial Law – Consumer Protection

Personal Information Privacy and Protection

Maryland Personal Information Protection Act

To protect personal information of a Maryland resident from unauthorized access, use, modification, or disclosure, the Maryland Personal Information Protection Act (MPIPA) requires businesses in possession of the personal information to implement and maintain reasonable and appropriate security procedures and practices. If a data breach occurs, the MPIPA requires businesses to conduct, in good faith, a reasonable and prompt investigation and notify individuals of the data breach in certain circumstances. ***Chapters 294 and 295 of 2019*** expanded the types of businesses that are required to conduct an investigation of a data breach when discovering or receiving notification of incurring a data breach to include businesses that *maintain* computerized data that includes the personal information of a Maryland resident (in addition to businesses that own or license the data).

Chapter 502 and 503 of 2022 further expanded the MPIPA by (1) broadening the types of businesses that are required to implement and maintain reasonable security procedures and practices to protect personal information from unauthorized use; (2) shortening the period within which certain businesses must provide required notifications to consumers after a data breach; (3) modifying the standard for using a substitute notification method; (4) requiring additional information to be provided to the Office of the Attorney General (OAG) after a breach has occurred; and (5) covering genetic personal information.

More specifically, the Acts required businesses that own or license personal data to notify individuals of a breach, unless a business reasonably determines that the breach does not create a likelihood that personal information has been or will be misused. Except in certain circumstances, the required notification must be given as soon as reasonably practicable and must be provided within 45 days after the business discovers or is notified of the breach. For a business that only maintains personal data, the business must notify the owner or licensee of the breach as soon as practicable but not later than 10 days after the business discovers or is notified of the breach. The required notification may be delayed if a law enforcement agency determines that the notification will impede a criminal investigation or jeopardize homeland or national security.

Direct-to-consumer Genetic Testing Companies

A "direct-to-consumer genetic testing company" is an entity that offers genetic testing products or services to consumers without the involvement of a health care provider. ***Chapter 501 of 2022*** required direct-to-consumer genetic testing companies to (1) provide consumers with information regarding the company's policies and procedures regarding the collection, use, and disclosure of consumer's genetic data; (2) obtain specified types of consent

from the consumer before collecting, using, or disclosing the consumer's genetic data; and (3) develop and implement policies and procedures to protect genetic data, including policies related to the disclosure of genetic data to law enforcement or other government agencies. The Act also requires a direct-to-consumer or publicly available open-data personal genomics database to obtain express consent from a service user before conducting a forensic genetic genealogical DNA analysis and search.

Financial Consumer Protection

Student Loan Servicers

The Office of the Commissioner of Financial Regulation (OCFR) is required to designate an individual to serve as a Student Loan Ombudsman to receive and process complaints about student education loan servicing, assist borrowers in understanding their rights and responsibilities relating to their student education loan, and provide information on student education loans to the public. ***Chapter 546 of 2019*** prohibited student loan servicers (*i.e.*, the entities collecting principal, interest, or other amounts owed on student loans) from taking specified adverse actions with regard to student loan borrowers, including misrepresenting information in connection with the servicing of a student education loan and misapplying (or refusing to correct) a misapplication of a payment. Violation of the Act is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA) and subject to MCPA's civil and criminal penalty provisions. OCFR is authorized to enforce the Act and the Student Loan Ombudsman may refer any complaint from a student loan borrower to OCFR for investigation.

Debt Settlement Services

The Maryland Debt Settlement Services Act (MDSSA) regulates how debt settlement services may be conducted in the State. Under the MDSSA, "debt settlement services" are defined as any service or program represented to renegotiate, settle, reduce, or in any way alter the terms of a debt between a consumer and one or more unsecured creditors or debt collectors. Violation of the MDSSA is an unfair, abusive, or deceptive trade practice under the MCPA and subject to MCPA's civil and criminal penalty provisions. ***Chapter 618 of 2022*** required a debt settlement services provider engaged in the business of student education debt relief to provide a statement with a debt settlement services agreement and a disclosure on a service advertisement that the company is not affiliated with the U.S. Department of Education and is not a lender, among other things. The Act also prohibited debt settlement services providers engaged in student education loan debt relief from (1) advising, expressly or by implication, that a consumer stop making payments to or stop communicating with the consumer's student loan servicer or (2) accessing or obtaining a consumer's student aid information in violation of federal law.

Debt Collection

In debt collection cases, when a judgment is recorded in court, a creditor is able to attach a lien onto any property owned by the debtor, including wages. ***Chapters 183 and 184 of 2020*** altered the amount of wages of a judgment debtor that are exempt from attachment. The Acts exempted from attachment the greater of 75% of the disposable wages due or 30 times the State

minimum hourly wage in effect at the time that the wages are due, multiplied by the number of weeks during which the wages due were earned. The Acts also repealed provisions that applied only in Caroline, Kent, Queen Anne's, and Worcester counties.

Exploitation of Seniors and Vulnerable Adults

The Division of Consumer Protection (CPD) and the Division of Securities within OAG are authorized to bring a civil action for damages against a person who violates the State's prohibition against exploitation of a vulnerable adult on behalf of a victim of the offense or, if the victim is deceased, the victim's estate. ***Chapter 160 of 2020*** established that exploitation of a vulnerable adult is an unfair, abusive, or deceptive trade practice under the MCPA, subject to MCPA's civil and criminal penalty provisions. ***Chapter 3 of 2021*** established the Senior and Vulnerable Adult Asset Recovery Unit within OAG. The unit is authorized to bring certain civil actions for damages against a person who engages in certain actions with the intent to deprive a vulnerable adult or an adult who is at least 68 years old of the adult's property.

Assisted Living Programs

An assisted living program is a residential or facility-based program that provides housing and supportive services, supervision, personalized assistance, health-related services, or a combination of those services that meets the needs of individuals who need assistance with the activities of daily living. In Maryland, assisted living programs are licensed by the Office of Health Care Quality (OHCQ).

Chapters 471 and 472 of 2021 required an assisted living program that was appointed as a representative payee for residents to report to CPD of OAG by June 1 each year. An assisted living program must report on the use of the following benefits by residents during the immediately preceding year: (1) Social Security benefits; and (2) other federal, State, or local government funds that are allocated for the purpose of assisting individuals who are aged, disabled, or blind. Additionally, OHCQ must notify CPD of the appointment of an assisted living program as a resident's representative payee within a reasonable time after being made aware of the appointment. The Acts also required OHCQ to refer an allegation of an unfair, abusive, or deceptive trade practice by an assisted living program to CPD and to the Office of Inspector General within the Maryland Department of Health.

Other Consumer Protection Issues

Ticket Resales

Chapter 307 of 2019 prohibited a ticket reseller from selling or offering to sell a "speculative ticket," which the Act defined as a ticket that is not in the actual or constructive possession of the reseller at the time of sale, unless the reseller discloses specified information to a prospective purchaser at the outset of the sales transaction. The Act also required a ticket reseller to refund any consideration or deposit paid for tickets if the reseller fails to obtain the tickets (1) within 24 hours after the approximate date of specified delivery but before the commencement

of the event or (2) in conformity with the disclosures required by the Act. A reseller must make any refund required by the Act within 10 days after the final day of the event for which the tickets were sold. Violation of the Act is an unfair, abusive, or deceptive trade practice under the MCPA, subject to MCPA's civil and criminal penalty provisions.

Private Career Schools and For-profit Institutions of Higher Education

Before a prospective student signs an enrollment agreement, completes registration, or makes a financial commitment to a private career school or a for-profit institution of higher education, the school or institution must provide the prospective student with certain information. ***Chapter 516 of 2019*** added several items to the list of information that must be provided to a prospective student. For additional discussion of the Act, see the subpart "Higher Education" within Part L – Education of this *Major Issues Review.*

Manufactured Housing

In 2018, the Maryland Financial Consumer Protection Commission issued a final report that, among other things, made recommendations related to manufactured housing financing. ***Chapters 48 and 49 of 2020*** generally implemented those recommendations, including (1) codifying the federal definition of "dwelling" within the Maryland Mortgage Lender Law and establishing a State definition of "mobile home"; (2) imposing a duty of good faith and fair dealing on mobile home retailers; and (3) generally requiring a foreclosure notice to be provided at least 30 days before a lender or credit grantor repossesses a mobile home.

Electronic Sale and Lease of Vehicles

The Maryland Uniform Electronic Transactions Act (MUETA) gives legal effect to an electronic record or signature (provided required procedures in the MUETA are met). Under the MUETA, a contract may not be denied legal effect or enforceability solely because an electronic record was used in its formation and, if a law requires a record to be in writing, an electronic record satisfies the law. Similarly, if a law requires a signature, an electronic signature satisfies the law.

Chapters 71 and 72 of 2020 altered the MUETA to establish that, generally, only a vehicle dealer may contract for the sale and delivery of a vehicle by electronic means. Further, a consumer is deemed not to have agreed to enter into a transaction for the sale or lease of a vehicle with a dealer by electronic means, unless the dealer provides the consumer with a clear and readable copy of each document signed by the consumer and dealer in an electronic or written format and reasonable opportunity for the consumer to review the documents before providing an electronic signature. If the vehicle is not delivered to the consumer at the dealership, the dealer must deliver the vehicle to a physical address provided by the consumer and at a date and time agreed on by the buyer and dealer and that is within seven days after the execution of the contract, unless the consumer agrees in writing to a different delivery date. Finally, the Acts authorized certain nondealer entities to contract for the sale of a vehicle by electronic means under similar parameters as vehicle dealers.

Corporations and Associations

Corporate Filings

Annual Reports

All Maryland (domestic) and non-Maryland (foreign) legal entities must file a report with the State Department of Assessments and Taxation (SDAT) every year by April 15 or June 15, if an extension is applied for. When a foreign legal entity failed to file a required annual report, the foreign legal entity's ability to do business in the State and to file suit here, which a domestic legal entity has under its charter, ceased the same year. Domestic legal entities, however, were traditionally given a one-year grace period to bring annual report filings up to date. Prior to 2021, this policy was not authorized by statute. ***Chapter 335 of 2021*** provided an additional year for domestic corporations, domestic limited liability companies, domestic limited liability partnerships, domestic limited partnerships, and domestic statutory trusts to file with SDAT before being placed on a list of charters to be forfeited.

In general, SDAT could not accept articles of revival of a Maryland nonstock or religious corporation for record unless the corporation filed all required annual reports, including those which would have been required if the corporate charter had not been forfeited. ***Chapters 316 and 317 of 2022*** created an exception to this requirement. A nonstock or religious corporation that filed articles of revival and past-due annual reports online need file only the seven most recently due annual reports or annual reports that would have been required had the charter not been forfeited.

Filing Fees

Business entities must submit an annual report fee to SDAT with the entity's personal property tax return. The annual report fee was for the privilege of maintaining the legal entity's existence in the State. ***Chapter 406 of 2021*** required SDAT, by January 1, 2022, to (1) review the filing fees and associated requirements of neighboring states that are equivalent or substantially similar to filing fees in Maryland and (2) report recommendations to the General Assembly that would make Maryland more competitive with neighboring states, including whether to establish less frequent filing requirements, decrease fees, or establish a sliding fee scale.

Prior to 2021, business entities that filed articles of dissolution and certificates of cancellation with SDAT were required to pay a $100 nonrefundable processing fee. Foreign entities were required to pay a $25 nonrefundable processing fee to file an application of termination. ***Chapter 142 of 2021*** repealed both fees.

Expedited Document Processing

The charter unit of SDAT is the central repository of all records for business entity formation and filings, such as charters, limited liability companies, partnerships, and trusts. The charter unit provides resident agent information for service of process on these entities and accepts service in certain instances on their behalf. The charter unit also records trade names and is the filing place for most financing statements under the Uniform Commercial Code. Fees collected

from expedited document processing are special fund revenues that fund the operation for the charter unit. SDAT has three options for processing documents: general processing and two forms of expedited processing. For documents to be processed on a general, nonexpedited basis, SDAT does not charge an expedited fee. ***Chapter 266 of 2019*** authorized SDAT to adopt regulations establishing expedited document processing tiers or additional methods of expedited document processing. The department was authorized to charge reasonable fees for these services.

Resident Agents of Foreign Corporations

Chapter 107 of 2021 authorized a foreign corporation to certify that SDAT was the corporation's resident agent when registering or qualifying with the department. Previously, SDAT could be designated as a resident agent for all foreign business entities except for foreign corporations, which were required to hire agents to receive documentation on the corporation's behalf. The Act authorized SDAT to act as a resident agent for a foreign corporation that did business in the State without a resident agent or with a resident agent who could not be found or served with the exercise of reasonable diligence.

Corporate Addresses

SDAT may not accept a Maryland corporation's governing or charter document for record unless it conforms to State law. ***Chapters 287 and 288 of 2022*** prohibited a person from using or maintaining an improper or outdated principal office address, resident agent address, or mailing address in documents filed for inclusion in SDAT's records. In addition, the Acts authorized a property owner who believed that their address was being illegally used or maintained to file an affidavit stating the factual basis for that belief with SDAT. Procedures and relief were established for settling and resolving disputes concerning the use or maintenance of improper or outdated addresses. The Acts authorized SDAT to void a governing or charter document if the entity's resident agent or other authorized person did not comply with the specified procedures.

Corporate Names

Professional Entities

Under the Maryland Professional Service Corporation Act, the name of a professional corporation must contain the surname of one or more of the corporation's stockholders unless (1) the name of the corporation is approved by the appropriate licensing unit; (2) the licensing unit issues a certificate of authorization for use of the corporate name to the corporation or its incorporator; and (3) the certificate of authorization is attached to the articles of incorporation document in which the name is adopted. In order to obtain a certificate of authorization, the professional corporation, or its incorporator, must file an application with the licensing unit and pay the required fee as set by the licensing unit. Chapter 335 of 2016 exempted professional corporations in which a majority of the stockholders were individuals licensed, certified, or otherwise authorized to practice a health occupation under the Health Occupations Article from the requirements that the corporation's name be approved by the appropriate licensing unit and professional organization, including physicians. The exemption did not apply to a professional corporation that provided dental services.

Chapter 794 of 2021 exempted the State Board of Physicians from the requirement to approve the name of a professional entity whose members were licensed physicians. The Act required SDAT to notify the Maryland State Medical Society (MedChi) on receipt of the application of a specified professional entity. When MedChi received a specified notice from SDAT, it could (1) take no further action or (2) if there was reason to believe that the name was deceptive or misleading, refer the application to the Maryland Department of Health for further action.

Trade Name Certificates

As a result of the COVID-19 pandemic, SDAT reported that Maryland financial institutions were not processing Paycheck Protection Program (PPP) loan applications unless the entity could provide a certificate of good standing. Many filers had to contact SDAT to bring the entity out of forfeited status and back into good standing because, in prior years, these filers only registered a trade name and did not actually register the business itself with SDAT. As a result, the filer could not successfully apply for a PPP loan since the entity was not in good standing with the department as the entity technically did not exist. ***Chapter 106 of 2021*** required certain business entities to disclose the identification number assigned by SDAT for the associated business on a trade name certificate that was filed with the department before engaging in business.

Electronic Transfer of Corporate Records

Blockchain is a distributed ledger database that records and shares every transaction that occurs in a network of users. Distributed networks and databases allow data to be shared and synchronized across multiple sites, countries, or institutions without the need for a central administrator or centralized data storage location. Under the Corporations and Associations Article, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient of the communication and that may be reproduced directly in paper form by a recipient through an automated process. The definition has traditionally included electronic mail, facsimile, and Internet transmissions.

Chapter 288 of 2019 expanded the statutory definition of "electronic transmission" to include the "use of or participation in one or more electronic networks or databases, including one or more distributed electronic networks or databases." In so doing, the Act authorized corporations to maintain their records on such a distributed electronic network or database. The records could be maintained on an information storage device, method, or electronic network or database only if the records could be converted within a reasonable time into clearly legible written form for visual inspection. If the records were maintained on an electronic ledger or distributed electronic ledger, the records could be used for the purpose of (1) making a proper determination as it pertained to stockholders and (2) preparing a list of stockholders. In addition, a corporation was required to convert the electronically maintained record into a clearly legible written form on request of any person who was entitled to inspect the record. The converted records were admissible as evidence and must be accepted for all other purposes to the same extent as original written records. A stock

ledger could be maintained either by a corporation or on behalf of the corporation. The Act also made a series of changes regarding the acceptance and use of electronic transmissions.

Operating Agreements and Partnership Agreements

Members of a limited liability corporation (LLC) or partnership may enter into agreements to regulate the conduct of the LLC or partnership, consistent with State law, including provisions relating to the assignment of interests, the rights of persons to whom interests are transferred, and the circumstances under which a person ceases to be involved with the business.

Chapters 400 and 401 of 2020 changed the process for dissolution of an LLC that had no living or competent members and that was also without an alternative arrangement for settling those affairs. The Acts provided that in the event of the death of the last member or a ruling of incompetency of the last member, the personal representative or guardian of that member must be admitted as a new member unless the personal representative or guardian renounced the admission in writing or designated a willing new member. The Acts stated that an operating agreement could provide that the last remaining member's guardian must agree in writing to continue the LLC and to be admitted as a member or appoint a designee. The personal representative, guardian, or other successor could settle the LLC's affairs.

In *Potter v. Potter*, 250 Md. App. 569 (2021), the Maryland Court of Special Appeals held that a provision in the operating agreement of a Maryland LLC purporting to transfer a member's interest to a designated successor on the member's death was ineffective unless the operating agreement was executed in accordance with the provisions of Maryland's statute on wills. ***Chapters 294 and 295 of 2022*** specified that operating agreements and partnership agreements could provide for interests in LLCs and partnerships to be transferred or assigned to other persons, including on the occurrence of specified events, including the death of a member or partner. The Acts addressed the Potter ruling by providing that transfers-on-death pursuant to the terms of an LLC operating agreement or a partnership agreement of a general or limited partnership were effective according to the agreement and were not to be considered testamentary.

Ratification of Defective Corporate Acts

Chapters 289 and 290 of 2022 established processes for a corporation's board to ratify a defective corporate act by adopting a resolution stating (1) the act to be ratified (and, if the act involved the issuance of putative stock, the number of shares and the class or series of putative stock issued); (2) the date of the act; (3) the nature of the failure of authorization; and (4) depending on whether the board of directors could have authorized or approved the act without stockholder approval (and whether stockholder approval was required at the time of ratification), either that the board ratified the act or directed that the ratification be submitted for consideration at a stockholders' meeting. If ratification were submitted for consideration at a stockholders' meeting, the stockholders could ratify the defective corporate act by adopting a resolution.

Ratification of a defective corporate act makes the act binding. A court is authorized to determine the validity of any ratification and to modify or waive the act's ratification procedures.

Chapters 289 and 290 further specified that the Acts' requirements could not be construed to be the exclusive means of ratifying or validating a defective corporate act nor could the absence or failure of ratification in accordance with the Acts create a presumption that any corporate act is or was a defective corporate act or void or voidable.

Part J
Health and Human Services

Public Health – Generally

COVID-19

The arrival of COVID-19 in Maryland in March 2020 prompted the State of Maryland to take several actions to respond to the pandemic. On March 5, 2020, Governor Lawrence J. Hogan, Jr. declared a state of emergency and the existence of a catastrophic health emergency to deploy resources and implement the emergency powers of the Governor to control and prevent the spread of COVID-19. The initial state of emergency was renewed several times and ended on July 1, 2021. Due to a resurgence in the number of COVID-19 cases, however, Governor Hogan declared a new state of emergency on January 4, 2022, that lasted for 30 days and was terminated on February 3, 2022.

In addition to the emergency actions taken by Governor Hogan, legislation expanded the Governor's emergency powers and adopted other measures to respond to COVID-19. ***Chapters 13 and 14 of 2020*** authorized the Governor, for the duration of the emergency, to take actions relating to health insurance, Medicaid, retailer profits, employer actions, and personnel at State health care facilities as a result of any proclamation declaring a state of emergency and the existence of a catastrophic health emergency relating to the outbreak of COVID-19.

During the 2021 session, the General Assembly passed ***Senate Bill 741 and House Bill 836***. The bills were vetoed by the Governor, but the General Assembly voted to override the vetoes, and the bills became law as ***Chapters 29 and 31 of the 2021 special session. Chapters 29 and 31*** required the Maryland Department of Health (MDH), by June 1, 2021, to adopt and implement a two-year plan to respond to COVID-19. MDH was also required to develop a plan for vaccinating residents of the State, provide grants to local jurisdictions and specified health care providers, and convene a Maryland Public Health Modernization Workgroup. In both fiscal 2021 and 2022, ***Chapters 29 and 31*** required MDH to provide local jurisdictions with (1) at least $25 million in grants to expand capacity for COVID-19 testing and contact tracing or for other purposes related to COVID-19 response for which federal funding is authorized and (2) at least $15 million to vaccinate residents. MDH was also required to provide specified grant funding to

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assisted living programs and home health agencies to cover the cost of COVID-19 testing for residents, patients, and staff. The Acts also mandated health insurance coverage of COVID-19 testing and administration without cost-sharing. For additional discussion of the insurance provisions of the Acts, see the subpart "Health Insurance" of this Part J of this *Major Issues Review*.

The Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families (RELIEF) Act, ***Chapter 39 of 2021***, provided assistance to businesses and employers struggling from the fallout of the COVID-19 pandemic. The Act funded several initiatives to promote recovery and public health in the State through the Recovery Now Fund, including:

- $20 million for grants to community mental health and substance use disorder (SUD) service providers, including $15 million for mobile crisis and stand-alone walk-in crisis services and $5 million for providers serving people directed to treatment under a court order;

- $14 million for the Maryland Community Health Resources Commission (MCHRC) to provide grants to reduce health disparities, improve health outcomes, improve access to primary care, promote primary and secondary prevention services, and reduce health care costs and hospital admissions and readmissions; and

- $5 million for MCHRC to provide grants to community providers of services for people with developmental disabilities to support pandemic-related reopening, transformation, and revenue loss.

Reproductive, Maternal, and Child Health

Abortion Care

Chapter 56 of 2022 established the categories of "qualified providers" that are authorized to perform an abortion in the State to include not only physicians, but also nurse practitioners, nurse-midwives, licensed certified midwives, physician assistants, and any other individual for whom the performance of an abortion is within the scope of the individual's license or certification. In addition, the Act established the Abortion Care Clinical Training Program and a related special fund, for which the Governor must appropriate $3.5 million annually beginning in fiscal 2023. The purpose of the program is to protect access to abortion care by ensuring that there are enough health care professionals to provide abortion care. For a discussion of the insurance-related provisions of the Act, see the subpart "Health Insurance" of this Part J of this *Major Issues Review*.

House Bill 1171 of 2022 (failed) would have proposed a referendum on the question of whether the Maryland Constitution should be amended to (1) establish the fundamental right to reproductive liberty, which includes the right to make and effectuate decisions regarding an individual's own reproduction, including but not limited to the ability to prevent, continue, or end their pregnancy and (2) prohibit the State from directly or indirectly denying, burdening, or

abridging a person's right to reproductive liberty unless justified by a compelling State interest achieved by the least restrictive means.

Maternal and Child Health

Chapters 558 and 559 of 2018 established the Maryland Prenatal and Infant Care Coordination Services Grant Program Fund to provide grants to counties and municipalities for care coordination services to low-income pregnant and postpartum women and to children from birth to age three. ***Chapters 661 and 662 of 2019*** increased, from $50,000 to $100,000, the amount of funding that the Governor must provide to the fund. ***Chapters 494 and 495 of 2021*** expanded the purpose of the fund to include awarding grants to federally qualified health centers (FQHC), hospitals, and providers of prenatal care to provide and promote prenatal care to women who would otherwise not receive such care. The Acts further increased the amount of funding that the Governor must provide for the fund in the annual budget from $100,000 to $1.1 million in fiscal 2023, $2.1 million in fiscal 2024, and $3.1 million beginning in fiscal 2025. The additional funding must be used for grants to FQHCs, hospitals, and providers of prenatal care.

Chapter 74 of 2000 established Maryland's Maternal Mortality Review Program. Maternal mortality reviews are conducted by the Maternal Morality Review Committee, which consists of clinical experts from across the State. The program must submit an annual report on findings, recommendations, and program actions to the Governor and the General Assembly. ***Chapters 449 and 450 of 2019*** required the program, in consultation with the Office of Minority Health and Health Disparities, to make recommendations to reduce any disparities in the maternal mortality rate, including recommendations related to social determinants of health.

Chapter 337 of 2020 required the Cultural and Linguistic Health Care Professional Competency Program in MDH to establish and provide an evidence-based implicit bias training program for health care professionals involved in perinatal care of patients. By January 1, 2022, and at least once every two years thereafter, health care professionals involved in the care of patients at a perinatal care facility must complete the training.

Medicaid

Dental Coverage

Comprehensive dental coverage is mandatory for children enrolled in Medicaid, but dental benefits for most Medicaid-eligible adults are optional. In Maryland, Medicaid offers comprehensive dental benefits to only three groups of adults: pregnant women; certain former foster care adolescents; and adults enrolled in the Rare and Expensive Case Management Program. ***Chapters 302 and 303 of 2022*** required Medicaid, beginning January 1, 2023, to provide dental services, including diagnostic, preventive, restorative, and periodontal services, for adults with household incomes up to 133% of the federal poverty level. ***Chapters 477 and 478 of 2021*** prohibited Medicaid from including a frequency limitation on covered dental cleanings or oral health exams that requires those services to be provided at an interval greater than 120 days within a plan year.

Behavioral Health

Applied behavior analysis (ABA) is a form of therapy for children with autism spectrum disorder that consists of the design, implementation, and evaluation of environmental modifications using behavioral stimuli and consequences to produce significant improvements in human behavior. ***Chapters 771 and 772 of 2021*** prohibited MDH from conditioning reimbursement of ABA services provided to Medicaid recipients under the Early and Periodic Screening, Diagnosis, and Treatment benefit on the presence or availability of the parent or caregiver in the setting where ABA services are provided. Medicaid may establish reasonable standards for the involvement of a parent or caregiver when authorizing reimbursement for these services.

MDH must establish a delivery system for specialty mental services for Medicaid managed care organization (MCO) enrollees. Among other things, the delivery system must provide all specialty mental health services needed by enrollees. ***Chapter 251 of 2022*** required MDH and the Behavioral Health Administration (BHA) to ensure that the specialty mental health system has an adequate network of providers available to provide substance use disorder treatment for children younger than age 18.

Pregnancy and Perinatal Health

Chapter 470 of 2021 required Medicaid to extend coverage for eligible pregnant women with family incomes of up to 250% of the federal poverty level for one year immediately following the end of the woman's pregnancy (rather than for only 60 days). Covered benefits must include dental care, in addition to the comprehensive medical care and other health care services.

Generally, a noncitizen must be a qualified alien to receive Medicaid. Medicaid covers emergency services only (including labor and delivery) for lawfully present immigrants who remain ineligible for Medicaid, as well as undocumented immigrants. Medicaid provides coverage to any newborn from birth to age one if the child's mother was covered by Medicaid for the child's date of birth. ***Chapter 28 of 2022*** required Medicaid to provide comprehensive medical care and other health care services to noncitizen pregnant women who would be eligible for Medicaid but for their immigration status and codified the requirement that Medicaid cover their children up to the age of one.

Maryland regulations provide for Medicaid coverage of doula services for all Medicaid enrollees. ***Chapter 726 of 2022*** codified key components of the regulations and required MDH to (1) ensure that doulas providing care under Medicaid are participating doulas; (2) review participation in Medicaid of participating doulas and Medicaid recipients; and (3) evaluate the effectiveness of doula services covered by Medicaid.

Telehealth

COVID-19 led to rapid adoption of telehealth as many health care facilities were closed in April and May 2020. The increased need for telehealth prompted government and private payors

to authorize reimbursement for a wider range of telehealth encounters, including telephone communications. ***Chapters 17 and 18 of 2020*** required Medicaid to provide mental health services appropriately delivered through telehealth to a patient in the patient's home setting. The Acts also expanded the definition of "telehealth" for purposes of private insurance coverage to include the delivery of mental health care services to a patient in the patient's home.

Chapters 70 and 71 of 2021 expanded Medicaid reimbursement requirements for health care services provided through telehealth. The Acts required coverage of telehealth regardless of the location of the patient at the time services are provided and extended coverage to include audio-only telephone conversations (through June 30, 2023). The Acts also expanded required Medicaid reimbursement to include health care services provided by all types of health care providers that appropriately provide telehealth services. With certain limitations and for a two-year period only, reimbursement must be provided for a health care service appropriately provided through telehealth on the same basis and at the same rate as if the service were delivered in person. In addition, telehealth services provided to Medicaid recipients must include counseling and treatment for SUDs and mental health conditions. ***Chapters 70 and 71*** also established requirements for health insurance carriers. For an additional discussion of the insurance provisions, see the subpart "Health Insurance" of this Part J of this *Major Issues Review*.

Long-term Care Services

Medicaid home- and community-based services waivers allow individuals to receive long-term care services in the community rather than an institutional setting. ***Chapter 414 of 2019*** prohibited MDH from denying an individual access to a home- and community-based services waiver due to a lack of funding for the waiver under certain circumstances when the individual is living at home or in the community at the time of application and other circumstances are met.

Maryland offers multiple Medicaid waiver programs, including the Community Pathways Waiver, the Community Supports Waiver, and the Family Supports Waiver for individuals with developmental disabilities; the Brain Injury Waiver; the Home- and Community-Based Options Waiver for older adults and people with disabilities; the Medical Day Care Services Waiver; the Model Waiver for Medically Fragile Children; and the Waiver for Children with Autism Spectrum Disorder. However, there are more than 31,000 on waitlists for various waiver services. ***Chapter 464 of 2022*** required MDH to develop plans to reduce the waitlists for seven waiver programs by 50% beginning in fiscal 2024. MDH must also develop a plan to reduce the registry for the Autism Waiver that includes conducting eligibility determinations of individuals on the waitlist and, beginning in fiscal 2024, providing services to at least 50% of individuals determined eligible.

The Community Options Waiver provides an array of home- and community-based services that assist Medicaid beneficiaries to live in the community and avoid institutionalization. As of November 2021, there were 21,238 individuals on the waiver waitlist, with new individuals being placed on the waitlist annually. ***Chapter 738 of 2022*** required the waiver to include a cap

on participation and a plan for waiver participation of at least 7,500 individuals. MDH must send a waiver application to at least 600 individuals on the waitlist each month.

Other Medicaid Legislation

Hepatitis C: Maryland Medicaid has established certain criteria for individuals to be eligible for new hepatitis C therapies, including having a diagnosis with chronic hepatitis C and a liver fibrosis corresponding to a Metavir score (a measure of liver damage or fibrosis) of F2 or greater. ***Chapter 451 of 2019*** required Medicaid to provide medically appropriate drugs that are approved by the U.S. Food and Drug Administration (FDA) for the treatment of hepatitis C, regardless of the fibrosis score, and that are determined to be medically necessary.

Blood Pressure Monitoring: Chapters 669 and 670 of 2022 required Medicaid to provide coverage for self-measured blood pressure monitoring for all Medicaid recipients diagnosed with uncontrolled high blood pressure.

Emergency Service Transport: Maryland previously reimbursed emergency service transporters at a rate of $100 for the cost of transportation to a facility in response to a 9-1-1 call and medical services provided while transporting the Medicaid recipient to a facility in response to a 9-1-1 call. ***Chapter 668 of 2022*** increased the reimbursement rate and expanded Medicaid reimbursement to an emergency service transporter to include reimbursement for medical services provided in response to a 9-1-1 call in situations when the recipient is *not* transported to a facility and for mobile integrated health services.

Community Violence Prevention: Medicaid is the largest payor of violence-related care both nationwide and in Maryland. Community violence prevention services are intended to promote improved health outcomes and positive behavioral change, prevent injury recidivism, and reduce the likelihood that an individual who is the victim of community violence will commit or promote violence. ***Chapters 504 and 505 of 2022*** required Medicaid, subject to federal approval, to provide community violence prevention services beginning July 1, 2023.

Health Equity

Racial and ethnic minorities are more likely to experience poor health outcomes as a consequence of their social determinants of health, which include access to health care, education, employment, economic stability, housing, public safety, and neighborhood and environmental factors. Data consistently shows ongoing and, in some cases, growing health disparities in Maryland, and many of these disparities have been worsened due to the COVID-19 pandemic.

Chapters 749 and 750 of 2021 established the Maryland Commission on Health Equity to, among other things, (1) examine and make recommendations regarding incorporating health considerations into decision making, implicit bias training, training on collection of patient self-identified data, and specified national standards; (2) foster collaboration between units of government and develop policies to improve health and reduce health inequities; (3) identify

measures for monitoring and advancing health equity in the State; and (4) establish a State plan for achieving health equity in alignment with other statewide planning activities.

Chapters 741 and 742 of 2021 established a process for designation of Health Equity Resource Communities (HERC) in which State resources must be targeted to reduce health disparities and improve health outcomes. A HERC is defined as a contiguous geographic area that (1) demonstrates measurable and documented health disparities and poor health outcomes; (2) is small enough to allow for the incentives offered under the Acts to have a significant impact on improving health outcomes and reducing health disparities; (3) is designated by MCHRC; and (4) has a minimum population of 5,000 residents.

Chapters 744 and 745 of 2021 required applicants for the renewal of a license or certificate issued by a health occupations board to attest to completion of an approved implicit bias training program upon licensure or certification renewal after April 1, 2022.

Cannabis

Medical Cannabis

The Natalie M. LaPrade Medical Cannabis Commission (MMCC) is responsible for implementation of the State's medical cannabis program. The commission oversees licensing, registration, inspection, and testing related to the State's medical cannabis program and provides information to patients, health care providers, growers, dispensers, processors, testing laboratories, and caregivers.

Chapter 456 of 2019 made numerous changes to the State's medical cannabis program, which included (1) authorizing an institution of higher education, a related medical facility, or an affiliated biomedical research firm to register with the commission to purchase medical cannabis for research purposes; (2) requiring the commission to allow licensed medical cannabis dispensaries and processors to sell edible cannabis products; (3) increasing from two to three years the length of time a medical cannabis license holder must be actively engaged in the industry before selling or transferring ownership of the license; (4) expanding legal protections for individuals participating in the State's medical cannabis program; and (5) restricting medical cannabis advertising. ***Chapter 501 of 2019*** required the commission to allow a person to have an ownership interest in, or control of (including the power to manage and operate), as many as four licensed dispensaries; clarified the existing limit of one ownership interest for licensed growers; and codified a limit of one ownership interest for licensed processors. The Act also explicitly subjected licensed growers, dispensaries, and processors to the Maryland Antitrust Act and Maryland Sales Below Cost Act. ***Chapters 187 and 188 of 2020*** authorized physician assistants to be certifying providers under the State's medical cannabis program.

Chapters 624 and 625 of 2020 required the Maryland State Department of Education and the commission to jointly develop guidelines for public schools allowing the administration of medical cannabis during school hours and school-sponsored activities and while on a school bus to students who are qualifying patients. Established guidelines must address the school personnel

who are authorized to administer medical cannabis, the specific locations where the medical cannabis may be administered, certain safety considerations and security protocols, notice requirements, and whether the medical cannabis can be retained on school grounds. The guidelines must include a clear prohibition on any method of administration of medical cannabis that includes smoking or vaping. Nonpublic schools may establish a policy regarding the administration of medical cannabis to students. The Acts also established that a school nurse is not required to administer medical cannabis and expanded the definition of "caregiver" to include, for a qualifying patient younger than age 18, up to two additional adults (for a total of four caregivers) designated by the parent or legal guardian.

The Natalie M. LaPrade Medical Cannabis Compassionate Use Fund is a special non-lapsing fund administered by MDH to establish a program to allow individuals enrolled in Medicaid or in the Veterans Affairs Maryland Health Care System to obtain medical cannabis from a licensed dispensary free of charge or at a reduced cost. ***Chapter 352 of 2020*** required MMCC, rather than MDH, to administer and adopt regulations to implement the fund and related statutory provisions. The Act also expressed the intent of the General Assembly that MMCC establish a fee structure to assess fees in a certain manner on licensed growers, processors, and dispensaries to support the fund.

Adult-use Cannabis

Chapter 45 of 2022 proposed a constitutional amendment to allow an individual at least age 21 to use and possess cannabis in the State beginning July 1, 2023, if approved by the voters at the November 2022 general election. The authorization is subject to a requirement that the General Assembly pass legislation regarding the use, distribution, possession, regulation, and taxation of cannabis.

Chapter 26 of 2022 altered penalties, resentencing, and expungement provisions for cannabis-related offenses. The Act also included provisions related to health-related data collection. MMCC must complete a comprehensive baseline study, collect and report data from MMCC licensees, and complete a study on home grow programs. MMCC must consult with specified agencies (or contract with an institution of higher education or a private research entity) to conduct a comprehensive baseline study of cannabis use in the State that includes a survey of (1) patterns of use, including frequency of use and dosing, methods of consumption, and general perceptions of cannabis among individuals in specified age groups; (2) incidents of impaired driving, including arrests, accidents, and fatalities, related to cannabis use; (3) hospitalizations related to cannabis use; (4) calls to poison control centers related to cannabis use, including data on calls related to individuals younger than age 21; and (5) diagnoses of cannabis use disorder and problem cannabis use.

In addition, ***Chapter 26*** established the Cannabis Public Health Advisory Council, contingent on the passage of the specified referendum. The advisory council must study and issue a report of its findings and recommendations by December 1 of each year regarding (1) the promotion of public health and mitigation of youth use, misuse, and addiction to cannabis; (2) data

collection and reporting of data that measures the impact of cannabis consumption and legalization; (3) the impact of cannabis legalization on the education, behavioral health, and somatic health of individuals younger than age 21; (4) initiatives to prevent cannabis use by individuals younger than age 21, including educational programs for use in schools; (5) public health campaigns on cannabis; (6) advertising, labeling, product testing, and quality control requirements; (7) training for health care providers related to cannabis use; (8) best practices regarding requirements to reduce the appeal of cannabis to minors, including advertising, potency, packaging, and labeling standards; and (9) any other issues that advance public health related to cannabis use and legalization. ***Chapter 26*** also established the Cannabis Public Health Fund, contingent on passage of the referendum, to provide funding to address the health effects associated with the legalization of adult-use cannabis. The fund consists of revenues distributed to the fund based on revenues from adult-use cannabis, money appropriated in the State budget to the fund, and any other money from any other source accepted for the benefit of the fund.

For an additional discussion of these Acts, see the subpart "Criminal Law" within Part E – Crimes, Corrections, and Public Safety of this *Major Issues Review*.

Chapters 511 and 512 of 2022 prohibited a person who distributes products containing delta-8- or delta-10-tetrahydrocannabinol (THC) from distributing, purchasing for sale, or selling a product containing delta-8- or delta-10-THC to an individual younger than age 21. The prohibition applies to specified business license holders, such as cigarette businesses, other tobacco product retailers, electronic smoking device retailers, and vape shop vendors. The Acts also required MMCC to study and make recommendations on the classification and regulation of THCs, other than delta-9-THC, that are artificially, synthetically, or naturally derived, and manufactured products containing delta-8- and delta-10-THC.

Opioids

Maryland continues to be among the states most impacted by the opioid epidemic with the fourth-highest overdose death rate in the nation. While the State showed signs of improvement in 2019 with overdose fatalities lower than the previous year, the climb in fatalities resumed with the start of the COVID-19 pandemic, and overdose fatalities increased in 2020 and 2021.

Opioid Restitution Fund

Chapter 537 of 2019 established the Opioid Restitution Fund (ORF), a special fund to retain any revenues received by the State relating to specified opioid judgments or settlements, which may be used only for opioid-related programs and services. In fiscal 2022, the ORF received approximately $12 million from the $573 million global settlement agreement with McKinsey & Company for its role in marketing opioids, including OxyContin. Additionally, the State is expected to receive approximately $500 million from the $26 billion global settlement with opioid manufacturer Johnson & Johnson and opioid distributors McKesson, Amerisource Bergen, and Cardinal Health. ***Chapters 84 and 85 of 2022*** specified the manner of appropriation for funds received in the settlement. ***Chapter 270 of 2022*** established the Opioid Restitution Fund Advisory

Council to develop an annual report on the council's findings and recommendations regarding the allocations of money from the ORF and specified that the ORF may be used for programs, services, supports, and resources for evidence-based substance use disorder prevention, treatment, recovery, or harm reduction that have the purpose of currently authorized outcomes and activities.

Opioid Use Disorder Treatment in Correctional Facilities

Chapter 532 of 2019 established programs for opioid use disorder screening, evaluation, and treatment (specifically medication-assisted treatment) in local correctional facilities and in the Baltimore Pre-trial Complex. For an additional discussion, see the subpart "Public Safety and Corrections" within Part E – Crimes, Corrections, and Public Safety of this *Major Issues Review*.

Prescription Drug Monitoring Program

The Prescription Drug Monitoring Program (PDMP) has the primary purpose of monitoring the prescribing and dispensing of Schedule II through V controlled dangerous substances to address issues of prescription drug abuse and drug diversion (the transfer of legally prescribed medication to an illicit use). In 2018, the Department of Legislative Services (DLS) conducted a full evaluation of PDMP. ***Chapter 364 of 2019*** implemented recommendations of the DLS evaluation, which included removing PDMP from evaluation under the Maryland Program Evaluation Act and repealing the program's termination date. ***Chapter 531 of 2019*** required, rather than authorized, PDMP to review prescription monitoring data for indications of (1) possible misuse or abuse of a monitored prescription drug or (2) a possible violation of law or breach of professional standards by a prescriber or dispenser. If either is indicated, PDMP *must* notify and provide education to the prescriber or dispenser. If there is a possible violation of law or breach of professional standards, PDMP *may* provide prescription monitoring data to the Office of Controlled Substances Administration for further investigation under certain circumstances.

Opioid Overdose Reversal Drugs

Naloxone is an opioid antagonist approved by FDA for the reversal of an opioid overdose. ***Chapter 224 of 2022*** required PDMP to monitor the dispensing of naloxone medication and established standards surrounding the disclosure of naloxone medication data. ***Chapter 239 of 2022*** expanded existing requirements and protections related to the administration or provision of naloxone to encompass any FDA-approved opioid overdose reversal drug. In addition, the Act authorized such reversal drugs to be offered to specified individuals, free of charge, by multiple providers, programs, and entities. ***Chapters 82 and 83 of 2022*** required MDH to (1) adopt a reporting system to monitor the prescribing of medications to treat opioid use disorders (OUD) in the State; (2) analyze patterns of prescribing to identify prescribers who regularly prescribe nonpreferred medications; (3) conduct outreach to prescribers using educational materials regarding the benefits of prescribing preferred medications; and (4) identify barriers to individuals who need medication to treat an OUD to obtaining the medication in a timely manner.

Behavioral Health

Maryland Behavioral Health and Public Safety Center of Excellence

The 2020 final report of the Commission to Study Mental and Behavioral Health recommended development of a mental health – criminal justice center of excellence. ***Chapters 68 and 69 of 2021*** established the Maryland Behavioral Health and Public Safety Center of Excellence within the Governor's Office of Crime Prevention, Youth, and Victim Services. The center's activities must include strategic planning, technical assistance, State and local government coordination, and facilitation of train-the-trainer courses for the Sequential Intercept Model (SIM). SIM is a systems-level framework for criminal justice and behavioral health stakeholders to prevent entrance into and minimize penetration into the criminal justice system, and engage individuals with behavioral health services and recovery supports as they transition into the community from the criminal justice system.

The center must develop (1) a statewide model for law enforcement-assisted diversion; (2) recommendations for pretrial services; (3) procedures for sharing deflection and diversion statistics between relevant State agencies; (4) recommendations for statewide implementation of law enforcement-assisted diversion programs; and (5) a statewide model for community crisis intervention services other than law enforcement. The center must host one State SIM Summit each year and produce and update annually a specified statewide strategic plan.

Registry and Referral System

During the 2020 session, the General Assembly passed ***House Bill 1121***. The bill was vetoed by the Governor, but the General Assembly voted to override the veto during the 2021 session, and the bill became law as ***Chapter 29 of 2021. Chapter 29*** established a Maryland Mental Health and Substance Use Disorder Registry and Referral System (and a related advisory committee) to provide a statewide system through which health care providers can identify and access available inpatient and outpatient mental health and substance use services for patients.

Crisis Response Services and Suicide Prevention

Chapters 755 and 756 of 2021 altered the Behavioral Health Crisis Response Grant Program and the Maryland Behavioral Health Crisis Response System (BHCRS) within BHA. Crisis communication centers located in each jurisdiction provide a single point of entry to BHCRS and coordination with the local core service agency or behavioral health authority, police, emergency medical service personnel, and behavioral health providers. ***Chapters 755 and 756*** required a crisis communication center to coordinate with 3-1-1, 2-1-1, or other local mental health hotlines and altered how specified data must be publicly reported and disaggregated.

The grant program funds local jurisdictions to establish and expand community behavioral health crisis response systems. ***Chapters 755 and 756*** modified the priorities for awarding grants to local behavioral health authorities by requiring prioritization of proposals that, among other things, serve all members of the immediate community with cultural competency and provide a

plan of linking individuals in crisis to peer support and family support services after stabilization. ***Chapters 687 and 688 of 2022*** further altered the consideration priorities for MDH to require that grant proposals include response standards that prioritize mobile crisis units over law enforcement when responding to individuals in crisis.

2-1-1 Maryland is the primary information and referral telephone number for health and human services in the State. ***Chapters 66 and 67 of 2021*** required MDH to make recommendations to 2-1-1 Maryland regarding the establishment of an opt-in mental health services phone call program that requires a call center to make periodic calls to persons who have opted into the program and attempts to connect persons with a mental health provider upon request.

The federal National Suicide Hotline Designation Act of 2020 designated 9-8-8 as the universal telephone number for the purpose of the national suicide prevention and mental health crisis hotline system. ***Chapters 145 and 146 of 2022*** adopted measures to implement the federal law in the State. The Acts established the 9-8-8 Trust Fund to provide reimbursement for costs associated with designating and maintaining 9-8-8 in accordance with the federal law and implementing a statewide initiative for the coordination and delivery of the continuum of behavioral health crisis response services.

Chapters 80 and 81 of 2022 established the Maryland Suicide Fatality Review Committee to identify and address the factors contributing to suicide and facilitate system changes in the State to prevent suicide. The committee must, among other things, meet at least quarterly to review suicide deaths and make determinations regarding (1) issues related to individuals at risk for suicide, specifically trends, risk factors, current best practices in suicide prevention, lapses in systemic responses, and barriers to safety and well-being and (2) strategies for the prevention of suicide deaths.

Services for Veterans

According to the U.S. Department of Veterans Affairs, the risk for suicide is 22% higher among veterans compared with U.S. civilian adults. ***Chapter 35 of 2019*** required MDH to develop a comprehensive action plan to increase access to and availability of professional veteran mental health services.

Chapters 785 and 786 of 2021 established the Shelia E. Hixson Behavioral Health Services Matching Grant Program for Service Members and Veterans administered by MDH. The program must award competitive matching grants to local nonprofit organizations to establish and expand community behavioral health programs that (1) serve the behavioral health needs of eligible individuals in the locality served by the nonprofit organization; (2) meet national standards; (3) integrate the delivery of mental health and substance use treatment; and (4) connect eligible individuals to appropriate community-based care in a timely manner on discharge from the community behavioral health program.

If behavioral health services are not available or accessible at the federal level, MDH must connect eligible veterans to behavioral health services that may be available through BHA until

federal services can be obtained. ***Chapters 136 and 137 of 2021*** required MDH to include mental health first aid among the behavioral health services for which MDH provides service coordination for eligible veterans. Mental health first aid must consist of training for veterans and their immediate family members on how to identify and respond to signs of mental illness and SUDs.

Chapter 731 of 2022 established the Post-Traumatic Stress Disorder and Traumatic Brain Injury Alternative Therapies Fund to support MDH in studying the effectiveness of and improving access to alternative therapies for post-traumatic stress disorder and traumatic brain injuries in veterans.

Services for Children and Young Adults

Chapter 743 of 2021 lowered the age, from 16 to 12, for a minor to give informed consent in certain situations. Specifically, a minor who is at least age 12 and is determined by a health care provider to be mature and capable of giving informed consent has the same capacity as an adult to consent to consultation, diagnosis, and treatment of a mental or emotional disorder by the health care provider or a clinic. A minor younger than age 16 may not consent to the use of prescription medications to treat a mental or emotional disorder unless consent is authorized under other provisions of law. A health care provider may decide to provide information about treatment to a parent, guardian, or custodian of a minor unless the health care provider believes that the disclosure will lead to harm to the minor or deter the minor from seeking care.

Adverse childhood experiences (ACE) are potentially traumatic events that occur in a child's life such as physical or emotional abuse, neglect, caregiver mental illness or substance abuse, and household violence. ***Chapters 569 and 570 of 2021*** required the Maryland State Department of Education, in coordination with MDH, to include at least five questions from the Centers for Disease Control and Prevention Youth Risk Behavior Survey on ACEs or positive childhood experiences in the Youth Risk Behavior Surveillance System survey (renamed the Youth Risk Behavior Survey/Youth Tobacco Survey under the Acts).

Chapters 722 and 723 of 2021 established the Commission on Trauma-Informed Care in the Department of Human Services (DHS). Among other duties, the commission must study and implement an ACEs Aware program, in consultation with DHS, MDH, and Maryland Health Care Commission. The program is intended to screen for ACEs and toxic stress to provide targeted, evidence-based interventions to support individual and family health.

Emergency Evaluations

Certain health professionals, a health officer (or designee), a peace officer, or any other interested party may petition for an emergency evaluation of an individual if the petitioner has reason to believe that the individual has a mental disorder and presents a danger to the life or safety of the individual or of others. ***Chapter 488 of 2020*** authorized emergency facility personnel (rather than only a physician) to ask a peace officer to remain at an emergency facility when a peace officer brings an emergency evaluee to the facility. A peace officer, to the extent practicable, must notify the emergency facility in advance that the peace officer is bringing an emergency evaluee

to the emergency facility. ***Chapters 172 and 173 of 2020*** authorized MDH, in the list of emergency facilities published annually related to emergency mental health evaluations, to include (1) comprehensive crisis response centers; (2) crisis stabilization centers; (3) crisis treatment centers; and (4) outpatient mental health clinics. MDH must give the list to each local behavioral health authority. ***Chapter 79 of 2022*** authorized a petition for emergency evaluation to be provided as an electronic record and transmitted and received electronically.

Specialty Mental Health System

MDH uses an administrative services organization (ASO) to authorize services and pay claims for the Maryland Public Behavioral Health System, the delivery system for publicly funded specialty mental health services. The transition to a new ASO vendor (Optum) in January 2020 resulted in technical and system failures that impacted payments to behavioral health providers. ***Chapters 151 and 152 of 2021*** required the Maryland Insurance Commissioner to enforce statutory performance standards relating to the payment of claims against the ASO that is responsible for administering the delivery system for specialty mental health services.

The Acts also specifically subjected the ASO to (1) the requirement to pay interest on unpaid clean claims; (2) specified fines and penalties for certain violations of clean claims requirements; and (3) the Insurance Commissioner's enforcement authority in connection with any investigation or examination of potential violations of clean claims provisions.

Regulation of Products and Services

Tobacco

Chapter 396 of 2019 raised the minimum age, from 18 to 21, for an individual to purchase or be sold tobacco products. The Act exempted active duty military members who are at least age 18 and present valid military identification from the bill's minimum age requirement.

Food Safety

A cottage food product is a nonhazardous food that is sold in the State directly to a consumer from a residence, at a farmer's market or a public event, by personal delivery, or by mail delivery. ***Chapters 370 and 371 of 2019*** expanded the definition of a cottage food product to include food sold to a retail food store, including a grocery store or a food cooperative. Before selling a cottage food product to a retail store, the owner of a cottage food business must submit to MDH (1) documentation of the owner's successful completion of an MDH-approved food safety course and (2) the label that will be affixed to the product. The label must include the phone number and email address of the cottage food business and the date the cottage food product was made.

Tanning Beds

Chapters 440 and 441 of 2019 prohibited an owner, employee, or operator of a tanning facility from allowing a minor younger than age 18 to use a tanning device. An owner, employee, or operator must post a notice in a conspicuous place in the facility.

Local Health Officers Removal

Chapter 53 of 2022 repealed the provision that specifies that the health officer for a county serves at the pleasure of the governing body of that county and the Secretary of Health. If the Secretary and the appropriate governing body concur on the removal of a health officer, the Secretary must provide written notification of removal to the health officer that includes the basis for the removal, documentation supporting the removal, and notice of the opportunity to request a hearing with the Secretary of Health within 10 days after receipt of the written notification and information on how to request the hearing. If the health officer requests a hearing with the Secretary, the Secretary must hold the hearing promptly, provide the health officer with an opportunity to be heard, and make a final decision not later than 10 days after the hearing. For additional discussion of this Act, see the subpart "Local Government – Generally" within Part D – Local Government of this *Major Issues Review*.

Health Occupations

Generally

Program Evaluation ("Sunset Review")

The Maryland Program Evaluation Act (MPEA) was enacted in 1978 to provide a system for periodic, legislative review of the regulatory, licensing, and other governmental activities of the Executive Branch. MPEA established a process better known as "sunset review" as nearly all agencies subject to review were also subject to termination. Since 1978, the Department of Legislative Services (DLS) has evaluated about 70 State agencies, including each of the health occupations boards, according to a rotating statutory schedule as part of sunset review. ***Chapters 510 and 511 of 2019*** eliminated the required evaluations while maintaining the termination dates. Instead, the entities may be evaluated in accordance with a work plan developed by DLS, while responsibility to introduce reauthorizing legislation is placed on the entities. For more information on program evaluation, see the subpart "General Assembly" of Part C – State Government of this *Major Issues Review.*

Regulation of Health Care Practitioners – In General

Chapter 425 of 2019 prohibited a health care practitioner (or a student or trainee) from performing a pelvic, prostate, or rectal examination on a patient who is under anesthesia or unconscious unless (1) the patient has given informed consent; (2) the examination is within the standard of care for the patient; (3) the patient is unconscious and the examination is required for

diagnostic or treatment purposes; or (4) an emergency exists, it is impractical to obtain the patient's consent, and the examination is required for diagnostic or treatment purposes. A health occupations board may discipline a health care practitioner for any violation of this prohibition.

Per Chapters 255 and 256 of 2013, the Maryland Department of Health (MDH) conducted a study of the feasibility and desirability of requiring all Maryland providers who administer vaccines to report to ImmuNet, Maryland's immunization registry. MDH subsequently recommended that all providers report to ImmuNet by October 2015. ***Chapter 502 of 2019*** required health care providers or their agents to report to ImmuNet all vaccines administered, with the exception of a health care provider in a nursing facility, assisted living program, continuing care retirement community, or medical day care program. ***Chapter 220 of 2022*** repealed the exemption for health providers in those settings.

Chapters 139 and 140 of 2020 prohibited a health occupations board or disciplinary panel from reprimanding a licensee or certificate holder, placing a licensee or certificate holder on probation, or suspending or revoking a license or certificate solely on the basis of the licensee's or certificate holder's use of a diagnostic evaluation or treatment of a patient that is integrative, complementary, alternative, or nonconventional. The prohibition does not release a licensee or certificate holder from the duty to exercise a professional standard of care when evaluating and treating a patient's medical condition.

Study of a Common Information Technology Platform

The Department of Information Technology (DoIT) is working to consolidate all of the State's licensure and certification platforms into a single platform known as the OneStop portal. ***Chapters 336 and 337 of 2021*** required DoIT to consult with the health occupations boards to review the information technology platforms used by each board and make recommendations on the feasibility and cost of developing a common and standardized platform for use by each board.

Workforce Shortages

One of the most significant issues impacting health care facilities is a nationwide workforce shortage exacerbated by the COVID-19 pandemic. Several bills sought to address this shortage.

Chapters 15 and 16 of 2020 authorized a health care practitioner to establish a practitioner-patient relationship through a telehealth interaction under specified circumstances. A health care practitioner providing telehealth services must (1) be held to the same standards of practice applicable to in-person health care settings; (2) provide or refer a patient to in-person health care services or another type of telehealth service, if clinically appropriate; (3) perform a clinical evaluation before providing treatment or issuing a prescription through telehealth; (4) document in a patient's medical record the health care services provided through telehealth; and (5) be licensed, certified, or otherwise authorized by law to provide health care services in the State if the health care services are being provided to a patient located in the State. A health care practitioner may not prescribe a Schedule II opiate for the treatment of pain through telehealth

unless the individual receiving the prescription is in a specified health care facility, or the Governor has declared a state of emergency due to a catastrophic health emergency.

Chapters 707 and 708 of 2022 established the Commission to Study the Health Care Workforce Crisis in Maryland to determine the extent of the health care workforce shortage, examine short-term solutions to address immediate needs, examine future health care workforce needs, and examine what changes are needed to enhance incentives for individuals to enter and stay in the health care workforce. The commission must issue an interim report by December 31, 2022, and a final report by December 31, 2023.

Chapter 675 of 2022, among other things, required MDH (with the Maryland Department of Labor) to convene a stakeholder workgroup to study expanding the State apprenticeship programs to the health care workforce. By December 1, 2022, MDH must report the workgroup's findings and recommendations. ***Chapter 675*** also established additional responsibilities for the State Board of Nursing related to expansion of the workforce in nursing-related fields, such as requiring an annual evaluation of the State's nursing workforce, establishing standards for online nursing assistant training programs, and allowing on-the-job experience as a nursing assistant to count toward training hours required for certification as a geriatric nursing assistant. For a discussion of the income tax credit established in ***Chapter 675***, see the subpart "Income Tax" of Part B – Taxes of this *Major Issues Review*.

Chapter 318 of 2022 established the Workgroup on Black, Latino, Asian American Pacific Islander, and Other Underrepresented Behavioral Health Professionals to identify and study the shortage of behavioral health professionals in the State who are Black, Latino, Asian American Pacific Islander, or otherwise underrepresented in the behavioral health profession. The workgroup must assess and make recommendations on methods to increase the number of underrepresented students who study at an institution of higher education in the State to be behavioral health professionals and underrepresented behavioral health professionals who provide behavioral health services in the State, especially in underserved communities. The workgroup must submit a report on its findings and recommendations by July 1, 2023.

Interstate Licensure Compacts

In general, interstate licensure compacts facilitate the practice of specific professions with the goal of improving access to services and simplifying the process for obtaining licensure in multiple states. Each compact preserves the regulatory authority of states to protect public health and safety through the current system of state licensure. As of June 2022, seven Maryland health occupations boards participate in interstate licensure compacts: the State Board of Examiners for Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists, and Music Therapists; the State Board of Nursing; the State Board of Occupational Therapy Practice; the State Board of Physical Therapy Examiners; the State Board of Physicians; the State Board of Professional Counselors and Therapists; and the State Board of Examiners of Psychologists. Compact legislation is typically contingent upon the adoption of similar legislation in a minimum number of other states.

Chapter 374 of 2019 entered Maryland into the Interstate Physical Therapy Licensure Compact (no contingency included as the compact has already been enacted in 21 other states).

Chapters 93 and 94 of 2021 entered Maryland into the Interstate Occupational Therapy Licensure Compact for occupational therapists (the contingency that nine other states enact similar legislation was met in 2022).

Chapters 134 and 135 of 2021 entered Maryland into the Interstate Licensed Professional Counselors Compact for professional counselors (the contingency that nine other states enact similar legislation was met in 2022).

Chapter 158 of 2021 entered Maryland into the Audiology and Speech-Language Pathology Interstate Licensure Compact for audiologists and speech-language pathologists (the contingency that nine other states enact similar legislation was met in 2021).

Chapter 329 of 2021 entered Maryland into the Psychology Interjurisdictional Compact for psychologists (although ***Chapter 329*** included a contingency that six other states enact similar legislation, the compact has been operational since 2019).

Maryland entered the Interstate Medical Licensure Compact for physicians July 1, 2019, but the State's membership was set to terminate September 30, 2022. ***Chapter 313 of 2022*** extended the termination date for the compact to June 30, 2030.

Acupuncturists

Chapter 543 of 2019 altered the education requirements to qualify for licensure as an acupuncturist and modified the definitions of acupuncture and practice acupuncture. Specifically, an applicant must graduate from at least a master's level program or its equivalent in acupuncture, and the program must be approved by the Maryland Higher Education Commission (MHEC), accredited by the Accreditation Commission for Acupuncture and Oriental Medicine (ACAOM), or found by the board to be equivalent to a course approved or accredited by the board.

There are two pathways to demonstrate education and experience. Under the first pathway, an applicant can graduate from at least a master's level program or its equivalent in acupuncture that is approved by MHEC, accredited by ACAOM, or found by the board to be equivalent to a course approved or accredited by MHEC or ACAOM. Under the second pathway, an applicant can hold a diplomate in acupuncture from the National Certification Commission for Acupuncture and Oriental Medicine (NCCAOM) *or* demonstrate a passing score on an examination determined by the board to be equivalent to the NCCAOM examination. Under ***Chapters 694 and 695 of 2022,*** applicants may qualify for licensure by meeting either of the two pathways for education and training if they are issued a license on or before May 31, 2026. On or after June 1, 2026, applicants for licensure must graduate from at least a master's level program or its equivalent in acupuncture *and* achieve a passing score on an examination given by NCCAOM (or that is determined by the board to be equivalent). An applicant may not qualify for licensure by holding a diplomate in acupuncture from NCCAOM.

Audiologists, Hearing Aid Dispensers, Speech-language Pathologists, and Music Therapists

An individual must be licensed by the State Board of Examiners for Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists, and Music Therapists to practice audiology, provide hearing aid services, practice speech-language pathology, or engage in the practice of music therapy in Maryland.

Licensure of Audiology Assistants

Chapters 713 and 714 of 2021 required an individual, on or after October 1, 2022, to be licensed by the board as an audiology assistant before assisting a licensed audiologist in the practice of audiology. An audiology assistant must assist the practice of audiology under the general supervision of a licensed audiologist.

Licensure of Music Therapists

The practice of music therapy includes the clinical and evidence-based use of music interventions to accomplish individualized goals within a therapeutic relationship. ***Chapter 800 of 2021*** required an individual to be licensed by the board by January 1, 2022, to practice music therapy in the State. ***Chapter 800*** also altered the name of the board and the board's special fund to reflect the addition of the new license and added two board members who are music therapists practicing in the State.

Board and Board Procedures

Chapters 711 and 712 of 2021 (1) altered provisions regarding the nomination of members to the board; (2) specified how a licensee must represent themselves to the public and notify the board of a change in contact information; (3) required the board to maintain an electronic roster of licensees; and (4) included the board in provisions relating to information about courses in cultural and linguistic competency.

Chapters 399 and 400 of 2022 (1) clarified what constitutes a board quorum; (2) extended provisions regarding examination of a licensee by a health care provider to apply to a licensed music therapist or audiology assistant; (3) clarified that the board may allow applicants licensed in another state to practice in Maryland under certain conditions; (4) specified that disciplinary grounds apply to audiology assistants; (5) authorized a licensed audiologist to delegate duties to an assistant and required the board to adopt regulations for audiology assistants; (6) added additional disciplinary grounds for licensed music therapists; and (7) renamed the music therapist rehabilitation subcommittee to be the music therapist rehabilitation committee.

Chiropractors

The State Board of Chiropractic Examiners is responsible for ensuring that chiropractors and chiropractic assistants are properly educated, trained, and licensed. ***Chapter 122 of 2021***

extended the board's termination date by 10 years to July 1, 2032, subject to the evaluation and reestablishment provisions of MPEA.

Dentists and Dental Hygienists

State Board of Dental Examiners

The State Board of Dental Examiners (BDE) regulates the practice of dentistry and dental hygiene in the State. ***Chapter 548 of 2020*** extended BDE's termination date by 10 years to July 1, 2031, subject to the evaluation and reestablishment provisions of MPEA.

Chapter 361 of 2021 required BDE to study and make recommendations regarding revisions to its complaint and disciplinary process and actions of the board necessary to improve the process of disciplining dentists and the disclosure of disciplinary actions. BDE reported its findings and recommendations to the Governor and the General Assembly in October 2021.

Chapters 309 and 310 of 2022 altered board member training requirements for and disciplinary actions taken by BDE, including requiring that a final decision on an action be issued within 120 days after the final day of a hearing; authorizing BDE to summarily suspend a license if the board determines there is a substantial likelihood that a licensee poses a risk of harm to public health, safety, or welfare; and requiring BDE to follow specified due process procedures before executing an order of summary suspension.

Dentists

Chapters 379 and 380 of 2020 required a dental practice to be owned by a licensed dentist or dental professional corporation and made conforming changes to the definition of practice dentistry. ***Chapters 379 and 380*** also specified duties that may only be performed by a licensed dentist and specified that it is unlawful for any person who is not a licensed dentist to direct, control, or interfere with the independent professional judgement of a dentist or dental hygienist regarding the diagnosis, care, or treatment of a patient's dental disease, disorder, or physical condition.

Chapters 385 and 386 of 2020 increased the criminal penalties for practicing dentistry without a license and misrepresentation to the public and categorized the offense as a felony rather than a misdemeanor; increased the criminal penalty for specified provisions relating to dental laboratory work and advertising a dental appliance; and authorized BDE to issue a cease and desist order for practicing dentistry without a license or for misrepresentation to the public, as well as for violations of specified provisions relating to dental laboratory work.

A licensed dentist may not represent to the public that the licensee is a specialist in any field of specialized dental practice unless BDE identifies the licensee as a specialist in that field. ***Chapter 574 of 2020*** authorized BDE to approve any area of specialty recognized by the National Commission on Recognition of Dental Specialties and Certifying Boards (National Commission) rather than the Commission on Dental Accreditation. The qualifications required for board

identification as a specialist may include requirements established by specialty certifying boards recognized by the American Dental Association or the National Commission. An applicant for a teacher's license to practice dentistry who is engaged in teaching a dental specialty must meet the requirements established by the National Commission.

Dental Hygienists

Chapter 399 of 2019 authorized a dental hygienist practicing under the general supervision of a licensed dentist to practice in a nursing home, assisted living program, medical office, or group home or adult day care center, rather than only in a long-term care facility. ***Chapter 399*** also altered the requirements that a dental hygienist must follow when practicing under the general supervision of a dentist, both with and without the presence of the supervising dentist.

Chapters 677 and 678 of 2022 replaced the term medical office with clinical office on the list of facilities in which a dental hygienist may practice under the general supervision of a licensed dentist and authorized a dental hygienist to consult with the supervising dentist *or* the patient's dentist and the treating physician, registered nurse practitioner, certified nurse midwife, or licensed certified midwife before proceeding with treatment if there is a change in or concerns about a patient's medical condition.

Chapter 311 of 2020 authorized a dental hygienist to prescribe or administer certain medications, after completing educational requirements established by BDE. A dental hygienist may only prescribe or administer medication (1) under the general supervision of a licensed dentist; (2) in compliance with regulations adopted by BDE; and (3) in compliance with applicable provisions of law regarding prescription packaging, labeling, and record keeping. A dental hygienist may not prescribe or administer a controlled dangerous substance, a prescription that requires a federal Drug Enforcement Agency registration, or a medication administered by intramuscular, subcutaneous, intravenous, or intradermal injection except local anesthesia.

Dental Assistants

In general, dental assistants are not required to be licensed or certified by BDE but may be registered as qualified in general duties or qualified in orthodontics, and/or certified as a dental radiation technologist (DRT). ***Chapter 364 of 2022*** established an expanded function dental assistant (EFDA) credential and specified the additional intraoral procedures that an EFDA may perform. An individual may be simultaneously certified as a DRT and an EFDA. ***Chapter 364*** also established an additional disciplinary ground for a licensed dentist who allows a dental assistant to assist in the practice of dentistry (1) in an unauthorized manner; (2) without specifically instructing the certified dental assistant to perform an intraoral procedure that the certified dental assistant is authorized to perform; or (3) failing to provide direct supervision of a dental assistant.

Environmental Health Specialists

Chapters 483 and 484 of 2021 repealed the State Board of Environmental Health Specialists Fund and instead required the board to pay any money collected from fees into the general fund. Accordingly, the board is funded with general funds rather than special funds.

Massage Therapists

Chapters 491 and 492 of 2021 altered and clarified the definition of massage therapy, specified that massage therapy programs must be accredited by the Commission on Massage Therapy Accreditation, altered requirements relating to criminal history record checks, and established a process for inactive status and reactivation of a license or registration.

The State Board of Massage Therapy Examiners has historically licensed massage therapists and registered massage therapy practitioners. ***Chapters 705 and 706 of 2022*** phased out the registered massage practitioner credential and prohibited the board from issuing an initial massage practitioner registration on or after October 1, 2023. Beginning November 1, 2026, an individual must be licensed by the board to practice massage therapy. ***Chapters 705 and 706*** also (1) altered registration and licensure qualifications; (2) established a civil fine of up to $10,000 for an individual who practices massage therapy without a license or registration; (3) repealed the requirement that the board adopt an official seal; and (4) required the board to maintain an electronic roster.

Morticians and Funeral Directors

Chapters 602 and 603 of 2020 altered education requirements for obtaining a mortician or funeral director apprenticeship license from the State Board of Morticians and Funeral Directors. An applicant for an apprentice license must be enrolled in or have graduated from an approved mortuary science program with a grade point average of 2.0 or higher. A licensed apprentice must remain enrolled in the program for the duration of the apprenticeship and complete at least 1,000 working hours in a licensed funeral establishment under the direct supervision of the apprentice sponsor. A licensed apprentice may spend up to four years as a licensed apprentice before obtaining a mortician or funeral director license.

Chapters 338 and 339 of 2021 required a licensed funeral establishment or crematory in possession of the unclaimed cremains of a veteran or an eligible dependent for which a veteran's service organization has not taken possession to (1) notify the Maryland Department of Veterans Affairs (MDVA) of the status of the cremains and (2) transfer the cremains to MDVA for appropriate disposition.

Nursing

Generally, an individual must be licensed and/or certified by the State Board of Nursing (BON) to practice as a registered nurse, licensed practical nurse, nurse anesthetist, nurse midwife,

nurse practitioner, nurse psychotherapist, nursing assistant, clinical nurse specialist, or certified medication technician or as an electrologist.

Nurse Practitioners: A petition for guardianship of a disabled person must include signed and verified certificates of competency from certain health care professionals. ***Chapter 568 of 2020*** added nurse practitioners to the list of health care professionals authorized to sign a certificate of competency.

Certified Midwifery: Chapters 462 and 463 of 2021 established a licensing and regulatory system for a licensed certified midwife to practice certified midwifery. BON must (1) establish standards for the practice of certified midwifery; (2) maintain a list of all licensed certified midwives; (3) set applicable fees; and (4) initiate specified disciplinary action.

Advanced Practice Registered Nurses: Chapters 753 and 754 of 2021 clarified that an advanced practice registered nurse (APRN) may delegate a nursing or other technical task to an assistant if the assistant performs only the tasks that the assistant is trained to perform and the delegating APRN provides instruction to and on-site supervision of the assistant performing the delegated task.

Nursing Assistants: Chapter 465 of 2021 altered the membership, qualifications and terms of members, and meeting requirements for the Certified Nursing Assistant Advisory Committee within BON including, among other things, requiring BON to appoint an alternate for each of the six nursing assistant members and fill any vacancy within 60 days, and requiring the advisory committee to meet at the request of the executive director.

Nurse Anesthetists: Chapter 686 of 2022 authorized a nurse anesthetist to prescribe, order, and administer drugs, including specified controlled dangerous substances. A nurse anesthetist may prescribe drugs (1) only in an amount that does not exceed a 10-day supply; (2) only for an individual with whom the nurse anesthetist has, at the time of prescription, established a client or patient record; and (3) only in connection with the delivery of anesthesia services.

Loan Repayment Assistance: Chapter 314 of 2022 established a Maryland Loan Assistance Repayment Program for Nurses and Nursing Support Staff and an associated special fund for the program to assist in the repayment of education loans owed by a nurse or nursing support staff who practices in an eligible field of employment.

Certified Dialysis Technicians: Chapter 681 of 2022 repealed the requirement that a dialysis technician be a certified nursing assistant (CNA) except under certain circumstances and established a separate certification for a certified dialysis technician (CDT). An individual must be certified both as a CNA and a CDT to practice as a dialysis technician in a State-owned hospital or facility.

Long-term Care Administrators

Federal law requires that both nursing homes and nursing home administrators in all states be regulated. The State Board of Examiners of Nursing Home Administrators licenses nursing home administrators in Maryland. ***Chapters 279 and 280 of 2020*** removed the requirement that certain members of the board be actively practicing nursing home administrators with at least five years of experience and required the Secretary of Health to recommend individuals for membership on the board who meet specified requirements.

Chapters 689 and 690 of 2022 renamed the board to be the State Board of Long-Term Care Administrators and required that an individual be licensed by the board to practice as an assisted living manager in the State beginning October 1, 2024. ***Chapters 689 and 690*** also altered board structure and membership requirements and specified that the board is a medical review committee.

Optometrists

Chapter 344 of 2019 altered various provisions relating to the practice of optometry for therapeutically certified optometrists (TCO), including the circumstances under which a TCO may (1) administer and prescribe pharmaceutical agents; (2) treat glaucoma subject to specified restrictions; (3) perform specified procedures; and (4) order nongenetic blood tests.

Pharmacists

Notification and Reporting

Chapter 290 of 2020 altered the definition of pharmacist to include a pharmacist licensed by another state to dispense monitored prescription drugs for purposes of the Prescription Drug Monitoring Program (PDMP). For an additional discussion of PDMP, see the subpart "Public Health – Generally" of this Part J of this *Major Issues Review*.

Chapters 162 and 163 of 2021 authorized a pharmacist to substitute a therapeutically equivalent brand-name drug or device product for any originally prescribed generically equivalent drug or device product under specified conditions and required a pharmacist to inform a retail consumer of the availability of a therapeutically equivalent brand name drug that is the lowest cost alternative to the originally prescribed generically equivalent drug and the approximate cost difference as compared to the originally prescribed drug.

Chapter 802 of 2021 established the customer notification procedures that a pharmacy owner must follow prior to closing a pharmacy for more than seven consecutive days. At least 14 days before the anticipated closing, the pharmacy owner must post a notice in the pharmacy and on the pharmacy's website and provide written and verbal notice to each client who picks up a prescription or refill.

Scope of Practice

In in response to a sharp decline in routine childhood vaccinations, in August 2020, the U.S. Department of Health and Human Services issued an order that authorized a licensed pharmacist with specified training to order and administer any vaccine approved by the U.S. Food and Drug Administration (FDA) to children ages 3 and older. ***Chapters 792 and 793 of 2021*** authorized a pharmacist to continue to administer such vaccines from July 1, 2021, to June 30, 2023, under the same requirements as the federal order.

Chapters 757 and 758 of 2021 authorized a licensed pharmacist to administer a maintenance injectable medication that is not a biological product to a patient. Specified insurers, nonprofit health service plans, and health maintenance organizations, as well as Medicaid and the Maryland Children's Health Program, must provide coverage for the administration of a self-administered medication or maintenance injectable medication provided by a licensed pharmacist to the same extent as services rendered by any other licensed health care practitioner for patient assessment regarding the administration of self-administered or maintenance injectable medications. ***Chapters 719 and 720 of 2022*** added injectable medication for treatment of a sexually transmitted infection to the statutory provisions regarding maintenance injectable medication.

Chapters 319 and 320 of 2022 expanded the scope of practice for a licensed pharmacist, who meets specified requirements, to include prescribing and dispensing nicotine replacement therapy medication that delivers nicotine to an individual and is FDA-approved for the sole purpose of aiding in tobacco or smoking cessation (regardless of whether it is available over the counter).

Physical Therapists

The practice of physical therapy in Maryland is regulated by the State Board of Physical Therapy Examiners. ***Chapter 575 of 2020*** altered physical therapist assistant license application standards to clarify that applicants educated in the United States must have completed degrees from a program approved by the American Physical Therapy Association or accredited by the Commission on the Accreditation in Physical Therapy Education. Applicants educated in limited physical therapy outside of the United States must have completed a comparable course of study.

Applicants must pass a physical therapy examination administered by the Federation of State Boards of Physical Therapy, as well as the Maryland Jurisprudence Exam administered directly by the board. ***Chapters 473 and 474 of 2021*** authorized the board to issue a temporary license to practice physical therapy or limited physical therapy to an applicant who, except for passing a required examination, has met the appropriate education and experience requirements for a license. A temporary license holder may practice physical therapy or limited physical therapy under direct supervision until (1) 90 days after issuance; (2) the board issues a full license; or (3) the board revokes the temporary license.

Chapter 225 of 2022 extended the termination date for the board by two years to July 1, 2024, subject to the evaluation and reestablishment provisions of MPEA.

Physicians

Chapter 535 of 2019 authorized a licensed physician to dispense a topical medication approved by FDA for the treatment of hypotrichosis if the physician complies with specified sections of the Maryland Pharmacy Act and receives a special class of written permit from the State Board of Physicians (MBP).

The Maryland Loan Assistance Repayment Program (MLARP) for Physicians and Physician Assistants provides student loan repayment assistance in exchange for certain service commitments to help ensure that underserved areas of the State have sufficient numbers of primary care physicians and physician assistants. ***Chapters 402 and 403 of 2020*** transferred oversight of the program from the Office of Student Financial Assistance within the Maryland Higher Education Commission to MDH and established funding requirements. ***Chapters 395 and 396 of 2022*** expanded eligibility for the program to include a part-time physician or part-time physician assistant and authorized MDH to establish prorated loan repayment for part-time practitioners. ***Chapters 395 and 396*** also established the MLARP Advisory Council for Physicians and Physician Assistants, which must, among other things, seek permanent and diverse revenue sources to aid in the stability and further development of the program.

Sunset Evaluation

Chapter 419 of 2019 advanced the termination date for MBP and the allied health advisory committees from 2023 to 2020, and the date for the next full evaluation under MPEA from 2021 to 2019. As recommended by the 2019 full evaluation, ***Chapters 612 and 613 of 2020*** extended the termination date of MBP and the allied health advisory committees to July 1, 2030, and made a series of alterations to MBP and its associated statute, including changing MBP's authority, aligning certain processes for practices shared by all health occupations regulated by MBP, and removing outdated requirements or references.

Allied Health Professionals

MBP regulates many allied health professions in addition to the regulation of physicians and physician assistants.

Cardiovascular Invasive Specialists**:** ***Chapter 445 of 2019*** authorized a licensed physician to delegate duties to a registered cardiovascular invasive specialist assisting in fluoroscopy. The physician must be physically present and personally direct each act performed by the cardiovascular invasive specialist.

Athletic Trainers**:** ***Chapter 579 of 2020*** (1) altered the definition of practice athletic training; (2) defined athletic individual; (3) repealed limitations on the settings in which athletic trainers may practice; (4) repealed the requirement that an evaluation and treatment protocol

describe the settings where the athletic trainer may practice; (5) repealed obsolete language regarding the three athletic trainer members of the Athletic Trainer Advisory Committee; and (6) specified that an athletic trainer may provide treatment for not more than 14 days to an athletic individual with an injury that affects job function or job-related activity except under specified circumstances.

Genetic Counseling*: *Chapters 603 and 604 of 2021 required individuals, on or after January 1, 2024, to be licensed to practice genetic counseling in the State. ***Chapters 603 and 604*** also established a Genetic Counseling Advisory Committee within MBP and required MBP to adopt regulations for the licensure and practice of genetic counseling.

Podiatric Medical Examiners

Chapter 123 of 2021 extended the termination date of the State Board of Podiatric Medical Examiners by 10 years to July 1, 2032, subject to the evaluation and reestablishment provisions of MPEA.

Professional Counselors and Therapists

The State Board of Professional Counselors and Therapists licenses and certifies professional counselors, alcohol and drug counselors, marriage and family therapists, professional art therapists, and behavior analysts. ***Chapters 408 and 409 of 2019*** made multiple changes to the board and the regulation of the practitioners it licenses and certifies. Among other changes, ***Chapters 408 and 409*** (1) added a requirement that the board consult a board member who is a licensed clinical professional counselor before taking disciplinary action against a clinical professional counselor; (2) altered coursework and examination requirements for a license to practice clinical professional art therapy; (3) extended specific provisions governing the denial, suspension, probation, or revocation of a license or certificate to specified trainees; and (4) specified that the Criminal Justice Information System Central Repository must provide the State "rap back" service for the board.

Chapters 158 and 159 of 2020 extended the board's termination by five years to July 1, 2026, subject to the subject to the evaluation and reestablishment provisions of MPEA, and required the board to submit recurring reports to the General Assembly.

Chapters 796 and 797 of 2021 expressly permitted an individual to use telehealth when practicing clinical alcohol and drug counseling without a license or alcohol and drug counseling without certification if the individual is working as a trainee under supervisions while fulfilling experiential or course of study requirements.

Social Workers

Chapter 543 of 2020 (1) clarified the definition of practice social work to include counseling for alcohol and drug use and addictive behavior; (2) clarified that treatment of

biopsychosocial conditions by certain social workers must be under the supervision of a licensed certified social worker-clinical; (3) prohibited the State Board of Social Worker Examiners from construing certain provisions of law to prohibit certain licensees from applying or qualifying to engage in independent practice; and (4) required the board to approve certain licensees to provide supervision if the licensee meets specified standards.

Chapters 781 and 782 of 2021 renamed the Maryland Social Workers Act as the Maryland Social Workers Practice Act and made additional alterations to the Act by (1) requiring an individual employed by the federal government and licensed to practice social work in the State to comply with the Act; (2) repealing obsolete provisions related to a licensed graduate social worker and the practice of graduate social work; (3) altering the definition of licensed certified social worker; (4) altering the number of required hours of specified supervision for a licensed certified social worker-clinical; (5) redefining the social worker rehabilitation committee as the social worker rehabilitation process; (6) requiring the board to include disciplinary history, if applicable, on each electronic license record; (7) specifying that the board must approve certain licensees to provide supervision in accordance with board regulations; and (8) increasing the penalty for certain violations.

Residential Child Care Program Professionals

The State Board for Certification of Residential Child Care Program Professionals certifies residential childcare program administrators and residential child and youth care practitioners. ***Chapter 787 of 2021*** required the board to maintain an electronic roster of all individuals certified by the board for purposes of electronically verifying certification and to post the roster on its website. ***Chapters 702 and 703 of 2022*** reduced the number of board members from 12 to 11, removed the requirement that a member be appointed by the subcabinet, and removed the requirement that the board adopt an official seal.

Health Care Facilities and Regulation

University of Maryland Medical System Corporation

In response to allegations of self-dealing and unethical practices by board members, ***Chapters 18 and 19 of 2019*** implemented comprehensive reforms to the Board of Directors of the University of Maryland Medical System Corporation (UMMSC), including reconstituting the board and prohibiting a member from being a State or local elected official. The terms of the board members in office as of July 1, 2019, ended on January 1, 2020. A board member whose appointment ended, however, could apply for reappointment. The reappointment of a board member or the appointment of a new board member by the Governor is subject to the advice and consent of the Senate. Board members serve five-year terms from the date of appointment and may not serve more than two consecutive terms.

A member of the board may not intentionally use the prestige of office or public position for the member's private gain or that of another. Each board member must annually submit a disclosure of financial interest, including any potential conflicts of interest, to the Health Services Cost Review Commission (HSCRC). The board adopted a conflict-of-interest policy that includes (1) standards for the disclosure of financial interest, board member participation in contracts with UMMSC, and recusal from voting; (2) a requirement that a board member may not use the member's position on the board for personal gain when contracting with UMMSC; and (3) a requirement that a board member provide an attestation of any business relationship with UMMSC or any affiliate of UMMSC.

Chapters 18 and 19 also altered UMMSC's procurement practices, as the practices related to board members. UMMSC is prohibited from using sole-source procurement to award a contract to an active member of the board or a business entity that employs or has an affiliation with an active member, and the Governor must remove a board member who has benefited from a sole-source procurement. UMMSC may not provide a preference for the award of a contract to an active member of the board or a business entity that employs or has an affiliation with an active member. The award of a contract or the making of a payment to a board member or an associated business of a member is subject to the approval of the full board of directors and the recommendation of UMMSC's compliance officer. ***Chapters 18 and 19*** also required the board to develop policy governing contracts and payments to a board member or members of board of directors of hospitals affiliated with UMMSC by UMMSC or the affiliated hospital.

UMMSC was required to competitively bid for a certified public accounting firm to conduct performance audits of its administrative and financial offices to evaluate the efficiency and effectiveness of financial management practices, including procurement and contracting. The initial audit was submitted in December 2019. A second audit is due by December 31, 2022, and must also be submitted to the Governor, the President of the Senate, and the Speaker of the House of Delegates.

Hospitals

The Maryland Trauma Physician Services Fund (MTPSF) is used to subsidize uncompensated and undercompensated care incurred by trauma physicians, costs incurred by a trauma center to maintain trauma physicians' on-call, and the costs to administer and audit reimbursement requests to assure appropriate payments are made from the fund. The MTPSF is financed by a $5 surcharge on all Maryland vehicle registrations. ***Chapters 394 and 395 of 2019*** expanded the purpose of the MTPSF to include subsidizing the documented costs incurred by the State Primary Adult Resource Center (PARC) to maintain trauma surgeons, orthopedic surgeons, neurosurgeons, and anesthesiologists on-call and on standby as required by the Maryland Institute for Emergency Medical Services Systems. The Maryland Health Care Commission (MHCC) was charged with developing guidelines for the reimbursement of the documented costs of PARC.

Each regulated hospital in the State is required to annually submit a community benefit report to HSCRC. ***Chapters 436 and 437 of 2020*** repealed requirements for nonprofit hospitals

regarding community benefit reporting and instead required HSCRC to establish a Community Benefit Reporting Workgroup comprised of individuals and stakeholder groups that have knowledge of, and are impacted by, hospital community benefit spending. The workgroup must establish a standard reporting format and determine the dates on which each nonprofit hospital must submit an annual community benefit report. The Acts required HSCRC to adopt regulations that implement the recommendations of the workgroup and establish a method through which State and local governing bodies are made aware of the meetings of the workgroup.

Hospitals often acquire physician practices that are co-located in the hospital complex. As a result, patients visiting these practices for outpatient services may be charged a hospital outpatient facility fee that is added to the patient's bill from the medical provider. ***Chapters 365 and 366 of 2020*** required patients to be notified orally and in writing that a hospital may charge an outpatient facility fee for an appointment at the hospital. The Acts specified the required contents of the notice that must be provided, the timing by which the notice must be provided, and how a patient must acknowledge receipt of the notice. In addition, hospitals must determine the range of outpatient facility fees and fee estimates to be provided in the notice. A hospital may not charge, bill, or attempt to collect an outpatient facility fee unless the patient is provided the notice in accordance with these requirements.

Financial Assistance and Debt Collection

Each hospital in the State is required to develop a financial assistance policy for providing free and reduced-cost care to patients who lack health care coverage, or whose health care coverage does not pay the full cost of the hospital bill. ***Chapter 470 of 2020*** altered required elements of hospital financial assistance policies, including increasing the family income limit for which a hospital's financial assistance policy must provide reduced-cost care from 150% to 200% of the federal poverty level. Each hospital is required to annually submit its policy and report information about patients who receive financial assistance to HSCRC. HSCRC must evaluate the impact of any additional changes to hospital financial assistance policies and report its findings and recommendations regarding any impact of the changes on the amount of hospital uncompensated care included in hospital rates and the total cost of care for Medicare, Medicaid, commercial insurers, and self-pay individuals.

Chapters 769 and 770 of 2021 altered requirements relating to mandated hospital debt collection policies and payment plans and prohibited a hospital from taking specified actions when collecting debt. Specifically, the Acts included detailed provisions related to when and how a hospital can make reports to consumer reporting agencies, initiate court actions, and use debt collectors. In addition, hospitals must submit an annual report to HSCRC, including the number of patients against whom the hospital has filed an action to collect the debt owed, the number of patients the hospital has and has not reported or classified with a bad debt, and the total dollar amount of the charges for hospital services provided to patients but not collected by the hospital for patients covered by insurance, including the out-of-pocket costs for patients covered by insurance, and patients without insurance. The Acts also further altered hospital financial

assistance policy requirements and established requirements related to interest payments and payment plans.

Certificate of Need

The certificate of need (CON) program requires the review and approval of certain types of proposed health care facility and service projects by MHCC to ensure that new health care facilities and services are developed only as needed. In accordance with requests made by the Senate Finance Committee and House Health and Government Operations Committee, MHCC studied the CON program and made recommendations to update and modify CON requirements.

Chapter 15 of 2019 exempted a health care facility from the general requirement to obtain a CON before changing the bed capacity of a health care facility if the change in bed capacity will occur in (1) a licensed intermediate care facility that offers residential or intensive substance-related disorder treatment services or (2) an existing, licensed general hospice program.

Chapters 415 and 416 of 2019 increased the threshold below which a CON is generally not required when a hospital intends to make specified capital expenditures, from $10 million to the hospital capital threshold, which is defined as the lesser of 25% of a hospital's gross regulated charges for the immediately preceding year or $50 million. The Acts also required MHCC to adopt the State Health Plan annually by October 1 and specified that the plan must be consistent with the Maryland All-Payer Model Contract administered by HSCRC. MHCC must annually, or on petition by any person, determine the chapter or chapters of the State Health Plan that should be reviewed and revised and establish, at a public meeting, the priority order and timeline of the review and revision.

Chapter 474 of 2019 modified CON requirements relating to changes in health care services offered and capital expenditures related to a health care facility other than a hospital. The Act also required a specified CON filed after October 1, 2019, to be deemed approved if (1) the CON is uncontested and (2) final action by MHCC does not occur within 120 days after the application for the CON was docketed. Finally, the definition of ambulatory surgical facility was altered, and an associated CON exemption was repealed.

Patient Safety

Each hospital administrator is responsible for making available to each patient in the hospital a copy of the patient's bill of rights that the hospital adopts under Joint Commission (the national hospital accreditation entity) guidelines. The patient's bill of rights must include a statement that the patient has a right to expect and receive appropriate assessment, management, and treatment of pain as an integral component of the patient's care. ***Chapters 285 and 286 of 2019*** specified the minimum required contents of a hospital patient's bill of rights. A hospital administrator must provide each patient with a written copy of the patient's bill of rights, conspicuously post copies of the patient's bill of rights on the hospital's website and in certain areas of the hospital and provide annual training to all patient care staff on the patient's bill of

rights. The Office of Health Care Quality (OHCQ) must monitor the compliance of each hospital with the patient's bill of rights requirements.

In October 2018, the Office of the Attorney General announced a settlement with Neiswanger Management Services, LLC (NMS), formerly an operator of five nursing facilities in Maryland. In a civil case filed in the circuit court for Montgomery County in December 2016, the State alleged that NMS had engaged in unfair, unsafe, and unlawful discharge practices affecting hundreds of residents and had submitted false claims to the Medicaid program. As a result, ***Chapter 545 of 2019*** altered requirements related to the discharge or transfer of a resident from a nursing facility. The Act (1) specified additional resident rights; (2) expanded the required contents of a discharge or transfer form; (3) required the development of a specified post-discharge plan; and (4) placed additional restrictions on the discharge of a resident without informed consent. The Attorney General may request that a court impose a civil penalty of up to $100,000 for each violation by a facility of specified provisions related to the transfer or discharge of a resident, the required notice of discharge or transfer, or an involuntary discharge.

Chapters 155 and 156 of 2021 required a licensed residential treatment center, a State facility, or a hospital with a separately identified inpatient psychiatric service, to report a complaint of sexual abuse or sexual harassment of a patient within 24 hours of receiving the complaint. A complaint must be reported to the Behavioral Health Administration (BHA) and OHCQ in MDH, the Child Protective Services unit in the Department of Human Services (if the complaint involves a minor), and the State designated protection and advocacy system. BHA and OHCQ must collaborate to develop and implement a uniform system for facilities to report complaints.

Health Insurance

Individual and Small Group Market

Legal challenges to the federal Patient Protection and Affordable Care Act (ACA), specifically the authority for the individual mandate and the severability of the Act, reached the Supreme Court in 2020. The Court dismissed the case in 2021, leaving the ACA intact. In response to these challenges, the General Assembly passed legislation to continue to stabilize the individual and small group markets and establish State consumer protections.

State Reinsurance Program

The State reinsurance program (SRP) provides reinsurance to carriers that offer individual health benefit plans in the State to mitigate the impact of high-risk individuals on rates in the individual market. SRP is funded by both State and federal funds. To provide State funds for SRP, Chapters 37 and 38 of 2018 established a health insurance provider fee assessment of 2.75% on specified entities for calendar 2019 only. ***Chapters 597 and 598 of 2019*** extended the assessment through calendar 2023 and reduced the provider fee assessment to 1%. ***Chapters 104 and 105 of 2020*** clarified that the assessment applied through calendar 2023, notwithstanding a change in federal law that repealed the related health insurance provider fee under the ACA.

The federal waiver authorizing SRP expires in December 2023. A State funding source is required for waiver renewal and to continue receiving federal funds. ***Chapter 59 of 2022*** extended the 1% provider fee assessment through calendar 2028. A stand-alone dental or vision plan carrier subject to the provider fee assessment is exempt from certain health care regulatory assessments for each calendar year in which the provider fee assessment is paid. The Maryland Insurance Administration (MIA) in consultation with the Maryland Health Benefit Exchange (MHBE) and the Maryland Health Care Commission (MHCC), must submit a report to the Governor and the General Assembly on the impact of SRP.

Maryland Easy Enrollment Health Insurance Program

Chapters 423 and 424 of 2019 established the Maryland Easy Enrollment Health Insurance Program to (1) establish a State-based reporting system to provide information about the health insurance status of State residents through State income tax returns; (2) determine whether an uninsured individual who is interested in obtaining coverage qualifies for an insurance affordability program; and (3) assist in enrolling uninsured individuals in such programs and coverage. Under the program, an uninsured individual can elect on their State income tax return to authorize the Office of the Comptroller to share information with MHBE to determine the individual's eligibility for insurance affordability programs.

Chapters 49 and 65 of 2021 established a similar process through the State Unemployment Insurance Program to connect individuals who file a claim for benefits with health insurance plans.

State-based Young Adult Health Insurance Subsidies

Chapters 104 and 105 of 2020 required MHBE to submit a report on the potential design, implementation, and effects of establishing State-based, individual market health insurance subsidies. MHBE worked with an actuarial firm and established a workgroup to complete the required report. The General Assembly introduced legislation to implement the workgroup's recommendations. ***Chapters 777 and 778 of 2021*** required MHBE to implement a State-Based Young Adult Health Insurance Subsidies Pilot Program, including subsidy eligibility and payment parameters that take into consideration young adults age 18 to 40 with incomes between 133% and 400% of the federal poverty level. MHBE was authorized to use up to $20 million from the MHBE Fund in fiscal 2022 through 2024 to provide annual subsides in calendar 2022 and 2023.

Small Group Market

Chapter 401 of 2019 authorized MHBE to submit a federal waiver to allow the State to administer the federal small business health care tax credit to small businesses for monthly premium payments. ***Chapter 401*** also expanded the funding sources for the MHBE Fund to include any federal funds received for administration of the tax credits. Due to budget cuts, MHBE did not apply for the waiver and the General Assembly continued to seek ways to make health insurance more affordable for small businesses.

Chapter 483 of 2022 required MHBE to convene a workgroup to study and make recommendations relating to the establishment of a Small Business and Nonprofit Health Insurance Subsidies Program to provide subsidies for the purchase of health benefit plans. MHBE must invite specified stakeholders to participate in the workgroup, which must study and make recommendations regarding (1) the health insurance coverage needs of small employers, nonprofit employers, and their employees; (2) objectives and target metrics for the program; (3) the optimal scope and design features of a program; (4) the cost to administer the program; and (5) the sources and levels of funding needed to support the program. MHBE must submit a report on the workgroup's findings and recommendations to the Governor and specified committees of the General Assembly. The Act expressed the intent of the General Assembly that, beginning in fiscal 2024, the Governor include in the annual budget bill an appropriation to establish and operate a program with a design as recommended by the workgroup.

Consumer Protections

ACA Protections: Chapters 417 and 418 of 2019 required the Maryland Health Insurance Coverage Protection Commission to establish a workgroup to, among other things, determine the most effective manner of ensuring that Maryland consumers can obtain and retain quality health insurance, independent of any action or inaction on the part of the federal government or any changes to federal law or its interpretation. Reflecting recommendations of the commission, ***Chapters 620 and 621 of 2020*** established, in a new subtitle, the consumer protections of the ACA that were previously specified through cross-references in Maryland law, as well as nondiscrimination provisions contained in the ACA that prohibit health insurance carriers from refusing, withholding, or denying coverage, or otherwise discriminating against, any individual on the grounds of race, sex, color, creed, national origin, marital status, sexual orientation, age, gender identity, or disability.

Special Enrollment Period for Pregnancy: The ACA requires nongrandfathered health plans to cover maternity coverage; however, pregnancy itself does not make a woman eligible to enroll. ***Chapter 355 of 2019*** required small employer and individual health benefit plans to provide a special enrollment period (SEP) during which an individual who becomes pregnant, as confirmed by a health care practitioner, may enroll in a health benefit plan. The SEP must be open for 90 days and begin on the date a health care practitioner confirms the pregnancy. Coverage must become effective on the first day of the month in which the woman receives confirmation of pregnancy.

Additional Triggers for Special Enrollment Periods: Chapter 524 of 2020 updated Maryland law to conform with ACA regulations by expanding the types of coverage that an eligible employee or dependent may have had prior to a permanent move that trigger an SEP. An individual who had coverage for prenatal care or services (including coverage under Medicaid or the Maryland Children's Health Program) or medically needy Medicaid coverage for one or more days during the 60-day period preceding the date of the permanent move qualify for an SEP.

Maryland Health Benefit Exchange: Chapter 391 of 2019 required MHBE to (1) conduct outreach and education activities to increase health literacy and educate consumers about MHBE

and insurance affordability programs and (2) perform specified functions for Maryland Medicaid programs, as requested by the Maryland Department of Health (MDH) and approved by the MHBE Board, to aid in the efficient operations of MHBE and Medicaid.

COVID-19 Response

Among other emergency authority, ***Chapters 13 and 14 of 2020*** authorized the Governor to take a series of actions to facilitate access to health care and provision of that care and mitigate costs to individuals for COVID-19 diagnosis and treatment, including prohibiting cost-sharing for COVID-19 testing, ordering MDH to cover the cost of testing if not paid for by a carrier or third party, and requiring carriers to cover a COVID-19 immunization without cost-sharing. ***Chapters 13 and 14*** also provided the Governor with authority to alter telehealth protocols and coverage and consult with MDH, the Insurance Commissioner, and MHBE to develop and implement orders regarding SEPs and reimbursement for certain services relating to COVID-19.

Legislation passed during the 2021 session that required health insurance carriers to continue to provide coverage for COVID-19 tests and related items and services for the administration of COVID-19 tests as required by specified federal legislation and any applicable federal regulations or guidance. The Governor vetoed the bills, but the General Assembly voted to override the vetoes and the bills became law as ***Chapters 29 and 31 of the 2021 special session***. For further discussion of ***Chapters 29 and 31***, see the subpart "Public Health – Generally" of this Part J.

Telehealth

Prior to the COVID-19 pandemic, health insurance carriers were required to provide coverage for health care services appropriately delivered through telehealth. COVID-19 led to rapid adoption of telehealth as many health care facilities were closed in April and May 2020. The increased need for telehealth prompted government and private payors to allow reimbursement for a wider range of telehealth encounters.

Chapters 17 and 18 of 2020 expanded the definition of telehealth to include the delivery of mental health services to a patient in the patient's home.

Chapters 70 and 71 of 2021 further expanded the definition of telehealth and related coverage and reimbursement requirements and extended coverage to include, for a two-year period only, audio-only telephone conversations between a health care provider and a patient. A health insurance carrier must cover telehealth regardless of the location of the patient at the time services are provided. A carrier may not exclude or deny coverage for a behavioral health care service that is a covered benefit when provided in-person solely because the service may also be provided through a covered telehealth benefit. Telehealth coverage must include counseling and treatment for substance use disorders and mental health conditions. From July 1, 2021, through June 30, 2023, a carrier must provide reimbursement for a health care service appropriately provided through telehealth on the same basis and at the same rate as if the health care service

were delivered in person. Reimbursement does not include (1) clinic facility fees, except as specified, or (2) any room and board fees. A health insurance carrier may not impose as a condition of reimbursement of a covered health care services delivered through telehealth that the health care service be provided by a third-party vendor designated by the carrier. For further discussion of ***Chapters 70 and 71*** and their impact on Medicaid, see the subpart "Public Health – Generally" of this Part J.

Mandated Coverage, Reimbursement, and Cost-Sharing

Abortion Care Access Act

Chapter 56 of 2022 established several provisions relating to access to abortion care. This subpart discusses the health insurance provisions. For further discussion of ***Chapter 56***, see the subpart "Public Health – Generally" within this Part J.

Insurance Coverage of Abortion Care Services: Chapter 56 required a carrier that provides labor and delivery coverage to cover abortion care services without (1) a deductible, coinsurance, copayment, or any other cost-sharing requirement and (2) restrictions that are inconsistent with the protected rights under Title 20, Subtitle 2 of the Health–General Article. A carrier must provide information to consumers about abortion care coverage using the terminology abortion care to describe coverage. These requirements do not apply to (1) a multistate plan that does not provide coverage for abortions in accordance with federal law; (2) a high-deductible plan, unless the Insurance Commissioner determines that abortion care is not excluded from the safe harbor provisions for preventive care under federal law; or (3) a religious organization that has bona fide religious beliefs and practices that conflict with the requirements.

State-Based Young Adult Health Insurance Subsidies Pilot Program: Federal advanced premium tax credits cannot be used to cover benefits that are not essential health benefits (non-EHBs), including abortion. Thus, enrollees in the State-Based Young Adult Health Insurance Subsidies Pilot Program must pay an out-of-pocket premium for non-EHBs. ***Chapter 56*** required MHBE to adopt regulations to provide a subsidy to cover 100% of the cost of the premium for young adults who have a 0% expected contribution in calendar 2023. MHBE must track the impact of covering the full cost of premiums on effectuation rates and termination for nonpayment rates, and the information must be posted on MHBE's website and included in MHBE's annual report.

Consumer Information Workgroup and Study: Chapter 56 required MHBE, in consultation with MIA, to convene a workgroup to make recommendations to improve the transparency and accessibility of consumer information about abortion care coverage and study extending last dollar coverage to other enrollees in addition to those under the State-Based Young Adult Health Insurance Subsidies Pilot Program.

Data Collection: The ACA requires carriers that cover certain abortion services to segregate funds for those services in a separate account and then use that account to pay for all

services for abortions. ***Chapter 56*** required MIA to collect specified data from State-regulated plans and submit a series of reports related to these segregated accounts.

Additional Coverage and Reimbursement Mandates and Limitations on Cost Sharing

Additional legislation established or altered coverage or reimbursement requirements and limitations on cost sharing for health care services and products:

- ***Prescription Insulin: Chapter 405 of 2022*** required health insurance carriers that provide coverage for prescription drugs and devices (including coverage provided through a pharmacy benefits manager) to limit the amount a covered individual is required to pay in copayments or coinsurance for a covered prescription insulin drug to no more than $30 for a 30-day supply, regardless of the amount or type of insulin needed to fill the covered individual's prescription;

- ***Pediatric Autoimmune Neuropsychiatric Disorders: Chapter 560 of 2020*** required health insurance carriers to provide coverage for the medically necessary diagnosis, evaluation, and treatment of pediatric autoimmune neuropsychiatric disorders associated with streptococcal infections (PANDAS) and pediatric acute onset neuropsychiatric syndrome (PANS), excluding coverage for rituximab unless FDA-approved for the treatment of PANDAS and PANS. ***Chapter 321 of 2022*** repealed the requirement that rituximab be FDA-approved for the treatment of PANDAS and PANS to mandate coverage of the medication;

- ***In Vitro Fertilization: Chapters 324 and 325 of 2020*** altered the requirement that certain health insurance carriers provide coverage for in vitro fertilization to a married patient who meets specified qualifications and extended the benefits to a qualified, unmarried patient; and

- ***Prostate Cancer Screening: Chapters 343 and 344 of 2020*** prohibited health insurance carriers, subject to certain federal guidance, from applying a deductible, copayment, or coinsurance to coverage for preventive care screening services for prostate cancer, including a digital rectal exam and a prostate-specific antigen blood test.

Behavioral Health

Treatment Criteria for Behavioral Health Benefits

Chapters 357 and 358 of 2019 required specified health insurance carriers to use the American Society of Addiction Medicine criteria for all medical necessity and utilization management determinations for substance use disorder benefits and repealed the limitation on a carrier charging a copayment for methadone maintenance treatment that is greater than 50% of the daily cost for methadone maintenance treatment.

Provider Panels – Graduate Providers

Chapter 551 of 2019 prohibited a health insurance carrier from rejecting a provider who provides community-based health services for an accredited community behavioral health program for participation on the carrier's provider panel solely because the provider is a licensed graduate social worker, a licensed master social worker, a licensed graduate alcohol and drug counselor, a licensed graduate marriage and family therapist, a licensed graduate professional art therapist, or a licensed graduate professional counselor. ***Chapter 271 of 2020*** extended this prohibition to include registered psychology associates and clarified that the prohibition applies if the provider practices within the scope of the provider's license and holds a specified license or credential.

Mental Health Parity

Short-term Plans: Chapter 101 of 2019 applied the State's mental health parity law to short-term limited duration insurance.

Federal Mental Health Parity and Addiction Equity Act: The federal Mental Health Parity and Addiction Equity Act (Parity Act) requires group health plans of large employers as well as qualified health plans sold in health insurance exchanges and in the small group and individual markets as of January 1, 2014, to equalize health benefits for addiction and mental health care and medical and surgical services in fundamental ways. Among other standards, the Parity Act prohibits group health plans from imposing separate or more restrictive financial requirements or treatment limitations on mental health and substance use disorder benefits than those imposed on other general medical benefits.

Chapters 211 and 212 of 2020 required health insurance carriers that provide health benefit plans in the State to submit two reports to the Insurance Commissioner demonstrating compliance with the Parity Act and conduct a comparative analysis for the nonquantitative treatment limitations identified in the compliance report as those limitations are written and in operation.

Coverage for Nonparticipation

Chapters 271 and 272 of 2022 required a health insurance carrier to ensure that specified services for mental health or substance use disorders are provided at no greater cost than if the covered benefit were provided by a provider on the carrier's provider panel. Each health insurance carrier must inform members of the procedure to request a referral to a specialist or nonphysician specialist, and the Consumer Education and Advocacy Program must provide public education to inform consumers of such procedures.

Prescription Drug Affordability Board

Chapter 692 of 2019 established the Prescription Drug Affordability Board to protect State residents and other stakeholders from the high costs of prescription drug products. The board must conduct a study on the entire pharmaceutical distribution and payment system and policy options being used in other states and countries, collect publicly available information and data, and enter

into memoranda of understanding with other states to collect data to identify prescription drug products that may cause affordability issues. The board may conduct a cost review of each identified drug product. If the board determines that it is in the best interest of Maryland to implement a process for setting upper payment limits on prescription drug products, the board must draft a plan of action to implement the process and submit the plan to the Legislative Policy Committee (LPC) for approval. If LPC does not approve the plan within 45 days, the board must submit the plan to the Governor and the Attorney General for their approval. The board may not set upper payment limits before getting approval of the plan.

Chapter 425 of 2020 repealed the requirement that the board hire legal counsel and instead specified that the Attorney General is the legal adviser to the board and must designate an assistant Attorney General as counsel to the board. ***Chapter 425*** also clarified the authority of the board to set upper payment limits for prescription drug products in accordance with a specified plan of action, reduced the frequency by which the board must meet from at least once every six weeks to at least four times per year, and delayed certain study and reporting requirements.

Senate Bill 669 and House Bill 1095 of 2020 repealed the requirement that the board determine a funding source and instead required the board to assess and collect an annual fee on prescription drug manufacturers, pharmacy benefits managers, health insurance carriers, and wholesale distributors that sell or offer for sale prescription drug products to persons in the State. The Governor vetoed the bills, but the General Assembly voted to override the vetoes and the bills became law as ***Chapters 4 and 28 of 2021***.

Pharmacy Benefits and Services

Formulary Changes

Chapters 503 and 504 of 2019 required certain health insurance carriers that remove a drug from their formulary or move a drug to a benefit tier with a higher deductible, copayment, or coinsurance amount to provide a member and the member's health care provider with (1) notice at least 30 days before the change is implemented and (2) included in the notice, the process for requesting an exemption. ***Chapters 503 and 504*** also expanded the process carriers must have in place to allow a member to receive an off-formulary prescription drug or device to include a prescription drug or device that has been removed from a formulary and to allow a member to continue the same cost-sharing requirements under specified circumstances.

Specialty Drugs for Treatment of Diabetes, HIV, and AIDS

Chapters 614 and 615 of 2020 excluded a prescription drug prescribed to treat diabetes, HIV, or AIDS from the definition of specialty drug for the purpose of precluding a health insurance carrier from requiring the drug be obtained through a designated pharmacy or other authorized source or a pharmacy participating in the carrier's network, if the carrier determines that the pharmacy meets the carrier's performance standards and accepts the carrier's network reimbursement.

Prior Authorization

Chapter 549 of 2019 established requirements for prior authorization for a prescription for a chronic condition and required specified entities to (1) maintain a database of information relating to prior authorization requests filed electronically; (2) provide a specific explanation when denying a prior authorization; (3) honor certain prior authorizations for a specified time period and under specified circumstances; and (4) provide notice of a new prior authorization requirement for a prescription drug.

Postexposure prophylaxis (PEP) is the use of antiretroviral medication to prevent HIV infection after a potential exposure. ***Chapter 684 of 2022*** prohibited health insurance carriers from applying a prior authorization requirement for a prescription drug used as PEP for the prevention of HIV if the prescription drug is prescribed for use in accordance with U.S. Centers for Disease Control and Prevention guidelines.

Pharmacy Services Administrative Organizations

A pharmacy services administrative organization (PSAO) is an entity that provides a contracted pharmacy with contracting administrative services relating to prescription drug benefits. ***Chapters 398 and 399 of 2020*** required a PSAO to register with the Insurance Commissioner, beginning July 1, 2021, before providing services as a PSAO to independent pharmacies in the State. A PSAO that has not registered may not enter into an agreement or a contract with an independent pharmacy or a pharmacy benefits manager (PBM).

Chapters 307 and 308 of 2022 specified that each contract form or an amendment to a contract form between a PBM and a PSAO acting on behalf of a pharmacy may not become effective unless the PBM files an informational filing with the Insurance Commissioner. A PSAO that has not registered with the Commissioner may enter into an agreement or contract with a PBM if the PSAO is not contracting with any independent pharmacies in Maryland. Administrative contract requirements apply to a pharmacy services administrative contract (PSAC) or an amendment to a PSAC and not to a contract (or amendment to a contract) between a PSAO, on behalf of an independent pharmacy, and a PBM or group purchasing organization. A PSAC must require the PSAO to provide to an independent pharmacy an electronic or paper copy of any contracts, amendments, payment schedules, or reimbursement rates.

Pharmacy Benefits Managers

Chapter 400 of 2019 prohibited a contract (or contract amendment) between a PBM, a PSAO, or a group purchasing organization and a pharmacy from becoming effective unless (1) the contract or amendment is filed with the Insurance Commissioner at least 30 days before it is to become effective and (2) the Commissioner does not disapprove the filing within 30 days after the contract or amendment is filed. ***Chapter 400*** also specified requirements relating to appeals and disputes regarding maximum allowable cost and cost pricing and reimbursement and repealed authorization for a PBM to retroactively deny or modify reimbursement to a pharmacy or

pharmacist if the claim otherwise caused monetary loss to the PBM, provided that the PBM allowed the pharmacy a reasonable opportunity to remedy the cause of the monetary loss.

Chapter 550 of 2019 prohibited a PBM from requiring that a beneficiary use a specific pharmacy or entity to fill a prescription if (1) the PBM or a corporate affiliate of the PBM has an ownership interest in the pharmacy or entity or (2) the pharmacy or entity has an ownership interest in the PBM or a corporate affiliate of the PBM. A PBM may require a beneficiary to use a specific pharmacy or entity for a specialty drug.

Chapter 455 of 2020 prohibited a PBM or purchaser from, as a condition of participating in a PBM's or purchaser's network, requiring a pharmacy or pharmacist to renew credentialing more frequently than once every three years or charging a pharmacy or pharmacist a fee for initial or renewal credentialing. ***Chapter 455*** also prohibited a PBM or purchaser from (1) directly or indirectly charging a contracted pharmacy, or holding a contracted pharmacy responsible for, a fee or performance-based reimbursement related to the adjudication of a claim or an incentive program, regardless of whether it is specifically enumerated at the time of claim processing or reported on the initial remittance advice or (2) making or allowing any reduction in payment for pharmacy services or directly or indirectly reducing a payment for a pharmacy service under a reconciliation process to an effective rate or reimbursement, including generic effective rates, brand effective rates, direct and indirect remuneration fees, or any other reduction or aggregate reduction of payments.

Chapter 365 of 2022 established requirements and prohibitions on a PBM relating to coverage and reimbursement of prescription drugs purchased under the federal 340B Drug Pricing Program, including prohibiting a PBM from offering lower reimbursements for or refusing to cover prescription drugs purchased under the 340B Program; or charging fees, imposing different network participation contract terms, or modifying a beneficiary's copayment based on whether a pharmacy or pharmacist participates in the 340B Program.

Chapter 371 of 2022 required the Insurance Commissioner to establish a workgroup to identify options and requirements necessary for the reimbursement of pharmacists who provide medical services within their scope of practice and work setting and report findings and recommendations to the General Assembly.

In December 2020, the U.S. Supreme Court ruled in *Rutledge v. Pharmaceutical Care Management Association* that the federal Employee Retirement Income Security Act of 1974 (ERISA) did not preempt an Arkansas state law regulating PBM reimbursement and ERISA plans. ***Chapter 358 of 2021*** altered provisions of law that regulate PBMs by repealing a blanket exclusion from the law for self-funded ERISA plans. ***Chapter 358*** retained the scope of several provisions so that they continued to apply more narrowly to health insurance carriers or PBMs that perform pharmacy benefit management services on behalf of a carrier, such as provisions relating to beneficiary choice of pharmacy and audits of pharmacies and pharmacists by PBMs. Simultaneously, ***Chapter 358*** altered other provisions to apply more broadly to purchasers, which include self-funded ERISA plans and PBMs that provide services on behalf of purchasers, such as

provisions relating to maximum allowable cost pricing and disputes regarding cost pricing and reimbursement.

Chapter 434 of 2020 required the Department of Budget and Management (DBM) to use a reverse auction to select a PBM for the Maryland Rx Program under the State Employee and Retiree Health and Welfare Benefits Program. At least three months before a PBM reverse auction is scheduled to be completed, DBM must procure a technology platform (as well as any associated professional services) to evaluate the qualifications of prospective PBMs, automatically adjudicate prescription drug claims, and collect data on pharmacy reimbursement. DBM may perform annual market checks of PBM services during the term of a PBM contract to ensure continuing competitiveness of prescription drug pricing over the life of the contract.

Value-based Care

Chapters 297 and 298 of 2022 authorized a carrier to enter into a two-sided incentive arrangement with an eligible provider and specified what is permitted, prohibited, and required under a bonus or other incentive-based compensation program or two-sided incentive arrangement. This is a voluntary, value-based payment arrangement between a provider and a health insurance carrier in which the provider may earn an incentive and a carrier may recoup funds from the provider in accordance with the terms of a contract that meets requirements under the bills. MHCC must report on the number and type of value-based arrangements entered into and related measures. ***Chapters 297 and 298*** also specified that (1) a value-based arrangement that meets the requirements of specified federal regulations is not subject to Maryland's health care practitioner self-referral law; (2) a health care practitioner or set of health care practitioners that accepts capitated payments is not considered to be doing an insurance business in the State; and (3) an adjustment to reimbursement made as part of a two-sided incentive arrangement is not subject to carrier requirements regarding a retroactive denial of reimbursement.

Special Enrollment Periods for Medicare Supplement Policies

During the COVID-19 public health emergency (PHE), many individuals remained enrolled in Medicaid despite losing their eligibility and becoming eligible for Medicare due to age or disability. Once the PHE ends, these individuals will be disenrolled from Medicaid, but their initial open enrollment period for Medicare Part B will have passed. ***Chapter 495 of 2022*** required a health insurance carrier that issues Medicare supplement policies to offer an SEP for individuals to select a Medicare supplement policy for one year following the end of the national emergency or PHE, whichever is later.

Chapter 680 of 2022 required a health insurance carrier that sells Medicare supplement policies to provide an enrolled individual the opportunity to switch to a different Medicare supplement policy with equal or lesser benefits within 30 days following the individual's birthday. A carrier must notify an insured of their right to switch policies at least 30 days, but no more than 60 days, before the insured's birthday.

Cybersecurity

Chapter 103 of 2019 required a health insurance carrier to notify the Insurance Commissioner of a breach of the security of a system if the carrier (1) conducts a specified investigation and (2) determines that the breach creates a likelihood that personal information has been or will be misused. Notice must be provided on a form and in a manner approved by the Commissioner and at the same time the carrier provides notice, as required under current law, to the Office of the Attorney General.

Chapter 231 of 2022 adopted the National Association of Insurance Commissioners Model 668 – Data Security Model Law, which establishes data security standards for insurance regulators, insurers, and other specified carriers with the purpose of establishing standards applicable to carriers for data security, prompt investigation, and notification to the Insurance Commissioner of a cybersecurity event.

Miscellaneous

Life and Health Insurance Guaranty Corporation Act

Chapters 73 and 74 of 2020 revised various provisions of the Life and Health Insurance Guaranty Corporation Act, including adding health maintenance organizations as assessable member insurers and establishing a mechanism to more fairly assess for receiverships involving long-term care insurers.

Federal No Surprises Act

Chapter 229 of 2022 authorized MIA to enforce provisions of the federal No Surprises Act and other provisions of the federal Consolidated Appropriations Act, 2021 that protect consumers against surprise medical billing by health care providers for emergency services and for services performed by out-of-network providers at in-network facilities. The Insurance Commissioner may enforce the bill under any applicable provisions of the Insurance Article.

Social Services

Public Assistance

The COVID-19 pandemic created substantial challenges for households working to achieve economic stability. ***Chapter 39 of 2021***, the Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families (RELIEF) Act, provided funding and took other actions to mitigate the adverse effects of the pandemic. At the beginning of the pandemic, the Department of Human Services (DHS) offered waivers of certain requirements (such as medical certification of disability) in the Temporary Disability Assistance Program (TDAP) and extended recertification time periods. Following the end of some of these waivers and a temporary restart of recertifications, there was a substantial decline in TDAP enrollment. Among other actions,

Chapter 39 (1) required DHS to reenroll participants whose cases closed during certain months (except those disenrolled as a result of a final determination of a Supplemental Security Income claim) and (2) prohibited case closures through June 30, 2021, except in similarly limited circumstances. ***Chapter 39*** also allocated $22 million to provide retroactive benefits to those who were disenrolled on or after July 1, 2020, and support an additional $100 per month benefit for TDAP recipients consistent with an additional benefit provided to Temporary Cash Assistance (TCA) recipients. These additional benefits were available through June 2021.

Supplemental Budget No. 5 to the fiscal 2022 budget provided $46 million in fiscal 2022 to continue the additional benefit for both TCA and TDAP through calendar 2021. TCA recipients received a four-month phase down of this additional benefit at the beginning of calendar 2022 through available federal stimulus funds. Supplemental Budget No. 5 to the fiscal 2023 budget included $35 million to support a legislative priority to provide an additional $45 monthly benefit for each TCA and TDAP recipient in fiscal 2023.

For further discussion of the RELIEF Act and the fiscal 2021 through 2023 budgets, see the subpart "Operating Budget" of Part A – Budget and State Aid of this *Major Issues Review*.

Cash Assistance

The Maryland Minimum Living Level (MMLL) is an inflation-adjusted calculation of the income necessary to support a minimal standard of living for a family of three in Maryland. The Governor must provide sufficient funding to ensure that the value of the TCA benefit combined with federal Supplemental Nutrition Assistance Program (SNAP) benefits is equal to a proportion of MMLL. During the 2020 session, the General Assembly passed ***Senate Bill 452*** to increase the funding requirement from 61.0% to 61.25% of MMLL. The Governor vetoed the bill, the General Assembly voted to override the veto, and the bill became law as ***Chapter 13 of 2021***.

Family Investment Program

Applicants for and adult recipients of family investment services are assessed to evaluate appropriate work activities and determine whether the individual qualifies for an exemption from work requirements. Exemptions are generally available based on criteria that include being a child only case, having a child younger than age one, having a severe disability, or being a caretaker of an individual with a disability. A Family Investment Program (FIP) agreement specifies required work activities. If a TCA assistance unit is noncompliant with FIP requirements, including work-related or child support requirements, recipients are sanctioned unless good cause criteria are met. Previously, the evaluation of good cause criteria was established by DHS policy rather than by statute. ***Chapter 457 of 2020*** made several alterations to policies surrounding good cause and sanctions, including:

- codifying good cause criteria;
- altering the TCA benefit structure to establish a child portion and an adult portion;

- altering sanctions for noncompliance from a termination of benefits to a reduction of no more than 30% of the adult portion of the TCA benefit for work requirement noncompliance and to 25% of the TCA grant for child support noncompliance; and

- requiring that benefits resume at the full level upon compliance with work requirements, instead of the previous time-lagged reinstatement of benefits.

Chapter 476 of 2019 established that TCA participants can fulfill work requirements by completing 20 hours per week of education directly related to employment or vocational education that leads to an associate degree, a diploma, or a certificate for up to 24 months rather than the 12 months allowed previously. ***Chapters 509 and 510 of 2022*** defined and established requirements when unpaid work experience and community service may be offered as an alternative means to fulfill work requirements. The Acts also made several alterations to the TCA program including (1) adding criteria for exemptions based on months of TCA receipt and preventing lifetime limits on exemptions based on having a child younger than age one; (2) establishing maximum required work activity hours, which vary based on the age of the child and the number of adult recipients; and (3) requiring the availability of electronic submission of work activity verification.

Chapters 506 and 507 of 2022 required DHS to annually review each contract with a nongovernmental entity in place as of October 1, 2024, to assess program impacts on employment and earnings. DHS must also hire an outside consultant to assess the extent to which FIP is implementing policies equitably and employing best practices to achieve the best outcomes possible. The FIP review must be completed by October 1, 2024.

Nutrition Assistance

Supplemental Nutrition Assistance Program

Eligible low-income families and individuals receive 100% federally funded benefits for the purchase of food items through SNAP, previously known nationally as the Food Stamp Program. In Maryland, this program was called the Food Supplement Program. ***Chapter 508 of 2020*** renamed the program to align with the new federal name.

To receive SNAP benefits, most noncategorically eligible households must meet certain income tests. Deductions to income for these calculations include, among other things, certain shelter expenses (including utility costs). A utility allowance can be used in lieu of documenting energy costs. If households receive federal energy assistance benefits of at least a certain level, the utility allowance can be applied, which increases the likelihood that a household will receive the shelter deduction. Higher deductions typically result in higher benefit levels. ***Chapters 362 and 363 of 2021*** established a Heat and Eat program in SNAP. Under this program, DHS must apply a standard utility allowance to the shelter deduction in the calculation of SNAP eligibility and benefits. The allowance is defined as a Maryland Energy Assistance Program (MEAP) payment of at least $21 per year. SNAP cases that would most benefit from the measure are

households whose energy-related expenses are not factored into current income calculations for SNAP eligibility, such as housing assistance program participants who do not have an energy bill in the participant's name.

Typically, SNAP benefits may not be used to buy hot foods that are ready to eat. However, under the federal program, states are authorized to implement a Restaurant Meals Program, which allows hot food purchases for individuals that lack a fixed, regular, or adequate nighttime residence and include adults age 60 or older and individuals with disabilities. ***Chapter 475 of 2019*** required DHS to create such a program in Maryland.

State Supplemental Benefits to the Supplemental Nutrition Assistance Program

Since fiscal 2017, the State has provided a State-funded supplemental benefit for adults age 62 and older for the difference between the monthly SNAP benefit and $30. ***Chapter 324 of 2022*** increased the State supplemental benefit for seniors to the difference between the federal monthly benefit and $40, the same funding level as was provided in the fiscal 2023 budget.

Chapters 635 and 636 of 2019 established a process for jurisdictions to apply for State matching funds to provide a supplemental benefit for school-aged children during months when children do not have access to school meals and an annual mandated appropriation of $200,000 for the program. The State and local shares of funding must equal the cost-share formula for school construction and renovation projects. If approved to receive funding, local jurisdictions must submit plans regarding the distribution of benefits. The plans must designate which children will be eligible for benefits if funding is insufficient to provide a minimum benefit to all eligible children within the county. The combined State and local supplemental benefit must be used to increase the benefit by at least $30 per child in the months of June, July, and August and $10 per child in December.

Food Security

Chapters 477 and 478 of 2019 required MDH to report data on the utilization of the federal Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program in Maryland, the number of eligible individuals not receiving WIC benefits, and information on barriers to increasing enrollment.

Chapters 724 and 725 of 2021 established the Maryland Food System Resiliency Council to incorporate input from stakeholders and work to address food insecurity during the pandemic. For a more detailed discussion of the council, see the subpart "Agriculture" of Part K – Natural Resources, Environment, and Agriculture of this *Major Issues Review*.

Energy Assistance

The Office of Home Energy Programs (OHEP) in DHS administers a variety of energy assistance programs and services for residential customers, including the Electric Universal Service Program (EUSP) and MEAP, which is Maryland's version of the federal Low Income

Home Energy Assistance Program. ***Chapter 39 of 2021*** allocated $83 million to the Public Service Commission in fiscal 2021 to reduce utility arrearages with the highest priority to households that qualified for OHEP benefits over the prior four years.

Chapters 638 and 639 of 2021 made several changes to EUSP including:

- increasing the maximum income eligibility for customers age 67 or older from 175% of the federal poverty level (FPL), which is the level for all customers, to 200% FPL;
- altering the limitation on arrearage assistance from once every seven years to once every five years and exempting arrearage assistance received in calendar 2020 and 2021; and
- requiring three months for customers to cure a deficiency if an application was denied due to insufficient documentation and prohibiting utility termination during the curing.

Supplemental Budget No. 5 to the fiscal 2022 budget provided $10 million in fiscal 2021 and 2022 to implement the utility bill and arrearage assistance measures provided in ***Chapters 638 and 639***. The Acts mandated any unspent portion of fiscal 2021 funds be appropriated in fiscal 2023. ***Chapters 638 and 639*** also required utility companies to adopt a limited income mechanism for customers with annual income at or below 175% FPL, at or below 200% of FPL for customers age 67 or older, or customers that otherwise meet a broader designation approved by PSC. For further discussion of how ***Chapter 638 and 639*** affect utility companies, see the subpart "Public Service Companies" of Part H – Business and Economic Issues of this *Major Issues Review*.

Critical Medical Needs Program

The Critical Medical Needs Program (CMNP) was first established as a pilot in 2015 to assist households with medically vulnerable customers in accessing energy assistance benefits and utility service extensions. ***Chapters 282 and 283 of 2019*** formally established a statewide CMNP to be administered by OHEP. OHEP must (1) partner with specified entities and determine the qualifications and training requirements for navigators who assist households in applying for energy assistance and (2) work with electric and gas companies to implement medical holds on the termination of services and expedite processes to grant service extensions or restorations for critical medically vulnerable individuals.

A CMNP application must include a completed certification of serious illness or need for life support equipment form. ***Chapters 380 and 381 of 2021*** allowed a critical medically vulnerable individual, who is at least 60 years old and assisted by a navigator, to provide such certification within 90 days *after* applying for CMNP.

Chapters 453 and 454 of 2021 established the Power to the People Pilot Program. Under the pilot, the United Way of Central Maryland was required to establish a screening intake process to assist callers who may be critical medically vulnerable individuals to apply to CMNP and refer

individuals to other resources. ***Chapters 453 and 454*** also mandated $80,000 in funding to, among other items, support full-time staff at the 2-1-1 helpline in fiscal 2023 and 2024 for the pilot. ***Chapters 665 and 666 of 2022*** altered the purpose of the mandated funding to support part-time rather than full-time positions. In addition, the Acts required OHEP to develop a uniform redetermination process to assist individuals who are at least 65 years old in reenrolling in energy assistance programs each year by providing certain notices and not requiring a new application if eligibility is unchanged. Local administering agencies must have an accessible location to receive applications and a policy reflecting reasonable accommodations (such as home visits).

Homelessness Assistance

Chapter 553 of 2019 established the Workgroup to Study Shelter and Supportive Services for Unaccompanied Homeless Minors to identify barriers and policy initiatives to address the needs of these individuals. The workgroup submitted a final report in December 2019. ***Chapters 108 and 109 of 2020*** implemented the recommendations of the workgroup and allowed an unaccompanied minor in need of shelter to consent to shelter and supportive services under specified circumstances.

Chapter 255 of 2021 created the Mobile Laundry for the Homeless Pilot Program in the Department of Housing and Community Development (DHCD) to provide grant funds to nonprofits to support mobile laundry services for the homeless. The pilot will operate through September 30, 2025.

Economic Stability

Two Generation Family Economic Security Commission

The Two Generation Family Economic Security Commission, established by executive order in March 2017, was charged with investigating policy challenges, opportunities, and recommendations regarding the mitigation of multigenerational poverty in the State. The commission terminated on December 31, 2018. ***Chapter 460 of 2020*** reestablished the commission in DHS, comprised of both State legislators and agency representatives, and expanded the commission's charge to include collecting data to evaluate the effectiveness of programs. ***Chapter 199 of 2022*** increased the membership of the commission by adding one member who lived in and experienced poverty in Maryland and who was, within the three years prior to appointment, a recipient of public assistance.

Maryland CASH Campaign

Chapter 745 of 2019 established a mandated appropriation of $200,000 for the Creating Assets, Savings, and Hope (CASH) Campaign of Maryland to promote the financial capability of low-income individuals and families by providing outreach, education, and free tax preparation services. ***Chapters 260 and 261 of 2022*** increased the annual mandated appropriation to $500,000 beginning in fiscal 2024.

Trauma-informed Care

Chapters 722 and 723 of 2021 established the Commission on Trauma-Informed Care in DHS to coordinate a statewide initiative to prioritize the trauma-responsive and trauma-informed delivery of State services that impact children, youth, families, and older adults. The commission must study and implement an Adverse Childhood Experiences (ACEs) Aware program, in consultation with DHS, MDH, and the Maryland Health Care Commission. For a further discussion of the ACEs Aware program, see the subpart "Public Health – Generally" of this Part J of this *Major Issues Review*.

Child Welfare Services

Chapters 315 and 316 of 2021 altered the information DHS must report to the General Assembly and publish on the DHS website regarding children and foster youth in the State child welfare system and required the Maryland State Department of Education (MSDE) to annually report specified information regarding children and foster youth to the General Assembly and DHS.

Adult Services

To allow better communication between adult protective services (APS) and fiduciary institutions, ***Chapter 227 of 2022*** required a fiduciary institution to disclose certain financial records to an APS program that is investigating suspected financial abuse or exploitation and allows an APS or law enforcement agency to share specified information with a fiduciary institution that made such a report.

Chapter 190 of 2022 established a Workgroup to Study Best Practices for a Vulnerable Adult Registry in Maryland, staffed by DHS. The workgroup must, among other things, identify the appropriate agency to operate a registry. The workgroup must report its findings and recommendations by June 1, 2023.

Aging in Place

Chapters 308 and 309 of 2019 authorized the Maryland Department of Aging to provide grants to nonprofits and area agencies on aging for aging-in-place programs. During the 2020 session, ***House Bill 498*** authorized these grants to be used to provide seniors the opportunity to live in a senior village and established a mandated appropriation of $100,000 for the grants, with 20% earmarked to support senior villages. The Governor vetoed the bill, but the General Assembly overrode the veto and the bill became law as ***Chapter 24 of 2021***.

Autism

Chapter 341 of 2020 created a State Coordinator for Autism Strategy and an Advisory Stakeholder Group on Autism-Related Needs in the Maryland Department of Disabilities

(MDOD). ***Chapter 389 of 2021*** moved the position from MDOD to the Governor's Office of Community Initiatives (GOCI) and required the Governor to fund the position and the advisory stakeholder group. ***Chapter 627 of 2022*** (1) required that the coordinator be appointed by the Governor; (2) required that the Governor, beginning in fiscal 2024, include in the annual budget bill sufficient funding for one support staff position for the coordinator; (3) expanded the membership of the advisory stakeholder group; and (4) required GOCI, rather than MDOD, to staff the advisory group.

MSDE administers the Waiver for Children with Autism Spectrum Disorder (Autism Waiver). The waiver is open to children age 2 to 21 who need an Intermediate Care Facility for the Intellectually Disabled level of care and have an Individualized Education Plan for 15 hours of special education and related services. Supplemental Budget No. 5 to the fiscal 2023 budget included $30 million to reduce the Autism Waiver registry, of which $10 million must be transferred to MSDE in fiscal 2023, with the remainder retained for use as the agency incurs expenses. Language in the fiscal 2023 budget bill expressed intent that MDH and MSDE apply to the federal Centers for Medicare and Medicaid Services to expand the number of waiver slots by 1,350. ***Chapter 464 of 2022***, among other things, required MDH and MSDE to develop a plan to reduce the registry for the Autism Waiver, including conducting eligibility determinations and providing services to a certain portion of those determined eligible, beginning in fiscal 2024. For a more detailed discussion of ***Chapter 464***, see the subpart "Public Health – Generally" of this Part J of this *Major Issues Review*.

Accessibility Programs

Previously administered by the Department of Information Technology, ***Chapter 586 of 2020*** transferred the Telecommunications Access of Maryland program, the Telecommunications Devices and Distribution of Accessible Information for Disabled Individuals program, and the Universal Services Trust Fund to MDOD. The Act also expanded the membership of the Maryland Commission on Disabilities and the Governor's Advisory Board for Telecommunications Relay and expanded existing responsibilities for the Telecommunications Devices and Distribution of Accessible Information for Disabled Individuals program.

Part K
Natural Resources, Environment, and Agriculture

Natural Resources

Parks and Public Lands

State Parks and State-owned Lands

Great Maryland Outdoors Act: In August 2021, the President of the Senate and the Speaker of the House jointly appointed the State Park Investment Commission to investigate and make recommendations regarding overcrowding in Maryland State parks. The commission issued a final report in December 2021, which included 40 recommendations related to park capacity, maintenance, and staffing; funding for State parks; equity; and climate change. ***Chapter 39 of 2022*** (the Great Maryland Outdoors Act) built off the commission's work and implemented many of the commission's recommendations. The Act made numerous changes to State law, including changes related to the following:

- **Funding** – established a Park System Critical Maintenance Fund, a Park System Capital Improvements and Acquisition Fund, and a Great Maryland Outdoors Fund; repealed and altered certain transfer tax repayment requirements; and extended the termination date, from June 30, 2022, to June 30, 2025, of Chapter 698 of 2018, which required the Governor to include annually an appropriation of $1 million to the State Lakes Protection and Restoration Fund;

- **Park Staff and Volunteers** – required 100 additional permanent positions in the Park Service and $12 million to fund the positions and related operating costs; required periodic staff adequacy and salary reviews; required the Department of Natural Resources (DNR) to recognize specified staff as emergency services personnel; and required DNR to implement a volunteer management program;

- **Management of Parks and Park Infrastructure** – required DNR to develop an asset management process for its infrastructure, take inventory of State land managed by DNR

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and develop a project prioritization process, conduct a survey of historical and cultural resources, and develop a five-year Capital Improvement Plan and a Comprehensive Long-Range Strategic Plan; increased the value threshold for capital project and maintenance procurements; replaced the Park Advisory Commission with a new Parks and Recreation Commission; and required the Department of Legislative Services to contract for an independent study of the State park system; and

- **New Parks/Amenities and Other Considerations** – authorized DNR to enter into agreements to establish or manage a partnership park; required DNR to establish specified partnership parks, target certain areas for the location and establishment of new State parks or amenities, consider the impact of new amenities on the cultural and ecological capacities of existing State park areas, and recognize State forests, trees, and wetlands as major tools for addressing climate change; required the Maryland Park Service (MPS) to adopt certain design principles for crime prevention and improved access; and required all MPS projects to improve local water quality.

Biodiversity: Chapter 420 of 2022 established the Irreplaceable Natural Areas Program within DNR to preserve Maryland's native biodiversity on State-owned land managed by DNR. ***Chapter 420*** required DNR to adopt regulations on or before July 1, 2023, to carry out the program, including regulations (1) designating irreplaceable natural areas on State-owned land managed by the department and (2) establishing management objectives for irreplaceable natural areas, including a map depicting boundaries for each area, a description of the unique features and threats for each area, and compatible and incompatible activities for each area.

Local Projects and Programs

DNR administers Program Open Space (POS), which acquires and improves outdoor recreation and open space areas for public use. POS consists of State and local components. Under the local component, DNR allocates funds among the counties for local conservation acquisitions and development of public outdoor recreational sites, facilities, and open space.

Chapter 87 of 2022 repealed the requirement that an applicant for local POS funding must certify on each application that the applicant has (1) applied for federal funds and received notification of federal approval or disapproval; (2) applied for federal funds and has not received notification of a grant approval or disapproval within 120 days of submission of a federal grant application; or (3) verified that the project is not eligible for federal funds. The Act instead required an applicant to certify that the applicant has or has not received federal funds for the project.

Chapter 470 of 2022 established the Maryland Park Explorers Grant Pilot Program in DNR to provide Anne Arundel and Baltimore counties with equal funds to establish local Park Explorers Pilot Programs. The Act required a local Park Explorers Program to (1) target youth populations with minimal access to green space; (2) promote the positive impacts that spending time outdoors has on long-term developmental and social well-being; (3) provide conservation-related messaging, as specified; and (4) incorporate local history and cultural impacts to highlight the diverse cultural contributions to current social events and developed histories.

Forest Conservation

Forest Conservation

The Forest Service within DNR administers the Forest Conservation Act (FCA), though it is mostly implemented at the local level. The FCA establishes minimum forest conservation requirements for land development, and local governments with planning and zoning authority are required to develop local forest conservation programs that meet or are more stringent than the requirements of the FCA. Historically, local forest mitigation banking programs have provided credits to developers who preserve existing forested lands by recording restrictive easements that run in perpetuity.

Chapters 601 and 602 of 2019 made changes related to the administration of State and local forest conservation funds under the FCA. ***Chapters 601 and 602*** required a person to demonstrate, before a payment is made into the funds, that appropriate credits generated by a forest mitigation bank in the same county or watershed are not available. The Acts also required a local authority to provide to DNR and make available to the public (1) a general plan for identifying appropriate and potentially available areas for mitigation projects and (2) detailed accounting procedures for accurately tracking the money of the local forest conservation fund. A local authority must ensure that the equivalent number of acres for which money is collected and paid into its forest conservation fund is mitigated in accordance with authorized afforestation, reforestation, and conservation techniques. Finally, ***Chapters 601 and 602*** required DNR and each local authority to disclose in an existing annual report information relating to fees collected by the funds, including the number of acres for which the fees were collected, and the number of acres reforested.

The Office of the Attorney General issued an opinion on October 26, 2020, concluding that the placement of a protective easement on an already existing forest, as opposed to intentionally created or restored forest, does not qualify as mitigation banking under the FCA. As a result, at least some local governments suspended the granting of credits for existing forest. ***Chapter 645 of 2021***, among other things, modified the definition of "forest mitigation banking" under the FCA to include "qualified conservation." Specifically, ***Chapter 645*** defined "forest mitigation banking" to mean the intentional restoration, creation, or qualified conservation of forests undertaken expressly for the purpose of providing credits for afforestation or reforestation requirements with enhanced environmental benefits from future activities. As such, the Act retroactively allowed qualified conservation that was completed in a forest mitigation bank on or before December 31, 2020, to be used, under both State and local forest conservation programs, to meet the FCA's afforestation or reforestation requirements. However, ***Chapter 645*** limited the afforestation or reforestation credit that may be granted for the use of qualified conservation to no more than 50% of the forest area encumbered in perpetuity.

Chapter 339 of 2022 required DNR, whenever it identifies an "old-growth forest" on "State conservation land," to manage the land in a manner that prohibits logging. ***Chapter 339*** defined "old-growth forest" as a forest (1) at least five acres in size with a preponderance of old trees, of

which the oldest exceed at least half the projected maximum attainable age for the species and (2) that exhibits certain specified characteristics.

Study on Forest Cover and Tree Canopy

Forests play an important role in protecting the environment due to their ability to capture, filter, and retain water, as well as absorb pollution from the air. Before the enactment of the FCA in 1991, the State was experiencing significant and increasing losses in forest acreage. During the 1970s, approximately 5,000 acres of forestland were lost per year. From 1980 to 1985, this rate of loss increased to approximately 10,000 acres per year, and from 1985 to 1990, the rate of loss increased to approximately 14,000 acres per year. Although there has been little change in estimated forestland acres since 2008, Maryland continues to lose forestland to development associated with population growth.

Chapter 405 of 2019 required the Harry R. Hughes Center for Agro-Ecology (Hughes Center), in consultation with DNR, the Maryland Department of the Environment (MDE), the Maryland Department of Planning (MDP), the Maryland Department of Agriculture, and the Chesapeake Bay Program, to conduct a technical study to review changes in forest cover and tree canopy in the State. However, the study was not able to be completed, and ***Chapter 405*** terminated June 30, 2020. Subsequently, ***Chapter 645 of 2021*** required the Hughes Center, in consultation with the same entities as required under ***Chapter 405***, to conduct a similar forest technical study to review changes in forest cover and tree canopy in the State and report the findings to the Governor and the General Assembly by December 1, 2023. The findings of the study are intended to aid the General Assembly in considering legislative and other changes to the FCA and the forest mitigation banking program.

Forest Industry Employment

Tree Expert Licenses

The Maryland Tree Expert Law addresses tree care work done for compensation on private or public property in the State and protects consumers by licensing qualified and insured tree care companies and individuals. ***Chapter 456 of 2020*** modified the experience and education qualifications needed to obtain a tree expert license by allowing a person to qualify if they have, within the immediately preceding three years, (1) achieved active master logger status from the University of Maryland Extension's Maryland-Delaware Master Logger Program and (2) held a forest product operator's license. The Act terminates September 30, 2022.

Forest Products

Chapters 475 and 476 of 2022 established the Voluntary Firewood Treatment Certification Program in DNR to certify "forest product operators" who export firewood to other states and use heat treatment and other procedures to prevent the presence of wood boring pest infestations, wood inhabiting pests, and plant disease pathogens in the firewood products. ***Chapters 475 and 476*** defined "forest product operator" as a person engaged in a forest products business who holds a forest product operator's license issued by DNR under § 5-608 of the Natural Resources Article.

Climate Change

Tree Plantings

In addition to improving water and air quality, trees serve as an important carbon sink and thus a crucial tool in efforts to combat climate change. ***Chapter 645 of 2021*** established a new policy of the State to support and encourage public and private tree-planting efforts, with the goal of planting and helping to maintain 5 million sustainable native trees in the State by the end of calendar 2031. The Act provided that it is the intent of the General Assembly that at least 500,000 of those trees be planted in underserved areas. To help achieve these goals, the Act altered and directed additional resources to a number of existing programs and initiatives, including plantings on public and private land, plantings in underserved urban areas, plantings on agricultural land, and increased staffing. The Act also required the Governor to formally pledge the State's commitment to achieving the tree planting goals through the U.S. Chapter of the World Economic Forum's One Trillion Trees Initiative. Both the One Trillion Trees Initiative and MDE recognize that this pledge has been made.

Chapter 645 also established a Commission for the Innovation and Advancement of Carbon Markets and Sustainable Tree Plantings. The commission must develop (1) a plan to achieve the State's carbon mitigation goal of planting 5 million native trees by 2030; (2) a plan to ensure that the planted trees are properly maintained; (3) recommendations regarding the establishment of a Maryland-based carbon offset market to support the State's tree-planting goals; and (4) recommendations on reviewing State policies to reduce and fully mitigate the clearing of trees during the construction of State highways and other transportation projects. The commission is required to report its plan and recommendations to the Governor and the General Assembly by October 31, 2022.

Coast Smart

"Coast Smart" practices are construction practices in which preliminary planning, siting, design, construction, operation, maintenance, and repair of a structure avoids or minimizes future impacts associated with coastal flooding and sea level rise and includes design criteria and siting criteria that are applicable throughout the entire life cycle of a project. ***Chapter 442 of 2019*** limited the applicability of provisions established under Chapters 628 and 629 of 2018 – governing compliance of specified State and local projects with Coast Smart siting and design criteria – to specified State and local capital projects. ***Chapter 442*** delayed the implementation date of the Coast Smart siting and design criteria that are modified and made more broadly applicable pursuant to Chapters 628 and 629, from July 1, 2019, to July 1, 2020. ***Chapter 442*** also delayed the deadline for specified local jurisdictions to develop a plan to address nuisance flooding pursuant to Chapters 628 and 629, from July 1, 2019, to October 1, 2020. Finally, ***Chapter 442*** required MDP, in consultation with DNR and MDE, to develop and publish guidelines on or before October 1, 2019, to assist local jurisdictions in establishing nuisance flooding baselines.

Boating

Abandoned Vessels

The State Boat Act authorizes DNR to seize, remove, and take into custody any abandoned or sunken vessel. DNR may use its own personnel, equipment, and facilities or use other persons, equipment, and facilities for removing, preserving, or storing abandoned or sunken vessels. Additionally, DNR may delegate its authority to remove and dispose of abandoned or sunken vessels to any local jurisdiction that consents to the delegation. ***Chapters 75 and 76 of 2020*** made changes to provisions of law governing abandoned or sunken vessels, including (1) requiring DNR to take custody of specified abandoned or sunken vessels without advance notice to the last known registered owner; (2) modifying the definition of an abandoned or sunken vessel; and (3) prohibiting DNR from using Natural Resources Police (NRP) funds for removal or storage of abandoned or sunken vessels.

Waterways

The Waterway Improvement Fund (WIF) finances projects and activities that promote, develop, and maintain Maryland's waterways for the benefit of the boating public. With certain exceptions, a local government and the WIF must jointly finance projects to construct marine facilities beneficial to the boating public. In most circumstances, the contribution of the WIF must be limited to not more than 50% of the cost of each project. The WIF may, however, finance completely any construction project beneficial to the boating public that costs less than $100,000 regardless of its location. ***Chapter 272 of 2019*** increased the maximum limit on the cost of a local construction project that the WIF may finance completely to $250,000 or less.

DNR regulations authorize the department to designate a controlled water ski area within the waters of the State, which may contain ski slalom courses that meet the ski slalom requirements set by the American Water Ski Association. There are currently three controlled water ski areas – two on the Severn River (Maynadier Creek and Sunrise Beach) and one on the upper South River. ***Chapter 747 of 2019*** restricted the days and hours of operation for the controlled water ski area located in Maynadier Creek. Among other things, the Act prohibited the use of the ski area on Saturdays and State holidays. The Act terminates May 31, 2023.

Natural Resources Police – Hiring and Promotion

NRP is a public safety agency with statewide authority to enforce conservation, boating, and criminal laws. NRP serves as the primary law enforcement for State parks, State forests, wildlife management areas, and public lands owned and managed by DNR. ***Chapter 203 of 2022*** established requirements to improve diversity within NRP. Under ***Chapter 203***, the State Personnel and Pensions Article generally does not apply to or affect the compensation, rank, grade, or status of NRP officers. However, the compensation, civilian classification, and status of civilian employees of NRP must be determined in accordance with the State Personnel and Pensions Article, except as otherwise specified. The Act required each NRP appointee to have the character, education, and other qualifications established by the Secretary of Natural Resources.

Chapter 203 additionally required that, when advertising for or recruiting new NRP officers, DNR must include advertising that is targeted toward racial and ethnic communities or other individuals who are underrepresented in the NRP workforce. The Act also required NRP to take all necessary actions to pursue diversity within its sworn and civilian ranks, including establishing a diversity study group to identify barriers to diverse employment within NRP and propose corrective actions. Finally, the Act required NRP to develop and periodically update an action plan to diversify its workforce based on the recommendations of the diversity study group and report to the General Assembly, on or before December 1, 2022, on the action plan.

Prevention of Wildlife Trafficking

The State's Nongame and Endangered Species Conservation Act includes a finding by the General Assembly that the State should assist in the protection of species of wildlife and plants. ***Chapters 235 and 236 of 2022*** prohibited a person from purchasing, selling, offering for sale, or possessing with the intent to sell, any item that the person knows, or should know, is a "covered animal species" part or product, with specified exceptions. A person who violates the prohibitions in ***Chapters 235 and 236*** is guilty of a misdemeanor and subject to specified fines and restitution that are credited to the existing State Wildlife Management and Protection Fund within DNR, which is used primarily for the scientific investigation, protection, propagation, and management of wildlife. Convictions under ***Chapters 235 and 236*** result in the forfeiture of any seized covered animal species part or product, and DNR may maintain the part or product for educational or training purposes, donate the part or product to a scientific or educational institution, or destroy the part or product.

Power Plant Research Program

DNR's Power Plant Research Program (PPRP), in cooperation with several specified State agencies, is responsible for evaluating sites for their suitability for use as electric power plant sites, including evaluating related environmental and land use considerations. ***Chapters 14 and 26 of 2021*** set a timeline for PPRP to complete the review of applications for certificates of public convenience and necessity (CPCN) associated with power plant construction. ***Chapters 14 and 26*** required the Secretary of Natural Resources and the Secretary of the Environment to jointly submit the results of certain studies, investigations, and reports and recommend licensing conditions for a proposed project within six months after the Public Service Commission (PSC) deems the CPCN application to be complete. PSC may waive this deadline for good cause or on agreement of the parties to the CPCN proceeding.

Hunting and Fishing

Hunting

Sunday Hunting

Hunting game birds or mammals on Sunday is generally prohibited, subject to various exceptions (with many of the exceptions being county specific). Numerous changes to Sunday hunting provisions over the years resulted in the statute being difficult to understand. ***Chapter 95 of 2020*** generally reorganized and clarified provisions of law that authorize Sunday hunting. ***Chapter 95*** also explicitly authorized the Department of Natural Resources (DNR) to set all Sunday hunting seasons and prohibited Sunday hunting in State parks.

Chapter 242 of 2019 and ***Chapter 171 of 2019*** authorized DNR to allow, in St. Mary's and Cecil counties, respectively, hunting of any game bird or game mammal, except migratory game birds, on a Sunday during the open season for that game bird or game mammal on private property or public land designated for Sunday hunting by DNR.

In Dorchester County, ***Chapters 188 and 189 of 2019***, ***Chapters 190 and 191 of 2019***, and ***Chapters 192 and 193 of 2019*** authorized DNR to allow a person to hunt deer on private property on, respectively, (1) the second and third Sunday of the deer firearms season; (2) a Sunday during the bow hunting season from the first Sunday in October through the second Sunday in January the following year; and (3) a Sunday during the deer muzzle loader season. ***Chapters 188 through 193*** effectively authorized Sunday deer hunting in the county from the first Sunday in October through the second Sunday in January, inclusive. In addition, ***Chapter 444 of 2022*** authorized DNR to allow a person in the county to hunt any game bird or mammal from 30 minutes before sunrise until 10:30 a.m. on certain Sundays during the open season for that game bird or mammal. For Sunday hunting activity that had been previously authorized for the full day on specific Sundays (including the Sundays referenced above for deer hunting and each Sunday of the spring turkey hunting season), the time restrictions do not apply.

Chapter 592 of 2019 authorized DNR to allow a person to hunt deer on private property in Wicomico County on the second Sunday in deer firearms season from 30 minutes before sunrise until 10:30 a.m.

During the 2022 session, additional exceptions to hunting on Sunday were established. The following Acts expanded Sunday hunting by authorizing DNR to allow a person in the following counties to hunt any game bird or mammal from 30 minutes before sunrise until 10:30 a.m. on certain Sundays during the open season for that game bird or mammal: (1) Calvert County under ***Chapter 429***; (2) Caroline and Queen Anne's counties under ***Chapter 444***; (3) Charles County under ***Chapter 424***; and (4) Somerset County under ***Chapter 389***. For Sunday hunting activity that was previously authorized for the full day on specific Sundays in the respective counties, the time restrictions do not apply.

Chapter 390 of 2022 authorized DNR to allow, in Talbot County, a person to hunt on each Sunday of the deer hunting seasons and each Sunday of the spring turkey hunting season from

30 minutes before sunrise until 10:30 a.m. The time restriction does not apply on the last three Sundays in October and the first two Sundays in November during the deer bow hunting season.

Chapter 458 of 2022 made permanent an authorization for DNR to allow a person to hunt deer in Montgomery County on each Sunday of the deer hunting season. DNR may only allow Sunday deer hunting from 30 minutes before sunrise until 10:30 a.m., although these time restrictions do not apply (1) to a participant in the junior deer hunt; (2) on one Sunday designated by DNR during the deer firearms season; and (3) on one Sunday designated by DNR during the deer bow hunting season.

Deer Management Permits

Maryland landowners or agricultural lessees who experience severe economic loss from deer to commercially grown crops may be eligible to receive a deer management permit. Deer management permits allow the permit holder or an agent of a permit holder to remove deer from the designated property outside of any deer bag limits and the established deer hunting seasons, including on any Sunday throughout the year.

In Calvert, Charles, and St. Mary's counties, an individual hunting under a deer management permit may (1) use a shotgun or breech loading center fired rifle approved by DNR to hunt deer throughout the year in the locations and under the conditions set forth in the permit and (2) on State land leased by the permit holder for crop cultivation, hunt deer on the leased land in the locations and under the conditions set forth in the permit. ***Chapters 175 and 176 of 2019*** and ***Chapters 453 and 454 of 2020*** made the provisions relating to deer management permits that are applicable in Calvert, Charles, and St. Mary's counties also applicable in Harford County and Baltimore County, respectively. In addition, ***Chapter 408 of 2022*** established that the provisions governing hunting under a deer management permit on State land leased for the cultivation of crops apply in all counties.

Archery Hunting Safety Zones

Generally, a person, other than the owner or occupant, may not shoot or discharge a firearm or other deadly weapon while hunting, or shoot at any game bird or mammal present, within 150 yards of a dwelling house, residence, church, or other building or camp occupied by human beings without the advance permission of the owner or occupant (an area known as the "safety zone"). However, in Calvert, Carroll, Frederick, Harford, Montgomery, and St. Mary's counties the safety zone is 50 yards. ***Chapter 171 of 2019***, ***Chapter 265 of 2019, and Chapters 279 and 280 of 2021*** reduced the archery hunting safety zone in Cecil, Washington, and Allegany and Garrett counties, respectively, from 150 yards to 50 yards. ***Chapter 265*** also required an archery hunter in Washington County to be in an elevated position that allows the hunter to shoot in a downward trajectory when hunting any wild bird or mammal within 50 to 100 yards of an occupied building or camp.

Hunting on Private Land

To encourage a landowner to make land, water, and airspace above the land and water areas available to the public for any recreational and educational purpose, certain protections from liability have been established in statute for those landowners that do so (referred as "Maryland's recreational use statute"). Generally, an owner of land, including a local government and a landowner that has leased land to the State or any of its political subdivisions (for any recreational or educational purpose), is not liable for injury to persons that use the land for recreational or educational purposes on invitation or permission from the owner, provided it is at no charge. ***Chapter 523 of 2022*** amended the stated purpose of Maryland's recreational use statute and established that the limited liability for willful or malicious conduct applies if a landowner invites or permits, on a limited entry basis, an individual to use the landowner's property for hunting, with or without charging a fee.

Fishing

Shellfish Management

Oysters: Chapter 703 of 2016 required DNR, as part of its fishery management plan for oysters, to conduct a study, in consultation with the University of Maryland Center for Environmental Science (UMCES), on the oyster stock (including a stock assessment and development of biological reference points) and management strategies to address the maintenance of a sustainable oyster population and fishery. Chapter 27 of 2017 prohibited DNR from reducing or altering the boundaries of oyster sanctuaries until DNR had developed a fisheries management plan for the scientific management of the oyster stock after the completion of reports required under Chapter 703. DNR submitted a report on the study conducted under Chapter 703 on December 1, 2018, and completed the fishery management plan for oysters in May 2019.

DNR regulations prohibit a person from harvesting wild oysters from any designated oyster sanctuary. Oyster sanctuaries in the Chesapeake Bay and its tidal tributaries are designated in DNR regulations that incorporate by reference the document *Oyster Sanctuaries of the Chesapeake Bay and Its Tidal Tributaries (September 2010)*. DNR committed to undertake a review of the effectiveness of the locations of the oyster sanctuaries every five years, the first of which was completed in July 2016. In addition, the 2014 Chesapeake Bay Agreement, which establishes goals and outcomes for the entire Chesapeake Bay, includes a goal of restoring large connected native oyster habitat and populations in sanctuaries in the following five bay tributaries in the State: Harris Creek; the Little Choptank River; the Manokin River; the Tred Avon River; and the Upper St. Mary's River.

House Bill 298 of 2019 (passed) codified the five designated tributary-scale sanctuaries in statute. With the exception of a person who engages in aquaculture activities within an oyster sanctuary in accordance with a valid lease, ***House Bill 298*** prohibited a person from catching oysters or removing oyster seed from a tributary-scale oyster sanctuary or an oyster sanctuary established by DNR in regulation. ***House Bill 298*** also established requirements for the development and implementation of restoration plans for the five tributary-scale oyster

sanctuaries. The Governor vetoed the bill for policy reasons, but the General Assembly overrode the veto during the 2019 session, and the bill became law as ***Chapter 17 of 2019***. Identical legislation was also enacted as ***Chapter 754 of 2019***.

Informed by the outcome of the research and consensus building process of the OysterFutures research program, ***Senate Bill 830 and House Bill 720 of 2019 (both passed)*** reorganized the Oyster Advisory Commission (OAC) and required OAC, in coordination with DNR and with the assistance of external conflict resolution and facilitation specialists, to (1) develop a package of consensus recommendations through a facilitated consensus solutions process, based on a 75% majority agreement level for each recommendation; (2) recommend management actions or combinations of management actions to achieve the targets identified in the oyster stock assessment with the goal of increasing oyster abundance; and (3) review model results for each management action or combination of management actions to inform its recommendations.

Senate Bill 830 and House Bill 720 prohibited DNR from reducing or altering boundaries of oyster sanctuaries until a fisheries management plan had been developed based on the consensus recommendations. The fishery management plan was required to (1) end the overfishing of oysters in all areas and regions of the Chesapeake Bay and its tributaries where overfishing has occurred according to biological reference points established by the most recent oyster stock assessment while maintaining a harvest in the fishery; (2) achieve fishing mortality rates at target levels; (3) increase oyster abundance; (4) increase oyster habitat; and (5) facilitate the long-term sustainable harvest of oysters, including the public fishery.

Senate Bill 830 and House Bill 720 also required DNR to (1) hold public listening sessions throughout the State to identify possible management actions for use in the public oyster fishery and (2) periodically review and assess the oyster stock and, with stakeholder input, implement management actions that increase oyster habitat, maintain harvest, and grow the oyster stock.

The Governor vetoed ***Senate Bill 830 and House Bill 720*** for policy reasons, but the General Assembly overrode the vetoes during the 2020 session, and the bills became ***Chapters 5 and 9 of 2020***.

Chapters 30 and 574 of 2022 established various programs, goals, and survey, evaluation, planning, and funding requirements related to oyster spat, oyster shells, and oyster substrate. In particular, ***Chapters 30 and 574***:

- required the Maryland Agricultural and Resource-Based Industry Development Corporation to provide specified loans of up to $250,000 to licensed seafood dealers to finance costs of eligible seafood processing projects that support the goal of increasing the amount of oyster shells retained in the State and returned to the Chesapeake Bay, subject to specified requirements, and mandated a $1.0 million appropriation for fiscal 2024 for the loan program;

- required DNR to provide (1) specified annual grants to nonprofit organizations, community associations, restaurants, and seafood processors and dealers that recycle oyster shell and (2) collection receptacles for oyster shell recycling to restaurants that agree to recycle at least 25 bushels of oyster shells per year;

- beginning in fiscal 2024, required the Maryland Geological Survey within DNR, in conjunction with UMCES, to survey submerged areas of the State to map existing and potential oyster habitats and mandated a $2.0 million appropriation for each of fiscal 2024 through 2026 to fund the survey;

- required UMCES to collaborate with specified entities to undertake specified evaluations relating to oyster substrate and oyster planting and report by December 1, 2025, to DNR and the General Assembly on its evaluations, and mandated a $250,000 appropriation for each of fiscal 2024 and 2025 for UMCES to undertake the evaluations;

- required DNR to submit a plan to the Governor and General Assembly on or before December 1, 2023, describing the substrate needs for oyster repletion, aquaculture, and restoration activities in the State over a 10-year period;

- established the intent of the General Assembly that by 2025, oyster hatcheries in the State be capable of consistently producing five billion larvae or spat per year and mandated for fiscal 2024 a $2.5 million appropriation for the Patuxent Environmental and Aquatic Research Laboratory of Morgan State University for infrastructure upgrades to support increased oyster production; and

- established a goal that, over a 25-year period, a combination of replenishment, restoration, and aquaculture activities be collectively planned and undertaken in Eastern Bay, with an equal amount of funding for spat planting in sanctuaries and for spat and shell planting on fishery bars ($1 million each annually adjusted for inflation) in addition to current replenishment and restoration activities, required the effectiveness of those activities to be evaluated every five years, and required a $2 million appropriation to DNR for each of fiscal 2024 through 2026 for this purpose, with any future funding contingent on the evaluations every five years.

Aquaculture: Chapters 380 and 381 of 2017 required DNR, in consultation with interested stakeholders, to (1) review the conflicts that arise when implementing its policies of protecting submerged aquatic vegetation (SAV) and promoting aquaculture in the State; (2) develop solutions to those conflicts that take into account the benefits provided by both SAV and aquaculture; and (3) report its findings and recommendations, including any proposed legislation, to the Governor and General Assembly. DNR requested the assistance of the Aquaculture Coordinating Council to fulfill the requirements of Chapters 380 and 381. Through a collaborative stakeholder process, the council issued a February 2018 report containing recommended solutions, including a recommendation that DNR be given the flexibility to review aquaculture lease and submerged aquatic vegetation interactions on a case-by-case basis. Consistent with this recommendation,

Chapter 238 of 2019 authorized an aquaculture leaseholder, with prior written approval from DNR, to place shellfish, bags, nets, and structures on SAVs, subject to specified requirements and limitations. ***Chapter 238*** terminates June 30, 2024.

Under a shellfish nursery permit issued by DNR, a person may commercially rear shellfish seed in State water outside of an aquaculture lease area if the shellfish seed is cultivated (1) within 20 feet of a pier or other structure and (2) in an area of water that does not exceed 200 square feet. ***Chapters 236 and 237 of 2019*** established that a person does not need to obtain a tidal wetlands license or permit from the Maryland Department of the Environment (MDE) or a State wetlands license from the Board of Public Works for a pump, a pipe, or any other equipment attached to a pier in accordance with a shellfish nursery permit, if installation of the equipment does not require increasing the length, width, or channelward encroachment of the pier. ***Chapters 236 and 237***, however, did not apply generally to equipment used for oyster aquaculture, raising questions about the use of certain dock-based equipment (including tumblers used to sort and clean farm-raised oysters) by aquaculture operations. As a result, ***Chapters 457 and 458 of 2021*** required the Aquaculture Coordinating Council, in consultation with MDE, to (1) review MDE policies regarding the application of State or tidal wetlands license and permit requirements to aquaculture operations in the State and (2) by December 1, 2021, report to the Governor and the General Assembly its findings and recommendations, including any proposed legislation, on changes necessary to eliminate conflicts or redundancies in the oversight of aquaculture operations by MDE and DNR.

Chapters 173 and 174 of 2009 required DNR to establish Aquaculture Enterprise Zones (AEZ) in the Chesapeake Bay, within which DNR could issue a pre-approved aquaculture lease to any person. Subsequently, DNR altered the shellfish aquaculture leasing program in a manner that reduced the utility and function of AEZs. As a result, in February 2019, DNR eliminated the only two AEZs that had been established, converting one of the AEZs and a portion of the other into public shellfish fishery areas. ***Chapter 177 of 2021*** repealed provisions governing AEZs in the Chesapeake Bay. ***Chapter 177*** also authorized DNR to issue an "enterprise lease" in the waters of the State for assessing the feasibility of cultivating native or naturalized species of aquatic plants for commercial purposes. DNR is prohibited from issuing an enterprise lease for nonnative species. The term of an enterprise lease may not exceed five years, and it may not be assigned, transferred, or renewed. The size of an enterprise lease may not exceed two acres.

Shrimp: Although the presence of shrimp in the Chesapeake Bay and interest in commercial harvest of the shrimp has been growing, shrimp have not been explicitly regulated as a fishery under State fisheries laws. ***Chapter 119 of 2021*** prohibited a person from catching shrimp for commercial purposes unless the person first obtains a license from DNR. ***Chapter 119*** also authorized DNR to adopt regulations (1) governing any aspect of the shrimp fishery and (2) establishing and implementing a pilot program related to fishing for shrimp. The regulations may authorize DNR to establish by public notice for the shrimp fishery (1) closed areas; (2) catch limits; (3) seasons; (4) size limits; (5) gear restrictions; and (6) reporting requirements. In addition, ***Chapter 407 of 2022*** clarified that DNR's regulatory authority governing shrimp exists notwithstanding any other provisions of State fisheries laws, giving DNR the flexibility to test and

use certain gear in the nascent shrimp fishery that may be restricted or prohibited by other provisions of law.

Finfish

Cownose Rays: Chapters 398 and 399 of 2017 (1) required DNR to prepare a cownose ray fishery management plan by December 31, 2018, and (2) prohibited a person, until July 1, 2019, from sponsoring, conducting, or participating in a cownose ray fishing contest in State waters. "Cownose ray fishing contest" is any competition, tournament, or derby with the objective of catching or killing cownose rays for (1) prizes or other inducements or (2) entertainment purposes. As of early 2019, DNR had not completed a cownose ray fishery management plan. ***Chapter 343 of 2019*** extended the deadline for DNR to prepare a cownose ray fishery management plan by two years (until December 31, 2020) while correspondingly extending the prohibition against a person sponsoring, conducting, or participating in a cownose ray fishing contest until DNR has prepared the fishery management plan.

Recreational Striped Bass Harvest Data: To improve the management of the striped bass fishery, ***Chapter 587 of 2020*** required DNR to (1) conduct a study on methods of obtaining more accurate harvest data for the recreational striped bass fishery, including consideration of the benefits of more accurate data, the types of information to be collected, and enforcement measures and (2) report its findings and recommendations by December 1, 2020. In addition, State law authorizes DNR to provide by regulation for the issuance of an annual consolidated Chesapeake Bay and coastal sport boat license, which, when permanently affixed to a boat, authorizes any person on the boat to fish under the license after registering with DNR.

Recreational Fishing Pilot Program and Task Force: A Chesapeake Bay and coastal sport boat license authorizes any person on the boat to fish under the license if the license decal is permanently affixed to the boat and the person has registered with DNR. ***Chapters 409 and 410 of 2022*** established a Chesapeake Bay and Coastal Sport Fishing License Pilot Program in DNR to (1) collect data regarding individuals fishing under a consolidated Chesapeake Bay and coastal sport boat license; (2) collect information regarding trips taken and fish caught and released under the license; and (3) improve compliance with the registration requirement. To maintain eligibility to purchase a consolidated Chesapeake Bay and coastal sport boat license, the holder of a license must provide to DNR all information requested under the pilot program.

Invasive Species

Finfish Trotlines: Chapter 86 of 2016, which was set to terminate on June 30, 2019, authorized DNR to adopt regulations to define and govern the use of finfish trotlines as a type of commercial fishing gear and authorized tidal fish license holders to use more than two hooks or two sets of hooks for each rod or line when using a finfish trotline. The intent of Chapter 86 was to allow commercial watermen to use finfish trotline gear to target invasive blue and flathead catfish. DNR created a free finfish trotline permit in 2017 to better understand the effects of the gear and, as of March 2019, there were 57 permit holders. ***Chapter 80 of 2019***, among other things (1) repealed the June 30, 2019 termination provision of Chapter 86 and (2) under provisions that

terminate June 30, 2022, established a commercial blue and flathead catfish finfish trotline license that is available to a person regardless of whether the person holds a commercial tidal fish license.

Nuisance Organism Pilot Projects: DNR may use pilot projects as an adaptive management tool as part of a fishery management plan. ***Chapter 528 of 2020*** allowed DNR to apply this process to nuisance organism control by authorizing DNR to adopt regulations to conduct pilot projects to demonstrate and evaluate new approaches for the management and control of nuisance organisms (which likely would not be subject to fishery management plans). In particular, DNR could use pilot projects in its efforts to control the northern snakehead and blue and flathead catfish.

Northern Snakeheads: Chapter 528 of 2020 modified the commercial northern snakehead bowfishing license by renaming it as the "commercial northern snakehead license" and authorizing the license holder to catch for sale northern snakeheads in the tidal waters of the State using a hook and line in addition to a bow and arrow attached to a retrieval line. In addition, ***Chapter 378 of 2022*** authorized the use of archery equipment to fish for northern snakehead in any Anne Arundel County waters, including those where a person otherwise may only fish with a rod or hook and line, subject to DNR regulations.

Wild Caught Blue Catfish: Joint Resolution 1 of 2021 urged the U.S. Congress to amend specified federal law and return federal oversight responsibilities related to the processing and inspection of wild invasive catfish caught in the Chesapeake Bay to the U.S. Food and Drug Administration, rather than the U.S. Department of Agriculture (USDA). The joint resolution states that the rules promulgated by USDA requiring the inspection of fish of the order Siluriformes are unnecessary and burdensome and have led to unintended consequences, including deflating the market for blue catfish caught in Maryland waters and harming harvesters and the Chesapeake Bay ecosystem.

Mobile Locator Application for the Waters of the State

DNR establishes boundaries for various natural resource areas on the waters of the State, including oyster sanctuaries, public shellfish fishery areas, and SAV protection zones, and places markers and other navigational aids to identify those areas. In addition, an aquaculture leaseholder must mark the aquaculture lease perimeter, and an individual registered to use a pound net must mark the pound net stakes. ***Chapter 169 of 2021*** required DNR to develop a mobile application for use by an individual while on the waters of the State. The purpose of the mobile application is to use interactive maps to aid an individual in determining the individual's location, in real time, relative to (1) aquaculture leases; (2) demonstration leases; (3) registered pound net sites; (4) natural oyster bars; (5) oyster sanctuaries; (6) public shellfish fishery areas; (7) SAV protection zones; (8) Yates bars; or (9) any other areas DNR deems relevant.

Licenses and Stamps

Discounted and Complimentary Licenses

Chapters 461, 462, and 463 of 2017, taken together, established discounted and complimentary hunting and recreational fishing privileges for certain individuals by (1) authorizing DNR to issue a lifetime complimentary angler's or sport fishing license to an out-of-state former prisoner of war or 100% service-connected disabled American veteran (and exempting such angler's licensees from trout stamp requirements) if the person's state of residence extends similar, reciprocal privileges and (2) requiring DNR to implement programs to provide discounted angler's, sport fishing, and hunting licenses and associated stamps and permits to Maryland residents who are recipients of the Purple Heart award. ***Chapter 123 of 2020*** made Chapters 461, 462, and 463 permanent, repealing their June 30, 2020, termination date.

Healing Hunting and Fishing Fund

Chapter 424 of 2016 established a program through which a person could purchase and donate an angler's license, a sport fishing license, or a hunting license and any corresponding stamps, for use by a Gold Star recipient, a disabled veteran, a disabled member of the U.S. Armed Forces, or a permanently disabled person who requires the use of a wheelchair. The Healing Hunting and Fishing Fund holds funds for the program. ***Chapter 536 of 2020*** repealed the license donation program and modified provisions relating to the fund to allow for grants to be made from the fund to eligible sponsor organizations to provide recreational outdoor opportunities (including hunting and fishing opportunities) or workforce training for green jobs to the groups of individuals the license donation program benefited as well as specified others. ***Chapter 536*** also (1) made the fund permanent, repealing its June 30, 2022 termination date; (2) required DNR to establish a process to allow an individual who purchases specified fishing or hunting licenses or stamps through DNR's electronic system to make a donation to the fund at the time of purchase; and (3) required the Chesapeake Bay Trust, rather than DNR, to administer the fund. ***Chapters 90 and 91 of 2022*** established that recreational hunting or fishing opportunities that are provided using a grant awarded from the fund may include providing at no cost (1) an angler's license and trout stamps; (2) a Chesapeake Bay and coastal sport fishing license; or (3) a hunting license and any corresponding stamps.

Digital or Electronic Format

DNR is authorized to develop and implement an electronic system for the sale and issuance of licenses, permits, and registrations and the recording and releasing of security interests. ***Chapter 286 of 2021*** required DNR to make available and, on request, issue any recreational hunting or fishing license or stamp (except for a recreational boat license for which a special Chesapeake Bay and coastal sport fishing license decal is issued for attachment to the applicable boat) in a digital or electronic format. An individual may satisfy any requirement under State law to possess or display the recreational licenses or stamps by possessing or displaying the document in a digital or electronic format as provided by DNR. ***Chapter 286*** also repealed requirements that the holder of an angler's license or a hunting license electronically or physically sign the license.

Environment and Energy

Climate Change and Greenhouse Gas Emissions Reductions

Comprehensive Climate Legislation

Comprehensive legislation was introduced in the 2021 and 2022 sessions to reduce greenhouse gas (GHG) emissions and address climate change. ***Senate Bill 414 and House Bill 583 of 2021 (both failed)***, among other things, would have (1) increased the statewide GHG emissions reduction requirement and required the State to achieve net-zero statewide GHG emissions by a certain time; (2) established new commissions and working groups; (3) required the Maryland Department of Labor to adopt new energy conservation requirements for buildings; (4) established State tree-planting goals; (5) increased and extended energy efficiency and conservation program requirements administered by the Public Service Commission (PSC); and (6) established requirements for the purchase of zero-emission vehicles in the State fleet, including buses.

The tree planting provisions of ***Senate Bill 414 and House Bill 583*** were incorporated into ***Chapter 645 of 2021***, which established a new policy of the State to support and encourage public and private tree-planting efforts, with the goal of planting and helping to maintain 5,000,000 sustainable native trees in the State by the end of calendar 2031. For a more detailed discussion of ***Chapter 645***, see the subpart "Natural Resources" of this Part K of this *Major Issues Review*. Additionally, the zero-emission bus requirements of ***Senate Bill 414 and House Bill 583*** were incorporated into ***Chapter 693 of 2021***, which is discussed below.

While ***Senate Bill 414 and House Bill 583 (both failed)***, similar legislation was enacted the following year with the passage of ***Chapter 38 of 2022***, the Climate Solutions Now Act. ***Chapter 38***, among other things, (1) increased the statewide GHG emissions reduction requirement and required the State to achieve net-zero statewide GHG emissions by 2045; (2) required greater consideration of environmental justice in State decision-making processes; (3) established requirements for the purchase of zero-emission vehicles (ZEV) in the State fleet; (4) established new and altered existing building energy performance standards for buildings; (5) increased and extended specified energy efficiency and conservation program requirements; and (6) established new entities and new special funds to support related activities. A more detailed description of ***Chapter 38*** is provided below.

Greenhouse Gas Emissions Reduction Target and Related Plans: Chapter 38 amended the State's GHG emissions reduction targets and related plans by explicitly requiring the State to reduce statewide GHG emissions by 60% from 2006 levels by 2031. It required the State to achieve net-zero statewide GHG emissions by 2045; this provision terminates June 30, 2030. By June 30, 2023, the Maryland Department of the Environment (MDE) must submit a proposed plan to the Governor and the General Assembly that reduces statewide GHG emissions by 60% from 2006 levels by 2031. By December 31, 2023, MDE must adopt a final plan to meet the 2031 goal and that sets the State on a path toward achieving net-zero statewide GHG emissions by 2045. By December 31, 2030, MDE must adopt a final plan that achieves net-zero statewide GHG emissions by 2045; by December 31, 2035, MDE must review and, as necessary, revise that plan.

Environmental Justice Considerations: The Act made several changes to the duties of the existing Commission on Environmental Justice and Sustainable Communities, including requiring the commission to (1) adopt a methodology for identifying communities disproportionately affected by climate impacts; (2) develop specific strategies to address geographical impact concerns, reduce emissions of GHGs and co-pollutants, and build climate equity and resilience within disproportionately affected communities; (3) set funding goals for specified GHG emissions reduction measures; and (4) report specified information to the Maryland Commission on Climate Change (MCCC). In addition, MCCC is required to establish several new working groups related to the transition to renewable energy and workforce development.

The Act also altered the purpose of the Chesapeake Conservation Corps Program to enable mobilizing, educating, and training youth and young adults to (1) deploy clean energy technology and mitigating and preventing the environmental and health impacts of climate impacts in communities disproportionately affected by climate impacts and (2) ensure underserved and geographical climate disparities populations are given assistance needed to prepare for and adapt to climate impacts.

Zero-emission Vehicles: Beginning in fiscal 2025, with certain exceptions, a county board of education is prohibited from entering into a new contract to purchase any school bus that is not a ZEV or to use any school bus that is not a ZEV, unless the school bus has an in-service date of July 1, 2024, or before. MDE, in consultation with other appropriate State agencies, must work with the county boards and private school bus contractors to develop electric vehicle infrastructure, and MDE must prioritize the use of available federal funding to carry out the Act's ZEV school bus provisions.

The Act established the Electric School Bus Pilot Program, which is implemented and administered by PSC. ***Chapter 570 of 2022***, which is discussed later in this subpart, contained identical provisions related to the pilot program.

The Act also established the intent of the General Assembly that 100% of passenger cars in the State vehicle fleet be ZEVs by 2031 and that other light-duty vehicles in the State vehicle fleet be ZEVs by 2036. The State must ensure that (1) in fiscal 2023 through 2025, at least 25% of the passenger cars purchased for the State vehicle fleet are ZEVs; (2) in fiscal 2026 and 2027, at least 50% of the passenger cars purchased for the State vehicle fleet are ZEVs; (3) beginning in fiscal 2028, 100% of passenger cars purchased for the State vehicle fleet are ZEVs; and (4) beginning in fiscal 2024, any passenger car purchased for the State vehicle fleet that is not a ZEV must be a hybrid vehicle. Further, the State must ensure that (1) in fiscal 2028 through 2030, inclusive, at least 25% of all other light-duty vehicles purchased for the State vehicle fleet are ZEVs; (2) in fiscal 2031 and 2032, at least 50% of all other light-duty vehicles purchased for the State vehicle fleet are ZEVs; and (3) beginning in fiscal 2033, 100% of all other light-duty vehicles purchased for the State vehicle fleet are ZEVs.

Building Energy Performance Standards for Buildings: The Act required MDE to develop building energy performance standards for covered buildings (a commercial or multifamily residential building in the State or a building that is owned by the State and has a gross

floor area of 35,000 square feet or more, excluding the garage area) that achieve (1) a 20% reduction in net direct GHG emissions by January 1, 2030, as compared with 2025 levels for average buildings of similar construction and (2) net-zero direct GHG emissions by January 1, 2040. MDE must adopt implementing regulations by June 1, 2023.

The Department of Housing and Community must develop and implement a program to provide grants for energy conservation projects and projects to install renewable energy generating stations in covered buildings that house primarily low- to moderate-income households. The Act also established a Building Energy Transition Implementation Task Force to study and make recommendations relating to reducing GHG emissions from buildings and required the Maryland Green Building Council to examine and report on specified issues related to climate impacts of specified building materials, including concrete. It also required the Maryland Department of Labor to develop recommendations regarding all-electric buildings and electrification. Lastly, a Climate Transition and Clean Energy Hub was established in the Maryland Energy Administration (MEA) to serve as a clearinghouse for information on advanced technology and architectural solutions to reduce GHG emissions from the building sector.

Public Service Commission: The Act extended the EmPOWER Maryland Energy Efficiency Act annual energy savings goals beyond their 2021-2023 program cycles and increased the annual energy savings requirement beyond 2.0% beginning in 2025. Specifically, PSC must, by regulation or order, require each electric company to procure or provide cost-effective energy efficiency and conservation programs and services to its customers that are designed on a trajectory to achieve a targeted annual incremental gross energy savings of at least the following annual percentages: (1) 2.0% annually in 2022 through 2024; (2) 2.25% per year in 2025 and 2026; and (3) 2.5% per year in 2027 and thereafter. The Act also established new reporting requirements for PSC related to gas and electric distribution systems and planning processes.

Funding Provisions: The Act established the Climate Catalytic Capital Fund administered by the Maryland Clean Energy Center to promote geographical impact remedies and to leverage increased private capital investment in technology development and deployment to meet several goals related to addressing climate change and reducing GHG emissions, including providing for the creation of a Maryland Green Bond Program. Lastly, the Act required the Governor to appropriate certain funds in certain years for several purposes to implement the provisions of the Act.

Transportation and Vehicles

The Transportation and Climate Initiative (TCI) of the Northeast and Mid-Atlantic States is a regional collaboration that seeks to improve transportation, develop the clean energy economy, and reduce carbon emissions from the transportation sector. ***Chapters 605 and 606 of 2019*** authorized the Governor to include the State as a full participant in any regional governmental initiative, agreement, or compact that limits or reduces GHG emissions from the transportation sector. However, the State may only withdraw from such an initiative, agreement, or compact with statutory approval from the General Assembly. On December 21, 2020, the Governors of Massachusetts, Connecticut, and Rhode Island, as well as the Mayor of the District of Columbia,

announced the creation of the Transportation and Climate Initiative Program (TCI-P). Through a memorandum of understanding (MOU), the four participating jurisdictions committed to reducing greenhouse gas emissions from motor vehicles. The four signing jurisdictions will begin reporting on their emissions in 2022 and will begin compliance reporting in 2023. While Maryland remains engaged with TCI as a "collaborating jurisdiction," the State has not signed on to the MOU creating the TCI-P.

Over the 2019 to 2022 term, the legislature passed several bills to promote the use of zero-emission school buses and other vehicles. ***Chapter 492 of 2019*** established the Zero-Emission Vehicle School Bus Transition Grant Program within MDE and the Zero-Emission Vehicle School Bus Transition Fund to provide funding for the program. The purpose of the program is to provide grants to local boards of education (and entities that contract with local boards to provide transportation services) to (1) purchase school buses that are zero-emission vehicles; (2) install electric vehicle infrastructure for charging school buses that are zero-emission vehicles; (3) engage in planning for a transition to using school buses that are zero-emission vehicles; and (4) fund pilot programs to experiment with a transition to school buses that are zero-emission vehicles.

As mentioned previously, ***Chapter 570 of 2022*** and ***Chapter 38 of 2022*** established the Electric School Bus Pilot Program, which is implemented and administered by PSC. Generally, under the pilot program, a utility installs interconnection equipment and provides rebates to local school systems to cover incremental costs of an electric bus fleet. In return, the school system allows the utility to access the stored electricity without additional compensation at times when the school system determines that the buses are not needed to transport students. A utility may apply to PSC to implement an electric school bus pilot program if the program is structured to begin by October 1, 2024, and meets other specified requirements. Generally, the initial duration of an electric school bus pilot program must be at least three years and may be up to five years. However, on the request of a utility, PSC may authorize an expansion of the scope, deployment, program costs, and duration of the pilot program.

Chapter 693 of 2021 incorporated zero-emissions provisions from ***Senate Bill 414 and House Bill 583 of 2021 (both failed)***. The Act prohibited the Maryland Transit Administration (MTA), beginning in fiscal 2023, from entering into a contract to purchase buses for its transit bus fleet that are not zero-emission buses; however, MTA may purchase an alternative-fuel bus instead if it determines that no available zero-emission bus meets the performance requirements for a particular use. Additionally, the full cost of any zero-emission and alternative-fuel buses purchased must be paid from the Transportation Trust Fund (TTF), and MTA must ensure the development of charging infrastructure to support the operation of zero-emission buses in the State transit bus fleet. ***Chapter 463 of 2022*** subsequently required MTA to provide safety and workforce development training to employees in order to safely repair and maintain any new or converted zero-emission buses and related charging infrastructure.

Chapter 234 of 2022 reestablished the electric vehicle excise tax credit for zero-emission plug-in electric vehicles and fuel cell electric vehicles for a vehicle with a purchase price that does not exceed $50,000 and the purchase of which was made on or after July 1, 2023, but before July 1, 2027. The credit was also extended to two-wheeled zero-emission electric motorcycles,

three-wheeled zero-emission electric motorcycles, and autocycles. The credit was limited to one vehicle per individual and 10 vehicles per business entity. The Act required MEA to transfer annually, in fiscal 2024 through 2027, the lesser of $8.25 million or the total amount of credits allowed against the excise tax from the Strategic Energy Investment Fund to the TTF.

Climate Resilience

In addition to adopting measures to address the causes of climate change, the State has taken steps to mitigate and prepare for the effects of climate change, such as sea level rise and extreme weather events. ***Chapter 482 of 2022*** established the Office of Resilience in the Maryland Department of Emergency Management (MDEM). Among other things, the Act required the appointment of a chief resilience officer to coordinate State and local efforts to build resilience to risks (including climate-related risks) identified in the Maryland Hazard Mitigation Plan and to develop a State Resilience Strategy. For a further discussion of ***Chapter 482***, see the subpart "Public Safety and Corrections" in Part E – Crimes, Corrections, and Public Safety of this *Major Issues Review*.

Chapters 651 and 652 of 2019 authorized MDE, under its existing comprehensive flood management grant program, to award grants to subdivisions that have incurred at least $1 million in infrastructure damage by a flood event that occurred on or after January 1, 2009. The grants could be for an amount up to 50% of the combined cost of infrastructure repairs, watershed restoration, and emergency work associated with a flood event that may be equal to a certain amount of the total money appropriated to the grant program in specified fiscal years. The Acts required the Governor to appropriate at least $3 million in the State budget in fiscal 2021 and 2022, and at least $2 million in fiscal 2023.

Chapter 644 of 2021 established the Resilient Maryland Revolving Loan Fund within MDEM to provide loans for local resilience projects that address mitigation of hazards, including natural disasters. Subsequently, ***Chapters 244 and 245 of 2022*** made several alterations to the fund. The Acts authorized MDEM to issue loans to local governments for the purpose of offering loan funds to private property owners for hazard mitigation projects. Local governments providing loans to private property owners were authorized to establish a specified graduated loan forgiveness program.

In 2015, the State adopted a Coast Smart Construction Program that includes Coast Smart siting and design criteria for the use of all State agencies that design and build facilities or prepare programs and budgets for the design and construction of facilities. These criteria are intended to avoid or minimize future impacts associated with coastal flooding and sea level rise. Chapters 628 and 629 of 2018 generally expanded the applicability of the Coast Smart siting and design criteria to apply to State and local projects for which at least 50% of the project costs are funded with State funds. ***Chapter 442 of 2019*** limited the applicability of that expansion to specified State and local capital projects. The Act also (1) delayed the implementation date of the Coast Smart siting and design criteria that were modified and made more broadly applicable pursuant to Chapters 628 and 629, from July 1, 2019, to July 1, 2020; (2) delayed the deadline for specified local jurisdictions to develop a plan to address nuisance flooding pursuant to Chapters 628 and 629, from

July 1, 2019, to October 1, 2020; and (3) required the Maryland Department of Planning (MDP), in consultation with the Department of Natural Resources (DNR) and MDE, to develop and publish guidelines on or before October 1, 2019, to assist local jurisdictions in establishing nuisance flooding baselines.

Energy Efficiency and Clean Energy

The State's energy policy is closely related to its climate policy. Over the 2019 to 2022 term, the legislature took numerous steps to further the adoption of clean and renewable energy sources and to improve energy efficiency.

Chapter 544 of 2020 required MDE to waive application fees for the Voluntary Cleanup Program (originally established in 1997) for a qualifying applicant who intends to use eligible property to generate clean or renewable energy, while also expanding the definition of eligible property as it applied to the Cleanup Program to include sites listed on the Superfund Enterprise Management System. The Act also exempted a public service company that is a public-private partnership (P3) formed for the generation of clean or renewable energy from the existing public service company franchise tax if (1) 30% or more of the electricity generated through the P3 is purchased by the public partner and (2) the clean or renewable energy generating station is sited on an eligible clean and renewable energy generation site.

Chapter 564 of 2022 replaced existing energy efficiency standard requirements for various types of new products sold, offered for sale, or installed in the State, with energy and water efficiency standard authorizations and requirements for a new list of products – authorizing MEA to adopt standards for certain products and requiring specified standards to be adopted for other products. More specifically, the new list of products included (1) electric vehicle supply equipment; (2) high color rendering index (CRI) fluorescent lamps; (3) portable electric spas; (4) air purifiers; (5) commercial dishwashers; (6) commercial steam cookers; (7) faucets; (8) residential ventilating fans; (9) showerheads; (10) spray sprinkler bodies; (11) urinals; (12) water closets; and (13) water coolers.

For a further discussion of legislation related to clean energy and energy efficiency, see the subpart "Public Service Companies" in Part H – Business and Economic Issues of this *Major Issues Review*.

Water Pollution Control

Discharge Permits

The federal Clean Water Act (CWA) establishes the basic structure for regulating discharges of pollutants into the waters of the United States. The National Pollutant Discharge Elimination System (NPDES), a component of CWA, is a permit program that addresses water pollution by regulating point sources that discharge pollutants to U.S. waters. In Maryland, the U.S. Environmental Protection Agency (EPA) delegates authority to issue NPDES permits (also known as discharge permits) to MDE. A person must generally hold an MDE discharge permit before constructing, installing, modifying, extending, altering, or operating a system, facility,

outlet, or establishment if its operation could cause or increase the discharge of pollutants into the waters of the State.

Concentrated animal feeding operations (CAFO) are regulated by MDE under a discharge permit and department regulations, which are designed to control the discharge of nutrient-rich animal waste (including manure, poultry litter, and process waters) from Maryland's largest agricultural animal operations. ***Chapter 760 of 2019*** made various changes to (1) nutrient management plan compliance, enforcement, and reporting; (2) CAFO permitting and fees; and (3) water quality monitoring in tributaries located on the lower Eastern Shore. The Act also required a person to hold a CAFO discharge permit issued by MDE prior to beginning construction on any part of a new CAFO. For further discussion of ***Chapter 760***, see the subpart "Agriculture" of this Part K of this *Major Issues Review*.

In accordance with federal law, Maryland regulations allow for the administrative continuation of a discharge permit if a timely and complete reapplication has been submitted, and MDE (through no fault of the permittee) is unable to issue a new permit, as specified. ***Chapter 22 of 2022*** required MDE to clear the backlog of specified administratively continued discharge permits by December 31, 2026. The Act also established (1) inspection requirements for MDE with respect to certain facilities and sites operating under administratively continued permits and those in significant noncompliance and (2) a reporting requirement and administrative penalty provisions for permittees operating in violation of specified laws or permit requirements. The Act also required MDE to (1) assess the number of additional employees needed to clear the backlog of administratively continued permits and process discharge permit renewals in a timely manner; (2) report on the findings of the assessment; (3) request position identification numbers for necessary staff, as specified; and (4) report related information to the Governor and the General Assembly by December 31, 2025, and annually thereafter.

Wastewater and Sewer Services

According to MDE, between October 1, 2018, and January 31, 2019, there were 342 reports of incidents of sewer overflows or treatment bypasses (an average of 21 per week). The department maintains an electronic database on its website that provides sanitary sewer overflow, bypass, and combined sewer overflow data to the public. ***Chapter 310 of 2019*** established requirements regarding the content of the public notice procedures developed by MDE, in cooperation with the Maryland Department of Health (MDH), local health departments, and local environmental health directors, related to sewer overflows and treatment plant bypasses.

On-site Sewage Disposal Systems

Although the term "failing on-site sewage disposal system" is referenced in statute and regulations with regard to on-site sewage disposal systems (commonly referred to as septic systems) upgrades and funding from the Bay Restoration Fund (BRF), it was not defined in statute or regulation prior to 2019. ***Chapter 342 of 2019*** defined "failing on-site sewage disposal system" as an on-site sewage disposal system or a cesspool, or a component of a septic system or a cesspool, that is a threat to public health due to the potential for direct contact between sewage and members

of the public, significant noncompliance with the standards and conditions of the permit (for a permitted system), or a failure to prevent (1) sewage from reaching the surface of the ground; (2) sewage from backing up into a structure due to slow soil absorption of sewage effluent; (3) sewage from leaking from a sewage tank or collection system; (4) unless specifically authorized by a groundwater protection report approved by MDE before January 1, 2019, groundwater degradation; or (5) surface water degradation. Where a local ordinance or law defined the term more stringently, the Act did not preempt that definition, and if there already existed an enforcement referral method between MDE and a local health department, the Act did not preempt that method.

Chapters 444 and 445 of 2021 repealed certain requirements related to the certification of persons engaged in the business of property transfer inspections for septic systems and instead required any person (unless exempted) who engages in the business of inspecting a septic system to obtain an on-site wastewater property transfer inspection license issued by MDE. The licensing requirement does not apply to an individual who inspects a septic system as part of their duties as an employee of the federal government, the State, or a local government. MDE was required by January 1, 2022 to adopt regulations that established license eligibility criteria, minimum training standards, license terms, and fees for license applications and renewals. The Acts established an administrative penalty for violators, with penalties deposited into the Septics Account within the BRF.

Chapter 419 of 2022 further expanded MDE's oversight of septic professionals. The Act established the State Board of On-Site Wastewater Professionals as a unit within MDE to regulate and license individuals who provide on-site wastewater services in the State. To support the board's operations, the Act established the On-Site Wastewater Professionals Fund, funded primarily by fees, penalties, and fines collected under the Act. The Act also established (1) reporting requirements; (2) provisions governing license denials, revocations, and suspensions; and (3) penalties for violations. Finally, the Act repealed provisions related to the licensing of on-site wastewater property transfer inspectors established under ***Chapters 444 and 445 of 2021***. While the Act generally took effect July 1, 2022, the repeal of provisions related to the licensing of on-site wastewater property transfer inspectors takes effect June 30, 2025.

Bay Restoration Fund Uses

Chapter 428 of 2004 established the BRF, which is administered by the Water Quality Financing Administration within MDE. The primary purpose of the fund is to support upgrades to Maryland's major publicly owned wastewater treatment plants (WWTP) with enhanced nutrient removal (ENR) technology; funds are also used to support, among other things, septic system upgrades and the planting of cover crops. As a revenue source for the fund, Chapter 428 established a bay restoration fee on users of wastewater facilities, septic systems, and sewage holding tanks, which was doubled for most users under Chapter 150 of 2012. Fee revenue generated from users of wastewater facilities is deposited into MDE's Wastewater Account and used to, among other specified uses, provide grants for up to 100% of the eligible costs of upgrading WWTPs to ENR.

Legislation during the 2019 to 2022 term expanded and altered the uses of the BRF. The Clean Water Commerce Act of 2017 (Chapters 366 and 367) expanded the authorized uses of the BRF Wastewater Account to include (after funding other specified BRF priorities) the purchase of cost-effective nitrogen, phosphorus, or sediment load reductions in support of the State's efforts to restore the health of the Chesapeake Bay. ***Chapters 694 and 695 of 2021*** reauthorized and modified the Clean Water Commerce Act through June 30, 2030, and required MDE to transfer $20 million annually from the BRF Wastewater Account to the Clean Water Commerce (CWC) Account, a new account within BRF established by the Acts. The CWC Account must be used to purchase "environmental outcomes" to help the State achieve the Chesapeake Bay Total Maximum Daily Load.

Project funding from the BRF Wastewater Account is subject to several priorities, one of which requires MDE to determine funding awards based on water quality and public health benefits when allocating funding for (1) combined sewer overflow abatement, rehabilitation of existing sewers, and upgrading conveyance systems, including pumping stations; (2) nitrogen reduction from septic systems; and (3) the most cost-effective and efficient stormwater control measures by local governments that have implemented a system of charges to fully fund a stormwater management program. ***Chapter 44 of 2020*** expanded the criteria used to determine how to allocate funding for these projects by including climate resiliency and flood control as issues that MDE must consider when determining the priority of funding. The Act also specified that the types of stormwater control measures that a local government that has implemented a system of charges to fully fund a stormwater program may receive BRF funding for include stormwater measures relating to water quality, climate resiliency, and flood control.

Of the BRF fee revenue collected from users of septic systems and sewage holding tanks, 60% must be deposited into a separate account, commonly referred to as the Septics Account. Among other things, the Septics Account may be used for grants or loans for up to 100% of the cost of connecting a property using a septic system to an existing municipal wastewater facility that is achieving specified levels of treatment. ***Chapter 413 of 2020*** expanded the authorized uses of the Septics Account to include specified costs associated with connecting a property served by a septic system to an existing municipal wastewater facility that has signed a funding agreement with MDE and is under construction to achieve ENR or biological nutrient removal level treatment. Additionally, ***Chapters 277 and 278 of 2021*** authorized a county to borrow money and incur indebtedness through the issuance and sale of notes in anticipation of the receipt of the county's allocation of funds from the Septics Account within the BRF.

Countering the trend toward expanding the uses of the BRF, ***Chapters 341 and 342 of 2022*** placed restrictions on the use of the BRF for upgrades to privately owned wastewater facilities. The Acts generally prohibited MDE from providing funding from the BRF to the owner of a privately owned wastewater facility if MDE or EPA has determined in the two years immediately preceding the date on which the owner applied for funding that the facility did not comply with a discharge permit issued by MDE, with certain exceptions. The Acts also altered an existing joint reporting requirement for MDE and MDP related to funding provided from the BRF and established new reporting requirements for MDE related to grant funding under the Maryland Water Quality Revolving Loan Fund.

Lead

Elevated Blood Lead Levels

According to the Centers for Disease Control and Prevention (CDC), there is no safe level of lead exposure. Adverse health effects exist in children at blood lead levels less than 10 micrograms per deciliter (µg/dL). As such, CDC has, since 2012, urged health care providers and authorities to follow up on any young child with a blood lead level as low as 5 µg/dL, which is the CDC's current blood lead reference level.

Chapter 341 of 2019 redefined elevated blood lead level (EBL) as it applies to specified provisions of State law that initiate case management, notification, and lead risk reduction requirements. Specifically, EBL was redefined to mean (1) a quantity of lead in blood that exceeds the blood lead reference level as determined by CDC on or after October 1, 2019, or (2) beginning one year after the date that CDC revises the blood lead reference level until one year after a subsequent revision, the revised blood lead reference level determined by CDC. ***Chapter 341*** also required MDE to adopt regulations for conducting environmental investigations to determine lead hazards and include a summary of the results of any environmental investigation conducted pursuant to the bill in its annual report on statewide childhood blood lead testing. Additionally, beginning July 1, 2020, an owner of affected property must satisfy the modified reduction risk standard within 30 days after receipt of written notice that a person at risk who resides on the property has an EBL greater than or equal to the reference level (instead of 10 µg/dL) and an environmental investigation has concluded that there is a defect at the affected property.

Chapter 86 of 2022 altered the application and meaning of EBL and "reference level" as those definitions apply to specified provisions of law that initiate case management, notification, and lead risk reduction requirements under the State's lead poisoning prevention laws. Additionally, ***Chapter 86*** required MDE, in consultation with MDH, local health departments, and other relevant stakeholders, to study and evaluate the most effective means of incorporating the CDC blood lead reference value into the State's lead poisoning prevention programs.

School Drinking Water Outlets

Chapter 557 of 2019 established the intent of the General Assembly that schools work proactively to reduce the concentration of lead in drinking water outlets to a level below 5 parts per billion (ppb) and that State and federal funds be made available to schools for that purpose. MDE, in consultation with the Maryland State Department of Education (MSDE), was required to establish and administer a grant program to provide grants to local school systems to assist with specified costs related to addressing the presence of lead in school drinking water outlets, and the Interagency Commission on School Construction, in consultation with MDE, was required to establish and implement procedures for school systems to request funding from the existing Healthy School Facility Fund for specified remedial costs.

Subsequently, ***Chapters 237 and 238 of 2021*** redefined "elevated level of lead" to mean a lead concentration in drinking water that exceeds 5 ppb for the purposes of the required lead water testing and remedial measures in public and nonpublic schools. ***Chapters 237 and 238*** also made

conforming changes to existing notice and remediation requirements. If a water test sample for a drinking water outlet was analyzed on or before June 1, 2021, and the analysis indicated a concentration of lead that was more than 5 ppb but less than 20 ppb, a school must take appropriate remedial measures by August 1, 2022.

Solid Waste Management and Recycling

The solid waste infrastructure in Maryland consists of both permitted and nonpermitted facilities, and solid waste is managed through a combination of recycling, composting, landfilling, energy recovery, and exporting for disposal or recycling. Private and county-owned facilities make up the majority of facilities in the State.

Organics Recycling and Composting

In an effort to promote waste diversion, ***Chapter 366 of 2019*** prohibited an owner or operator of a refuse disposal system from accepting loads of separately collected yard waste or food waste for final disposal unless the owner or operator provides for the organics recycling of the yard or food waste. "Organics recycling" means any process in which organic materials are collected, separated, or processed and returned to the marketplace in the form of raw materials or products, and includes anaerobic digestion and composting.

Chapters 439 and 440 of 2021 required certain generators of large quantities of food residuals to separate the food residuals from other solid waste and ensure that the food residuals are diverted from final disposal in a refuse disposal system. The food residual diversion requirements only apply to a person who (1) meets specified threshold amounts of food residuals generated and (2) generates the food residuals at a location that is within a 30-mile radius of an organics recycling facility that has the capacity to, and is willing to, accept and process all of the person's food residuals for recycling, and is willing to enter into a contract to accept and process the person's food residuals. The diversion requirements apply beginning in certain years depending on the amount of food residuals produced by the generator.

Chapter 205 of 2022 established the Grant Program to Reduce and Compost School Waste and required the Maryland Association for Environmental and Outdoor Education to review grant applications and select recipients to be awarded grants by MSDE, which administers the program.

Recycling

Maryland's recycling policy is guided by the Maryland Recycling Act (MRA), which sets mandatory recycling rates for State government and local jurisdictions, as well as a voluntary statewide waste diversion goal of 60% and a voluntary statewide recycling goal of 55% by 2020. Each county (including Baltimore City) must prepare a recycling plan that addresses how the jurisdiction will achieve its mandatory recycling rate.

Chapter 500 of 2019 required that each county recycling plan address the collection and recycling of recyclable materials from specified large office buildings by October 1, 2020. Additionally, by October 1, 2021, the owner of a building that has at least 150,000 square feet of

office space must provide (1) recycling receptacles for the collection of recyclable materials and (2) for the removal of specified materials deposited into the recycling receptacles so that the materials can be further recycled. Of note, ***Chapter 500*** authorized local governments to conduct inspections to enforce the Act's requirements.

Chapter 631 of 2021 altered the definition of "recyclable materials" for the purposes of the MRA to exclude incinerator ash. ***Chapter 631*** also repealed a county's authority to use one or more resource recovery facilities (that were in operation as of January 1, 1988) to achieve a 5% reduction in its solid waste stream for the purposes of meeting required solid waste reductions and mandatory recycling rates under the MRA.

Chapters 289 and 290 of 2021 required MDE's Office of Recycling to promote the development of markets for recycled materials and recycled products in the State, established various requirements for the office, including expanded reporting requirements, and required the office to coordinate its activities with the Department of Commerce, the Department of General Services, MDOT, the Maryland Environmental Service (MES), the Northeast Maryland Waste Disposal Authority, local governments, and private organizations.

Difficult-to-manage Waste Materials

Expanded polystyrene foam is an inexpensive and readily available material often used in food product packaging. However, the material may have a significant impact on the health of humans and marine life because it never fully degrades, and, when littered, bioaccumulates in the environment. Across the country, jurisdictions have introduced legislation to ban or partially ban the use of expanded polystyrene foam, including Montgomery and Prince George's counties in Maryland; Washington, DC; Portland, Oregon; New York, New York; and Los Angeles County and the City of San Francisco in California.

Beginning July 1, 2020, ***Chapters 579 and 580 of 2019*** prohibited (1) a person from selling or offering for sale in the State an "expanded polystyrene food service product" and (2) a "food service business," which includes specified businesses, institutional cafeterias, or schools from selling or providing food or beverages in an expanded polystyrene food service product. The Acts additionally required MDE to conduct specified public education and outreach campaigns and authorized them to adopt regulations to implement the requirements. ***Chapters 471 and 472 of 2020*** expanded the exceptions to the definition of an expanded polystyrene food service product by excluding (1) cartons for eggs that are made of expanded polystyrene that are shipped into the State for packaging and (2) cartons of eggs that have been packaged within the State for sale within the State.

Environmental Justice

The Commission on Environmental Justice and Sustainable Communities (CEJSC) was established by executive order in 2001 and codified in 2003. CEJSC is tasked with examining issues of "environmental justice" and sustainable communities for all Marylanders. ***Chapters 634 and 635 of 2021*** made several changes to CEJSC, including (1) altering the composition of the commission and provisions governing the appointment of members and the designation of the

chair; (2) requiring that, to the extent practicable, the membership reflect the racial, gender, ethnic, and geographic diversity of the State; (3) requiring MDE to provide new commission members with an orientation that reviews environmental justice issues in the State and the previous work of CEJSC; (4) requiring CEJSC to meet at least six times per calendar year and to hold at least four "community listening sessions" per calendar year, in accordance with specified requirements; and (5) altering and expanding the required duties of CEJSC.

Chapter 588 of 2022 established environmental justice screening requirements for specified permits. The Act required a person who applies for a permit under § 1-601(a) of the Environment Article to include, as part of the permit application, the "EJ Score" from the "Maryland EJ tool" for the census tract where the applicant is seeking a permit, unless the permit requires the applicant to use a tool developed by EPA. "EJ Score" means an overall evaluation of an area's environment and existing environmental justice indicators, as defined by MDE in regulation, including pollution burden exposure, pollution burden environmental effects, sensitive populations, and socioeconomic factors. "Maryland EJ tool" means a publicly available State mapping tool that allows users to (1) explore layers of environmental justice concern; (2) determine an overall EJ Score for census tracts in the State; and (3) view additional context layers relevant to an area.

Harmful Chemicals and Products

Perfluoroalkyl and Polyfluoroalkyl Substances

Perfluoroalkyl and polyfluoroalkyl substances (PFAS) are a group of synthetic chemicals that include PFOA, PFOS, GenX, and many other chemicals. PFAS have been manufactured and used in a variety of industries in the United States since the 1940s, including for use in firefighting foam. PFAS are persistent in the environment and the human body, meaning that they do not break down easily and can accumulate over time, and there is evidence that exposure to PFAS can lead to a number of adverse human health effects. EPA has taken a range of regulatory actions to address PFAS substances in manufacturing and consumer products. Additionally, certain PFAS chemicals are no longer manufactured in the United States as a result of phase-outs that were agreed on by major chemical manufacturers.

Chapters 276 and 277 of 2020 generally prohibited, on or after October 1, 2021, the use of Class B firefighting foam that contains intentionally added PFAS chemicals for (1) testing purposes (unless the use is required by law or relevant agency and the testing facility has implemented appropriate containment, treatment, and disposal measures) or (2) training purposes and required nonfluorinated training foam for firefighting training purposes.

Chapters 138 and 139 of 2022 established and expanded several prohibitions and requirements that relate to the manufacture, sale, and distribution for sale or use in the State of specified products that contain "intentionally added" PFAS chemicals. Specifically**,** the Acts prohibited, beginning on January 1, 2024, a person from using, manufacturing, knowingly selling, offering for sale, or distributing for sale or use Class B fire-fighting foam that contains intentionally added PFAS chemicals in the State unless exempted. Further, a person is prohibited from disposing

of Class B fire-fighting foam that contains intentionally added PFAS chemicals using incineration, as specified, or in a landfill. MDE must, upon request from a fire department in the State, take back from the fire department Class B fire-fighting foam that contains intentionally added PFAS chemicals and dispose of the purchased fire-fighting foam in a manner consistent with the Acts.

Further, ***Chapters 138 and 139*** required that if a person sells personal protective equipment (PPE) for fire-fighting that contains PFAS chemicals in the State, the person must provide written notice to the purchaser at the time of the sale, that includes (1) a statement that the PPE contains PFAS chemicals and (2) the reason the PPE contains PFAS chemicals. Both the person selling the PPE and the purchaser must retain the required notice for at least three years after the date of the sale.

Finally, ***Chapters 138 and 139*** prohibited, beginning January 1, 2024, (1) a person from manufacturing or knowingly selling, offering for sale, or distributing for sale or use in the State a new rug or carpet to which PFAS chemicals have been intentionally added and (2) a manufacturer or distributor from manufacturing or knowingly selling, offering for sale, or distributing for sale or use in the State a food package or food packaging component designed and intended for direct food contact to which PFAS chemicals were intentionally added.

Polycyclic Aromatic Hydrocarbon Sealant Products

Polycyclic aromatic hydrocarbon (PAH) are a class of toxic contaminants found in coal, coal tar, crude oil, and gasoline that are produced from the heating or burning of carbon materials and have been linked to an increased risk of cancer in humans and animals. ***Chapters 709 and 710 of 2022*** established prohibitions related to the sale and use of "high-PAH sealant products" that are applied to driveways and parking areas. Airports, federal facilities, and military facilities are exempt from the provisions and existing and new enforcement and penalty provisions apply to the Acts and any related regulations or orders. The Acts established that penalties are paid into the Maryland Clean Water Fund and authorized MDE to use the fund to implement the bills' requirements.

Conservation Financing

Chapters 237 and 238 of 2022 made changes to a broad variety of existing programs related to environmental conservation and natural resources management and expanded opportunities for agencies to obtain private investment and financing for State environmental projects, including conservation efforts, restoration projects, and the installation and repair of green and blue infrastructure. The Acts also altered existing and establish new State policies for several related programs and established a new workgroup, commission, task force, and review and reporting requirements. The primary focus of the Acts was on actions that improve water quality. However, the Acts also sought to advance environmental justice and public health, expand initiatives around forest and agricultural soil carbon sequestration, and reward projects that deliver co-benefits such as local jobs, flood risk reduction, or climate resilience. The primary agencies that are affected are MDE, MDA, DNR, and MES, but there are changes to procurement and contracting opportunities that affect additional agencies. For more information on ***Chapters 237***

and 238, see the subpart "Procurement" within Part C – State Government of this *Major Issues Review*.

Agriculture

Nutrient and Sediment Management

Nutrient Management Plans

Farmers are required to follow nutrient management plans when fertilizing crops and managing animal waste. These plans address the amount, placement, timing, and application of animal waste, commercial fertilizer, sludge, or other nutrient sources to maintain productivity on agricultural land and prevent excess nutrients from impacting waterways. Nutrient management plans generally are required for all agricultural land used to produce plants, food, feed, fiber, animals, or other agricultural products. ***Chapter 760 of 2019*** made various changes relating to nutrient management plan compliance, enforcement, and reporting. Among other things, the Act (1) authorized the Maryland Department of Agriculture (MDA) to require an annual implementation report that includes specified information related to animal manure; (2) established administrative penalties for failure to file a summary or annual implementation report; (3) altered administrative penalties associated with nutrient management plans; and (4) required MDA to prioritize enforcement efforts for violations of nutrient management plans on farms for which the department has not received soil test phosphorus levels. For a further discussion of ***Chapter 760***, see the subpart "Environment and Energy" within this Part K of this *Major Issues Review*.

Funding for Nutrient and Sediment Management Practices

Clean Water Commerce Act: The Clean Water Commerce Act of 2017 (Chapters 366 and 367) expanded the authorized uses of the Bay Restoration Fund's (BRF) Wastewater Account to include the purchase of cost-effective nitrogen, phosphorus, or sediment load reductions to support the State's efforts to restore the health of the Chesapeake Bay. The measure prohibited the purchase of nitrogen, phosphorus, and sediment load reductions from the agricultural sector. ***Chapters 694 and 695 of 2021*** reauthorized and modified the Clean Water Commerce Act through June 30, 2030, and required the Maryland Department of the Environment (MDE) to transfer $20.0 million annually from the BRF Wastewater Account to the newly established Clean Water Commerce Account. The Acts specified the percentages of the Clean Water Commerce Account that must be used to procure environmental outcomes from various sources, including at least 35% for "agricultural practices". For a further discussion of these Acts, see the subpart "Environment and Energy" within this Part K of this *Major Issues Review*.

Conservation Reserve Enhancement Program: The Conservation Reserve Enhancement Program (CREP) is a voluntary program implemented by the U.S. Department of Agriculture (USDA) and the State with the purpose of enrolling up to 100,000 acres of agricultural land in the State. Participants remove cropland and marginal pastureland from agricultural production and install conservation practices, such as native grasses and trees, to, among other things, improve

water quality and reduce nutrient and sediment loading from crop fields. Eligible participants receive payments in return. To maximize participation, ***Chapter 645 of 2021*** required, in fiscal 2023 through 2031, that a landowner who enrolls land planted with a forested streamside buffer receive a one-time signing bonus of up to $1,000 per acre of land enrolled in CREP. The Act required MDE to transfer $2.5 million in fiscal 2023 from the BRF Wastewater Account to MDA to fund tree planting under CREP and other tree planting programs on agricultural land. In fiscal 2024 through 2031, the Governor must appropriate $2.5 million in the annual State budget to fund tree planting on agricultural land. For a further discussion of the tree planting measures included in ***Chapter 645***, see the subpart "Natural Resources" within this Part K of this *Major Issues Review*.

Maryland Agricultural Water Cost-Share Program: The Maryland Agricultural Water Quality Cost-Share Program (MACS), which is administered by MDA, provides farmers with grants to cover eligible costs to implement best management practices that reduce soil and nutrient runoff from farmland. ***Chapters 304 and 305 of 2020*** modified the provisions governing MACS to allow for State cost-sharing for "fixed natural filter practices" and to establish specified standards and requirements applicable to State cost-sharing. "Fixed natural filter practices" include the following: the planting of riparian forest buffers; the planting of riparian herbaceous cover; tree plantings that are on agricultural land and outside a riparian buffer; wetland restoration; and pasture management, including rotational grazing systems such as livestock fencing and watering systems implemented as part of the conversion of cropland to pasture. The Acts restricted State cost-sharing funds from being used to fund a conservation practice that does not either address a natural resource concern identified by USDA's Natural Resources Conservation Service or result in an improved conservation benefit. ***Chapter 120 of 2021*** subsequently increased the maximum amount of State funding that any project that is being considered for State cost-sharing is eligible to receive under MACS from 87.5% to 100%. The Act terminates June 30, 2026.

Agricultural Land Preservation Goals

Joint Resolutions 16 and 17 of 2002 created a statewide goal to, by 2022, triple the number of acres, now considered to be a goal of 1,030,000 total acres, of productive agricultural land preserved by the Maryland Agricultural Land Preservation Foundation, the Maryland GreenPrint Program, the Rural Legacy Program, and local preservation programs. ***Chapters 284 and 285 of 2021*** established the agricultural land preservation goal in statute, extended the deadline from 2022 to 2030, and also included acres preserved through the Maryland Environmental Trust and the Next Generation Farmland Acquisition Program as contributing toward the goal.

Conservation Financing

Chapters 237 and 238 of 2022 made changes to a broad variety of existing programs relating to environmental conservation and natural resources management and expanded opportunities for agencies to obtain private investment and financing for State environmental projects, including conservation efforts. The Acts prohibited MDA from restricting, through any cost-share agreement, a MACS participant from participating in and receiving compensation from greenhouse gas markets, carbon credits, or soil carbon programs, if the purpose of the

compensation is to achieve additional conservation benefits that are consistent with the State's Chesapeake Bay conservation goals. The Acts also authorized MDA to enter into partnerships (through formal contracts or memoranda of understanding with private-sector organizations that have experience in carbon offset markets or other programs) to (1) create statewide or regional partnerships to minimize the costs and maximize the benefits of voluntary enrollment of farmland into carbon offset markets and (2) assist private landowners with the aggregation of projects to make the projects more saleable in carbon offset market programs. For additional discussion of ***Chapters 237 and 238***, see the subpart "Environment and Energy" within this Part K of this *Major Issues Review*.

Chlorpyrifos

Chlorpyrifos is an organophosphate pesticide that has been used in both agricultural and nonagricultural settings since 1965. The U.S. Environmental Protection Agency (EPA) is evaluating the potential risks posed by chlorpyrifos as part of a statutorily mandated review program intended to ensure the continued safety of federally registered pesticides. EPA is also required, under federal law, to establish maximum limits (or tolerances) for the amount of pesticide residue that can safely remain on food and feed commodities (unless a pesticide is exempted from the tolerance requirement) and, accordingly, chlorpyrifos tolerances were established in federal regulations for various food and feed commodities. The continuation of the registrations and tolerances associated with chlorpyrifos pesticide products has been a long-standing issue. In August 2021, EPA issued a final rule revoking all tolerances for chlorpyrifos. The registration of chlorpyrifos for nonagricultural and nonfood uses will continue during EPA's mandated registration review.

Senate Bill 300 of 2020 (passed), which was vetoed by the Governor, would have generally prohibited a person from using chlorpyrifos in the State, including insecticides that contain chlorpyrifos and seeds that have been treated with chlorpyrifos, beginning December 31, 2020. Exceptions were made to allow, until June 30, 2021, the use of (1) insecticides that contain chlorpyrifos to treat the trunks and lower limbs of fruit trees and (2) snap bean seeds that have been treated with chlorpyrifos. These exceptions would have continued from July 1, 2021, until December 31, 2021, on written application, if MDA concluded that no effective alternative existed. Additionally, beginning October 1, 2020, the bill would have prohibited a person from conducting an aerial application of chlorpyrifos. In 2020, MDA promulgated regulations restricting the use of chlorpyrifos in a manner similar to the restrictions under ***Senate Bill 300***.

Agricultural Production and Development

Use of Antimicrobial Drugs

The judicious use of antimicrobial drugs can effectively fight bacterial infections but use and misuse can also promote the development of antimicrobial-resistant bacteria. In 2017, FDA completed a process to transition medically important antimicrobial drugs (important in human medicine) used in feed or drinking water of food-producing animals to veterinary oversight and to eliminate use of the drugs for production purposes such as growth promotion.

Pursuant to Chapters 787 and 788 of 2017, State law prohibits the administration of a medically important antimicrobial drug to cattle, swine, or poultry solely for the purpose of promoting weight gain or improving feed efficiency. A medically important antimicrobial drug may be administered to cattle, swine, or poultry if, in the professional judgment of a licensed veterinarian, the drug is necessary (1) to treat, or control the spread of, a disease or infection; (2) for a surgery or medical procedure; or (3) provided the drug is not administered in a regular pattern, for prophylaxis to address an elevated risk of contraction of a particular disease or infection. These provisions were modified under ***Chapters 678 and 679 of 2019*** to, among other things, (1) expressly prohibit the drugs from being administered in feed or water unless ordered by a licensed veterinarian through a specified drug prescription or a veterinary feed directive; (2) define relevant terms, including "treat a disease or infection," "administered in a regular pattern," "prophylaxis," and "elevated risk"; (3) alter the applicability of the provisions; (4) limit the duration for which the drugs may be administered; (5) alter the penalty for violating the provisions; (6) establish new reporting requirements for licensed veterinarians regarding the administration of the drugs; and (7) alter existing MDA reporting requirements. MDA must maintain all records and information relating to the administration of medically important antimicrobial drugs submitted to MDA for at least five years and in a manner that protects the identity of an owner, an operator, and a veterinarian.

Hemp

The federal Agriculture Improvement Act of 2018 (2018 Farm Bill) altered certain federal authority relating to the production and marketing of hemp and removed hemp from the federal Controlled Substances Act. Under the 2018 Farm Bill, cannabis plants and derivatives that contain no more than 0.3% delta-9-THC on a dry weight basis are no longer controlled substances under federal law. The 2018 Farm Bill directed USDA to develop a program to review and approve plans submitted by each state, territory, and Indian tribal agency outlining their production of hemp for commercial uses. Among other things, ***Chapter 228 of 2019*** established a regulatory framework for the commercial production of hemp in the State in conjunction with the federal changes from the 2018 Farm Bill. USDA published guidance on state hemp farming plans at the end of calendar 2019. MDA promulgated regulations in late 2020 that brought the State into compliance with the 2018 Farm Bill and established industrial hemp as an agricultural commodity.

Urban Agriculture

Urban farming provides a number of community benefits, including addressing gaps in access to healthy food, providing job opportunities and supporting local economies, preserving greenspace, and reducing carbon and energy dependence associated with food transportation. Several measures were enacted to facilitate the growth of an urban farming sector in Maryland. ***Chapters 319 and 320 of 2021*** established the Urban Agriculture Grant Program in MDA to increase the viability of urban farming and improve access to urban-grown foods. To support the program, the Acts also established the Urban Agriculture Grant Fund to provide grants to qualified nonprofit organizations that distribute the grant money to urban agricultural producers. ***Chapters 172 and 173 of 2022*** expanded the capability of the University of Maryland Extension (UME) to support urban farmers by requiring UME to hire (1) an extension agent dedicated to

urban farm production methods and crop management and (2) an extension agent dedicated to urban farm and agribusiness management. ***Chapters 393 and 394 of 2022*** established the Urban Agriculture Water and Power Infrastructure Grant Program in MDA and an associated special fund to provide grants to urban agricultural producers and qualified nonprofit organizations for the purchase and installation of (1) agriculture equipment associated with water supply and irrigation and (2) electric power access.

Certified Local Farm Enterprise Program

During the 2020 session, the General Assembly passed ***Senate Bill 985 and House Bill 1488***. The Governor vetoed the bills, but the General Assembly overrode the vetoes during the 2021 session, and the bills became law as ***Chapters 2 and 32 of 2021***. The Acts established the Certified Local Farm Enterprise Program and office within MDA to encourage State agencies, including public four-year universities, to achieve an overall goal of purchasing 20% of food from certified local farm enterprises. A certified local farm enterprise is one that meets specified nutrient management requirements and is certified by MDA. Among other things, the office must adopt regulations to maximize notice to, and the opportunity to participate in the food procurement process by, a wide range of local farm enterprises. MDA must develop and maintain a directory of all certified local farm enterprises and make the directory accessible to the public on its website. The Acts also established a nonbudgeted Certified Local Farm Enterprise Food Aggregation Grant Fund within the Maryland Agricultural and Resource-Based Industry Development Corporation to establish and operate food aggregation, storage, processing, and distribution sites across the State through grants and near-equity investments.

Food Insecurity and Resiliency

The COVID-19 pandemic and ensuing economic crisis resulted in greater food insecurity for many Marylanders. The pandemic also caused reductions in product demand, supply chain interruptions, and staffing shortages that negatively impacted the State's agricultural suppliers.

To coordinate Maryland's response in addressing food insecurity throughout the State, ***Chapters 724 and 725 of 2021*** established the Maryland Food System Resiliency Council, which is comprised of representatives of MDA and other State agencies, members of the General Assembly, and members appointed by the Maryland Department of Emergency Management. The council was required to meet for a period of at least two years and work toward the following goals: (1) addressing the food insecurity crisis in the State resulting from the COVID-19 pandemic and resulting economic crisis, as specified; (2) developing specified equity and sustainability policy recommendations to increase the long-term resiliency of the food system, as specified; (3) expanding the impact of existing food council organizations by providing coordination and facilitation of knowledge exchange at the State level and supporting identification and application of grants to operating funds to support existing and new food council organizations as needed; and (4) developing a strategic plan to increase the production and procurement of Maryland certified food, as specified.

Chapter 480 of 2022 built on recommendations contained in the Maryland Food System Resiliency Council's first interim report. In addition to altering the purpose and use of the existing Maryland Farms and Families Fund, the Act established the Maryland Food and Agricultural Resiliency Mechanism Grant Program (MD FARM) and an associated special fund administered by MDA and the Maryland Farm-to-School Meal Grant Pilot Program and an associated special fund administered by the Maryland State Department of Education in coordination with MDA. MD FARM is intended to build food system resiliency by leveraging Maryland agricultural products and services to support the State's food banks and charitable emergency food providers to alleviate food insecurity. The MD FARM Fund must be used to provide grants to food banks and charitable emergency food providers for (1) the procurement of surplus, seasonal, or contractual agricultural food products; (2) the processing and preparation of agricultural food products for distribution; and (3) the transportation of agricultural food products. The Maryland Farm-to-School Meal Grant pilot program incentivizes the production, procurement, and provision of local foods in school meals by awarding grants to local school districts, as specified. The pilot program terminates June 30, 2026.

Part L
Education

Primary and Secondary Education

Blueprint for Maryland's Future

Chapters 701 and 702 of 2016 established the Commission on Innovation and Excellence in Education (also known as the Kirwan Commission) to (1) review the findings of a consultant's study on adequacy of education funding and its related studies and make recommendations on the funding formulas; (2) review and make recommendations on expenditures of local education agencies; (3) review and make recommendations on innovative education delivery mechanisms and other strategies to prepare Maryland students for the 21st century workforce and global economy; and (4) review and make recommendations on expanding prekindergarten, including special education prekindergarten.

The Kirwan Commission held its first meeting in September 2016, and its final meeting was held in November 2019. During that time, the Kirwan Commission worked with staff and consultants to benchmark Maryland's education system against top-performing systems around the world and made policy recommendations to enable Maryland students to perform at the levels of the best in the world. Chapter 361 of 2018 implemented the Kirwan Commission's preliminary recommendations by establishing a Comprehensive Teacher Recruitment and Outreach Program, the Maryland Early Literacy Initiative, the Learning in Extended Academic Programs Grant Program, the Career and Technology Education Innovative Grant Program, and a special fund to implement the Kirwan Commission recommendations.

Chapter 771 of 2019 implemented the Kirwan Commission's interim policy recommendations by establishing programs funded in fiscal 2020 and 2021, including (1) a Concentration of Poverty School Grant Program; (2) a Teacher Collaborative Grant Program; (3) a Teacher Salary Incentive Grant Program; (4) a Transitional Supplemental Instruction for Struggling Learners Program; and (5) enhancement funds for students with disabilities. The Act also tasked the Kirwan Commission to produce its final report.

In 2019, the Kirwan Commission endorsed a set of recommendations made by the Funding Formula Workgroup to incorporate the cost of implementing the policy recommendations into

education funding formulas and programs. It also finalized its policy recommendations and timeline for implementation. The result was ***Chapter 36 of 2021***, which implemented the Kirwan Commission's recommendations in the major policy areas of (1) early childhood education; (2) high-quality and diverse teachers and leaders; (3) college and career readiness pathways; (4) governance and accountability; and (5) more resources to ensure all students are successful. The Act also contained numerous provisions relating to education funding and funding formulas. The Act originally passed as ***House Bill 1300 of 2020***, but the Governor vetoed the bill, and the General Assembly overrode the veto the following session.

Due to delays caused by the Governor's veto and the COVID-19 pandemic, the Act was paired with ***Chapter 55 of 2021***, which generally made revisions to ***Chapter 36*** to account for the bill's delayed enactment. Additionally, ***Chapter 55*** accounted for the effects of COVID-19 by making changes to funding formulas to account for enrollment during the pandemic and by requiring local education agencies (LEAs) to provide tutoring and supplemental instruction and use funds to address trauma and behavioral health issues arising from the pandemic's effects on students.

Early Childhood Education

Chapter 36 established a voluntary full-day prekindergarten for three- and four-year-olds, with expansion initially focused on three- and four-year-olds from families whose income is at or below 300% of the federal poverty level (FPL). Beginning shortly thereafter, the Act planned to expand those eligible to four-year-olds from families whose income is between 300% and 600% of FPL if space is available to encourage socioeconomic diversity in prekindergarten classrooms. Funding for the program was split between State, county, and family shares of the cost. A family below 300% of FPL does not pay a family share. The Maryland State Department of Education (MSDE) must develop a sliding scale to calculate the family share for families with income above 300% of FPL. For four-year-olds from families with income above 600% of FPL, the family share is 100% of the cost of full-day prekindergarten. However, a county board may provide up to 100% of the family share on behalf of the family. Public and private providers must meet specified staffing, quality, and nondiscrimination requirements to be eligible to participate in the publicly funded full-day program. Initially, private providers were required make up 30% of full-day prekindergarten slots, increasing to 50% within a few years, unless a waiver is granted by MSDE.

The Act also mandated increased funding for several early childhood accreditation and capacity building programs. Additionally, funding was provided for the Maryland Infant and Toddlers Program, for additional Judy Centers, and for additional family support centers, which the Act named Patty Centers. Finally, to transition to the new publicly funded prekindergarten program, the Act modified the existing Prekindergarten Expansion Grant Program by expanding it to three-year-olds over a few years.

High-quality and Diverse Teachers and Leaders

Chapter 36 established a professionalized career framework for teachers and school leaders through a career ladder. This ladder consists of four levels and two tracks (teacher leadership and administrative) and required implementation by each LEA within a few years. The career ladder

incorporated additional time for team collaboration, professional development, additional professional responsibilities, career advancement opportunities, and financial incentives not tied to seniority. Teachers were incentivized to obtain certification from the National Board for Professional Teaching Standards through financial incentives and other resources and supports. Ascension of the career ladder beyond the second level required National Board Certification (NBC) or, if NBC was not available in a teacher's subject area, a master's degree in that subject area.

The Act also provided for the recruitment, preparation, and induction of teachers including a school leadership training program. Specifically, increased funding was required for the Maryland Teaching Fellows Scholarship Program, award alterations were made to the Nancy Grasmick Teacher Awards (Loan Assistance Repayment Program for teachers), and the Teacher Quality and Diversity Program was established. MSDE was required to develop guidelines for comprehensive teacher induction programs in consultation with local school systems and the Maryland Education Deans and Directors Council. The Act also established requirements for teacher preparation programs at institutions of higher education and alternative teacher preparation programs. Teacher training practicums must be of a specified duration, set to increase within five years from enactment, and developed in collaboration with partner schools. The Act also required that MSDE develop challenging specific-subject exams for teaching ability.

College and Career Readiness

Chapter 36 also required that the State Board of Education (State board) adopt a College and Career Ready Standard (CCR standard) in English language arts, mathematics, and, when practicable, science. Beginning shortly after the Act's adoption, each student was required to be assessed no later than grade 10 by a method used to determine whether the student met the CCR standard.

Each LEA, in collaboration with community colleges, was required to develop and implement a program of study for students who have not met the CCR standard by the end of grade 10. Students who have not met the CCR standard by the end of grade 10 must receive an individualized plan to meet the standard. Beginning a few years later, each LEA is required under the Act to provide all students who meet the CCR standard with access to the following post-CCR pathways, at no cost to the student or the student's parents, including the cost of any fees: (1) a competitive entry college preparatory program; (2) a program that allows a student, through an early college program or dual enrollment at a student's high school and an institution of higher education; and (3) a robust set of Career and Technical Education (CTE) programs that lead to an industry-recognized credential or apprenticeship. Each student who meets the CCR standard must be enrolled in at least one post-CCR pathway.

The Act created a CTE Committee to build an integrated, globally competitive framework for providing CTE to Maryland students in public schools, institutions of postsecondary education, and the workforce. The Act also established a Skills Standards Advisory Committee to make recommendations to the CTE Committee on the CTE courses to be offered.

Governance and Accountability

Chapter 36 established an Accountability and Implementation Board (AIB) designed to hold other units of government accountable for implementing the Blueprint for Maryland's Future (Blueprint) and evaluating the outcomes of the Blueprint during the implementation period. In order to ensure that the Act is implemented and working as intended, beginning a few years after the Act was implemented, 25% of the increase in the State's share of major education aid over the amount provided in the current fiscal year will automatically be withheld from a school system or public school. Initially, AIB may release these funds if implementation plans were adopted in a timely manner. Beginning a few years later, AIB may release the funds under other circumstances. AIB was also empowered to withhold additional funds. ***Chapter 33 of 2022*** extended dates for AIB and MSDE to develop criteria for the adoption of implementation plans and extends the dates that State and local governmental entities have to submit implementation plans. Additionally, the Act altered the procedures and timeline for AIB to withhold and release specified funding for local school systems.

Each November 1, AIB must report on the progress made on the implementation of the Blueprint. In addition, the board must contract with an entity to conduct an independent evaluation of the State's progress toward implementing the Blueprint. An independent entity is required to report its results to the board at roughly the halfway mark and end of the Blueprint's 10-year timeline. By the end of this timeline, the board must submit a final report that includes whether the Blueprint is working as intended and whether AIB should continue to exist and monitor implementation of the Blueprint after this date.

The Act also established Expert Review Team Programs, administered by MSDE, which will deploy teams of teachers and other experts to certain schools to determine whether the Blueprint is being successfully implemented. Deployment of these teams will be to a mix of high- and low-performing schools, with a specified minimum percentage of schools to be visited annually. Similar, CTE Expert Review Teams will also operate under the auspices of the CTE Committee.

More Resources to Ensure All Students Are Successful

Chapter 36 provided concentration of poverty grants for qualifying schools. The grant had two components that the qualifying schools will receive. First, each school received a personnel grant to employ a community school coordinator with specified qualifications and provide full-time coverage by at least one health care practitioner. Second, per pupil grants were provided for each school following the completion of an assessment of the needed services for the school. All eligible schools were required to establish a community school to provide wraparound services to all children enrolled in the school.

Maryland Consortium of Coordinated Community Supports

Chapter 36 made several other changes to the education system, in addition to those recommended by the Kirwan Commission. The most substantive of these was the creation of the Maryland Consortium of Coordinated Community Supports. The Act tasked the consortium with

(1) supporting the development of coordinated community supports partnerships to meet student behavioral health needs and other related challenges in a holistic, nonstigmatized, and coordinated manner and (2) providing expertise for the development of best practices in the delivery of student behavioral health services, supports, and wraparound services. ***Chapter 713 of 2022*** altered the consortium's membership, increased staff of the Maryland Community Health Resources Commission (MCHRC) to support the consortium, transfers responsibility for administering Coordinated Community Support Partnerships to MCHRC, and increased funding to the Coordinated Community Support Partnership Fund by $10 million in fiscal 2024 and 2025 and $5 million thereafter.

Blueprint for Maryland's Future – Education Aid Formulas

The Blueprint altered the State's education aid formula in a variety of ways. These are briefly discussed below.

Foundation Program

The calculation of the foundation program was altered such that the count of students to be funded is the greater of (1) the prior year full-time equivalent (FTE) enrollment or (2) the three-year moving average of FTE enrollment, and the per pupil foundation amount (PPFA) was gradually increased, over the length of the Blueprint's 10-year implementation timeframe.

Alteration to Local Wealth, Obsolete Grants Repealed, and Transition Grants Added

The calculation of the State and local share of education aid using wealth was adjusted by specifying the use of November Net Taxable Income and that certain tax increment financing (TIF) wealth is subtracted from a jurisdiction's wealth calculation. This made several grants obsolete; thus, they are repealed. These included the TIF grant, the net taxable income grant, and the supplemental grants. However, Blueprint transition grants are provided under the Act to 12 counties that phase down and ultimately terminate.

Comparable Wage Index/Geographic Cost of Education Index

The State Geographic Cost of Education Index (GCEI) funding was repealed and replaced with the Comparable Wage Index (CWI), which is calculated by measuring variation in the wages of workers similar to teachers and examining costs outside of a school district's control and, unlike GCEI, isolates only wage costs. To transition from GCEI to CWI, the Act specified an amount of money to be provided to certain jurisdictions in certain fiscal years.

Targeted Programs

Alteration of the funding weights applied to PPFA for special education, compensatory education, and English learner (formerly limited English proficient) grants was phased in over time. The enrollment count for compensatory education was also altered for all eligible students and for schools or districts participating in the U.S. Department of Agriculture Community Eligibility Provision.

Concentration of poverty grants were also set to phase in slowly, based on a decreasing percentage of students eligible for a personal grant. School concentration percentages are based on a three-year average of compensatory education enrollment in each public school. The per pupil funding amount for each eligible school is calculated based on a sliding scale linear equation, adjusted annually for inflation.

Transitional Supplemental Instruction

Transitional Supplemental Instruction (TSI) grants were provided to fund TSI, such as tutoring, for students in kindergarten through grade 3 who are identified as struggling learners. Literacy should be given priority in the provision of TSI; however, a district may direct funds toward mathematics if this is the priority for the district or a school. TSI funding is eliminated near the end of the Blueprint's implementation timeframe to account for other services that serve the same purpose.

Full-day Prekindergarten

The new prekindergarten program is funded similar to the foundation program with its own per pupil amount and phase-in schedule previously discussed.

State Education Aid

The 2019 to 2022 term saw several challenges for the State education aid formula. The Blueprint drastically altered the State's funding formula, but the Governor's veto led to implementation delays in changes to the formulas. Additionally, the COVID-19 pandemic greatly affected funding that is based on enrollment count in public schools.

State aid for public education increased from $6.6 billion in fiscal 2019 to $7.9 billion in fiscal 2023, an increase of 21.1% over the four-year term. Due primarily to the implementation of the recommendations of the Kirwan Commission, this growth is greater when compared to 7.6% growth over the previous four-year term. Changes in State funding for public education were characterized by larger increases of 6.8% and 5.3% in fiscal 2020 and 2023, respectively, and slightly smaller increases of 3.8% and 3.7% in fiscal 2021 and 2022, respectively. Although student enrollment has not returned to pre-pandemic levels, from fiscal 2022 to 2023 State education aid increased 5.3% and foundation aid increased 11.8%, which primarily reflects the first year of implementation of ***Chapters 36 and 55***.

Due to the Governor's veto of House Bill 1300 of 2020 ***(Chapter 36 of 2021)*** and COVID 19-related enrollment declines there was an overall decrease of 2.6% in the foundation program from fiscal 2021 to 2022. This decline was offset by budgeted hold harmless grants and the availability of federal COVID-19 stimulus funds for LEAs and Blueprint programs. Other changes from fiscal 2019 to 2023 are largely attributable to inflationary and Blueprint-mandated increases for foundation funding; new funding for the Blueprint concentration of poverty, prekindergarten, and the education effort adjustment; legislatively directed COVID-19 relief funding; hold harmless funding for LEAs for COVID-19-related declining enrollment; increased enrollment of English learners; and direct spending on Blueprint programs. These increases do not

include approximately $2.7 billion in direct federal aid provided to LEAs and the SEED School of Maryland, distributed as Elementary and Secondary Emergency Relief funds in fiscal 2020, 2021, and 2022. As shown in **Exhibit L-1**, total State funding increased by $1.4 billion from fiscal 2019 through 2023, or 4.9% annually on average.

Exhibit L-1
State Aid for Education
Fiscal 2019-2023
($ in Millions)

Program	2019	2020	2021	2022	2023
Foundation[1]	$3,339.1	$3,429.6	$3,502.7	$3,413.3	$3,817.4
Blueprint Hold Harmless	0.0	0.0	0.0	209.4	0.0
Transitional Supplemental Instruction	0.0	23.0	23.0	23.0	50.0
Compensatory Education[2]	1,308.3	1,330.4	1,364.7	1,286.7	1,295.2
Concentration of Poverty	0.0	48.5	64.4	116.9	190.3
Special Education[3]	290.8	368.7	380.3	376.6	401.3
Nonpublic Placements	123.5	116.0	123.9	127.5	141.4
English Language Learners	288.0	311.1	348.2	334.3	422.5
Guaranteed Tax Base	48.2	43.7	41.2	49.9	45.8
Education Effort Adjustment	0.0	0.0	0.0	0.0	125.7
Student Transportation	282.6	303.0	310.2	288.1	336.0
Prekindergarten[4]	27.6	79.4	136.4	135.1	170.7
Head Start and Judy Hoyer	12.4	13.6	13.6	13.6	27.9
Student Meals	11.2	13.0	11.9	15.2	15.8
School Safety	30.6	16.3	15.2	20.6	20.6
Teacher Salary Incentives	0.0	75.0	75.0	75.0	0.0
COVID-19 Relief	0.0	0.0	45.0	211.6	0.0
Other Direct[5]	55.2	55.4	54.9	57.7	149.4
Direct Aid Subtotal	***$5,817.5***	***$6,226.6***	***$6,510.7***	***$6,754.2***	***$7,209.8***
Teachers' Retirement	$732.9	$767.9	$750.3	$779.0	$724.6
Grand Total	**$6,550.4**	**$6,994.5**	**$7,261.0**	**$7,533.2**	**$7,934.5**
Dollar Increase Over Prior Year		$444.1	$266.5	$272.1	$401.3
Percentage Increase Over Prior Year		6.8%	3.8%	3.7%	5.3%

[1] Includes foundation formula, as well as net taxable income, tax increment financing, Geographic Cost of Education Index, foundation special and supplemental, and declining enrollment grants.
[2] Includes fiscal 2023 compensatory education hold harmless grants.
[3] Includes special education formula and Blueprint supplemental special education funding.
[4] Includes prekindergarten expansion, supplemental and full-day grants as well as other early childhood education funding.
[5] Includes various innovative programs; Blueprint transition, college and career readiness, and career ladder grants in fiscal 2023; as well as other direct education State aid.

Source: Department of Legislative Services

Between fiscal 2019 and 2023, foundation funding increased by 14.3%; English learners funding increased 46.7%; and special education, which includes Blueprint supplemental funding, increased by 38.0%. Compensatory education funding provides additional State support for students with educational needs resulting from educationally or economically disadvantaged environments and is based upon the number of students eligible for free and reduced-price meals (FRPM). Given a dramatic decrease in the FRPM count due to the availability of free meals for all students during COVID-19 school closures, compensatory education funding remained practically level between fiscal 2019 and 2023. During this period, student transportation funding increased by 18.9% and guaranteed tax base funding, which is based on local support for education relative to local wealth, declined by 5.0%.

Revenues for State education aid from fiscal 2019 to 2023 included general funds, special funds from the Education Trust Fund (ETF) and the Blueprint for Maryland's Future Fund (Blueprint Fund), and federal stimulus funding. Chapter 357 of 2018, which was a constitutional amendment approved by the voters, required the Governor to phase in ETF supplemental funding for education aid from video lottery terminals and table games to 100% of proceeds by fiscal 2023. The Blueprint Fund is a special, nonlapsing fund that receives additional revenue for early childhood education and primary and secondary education from marketplace facilitators and certain out-of-state vendors. ***Chapter 735 of 2019*** required a marketplace facilitator and a marketplace seller to collect and remit the State sales and use tax under specified circumstances. The Act also specified that the first $100 million in sales taxes collected from marketplace facilitators and certain out-of-state vendors be distributed to the general fund and that revenues in excess of $100 million from these sales and use taxes be distributed to the Blueprint Fund. ***Chapter 38 of 2021*** imposed the State sales and use tax on specified digital products and codes for distribution to the Blueprint Fund. For an additional discussion of these tax provisions, see the subparts "Sales Tax" and "Miscellaneous Taxes" of Part B – Taxes of this *Major Issues Review*.

In fiscal 2020, 2021, and 2022, $436.0 million in federal stimulus funds covered shortfalls in ETF and provided additional funding for Blueprint programs. ***Chapter 33 of 2022*** updated and altered the distribution of certain sales tax revenues between the general fund and the Blueprint Fund, diverting $46.9 million from the Blueprint Fund to the general fund in fiscal 2022 and diverting about $100 million annually from the general fund to the Blueprint Fund beginning in fiscal 2024. ***Chapter 33*** also diverted $800 million of fiscal 2023 income tax revenues to the Blueprint Fund. Given these alterations, the Blueprint Fund should cover the cost of implementing Blueprint programs through fiscal 2028, thus avoiding the need to use general funds.

With Blueprint program implementation in fiscal 2023, several State aid programs are discontinued including grants for teacher salaries, special education, early childhood expansion, net taxable income, early literacy, teacher development, and mental health service coordinators. Funding for these programs is offset by initiation of Blueprint transition grants, education effort adjustments, and college and career readiness grants; additional federal funding for TSI and prekindergarten; increased per pupil funding under many remaining programs; and one-time hold harmless grants for compensatory education.

The fiscal 2023 budget included Blueprint Fund allocations for major State Aid programs including the foundation program, special education, and English language learners. Additional Blueprint funds were also allocated to programs for infants and toddlers, Judy Hoyer centers, national board certification, career ladders, TSI, the SEED school, and school-based health centers. Although scheduled to terminate in fiscal 2023, Learning in Extended Academic Programs receive a one-year general fund allocation from the State's Rainy Day Fund. Overall in fiscal 2023, Blueprint special funds allocated to State education aid programs totaled $875.3 million. Although the Governor's fiscal 2023 budget as introduced did not initially fund the education effort adjustment or the majority of non-State aid Blueprint programs, this funding was subsequently provided as general funds in Supplemental Budgets No. 1 and 4.

Special Grants

GCEI formula grants (which are part of foundation funding) became mandatory beginning in fiscal 2016, impacting funding beginning in fiscal 2017. From fiscal 2019 to 2023, GCEI funding increased by an annual average of 2.8%. For fiscal 2023, ***Chapter 36*** specified grant amounts for qualifying counties. Starting in fiscal 2024, GCEI is replaced by CWI grants that, like GCEI grants, account for differences in costs faced by districts in the State.

Chapter 30 of 2018, the Maryland Safe to Learn Act, mandates three grants that are considered State education aid: $600,000 for the Safe Schools Fund; $10.0 million for school resource officers (SRO); and $10.0 million for public school safety capital improvements. In fiscal 2019, prior to the implementation of Chapter 30, expenditures totaled $30.6 million: $10.6 million in Safe Schools Fund and SRO grants; and $20.0 million in pay-as-you-go (PAYGO) funds for school safety capital improvements. In fiscal 2020 and 2021, due to overspending of the Safe Schools Fund, the reversion of public school safety grant funds, and COVID-19-related school closures, expenditures totaled $16.3 million and $15.2 million, respectively, for all three programs. In fiscal 2022 and 2023, all three programs receive the mandated $20.6 million, with the public school safety grant receiving PAYGO funds in fiscal 2022 and general funds for the first time in fiscal 2023.

Chapters 6 and 607 of 2017 provided declining enrollment grants local boards of education for fiscal 2018 through 2020, which the Governor extended with Blueprint funds through fiscal 2021. The fiscal 2022 budget included an additional $209.4 million to offset formula funding decreases due to declining enrollment and special education transportation counts caused by COVID-19 school closures. In fiscal 2023, $56.7 million in hold harmless grants were provided to account for declines in enrollment for the Compensatory Education Program.

Chapter 258 of 2016 provided grants for fiscal 2018 and 2019 to counties that established a TIF development district after May 1, 2016, and that qualify for State disparity grant funding. Chapter 387 of 2018 repealed the sunset on these grants. From fiscal 2019 to 2022, Baltimore City and Prince George's County were the only two jurisdictions that qualified for this grant, which was part of foundation funding. ***Chapter 36*** repeals TIF grants after fiscal 2022.

Chapter 4 of 2013 specified that the local wealth component of the State education formula must be calculated twice, once using an NTI amount for each county based on tax returns filed by September 1 and once using an NTI amount based on tax returns filed by November 1. Each local school system then received the higher State aid amount resulting from the two calculations as a foundation grant. From fiscal 2019 to 2022, NTI grants declined an average of 8.9%. As with TIF grants, ***Chapter 36*** repealed these grants after fiscal 2022.

Chapter 560 of 2018, the Maryland Cares for Kids Act, specifies that the State will pay the difference in reduced-price meal costs for all eligible students starting in fiscal 2023. Because this program has been phased in since fiscal 2020, State aid for student meals has increased by 40.6% during this four-year term.

Teacher Retirement

Local boards of education must pay the employer normal cost for active members of the Teachers' Retirement and Pension Systems (TRPS). The employer normal cost represents the employer's share of the payment that is necessary to fund the benefits that currently employed members accrue in a given year. The State pays the amortized accrued liability for active and retired members TRPS. From fiscal 2019 to 2023, State aid for teacher retirement decreased by 1.1%; from fiscal 2022 to 2023, State payments for teacher retirement decreased by 7.0% due to record investment returns of 26.7% in fiscal 2021 and the Board of Trustees of the State Retirement and Pension Systems electing to accelerate recognition of those gains, thereby substantially reducing the system's unfunded liabilities.

COVID-19 Relief

In fiscal 2021 and 2022, LEAs received a total of $256.0 million in federal stimulus funds for State education aid. In fiscal 2021, LEAs used these funds for school reopening, summer school, and behavioral health intervention. In fiscal 2022, per ***Chapter 55*** requirements, funds were allocated for summer school, behavioral health interventions, supplemental tutoring and instruction, and TSI.

Nonpublic Placements and Programs

State aid for special education recognizes the additional costs associated with providing programs for students with disabilities. Most special education students receive services in the public schools; however, if an appropriate program is not available in the public schools, students may be placed in a private school offering more specialized services. The State and local school systems share the costs of these nonpublic placements. The costs for these students, who are placed in nonpublic day or residential facilities, are shared by the local school system and the State. The local school system contributes an amount equal to the local share of the basic cost of educating a child without disabilities plus two times the total basic cost. Any costs above this are split 70% State/30% local.

Due to a reported surplus in nonpublic placement funds in fiscal 2020, the General Assembly reverted $7.5 million of the fiscal 2020 allocation for a total of $116.0 million in that year. The Governor provided enhanced funding in fiscal 2021. In fiscal 2022, the Governor's proposed budget level-funded the program, which was subsequently increased by $3.6 million for nonpublic special education teacher salaries in fiscal 2022 Supplemental Budget No. 5. ***Chapters 700 and 701 of 2021*** required the Governor to provide certain increases to nonpublic placements in fiscal 2023. Further, the fiscal 2023 Supplemental Budget No. 5 provides for the transfer of an additional $4.0 million in Rainy Day funds for nonpublic teacher salaries.

In addition to State aid to public schools, the State has programs for nonpublic schools that are authorized annually through the operating or capital budget. The primary program, Nonpublic Schools Textbook and Technology, is funded by the Cigarette Restitution Fund (CRF) and provides annual funding for that purpose to schools with greater than 20% FRPM students. The Broadening Options and Opportunities for Students Today (BOOST) Program, which also receives CRF funding, provides individual scholarships for public school students who are eligible for FRPM and attend, or will attend, a school eligible for the Nonpublic Schools Textbook and Technology Program. The BOOST Program also allocates a set amount of funding for eligible special needs students. The Senator "Ed" DeGrange Nonpublic Aging Schools Program and the Nonpublic School Security Improvement Program provide funds for nonpublic school construction and safety. To participate in any of these programs, nonpublic schools must annually reapply to the Nonpublic Schools Textbook and Technology Program and comply with annual budget language, which includes nondiscrimination provisions in Title 20, Subtitle 6 of the State Government Article.

Prekindergarten and Early Childhood Education

Prekindergarten Expansion Grant Program

Beginning in fiscal 2015, local school systems, private prekindergarten programs, and Judith P. Hoyer early learning hubs (known as Judy Centers) were eligible for State prekindergarten expansion grants to serve low-income four-year-olds in full-day prekindergarten slots, expand Judy Centers, or improve existing slots from half day to full day. Chapter 361 of 2018 required the Governor to annually appropriate at least the amount of State and federal received by the Prekindergarten Expansion Fund in the prior fiscal year. As a result, State funding for prekindergarten expansion grants increased to $26.6 million in fiscal 2020 to replace an expired federal grant that had supported the program. In fiscal 2021 and 2022, the Governor provided $20.0 million in special funds from the Blueprint Fund each year for discretionary expansion grants, funded separately from the Prekindergarten Expansion Fund.

Chapter 36 modified the Prekindergarten Expansion Grant Program to include low-income three-year-olds and limit the grants to converting slots from half-day to full-day and expanding enrollment in full-day programs. The mandated annual appropriation for the program was also extended through fiscal 2025. In fiscal 2026, the Prekindergarten Expansion Grant Program will be consolidated with the Publicly Funded Full-day Prekindergarten Program, discussed below.

Prekindergarten Supplemental Grants

Chapters 6 and 607 of 2017 established supplemental grants from fiscal 2018 to 2020 for local school systems in which all four-year-old students enrolled in public prekindergarten were served in full-day programs. Four eligible jurisdictions (Baltimore City, and Garrett, Kent, and Somerset counties) received a combined total of $16.0 million in fiscal 2019. ***Chapter 771 of 2019*** expanded the grants to other local school systems starting in fiscal 2020 by providing funding based on all eligible four-year-olds enrolled in public full-day prekindergarten, regardless of whether the local school system provided only full-day programs to eligible four-year-olds. As a result, fiscal 2020 supplemental grant funding increased to $52.8 million. ***Chapter 771*** also extended the supplemental grant program to fiscal 2021. Despite supplemental grants not being mandated in fiscal 2022, the Governor budgeted $53.7 million for the grants on a discretionary basis.

Publicly Funded Full-day Prekindergarten Program

Fiscal 2023 is the first year of implementation for the Publicly Funded Full-day Prekindergarten Program established by ***Chapter 36*** (as amended by ***Chapter 55***), which created a new funding formula for voluntary full-day prekindergarten for low-income four-year-olds and three-year-olds. Due to data collection issues, MSDE could not calculate the State share to support families with incomes less than 300% of the federal poverty guidelines, as required in the first year of this program. Instead, the fiscal 2023 budget includes $144.1 million to serve all children in public prekindergarten programs, surpassing the minimum implementation requirements outlined in ***Chapter 36***.

Other Early Childhood Expansion Efforts

Chapters 36 expanded the existing Judith P. Hoyer Early Childhood Education Enhancement Program by requiring the State to fund 9 additional Judy Centers per year from fiscal 2021 through 2025 and 18 additional Judy Centers per year from fiscal 2026 through 2030. Formerly, Judy Centers were funded at $275,000 per grant for a total of $10.6 million budgeted annually in fiscal 2019 and 2020. Beginning in fiscal 2021, discretionary enhancement funding was provided to increase the grants to $330,000 per center and ***Chapter 55*** amended the ***Chapter 36*** mandate to require $330,000 per new center.

Annual State funding supplementing Head Start programs increased from $1.8 million in fiscal 2019 to $3.0 million from fiscal 2020 through 2023, in accordance with Chapters 555 and 556 of 2018.

Statewide Education Policy and Governance

Governance

The State board has general authority over public elementary and secondary education in Maryland and appoints the State Superintendent of Schools. In general, the local school boards

and the local superintendents appointed by the local boards control educational matters and policymaking within the school districts and oversee the day-to-day operation of public schools.

Membership of the State Board of Education: Chapters 576 and 577 of 2019 increased the membership of the State board from 12 to 14 members by adding one certified teacher who is actively teaching in the State and one parent of a student enrolled in a public school. The teacher member who receives the highest number of votes after an election by teachers in the State must be appointed by the Governor, with the advice and consent of the Senate. For the parent member, the Governor must appoint the parent member from a list of three qualified individuals submitted by the Maryland Parent Teacher Association. The teacher and parent members may attend and participate in an executive session of the State board; however, the teacher member may not vote on any matter that relates to appeals to the State board related to the suspension or dismissal of teachers, principals, and other professional personnel.

Removal of County Superintendents: Chapter 443 of 2019 authorized a local board of education to remove a local superintendent of schools for the same reasons that the State Superintendent of Schools may remove a local superintendent: immorality; misconduct in office; insubordination; incompetency; or willful neglect of duty. To remove a local superintendent, the State Superintendent or local board must provide the local superintendent with (1) the reason for removal; (2) documentation supporting the case for removal; and (3) the opportunity to request a hearing within 10 days before the State Superintendent or local board, respectively. The local superintendent may appeal the decision of the State Superintendent or the local board to the State board. The Act does not apply to Baltimore City.

Juvenile Services Education Program: Chapter 147 of 2021 repealed statutory provisions regarding the Juvenile Services Education (JSE) Program within MSDE and instead established a JSE Board as an independent unit within the Department of Juvenile Services (DJS) to oversee and provide for educational services to all juveniles who are in a DJS residential facility, as specified. The JSE Board was made an independent unit with DJS. The JSE Board and DJS were required to develop a memorandum of understanding (MOU) carefully delineating each entity's duties in the provision of juvenile education services.

The JSE Board was required to appoint a JSE Superintendent to operate JSE programs within DJS. A juvenile in the custody of DJS who is enrolled in a school at the time the juvenile is taken into custody may not be disenrolled from that school until after disposition of the juvenile's case. The JSE Superintendent must develop an educational plan for each juvenile in DJS custody for more than four weeks and must, with the aid of DJS and in consultation with county boards of education, develop a plan for the re-enrollment of a juvenile in the juvenile's home school.

Graduation Requirements for Students in Foster Care or Homeless Youth: Chapter 565 of 2020 required a local board of education to waive all local high school graduation requirements, including required coursework, that are in addition to the State high school graduation requirements established by the State board for a student in foster care or who is a homeless youth, if the student transfers into the local school system from a different local school system in the State while in grades 11 or 12. However, the local board of education is prohibited from waiving the

local requirements if it makes a finding that the student is reasonably able to complete the local high school graduation requirements in time to graduate from high school while remaining eligible for foster care benefits.

Students in Military Families: Maryland established an Interstate Compact on Educational Opportunity for Military Children to facilitate the transfer of children in military families between schools in different states. ***Chapters 224 and 225 of 2020*** built on this framework by requiring a local superintendent to allow a dependent child of an active-duty service member who is relocating to the State on military orders to apply for enrollment in a public school in the same manner and at the same time as individuals who reside in the county or Baltimore City.

Collective Bargaining: ***Chapter 731 of 2019*** altered the definitions of "supervisory employee" and "management personnel" for noncertificated employees of local school systems by removing a provision of law that allowed the status of a supervisory employee or management personnel to be determined by the local board of education in negotiation with the exclusive representative that requests negotiation on the issue.

Public School Calendar

Public schools must be open for a certain number of days and hours during each 10-month period. On August 31, 2016, the Governor issued Executive Order 01.01.2016.09 (later amended by Executive Order 01.01.2016.13) requiring, with few exceptions, local boards of education to open schools for student attendance no earlier than the Tuesday following the Labor Day holiday and to conclude the school year no later than June 15, beginning in the 2017-2018 school year. Under Chapters 34 and 35 of 2018, a local board of education is authorized to extend the school year for up to five school days beyond June 15 without approval from the State board. ***Senate Bill 128 of 2019*** repealed the provision established by Chapters 34 and 35 and instead required each local board of education to set start and end dates each year for public schools in the county. The Governor vetoed the bill, but the General Assembly overrode the veto, and the bill became law as ***Chapter 13 of 2019***. The Act effectively repealed any law prohibiting a local board from beginning or ending its school year before or after a certain date, including the executive order.

Alternatives to the Traditional Public School Model

Community Schools: Community schools are schools that develop and use partnerships to connect the school, students, families, and surrounding community to the resources to promote student achievement, positive learning conditions, and the well-being of students, families, and the community. ***Chapter 529 of 2019*** established community schools in the State and specified the purpose and requirements of a community school. A local school system or an existing public school may form a school-community partnership with a community-based organization for the planning and implementation of a community school. A local school system must review and approve a community school, and a community school may not be implemented without local school system approval. A local school system is also required to make public funding available to a community school. ***Chapter 36 of 2021*** distinguished the community schools established under this legislation from those funded through concentration of poverty grants under that Act and required each school to have a community school coordinator with specified qualifications.

Innovative Regional Schools: Chapter 528 of 2019 authorized the local boards of education in Carroll and Howard counties to establish innovative regional schools, which are schools that (1) offer special courses or curricula for an innovative education program and (2) admit students from the Carroll County or Howard County public school systems under an MOU outlining each local board's responsibilities in the governance, operations, maintenance, and financing of the school.

Pathways in Technology Early College High Schools: Chapter 144 of 2016 established Pathways in Technology Early College High (P-TECH) schools in Maryland, which are public schools that offer grades 9 through 14 and that integrate high school, college, and the workplace. The result is intended to be a seamless pathway that enables students to graduate in six years or less with a high school diploma, an associate degree, and relevant professional experience. One of the goals of P-TECH schools, which distinguishes them from other early college programs, is for students to earn a credential and workplace skills that are aligned with industry needs and expectations. Chapter 591 of 2017 established funding mechanisms for students attending a P-TECH school and required beginning in fiscal 2019 that no new P-TECH planning grants may be awarded to establish a new P-TECH school until the 2016-2017 cohort of P-TECH students completes the six-year pathway sequence (*i.e.*, the 2022-2023 school year/fiscal 2023). ***Chapter 384 of 2019*** limited the award of new P-TECH planning grants.

Student and Educator Safety, Discipline, and Health

During the past four years, the General Assembly has passed legislation with a goal of eliminating inequities in the areas of school safety, discipline, and health services to achieve a positive and welcoming environment for all students to learn and grow. Safety and security of the students, employees, school facilities, and school environment of public and nonpublic schools in the State are essential for conducive teaching and learning.

Safety

Restraint and Seclusion: In 2017, the General Assembly passed Chapter 611 requiring MSDE to collect and report data on the use of restraint and seclusion in public and nonpublic schools in the State and to convene a workgroup to advise the department on changes to the associated regulations with a goal of decreasing incidence of use. Regulations adopted by MSDE in 2018, based on the recommendations of the workgroup, limited the use of restraint and seclusion to a student who poses a risk of "imminent serious physical harm to self or to others." MSDE reports covering the period between 2017 and 2021 show that incidence of restraint and seclusion remain high in many jurisdictions despite this limitation.

Chapters 31 and 562 of 2022 prohibited specified public agencies responsible for the education of students from using seclusion as a behavioral intervention on students. Nonpublic schools that receive funds for the purpose of providing special education and services to students with disabilities were authorized to use seclusion only under limited circumstances and under the direct supervision of a qualifying health care practitioner. The use of physical restraint as a behavioral intervention by both public agencies and nonpublic schools was also limited. Use of

physical restraint or seclusion on a student 10 or more times in a school year by a public agency or nonpublic school requires (1) notice to the local school system, if appropriate, and MSDE within a specified period of time; (2) an assessment of the public agency's or nonpublic school's pattern of behavioral health interventions; and (3) submission of specified recommendations. A public agency and the local school system or a nonpublic school must submit a systemic, evidence-based corrective action plan to MSDE under specified circumstances. Each public agency and nonpublic school must submit a report each year to MSDE on the number of physical restraint and seclusion incidents for the prior school year.

Child Sexual Abuse Prevention in Hiring Process: A county board may not knowingly hire or retain any individual who has been convicted of specified crimes, including crimes of violence and child sexual abuse. Nonpublic school contracts and local school system contracts must prohibit contractors or subcontractors from knowingly assigning an employee to work on school premises with direct, unsupervised, and uncontrolled access to children if the employee has been convicted of such crimes. Chapter 31 of 2018 required a local board of education or a nonpublic school that receives State funds to require each employee to receive instruction annually on the prevention, identification, and reporting of child sexual abuse. ***Chapter 55 of 2019*** set forth a process, including requirements for specific documentation regarding whether an individual has ever been disciplined for allegations of "child sexual abuse" or "sexual misconduct," for the hiring of public school and nonpublic school employees who have direct contact with minors.

A county board may not knowingly hire or retain any individual who has been convicted of specified crimes, including crimes of violence and child sexual abuse. ***Chapter 55*** established a process for hiring public school and nonpublic school employees who have direct contact with minors. This process, an "employment history review," includes requirements for specific documentation, of instances for which an individual has ever been disciplined for allegations of "child sexual abuse" or "sexual misconduct."

Chapter 192 of 2021 revised the employment history review by limiting the period for which the prospective employee must report former employment in which the individual had contact with minors to the previous 10 years. A county board or nonpublic school is authorized to hire an applicant as an emergent employee for a period of 60 days or less pending review of previous employment information and records only if the individual meets specified criteria. During this 60-day period, the applicant is not authorized to work alone with minors unless the applicant works in the immediate vicinity of a permanent employee or, if the applicant is a school vehicle driver, is subject to audio and video monitoring and recording that is promptly reviewed by school administrators.

Chapter 192 also authorized a county board or nonpublic school to share an applicant's employment history review completed by another county board or nonpublic school or a current or former employer, as specified. Likewise, a contracting agency may use an employment history review that is completed by a current or former employer that is a contracting agency, if the applicant (1) swears that the completed review includes all prior employment required to be reported and (2) provides information about any subsequent employment.

Students Registered as Sex Offenders: Generally, a child age 5 to 17 must attend public school regularly unless the child is otherwise receiving regular, thorough instruction in the studies usually taught to public school students of the same age at an alternative setting (*i.e.*, a private or home school). Unless otherwise specified in statute, a registered sex offender may not knowingly enter onto real property (1) that is used for public or nonpublic elementary or secondary education or (2) on which a registered family child care home, a licensed child care home or child care institution, or a home used for informal child care is located.

Chapter 259 of 2021 authorized a student who is a registered sex offender to receive an education in accordance with State law in (1) a location other than a public or nonpublic elementary or secondary school; (2) a Regional Institute for Children and Adolescents; or (3) a nonpublic education program offering special education and related services if the registrant has notified an agent or employee of the nonpublic educational program that the registrant is required to register and has been given specific written permission to attend the nonpublic educational program. Each county board was required to develop and adopt a policy that enables a registrant who is a student to receive an education in an alternative location.

Student Athletes: Elijah Gorham was a 17-year-old at Baltimore's Mergenthaler Vocational Technical High School who died in October 2021 from injuries sustained during a football game. ***Chapter 212 of 2022***, named for Elijah Gorham, established protections for middle and high school student athletes and required each middle school and high school to develop a venue-specific emergency action plan for the operation and use of automatic external defibrillators and heat acclimatization during athletic events. The venue-specific emergency action plan must also include coordination of care for other emergency injuries including cervical spinal injury, concussion and closed head injury, major orthopedic injuries, and severe weather for outdoor facilities.

Student Discipline

Restorative Practices in Student Discipline: Chapter 762 of 2017 established the Commission on the School-to-Prison Pipeline and Restorative Practices, staffed by the Center for Dispute Resolution at the University of Maryland School of Law. The commission was charged with, among others, studying disciplinary practices in Maryland public schools and national best practices for training school personnel in restorative practices and recommending legislative and policy initiatives to create a statewide framework for redesigning public school discipline practices.

Under ***Chapter 691 of 2019***, which reflected one of the commission's recommendations included in its December 2018 final report, a local school board's regulations related to discipline must provide for restorative practices and state that the primary purpose of any disciplinary measure is rehabilitative, restorative, and educational. ***Chapter 691*** defined "restorative approaches" as a relationship-focused student discipline model that (1) is preventive and proactive; (2) emphasizes building strong relationships and setting clear behavioral expectations that contribute to the school community well-being; (3) in response to behavior that violates clear behavioral expectations, focuses on accountability for any harm done by the problem behavior;

and (4) addresses ways to repair the relationships affected by the problem behavior with the voluntary participation of an individual who was harmed. ***Chapter 691*** required the State board to provide technical assistance and training to county boards of education, on request, regarding the use of restorative approaches. MSDE must report every year, by October 1, regarding student discipline data and the uses of restorative approaches and disciplinary policies and practices in the State.

Reportable Offenses: If a student is arrested for certain crimes, a law enforcement agency is required by law to notify the student's school principal, local school superintendent, and if applicable, school resource officer. These crimes are known as "reportable offenses." ***Chapter 742 of 2022*** required the principal or local school superintendent to invite a student's attorney to participate in a conference between school officials, the student, and the student's parent or guardian if the student is being removed or excluded from the student's regular school program for a reportable offense, including a child with a disability. Annually, local boards of education must provide reports to MSDE regarding information about each reportable offense and school disruptions that occur on public school grounds for the immediately preceding school year. MSDE must provide separate reports on this information each year to the specified entities.

Health

Schools today play a critical role in providing for the health and safety of children, which can affect attendance, concentration, and the performance of both students and educators. School health services include nutrition, physical and mental health, and lifelong health education.

Student Meal Accounts: Chapter 581 of 2020 required a public school to notify a parent of a student when the student's meal account has a low balance and before the student accrues unpaid meal debt. A public school may provide an alternative meal instead of a standard meal if the meal meets specified federal nutritional requirements and is a meal offered to all students regardless of meal debt. If a student has unpaid meal debt, the Act prohibits a public school from (1) requiring the student to wear a wristband, hand stamp, sticker, or other identifying mark; (2) requiring the student to complete chores or tasks; (3) denying a meal to a student or disposing of a meal after it has been served; or (4) restricting a student from access to school records or participation in any school-related extracurricular activity. Finally, the Act required that a public school notify the parent of each student about the application process and eligibility requirements for the school's FRPM programs.

Provision of Menstrual Hygiene Products: Chapters 705 and 706 of 2021 required each county board of education to ensure that each public school provide, at no charge to the students, menstrual hygiene products via dispensers in the women's restrooms at the school. A public middle or high school must install menstrual hygiene product dispensers in at least two women's restrooms on or before October 1, 2022, and in all women's restrooms on or before August 1, 2025. A public elementary school must install a dispenser in at least one restroom on or before October 1, 2022. The State will pay for the cost of purchasing and installing the required dispensers, based on requests for reimbursements submitted by county boards of education. The Governor was required to include $500,000 in the State budget in fiscal 2023 for this purpose.

Pregnant and Parenting Students: Chapters 345 and 346 of 2021 required MSDE to develop a model policy to support the educational and parenting goals and improve the educational outcomes of pregnant and parenting students. The model policy must require each high school to designate a private lactation space and to provide lactating students with access to a refrigerator located reasonably close to the lactation space. The policy must also require schools to designate at least one staff member to connect, to the extent practicable, pregnant and parenting students with resources to find child care, early childhood education services, and transportation services. Finally, the policy must incorporate the attendance policy for pregnant and parenting students, provide relevant training to school personnel, and be published in the local school system's student handbook. Each county board was required to establish a policy based on the model policy.

Behavioral Health

Trauma-informed Schools: Chapter 148 of 2020 required MSDE, in consultation with the Maryland Department of Health (MDH) and the Department of Human Services, to develop guidelines for schools on a trauma-informed approach to education. A trauma-informed approach is a method for understanding and responding to an individual with symptoms of chronic interpersonal trauma or traumatic stress. MSDE must distribute the guidelines to local school systems and publish the guidelines on its website.

Absences Due to Behavioral Health: Chapter 118 of 2022 required MSDE and each local board of education to adopt an attendance policy that treats an absence due to a student's behavioral health needs in the same manner as an absence due to illness or other somatic health need.

Student Surveys: The Center for Disease Control and Prevention provides an annual survey to states called the Youth Risk Behavior Survey and Youth Tobacco Survey (YRBS/YTS). The Maryland YRBS/YTS is an on-site survey of students in Maryland public middle and high schools, focusing on behaviors that contribute to the leading causes of death and disability, including alcohol and other drug use, tobacco use, sexual behaviors, unintentional injuries and violence, and poor physical activity and dietary behaviors. ***Chapters 569 and 570 of 2021*** required MSDE, in coordination with MDH, to include at least five questions on adverse childhood experiences or positive childhood experiences in the YRBS/YTS. MSDE must work in coordination with MDH to implement the survey per current practice. By May 31, 2023, and beginning in fiscal 2024 and each even-numbered fiscal year thereafter, MDH must publish a data summary and trends report with State and county-level data from the YRBS/YTS.

Equal Protection in Schools

Students with Special Needs

Students with Reading Difficulties: Chapter 512 of 2019 required, beginning with the 2020-2021 school year, each local school board to ensure that specified students are screened to identify if the student is at risk for reading difficulties. If the screening results indicate that the student is at risk for reading difficulties, the local board must provide supplemental reading instruction, as appropriate, and provide a notification letter to the student's parent as specified. MSDE must develop and update resources for local boards every four years and provide technical

support to local boards allowing them to provide training opportunities annually. Local boards must report annually to MSDE beginning with the 2020-2021 school year. ***Chapter 512*** expressed legislative intent that funding provided in Chapter 771 of 2019, The Blueprint for Maryland's Future, for TSI for struggling learners be used to offset the implementation costs of conducting screenings and providing supplemental reading instruction.

Equal Access to Public Services for Individuals with Limited English Proficiency: Chapter 564 of 2019 required each local board of education to take reasonable steps to provide equal access to public services for individuals with Limited English Proficiency (LEP). Reasonable steps include (1) provision of oral language services for LEP parents and guardians, which must be through face-to-face, in-house oral language services if in-person contact is on a weekly or more frequent basis and (2) translation of vital documents ordinarily provided to the public in any language spoken by any LEP population that constitutes at least 3% of the overall population within the county as measured by the U.S. Census.

Equitable Access to Digital Tools: Chapter 215 of 2022 required each local school system to develop or procure digital tools for students in public schools that (1) provide equivalent access to and are independently usable by a student with disabilities and (2) enable the student with disabilities to acquire the same information, participate in the same interactions, and access the same services as a student without disabilities, with substantially equivalent ease of use. Each digital tool developed or purchased by a local board must include specifications for access for students with disabilities in accordance with technical standards issued under specified federal law or any other widely accepted and freely available technical standard. Each local school system must establish an evaluation process for digital tools being considered for development or purchase for conformity with the above requirements.

Individual Education Programs

The federal Individuals with Disabilities Education Act and Section 504 of the Rehabilitation Act of 1973 are the main federal laws that protect the educational rights of children with disabilities. The laws promise every child with a disability a "free appropriate public education," which means individualized special education and related services designed to meet the child's unique needs. This is accomplished through the development and implementation of an Individualized Education Program (IEP). The abrupt closure of public schools during the COVID-19 pandemic had a disproportionately negative impact on students with disabilities as many schools did not provide required special education services.

Special Education Ombudsman: Chapter 562 of 2020 established the Special Education Ombudsman in the Office of the Attorney General to serve as a resource to provide information and support to parents, students, and educators regarding special education rights and services.

Timeline for Independent Educational Evaluations: Chapter 547 of 2019 authorized a parent who disagrees with the educational evaluation regarding a child's Individualized Family Service Plan, IEP, or special education services to request an independent educational evaluation at public expense in accordance with regulations adopted by MSDE. The local school system must provide a written response approving or denying a request within 30 days of the date the request

was made. If the local school system approves a request, the written response must advise the parent of the process for arranging the evaluation at public expense. If the local school system denies a request, the local school system must file a due process complaint within 30 days of the date of the denial.

Chapters 245 and 256 of 2021 expanded the circumstances under which a parent may make a request for an independent educational evaluation. ***Chapters 245 and 256*** authorized a parent to submit a written request for the local school system to conduct an educational evaluation and (1) if the local school system does not respond to the request within 30 days or (2) the local school system approves the request but the educational evaluation meeting does not occur, through no fault of the parent, within 60 days after the date on which the local school system received the request or, during a state of emergency, 90 days after the date on which the local school system received the request, the parent may request an independent educational evaluation at public expense.

Learning Continuity Plans: In response to the challenges of providing special education during the COVID-19 pandemic, ***Chapters 214 and 215 of 2021*** required, beginning October 1, 2021, that an IEP include a learning continuity plan to be implemented during emergency conditions, as specified. An IEP team is required to develop a learning continuity plan during the development of a student's initial IEP, or at the IEP's next scheduled revision, and to periodically update the plan. An IEP team is also required to make a reasonable attempt to notify the parent or guardian of a child who requires an IEP that a learning continuity plan is in place and to seek input from the parent or guardian on how the learning continuity plan will best operate under emergency conditions. An IEP team that had an IEP in effect during the 2020-2021 school year could have fulfilled the requirements of establishing a learning continuity plan by, on or before October 1, 2021, reviewing the provision of the IEP during the 2020-2021 school year with the parent or guardian of the child requiring the IEP, and amending the IEP accordingly.

Discrimination in Schools

Nondiscrimination in Schools: Chapter 739 of 2022 prohibited a local board of education, public prekindergarten programs and primary and secondary schools, and nonpublic prekindergarten programs and primary and secondary schools that receive State funds, from refusing enrollment of a prospective student, expelling a current student, withholding privileges from, or otherwise discriminating against any individual because of an individual's race, ethnicity, color, religion, sex, age, national origin, marital status, sexual orientation, gender identity, or disability. Further, ***Chapter 739*** prohibited retaliatory actions against a student or parent or guardian of a student who files a complaint alleging specified discrimination, and established a complaint, mediation, and appeal process for violations. All or part of specified funding may be withheld from a board, program, or school that violates the nondiscrimination requirements.

Student Uniforms: Chapters 556 and 557 of 2022 required a local board of education, the Maryland Public Secondary Schools Athletic Association, a governing body of a public institution of higher education, and a board of a community college trustees, as applicable, to allow a student athlete to modify the student athlete's athletic or team uniform to make it more modest – so as to

conform to (1) the requirements or preferences of the student athlete's religion or culture or (2) the student athlete's own preferences for modesty.

Primary and Secondary Education – School Construction

Built to Learn Act

Chapter 20 of 2020 authorized the Maryland Stadium Authority to issue up to $2.2 billion in revenue bonds, backed by annual payments from the Education Trust Fund beginning in fiscal 2022, for public school construction projects in the State, including to support a possible public-private partnership (P3) agreement for Prince George's County. Total debt service for all bond issuances may not exceed $30 million in fiscal 2022, $60 million in fiscal 2023, and $125.0 million annually thereafter; it may not exceed $100.0 million annually if Prince George's County enters into a P3 agreement. The bill's enactment was contingent on the enactment of ***House Bill 1300 of 2020*** (Blueprint for Maryland's Future – Implementation), which was vetoed by the Governor. The General Assembly overrode the veto and ***House Bill 1300*** became law as ***Chapter 36 of 2021***. As a result, ***Chapter 20*** did not take effect until February 2021.

Prince George's County Public-private Partnership

As originally enacted, if Prince George's County entered into a specified P3 agreement by July 1, 2022, the Maryland Stadium Authority was required to deposit $25.0 million annually, beginning in fiscal 2024 and not after 2053, into the Prince George's County P3 Fund created by ***Chapter 387 of 2019***. Due to the delay in the effective date for ***Chapter 20***, ***Chapter 698 of 2021*** extended the deadline for Prince George's County to enter into the P3 agreement until July 1, 2024, and delayed the timing of the required annual payments to the fund.

Distribution of Built to Learn Proceeds

Based on anticipated market conditions, the Maryland Stadium Authority has anticipated total proceeds from the bond sales to be $2.0 billion over the life of the program. **Exhibit L-2** shows the distribution of those funds in accordance with the Act's requirements.

Exhibit L-2
Allocation of Built to Learn Bond Sale Proceeds
($ in Millions)

	Percent of Total	Proceeds
Anne Arundel	12.5%	$250.0
Baltimore City	21.0%	420.0
Baltimore	21.0%	420.0

	Percent of Total	Proceeds
Frederick	5.1%	102.0
Howard	6.6%	132.0
Montgomery	21.0%	420.0
Prince George's	*	*
All Other Counties	11.5%	230.0
Unallocated/MSA	1.3%	26.0
Total	**100.0%**	**$2,000.0**

MSA: Maryland Stadium Authority

*Prince George's County received $25.0 million annually from the Education Trust Fund for up to 30 years to supplement local funds for an availability payment if it enters into a public-private partnership agreement, subject to other provisions in the Act.

Source: Department of Legislative Services

Project Management

Subject to the approval of the Maryland Stadium Authority, the Interagency Commission on School Construction must approve State reimbursement of eligible costs for projects that begin construction on or after the Act's effective date. Before projects are approved for funding under the Act, the authority and the commission must enter into a memorandum of understanding (MOU) with specified provisions. Also, each county, county board, and the authority must enter into a "project MOU" with specified provisions. One of the required provisions in the project MOU is that priority must be given to schools that (1) are the oldest buildings in a school system; (2) have high concentrations of low-income students; (3) have a large number of relocatable classrooms; (4) have high utilization based on the school's State rated capacity; or (5) need space for full-day prekindergarten or career and technical education programs. Project MOUs must include a comprehensive plan for local hiring and a plan to maximize utilization of State-certified locally based minority- and women-owned businesses for approved projects.

Facility Assessment and Funding Workgroup

Chapter 14 of 2018 required the Interagency Commission on School Construction to contract with an independent third-party vendor to complete, by July 1, 2019, an initial statewide school facilities assessment based on sufficiency standards developed by the commission. The Act also required the commission to enter the facility assessment data into an integrated data system called the Integrated Master Facility Asset Library. Chapter 14 also established a Workgroup on the Assessment and Funding of School Facilities to review the results of the initial assessment and consider how they might be used in making funding decisions.

Due to the delay in completing the facility assessment, ***Chapter 20 of 2020*** reconstituted the workgroup, extended the deadline for it to complete its work by two years

(to December 1, 2021), and also extended the date when assessment data could be used for funding allocations by two years (to May 1, 2022). ***Chapter 698 of 2021*** further extended the workgroup's deadline to December 31, 2021, and expanded its charge to include considering and making recommendations in the following areas:

- factors used to develop the State and local cost-share formula for school construction projects, including incorporating related changes to the formulas used to calculate State education aid under the Blueprint for Maryland's Future;

- methods used to establish gross area baselines and the maximum State construction allocation for public school construction projects;

- the purpose and implementation of the Local Share of School Construction Costs Revolving Loan Fund, which was established by Chapter 14 but never funded; and

- the long-term effects of school construction decisions on the cost per student and total cost of ownership of public school facilities.

The initial statewide facilities assessment was completed in July 2021, and the workgroup made several recommendations to the General Assembly based on the assessment quality and delay. ***Chapter 32 of 2022*** (1) prevented the Interagency Commission on School Construction from using the data for funding decisions until it has established the Integrated Master Facility Asset Library but no sooner than fiscal 2027; (2) required future inspections of school buildings to update the statewide facility assessment include specified items for each school building, including temperature, humidity, carbon dioxide levels, and the functionality of specified building systems, among others; (3) required during an inspection, if any of certain specified items rises to such a severe level that requires the school to be closed, the local school system must submit a plan to the commission on how it will address the issue, and the commission must work to prioritize funding to address the issue; and (4) prior to fiscal 2027, authorized the commission to use the assessment results for other specified purposes not related to project funding.

Targeted Special Funds and Programs

Supplemental Grant Program for Local School Systems with Significant Enrollment Growth or Relocatable Classrooms

Chapter 20 (1) increased the mandated appropriation for the Supplemental Capital Grant Program for Local School Systems With Significant Enrollment Growth or Relocatable Classrooms from $40 million to $80 million, beginning in fiscal 2027; (2) required funding in excess of $40 million to be allocated based on each school system's proportionate share of enrollment growth above the State average; and (3) altered the definition of "significant number of relocatable classrooms" to mean an average of more than 250 (instead of 300) relocatable classrooms over the past five years.

Healthy School Facility Fund

Chapter 561 of 2018 initially mandated $30 million for the Healthy School Facility Fund in each of fiscal 2020 and 2021 to provide grants to public schools to improve the health of school facilities. ***Chapter 20*** extended the $30 million mandate to fiscal 2022 and increased the mandate to $40 million for each of fiscal 2023 and 2024. ***Chapter 32*** added mandated appropriations of $90 million for each of fiscal 2025 and 2026.

Nancy K. Kopp Public School Facilities Priority Fund

Chapter 20 created the Public School Facilities Priority Fund, renamed the Nancy K. Kopp Public School Facilities Priority Fund in ***Chapter 32***, to provide State funds to address the facility needs of the highest priority schools identified by the statewide facilities assessment completed by the commission, with highest priority given to schools with a severe facility issue that required the school to be closed. Originally, ***Chapter 20*** required the Governor to include an appropriation of at least $40.0 million in fiscal 2025 and 2026, with the mandate increasing to at least $80.0 million beginning in fiscal 2027. However, ***Chapter 32*** repealed the mandated appropriations for fiscal 2025 and 2026, thereby delaying any mandated appropriation to the fund until fiscal 2027 (when facility assessment results can first be used for funding decisions).

School Construction Costs Revolving Loan Fund

The School Construction Costs Revolving Loan Fund was created in 2018 to provide loans to local governments to forward fund the local share of school construction costs but was never funded. ***Chapter 32*** renamed the fund and mandated annual appropriations to the fund of $40 million in fiscal 2023, $20 million in fiscal 2024, and $10 million in each of fiscal 2025 and 2026. Loans from the fund may be used to represent the State or local share of eligible public school construction or capital improvement costs, including for projects funded by the Built to Learn Program. In awarding loans from the fund, ***Chapter 32*** required that the commission give priority to counties that have not forward funded projects and that have limited debt capacity. It also required that loans from the fund be repaid within five years, subject to a waiver process.

School Safety Grant Program and Aging Schools Program

Chapter 20 terminated the program and the Aging Schools Program beginning in fiscal 2027, contingent on funding for both programs being consolidated into the Nancy K. Kopp Public School Facilities Priority Fund. However, ***Chapter 32*** repealed the termination of both programs.

State Share of School Construction Costs and Allowable Expenses

For school construction projects, ***Chapter 20*** expanded the allowable uses of State funds to include architectural, engineering, consulting, and other planning costs as well as furniture, fixtures, and equipment with a median useful life of at least 15 years.

Chapter 32 required the Interagency Commission on School Construction to limit the percentage decrease in the State share for any county to 5%. The commission must update the State/local cost-share formula for fiscal 2025 and 2026 to align with the changes made to the Foundation Program and the Guaranteed Tax Base Program by ***Chapter 36 of 2021.*** The Act also created several adjustments and incentives that increase the State share of eligible school construction costs for targeted projects. These are:

- a 10 percentage point increase in the State share for schools with a concentration of poverty level of 80% or greater;
- a 5 percentage point increase in the State share for schools with a concentration of poverty level of between 55% and 80%;
- a 5 percentage point increase in the State share for schools that achieve specified ratings on their most recent maintenance assessment;
- a 5 percentage point increase in the State share for schools built as net-zero buildings; and
- a 5 percentage point increase in the State share for projects with an estimated total cost of ownership that is at least 15% less than baseline levels, subject to repayment if the completed project does not meet that threshold.

Given these incentives to increase the State share of numerous projects, ***Chapter 32*** raised the annual school construction funding goal from $400 million to $450 million to maintain a relatively stable number of funded public school construction projects. It further expressed legislative intent that the goal should be recalculated before the Public School Facility Priority Fund is established.

State Funding for Public School Construction

As shown in **Exhibit L-3**, following the enactment of Chapter 14, the State surpassed the $400.0 million goal in fiscal 2019, 2021, and 2022 and is projected to surpass it in fiscal 2023; the State would have surpassed $400.0 million in fiscal 2020, but the $10.0 million allocation for the School Safety Grant Program was canceled by the Board of Public Works for cost containment reasons following the onset of the COVID-19 pandemic.

Exhibit L-3
Public School Construction Funding
Fiscal 2019-2022

Local Education Agency	2019	2020	2021	2022
Allegany	$4,377,859	$2,846,449	$2,079,567	$2,515,307
Anne Arundel	30,483,807	36,421,619	38,053,079	148,761,863
Baltimore City	71,522,466	51,304,293	69,479,000	81,904,966
Baltimore	44,708,687	58,935,908	53,014,919	257,424,919
Calvert	10,137,500	2,227,014	4,140,534	13,415,518
Caroline	685,000	11,602,627	13,712,546	4,740,809
Carroll	7,388,746	7,603,920	10,311,894	38,693,379
Cecil	5,527,575	4,045,562	3,855,987	5,412,061
Charles	15,389,000	13,937,701	12,454,612	32,130,675
Dorchester	11,286,000	4,068,213	5,955,250	6,578,194
Frederick	20,032,328	16,636,371	22,832,097	55,009,417
Garrett	247,000	443,221	1,794,754	12,146,719
Harford	13,072,472	12,974,899	12,964,173	47,235,482
Howard	11,489,715	6,493,613	32,507,904	63,373,548
Kent	227,000	1,388,654	3,192,760	119,343
Montgomery	62,946,666	59,107,070	55,710,481	190,879,148
Prince George's	51,282,137	52,276,197	47,065,409	42,152,978
Queen Anne's	1,096,000	667,427	1,247,973	2,317,510
St. Mary's	6,757,345	4,761,952	5,529,981	5,723,229
Somerset	17,766,065	3,161,000	3,100,000	776,479
Talbot	8,641,199	9,000,000	3,172,571	1,342,184
Washington	12,493,115	11,686,857	8,310,889	8,669,271
Wicomico	10,333,431	11,340,260	10,398,986	26,062,388
Worcester	4,619,676	4,336,000	1,475,000	4,975,489
Maryland School for the Blind	14,216,000	7,401,213	6,778,953	2,020,728
Statewide	0	0	5,793,670	6,500,000
Total	**$436,726,789**	**$394,668,040**	**$434,932,989**	**$1,060,881,604**

Notes: Numbers may not sum due to rounding. Counties with $0 did not request funding in that year. Local education agency allocations include reallocated funds and funds allocated under the Built to Learn and Significant Enrollment Growth and Relocatable Classrooms programs, but do not include the Aging Schools Program. Statewide allocations include funds held in reserve for unanticipated costs or project overruns.

Source: Public School Construction Program; Department of Legislative Services

Exhibit L-3 shows State funding for public school construction for fiscal 2019 through 2022; funding allocations for fiscal 2023 were not finalized in time for inclusion. There is a significant increase in fiscal 2022, which includes funding committed for the first round of Built to Learn projects, with more than $600 million committed to 22 approved projects

Higher Education

Higher Education Funding

Operating funding for higher education grew 38.7%, or $792.2 million, between fiscal 2019 and 2023, as shown in **Exhibit L-4**, which includes general funds and Higher Education Investment Fund monies. After increasing 5.8% in fiscal 2020, growth in higher education funding slowed in fiscal 2021 to 1.2%, reflecting cost containment measures. Funding in fiscal 2022 bounced back, growing 6.9%, or $150.9 million, and further grew 21.1%, or $495.5 million, in fiscal 2023 – mainly due to general salary increases and restoration of the fiscal 2021 cost containment measures taken at the University System of Maryland (USM). Fiscal 2023 funding also includes $37.5 million for the historically black colleges and universities (HBCUs) as mandated by ***Chapters 41 and 42 of 2021***.

Exhibit L-4
State Support for Higher Education
Fiscal 2019-2023
($ in Thousands)

	2019	2020	2021	2022 Working	2023 Allowance	2019-2023 $ Increase	2019-2023 % Increase
USM	$1,398,074	$1,493,672	$1,505,430	$1,567,339	$1,875,478	$477,404	34.1%
MSU	97,412	102,342	109,864	117,027	136,527	39,115	40.2%
SMCM	25,834	27,158	27,282	30,511	33,276	7,442	28.8%
HBCUs Settlement					37,455		
Local Community Colleges	321,796	330,348	338,986	371,523	435,344	113,549	35.3%
BCCC	40,381	40,130	37,290	41,310	43,735	3,354	8.3%
Independent Institutions	56,273	59,025	59,025	88,810	118,598	62,325	110.8%
MHEC Student Financial Aid	108,469	114,971	116,223	128,431	160,019	51,550	47.5%
Total	**$2,048,238**	**$2,167,646**	**$2,194,100**	**$2,344,952**	**$2,840,433**	**$792,195**	**38.7%**
Dollar Change from Prior Year		$119,407	$26,454	$150,852	$495,482	$29,788	
Percent Change from Prior Year		5.8%	1.2%	6.9%	21.1%	47.8%	

BCCC: Baltimore City Community College
HBCUs: historically black colleges and universities
MHEC: Maryland Higher Education Commission
MSU: Morgan State University
SMCM: St. Mary's College of Maryland
USM: University System of Maryland

Notes: Funding for local community colleges includes the Senator John A. Cade formula, other programs, and fringe benefits. State support includes general funds and Higher Education Investment Fund monies but not the Need-based Student Financial Assistance Fund. MHEC Student Financial Aid includes $3.0 million in funding for a loan assistance program which is to be transferred to the Maryland Department of Health via budget amendment, contingent on enactment of Senate Bill 696 (enacted as Chapter 314) or House Bill 975 (which did not pass) of 2022. Numbers may not sum to total due to rounding.

Source: Maryland State Budget Books; Department of Legislative Services

University System of Maryland and Morgan State University

Funding for USM and Morgan State University (MSU) increased 34.1% and 40.2%, respectively, from fiscal 2019 to 2023, when excluding funds related to ***Chapters 41 and 42 of 2021***. The increases since fiscal 2019 were primarily related to personnel costs. In fiscal 2020 and 2021, USM received funds to support various workforce development initiatives at the institutions and regional higher education centers (RHECs). In fiscal 2021, the July 2020 Board of Public Works (BPW) action reduced USM's and MSU's general fund appropriations by $117.3 million and $9.0 million, respectively. In fiscal 2022 and 2023, USM received funds to restore the fiscal 2021 BPW reduction. In fiscal 2023, USM and MSU received $20.0 million and $1.6 million, respectively, for financial aid.

Historically Black Colleges and Universities: In fiscal 2023, $37.5 million (including $16.0 million in Cigarette Restitution Fund (CRF) monies) was provided to HBCUs as mandated in ***Chapters 41 and 42***: $10.6 million for Bowie State University (BSU); $6.1 million for the University of Maryland Eastern Shore; $5.7 million for Coppin State University; and $15.1 million for MSU.

Strategic Partnership and Related Programs: Fiscal 2019 through 2022 funding included amounts for USM mandated by the University of Maryland Strategic Partnership Act of 2016 (Chapter 25); that funding (required beginning in fiscal 2018) was for two centers established by the Act (one at the University of Maryland, College Park Campus (UMCP) and one at the University of Maryland, Baltimore Campus (UMB)) and for funding guideline attainment at other USM campuses. In fiscal 2021, the mandated annual funding of $26.0 million was fully phased in. ***Chapter 683 of 2021*** mandated additional funding for these purposes (a total of $9.0 million more in fiscal 2023). Further, ***Chapter 765 of 2019*** mandated $2.0 million in funding for the MPowering, Joint Steering Council, a strategic partnership between UMB and UMCP, in fiscal 2021; funding for the council increased by $2.0 million annually through fiscal 2023 (and will continue to do so until it reaches $10.0 million in fiscal 2025 and subsequent years).

Other Notable Mandated Funding: Funding for USM and MSU for fiscal 2019 through 2023 included various other mandates, some of which are discussed in greater detail below:

- $1.0 million in fiscal 2019 and 2020 for improvements to the University's Office of Technology Transfer (required by Chapter 713 of 2016);

- $2.5 million to UMB in fiscal 2020 to fund immunotherapy (required by Chapter 590 of 2018);

- $1.0 million in fiscal 2020 and 2021 for the USM Office (required by Chapter 358 of 2018);

- $0.4 million in fiscal 2021 – increasing by $0.4 million annually through 2023 (with further annual increases until the mandated funding reaches $2.0 million in fiscal 2025 and

subsequent years) – for the University of Maryland Baltimore County (UMBC) to further its economic development and research activities – also required by ***Chapter 765***;

- $3.0 million annually beginning in fiscal 2023 to UMBC to establish the Center for Cybersecurity – also required by ***Chapter 683***;

- $7.0 million in fiscal 2023 (to continue through fiscal 2025) as required by ***Chapters 44 and 418 of 2021*** for the University of Maryland School of Medicine (UMSM) to provide clinical care at the University of Maryland Capital Region Medical Center (UMCRMC) as well as at rural hospitals operated by the University of Maryland Medical System (UMMS);

- $3.0 million in fiscal 2023 to establish two centers for the study of data analytics and sports gaming, one at BSU and one at MSU, as required by ***Chapter 356 of 2021***;

- $0.2 million in fiscal 2022 and 2023 (which will continue in subsequent years) to UMCP to increase the mandated appropriation for the Small Business Development Center as required by ***Chapter 15 of 2021***; and

- $125,000 each to UMB and the University of Baltimore (UB) in fiscal 2023 (to continue in subsequent years) to establish the Legal Education Success Collaborative as required by ***Chapter 213 of 2021***.

St. Mary's College of Maryland

Funding for St. Mary's College of Maryland (SMCM) increased 28.8%, or $7.4 million, from fiscal 2019 to 2023. This increase was primarily the result of Chapter 420 of 2017, which stipulated that, beginning in fiscal 2019, the general fund appropriation provided to SMCM had to be equal to the grant of the prior fiscal year augmented by funds, as specified, for State-supported health insurance costs and 50% of cost-of-living adjustments (COLAs) for State-supported employees. In addition, if SMCM's six-year graduation rate was 82% or greater in the second preceding fiscal year, the grant for the upcoming fiscal year would increase by 0.25%. In fiscal 2021, the July BPW action reduced SMCM's general fund appropriation by $2.1 million. In fiscal 2022 and 2023, SMCM received funds that restored the fiscal 2021 BPW reduction. In fiscal 2023, SMCM received $0.6 million for operating costs associated with the New Academic Building and Auditorium and $0.4 million for financial aid.

The funding formula for SMCM was modified during the 2022 session. ***Chapter 607 of 2022*** further augmented the formula such that the COLA adjustments for State-supported employees must be 100% beginning in fiscal 2024.

Community Colleges

Funding for local community colleges increased 35.3%, or $113.5 million, between fiscal 2019 and 2023, including funding for hold harmless grants, which were primarily provided for community colleges experiencing enrollment declines. In fiscal 2022, six community colleges

received a hold harmless grant. In fiscal 2021, the July BPW action reduced funding to the community colleges by $36.4 million; this funding was restored in fiscal 2022 and 2023. In fiscal 2023, additional funding totaling $5.6 million was included in supplemental budgets to account for full-time equivalent student total adjustments and Prince George's County successfully meeting its maintenance of effort requirement. Additionally, the statutory funding formula of 29% of the State aid per full-time equivalent student at the selected four-year schools was the maximum statutory percentage to be provided to community colleges.

Funding for Baltimore City Community College (BCCC) (the only State-operated community college) increased 8.3%, or $3.4 million, between fiscal 2019 and 2023. In fiscal 2021, the July BPW action reduced BCCC's general fund appropriation by $3.9 million; this funding was restored in fiscal 2022 and 2023. Due to an ongoing decline in student enrollment during this time, BCCC's hold harmless clause maintains direct State support at the statutory level of $39.5 million, with additional funding being provided for English for Speakers of Other Languages. As a result of salary adjustments, BCCC's base general fund appropriation increased to $43.5 million; however, this amount was not the base used as the base appropriation by which the institution's hold harmless amount was determined.

Independent Institutions

Funding for independent institutions increased 110.8%, or $62.3 million, from fiscal 2019 to 2023 as the State phased in funding formula increases to return to the original statutory level prior to 2015. Most of the increase over the four-year term occurred from fiscal 2021 through 2023. The significant increase of 50.5%, or $29.8 million, in fiscal 2022 reflects the July 2020 BPW cost containment action that level funded fiscal 2021 at the fiscal 2020 level. The 33.5%, or $29.8 million, increase in fiscal 2023 was primarily related to annualization of the fiscal 2022 general salary increases and the fiscal 2023 general salary increases at the selected public four-year institutions as well as restoration of reductions for USM taken by BPW in fiscal 2021.

Student Financial Assistance

Between fiscal 2019 and 2023, funding for State student financial assistance programs increased 47.5%, or $51.6 million. Increases were primarily to fund need-based financial aid programs and new scholarships, including the Maryland Community College Promise Scholarship (MCCPS) Program that was established in 2018. Career-based scholarships also experienced growth; as a result of ***Chapter 59 of 2021***, the Police Officers Scholarship Program was mandated to receive no less than $8.5 million annually, as discussed in more detail below. Additionally, spending on Maryland loan assistance repayment programs (MLARPs) increased substantially, growing by 253%, or $4.2 million, when compared to fiscal 2019. This growth was primarily the result of two new MLARPs: the MLARP for Nurses and Nursing Assistants (totaling $3.0 million in fiscal 2023, which will be transferred to the Maryland Department of Health (MDH) via budget amendment); and the MLARP for Police Officers (totaling $1.5 million annually, as mandated by ***Chapter 59***).

The Maryland Higher Education Commission (MHEC) continues to work to spend down the accumulated Need-based Student Financial Assistance Fund (NBSFAF), which includes

canceled or unspent financial aid awards carried forward from prior years. Accordingly, year-to-year comparisons of State financial aid can be difficult since MHEC may appropriate balances from NBSFAF to more fully meet demand for certain programs.

Capital Program

The capital program for all segments of higher education from fiscal 2020 to 2023 totaled $2.0 billion, including general funds, general obligation bonds, and academic revenue bonds (ARBs). This consisted of $1.5 billion for public four-year institutions, $388.4 million for the State's 16 community colleges (including BCCC), $57.6 million for independent institutions, and $79.0 million for RHECs. **Exhibit L-5** shows the allocation of capital support by institution. For more information on authorized capital projects, see the subpart "Capital Budget" of Part A – Budget and State Aid of this *Major Issues Review*.

ARBs and auxiliary bonds were issued directly by institutions to construct or renovate academic and auxiliary facilities, with debt service supported by academic fees, auxiliary fees, or other sources established for the bonds. In 2022, the debt limits established by statute were $1.7 billion for USM (***Chapter 233 of 2022***), $140.0 million for MSU (***Chapter 596 of 2022***), $65.0 million for BCCC, and $60.0 million for SMCM. As of May 2022, USM was the only segment of public higher education that had issued bonds directly since fiscal 2016. ARB authorizations must be approved by legislation annually; legislation was enacted authorizing $34.0 million in ARBs for USM in fiscal 2020 (***Chapter 148 of 2019***); $32.0 million in fiscal 2021 (***Chapter 550 of 2020***); $30.0 million in fiscal 2022 (***Chapter 111 of 2021***); and $30.0 million in fiscal 2023 (also ***Chapter 233 of 2022***).

Exhibit L-5

Higher Education Capital Funding by Institution

Fiscal 2020-2023

($ in Thousands)

Institution	2020	2021	2022	2023	Four-year Total
UM, Baltimore Campus	$13,159	$9,944	$13,807	$20,638	$57,548
UM, College Park Campus	21,104	25,000	72,065	109,817	227,986
Bowie State University	65,000	6,250	3,600	79,357	154,207
Towson University	73,491	7,437	50,684	108,761	240,373
UM Eastern Shore	11,023	67,287	22,716	13,365	114,391
Frostburg State University	6,200	35,069	49,655	15,000	105,924
Coppin State University	0	7,963	35,851	6,364	50,178
University of Baltimore	0	0	0	0	0
Salisbury University	0	0	0	1,940	1,940
UM Global College	0	0	0	1,500	1,500,000
UM Baltimore County	6,000	7,640	13,936	41,886	69,462
UM Center for Environmental Science	0	1,448	0	11,889	13,337
USM Office	28,646	12,000	25,000	90,308	155,954
Subtotal, USM Institutions	***$224,623***	***$180,038***	***$287,314***	***$500,825***	***$1,192,800***
Morgan State University	$41,963	$20,233	$48,856	$108,083	$219,135
St. Mary's College of Maryland	16,971	35,150	21,513	10,989	84,623
Regional Higher Education Centers[1]	11,953	62,202	4,829	0	78,984
Baltimore City Community College	874	4,623	4,000	12,686	22,183
Local Community Colleges	86,005	100,524	81,174	98,550	366,253
Independent Institutions	17,600	12,000	12,000	15,976	57,576
Total	**$399,989**	**$414,770**	**$459,686**	**$747,109**	**$2,021,554**

UM: University of Maryland

USM: University System of Maryland

[1] Includes University System of Maryland's Southern Maryland Higher Education Center.

Note: Includes academic revenue bonds (University System of Maryland only), general obligation bonds, and general funds.

Source: Department of Legislative Services

Historically Black Colleges and Universities

In 2020, the General Assembly passed House Bill 1260 mandating an additional $577.0 million for Maryland's HBCUs over a 10-year period if certain conditions were met. The Governor vetoed the legislation, which was intended to bring about resolution of a 14-year lawsuit in which the State had been a defendant. The plaintiff, representing current and former HBCU students, alleged that policies of the State's higher education system were in violation of federal law. Instead of overriding the Governor's veto, legislation was again introduced in the 2021session.

Chapters 41 and 42 of 2021 provided an additional $577.0 million (in total) for Maryland's HBCUs from fiscal 2023 through 2032 to be distributed and used as specified, contingent on a final settlement of the *Coalition for Equity and Excellence in Maryland Higher Education, et al. v. Maryland Higher Education Commission, et al. lawsuit* by June 1, 2021. The U.S. District Court judge assigned to the case signed off on the settlement agreement on May 12, 2021, ending the lawsuit. The funding under the Acts was supplemental to, and could not supplant, funds appropriated to public institutions of higher education in the State budget. Specified CRF revenues, if available, must be used instead of general funds. The Acts created an HBCU Reserve Fund to hold unused funds at the end of each fiscal year.

The Acts also established a program evaluation unit in MHEC to evaluate new programs and substantial program modifications. The unit established under the Acts must assist MHEC in reviewing and evaluating proposals for new academic programs and substantial modifications of existing academic programs in accordance with law. Additionally, the Acts required the USM William E. Kirwan Center for Academic Innovation, in collaboration with the University of Maryland Global Campus (UMGC) Ventures, to work with the State's HBCUs with the goal of developing and offering online academic programs. The Acts also required the Department of Legislative Services to contract with a consultant to study the capacity and capability of MHEC to carry out policies and practices (and new policies or practices established in accordance with the Acts) for the purpose of (1) evaluating, streamlining, improving, and making recommendations on such policies and practices with respect to academic program review; (2) enhancing the economic competitiveness of the State by ensuring the responsiveness of institutions of higher education to market demand; and (3) effectively supporting the State's workforce development requirements.

College Affordability

New Scholarship and Loan Assistance Repayment Programs

Maryland Police Officers Scholarship: During the 2021 session, the General Assembly voted to override the Governor's veto of ***House Bill 670 of 2021***, the Maryland Police Accountability Act. With the veto override, the bill became ***Chapter 59 of 2021***, which established the Maryland Police Officers Scholarship Program to provide tuition assistance for a student (1) attending a degree program that would further the student's career in law enforcement at a

public four-year institution in the State with the intent to be a police officer after graduation or (2) who is currently a police officer attending a degree program that would further the officer's career in law enforcement at an eligible institution. Beginning in fiscal 2023, the Governor must annually include in the budget bill an appropriation of at least $8.5 million to MHEC to award scholarships. MHEC must use (1) $6.0 million for scholarships to students intending to become police officers after graduation and (2) $2.5 million for scholarships to existing police officers to attend an eligible institution and remain a police officer after graduation.

Maryland Loan Assistance Repayment Program for Police Officers: Chapter 59 also established MLARP for police officers in the State. The Office of Student Financial Assistance (OSFA) within MHEC must distribute funds from the program to assist in the repayment of a higher education loan owed by a police officer who (1) receives a graduate, professional, or undergraduate degree from a public college or university in the State; (2) obtains eligible employment; and (3) satisfies any other criteria established by OSFA. "Eligible employment" means to work as a police officer in the State for at least two years. Beginning in fiscal 2023, the Governor must include an annual appropriation of at least $1.5 million in the State budget for the program.

For a discussion of other provisions of ***Chapter 59***, see the subpart "Public Safety and Corrections" of Part E – Crimes, Corrections, and Public Safety of this *Major Issues Review*.

Changes to Existing Scholarships and Related Programs

Maryland Student Investment Act: The Maryland Student Investment Act, ***Chapter 23 of 2022***, required the Governor to include mandated appropriations for several student financial aid programs administered by MHEC and made policy changes to these programs (as described in subsequent subsections).

More specifically, ***Chapter 23*** established mandated minimum appropriations for three programs beginning in fiscal 2024:

- $112.0 million for the Educational Excellence Awards (EEA) Program. The EEA Program consists of two types of awards for full-time undergraduate students: (1) Guaranteed Access (GA) Grants awarded to the neediest students to ensure that 100% of educational costs are paid; and (2) Educational Assistance Grants awarded to low- and moderate-income students to assist in paying educational costs.

- $4.0 million to the Edward T. Conroy and Jean B. Cryor Scholarship Fund. The fund is for both the Edward T. and Mary A. Conroy Memorial Scholarship Program and the Jean B. Cryor Memorial Scholarship Program. Conroy scholarships are awarded to specified public safety personnel and their eligible dependents to attend an eligible postsecondary institution in the State. Cryor scholarships make the same type of financial assistance available to the child or surviving spouse of a public or nonpublic school

employee who, as a result of an act of violence, died in the line of duty or is 100% disabled due to an injury sustained in the line of duty.

- $400,000 for the James Proctor Scholarship Program, which awards scholarships for tuition and fees to State residents who attend a public HBCU in the State.

In addition, ***Chapter 23*** increased the existing mandated appropriation for the Higher Education Outreach and College Access Program – from $200,000 to $500,000 annually beginning in fiscal 2024. Discussed further below, that program provides grants to eligible nonprofit organizations that meet specified requirements.

Educational Excellence Awards: Prior to enactment of ***Chapter 23***, if a family's income increased above the designated total, even by only a dollar, the student became ineligible to renew the GA award – this situation was known as the GA cliff. To address the GA cliff, ***Chapter 23*** permitted a GA Grant recipient who otherwise becomes ineligible because of a change in family income to continue to receive the full award if the recipient remains eligible to receive a federal Pell Grant.

Chapter 578 of 2021 altered the eligibility criteria for students to prequalify for the GA Grant so that a student in grade 9 or 10 eligible for free or reduced-price meals automatically prequalifies for an award if the student meets other eligibility requirements. ***Chapter 578*** also made permanent the $5.0 million mandated appropriation to the Next Generation Scholars of Maryland Program. ***Chapter 23*** clarified that MHEC, when determining GA Grant eligibility, must use the annual family income determination used when the student prequalified for the Next Generation Scholars of Maryland Program. The Act also allowed the Next Generation Scholars of Maryland Program to continue to provide services to students when they attend an institution of higher education. In addition, ***Chapter 485 of 2019*** authorized public institutions of higher education in the State or a private nonprofit institution eligible for the Sellinger State Aid Program to verify the eligibility of an applicant and administer the GA Grant.

Veterans of the Afghanistan and Iraq Conflicts Scholarship: The Veterans of the Afghanistan and Iraq Conflicts Scholarship is available to veterans and active-duty members of the U.S. Armed Forces who served in Afghanistan and Iraq, members of the reserve or Maryland National Guard who were activated as a result of the conflicts, and their children and spouses. ***Chapter 267 of 2020*** allowed initial scholarships to continue to be awarded for another 10 years, until June 30, 2030; thereafter, existing scholarships may be renewed. ***Chapter 23*** also expanded eligibility requirements for the Veterans of the Afghanistan and Iraq Conflicts Scholarship Program to include the stepchildren of specified veterans, active-duty members of the armed services, members of the reserve, or members of the Maryland National Guard.

Near Completer Communication Campaign: A "near completer" is defined as an individual who has completed some college credits but does not have a college degree and is no longer attending an institution of higher education. MHEC, in collaboration with institutions of higher education, must create a statewide communication campaign to identify near completers in

the State and encourage near completers to reenroll in an institution of higher education to earn a degree. For the 2022-2023 and 2023-2024 academic years, ***Chapter 23*** required MHEC to focus the work of the near completer communication campaign on near completers no longer attending an institution of higher education because of personal or financial reasons relating to the COVID-19 pandemic.

Walter Sondheim Jr. Public Service Internship Scholarship: The Walter Sondheim Jr. Public Service Internship Scholarship Program assists college and graduate students with exploring public service career opportunities. Chapter 251 of 2016 established that scholarships awarded under the program must be at least $2,000 and no more than $3,000, subject to the availability of funds. ***Chapter 536 of 2019*** increased the award cap to $5,000.

Edward T. and Mary A. Conroy Memorial and Jean B. Cryor Memorial Scholarships: The Edward T. and Mary A. Conroy Memorial Scholarship Program makes awards to specified public safety personnel and their eligible dependents to attend a postsecondary institution in the State for five years of full-time study or eight years of part-time study. ***Chapter 267*** expanded the eligibility requirements for the Edward T. and Mary A. Conroy Memorial Scholarship Program by removing the residency requirements for the following categories of individuals: (1) a child or surviving spouse of a State or local public safety employee who was killed in the line of duty or who suffered an injury in the line of duty resulting in 100% disability; and (2) a disabled public safety employee. Though realigned, eligibility requirements for the Jean B. Cryor Memorial Scholarship Program for school employees who died or are 100% disabled in the line of duty were essentially unchanged.

Maryland Community College Promise Scholarship: Chapter 554 of 2018 created MCCPS in Maryland to provide tuition assistance to students who attend a community college in the State and who meet specified eligibility criteria. MCCPS is a last-dollar award, applied after all nonloan aid to eligible recipients has been applied. Beginning in fiscal 2020, the Governor must appropriate at least $15.0 million annually for the program. ***Chapters 200 and 201 of 2020*** altered the eligibility requirements for MCCPS such that an applicant (1) can apply any time after graduating from high school or completing a GED rather than being limited to two years from the date of high school graduation and (2) must meet altered grade point average requirements, as specified. The Acts also repealed the service obligation for all recipients, including for individuals who were recipients at the time the Acts took effect. In addition, only State or federal student financial aid, other than a student loan, received by a recipient must be credited to the recipient's tuition before the calculation of the award amount. MHEC and each community college must publicize MCCPS, as specified.

Workforce Development Sequence Scholarship: Chapter 149 of 2017, the More Jobs for Marylanders Act, established the Workforce Development Sequence Scholarship Program for eligible students enrolled in a workforce development sequence at a community college, defined as courses related to job preparation or an apprenticeship, licensure or certification, or job skills enhancement. ***Chapters 96 and 97 of 2021*** expanded eligibility for the Workforce Development Sequence Scholarship to include a Maryland resident or graduate of a Maryland high school

enrolled directly in a registered apprenticeship program that partners with a public community college in the State.

Cybersecurity Public Service Scholarship: Chapters 208 and 209 of 2022 expanded the Cybersecurity Public Service Scholarship Program by allowing part-time students to apply under specified circumstances, increasing the number of years an individual may hold an award, and broadening the positions that fulfill work and teaching obligations. The Acts also required the Maryland State Department of Education to provide information on the scholarship to certain high school students.

Legislative Scholarships: Chapter 581 of 2019 expanded eligibility for delegate and senatorial scholarships to individuals who are eligible for in-state tuition, including individuals who are eligible for in-state tuition under the "Maryland Dream Act" (described below). ***Chapter 202 of 2022*** allowed a senatorial or delegate scholarship to be used at an out-of-state institution when an academic area is not offered at an accredited program in the State. However, the program must be accredited by a national accrediting association approved by the U.S. Department of Education.

Tuition Waivers and Subsidies

Maryland Dream Act: Under the Maryland Dream Act, an individual who attended a Maryland high school for at least three years and graduated from a Maryland high school or received the equivalent of a high school diploma in the State may pay the same tuition rates that resident students pay.

Legislation passed in 2019 that expanded the circumstances under which an individual was exempt from paying the out-of-state tuition rate under the Maryland Dream Act became law when the General Assembly overrode the Governor's veto of the legislation. Specifically, ***Chapters 1 and 7 of 2020*** (1) removed the requirement that an individual earn an associate's degree or 60 credits at a community college prior to receiving in-state tuition at a public four-year institution; (2) extended from four to six years the timeframe within which an individual must register as an entering student after graduating from high school or receiving the equivalent qualification in the State; (3) reduced the amount of time an individual must have attended a high school in the State from three years to any amount of time, although the individual still must have graduated from a Maryland high school or received the equivalent of a high school diploma in the State; and (4) altered the period in which the individual or the individual's parent or legal guardian must have filed a Maryland income tax return. Finally, the Acts grandfathered individuals who, on or after June 15, 2012, were exempt from paying the out-of-state or out-of-county tuition rate at a public institution of higher education into paying in-state tuition.

Nonresident Tuition Exemption for Military Personnel, Spouses, and Dependents: Public institutions of higher education in Maryland charge in-state tuition rates to three categories of military individuals: (1) active-duty members of the U.S. Armed Forces who are stationed, reside, or are domiciled in Maryland; (2) the spouses and dependent children of active-duty members of the U.S. Armed Forces; and (3) honorably discharged veterans of the U.S. Armed

Forces. ***Chapters 227 and 228 of 2020*** expanded the conditions under which a spouse or financially dependent child of an active-duty service member of the U.S. Armed Forces is eligible for resident tuition to include a spouse or dependent who was accepted to attend a public institution of higher education when the member was stationed, residing, or domiciled in the State. A spouse or dependent must remain continuously enrolled and domiciled in the State to continue receiving the benefit. Thus, the Acts affected the dependents of active-duty members who are reassigned to another state after the dependent has been accepted by, but before enrolling in, a public institution of higher education.

Maryland National Guard Tuition Assistance: Chapters 180 and 181 of 2020 increased the percentage of in-state tuition that the Military Department may reimburse from 50% to 100% for an eligible active member of the Maryland National Guard. The Acts also expanded eligibility to include any member who holds a commission in the Maryland National Guard.

Tuition Waiver for Student Members of the University System of Maryland Board of Regents: The Board of Regents of USM is composed of 21 members, including 2 student members. ***Chapter 593 of 2020*** authorized the Board of Regents of USM to grant a tuition waiver to student members. The tuition waiver may not exceed the amount of the tuition incurred by the student member during the second year of a two-year term. Additionally, the tuition waiver may not (1) be considered a gift or compensation under the Maryland Public Ethics Law; (2) be considered compensation under the Maryland Tort Claims Act; or (3) cause the student member to be classified as an employee of USM.

Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants: MLARP for Physicians and Physician Assistants provides student loan repayment assistance in exchange for certain service commitments to help ensure underserved areas of the State have sufficient numbers of primary care physicians and physician assistants. ***Chapters 402 and 403 of 2020*** transferred oversight of MLARP for Physicians and Physician Assistants from OSFA within MHEC to MDH, among other things. For a further discussion of ***Chapters 402 and 403***, see the subpart "Health Occupations" of Part J – Health and Human Services of this *Major Issues Review*.

Tuition Waiver for Parents of a Deaf or Hard of Hearing Child: Chapters 741 and 742 of 2019 exempted a parent of a deaf or hard of hearing child from paying tuition at a public institution of higher education for one course that teaches a language or communication mode chosen by the parent to communicate with the child.

Foster Care Recipients and Homeless Youth: Chapters 256 and 257 of 2021 expanded the definition of "homeless youth" eligible to receive a tuition waiver by removing the requirements that the youth (1) be "unaccompanied" and (2) qualify as an independent student under federal law. The Acts also altered the method by which an individual is determined to be a homeless youth for the purpose of a tuition waiver and repealed the requirement that only a financial aid administrator can verify the status. In addition, a foster care recipient or homeless youth who receives a tuition waiver must receive priority consideration for on-campus housing.

Each public institution of higher education must make the application for the tuition waiver available to current and prospective students and notify students about the application. Each public institution must establish an appeals process for the tuition waiver. Finally, each public institution must designate a homeless and foster student liaison with specified expertise to assist specified students with applying for financial aid.

Other Financial Assistance

Live Near Your School: Chapter 247 of 2021 authorized the Community Development Administration (CDA) within the Department of Housing and Community Development to administer the Live Near Your School Program and a related home buyer assistance program. The home buyer assistance program was authorized to assist current students and recent graduates, as defined by the Act, in receiving low-interest loans to purchase homes near the public institution of higher education attended by the individual. In addition, CDA was authorized to administer community development projects that provide current students and recent graduates with grants to buy homes in sustainable communities that are near the school attended by the student or graduate.

Maryland E-Nnovation Initiative: Chapters 532 and 533 of 2014 created the Maryland E-Nnovation Initiative (MEI) Program authorizing nonprofit institutions of higher education in the State that meet specified eligibility requirements to create research endowments and, upon securing matching private donations and approval, receive MEI Fund monies that may be distributed to the endowments. Legislation requiring continued funding for MEI through 2026 was vetoed by the Governor, but the General Assembly voted to override the veto and the legislation became ***Chapter 14 of 2021.*** For an additional discussion of ***Chapter 14***, see the subpart "Miscellaneous Taxes" of Part B – Taxes of this *Major Issues Review*.

Administration of State Financial Aid Programs

MHEC is the State's higher education coordinating board responsible for establishing statewide policies for Maryland public and private colleges and universities and for-profit career schools. MHEC also administers State financial aid programs that affect students on a statewide basis. Generally, MHEC is responsible for the overall growth and development of postsecondary education in the State.

Chapters 639 and 640 of 2022 required OSFA in MHEC to send a notification, by April 15 each year, to each individual who applies to the EEA Program indicating whether or not the student is a recipient of an award and, if applicable, the amount awarded to the student. The Acts also required MHEC to update MCCPS regulations related to award deadlines based on the newly established award dates.

The Acts expressed legislative intent that MHEC be reorganized to establish OSFA as a separate independent agency in fiscal 2024. The Acts also required MHEC to design and implement an application by July 1, 2025, that, on completion, results in the applicant applying for all the centralized scholarship programs under MHEC. The unified scholarship application must be available in multiple languages, be mobile accessible, and include certain components

related to the platform. The fiscal 2023 budget included $8.0 million for MHEC to establish the new unified scholarship application. Further, the Acts required each open meeting of MHEC to be made available to the public through live video streaming. These videos must be made publicly available on the Internet for a minimum of five years. Finally, the Acts authorized tax information to be disclosed to MHEC; nevertheless, federal law prohibits the disclosure of federal tax return information to nontax authorities, including MHEC, regardless of any State level exemptions.

Workforce Training and Service Programs

Maryland Corps Program

The Maryland Corps Program had allowed individuals to serve for at least nine months with a nonprofit organization or government agency that had a focus on community or other service, civic engagement, volunteerism, or other activities or experiences with a similar mission. During their service, individuals had been eligible for a stipend of up to $15,000 and, upon successful completion of their service, they had been eligible for up to $6,000 to be used at a public or private nonprofit institution of higher education in the State. ***Chapter 37 of 2022*** made significant changes to the Maryland Corps Program, including allowing participants to transition to the workforce (as well as to an institution of higher education). Under the restructured Maryland Corps, in addition to other specified expenses, program funding is to be used to (1) expand the Chesapeake Conservation Corps and the Maryland Conservation Corps and (2) create a Maryland Civilian Climate Corps and a Maryland Historic Trades Corps. The Maryland Corps Board of Directors was restructured and established as a separate body, with an executive director and authority to hire staff directly. The Act also established mandated appropriations to the Maryland Corps Program to provide Maryland Corps participants with stipends of at least $15 per hour, health insurance benefits, wraparound services such as child care, and scholarships of $6,000.

Chapter 37 increased funding for the Maryland Corps Program significantly. The fiscal 2023 operating budget, as enacted, included $5.0 million in general funds for the expansion of the Maryland Corps Program as an identified legislative priority – in addition to the $150,000 for the Maryland Corps Program Fund already included in the budget as introduced. Under ***Chapter 37***, the Governor must appropriate the following amounts to the Maryland Corps Program Fund: $5.0 million in fiscal 2024; $10.0 million in fiscal 2025; $15.0 million in fiscal 2026; and $20.0 million in fiscal 2027 and each fiscal year thereafter.

Cyber Warrior Diversity Program

Chapters 566 and 567 of 2018 established the Cyber Warrior Diversity Program (CWDP) at BCCC and the four HBCUs in the State to train students in computer networking and cybersecurity, including training to achieve specified CompTIA certifications. ***Chapters 454 and 455 of 2019*** added the UMBC Training Centers located in the State to CWDP and allowed the centers to be eligible for specified grants. The Acts also changed the distribution of the $2.5 million mandated for the program to include distributions to the UMBC centers.

Maryland Technology Internship Program

Chapter 652 of 2014 created the Maryland Technology Internship Program (MTIP) to increase student understanding of employment opportunities in the State and foster business retention and development, job creation, workforce development, and new investment in the State. ***Chapter 591 of 2021*** incorporated technology-based nonprofit organizations into the existing MTIP, allowing them to participate in the same way as technology-based businesses and units of State and local government, if they meet specified requirements. In addition, the Act decreased the cumulative grade point average required for an intern to participate in MTIP from 3.0 to 2.5.

Inmate Training and Job Pilot Program

Chapter 677 of 2021 established the Inmate Training and Job Pilot Program at specified institutions of postsecondary education to provide educational and vocational training opportunities for inmates in the 12 months preceding their release. MHEC and each participating institution must administer the program in cooperation with the Division of Correction at the Department of Public Safety and Correctional Services. Each institution's program must have an individualized plan for success, a professor or other staff member serving as the primary contact for program participants, and at least three students serving as program mentors. Program participants must take courses – through a suitable format – that are credit bearing and count toward a degree, certificate, or license. The Governor must include in the annual budget bill an appropriation for the pilot program in the amount of $300,000 in fiscal 2023, $330,000 in fiscal 2024, and $363,000 in each of fiscal 2025 and 2026.

Universities at Shady Grove

Chapter 623 of 2022 required the Governor to include a $5.0 million appropriation in fiscal 2024 for the Universities at Shady Grove RHEC to establish or support workforce development programs at the center. The funding is supplemental and not intended to take the place of funding that otherwise would be appropriated to the center.

Student Athletes and University System of Maryland Governance

Board of Regents

In 2018, the USM Board of Regents faced scrutiny in the aftermath of the death of a football player after a practice at UMCP. Questions arose about personnel decisions related to the football coach and payments to members who served on a commission to review culture of the football program, among other issues. As a result, ***Chapters 345 and 346 of 2019*** made significant changes to the composition and responsibilities of the USM Board of Regents in order to increase transparency and oversight. The Acts expanded the membership of the Board of Regents to include four additional members. The Acts also specified requirements for the members appointed from the general public. Further, the board must (1) make available to the public live and archived video streaming of each open meeting; (2) allow time at each open meeting for public comment; and

(3) include all motions and vote tallies from open and closed sessions in publicly available board meeting minutes.

Athletic Program Policies

Student Concerns: Chapters 506 and 507 of 2019 required, by October 1, 2019, each institution of higher education in the State to develop and adopt a written policy for receiving and addressing student concerns about the institution's athletic programs that includes specified elements. Each institution and MHEC also had to submit the policy as specified, with subsequent annual reporting on the number of students who shared concerns under the policy during the preceding fiscal year.

Health and Safety Guidelines and Name, Image, and Likeness: Prior to the enactment of ***Chapter 138 of 2021***, student athletes had no explicit rights in State law beyond those granted to all students, and institutions of higher education had no explicit responsibilities regarding student athletes. However, ***Chapter 138*** – the Jordan McNair Safe and Fair Play Act – established requirements regarding college student athletes at public institutions of higher education. An athletic program must adopt and implement guidelines related to the health and safety of student athletes. By October 1 each year, beginning in 2021, the USM Intercollegiate Athletics Workgroup, MSU, and SMCM must report on student athletes at each institution, including any student athlete policy changes related to the health and safety of student athletes. Beginning July 1, 2023, USM institutions, MSU, and athletic associations, including the National Collegiate Athletic Association, must follow certain rules regarding student athlete compensation for the use of the student's name, image, or likeness.

Uniform Modesty: Chapters 556 and 557 of 2022 required a governing body of a public institution of higher education and a board of community college trustees to allow a student athlete to modify the athletic or team uniform of the student athlete to make it more modest – so as to conform to (1) the requirements or preferences of the student athlete's religion or culture or (2) the student athlete's own preferences for modesty.

Admissions and Transfers

Maryland Higher Education Outreach and College Access Program

Chapters 200 and 201 of 2015 established the Maryland Higher Education Outreach and College Access Pilot Program as a two-year pilot program administered by MHEC for eligible nonprofit organizations that meet specified requirements to increase low-income students attending and succeeding in college. Chapter 399 of 2018 extended the termination date for the pilot program through September 2022. ***Chapter 403 of 2021*** made the pilot program permanent and required the Governor to annually appropriate $200,000 to the program beginning in fiscal 2023. This mandated appropriation was further increased by ***Chapter 23 of 2022***, as discussed previously.

Transfers between Public Institutions of Higher Education

Chapters 188 and 189 of 2021 required a receiving public institution of higher education that denies the transfer of a credit or course to an enrolled student to notify the sending public institution and the enrolled student, including the rationale for the denial. The transfer coordinator or institutional designee of the sending institution must conduct a review, in conjunction with the receiving institution's designee, within a period set by MHEC. Each public institution of higher education must submit an annual report to MHEC listing any denials of transfer of a credit or a course and the reasons for each denial.

Use of Criminal History in Admissions

Chapter 676 of 2021 prohibited an institution of higher education that receives State funds from disqualifying an applicant from undergraduate admission based on the applicant's criminal history obtained from a third-party admissions application. Further, an institution was prohibited from making inquiries into or considering information about a student's criminal history for the purpose of admission, including to deny or limit a student's admission into a particular academic program. However, the Act authorized an institution of higher education to develop a process for determining or restricting access to campus residency for a student who has been convicted of specified crimes.

Credit for Prior Learning

Chapter 143 of 2022 required each public institution of higher education, by October 1, 2022, to develop and implement policies and procedures for awarding academic credit for prior learning examinations. Unless the institution provides evidence that a higher score is necessary, an institution must award academic credit for a minimum score of 3 on Advanced Placement (better known as AP) examinations and a minimum score of 50 on the College-Level Examination Program (better known as CLEP) examinations. In addition, the Act required institutions to determine comparable scores for awarding academic credit for the Cambridge Advanced International Certificate of Education Diploma examination and International Baccalaureate (better known as IB) Diploma Program examination. The Act required the institutions' policies and procedures to indicate the manner in which academic credit will be awarded and include procedures related to the transfer of academic credits awarded from prior learning examinations to another public institution of higher education. Additionally, the Act required each public institution of higher education and MHEC to post the policies and procedures.

Collective Bargaining

University System of Maryland and Other Institutions of Higher Education

During the 2021 session, the General Assembly passed ***Senate Bill 9***. The Governor vetoed the bill, but the General Assembly overrode the veto and the bill became law as ***Chapter 1 of the 2021 special session***. ***Chapter 1*** required the Chancellor of USM to act on behalf of USM and its constituent institutions, rather than the institutions' presidents, for the purposes of collective

bargaining. An exclusive representative that represents more than one bargaining unit of USM employees may request to bargain a consolidated memorandum of understanding (MOU) that addresses specified matters. Other specified matters must be negotiated separately at the institutional level by the president of a USM institution, or their designee, and the exclusive representative. Further, the Act altered the collective bargaining process for State employees and employees of public four-year institutions and BCCC. For a more detailed discussion of this issue, see the subpart "Personnel" of Part C – State Government of this *Major Issues Review*.

Local Community Colleges and Baltimore City Community College

During the 2021 session, the General Assembly passed legislation that would have extended collective bargaining rights to many categories of higher education personnel at local community colleges and BCCC. The Governor vetoed the bills for policy reasons, but the General Assembly overrode the vetoes, and the bills became ***Chapters 16 and 27 of the 2021 special session***. Prior to the enactment of the legislation, most local community college employees did not have collective bargaining rights. The Acts established a collective bargaining process for local community college employees, including full-time faculty, part-time faculty, and specified staff but excluding officers, supervisory or confidential employees, and student assistants. Depending on the institution, implementation was delayed until September 1, 2022, or 2023, and bargaining over wages was delayed until July 1, 2023, or 2024. Full-time and part-time faculty at BCCC may also collectively bargain under this process beginning on October 1, 2024. Beginning in fiscal 2026, the Governor must include funding to accommodate costs due to collective bargaining for BCCC in the annual budget bill. Except under specified circumstances, the Acts did not apply to collective bargaining units, contracts, or agreements in existence prior to September 1, 2022. For a more detailed discussion of this issue, see the subpart "Personnel" of Part C – State Government of this *Major Issues Review*.

Programs with Dedicated Funds

Sexual Assault Allegations – Legal Representation

Chapters 394 and 395 of 2018 required MHEC to reimburse students for reasonable costs and attorney's fees for current and former students provided with counsel in accordance with an institution's sexual assault policy; however, no funds were mandated for this purpose. ***Chapters 674 and 675 of 2019*** established the Legal Representation Fund for Title IX Proceedings to provide funds for such representation. Beginning in fiscal 2021, the Governor must include an appropriation of at least $250,000 to the fund in the annual budget bill.

Small Business Development Center Network Fund

The Small Business Development Center offers free business consulting services to new and existing small businesses. To receive federal funds, the State must provide at least a one-to-one match. ***Chapter 15 of 2021*** increased the minimum required general fund appropriation for the Small Business Development Center Network Fund to at least $1,150,000 beginning in

fiscal 2022, an increase of $200,000 over the amount required prior to the enactment of the legislation.

Specialized and Rural Clinical Care

Chapters 44 and 418 of 2021 required UMSM to provide clinical care in certain identified specializations at UMCRMC by assigning certain faculty to the center. In addition, the Governor must include at least $5.0 million in the annual budget each year from fiscal 2023 through 2025 to fund this requirement. The Acts also required UMSM to provide specialized clinical care at rural hospitals operated by UMMS by assigning certain faculty who specialize in essential areas to each hospital. Likewise, the Governor must include at least $2.0 million in the annual budget each year from fiscal 2023 through 2025 to fund this requirement.

Legal Education Success Collaborative

Chapter 213 of 2021 established the Legal Education Success Collaborative between the UB School of Law, the University of Maryland (UM) School of Law, and Maryland HBCUs to increase diversity in the legal field. Beginning in fiscal 2023, the Governor must appropriate $125,000 to each scholars' program at the UB School of Law and the UM School of Law. The UB School of Law and the UM School of Law must each match up to $125,000 of the State appropriation.

Hunger-Free Campus Grant Program

Chapters 579 and 580 of 2021 established the Hunger-Free Campus Grant Program, administered by MHEC, for public institutions of higher education or RHECs that pledge matching funds. Beginning in fiscal 2023, the Governor must include $150,000 annually in the budget for the program. MHEC must incorporate a plan for addressing any basic needs insecurity of higher education students into the 2026-2030 State Plan for Higher Education.

Sustainable Maryland Program Fund

Chapter 354 of 2022 codified the Sustainable Maryland Program and established the Sustainable Maryland Program Fund, administered by the University of Maryland Environmental Finance Center. The purpose of the program is to provide research, access to resources, technical assistance, and certification programs for municipalities to increase sustainability, protect environmental well-being, and ensure economic vitality. The purpose of the fund is to expand and enhance Sustainable Maryland's promotion and support of communities in the State in the effort to realize environmental, economic, and social sustainability. Beginning in fiscal 2024, the Governor must include an annual appropriation of $500,000 for the fund.

Institute for Public Leadership

Chapter 637 of 2022 established the Institute for Public Leadership at UMCP, within the School of Public Policy, which must manage the institute according to the policies of the UM. The

Act established the purpose of the institute and specified that $1.5 million in funding be provided to the institute each year from fiscal 2023 through 2027; however, the fiscal 2023 budget did not include funding for the institute (which was discretionary in that year). Funding in fiscal 2024 through 2027 was mandated.

Other Higher Education Changes

Consumer Protection and Transparency Measures

Classification of Private Nonprofit Institutions of Higher Education: In the mid-2010s, several for-profit institutions of higher education were reclassified as nonprofit institutions of higher education. However, these reclassifications sometimes allowed for an arrangement in which an institution set up as a nonprofit could outsource a range of services to a separate for-profit company, creating a business structure that was not entirely for-profit, but was not a true nonprofit either. In response to several for-profit institutions of higher education having been reclassified as nonprofit institutions of higher education that outsourced a range of services to a separate for-profit company, ***Chapter 515 of 2019*** altered the definition of "private nonprofit institution of higher education" to mean, in addition to previously existing criteria, that the institution (1) benefits no person through any part of its net earnings; (2) is legally authorized to operate as a nonprofit organization in each state in which it is physically located; and (3) is determined by the Internal Revenue Service to be an organization to which contributions are tax deductible. The Act required MHEC to determine whether an incident constitutes private inurement if a private nonprofit institution of higher education engages in a reportable incident as defined by the Act. By July 1, 2019, MHEC, jointly with the Office of the Attorney General, was required to develop a procedure for determining and enforcing the classification of institutions of higher education as enacted by the Act.

Disclosures to Prospective Students: Chapter 516 of 2019 added several items to the list of specified information that a private career school or for-profit institution of higher education, including those that are required to register with MHEC, must provide to a prospective student prior to the student signing an enrollment agreement, completing registration, or making a financial commitment to the school or institution. All specified information must also be prominently displayed on the website of the school or institution without the need for providing personal information.

Student Loan Servicers: Chapter 546 of 2019 prohibited student loan servicers (*i.e.*, the entities collecting principal, interest, or other amounts owed on student loans) from taking specified adverse actions with regard to student loan borrowers. Violation of the Act was made an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA's civil and criminal penalty provisions. For a more detailed discussion of ***Chapter 546***, see the subpart "Commercial Law – Consumer Protection" of Part I – Financial Institutions, Commercial Law, and Corporations of this *Major Issues Review*.

Veterans' Education Protection Act: A federal rule known as "90/10" caps the share of revenue for-profit institutions of higher education and private career schools can take in from federal aid at 90%; however, the cap exempts federal tuition benefits for veterans, active members of the U.S. military, and their spouses and financially dependent children because the law only applies to federal Title IV education funds. ***Chapter 546 of 2020*** prohibited specified for-profit institutions of higher education and private career schools from enrolling new Maryland residents in a program if the institution or school fails to have at least 10% of its annual revenue, as specified, from a source other than federal funds, including civilian and military education aid. The 10% threshold under the Act applies to either (1) two out of three of the immediately preceding fiscal years or (2) two consecutive years.

Disorderly School Closures at Institutions of Postsecondary Education: Chapter 554 of 2020 required institutions of postsecondary education and private career schools to meet specified requirements regarding school and program closures, including having specified close-out agreements and meeting certain requirements for teach-out agreements. To that end, schools and school leadership must meet specified financial and record transferring obligations. The Act established additional protections for any student who attends a program, school, or institution that closes – related to tuition and fee reimbursement, student debt collection, transcripts, close-out agreements, and teach-out agreements. Violation of specified provisions of the Act was made an unfair, abusive, or deceptive trade practice under MCPA, subject to MCPA's civil and criminal penalty provisions.

Review and Spending of Student Fees: The USM Board of Regents had already adopted policies on the establishment of tuition and mandatory fees, including that the president of a USM institution must consult with students before the establishment of or a change in student fees. However, ***Chapter 217 of 2021*** required that, when setting mandatory and nonmandatory student fees, the president of each USM institution must present information on such fees for review by the student fee committee of record. Unless the student fee committee of record reviews an exception to the use of the fee, revenues derived from fees as reviewed by the committee must be spent by the campus unit or department that requested the fee in a manner consistent with the intended purpose for which the fee exists.

Maryland Economic Development Corporation Student Housing: Chapters 183 and 184 of 2022 required the Maryland Economic Development Corporation (MEDCO) and an institution of higher education with a MEDCO student housing project to provide specified information to students regarding student housing in an occupancy agreement or when applying for student housing, respectively. The Acts required the information to differentiate the implications of a student living in MEDCO student housing compared to an institution-owned residence hall.

Additional Actions Related to Certain Community Colleges

Governance of Anne Arundel County Community College: The Board of Community College Trustees for Anne Arundel County consists of eight members, including a student member appointed by the Governor with the advice and consent of the Senate. Except for the student

member, members of the board had served six-year terms from July 1 of the year the appointment was made and until a successor was appointed and qualified. However, ***Chapters 245 and 246 of 2020*** changed requirements for the seven nonstudent members of the Board of Community College Trustees for Anne Arundel County. Under the Acts, a nonstudent board member (1) must be a resident of Anne Arundel County; (2) serve a four-year rather than six-year term; and (3) may serve no more than three consecutive full terms. The Acts retained the requirement for the student member to be a resident of Anne Arundel County.

Budgetary Process for the College of Southern Maryland: The College of Southern Maryland (CSM) is a public, regional community college serving Calvert, Charles, and St. Mary's counties. ***Chapter 393 of 2020*** changed the local budgetary process for CSM by establishing a unified budget. The county commissioners in each county that support the college must review and approve the CSM budget request made to that county, rather than just for the campus in their county, and may reduce it. The Act also repealed specified elements of the operating budget.

Procurement Authority of Baltimore City Community College: State law exempts USM, MSU, and SMCM from certain provisions of procurement law. ***Chapter 732 of 2021*** extended to BCCC exemption from many of the same procurement provisions, except for oversight of capital contracts with a value that exceeds $500,000, and generally expanded BCCC's procurement authority after (1) the college adopts certain procurement procedures and policies and (2) those new policies are approved by the Joint Committee on Administrative, Executive, and Legislative Review and BPW. For a more detailed discussion of this issue, see the subpart "Procurement" of Part C – State Government of this *Major Issues Review*.

Miscellaneous Measures

Community Safety and Strengthening Act: Chapter 25 of 2019 authorized the Johns Hopkins University to establish a police department based on an MOU entered into by the university and the Baltimore Police Department regarding matters related to police jurisdiction and operations. For a more detailed discussion of this issue, see the subpart "Public Safety and Corrections" of Part E – Crimes, Corrections, and Public Safety of this *Major Issues Review*.

University of Maryland Global Campus: Chapter 40 of 2019 renamed the University of Maryland University College (formerly known as UMUC) to be UMGC.

Fundraising Ethics: Chapters 621 and 622 of 2022 authorized, notwithstanding the restrictions on gift solicitation and use of prestige of office under the Maryland Public Ethics Law, an employee of UMB to solicit gifts or proposals for grants for the benefit of the UMMS Corporation in accordance with UMB policies regarding coordinating fundraising between the university and the UMMS Corporation.

Local Education Policy

Local Boards of Education – Membership

Allegany County

Prior to the passage of legislation during the 2020 session, the Governor was required to appoint a new member to fill any vacancy of an elected member's position on the Allegany County Board of Education. ***Chapter 541 of 2020*** required the Allegany County Commissioners, rather than the Governor, to fill a vacancy in an elected member's position on the board. The commissioners must appoint a qualified individual who serves for a certain period of time as specified by law.

Cecil County

Chapters 571 and 572 of 2021 increased the maximum number of terms a member of the Cecil County Board of Education may serve from two to three terms.

Charles County

Chapters 404 and 405 of 2021 added two new members to the Charles County Board of Education and altered the selection method for board members by requiring that eight board members be elected from the county commissioner districts (two from each of the four districts) and one board member be elected from the county at large. (Previously, the seven board members were elected from the county at large.) Under the Acts, an elected member may not serve more than two consecutive terms.

Frederick County

Chapter 368 of 2022 established an exception to the general requirement that an individual appointed to fill a vacancy on the Frederick County Board of Education serves for the remainder of the term. Under the Act, if a vacancy for an elected member occurs 30 days or less before the candidate registration deadline for the next primary election, the county executive must appoint, subject to confirmation of the county council, a qualified individual to fill the vacancy for the remainder of the term until a successor is elected and qualifies. If a vacancy occurs more than 30 days before the candidate registration deadline for the next primary election following the vacating member's election, the individual appointed serves only until a successor is elected and qualifies at the next general election.

Harford County

Chapter 569 of 2022 eliminated the role of the Governor in appointing members to the Harford County Board of Education. Instead, ***Chapter 569*** required the Harford County Executive to select the appointed members of the Harford County Board of Education, subject to the advice and consent of the Harford County Council by a vote of at least five members. In appointing

members to the board, the county executive must ensure, to the extent practicable, that the total makeup of the board reflects the gender, ethnic, and racial diversity of the county. Members appointed to the board following the 2022 election must serve for a term of two years until a successor is appointed and qualifies. Subsequent board members would be appointed following the 2024 presidential election and each presidential election thereafter.

Howard County

Chapter 150 of 2019 required the five elected members of the Howard County Board of Education who reside in each of the five councilmanic districts to be elected by the voters of the respective district. The Act also required the two elected members of the board who are elected at large to be elected by the voters of the county.

Prince George's County

Chapter 217 of 2022 altered the composition of the Prince George's County Board of Education beginning July 1, 2024, by eliminating all four appointed positions from the board, leaving nine elected positions and the student member. The Act required the chair and vice chair of the board to be elected from among the members of the board beginning December 5, 2022; and required that at the beginning of each term, each member must attend an orientation and be provided with materials that clarify the role of the member. The Act also established a Workgroup on the Membership and Operation of the Prince George's County Board of Education. The workgroup must submit a final report by December 30, 2022.

Local Boards of Education – Student Members

Voting Rights

In jurisdictions with student members serving on local boards of education, the ability of student members to vote on matters before the board varies. For example, Anne Arundel County places no restrictions on the ability of the student member to vote on matters before the Anne Arundel County Board of Education. Other jurisdictions have only nonvoting student members of the board. Still other local school systems have voting student members but limit the ability of the student member to vote on certain matters (including, among others, employee discipline or dismissal of personnel, capital or operational budget matters, and school closings) or attend certain executive sessions. A student member may also be excluded from voting on other matters, in some jurisdictions, by an affirmative vote of a majority of the nonstudent members.

Chapters 404 and 405 of 2021 provided the student member of the Charles County Board of Education with voting rights, subject to certain restrictions. Previously, the student member could not vote on any question before the board.

Selection Methods

Chapter 269 of 2020 required the student member of the Baltimore County Board of Education to be elected by middle and high school students in Baltimore County in accordance with procedures established by the Baltimore County student councils.

Chapters 404 and 405 of 2021 removed the authority of the Charles County Board of Education to select a student member. Instead, the student member is selected by the Charles County Association of Student Councils. The Acts also allowed the State Board of Education to remove the student member from the county board of education in the same manner as an elected member.

Scholarships

Some local jurisdictions provide scholarships to student members for their service on local boards of education. Baltimore County (***Chapter 268 of 2020***) and Montgomery County (***Chapter 566 of 2022***) increased the amount of the scholarship granted to student members upon completion of a term of office.

Local Boards of Education – Compensation

Several local jurisdictions increased the compensation amounts for board members. These included Anne Arundel County (***Chapter 579 of 2022***), Carroll County (***Chapter 580 of 2022***), and Frederick County (***Chapters 363 and 364 of 2020***). Additionally, ***Chapter 571 and 572 of 2021*** increased the minimum required compensation for members of the Cecil County Board of Education and gave the Cecil County Council authority to set the salary of members of the board.

Howard County School Districts and Enrollment

Chapter 396 of 2021 required the Howard County Board of Education to submit specified reports to the General Assembly and the county delegation beginning in the 2021-2022 school year. This includes an annual report on the program capacity of each permanent school facility based on the rates set by the county board. Each year that student enrollment at a facility is not within 10% of target utilization, the county board must also submit a report on a plan to adjust student enrollment to meet target utilization. If student enrollment at a facility is not within 20% of target utilization, the county board must implement specified processes to assess the need for a redetermination of the geographic attendance area. If the outcome of the assessment is not a redetermination of the geographic attendance area, the county board must submit a report explaining the reason that redetermination was not appropriate and a plan to adjust student enrollment to meet target utilization.

Prior to ***Chapter 187 of 2021***, the Howard County Board of Education was not required to allow public testimony from households affected by redistricting. In November 2019, the Howard County Board of Education approved a redistricting plan for the 2020-2021 school year. The plan, which changed the attendance area for more than 5,400 students in the county, was the

culmination of the largest redistricting effort in the county's history. The approved redistricting plan was intended to reduce overcrowding and advance socioeconomic equity. ***Chapter 187*** required that, if the redistricting plan proposed by the Howard County Board of Education differs from the plan proposed by the county superintendent, the board must allow public testimony from one or more members of a household whose school assignment is changed only in the board's plan before the final vote is taken on either plan.

Collective Bargaining

In Maryland, certificated and noncertificated school employees bargain separately. However, in some counties, specific categories of noncertificated professionals are included with certificated employees for collective bargaining purposes. ***Chapters 256 and 257 of 2020*** altered the definition of certificated public school employees for collective bargaining purposes in Carroll County by including Junior Reserve Officer Training Corps (JROTC) instructors. In Baltimore, Calvert, Charles, Garrett, Prince George's, and St. Mary's counties, a public school employee already includes JROTC instructors for collective bargaining purposes.

Regional Schools

Under the federal Strengthening Career and Technical Education for the 21st Century Act, states are provided grants to implement career and technical education (CTE) programs in their secondary schools and postsecondary institutions. In addition, the law requires states to develop sequences of academic and CTE coursework, called programs of study, that prepare students for postsecondary degrees or industry-recognized credentials. Many of the programs of study, which range from plumbing and culinary arts to aerospace engineering and cybersecurity, include or encourage apprenticeship or pre-apprenticeship opportunities. ***Chapter 583 of 2020*** authorized the county boards of education of Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties to establish a regional CTE school under certain conditions and contingent on the enactment of ***Chapter 36 of 2021*** (The Blueprint for Maryland's Future – Implementation). For additional discussion of The Blueprint, see the subpart "Primary and Secondary Education" of this Part L.

The Act specified that a regional CTE school may be established only if the county boards of education and governing bodies of two or more of the specified counties as well as the board of trustees of a public institution of higher education in any of those counties, if applicable, approve of the school. Each of the parties to the agreement must enter into a binding memorandum of understanding (MOU) that provides for the governance, operations, financing, and maintenance of the regional CTE school. In addition, any State or local education aid required by State law must be calculated and distributed as required by law unless otherwise agreed to in the MOU. Further, a regional CTE school must comply with all regulations and statutory provisions governing other public schools and must operate under the terms of the collective bargaining agreement in effect in the county where the school is located. Finally, the Act required the Interagency Commission on School Construction to study and develop a State and local cost-share formula for county boards of education that choose to collaborate and operate a regional school involving one or more county boards.

Education – Early Childhood/Libraries/Miscellaneous

Early Childhood Programs

In recent years Maryland has been striving to strengthen availability and access to high quality early education and programs and services for all families in the State and to expand the childhood education professional workforce.

Child Care Subsidy Program

The Child Care Scholarship (CCS) Program is a federally subsidized program in which vouchers are provided to eligible working families to pay for child care. The State pays the subsidy to providers, while the family pays the required copayment and any remaining balance between the actual rate charged by the provider and the voucher amount. CCS provider rates are a weekly rate determined by the region, type of provider, and age of the child.

Chapters 525 and 526 of 2022 required the Maryland State Department of Education (MSDE) to award a subsidy to an individual in an amount sufficient to ensure that an individual will not have to pay a copay for child care if the individual provides proof of (1) participation in one of several specified assistance programs and (2) employment or enrollment in an education or career training program. The Acts also required the department to establish a process for granting presumptive eligibility for a subsidy under the CCS Program and to make recommendations regarding expanding access to the CCS Program. The Acts also established the Child Care Scholarship Program Presumptive Eligibility Fund for awarding subsidies through presumptive eligibility.

Child Care Centers and Family Child Care

The State Board of Education must adopt rules and regulations for licensing and operating child care centers that meet specified requirements. ***Chapters 243 and 244 of 2021*** required the State to include in its regulations probationary employment qualifications for an individual who is applying for the first time to be a child care teacher in a child care center in the State that serves preschool or school-age children who are at least three years old. A qualified individual may be employed as a child care teacher during a six-month probationary period while completing specified training requirements.

In addition to child care centers, the State also licenses and regulates family child care providers, who are eligible to serve up to 8 children in a residence other than the child's residence, and large family child care providers, providers authorized to serve up to 12 children. ***Chapters 437 and 438 of 2021*** established the Growing Family Child Care Opportunities Pilot Program in MSDE. The program provides grants to establish and support local pilot programs in the State that increase the supply and ensure the sustainability of family child care providers. Among other specified requirements, grant recipients must provide technical assistance and

financial incentives for recruited individuals as they navigate the department's process to become a registered family child care provider.

COVID-19 Response: The COVID-19 pandemic had a devastating effect on child care providers in the State and throughout the country. In the 2021 American Rescue Plan Act, the federal government allocated $38.9 billion to address the nationwide crisis. Of this money, Maryland was allocated $309.1 million to be used for child care stabilization to assist providers in reopening, staying open (including keeping staff on payroll), maintaining safe and healthy learning environments, and providing mental health supports to children and employees and $192.9 million to be used more flexibly to increase access to child care and compensation for early child care workers.

As a result, the General Assembly passed a number of bills during the 2022 session designed to aid child care providers:

- ***Chapter 466 of 2022*** established a Child Care Capital Support Revolving Loan Fund to provide no-interest loans for capital expenses to child care providers who participate in the CCS Program. The fund will receive $15 million in fiscal 2023 and $10 million in fiscal 2024;

- ***Chapters 206 and 207 of 2022*** required MSDE, in fiscal 2022 and 2023, to administer child care stabilization grants to provide financial support to child care providers that have faced a financial hardship or suffered an operational burden during the COVID-19 pandemic. The Acts required the department to award $50 million in grants during fiscal 2022; an additional $3.2 million was included in the fiscal 2023 operating budget for this purpose; and

- ***Chapter 594 of 2022*** required the Governor to include $16 million in the fiscal 2023 budget for the department to distribute bonuses to specified child care providers and employees.

Programs for Children with Disabilities

Infant and Early Childhood Mental Health Support Services Program: Chapter 494 of 2022 codifies the Infant and Early Childhood Mental Health Support Services Program within MSDE. The program assists enrolled children by (1) referring children and families in need of intensive mental or behavioral health services to appropriate clinics or programs; (2) training, coaching, and mentoring teachers and caregivers to address challenging behaviors; (3) building partnerships with community resources; (4) working to ensure children have stable, quality child care programs; and (5) awarding grants to carry out the program. Beginning in fiscal 2024, the Governor must include $3.0 million in the annual budget for the program.

Chapters 498 and 499 of 2022 established the Therapeutic Child Care Grant Program within MSDE to provide grants to certain providers that provide specialized child care and early

education to children under the age of six years who have delays in development, physical disabilities, or delays in social, emotional, or behavioral functioning.

Maryland Infants and Toddlers Program: The Infants and Toddlers Program within MSDE provides early intervention services for children with developmental delays and disabilities and their families beginning at birth until the child reaches kindergarten age. Screenings under the program are procedures or activities carried out by, or under the supervision of, the local lead agency or early intervention service provider to identify infants and toddlers suspected of having a disability and in need of early intervention services. ***Chapter 469 of 2022*** required a child care program to make information regarding the Infants and Toddlers Program available to the parent or guardian of each child younger than age three at least annually. On request of a parent or guardian, a child care program must also assist with scheduling a time and convenient location for the local lead agency to provide the appropriate screening.

Libraries

Funding Programs

Library Aid Program: The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library program. Overall, the State provides 40% of the minimum program, and the counties provide 60%. The State/local share of the minimum program varies by county depending on local wealth. Fiscal 2023 funding totals $44.7 million, a $3.0 million increase compared to fiscal 2022. This includes $1.0 million in enhanced funding under ***Chapters 496 and 497 of 2022***, which increased the per capita funding amounts under the library aid program over a five-year period. The per capita funding amounts increase from $17.10 in fiscal 2022 to $19.10 by fiscal 2027, with per capita funding set at $17.50 in fiscal 2023.

State Library Network: The State provides funds to libraries designated as resource centers, including the State Library Resource Center in Baltimore City, and to regional resource centers, including the Eastern Resource Center in Salisbury, the Southern Resource Center in Charlotte Hall, and the Western Resource Center in Hagerstown. Participating regional resource centers must receive a minimum amount of funding for each resident of the area served to be used for operating and capital expenses. Fiscal 2023 State library network funding totals $21.0 million, an increase of $1.2 million over fiscal 2022. This includes $430,300 in enhanced funding under ***Chapters 496 and 497***, which increased the per capita funding amounts for regional resource centers over a five-year period. The per capita funding amounts increase from $8.75 in fiscal 2022 to $9.99 in fiscal 2027, with per capita funding set at $9.19 in fiscal 2023.

Enoch Pratt Free Library: Chapters 401 and 402 of 2021 required the Governor to continue to provide $3.0 million in the State budget annually beginning in fiscal 2023 to support additional operating expenses for branches of the Enoch Pratt Free Library that increase their operating hours above the hours in effect as of January 1, 2016. Baltimore City must provide a 25% funding match.

Capital Projects: During the 2020 session, the General Assembly passed ***Senate Bill 524 and House Bill 1000***. The Governor vetoed the bills, but the General Assembly overrode the vetoes during the 2021 session and the bills became law as ***Chapters 6 and 27 of 2021. Chapters 6 and 27*** increased the annual mandated appropriation for county library capital projects from $5.0 million to $7.5 million.

Library Material

Overdue Material: Chapters 6 and 27 also prohibited a public library from charging a fine and also established restrictions on charging a fee for overdue library materials for a minor.

Electronic Literary Product: Chapters 411 and 412 of 2021 required a publisher who offers to license an electronic literary product to the public to also offer to license the electronic literary product to public libraries in the State on reasonable terms that enable public libraries to provide library users with access to the electronic literary product. The terms of a license may include (1) limitations on the number of people that may access the product simultaneously; (2) limitations on the duration of access to the product; or (3) other specified limitations.

Programs for Children

Maryland Longitudinal Data System

Chapter 190 of 2010 established the Maryland Longitudinal Data System (MLDS) to contain de-identified, individual-level student data and workforce data from all levels of education and the State's workforce. The legislation also established the MLDS Center within State government to serve as a central repository for the data, to ensure compliance with federal privacy laws, to perform research on the data sets, and to fulfill education reporting requirements and approved public information requests.

Chapter 688 of 2019 added juvenile delinquency records and elementary and secondary school discipline records to the types of data that are collected and analyzed by the MLDS Center. It also added the Department of Juvenile Services to the list of entities required to provide student and workforce data sets to the MLDS and added the Secretary of Juvenile Services, or the Secretary's designee, to the Governing Board of the center.

Chapter 306 of 2021 added child welfare data, consisting of out-of-home placement data, family preservation services data, and child protective services data, to the data collected, analyzed, and reported on by the MLDS Center. To that end, the Act added the Social Services Administration within the Department of Human Services to the entities required to provide data sets to the MLDS and added the Secretary of Human Services, or the Secretary's designee, to the membership of the Governing Board of the center.

Chapter 586 of 2021 required State licensing authorities and third-party industry certifiers to provide the MLDS Center with specified professional and occupational license and industry and vocational certificate data for students receiving licenses and certificates.

Under the Blueprint for Maryland's Future, ***Chapter 36 of 2021***, the MLDS Center was tasked with assisting the Accountability and Implementation Board (AIB) with (1) the collection and analysis of data to carry out the board's responsibilities, including by providing a researcher designated by AIB to access necessary data and perform related tasks, and (2) performing an evaluation of the effectiveness of measures taken to increase diversity in teacher preparation programs, teacher candidates, and primary and secondary school teachers in the State. The Act also required the MLDS Center to analyze social determinants from specified State agencies and appropriate local agencies that impact education performance of students and indicate the need for wraparound services of students. This information must be reported to AIB.

School-based Health Centers

A school-based health center (SBHC) is a health center located in a school or on a school campus that provides on-site comprehensive preventative and primary health services. The Maryland School-Based Health Center Policy Advisory Council, established in 2003, is mandated to establish uniform statewide standards for SBHCs. In Maryland, there are two primary models of school health services: (1) a nurse in every school; or (2) a paraprofessional in each school with a registered nurse supervisor covering two to four schools.

Chapter 444 of 2019 required that SBHC standards be revised to (1) repeal requirements that SBHCs have a medical director who is a physician and that a physician consultant be available to SBHC staff to discuss clinical issues as needed and (2) authorized a licensed physician or nurse practitioner to serve as a clinical director or consultant of a SBHC. In response to the COVID-19 pandemic. ***Chapters 347 and 348 of 2021*** required MSDE and the Maryland Department of Health (MDH) to allow health care practitioners in SBHCs to provide services through telehealth.

Prior to the past legislative term, both MSDE and MDH were responsible for jointly administering SBHCs. ***Chapters 605 and 606 of 2021***, however, required MSDE and MDH to develop a plan to transfer primary responsibility for administering SBHC grants and related functions from MSDE to the Bureau of Maternal and Child Health within MDH by October 1, 2021, and to complete the transfer by July 1, 2022.

Maryland Senator Edward J. Kasemeyer College Investment Plan

The College Affordability Act of 2016 first authorized Maryland 529 Investment Plan accounts established after December 31, 2016, to be eligible for a State matching contribution, subject to specified income and other requirements. ***Chapters 435 and 436 of 2021*** added requirements for receiving a State matching contribution within the Maryland Senator Edward J. Kasemeyer College Investment Plan. Specifically, the Acts required an account holder (in addition to the beneficiary) to be a resident of Maryland and file income taxes on or before July 15 of each year. The Acts also altered the income measurement used to determine eligibility for the matching contribution to be Maryland adjusted gross income (instead of Maryland taxable income). A qualified beneficiary must be younger than age 26 in the calendar year before the account holder submits an application to receive a State contribution. The Acts also established a $9,000 cap on

the total State contribution amount received over an account holder's lifetime. A requirement that account holders be at least 18 years old was added by ***Chapters 492 and 493 of 2022***.

School for the Blind

Chapters 423 and 424 of 2021 required the Secretary of Budget and Management to develop a single, uniform pay plan for teachers and other professional personnel at the Maryland School for the Blind (MSB). In developing the pay plan, the Secretary must consider recommendations from the Board of Directors of MSB based on its review of comparable salaries in Baltimore County and must include classifications and pay grades based on the duties, responsibilities, education, and training required.