

THE 90 DAY REPORT

A Review of the
2024 Legislative Session



Department of Legislative Services
Maryland General Assembly

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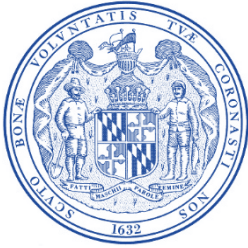
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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Ryan Bishop
Director

April 12, 2024

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

President Ferguson, Speaker Jones, and Members:

We are pleased to present you with *The 90 Day Report – A Review of the 2024 Legislative Session*.

The 90 Day Report is divided into 12 parts, each dealing with a major policy area. Each part contains a discussion of the majority of bills that passed in that policy area, including background information and comparisons to current law. Part A contains information relating to the operating budget, capital budget, and aid to local governments.

We trust that this report will be a useful source of information for all of you as well as for members of the public. The department's report on the fiscal effects of legislation from the 2024 session will be issued after the Governor has taken final action on all bills.

Sincerely,

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VLG:RB/mrm

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Part A

Budget and State Aid

Operating Budget

Overview

Projected general fund cash and structural budget shortfalls led to a more challenging fiscal situation in the 2024 session compared to recent years. The challenges resulted from downward revisions in general fund revenues in September and December 2023, higher than expected spending for child care scholarships, and long-term spending challenges associated with ongoing K-12 education enhancements. During the 2024 session, the March 2024 revenue estimate further reduced general fund revenue expectations. The Transportation Trust Fund (TTF) faced similar challenges at the 2024 session with a significant mismatch between available revenues and desired spending on capital priorities.

Governor Wes Moore introduced a fiscal 2025 budget that reduced general fund spending by \$1.6 billion (5.8%), including \$674.7 million of reductions that were contingent on legislation. The substantial reduction in general fund spending was due in large part to one-time transfers to the Blueprint for Maryland's Future Fund (\$900 million) and transportation (\$100 million) and higher than typical pay-as-you-go (PAYGO) capital funding. As introduced, the budget anticipated a Revenue Stabilization Account (Rainy Day Fund) balance equal to 9.4% of general fund revenues, despite a contingent reduction that eliminated the appropriation to the fund (\$495.5 million). As part of the fiscal 2025 budget plan, the Governor proposed approximately \$33 million in general fund spending contingent on legislation, the largest components of which supported a new grant program related to addressing child poverty through place-based strategies (\$15 million) and a new Center for Firearm Violence Prevention and Intervention in the Maryland Department of Health (MDH) (\$10 million).

The General Assembly added \$260 million in funding to support legislative priorities, including \$89 million of PAYGO in the Department of Housing and Community Development (DHCD) shifted from general obligation (GO) bonds to free up space for capital priorities and \$21 million to fully fund debt service. Legislative action on the budget also restored nearly \$10 million of aid for community colleges, \$5.75 million for resiliency activities, \$5 million for

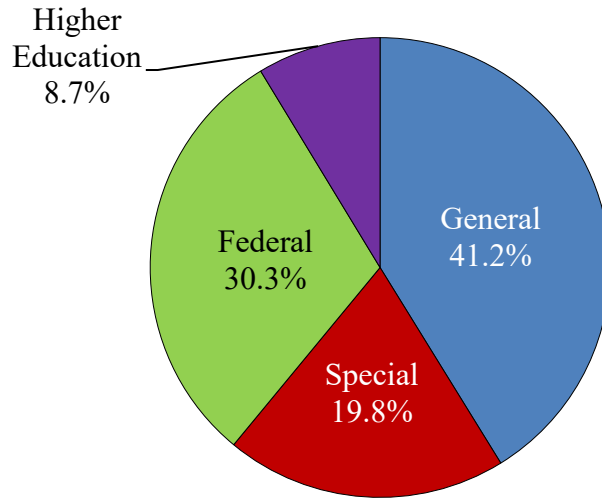
pediatric cancer research, and \$1 million for warrant apprehension activities. The General Assembly also authorized the use of a combined \$199 million in fiscal 2024 and 2025 from the Rainy Day Fund to address shortfalls in entitlement programs and \$275 million to assist individuals and businesses impacted by the reduced operations of the Port of Baltimore. Through final action on *Senate Bill 362 (passed)*, the Budget Reconciliation and Financing Act (BRFA) of 2024, the legislature increased by approximately \$105 million annual funding for the State's trauma system, raised revenue to address transportation needs (\$233.2 million), and provided additional revenue to the Blueprint for Maryland's Future Fund, which along with spending reductions in the budget bill, erased the projected fiscal 2027 shortfall in the fund. Final legislative action on the budget leaves an estimated general fund cash balance of \$109.7 million at the end of fiscal 2025, in addition to \$2.3 billion in the Rainy Day Fund. The legislature once again met all the recommendations of the Spending Affordability Committee (SAC).

Budget in Brief

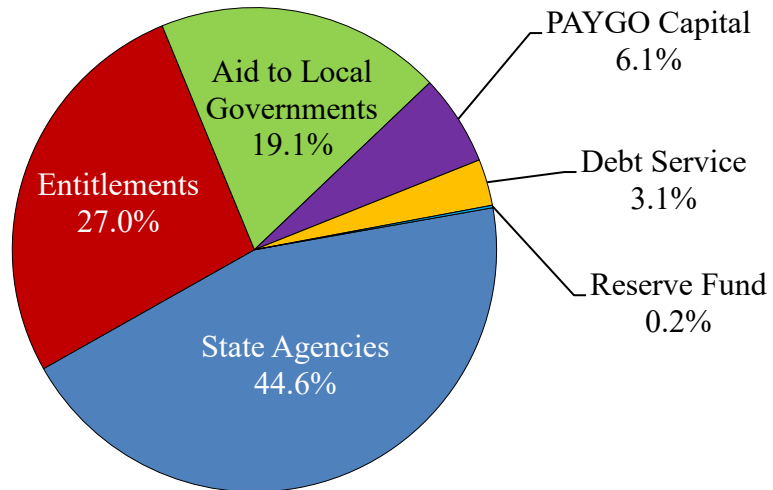
Senate Bill 360 (passed) provides approximately \$63.1 billion in appropriations for fiscal 2025 – a decrease of \$1.1 billion (1.8%) compared to fiscal 2024. **Exhibit A-1.1** illustrates fiscal 2025 spending by fund source and purpose. General funds constitute the largest portion of the State budget, accounting for 41.2%, or \$26 billion, of the total fiscal 2025 legislative appropriation. Federal funds continue to account for approximately 30% of all spending despite a decrease of \$585 million in appropriated funds. Increased use of funds from the Blueprint for Maryland's Future Fund to support K-12 education enhancements and higher transportation spending contribute significantly to a nearly 1 percentage point increase in the proportion of the budget supported by special funds (19.8%). Higher education revenues provide the remaining 8.7% of the budget. State agency operations constitute the largest area of spending, accounting for 44.6% of the total budget, followed by entitlements (27%) and aid to local governments (19.1%). Remaining appropriations fund PAYGO capital spending, debt service on State GO bonds, and appropriations to the Reserve Fund. The share of spending on the Reserve Fund is substantially lower than in fiscal 2024, due to a reduced use of the Dedicated Purpose Account (DPA) and no appropriation to the Rainy Day Fund.

Exhibit A-1.1
Maryland’s \$63.2 Billion Fiscal 2025 Budget

Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose



PAYGO: pay-as-you-go

Note: Does not account for assumed general fund reversions of \$75 million in the fiscal 2025 budget.

Source: Department of Legislative Services

General fund appropriations decrease by \$1.46 billion, or 5.3%, when compared to the fiscal 2024 adjusted working appropriation. The net reduction is driven by comparatively less cash available than in the current fiscal year, thus resulting in approximately \$1.0 billion less in spending for general fund PAYGO to support capital projects that would otherwise be funded through GO bonds and \$1.2 billion less appropriated to the State Reserve Fund accounts primarily due to one-time transfers to the Blueprint for Maryland's Future Fund and for transportation in fiscal 2024. Despite these significant decreases, general fund support for State agencies grows by \$793 million (7.3%), excluding prior year shortfalls funded through deficiency appropriations. This increase is driven by growth in child care scholarships; behavioral health and developmental disability administration provider reimbursements; operating support for the Washington Metropolitan Area Transit Authority (WMATA); and significant investments in personnel, including substantial increases in the State workforce and continued growth in State employee compensation. Aid to local governments increases by approximately \$119 million, primarily in education and library aid (\$145.6 million) due to retirement-related aid and other changes in statutory education funding. These increases are partially offset by a \$31.6 million decrease in disparity grant formula funding. Funding for entitlements is effectively level funded across years and programs, a decrease of \$10 million, or 0.2%. The largest increase (\$7.6 million) is driven by a legislative addition (\$4.2 million) to support an expansion in eligibility and increased benefit levels for the Supplemental Nutrition Assistance Program (SNAP) Supplemental Benefit for Seniors program in *Senate Bill 35/House Bill 666 (both passed)*.

Special fund spending increases by approximately \$530.4 million, or 4.4%, compared to the fiscal 2024 working appropriation. Of this increase, \$384 million is in Aid to Local Governments. The increased use of special funds from the Blueprint for Maryland's Future Fund to support the statutory formula funding levels for education aid programs accounts for nearly \$300 million of the increase. The remaining share of this increase is in county/municipal aid, primarily related to Higher User Revenue Capital Grants (\$61.2 million). Another substantial driver of the increase is funding for transportation, which increases by nearly \$362 million combined between the operating and capital programs. Operating growth for transportation (\$166 million) is driven by backfilling of federal COVID-19/stimulus aid. Debt service increases special fund appropriations by \$114 million. An increase of \$64 million in special funds in Medical Assistance is driven by a one-time reduction in the deficit assessment in fiscal 2024. These increases are partially offset by a decrease of \$465 million in PAYGO capital primarily due to substantial declines in available transfer tax revenues supporting programs in the Department of Natural Resources (DNR) and Maryland Department of Agriculture and Fiscal Responsibility Funds supporting school construction and higher education.

Federal fund spending in the budget decreases by a net \$585 million, or 3.0%, with reductions to federal support of entitlement programs accounting for the vast majority of the decrease. The decrease in entitlements reflects lower benefit levels in SNAP not yet reflected in the fiscal 2024 budget, fiscal 2023 Medicaid and behavioral health bills paid in fiscal 2024, and enrollment declines in Medicaid and behavioral health. Federal support also declines as the State has spent most of the available federal COVID-19/stimulus aid. These declines are partially offset by an increase of \$366 million in PAYGO capital spending. The transportation capital program

accounts for \$193 million of this increase. Other capital-related increases include \$78 million in DHCD related to broadband and \$48 million for a new State veterans home.

Excluding State general and special funds, current unrestricted and current restricted funding for State public four-year institutions and Baltimore City Community College (BCCC) increases by \$390 million to \$5.5 billion in fiscal 2025. Sales and services of educational activities and auxiliary revenues driven by projected enrollment growth contribute to the increase. The budget assumes in-state tuition rates will rise by 2%.

With respect to State personnel, the size of the regular workforce increases to 85,892 in fiscal 2025, 3,297 more positions than approved by the General Assembly at the 2023 legislative session. The budget provides most State employees a 3% cost-of-living adjustment (COLA) effective July 1, 2024, and increments. Law enforcement union members are provided with a 5% COLA effective July 1, 2024, and increments. The budget also supports an additional increment for employees continuously employed since June 30, 2019, and an increase in the shift differential for certain employees.

Framing the Session: 2023 Interim Activity

Fiscal 2023 closed with a balance that was \$192 million higher than was anticipated at the end of the 2023 session, as shown in **Exhibit A-1.2**. The higher closing balance was primarily the result of reversions exceeding estimates by approximately \$211 million. General fund revenues closed slightly below estimates (\$39 million) primarily due to weaker than expected nonwithholding personal income tax revenues which largely offset strong performance from wage withholding, the corporate income tax, and interest earnings. Absent the State’s revenue volatility policy in that year, which set aside a portion of the nonwithholding income tax revenue estimate exceeding the historical share of revenues from this tax, revenues would have been \$100 million lower.

Exhibit A-1.2 Fiscal 2023 Closeout (\$ in Millions)

	<u>2023</u>
Estimated Closing Balance – July 2023	\$2,392
Revenue and Transfers	
Adjustment to Revenues	-\$39
Transfers	20
Spending	
Reversions Above Estimate	211
Estimated Closing Balance – December 2023	\$2,584

Source: Comptroller of Maryland

SAC Recommendations

As described below, SAC's December 2023 report to the Governor made recommendations concerning the fiscal 2025 spending limit, use of fund balances, State employment, and the TTF.

Spending Limit and Sustainability: During the 2023 interim, significant cash and structural shortfalls were projected for fiscal 2025, with a projected cash shortfall of over \$1 billion. These shortfalls were projected to grow through fiscal 2029. As a result, the committee recommended that the fiscal 2025 budget reduce the structural shortfall by at least 33%, leaving a structural gap of no more than \$508 million. In addition, the committee recommended considering revenue options to ensure that resources are available to appropriately fund the State's priorities, minimizing the enactment of new mandates that are not paid for with new revenue sources, and analyzing strategies to increase the efficiency of State operating and capital investments without reducing services.

Fund Balances and Use of Surplus: Recognizing that a Rainy Day Fund balance of 10% could mitigate the need for deep spending reductions during the next recession, the committee noted that the State should exercise caution in drawing on the fund in fiscal 2025 given the escalating challenges in coming years. The committee recommended considering opportunities to shift planned PAYGO spending, better align ongoing spending with ongoing revenues, and achieve one-time savings. The committees specifically recommended maintaining a Rainy Day Fund balance of at least 8.5% of general fund spending and maintaining a minimum ending fiscal 2025 fund balance of at least \$100 million.

Personnel: The committee recommended pursuing efforts to increase the pace of hiring in order to fully restaff State government. In addition, the committee recommended that agencies prioritize filling currently vacant positions and focus on the conversion of contractual positions before creating new positions. SAC also recommended that the State place particular emphasis on modernizing the hiring process, expanding the labor pool through increased focus on skills, and a statewide analysis of opportunities to create apprenticeship pathways to grow the State's workforce.

Transportation: Chapters 27 and 563 of 2022 expanded the required annual SAC recommendations to include a recommended fund balance for the TTF and a recommended minimum expenditure level for system preservation by the Maryland Department of Transportation (MDOT). With MDOT having identified a 10-year shortfall of nearly \$4 billion between programmed spending for state of good repair and needed spending, SAC recommended a target fiscal 2025 closing balance of at least \$325 million and that system preservation funding total at least \$1.1 billion. In addition, the committee recommended MDOT develop a plan for system preservation spending beyond fiscal 2025 that reduces the state of good repair funding gap by half by the end of fiscal 2040.

Governor's Spending Plan as Introduced

As introduced, the Governor's budget plan for the current fiscal year assumed \$64.2 billion in total spending, including \$27.4 billion in general funds, which left an estimated closing

general fund balance of \$538 million in fiscal 2024. This spending included a net \$1.2 billion in deficiency appropriations, including \$755 million in federal funds – the largest components of which were in entitlement programs including funds to support fiscal 2023 bills to be paid in fiscal 2024. General fund deficiencies added a net \$362.2 million to the working appropriation, including funding for current and prior year shortfalls in the child care scholarship program, prior year shortfalls for entitlements and other programs, and relocation from State Center net of withdrawn appropriations and fund swaps.

The fiscal 2025 budget plan proposed \$63.2 billion in total spending, reflecting a nearly \$1.0 billion (1.6%) decrease from the fiscal 2024 spending plan. General fund spending declined by more than \$1.6 billion, or 5.8%, largely due to one-time transfers to the Blueprint for Maryland’s Future Fund (\$900 million) and for transportation (\$100 million) and significant capital investments through PAYGO funding provided in fiscal 2024. These reductions were partially offset by increases in education aid, primarily due to teacher retirement costs, and State agencies including funding for State employee salary increases. With the Rainy Day Fund balance maintained at 9.4% of general fund revenues in fiscal 2025, *Senate Bill 362 (passed)*, the BRFA of 2024, as introduced, included a provision to eliminate the required fiscal 2025 appropriation. The Governor’s budget plan also contingently reduced an additional \$179.2 million of general funds, of which \$162.3 million were contingent on the BRFA and \$17 million were contingent on other legislation. The largest portions of the contingent reduction (\$86.5 million) were related to formula changes to the Sellinger formula for private higher education institutions and the Cade funding formula for community colleges.

The Administration’s legislative package resulted in \$33.1 million in increased general fund spending, with the most significant increases related to establishing the Engaging Neighborhoods, Organizations, Unions, Governments, and Households (ENOUGH) grant program and a Center for Firearm Violence Prevention and Intervention. The BRFA, as introduced, included additional general fund revenue of \$105.6 million, across fiscal 2024 and 2025, primarily due to the redirection of certain special fund interest, a reduction in certain lottery agent commissions, and a reduction to the amount reserved under the revenue volatility cap.

The budget, as introduced, met all the SAC spending goals by providing an \$103 million closing general fund balance and the equivalent of 9.4% of general fund revenues in the Rainy Day Fund. The Governor’s allowance also reduced the structural shortfall for fiscal 2025 to an estimated \$495 million. **Exhibit A-1.3** details the Governor’s original general fund spending plan for fiscal 2024 and 2025.

Exhibit A-1.3
Governor’s Original Budget Plan – General Funds
Fiscal 2024-2025
(\$ in Millions)

	<u>2024</u>	<u>2025</u>
Opening Balance	\$2,584	\$538
BRE Revenues, Net of Revenue Volatility Adjustment*	\$24,494	\$24,959
Changes to Lottery Agency Commissions, Contingent on the BRFA (<i>Senate Bill 362 (passed)</i>)	3	32
Revenue Due to Redirecting Special Fund Interest, Contingent on the BRFA (<i>Senate Bill 362 (passed)</i>)	2	27
Transfer from the Rainy Day Fund**	479	246
Other Revenues and Transfers, Contingent on the BRFA (<i>Senate Bill 362 (passed)</i>)	194	52
Additional Revenues and Transfers	199	65
Subtotal	\$25,371	\$25,381
Appropriations/Deficiencies	\$27,547	\$26,566
Contingent Reductions	-2.5	-675
Reversions	-127	-75
Subtotal	\$27,417	\$25,817
Adjusted Closing Balance	\$538	\$103

BRE: Board of Revenue Estimates

BRFA: Budget Reconciliation and Financing Act

*Includes a reduction in the revenue volatility adjustment contingent on the BRFA.

**Includes transfers of amounts above 10% and a \$150 million transfer in fiscal 2025 to support the Washington Metropolitan Area Transit Authority.

Source: Governor’s Budget Books, Budget Highlights, Fiscal 2025

Legislative Consideration of the Budget

The 2024 session and legislative consideration of the fiscal 2025 budget was the second one under which the legislature was able to directly increase appropriations for Executive Branch agencies, under authority provided with the approval of the constitutional amendment in November 2020. It was the first in which the authority included the ability to also add funding to the current budget year. **Exhibit A-1.4** summarizes final legislative action on the fiscal 2024

and 2025 budgets, which included submission of two supplemental budgets from the Administration, a revenue write-down, and consideration of budget reconciliation and other legislation. The General Assembly’s final actions on the budget leave an estimated closing general fund balance of approximately \$696 million in fiscal 2024 and \$110 million in fiscal 2025.

Exhibit A-1.4
Final Legislative Budget Action – General Funds
Fiscal 2024-2025
(\$ in Millions)

	<u>2024</u>	<u>2025</u>
Opening Balance	\$2,584	\$696
BRE Revenues (Adjusted for March 2024 Revision and Supplemental Budget)*	\$24,493	\$24,929
Changes to Lottery Agency Commissions, <i>Senate Bill 362</i>	2	21
Revenue Due to Redirecting Special Fund Interest, <i>Senate Bill 362</i>	2	27
Transfer from the Rainy Day Fund**	479	246
Other Revenues and Transfers, <i>Senate Bill 362</i>	343	90
Revenue Impacts of Other Legislation	\$0	-\$16
Additional Revenues and Transfers	199	65
Subtotal	\$25,519	\$25,362
Appropriations/Deficiencies	\$27,547	\$26,566
Supplemental Budgets	14	19
Legislative Additions	31	212
Legislative Reductions	-52	-774
Reversions	-133	-75
Subtotal	\$27,407	\$25,949
Adjusted Closing Balance	\$696	\$110

BRE: Board of Revenue Estimates

*As passed, the Budget Reconciliation and Financing Act of 2024 eliminated the revenue volatility adjustment in fiscal 2024 and 2025, which would otherwise have been \$120 million and \$140 million, respectively.

**Includes transfers of amounts above 10% and a \$150 million transfer in fiscal 2025 to support the Washington Metropolitan Area Transit Authority.

Source: Department of Legislative Services

Following submission of the budget in January 2024, the Governor submitted two supplemental budgets, summarized in **Exhibit A-1.5**, which as submitted added a net of just over \$279.9 million across the current and budgeted fiscal years, including a net \$30.8 million in general fund spending.

Exhibit A-1.5
Summary of Supplemental Budget Spending by Fund
(\$ in Millions)

<u>Supplemental Budget</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Reimb. Funds</u>	<u>Higher Education Funds</u>	<u>Total</u>
No. 1						
Fiscal 2025	\$0.0	\$88.1	\$0.0	\$0.0	\$0.0	\$88.1
No. 2						
Fiscal 2024	11.5	10.7	16.9	0.0	0.0	39.1
Fiscal 2025	19.3	112.7	19.7	0.7	0.3	152.7
Original Spending Impacts	\$30.8	\$211.5	\$36.6	\$0.7	\$0.3	\$279.9
Reductions or Failed Contingencies	-\$0.8	-\$0.3				
Total Spending Impacts	\$30.0	\$211.2	\$36.6	\$0.7	\$0.3	\$279.9
Revenue						
Impacts/Reversions	\$9.8					
Net Impact on General Fund Balance	-\$20.2					

Note: Includes \$1.0 million of current restricted funds that double counts general fund spending and \$29.3 million of special fund spending that double counts general fund spending (\$2.2 million in fiscal 2024 and \$27.2 million in fiscal 2025).

Source: Department of Legislative Services

Supplemental Budget No. 1 had no impact on general fund spending, with the entirety of the increase (\$88.1 million in special funds) funded from the TTF. The funding included in Supplemental Budget No. 1 primarily represented restorations of funds throughout the department from previous reductions with funds available as a result of the general fund operating support for WMATA included in the budget as introduced. In addition, the supplemental budget added 15 new positions and made various adjustments to language. Supplemental Budget No. 2 provided \$190.8 million in total spending and 98 new positions. Legislative reductions and failed

contingencies generated savings of \$1.1 million. The net impact of the Supplemental No. 2 was to reduce the general fund balance by \$20.2 million with additional revenue and reversions partially offsetting new general fund spending of \$30 million.

The Board of Revenue Estimates revised its fiscal 2024 and 2025 general fund revenue estimates downward by a combined \$255.3 million across the two fiscal years in March 2024. Overall, legislative actions, including reductions to Supplemental Budget No. 2 and reductions contingent on legislation, resulted in \$52.0 million in general fund reductions to the fiscal 2024 appropriation and nearly \$1.1 billion in total fund reductions to the fiscal 2025 budget, of which \$774.2 million was general funds.

Legislative Priorities

As shown in **Exhibit A-1.6**, the legislature reallocated approximately \$260 million to directly fund legislative priorities across the State in fiscal 2024 and 2025. This included approximately \$89 million in general fund PAYGO spending for DHCD shifted from the capital budget to create additional GO bond capacity for legislative priorities. The legislature also added \$21 million to fully fund debt service. Legislative action repurposed \$10 million of funding initially appropriated to support *Senate Bill 482 (passed)* (the ENOUGH Act) for specific activities to support the Act, particularly to support local management boards and the creation of a public, centralized database. An additional \$13.1 million in general fund additions is allocated to fund legislation passed during the 2024 session, including \$5 million for rental assistance for the Community Schools Program created in *Senate Bill 370/House Bill 428 (both passed)*, \$4.2 million for expanded eligibility and increased benefit levels for the SNAP Supplemental Benefit for Seniors program in *Senate Bill 35/House Bill 666 (both passed)*, and \$1.0 million for the Access to Attorneys, Advocates and Consultants for Special Education program (*Senate Bill 797/House Bill 903 (both passed)*).

Exhibit A-1.6
Legislative Budget Priorities
(\$ in Millions)

Fiscal 2024 Additions
General Funds

<u>Purpose</u>	<u>Total</u>
PAYGO Capital for Rental Housing Shifted from GO Bonds	\$22.0
Cybersecurity Improvements for State and Local Governments	4.0
Cybersecurity Improvements for Comptroller’s Office	4.0
Other Priorities under \$1.0 million	1.0
Total Fiscal 2024 Additions	\$31.0

**Fiscal 2025 Additions
General Funds**

<u>Purpose</u>	<u>Total</u>
PAYGO Capital for Rental Housing (\$43.1 million), Strategic Demolition Fund (\$30 million), and Homeownership (\$16 million) Shifted from GO Bonds	\$89.1
Fully Fund Debt Service	21.0
Rental Assistance for Community School Families Program	5.0
Emergency Rental Assistance	5.0
ENOUGH Act Grants to Local Management Boards	5.0
Infrastructure Development/ENOUGH Act Grants	5.0
Expand Eligibility and Increase Minimum Benefit for Supplemental Benefit for Seniors	4.2
Restore Grants to Locals for Police Accountability to \$8 Million	4.0
Grant to Maryland Legal Services Corporation for Access to Counsel	3.6
Home Detention Monitoring	3.6
Grant to Living Classrooms	3.5
Operating Funds for Baltimore Regional Neighborhood Initiative (Includes \$240,050 for Coppin Heights CDC, \$150,000 for Jubilee Baltimore, and \$50,000 for Mt. Pleasant Development Corporation)	2.0
Maryland Association of Boards of Education for Health Centers in Prince George's County	2.0
Maryland Loan Assistance Repayment Program for Nurses and Nursing Support Staff	2.0
Department of Legislative Services for Staff Retention and to Address Workload Increases	2.0
Increase Funding for Prince George's County Public-private Partnership Fund	2.0
Grant to Department of Labor for Apprenticeship Programs	2.0
Grant to Boys and Girls Clubs of Metropolitan Baltimore	1.5
Grant to University of Baltimore for the Schaefer Center	1.5
Grant to UMB School of Medicine for Rural Health Equity and Access Scholarship Program	1.4
Access to Attorneys, Advocates, and Consultants for Special Education	1.0
Grant to East Baltimore Neighborhood Development Fund	1.0
Operating Funds for NED	1.0
Grant to Dwyer Workforce Development	1.0
Grant to Maryland School for the Blind for Employee Compensation	1.0
Grant for Drone Based Security System At the Port of Baltimore	1.0
Grant to Cal Ripken Sr. Foundation	1.0
Increase Funds for Maryland Supportive Housing Waiver	1.0
Grant to USM School of Dentistry for Operating Costs of an Emergency Dental Clinic	1.0

<u>Purpose</u>	<u>Total</u>
Grant to Arundel Lodge for Urgent Care for Behavioral Health Needs	1.0
Grant to Maryland Humanities Council for SHINE Grants	1.0
Grant to Maryland Coalition Against Sexual Assault for Rape Crisis Centers	1.0
Grant to Maryland Patient Safety Center	1.0
University System of Maryland School of Dentistry for Pediatric Dental Clinic Services	1.0
Maryland Network Against Domestic Violence	1.0
Grant for Capital Region Violence Intervention Program	1.0
Other Priorities Under \$1.0 million	31.1
Total General Fund Additions	\$212.5

Special Funds

<u>Purpose</u>	<u>Total</u>
Enhance Medicare Part D Health Reimbursement Account Allocations for Eligible School Resource Officers	\$3.6
Child Care Professional Development Fund	3.0
Blueprint Coordinators	3.0
Need-based Financial Aid (Fund Swap)	2.0
Funds for AIB Operations, including 1 New Position	2.0
Office of Correctional Ombudsman	1.4
Other Priorities under \$1 million	1.0
Total Special Fund Additions	\$16.5
Total Fiscal 2025 Additions	\$229.0

AIB: Accountability and Implementation Board
 CDC: Community Development Corporation
 ENOUGH: Engaging Neighborhoods, Organizations, Unions, Governments, and Households
 GO: General Obligation
 NED: National Capital Strategic Economic Development Program
 PAYGO: Pay-as-you go
 SHINE: Strengthening the Humanities in Nonprofits for Equity
 UMB: University of Maryland, Baltimore Campus
 USM: University System of Maryland

Source: Department of Legislative Services

Final Actions Related to SAC

Maintaining Structural Balance: SAC had recommended that the fiscal 2025 general fund budget reduce the structural deficit by at least 33%, leaving a gap of not more than \$508 million. Final revenue and spending actions by the General Assembly resulted in a structural shortfall of \$483 million. **The structural budget goal for fiscal 2025 was met.**

General Fund and State Reserve Fund Balances: Per the recommendation to maintain a fiscal 2025 cash balance of at least \$100 million and a minimum of 8.5% balance in the Rainy Day Fund, legislative action resulted in (1) an estimated general fund closing fund balance of \$109.7 million and (2) an estimated Rainy Day Fund balance of \$2.3 billion, or 9.4%, of estimated general fund revenues compared to the December 2023 revenue estimate. From the \$2.3 billion balance, the Governor is authorized to transfer up to \$275 million for the purpose of implementing ***Senate Bill 1188/House Bill 1526 (Ch. 2 and 3)*** (Maryland Protecting Opportunities and Regional Trade Act) and up to \$199 million to address budget shortfalls for Medicaid and foster care. **Final action on the fiscal 2025 budget met the SAC recommendation to maintain at least a \$100.0 million general fund balance in addition to a balance in the Rainy Day Fund of 8.5% of estimated general fund revenues. However, if the Governor exercises the authority to transfer a total of \$474 million from the Rainy Day Fund, the balance will drop to 7.5% of estimated general fund revenues.**

State Employment: During fiscal 2024, new and converted contractual positions were created by the Board of Public Works (BPW), and the fiscal 2025 budget assumes additional contractual conversions. The State's pace of hiring has increased with vacancy levels around 10% in January 2024 compared to almost 13% at times in calendar 2023. The fiscal 2025 budget provides for salary increases for State employees, which should further bolster the State's hiring efforts. The total number of positions authorized at the 2024 session is 3,297 higher than authorized at the 2023 session. **The personnel goals for fiscal 2025 were met.**

Transportation: The fiscal 2025 budget as enacted includes \$1.36 billion for system preservation and a target closing balance of \$325 million for the TTF compared to the SAC goals of at least \$1.1 billion for system preservation and a \$325 million closing balance. **The transportation goals for fiscal 2025 were met.**

Outlook for Future Budgets

As shown in **Exhibit A-1.7**, fiscal 2025 is projected to end with a general fund balance of \$110 million. Ongoing spending exceeds ongoing revenues in fiscal 2025 by \$483 million. The structural deficit increases to \$1.7 billion in fiscal 2026 and reaches over \$3 billion by fiscal 2028. Between fiscal 2025 and 2029, ongoing spending is projected to grow at an average annual rate of 5.7%, outpacing ongoing revenues, which are estimated to grow at an average annual rate of 3.0%. The structural gap grows substantially beginning in fiscal 2028 as the Blueprint for Maryland's Future costs exceed the available Blueprint revenues and \$1.9 billion of general funds are required to close the gap.

Legislation passed during the 2024 session increases general fund revenues by \$188 million over the period from fiscal 2025 to 2029 and increases general fund spending for fiscal 2026 through 2029 by \$400 million (including \$88.5 million of mandated spending). Actions in the fiscal 2025 budget and the BRFA of 2024 increase the resources available in the Blueprint for Maryland’s Future Fund, thereby decreasing general fund need in fiscal 2027 by \$464 million.

Legislation affecting general fund revenues with a projected five-year impact of \$25 million or more includes:

- ***Senate Bill 474 (passed)*** allows generating units or facilities, specifically those that are used to produce electricity and meet specified requirements, to be constructed without obtaining either (1) a Certificate of Public Convenience and Necessity or (2) approval to construct from the Public Service Commission under the Certificate of Public Convenience and Necessity process. In addition, the bill alters the distribution of income tax revenues from corporations that are attributable to certain data centers to direct a portion of the revenue to the Strategic Energy Investment Fund. As a result, general fund revenues decrease by \$2.6 million in fiscal 2026, \$9 million in fiscal 2027, \$10.2 million in fiscal 2028, and \$11.2 million in fiscal 2029, for a total revenue reduction of \$33 million over the four-year period.

Legislation affecting general fund spending with a projected five-year impact of \$25 million or more includes:

- ***Senate Bill 376 (passed)*** requires the Governor to include general funds in the annual budget for the MPowering Joint Steering Council to be used exclusively for the University of Maryland Institute for Health Computing. Under the bill, the Governor must allocate \$6.5 million in fiscal 2026, \$8 million in fiscal 2027, \$9.5 million in fiscal 2028, and \$11 million in fiscal 2029, for a total increase of \$35 million in general fund spending.
- ***Senate Bill 430 (passed)*** codifies the existing Community Health and Safety Works Grant Program and establishes a related special fund within DHCD. Under the bill, general fund spending increases by \$10 million each year beginning in fiscal 2026 to capitalize the special fund.
- ***Senate Bill 453/House Bill 576 (both passed)*** require an Assisted Outpatient Treatment Program be established in each county by July 1, 2026, and sets standards for assisted outpatient treatment programs. In any county that does not opt to establish its own program, MDH must establish a program in the county. Under the bills, general fund spending increases annually between \$11.8 million and \$11.9 million from fiscal 2026 to 2029.
- ***House Bill 814 (passed)*** makes numerous changes to the juvenile justice process in Maryland that require additional personnel and operating expenses across the Department

of Juvenile Services, the Office of the Public Defender, the Governor’s Office of Crime Prevention and Policy, and the Office of the Attorney General. Under the bill, ongoing general fund spending increases annually between \$10.5 million to \$11.3 million from fiscal 2026 through 2029, totaling \$43.6 million in increased spending.

- **House Bill 1203 (passed)** establishes the Strategic Infrastructure Revolving Loan Program and Fund in the Maryland Economic Development Corporation (MEDCO) to make loans for targeted investments in real estate and infrastructure projects to support specified economic, community development, inclusion, and equity objectives. Under the bill, general fund spending for MEDCO is projected to increase by \$20 million annually from fiscal 2026 through 2029, for a total of \$80 million in general fund spending growth over the four-year period.

Exhibit A-1.7
General Fund Budget Outlook
Fiscal 2025-2029
(\$ in Millions)

	Leg. Approp. <u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	Avg. Annual Change <u>2025-2029</u>
Revenues						
Opening Fund Balance	\$696	\$110	\$0	\$0	\$0	
Transfers	246	0	0	0	0	
One-time Revenues	5	11	12	13	19	
One-time Revenues – Legislation	88	0	0	0	0	
Subtotal One-time Revenue	<i>\$1,036</i>	<i>\$121</i>	<i>\$12</i>	<i>\$13</i>	<i>\$19</i>	
Ongoing Revenues	\$24,849	\$25,320	\$26,126	\$27,184	\$28,102	
Revenue Adjustments – Legislation	174	-49	-54	22	7	
Subtotal Ongoing Revenue	<i>\$25,023</i>	<i>\$25,270</i>	<i>\$26,073</i>	<i>\$27,206</i>	<i>\$28,110</i>	3.0%
Total Revenues and Fund Balance	<i>\$26,059</i>	<i>\$25,391</i>	<i>\$26,084</i>	<i>\$27,219</i>	<i>\$28,129</i>	1.9%
Ongoing Spending						
Operating Spending	\$25,647	\$27,043	\$28,123	\$30,520	\$31,830	
Ongoing Reductions/Additions	-141	-137	-594	-133	-138	
Ongoing Spending – Legislation	0	104	97	99	100	

	Leg. Approp. <u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	Avg. Annual Change <u>2025-2029</u>
Subtotal Ongoing Spending	\$25,506	\$27,010	\$27,626	\$30,486	\$31,792	5.7%
One-time Spending	\$443	\$85	\$190	\$190	\$190	
Total Spending	\$25,949	\$27,095	\$27,816	\$30,676	\$31,982	5.4%
Ending Balance	\$110	-\$1,704	-\$1,732	-\$3,457	-\$3,854	
Rainy Day Fund Balance*	\$2,343	\$2,414	\$2,487	\$2,563	\$2,648	
Balance over 5% of GF Revenues	1,097	1,155	1,188	1,207	1,248	
As % of GF Revenues	9.4%	9.6%	9.6%	9.5%	9.5%	
Structural Balance	-\$483	-\$1,739	-\$1,554	-\$3,280	-\$3,683	

GF: general fund

*The Governor is authorized to transfer up to \$474 million from the balance in the Rainy Day Fund to address entitlement underfunding (\$199 million) and respond to the impact of the slowdown of activity at the Port of Baltimore (\$275 million). If the Governor transfers the full amount authorized over fiscal 2024 and 2025 and no reimbursement from federal funds or other sources is available, the fund balance will fall to less than \$2 billion or 7.5% of general fund revenues in fiscal 2025 and similar levels in subsequent years.

Source: Department of Legislative Services

Budget Reconciliation and Financing Act

As summarized in **Exhibit A-1.8, *Senate Bill 362 (passed)***, the BRFA, results in a combined impact of \$1.15 billion on the fiscal 2025 budget plan. Transfers and revenue actions provide a combined \$745.0 million to the general fund across fiscal 2024 and 2025. General fund expenditures decrease by \$32.2 million combined in fiscal 2024 and 2025, while special fund expenditures decrease by \$7.2 million. The BRFA provides significant additional revenue for trauma care (\$104.8 million), the TTF (\$233.2 million), and the Blueprint for Maryland’s Future Fund (\$91.4 million) in fiscal 2025 and subsequent years.

Exhibit A-1.8
Summary of Actions in the Budget Reconciliation and Financing Act
Fiscal 2024-2025
(\$ in Millions)

	<u>Amount</u>
Transportation Trust Fund Revenue	\$233.2
Trauma Care Revenue	104.8
Blueprint for Maryland's Future Fund Revenue	91.4
Transfer to the Blueprint for Maryland's Future Fund	40.0
Transfers to the General Fund	431.6
General Fund Revenue Actions	313.5
Special Fund Contingent Appropriations	99.8
Special Fund Contingent Addition	3.6
Expenditure Reductions (General and Special Funds)	39.4
Total Fiscal 2024 and 2025 Impact of BRFA on Budget Plan	\$1,150.4

BRFA: Budget Reconciliation and Financing Act

Source: Department of Legislative Services

The BRFA also includes three provisions that provide ongoing general fund relief but are not counted in the impacts of the BRFA on the budget plan because the fiscal 2025 reductions were taken directly by the legislature.

- The Sellinger funding formula for private institutions of higher education is altered to count only undergraduate students at the institutions. In addition, the percentage of State aid per full-time equivalent student (FTES) provided to the institutions through the formula is increased from 15.5% to 16.1%. The combined impact of these changes reduces general fund spending on the formula by \$61.3 million in fiscal 2025.
- The required retirement reinvestment contribution, above the actuarially required level, is reduced from \$75 million to \$50 million annually beginning in fiscal 2025, for general fund savings of \$21.6 million in fiscal 2025. In addition, the provision repeals the requirement to reduce the pension contribution by the amount of certain administrative fees beginning in fiscal 2026.
- The \$5 million mandate for the Business Façade Improvement Fund in DHCD is authorized to be met with either general funds or GO bonds.

General Fund Revenue and Transfer to the General Fund

As summarized in **Exhibit A-1.9**, the BRFA includes provisions that result in an additional \$745 million combined in fiscal 2024 and 2025 to the general fund, including transfers totaling \$431.6 million and revenue actions totaling \$313.5 million. Approximately \$219.6 million of the transferred amounts are from funds allocated to the DPA for various purposes, which include cybersecurity (\$149.5 million), PAYGO projects (\$44 million), critical maintenance at State parks (\$14 million), and funds allocated in fiscal 2023 for various one-time purposes which were not expended (\$12.1 million). An additional \$150 million in transfers is from the Local Income Tax Reserve Account representing an overallocation to the account net of canceled repayments. Two additional provisions transfer \$60 million from the Unemployment Insurance Trust Fund (the State’s self-insured fund) and \$2.0 million of surplus funds for the BCCC Bard Building demolition.

Exhibit A-1.9 General Fund Revenue and Transfers Fiscal 2024 and 2025

<u>General Fund Revenue Actions</u>	<u>Amount</u>
Reduce the Amount of Funds Reserved Due to Revenue Volatility Cap	\$260.0
Reduce Lottery Agent Commissions for Sales from 6.0% to 5.75% and the Commission for Cashing of a Ticket from 3% to 2%	22.4
Redirect Interest from a Variety of Special Funds	29.3
Transportation Network Company Impact Fee	1.3
Repeal the Small Business Relief Tax Credit	1.3
Certain Sales and Use Revenue from Electricity Related to Electric Vehicle Charging Diverted to Transportation Trust Fund	-0.8
	\$313.5
<u>Transfers to the General Fund</u>	
Local Income Tax Reserve Account: Overallocation Based on Closeout Review, Net of Canceled Repayments	\$150.0
DPA: Cybersecurity	149.5
Unemployment Insurance Trust Fund (State Self-insured Fund)	60.0
DPA: PAYGO – Renovations to 2100 Guilford Avenue	28.9
DPA: State Facilities Renewal for DNR Critical Maintenance	14.0
DPA : PAYGO – MDEM Headquarters Renovation and Expansion Project at Camp Fretterd Military Reservation	9.1
DPA: Assisted Living Facilities, Hospitals, and Nursing Homes	7.6
DPA: PAYGO – Conowingo Dam Dredging	6.0
DPA: Learning in Extended Academic Programs	4.5

General Fund Revenue Actions**Amount**

Withdrawal of Funding for Bard Building Demolition	2.0
	\$431.6

DNR: Department of Natural Resources

DPA: Dedicated Purpose Account

MDEM: Maryland Department of Emergency Management

PAYGO: pay-as-you go

Source: Department of Legislative Services

Of the \$313.5 million in general fund revenue impacts in fiscal 2024 and 2025, the vast majority (\$260 million) represent adjustments to the nonwithholding income taxes that must under certain circumstances be removed from the calculation of general fund revenue (revenue volatility adjustment). The adjustments of \$120 million in fiscal 2024 and \$140 million in fiscal 2025 were eliminated in the BRFA, but no change was made to the out-year adjustments, which are set at 2% beginning in fiscal 2026. The remaining increases in general fund revenue result from:

- a provision that redirects interest from a variety of special funds to the General Fund from fiscal 2024 through 2028 (\$29.3 million combined in fiscal 2024 and 2025);
- a provision that reduces commissions for lottery agents for sales from 6% to 5.75% and for the cashing of winning tickets from 3% to 2% (\$22.4 million combined in fiscal 2024 and 2025);
- a provision that repeals the Small Business Relief Tax Credit (\$1.3 million in fiscal 2025); and
- two provisions that support the TTF but have general fund impacts, for a net increase of \$0.6 million in fiscal 2025.

Transportation Trust Fund Revenue and Other Transportation Actions

Five actions in the BRFA increase revenue to the TTF by an estimated \$233.2 million in fiscal 2025 increasing to \$328.2 million in fiscal 2029, as summarized in **Exhibit A-1.10**. These provisions:

- increase vehicle registration fees on a phased-in schedule over three years, with increases varying by vehicle weight;

- impose a Transportation Network Company Impact fee, for all passenger trips of \$0.75 or \$0.50 depending on circumstances;
- establish an annual surcharge for electric vehicles, set to \$125 for zero emission vehicles and \$100 for plug-in electric vehicles;
- assign to the TTF sales and use tax revenues attributable to the sale of electricity at electric vehicle charging stations or electricity used to charge electric vehicles that are not sold under a residential or domestic rate schedule; and
- raise the voluntary dealer processing fee, which is subject to the vehicle excise tax, from \$500 to \$800.

Exhibit A-1.10
Transportation Trust Fund Revenue
Fiscal 2025-2029

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Vehicle Registration Fees	\$168.9	\$201.0	\$253.3	\$253.3	\$253.3
Transportation Network Company Impact Fee	37.4	40.1	41.9	43.6	46.5
Raise Dealer Processing Charge to \$800	15.3	15.3	15.3	15.3	15.3
Electric Vehicles Annual Surcharge (Zero Emission at \$125 and Plug-in Electric at \$100)	10.8	10.8	10.8	10.8	10.8
Assign Sales Tax Revenue from Electricity to Charge Electric Vehicles to the TTF	0.9	1.1	1.5	1.8	2.3
Total	\$233.2	\$268.3	\$322.8	\$324.8	\$328.2

TTF: Transportation Trust Fund

Source: Department of Legislative Services

The provisions also require that funds from the Transportation Network Company Impact fee be deposited into a separate account within the TTF. A provision also requires the transportation revenues raised through the BRFA to be allocated within MDOT and prohibits revenue from the changes to the vehicle registration fee from being credited to the Gasoline and Motor Vehicle Revenue Account. However, the provision does not prohibit the department from

providing grants to local governments to restore transportation aid. An additional provision repeals and reestablishes the Maryland Commission on Transportation Revenue and Infrastructure Needs with alterations to the membership and an advisory committee.

Trauma-related Care

The BRFA includes provisions to increase revenue to support the trauma system in Maryland. These provisions increase the surcharge on vehicle registrations by \$23 per year (\$46 for a biennial registration), providing an estimated additional \$104.8 million per year. From the \$23 increase in the surcharge \$4 is for the Maryland Trauma Physician Services Fund (MTPSF) (\$18.3 million), \$9 is allocated to Shock Trauma (\$41.0 million), and the balance goes to the Maryland Emergency Services Operation Fund (\$45.6 million). The MTPSF also is assigned 20% of fine revenue related to impaired driving. These fines are also increased through a provision in the BRFA; however, revenue impacts of this increase are not estimated.

Actions in the BRFA also make adjustments to the use of the MTPSF to:

- expand the purpose of the fund to include the documented costs of trauma healthcare practitioners, in addition to trauma physicians;
- increase the maximum amount of reimbursable on-call hours that a Level II trauma center may receive;
- alter the maximum reimbursement rates for on-call costs;
- provide up to \$1.8 million for grants to certain pediatric trauma centers;
- alter the limit on the amount of grant awards relative to the fund balance and its share of annual revenue; and
- alter certain reporting requirements.

Blueprint for Maryland's Future Fund Actions

Revenue and spending actions in the BRFA and budget resolve a projected fiscal 2027 Blueprint Fund deficit and improve the long-term health of the fund. The BRFA provides additional revenue to the Blueprint for Maryland's Future Fund by:

- transferring \$40 million of balance from the School Construction Revolving Loan Fund which is repealed through the Act;
- increasing the sales and use tax rate for electronic smoking devices from 12% to 20%, and assigning the increased revenue to the Blueprint for Maryland Future Fund; and

- earmarking a share of all tobacco revenue to the Blueprint for Maryland Future Fund beginning in fiscal 2025. The annual earmarks are \$88.3 million in fiscal 2025, 32.6% in fiscal 2026, 33.2% in fiscal 2027, and 16.2% beginning in fiscal 2028.

As shown in **Exhibit A-1.11**, the additional tobacco revenue diverted to the Blueprint for Maryland’s Future Fund in fiscal 2025, 2028, and 2029 represents the estimated revenue from increases in the cigarette tax (a \$1.25 per pack increase from \$3.75 to \$5.00 and 7.5 cents in the floor tax from 17.5 cents to 25 cents) and other tobacco products excluding cigars (an increase of 7 percentage points to 60% of the wholesale price). In each of fiscal 2026 and 2027, the share of tobacco revenue assigned to the Blueprint Fund exceeds the expected revenue from the tax increases by \$76 million.

Exhibit A-1.11
Blueprint Revenue Actions

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Cigarette Tax – Increase \$1.25 Per Pack*	\$86.2	\$73.2	\$70.7	\$68.3	\$65.9
OTP – Increase from 53% to 60% of Wholesale Price (Not Cigars)*	2.1	2.2	2.3	2.3	2.4
Electronic Smoking Devices – Increase from 12% to 20% the Sales and Use Tax Rate	3.1	3.1	3.1	3.2	3.2
Total New Tax Revenues	\$91.4	\$78.5	\$76.1	\$73.8	\$71.5
Portion of Existing Tobacco Revenues Assigned to Blueprint Fund		\$76.0	\$76.0		
Repeal Revolving Loan Fund and Divert Balance (Fiscal 2024)	\$40.0				
Total New Blueprint Revenues	\$131.4	\$154.5	\$152.1	\$73.8	\$71.5

OTP: other tobacco products

*The Budget Reconciliation and Financing Act (BRFA) assigns to the Blueprint Fund a share of tobacco tax revenues equivalent to these amounts in each year. The BRFA also diverts the equivalent of \$76 million of existing tobacco tax revenues to the Blueprint Fund in fiscal 2026 and 2027.

Source: Department of Legislative Services

In addition to revenue actions, two provisions impact Blueprint spending on full day prekindergarten. The inclusion of Tier II children (children with family incomes from 301% to 600% of the poverty) in the funding formula is deferred from fiscal 2025 to 2026 and phased in over two years with fiscal 2026 enrollment counts limited to children at or below 360% of poverty.

This action results in a special fund (Blueprint) reduction of \$7.2 million in fiscal 2025. A second provision increases the per pupil amount in the prekindergarten formula from \$15,598 in fiscal 2027 and \$16,811 in fiscal 2028 to \$19,950 in each year and increases that amount based on inflation beginning in fiscal 2029 (two years earlier than under existing law).

The BRFA also includes a provision to alter the required date for submission of an independent evaluation of the State's progress in implementing the Blueprint for Maryland's Future and achieving the expected outcomes during the implementation period. As amended, the independent evaluation is required to be submitted to the Accountability and Implementation Board (AIB) by December 1, 2026, rather than October 1, 2024, and the AIB is required to use information from the independent evaluation and its own judgement in a report to be submitted to the Governor and General Assembly by January 15, 2027, rather than December 1, 2024.

Expenditure Impacts

As summarized in **Exhibit A-1.12**, the BRFA reduces general fund expenditures by a combined \$32.2 million in fiscal 2024 and 2025, with the majority of the impact in fiscal 2025. The largest reduction (\$12.7 million) occurs due to changes to the Cade funding formula, including removing the hold harmless provision, reducing the percentage of State aid per FTES provided through the formula from 29% to 27.2%, altering the way enrollment is calculated for the community colleges, and changes to the distribution among community colleges. Additional ongoing relief is provided through:

- allowing funds from the Chesapeake and Coastal Bays 2010 Trust Fund to satisfy a mandate from the Tree Solutions Now Act of 2021 (\$2.5 million in each year), which also supports a special fund appropriation of \$2.5 million in fiscal 2024;
- eliminating the mandate for the Office of Attorney General Consumer Protection Division in fiscal 2025, and reducing the mandate to \$350,000 beginning in fiscal 2026; and
- reducing the mandate for the Mel Noland Woodland Incentives and Fellowship Fund from \$1.0 million to \$500,000.

Exhibit A-1.12
Expenditure Impacts of the Budget Reconciliation and Financing Act
Fiscal 2024 and 2025

	<u>2024</u>	<u>2025</u>
Contingent General Fund Reductions		
MHEC: Cade Formula – Alter Formula to Change Enrollment Calculation, Alter Calculation, Remove the Hold Harmless Provisions, and Reduce the Percentage of FTES from 29% to 27.2%		\$12.7
DNR: Authorize the Use of Program Open Space Stateside Balance for the Forest Service and Maryland Park Service in Fiscal 2025 Only		6.7
DNR: Allow Funds from the Chesapeake and Coastal Bays 2010 Trust Fund to Satisfy Mandate for Tree Solutions Now Act of 2021 (Fiscal 2024 and 2025)	\$2.5	2.5
MDH: Authorize the Use of Special Fund Balances from State Board of Examiners of Professional Counselors (\$1.6 Million), State Board of Occupational Therapy Practice (\$0.4 Million), and State Board of Examiners of Psychologists (\$0.4 Million) to Be Used for Programs in BHA		2.6
DPSCS: Expand the Allowable Uses of the Police Training and Standards Commission Fund	2.0	0.0
DNR: Eliminate Mandated Appropriation into the Fisheries Research and Development Fund in Fiscal 2025 Only		1.8
OAG: Eliminate Mandate for the Consumer Protection Division for Fiscal 2025 Only		0.7
DNR: Reduce Mandate for the Mel Noland Woodland Incentives and Fellowship Fund		0.5
MDH: Transfer Funds from the Health Information Exchange Fund to the Medical Care Programs Administration for IT		0.2
	\$4.5	\$27.7
Contingent Special Fund Reductions		
MSDE: Delay Phase In of the Tier II Children in prekindergarten Enrollment		\$7.2
Contingent Special Fund Addition		
DBM: Statewide Account for Increasing Funds for Health Reimbursement Accounts to Implement Chapter 767 of 2019		\$3.6
Contingent Special Fund Appropriations		
DPA: SEIF Transfer for Implementing Climate Reduction Plan		\$90.0
MDH: Senior Prescription Drug Assistance Program Balance for Behavioral Health Services		5.0

	<u>2024</u>	<u>2025</u>
DNR: Allow Funds from the Chesapeake and Coastal Bays 2010 Trust Fund to Satisfy Mandate for Tree Solutions Now Act of 2021	\$2.5	0.0
DPSCS: Expand the Allowable Uses of the Police Training and Standards Commission Fund	2.0	0.3
	\$4.5	\$95.3

BHA: Behavioral Health Administration
 DBM: Department of Budget and Management
 DNR: Department of Natural Resources
 DPA: Dedicated Purpose Account
 DPSCS: Department of Public Safety and Correctional Services
 FTES: full-time equivalent student
 IT: information technology
 MDH: Maryland Department of Health
 MHEC: Maryland Higher Education Commission
 MSDE: Maryland State Department of Education
 OAG: Office of the Attorney General
 SEIF: Strategic Energy Investment Fund

Source: Department of Legislative Services

Three provisions provide one-time relief to the general fund totaling \$9.5 million through the transfer of fund balance to support certain DNR personnel spending from stateside Program Open Space (\$6.7 million), behavioral health related expenses from various health professional boards (\$2.6 million), and Medicaid-related information technology expenses from remaining balance in the health information exchange fund (\$0.2 million). One-time relief is also provided through eliminating the mandated appropriation to the Fisheries Research and Development Fund in fiscal 2025 only. General fund relief is also provided in fiscal 2024, through a provision that alters the allowable uses of the Police Training and Standards Commission Fund in fiscal 2024 and 2025 only (\$2 million), this provision also supports \$2.3 million in special fund appropriations that were contingent on this provision.

Additional provisions effectuate special fund appropriations including \$90 million in DPA related to a transfer from the Strategic Energy Investment Fund to implement the Climate Reduction Plan and Climate Solutions Now Act and \$8.6 million from the Senior Prescription Drug Assistance Program (SPDAP) fund balance to support \$5 million of behavioral health services in MDH and increase funds for health reimbursement accounts for certain State retirees enrolling in Medicare Part D. The BRFA permanently expands the allowable uses of the SPDAP fund to include behavioral health services.

Miscellaneous Provisions

The BRFA also contains provisions that do not directly impact spending but expand allowable uses of funds or alter or clarify requirements.

- Expands the allowable uses, in fiscal 2025 only, for Blueprint for Maryland’s Future funding provided for Coordinated Community Supports to include reimbursements for school-based behavioral health services including reimbursing the MDH Medical Care Programs Administration for services provided on a fee-for-service basis through a Medicaid waiver. Language in the Fiscal 2025 Budget Bill limits the use of these funds for this purpose to \$12 million.
- Prohibits an increase in Child Care Scholarship co-payment levels above those in place on January 1, 2024.
- Clarifies that the State aid per FTES for the public four-year institutions for the purposes of the Cade funding formula for community colleges, Sellinger formula for private institutions of higher education, and BCCC is to be counted using the actual FTES enrollment for the second prior year and second prior year actual expenditures.
- Specifies that a required \$10 million distribution to the Local Income Tax Reserve Account, required under existing law in perpetuity, is to repay a prior transfer of \$350 million to the Education Trust Fund beginning in fiscal 2026 and ends the distribution after fiscal 2060 when the ETF is fully repaid from that transfer.
- Delays the requirement that all procurements by the Maryland Transit Administration for buses be for zero-emission buses from fiscal 2025 to 2027 and authorizes the purchase of hybrid buses in certain circumstances.

Selected Budgetary Initiatives and Enhancements

Education

In fiscal 2025, State aid for education grows by \$439.6 million, or 5.1%, providing local school systems with \$9.1 billion in funding for the upcoming fiscal year. These increases were driven primarily by two factors: a significant increase in general funds for teacher retirement, which increases by \$172.2 million (23.1%); and the continued implementation of education reform through the Blueprint for Maryland’s Future. For the 2023-2024 school year, full-time equivalent enrollment increased slightly by 1,140 students, or 0.13%, which is the second year of increases since the start of the COVID-19 pandemic. With the continuation of direct certification through Medicaid, free and reduced-price meal enrollment also increased for a second year by 5,805 students, or 1.3%. Special education and Limited English Proficient enrollment also experienced increases. These enrollment increases account for approximately one-third of the total increase in State aid for education from fiscal 2024 to 2025.

Blueprint funds allocated to State aid and non-State aid programs increases by \$257.4 million, or 15.7%, from \$1.6 billion in fiscal 2024 to \$1.9 billion in fiscal 2025. Increases for Concentration of Poverty and full-day prekindergarten programs are slightly offset by

mandated decreases for Transitional Supplemental Instruction and Blueprint transition grants. To mitigate the eventual impact to the general fund, the General Assembly took a series of actions in *Senate Bill 362 (passed)* (the BRFA of 2024) to provide additional Blueprint fund revenue including the transfer of \$40.0 million of remaining balance available due to the repeal of the School Construction Revolving Loan Fund; and providing new revenue sources for the fund from tobacco tax revenues and the sales and use tax on electronic smoking devices. In fiscal 2025, these new revenue sources will provide approximately \$91.4 million. In fiscal 2026 and 2027, these sources are expected to provide approximately \$150 million in each year, with ongoing levels of approximately \$70 million. A reduction of \$70 million of funding to the Consortium of Community Supports in fiscal 2025 also increases the anticipated closing balance of the Blueprint Fund that year. With an estimated carryover balance of \$2.7 billion from fiscal 2024 and the diversion of additional tobacco tax revenues to the Blueprint fund, resources in fiscal 2025 total \$4.1 billion. With actions taken in the fiscal 2025 budget and BRFA, Blueprint resources provide adequate funding for Blueprint programs through fiscal 2027.

Transportation Needs

Maintaining an adequate capital program in the face of increasing operating spending related to employee compensation, transit service improvements, and increasing costs associated with higher inflation, was a significant challenge coming into the 2024 session. MDOT confronted structural budgetary challenges in the health of the TTF and the need to align the capital *Consolidated Transportation Program (CTP)* with available revenues as it put together its fiscal 2025 budget, and it made significant operating and capital reductions as part of its budget submission.

Budgetary Challenges

The draft 2024 CTP released in September 2023 had \$2.1 billion more in spending over six years than the amount of funding projected to be available. Additional operating spending to help WMATA address its fiscal 2025 fiscal shortfall, combined with decreased general fund support for the TTF, required approximately \$2.6 billion in combined revenue increases and spending cuts to bring CTP spending within available resources. The final 2024 CTP issued in January 2024 aligned spending with available funding through a combination of revenue increases and spending reductions.

The 2024 financial forecast assumes \$81 million per year in additional revenues beginning in fiscal 2025 from fee adjustments over which the department has rate-setting authority. In December 2023, MDOT announced various spending reductions to address the CTP shortfall, including reductions of 8% to each modal administration's planned fiscal 2025 operating budget. However, reduced operating spending and increased fee revenue was not sufficient to support the level of capital spending included in the September draft CTP, and the final CTP released in January 2024 contained nearly \$1.1 billion less in programmed spending than the September draft.

One-time Supplementary Funding

In the fiscal 2025 budget as introduced, the Governor included \$150 million in general funds as one-time funding to help relieve pressure on the TTF. This funding, budgeted in the DPA to help address the operating budget shortfall for WMATA, freed up an equal amount of TTF special funds that were allocated in Supplemental Budget No. 1 to partially restore reductions made to balance the CTP. This restoration included fully funding Locally Operated Transit Systems and Highway User Revenue grants in fiscal 2025. Capital budget restorations included state of good repair funding for transit to comply with current law. **Exhibit A-1.13** summarizes the reductions and restorations to the operating budget and the restorations made to the capital budget.

Exhibit A-1.13
Reductions and Restorations
Fiscal 2025
(\$ in Thousands)

	<u>Reductions</u>	<u>Restorations</u>	<u>Ongoing Reductions</u>
Operating			
Maryland Aviation Administration	-\$20,440	\$2,800	-\$17,640
Maryland Port Administration	-4,571	233	-4,338
Maryland Transit Administration	-98,000	62,000	-36,000
Motor Vehicle Administration	-15,107	4,425	-10,682
State Highway Administration	-30,522	8,172	-22,350
The Secretary's Office	-9,700	3,350	-6,350
Operating Subtotal	-\$178,340	\$80,980	-\$97,360
Capital (Restorations Only)			
Maryland Transit Administration		\$15,000	
State Highway Administration		2,000	
Highway User Revenue Grants		52,486	
Capital Subtotal		\$69,486	
Grand Total	-\$178,340	\$150,466	-\$97,360

Source: Maryland Department of Transportation; Department of Legislative Services

MDOT's financial forecast for fiscal 2026 and beyond assumes savings from the reductions that were restored through Supplemental Budget No. 1. Consequently, absent identification of alternative ongoing savings of equal magnitude or offsetting revenue increases, the reductions

planned for fiscal 2025 would need to be made in fiscal 2026. However, transportation revenue increases made in *Senate Bill 362 (passed)* (the BRFA of 2024) are expected to generate \$233 million in fiscal 2025 increasing to \$328 million in fiscal 2029. Additional revenue for the TTF is expected to be raised through changes related to highway work zone safety in *House Bill 513 (passed)*. The revenue from these provisions is expected to total \$24 million in fiscal 2025 and 2026 declining to \$12.8 million in fiscal 2029.

Personnel

Employee costs total \$11.9 billion in the fiscal 2025 budget as introduced and represent approximately 19% of the State budget. As passed, the fiscal 2025 budget includes \$445.6 million for statewide salary actions including:

- a 3% general salary increase effective July 1, 2024, and increments for most State employees;
- a 5% general salary increase and increments for employees represented by the State Law Enforcement Officers Labor Alliance effective July 1, 2024;
- an additional increment for employees that have been employed since June 30, 2019;
- an increase in the shift differential for those working outside of normal working hours from \$0.625 per hour to \$1 an hour) for American Federation of State, County, and Municipal Employees (AFSCME) and Maryland Professional Employees Council represented employees; and
- funding for annual salary reviews (ASR).

Legislative action reduced funding for statewide salary actions by \$40 million in fiscal 2025 due to savings in personnel costs from high vacancies.

These increases were partially offset by savings of \$6.0 million due to a reduction in the unemployment insurance rate and \$50 million reflecting the net savings from the transition of Medicare-eligible retirees to Medicare Part D beginning in calendar 2025. Legislative action added \$3.6 million in special funds for the purpose of increasing the amount provided in health reimbursement accounts as part of the Medicare Part D transition, contingent on a provision in the BRFA of 2024 authorizing the use of the special funds for that purpose. Eligible retirees enrolling in Medicare Part D for calendar 2025 will have access to \$750 (for an individual) in their health reimbursement account.

The fiscal 2025 budget provides pension funding above the State's actuarially required contribution. The BRFA of 2024 reduces the required supplemental payment above the actuarially required level from \$75 million to \$50 million beginning in fiscal 2025, and legislative actions on the fiscal 2025 budget account for this reduction.

Workforce Changes

The State workforce increases by 3,297 regular positions to 85,892 regular positions between the fiscal 2024 legislative appropriation and fiscal 2025 legislative appropriation, as shown in **Exhibit A-1.14**. The vast majority of this increase occurred through a combination of contractual conversions and other new positions created through BPW during fiscal 2024 and in the budget as introduced. The budget as introduced reflected planned contractual conversions that have not yet occurred. Supplemental Budgets No. 1 and 2 added a combined 108 positions in the Executive Branch, including 50 positions created through contractual conversions in the Maryland Department of Labor. Legislative action on the budget added 34 new positions in the Executive and Legislative Branches.

Exhibit A-1.14
Regular Full-time Equivalent Position Changes
Fiscal 2024-2025

<u>Department/ Service Area</u>	<u>2024 Leg. Approp.</u>	<u>2025 Allowance</u>	<u>Supplemental Budget</u>	<u>Leg. Changes</u>	<u>2025 Leg. Approp.</u>	<u>2024 Leg. Approp. – 2025 Leg. Approp. Change</u>
Largest Six State Agencies						
Public Safety and Correctional Services	9,217	9,213	-1	0	9,212	-5
Transportation	9,058	9,179	15	0	9,194	136
Health	6,445	7,586	0	1	7,587	1,142
Human Services	5,979	5,979	0	0	5,979	0
State Police	2,544	2,578	0	0	2,578	34
Juvenile Services	2,163	2,143	14	0	2,157	-6
Subtotal	35,405	36,677	28	1	36,706	1,301
Other Executive						
Legal (Excluding Judiciary)	1,629	1,701	14	0	1,715	86
Executive and Administrative Control	1,763	2,043	16	0	2,059	295
Financial and Revenue Administration	2,257	2,315	0	8	2,323	65

<u>Department/ Service Area</u>	<u>2024 Leg. Approp.</u>	<u>2025 Allowance</u>	<u>Supplemental Budget</u>	<u>Leg. Changes</u>	<u>2025 Leg. Approp.</u>	<u>2024 Leg. Approp. – 2025 Leg. Approp. Change</u>
Budget and Management and DoIT	530	558	0	0	558	28
Retirement	192	199	0	0	199	7
General Services Service and Civic Innovation	703	727	0	0	727	24
Natural Resources	32	39	0	0	39	7
Agriculture	1,462	1,499	0	2	1,501	40
Labor	409	426	0	0	426	17
MSDE and Other Education	1,417	1,785	50	9	1,844	426
Housing and Community Development	1,888	2,031	0	2	2,033	146
Commerce	355	446	0	0	446	91
Environment	186	208	0	0	208	22
Subtotal	13,783	14,962	80	21	15,063	1,280
Executive Branch Subtotal	49,187	51,639	108	22	51,769	2,582
Higher Education	28,447	29,145	0	0	29,145	697
Judiciary	4,159	4,165	0	0	4,165	6
Legislature	801	801	0	12	813	12
Total	82,595	85,750	108	34	85,892	3,297

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

Note: Allowance reflects positions as identified in Appendix E of the Governor's Budget Books, which includes contingent contractual conversions in the Maryland Department of Health and other planned transfers and adjustments that have not yet occurred. Figures may not sum due to rounding. Excludes 5 positions added in Supplemental Budget No. 2 and 2 positions added through legislative action that were contingent on legislation that did not pass.

Source: Department of Budget and Management; Department of Legislative Services

By the Numbers

A number of exhibits summarize legislative budget action, as described below.

Exhibit A-1.15, the fiscal note on the budget bill, depicts the Governor’s allowance, funding changes made through two supplemental budgets, legislative additions and reductions, and final appropriations for fiscal 2024 and 2025 by fund source. The Governor’s original request provided for \$63.6 billion in fiscal 2025 expenditures and \$1.2 billion in fiscal 2024 deficiencies.

Supplemental budgets, excluding actions contingent on the BRFA, provided a net of \$247.1 million in additional spending across fiscal 2024 and 2025, of which nearly \$31.6 million was general funds, accounting for a planned reversion, and \$179.6 million was special funds. The legislature made approximately \$1.1 billion in reductions to the fiscal 2025 allowance (\$826.2 million in general funds), adding back approximately \$229 million (\$212.5 million in general funds) to fund targeted priorities. The legislature made an additional \$52 million in general fund reductions to fiscal 2024, adding back approximately \$31.0 million for targeted priorities. When all actions are considered, the fiscal 2025 all fund legislative appropriation reflects a \$1.13 billion decrease from the adjusted fiscal 2024 working appropriation. **Exhibit A-1.16** through **Exhibit A-1.20** provides detail for the budget changes by major expenditure category by fund.

Exhibit A-1.15

Fiscal Note – Summary of the Fiscal 2025 Budget Bill – *Senate Bill 360 (passed) Senate Bill 362 (passed)*

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total Funds</u>
Governor’s Allowance					
Fiscal 2024 Budget	\$27,419,764,021	\$11,961,174,909	\$19,723,586,024	\$5,099,576,126	\$64,204,101,080 ⁽¹⁾
Fiscal 2025 Budget	26,491,280,495	12,312,017,479 ⁽²⁾	19,352,152,715	5,490,263,944	63,645,714,633 ⁽³⁾
Supplemental Budget No. 1					
Fiscal 2024 Deficiencies	\$0	\$0	\$0	\$0	\$0
Fiscal 2025 Budget	\$0	88,121,129	0	0	88,121,129
Subtotal	\$0	\$88,121,129	\$0	\$0	\$88,121,129
Supplemental Budget No. 2					
Fiscal 2024 Deficiencies	\$12,279,672 ⁽⁴⁾	\$6,550,000 ⁽⁵⁾	\$16,900,341	\$0	\$35,730,013
Fiscal 2025 Budget	19,308,861	84,940,961 ⁽⁶⁾	19,719,260	-717,344	123,251,738 ⁽⁷⁾
Subtotal	\$31,588,533	\$91,490,961	\$36,619,601	-\$717,344	\$158,981,751
Budget Reconciliation and Financing Act of 2024					
Fiscal 2024 Contingent Reductions	-\$4,500,000	\$0	\$0	\$0	-4,500,000
Fiscal 2024 Contingent Appropriations	0	4,500,000	0	0	4,500,000
Fiscal 2025 Contingent Reductions	-27,685,456	5,258,105 ⁽⁸⁾	0	0	-22,427,351
Fiscal 2025 Contingent Appropriations	0	95,300,000	0	0	95,300,000
Fiscal 2025 Contingent Addition	0	3,600,000	0	0	3,600,000
Subtotal	-\$32,185,456	\$108,658,105	\$0	\$0	\$76,472,649
Legislative Reductions					
Fiscal 2024 Deficiencies	-\$47,543,934	\$0	\$0	\$0	-\$47,543,934
Fiscal 2025 Budget	-746,472,058 ⁽⁹⁾	-99,463,399	-216,214,468	0	-1,062,149,925
Total Reductions	-\$794,015,992	-\$99,463,399	-\$216,214,468	\$0	-\$1,109,693,859

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total Funds</u>
Legislative Additions					
Fiscal 2024 Deficiencies	\$31,039,000	\$0	\$0	\$0	\$31,039,000
Fiscal 2025 Budget	\$212,499,000	\$12,890,000	\$0	\$0	\$225,389,000 ⁽¹⁰⁾
Total Additions	\$243,538,000	\$12,890,000	\$0	\$0	\$256,428,000
Appropriations					
Fiscal 2024 Budget	\$27,411,038,759	\$11,972,224,909	\$19,740,486,365	\$5,099,576,126	\$64,223,326,159
Fiscal 2025 Budget	25,948,930,842	12,502,664,275	19,155,657,507	5,489,546,600	63,096,799,224
Change	-\$1,462,107,917	\$530,439,366	-\$584,828,858	\$389,970,474	-\$1,126,526,935

⁽¹⁾ Reflects \$1.2 billion in proposed deficiencies, including \$359.7 million in general funds, \$64.1 million in special funds, \$754.8 million in federal funds, \$2.6 million in current unrestricted funds, and \$2.1 million in current restricted funds. Assumes \$75.0 million in unspecified general fund reversions and includes \$52.0 million in targeted general fund reversions. Excludes \$203.6 million in special funds that double counts general fund spending.

⁽²⁾ Excludes \$53.7 million of special funds that double counts general fund spending. Excludes \$3.7 million of special fund contingent appropriations for which the bill did not pass.

⁽³⁾ Includes \$13.3 million in general fund contingent appropriations. Assumes \$75.0 million in unspecified general fund reversions.

⁽⁴⁾ Includes \$1.25 million of planned reversions. Excludes a \$2.0 million reduction contingent on the Budget Reconciliation and Financing Act.

⁽⁵⁾ Excludes \$2.2 million of special funds that double counts general fund spending and a \$2.0 million special fund appropriation that is contingent on the Budget Reconciliation and Financing Act.

⁽⁶⁾ Excludes \$27.2 million of special funds that double counts general fund spending, including \$20 million that is contingent on legislation, and a \$300,000 special fund appropriation that is contingent on the Budget Reconciliation and Financing Act. Excludes \$0.3 million of special fund contingent appropriations for which the bill did not pass.

⁽⁷⁾ Includes \$6.6 million of appropriations, including \$5.4 million in general funds and \$1.2 million in special funds, that are contingent on legislation.

⁽⁸⁾ Includes \$12.4 million of assumed special funds to replace general fund reductions that are contingent on legislation.

⁽⁹⁾ Includes \$13.4 million of reductions that are contingent on legislation.

⁽¹⁰⁾ Includes \$23.3 million in additions contingent on legislation, excludes an addition of \$3.6 million in special funds that is contingent on the Budget Reconciliation and Financing Act.

Source: Department of Legislative Services

Exhibit A-1.16
State Expenditures – General Funds
Fiscal 2023-2025
(\$ in Millions)

<u>Category</u>	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Working</u> <u>Appropriation</u>	<u>2025</u> <u>Legislative</u> <u>Appropriation</u>	<u>\$ Change</u>	<u>% Change</u> <u>2024 to 2025</u>
Debt Service	\$430.0	\$425.1	\$397.1	-\$28.0	-6.6%
County/Municipal	\$393.8	\$456.0	\$420.6	-\$35.4	-7.8%
Community Colleges	434.8	475.5	476.9	1.4	0.3%
Education/Libraries	7,109.9	7,227.2	7,372.8	145.6	2.0%
Health	106.1	115.8	123.2	7.4	6.4%
Aid to Local Governments	\$8,044.7	\$8,274.4	\$8,393.5	\$119.1	1.4%
Foster Care Payments	\$253.6	\$268.5	\$261.3	-\$7.2	-2.7%
Assistance Payments	123.5	122.7	130.4	7.6	6.2%
Medical Assistance	4,465.5	4,880.1	4,866.5	-13.6	-0.3%
Property Tax Credits	77.4	76.4	79.4	3.0	3.9%
Entitlements	\$4,920.0	\$5,347.7	\$5,337.6	-\$10.2	-0.2%
Health	\$2,018.8	\$2,362.6	\$2,622.4	\$259.8	11.0%
Human Services	450.5	520.1	510.7	-9.4	-1.8%
Juvenile Services	292.3	312.9	339.1	26.2	8.4%
Public Safety/Police	1,807.7	1,895.3	1,978.7	83.3	4.4%
Higher Education	2,032.6	2,209.5	2,328.0	118.5	5.4%
Transportation	0.0	1.1	151.1	150.0	n/a
Other Education	703.9	913.0	940.4	27.4	3.0%
Agriculture/Natural Res./Environment	200.0	234.5	225.0	-9.5	-4.1%
Other Executive Agencies	1,395.6	1,651.5	1,768.5	117.0	7.1%
Judiciary	646.2	667.9	689.6	21.7	3.2%
Legislative	143.3	152.3	160.4	8.2	5.4%
State Agencies	\$9,690.9	\$10,920.7	\$11,713.9	\$793.2	7.3%
Deficiencies (for prior years)	\$0.0	134.5	0.0	-\$134.5	-100.0%
Total Operating	\$23,085.6	\$25,102.5	\$25,842.1	\$739.6	2.9%
Capital ⁽¹⁾	\$2,043.5	\$1,173.0	\$168.3	-\$1,004.7	-85.7%
Subtotal	\$25,129.1	\$26,275.5	\$26,010.4	-\$265.0	-1.0%
Reserve Funds	\$2,843.1	\$1,210.6	\$13.5	-\$1,197.1	-98.9%
Appropriations	\$27,972.1	\$27,486.0	\$26,023.9	-\$1,462.1	-5.3%
Reversions	\$0.0	-\$75.0	-\$75.0	\$0.0	0.0%
Grand Total	\$27,972.1	\$27,411.0	\$25,948.9	-\$1,462.1	-5.3%

⁽¹⁾ Includes the Historic Revitalization Tax Credit Reserve Fund.

Note: The fiscal 2024 working appropriation reflects \$323.7 million in deficiencies plus \$128.3 million in reversions including \$53.3 million in targeted reversions. It also reflects legislative additions of \$31.0 million.

Exhibit A-1.17
State Expenditures – Special and Higher Education Funds*
Fiscal 2023-2025
(\$ in Millions)

<u>Category</u>	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Working</u> <u>Appropriation</u>	<u>2025</u> <u>Legislative</u> <u>Appropriation</u>	<u>\$ Change</u> <u>2024 to 2025</u>	<u>% Change</u>
Debt Service	\$1,256.0	\$1,443.2	\$1,556.9	\$113.7	7.9%
County/Municipal	\$478.0	\$513.5	\$598.2	\$84.7	16.5%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	869.3	1,500.7	1,799.5	298.9	19.9%
Health	0.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	<i>\$1,347.3</i>	<i>\$2,014.2</i>	<i>\$2,397.8</i>	<i>\$383.6</i>	<i>19.0%</i>
Foster Care Payments	\$2.3	\$2.2	\$2.3	\$0.1	3.6%
Assistance Payments	8.3	15.6	8.8	-6.8	-43.9%
Medical Assistance	792.8	681.1	745.0	63.8	9.4%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$803.4</i>	<i>\$699.0</i>	<i>\$756.0</i>	<i>\$57.1</i>	<i>8.2%</i>
Health	\$780.8	\$745.6	\$675.8	-\$69.8	-9.4%
Human Services	150.6	167.2	153.5	-13.7	-8.2%
Juvenile Services	1.8	4.2	3.4	-0.8	-19.0%
Public Safety/Police	174.1	211.4	200.2	-11.2	-5.3%
Higher Education	5,590.8	5,268.6	5,640.4	371.8	7.1%
Other Education	151.0	287.5	270.3	-17.2	-6.0%
Transportation	1,959.6	2,332.9	2,498.8	165.9	7.1%
Agriculture/Natural Res./Environment	311.7	356.8	366.0	9.2	2.6%
Other Executive Agencies	936.1	1,295.1	1,446.8	151.7	11.7%
Judiciary	63.5	79.7	84.3	4.7	5.9%
Legislative	0.0	0.0	0.0	0.0	n/a
<i>State Agencies</i>	<i>\$10,119.9</i>	<i>\$10,749.0</i>	<i>\$11,339.4</i>	<i>\$590.4</i>	<i>5.5%</i>
Total Operating	\$13,526.6	\$14,905.3	\$16,050.1	\$1,144.8	7.7%
Capital	\$1,293.1	\$2,166.5	\$1,852.1	-\$314.4	-14.5%
Transportation	904.6	1,204.3	1,400.2	195.9	16.3%
Environment	225.7	254.7	209.6	-45.1	-17.7%
Other	162.8	707.4	242.3	-465.2	-65.8%
<i>Subtotal</i>	<i>\$14,819.7</i>	<i>\$17,071.8</i>	<i>\$17,902.2</i>	<i>\$830.4</i>	<i>4.9%</i>
Reserve Funds	\$0.0	\$0.0	\$90.0	\$90.0	n/a
Grand Total	\$14,819.7	\$17,071.8	\$17,992.2	\$920.4	5.4%

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

Note: The fiscal 2024 working appropriation reflects deficiencies of \$80.5 million. Fiscal 2024 excludes \$205.7 million and fiscal 2025 excludes \$80.8 million that double counts general fund spending.

Exhibit A-1.18
State Expenditures – Federal Funds
Fiscal 2023-2025
(\$ in Millions)

<u>Category</u>	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Working</u> <u>Appropriation</u>	<u>2025</u> <u>Legislative</u> <u>Appropriation</u>	<u>\$ Change</u> <u>2024 to 2025</u>	<u>% Change</u>
Debt Service	\$6.4	\$7.5	\$4.9	-\$2.6	-34.7%
County/Municipal	\$56.7	\$83.1	\$82.1	-\$1.0	-1.2%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	1,212.1	1,242.1	1,197.5	-44.5	-3.6%
Health	0.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	<i>\$1,268.8</i>	<i>\$1,325.2</i>	<i>\$1,279.6</i>	<i>-\$45.5</i>	<i>-3.4%</i>
Foster Care Payments	\$86.1	\$67.5	\$86.5	\$19.0	28.1%
Assistance Payments	2,108.9	2,239.0	2,042.0	-197.0	-8.8%
Medical Assistance	9,583.9	9,066.1	8,807.2	-258.9	-2.9%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$11,778.9</i>	<i>\$11,372.6</i>	<i>\$10,935.7</i>	<i>-\$436.9</i>	<i>-3.8%</i>
Health	\$2,706.4	\$2,291.8	\$2,235.3	-\$56.5	-2.5%
Human Services	690.3	696.2	688.6	-7.6	-1.1%
Juvenile Services	5.9	9.0	6.3	-2.7	-29.7%
Public Safety/Police	50.4	41.5	37.6	-3.9	-9.5%
Higher Education	0.0	0.0	0.0	0.0	n/a
Other Education	523.7	484.1	374.9	-109.2	-22.6%
Transportation	474.7	248.2	139.9	-108.3	-43.6%
Agriculture/Natural Res./Environment	78.8	107.4	106.4	-1.1	-1.0%
Other Executive Agencies	1,349.4	1,583.8	1,531.3	-52.5	-3.3%
Judiciary	0.5	2.8	2.1	-0.7	-23.3%
Legislature	0.0	0.0	0.0	0.0	n/a
<i>State Agencies</i>	<i>\$5,880.0</i>	<i>\$5,464.8</i>	<i>\$5,122.5</i>	<i>-\$342.4</i>	<i>-6.3%</i>
Deficiencies (for prior years)	0.0	123.6	\$0.0	-123.6	-100.0%
Total Operating	\$18,934.2	\$18,293.7	\$17,342.7	-\$951.0	-5.2%
Capital	\$1,352.5	\$1,446.7	\$1,813.0	\$366.2	25.3%
Transportation	883.8	1,171.2	1,363.8	192.6	16.4%
Environment	213.5	116.8	173.2	56.4	48.3%
Other	255.3	158.7	275.9	117.2	73.8%
Grand Total	\$20,286.7	\$19,740.5	\$19,155.7	-\$584.8	-3.0%

Note: The fiscal 2024 working appropriation reflects deficiencies of \$771.7 million.

Exhibit A-1.19
State Expenditures – State Funds
Fiscal 2023-2025
(\$ in Millions)

<u>Category</u>	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Working</u> <u>Appropriation</u>	<u>2025</u> <u>Legislative</u> <u>Appropriation</u>	<u>\$ Change</u> <u>2024 to 2025</u>	<u>% Change</u>
Debt Service	\$1,686.0	\$1,868.3	\$1,954.0	\$85.7	4.6%
County/Municipal	\$871.9	\$969.5	\$1,018.9	\$49.3	5.1%
Community Colleges	434.8	475.5	476.9	1.4	0.3%
Education/Libraries	7,979.2	8,727.9	9,172.3	444.5	5.1%
Health	106.1	115.8	123.2	7.4	6.4%
Aid to Local Governments	\$9,392.0	\$10,288.6	\$10,791.3	\$502.7	4.9%
Foster Care Payments	\$255.9	\$270.7	\$263.6	-\$7.1	-2.6%
Assistance Payments	131.8	138.3	139.1	0.8	0.6%
Medical Assistance	5,258.3	5,561.3	5,611.5	50.2	0.9%
Property Tax Credits	77.4	76.4	79.4	3.0	3.9%
Entitlements	\$5,723.4	\$6,046.7	\$6,093.6	\$46.9	0.8%
Health	\$2,799.6	\$3,108.2	\$3,298.2	\$190.0	6.1%
Human Services	601.1	687.4	664.2	-23.1	-3.4%
Juvenile Services	294.1	317.1	342.5	25.4	8.0%
Public Safety/Police	1,981.8	2,106.7	2,178.8	72.1	3.4%
Higher Education	7,623.4	7,478.1	7,968.4	490.2	6.6%
Other Education	854.9	1,200.5	1,210.7	10.2	0.8%
Transportation	1,959.6	2,334.0	2,649.9	315.9	13.5%
Agriculture/Natural Res./Environment	511.7	591.3	591.0	-0.3	-0.1%
Other Executive Agencies	2,331.7	2,946.6	3,215.3	268.7	9.1%
Judiciary	709.7	747.5	773.9	26.4	3.5%
Legislative	143.3	152.3	160.4	8.2	5.4%
State Agencies	\$19,810.8	\$21,669.7	\$23,053.4	\$1,383.7	6.4%
Deficiencies (for prior years)	0.0	134.5	0.0	-134.5	-100.0%
Total Operating	\$36,612.2	\$40,007.8	\$41,892.2	\$1,884.5	4.7%
Capital ⁽¹⁾	\$3,336.6	\$3,339.5	\$2,020.4	-\$1,319.1	-39.5%
Transportation	1,081.6	1,371.4	1,400.3	28.9	2.1%
Environment	243.8	271.5	210.6	-60.9	-22.4%
Other	2,011.3	1,696.6	409.5	-1,287.1	-75.9%
Subtotal	\$39,948.8	\$43,347.3	\$43,912.6	\$565.4	1.3%
Reserve Funds	\$2,843.1	\$1,210.6	\$103.5	-\$1,107.1	-91.5%
Appropriations	\$42,791.9	\$44,557.8	\$44,016.1	-\$541.7	-1.2%
Reversions	\$0.0	-\$75.0	-\$75.0	\$0.0	0.0%
Grand Total	\$42,791.9	\$44,482.8	\$43,941.1	-\$541.7	-1.2%

⁽¹⁾ Includes the Historic Revitalization Tax Credit Reserve Fund.

Note: The fiscal 2024 working appropriation reflects \$404.2 million in deficiencies plus \$128.3 million in reversions including \$53.3 million in targeted reversions. It also reflects legislative additions of \$31.0 million. Fiscal 2024 excludes \$205.7 million and 2025 excludes \$80.8 million of special funds that double count general fund spending.

Exhibit A-1.20
State Expenditures – All Funds
Fiscal 2023-2025
(\$ in Millions)

<u>Category</u>	2023	2024	2025	<u>\$ Change</u>	<u>% Change</u>
	<u>Actual</u>	<u>Working</u> <u>Appropriation</u>	<u>Legislative</u> <u>Appropriation</u>		
Debt Service	\$1,692.4	\$1,875.8	\$1,958.9	\$83.1	4.4%
County/Municipal	\$928.5	\$1,052.6	\$1,101.0	\$48.3	4.6%
Community Colleges	434.8	475.5	476.9	1.4	0.3%
Education/Libraries	9,191.3	9,969.9	10,369.9	399.9	4.0%
Health	106.1	115.8	123.2	7.4	6.4%
Aid to Local Governments	\$10,660.8	\$11,613.8	\$12,070.9	\$457.1	3.9%
Foster Care Payments	\$342.0	\$338.2	\$350.1	\$11.9	3.5%
Assistance Payments	2,240.7	2,377.3	2,181.1	-196.2	-8.3%
Medical Assistance	14,842.2	14,627.4	14,418.7	-208.7	-1.4%
Property Tax Credits	77.4	76.4	79.4	3.0	3.9%
Entitlements	\$17,502.3	\$17,419.3	\$17,029.3	-\$390.0	-2.2%
Health	\$5,505.9	\$5,400.0	\$5,533.5	\$133.5	2.5%
Human Services	1,291.4	1,383.5	1,352.9	-30.7	-2.2%
Juvenile Services	300.1	326.1	348.9	22.7	7.0%
Public Safety/Police	2,032.1	2,148.3	2,216.4	68.2	3.2%
Higher Education	7,623.4	7,478.1	7,968.4	490.2	6.6%
Other Education	1,378.6	1,684.6	1,585.6	-99.0	-5.9%
Transportation	2,434.2	2,582.2	2,789.8	207.6	8.0%
Agriculture/Natural Res./Environment	590.5	698.7	697.3	-1.4	-0.2%
Other Executive Agencies	3,681.2	4,530.4	4,746.6	216.2	4.8%
Judiciary	710.2	750.3	776.1	25.7	3.4%
Legislative	143.3	152.3	160.4	8.2	5.4%
State Agencies	\$25,690.9	\$27,134.6	\$28,175.8	\$1,041.3	3.8%
Deficiencies (for prior years)	0.0	258.1	0.0	-258.1	n/a
Total Operating	\$55,546.3	\$58,301.5	\$59,234.9	\$933.4	1.6%
Capital ⁽¹⁾	\$4,689.2	\$4,786.2	\$3,833.4	-\$952.9	-19.9%
Transportation	1,965.4	2,542.6	2,764.1	221.5	8.7%
Environment	457.3	388.3	383.9	-4.5	-1.2%
Other	2,266.5	1,855.3	685.4	-1,169.9	-63.1%
Subtotal	\$60,235.5	\$63,087.7	\$63,068.3	-\$19.4	0.0%
Reserve Funds	\$2,843.1	\$1,210.6	\$103.5	-\$1,107.1	-91.5%
Appropriations	\$63,078.5	\$64,298.3	\$63,171.8	-\$1,126.5	-1.8%
Reversions	\$0.0	-\$75.0	-\$75.0	\$0.0	0.0%
Grand Total	\$63,078.5	\$64,223.3	\$63,096.8	-\$1,126.5	-1.8%

⁽¹⁾ Includes the Historic Revitalization Tax Credit Reserve Fund.

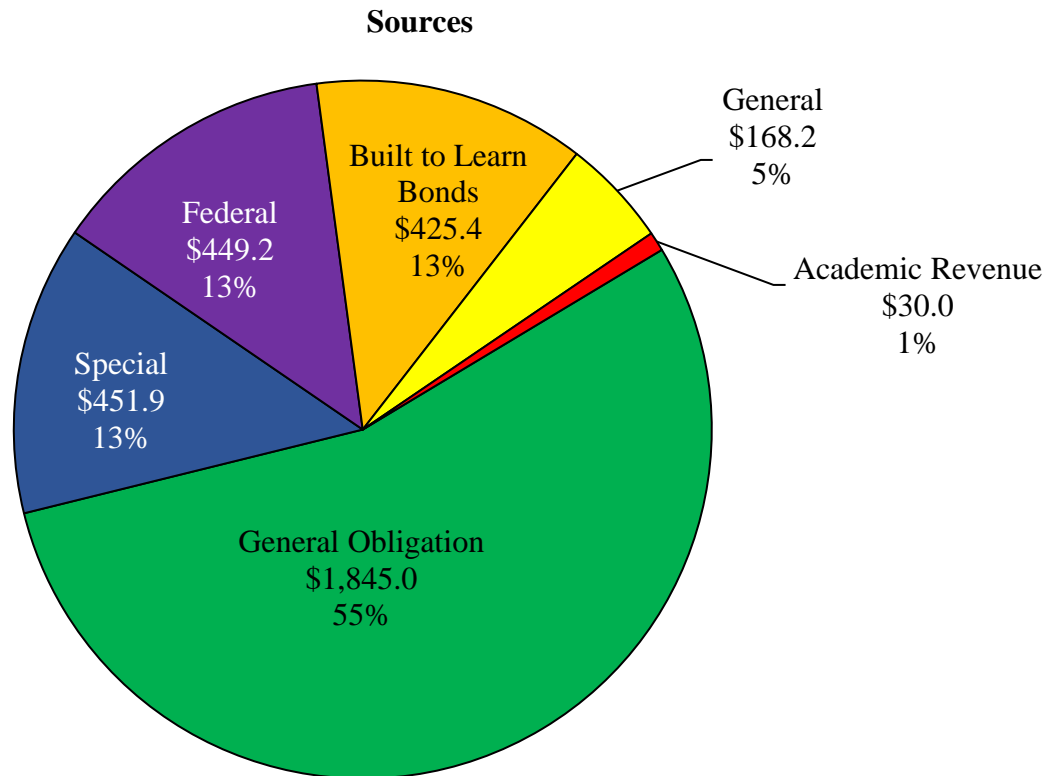
Note: The fiscal 2024 working appropriation reflects \$1.2 billion in deficiencies plus \$128.3 million in reversions including \$53.3 million in targeted reversions. It also reflects legislative additions of \$31.0 million. Fiscal 2024 excludes \$205.7 million and 2025 excludes \$80.8 million of special funds that double count general fund spending.

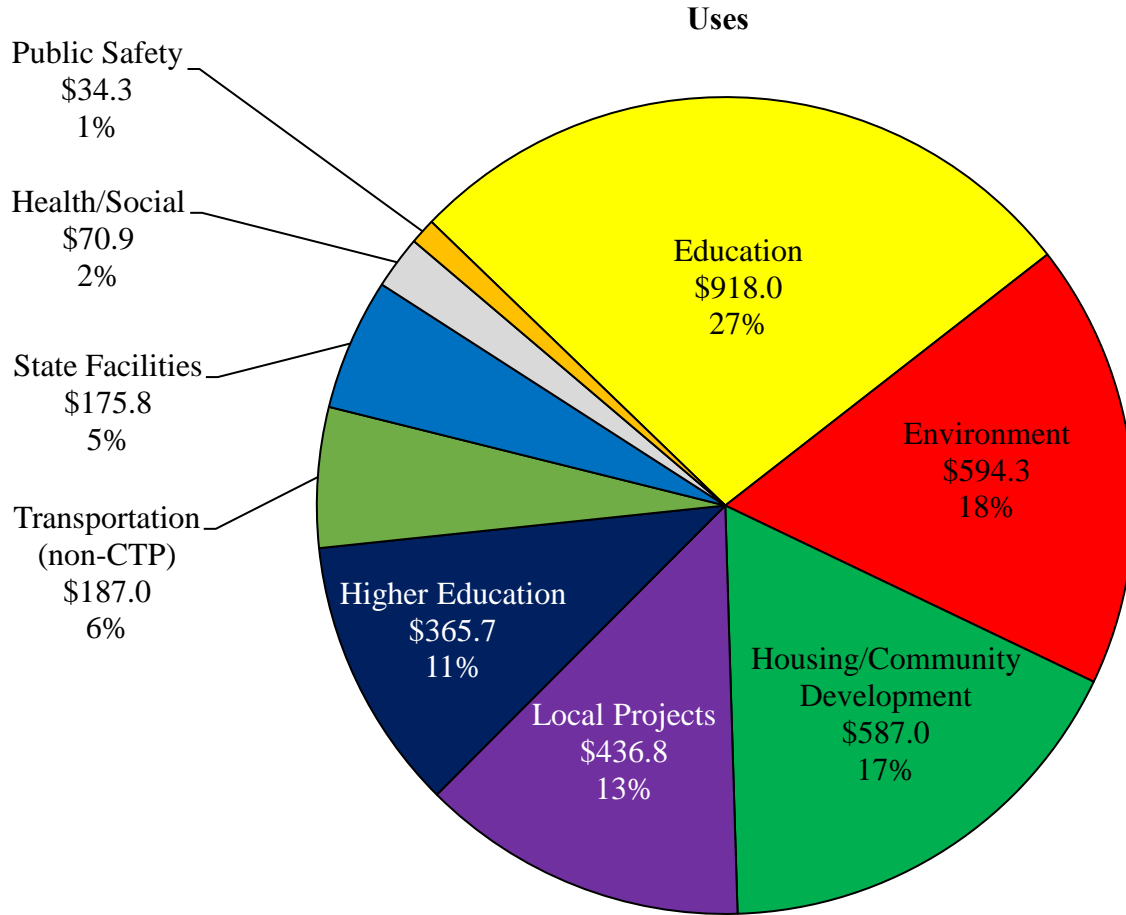
Capital Budget

The General Assembly passed a fiscal 2025 capital program totaling \$6.189 billion, including \$2.819 billion for the transportation program through the *Consolidated Transportation Program* (CTP). Apart from the CTP, the program totals \$3.370 billion: \$1.845 billion is funded with general obligation (GO) bonds authorized in *Senate Bill 361 (passed)*, the Maryland Consolidated Capital Bond Loan (MCCBL) of 2024; \$1.069 billion is funded on a pay-as-you-go (PAYGO) basis in the operating budget comprised of \$168.2 million of general funds, \$451.9 million of special funds, and \$449.2 million of federal funds; \$425.4 million for school construction projects is funded with revenue bonds through the Built to Learn program; and \$30 million for University System of Maryland (USM) facilities is funded with Academic Revenue Bonds authorized in *Senate Bill 1120 (passed)*.

Exhibit A-2.1 provides a summary of the capital program by sources and uses, and **Exhibit A-2.2** provides a detailed list of capital projects and programs by function and fund source. The attached link to the Maryland General Assembly webpage provides a list of the *miscellaneous capital grants, including legislative bond initiative projects* funded in both the operating and capital budget bills of the 2024 session.

Exhibit A-2.1
Fiscal 2025 Capital Program Sources and Uses
(\$ in Millions)





Source: Department of Legislative Services

Exhibit 2.2

Capital Program for the 2024 Session

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
State Facilities							
D55P00A	MDVA: Crownsville Veterans Cemetery Expansion and Improvements Phase IV	\$1,112,000	\$0	\$0	\$0	\$0	\$1,112,000
D55P0602	MDVA: New State Veterans Home	0	0	0	0	47,881,000	47,881,000
DA0201A	MDOD: Access Maryland	1,912,000	0	0	0	0	1,912,000
DA03A	MSA: New Legislative Services Building	16,239,000	0	0	0	0	16,239,000
DE0201A	BPW: Construction Contingency Fund	2,500,000	0	0	0	0	2,500,000
DE0201B	BPW: Fuel Storage Tank System Replacement Program	1,000,000	0	0	0	0	1,000,000
DE0201C	BPW: William Donald Schaefer Tower Renovation	16,500,000	0	0	0	0	16,500,000
DE0201F	BPW: Parole Communications Tower	1,000,000	0	0	0	0	1,000,000
DE0201G	BPW: Louis L. Goldstein Treasury Building	500,000	0	0	0	0	500,000
DE0201H	BPW: Revolutionary War Memorial for Black Soldiers	250,000	0	0	0	0	250,000
DE0211D	BPW: New Supreme Court of Maryland Building	35,400,000	0	0	0	0	35,400,000
DE0211E	BPW: Shillman Building Conversion	18,227,000	0	0	0	0	18,227,000
DH0104A	Military Department: Frederick Readiness Center Renovation and Expansion	4,364,000	0	0	0	5,147,000	9,511,000
DH0104B	Military Department: Glen Burnie Readiness Center Renovation and Expansion	398,000	0	0	0	511,000	909,000
FB04A	DoIT: MD FiRST	17,880,000	0	0	0	0	17,880,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
Y01A02C	DGS: Baltimore State Center Capital Planning and Demolition	0	0	5,000,000	0	0	5,000,000
Subtotal		\$117,282,000	\$0	\$5,000,000	\$0	\$53,539,000	\$175,821,000
Health/Social							
MA01A	MDH: Community Health Facilities Grant Program	\$12,624,000	\$0	\$0	\$0	\$0	\$12,624,000
MA01B	MDH: Demolish Decommissioned Buildings	404,000	0	0	0	0	404,000
MA01C	MDH: Federally Qualified Health Centers Grant Program	9,894,000	0	0	0	0	9,894,000
ML10A	MDH: Renovation of Clifton T. Perkins Hospital North Wing	16,051,000	0	0	0	0	16,051,000
RQ00A	UMMS: University of Maryland Shore Regional Health – New Easton Regional Medical Center	20,000,000	0	0	0	0	20,000,000
RQ00B	UMMS: Capital Region Medical Center – Ella Medical Office Building	2,500,000	0	0	0	0	2,500,000
RQ00C	UMMS: Capital Region Medical Center – Food Medicine Program	125,000	0	0	0	0	125,000
VE01A	DJS: Maryland Youth Residence Center Renovation and Expansion	1,430,000	0	0	0	0	1,430,000
ZA01A	MHA: Kennedy Krieger Children’s Hospital Outpatient Center	1,250,000	0	0	0	0	1,250,000
ZA01B	MHA: Luminis Health Anne Arundel Medical Center Pediatric Emergency Department	1,400,000	0	0	0	0	1,400,000
ZA01C	MHA: Luminis Health Doctors Community Medical Center Emergency Department	1,400,000	0	0	0	0	1,400,000
ZA01D	MHA: Meritus Medical Center Emergency Department	889,000	0	0	0	0	889,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZA01E	MHA: Sheppard Pratt Health System Adolescent School and Residential Treatment Center	500,000	0	0	0	0	500,000
ZA01F	MHA: University of Maryland St. Joseph Medical Center Outpatient Cardiovascular Center	1,400,000	0	0	0	0	1,400,000
ZA01G	MHA: Howard County General Hospital	1,000,000	0	0	0	0	1,000,000
Subtotal		\$70,867,000	\$0	\$0	\$0	\$0	\$70,867,000
Environment							
KA05A	DNR: Community Parks and Playgrounds	\$5,000,000	\$0	\$0	\$0	\$0	\$5,000,000
KA05E110	DNR: Program Open Space – Local	0	0	0	32,146,589	0	32,146,589
KA05E111	DNR: Program Open Space – State	0	0	0	12,638,450	5,000,000	17,638,450
KA05E114	DNR: GreenSpace Equity Program	0	0	0	5,000,000	0	5,000,000
KA05E122	DNR: Rural Legacy Program	0	0	0	15,329,028	0	15,329,028
KA05E137	DNR: Natural Resources Development Fund	0	0	0	907,766	0	907,766
KA05E148	DNR: Ocean City Beach Replacement	0	0	0	2,000,000	0	2,000,000
KA05E149	DNR: Program Open Space Public Access Program	0	0	0	8,063,054	0	8,063,054
KA1401	DNR: Waterway Improvement Fund	0	0	0	21,500,000	2,500,000	24,000,000
KA1701A	DNR: Oyster Restoration Program	2,460,000	0	0	0	0	2,460,000
LA1111	MDA: Agricultural Land Preservation Program	0	0	0	36,493,015	0	36,493,015
LA15A	MDA: Maryland Agricultural Cost Share Program	5,000,000	0	0	0	0	5,000,000
UA0104A	MDE: Hazardous Substance Clean-up Program	0	0	1,000,000	0	0	1,000,000
UA0111A	MDE: Bay Restoration Fund Wastewater Program	0	0	0	60,000,000	0	60,000,000
UA0112A	MDE: Septic System Upgrade Program	0	0	0	15,000,000	0	15,000,000
UA01A	MDE: Comprehensive Flood Management Program	13,059,000	0	0	0	0	13,059,000

Part A – Budget and State Aid

A-45

		Bonds		Current Funds (PAYGO)			
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Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
UA01B	MDE: Maryland Drinking Water Revolving Loan Fund	10,802,000	0	0	25,494,507	93,421,110	129,717,617
UA01C	MDE: Maryland Water Quality Revolving Loan Fund	14,937,000	0	0	109,125,543	79,827,000	203,889,543
UA01D	MDE: Supplemental Assistance Program	3,000,000	0	0	0	0	3,000,000
UA01E	MDE: Water Supply Financial Assistance Program	2,614,000	0	0	0	0	2,614,000
UB00A	MES: State Water and Sewer Infrastructure Improvement Program	570,000	0	0	11,386,000	0	11,956,000
Subtotal		\$57,442,000	\$0	\$1,000,000	\$355,083,952	\$180,748,110	\$594,274,062
Public Safety							
QB0101A	DPSCS: New Life Skills and Re-Entry Center for Women	\$4,025,000	\$0	\$0	\$0	\$0	\$4,025,000
QT04A	DPSCS: Baltimore Therapeutic Treatment Center	19,212,000	0	0	0	0	19,212,000
WA01A	DSP: Barrack J Annapolis Communications Room and New Garage	113,000	0	0	0	0	113,000
WA01B	DSP: Barrack L Forestville New Barrack and Garage	3,890,000	0	0	0	0	3,890,000
WA01C	DSP: Barrack V Berlin New Barrack, Forensic Lab, and Garage	1,613,000	0	0	0	0	1,613,000
WA01D	DSP: Tactical Services Facility New Operations Building	3,527,000	0	0	0	0	3,527,000
ZB02A	DPSCS: New Montgomery County Detention Center	1,897,000	0	0	0	0	1,897,000
Subtotal		\$34,277,000	\$0	\$0	\$0	\$0	\$34,277,000
Education							
D25E032F	IAC: Built to Learn Fund	\$0	\$425,410,000	\$2,000,000	\$27,000,000	\$0	\$454,410,000
D25E03A	IAC: Aging Schools Program	6,109,000	0	0	0	0	6,109,000
D25E03B	IAC: Healthy School Facility Fund	90,000,000	0	0	0	0	90,000,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
D25E03C	IAC: Public School Construction Program	313,891,000	0	0	0	0	313,891,000
D25E03D	IAC: Senator James E. "Ed" DeGrange Nonpublic Aging Schools Program	3,500,000	0	0	0	0	3,500,000
D25E03E	IAC: Supplemental Capital Grant Program for Local School Systems	40,000,000	0	0	0	0	40,000,000
RA11A	MSLA: Public Library Capital Grant Program	7,954,000	0	0	0	0	7,954,000
RE01A	MSD: New Student Residence	2,138,000	0	0	0	0	2,138,000
Subtotal		\$463,592,000	\$425,410,000	\$2,000,000	\$27,000,000	\$0	\$918,002,000
Higher Education							
RB21A	UMB: New Dental Ambulatory Surgery Center	\$1,638,000	\$0	\$0	\$0	\$0	\$1,638,000
RB21B	UMB: New Institute for Health Computing	3,000,000	0	0	0	0	3,000,000
RB21C	UMB: New School of Social Work Building	26,730,000	0	0	0	0	26,730,000
RB22A	UMCP: Campus Building Systems and Infrastructure Improvements	7,500,000	5,000,000	0	0	0	12,500,000
RB22B	UMCP: Graduate Student Housing Site Development	5,000,000	0	0	0	0	5,000,000
RB22C	UMCP: New Interdisciplinary Engineering Building – Zupnik Hall	71,420,000	0	0	0	0	71,420,000
RB22D	UMCP: SECU Stadium – Accessible Seating	1,000,000	0	0	0	0	1,000,000
RB23A	BSU: New Communications Arts and Humanities Building	8,983,000	0	0	0	0	8,983,000
RB23B	BSU: Deferred Maintenance	1,000,000	0	0	0	0	1,000,000
RB24A	TU: Smith Hall Renovation and Reconstruction	32,474,000	0	0	0	0	32,474,000
RB25A	UMES: Campus Flood Mitigation	3,129,000	0	0	0	0	3,129,000
RB25B	UMES: New Agricultural Research Education Center	4,421,000	0	0	0	0	4,421,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
RB25C	UMES: Deferred Maintenance	1,000,000	0	0	0	0	1,000,000
RB27A	CSU: New Residence Hall	11,136,000	0	1,000,000	0	0	12,136,000
RB27B	CSU: Deferred Maintenance	1,000,000	0	0	0	0	1,000,000
RB29A	SU: Blackwell Hall Renovation	27,629,000	0	0	0	0	27,629,000
RB30A	UMGC: Adelphi Building Renovation	1,248,500	0	0	0	0	1,248,500
RB31A	UMBC: Sherman Hall Renovation	18,265,000	0	0	0	0	18,265,000
RB36A	USMO: Rita Colwell Center Deferred Maintenance	11,634,000	0	0	0	0	11,634,000
RB36RB	USMO: Capital Facilities Renewal	0	25,000,000	0	0	0	25,000,000
RC00A	BCCC: Deferred Maintenance	4,000,000	0	0	0	0	4,000,000
RC00B	BCCC: Nursing Building Renovation and Addition	1,289,000	0	0	0	0	1,289,000
RD00A	SMCM: Campus Infrastructure Improvements	2,100,000	0	0	0	0	2,100,000
RD00B	SMCM: Montgomery Hall Renovation	250,000	0	0	0	0	250,000
RI00A	MHEC: Community College Construction Grant Program	39,754,000	0	0	0	0	39,754,000
RI00B	MHEC: Community College Facilities Renewal Grant Program	1,903,000	0	0	0	0	1,903,000
RM00A	MSU: Campus Expansion Phase I Lake Clifton High School Demolition	5,301,000	0	0	0	0	5,301,000
RM00B	MSU: Carter-Grant-Wilson Building Renovation	4,445,000	0	0	0	0	4,445,000
RM00C	MSU: Deferred Maintenance and Site Improvements	6,500,000	0	0	0	0	6,500,000
RM00D	MSU: New Science Center Phase II	22,994,000	0	0	0	0	22,994,000
ZA00R	MICUA: Johns Hopkins University Wyman Park Building Renovation	2,000,000	0	0	0	0	2,000,000
ZA00S	MICUA: Maryland Institute College of Art Main Building Renovation	2,000,000	0	0	0	0	2,000,000
ZA00T	MICUA: Mount St. Mary's University Coad Science Building	2,000,000	0	0	0	0	2,000,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZA00U	MICUA: Notre Dame of Maryland University Fourier Hall Renovation	2,000,000	0	0	0	0	2,000,000
Subtotal		\$334,743,500	\$30,000,000	\$1,000,000	\$0	\$0	\$365,743,500
Housing and Community Development							
D40W0111	MDP: Historic Preservation Loan Program	\$0	\$0	\$0	\$300,000	\$0	\$300,000
DB01A	HSMCC: Site Improvements	2,000,000	0	0	0	0	2,000,000
DW0110A	MDP: African American Heritage Preservation Grant Program	5,000,000	0	0	0	0	5,000,000
DW0110B	MDP: Historic Preservation Grant Fund	600,000	0	0	0	0	600,000
DW400112	MDP: Historic Revitalization Tax Credits	0	0	22,000,000	0	0	22,000,000
SA211930	DHCD: Statewide Broadband Infrastructure Program	0	0	0	0	172,738,401	172,738,401
SA242348	DHCD: Downtown Partnership of Baltimore	0	0	9,000,000	0	0	9,000,000
SA242350	DHCD: Community Development Block Grant Program	0	0	0	0	12,000,000	12,000,000
SA24A	DHCD: Baltimore Regional Neighborhood Initiative	20,500,000	0	150,000	0	0	20,650,000
Section 21	DHCD: East Baltimore Neighborhood Initiative Fund	0	0	1,000,000	0	0	1,000,000
Section 21	DHCD: A Strong Foundation	0	0	50,000	0	0	50,000
SA24B	DHCD: Business Facade Improvement Program	5,000,000	0	0	0	0	5,000,000
SA24C	DHCD: Community Legacy Program	8,000,000	0	0	0	0	8,000,000
SA24D	DHCD: National Capital Strategic Economic Development Fund	19,000,000	0	0	0	0	19,000,000
SA24E	DHCD: Neighborhood Business Development Program	10,000,000	0	0	2,200,000	16,114,000	28,314,000
SA24F	DHCD: Seed Community Development Anchor Institution Fund	10,000,000	0	0	0	0	10,000,000
SA24G	DHCD: Strategic Demolition Fund	30,000,000	0	30,000,000	0	0	60,000,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
SA2515	DHCD: Housing and Building Energy Programs	0	0	0	38,400,000	0	38,400,000
SA25A	DHCD: Appraisal Gap Program	10,000,000	0	0	0	0	10,000,000
SA25B	DHCD: Homeownership Programs	0	0	16,000,000	5,000,000	0	21,000,000
SA25C	DHCD: Partnership Rental Housing Program	6,000,000	0	0	0	0	6,000,000
SA25D	DHCD: Rental Housing Programs	44,938,300	0	43,061,700	19,500,000	9,000,000	116,500,000
SA25E	DHCD: Shelter and Transitional Housing Facilities Grant Program	3,000,000	0	0	0	0	3,000,000
SA25F	DHCD: Special Loan Programs	4,000,000	0	0	4,400,000	5,045,000	13,445,000
TG00A	Commerce: Maryland Arts Capital Grant Program	3,000,000	0	0	0	0	3,000,000
Subtotal		\$181,038,300	\$0	\$121,261,700	\$69,800,000	\$214,897,401	\$586,997,401
Local Projects							
ZA00	Miscellaneous Projects	\$368,804,200	\$0	\$37,957,000	\$0	\$0	\$406,761,200
ZA02	Local Senate Initiatives	15,000,000	0	0	0	0	15,000,000
ZA03	Local House Initiatives	15,000,000	0	0	0	0	15,000,000
Subtotal		\$398,804,200	\$0	\$37,957,000	\$0	\$0	\$436,761,200
Transportation							
JA0105A	MDOT: Washington Metropolitan Transit Authority Upgrades	\$167,000,000	\$0	\$0	\$0	\$0	\$167,000,000
JD0002A	MDOT: Howard Street Tunnel	20,000,000	0	0	0	0	20,000,000
Subtotal		\$187,000,000	\$0	\$0	\$0	\$0	\$187,000,000
Current Year Total (Excluding MDOT CTP)		\$1,845,046,000	\$455,410,000	\$168,218,700	\$451,883,952	\$449,184,511	\$3,369,743,163
Transportation CTP		\$0	\$155,000,000	\$0	\$1,228,209,750	\$1,436,079,910	\$2,819,289,660
Current Year Total (Including MDOT CTP)		\$1,845,046,000	\$610,410,000	\$168,218,700	\$1,680,093,702	\$1,885,264,421	\$6,189,032,823
Deauthorizations							
Deauthorizations as Introduced		-\$42,830,000	\$0	\$0	\$0	\$0	-\$42,830,000
Additional Deauthorizations		-52,216,000	0	0	0	0	-52,216,000
Subtotal		-\$95,046,000	\$0	\$0	\$0	\$0	-\$95,046,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
Total Current Year Less Deauthorizations		\$1,750,000,000	\$610,410,000	\$168,218,700	\$1,680,093,702	\$1,885,264,421	\$6,093,986,823
Fiscal 2024 Deficiencies							
Section 19	IAC: School Construction Revolving Loan Fund	\$0	\$0	-\$20,000,000	\$0	\$0	-\$20,000,000
Section 19	UMB: New Institute for Health Computing	0	0	-2,000,000	0	0	-2,000,000
S00A2509	DHCD: Special Loan Programs	0	0	0	0	2,191,000	2,191,000
S00A2508	DHCD: Homeownership Programs	0	0	0	1,000,000	0	1,000,000
Section 20	DHCD: Rental Housing Programs	0	0	22,000,000	0	10,600,000	32,600,000
Total Fiscal 2024 Deficiencies		\$0	\$0	\$0	\$1,000,000	\$12,791,000	\$13,791,000
Grand Total		\$1,845,046,000	\$610,410,000	\$168,218,700	\$1,681,093,702	\$1,898,055,421	\$6,202,823,823

BCCC: Baltimore City Community College
 BPW: Board of Public Works
 BSU: Bowie State University
 Commerce: Department of Commerce
 CSU: Coppin State University
 CTP: *Consolidated Transportation Program*
 DGS: Department of General Services
 DHCD: Department of Housing and Community Development
 DJS: Department of Juvenile Services
 DNR: Department of Natural Resources
 DoIT: Department of Information Technology
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 HSMCC: Historic St. Mary's City Commission
 IAC: Interagency Commission on School Construction
 MDA: Maryland Department of Agriculture
 MDE: Maryland Department of the Environment
 MDH: Maryland Department of Health
 MDOD: Maryland Department of Disabilities
 MDP: Maryland Department of Planning
 MDOT: Maryland Department of Transportation

MDVA: Maryland Department of Veterans Affairs
 MES: Maryland Environmental Service
 MHA: Maryland Hospital Association
 MHEC: Maryland Higher Education Commission
 MICUA: Maryland Independent College and University Association
 MSA: Maryland Stadium Authority
 MSD: Maryland School for the Deaf
 MSLA: Maryland State Library Agency
 MSU: Morgan State University
 PAYGO: pay-as-you-go
 SMCM: St. Mary's College of Maryland
 SU: Salisbury University
 TU: Towson University
 UMB: University of Maryland, Baltimore Campus
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore
 UMGC: University of Maryland Global Campus
 UMMS: University of Maryland Medical System
 USMO: University System of Maryland Office

Capital Budget Outlook

The fiscal 2025 capital program passed by the General Assembly is consistent with the recommendations of the Spending Affordability Committee (SAC), which set a level of new GO bond authorizations for the 2024 session of \$1.75 billion. The authorization level is \$545 million higher than what was planned in the 2023 *Capital Improvement Program* to help relieve fiscal pressures on the General Fund by using bond funding in place of planned PAYGO general funds.

Excluding the transportation program, the fiscal 2025 capital program of \$3.370 billion is \$147 million above the amount originally introduced by the Governor. Expansion of the capital program includes:

- shifting \$111.062 million of GO bond authorizations from Department of Housing and Community Development (DHCD) programs to be fully replaced with general funds, including \$22 million of fiscal 2024 general fund deficiency appropriations. This frees up a like amount of GO bond authorizations that the General Assembly used for other capital purposes;
- adding \$52.2 million of deauthorizations that further increased the amount of bonds authorized in the 2024 session to \$1.845 billion;
- adding \$1.997 million of general fund PAYGO through Supplemental Budget No. 2, including an additional \$1.0 million for the Coppin State University New Residence Hall and \$997,000 for local project grants; and
- adding \$1.2 million for grants through DHCD via legislative additions in Section 21 of the operating budget bill.

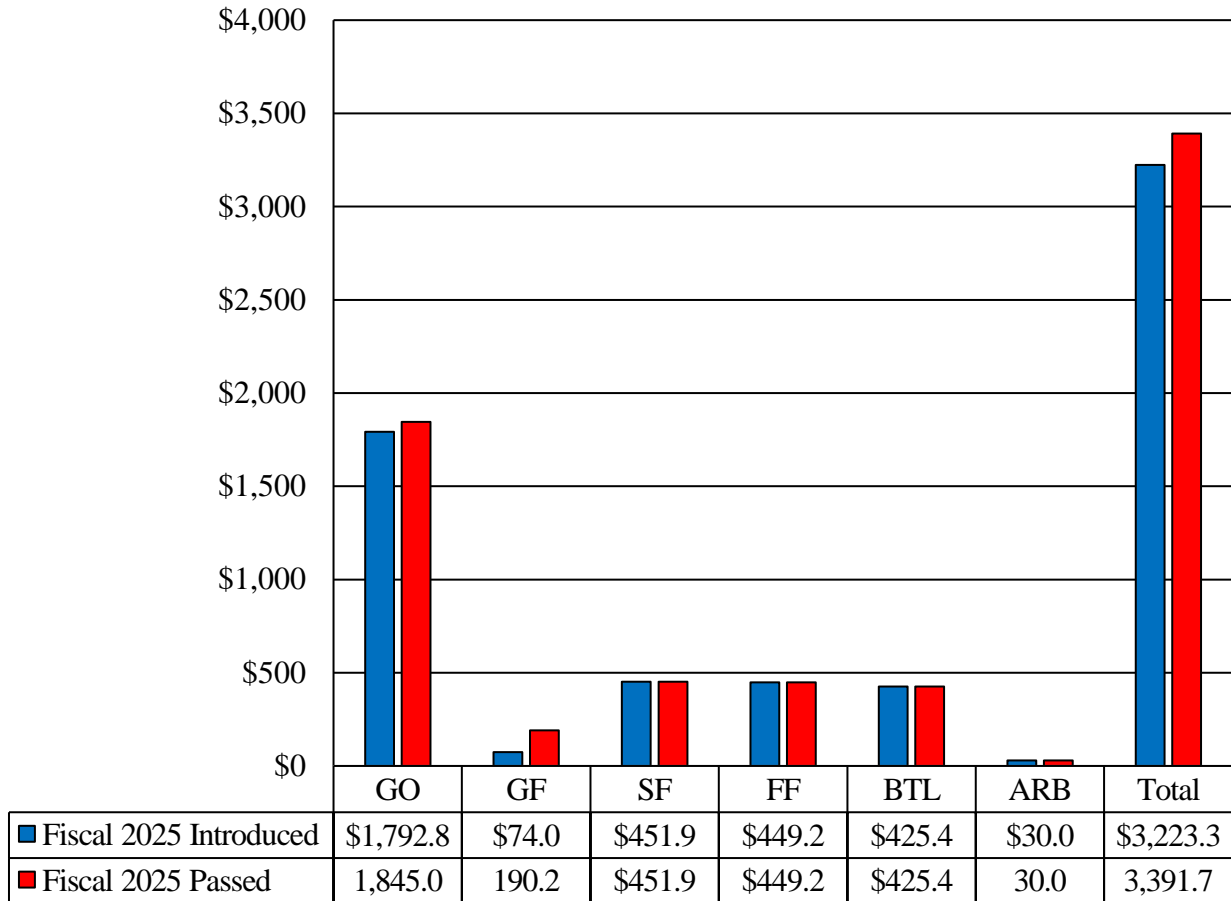
While the final budget includes some minor adjustments to several categories of spending, funding for local miscellaneous capital grants increased by \$146 million above the level originally introduced by the Governor. The four largest areas of investment include:

- **Education:** \$918 million for educational programs, including \$908 million for K-12 education. Notable investments are \$314 million for the traditional public school program; \$454 million for Built to Learn, including \$29 million to fund availability payments for the Prince George's County public-private partnership agreement; \$90 million for the Healthy Schools program, with 50% going to Baltimore City; and \$40 million for the Supplemental Program.

- **Housing and Community Development:** \$609 million for housing and community development programs, including:
 - \$173 million of federal funds made available through the federal Infrastructure Investment and Jobs Act (IIJA) completing the \$267.7 million provided by the IIJA for this purpose;
 - \$145 million to support rental housing programs, including \$10 million set aside to implement the Housing Innovation Pilot Program established by *House Bill 7 (passed)* and \$22 million of fiscal 2024 deficiency appropriations for the DHCD Rental Housing Program; and
 - \$60 million for the Strategic Demolition Program (\$50 million set aside for Project CORE in Baltimore City).
- **Environment:** \$594 million for environmental programs and the development and maintenance of State and local parks throughout the State, including:
 - \$111 million of transfer tax revenues supporting State and local parks and wastewater and water treatment plant projects at State park facilities;
 - \$146 million of federal funds authorized through the IIJA in the Water Quality and Drinking Water revolving loan programs administered by the Maryland Department of the Environment; and
 - \$240 million of special fund revenues and another \$57 million of GO bond funds to support water quality and drinking water programs and the health of the Chesapeake Bay.
- **Higher Education:** \$366 million for higher education, including:
 - \$270 million for USM campuses;
 - \$58 million for the State’s historically Black colleges and universities, including \$38 million for Morgan State University;
 - \$45 million for community college projects, including support with facilities renewal projects at all campuses across the State; and
 - \$8 million for private colleges.

Exhibit A-2.3 and **Exhibit A-2.4** illustrate the budget as introduced compared to the budget as passed by fund source and major funding category, excluding the \$2.819 billion for the transportation program provided through the CTP. **Exhibit A-2.5** lists the deauthorizations included in *Senate Bill 361*.

Exhibit A-2.3
Proposed and Authorized 2024 Session Capital Program by Fund Source
 (\$ in Millions)

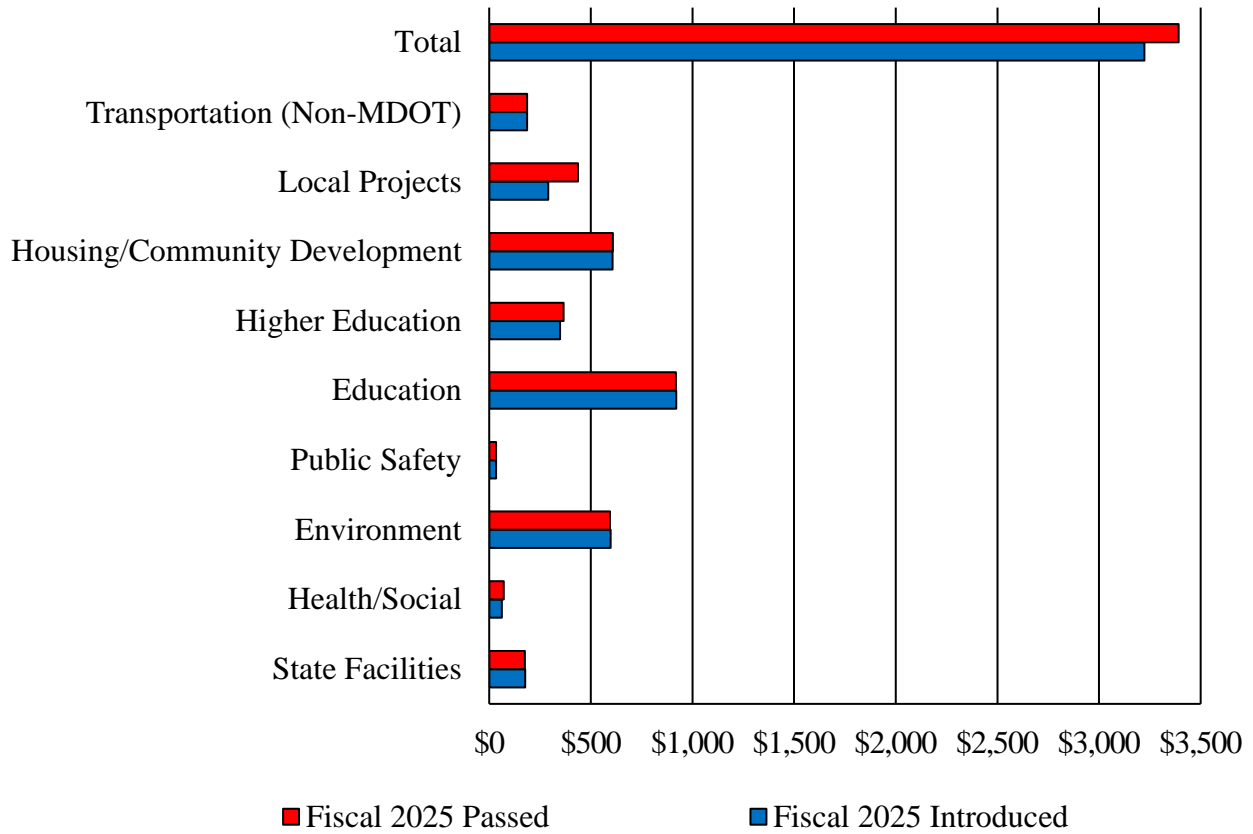


ARB: Academic Revenue Bond
 BTL: Built to Learn Bonds
 FF: federal fund
 GF: general fund
 GO: general obligation
 SF: special fund

Note: Figures include \$22 million of fiscal 2024 general fund deficiency appropriations for the Department of Housing and Community Development Rental Housing Program. Figures exclude funds for transportation provided through the *Consolidated Transportation Program*.

Source: Department of Legislative Services

Exhibit A-2.4
Proposed and Authorized 2024 Session Capital Program by Uses
(\$ in Millions)



MDOT: Maryland Department of Transportation

Note: Figures include \$22 million of fiscal 2024 general fund deficiency appropriations for the Department of Housing and Community Development Rental Housing Program. Figures exclude funds for transportation provided through the *Consolidated Transportation Program*.

Source: Department of Legislative Services

Exhibit A-2.5
Deauthorizations Included in Senate Bill 361

<u>Chapter</u>	<u>Agency</u>	<u>Project Title</u>	<u>Allowance GO</u>	<u>Final</u>
Deauthorizations as Introduced				
Ch 495 of 2015	DMIL	Freedom Readiness Center	-\$354,907	-\$354,907
Ch 9 of 2018	DMIL	Freedom Readiness Center	-1,458,697	-1,458,697
Ch 9 of 2018	Local Jails	Montgomery Pre-Release Center	-463,523	-463,523
Ch 14 of 2019	DMIL	Freedom Readiness Center	-2,505,834	-2,505,834
Ch 14 of 2019	Local Jails	Calvert County Detention Center	-249,000	-249,000
Ch 14 of 2019	Local Jails	Queen Anne's County Detention Center	-678,000	-678,000
Ch 537 of 2020	MEMA	Headquarters Renovation and Expansion	-392,416	-392,416
Ch 537 of 2020	DPSCS	Division of Correction Jessup Region Security	-921,000	-921,000
Ch 537 of 2020	Local Jails	Queen Anne's County Detention Center	-4,852,000	-4,852,000
Ch 63 of 2021, as amended by Ch 344 of 2022	DJS	Cheltenham Youth Treatment Center	-6,920,232	-6,920,232
Ch 344 of 2022	DJS	Cheltenham Youth Detention Center – Addition for Females	-1,623,000	-1,623,000
Ch 344 of 2022	MHA	Luminis Health Anne Arundel Medical Center	-600,000	-600,000
Ch 102 of 2023	MDEM	Headquarters	-7,954,000	-7,954,000
Ch 102 of 2023	TU	New College of Health Professions Building	-1,950,391	-1,950,391
Ch 102 of 2023	MSU	Jenkins Demolition	-1,037,000	-1,037,000
Ch 102 of 2023	Local Jails	Queen Anne's County Detention Center	-10,870,000	-10,870,000
Subtotal			-\$42,830,000	-\$42,830,000
Additional Deauthorizations				
Ch 14 of 2019	MISC	Prince George's County Amphitheatre at Central Park	\$0	-\$250,000
Ch 14 of 2019	MHA	Peninsula Regional Medical Center	0	-800,000
Ch 537 of 2020, as amended by Ch 63 of 2021 and Ch 344 of 2022	MISC	Prince George's County Amphitheatre at Central Park	0	-5,000,000

<u>Chapter</u>	<u>Agency</u>	<u>Project Title</u>	<u>Allowance GO</u>	<u>Final</u>
Ch 537 of 2020, as amended by Ch 63 of 2021 and Ch 344 of 2022	MHA	Johns Hopkins Hospital Residential Crisis Treatment Center	0	-691,000
Ch 63 of 2021	MISC	Prince George’s County Amphitheatre at Central Park	0	-11,000,000
Ch 63 of 2021	MISC	Blue Line Corridor Infrastructure	0	-8,900,000
Ch 344 of 2022	MISC	Boys and Girls Clubs of Metropolitan Baltimore	0	-450,000
Ch 344 of 2022	MISC	East Baltimore Neighborhood Development Fund	0	-500,000
Ch 344 of 2022	MISC	Blue Line Corridor Infrastructure	0	-20,000,000
Ch 344 of 2022	MISC	Prince George’s County Amphitheatre at Central Park	0	-4,000,000
Ch 344 of 2022	MISC	East Baltimore Neighborhood Development Fund	0	-500,000
Ch 102 of 2023	MISC	Washington County Athletic Recreational Community Center	0	-125,000
<i>Subtotal</i>			<i>\$0</i>	<i>-\$52,216,000</i>
Total Deauthorizations			-\$42,830,000	-\$95,046,000

DJS: Department of Juvenile Services
DMIL: Military Department
DPSCS: Department of Public Safety and Correctional Services
GO: general obligation
MDEM: Maryland Department of Emergency Management

MEMA: Maryland Emergency Management Agency
MHA: Maryland Hospital Association
MISC: miscellaneous
MSU: Morgan State University
TU: Towson University

Source: Department of Legislative Services

GO Bond Preauthorizations

The MCCBL of 2024 includes \$549 million of GO bond authorizations that will not take effect until fiscal 2026, \$206.7 million that will not take effect until fiscal 2027, \$86.3 million that will not take effect until fiscal 2028, and another \$25.1 million that will not take effect until fiscal 2029. Of the \$549 million preauthorized for fiscal 2026, \$487 million either continues funding for existing State construction contracts or allows projects expected to be contracted during fiscal 2025 to proceed without the full amount of the construction authorization provided in the fiscal 2025 budget. The remaining \$62 million expresses the General Assembly's support of State and local projects. **Exhibit A-2.6** shows the preauthorizations for fiscal 2026 through 2029 included in the MCCBL of 2024.

Exhibit A-2.6 Preauthorizations Included in Senate Bill 361

<u>Agency</u>	<u>Project Title</u>	<u>2025 Session</u>	<u>2026 Session</u>	<u>2027 Session</u>	<u>2028 Session</u>
BPW	William Donald Schaefer Tower Renovation	\$32,728,000	\$32,728,000	\$24,546,000	
BPW	Judiciary New Supreme Court of Maryland Building	71,779,000	23,926,000		
BPW	Judiciary Washington County District Court Renovation and Expansion	2,627,000			
DMIL	Military Frederick Readiness Center Renovation and Expansion	2,678,000			
DNR	Natural Resources Development Fund	1,839,000			
MDH	Demolish Decommissioned Buildings	1,541,000			
MDH	Renovation of Clifton T. Perkins Hospital North Wing	14,809,000			
DPSCS	High Temperature Distribution and Perimeter Security Improvements	5,798,000			
UMB	New Dental Ambulatory Surgery Center	862,000			
UMB	New School of Social Work Building	37,089,000	41,665,000		

<u>Agency</u>	<u>Project Title</u>	<u>2025 Session</u>	<u>2026 Session</u>	<u>2027 Session</u>	<u>2028 Session</u>
UMB	Central Electric Substation and Electrical Infrastructure Upgrades			1,523,000	
UMCP	Graduate Student Housing Site Development	4,600,000			
UMCP	New Interdisciplinary Engineering Building – Zupnik Hall	52,200,000	1,412,000		
BSU	New Academic Commons and Library	5,989,000			
TU	Smith Hall Renovation and Reconstruction	70,509,000	15,128,000		
SU	Blackwell Hall Renovation	26,306,000	5,442,000		
UMBC	Sherman Hall Renovation	26,701,000	2,087,000		
UMBC	New Student Services Building	5,903,000			
USMO	Rita Colwell Center Deferred Maintenance	5,099,000			
MHEC	Community College Construction Grant Program	25,608,000	3,851,000		
MSU	Campus Expansion Phase I Lake Clifton High School Demolition	4,171,000			
MSU	Carter-Grant-Wilson Building Renovation	17,182,000	11,455,000		
MSU	New Science Center Phase II	60,252,000	60,252,000	60,252,000	\$25,105,000
DSP	Barrack L Forestville New Barrack and Garage	10,748,000	1,791,000		
MISC	Catholic Charities – Intergenerational Center	2,000,000			
MISC	Pikesville Armory	5,000,000			
MISC	Luminis Health Doctors Community Medical Center - New Obstetrical Care Tower	10,000,000			
MISC	Baltimore Symphony Orchestra	2,500,000	1,000,000		
MISC	Olney Boys and Girls Club – Performance Sports Center	1,000,000			
MISC	Bowie Mill Bike Trail	2,100,000			
MISC	B & O Railroad Museum	3,000,000	3,000,000		
MISC	Shady Grove Medical Center	3,000,000			
MISC	MedStar Southern Maryland Hospital	3,000,000			

<u>Agency</u>	<u>Project Title</u>	<u>2025 Session</u>	<u>2026 Session</u>	<u>2027 Session</u>	<u>2028 Session</u>
MISC	Wolfsville Volunteer Fire Department	500,000			
MISC	White's Ferry Project	1,500,000			
MISC	Don Bosco Cristo Rey High School	1,000,000			
MISC	Principio Rail Spur	1,500,000			
MISC	Maryland Center for History and Culture	2,500,000			
MISC	Inner Harbor Promenade	8,000,000			
MISC	Rosecroft Raceway Economic Revitalization	3,100,000			
MISC	Franklin Square Hospital	1,000,000			
MISC	Viva White Oak	6,000,000			
MISC	Frederick Youth Center	162,000			
MISC	Westport Capital Development – Kloman Street Relocation	2,000,000	2,000,000		
MISC	Westminster Fiber Network Construction Project	1,000,000	1,000,000		
MISC	Southern Streams Health and Wellness Center	2,100,000			
	Total Preauthorizations	\$548,980,000	\$206,737,000	\$86,321,000	\$25,105,000

BPW: Board of Public Works

BSU: Bowie State University

DMIL: Military Department

DNR: Department of Natural Resources

DPSCS: Department of Public Safety and Correctional Services

DSP: Department of State Police

MDH: Maryland Department of Health

MHEC: Maryland Higher Education Commission

MISC: miscellaneous

MSU: Morgan State University

SU: Salisbury University

TU: Towson University

UMB: University of Maryland, Baltimore Campus

UMBC: University of Maryland Baltimore County

UMCP: University of Maryland, College Park Campus

USMO: University System of Maryland Office

Source: Department of Legislative Services

Additional Actions

Senate Bill 966 (passed) includes amendments to prior authorizations that, among other changes, extend matching fund deadlines, extend deadlines for expending or encumbering funds, alter the purposes for which funds may be used, modify certification requirements, rename grant recipients, and alter project locations. The bill also includes amendments to prior authorizations that establish new grant purposes. As shown in **Exhibit 2.7**, a total of \$16.6 million was reprogrammed establishing 21 new grants.

Exhibit A-2.7 New Capital Grants Established in Senate Bill 966 (\$ in Millions)

<u>Old Project</u>	<u>New Project</u>	<u>Amount</u>
Carroll County Turf Field	Manchester Valley Turf Field	\$200,000
Guide Right Facility	Diamond Foundation of Prince George's County Property	550,000
Old Town Bowie Historical Properties	Diamond Foundation of Prince George's County Property	500,000
MD Rural Development Corp.	Greensboro Library	110,000
MD Rural Development Corp.	Goldsboro Town Hall and Train Station	190,000
Kennedy Kreiger Institute – Gompers Building	CARE Community Resource Center	35,000
Kennedy Kreiger Institute – Gompers Building	Inspire Plan Implementation	85,000
Kennedy Kreiger Institute – Gompers Building	LEXGo Super Center	40,000
Kennedy Kreiger Institute – Gompers Building	Durham Street Initiative	40,000
Philemion Ministry's Step Up House	CareHaus Facility	100,000
The Johns Hopkins House Whites Hall Acquisition	Whitehall	243,000
Northern Community Actions Center	Old Diner Site – Acquisition and Restoration	550,000
Northern Community Actions Center	WOODBOURNE Avenue Four Corners Project	300,000
Maryland University of Integrative Health	New Cultural Center	1,000,000

<u>Old Project</u>	<u>New Project</u>	<u>Amount</u>
Maryland University of Integrative Health	Lake Kittamaquundi Lakefront Improvement	750,000
Maryland University of Integrative Health	iHomes	750,000
Maryland University of Integrative Health	Brookeville	350,000
Inner Harbor Promenade	Rash Field	8,000,000
Waldorf Urban Park and Amphitheatre	Charles County Sports and Wellness Center	1,000,000
Pioma Recovery Residence	Boys and Girls Club of Southern Marland	700,000
New Carrollton Skate Park	Hanko Building	250,000
Prince George's Indoor Sports Facility	College Park Academy for Gymnasium and Recreational Facilities	900,000
Total Reprogrammed Fund for New Projects		\$16,643,000

Source: Department of Legislative Services

Aid to Local Governments

Overview

State aid to local governments will total \$10.8 billion in fiscal 2025, representing a \$508.3 million, or 4.9%, increase over fiscal 2024. Direct aid will increase by \$323.9 million, and State funding for retirement payments will increase by \$184.4 million. As in prior years, local school systems will receive the largest total increase in State funding, though not in terms of percentage change. **Exhibit A-3.1** compares State aid by governmental entity in fiscal 2024 and 2025.

Exhibit A-3.1
State Aid to Local Governments
Fiscal 2024 and 2025
(\$ in Millions)

	<u>2024</u>	<u>2025</u>	<u>\$ Difference</u>	<u>% Difference</u>
Public Schools	\$7,891.6	\$8,159.0	\$267.4	3.4%
Libraries	70.1	71.9	1.8	2.6%
Community Colleges	430.3	422.6	-7.7	-1.8%
Local Health	115.8	123.2	7.4	6.4%
County/Municipal	963.9	1,018.9	55.0	5.7%
Subtotal – Direct Aid	\$9,471.6	\$9,795.6	\$323.9	3.4%
Retirement Payments	\$811.3	\$995.7	\$184.4	22.7%
Total	\$10,282.9	\$10,791.3	\$508.3	4.9%

Source: Department of Legislative Services

Changes by Program

State aid to local governments increases for Baltimore City and all counties in Maryland except Calvert County in fiscal 2025. The sizeable decrease in State aid for Calvert County is due to an upward adjustment to the county’s local wealth measure due to the reclassification of two energy-related facilities, which resulted in a substantial increase in the county’s personal property base. As a result, State funding under several major education aid programs decreased to recognize the higher property tax base for the county. **Exhibit A-3.2** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit A-3.3** shows total State aid in fiscal 2024 and 2025 by program. A more detailed discussion of the changes in State aid in fiscal 2025 follows the exhibits.

Exhibit A-3.2
State Aid to Local Governments
Fiscal 2025 Legislative Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Subtotal	Retirement	Total	Change Over FY 2024	Percent Change
			Public Schools	Libraries	Health						
Allegany	\$19,463	\$10,300	\$112,320	\$894	\$5,495	\$148,472	\$10,042	\$158,514	\$20,113	14.5%	
Anne Arundel	56,622	45,157	552,937	3,117	10,178	668,011	87,550	755,561	38,470	5.4%	
Baltimore City	395,347	0	1,176,921	9,741	11,528	1,593,536	78,178	1,671,715	88,418	5.6%	
Baltimore	38,376	72,386	944,882	7,633	7,678	1,070,954	125,495	1,196,449	63,924	5.6%	
Calvert	7,573	5,068	89,247	610	3,540	106,039	16,785	122,824	-19,403	-13.6%	
Caroline	7,976	2,639	80,652	374	2,316	93,957	5,706	99,663	3,888	4.1%	
Carroll	9,994	13,932	188,254	1,304	4,963	218,447	25,426	243,873	14,334	6.2%	
Cecil	10,804	8,972	139,453	973	3,600	163,802	16,792	180,595	3,324	1.9%	
Charles	7,386	9,888	269,792	1,412	5,569	294,048	26,699	320,747	16,834	5.5%	
Dorchester	9,386	1,664	61,597	356	3,123	76,127	4,962	81,089	6,601	8.9%	
Frederick	16,973	21,906	381,376	1,991	5,501	427,746	48,100	475,846	29,108	6.5%	
Garrett	7,636	5,295	26,805	165	3,050	42,951	4,278	47,229	516	1.1%	
Harford	12,279	18,884	314,708	2,179	6,387	354,437	41,788	396,225	26,414	7.1%	
Howard	12,773	34,965	367,845	1,259	6,574	423,416	75,520	498,936	27,194	5.8%	
Kent	1,950	904	11,798	132	2,720	17,504	2,367	19,870	1,084	5.8%	
Montgomery	70,620	74,313	979,865	3,852	5,693	1,134,344	202,947	1,337,291	103,151	8.4%	
Prince George's	165,624	47,910	1,605,083	8,692	9,319	1,836,628	141,908	1,978,536	57,415	3.0%	
Queen Anne's	3,276	3,106	44,203	222	2,403	53,210	7,711	60,921	2,595	4.4%	
St. Mary's	5,042	6,577	146,715	949	4,215	163,497	16,876	180,374	3,592	2.0%	
Somerset	10,016	1,438	45,429	334	2,205	59,422	3,632	63,054	3,146	5.3%	
Talbot	4,033	2,590	22,406	139	2,268	31,436	4,925	36,361	2,179	6.4%	
Washington	12,259	16,707	248,629	1,664	4,760	284,018	21,968	305,987	14,622	5.0%	
Wicomico	22,713	8,410	203,317	1,286	5,647	241,374	16,903	258,277	12,171	4.9%	
Worcester	10,879	3,129	30,711	197	4,466	49,382	9,162	58,544	4,393	8.1%	
Unallocated	99,854	6,470	114,011	22,471	0	242,806	0	242,806	-15,747	-6.1%	
Total	\$1,018,851	\$422,611	\$8,158,960	\$71,946	\$123,198	\$9,795,567	\$995,722	\$10,791,288	\$508,338	4.9%	

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

State Aid to Local Governments
Fiscal 2024 Working Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$17,100	\$9,901	\$97,287	\$886	\$4,976	\$130,149	\$8,252	\$138,401
Anne Arundel	53,959	45,914	533,221	2,907	9,437	645,438	71,653	717,091
Baltimore City	367,784	0	1,130,576	9,715	11,528	1,519,603	63,694	1,583,296
Baltimore	36,586	75,316	904,272	7,470	7,665	1,031,309	101,216	1,132,525
Calvert	7,097	5,559	111,773	618	3,234	128,281	13,947	142,228
Caroline	8,245	2,684	77,577	369	2,168	91,043	4,732	95,775
Carroll	8,796	14,369	179,385	1,258	4,558	208,366	21,173	229,540
Cecil	11,217	9,838	137,894	951	3,309	163,208	14,062	177,270
Charles	6,582	9,932	259,092	1,385	5,096	282,086	21,827	303,913
Dorchester	8,519	1,837	56,925	346	2,832	70,459	4,029	74,488
Frederick	14,483	19,539	368,578	1,906	5,092	409,597	37,140	446,737
Garrett	7,255	6,116	26,864	182	2,735	43,153	3,561	46,713
Harford	11,033	19,317	299,041	2,121	5,937	337,449	32,362	369,811
Howard	11,735	35,437	357,479	1,209	5,931	411,791	59,951	471,742
Kent	1,983	847	11,526	124	2,529	17,008	1,778	18,787
Montgomery	40,464	75,407	940,262	3,776	5,684	1,065,592	168,547	1,234,139
Prince George's	191,736	47,815	1,546,232	8,753	9,278	1,803,813	117,307	1,921,121
Queen Anne's	2,944	3,350	43,280	210	2,196	51,979	6,347	58,326
St. Mary's	4,717	6,863	146,260	921	3,899	162,659	14,122	176,782
Somerset	10,195	1,517	42,851	329	2,045	56,938	2,970	59,908
Talbot	3,706	2,932	21,407	135	2,096	30,276	3,906	34,182
Washington	11,620	16,849	238,756	1,641	4,437	273,304	18,061	291,364
Wicomico	23,881	9,114	193,383	1,261	5,144	232,784	13,323	246,106
Worcester	10,277	3,414	28,967	190	3,960	46,809	7,343	54,151
Unallocated	91,951	6,481	138,675	21,447	0	258,553	0	258,553
Total	\$963,863	\$430,347	\$7,891,565	\$70,108	\$115,766	\$9,471,648	\$811,302	\$10,282,950

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

State Aid to Local Governments
Dollar Difference Between Fiscal 2025 Legislative Appropriation and Fiscal 2024 Working Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$2,363	\$399	\$15,033	\$8	\$519	\$18,322	\$1,791	\$20,113
Anne Arundel	2,663	-757	19,716	210	741	22,573	15,897	38,470
Baltimore City	27,563	0	46,345	26	0	73,934	14,484	88,418
Baltimore	1,790	-2,930	40,610	163	12	39,645	24,279	63,924
Calvert	477	-492	-22,525	-8	306	-22,242	2,838	-19,403
Caroline	-269	-46	3,075	5	148	2,914	975	3,888
Carroll	1,197	-437	8,869	46	405	10,081	4,253	14,334
Cecil	-413	-866	1,560	22	291	594	2,730	3,324
Charles	805	-45	10,700	28	473	11,962	4,872	16,834
Dorchester	867	-172	4,672	10	292	5,668	933	6,601
Frederick	2,490	2,367	12,798	85	409	18,149	10,959	29,108
Garrett	381	-821	-59	-17	314	-202	718	516
Harford	1,246	-433	15,667	58	450	16,988	9,426	26,414
Howard	1,038	-472	10,366	50	643	11,625	15,568	27,194
Kent	-33	57	272	8	192	496	588	1,084
Montgomery	30,156	-1,093	39,604	76	9	68,751	34,400	103,151
Prince George's	-26,112	95	58,851	-61	42	32,815	24,601	57,415
Queen Anne's	332	-244	924	12	207	1,231	1,364	2,595
St. Mary's	324	-286	455	28	316	838	2,754	3,592
Somerset	-179	-79	2,578	5	160	2,485	661	3,146
Talbot	327	-342	998	4	172	1,160	1,019	2,179
Washington	639	-142	9,872	23	322	10,715	3,908	14,622
Wicomico	-1,168	-704	9,934	25	503	8,590	3,581	12,171
Worcester	602	-285	1,744	7	505	2,574	1,819	4,393
Unallocated	7,903	-10	-24,663	1,024	0	-15,747	0	-15,747
Total	\$54,988	-\$7,736	\$267,395	\$1,838	\$7,433	\$323,919	\$184,420	\$508,338

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

State Aid to Local Governments
Percent Change: Fiscal 2025 Legislative Appropriation over Fiscal 2024 Working Appropriation

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	13.8%	4.0%	15.5%	0.9%	10.4%	14.1%	21.7%	14.5%
Anne Arundel	4.9%	-1.6%	3.7%	7.2%	7.8%	3.5%	22.2%	5.4%
Baltimore City	7.5%	n/a	4.1%	0.3%	0.0%	4.9%	22.7%	5.6%
Baltimore	4.9%	-3.9%	4.5%	2.2%	0.2%	3.8%	24.0%	5.6%
Calvert	6.7%	-8.8%	-20.2%	-1.3%	9.5%	-17.3%	20.4%	-13.6%
Caroline	-3.3%	-1.7%	4.0%	1.3%	6.8%	3.2%	20.6%	4.1%
Carroll	13.6%	-3.0%	4.9%	3.7%	8.9%	4.8%	20.1%	6.2%
Cecil	-3.7%	-8.8%	1.1%	2.3%	8.8%	0.4%	19.4%	1.9%
Charles	12.2%	-0.4%	4.1%	2.0%	9.3%	4.2%	22.3%	5.5%
Dorchester	10.2%	-9.4%	8.2%	3.0%	10.3%	8.0%	23.2%	8.9%
Frederick	17.2%	12.1%	3.5%	4.5%	8.0%	4.4%	29.5%	6.5%
Garrett	5.3%	-13.4%	-0.2%	-9.3%	11.5%	-0.5%	20.2%	1.1%
Harford	11.3%	-2.2%	5.2%	2.8%	7.6%	5.0%	29.1%	7.1%
Howard	8.8%	-1.3%	2.9%	4.1%	10.8%	2.8%	26.0%	5.8%
Kent	-1.7%	6.7%	2.4%	6.2%	7.6%	2.9%	33.1%	5.8%
Montgomery	74.5%	-1.5%	4.2%	2.0%	0.2%	6.5%	20.4%	8.4%
Prince George's	-13.6%	0.2%	3.8%	-0.7%	0.4%	1.8%	21.0%	3.0%
Queen Anne's	11.3%	-7.3%	2.1%	5.6%	9.4%	2.4%	21.5%	4.4%
St. Mary's	6.9%	-4.2%	0.3%	3.0%	8.1%	0.5%	19.5%	2.0%
Somerset	-1.8%	-5.2%	6.0%	1.6%	7.8%	4.4%	22.3%	5.3%
Talbot	8.8%	-11.7%	4.7%	3.1%	8.2%	3.8%	26.1%	6.4%
Washington	5.5%	-0.8%	4.1%	1.4%	7.3%	3.9%	21.6%	5.0%
Wicomico	-4.9%	-7.7%	5.1%	2.0%	9.8%	3.7%	26.9%	4.9%
Worcester	5.9%	-8.3%	6.0%	3.6%	12.8%	5.5%	24.8%	8.1%
Unallocated	8.6%	-0.2%	-17.8%	4.8%	n/a	-6.1%	n/a	-6.1%
Total	5.7%	-1.8%	3.4%	2.6%	6.4%	3.4%	22.7%	4.9%

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

Exhibit A-3.3
Total State Aid to Local Governments
Fiscal 2024 and 2025

<u>Program</u>	<u>2024</u>	<u>2025</u>	<u>Difference</u>
Foundation Aid	\$3,768,324,327	\$3,778,346,293	\$10,021,966
Foundation – Special Grants	34,508,079	854,945	-33,653,134
Comparable Wage Index	155,298,837	155,711,837	413,000
Compensatory Education	1,686,097,760	1,715,307,029	29,209,269
Student Transportation – Regular	335,817,268	340,683,854	4,866,586
Student Transportation – Special Education	27,547,000	28,873,000	1,326,000
Special Education – Formula	465,973,318	531,272,827	65,299,509
Special Education – Nonpublic Placements	148,613,212	151,585,476	2,972,264
Special Education – Infants and Toddlers	15,815,593	16,957,756	1,142,163
English Language Learners Grant	473,518,248	519,503,455	45,985,207
Guaranteed Tax Base	56,783,213	74,897,532	18,114,319
Prekindergarten Expansion Program	26,644,000	26,644,000	0
School Safety Grants	23,600,000	20,600,000	-3,000,000
Blueprint – Concentration of Poverty	227,257,191	363,289,403	136,032,212
Blueprint – Transitional Instruction	51,323,685	34,390,412	-16,933,273
Blueprint – Transition Grants	57,688,465	49,035,197	-8,653,268
Blueprint – Full Day PreKindergarten	99,575,069	134,867,123	35,292,054
Blueprint – College and Career Readiness	19,888,097	11,572,898	-8,315,199
Blueprint – Education Effort Index	87,978,308	97,010,889	9,032,581
Blueprint – Career Ladder	9,534,910	8,936,056	-598,854
Blueprint – Coordinators	2,000,000	2,000,000	0
Food Service	20,296,664	20,296,664	0
SEED School	12,782,839	13,000,274	217,435
Judy Hoyer Centers	27,906,380	30,876,380	2,970,000
Teacher Development	23,322,000	996,000	-22,326,000
Next Generation Scholars	5,000,000	5,000,000	0
Public School Opportunities	3,000,000	3,000,000	0
Out-of-county Foster Placements	2,000,000	2,000,000	0
Head Start	3,000,000	3,000,000	0

<u>Program</u>	<u>2024</u>	<u>2025</u>	<u>Difference</u>
Other Education Aid	20,470,894	18,450,732	-2,020,162
Total Primary and Secondary Education	\$7,891,565,357	\$8,158,960,032	\$267,394,675
Library Formula	\$48,661,216	\$49,475,609	\$814,393
Library Network	21,446,585	22,470,558	1,023,973
Total Libraries	\$70,107,801	\$71,946,167	\$1,838,366
Community College Formula	\$393,337,399	\$384,759,181	-\$8,578,218
Optional Retirement	16,699,999	16,699,999	0
Grants for ESOL Programs	3,163,628	3,891,474	727,846
Small College Grants	10,665,104	10,665,104	0
Other Community College Aid	6,480,529	6,595,195	114,666
Total Community Colleges	\$430,346,659	\$422,610,953	-\$7,735,706
Highway User Revenue	\$334,269,705	\$395,999,641	\$61,729,936
Elderly and Disabled Transportation Aid	4,305,908	4,441,113	135,205
Paratransit Grants	1,408,450	1,408,450	0
Bus Rapid Transit Systems	0	27,000,000	27,000,000
Total Transportation	\$339,984,063	\$428,849,204	\$88,865,141
Police Aid	\$75,822,530	\$75,504,655	-\$317,875
Police Aid Enhancement	45,878,143	45,878,143	0
Fire and Rescue Aid	15,000,000	15,000,000	0
9-1-1 Grants	28,421,995	28,421,995	0
Baltimore City Direct Police Grant	9,180,113	9,180,113	0
Safe Streets Program	3,600,000	3,600,000	0
State’s Attorney Grants	2,905,955	3,405,955	500,000
Violent Crime Grants	2,292,489	2,292,489	0
Vehicle Theft Prevention	3,136,020	3,136,020	0
Drug Enforcement Grants	1,214,610	1,214,610	0
Maryland Criminal Intelligence Network	7,315,807	6,723,865	-591,942
Police Recruitment and Retention	1,300,000	1,300,000	0
Rape Kit Testing Grant Fund	3,500,000	3,500,000	0
Police Accountability	8,000,000	8,000,000	0
Warrant Apprehension Grant	5,250,000	5,250,000	0

<u>Program</u>	<u>2024</u>	<u>2025</u>	<u>Difference</u>
Other Public Safety Aid	5,431,509	5,431,509	0
Total Public Safety	\$218,249,171	\$217,839,354	-\$409,817
Wastewater Treatment – Nutrient Removal	\$11,000,000	\$11,000,000	0
Critical Area Grants	148,126	159,356	11,230
Total Recreation/Environment	\$11,148,126	\$11,159,356	\$11,230
Local Health Formula	\$115,765,573	\$123,198,342	\$7,432,769
Disparity Grant	\$220,154,519	\$188,539,507	-\$31,615,012
Gaming Impact Grants	\$102,282,354	\$103,323,201	1,040,847
Teachers Retirement Supplemental Grants	27,658,661	27,658,661	0
Local Education Effort	10,250,000	0	-10,250,000
Adult Education	8,011,986	8,011,986	0
Statewide Voting Systems	5,551,102	13,534,596	7,983,494
Revenue Equity Program	3,987,467	4,035,013	47,546
Payments in Lieu of Taxes (PILOT)	1,809,044	1,774,074	-34,970
PILOT – Park Service	2,879,000	2,879,000	0
PILOT – Forest Service	205,708	205,708	0
Instant Bingo	3,150,000	3,150,000	0
Behavioral Health Crisis Response	5,000,000	5,000,000	0
Baltimore City Artscape	1,500,000	0	-1,500,000
Emergency Rental Assistance	1,000,000	0	-1,000,000
Senior Citizens Activities Center	765,241	765,241	0
Baltimore City Parks and Recreation	200,000	0	-200,000
Maryland Park Explorer Program	76,400	76,400	0
City of Frederick Mental Health Services	0	500,000	500,000
Hagerstown Water/Wastewater Infrastructure Study	0	250,000	250,000
Prince George’s County Reentry Program	0	500,000	500,000
Prince George’s Gateway Development Authority	0	250,000	250,000
Congestion Relief School Projects	0	500,000	500,000

<u>Program</u>	<u>2024</u>	<u>2025</u>	<u>Difference</u>
Agriculture Wayfinding Signs	0	25,000	25,000
Olney Police Satellite Station	0	25,000	25,000
Total Other Direct Aid	\$174,326,963	\$172,463,880	-\$3,913,083
Total Direct Aid	\$9,471,648,232	\$9,795,566,795	\$323,918,563
Retirement – Teachers	\$744,971,408	\$917,173,759	\$172,202,351
Retirement – Libraries	21,222,660	24,256,820	3,034,160
Retirement – Community Colleges	45,107,610	54,290,926	9,183,316
Total Payments-in-behalf	\$811,301,678	\$995,721,505	\$184,419,827
Total State Aid	\$10,282,949,910	\$10,791,288,300	\$508,338,390

ESOL: English for Speakers of Other Languages

Primary and Secondary Education

State aid to public schools will total \$9.1 billion in fiscal 2025, an increase of \$439.6 million over fiscal 2024, and includes \$8.2 billion in direct aid and \$917.2 million in retirement payments. Public schools account for the vast majority of State funding to local governments, representing approximately 84% of total State aid. The majority of this increase is driven by five major direct aid programs (\$311.8 million) and teachers’ retirement payments (\$172.2 million). The following provides a summary of the funding increase for these programs, along with the foundation program, which remains the single greatest contributor to overall State aid to public schools.

Foundation funding increases by \$10.0 million in fiscal 2025, or 0.3%, due to the largely offsetting impacts of a 1.7% increase in the per pupil funding amount and a 0.7% decrease in the enrollment count used to determine program funding. The fiscal 2025 budget also includes a foundation special hold harmless grant of \$854,945 for Garrett County Public Schools, preventing a substantial decrease in direct State education aid for the school system.

The Concentration of Poverty Grant program, which provides funding to schools with relatively high concentrations of low-income students, has two components. First, for each eligible school a personnel grant is received 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 are provided for each qualifying school following the completion of a community

school needs assessment. Concentration of Poverty Grant funding increases by \$136.0 million in fiscal 2025, due to an expansion of school eligibility for both personnel grants and per pupil grants.

Special education formula funding increases by \$65.3 million in fiscal 2025, due to per pupil funding increases and a 4.4% increase in the relevant enrollment count. Formula funding for English learners increases by \$46.0 million in fiscal 2025, due to per pupil funding increases and a 6.1% increase in the enrollment count. Compensatory education funding, which provides additional resources for students from low-income families, increases by \$29.2 million in fiscal 2025, due mostly to a 1.3% increase in free and reduced-price meal student enrollment.

The full-day prekindergarten program increases by \$35.3 million in fiscal 2025, despite a delay in State funding for students whose families earn between 300% and 600% of the federal poverty level under the Budget Reconciliation and Financing Act (BRFA) of 2024, *Senate Bill 362 (passed)*. The increase in program funding is driven by a 20.8% increase in the student count and a 12.2% increase in per pupil funding. *Senate Bill 362* also alters full-day prekindergarten program State funding in fiscal 2026 and subsequent years.

State aid for teachers' retirement increases by \$172.2 million, or 23.1%. This substantial increase is due to considerable growth in both payroll for active teachers and cost-of-living adjustments for retirees, as well as two years of investment underperformance for the Teachers' Combined System.

Local Libraries

State aid to local libraries will total \$96.2 million in fiscal 2025, an increase of \$4.9 million, which includes \$71.9 million in direct aid and \$24.3 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 is \$18.30 in fiscal 2025 and is set to increase to \$19.10 annually, beginning in fiscal 2027. Fiscal 2025 funding totals \$46.5 million. In addition, Baltimore City continues to receive \$3.0 million annually to support expanded operations as it has since fiscal 2018. The State also provides State library network funding in the form of per capita funding to regional resource centers (\$9.59 per capita in fiscal 2025) and for the State Library Resource Center (\$1.97 annually). Regional resource per capita funding is set to increase annually until reaching \$9.99 by fiscal 2027. *Senate Bill 434 (passed)* increases the per capita funding amount for the State Library Resource Center from \$1.97 in fiscal 2024 to \$2.07 in fiscal 2025 and each year thereafter. State library network funding totals \$22.5 million in fiscal 2025, which includes \$775,800 provided in the fiscal 2025 budget for the funding enhancement. This represents an increase of \$1.0 million from the prior year.

Community Colleges

State aid to local community colleges will total \$476.9 million in fiscal 2025, an increase of \$1.4 million, which includes \$422.6 million in direct aid and \$54.3 million in retirement payments. Community colleges account for 4.4% of total State aid to local governments. The Cade funding formula is the main source of State funding in support of community colleges. *Senate Bill 362* alters and sets the statutory percentage of State aid per full-time equivalent students for the select public four-year institutions distributed through the Cade funding formula at 27.2%. The total is then distributed to each college based on the previous year's direct grant, enrollment, and a small-size factor. The fiscal 2025 budget also includes \$125,000 for the Hagerstown Community College to fund a facilities study.

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 2025, State funding for local health departments will total \$123.2 million, which accounts for 1.1% of total State aid. This funding amount includes \$70.0 million under the formula and \$53.2 million in supplemental funding.

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). This funding is allocated to local governments through the local highway user revenues program. In fiscal 2025, funding to local governments is based on 18.0% of total GMVRA revenues. Allocations to counties and municipalities are based on the percentage of road miles and vehicle registrations within each local jurisdiction. Baltimore City receives a larger share of local highway user revenues than other jurisdictions because the State does not conduct highway maintenance or construction within the city (except for portions of I-95). In fiscal 2025, local highway user revenues will total \$396.0 million, a \$61.7 million increase over the fiscal 2024 amount. Of this amount, county governments will receive \$94.6 million, municipal governments will receive \$59.4 million, and Baltimore City will receive \$242.0 million.

The State budget also includes \$27.0 million in funding for a bus rapid transit system in Montgomery County. Additionally, *House Bill 764 (passed)* requires \$27.0 million of State lottery funds to be transferred annually beginning after June 30, 2024, for bus rapid transit system grants instead of an amount not exceeding \$27.0 million based on deposits for Maryland Stadium Authority debt service.

Local governments will also receive \$4.4 million for elderly and disabled transportation services and \$1.4 million in support for paratransit services, which reflect constant funding from the prior year.

Public Safety

State aid for public safety programs will total \$217.8 million in fiscal 2025. Funding is provided under the police aid formula, targeted crime grants, emergency 9-1-1 systems, and through fire and rescue aid.

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 \$75.5 million in fiscal 2025, representing a slight decrease from the fiscal 2024 amount due to minor decreases in population. The State budget includes, for a third year, an additional \$45.9 million in enhanced police aid funding to address violent crime, with this funding allocated based on each jurisdiction's share of total violent offenses committed in the State.

Local law enforcement agencies receive additional State funding through targeted crime grants, which will total \$53.0 million in fiscal 2025. Funding in fiscal 2025 includes an additional \$500,000 to provide grants to State's Attorney's Offices across the State to establish or improve automated case management systems.

State funding for county 9-1-1 systems, which consists of funding from the State 9-1-1 fee and 25% of the prepaid wireless E 9-1-1 fee, is level funded in fiscal 2025 at \$28.4 million. Local governments will also receive \$15.0 million for fire and rescue aid in fiscal 2025, which reflects constant funding from the prior year.

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 75% for jurisdictions with the maximum 3.2% rate.

Based on the statutory formula, Baltimore City and eight counties (Allegany, Caroline, Dorchester, Garrett, Prince George’s, Somerset, Washington, and Wicomico) qualify for disparity grants. Of these jurisdictions, six impose the maximum 3.2% local income tax rate. In fiscal 2025, disparity grant funding will total \$188.5 million, which represents a \$31.6 million decrease from the prior year due to the narrowing of income disparities between the high and low-wealth counties.

Gaming Impact Grants

From the proceeds generated by video lottery terminals at video lottery facilities in the State, generally 5.5% is distributed to local governments in which a video lottery facility is operating. In addition, 5.0% of table game revenues are distributed to local jurisdictions where a video lottery facility is located. In fiscal 2025, gaming impact grants total \$103.3 million, an increase of \$1.0 million over fiscal 2024 levels.

Other Grants

The fiscal 2025 budget includes various one-time grants to local governments. The City of Frederick will receive a grant of \$500,000 to support mental health services including to expand a crisis services program. Grants of \$250,000 each are provided to Baltimore County and Montgomery County to establish pilot programs for the purpose of congestion relief around schools. The budget includes a grant of \$250,000 for the Neighborhood Revitalization program within the Department of Housing and Community Development to provide a grant within Prince George’s County to develop a comprehensive neighborhood revitalization strategy. The City of Hagerstown will receive \$250,000 to fund a long-range water and wastewater infrastructure needs study. Montgomery County will also receive two grants totaling \$25,000 each for tourist wayfinding signs and to support the Olney Police Satellite Station.

Prince George’s County will also receive \$500,000 as required by the mandated annual appropriation through fiscal 2028 established by Chapter 791 of 2023 for the Prince George’s County Reentry Employment Incentive Program.

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. The fiscal 2025 State budget includes \$9.8 billion to fund these programs. Part A, Section 1 of each county’s statistical tables compares aid distributed to the county in fiscal 2024 and 2025.

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. These payments total \$1.0 billion in fiscal 2025. 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. 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 2025 estimated allocation of appropriations, excluding federal funds, for health services, social services, and senior citizen services.

Health Services: The Department of Health, through its various administrations, funds in whole or part, community health programs that are provided in the local subdivisions. General fund spending totals \$2.6 billion statewide for these programs in fiscal 2025. In addition, \$81.0 million in special funds, primarily from the Cigarette Restitution Fund (CRF), will also be spent on these programs in fiscal 2025. This does not include spending at the State mental health hospitals, developmental disability facilities, or chronic disease centers. The Medicaid program provides funding for medical services for low-income persons. Fiscal 2025 expected expenditures total \$4.0 billion in general funds and \$722.1 million in special funds. Note that fiscal 2025 funding is allocated among the subdivisions based on each jurisdiction's share of fiscal 2024 funding and may change.

- **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.
- **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. The fiscal 2025 budget includes \$1.4 billion in general funds and \$25.9 million in special funds for these programs.

- **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. Fiscal 2025 funding for these programs totals \$65.3 million in general funds, which includes funding for kidney disease treatment services that was formerly included under the Medicaid program. Additional funding of \$55.2 million comes mostly from the CRF for tobacco use prevention and cessation and for cancer prevention and screening at the local level.
 - **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. The fiscal 2025 budget includes \$1.1 billion in general funds.
- Social Services:** The Department of Human Services, the Governor’s Office of Crime Prevention and Policy, 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 2025 estimates of funding for those programs that are available by subdivision. Note that fiscal 2025 funding for homeless services, women’s services, foster care, and temporary cash assistance is allocated among the subdivisions based on each jurisdiction’s share of fiscal 2024 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. The fiscal 2025 budget includes \$12.3 million in general funds for these programs.
 - **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. Total fiscal 2025 funding for these programs equals \$9.1 million in general funds.
 - **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. The fiscal 2025 budget includes \$15.9 million in general funds.

- ***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. The fiscal 2025 budget includes \$182.9 million in general funds.
- ***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. The fiscal 2025 budget includes \$261.3 million in general fund spending for the program.
- ***Temporary Cash Assistance (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. The fiscal 2025 budget anticipates general fund spending of \$67.2 million for this program.

Senior Citizen Services: The 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. The total fiscal 2025 funding is \$24.8 million in general funds. In this report the fiscal 2025 general funds are allocated among the subdivisions based on each jurisdiction’s share of fiscal 2024 funding and may change.

- ***Long-term Care:*** This category includes the following programs: vulnerable elderly; senior care; senior guardianship; and the ombudsman program. The total fiscal 2025 funding is \$16.2 million in general funds.
- ***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. Fiscal 2025 funding for these programs totals \$8.7 million in general funds.

Capital Grants and Capital Projects for State Facilities

Selected State Grants for Capital Projects: The State provides capital grants for public schools; community colleges; local jails; community health facilities; water quality projects; waterway improvements; homeless shelters; and other cultural, historical, and economic development projects. Projects are funded from either bond sales or current revenues. Part C lists projects in the counties authorized by the fiscal 2025 State operating and capital budgets. 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 listed for the various loan programs are those currently anticipated for fiscal 2025. The actual projects funded and/or the amount of funding for specific projects could change depending on which projects are ready to move forward and final costs.

The fiscal 2025 budget includes \$313.9 million in general obligation bond funding for local school construction. The capital budget also includes \$6.1 million for the aging schools' program and \$90 million for the healthy school facilities program. An additional \$452.4 million is included for the Built to Learn program consisting of \$425.4 million in revenue bonds to be issued by the Maryland Stadium Authority. Funding for Prince George's County Public-Private Partnership projects totals \$2.0 million of general funds and \$27.0 million in special funds.

As of the publication of this report, \$274.2 million of the local school construction program has been allocated to specific projects. These projects are listed in Part C for each county, but the allocation of school construction funding will not be finalized until May 2024. Therefore, the school construction projects funded and/or the amount of the funding for specific projects could change.

The capital budget includes \$40.0 million for the Supplemental Capital Grant Program for Local School Systems. This program is 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 each of the nine qualifying school systems will receive in fiscal 2025.

Capital Projects for State Facilities Located in the County: Part D for each jurisdiction shows capital projects, authorized by the fiscal 2025 operating and capital budgets, 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 both academic and auxiliary revenue bonds are included. The projects funded with auxiliary revenue bonds are those anticipated for fiscal 2025, but the actual projects funded and/or the amount of funding for specific projects could be different. 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

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$45,636	\$48,971	\$3,335	7.3%
Foundation Aid – Special Grants	4,105	0	-4,105	-100.0%
Compensatory Education	24,249	28,888	4,640	19.1%
Student Transportation	5,989	6,060	71	1.2%
Special Education	8,500	11,315	2,815	33.1%
English Language Learners Grant	209	293	84	39.9%
Guaranteed Tax Base	2,462	6,985	4,523	183.7%
Blueprint Funding	4,848	8,551	3,703	76.4%
Prekindergarten Grants	330	330	0	0.0%
Other Education Aid	959	929	-31	-3.2%
Primary and Secondary Education	\$97,287	\$112,320	\$15,033	15.5%
Libraries	\$886	\$894	\$8	0.9%
Community Colleges	9,901	10,300	399	4.0%
Health Formula Grant	4,976	5,495	519	10.4%
Transportation ¹	3,899	4,538	640	16.4%
Police and Public Safety ¹	1,251	1,123	-128	-10.2%
Fire and Rescue Aid ¹	397	397	0	0.0%
Disparity Grant	5,505	7,299	1,794	32.6%
Teachers Retirement Supplemental Grant	1,632	1,632	0	0.0%
Gaming Impact Aid	3,445	3,492	47	1.4%
Other Direct Aid	971	982	11	1.1%
Total Direct Aid	\$130,149	\$148,472	\$18,322	14.1%
Aid Per Capita (\$)	\$1,935	\$2,207	\$272	14.1%
Property Tax Equivalent (\$)	2.97	3.20	0.23	7.7%

¹ 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 2025 State payments for Allegany County for teachers, librarians, and community college faculty are estimated to be \$10,042,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$79,374,000
Family Health and Chronic Disease	481,000
Developmental Disabilities	22,263,000
Behavioral Health Services	20,480,000

Social Services

Homeless Services	258,000
Women’s Services	398,000
Adult Services	348,000
Child Welfare Services	4,120,000
Foster Care	5,358,000
Temporary Cash Assistance	1,973,000

Senior Citizen Services

Long-term Care	192,000
Community Services	149,000

C. Selected State Grants for Capital Projects**Public Schools***

Braddock Middle School – renovations (water piping/ceiling/lighting)	\$3,621,629
Washington Middle School – construction	1,124,978
Aging Schools Program	97,791

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Program Open Space

Park acquisition and development	360,423
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Community Parks and Playgrounds

Midland – Main Street Pickleball Court	50,000
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Other Projects

Allegany College – tennis courts	150,000
Allegany County – Casper A. Taylor Amphitheater	50,000
Allegany County – Greater Cumberland Regional Airport	100,000
Cumberland – Evitts Creek sewer main replacement	500,000
Friends Aware, Inc.	225,000
Greenway Avenue Stadium	250,000
Midland – town hall	25,000
UPMC Western Maryland – Cancer Center	750,000
Western Maryland Scenic Railroad	1,500,000

D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Dans Mountain Wildlife Management Area – wildlife observation platform	\$100,000
Dans Mountain Wildlife Management Area – Flats Road access improvements	300,000

Anne Arundel County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$285,530	\$292,094	\$6,564	2.3%
Compensatory Education	103,236	101,191	-2,045	-2.0%
Student Transportation	32,209	32,692	483	1.5%
Special Education	45,517	50,454	4,937	10.8%
English Language Learners Grant	27,630	30,596	2,966	10.7%
Comparable Wage Index	15,250	15,601	351	2.3%
Blueprint Funding	20,344	26,884	6,540	32.1%
Prekindergarten Grants	900	900	0	0.0%
Other Education Aid	2,605	2,527	-78	-3.0%
Primary and Secondary Education	\$533,221	\$552,937	\$19,716	3.7%
Libraries	\$2,907	\$3,117	\$210	7.2%
Community Colleges	45,914	45,157	-757	-1.6%
Health Formula Grant	9,437	10,178	741	7.8%
Transportation ¹	11,572	13,635	2,064	17.8%
Police and Public Safety ¹	11,988	12,433	445	3.7%
Fire and Rescue Aid ¹	1,248	1,248	0	0.0%
Gaming Impact Aid	29,039	29,192	154	0.5%
Other Direct Aid ¹	113	113	0	0.0%
Total Direct Aid	\$645,438	\$668,011	\$22,573	3.5%
Aid Per Capita (\$)	\$1,086	\$1,123	\$38	3.5%
Property Tax Equivalent (\$)	0.62	0.61	-0.01	-1.5%

¹ 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 2025 State payments for Anne Arundel County for teachers, librarians, and community college faculty are estimated to be \$87,550,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$316,959,000
Family Health and Chronic Disease	1,159,000
Developmental Disabilities	71,316,000
Behavioral Health Services	123,907,000

Social Services

Homeless Services	596,000
Women's Services	636,000
Adult Services	350,000
Child Welfare Services	9,766,000
Foster Care	9,986,000
Temporary Cash Assistance	5,861,000

Senior Citizen Services

Long-term Care	836,000
Community Services	455,000

C. Selected State Grants for Capital Projects**Public Schools***

Center of Applied Technology North – construction	\$14,836,500
Lindale Middle School – renovations (HVAC)	7,779,421
Park Elementary School – construction	2,605,700
Aging Schools Program	506,039
Supplemental Capital Grant Program for Local School Systems	4,970,982

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Public Libraries

Glen Burnie Library – construction	1,398,000
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Anne Arundel Community College

Dragun Building – renovation	759,000
Florestano Building – renovation	1,050,000

Program Open Space

Park acquisition and development	3,896,115
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Comprehensive Flood Mitigation Program

Annapolis – city dock stormwater and flood mitigation	3,000,000
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Waterway Improvement

Annapolis – Fourth Street public boating access improvements	175,000
Annapolis – Shipwright Street public boating access improvements	175,000
Annapolis City Dock – power pedestal upgrades	250,000
Broadwater Creek – dredged material placement	450,000
Broadwater Creek – dredging	457,000
Carrs Creek – dredging	200,000
Parker Creek – dredging	277,500

Hazardous Substance Cleanup Program

Gladnor Road – plume remediation	150,000
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Other Projects

4MyCiTy, Inc. – Zero Waste to Zero Hunger facility	87,500
Annapolis – choice neighborhood initiative	1,000,000
Annapolis – skatepark at Truxtun Park	50,000
Annapolis Maritime Museum	42,500
Anne Arundel County – Annapolis Middle School	500,000
Anne Arundel County – Colonial Drive sidewalks	100,000
Anne Arundel County – Historic London Town and Gardens	100,000
Anne Arundel County – Lake Waterford Park pickleball court	250,000
Anne Arundel County – multicultural center	5,000,000
Anne Arundel County Fairgrounds	100,000
Anne Arundel County Food Bank, Inc.	160,000
Anne Arundel County Professional Fire Fighters – Firemark Building	1,000,000
Arundel High School – field house	275,000
Bowie Elks Lodge No. 2309	100,000
Brandywine Foundation, Inc. – Whitehall	150,000
Brock Bridge Homeowner’s Association, Inc.	45,000
Cedar and Morris Hill Improvement Association, Inc. – Community Center	150,000
Chesapeake Children’s Museum	20,000
Chesapeake Conservancy, Inc. – Earl Conservation Center	100,000
Chesapeake High School – field house	250,000
Deale Elks Lodge No. 2528	50,000
Earleigh Heights Volunteer Fire Company	350,000
Eastport Volunteer Fire Company – Heroes Park	70,000
Ferndale Community Club, Inc.	50,000
Gambrills Athletic Club, Inc.	67,013
George Phillips Jr Recovery Community Center	175,000
Glen Burnie High School – electronic sign	50,000
Glen Burnie Improvement Association – Barbara Moeller Park	200,000
Glen Burnie Improvement Association – playground equipment	50,000
Harundale Civic Association, Inc.	50,000
Historic Annapolis, Inc.	3,100,000
Lloyd Keaser Community Center	75,000
Luminis Health Anne Arundel Medical Center	1,400,000
Maryland Hall for the Creative Arts	1,100,000
Maryland Society of the Sons of the American Revolution – War Memorial	250,000
Pascal Crisis Stabilization Center	100,000
Piney Orchard Nature Preserve	8,772
Severn Cross Roads Foundation – Charles W. Baldwin Hall	25,000
SoCo Arts Lab, Inc. – community wood kiln	15,000

Ulmstead Club Community Center, Inc.	200,000
University of Maryland Baltimore Washington Medical Center	2,000,000
VFW Post 160	250,000
Village Commons Community Center, Inc.	225,000
Village of Olde Mill Community Association, Inc.	40,000
West Arundel Swim Club, Inc.	162,500
Wiley H. Bates Legacy Center, Inc.	25,000
William Paca Garden	75,000
Woods Community Center	125,000

D. Capital Projects for State Facilities in the County

General Government

General Assembly – Department of Legislative Services building	\$16,239,000
Parole Communications Tower	1,000,000
Revolutionary War Memorial for Black Soldiers	250,000
Supreme Court of Maryland Building	35,400,000
Treasury Building – renovations	500,000

Department of Veterans Affairs

Crownsville Veterans Cemetery – expansion	1,112,000
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Maryland State Police

Barrack J – communications room and garage	113,000
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Military Department

Glen Burnie Readiness Center – renovation and expansion	398,000
Glen Burnie Readiness Center – renovation and expansion (federal funds)	511,000

Department of Natural Resources

Sandy Point State Park – ADA-accessible trail	200,000
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Maryland Environmental Service

Dorsey Run Wastewater Treatment Plant – sludge processing facility upgrade	570,000
Sandy Point State Park – water tower and water treatment plant upgrade	2,281,000

Baltimore City

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$417,020	\$419,487	\$2,468	0.6%
Foundation Aid – Special Grants	30,403	0	-30,403	-100.0%
Compensatory Education	306,866	315,536	8,670	2.8%
Student Transportation	24,075	25,051	976	4.1%
Special Education	75,223	84,348	9,125	12.1%
English Language Learners Grant	54,685	63,108	8,422	15.4%
Guaranteed Tax Base	22,823	42,074	19,251	84.3%
Comparable Wage Index	13,486	13,566	80	0.6%
Blueprint Funding	175,813	203,530	27,717	15.8%
Prekindergarten Grants	2,750	2,750	0	0.0%
Other Education Aid	7,431	7,471	40	0.5%
<i>Primary and Secondary Education</i>	<i>\$1,130,576</i>	<i>\$1,176,921</i>	<i>\$46,345</i>	<i>4.1%</i>
Libraries	\$9,715	\$9,741	\$26	0.3%
Health Formula Grant	11,528	11,528	0	0.0%
Transportation	203,941	242,391	38,450	18.9%
Police and Public Safety	35,050	35,593	543	1.5%
Fire and Rescue Aid	1,324	1,324	0	0.0%
Disparity Grant	79,052	79,052	0	0.0%
Teachers Retirement Supplemental Grant	10,048	10,048	0	0.0%
Gaming Impact Aid	24,936	25,241	305	1.2%
Local Education Effort	10,000	0	-10,000	-100.0%
Other Direct Aid	3,434	1,699	-1,735	-50.5%
Total Direct Aid	\$1,519,603	\$1,593,536	\$73,934	4.9%
Aid Per Capita (\$)	\$2,688	\$2,819	\$131	4.9%
Property Tax Equivalent (\$)	3.16	3.16	0.00	0.0%

2. Retirement Payments

City teachers and librarians 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 on behalf of the subdivisions for these local employees. Fiscal 2025 State payments for Baltimore City for teachers and librarians are estimated to be \$78,178,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$1,016,491,000
Family Health and Chronic Disease	2,867,000
Developmental Disabilities	73,548,000
Behavioral Health Services	340,766,000

Social Services

Homeless Services	2,239,000
Women’s Services	1,366,000
Adult Services	3,777,000
Child Welfare Services	66,595,000
Foster Care	86,817,000
Temporary Cash Assistance	18,749,000

Senior Citizen Services

Long-term Care	2,070,000
Community Services	1,197,000

C. Selected State Grants for Capital Projects**Public Schools***

Armistead Gardens Elementary/Middle School #243 – construction	\$8,607,300
Furley Elementary School #206 – construction	6,250,000
Maree Garnett Farring Elementary/Middle School #203 – construction	3,750,000
Northeast Building #49 – construction	5,807,862
Aging Schools Program	1,387,926

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Public Libraries

Forest Park Library – renovation and expansion	2,218,000
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Strategic Demolition Fund

Project C.O.R.E	50,000,000
We Rise	100,000

Baltimore Regional Neighborhood Initiative

Afro Charities – Upton Mansion	1,250,000
Baltimore Safe Haven Corp.	250,000
Coppin Heights Community Development Corporation	250,000
Druid Heights Community Development Corporation	650,000
Harbor Bank of Maryland Community Dev Co. – Garden Theatre Place	100,000
Jubilee Baltimore, Inc.	150,000
KEYS Empowerment, Inc. – Harmony Hub site	750,000
Mary Harvin Transformation Center	75,000
Mission First Housing Development Corp. – East Baltimore grocery store	150,000
Neighborhood Impact Investment Fund, Inc. – Pigtown Library	750,000
ReBUILD Metro, Inc. – Greenmount Park	1,500,000
ReBUILD Metro, Inc. – Machine Works property	2,500,000
Vacant No More, Inc.	75,000

Program Open Space

Baltimore City Direct Grant	10,000,000
Park acquisition and development	2,611,840

Chesapeake Bay Restoration Fund

Middle Branch – resiliency project	8,000,000
Patapsco WWTP – headworks improvements	5,000,000

Comprehensive Flood Mitigation Program

Middle Branch – flooding and storm surge resiliency	2,800,000
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Waterway Improvement

City Fire Department – shallow water safety vessel	22,500
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Other Projects

A Strong Foundation, LLC	50,000
American Cancer Society, Inc. – Hope Lodge	200,000
Archbishop Curley High School	50,000
Associated Catholic Charities, Inc.	500,000
B&O Railroad Museum	1,000,000
Baltimore Museum of Art	500,000
Baltimore Public Markets Corporation – Hollins Market	150,000
Baltimore Rowing Club, Inc. – community boat house	500,000
Baltimore Squashwise, Inc.	250,000
Baltimore Symphony Orchestra	500,000
Baltimore Urban League, Inc. – headquarters renovation	1,000,000
Baltimore Zoo – infrastructure improvements	4,903,000
B’More Clubhouse, Inc.	50,000
Boys and Girls Clubs of Metropolitan Baltimore – Hilton Recreation Center	250,000
Chimes Outdoor Adaptive Therapeutic Center	300,000
Clay Hill Public Charter School	100,000
Community Wealth Builders, Inc. – Eager Landing	200,000
Delta Sigma Theta Sorority, Inc. – Delta Community Center	350,000
Downtown Partnership of Baltimore, Inc.	9,000,000
Drink at the Well, Inc.	450,000
Durham Street Initiatives, Inc.	100,000
Dynamic Deliverance Apostolic Inc.	50,000
Edward A. Myerberg Senior Center	500,000
Enoch Pratt Free Library System	1,000,000
Generational Girls DMV	250,000
Hamilton-Lauraville Main Street, Inc.	350,000
Henderson Crossing	100,000
Hippodrome Foundation, Inc. – France-Merrick Performing Arts Center	600,000

Homes for America, Inc. – Clare Court	350,000
Inner Harbor Promenade – infrastructure improvements	30,000,000
International Black Fire Fighter Museum and Safety Education Center	200,000
Johns Hopkins University – Data Science and Computing Center	16,000,000
Johns Hopkins University – Wyman Park Building	2,000,000
Kappa Alpha Psi Youth and Community Center	297,000
Kennedy Krieger Children’s Hospital	1,250,000
Kennedy Krieger Institute	750,000
Lillie May Carroll Jackson Charter School	50,000
Lins Kids Childcare, LLC	250,000
Locust Point Civic Association, Inc. – community garden	50,000
Mary Harvin Transformation Center	2,500,000
Maryland Center for History and Culture	2,500,000
Maryland Institute College of Art – main building renovation	2,000,000
Maryland School for the Blind – construction	4,395,000
Maryland Science Center	200,000
MedStar Union Memorial Hospital	500,000
Most Worshipful Prince Hall Grand Lodge	100,000
Nathaniel McFadden Learn and Play Park	150,000
National Aquarium in Baltimore	2,250,000
National Federation of the Blind – Museum of the Blind People’s Movement	250,000
National Great Blacks in Wax Museum	750,000
Next One Up Foundation, Inc.	500,000
No Struggle No Success, Inc. – Youth and Adult Services Center	275,000
Noble Realty Advisors, LLC – Candy Factory	150,000
Notre Dame of Maryland University – Fourier Hall	2,000,000
Omega Psi Phi Fraternity, Inc.	250,000
Parks and People, Inc. – Betty Hyatt Park playground	250,000
Parks and People, Inc. – Leith Walk Elementary/Middle School playground	180,000
Pathway Forward, Inc. – 1130 West Lexington Street	350,000
Pennsylvania Avenue Black Arts and Entertainment District	2,000,000
Port Discovery Children’s Museum	350,000
Preservation Maryland – Mount Vernon	250,000
Robert Hunt Revitalization Center	1,500,000
Salvation Army Maryland – community recreation center	250,000
SBC Outreach and Worship Ministries, Inc. – Seed Church	250,000
Sinai Hospital	1,000,000
South Harbor Renaissance, Inc. – Federal Hill Park playground	29,000
St. Agnes Foundation, Inc. – family birthing center	200,000
The Associated Jewish Federation of Baltimore – Park Heights Campus	500,000
The Bridge Project, Inc. – affordable housing units	25,000

The Children’s Guild, Inc. – group homes	250,000
The Downtown Sailing Center, Inc.	250,000
The H.O.P.E. Academy Baltimore, Inc.	150,000
The Hearing and Speech Agency of Metropolitan Baltimore, Inc.	400,000
The Lord’s Church – outreach center	400,000
The Women’s Housing Coalition, Inc.	150,000
Tivoly Eco-Village	100,000
WBC Community Development Co. – Liberty Coalition of Neighborhoods	350,000
Women’s Institute of Torah Seminary and College, Inc.	100,000
York Corridor Business Improvement District Management Authority	205,000
York Road Partnership, Inc.	600,000

D. Capital Projects for State Facilities in the City

General Government

Baltimore City District Court – Shillman Building	\$18,227,000
Baltimore State Center – planning and demolition	5,000,000
William Donald Schaefer Tower	16,500,000

Department of Juvenile Services

Maryland Youth Residence Center – renovation and expansion	1,430,000
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Department of Public Safety and Correctional Services

Therapeutic Treatment Center	19,212,000
Women’s Pre-Release Center	4,025,000

Department of Housing and Community Development

East Baltimore Development Fund	1,000,000
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Baltimore City Community College

Campuswide – deferred maintenance	4,000,000
Campuswide – facilities renewal	237,875
Nursing Building – renovation and addition	1,289,000

Morgan State University

Campuswide – deferred maintenance and site improvements	6,500,000
Carter Grant Wilson Building – renovation	4,445,000
Lake Clifton High School demolition	5,301,000
Science Center – construction	22,994,000

University System of Maryland

Baltimore – Dental Ambulatory Surgery Center	1,638,000
Baltimore – School of Social Work	26,730,000
Coppin State – deferred maintenance and site improvements	1,000,000
Coppin State – residence hall	11,136,000
Coppin State – student center and residential complex	10,000,000
Headquarters – Columbus Center deferred maintenance	11,634,000

Baltimore County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$485,049	\$489,043	\$3,994	0.8%
Compensatory Education	194,023	199,310	5,287	2.7%
Student Transportation	40,998	41,469	470	1.1%
Special Education	84,841	92,338	7,497	8.8%
English Language Learners Grant	46,595	53,926	7,331	15.7%
Comparable Wage Index	15,449	15,576	127	0.8%
Blueprint Funding	31,769	47,316	15,548	48.9%
Prekindergarten Grants	500	500	0	0.0%
Other Education Aid	5,048	5,403	355	7.0%
Primary and Secondary Education	\$904,272	\$944,882	\$40,610	4.5%
Libraries	\$7,470	\$7,633	\$163	2.2%
Community Colleges	75,316	72,386	-2,930	-3.9%
Health Formula Grant	7,665	7,678	12	0.2%
Transportation	11,975	14,225	2,250	18.8%
Police and Public Safety	19,878	19,168	-710	-3.6%
Fire and Rescue Aid	1,695	1,695	0	0.0%
Teachers Retirement Supplemental Grant	3,000	3,000	0	0.0%
Other Direct Aid	38	288	250	654.5%
Total Direct Aid	\$1,031,309	\$1,070,954	\$39,645	3.8%
Aid Per Capita (\$)	\$1,221	\$1,268	\$47	3.8%
Property Tax Equivalent (\$)	1.01	1.00	-0.01	-1.0%

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 2025 State payments for Baltimore County for teachers, librarians, and community college faculty are estimated to be \$125,495,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$717,096,000
Family Health and Chronic Disease	2,335,000
Developmental Disabilities	258,700,000
Behavioral Health Services	176,402,000

Social Services

Homeless Services	587,000
Women's Services	1,022,000
Adult Services	1,208,000
Child Welfare Services	13,428,000
Foster Care	38,087,000
Temporary Cash Assistance	8,777,000

Senior Citizen Services

Long-term Care	1,766,000
Community Services	963,000

C. Selected State Grants for Capital Projects**Public Schools***

Dulaney High School – construction	\$8,074,094
Northeast Area High School – construction	250,000
Northwest Area Career, Technology and Education Center – construction	250,000
Patapsco High School and Center for the Arts – construction	1,554,200
Sandalwood Elem. School – renovations (HVAC/open space enclosures)	5,922,906
Towson High School – construction	13,788,419
Aging Schools Program	874,228
Supplemental Capital Grant Program for Local School Systems	6,481,108

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Community College of Baltimore County

Campuswide – roof membrane replacements	681,000
Essex – primary switchgear and distribution replacement	522,000

Baltimore Regional Neighborhood Initiative

4M Swim and Recreation Club	750,000
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Program Open Space

Park acquisition and development	4,396,664
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Chesapeake Bay Restoration Fund

Patapsco WWTP – headworks improvements	15,000,000
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Other Projects

American Legion Liberty Post No. 122	250,000
Baltimore County – Catonsville Armory	250,000
Baltimore County – Highlands Trail	500,000
Baltimore County – Holland Hill Park	150,000
Baltimore County – Norris Farm Landfill and Recycling	250,000
Baltimore County – Perry Hall Elementary School sidewalk improvements	10,000
Baltimore County – Perry Hall sewer and wastewater infrastructure	2,000,000
Baltimore County – Randallstown Library	27,875,000
Bowleys Quarters Volunteer Fire Department	125,000
Catonsville Emergency Assistance, Inc.	250,000
Catonsville Rails to Trails, Inc.	850,000

Chimes Foundation, Inc. – Vincent Farm Lane House	224,000
City Ranch, Inc.	250,000
Civil Air Patrol U.S. Air Force Auxiliary – Nike Missile site restoration	25,000
Dominion Resource Center, Inc.	250,000
Emory Grove Hotel	100,000
Essex Skypark Association, Inc.	290,000
Franklin Square Hospital	1,000,000
HopeWell Cancer Support, Inc.	300,000
Impact Baltimore EDC, Inc. – Community Outreach Center	100,000
Jacksonville Volunteer Fire Company	100,000
Jewish Community Center of Baltimore – Gordon Center for Performing Arts	104,100
Knights of Columbus Council No. 1960	300,000
Land Preservation Trust, Inc.	100,000
Liberty Community Development Youth Center	50,000
Lung Health Coalition – mobile lung van	200,000
Maryland State Fairgrounds	250,000
Music City Maryland Association, Inc. – Amphitheater	245,000
National Center on Institutions and Alternatives	325,000
Natural History Museum	150,000
Our Lady of Mount Carmel School, Inc.	150,000
Owings Mills Volunteer Fire Company	150,000
Perry Hall Elementary School Parent-Teacher Association, Inc.	30,000
Pikesville Armory	5,000,000
Rosedale Christian Academy	300,000
Sheppard Pratt Health System, Inc.	1,950,000
Sparrows Point High School – scoreboard	50,000
Stevenson University – environmental remediation	2,000,000
Talmudical Academy of Baltimore, Inc.	100,000
The One Love Foundation in Honor of Yeardeley Love, Inc.	250,000
Towson Elks Lodge No. 469	215,000
University of Maryland St. Joseph Medical Center	1,400,000
VFW Wells and McComas Post No. 2678	100,000
Yeshivas Toras Simcha	100,000
Zion Evangelical Lutheran Church – original log cabin	10,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Gunpowder Falls State Park – Dundee Creek Marina	\$2,250,000
Gunpowder Falls State Park – Hammerman boat ramp replacement	200,000
Gunpowder Falls State Park – Torey Brown Trail bridge improvements	613,054

University System of Maryland

Baltimore County – Sherman Hall	18,265,000
Towson University – Smith Hall expansion and renovation	32,474,000

Calvert County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$74,405	\$55,381	-\$19,024	-25.6%
Compensatory Education	14,604	13,225	-1,378	-9.4%
Student Transportation	7,566	7,562	-3	0.0%
Special Education	8,418	7,310	-1,108	-13.2%
English Language Learners Grant	1,051	871	-180	-17.1%
Comparable Wage Index	2,880	2,144	-736	-25.6%
Blueprint Funding	1,868	1,735	-133	-7.1%
Other Education Aid	981	1,019	38	3.9%
<i>Primary and Secondary Education</i>	<i>\$111,773</i>	<i>\$89,247</i>	<i>-\$22,525</i>	<i>-20.2%</i>
Libraries	\$618	\$610	-\$8	-1.3%
Community Colleges	5,559	5,068	-492	-8.8%
Health Formula Grant	3,234	3,540	306	9.5%
Transportation ¹	2,677	3,135	458	17.1%
Police and Public Safety ¹	989	1,007	19	1.9%
Fire and Rescue Aid ¹	281	281	0	0.0%
Other Direct Aid	3,150	3,150	0	0.0%
Total Direct Aid	\$128,281	\$106,039	-\$22,242	-17.3%
Aid Per Capita (\$)	\$1,354	\$1,119	-\$235	-17.3%
Property Tax Equivalent (\$)	0.66	0.53	-0.13	-19.7%

¹ 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 2025 State payments for Calvert County for teachers, librarians, and community college faculty are estimated to be \$16,785,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$73,381,000
Family Health and Chronic Disease	561,000
Developmental Disabilities	10,088,000
Behavioral Health Services	22,894,000

Social Services

Homeless Services	1,380,000
Women’s Services	480,000
Adult Services	160,000
Child Welfare Services	1,624,000
Foster Care	4,516,000
Temporary Cash Assistance	241,000

Senior Citizen Services

Long-term Care	139,000
Community Services	112,000

Note: Homeless services funding supports services in Calvert, Charles, and St. Mary’s counties.

C. Selected State Grants for Capital Projects**Public Schools***

Northern Middle School – construction	\$7,630,492
Aging Schools Program	38,292

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Program Open Space

Park acquisition and development	387,608
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Waterway Improvement

North Beach – pier boating area upgrades	50,000
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Other Projects

Calvert County Day School, Inc. – The Calverton School	250,000
Chesapeake Beach – water park improvements	500,000
Prince Frederick Masonic Lodge No. 142	150,000
Solomons Volunteer Rescue Squad and Fire Department	100,000

Caroline County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$34,384	\$34,047	-\$336	-1.0%
Compensatory Education	22,388	22,775	387	1.7%
Student Transportation	3,546	3,581	35	1.0%
Special Education	3,890	4,436	545	14.0%
English Language Learners Grant	4,130	4,285	155	3.8%
Guaranteed Tax Base	2,160	1,688	-472	-21.8%
Blueprint Funding	5,389	8,047	2,657	49.3%
Prekindergarten Grants	600	600	0	0.0%
Other Education Aid	1,091	1,194	103	9.5%
Primary and Secondary Education	\$77,577	\$80,652	\$3,075	4.0%
Libraries	\$369	\$374	\$5	1.3%
Community Colleges	2,684	2,639	-46	-1.7%
Health Formula Grant	2,168	2,316	148	6.8%
Transportation ¹	2,081	2,448	366	17.6%
Police and Public Safety ¹	477	457	-20	-4.1%
Fire and Rescue Aid ¹	315	315	0	0.0%
Disparity Grant	4,687	4,071	-616	-13.1%
Teachers Retirement Supplemental Grant	685	685	0	0.0%
Total Direct Aid	\$91,043	\$93,957	\$2,914	3.2%
Aid Per Capita (\$)	\$2,710	\$2,797	\$87	3.2%
Property Tax Equivalent (\$)	2.86	2.76	-0.10	-3.5%

¹ 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 2025 State payments for Caroline County for teachers, librarians, and community college faculty are estimated to be \$5,706,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$37,452,000
Family Health and Chronic Disease	414,000
Developmental Disabilities	11,019,000
Behavioral Health Services	12,532,000

Social Services

Homeless Services	1,089,000
Women's Services	85,000
Adult Services	133,000
Child Welfare Services	1,612,000
Foster Care	1,175,000
Temporary Cash Assistance	533,000

Senior Citizen Services

Long-term Care	405,000
Community Services	166,000

Note: Homeless services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties. Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

C. Selected State Grants for Capital Projects

Public Schools*

North Caroline High School – renovations (roof)	\$2,252,388
Aging Schools Program	50,074

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Chesapeake College

Campuswide – facilities renewal	237,875
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Federally Qualified Health Centers Grant Program

Choptank Community Health System, Inc.	825,000
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Program Open Space

Park acquisition and development	169,945
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Community Parks and Playgrounds

Preston – James T. Wright Park	127,816
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Chesapeake Bay Water Quality Projects

Greensboro Regional Wastewater System – expansion	1,500,000
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Chesapeake Bay Restoration Fund

Greensboro Regional Wastewater System – expansion	3,000,000
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Waterway Improvement

Choptank Marina – seawall and marina restoration	1,353,000
Crouse Park – bulkhead renovation	25,000

Other Projects

Caroline County Historical Society, Inc. – Heritage Center	75,000
Martin’s House Homeless Shelter	275,000
The Benedictine School	1,250,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Martinak State Park – dredging and dredge material placement rehabilitation	\$950,000
Tuckahoe State Park – boat ramp replacement	225,000

Carroll County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$117,788	\$121,919	\$4,131	3.5%
Compensatory Education	23,093	25,043	1,950	8.4%
Student Transportation	13,055	13,288	233	1.8%
Special Education	17,173	19,292	2,118	12.3%
English Language Learners Grant	2,010	2,315	305	15.2%
Blueprint Funding	4,375	4,331	-45	-1.0%
Prekindergarten Grants	720	720	0	0.0%
Other Education Aid	1,171	1,346	175	15.0%
<i>Primary and Secondary Education</i>	<i>\$179,385</i>	<i>\$188,254</i>	<i>\$8,869</i>	<i>4.9%</i>
Libraries	\$1,258	\$1,304	\$46	3.7%
Community Colleges	14,369	13,932	-437	-3.0%
Health Formula Grant	4,558	4,963	405	8.9%
Transportation ¹	6,377	7,469	1,092	17.1%
Police and Public Safety ¹	2,035	2,140	105	5.2%
Fire and Rescue Aid ¹	384	384	0	0.0%
Total Direct Aid	\$208,366	\$218,447	\$10,081	4.8%
Aid Per Capita (\$)	\$1,180	\$1,237	\$57	4.8%
Property Tax Equivalent (\$)	0.87	0.86	-0.01	-1.1%

¹ 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 2025 State payments for Carroll County for teachers, librarians, and community college faculty are estimated to be \$25,426,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$83,521,000
Family Health and Chronic Disease	723,000
Developmental Disabilities	26,583,000
Behavioral Health Services	29,420,000

Social Services

Homeless Services	502,000
Women's Services	462,000
Adult Services	135,000
Child Welfare Services	3,061,000
Foster Care	2,795,000
Temporary Cash Assistance	520,000

Senior Citizen Services

Long-term Care	283,000
Community Services	173,000

C. Selected State Grants for Capital Projects**Public Schools***

Carroll Springs School – renovations (HVAC)	\$319,300
Mt. Airy Elementary School – renovations (HVAC)	4,634,953
Sandymount Elementary School – kindergarten/pre-k addition	244,280
Spring Garden Elementary School – renovations (roof)	2,212,890
Aging Schools Program	137,261
Supplemental Capital Grant Program for Local School Systems	1,536,798

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Carroll Community College

Campuswide – facilities renewal	237,875
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Program Open Space

Park acquisition and development	872,595
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Community Parks and Playgrounds

Hampstead – Panther Park Inclusive Park	207,278
Westminster – Tahoma Farm Park	298,950

Chesapeake Bay Water Quality Projects

Manchester WWTP – enhanced nutrient removal	1,500,000
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Chesapeake Bay Restoration Fund

Manchester WWTP – enhanced nutrient removal	13,652,423
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Other Projects

Eldersburg Elementary School – playground	75,000
Hampstead Volunteer Fire Company	100,000
Manchester Valley High School – turf field	100,000
The Foxie G Foundation, Inc.	250,000
Westminster – fiber infrastructure	1,000,000
Winfield Community Volunteer Fire Department – carnival grounds	225,000

D. Capital Projects for State Facilities in the County

Department of Veterans Affairs

Veterans Home – construction (federal funds) \$47,881,000

Department of Natural Resources

Avondale Wildlife Management Area – parking area 200,000

Cecil County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$75,655	\$74,123	-\$1,532	-2.0%
Compensatory Education	31,879	32,113	234	0.7%
Student Transportation	6,901	6,910	9	0.1%
Special Education	12,997	13,942	945	7.3%
English Language Learners Grant	1,790	2,037	247	13.8%
Guaranteed Tax Base	920	0	-920	-100.0%
Blueprint Funding	5,677	8,111	2,434	42.9%
Other Education Aid	2,075	2,217	142	6.8%
Primary and Secondary Education	\$137,894	\$139,453	\$1,560	1.1%
Libraries	\$951	\$973	\$22	2.3%
Community Colleges	9,838	8,972	-866	-8.8%
Health Formula Grant	3,309	3,600	291	8.8%
Transportation ¹	3,481	4,075	594	17.1%
Police and Public Safety ¹	1,557	1,631	74	4.7%
Fire and Rescue Aid ¹	319	319	0	0.0%
Disparity Grant	1,081	0	-1,081	-100.0%
Gaming Impact Aid	4,780	4,780	0	0.0%
Total Direct Aid	\$163,208	\$163,802	\$594	0.4%
Aid Per Capita (\$)	\$1,544	\$1,550	\$6	0.4%
Property Tax Equivalent (\$)	1.27	1.21	-0.06	-4.7%

¹ 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 2025 State payments for Cecil County for teachers, librarians, and community college faculty are estimated to be \$16,792,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$84,954,000
Family Health and Chronic Disease	495,000
Developmental Disabilities	14,435,000
Behavioral Health Services	24,011,000

Social Services

Homeless Services	245,000
Women's Services	410,000
Adult Services	210,000
Child Welfare Services	3,965,000
Foster Care	7,764,000
Temporary Cash Assistance	1,360,000

Senior Citizen Services

Long-term Care	176,000
Community Services	139,000

C. Selected State Grants for Capital Projects

Public Schools*

North East Middle/High School – construction	\$4,661,736
Aging Schools Program	96,024

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Program Open Space

Park acquisition and development	450,623
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Community Parks and Playgrounds

Perryville – Lower Ferry Park Railroad Playground	119,360
Rising Sun – Triangle Dog Park and Trails	300,000

Water Supply Financial Assistance Program

Leslie Wastewater Treatment Plant	250,000
North East – water quality improvements	691,000
Rolling Mill Wastewater Treatment Plant	173,000

Other Projects

Fair Hill Condominium Association	750,000
Maryland Economic Development Corporation – Principio Rail Spur	1,500,000
North East – Nature Preserve	90,000
Perryville – LSHG-Perryville trail	125,000
Sandy Island LLC – Howard Hotel building	200,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Bohemia River State Park – site improvements	\$3,000,000
Old Bohemia Wildlife Management Area – ADA blind and access road	100,000

Maryland Environmental Service

Elk Neck State Park – wastewater treatment plant upgrade	3,473,000
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Charles County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$143,939	\$145,017	\$1,079	0.7%
Compensatory Education	53,681	61,046	7,366	13.7%
Student Transportation	14,364	14,692	327	2.3%
Special Education	17,277	19,154	1,878	10.9%
English Language Learners Grant	6,323	7,071	748	11.8%
Guaranteed Tax Base	8,524	5,830	-2,694	-31.6%
Comparable Wage Index	3,879	3,908	29	0.7%
Blueprint Funding	8,938	10,361	1,422	15.9%
Prekindergarten Grants	105	105	0	0.0%
Other Education Aid	2,062	2,608	545	26.4%
Primary and Secondary Education	\$259,092	\$269,792	\$10,700	4.1%
Libraries	\$1,385	\$1,412	\$28	2.0%
Community Colleges	9,932	9,888	-45	-0.4%
Health Formula Grant	5,096	5,569	473	9.3%
Transportation ¹	3,884	4,579	695	17.9%
Police and Public Safety ¹	2,301	2,411	110	4.8%
Fire and Rescue Aid ¹	397	397	0	0.0%
Total Direct Aid	\$282,086	\$294,048	\$11,962	4.2%
Aid Per Capita (\$)	\$1,640	\$1,710	\$70	4.2%
Property Tax Equivalent (\$)	1.23	1.18	-0.05	-4.1%

¹ 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 2025 State payments for Charles County for teachers, librarians, and community college faculty are estimated to be \$26,699,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$98,728,000
Family Health and Chronic Disease	694,000
Developmental Disabilities	22,639,000
Behavioral Health Services	27,745,000

Social Services

Homeless Services	1,880,000
Women’s Services	503,000
Adult Services	251,000
Child Welfare Services	4,255,000
Foster Care	2,868,000
Temporary Cash Assistance	1,402,000

Senior Citizen Services

Long-term Care	273,000
Community Services	193,000

Note: Homeless services funding supports services in Calvert, Charles, and St. Mary’s counties.

C. Selected State Grants for Capital Projects**Public Schools***

Elementary School #23 – construction	\$1,830,182
General Smallwood Middle School – renovations (HVAC)	3,248,782
T.C. Martin Elementary School – construction	3,177,450
Aging Schools Program	50,074
Supplemental Capital Grant Program for Local School Systems	1,616,571

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Program Open Space

Park acquisition and development	799,456
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Other Projects

Boys and Girls Club of Southern Maryland, Inc.	300,000
Civil Air Patrol U.S. Air Force Auxiliary, Charles Composite Squadron	16,000
La Plata – Phoenix Run Community Center	500,000
La Plata – police station	150,000
Lions Camp Merrick	325,000
Promise Landing Farm, Inc. – adaptive equestrian facilities	150,000
US Bomb Technician Association Corp. – Technology Training Campus	300,000

D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Smallwood State Park – Sweden Point Marina	\$1,000,000
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Dorchester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$24,548	\$24,534	-\$14	-0.1%
Compensatory Education	15,802	16,023	221	1.4%
Student Transportation	3,193	3,250	56	1.8%
Special Education	2,416	2,894	477	19.7%
English Language Learners Grant	1,282	1,522	239	18.7%
Guaranteed Tax Base	1,080	1,626	547	50.6%
Blueprint Funding	7,269	10,437	3,168	43.6%
Prekindergarten Grants	540	540	0	0.0%
Other Education Aid	795	772	-24	-3.0%
Primary and Secondary Education	\$56,925	\$61,597	\$4,672	8.2%
Libraries	\$346	\$356	\$10	3.0%
Community Colleges	1,837	1,664	-172	-9.4%
Health Formula Grant	2,832	3,123	292	10.3%
Transportation ¹	2,551	2,972	421	16.5%
Police and Public Safety ¹	689	618	-72	-10.4%
Fire and Rescue Aid ¹	337	337	0	0.0%
Disparity Grant	3,935	4,443	508	12.9%
Teachers Retirement Supplemental Grant	309	309	0	0.0%
Other Direct Aid	698	707	9	1.3%
Total Direct Aid	\$70,459	\$76,127	\$5,668	8.0%
Aid Per Capita (\$)	\$2,143	\$2,315	\$172	8.0%
Property Tax Equivalent (\$)	2.02	2.06	0.04	1.9%

¹ 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 2025 State payments for Dorchester County for teachers, librarians, and community college faculty are estimated to be \$4,962,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$41,494,000
Family Health and Chronic Disease	518,000
Developmental Disabilities	4,318,000
Behavioral Health Services	12,468,000

Social Services

Homeless Services	1,089,000
Women's Services	85,000
Adult Services	340,000
Child Welfare Services	1,843,000
Foster Care	1,466,000
Temporary Cash Assistance	531,000

Senior Citizen Services

Long-term Care	617,000
Community Services	304,000

Note: Homeless services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

C. Selected State Grants for Capital Projects**Public Schools***

Hurlock Elementary School – renovations (security vestibule)	\$550,000
South Dorchester Elem/Middle School – renovations (HVAC/fire alarm)	2,372,900
Vienna Elementary School – renovations (security vestibule)	330,000
Aging Schools Program	38,292

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Chesapeake College

Campuswide – facilities renewal	237,875
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Program Open Space

Park acquisition and development	148,465
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Community Parks and Playgrounds

Cambridge – Mill Street Nature Way Park	183,000
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Waterway Improvement

Back Creek Marina – renovations	50,000
Jenkins Creek – dredging	62,500
Langrells Island – boat ramp replacement and dredging	100,000
Lodgecliffe Canal – dredging	37,500
Trenton Street – boat ramp improvements	250,000
Tylers Cove – marina improvements	250,000

Other Projects

Cambridge – Municipal Building/Fire House	175,000
Patriot Point	150,000

Frederick County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$225,335	\$229,015	\$3,680	1.6%
Compensatory Education	58,439	58,957	518	0.9%
Student Transportation	18,121	18,696	575	3.2%
Special Education	29,888	33,424	3,536	11.8%
English Language Learners Grant	16,707	18,228	1,521	9.1%
Comparable Wage Index	5,189	5,274	85	1.6%
Blueprint Funding	11,275	13,557	2,282	20.2%
Prekindergarten Grants	900	900	0	0.0%
Other Education Aid	2,723	3,325	602	22.1%
<i>Primary and Secondary Education</i>	\$368,578	\$381,376	\$12,798	3.5%
Libraries	\$1,906	\$1,991	\$85	4.5%
Community Colleges	19,539	21,906	2,367	12.1%
Health Formula Grant	5,092	5,501	409	8.0%
Transportation ¹	10,235	11,957	1,722	16.8%
Police and Public Safety ¹	3,641	3,908	268	7.4%
Fire and Rescue Aid ¹	607	607	0	0.0%
Other Direct Aid	0	500	500	0.0%
Total Direct Aid	\$409,597	\$427,746	\$18,149	4.4%
Aid Per Capita (\$)	\$1,396	\$1,458	\$62	4.4%
Property Tax Equivalent (\$)	0.98	0.95	-0.03	-3.1%

¹ 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 2025 State payments for Frederick County for teachers, librarians, and community college faculty are estimated to be \$48,100,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$134,759,000
Family Health and Chronic Disease	672,000
Developmental Disabilities	30,241,000
Behavioral Health Services	46,517,000

Social Services

Homeless Services	513,000
Women’s Services	484,000
Adult Services	313,000
Child Welfare Services	5,070,000
Foster Care	5,507,000
Temporary Cash Assistance	1,481,000

Senior Citizen Services

Long-term Care	379,000
Community Services	235,000

C. Selected State Grants for Capital Projects**Public Schools***

Ballenger Creek Elementary School – construction	\$550,000
Spring Ridge Elementary School – construction	3,807,900
Yellow Springs Elementary School – construction	9,284,480
Aging Schools Program	182,622
Supplemental Capital Grant Program for Local School Systems	2,744,231

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Frederick Community College

Campuswide – facilities renewal	237,875
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Program Open Space

Park acquisition and development	938,484
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Community Parks and Playgrounds

Brunswick – B&O Railroad Park	220,000
Middletown – North Pointe Park Playground	32,240
New Market Community Park	100,000

Other Projects

African American Heritage Center	200,000
American Legion Francis Scott Key Post 11	450,000
Brunswick Main Street, Inc. – Building Blocks Program	275,000
Camp Shoresh	125,000
Downtown Frederick Partnership, Inc. – Seventh Street Fountain Park	150,000
Frederick – traffic calming program	250,000
Frederick County – Downtown Frederick Hotel and Conference Center	7,500,000
Frederick County – Prospect Center redevelopment	2,000,000
Frederick Woman’s Civic Club, Inc. – Steiner House	14,415
Global Wildlife Trust, Inc. – Catoctin Wildlife Preserve and Zoo	60,000
Historical Society of Frederick County, Inc.	200,000
Middletown – Town Hall improvements	250,000
Mount St. Mary’s University – Coad Science Building	2,000,000
New Market – Event Barn and Pavilion	100,000
Spring Bank LLC – Senior Resources Center	700,000
Steadfast, Standing Firm Against Youth Homelessness, Inc.	25,000

Part A – Budget and State Aid

A-123

Thurmont Little League	100,000
Wolfsville Elementary School PTA	50,000

D. Capital Projects for State Facilities in the County

Military Department

Frederick Readiness Center – renovation and expansion	\$4,364,000
Frederick Readiness Center – renovation and expansion (federal funds)	5,147,000

Department of Natural Resources

Monocacy Natural Resource Management Area – Furnace Branch Trail	50,000
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Other

School for the Deaf – high school and middle school residences	2,138,000
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Garrett County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$12,440	\$10,408	-\$2,032	-16.3%
Foundation Aid – Special Grants	0	855	855	0.0%
Compensatory Education	5,435	5,427	-7	-0.1%
Student Transportation	3,861	3,903	42	1.1%
Special Education	1,126	1,374	248	22.0%
English Language Learners Grant	24	25	1	3.7%
Blueprint Funding	2,455	3,260	806	32.8%
Other Education Aid	1,524	1,553	29	1.9%
<i>Primary and Secondary Education</i>	<i>\$26,864</i>	<i>\$26,805</i>	<i>-\$59</i>	<i>-0.2%</i>
Libraries	\$182	\$165	-\$17	-9.3%
Community Colleges	6,116	5,295	-821	-13.4%
Health Formula Grant	2,735	3,050	314	11.5%
Transportation ¹	2,400	2,815	415	17.3%
Police and Public Safety ¹	287	243	-44	-15.2%
Fire and Rescue Aid ¹	301	301	0	0.0%
Disparity Grant	2,131	2,131	0	0.0%
Teachers Retirement Supplemental Grant	406	406	0	0.0%
Other Direct Aid	1,729	1,739	10	0.6%
Total Direct Aid	\$43,153	\$42,951	-\$202	-0.5%
Aid Per Capita (\$)	\$1,518	\$1,511	-\$7	-0.5%
Property Tax Equivalent (\$)	0.77	0.68	-0.09	-11.7%

¹ 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 2025 State payments for Garrett County for teachers, librarians, and community college faculty are estimated to be \$4,278,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$32,231,000
Family Health and Chronic Disease	438,000
Developmental Disabilities	6,272,000
Behavioral Health Services	9,207,000

Social Services

Homeless Services	202,000
Women’s Services	188,000
Adult Services	74,000
Child Welfare Services	1,788,000
Foster Care	2,144,000
Temporary Cash Assistance	210,000

Senior Citizen Services

Long-term Care	134,000
Community Services	90,000

C. Selected State Grants for Capital Projects**Public Schools***

Southern Middle School – construction	\$19,761,993
Aging Schools Program	38,292

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Public Libraries

Friendsville Library – construction	2,655,000
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Garrett Community College

Campuswide – facilities renewal	237,875
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Program Open Space

Park acquisition and development	184,115
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Community Parks and Playgrounds

Accident – Town Park West	18,096
Deer Park – Community Park	160,000
Friendsville – Community Park	241,604

Water Supply Financial Assistance Program

Mountain Lake Park and Loch Lynn Heights – water line replacement	1,500,000
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Waterway Improvement

Jennings Randolph Lake – dock replacement	300,000
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Other Projects

Accident – Drane House	50,000
Garrett College – ballfield reconstruction	550,000
Garrett County – fairgrounds	200,000
Reflection House	100,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Deep Creek Lake State Park – boat launch and parking lot improvements	\$300,000
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Harford County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$177,400	\$179,738	\$2,338	1.3%
Compensatory Education	51,456	55,913	4,458	8.7%
Student Transportation	16,666	16,873	207	1.2%
Special Education	30,262	34,320	4,058	13.4%
English Language Learners Grant	4,395	5,064	669	15.2%
Comparable Wage Index	6,346	6,429	84	1.3%
Blueprint Funding	10,207	13,882	3,675	36.0%
Prekindergarten Grants	970	970	0	0.0%
Other Education Aid	1,340	1,518	178	13.3%
<i>Primary and Secondary Education</i>	<i>\$299,041</i>	<i>\$314,708</i>	<i>\$15,667</i>	<i>5.2%</i>
Libraries	\$2,121	\$2,179	\$58	2.8%
Community Colleges	19,317	18,884	-433	-2.2%
Health Formula Grant	5,937	6,387	450	7.6%
Transportation ¹	6,574	7,725	1,152	17.5%
Police and Public Safety ¹	3,894	3,988	94	2.4%
Fire and Rescue Aid ¹	565	565	0	0.0%
Total Direct Aid	\$337,449	\$354,437	\$16,988	5.0%
Aid Per Capita (\$)	\$1,275	\$1,339	\$64	5.0%
Property Tax Equivalent (\$)	1.00	1.01	0.01	1.0%

¹ 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 2025 State payments for Harford County for teachers, librarians, and community college faculty are estimated to be \$41,788,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$143,835,000
Family Health and Chronic Disease	1,032,000
Developmental Disabilities	32,494,000
Behavioral Health Services	44,681,000

Social Services

Homeless Services	481,000
Women’s Services	467,000
Adult Services	373,000
Child Welfare Services	5,352,000
Foster Care	12,905,000
Temporary Cash Assistance	2,175,000

Senior Citizen Services

Long-term Care	456,000
Community Services	278,000

C. Selected State Grants for Capital Projects**Public Schools***

Aberdeen Middle School – renovations (HVAC/windows/doors)	\$237,824
Harford Technical High School – construction	10,282,341
Aging Schools Program	217,379
Supplemental Capital Grant Program for Local School Systems	2,240,315

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Harford Community College

Campuswide – facilities renewal	237,875
Chesapeake Welcome Center – renovation and addition	8,890,000

Program Open Space

Park acquisition and development	1,296,787
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Community Parks and Playgrounds

Bel Air – Plumtree Park	100,757
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Waterway Improvement

Havre de Grace Yacht Basin – pier redecking	45,000
Mariner Point Park – Foster Branch maintenance dredging	50,000
Swan Harbor Farm – dredge material placement rehabilitation	150,000

Other Projects

Ashley Addiction Treatment	200,000
Charlton-Miller VFW Post No. 6054	200,000
Discovery Center at Water’s Edge, Inc.	200,000
Harford County – County Airport	1,000,000
Harford County – Mariner Point Park	100,000
Harford County – Reckord Road Park playground	50,000
Harford County – Schucks Regional Park	50,000
Havre de Grace – Sports, Theatre, Arts, Recreation Centre	300,000
Sexual Assault/Spousal Abuse Resource Center	100,000
The Car Hope Foundation, Inc. – Agricultural Pavilion	125,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Palmer State Park – trail and parking improvements	\$50,000
Stoney Run Demonstration Forest – access bridge over Grays Run	50,000

Howard County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$216,373	\$219,204	\$2,831	1.3%
Compensatory Education	50,013	49,517	-496	-1.0%
Student Transportation	23,945	24,334	389	1.6%
Special Education	29,324	33,747	4,423	15.1%
English Language Learners Grant	14,975	15,465	489	3.3%
Comparable Wage Index	13,889	14,071	182	1.3%
Blueprint Funding	6,969	9,223	2,254	32.3%
Prekindergarten Grants	400	400	0	0.0%
Other Education Aid	1,589	1,883	295	18.5%
<i>Primary and Secondary Education</i>	<i>\$357,479</i>	<i>\$367,845</i>	<i>\$10,366</i>	<i>2.9%</i>
Libraries	\$1,209	\$1,259	\$50	4.1%
Community Colleges	35,437	34,965	-472	-1.3%
Health Formula Grant	5,931	6,574	643	10.8%
Transportation	5,272	6,182	909	17.2%
Police and Public Safety	5,751	5,880	129	2.2%
Fire and Rescue Aid	622	622	0	0.0%
Gaming Impact Aid	89	89	0	0.0%
Total Direct Aid	\$411,791	\$423,416	\$11,625	2.8%
Aid Per Capita (\$)	\$1,226	\$1,260	\$34	2.8%
Property Tax Equivalent (\$)	0.65	0.63	-0.02	-3.1%

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 2025 State payments for Howard County for teachers, librarians, and community college faculty are estimated to be \$75,520,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$162,837,000
Family Health and Chronic Disease	980,000
Developmental Disabilities	59,269,000
Behavioral Health Services	43,170,000

Social Services

Homeless Services	300,000
Women’s Services	187,000
Adult Services	85,000
Child Welfare Services	4,302,000
Foster Care	4,517,000
Temporary Cash Assistance	1,401,000

Senior Citizen Services

Long-term Care	450,000
Community Services	254,000

C. Selected State Grants for Capital Projects**Public Schools***

Bellows Spring Elementary School – renovations (HVAC)	\$259,600
Bryant Woods Elementary School – renovations (security vestibule)	431,828
Bushy Park Elementary School – renovations (HVAC)	259,600
Clarksville Middle School – renovations (roof)	1,645,850
Gorman Crossing Elementary School – renovations (HVAC)	259,600
Hollifield Station Elementary School – renovations (HVAC)	237,600
Lime Kiln Middle School – renovations (HVAC)	2,709,900
Lisbon Elementary School – renovations (pump house)	1,199,880
Long Reach High School – renovations (HVAC)	831,600
Marriotts Ridge High School – renovations (HVAC)	793,800
Murray Hill Middle School – renovations (HVAC)	454,300
St. John’s Lane Elementary School – renovations (HVAC)	2,441,700
Veterans Elementary School – renovations (HVAC)	259,600
West Friendship Elementary School – renovations (membrane bioreactor)	1,538,362
Wilde Lake High School – renovations (HVAC/security vestibule)	1,167,782
Aging Schools Program	87,776
Supplemental Capital Grant Program for Local School Systems	3,406,419

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Howard Community College

Campuswide – facilities renewal	237,875
Workforce Development and Trades Center	8,609,000

Program Open Space

Park acquisition and development	2,295,228
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Comprehensive Flood Mitigation Program

Ellicott City – Maryland Avenue culverts	5,000,000
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Other Projects

Asian American Healthcare Center, Inc.	400,000
Atholton Adventist Academy – Outdoor Education Center	50,000
Community Action Council – Route One Service Center	500,000
Fifth District Volunteer Fire Department	400,000
Friends of Patapsco Valley State Park	900,000

Gentle Giants Draft Horse Rescue Society	150,000
Howard County – Asian American Cultural Center	100,000
Howard County – Ellicott City Courthouse	900,000
Howard County – Ilchester Parks and Recreation Center	500,000
Howard County – north tunnel stormwater management	10,000,000
Howard County – Rockland Arts Building	450,000
Howard County – Tiber Park	500,000
Howard County Chinese School, Inc.	100,000
Howard County General Hospital	1,000,000
Howard EcoWorks, Inc. – Green Jobs Training Center	300,000
Mission First Housing Development Corporation – Patuxent Commons	500,000
Path Insight, Co. – Ivy Hill renovations	285,000
Safe Haven Equine Warriors, Inc.	100,000
Savage Volunteer Fire Company	500,000
The Howard County Conservancy, Inc.	49,000

D. Capital Projects for State Facilities in the County

Department of Health

Perkins Hospital Center – north wing renovation	\$16,051,000
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Maryland State Police

Tactical Services Facility – operations building	3,527,000
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Department of Natural Resources

Hug Thomas Wildlife Management Area – trail bridge/ADA access loop	250,000
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Kent County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$2,941	\$2,697	-\$244	-8.3%
Compensatory Education	3,158	3,290	132	4.2%
Student Transportation	2,016	2,043	28	1.4%
Special Education	950	1,006	56	5.8%
English Language Learners Grant	287	366	79	27.5%
Blueprint Funding	1,919	2,101	182	9.5%
Other Education Aid	255	295	41	16.0%
<i>Primary and Secondary Education</i>	<i>\$11,526</i>	<i>\$11,798</i>	<i>\$272</i>	<i>2.4%</i>
Libraries	\$124	\$132	\$8	6.2%
Community Colleges	847	904	57	6.7%
Health Formula Grant	2,529	2,720	192	7.6%
Transportation ¹	1,184	1,392	208	17.6%
Police and Public Safety ¹	237	246	9	3.7%
Fire and Rescue Aid ¹	311	311	0	0.0%
Local Education Effort	250	0	-250	-100.0%
Total Direct Aid	\$17,008	\$17,504	\$496	2.9%
Aid Per Capita (\$)	\$881	\$907	\$26	2.9%
Property Tax Equivalent (\$)	0.52	0.51	-0.01	-1.9%

¹ 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 2025 State payments for Kent County for teachers, librarians, and community college faculty are estimated to be \$2,367,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$21,458,000
Family Health and Chronic Disease	484,000
Developmental Disabilities	5,073,000
Behavioral Health Services	9,133,000

Social Services

Homeless Services	1,089,000
Women’s Services	85,000
Adult Services	90,000
Child Welfare Services	955,000
Foster Care	671,000
Temporary Cash Assistance	248,000

Senior Citizen Services

Long-term Care	405,000
Community Services	166,000

Note: Homeless services funding supports services in Caroline, Dorchester, Kent, Queen Anne’s, and Talbot counties. Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

C. Selected State Grants for Capital Projects**Public Schools***

Kent County Middle School – construction	\$167,341
Aging Schools Program	38,292

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Chesapeake College

Campuswide – facilities renewal	237,875
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Program Open Space

Park acquisition and development	109,640
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Community Parks and Playgrounds

Chestertown – Carpenter Park Playground	264,089
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Other Projects

Kent County High School – tennis courts	306,000
MizMaryland, Inc. – Operation THRIVING ACRES	300,000

D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Sassafras Natural Resource Management Area – trail system	\$50,000
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Montgomery County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$415,772	\$426,201	\$10,428	2.5%
Compensatory Education	200,619	202,028	1,409	0.7%
Student Transportation	55,568	56,360	791	1.4%
Special Education	91,496	102,297	10,801	11.8%
English Language Learners Grant	104,568	113,698	9,130	8.7%
Comparable Wage Index	33,819	34,667	848	2.5%
Blueprint Funding	34,238	39,877	5,639	16.5%
Prekindergarten Grants	370	370	0	0.0%
Other Education Aid	3,811	4,369	557	14.6%
<i>Primary and Secondary Education</i>	<i>\$940,262</i>	<i>\$979,865</i>	<i>\$39,604</i>	<i>4.2%</i>
Libraries	\$3,776	\$3,852	\$76	2.0%
Community Colleges	75,407	74,313	-1,093	-1.5%
Health Formula Grant	5,684	5,693	9	0.2%
Transportation ¹	18,918	49,212	30,293	160.1%
Police and Public Safety ¹	19,607	19,169	-437	-2.2%
Fire and Rescue Aid ¹	1,939	1,939	0	0.0%
Other Direct Aid	0	300	300	0.0%
Total Direct Aid	\$1,065,592	\$1,134,344	\$68,751	6.5%
Aid Per Capita (\$)	\$1,007	\$1,072	\$65	6.5%
Property Tax Equivalent (\$)	0.48	0.48	0.00	0.0%

¹ 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 2025 State payments for Montgomery County for teachers, librarians, and community college faculty are estimated to be \$202,947,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$559,356,000
Family Health and Chronic Disease	1,730,000
Developmental Disabilities	170,355,000
Behavioral Health Services	139,107,000

Social Services

Homeless Services	738,000
Women's Services	287,000
Adult Services	1,559,000
Child Welfare Services	7,182,000
Foster Care	21,632,000
Temporary Cash Assistance	4,180,000

Senior Citizen Services

Long-term Care	1,802,000
Community Services	932,000

C. Selected State Grants for Capital Projects**Public Schools***

Crown High School – construction	\$15,617,704
Dr. Charles R. Drew Elementary School – renovations (HVAC)	2,772,000
Gaithersburg Middle School – renovations (HVAC)	2,970,000
John F. Kennedy High School – renovations (roof)	2,768,040
Meadow Hall Elementary School – renovations (roof)	315,000
Montgomery Blair High School – renovations (roof)	1,401,300
Northwood High School – construction	1,287,704
Spark M. Matsunaga Elementary School – renovations (HVAC)	2,574,000
Springbrook High School – renovations (HVAC)	2,871,000
Walt Whitman High School – renovations (HVAC)	2,475,000
Aging Schools Program	602,652
Supplemental Capital Grant Program for Local School Systems	9,438,260

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Public Libraries

Damascus Library – renovation	957,000
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Montgomery College

Germantown – Student Services Center	1,836,000
Rockville – library renovation	1,000,000

Local Jails and Detention Centers

Montgomery County Detention Center	1,897,000
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Community Health Facilities Grant Program

Community Support Services, Inc.	2,837,000
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National Capital Strategic Economic Development Fund

Children’s National Hospital – Tech Hill Pharmacy	1,000,000
Mission First Housing Development Corp. – 1910 University Senior Housing	1,000,000
Montgomery County – 11255 New Hampshire Avenue block	2,000,000
Montgomery County – Burtonsville Crossing Shopping Center	2,000,000

Program Open Space

Park acquisition and development	5,821,255
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Community Parks and Playgrounds

Kensington – St. Paul Park Playground	177,801
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Hazardous Substance Cleanup Program

Linden Lane	150,000
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Other Projects

Adventist Healthcare, Inc. – Shady Grove Medical Center	2,500,000
Alpha Phi Alpha, Inc. – Smithville School Museum and Education Center	800,000
Bethesda Meeting House Foundation, Inc.	150,000
Brookeville – Market Street improvements	150,000
Centerway Local Park	150,000
Chinese Culture and Community Service Center, Inc – Health Center	25,000
Dalewood Playground	25,000
Damascus Heritage Society Museum	75,000
Don Bosco Cristo Rey High School	1,000,000
EveryMind, Inc.	250,000
Fairland Recreational Park	500,000
Friends House Retirement Community, Inc.	200,000
Gaithersburg – Bohrer Park	300,000
Gaithersburg – Walder Park	25,000
Garrett Park – Town Hall improvements	300,000
Glen Echo – stormwater restoration	150,000
Holy Cross Hospital	2,000,000
Identity, Inc. – headquarters and community center	1,000,000
Interfaith Works, Inc. – Women’s Center at Crabb’s Branch Shelter	350,000
Ivymount School, Inc.	200,000
Jewish Foundation for Group Homes, Inc.	150,000
Jewish Social Service Agency	100,000
Johnson’s Local Park	50,000
Jubilee Association of Maryland, Inc.	550,000
Kensington – public art murals	50,000
Leisure World Community Corporation	250,000
Maryland Tech Council – Biohub Maryland	500,000
MedStar Montgomery Medical Center	1,100,000
Merrimac Neighborhood Park	150,000
Mi Casa (My House), Inc. – Leeland renovation	100,000
Mid-Atlantic Off-Road Enthusiasts, Inc. – Seneca Greenway Trail	100,000
Montgomery County – Bowie Mill Road bike trail	2,100,000

Montgomery County – Boyds Transit Center	500,000
Montgomery County – Damascus sidewalk repair	30,000
Montgomery County – Holiday Park Senior Center	1,500,000
Montgomery County – Inter-County Connector sound barriers	250,000
Montgomery County – public school playgrounds	1,350,000
Montgomery County – recreational facilities playgrounds	1,400,000
Montgomery County – Watkins Mill High School concession stand	100,000
Montgomery Hospice, Inc. – Casey House	50,000
Oakdale Church	50,000
Olney Boys and Girls Club – Performance Sports Center	250,000
Quality Time Learning Center, LLC	25,000
Rainbow Place Shelter for Homeless Women, Inc.	400,000
Riverworks Art Center, Inc.	100,000
Rockville – David Scull Park	250,000
Round House Theatre	150,000
Sandy Spring Slave Museum and African Art Gallery	40,000
Scotland AME Zion Church, Inc.	100,000
St. Mark’s Church	70,000
Stonehedge Local Park	350,000
Strathmore Hall Performing Arts Center	750,000
Takoma Park – Community Center	200,000
The Diener School, Inc.	440,000
The People’s Foundation, Inc. – Multilingual Daycare and Aftercare	300,000
Wheaton Volunteer Rescue Squad	350,000
Winter Growth, Inc.	14,000
WMATA – North Bethesda Metro access improvements	3,000,000
Yeshiva of Greater Washington, Inc.	92,000
YMCA Silver Spring	125,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

McKee-Beshers Trail – bridge improvements	\$300,000
McKee-Beshers Wildlife Management Area – ADA access improvements	50,000
Strider Wildlife Management Area – parking lot expansion	200,000

University System of Maryland

Baltimore – Institute for Health Computing at North Bethesda	3,000,000
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Prince George’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$661,124	\$651,356	-\$9,768	-1.5%
Compensatory Education	352,034	346,711	-5,322	-1.5%
Student Transportation	52,869	53,764	895	1.7%
Special Education	93,589	101,149	7,561	8.1%
English Language Learners Grant	163,247	172,228	8,980	5.5%
Comparable Wage Index	41,790	41,172	-617	-1.5%
Blueprint Funding	176,928	233,153	56,226	31.8%
Prekindergarten Grants	900	900	0	0.0%
Other Education Aid	3,753	4,649	896	23.9%
Primary and Secondary Education	\$1,546,232	\$1,605,083	\$58,851	3.8%
Libraries	\$8,753	\$8,692	-\$61	-0.7%
Community Colleges	47,815	47,910	95	0.2%
Health Formula Grant	9,278	9,319	42	0.4%
Transportation ¹	19,877	23,182	3,305	16.6%
Police and Public Safety ¹	26,534	26,115	-419	-1.6%
Fire and Rescue Aid ¹	1,721	1,721	0	0.0%
Disparity Grant	98,482	69,278	-29,204	-29.7%
Teachers Retirement Supplemental Grant	9,629	9,629	0	0.0%
Gaming Impact Aid	34,493	34,949	456	1.3%
Other Direct Aid	1,000	750	-250	-25.0%
Total Direct Aid	\$1,803,813	\$1,836,628	\$32,815	1.8%
Aid Per Capita (\$)	\$1,904	\$1,939	\$35	1.8%
Property Tax Equivalent (\$)	1.47	1.40	-0.07	-4.8%

¹ 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 2025 State payments for Prince George’s County for teachers, librarians, and community college faculty are estimated to be \$141,908,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$640,302,000
Family Health and Chronic Disease	11,883,000
Developmental Disabilities	135,249,000
Behavioral Health Services	148,399,000

Social Services

Homeless Services	1,225,000
Women’s Services	443,000
Adult Services	848,000
Child Welfare Services	14,017,000
Foster Care	33,147,000
Temporary Cash Assistance	8,889,000

Senior Citizen Services

Long-term Care	1,570,000
Community Services	831,000

C. Selected State Grants for Capital Projects**Public Schools***

Cool Spring Elementary School – construction	\$6,070,458
Suitland High School – construction	28,000,000
Aging Schools Program	1,209,428
Built to Learn Fund – Public-Private Partnership Projects	29,000,000
Supplemental Capital Grant Program for Local School Systems	7,565,316

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Prince George’s Community College

Marlboro Hall – renovation and addition	17,411,000
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Federally Qualified Health Centers Grant Program

CCI Health Services	1,500,000
Community Clinic Health and Wellness Services, Inc.	1,200,000
Greater Baden Medical Services, Inc.	3,400,000

Strategic Demolition Fund

Prince George’s County – Cheverly Hospital	2,500,000
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National Capital Strategic Economic Development Fund

College Park City-University Partnership, Inc.	2,000,000
East-West CDC Foundation, Inc.	1,750,000
Prince George’s County – Cheverly Hospital	5,000,000
White Rose Foundation, Inc.	250,000

Program Open Space

Park acquisition and development	4,772,889
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Community Parks and Playgrounds

Cheverly – Boyd Park Playground	214,729
College Park – Calvert Hills Park	118,210
New Carrollton – Mahoney Woods	230,000
New Carrollton – Oak Lane Park	200,000

Hazardous Substance Cleanup Program

Anacostia River – Northeast and Northwest Branches	150,000
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Other Projects

Accokeek East Community Park	450,000
Adventist HealthCare Fort Washington Medical Center, Inc.	10,000,000
Beltsville Volunteer Fire Department	1,500,000
Berwyn Heights – police station and community space	425,000
Bowie – water infrastructure improvements	250,000
Bowie Volunteer Fire Department	25,000
Camp Springs Elks Lodge No. 2332	200,000
Capitol Heights – Community Center	200,000
Cheverly – Lower Beaverdam Creek watershed improvements	500,000
College Park Academy, Inc.	1,000,000
Colmar Manor – Lariscy Park	500,000
Dinosaur Park	500,000
Edmonston – Town Hall improvements	300,000
Educare Resource Center, Inc.	45,000
Employ Prince George’s, Inc.	250,000
Federal Bureau of Investigation – Greenbelt headquarters relocation	100,000,000
Forest Heights – traffic management improvements	100,000
Fort Washington Kappa Foundation of Prince George’s County, Inc.	350,000
Foundation for Acquired Construction Technology for Students, Inc	200,000
Girl Scouts Nation’s Capital – Camp Aquasco	100,000
Glenarden – public safety building	1,275,000
Greenbelt – Greenbelt Cinema	350,000
Help Them Heal Foundation – Intrepid Hope University	100,000
Highland Gardens Park playground	150,000
Hyattsville – Administration Building	300,000
Kingdom Global Community Development Corporation	1,300,000
Largo High School – football field	400,000
Laurel – multi-service center	3,000,000
Liberty Sports Park	250,000
Luminis Health Doctors Community Medical Center	20,400,000
Marlton Swim and Recreation Club	79,000
Maryland-National Capital Park and Planning Commission – Riverdale Park	1,500,000
MedStar Southern Maryland Hospital	1,000,000
Moyaone Association, Inc. – community pool	125,000
Mushroom Learning Center and Farm at Clinton	150,000
Oxon Hill Swim Club	125,000

Paint Branch Parkway Park	2,000,000
Pleasant Grove Baptist Church	20,000
Prince George’s County – blue line corridor: Capitol Heights Metro upgrades	16,950,000
Prince George’s County – blue line corridor: film studio and soundstage	5,000,000
Prince George’s County – blue line corridor: The Pavilion at Lottsford	16,800,000
Prince George’s County – Calvert Hills flood reduction improvements	10,691,100
Prince George’s County – DuVal High School athletic field	500,000
Prince George’s County – Fairwood Community Resource Center	72,000
Prince George’s Cultural Arts Foundation, Inc.	25,000
Prince George’s Financial Services Corporation – Rosecroft Raceway	3,100,000
Prince George’s Gateway Development Authority	500,000
Propel Productions Center, Inc. – iGROW Therapeutic Greenhouse and Garden	12,500
Riverdale Park – Beale Circle stormwater management	100,000
Riverdale Park Station Commercial Association	250,000
Robert Yost Park playground	150,000
Sacred Heart Catholic Church – White Marsh-Sacred Heart Cemetery	125,000
St. Ann’s Center for Children, Youth and Families	300,000
Strategic Music Partnership, Inc.	100,000
University Park – Town Hall improvements	160,000
Veterans of Foreign Wars Post No. 9376	75,000
White Rose Foundation, Inc.	25,000

D. Capital Projects for State Facilities in the County

Maryland State Police

Forestville – barrack and garage	\$3,890,000
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Department of Environment

Cheltenham Boy’s Village Youth Facility WWTP – nutrient removal	5,566,142
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University System of Maryland

Bowie State – Communication Arts and Humanities Building	8,983,000
Bowie State – deferred maintenance and site improvements	1,000,000
College Park – campus farm upgrades	13,200,000
College Park – campuswide infrastructure improvements	12,500,000
College Park – graduate student housing	5,000,000
College Park – Interdisciplinary Engineering Building	71,420,000
College Park – SECU Stadium accessible seating improvements	1,000,000
College Park – soccer and track stadium improvements	20,000,000

Part A – Budget and State Aid

A-149

College Park – south campus housing upgrade

12,000,000

Global Campus – Adelphi Building

1,248,500

Other

University of Maryland Medical System – Capital Region Medical Center

2,625,000

Queen Anne’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$24,162	\$23,350	-\$812	-3.4%
Compensatory Education	7,669	8,390	721	9.4%
Student Transportation	4,385	4,488	103	2.3%
Special Education	3,176	3,515	339	10.7%
English Language Learners Grant	1,345	1,553	208	15.5%
Blueprint Funding	917	1,300	382	41.7%
Prekindergarten Grants	200	200	0	0.0%
Other Education Aid	1,426	1,408	-17	-1.2%
<i>Primary and Secondary Education</i>	<i>\$43,280</i>	<i>\$44,203</i>	<i>\$924</i>	<i>2.1%</i>
Libraries	\$210	\$222	\$12	5.6%
Community Colleges	3,350	3,106	-244	-7.3%
Health Formula Grant	2,196	2,403	207	9.4%
Transportation ¹	2,063	2,426	363	17.6%
Police and Public Safety ¹	580	549	-31	-5.4%
Fire and Rescue Aid ¹	301	301	0	0.0%
Total Direct Aid	\$51,979	\$53,210	\$1,231	2.4%
Aid Per Capita (\$)	\$990	\$1,013	\$23	2.4%
Property Tax Equivalent (\$)	0.52	0.50	-0.02	-3.8%

¹ 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 2025 State payments for Queen Anne’s County for teachers, librarians, and community college faculty are estimated to be \$7,711,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$41,160,000
Family Health and Chronic Disease	450,000
Developmental Disabilities	6,221,000
Behavioral Health Services	12,032,000

Social Services

Homeless Services	1,089,000
Women’s Services	85,000
Adult Services	95,000
Child Welfare Services	1,112,000
Foster Care	506,000
Temporary Cash Assistance	217,000

Senior Citizen Services

Long-term Care	131,000
Community Services	101,000

Note: Homeless services funding supports services in Caroline, Dorchester, Kent, Queen Anne’s, and Talbot counties.

C. Selected State Grants for Capital Projects**Public Schools***

Queen Anne’s County High School – renovations (fire alarm)	\$533,500
Aging Schools Program	50,074

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Chesapeake College

Campuswide – facilities renewal	237,875
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Program Open Space

Park acquisition and development	240,889
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Community Parks and Playgrounds

Centreville – Wharf Park	280,722
Galena – Teen Play Area	44,835

Chesapeake Bay Restoration Fund

Sudlersville WWTP – post anoxic reactor installation	3,000,000
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Waterway Improvement

Kent Narrows Landing – bulkhead replacement	75,000
Muddy Creek – dredging	350,000

Other Projects

Chesapeake Bay Environmental Center	250,000
Tuckahoe Equestrian Center	100,000

D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Millington Wildlife Management Area – ADA parking expansion	\$200,000
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St. Mary's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$85,805	\$85,336	-\$469	-0.5%
Compensatory Education	25,902	25,359	-543	-2.1%
Student Transportation	9,011	9,066	56	0.6%
Special Education	10,087	11,288	1,201	11.9%
English Language Learners Grant	1,782	2,244	462	25.9%
Comparable Wage Index	3,322	3,303	-18	-0.5%
Blueprint Funding	9,077	8,623	-454	-5.0%
Other Education Aid	1,276	1,497	221	17.3%
<i>Primary and Secondary Education</i>	<i>\$146,260</i>	<i>\$146,715</i>	<i>\$455</i>	<i>0.3%</i>
Libraries	\$921	\$949	\$28	3.0%
Community Colleges	6,863	6,577	-286	-4.2%
Health Formula Grant	3,899	4,215	316	8.1%
Transportation ¹	2,874	3,370	497	17.3%
Police and Public Safety ¹	1,543	1,371	-172	-11.2%
Fire and Rescue Aid ¹	301	301	0	0.0%
Total Direct Aid	\$162,659	\$163,497	\$838	0.5%
Aid Per Capita (\$)	\$1,411	\$1,418	\$7	0.5%
Property Tax Equivalent (\$)	1.11	1.05	-0.06	-5.4%

¹ 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 2025 State payments for St. Mary’s County for teachers, librarians, and community college faculty are estimated to be \$16,876,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$63,700,000
Family Health and Chronic Disease	559,000
Developmental Disabilities	11,515,000
Behavioral Health Services	18,936,000

Social Services

Homeless Services	1,380,000
Women’s Services	486,000
Adult Services	154,000
Child Welfare Services	2,805,000
Foster Care	3,912,000
Temporary Cash Assistance	1,524,000

Senior Citizen Services

Long-term Care	189,000
Community Services	151,000

Note: Homeless services funding supports services in Calvert, Charles, and St. Mary’s counties.

C. Selected State Grants for Capital Projects**Public Schools***

Lettie Marshall Dent Elementary School – construction	\$3,695,940
Aging Schools Program	50,074

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Program Open Space

Park acquisition and development	442,550
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Waterway Improvement

Chaptico Wharf – improvements	199,000
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Other Projects

Historic Sotterley, Inc.	100,000
Historic St. Mary’s City Commission	75,000
Innovative Center for Autonomous Systems	150,000
Longview Beach Association	65,000
Pascal Crisis Stabilization Center – Southern Maryland	500,000
St. Mary’s Ryken Stadium	200,000
Three Oaks Center Homeless Shelter, Inc.	50,000

D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Point Lookout State Park – causeway to Lighthouse Trail	\$50,000
Point Lookout State Park – marina services building replacement	800,000

Maryland Environmental Service

Point Lookout State Park – wastewater treatment plant upgrade	4,367,000
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Historic St. Mary’s City Commission

Sitewide – infrastructure improvements	2,000,000
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St. Mary’s College

Campuswide – infrastructure improvements	2,100,000
Montgomery Hall – renovation	250,000

Somerset County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$16,292	\$16,417	\$125	0.8%
Compensatory Education	11,626	12,037	411	3.5%
Student Transportation	2,433	2,482	49	2.0%
Special Education	2,841	3,161	321	11.3%
English Language Learners Grant	925	972	47	5.0%
Guaranteed Tax Base	1,942	1,589	-354	-18.2%
Blueprint Funding	5,376	7,365	1,989	37.0%
Prekindergarten Grants	340	340	0	0.0%
Other Education Aid	1,076	1,066	-10	-0.9%
Primary and Secondary Education	\$42,851	\$45,429	\$2,578	6.0%
Libraries	\$329	\$334	\$5	1.6%
Community Colleges	1,517	1,438	-79	-5.2%
Health Formula Grant	2,045	2,205	160	7.8%
Transportation ¹	1,297	1,514	217	16.7%
Police and Public Safety ¹	407	380	-28	-6.8%
Fire and Rescue Aid ¹	289	289	0	0.0%
Disparity Grant	7,229	6,843	-386	-5.3%
Teachers Retirement Supplemental Grant	382	382	0	0.0%
Other Direct Aid	590	607	18	3.0%
Total Direct Aid	\$56,938	\$59,422	\$2,485	4.4%
Aid Per Capita (\$)	\$2,286	\$2,385	\$99	4.4%
Property Tax Equivalent (\$)	3.32	3.15	-0.17	-5.1%

¹ 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 2025 State payments for Somerset County for teachers, librarians, and community college faculty are estimated to be \$3,632,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$33,676,000
Family Health and Chronic Disease	438,000
Developmental Disabilities	10,971,000
Behavioral Health Services	12,533,000

Social Services

Homeless Services	844,000
Women’s Services	47,000
Adult Services	159,000
Child Welfare Services	2,103,000
Foster Care	1,352,000
Temporary Cash Assistance	761,000

Senior Citizen Services

Long-term Care	617,000
Community Services	304,000

Note: Homeless services and 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	\$1,927,293
Greenwood Elementary School – construction	300,000
Aging Schools Program	38,292

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Program Open Space

Park acquisition and development	104,921
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Comprehensive Flood Mitigation Program

Smith Island – clean water project	600,000
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Waterway Improvement

Crisfield – City Depot pier and walkway replacement	250,000
Deal Island – upper thoroughfare dredging	100,000
Ewell – countywide dock repairs	50,000
St. Peters Creek Marina – dock and bulkhead rehabilitation	250,000
Tylerton Harbor – breakwater improvements	75,000

Other Projects

Somerset County – courthouse renovation and expansion	125,000
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D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Janes Island State Park – boat ramp repair and transient slips	\$1,000,000
Janes Island State Park – dredging and dredge material placement repair	500,000
Janes Island State Park – Flat Cap Beach pier renovation	65,000
Somers Cove Marina – bulkhead replacement and site improvements	3,000,000

University System of Maryland

Eastern Shore – Agricultural Research Education Center	4,421,000
Eastern Shore – campus flood mitigation	3,129,000
Eastern Shore – deferred maintenance and site improvements	1,000,000

Talbot County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$5,578	\$5,576	-\$2	0.0%
Compensatory Education	7,390	7,511	121	1.6%
Student Transportation	2,204	2,226	22	1.0%
Special Education	2,008	2,146	138	6.9%
English Language Learners Grant	2,129	2,363	234	11.0%
Blueprint Funding	896	1,283	388	43.3%
Prekindergarten Grants	575	575	0	0.0%
Other Education Aid	628	726	98	15.5%
<i>Primary and Secondary Education</i>	\$21,407	\$22,406	\$998	4.7%
Libraries	\$135	\$139	\$4	3.1%
Community Colleges	2,932	2,590	-342	-11.7%
Health Formula Grant	2,096	2,268	172	8.2%
Transportation ¹	2,800	3,219	418	14.9%
Police and Public Safety ¹	588	497	-92	-15.6%
Fire and Rescue Aid ¹	318	318	0	0.0%
Total Direct Aid	\$30,276	\$31,436	\$1,160	3.8%
Aid Per Capita (\$)	\$800	\$831	\$31	3.8%
Property Tax Equivalent (\$)	0.32	0.32	0.00	0.0%

¹ 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 2025 State payments for Talbot County for teachers, librarians, and community college faculty are estimated to be \$4,925,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$26,178,000
Family Health and Chronic Disease	356,000
Developmental Disabilities	7,486,000
Behavioral Health Services	9,384,000

Social Services

Homeless Services	1,089,000
Women's Services	257,000
Adult Services	98,000
Child Welfare Services	1,746,000
Foster Care	973,000
Temporary Cash Assistance	243,000

Senior Citizen Services

Long-term Care	405,000
Community Services	166,000

Note: Homeless services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties. Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

C. Selected State Grants for Capital Projects

Public Schools*

Chapel District Elementary School – construction	\$2,366,571
Aging Schools Program	38,292

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Public Libraries

St. Michaels Library – renovation and expansion	2,803,000
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Chesapeake College

Campuswide – facilities renewal	237,875
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Program Open Space

Park acquisition and development	249,650
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Community Parks and Playgrounds

Easton – Golton Park	155,901
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Chesapeake Bay Restoration Fund

Trappe WWTP – enhanced nutrient removal	4,816,834
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Waterway Improvement

Skipton Landing – dock replacement	150,000
Tuckahoe Landing Road and Bridge – improvements	25,000

Other Projects

Building African American Minds, Inc. – Academic Center	1,500,000
Chesapeake Bay Maritime Museum	100,000
For All Seasons, Inc.	100,000
Friends of Easton VFD, Inc. – emergency services training campus	300,000
The Arc Central Chesapeake Region	100,000
Water’s Edge Museum – Oxford Ferry Dock marker	150,000

D. Capital Projects for State Facilities in the County

Other

University of Maryland Medical System – Easton Regional Medical Center	\$20,000,000
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Washington County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$123,145	\$123,854	\$708	0.6%
Compensatory Education	60,754	63,106	2,351	3.9%
Student Transportation	9,463	9,606	143	1.5%
Special Education	15,933	18,182	2,250	14.1%
English Language Learners Grant	5,002	6,467	1,465	29.3%
Guaranteed Tax Base	9,093	7,824	-1,269	-14.0%
Blueprint Funding	13,671	17,886	4,215	30.8%
Prekindergarten Grants	100	100	0	0.0%
Other Education Aid	1,596	1,605	9	0.6%
Primary and Secondary Education	\$238,756	\$248,629	\$9,872	4.1%
Libraries	\$1,641	\$1,664	\$23	1.4%
Community Colleges	16,849	16,707	-142	-0.8%
Health Formula Grant	4,437	4,760	322	7.3%
Transportation ¹	5,827	6,809	982	16.9%
Police and Public Safety ¹	2,467	2,496	29	1.2%
Fire and Rescue Aid ¹	336	336	0	0.0%
Disparity Grant	2,990	2,368	-622	-20.8%
Other Direct Aid	0	250	250	0.0%
Total Direct Aid	\$273,304	\$284,018	\$10,715	3.9%
Aid Per Capita (\$)	\$1,754	\$1,823	\$69	3.9%
Property Tax Equivalent (\$)	1.73	1.67	-0.06	-3.5%

¹ 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 2025 State payments for Washington County for teachers, librarians, and community college faculty are estimated to be \$21,968,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$147,779,000
Family Health and Chronic Disease	692,000
Developmental Disabilities	47,845,000
Behavioral Health Services	42,059,000

Social Services

Homeless Services	565,000
Women's Services	431,000
Adult Services	495,000
Child Welfare Services	5,905,000
Foster Care	9,581,000
Temporary Cash Assistance	3,262,000

Senior Citizen Services

Long-term Care	304,000
Community Services	213,000

C. Selected State Grants for Capital Projects**Public Schools***

Boonsboro High School – renovations (HVAC)	\$6,099,713
Aging Schools Program	134,904

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Hagerstown Community College

Advanced Technology Center	996,000
Campuswide – facilities renewal	237,875

Program Open Space

Park acquisition and development	686,847
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Community Parks and Playgrounds

Hancock – Joseph Hancock Park	49,115
Keedysville – Taylor Park Sports Court	352,541

Chesapeake Bay Restoration Fund

Hancock WWTP – enhanced nutrient removal	1,404,194
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Other Projects

Boonsboro – drinking water and wastewater infrastructure	300,000
Boonsboro – water reservoir	1,500,000
Community Volunteer Fire Company of District 12	150,000
Doleman Black Heritage Museum	150,000
Hancock – downtown improvements	75,000
Maugansville Goodwill Volunteer Fire Company	35,000
Meritus Medical Center	889,000
Meritus School of Osteopathic Medicine	500,000
Smithsburg Emergency Medical Services, Inc.	100,000
Washington County Convention and Visitors Bureau – Hagerstown Center	500,000
Williamsport – Memorial Library	750,000
Williamsport – Springfield Farm Manor House	750,000

D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Greenbrier State Park – road parking and trail access improvements	\$200,000
Indian Springs Wildlife Management Area – Beaver Pond access road	300,000
Sideling Hill Wildlife Management Area – access road and ADA observation	400,000

Maryland Environmental Service

Albert Powell Fish Hatchery – wastewater treatment plant upgrade	400,000
Greenbrier State Park – water/wastewater treatment/sewer/electric upgrades	865,000

Wicomico County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$89,729	\$92,204	\$2,476	2.8%
Compensatory Education	51,795	51,742	-53	-0.1%
Student Transportation	6,926	7,100	173	2.5%
Special Education	10,731	12,303	1,572	14.6%
English Language Learners Grant	11,935	14,209	2,275	19.1%
Guaranteed Tax Base	7,779	7,281	-498	-6.4%
Blueprint Funding	12,124	16,049	3,924	32.4%
Prekindergarten Grants	1,065	1,065	0	0.0%
Other Education Aid	1,299	1,364	65	5.0%
Primary and Secondary Education	\$193,383	\$203,317	\$9,934	5.1%
Libraries	\$1,261	\$1,286	\$25	2.0%
Community Colleges	9,114	8,410	-704	-7.7%
Health Formula Grant	5,144	5,647	503	9.8%
Transportation ¹	4,955	5,760	805	16.3%
Police and Public Safety ¹	1,971	2,006	35	1.8%
Fire and Rescue Aid ¹	324	324	0	0.0%
Disparity Grant	15,063	13,055	-2,009	-13.3%
Teachers Retirement Supplemental Grant	1,568	1,568	0	0.0%
Total Direct Aid	\$232,784	\$241,374	\$8,590	3.7%
Aid Per Capita (\$)	\$2,221	\$2,303	\$82	3.7%
Property Tax Equivalent (\$)	2.92	2.78	-0.14	-4.8%

¹ 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 2025 State payments for Wicomico County for teachers, librarians, and community college faculty are estimated to be \$16,903,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$119,494,000
Family Health and Chronic Disease	776,000
Developmental Disabilities	34,872,000
Behavioral Health Services	32,023,000

Social Services

Homeless Services	844,000
Women's Services	219,000
Adult Services	62,000
Child Welfare Services	3,773,000
Foster Care	2,290,000
Temporary Cash Assistance	2,183,000

Senior Citizen Services

Long-term Care	617,000
Community Services	304,000

Note: Homeless services and 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***

Parkside High School – renovations (roof)	\$7,554,293
Aging Schools Program	106,627

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Public Libraries

Sarbanes Branch – HVAC replacement	131,000
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Community Health Facilities Grant Program

Life Crisis Center, Inc.	2,267,000
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Program Open Space

Park acquisition and development	459,391
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Community Parks and Playgrounds

Salisbury – Doverdale Park Playground	223,936
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Comprehensive Flood Mitigation Program

Hebron – flood mitigation	1,659,000
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Waterway Improvement

Cedar Hill Marina – dredging and boat ramp renovation	110,000
Leonard Mill Park – boat ramp replacement	60,000
Nanticoke Harbor – dredging	925,000

Hazardous Substance Cleanup Program

407 Anne Street – site remediation	300,000
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Other Projects

Christian Shelter, Inc.	75,000
Delmar Fire Department	20,000
Eastern Shore Baseball Museum	125,000
Main Street Gym, Inc.	21,500
Parsonsburg Fire Company – community center	50,000
Wicomico County – Arthur Perdue Stadium	900,000

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Aid to Local Government – Wicomico County

Wicomico County – Mason-Dixon Athletic Complex	1,200,000
Wicomico County Humane Society, Inc.	250,000

D. Capital Projects for State Facilities in the County

University System of Maryland

Salisbury – Blackwall Hall renovation	\$27,629,000
Salisbury – St. Martin Residence Hall renovations	7,000,000
Salisbury – student recreation center	10,000,000

Worcester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$8,276	\$8,374	\$98	1.2%
Compensatory Education	9,988	10,168	180	1.8%
Student Transportation	4,000	4,062	62	1.5%
Special Education	2,476	2,835	359	14.5%
English Language Learners Grant	491	599	108	22.0%
Blueprint Funding	2,249	3,060	811	36.1%
Prekindergarten Grants	730	730	0	0.0%
Other Education Aid	757	883	125	16.6%
<i>Primary and Secondary Education</i>	<i>\$28,967</i>	<i>\$30,711</i>	<i>\$1,744</i>	<i>6.0%</i>
Libraries	\$190	\$197	\$7	3.6%
Community Colleges	3,414	3,129	-285	-8.3%
Health Formula Grant	3,960	4,466	505	12.8%
Transportation ¹	3,270	3,818	548	16.8%
Police and Public Safety ¹	1,138	1,113	-26	-2.2%
Fire and Rescue Aid ¹	368	368	0	0.0%
Gaming Impact Aid	5,500	5,580	80	1.4%
Total Direct Aid	\$46,809	\$49,382	\$2,574	5.5%
Aid Per Capita (\$)	\$864	\$912	\$48	5.5%
Property Tax Equivalent (\$)	0.25	0.24	-0.01	-4.0%

¹ 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 2025 State payments for Worcester County for teachers, librarians, and community college faculty are estimated to be \$9,162,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2025 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2024) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$43,520,000
Family Health and Chronic Disease	541,000
Developmental Disabilities	6,238,000
Behavioral Health Services	16,641,000

Social Services

Homeless Services	844,000
Women's Services	47,000
Adult Services	92,000
Child Welfare Services	2,092,000
Foster Care	1,332,000
Temporary Cash Assistance	482,000

Senior Citizen Services

Long-term Care	617,000
Community Services	304,000

Note: Homeless services and 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 Elementary School – renovations (roof)	\$60,000
Snow Hill Middle School – renovations (roof)	1,915,950
Aging Schools Program	38,292

* The final allocation of fiscal 2025 school construction funding will be made in May 2024.

Public Libraries

Pocomoke Library – construction	1,799,000
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Program Open Space

Park acquisition and development	450,209
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Community Parks and Playgrounds

Berlin – Dr. William Henry Park Playground	216,000
Ocean City – Little Salisbury Park	239,108
Pocomoke City – Cypress Park	133,533

Waterway Improvement

Little Salisbury Park – channel dredging	150,000
Stockton Volunteer Fire Department – purchase rescue vessel	80,000

Other Projects

Ocean City – sports complex	500,000
Ocean City Elks Lodge No. 2645	23,300
Worcester County Humane Society, Inc.	25,000

D. Capital Projects for State Facilities in the County**Maryland State Police**

Berlin Barrack, Forensic Lab, and Garage	\$1,613,000
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Department of Natural Resources

Assateague State Park – boat ramp and comfort station renovations	125,000
Bay Club State Forest – access road, parking, and bridge improvements	400,000
Natural Resources Police – marine facility bulkhead replacement	500,000
Ocean City – beach replenishment	2,000,000
Pocomoke River State Park – Shad Landing marina services building	200,000
Pocomoke River State Park – Shad/Milburn Landings boat ramp replacement	1,125,000

Part B Taxes

Property Tax

Tax Administration

Fiscal 2025 Real Property Assessment Notifications – Extension

Real property is valued and assessed once every three years, and each year, the State Department of Assessments and Taxation (SDAT) is required to value one-third of all real property based on a review prior to the date of finality. When any change in value or classification is determined by the department, SDAT is required to notify the owner in writing of the change. Generally, these notices must be sent out within 30 days after January 1. A failure to send a notice of any change in value or classification within 30 days after January 1 creates an irrebuttable presumption that there has been no change in value or classification, except under certain circumstances.

Reassessment notices must be sent out within 30 days after January 1 in order for the updated property assessments to be used by local governments in preparing the property tax bills for the upcoming fiscal year. However, SDAT reports that for the taxable year beginning July 1, 2024 (fiscal 2025), approximately 100,000 residential real property reassessment notices were not sent to property owners within 30 days after January 1, 2024. As a result, local governments would not have been able to use the updated values for those properties when preparing the property tax bills for fiscal 2025. This would have also impacted property tax revenues for fiscal 2026 and 2027. *House Bill 1516 (passed)* is emergency legislation that extends the statutory deadline by which SDAT must send out reassessment notices to property owners for fiscal 2025 to May 1, 2024.

As a result, *House Bill 1516* prevents (1) a State property tax revenue reduction of approximately \$3.1 million in fiscal 2025 and \$18.4 million over a three-year period; (2) a county property tax revenue reduction of \$30.1 million in fiscal 2025 and \$180.6 million over a three-year

period; and (3) a municipal property tax revenue reduction of \$2.1 million in fiscal 2025 and \$12.6 million over a three-year period.

Payment Plans and Transfers to an Heir or Legatee

House Bill 54 (passed) requires the State Tax Sale Ombudsman within SDAT to contract with a vendor to operate an installment payment program available to any homeowner for the payment of property taxes, whether in advance, currently due, or in arrears. *House Bill 54* also authorizes counties and municipalities to establish installment payment programs for taxes in arrears on any residential property. Finally, *House Bill 54* provides exemptions from the requirement that all property taxes, assessments, and other charges due on a property be paid before a transfer. Specifically, the bill establishes exemptions for a transfer of residential property from an estate of a decedent to an heir or legatee if the heir, legatee, or grantee enters into a payment plan. In addition, the bill exempts a transfer of property that is subject to a payment plan if the grantee assumes the grantor's obligations under the payment plan.

Submission of Building Permits – Estimated Construction Cost

House Bill 35 (passed) requires county permit offices to include the estimated cost of construction when submitting a copy of a building permit to SDAT.

Tax Exemptions

Solar Energy Generating Systems

Senate Bill 783 (passed) makes several changes to the laws regarding solar energy systems and also establishes and modifies several solar energy property tax incentives. The bill:

- extends from December 31, 2025, to December 31, 2030, the date by which a community solar energy generating system must be approved by the Public Service Commission (PSC) under the Community Solar Energy Generating Systems Program in order to be eligible for a personal property tax exemption. The maximum eligible system size is increased from two megawatts to five megawatts. Otherwise, the system must still meet other existing requirements in current law;
- exempts specified nonresidential solar energy generating systems that are constructed on the rooftops of buildings or on parking facility canopies from valuation and State or local property taxes. This provision applies only to a system approved by PSC under specified provisions of the Public Utilities Article on or after July 1, 2024; and
- authorizes local governments to reduce or eliminate, by law, the percentage of the assessment of any real property that is subject to the county or municipal property tax if the real property includes a parking facility on which a solar energy generating system has been constructed on its canopy. These provisions apply only to real property that includes

a parking facility on which a system has been approved by PSC under specified provisions of the Public Utilities Article on or after July 1, 2024.

Tax Credits

Homeowners' Property Tax Credit

Senate Bill 286/House Bill 154 (both passed) authorize SDAT to accept an application for the homeowners' property tax credit submitted by a homeowner within three years after April 15 of the taxable year for which the credit is sought if the homeowner is enrolled in the Homeowner Protection Program (HPP). This benefit is currently allowed for homeowners who are at least 70 years old.

Senate Bill 283 (Ch. 79) authorizes an applicant for the homeowners' property tax credit to attest to gross income on an application in lieu of providing an income tax return to SDAT, under certain circumstances. The Act allows applicants to submit a statement signed under penalties of perjury as to their income, provided they were not required by law to submit a tax return and did not file a tax return.

Homestead Property Tax Credit

Senate Bill 286/House Bill 154 (both passed) require SDAT to grant retroactive homestead property tax credits for two years to a homeowner who is at least 70 years old if the homeowner applies for the credit by May 31, 2025, and for one year if the homeowner applies for the credit after May 31, 2025. To receive a retroactive credit, the homeowner must have been eligible for the credit in the prior taxable year, but failed to file an application for the credit.

Renters' Property Tax Relief Program

Senate Bill 342/House Bill 287 (both passed) alter the definition of assets for purposes of qualifying for the Renters' Property Tax Relief Program to exclude the cash value of any qualified retirement savings plan or individual retirement accounts.

Disabled Veterans

Senate Bill 6/House Bill 63 (both passed) alter the eligibility criteria for a local option property tax credit for the dwelling house of specified disabled veterans to include individuals who have been declared by the U.S. Department of Veterans Affairs to have a nonpermanent service-connected disability of 100% that results from blindness or any other disabling cause that was not caused or incurred by misconduct. Local governments, however, are authorized to limit eligibility for the property tax credit to individuals who received the credit under previously established criteria.

Public School Employees, Health and Safety Improvements, and Property Used for Local Housing Programs

House Bill 66 (passed) authorizes county and municipal governments to grant a property tax credit for (1) residential real property that is owned by and is the primary dwelling of an employee of the public school system of the county where the residential real property is located; (2) an apartment building or a condominium building if the owner of the building made health or safety improvements to the building on or after July 1, 2024; and (3) an apartment building or a condominium building that is used on or after July 1, 2024, for the purposes of a local housing program for homeless individuals or families.

Hotel or Residential Development Projects

Senate Bill 321/House Bill 765 (both passed) authorize local governments to grant a property tax credit against the county or municipal property tax imposed on real property that is used for hotel or residential development projects that meet certain criteria. The bills also repeal certain provisions relating to a similar property tax credit authorized for development projects in Wicomico County (Chapters 715 and 716 of 2021). However, the bills do not affect hotel or residential development projects in Wicomico County that began on or after July 1, 2021, but before June 1, 2024.

Tourism Zones

Senate Bill 14/House Bill 1281 (both passed) authorize Baltimore City, counties, and municipalities in the State to (1) designate specified tourism zones; (2) exempt the gross receipts from any admissions or amusement charge levied by a qualifying tourism enterprise in a tourism zone from admissions and amusement taxes; and (3) grant property tax credits against county and municipal real and personal property taxes to qualifying tourism enterprises located in a tourism zone.

Fire Safety Improvements

House Bill 823 (passed) establishes requirements related to the installation of automatic smoke detectors and notices regarding the lack of automatic sprinkler systems in residential rental high-rise buildings. The bill also modifies provisions of law related to notification appliances for deaf or hard of hearing individuals and expands those requirements to include deafblind individuals. In addition, *House Bill 823* authorizes local governments to grant a property tax credit for an apartment building, a condominium building, or a building owned by a cooperative housing corporation if the owner makes fire safety improvements to the building on or after July 1, 2024.

Tax Sales

Homeowner Protection Program

Chapter 382 of 2021 established HPP, administered by the State Tax Sale Ombudsman, and the Homeowner Protection Fund to support the program. The program diverts vulnerable homeowners from the private tax lien sale process into an alternative program by purchasing homeowners' tax liens, before or after the lien is sold at a tax sale, in order to (1) minimize tax collection costs to homeowners; (2) assist homeowners to pay their taxes; and (3) allow homeowners to remain in their homes.

House Bill 16 (passed) requires SDAT to maintain a website that any person may use to donate to HPP and requires local tax collectors to include a separate insert with property tax bills that encourages taxpayers to donate to HPP through the website.

Tax Rate Setting Authority

House Bill 2 (passed) authorizes Baltimore City and county governments to establish a subclass of real property consisting of vacant lots or improved property cited as vacant and unfit for habitation or other authorized use on a housing or building violation notice. Baltimore City and county governments are also authorized to set a special property tax rate for a vacant lot or improved property cited as vacant and unfit for habitation or other authorized use on a housing or building violation notice.

Repair and Rehabilitation Funds

Senate Bill 446/House Bill 280 (both passed) authorize counties and municipalities to establish a local trust fund or other appropriate fund for the purpose of repairing or rehabilitating infrastructure within communities that are subject to the Maryland Condominium Act or the Maryland Homeowners Association Act. A fund established by a county or municipality must consist of (1) property tax revenues paid to the county or municipality by unit owners in a condominium or lot owners in a homeowners association; (2) other appropriations made by the county or municipality for the benefit of the fund; (3) gifts or donations made to the fund; and (4) investment earnings of the fund.

Recordation and Transfer Taxes

House Bill 1524 (passed) provides for the transfer of ownership and operation of thoroughbred racing facilities in the State from the Maryland Jockey Club to the Maryland Thoroughbred Racetrack Operating Authority. The bill extends exemptions from recordation and transfer taxes to a training facility developed in accordance with the bill and repeals exemptions related to the transfer of the Laurel Park racing facility.

Local Property Taxes

Allegany County

House Bill 507 (passed) authorizes Allegany County and municipalities within the county to grant a property tax credit of up to \$10,000 against the property tax imposed on a newly constructed eligible dwelling for up to five years if the eligible dwelling meets specified requirements.

Senate Bill 502/House Bill 636 (both passed) authorize Allegany County and municipalities in the county to grant a property tax credit for property that is owned by Evergreen Heritage Center Foundation or Evergreen Heritage Center Holdings.

Frederick County

Senate Bill 769 (passed) alters a local property tax credit in Frederick County for property located in a historic district by repealing the calculation and duration of the property tax credit and instead authorizing Frederick County to provide for the amount and duration of the property tax credit and additional eligibility criteria for the property tax credit.

Garrett County

House Bill 507 authorizes Garrett County and municipalities within the county to grant a property tax credit of up to \$10,000 against the property tax imposed on a newly constructed eligible dwelling for up to five years if the eligible dwelling meets specified requirements.

Howard County

House Bill 1357 (passed) authorizes Howard County to enter into a payment-in-lieu of taxes agreement with owners of specified moderate income housing developments if (1) the owner of the real property and Howard County agree that the owner must pay a negotiated amount in lieu of the county property tax and (2) the owner of the real property enters into an agreement with Howard County to maintain a number of residential units located at the real property as housing for moderate income households that exceeds the minimum number of moderate income housing units required by local zoning laws in effect on the date of the agreement.

Prince George's County

Senate Bill 191 (passed) authorizes Prince George's County to provide a real property tax credit against the dwelling of an eligible employee of the Prince George's County Public School System who purchases a home after relocating to the county. The amount of the property tax credit may not exceed the lesser of \$2,500 or the amount of the property tax imposed on the dwelling.

Income Tax

Tax Credit Reauthorizations and Alterations

Chapter 332 of 2021 established a refundable credit against the State income tax equal to 20% of the rehabilitation and new construction costs incurred for a catalytic revitalization project in the State. The credit is administered by the Department of Housing and Community Development. *Senate Bill 394 (passed)* authorizes a recipient of a final tax credit certificate issued on completion of a phase of a multiphase project to claim the full amount stated on the final tax credit certificate in the tax year in which the certificate is issued (as opposed to over the course of five consecutive tax years). The bill also authorizes the Secretary of Housing and Community Development to award initial tax credit certificates for more than one catalytic revitalization project within a two-year period, subject to specified limitations.

Senate Bill 440/House Bill 447 (both passed) reestablish, with modifications, the nonrefundable venison donation income tax credit, which terminated June 30, 2023. For tax years 2024 through 2028, an individual who hunts and harvests an antlerless deer for donation to a charitable venison donation program may claim a credit of up to \$75 of expenses incurred to butcher and process an antlerless deer for human consumption if the hunting and harvesting of the deer complies with State hunting laws and regulations. An individual may not claim more than \$300 in tax credits in any tax year unless the individual harvested each deer for which the credits are claimed in accordance with a deer management permit.

Subtraction Modification Legislation

Senate Bill 1188/House Bill 1526 (Chs. 2 and 3) provide for a variety of relief measures relating to the March 2024 collapse of the Francis Scott Key Bridge and resulting impacts to the operations of the Port of Baltimore. Among other provisions, the Acts allow, for tax years 2024 and 2025, a personal income tax subtraction modification for the amount of any benefit payment provided to an individual or the family member of an individual as a result of the individual being injured or killed in the bridge collapse to the extent the payment is included in federal adjusted gross income. The Acts also allow, for tax year 2025 and beyond, a personal income tax subtraction modification for the amount of tuition assistance provided to eligible dependents and surviving spouses under the Fallen Transportation Workers Scholarship Program established by the Acts.

Chapter 590 of 2020 established a variety of tax incentives for the redevelopment of the Laurel Park and Pimlico racing facility sites, including a subtraction modification against the State income tax for (1) gains recognized due to the transfer or conveyance of any property located or used at or within the Laurel Park or Pimlico sites and any portion of the Bowie Race Course Training Center property and (2) the amount of income recognized as a result of any expenditure of funds directly or indirectly by the State, Baltimore City, or Anne Arundel County with respect to the Laurel Park or Pimlico sites. Among other provisions, *House Bill 1524 (passed)* limits the scope of this subtraction modification to specified gains relating to the Pimlico site and Bowie

Race Course Training Center property and income recognized as a result of expenditures by the State or Baltimore City with respect to the Pimlico site.

Current law authorizes personal income tax subtraction modifications of \$5,000 for qualifying police auxiliaries and reserve volunteers and \$7,000 for qualifying volunteer fire, rescue, or emergency medical services members. *Senate Bill 108/House Bill 646 (Chs. 15 and 16)* consolidate both subtraction modifications under a “public safety volunteer” subtraction modification. The Acts also increase the value of the subtraction modification for police auxiliaries and reserve volunteers from \$5,000 to \$7,000 beginning in tax year 2024.

Chapter 519 of 2016 established a personal income tax subtraction modification of up to \$5,000 of 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. Subsequent legislation extended eligibility to law enforcement officers of the Maryland Transportation Authority Police, the Maryland-National Capital Park Police, and the Washington Suburban Sanitary Commission Police Force who reside in qualifying political subdivisions. Beginning in tax year 2024, *Senate Bill 822 (passed)* expands eligibility for this subtraction modification to State law enforcement officers who reside in qualifying political subdivisions.

Under current law, an individual may claim a personal income tax subtraction modification for a payment from a pension system to the surviving spouse or other beneficiary of a law enforcement officer or firefighter whose death arises out of or in the course of employment as a law enforcement officer or firefighter. *Senate Bill 897/House Bill 1064 (both passed)* allow a personal income tax subtraction modification for a payment of a death benefit under a collective bargaining agreement from a county or municipality in the State to the surviving spouse or other beneficiary of a law enforcement officer or firefighter whose death arises out of or in the course of employment as a law enforcement officer or firefighter. The bills apply to tax year 2022 and beyond.

Chapters 221 and 222 of 2021 established, for tax years 2021 through 2023 only, a subtraction modification against the State income tax for up to \$1,000 of eligible donations made by a taxpayer during the tax year to a diaper bank or other qualified charitable entity registered with the Comptroller. *House Bill 490 (passed)* extends the subtraction modification through tax year 2026.

Corporate Income Tax

In addition to exempting specified generating units and facilities installed at certain critical infrastructure facilities (including data centers) from certificate of public convenience and necessity requirements and related approvals, *Senate Bill 474 (passed)* requires the Comptroller, after other required distributions, to distribute 15% of the remaining income tax revenue from corporations that is attributable to qualified data centers that are operational on or after

January 1, 2026, to the Strategic Energy Investment Fund (SEIF). The provision is estimated to divert a total of approximately \$33.1 million to SEIF over the course of fiscal 2026 through 2029.

Tax Administration

Senate Bill 1105/House Bill 845 (both passed) require the Comptroller to implement and administer an individual income tax credit eligibility awareness campaign to identify underserved individuals who may be eligible to claim an individual income tax credit and encourage them to apply for credits. The bills authorize the Comptroller to partner with other State agencies to assist in identifying underserved individuals who may be eligible to claim an individual income tax credit. In each of fiscal 2026 through 2030, the Governor must include \$300,000 in the annual budget bill for the awareness campaign. The bills terminate December 31, 2030.

Senate Bill 577/House Bill 1068 (both passed) require the Comptroller to implement procedures to offer an individual filing a Maryland resident individual income tax return electronically the opportunity to register to make an anatomical gift in accordance with the Maryland Anatomical Gift Act through a hyperlink to the anatomical gift donor registry established under the Act.

Sales Tax

Exemptions

Senate Bill 574/House Bill 557 (both passed) extend, from June 30, 2025, to June 30, 2030, the termination date of a sales and use tax exemption for the sale of specified aircraft parts and equipment.

Senate Bill 580 (passed) exempts from the sales and use tax sales made by specified nonprofit organizations that maintain a memorial on property that is owned by the State if the proceeds of the sale are used to maintain a memorial on State-owned property.

House Bill 1524 (passed) extends for three years a sales and use tax exemption for specified construction materials purchased for use in the construction or redevelopment of the Pimlico racing facility and expands the exemption to apply to a thoroughbred training facility site selected or acquired by the Maryland Thoroughbred Racetrack Operating Authority.

Revenue Distribution

Electricity for Electric Vehicles

Senate Bill 362 (passed), the Budget Reconciliation and Financing Act of 2024, requires the Comptroller to distribute the sales and use tax revenue attributable to the purchase of electricity to charge electric vehicles to the Transportation Trust Fund.

Purchase of a Racehorse

House Bill 1524 (passed) requires sales and use taxes collected from the sale of a racehorse following a claiming race to be distributed to the Racing and Community Development Facilities Fund for design and construction costs relating to the Pimlico racing and training facilities projects.

Local Sales and Use Taxes

House Bill 396 (passed) and *House Bill 398 (passed)* authorize, rather than prohibit, Prince George's County to use the proceeds from the local sales and use taxes on energy and fuel and telecommunications, respectively, to meet the State funding requirements for the local school system under the maintenance of effort requirement and local share provision.

House Bill 398 also authorizes Prince George's County to impose an excise tax on telecommunications service in addition to, or instead of, the current sales tax on telecommunications service. If an excise tax is imposed, the rate is limited to \$3.50 monthly for each telephone line.

Miscellaneous Taxes

Tobacco and Electronic Smoking Devices Taxes

Senate Bill 362 (passed), the Budget Reconciliation and Financing Act of 2024, alters the taxes on cigarettes, other tobacco products (OTP), and electronic smoking devices (ESD). The bill increases the tobacco tax rate from \$3.75 per pack to \$5.00 per pack of 20 cigarettes; increases from 17.5 cents to 25 cents the tax rate for each cigarette in a package of more than 20 cigarettes; and increases the OTP tax rate for all products other than pipe tobacco and cigars from 53% to 60% of the wholesale price. The bill imposes a one-time floor tax on cigarettes and OTP in fiscal 2025. In addition, the bill increases the sales tax on ESD from 12% to 20%. Revenues attributable to the increased tax rates are distributed to the Blueprint for Maryland's Future Fund. It is estimated that Blueprint Fund revenues will increase by \$91.4 million in fiscal 2025 and \$71.5 million in fiscal 2029.

Tax Administration

Senate Bill 72/House Bill 147 (both passed) authorize a purchaser of tobacco tax stamps to receive a refund for tobacco tax stamps lost due to theft. If the stolen property is recovered, the claimant must notify the Comptroller and return any refund received under the bills.

Senate Bill 675/House Bill 452 (both passed) address tax return preparer fraud by improving coordination between the Comptroller's Office and the State Board of Individual Tax Preparers, expanding the enforcement powers of the Field Enforcement Bureau, and authorizing the Comptroller's Office to pursue financial penalties against individuals engaging in unauthorized tax preparation services. The bills require the State Board of Individual Tax Preparers, by

January 1, 2026, to publish on its website a code of ethics and rules of professional conduct for engaging in the practice of individual tax preparation. The bills grant authorized employees of the Field Enforcement Bureau with the powers, duties, and responsibilities of a peace officer for the purpose of enforcing the laws pertaining to income tax preparation. The Comptroller is required to notify the board after prohibiting an income tax return preparer from submitting income tax returns electronically. Lastly, the bills prohibit an income tax preparer from willfully preparing, assisting in preparing, or causing the preparation of an income tax return or claim for refund without being properly licensed or registered to provide income tax preparation services in the State. Fines collected for violation of the bills are paid into the Tax Clinics for Low-Income Marylanders Fund.

Senate Bill 677/House Bill 455 (both passed) generally require the electronic filing of specified fee and tax returns as follows: (1) for periods beginning after December 31, 2026, tire recycling fee returns, bay restoration fee returns, admissions and amusement tax returns, alcoholic beverage tax returns, digital advertising gross revenues tax returns, motor fuel tax returns, sales and use tax returns, and tobacco tax returns; (2) beginning in tax year 2027, income tax withholding returns, income tax returns for pass-through entities, and income tax returns for corporations with at least 15 employees; and (3) beginning in tax year 2030, individual income tax returns, subject to specified exceptions.

Senate Bill 1142/House Bill 451 (both passed) require, beginning in fiscal 2025, an annual distribution of \$500,000 from the State's Unclaimed Property Fund to the Tax Clinics for Low-Income Marylanders Fund. Also, beginning in fiscal 2026, the bills increase the amount of the annual mandated appropriation for the Creating Assets, Savings, and Hope Campaign of Maryland from \$500,000 to \$800,000, and require that at least \$150,000 be used to provide grants to external entities for providing tax assistance through on-demand or mobile tax clinics that serve senior populations, rural communities, or under-resourced communities.

House Bill 454 (passed) authorizes the disclosure of tax information to a person, governmental entity, or tax compliance organization for the purpose of assisting the Comptroller in tax compliance activity, and requires parties to whom confidential tax information is to be disclosed to enter into a binding written data use agreement.

Senate Bill 14/House Bill 1281 (both passed) authorize Baltimore City, counties, and municipalities in the State to designate specified tourism zones, exempt the gross receipts from any admissions or amusement charge levied by a qualifying tourism enterprise in a tourism zone from admissions and amusement taxes, and grant property tax credits against county and municipal real and personal property taxes to qualifying tourism enterprises located in a tourism zone.

Miscellaneous Local Taxes

All four code home rule counties on the Eastern Shore (Caroline, Kent, Queen Anne's, and Worcester) have a hotel rental tax rate of 5% for fiscal 2024. Code counties on the Eastern Shore are required to collect and distribute the revenues attributable to a hotel located in a municipality

to the municipal government. *House Bill 186 (passed)* authorizes code counties on the Eastern Shore to set a hotel rental tax rate of up to 6%.

Part C

State Government

State Agencies, Offices, and Officials/Regulations

State Agencies

Correctional Ombudsman

Senate Bill 134 (passed) establishes the Office of the Correctional Ombudsman (OCO) as an independent unit of State government and moves the Juvenile Justice Monitoring Unit from the Office of the Attorney General (OAG) to OCO.

In response to a complaint or on the Correctional Ombudsman's initiative, OCO shall (1) investigate any administrative act that the ombudsman determines may be contrary to law or regulation, unsupported by sufficient evidence, or was performed inefficiently, unreasonably, or otherwise erroneously; (2) conduct independent reviews and assessments of certain health and mental health services and educational or vocational programs provided to individuals confined by an agency, plans by agencies to expand, renovate, or close facilities, and policies on restrictive or protective housing; (3) inspect facilities owned or controlled by an agency to monitor conditions in the facilities; (4) cooperate with an agency in efforts to improve the functioning of, or prevent abuses by, the agency; (5) seek to resolve complaints against an agency through mediation or other conflict resolution methods; and (6) maintain a website with specified information.

Additionally, the bill sets forth certain procedures for investigating complaints and authorizes OCO to interview certain persons, access certain records, and subpoena an individual to appear to give testimony or produce evidence that is reasonably necessary to carry out OCO's duties. The bill also prohibits certain personnel actions taken as a reprisal against certain employees disclosing information to OCO. Finally, the bill establishes a Correctional Ombudsman Advisory Board to provide information to OCO and assist the office in identifying appropriate matters to investigate.

Sustainable Growth Subcabinet

Senate Bill 309/House Bill 225 (Chs. 91 and 92) modify provisions governing the Smart Growth Subcabinet, including renaming the subcabinet as the Sustainable Growth Subcabinet. The Acts also repeal the Office of Smart Growth and transfer the powers and duties of the office to the subcabinet. In addition, the Acts modify existing duties of the subcabinet by replacing “smart growth” with “equitable and resilient growth” as one of the areas covered, along with development, neighborhood vitality, and resource management, in subcabinet discussions of local government issues, and add a requirement that the subcabinet work together to create, enhance, support, and revitalize equitable and sustainable communities across the State.

Office of the Attorney General

Senate Bill 669/House Bill 1158 (both passed) repeal the requirement that OAG report to the Governor and the Legislative Policy Committee annually on any action taken under the Maryland Defense Act regarding the investigation, prosecution, or defense against any action or inaction by the federal government that threatens the public interest and welfare of the State’s residents. The bills also repeal the requirement that OAG publish its annual report and opinions of the Attorney General from the preceding year in a bound volume; instead, OAG must publish the information on its website. Finally, the bills repeal a requirement for OAG’s annual report to the Governor to include an itemized statement of the receipts and disbursements of the Attorney General during the preceding fiscal year, and require the annual report to also be submitted to the General Assembly.

The OAG Medicaid Fraud and Vulnerable Victims Unit (1) investigates and prosecutes fraud by Medicaid health care providers and in the administration of the Medicaid program; (2) investigates and prosecutes crimes involving the abuse or neglect of vulnerable adults in the State; and (3) addresses the opioid crisis by investigating the diversion of pharmaceuticals and the inappropriate dispensing of opioids. *House Bill 1002 (passed)* authorizes the Attorney General, a deputy Attorney General, or an assistant Attorney General designated by the Attorney General to issue a subpoena for the limited purpose of furthering an ongoing health care fraud investigation.

House Bill 723 (passed) authorizes the Attorney General to seek injunctive relief on behalf of the State on the basis of an imminent or ongoing violation of a specified basic right of residents of a facility or assisted living program. The Attorney General may not duplicate corrective action imposed by the Maryland Department of Health (MDH) for the same violation.

Permits, Licenses, and Certificates

Several principal departments and independent units of State government administer and oversee the issuance of permits, licenses, and certificates for various purposes. Permit, license, and certificate fees are generally distributed to the general fund or a special fund dedicated to the regulatory function addressed by the specific permit, license, or certificate. *Senate Bill 472/House Bill 581 (both passed)* require each principal department and independent unit of State government, by October 1, 2024, to create a catalog containing specified information

of each type of permit, license, or certificate that it issues and submit the catalog to the Governor. By December 1, 2024, each principal department and independent unit, to the extent practicable, must post on its website an interim description of the application process for each permit, license, or certificate it issues, including specified information, and a completed update of this information must be posted annually. The bills also establish the Government Efficiency Commission, staffed by the Office of the Governor, to enhance government efficiency and economic competitiveness by monitoring efficiency in the processing of permits, licenses, and certificates. Each year, the commission is required to submit a report on its findings and recommendations to the Governor and the General Assembly.

Equal Access to Public Services

House Bill 981 (passed) requires the principal departments of the Executive Branch, by July 1, 2025, to fully implement provisions that require the departments to take certain reasonable steps to provide equal access to public services for individuals with limited English proficiency (LEP). More specifically, the principal departments must provide oral language services for individuals with LEP and must translate vital documents ordinarily provided to the public into any language by an LEP population that constitutes 3% or more of the general population in a geographic served by a local office of a State program.

State Contract Provisions

Senate Bill 375 (passed) prohibits, except as required by State or federal law, State contracts from including provisions (1) that require the State to indemnify, defend, or hold harmless another person without an appropriation of State funds for that purpose; (2) by which the State agrees to binding arbitration or certain other dispute resolution processes; (3) that name a jurisdiction or venue other than a court or proper jurisdiction in the State for any action or dispute against the State; (4) that require the State to agree to limit certain liability; (5) that require the State to be bound by a term or condition that is unknown to the State at the time of signing the contract, may be unilaterally changed by the other party, or is electronically accepted by a State employee without authorization; (6) that provide for a person other than the Attorney General of Maryland to serve as legal counsel for the State except under certain circumstances; (7) that are inconsistent with certain State obligations or are prohibited by certain law; (8) that provide for automatic renewal under certain circumstances; or (9) that limit the State's ability to recover the cost of a replacement contractor. A State contract containing any of these provisions is void and the contract shall be enforceable as if it did not include the provision and shall be governed by State law. The prohibitions on State contract provisions in the bill do not apply to State contracts relating to the purchase, redevelopment, or operation of a certain racing facility or training facility, contingent on the enactment of *House Bill 1524 (passed)*.

State Investment Policy

The State Treasurer may invest or reinvest unexpended or surplus money that is in the custody of the State Treasurer. *Senate Bill 776/House Bill 846 (both passed)* repeal provisions relating to the type of asset classes that the State Treasurer may invest and reinvest specified

unexpended or surplus funds and require the State Treasurer to adopt regulations that specify the asset classes in which the State Treasurer may invest or reinvest funds according to the State investment policy. The bills specify that these investments must be made in accordance with the limitations for the asset classes and thresholds established in regulations adopted by the State Treasurer. In addition, the bills require the State Treasurer to consult with local governmental entities prior to adopting regulations that would alter the types of investments in which these entities may invest public money. Following the adoption of regulations amending the local investment guidelines, the State Treasurer must notify in writing the governing body of each local governmental entity required to have a certain local investment policy.

Loan and Grant Programs

Engaging Neighborhoods, Organizations, Unions, Governments, and Households Grant Program

Senate Bill 482 (passed) codifies the Governor's Office for Children (GOC). GOC was established by an executive order in 2005 to provide a coordinated, comprehensive interagency approach to the development of a continuum of care that is family- and child-oriented and emphasizes prevention, early intervention, and community-based services for all children and families, with special attention to at-risk populations. The bill requires the Special Secretary of GOC to establish an Engaging Neighborhoods, Organizations, Unions, Governments, and Households (ENOUGH) Grant Program. The bill also establishes an ENOUGH Grant Fund.

The purpose of ENOUGH grants is to increase community health and safety, provide access to high-quality education, connect residents to quality jobs, enable family-sustaining income, provide access to affordable housing, provide high-quality support for child welfare, connect individuals to State programs, and leverage federal, local, and private funding for eligible neighborhoods. Each year, GOC must identify eligible neighborhoods for the ENOUGH Grant Program and approve a lead partner for each neighborhood. GOC may award a grant to a lead partner to complete a needs assessment for the eligible neighborhood. The needs assessment must include an assessment of the physical, behavioral, mental health, education, housing, economic and safety needs of the community; short- and long-term plans for the neighborhood; a description of where State funding is being requested to be spent in the neighborhood; and other standards required by GOC. Once a needs assessment is completed and approved, GOC may provide a neighborhood implementation grant to complete the items in the needs assessment. GOC may also apply for certain other grants and funds. The Governor must allocate at least \$15 million to the ENOUGH Fund in the annual budget bill.

Marilyn Hatza Memorial Strengthening the Humanities Investment in Nonprofits for Equity Grantmaking Initiative

Senate Bill 596/House Bill 504 (both passed) authorize the Governor to include in the annual budget bill an appropriation of \$1.0 million each year to the Maryland Department of Planning (MDP) to provide a grant to the Maryland Humanities Council to be used for the

Marilyn Hatza Memorial Strengthening the Humanities Investment in Nonprofits for Equity Grantmaking Initiative. The funds must be used by the council to provide general operating grants to small and mid-size humanities, arts, cultural, and educational nonprofit organizations.

Historical and Cultural Museum Assistance Program

The Historical and Cultural Museum Assistance Program of the Maryland Historic Trust (MHT) provides political subdivisions and nonprofit organizations with financial assistance for museums in the State. *Senate Bill 616/House Bill 688 (both passed)* authorize the Governor to include in the annual budget bill an appropriation of \$5.0 million to MHT to fund grants under the Historical and Cultural Museum Assistance Program for fiscal 2025 and each fiscal year thereafter. The bills also repeal a provision that prohibits MHT from making a grant under the program to a museum that is currently receiving operating support from the Maryland State Arts Council.

Catastrophic Event Account

The Catastrophic Event Account, which is within the State Reserve Fund and administered by the Department of Budget and Management, enables the State or a local government to respond quickly to a natural disaster or catastrophe that could not be addressed within existing State appropriations. *Senate Bill 628/House Bill 819 (Chs. 18 and 19)* expand the purposes of the account and the Federal Government Shutdown Employee Assistance Loan Fund so that funds may be used to provide financial assistance to federal noncivilian employees, in addition to federal civilian employees as authorized under current law, in the event of a full or partial federal government shutdown due to a lapse in appropriations.

Repository and Clearinghouse for Information on Grants, Loans, and Other Assistance

Due to other websites managed by the Governor’s Grants Office and the federal government that serve as repositories for information about federal and State grants, loans, and other financial and technical assistance, *Senate Bill 310 (Ch. 94)* repeals a requirement that MDP serve as a repository and clearinghouse for the same information. The Act also requires MDP to annually publish information about State financial and technical assistance programs on the Maryland InfoPortal rather than in a catalog or catalogs of State assistance programs.

State Officials

Executive Nominations

Under Article II, § 13 of the Maryland Constitution, all civil officers nominated by the Governor and subject to confirmation by the Senate must be nominated to the Senate within 40 days from the start of each regular session of the legislature. Article II, § 11 of the Maryland Constitution states that, in case of any vacancy during the recess of the Senate, the Governor must appoint a suitable person to the office (often referred to as a “recess appointment”). The recess appointment remains in effect until the end of the next session of the legislature, or

until another person is appointed to the same office, whichever occurs first. *Senate Bill 1007 (Ch. 40)* establishes that the Governor, with respect to appointments that require Senate confirmation, must submit a nomination to the Senate to fill the office within 40 days after the start of the regular session of the General Assembly if the term of the office will end during the next upcoming Senate recess. The Act also establishes conditions for the Governor to submit nominations when the Governor becomes aware that a term of an office will end during the next upcoming Senate recess. However, the Act allows the Governor, subject to specified provisions of the Election Law and Education Articles, to appoint members of the State Board of Elections and the Accountability and Implementation Board during the recess of the Senate regardless of whether the term of office of a member will end during the next upcoming recess.

Surety Bonds

Senate Bill 775/House Bill 1012 (both passed) repeal provisions under the State Government Article pertaining to the Maryland State Employees Surety Bond Committee and transfer the duties of the committee to the State Treasurer. The bills also authorize specified officers and employees of the State who are required to be covered by surety bonds to alternatively be covered by insurance policies of the type and in the amount of coverage determined by the State Treasurer.

Provision of State Flag for Casket

As established under the Public Safety Article, the Secretary of State must issue a State flag to the family of a firefighter, police officer, member of the military, sworn member of the Office of the State Fire Marshal, or professional or volunteer emergency medical services provider who is killed in the performance of duty. *Senate Bill 573/House Bill 756 (both passed)* require the Secretary of State, on request, to furnish a State flag to drape the casket of (1) an employee of the State or any political subdivision who died as a result of a specified injury; (2) specified current or former constitutional officers; (3) a current or former member of the General Assembly; (4) a current or former Governor of the State; (5) a judge; (6) an individual who currently holds or formerly held any position generally relating to heads of units of State government; or (7) any other individual whom the Governor designates through an executive order.

Law Enforcement

The Maryland Police Training and Standards Commission (MPTSC) is required to establish a Police Complaint Mediation Program to which a law enforcement agency may refer a nonviolent complaint made against a police officer out of the standard process. *Senate Bill 7/House Bill 973 (both passed)* require MPTSC to develop a uniform citizen positive community feedback process to be adopted and followed by each law enforcement agency. The process must be simple and posted on MPTSC's website and on the website of each law enforcement agency that maintains a website. Each law enforcement agency must maintain a record of positive community feedback for all law enforcement officers within the agency. A

record of positive community feedback is not considered a personnel record under the Maryland Public Information Act.

Senate Bill 793/House Bill 895 (both passed) clarify the responsibilities of the State and local governments and establish related procedures for tort claims filed in State court under the Maryland Tort Claims Act against a sheriff or deputy sheriff engaged in a “detention center function” or “law enforcement function.” The bills also express the intent of the General Assembly regarding various provisions of the bills and cooperation and collaboration between specified stakeholders regarding allocation of responsibility for these tort claims.

Military and Veterans

Space Force and Support of Military Families

Senate Bill 707/House Bill 1026 (Chs. 26 and 27) add members of the U.S. Space Force to several provisions of State law that refer to members of the U.S. Armed Forces. The Acts also expand existing statutory provisions to authorize military spouses and residents of the State who are members of the National Guard of another state or a part of a reserve component of the U.S. Armed Forces to terminate or suspend certain consumer-related contracts when called into military service. Finally, the Acts authorize the Governor to award a Maryland Defense Force commission, appointment, or promotion posthumously.

Maryland Commission on Veterans and Military Families

Senate Bill 88/House Bill 55 (Chs. 9 and 10) establish the Maryland Commission on Veterans and Military Families to (1) study and make recommendations for developing and implementing a statewide strategic plan to make Maryland the best state for veterans and military families, including legislative and budgetary recommendations; (2) consult with the Office of Military and Federal Affairs and the Maryland Military Installation Council in the Department of Commerce while forming the recommendations; and (3) identify key performance indicators to assess the quality of life for veterans and military families in Maryland relative to other states.

Maryland Veterans Suicide Prevention Day

Senate Bill 615 (passed) requires the Governor to annually proclaim September 30 as Maryland Veterans Suicide Prevention Day. The proclamation must declare Maryland Veterans Suicide Prevention Day (1) a day of reflection, recollection, and determination for Maryland veterans, service members, family members, and all Marylanders to remember the human tragedy that is associated with veteran suicide and (2) a pledge to the veteran community to work to destigmatize mental health support, create more opportunities for those with mental health issues to speak freely and get the support they need, and encourage veterans to reach out for help.

Department Renaming

Senate Bill 411/House Bill 431 (Chs. 11 and 12) rename the Maryland Department of Veterans Affairs to be the Department of Veterans and Military Families and the Secretary of Veterans Affairs to be the Secretary of Veterans and Military Families. The Secretary must appoint a Deputy Secretary of Military Family Policy and Programs. The deputy secretary (1) must serve at the pleasure of the Secretary; (2) is entitled to the salary provided in the State budget; and (3) must direct policy and programs related to military families.

Commissions

Removal or Suspension of Members

Generally, when a committee, commission, task force, or workgroup is created by State law, provisions are established for the appointment of members for that specific body. *House Bill 809 (passed)* establishes that a member of a board, committee, commission, task force, or workgroup created by State law may be removed or suspended for misconduct, incompetence, neglect of duties, or other good cause by the individual or entity that appointed the member. The bill does not apply to a standing committee of the General Assembly or a committee established under Title 2 of the State Government Article.

African American History

The Commission on African American History and Culture is an independent unit in the Executive Branch. The commission is required to, among other things, operate the Banneker-Douglass Museum in Annapolis. The museum houses and displays photographs, objects, oral history tapes, artifacts, and other materials of African American historic and cultural significance. *Senate Bill 341/House Bill 390 (Chs. 57 and 58)* rename the Banneker-Douglass Museum to be the Banneker-Douglass-Tubman Museum.

Senate Bill 448 (passed) establishes the Commission to Study African American Civil War Soldiers in Maryland. The commission must study the history of the African American soldiers who fought for the Union Army in Maryland. The bill also requires the commission to make recommendations regarding the funding, design, construction, and location of a memorial dedicated to African American Civil War soldiers in Maryland.

Health Care and Health Insurance

The Health Services Cost Review Commission (HSCRC), the Maryland Health Care Commission (MHCC), the Maryland Community Health Resources Commission (MCHRC), and the Maryland Insurance Administration (MIA) are four distinct independent units of government with related missions and authorities. *Senate Bill 694/House Bill 887 (both passed)* require MDH to contract with an independent consultant to study HSCRC, MHCC, MCHRC, and MIA. The independent consultant will examine overlap of the statutory and regulatory duties of these

four bodies. The study will also examine how the bodies could be streamlined to reduce overlap and improve effectiveness and efficiency.

Hate Crimes Response and Prevention

House Bill 763 (passed) alters the membership of the Commission on Hate Crime Response and Prevention by (1) removing representatives of specified organizations and (2) adding one representative from the Office of the Public Defender and 15 individuals who are members of, or advocate on behalf of, a protected class under the State hate crime laws, as set forth in the Criminal Law Article.

Elections

Election Officials and Personnel

Protecting Election Officials Act of 2024

The National Conference of State Legislatures (NCSL) indicates that in recent years election officials, staff, and poll workers have been subjected to threats, accusations of crime, and leaked private information (“doxing”) at much higher rates than usual. A 2023 survey conducted by the Elections and Voting Information Center at Reed College found that 11% of local election officials had considered leaving their job due to safety concerns and 31% knew one or more local election officials who left their job in part because of fear for their safety. According to information updated by NCSL in April 2024, 16 states (other than Maryland) – Arizona, California, Colorado, Indiana, Maine, Michigan, Minnesota, Montana, Nevada, New Hampshire, New Mexico, Oklahoma, Oregon, Vermont, Virginia, and Washington – and the District of Columbia have enacted laws specifically addressing protections for election officials and poll workers since 2020.

Senate Bill 480/House Bill 585 (Chs. 20 and 21), emergency legislation, prohibit a person from knowingly and willfully threatening to harm an election official or an immediate family member of an election official because of the official’s role in administering the election process. The Acts also prohibit knowingly sending, delivering, parting with, or making for the purpose of sending or delivering, such a threat. A person who violates these prohibitions is guilty of a misdemeanor and subject to imprisonment for up to three years and/or a fine of up to \$2,500. The Acts define (1) “threat” to include a threat made orally, by electronic communication, or in any written form and (2) “harm” to include serious injury and serious emotional distress.

The Acts define “election official” as (1) the State Administrator of Elections; (2) a member of the State Board of Elections (SBE); (3) an employee of SBE; (4) counsel to SBE; (5) a county election director; (6) a member of a local board of elections; (7) an employee of a local board of elections; (8) counsel to a local board of elections; or (9) an election judge. “Election official” also includes an individual who takes the oath prescribed in Article I, § 9 of the Maryland Constitution to assist in administering an election. *House Bill 585* also includes as an “election official” an

Election Day page, which is a student at least 14 years old who assists election judges in a polling place on Election Day.

Election Judge Compensation and Recruitment

In 2023, Chapter 157 was enacted to encourage individuals to serve as election judges by increasing the minimum compensation paid to election judges. Under the Act, individuals who have not previously served as an election judge are paid at least \$250 for each Election Day and each early voting day actually served. The Act also required, for each election judge who has previously served as an election judge, that the compensation for each Election Day and each early voting day actually served be at least \$100 more per day than the compensation provided to an election judge who has not previously served as an election judge.

House Bill 700 (passed), which takes effect January 1, 2025 (after the 2024 elections), establishes that only election judges who have served a term of office for the immediately preceding statewide election (“returning election judges”) receive the additional compensation of at least \$100 more per day than other election judges. The bill also modifies an existing requirement that SBE develop and provide to the local boards of elections a marketing campaign to recruit individuals to serve as election judges in polling places. Under the bill, SBE must develop *and* implement the marketing campaign to recruit election judges. Local boards may supplement the marketing campaign implemented by SBE. The bill also requires that a county employee who serves as an election judge during hours that the employee is otherwise scheduled to work for the county receive administrative leave as well as the applicable election judge compensation.

Finally, *House Bill 700* requires SBE to adopt regulations to standardize and minimize the forms required to (1) apply to serve as an election judge; (2) serve as an election judge; or (3) receive compensation for service as an election judge. A local board of elections or county government may not require additional forms or documentation for election judges or prospective election judges in excess of the forms or documentation required in the regulations adopted by SBE.

House Bill 261 (passed) establishes that a payment to an individual as compensation for serving as an election judge may not reduce the individual’s unemployment insurance weekly benefit amount. The bill also prohibits the denial of unemployment insurance benefits for failure to meet the general requirement that an individual be able to work, available to work, and actively seeking employment if the failure results from service as an election judge.

Performance, Authority, and Responsibilities of Election Officials

The State Administrator of Elections – the chief State election official – is appointed by SBE with the advice and consent of the Senate and serves at the pleasure of the board. *Senate Bill 417 (passed)* requires SBE to, at least annually, evaluate the performance of the State Administrator. The bill also requires that a local board of elections, when appointing an election director, confer with the State Administrator; however, the requirement does not affect the exclusive authority of a local board to appoint an election director. In addition, the State

Administrator must, at least annually, provide a performance evaluation of the election director of each local board of elections, to the local board, including any recommended disciplinary actions for failure to comply with State laws, regulations, and policies.

Senate Bill 417 also makes changes to provisions governing the powers and responsibilities of the local boards and the local election directors. The bill requires each local board to (1) provide for early voting center expenses, subject to State law requiring voting system costs to be shared by the State and counties, and (2) maintain a warehouse. The bill also (1) modifies existing specified statutory authority of a local election director to instead be statutory requirements; (2) establishes that those requirements are subject to regulations adopted by SBE and the policies and guidance of SBE; and (3) requires a local election director to perform certain additional duties, including several duties relating to the security of the local board’s election systems and equipment.

Election Disinformation and Misinformation

Reflecting concern about the potential for incorrect or misleading information (including information produced using artificial intelligence) to affect elections, *House Bill 333 (passed)* requires SBE to maintain a portal on its website that the public may use to report election misinformation and election disinformation. SBE must conduct a periodic review of material submitted by the public through the portal and, to the extent necessary, issue corrective information or refer submissions to the State Prosecutor.

“Election disinformation” is defined as incorrect or misleading information regarding the time, place, or manner of an election, election results, or voting rights in the State that is knowingly and deliberately disseminated. “Election misinformation” is defined as incorrect or misleading information regarding the time, place, or manner of an election, election results, or voting rights in the State.

House Bill 333 also – under existing provisions that prohibit willfully and knowingly influencing or attempting to influence, through specified improper means, a voter’s voting decision or decision whether to vote – establishes that “influence” includes the use of pressure, deception, trickery, or direct or indirect authority to induce action or to change the decision or act of another, regardless of the medium used.

Voter Registration – Information Provided by the Courts

Individuals convicted of a felony and serving a court-ordered sentence of imprisonment for the conviction are not qualified to register to vote, and State law requires the clerk of the circuit court for each county and the administrative clerk for each District Court to report to the State Administrator of Elections information on individuals convicted of a felony, for use in administering voter registration. *Senate Bill 271 (passed)* requires that the clerks report, each month, the names and addresses of all individuals convicted of a felony *and* sentenced to imprisonment with commitment papers. The bill similarly alters the information that the

State Administrator must make arrangements with the clerk of the U.S. District Court for the District of Maryland to receive, so that the information includes individuals convicted of a felony in that court *and* sentenced to imprisonment with commitment papers.

Use of Public Buildings for Early Voting Centers

The public official responsible for the use of any public building requested by a local board of elections for use as an election day polling place must make available to the local board, without charge, the space that is needed in the building for the proper conduct of an election. [*Senate Bill 271*](#) extends this requirement to early voting centers by requiring the public official responsible for the use of a public building requested by a local board of elections for an early voting center to make the public building available to the local board.

The bill also requires SBE to adopt regulations that establish an appeals process for a public official to contest the availability of a public building during the time period the building would be used as an early voting center. The appeals process must include an appeal to the local board that selected the public building for use as an early voting center and an opportunity to appeal an adverse decision of the local board to SBE. A final decision must be made at least eight months before the primary election for which the local board seeks to use the public building as an early voting center.

Post-election Procedures

Certification of Election Results

Following each election, local boards of canvassers and the Board of State Canvassers undertake procedures to verify the accuracy of the election results and certify the election. [*House Bill 471 \(passed\)*](#), an emergency bill, makes various changes to the process of certifying election results, including changes to comply with the federal Electoral Count Reform Act of 2022.

The bill makes several changes to the certification process by the local boards of canvassers (local boards of elections). The bill broadens existing law to require a local board of canvassers to investigate, in consultation with the State Administrator, if it determines that there appears to be an error in any of the documents or records produced during the election. The bill also requires that the Board of State Canvassers make a final determination when a member of a local board of canvassers dissents from a determination of an election result.

[*House Bill 471*](#) also alters provisions governing the preparation and transmittal (to SBE) of certified election results by the Board of State Canvassers. The Board of State Canvassers consists of the Secretary of State, the State Treasurer, the Comptroller, the Clerk of the Supreme Court of Maryland, and the Attorney General. The bill authorizes each of the members of the Board of State Canvassers to appoint a designee to serve in their place (the State Treasurer is already authorized to do this under existing law). Under the bill, the Board of State Canvassers must convene and prepare and transmit certified election results to SBE after each election unless the election is a special primary election for Representative in Congress, in which case SBE

certifies the results. The bill reduces the time, from 35 days to 30 days, within which the Board of State Canvassers must convene after an election. The bill further authorizes the Board of State Canvassers and SBE (when it is certifying a special primary election for Representative in Congress) to reject a statement of the election results by a local board of canvassers if it determines, based on clear and convincing evidence, that the statement is inaccurate. In this instance, the Board of State Canvassers or SBE must ascertain the accurate election results. The State Administrator must transmit the certified election results to the Governor within 3 days after receipt.

Finally, *House Bill 471* requires the Governor to ascertain and enumerate the number of votes cast for each candidate for presidential elector and for each congressional candidate consistent with the returns of the election received by the Governor. The bill also requires the Governor to issue and transmit a certificate of presidential electors pursuant to federal law (3 U.S.C. § 5).

Recounts of Election Results

State election law authorizes a candidate or a registered voter eligible to vote for a ballot question to petition for a recount of the certified election results if the margin of difference between the apparent winner and the losing candidate, or the votes for and against the ballot question, does not exceed 5%. *House Bill 371 (passed)*, an emergency bill, requires the petitioner for a recount to select the method for conducting the recount from among the following methods: (1) rescanning the ballots; (2) a manual recount; or (3) any other method approved by the State Administrator.

The bill requires a local board to preserve the voter-verifiable paper record corresponding to each duplicate ballot that is created and store each duplicate ballot that is created together with the corresponding voter-verifiable paper record. In a recount, the local board must examine the voter-verifiable paper record and the duplicate ballot and (1) count the duplicate ballot, if the voter-verifiable paper record and duplicate ballot match, or (2) create a new duplicate ballot that accurately reflects the voter's intent and count that duplicate ballot, if the voter-verifiable paper records and duplicate ballot do not match.

Campaign Finance

Session Fundraising Prohibition – Application to the State Treasurer

Generally, State elected officials are prohibited by law from campaign fundraising while the General Assembly is in its regular annual session. However, this prohibition does not apply to the State Treasurer. *House Bill 1503 (passed)* extends the prohibition on session fundraising to include the State Treasurer.

Candidacy of Central Committee Chairs

State campaign finance law prohibits a candidate from acting in a position that exercises general overall responsibility for the conduct of a campaign finance entity other than the candidate's own campaign finance entity, which prevents a chair of a political party central

committee (a campaign finance entity) from running for reelection while serving as chair. *Senate Bill 271* alters an existing authorization for an incumbent member of a political party central committee who is a candidate for election to party office to act as the treasurer of the central committee, so that the incumbent member who is a candidate for election to party office may instead act as a responsible officer (chair or treasurer) of the central committee.

Statements of Campaign Contributions – Exemption of Nonprofit Organizations

House Bill 434 (passed) exempts a qualified 501(c)(3) nonprofit organization – which is prohibited by federal law from making campaign contributions – from a requirement under the Maryland Public Ethics Law that a person file a statement of campaign contributions with SBE if the person spends at least \$500 on compensation of one or more lobbyists in a six-month period.

Disclosure of Beneficial Ownership

Businesses that enter into contracts, leases, or other agreements with the State of \$200,000 or more in a calendar year must disclose information on the beneficial owners of the business to the Secretary of State. Under Title 14 of the Election Law Article, a person “doing public business” (defined as making or having a single contract with a State or local government involving cumulative consideration of at least \$200,000) is required to file periodic statements of campaign contributions with SBE. *Senate Bill 291/House Bill 112 (Chs. 22 and 23)* consolidate these two requirements by repealing the requirement to report beneficial ownership to the Secretary of State and instead requiring persons doing public business to disclose information on the beneficial owners of the business to SBE (“beneficial ownership” is defined in the Acts and includes any ownership interest of 5% or more in a business). The information on beneficial ownership must be included in a registration statement filed with SBE within 15 business days after the award of a contract that causes the person to be doing public business and must be updated in accordance with regulations adopted by SBE. A person that fails to file the registration statement is subject to late fees and civil and criminal penalties. The Acts also require a person doing public business to certify to the Board of Public Works (BPW) that the person has filed an initial statement of contributions with SBE, if the contract is subject to the approval of BPW.

Ethics

State ethics law requires counties to enact provisions governing the public ethics of local officials relating to conflicts of interest and financial disclosure. *House Bill 834 (passed)*, an emergency local bill, requires Calvert County to (1) include provisions in its ethics law that are equivalent to or exceed the provisions of State law relating to a court’s authority to enforce the ethics law; (2) include provisions in its ethics law that require the Calvert County Ethics Commission to make public any recommendation it makes to expel a commissioner; and (3) enact a law or regulation that authorizes the governing body to remove a county elected official from office for violations of conflict of interest statutes.

Procurement

General Administration and Oversight

Senate Bill 667/House Bill 292 (both passed) authorize the Maryland State Board of Contract Appeals (Appeals Board) to award reasonable attorney’s fees to an “interested party” who prevails in appealing a bid protest and alter the conditions under which the Appeals Board may award attorney’s fees for a contract claim.” An “interested party” means an actual or prospective bidder, offeror, or contractor that may be aggrieved by the solicitation or award of a contract, or by a protest. For *all* contract claims (instead of just claims related to construction contracts), the Appeals Board may award the reasonable costs of filing and pursuing a claim, including reasonable attorney’s fees, if the board finds that the conduct of the unit in processing the claim is in bad faith, without substantial justification, or in violation of the law.

State procurement law identifies multiple procurement methods available to State procurement officials depending on the nature and circumstances of the procurement. The two most common methods are competitive sealed bids and competitive sealed proposals. Procurement officials generally have the discretion to use the method that best suits the nature and circumstances of the procurement. However, competitive sealed proposals is identified as the preferred (but not required) method for the procurement of human, social, cultural, or educational services and for real property leases. For competitive sealed proposals, procurement officials establish (1) the factors, including price, that are the basis for the contract award and (2) the relative importance of each factor. They must then communicate those factors in the solicitation and award the contract to the offeror whose proposal or best and final offer is determined to be the most advantageous to the State based on the identified factors. This method, therefore, allows State agencies to award contracts based on factors other than lowest price, if so specified in the solicitation. *House Bill 780 (passed)* establishes that the competitive sealed proposal procurement method is the preferred method to solicit security services if the contract is expected to have a value greater than \$1,000,000.

Senate Bill 703/House Bill 877 (both passed) require the Office of the Comptroller to develop and maintain on the Board of Public Works’ (BPW) website a procurement transparency dashboard that must (1) be public, interactive, and searchable and (2) include specified information related to State procurement, such as BPW meeting announcements, agendas, and related materials, including contract spending amounts, and State procurement preference programs. Beginning in fiscal 2025, the Governor must include an appropriation in the annual budget bill for at least one full-time position in the Comptroller’s Office to develop and maintain the dashboard and software necessary to develop and maintain the dashboard.

The Construction Contingency Fund (CCF) is a continuing, nonlapsing, revolving fund that consists of (1) money appropriated to the fund; (2) unspent proceeds of an enabling act allocated to the fund by the Governor; or (3) amounts appropriated in an annual General Construction Loan Act or in the Maryland Consolidated Capital Bond Loan Act that are in excess of the amount needed for a project in the Act and that are allocated to CCF by the Governor. With

the approval of the Governor, the Secretary of Budget and Management and the Secretary of General Services may request that BPW authorize an expenditure from CCF to supplement any capital appropriation or to conduct value engineering on a project. The appropriation must be (1) for a project to be owned by the State and contained in a capital appropriation of an annual budget or similar vehicle and (2) insufficient to permit the initial award of a contract for a project in accordance with applicable State law, or to cover specified change orders. *Senate Bill 556 (passed)* authorizes payments from CCF for construction contracts that include price adjustments for material price fluctuations of identified eligible project-specific materials.

It is the policy of the State that, for work under a State procurement contract, a contractor must promptly pay a subcontractor any undisputed amount to which the subcontractor is entitled. Likewise, subcontractors must promptly pay any undisputed amounts to lower tier subcontractors. Generally, undisputed amounts must be paid by contractors (or subcontractors to lower tier subcontractors) within 10 days of receiving a progress or final payment from the State. State law includes procedures for resolving disputes between subcontractors and contractors regarding a contractor's or subcontractor's failure to promptly pay undisputed amounts. *Senate Bill 183/House Bill 342 (Chs. 30 and 31)* add "suppliers" to this payment and dispute resolution framework in the same manner as for contractor payments to subcontractors. A "supplier" is defined as a person that has supplied labor or materials to a contractor in the prosecution of work provided for in a State procurement contract.

Procurement Preferences

Under the Small Business Preference (SBP) Program, 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. SBP applies only to the Department of General Services (DGS), the Maryland Department of Transportation (MDOT), the University System of Maryland (USM), and Morgan State University (MSU). *House Bill 850 (passed)* expands the SBP Program to all Executive Branch units and agencies but repeals its application to USM and MSU. It requires BPW to implement and oversee the program and authorizes each procurement unit to designate procurements for SBP with the approval of the head of the unit.

The Small Business Reserve (SBR) Program requires most State agencies to structure their procurements so that at least 15% of the total dollar value of their procurements is made directly to small businesses. Each agency must prepare an annual forecast of its total procurement spending and develop a plan to allocate at least 15% of its forecasted spending to contracts for small businesses serving as prime contractors. However, an agency can apply toward its total SBR participation goal only payments made under a contract that is designated as an SBR procurement (not all payments to small businesses). *Senate Bill 673/House Bill 962 (both passed)* raise the goal, from 15% to 20%, for the percentage of the total dollar value of contract awards made to small businesses under the SBR Program, and allow all contract awards made to small businesses to count toward achievement of the goal, not just those designated as SBR contracts. The bills also

require MDOT to develop an outreach program to increase the participation of small businesses in the SBR Program, and to report on the status of the outreach program.

Senate Bill 587 (passed) requires State procurement units and the Governor’s Office of Small, Minority, and Women Business Affairs (GOSBA) to include in their mandated annual reports specified data on minority business enterprise participation in State contracting for real property title insurance services, including commercial real property title insurance services. The bill also prohibits GOSBA from waiving the reporting requirement if the spending threshold for real property title insurance service contracts is too low for a procurement unit to provide sufficient data.

Senate Bill 1014 (passed) requires each State procurement unit, by June 30 of each year, to submit to GOSBA a procurement forecast for all procurement contracts valued at more than \$100,000 for the upcoming fiscal year. It also requires each unit, by August 15 of each year, to submit a reconciliation of the prior year’s forecast with specified information about actual procurements carried out during the fiscal year. GOSBA, in consultation with primary procurement units, must (1) identify potential contracting opportunities for and increase outreach efforts to small businesses; (2) identify and increase awareness of procurement opportunities for small businesses for services and supplies; and (3) assist small businesses with procedures for bidding on a procurement contract or responding to a request for proposals. The bill requires a staff position to be created within GOSBA to implement the bill.

Chapter 313 of 2016 consolidated certain procurement preferences such that a State or State-aided or -controlled entity must buy supplies and services from Maryland Correctional Enterprises (MCE) first, then from Blind Industries and Services of Maryland, then from the Employment Works Program if a community service provider or an individual with a disability-owned business provides the supplies or services, in that order of preference. Only if none of those entities produces or provides the desired supplies or services may a State agency issue a competitive procurement. *Senate Bill 194 (passed)* authorizes the Pricing and Selection Committee for Preferred Providers to grant a waiver to a State or State-aided or -controlled entity from the statutory requirement to purchase supplies or services first from MCE. The committee may issue a waiver only if (1) MCE’s price for the needed supplies or services is at least 10% above market rates for similar supplies and services or (2) the time at which the needed supplies and services would be delivered by MCE does not meet the entity’s needs. The bill also requires MCE to report annually on the length of time between each order and delivery of supplies and services.

Natural Resources, Environment, and Agriculture

Chapters 2 and 32 of 2021 established the Certified Local Farm Enterprise Program, expanded in 2023 to be the Certified Local Farm and Fish Program, and office in the Maryland Department of Agriculture (MDA) to encourage State agencies (including public four-year universities) to achieve an overall goal of purchasing 20% of food from certified local farms and certified Chesapeake invasive species providers. *Senate Bill 290 (passed)* alters annual

reporting deadlines related to waivers granted under the program. The bill alters the deadline for MDA to submit a report to BPW on waivers requested and waivers granted from July 31 to October 31 of each year and alters the deadline for BPW to submit a record of each waiver requested to the General Assembly from October 1 to December 31 each year.

Chapters 237 and 238 of 2022 established a framework for “pay-for-success contracting” as a performance-based procurement method through which an agency contracts with an organization to deliver services or commodities in exchange for payment based on the achievement of outcomes. MDA, the Maryland Department of the Environment (MDE), the Department of Natural Resources (DNR), MDOT, the Maryland Environmental Service (MES), and DGS may enter into a pay-for-success contract for (1) delivery of an environmental outcomes project or (2) already certified environmental outcomes. Other State and local entities may participate in a pay-for-success contract in accordance with an intergovernmental cooperative purchasing agreement. *Senate Bill 253/House Bill 235 (Chs. 87 and 88)* exempt the negotiation and execution of “pay-for-success” contracts by DNR from most provisions of State procurement law. The Acts do not address pay-for-success contracts by MDA, MDE, MDOT, MES, or DGS.

Proof of Concept Procurement

Senate Bill 818 (passed) authorizes “proof-of-concept” procurements as a formal competitive procurement method used to solicit proposals for the conduct of a proof of concept prior to full implementation when the head of a unit determines the process to be appropriate and in the best interests of the unit. “Proof of concept” means a test, evaluation, or pilot project of a good, service, or technology in a real-world environment to evaluate whether the good, service, or technology can be successfully deployed and is beneficial to the State. After obtaining the approval of the head of a unit and before conducting a competitive proof-of-concept procurement, the unit must obtain approval from the Secretary of Information Technology, or the Secretary’s designee. The Secretary may approve a competitive proof-of-concept procurement if the agency (1) has sufficient internal resources to manage the contract and (2) enters into a memorandum of understanding with the Department of Information Technology to provide oversight.

A competitive proof-of-concept procurement may be conducted through the issuance of a solicitation by any method of procurement authorized in State procurement law. A competitive proof-of-concept procurement solicitation must include a statement of (1) the scope of work or project description, as specified and (2) the factors, including the price, that will be used in evaluating proposals and the relative importance of each. After receipt of proposals, but before award of a procurement contract, a unit may (1) conduct discussions with an offeror, as specified, and (2) request product samples for testing by the unit or a demonstration of a product or service and use these samples or demonstrations in its evaluation process.

Personnel

Impact of Budget Actions on State Employees

As introduced, the fiscal 2025 budget included \$11.9 billion in employee costs, which represented approximately 19% of the State budget, and would have provided a net increase of \$506 million in funding for various statewide salary actions, including related fringe benefits. As passed, the fiscal 2025 budget includes \$445.6 million for statewide salary actions.

The fiscal 2025 budget includes funding for a 3% general salary increase beginning July 1, 2024, increments, and an additional increment for State employees who have been continuously employed with the State since June 30, 2019. Employees represented by the State Law Enforcement Labor Alliance receive a 5% salary increase and an increment. The fiscal 2025 budget also includes funding to increase the shift differential for State employees working outside of normal working hours from \$0.625 per hour to \$1 an hour for employees represented by the American Federation of State, County, and Municipal Employees and the Maryland Professional Employees Council. In addition, \$24.6 million is provided for Annual Salary Review adjustments, and \$8.7 million for recruitment and retention bonuses for the employees in the Department of Public Safety and Correctional Services.

Administration Bills

On request, a State employee in the Executive, Judicial, and Legislative branches, including temporary employees, may be entitled to disaster service leave with pay if the employee is certified by the American Red Cross as a disaster service volunteer, or the employee is a member of the Civil Air Patrol, U.S. Coast Guard Auxiliary, Maryland voluntary organizations active in a disaster, a volunteer emergency medical services department, a volunteer fire department, a volunteer rescue company or volunteer rescue squad, or a community emergency response team. *Senate Bill 477/House Bill 580 (Chs. 7 and 8)* increase, from 15 days to 30 days, the amount of disaster service leave that an Executive Branch employee may use in any 12-month period after obtaining approval from the employee's appointing authority. Additionally, the Acts increase, from 15 days to 30 days, the amount of paid leave that the Secretary of Budget and Management may provide by regulation for uniformed services training or active uniformed services duty in a reserve unit of the armed forces or in the organized militia.

Specified individuals are entitled to receive credits on selection tests for positions within the State Personnel Management System (SPMS). *Senate Bill 478 (Ch. 6)* requires all appointing authorities in SPMS to apply a credit of 10 points on a selection test for an applicant who is an "eligible spouse," defined as an individual who is married to a full-time active duty member of any branch of the uniformed services. The definition of veteran for selection test credits is also expanded to include a veteran of any branch of the uniformed services, not just the armed forces. Additionally, the Act authorizes employers to grant a hiring and promotion preference to the spouse of an eligible service member.

Compensation and Benefits

Senate Bill 1080/House Bill 983 (both passed) include Maryland Department of Health employees in bargaining unit G who are classified as a teacher or a librarian in the requirements under current law that the pay rate for specified employees at the Clifton T. Perkins Hospital shall be at least two grades higher than the employee's pay rate effective June 30, 2020. Additionally, under the bills, the same pay rate applies to specified employees at the Regional Institutes for Children and Adolescents – Baltimore and Rockville.

Senate Bill 109/House Bill 52 (both passed) entitle any State employee, including a temporary employee, to use up to 10 days of paid parental bereavement leave within 60 days after the death of the employee's child, who is at least six months old but younger than 27. An employee may use up to 60 days of parental bereavement leave within 60 days after the employee experiences a stillbirth or the death of the employee's infant younger than six months of age. An employee must notify the employee's appointing authority of the employee's intention to use parental bereavement leave prior to taking leave. An employee's appointing authority may not require an employee to use any other paid leave available to the employee.

The State provides death and funeral expenses for survivors of specified State and local employees. *Senate Bill 850 (passed)* increases the cap on reasonable funeral expenses, from \$10,000 to \$25,000, paid to surviving family members or the estate of specified public safety employees who are killed or die in the performance of duties, and indexes the cap to inflation beginning in fiscal 2026. The funeral benefit may not be reduced by any related workers' compensation benefits paid. Additionally, the bill increases the death benefit, from \$100,000 to \$125,000, for surviving family members of Maryland National Guard members and all State employees (including employees in the Legislative and Judicial branches) who are killed in the performance of their duties, and provides for reasonable funeral expenses, of up to \$25,000, to be paid for these employees. The death and funeral benefits, along with the death benefit of \$50,000 for public safety employees under current law, are indexed to inflation beginning in fiscal 2026. In addition, surviving family members of State employees who are killed in the performance of duties from January 1, 2023, until the effective date of the bill may request death and funeral benefits under the bill by December 31, 2024, and the Secretary of Budget and Management must administer the payment of the benefits.

Public Employee Relations

Chapter 114 of 2023, the Public Employee Relations Act (PERA), established the Public Employee Relations Board to oversee collective bargaining for public employees, including State employees, certificated and noncertificated school employees, and employees of community colleges. *Senate Bill 232/House Bill 144 (Chs. 51 and 52)* alter provisions of PERA by defining the term "interested employee organization" as an employee organization already representing employees in a bargaining unit or a petitioner who has met the showing of interest requirement under current law. The Acts also alter the timing of exclusive representative access to new

employees under PERA. Additionally, the Acts clarify responsibilities of specified deputy directors and the process for investigations under PERA.

Senate Bill 192/House Bill 260 (both passed) repeal the statutory exclusion from collective bargaining for most supervisory State employees in Executive Branch agencies, excluding higher education institutions, thereby establishing collective bargaining rights for those employees. Eligible supervisory employees must be defined by regulations, adopted by the Secretary of Budget and Management, and are subject to PERA. These supervisory employees must have a separate bargaining unit.

Miscellaneous

Senate Bill 133/House Bill 62 (both passed) extend the timeframe for an investigation to be conducted and a written decision issued – from within 30 days to within 60 days – after a complaint alleging harassment or discrimination is received from an Executive Branch employee or an applicant for employment. The timeframe may be extended up to an additional 30 days if the employee or applicant who filed the complaint grants written authorization to the equal employment officer investigating the complaint.

All State employees are required to take sexual harassment prevention training. *House Bill 506 (passed)* authorizes Morgan State University and St. Mary's College of Maryland to provide training that consists of webinar, computer-based, or online training. If the training is delivered using one of these methods, it must also include an evaluative component that ensures employee engagement in the training and assesses employee comprehension of training objectives.

When a skilled service or professional service position within SPMS is to be filled, the appointing authority must complete a position selection plan. *House Bill 1044 (passed)* repeals the requirement that an appointing authority send a copy of the selection plan and job announcement to the Secretary of Budget and Management at least one week prior to posting a job announcement for a vacant skilled service or professional service position in SPMS. The bill also repeals the requirement that an appointing authority wait until after the close of a position announcement to review qualified applicants for a skilled service or professional service position in SPMS.

If an employee in SPMS uses five or more consecutive sick leave days, the employee is required to submit a certificate of illness signed by listed health care providers. *House Bill 1013 (passed)* adds a licensed clinical professional counselor to the list of health care providers that may sign a certificate of illness.

Pensions and Retirement

State Retirement and Pension System Administration

Budget Reconciliation and Financing Act of 2024

State Retirement and Pension System (SRPS) operations are funded by administrative fees that each participating employer pays to the system. Section 21-308(a)(3) of the State Personnel and Pensions Article requires a reduction in the employer contribution by the amount of administrative fees paid by the local boards of education and local community colleges. Since fiscal 2016, fees have been charged separately from employer contributions, while statute continues to require that the annual required employer contribution be reduced by the amount of administrative fees paid by the local boards of education and local community colleges.

The State Retirement Agency (SRA) has indicated the State's \$75 million supplemental contribution every year offsets this reduction. The supplemental contributions fund the system above the actuarially required level. *Senate Bill 362 (passed)*, the Budget Reconciliation and Financing Act of 2024, includes a provision to reduce the retirement reinvestment contribution from \$75 million to \$50 million annually beginning in fiscal 2025, and concomitantly repeals the requirement to reduce the pension contribution by the amount of certain administrative fees beginning in fiscal 2026. SRPS operations continue to be funded by administrative fees that each participating employer pays to the system.

Personal Statement of Benefits

Senate Bill 489/House Bill 625 (both passed) require SRPS to provide the *Annual Comprehensive Financial Report* (CFR) summary and the explanation of system changes on its website, and the annual statement of member and retiree benefits through a secure access portal. SRPS must annually provide each member and retiree with a statement that summarizes information in the system's CFR and shows (1) the member's vested benefits or the benefits the member will be entitled to on vesting; (2) the date when the member was or will be vested; (3) the present value of any annuity; and (4) explains any material modifications to the applicable State system during the period covered by the annual report.

Service Credit

Senate Bill 491/House Bill 630 (both passed) repeal a provision in Title 37 of the State Personnel and Pensions Article that specifies that if an individual transfers service credit from one plan to another and then retires before five years have passed, the benefits paid for the transferred credit cannot exceed the benefits that would have been paid under the system from which the member transferred credit. The change applies to all forms of service credit transfer, including transfers between State and local retirement and pension plans. The bills also allow certain employees of the Department of Legislative Services to receive eligibility and service credit for contractual employment with the department under certain conditions.

Average Final Compensation

In general, SRA regulations establish that a salary increase is an extraordinary salary increase if it is more than 20% of a member's average earnable compensation in any of the last three or five years of employment (depending on the member's date of hire). The exclusion of an extraordinary salary increase from the calculation of average final compensation does not apply if the increase results from the member's promotion, or election or appointment to a public office. *Senate Bill 880/House Bill 1004 (both passed)* establish that, with respect to the calculation of average final compensation for virtually all members of SRPS, a salary increase may not be considered an extraordinary salary increase if it is related to a review and adjustment to the compensation for a position classification to address inequities in compensation among employees in the same position classification, or increase the compensation for the position classification to be more consistent with market compensation for the position.

Director of Diversity, Equity, and Inclusion and Governance Program

House Bill 1212 (passed) requires SRA to employ a Director of Diversity, Equity, and Inclusion to perform specified functions related to SRA providing access by and involvement of underrepresented groups. The bill also codifies the governance program of SRA's Investment Division to monitor, evaluate, and quantify the risks and effects of environmental, social, and governance factors on SRPS investments. The governance program must be in accordance with the policies of SRPS. The Chief Investment Officer (CIO) must employ an individual to assist in the implementation of the governance program whose responsibilities must be consistent with fiduciary responsibilities.

Miscellaneous

SRPS board members must complete at least eight hours of investment and fiduciary training each year, including training on fiduciary conduct and board governance. *Senate Bill 489/House Bill 625* clarify that educational training includes existing topics and on investments, retirement administration and operations, and other relevant topics that the chair of the board deems appropriate.

Senate Bill 320/House Bill 415 (both passed) authorize the SRPS board to pay, within 30 days, any remaining earned financial incentives to the CIO if the CIO retires directly from the Investment Division. The bills also clarify that only members of the State Police Retirement System (and, therefore, not members of the Law Enforcement Officers' Pension System (LEOPS)) may not extend their participation in the Deferred Retirement Option Program under Chapter 400 of 2023 past age 60.

Senate Bill 490/House Bill 629 (both passed) correct an obsolete reference to the 1967 Consumer Price Index (CPI) in State pension law. The bills clarify that the CPI for all urban consumers using 1982 to 1984 as base years must be used to calculate cost-of-living adjustments for almost all SRPS retirees.

Reemployment of Retirees

Law Enforcement Officers' Pension System

Senate Bill 706/House Bill 966 (both passed) require the SRPS board to temporarily suspend the retirement allowance of a retiree of LEOPS who is elected as a sheriff within one year of retiring from LEOPS. The retiree's allowance is reinstated when the retiree ceases serving as sheriff. While the allowance is suspended, the retiree's family is still entitled to applicable survivor benefits. The board must give notice before suspending a retiree's allowance under the bills. After receiving satisfactory documentation that the retiree is no longer serving as a sheriff, the board must reinstate the allowance with accumulated cost-of-living adjustments from the date the allowance was suspended. The bills apply prospectively to retirements on or after July 1, 2024.

Teachers' Retirement and Pension Systems

Senate Bill 366/House Bill 1211 (Chs. 66 and 67) exempt retirees of the Teachers' Pension System who are reemployed under a joint employer agreement between a local board of education and the Maryland Association of Boards of Education (MABE) and whose salary is fully funded by MABE from the mandatory offset to the individual's retirement benefit. The Acts also repeal an obsolete exemption to retirement benefit offsets, for reemployment in a position that is fully funded by a grant from a non-State source.

Senate Bill 143 (Ch. 65) allows each local school system and the Maryland School for the Deaf (MSD) to hire up to five retirees of the Teachers' Retirement System or Teachers' Pension System into any position at any public school in the system or MSD (instead of any school-based position) without a retirement benefit offset. The Act applies retroactively to retirees that meet specified criteria.

Other Retirement Benefits

Judges' Retirement System

Senate Bill 604/House Bill 768 (both passed) establish a line-of-duty death benefit that is payable to the surviving spouse or dependents of a member of the Judges' Retirement System (JRS) who is killed without willful negligence by the member and with death arising out of or in the course of the actual performance of duty. The bills also establish a similar retroactive benefit for any surviving spouse of a JRS member killed in the line of duty prior to the bills' effective date. A surviving child or dependent parent of a JRS member killed in the line of duty may enroll and participate in the State health insurance plan. In addition, the bills establish that surviving spouses or dependent children of State employees killed in the line of duty are entitled to the maximum State health insurance subsidy provided to State retirees.

Correctional Officers’ Retirement System

Senate Bill 972/House Bill 1005 (both passed) make specified employees of the Maryland Department of Health and the Department of Public Safety and Correctional Services members of the Correctional Officers’ Retirement System (CORS) as a condition of their employment. The bills also require the SRPS board to transfer service credit earned by affected employees in the Employees’ Retirement System or Employees’ Pension System (EPS) to CORS, unless an affected employee opts not to have service credit transferred. However, members who transfer into CORS with no creditable service in EPS from before July 1, 2008, are not eligible to opt out of the transfer of service. Any individual who retires under this provision is entitled to a normal service retirement benefit based on creditable service in CORS. Affected members are exempt from a requirement in current law that they remain in CORS for at least five years before they are eligible for CORS benefits. If any of the affected employees is granted an ordinary disability benefit, the SRPS board must calculate and pay the ordinary disability benefit that is greater under either CORS or EPS.

Military Service Credit

Senate Bill 368 (passed) expands the definition of “military service” as it relates to service credit in SRPS to include any active duty service with the commissioned corps of the Public Health Service, the National Oceanic and Atmospheric Administration, or the Coast and Geodetic Survey. Any member with qualifying service may claim service credit for service in those branches that precedes or interrupts membership in SRPS. For SRPS members, the five-year cap on military service credit applies to the combined total of credit earned for military service during or prior to employment.

Immediate Vesting of State Superintendent of Schools

Senate Bill 266/House Bill 88 (Chs. 53 and 54) give the State Superintendent of Schools immediate vesting rights in the SRPS plan in which the superintendent is a member. Other positions in State government with immediate vesting include State constitutional officers, secretaries of principal units of State government, and other specified heads of units of State government.

General Assembly

Equal Rights Amendment

Article V of the U.S. Constitution states that Congress may propose amendments to the Constitution with votes of two-thirds of both Houses. States may also apply to Congress to call a convention for proposing amendments, upon application of two-thirds of the states. Amendments in either case must be ratified by three-fourths of the states. In 1972, Congress passed House Joint Resolution 208, which proposed the Equal Rights Amendment (ERA). The ERA amends the U.S. Constitution by declaring that equality of rights under the law must not be denied or abridged by the United States or any state on account of sex. The amendment gives Congress the authority

to enforce the amendment through legislation. House Joint Resolution 208 included a seven-year time limit for ratification, which was subsequently extended to 1982. (Maryland ratified the ERA in 1972.) The threshold for ratification – three-fourths of the states (38 states) – was not reached by 1982; however, additional states have since ratified the ERA and, in January 2020, Virginia became the thirty-eighth state to do so.

Senate Joint 1 (passed) states the General Assembly’s opinion that the ERA meets the requirements of Article V of the U.S. Constitution and should be recognized as the Twenty-eighth Amendment. The joint resolution also (1) urges the Administration of President Joseph R. Biden to publish, without delay, the ERA as the Twenty-eighth Amendment to the U.S. Constitution; (2) urges Congress to pass a joint resolution affirming the ERA as the Twenty-eighth Amendment; and (3) calls on other states to pass similar resolutions.

Committee Chairs and Vice Chairs – Gender-neutral Terminology

Senate Bill 524 (passed) alters terminology in provisions of law relating to the General Assembly so that references to chairman, cochairman, chairmen, cochairmen, and vice chairmen within the General Assembly are replaced with terms that are gender neutral.

Groups with Legislative Membership

Each year, entities are created by the General Assembly to provide oversight and to conduct in-depth studies of public policy issues. The following measures create (or, in certain cases, codify/reestablish) commissions, councils, task forces, and other groups that include members of the General Assembly in their membership:

Public Safety, Courts, and Corrections

- *Senate Bill 380 (passed)* establishes a Police Recruitment and Retention Workgroup;
- *Senate Bill 470/House Bill 597 (both passed)* establish a Workgroup on Growing Engagement in the Law Enforcement and Corrections Workforce;
- *Senate Bill 575/House Bill 664 (both passed)* establish a Task Force to Ensure the Safety of Judicial Facilities;
- *Senate Bill 623/House Bill 209 (both passed)* establish a Prison Education Delivery Reform Commission;
- *Senate Bill 1034/House Bill 1162 (both passed)* establish a 9-1-1 Specialist Recruitment and Retention Workgroup;
- *Senate Bill 1036/House Bill 1037 (both passed)* establish a Task Force on the Creation of a Division of Returning Citizens and Expanded Reentry Services;

- *Senate Bill 1095 (passed)* establishes a Workgroup on Home Detention Monitoring;
- *House Bill 823 (passed)* establishes a Workgroup to Develop Fire Safety Best Practices for Pre-1974 High-Rise Apartment Buildings;

Business, Technology, and Economic Development

- *Senate Bill 516/House Bill 685 (both passed)* establish a Maryland Aerospace and Technology Commission;
- *Senate Bill 896 (passed)* establishes a Baltimore Convention and Tourism Redevelopment and Operating Authority Task Force;
- *House Bill 306 (passed)* establishes a Workgroup on Independent Innovation in Prince George’s County;
- *House Bill 999 (passed)* establishes a Workgroup on Establishing a Science and Technology Best Practices and Innovation Network;
- *House Bill 1206 (passed)* establishes a Maryland-Ireland Trade Commission;
- *House Bill 1487 (Ch. 70)* reestablishes the Maryland Entertainment Council as the Maryland Entertainment Industry Council;

Environment

- *Senate Bill 951/House Bill 1028 (both passed)* establish an Electric Vehicle Supply Equipment Workgroup;
- *House Bill 437 (passed)* codifies the Maryland Zero Emission Electric Vehicle Infrastructure Council;
- *House Bill 1509 (passed)* establishes a Baltimore Regional Water Governance Model Workgroup;

Health and Human Services

- *Senate Bill 151/House Bill 358 (both passed)* establish a Workgroup on Health and Wellness in Prince George’s County;
- *Senate Bill 1009/House Bill 548 (both passed)* establish a Task Force on Responsible Use of Natural Psychedelic Substances;

- *Senate Bill 1084/House Bill 1069 (both passed)* establish a Workgroup for the Deaf, Deafblind, and Hard of Hearing;

Education

- *Senate Bill 114/House Bill 515 (both passed)* establish a Workgroup to Study the Fiscal and Operational Viability of Public-Private Partnerships for Calvert County Public Schools;
- *House Bill 1016 (passed)* establishes a Frederick County School Construction Master Plan Workgroup;
- *House Bill 1390 (passed)* establishes a Workgroup on the Assessment and Funding of School Facilities;
- *House Bill 1450 (passed)* establishes a Howard County Task Force to Study Revenue Options for School Capital Needs;

State Government

- *Senate Bill 88/House Bill 55 (Chs. 9 and 10)* establish a Commission on Veterans and Military Families;
- *Senate Bill 448 (passed)* establishes a Commission to Study African American Civil War Soldiers in Maryland; and
- *Senate Bill 472/House Bill 581 (both passed)* establish a Government Efficiency Commission.

Program Evaluation

The Maryland Program Evaluation Act (MPEA) is used by the General Assembly as a mechanism to monitor and evaluate regulatory boards, commissions, and other activities and units of the Executive Branch of State government. The Department of Legislative Services (DLS) evaluates entities subject to MPEA when directed to by the Legislative Policy Committee, 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. Boards, commissions, and other activities and units subject to MPEA are subject to a termination or “sunset” date, and each unit subject to termination, or responsible for the governmental activity subject to termination, must ensure that legislation is requested to extend the termination date of the unit or governmental activity.

The termination dates of various regulatory entities subject to MPEA are extended by the following legislation (and one entity is made newly subject to MPEA):

Maryland Department of Labor

- ***Senate Bill 225 (passed)*** extends the termination date for the Maryland Occupational Safety and Health Advisory Board by 10 years to July 1, 2034;
- ***Senate Bill 261 (passed)*** extends the termination date for the State Board of Barbers by 3 years to July 1, 2027;
- ***Senate Bill 264 (passed)*** extends the termination date for the State Board of Cosmetologists by 3 years to July 1, 2027;
- ***Senate Bill 288 (passed)*** extends the termination date for the State Board of Individual Tax Preparers by 1 year to July 1, 2027;
- ***Senate Bill 296 (passed)*** extends the termination date for the State Board of Professional Land Surveyors by 3 years to July 1, 2027;
- ***Senate Bill 307 (passed)*** extends the termination date for the Board of Boiler Rules by 5 years to July 1, 2029;
- ***House Bill 242 (passed)*** extends the termination date for the State Amusement Ride Safety Advisory Board by 3 years to July 1, 2027;

Maryland Department of Health

- ***Senate Bill 236 (passed)*** extends the termination date for the State Acupuncture Board by 5 years to July 1, 2030;
- ***Senate Bill 237 (passed)*** extends the termination date for the State Board for Certification of Residential Child Care Program Professionals by 5 years to July 1, 2030;
- ***Senate Bill 238 (passed)*** extends the termination date for the State Board of Dietetic Practice by 5 years to July 1, 2030;
- ***Senate Bill 239 (passed)*** extends the termination date for the State Board of Occupational Therapy Practice by 5 years to July 1, 2030;
- ***Senate Bill 240 (passed)*** extends the termination date for the State Board of Examiners in Optometry by 5 years to July 1, 2030;
- ***Senate Bill 241 (passed)*** extends the termination date for the State Board of Examiners of Psychologists by 5 years to July 1, 2030;

- *Senate Bill 242 (passed)* extends the termination date for the State Board of Social Work Examiners by 5 years to July 1, 2030;
- *Senate Bill 243 (Ch. 50)* extends the termination date for the Behavior Analyst Advisory Committee within the State Board of Professional Counselors and Therapists by 2 years to July 1, 2026;
- *Senate Bill 245 (passed)* adds the Maryland Community Health Resources Commission to the governmental activities and units subject to MPEA and extends the termination date of the commission by 10 years to June 30, 2035; and
- *Senate Bill 257 (passed)* extends the termination date for the State Board of Physical Therapy Examiners by 5 years to July 1, 2030.

Information Technology/Cybersecurity

The Department of Information Technology (DoIT) is responsible for developing and enforcing information technology (IT) policies, procedures, and standards and for providing technical assistance, advice, and recommendations to units of State government. Among its various responsibilities and duties, DoIT reviews agency project plans, develops and maintains a statewide IT Master Plan, and develops a statewide cybersecurity strategy.

Artificial Intelligence Governance and Use

Senate Bill 818 (passed) expands the responsibilities of the Secretary of Information Technology and DoIT as they relate to the procurement and use of artificial intelligence (AI) by State agencies, including the establishment of AI policies and procedures. Beginning July 1, 2025, a unit of State government is prohibited from procuring or deploying a new system that employs AI unless the system complies with the policies and procedures established by DoIT.

The bill requires units of State government to conduct data inventories, inventories of systems that use high-risk AI, and impact assessments of systems that use high-risk AI. The Office of the Attorney General, the Comptroller, the Treasurer, and certain public institutions of higher education are exempt from many provisions of the bill. However, the bill requires those entities to establish policies and procedures related to systems that employ high-risk AI. These policies and procedures must be functionally compatible with the policies and procedures adopted by DoIT. The exemption for certain public senior higher education institutions applies only to AI used solely for a research or academic purpose.

Additionally, the bill codifies the AI Subcabinet of the Governor's Executive Council, which was originally established by executive order, to assist DoIT in developing policies and procedures on the development, procurement, deployment, use, and ongoing assessment of systems that employ high-risk AI. The bill also requires the subcabinet to develop a roadmap to

review the risks and opportunities associated with using AI and to complete a report on the subcabinet.

To implement the bill, general fund expenditures are anticipated to increase by at least \$1.8 million in fiscal 2025 and by about \$1.9 million in future years for staff and consultant support.

Studying Artificial Intelligence

State regulations authorize a county or multicounty system in the State to establish a 3-1-1 system to reduce congestion on the 9-1-1 system. A local 3-1-1 system helps residents with nonemergency calls, including basic questions about government services. *Senate Bill 1068 (passed)* establishes legislative intent that DoIT evaluate the potential of AI in creating a statewide virtual 3-1-1 portal as a source for Maryland residents to obtain nonemergency government information and services and, if DoIT determines that the use of AI in creating a virtual 3-1-1 portal is feasible, prioritize the creation of a virtual 3-1-1 portal.

Information Technology Modernization and Projects

The Office of Legislative Audits in the Department of Legislative Services issued a fiscal compliance audit on DoIT on April 2, 2024. The audit disclosed deficiencies with DoIT's oversight of the implementation of Major Information Technology Development Projects (MITDPs), the monitoring of its vendor for the State's IT network (known as networkMaryland), the monitoring of information systems security and control, and agreements with agencies for Enterprise Technology Support Services.

Senate Bill 982 (passed) enhances DoIT's formal authority and oversight over State IT projects by making various changes to the State's governance, oversight, and management of IT centralization and modernization projects. Broadly and among other things, the bill (1) requires the Secretary to develop a strategic plan and IT centralization strategy; (2) establishes new study, planning, and reporting responsibilities for the Secretary and DoIT related to IT modernization; and (3) modifies how MITDPs are managed and funded. If a unit is not consistently reporting on the status of a project or DoIT determines that project implementation issues exist, the legislation requires the Secretary of Information Technology to make a recommendation to the Secretary of Budget and Management that project funds be withheld.

The bill modifies the MITDP Fund by changing its name to the Information Technology Investment Fund (ITIF) and broadening the allowed uses of the fund to include paying for expedited projects. Expedited projects are modernization projects designed to progress in a nimble and expedited manner. At least 20% of the funding appropriated to ITIF each year must be set aside for expedited projects. The bill also requires the Department of General Services (DGS) to hire a consultant to assess the procurement process for IT projects involving modernization.

The bill renames the Modernize Maryland Oversight Commission to be the Modernize Maryland Commission and modifies its purpose, membership, and responsibilities. More specifically, the commission is tasked with identifying best practices for IT modernization and the replacement of legacy systems, providing recommendations for modernization of IT systems, and provide recommendations to promote transparency in modernization efforts in units of State government.

Finally, the bill requires the Joint Audit and Evaluation Committee, in consultation with the Joint Committee on Cybersecurity, Information Technology, and Biotechnology to study and make recommendations related to issues identified in the audit of DoIT discussed above.

To implement the bill, general fund expenditures increase by \$2.1 million in fiscal 2025, which includes staff and consultant costs for both DoIT and DGS, with ongoing costs of less than \$400,000 annually.

Private Sector Promotion

Chapter 578 of 2023 established the Cyber Maryland Fund and Program to, among other things, create a talent pipeline in cybersecurity, serve as a hub for State workforce development programs in cybersecurity, and generally coordinate cybersecurity and research and innovation in the State. *Senate Bill 816 (passed)* assigns responsibility for the administration of the fund directly to the Maryland Technology Development Corporation (TEDCO), rather than the program within TEDCO. The bill also clarifies that money from the fund can be spent on administrative expenses, including hiring staff and consultants, and alters TEDCO's hiring requirements and authority related to the program.

Part D

Local Government

Local Government – Generally

Charter and Code Counties

Fair Housing and Community Development in Comprehensive Plans

Senate Bill 274/House Bill 17 (Chs. 89 and 90) require charter counties (including Baltimore City) and code counties that exercise land use powers under the Express Powers Act (Title 10 of the Local Government Article) to affirmatively further fair housing through their housing and urban development programs. The Acts also require the counties to include an assessment of fair housing in the housing element of a comprehensive plan enacted or amended on or after January 1, 2025.

On request of a county, the Maryland Department of Planning (MDP), in consultation with the Department of Housing and Community Development (DHCD), must provide technical assistance for the purpose of developing the housing element of the comprehensive plan. The Acts do not require a county to take, or prohibit a county from taking, a specific action to affirmatively further fair housing.

Enforcement of Local Laws

Senate Bill 522/House Bill 501 (both passed) increase, from \$1,000 to \$5,000, the maximum civil and criminal fines that may be imposed by a charter county for the enforcement of an ordinance, a resolution, a bylaw, or a regulation adopted by the county.

Counties and Municipalities

Zoning Density and Permitting for Affordable Housing

House Bill 538 (passed) requires a legislative body of a local jurisdiction to allow the placement of a new manufactured home or modular dwelling in a zone that allows single-family

residential uses if the home or dwelling (1) meets a specified definition of a manufactured home and is, or will be after purchase, converted to real property in accordance with specified provisions of the Real Property Article, which includes attachment of the manufactured home to a permanent foundation; (2) meets a specified definition of a modular dwelling, including that the modular dwelling is installed and set up according to the manufacturer's instructions on an approved foundation and support system; or (3) is located on land of a certain size that is currently or previously owned by the federal government and that was the site of a former U.S. military reservation.

Additionally *House Bill 538* creates a new subtitle within the Land Use Article (Title 7, Subtitle 5, "Housing Expansion and Affordability") specifying local zoning requirements for specified affordable housing development statewide. Under the new subtitle, a local jurisdiction must allow the density of a qualified project to exceed the density otherwise authorized in specified districts or zones.

The bill further establishes that (1) the increased density limits for qualified projects are in addition to increased density that is allowed or required by a local jurisdiction; (2) the increased density limits for qualified projects are not further increased if a project meets the definition of a qualified project under certain criteria; and (3) the bill's increased density limits do not apply in a district or zone located on agricultural land or conservation property.

Before a qualified project is authorized to exceed the density in an area zoned for nonresidential use, the entity responsible for the qualified project must (1) conduct a public health impact assessment and (2) receive approval of the public health impact assessment from DHCD.

House Bill 538 also prohibits a local jurisdiction from imposing unreasonable limitations or requirements on a qualified project or requiring a qualified project to be reviewed at more than a specified number of public hearings.

Lastly, the bill establishes a Historic Property Revitalization Director within DHCD to:

- support the work of the Smart Growth Subcabinet;
- collect and maintain from certain State agencies an inventory of State-owned buildings that are greater than 50 years old to be used for prioritizing physical assessments and, if applicable, determining eligibility for the National Register of Historic Places;
- in consultation with the Smart Growth Subcabinet, determine the highest and best value for the State's disposition of property and support certain studies and consultations;
- work with DHCD, the Department of Commerce, and other members of the Smart Growth Subcabinet to identify existing State and federal programs and financing mechanisms that may be leveraged to enhance the successful redevelopment of property; and

- work with the Department of General Services Office of Real Estate during the disposition process of relevant property.

Audit Reporting Requirements

Senate Bill 747/House Bill 165 (both passed) impose a financial penalty through the reduction of 20% of State funding for local highway user revenues and disparity grants if a local government fails to submit required audited financial reports within two calendar years after the deadline. The discontinuance of funds remains in effect until the jurisdiction submits the required reports. Payments may resume if the required audited financial reports are submitted in the same year that the payments were discontinued. Additionally, the discontinued funds for any fiscal year in which the local jurisdiction failed to file the audited financial report as specified must revert to the State’s general fund for discontinued disparity grants and to the Transportation Trust Fund for discontinued highway user revenues. The bills apply prospectively beginning with the fiscal 2024 audits.

Funding Support for Infrastructure Repair or Rehabilitation of Condominiums and Homeowners Associations

Senate Bill 446/House Bill 280 (both passed) authorize counties and municipalities to establish a local trust fund or other appropriate fund for the purpose of repairing or rehabilitating infrastructure within communities that are subject to the Maryland Condominium Act or the Maryland Homeowners Association Act.

A fund established by a county or municipality must consist of (1) property tax revenues paid to the county or municipality by unit owners in a condominium or lot owners in a homeowner’s association; (2) other appropriations made by the county or municipality for the benefit of the fund; (3) gifts or donations made to the fund; and (4) investment earnings of the fund. The bills do not affect overall county and municipal property tax revenues but rather redirect property tax revenues to be used for the specified purposes to the extent special funds are established.

Reporting Requirements for Housing Development Permit Applications

House Bill 131 (passed) requires each local jurisdiction with at least 150,000 residents to annually report to DHCD and MDP specified information relating to building or development permit applications considered by the local jurisdiction that include a residential housing component as part of the development. A local jurisdiction must make the report publicly available on its website unless it does not maintain a website, in which case the report must be made available through any other reasonable method. An announcement posted to a local jurisdiction’s website stating that a person should contact the relevant local department for access to the report does not meet this requirement. To the extent practicable, a local jurisdiction may submit and transmit the report as part of another report required to be filed under the Land Use Article.

Bi-county Agencies

Maryland has three bi-county agencies that operate within and on behalf of the residents of both Montgomery County and Prince George's County – the Washington Suburban Sanitary Commission (WSSC), the Maryland-National Capital Park and Planning Commission (M-NCPPC), and the Washington Suburban Transit Commission (WSTC).

Washington Suburban Sanitary Commission

Connection Pipe Emergency Replacement Loan Program – Expansion

Chapter 539 of 2018 required WSSC to establish a Connection Pipe Emergency Replacement Loan Program to provide loans to residential customers to finance the replacement of malfunctioning pipes. Chapter 539 also established the Connection Pipe Emergency Replacement Fund, administered by WSSC, to provide funding for the connection pipe emergency replacement loan program.

House Bill 1024 (passed) expands the WSSC Connection Pipe Emergency Replacement Loan Program to include specified sewer pipes and diagnostic actions. The bill increases the maximum loan that a customer is eligible to receive under the program from \$5,000 to \$10,000. Additionally, the bill increases, from \$1.0 million to \$2.0 million, the maximum total loans that WSSC may provide or have outstanding at any one time. The bill also increases, from \$100,000 to \$200,000, the amount that WSSC must include in the program's annual budget. Lastly, the bill extends the termination date of the loan program and corresponding fund from June 30, 2029, to June 30, 2034.

Maryland-National Capital Park and Planning Commission

Montgomery County – Conditions for Tentative Approval of Subdivision Plats

M-NCPPC, established under Division II of the Land Use Article, serves various planning, zoning, development review, and parks and recreation functions in Montgomery and Prince George's counties. M-NCPPC is a 10-member commission, consisting of 5 members from Montgomery County and 5 members from Prince George's County, with the commissioners from each county serving as the Montgomery County Planning Board and the Prince George's County Planning Board, respectively.

House Bill 989 (passed) authorizes the Montgomery County Planning Board, or a designee of the board, to tentatively approve a subdivision plat subject to the completion of specified conditions. The tentative approval may not be entered on the subdivision plat or allow the subdivision plat to be filed or recorded. Additionally, the board may not endorse a subdivision plat that is subject to specified conditions before all the conditions are completed. If the specified conditions in the tentative approval are completed, a postcompletion hearing before the board is

not required before the subdivision plat is approved and submitted to the land records of Montgomery County.

Washington Suburban Transit Commission

The Washington Suburban Transit Commission Reform Act

WSTC's operations are governed by the public local laws of Montgomery and Prince George's counties. Among other things and subject to certain review, the laws grant WSTC the power to make and enter into all contracts or agreements as it determines are necessary or incidental to the performance of its duties and to the execution of its powers.

The Washington Metropolitan Area Transit Authority (WMATA) Board of Directors is responsible for determining WMATA policy and providing oversight of the funding, operation, and expansion of WMATA transit facilities. One of the commissioners appointed by the Governor to WSTC must serve on the WMATA Board of Directors.

House Bill 1023 (passed) repeals the authority of the governing bodies of Montgomery and Prince George's counties to review and approve the contracts and agreements entered into by WSTC and authorizes the WSTC commissioner that serves on the WMATA Board of Directors to be reappointed to the board. Further, the bill authorizes the Secretary of Transportation's designee to attend meetings of the WMATA Board of Directors on behalf of the Secretary when the Secretary is not available, rather than if a scheduling conflict arises. Lastly, the bill requires the Secretary's designee to have the same powers as the Secretary when attending board meetings on the Secretary's behalf.

Part E

Crimes, Corrections, and Public Safety

Criminal Law

Sexual Crimes

Consent and Repeal of Force Element from Second Degree Rape

In order to prove that a defendant committed an act constituting second-degree rape under § 3-304 (a)(1) of the Criminal Law Article, the State is generally required to show that the defendant (1) engaged in vaginal intercourse or a sexual act with another; (2) used force or threat of force; and (3) committed the act without the consent of the other. *House Bill 496 (passed)* establishes that it is second-degree rape under § 3-304 (a)(1) for a person to engage in vaginal intercourse or a sexual act with another person without the consent of the other person. The bill also defines “consent” for purposes of Title 3, Subtitle 3 of the Criminal Law Article (sexual crimes); establishes that consent, lack of consent, and withdrawal of consent must be determined based on the totality of the circumstances; and specifies other factors related to consent as an element of a sexual crime.

Statutes of Limitations

Unless otherwise provided, a prosecution for a misdemeanor must be instituted within one year after the offense was committed. *Senate Bill 391/House Bill 544 (both passed)* establish that (1) the statute of limitations for a prosecution of the crime of sexual extortion in violation of § 3-709 of the Criminal Law Article is 5 years; (2) the statute of limitations for a prosecution of the crime of stalking in violation of § 3-802 of the Criminal Law Article is 10 years; and (3) an individual may be prosecuted at any time for revenge porn in violation of § 3-809 of the Criminal Law Article.

Sexual Solicitation of a Minor

Senate Bill 113/House Bill 99 (both passed) expand the crime of sexual solicitation of a minor (§ 3-324 of the Criminal Law Article) by prohibiting a person from committing the crime

of sexual solicitation of a minor with the intent to commit a violation of the prohibition against production or distribution of child pornography under § 11-207 of the Criminal Law Article. Violators are subject to the existing penalties for sexual solicitation of a minor, which is a felony punishable by a maximum of (1) 10 years imprisonment and/or a \$25,000 fine for a first offense or (2) 20 years imprisonment and/or a \$50,000 fine for a second or subsequent offense.

Indecent Exposure in the Presence of a Minor

Under the English common law, indecent exposure is the willful and intentional exposure of the private parts of one's body in a public place in the presence of an assembly. The main elements of the offense are the willful exposure, the public place in which it is performed, and the presence of persons who saw it. There is no distinction between the act being committed in the presence of an adult or a minor. *Senate Bill 130/House Bill 5 (both passed)* codify the prohibition on committing indecent exposure. A violator is guilty of a misdemeanor and subject to the existing statutory penalty of imprisonment for up to three years and/or a fine of up to \$1,000. The bills also establish a new offense that prohibits a person from committing indecent exposure with prurient intent when the person knows or reasonably should know that a minor is present and the minor is at least two years old and more than four years younger than the perpetrator. This offense is a misdemeanor and is punishable by imprisonment for up to five years and/or a fine of up to \$10,000.

Crimes Against Public Administration

Judge Andrew F. Wilkinson Judicial Security Act

On October 19, 2023, Judge Andrew F. Wilkinson, a Maryland circuit court judge for Washington County, was murdered in the driveway of his personal residence by a disgruntled litigant. *Senate Bill 575/House Bill 664 (both passed)* establish the Office of Information Privacy (OIP) in the Administrative Office of the Courts. A "protected individual," or OIP (on behalf of a protected individual), is authorized to make a request for a person or governmental entity to not publish "personal information" of the protected individual (or to remove such information from an existing publication), as specified. The bills establish related requirements and procedures, as well as civil remedies for noncompliance, and provide that an individual may not knowingly publish the personal information of a protected individual if (1) the individual knows or reasonably should know that publishing the personal information poses an imminent and serious threat to the protected individual and (2) the publishing results in an assault in any degree, harassment, trespass, or malicious destruction of property. A violator is guilty of a misdemeanor and subject to a maximum penalty of 18 months imprisonment and/or a \$5,000 fine.

Crimes Involving Firearms

Rapid-fire Activators

In general, an auto-sear or switch, also referred to as a "Glock switch," is a small device that converts a semiautomatic firearm into a machine gun. The devices are illegal under federal law, which defines a machine gun to include any part designed and intended to convert a weapon

into a machine gun. According to news reports, as of early February 2024, Baltimore County had three cases where one or more guns had a switch or auto-sear. *House Bill 810 (passed)* clarifies that these parts are illegal under State law, alters the defined term “rapid fire trigger activator” to be “rapid fire activator”, and expands the definition of “rapid fire activator” to include a “switch/auto-sear” for purposes of existing prohibitions and penalties.

Theft Crimes

Determination of Value of Casino Chips

Under the State’s general theft statute, a person may not, under specified circumstances, (1) willfully or knowingly obtain or exert unauthorized control over property; (2) obtain control over property by willfully or knowingly using deception; (3) possess stolen property knowing that it has been stolen or believing that it probably has been stolen; (4) obtain control over property knowing that the property was lost, mislaid, or delivered under a mistake as to the identity of the recipient or nature or amount of the property; or (5) obtain the services of another that are available only by compensation by deception or with knowledge that the services are provided without the provider’s consent. A violator is required to restore the owner’s property or pay the owner the value of the property or services and is subject to penalties generally based on the value of the property that was stolen. *House Bill 1192 (passed)* provides that the value of a chip used for table games at a gaming facility in the State is (1) the face value depicted on the chip or (2) if no face value is depicted on the chip, the value designated by the Maryland Lottery and Gaming Control Commission based on the color of the chip.

Miscellaneous

Criminal Trespass Exception

State law contains various criminal prohibitions relating to trespassing on the property of others. For example, a person may not enter or trespass on property that is posted conspicuously against trespass by (1) signs placed where they reasonably may be seen or (2) paint marks that conform with the regulations of the Department of Natural Resources and are made on trees or posts that are located at each road entrance to the property and adjacent to public roadways, waterways, and other adjoining land. Violators are guilty of a misdemeanor, punishable by maximum penalties of 90 days imprisonment and/or a \$500 fine. For a second violation occurring within two years of the first violation, violators are subject to maximum penalties of six months imprisonment and/or a \$1,000 fine. For each subsequent violation occurring within two years after the preceding violation, violators are subject to maximum penalties of one year imprisonment and/or a \$2,500 fine.

A person may not wantonly enter or cross over private property after having been notified by the owner or the owner’s agent not to do so, unless entering under a good faith claim of right or ownership. Violators are guilty of a misdemeanor, punishable by imprisonment for up to 90 days and/or a fine of up to \$500. For a second violation occurring within two years of the first violation,

violators are subject to imprisonment for up to six months and/or a fine of up to \$1,000. For each subsequent violation occurring within two years of the preceding violation, violators are subject to imprisonment for up to one year and/or a fine of up to \$2,500.

A person may not wantonly enter on the cultivated land of another without permission. A person who violates this prohibition is guilty of a misdemeanor and subject to imprisonment for up to 90 days and/or a fine of up to \$500.

Senate Bill 344/House Bill 382 (both passed) create exceptions to these criminal prohibitions against trespass on property for a “professional land surveyor” or an agent or employee of a professional land surveyor who enters the property of another to “practice land surveying.”

Criminal Organizations

Title 9, Subtitle 8 of the Criminal Law Article contains several prohibitions on engaging in activities as part of a criminal organization. For example, under § 9-804 of the Criminal Law Article, a person may not (1) participate in a criminal organization knowing that the members of the criminal organization engage in a pattern of organized crime activity and (2) knowingly and willfully direct or participate in an “underlying crime” (as defined in statute) or an act by a juvenile that would be an underlying crime if committed by an adult, committed for the benefit of, at the direction of, or in association with a criminal organization. The statute further prohibits a criminal organization or an individual belonging to a criminal organization from (1) receiving proceeds known to have been derived directly or indirectly from an underlying crime and (2) using or investing, directly or indirectly, an aggregate of \$10,000 or more of the proceeds from an underlying crime in the acquisition of real property or the establishment or operation of any enterprise. Finally, a criminal organization is prohibited from acquiring or maintaining, directly or indirectly, any interest in or control of any enterprise or real property through an underlying crime. A person may not conspire or attempt to violate these prohibitions.

In general, violators are guilty of a felony, punishable by imprisonment for up to 15 years and/or a \$1.0 million maximum fine. However, if the person’s participation in the criminal organization or an underlying crime on behalf of the organization resulted in the death of a victim, the person is guilty of a felony, punishable by imprisonment for up to 25 years and/or a \$5.0 million fine. Sentences may or must be consecutive to other sentences imposed as specified. In addition, the court may order a person or criminal organization to be divested of any interest in an enterprise or real property; order the dissolution or reorganization of an enterprise; and order the suspension or revocation of any license, permit, or prior approval granted to the enterprise or person by a unit of the State or a political subdivision of the State. The statute contains additional provisions regarding divested assets connected to drug offenses and the Attorney’s General’s authority to prosecute a violation or act establishing a violation of the statute.

House Bill 1063 (passed) expands the meaning of “underlying crime” for the purposes of establishing a “pattern of organized criminal activity” applicable to related criminal prohibitions to include:

- use of a firearm in the commission of a crime under § 4-204 of the Criminal Law Article;
- contraband – in general under § 9-412 of the Criminal Law Article;
- a felony violation of Title 8 of the Criminal Law Article (fraud and related crimes);
- bribery under Title 9, Subtitle 2 of the Criminal Law Article;
- false statements under Title 9, Subtitle 5 of the Criminal Law Article;
- impersonating a police officer under § 3-502 of the Public Safety Article;
- threat of mass violence under Title 3, Subtitle 10 of the Criminal Law Article;
- child pornography under § 11-207 or § 11-208 of the Criminal Law Article;
- a felony violation of Title 27, Subtitle 4 of the Insurance Article (insurance fraud);
- removal or falsification of a vehicle identification number under § 14-107 of the Transportation Article; and
- abuse or neglect of a vulnerable adult under §§ 3-604 or 3-605 of the Criminal Law Article.

Sale of Nonlatex Condoms

Senate Bill 944/House Bill 1171 (both passed) repeal a prohibition against and related penalty for selling or offering for sale a nonlatex condom by means of a vending machine or other automatic device. A violator of the repealed provision of law was guilty of a misdemeanor and on conviction, subject to a maximum fine of \$1,000 for each violation. Instead, the bills prohibit a person from selling or offering for sale a natural membrane condom by means of a vending machine or other automatic device. Violators are exempt from existing penalty and enforcement provisions under the Health – General Article.

Task Force to Study Crime Classification

Chapter 712 of 2023 established the Task Force to Study Crime Classification, to be staffed by the Office of the Attorney General. The task force was required to (1) study and make recommendations regarding a method for classifying crimes and civil offenses under State law and (2) identify and logically categorize all crimes and civil offenses that exist under State law. Pursuant to Chapter 712, the task force was required to report its findings and recommendations to the Governor and the General Assembly by December 31, 2023. *Senate Bill 379 (passed)* renames the Task Force as the Task Force to Study Crime Reclassification and Penalties, adds several members, extends the life of the task force by two years to June 30, 2026, and alters the responsibilities of the task force to (1) review the penalties for all criminal and civil violations in the Criminal Law Article, Criminal Procedure Article, Public Safety Article, and Maryland Sentencing Guidelines and (2) make recommendations regarding the current scheme for criminal

and civil violations in the Criminal Law Article, Criminal Procedure Article, Public Safety Article, and Maryland Sentencing Guidelines.

Tobacco Distribution

In general, a person who distributes tobacco products for commercial purposes may not distribute a tobacco product, tobacco paraphernalia, or a coupon redeemable for a tobacco product to an individual younger than age 21. In addition, a person may not purchase for, sell to, or distribute to an individual younger than age 21 a tobacco product or tobacco paraphernalia. A violator is guilty of a misdemeanor and subject to a maximum fine of \$300 for a first violation, \$1,000 for a second violation within two years, and \$3,000 for each subsequent violation within two years after the preceding violation. *Senate Bill 1056 (passed)* increases the maximum fine for a first violation from \$300 to \$500. The bill also specifies that, if a licensee violates these provisions, a court must order the Alcohol, Tobacco, and Cannabis Commission to (1) suspend the license for up to 90 days for a second violation; (2) suspend the license for up to 180 days for a subsequent violation; and (3) revoke the license for each subsequent violation.

Criminal Procedure

Expungement

With some exceptions, eligible individuals must generally initiate the expungement process by filing a petition with the court after any applicable waiting period has concluded. Under existing statute and subject to limited exception, if two or more charges arise from the same incident, transaction, or set of facts, they are considered a unit. If an individual is not entitled to expungement of one charge or conviction in a unit, the individual is not entitled to expungement of any other charge or conviction in the unit. Legislation has been considered in multiple years, including during the 2024 legislative session, that would authorize partial and/or automated expungements under certain circumstances. However, according to the Department of Public Safety and Correctional Services (DPSCS), existing systems that maintain criminal records are generally insufficient to support the implementation of automated expungements or partial expungements.

Senate Bill 11 (passed) requires DPSCS to include system upgrades required to allow for automated expungement of charges and partial expungement of charges in any vendor contracts being negotiated at the time of the bill's effective date. General fund expenditures are therefore anticipated to increase by \$26.0 million over the course of five years, based on the department's estimate of the costs and time required to complete the necessary upgrades.

Victims

Crime Victim Compensation

The Criminal Injuries Compensation Board (CICB) within the Governor’s Office of Crime Prevention and Policy (GOCPP) administers a compensation program for victims of crime, persons who have made efforts to prevent crime, and their dependent survivors. Victim compensation has traditionally been provided through offender-based revenues from fees imposed in State court cases and federal matching funds made available from fees levied on offenders in the federal criminal justice system. However, a significant decline in the number of criminal and traffic cases for which costs are imposed has resulted in a corresponding decrease in revenues available for victim compensation. In its fiscal 2023 annual report, CICB advised that there is a dire need for additional resources to ensure that all crime victims are effectively and efficiently served.

House Bill 575 (passed) makes numerous changes to statutory provisions regarding victim compensation awarded through CICB. Among other provisions, the bill (1) alters the duties, powers, and procedures for CICB to make awards to victims of crime; (2) authorizes reconsideration and judicial review of CICB decisions; and (3) authorizes the Governor, for fiscal 2026 and each year thereafter, to include in the annual budget bill an appropriation to the Criminal Injuries Compensation Fund that is adequate to ensure a balance in the fund. The bill also makes numerous changes that significantly expand the eligibility for, amount of, and types of awards that CICB is authorized to make to specified victims of crime. For example, the bill affords additional time for filing claims, increases the maximum limits on various awards, and repeals existing requirements that condition eligibility on victim cooperation with law enforcement. General fund expenditures are anticipated to increase significantly beginning in fiscal 2026 (including by approximately \$1.0 million annually exclusively for administrative costs) to reflect the expanded duties of CICB and expanded eligibility for grant awards; however, federal matching grant revenues are also expected to increase in future years.

Minor Victims – Protection of Identity

In general, police and court records concerning children are confidential, and their contents may not be divulged, by subpoena or otherwise, except by a court order upon a showing of good cause or in limited circumstances specified in statute. The Attorney General has noted in a published opinion that this confidentiality provision applies only to police records concerning a matter that could bring the child within the jurisdiction of the juvenile court and therefore does not ordinarily prohibit disclosure of a police record in which a child is simply identified as a victim or witness. However, on motion of the State or on request of a victim or witness, a court may prohibit the release of the address or telephone number of the victim or witness during a criminal trial or a juvenile delinquency adjudicatory hearing unless good cause is shown for the release of the information.

Senate Bill 111/House Bill 458 (both passed) broaden these protections by providing that the court or a party in a criminal or juvenile delinquency case, on notice that an electronic or paper

filing includes “identifying information” of a minor victim, may not disclose or allow inspection of any such filing, including a charging document, to a nonparty unless the court or the party disclosing or allowing inspection of the filing redacts identifying information or the court finds by clear and convincing evidence that there is good cause to order otherwise. “Identifying information” means the name of, and any other information that could reasonably be expected to identify, a minor victim.

Forensic Genetic Genealogical DNA Analysis and Search

Statute includes extensive provisions regarding law enforcement use of forensic genetic genealogical DNA analysis and search (FGGS), which, broadly, involves comparing and potentially matching DNA with genetic profiles in public databases. Title 17 of the Criminal Procedure Article governs the use of FGGS in the State and includes a general prohibition against initiating FGGS without both judicial authorization and certification before the court that the forensic sample and criminal case meet specified criteria. *Senate Bill 549/House Bill 476 (both passed)* provide an exemption to the statutory requirements within Title 17 when FGGS is conducted solely for the purpose of identifying an individual who is (1) deceased or (2) the subject of a missing person report filed with a law enforcement agency and whose whereabouts are unknown.

Sexual Assault Evidence

The Sexual Assault Reimbursement Unit within the Governor’s Office of Crime Prevention and Policy (GOCPP) oversees the reimbursement for the physical examination, collection of evidence, and emergency treatment of individuals for injuries resulting from alleged rape, sexual assault, or child sexual abuse. *Senate Bill 950/House Bill 1127 (both passed)* require specified health care providers to provide sexual assault forensic exams conducted through “peer-to-peer telehealth” without charge to victims and makes those services eligible for reimbursement through GOCPP. “Peer-to-peer telehealth” means, as it relates to the performance of a forensic examination, the use of interactive audio, video, or other telecommunications or electronic technology by a forensic nurse examiner to assist in the performance of a forensic examination when the examiner is in one location and the patient is with a qualified health care provider in another location. The bills also extend existing provisions that provide immunity from civil liability to physicians or qualified health care providers under certain circumstances to be applicable when sexual assault forensic exams are conducted through peer-to-peer telehealth. Finally, the bills require the Maryland Sexual Assault Evidence Kit (SAEK) Policy and Funding Committee to study and make recommendations generally related to the use of telehealth to support the provision of sexual assault forensic examinations, as specified. The committee must report its findings and recommendations to the General Assembly by December 1, 2024.

Chapters 702 and 703 of 2023 required the SAEK Policy and Funding Committee to issue a report including recommendations pertaining to self-administered sexual assault evidence kits. Subsequent recommendations included condemning certain practices from marketers of commercial, self-administered kits and supporting funding mechanisms to improve access to

medical forensic care, including the hiring and retention of forensic nursing staff. *House Bill 1047 (passed)* generally (1) prohibits the sale or distribution of a self-administered sexual assault evidence collection kit, with a violation deemed as an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA) and subject to MCPA’s civil and criminal penalty provisions; (2) specifies that information indicating the physical evidence of “sexually assaultive behavior” was obtained using the specified prohibited materials is not admissible in a criminal or civil proceeding involving the allegation of sexually assaultive behavior; (3) prohibits the limitation or waiver of rights, remedies, and warranties regarding sexual assault evidence collection; and (4) establishes the Forensic Nurse Examiner Training Grant Program and associated special fund administered by GOCPP. “Sexually assaultive behavior,” as defined under existing statute, means acts that would constitute specified sexual crimes under State or federal law.

Facial Recognition Technology

The Maryland Image Repository System (MIRS) is facial recognition software within the Department of Public Safety and Correctional Services (DPSCS) that allows law enforcement to compare images of unidentified individuals to images from Motor Vehicle Administration records, inmate case records, and mugshots. Currently, local law enforcement agencies in the State are responsible for establishing a policy regarding the use of MIRS and decide when, where, and how it is used. While facial recognition technology (FRT) can be a beneficial tool for law enforcement, concerns are routinely expressed regarding, among other things, privacy invasions and FRT’s potential for errors.

Senate Bill 182/House Bill 338 (both passed) establish numerous requirements, procedures, and prohibitions to govern the use of FRT by law enforcement agencies. Generally, law enforcement, in the furtherance of a criminal investigation, may only use FRT in limited circumstances, including to investigate specified crimes of violence or criminal acts that present a substantial and ongoing threat to public safety or national security. The bills may not be construed, however, to restrict the use of FRT for certain purposes, including to identify a missing, deceased, or incapacitated person. The bills require specified training, audits, and reports related to the use of FRT and, with specified exceptions, prohibit the introduction of results generated by FRT in a criminal proceeding or a juvenile delinquency proceeding. Regarding the use of FRT, the Department of State Police, in consultation with any other relevant State agency, must adopt and publish a model statewide policy. By June 30, 2026, DPSCS must develop and administer a training program regarding the use of FRT in the course of criminal investigations, as specified. A police officer or other employee or agent of a law enforcement agency authorized to use FRT in the course of a criminal investigation must annually complete training administered by DPSCS.

Statute of Limitations

In general, a prosecution for a misdemeanor must be initiated within one year after the offense was committed, unless otherwise specified in statute. *Senate Bill 391/House Bill 544 (both passed)* establish that (1) the statute of limitations for a prosecution of the crime of sexual extortion

in violation of § 3-709 of the Criminal Law Article is 5 years; (2) the statute of limitations for a prosecution of the crime of stalking in violation of § 3-802 of the Criminal Law Article is 10 years; and (3) an individual may be prosecuted at any time for a violation of §3-809 of the Criminal Law Article (revenge porn). Under existing statute, the prosecution of all of the aforementioned crimes must be initiated within one year.

Committed Persons Release Proceedings

A defendant who is committed to the Maryland Department of Health (MDH) after being found not criminally responsible (NCR) is eligible for release only if the defendant proves by a preponderance of the evidence that the defendant will not be a danger to self or to the person or property of others due to a mental disorder or similar disability if released from commitment with conditions (conditional release) or without conditions (discharge). *Senate Bill 551/House Bill 801 (both passed)* make various changes to related procedures by (1) establishing that the Maryland Rules governing discovery for civil matters in the circuit court apply to a proceeding to determine eligibility for conditional release or discharge; (2) requiring a court and MDH to promptly inform the committed person's counsel of record when they receive a report that a committed person violated a condition of release or violated conditional release, respectively; (3) requiring a court, on request by any party, to hold a hearing after an application is made for a change in the conditional release of a committed person to determine whether the applicant has satisfied the requirements for release; (4) establishing that a preponderance of the evidence standard applies to an applicant in change of conditional release proceedings; and (5) clarifying that a court may extend a conditional release by up to five years and authorizing a court to shorten or terminate the conditional release.

Juvenile Law

Juvenile Law Reform

Background

Chapter 42 of 2022 implemented many of the recommendations of the Juvenile Justice Reform Council, which was established in 2019 to research best practices for the treatment of juveniles who are subject to the criminal and juvenile justice systems. Among other provisions, Chapter 42 raised, to age 13, the minimum age of juveniles subject to the jurisdiction of the juvenile court for purposes of delinquency proceedings, with an exception for 10- to 12-year-olds accused of specified violent offenses. Chapter 42 also established limitations on the use of detention and probation and expanded the circumstances under which juveniles may be handled by an informal process within the Department of Juvenile Services (DJS) without an opportunity for further review by a State's Attorney. Furthermore, Chapter 42 established the Commission on Juvenile Justice Reform and Emerging and Best Practices.

In response to recent news reports of increasing juvenile crime and a mass shooting in Baltimore City, legislators conducted hearings during the 2023 legislative interim that included presentations from various entities involved in the juvenile justice system. Broad themes included the availability of resources to systemically address the root causes of crime, potential hindrances for law enforcement officers, a perceived lack of consequences for DJS-involved youth, and the overall efficacy of the current juvenile justice system in addressing repeat offenders.

House Bill 814 (passed) makes numerous changes to the juvenile justice process in the State, including by altering the delinquency jurisdiction of the juvenile court over children ages 10 to 12 and by altering procedures relating to juvenile intake, complaints, detention, and probation. In addition, the bill alters provisions relating to the Commission on Juvenile Justice Reform and Emerging and Best Practices.

Juvenile Court Jurisdiction

In general, the juvenile court has jurisdiction over children who are alleged to be delinquent, in need of supervision, or who have received a citation for specified violations. However, except under limited circumstances involving a child who is at least age 10 and alleged to have committed a “crime of violence,” as defined in § 14-101 of the Criminal Law Article, the juvenile court does not have jurisdiction over a child younger than age 13 for purposes of a delinquency proceeding and such a child may not be charged with a crime. In addition, the juvenile court does not have jurisdiction over (1) a child at least age 14 alleged to have committed an act which, if committed by an adult, would be a crime punishable by life imprisonment; (2) a child at least age 16 alleged to have violated specified traffic or boating laws; (3) a child at least age 16 alleged to have committed specified crimes (violent crimes, firearms crimes, etc.); or (4) a child who previously has been convicted as an adult of a felony and is subsequently alleged to have committed an act that would be a felony if committed by an adult. These cases are tried in adult criminal court.

House Bill 814 expands the juvenile court’s jurisdiction to include a child who is at least age 10 and is alleged to have committed an act that would, if committed by an adult, be (1) a crime involving weapons under § 4-203 (wearing, carrying, or transporting a handgun) or § 4-204 (use of a handgun or antique firearm in the commission of a crime) of the Criminal Law Article; (2) a crime involving firearms under § 5-133 (possession of a regulated firearm), § 5-134 (sale, rental, or transfer of a regulated firearm), § 5-138 (sale, transfer, or disposal of a stolen regulated firearm), § 5-142 (removal or alteration of an identification mark or number on a firearm), § 5-203 (possession of a short-barreled rifle or short-barreled shotgun), or § 5-703 (untraceable firearms/violating serial number requirements for firearms) of the Public Safety Article; (3) a crime involving animals under § 10-606 of the Criminal Law Article (aggravated cruelty to animals); or (4) a sexual offense in the third degree under § 3-307 of the Criminal Law Article.

Juvenile Intake

Currently, intake occurs when a complaint is filed by a police officer or other person or agency having knowledge of facts that may cause a child to be subject to the jurisdiction of the

juvenile court. Within 25 days after a complaint is filed, a DJS intake officer is required to make an inquiry to determine whether the juvenile court has jurisdiction and whether judicial action is in the best interests of the public or the child. The intake officer may make any of the following decisions: (1) deny authorization to file a petition or a peace order request or both in the juvenile court; (2) propose an informal adjustment of the matter; or (3) authorize the filing of a petition or a peace order request or both in the juvenile court. *House Bill 814* alters the length of time DJS has to make an inquiry from 25 days to 15 business days, or two days if law enforcement requests that a DJS intake officer detain a child prior to a hearing, and the intake officer denies that request. In addition, if a complaint is filed that alleges the commission of an act by a child under the age of 13 that, if committed by an adult, would constitute theft of a motor vehicle under § 7-105 of the Criminal Law Article, the bill requires the intake officer to authorize the filing of a petition alleging that the child is in need of supervision.

Under current law, as part of their inquiry, a DJS intake officer does not need to interview the child who is the subject of the complaint when the complaint alleges a violation of § 4-203 (wearing, carrying, or transporting a handgun) or § 4-204 (use of a handgun or antique firearm in the commission of a crime) of the Criminal Law Article. The bill expands this provision such that intake officers are not required to interview a child during an inquiry if the complaint alleges a violation of specified firearm related crimes.

State's Attorney Review of Complaints

Currently, if a complaint alleges the commission of an act that would be a felony if committed by an adult or alleges a violation of specified handgun crimes and the intake officer denies authorization to file a petition or proposes an informal adjustment, the intake officer must immediately forward the complaint and a copy of the entire intake case file, as specified, to the State's Attorney. Upon receipt of a forwarded complaint, the State's Attorney must make a preliminary review as to whether the court has jurisdiction and whether judicial action is in the best interests of the public or the child. After the preliminary review, and within 30 days of the State's Attorney's receipt of the complaint (unless the court extends the time), the State's Attorney must file a petition or a peace order or both; refer the complaint to DJS for informal disposition; or dismiss the complaint.

House Bill 814 expands this requirement to a complaint alleging a violation of any of the following statutes: § 5-133 (possession of a regulated firearm), § 5-134 (sale, rental, or transfer of a regulated firearm), § 5-138 (sale, transfer, or disposal of a stolen regulated firearm), § 5-142 (removal or alteration of an identification mark or number on a firearm), § 5-203 (possession of a short-barreled rifle or short-barreled shotgun), or § 5-703 (untraceable firearms/violating serial number requirements for firearms) of the Public Safety Article. Furthermore, under the bill, DJS intake officers are required to immediately forward the complaint and copy of the file to the State's Attorney if the complaint alleges the child committed a delinquent act while under the supervision of DJS and the intake officer denies authorization to file a petition or proposes informal adjustment.

Currently, an intake officer is not required to forward the complaint and copy of the file to the State’s Attorney if the complaint alleges the commission of an act that would be a felony if committed by an adult and (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. *House Bill 814* eliminates this statutory exception. Further, if an intake officer believes that informal adjustment cannot be successfully completed and denies authorization to file a petition, the bill requires the intake officer to immediately forward the complaint and a copy of the file to the State’s Attorney.

Child in Custody

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 include the child’s location, provide the reason for the child being taken into custody, and instruct the parent, guardian, or custodian on how to make immediate in-person contact with the child.

House Bill 814 further requires that, if a child is taken into custody by a law enforcement officer, as specified, the officer must:

- complete and forward a written complaint or citation to DJS for processing, in accordance with existing statutory requirements;
- if the child was referred to an at-risk youth prevention and diversion program, as specified, complete and forward a written report to DJS indicating that the child was diverted to (1) a law enforcement diversion program, including a diversion program operated by a local State’s Attorney; (2) a diversion program operated by another agency or organization; (3) a local care team; or (4) another community-based service provider; or
- complete and forward a written report to DJS indicating that no further action was taken.

Detention Prior to a Hearing

Under current law, a child who is taken into custody may 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. Generally, a child whose most serious offense would be a misdemeanor if committed by an adult cannot be placed in detention before a hearing unless (1) the act involved a handgun and would violate the Criminal Law Article or Public Safety Article if committed by an adult or (2) the child has been adjudicated delinquent at least twice within the preceding 12 months.

House Bill 814 further (1) repeals and substitutes specified firearm offenses and (2) repeals the exception for a child who was adjudicated delinquent at least twice in the preceding 12 months and substitutes the exception for a child who was adjudicated at least twice in the preceding two years. The juvenile court is authorized to order detention before a hearing when a child is alleged to have committed, while under DJS supervision, an act that would result in a penalty of imprisonment of more than two years if committed by an adult, unless the act would constitute second degree assault. Additionally, pre-hearing detention is prohibited for any child under the age of 13 who is accused of a first-time violation of specified firearm offenses, unless the child has violated the terms of community detention.

If a child remains in detention prior to a hearing, within 14 days of the child's initial detention, DJS must appear at a hearing before the court with the child to explain the reasons for the child's continued detention; DJS must appear at subsequent hearings with the child every 14 days thereafter. The bill allows the waiver of one such hearing on the consent of the court, the State's Attorney, and counsel for the child.

Community Detention

In making a disposition on a petition, the court may place the child on probation or under supervision in the child's own home or in the custody of or under the guardianship of a relative or other fit person, on terms that the court deems appropriate, including community detention. Community detention includes electronic monitoring. *House Bill 814* requires DJS to notify the court, the office of the State's Attorney, and the child's defense attorney within 24 hours after the child placed in community detention under an electronic monitoring agreement in accordance with the provisions described above violates the agreement.

Juvenile Probation

Currently, when the most serious offense a child commits is an offense that would be a misdemeanor if committed by an adult, the court may place the child on probation for up to six months. The court may extend this period by up to three months if, after a hearing, the court determines that there is good cause to extend the probation and the purpose of extension is to ensure the child completes a treatment or rehabilitative program or service. The overall term of probation, including extensions, may not exceed one year.

Additionally, if a child commits an offense that would be a felony if committed by an adult, the court may place the child on probation for up to one year. The court may extend this period by up to three months if, after a hearing, the court determines that there is good cause to extend the probation and the purpose of extension is to ensure the child completes a treatment or rehabilitative program or service. The total period of probation may not exceed two years. However, the court may extend the total period of probation beyond two years if, after a hearing, the court finds by clear and convincing evidence that there is good cause for the extension and extending the probation is in the best interest of the child. However, if such an extension is granted, the total period of probation, including all extensions, may not exceed three years.

House Bill 814 extends time limits on juvenile probation. For offenses that would be a misdemeanor, the maximum initial probation period increases from six months to one year, and the total probation term, including extensions, increases from a one-year maximum to a two-year maximum. For offenses that would be a felony, the maximum initial probation period increases from one year to two years and the total probation term, including extensions, increases from two years to three years. However, if after a hearing, the court finds by clear and convincing evidence that there is good cause to extend the probation and an extension is in the best interest of the child, the total period of probation increases from three years to four years, inclusive of all extensions.

The bill specifies that “good cause” includes a child having two or more unexcused absences from a treatment program that the child is ordered to attend as a condition of probation, unless the court finds that the child has substantially completed the treatment program. If a child placed on probation has two or more unexcused absences from a court-ordered treatment program, the court must be given notice.

Treatment Service Plans

A “treatment service plan” (the plan) means a plan recommended at a disposition hearing or a disposition review hearing by DJS to the court proposing specific assistance, guidance, treatment, or rehabilitation of a child. DJS is required to certify in writing to the court within 25 days after the date of disposition whether implementation of the plan has occurred. **House Bill 814** additionally requires DJS to explain attempts made to ensure implementation of the plan in the certification and forward a copy of the certification to the Commission on Juvenile Justice Reform and Emerging and Best Practices, so that the commission may evaluate patterns of failed implementation.

Confidential Juvenile Records

With specified exceptions, a court record pertaining to a child is confidential and its contents may not be divulged, by subpoena or otherwise. However, this provision does not prohibit access to and confidential use of a court record by the State Advisory Board for Juvenile Services if the board is performing its statutory duties. **House Bill 814** reassigns access to these records from the board to the Commission on Juvenile Justice Reform and Emerging Best Practices for the purpose of performing its statutory duties.

Juvenile Sex Offender Registrants on School Property

With specified exceptions, a sex offender registrant is generally prohibited from knowingly entering onto real property that is used for public or nonpublic elementary or secondary education or on which is located certain child care homes or a licensed child care institution, as specified by law. A sex offender registrant who is a student may receive an education in accordance with State law in alternative locations, as specified. **House Bill 814** applies these provisions to juvenile sex

offender registrants. A “juvenile registrant” means a person who is required to be included in the registry of juvenile sex offenders that is maintained by DJS separately from the sex offender registry. A person must be included in the juvenile sex offender registry if (1) the person has been adjudicated delinquent for an act that, if committed by an adult, would constitute rape in the first degree, rape in the second degree, or sexual offense in the third degree and (2) the person was a minor who was at least 14 years at the time the delinquent act was committed.

State Comprehensive Juvenile Services 3-Year Plan

The Secretary of Juvenile Services must develop a State Comprehensive Juvenile Services 3-Year Plan, which generally includes an inventory of, and establishment of priorities and standards for, services for juveniles. *House Bill 814* expands the required contents of the plan to include (1) programs developed for youth at the highest risk of becoming victims or perpetrators of gun violence; (2) programs developed specifically for individuals at least 10 years old and under the age of 15 who are at the highest risk of becoming victims or perpetrators of gun violence; and (3) programs developed for youth involved in motor vehicle theft.

Expanded Reporting Requirements

Chapter 42 of 2022 required DJS to report to the General Assembly on several topics related to its procedures, operations, and programming. *House Bill 814* extends the deadline for this report by two years to April 15, 2025. The bill also expands the required content of the report to include the number of cases resolved at intake and the number of cases referred for informal adjustment within the prior fiscal year.

Governor’s Office for Children and Children’s Cabinet

The Governor’s Office for Children (GOC) was established by an executive order in 2005 to provide a coordinated, comprehensive interagency approach to the development of a continuum of care that is family- and child-oriented and emphasizes prevention, early intervention, and community-based services for all children and families, with special attention to at-risk populations. GOC activities include staffing and supporting the work of the Children’s Cabinet. *House Bill 814* codifies GOC as a separate unit within the Executive Department. Similar to the stated purpose of GOC in the executive order, the bill specifies that the purpose of the office is to provide a coordinated, comprehensive, interagency approach to promoting the well-being of children and families through a network of supports, programs, and services that are family and child-oriented and reducing the number of children living in poverty. The bill further codifies the Children’s Cabinet administered by GOC. The stated purpose of the Children’s Cabinet is to promote the vision of the State for a stable, safe, and healthy environment for children and families. The Governor is authorized to provide for the structure, duties, and responsibilities of GOC and the Children’s Cabinet by executive order.

Governor’s Office of Crime Prevention and Policy

House Bill 814 codifies the Governor’s Office of Crime Prevention and Policy (GOCPP) as a separate unit within the Executive Department. The Governor is authorized to provide for the structure, duties, and responsibilities of GOCPP by executive order. Additionally, the bill requires that on or before December 31, 2024, and on or before December 31 each year thereafter, GOCPP must report to the General Assembly on the number of children arrested and the number of times the arrest resulted in a complaint with DJS for the calendar year.

Commission on Juvenile Justice Reform and Emerging and Best Practices

Currently, the Commission on Juvenile Justice Reform and Emerging and Best Practices is tasked with:

- researching culturally competent, evidence-based, research-based, and promising practices relating to (1) child welfare; (2) juvenile rehabilitation; (3) mental health services for children; and (4) prevention and intervention services for juveniles;
- evaluating the cost-effectiveness of practices researched by the commission;
- identifying means of evaluating the effectiveness of practices researched by the commission; and
- giving special attention to organizations located in or serving historically underserved communities, identifying strategies to enable the community-based organizations that provide services for juveniles to evaluate and validate services and programming provided by those organizations.

In addition, the State Advisory Board for Juvenile Services (the board) within DJS, is tasked with reporting and advising the Secretary of DJS on multiple juvenile programs in the State.

House Bill 814 repeals the board and for the most part, transfers membership and responsibilities of the board to the Commission on Juvenile Justice Reform and Emerging and Best Practices. In addition, the commission’s existing duties are expanded to include:

- reviewing and reporting to the General Assembly and the Governor on (1) all juvenile services, facilities, and programs in the State; (2) the educational programs and services of DJS; (3) programs designed to divert children from the juvenile justice system; (4) the treatment and programming needs of females in the juvenile justice system; (5) the use of child in need of supervision petitions and the number of child in need of supervision petitions authorized or denied by jurisdiction; and (6) the wait times for placement of children in facilities;

- reviewing data relating to arrests, completion of programming, and recidivism from the Maryland Longitudinal Data System Center;
- identifying opportunities for greater coordination between DJS and specified entities;
- recommending policies and programs to improve juvenile services in the State;
- participating in interpreting for the public the objectives of juvenile services in the State;
- participating in planning the development and use of available resources to meet the needs of juveniles;
- coordinating with the Maryland Department of Labor to identify potential job and apprenticeship opportunities for juveniles under the supervision of DJS; and
- examining and reviewing fatalities involving children under the supervision of DJS, to provide recommendations on policies and programs to prevent fatalities, including (1) a death caused by a child under the supervision of DJS if the child is convicted or adjudicated for the death and (2) the death of a child under the supervision of DJS.

DJS Report on Shootings

Senate Bill 652 (passed) requires DJS to report to the Commission on Juvenile Justice Reform and Emerging and Best Practices and the General Assembly by December 1 each year on (1) the number of juveniles under DJS's supervision in the preceding year who were nonfatally shot, shot another individual, or were victims of a homicide; (2) the actions DJS took in response and a timeline of such actions; (3) the age of each juvenile in the report; and (4) the county of residence of each juvenile in the report. The initial report must include a description of any established process that DJS uses after a shooting involving supervised youth or when a youth under DJS supervision is the victim of a homicide.

Truancy Reduction Program – Frederick County

Statute sets forth specific procedures for addressing truancy in jurisdictions in which a Truancy Reduction Pilot Program (TRPP) has been established. In those counties, an authorized school official may file with the juvenile court a petition alleging that a child who is required to attend school failed to do so without lawful excuse, as specified. When making a disposition on a petition that has been filed as part of a TRPP, the juvenile court may order the child to (1) attend school; (2) perform community service; (3) attend counseling, including family counseling; (4) attend substance abuse evaluation and treatment; (5) attend mental health evaluation and treatment; or (6) keep a curfew with the hours set by the court. The court must retain jurisdiction until every condition of the court's order is satisfied.

Circuit Administrative Judges of the First, Second, Third, and Seventh circuits may establish TRPPs in specified counties within their judicial circuits. Dorchester, Harford, Kent, Prince George’s, Somerset, Talbot, Wicomico, and Worcester counties are currently authorized to have TRPPs.

Senate Bill 1039 (passed) authorizes the Circuit Administrative Judge of the Sixth Judicial Circuit to establish a TRPP in the juvenile court in Frederick County.

Public Safety and Corrections

Firearms

Center for Firearm Violence Prevention and Intervention

The American Public Health Association (APHA) reports that gun violence is a leading cause of premature death in the United States, resulting in more than 39,000 deaths and nearly 85,000 nonfatal injuries nationwide each year. APHA labels gun violence as a public health crisis and recommends a public health approach that involves (1) data collection and surveillance; (2) research to understand which policies and programs are effective in decreasing gun violence; (3) initiatives to implement those measures that are shown to work; and (4) continued surveillance and evaluation.

Senate Bill 475/House Bill 583 (both passed) establish the Center for Firearm Violence Prevention and Intervention in the Maryland Department of Health. The purpose of the center is to reduce firearm violence, harm from firearm violence, and misuse of firearms in the State by partnering with federal, State, and local agencies and affected communities to implement a public health approach to firearm violence reduction.

The center must (1) work in consultation with specified State agencies and stakeholders; (2) solicit and consider recommendations from specified communities, experts, groups, and organizations; and (3) submit to the Governor and General Assembly a preliminary State Plan for a Public Health Approach to Reducing Firearm Violence, and, every four years, a State Strategic Plan for Firearm Violence Reduction Using Public Health Strategies. Additionally, the center must (1) work in consultation with the Governor’s Office of Crime Prevention and Policy (GOCPP), the Department of State Police (DSP), and any other relevant State or local agency to ensure a multi-departmental approach to reducing firearm violence and (2) solicit and consider recommendations from communities disproportionately impacted by firearm violence, public health experts, and any other experts, groups, or organizations as the executive director determines appropriate and necessary.

The Governor is required to include in the annual budget bill a general fund appropriation sufficient to fund the center.

Maryland Judiciary Reporting Requirement

Chapter 651 of 2023 requires the Maryland State Commission of Criminal Sentencing Policy (MSCCSP), by October 1, 2023, and each October thereafter, to report to the Governor and the General Assembly on the number of charges, convictions, and sentences for violations of § 4-203 of the Criminal Law Article (wearing, carrying, or transporting handgun) and § 5-133(d) of the Public Safety Article (restrictions on possession of regulated firearms). *Senate Bill 319/House Bill 315 (both passed)* require the Maryland Judiciary, instead of MSCCSP, to annually report that same information.

Law Enforcement

Wellness Checks

Many law enforcement agencies dispatch a law enforcement officer to conduct an in-person visit to a resident in response to a request from a friend or family member who is concerned for the safety or well-being of the resident. *House Bill 404 (passed)* requires a law enforcement agency that receives a qualified request for a wellness check of an individual from an “interested party” to (1) conduct a wellness check of the individual within a reasonable amount of time after receiving the request, if the individual is located in the law enforcement agency’s jurisdiction or (2) if the individual is not located in the law enforcement agency’s jurisdiction, promptly provide the person who made the request with contact information for the law enforcement agency that does have jurisdiction over the location in which the individual is located. If the interested party states in the qualified request that there is a concern for a life-threatening condition, then a fire, rescue, or emergency medical services entity must conduct the wellness check simultaneously with the law enforcement agency.

Department of State Police Application Process

Since 2013, DSP has been working to automate its licensure process. *Senate Bill 287/House Bill 172 (both passed)* alter (1) the licensing or certification processes for private detective agencies, private detectives, security guard agencies, security guards, security systems agencies, security systems technicians, and railroad police officers and (2) the commissioning process for special police officers to facilitate automated processing of applications and payments.

Police Recruitment and Retention Workgroup

The Police Recruitment & Retention initiative within GOCPP provides funding to local law enforcement agencies to recruit and retain qualified sworn police officers. *Senate Bill 380 (passed)* establishes a Police Recruitment and Retention Workgroup to (1) identify and examine issues and factors potentially contributing to recruitment challenges and the decline in police officer retention statewide, as specified; (2) explore recruitment and retention strategies used successfully in other states and countries; (3) design a statewide joint apprenticeship and training council including multiple departments and unions to operate a police-registered apprenticeship beginning in high school; and (4) provide recommendations for reviewing the decline in police

retention statewide. The workgroup must report its findings and recommendations to the Governor and the General Assembly by December 30, 2025.

Growing Apprenticeships and the Public Safety Workforce Act

The 2022 *Joint Chairmen's Report* outlined concerns with workforce shortages among government employees in the public safety, health, and transportation sectors. The report directed the Maryland Department of Labor (MDL) to convene workgroups to study and report on the short-term and long-term needs in each respective sector, as specified. The final report of the Public Safety Apprenticeship Workgroup included the following recommendations: (1) encourage government agencies to partner with MDL, the Department of Budget and Management, local workforce development boards, and bargaining units to assess workforce needs and explore apprenticeship options; (2) promote group, regional, and jurisdictional apprenticeship programs for local public safety agencies; and (3) assess and reform policies, processes, and hiring requirements that may be limiting the success of workers, employers, and apprentices. *Senate Bill 470/House Bill 597 (both passed)* rename the Law Enforcement Cadet Apprenticeship Program in MDL to be the Public Safety Apprenticeship Program and expand the purposes and scope of the program, including expanding eligibility for the program to include public safety agencies (instead of solely law enforcement agencies). The purpose of the program is to (1) provide young individuals opportunities to begin a career with a public safety agency; (2) foster positive relationships between the public, particularly young individuals, and public safety agencies; (3) develop a cohort of individuals qualified to join a public safety agency; (4) encourage public safety agencies to hire apprentices; and (5) help public safety agencies offset additional costs, if any, associated with hiring apprentices. MDL may award start-up grants of up to \$200,000 and stabilization grants of up to \$5,000.

The bills also alter the eligibility criteria and the types of grants that may be awarded under the program. The Maryland Police Training and Standards Commission (MPTSC) must (1) develop mental health wellness policies to be implemented in law enforcement agencies and correctional facilities in the State and (2) submit a related annual report.

In addition, the bills establish the Workgroup on Growing Engagement in the Law Enforcement and the Corrections Workforce, staffed by MPTSC, to (1) identify and study the shortage of employees in the law enforcement fields; (2) determine ways to advertise and promote law enforcement employment opportunities across the State; (3) explore recruitment and retention strategies used in the law enforcement and corrections fields that have been successful in other states and countries; and (4) make recommendations on incentives or other methods to increase the number of employees in the law enforcement workforce.

Automatic License Plate Readers Data Storage

A law enforcement agency may not use captured plate data unless the agency has a “legitimate law enforcement purpose” and generally, a custodian of records of captured plate data collected by an automatic license plate reader (LPR) system must deny inspection of the data.

Senate Bill 840/House Bill 1081 (both passed) alter the definition of historical data, as it applies to the use of captured license plate data provisions, to include LPR data stored through cloud computing.

Additionally, the bills establish that LPR historical data captured in accordance with the bill and existing law (1) is the property of the law enforcement agency; (2) may not be sold for any purpose by a law enforcement agency or vendor contracted by a law enforcement agency, including the sale of subscriptions or licenses to access data; (3) may not be accessed by a vendor contracted by a law enforcement agency unless access is expressly requested and authorized by the law enforcement agency; (4) may not be uploaded for any reason by the law enforcement agency or a vendor contracted by the law enforcement agency that stores the data to any other law enforcement agency or entity, regardless of whether the agency or entity is located inside or outside the State; and (5) may be uploaded to a database owned or operated by the Maryland Coordination and Analysis Center.

The bills also add to the procedures that must be adopted by law enforcement agencies relating to the operation and use of automatic license plate reader systems and expand an existing criminal prohibition against misuse of captured plate data in violation of the statute by an employee of a law enforcement agency to include vendors contracted by law enforcement agencies.

Purple Alert Program

Law enforcement agencies must enter all necessary and available information with regard to a missing person into the National Crime Information Center (NCIC) computer network within two hours after receipt of the minimum information necessary to make the entry. Among other things, NCIC maintains a database of records relating to missing persons (including children) who have been reported missing to law enforcement and there is a reasonable concern for their safety. Statewide alert programs include the Silver Alert Program (for individuals with specified cognitive impairments under specified circumstances) and the AMBER alert program (for serious child abduction cases). *House Bill 195 (passed)* requires DSP to establish a Purple Alert Program to provide a system for rapid dissemination of information to assist in locating a missing person. Among other requirements, DSP must (1) adopt guidelines and develop procedures for issuing a Purple Alert for a missing person; (2) provide specified training and assistance to local law enforcement agencies; and (3) consult with the State Highway Administration and the Maryland State Department of Education. The bill also establishes a notification requirement for a caregiver or person filing a report regarding a missing person.

Emergency Services

9-1-1 Trust Fund

The 9-1-1 Trust Fund is funded through a State 9-1-1 fee and county 9-1-1 fee. Telephone companies, wireless carriers, and other 9-1-1 accessible service providers collect and remit the fees monthly to the Comptroller for deposit into the fund. The State 9-1-1 fee is distributed to counties at the discretion of the Maryland 9-1-1 Board in response to county 9-1-1 system

enhancement requests. The county fee, the prepaid wireless 9-1-1 fee remittances, and any investment earnings of the fund are all distributed quarterly to each county in prorated amounts according to the level of fees collected in each jurisdiction. *Senate Bill 252 (Ch. 76)* clarifies that money collected from the State 9-1-1 fee may not be used to pay the salaries of public safety answering point personnel or county personnel, while money collected from the local 9-1-1 fee may be used for those purposes.

Senate Bill 649/House Bill 1092 (both passed) expand the stated purpose of the 9-1-1 Trust Fund to include providing funding for telecommunications cardiopulmonary resuscitation training.

9-1-1 Specialist Recruitment and Retention Workgroup

The State's 9-1-1 system operates primarily through public safety answering points (PSAP), which are generally owned and operated by local governments. 9-1-1 specialists working within PSAPs answer, redirect, and take action on 9-1-1 calls received based on the location of the originating 9-1-1 call. *Senate Bill 1034/House Bill 1162 (both passed)* establish the 9-1-1 Specialist Recruitment and Retention Workgroup to identify and examine recruitment and retention challenges that affect 9-1-1 specialists in the State and make related recommendations.

By December 1, 2024, the workgroup must submit an interim report of its findings and recommendations, and by December 1, 2025, the workgroup must submit a final report of its findings and recommendations to the Governor and the General Assembly.

Volunteer Company Assistance Fund

The purpose of the Volunteer Company Assistance Fund (VCAF) is to ensure adequate fire protection and rescue services in the State. Although statute assigns responsibility for administering the fund to the Military Department, the Maryland Department of Emergency Management (MDEM) controls and administers the fund through an interagency agreement formed with the Military Department in 2021. *Senate Bill 255 (Ch. 77)* officially transfers VCAF from the Military Department to MDEM.

Residential Rental Property Fire Protection and Prevention

The State Fire Marshal within DSP must enforce all laws of the State relating to, among other things, the prevention of fire and the installation and maintenance of all kinds of equipment intended to control, detect, or extinguish fire. *House Bill 823 (passed)* establishes requirements related to the installation of automatic smoke detectors and notices regarding the lack of automatic sprinkler systems in residential rental high-rise buildings. The bill also modifies existing provisions related to notification appliances for deaf or hard of hearing individuals and expands those requirements to include deafblind individuals. In addition, the bill authorizes local governments to grant a property tax credit for specified residential high-rise buildings if the building owner makes fire safety improvements.

Further, the bill establishes the Workgroup to Develop Fire Safety Best Practices for Pre-1974 High-Rise Apartment Buildings to study and make recommendations regarding the improvement of fire safety in high-rise apartment buildings that do not have fire sprinkler systems and other fire safety technology. The workgroup must report its findings and recommendations by December 31, 2024.

Secure Schools Emergency Response Grant Program

The Maryland Center for School Safety promotes a statewide coordinated approach to safer schools through the collaboration among schools, students, educators, staff, parents, behavioral health practitioners, and law enforcement partners. *House Bill 1167 (passed)* establishes the Secure Schools Emergency Response Grant Program in the Maryland Center for School Safety. The purpose of the program is to provide grants to local school systems to improve emergency notification systems and communication between public elementary and secondary school personnel, a public safety answering point, and a public safety agency during emergency events. Local school systems that apply for and receive grants must use the funds to improve emergency notification systems or enhance communications within the school and with public safety agencies.

Under the bill, an emergency notification system may include a cellular phone application-based emergency event system with specified features; the capability to generate an automatic emergency alert notification to all public and nonpublic schools located in reasonable proximity to an emergency situation that is determined to be an imminent threat to school campuses or school personnel; and intercoms, school public address systems, bidirectional antennas or boosters, and other technology that will improve emergency notification and communication, as identified by the Maryland Center for School Safety.

By September 1, 2026, the Maryland Center for School Safety must ensure that the program is operating and available to each local school board. The Governor may include an appropriation in the annual budget bill to fund the program.

Corrections

Parole, Probation, and Home Detention

Unless a supervisee is exempted by the Maryland Parole Commission (MPC), MPC must assess a monthly fee of \$50 as a condition of supervision for each supervisee to be paid to the Division of Parole and Probation (DPP) within the Department of Public Safety and Correctional Services (DPSCS). The fee is in addition to court costs and fines. DPP must pay all supervision fees collected into the general fund.

House Bill 531 (passed) repeals the requirement for MPC to assess the monthly \$50 fee as a condition of supervision as well as the authorization for DPP to require an individual on parole and supervised by DPP to pay for any drug and alcohol testing ordered by MPC. The bill does not repeal similar requirements for individuals placed under supervision by the court.

Under § 5-201 of the Criminal Procedure Article, a court may require, as a condition of a defendant's pretrial release or probation, that the defendant be monitored by a private home detention monitoring agency. *Senate Bill 468 (passed)* alters notification requirements for home detention monitoring agencies when monitored individuals violate the conditions of their pretrial release or probation and authorizes the Secretary of Public Safety and Correctional Services to impose civil penalties on private home detention monitoring agencies that fail to provide the required notice.

Chapters 564 and 565 of 2012 required DPSCS to establish a program of earned compliance credits to reduce the period of active supervision for a supervised individual. *Senate Bill 260/House Bill 123 (Chs. 97 and 98)* alter the definition of "earned compliance credit" to exclude specified monthly supervision fees in order to allow an individual under the supervision of DPP to accrue earned compliance credit, even if the individual is not current on the payment of the supervision fee.

House Bill 1329 (passed) authorizes individuals under supervision by a private home detention monitoring agency to receive earned compliance credit.

Chapter 597 of 2021 established the Workgroup on Home Detention Monitoring to study and make recommendations regarding the costs and availability of both publicly and privately provided pretrial home detention monitoring systems. *Senate Bill 1095 (passed)* reestablishes the workgroup with the same mandate and a similar membership. By December 31 each year, the workgroup must submit a report of its findings and recommendations to the General Assembly. The workgroup terminates June 30, 2027.

Reentry

Senate Bill 181 (passed) authorizes the Governor, for fiscal 2026 through 2028, to include each year in the annual budget bill an appropriation of \$1.0 million to be used solely as an operating grant to qualifying nonprofit organizations for the purpose of providing training to formerly incarcerated individuals in automotive repair. GOCPP must administer the grant funds.

Senate Bill 1036/House Bill 1037 (both passed) establish the Task Force on the Creation of a Division of Returning Citizens and Expanded Reentry Services. The task force must (1) identify and assess the reentry services that exist in the State; (2) identify gaps in reentry services currently provided in the State; (3) assess the markers of successful reentry; (4) ensure that the recommendations of the task force equally consider returning citizens regardless of gender; (5) develop a plan to establish a Division of Returning Citizens within the DPSCS; and (6) develop a plan to expand services for individuals in the State after release from incarceration.

Deaths of Incarcerated Individuals

Chapter 479 of 2005 requires DSP to investigate any death of an incarcerated individual in the custody of the Division of Correction suspected to be a homicide. *Senate Bill 36/House*

Bill 565 (both passed) require the department to annually report on the number of investigations it completes and the number of cases referred for prosecution pursuant to that requirement.

Employment of Incarcerated Individuals

Except for inmates needed or being utilized by the State Highway Administration for emergency road maintenance, the Division of Correction (DOC) is required to arrange for inmates to be employed in agricultural work during any part of the year. A person that employs inmates in agricultural work must (1) pay the reasonable value for the work at the estimated prevailing wage in the community where the inmates are employed and (2) give any security for the payments that DOC requires. **Senate Bill 187/House Bill 94 (both passed)** repeal the authority of DOC to arrange for the employment of inmates in agricultural work at specified camps.

In the City of Frederick, a District Court judge who tries and commits a vagrant or other offender of a municipal law or ordinance, whenever practicable, must assign the offender to work on the public roads of the county or the City of Frederick. The sheriff or other officer into whose custody an offender is committed must comply with the court's order of assignment. **House Bill 960 (passed)** repeals the requirement and related provisions.

Oversight

Senate Bill 134 (passed) establishes the Office of the Correctional Ombudsman (OCO) as an independent unit of State government, headed by a Correctional Ombudsman who is appointed by the Governor with the advice and consent of the Senate. In response to a complaint or on OCO's own initiative, OCO must investigate any administrative act by DPSCS that OCO determines may be contrary to law or regulation, based on a mistake of fact, unsupported by sufficient evidence, performed in an inefficient manner, unreasonable under the totality of the circumstances, or otherwise erroneous. In addition, OCO must conduct independent reviews and assessments relating to (1) health and mental health services provided to individuals confined by DPSCS; (2) plans for the expansion, renovation, or closure of DPSCS facilities; (3) educational and vocational programs for individuals confined by DPSCS; and (4) DPSCS policies on restrictive and protective housing. Finally, the bill transfers the Juvenile Justice Monitoring Unit, which performs similar functions in relation to juveniles in the custody of the Department of Juvenile Services, to be under OCO.

The Correctional Training Commission has several enumerated powers and duties relating to the oversight of correctional facilities in the State, including approving standards for the education and training of correctional officers and performing inspections of correctional facilities. **Senate Bill 402 (passed)** alters the membership of the commission by (1) removing the representative of the Federal Bureau of Prisons; (2) increasing the number of correctional officers; (3) repealing the requirement that one of the correctional officers on the commission be an employee of the Department of Juvenile Services; and (4) requiring that correctional facilities from each geographic region of the State be represented on the commission.

Education of Incarcerated Individuals

Senate Bill 620/House Bill 92 (both passed) require DPSCS to (1) set goals for the number of incarcerated individuals in postsecondary education programs; (2) establish tracking systems for the number of incarcerated individuals in postsecondary education programs and their progress; and (3) assist incarcerated individuals in accessing federal Pell Grants for higher education.

Senate Bill 623/House Bill 209 (both passed) establish the Prison Education Delivery Reform Commission. The commission must work with stakeholders to (1) develop an education-focused statewide framework of policies to invest in strategies to increase public safety and reduce recidivism of adult offenders, using a data-driven approach; (2) research best practices for the primary, secondary, postsecondary, and career or vocational education of those who are subject to the criminal and juvenile justice systems; (3) identify measures to mitigate risk factors that contribute to adult contact with the criminal justice system, with a focus on education; and (4) evaluate current workforce programs and their effectiveness.

Facilities

Senate Bill 273 (Ch. 101) prohibits a person from intentionally operating an unmanned aircraft over a correctional facility for the purpose of photographing or recording images of the correctional facility through the use of the unmanned aircraft unless authorized to do so. The Act also prohibits a person from using an unmanned aircraft to deliver any contraband to a person detained or confined in a place of confinement. A violator of either of these prohibitions is guilty of a misdemeanor and subject to maximum penalties of imprisonment for three years and/or a \$1,000 fine.

Compensation to Erroneously Convicted Individuals

Chapter 76 of 2021, also known as the Walter Lomax Act, provides that individuals who are erroneously convicted, sentenced, and confined for certain crimes are eligible to receive compensation from the State. *Senate Bill 890/House Bill 1086 (both passed)* alter the circumstances under which individuals are eligible for compensation. Specifically, the bills (1) extend eligibility to individuals erroneously convicted, sentenced, and confined for conspiracy to commit a felony; (2) alter the benefits available to individuals; (3) require the State to notify an individual in writing if the State intends to introduce certain evidence to reduce or prevent an award of compensation; and (4) repeal obsolete provisions.

Diminution Credits

Generally, incarcerated individuals sentenced to a State correctional facility are entitled to earn diminution of confinement credits to reduce the lengths of their incarceration. Certain individuals, however, are prohibited from earning diminution credits, including individuals serving a sentence for first-degree rape against a victim younger than 16. *Senate Bill 1098 (passed)* expands the prohibition on earning diminution credits to include any individual serving a sentence for first-degree rape, regardless of the age of the victim, that occurred on or after October 1, 2024.

Miscellaneous

Security Operations

Senate Bill 774/House Bill 1065 (both passed) establish the Maryland Entertainment District Security Grant Program to assist community organizations, nonprofit entities, and local governments to fund security operations during times of high pedestrian traffic in entertainment districts from which a higher than average number of calls for police assistance in response to reported crime are placed. Beginning in fiscal 2026, the Governor may annually appropriate up to \$1.0 million to the fund.

Waterway Incidents

Senate Bill 166/House Bill 256 (both passed) require MDEM, in consultation with other interested stakeholders, to study and make recommendations regarding the feasibility of establishing a Waterway Incident Notification System to notify members of the public of active waterway emergencies involving a person at risk of death or serious bodily harm.

Building Standards

MDL currently incorporates, with modifications, the International Building Code as the Maryland Building Performance Standards. In general, these standards apply to all buildings and structures within the State for which a building permit application is received by a local government. *Senate Bill 1033/House Bill 926 (both passed)* require MDL, on request by a local jurisdiction and in consultation with the Office of the Attorney General, to provide guidance for the implementation and enforcement of the Maryland Building Performance Standards in relation to any religious observance, practice, or belief.

Maryland Interstate Emergency Management Assistance Compact

The Maryland Interstate Emergency Management Assistance Compact is a statewide program that provides for mutual aid among jurisdictions for emergency assistance. It provides for procedures to request assistance and to resolve financial and liability issues for assistance given. All 23 counties, Baltimore City, and the cities of Annapolis, Bowie, Laurel, and Ocean City belong to the compact. *House Bill 1110 (passed)* adds the City of Frederick as a participating jurisdiction in the compact.

Part F

Courts and Civil Proceedings

Judges and Court Administration

Judicial Security

On October 19, 2023, Judge Andrew F. Wilkinson, a Maryland circuit court judge for Washington County, was murdered in the driveway of his personal residence by a disgruntled litigant. The National Center for State Courts reports that his death was the third targeted shooting of a state court judge in the last three years. In response to several high-profile incidents and threats of violence against judges, several states have enacted legislation to prevent the personal information of judges and their families from being publicly disseminated without permission. Legislation has also been enacted at the federal level.

Senate Bill 575/House Bill 664 (both passed) establish the Office of Information Privacy (OIP) in the Administrative Office of the Courts. A “protected individual”, defined as a current or retired judge, magistrate, or commissioner of specified courts (or the spouse, child, or dependent residing in the same household as one of these individuals), may request that a person or governmental entity not publish the individual’s personal information or remove the information from an existing publication. OIP may also make such a request on behalf of a protected individual. The bills establish related requirements and procedures, as well as remedies for noncompliance. The bills also establish a criminal penalty for the knowing publication of the personal information of a protected individual under certain circumstances, with violators guilty of a misdemeanor and subject to a maximum penalty of 18 months’ imprisonment and/or a \$5,000 fine.

In addition, OIP must establish and administer a Judicial Address Confidentiality Program for the general purpose of safeguarding the actual address of a program participant in relation to public records or inspection while still enabling State and local agencies to respond to proper requests for public records. Finally, the bills create the Task Force to Ensure the Safety of Judicial Facilities that is charged with, among other tasks, identifying minimum requirements for courthouse safety and developing a legislative proposal to ensure that the identified standards are

met. The task force must report its findings and recommendations to the Chief Justice of the Supreme Court of Maryland by January 1, 2025.

Circuit Court Judgeships

To support the General Assembly's role in establishing new judgeships, the Chief Justice of the Supreme Court of Maryland 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 a projected need of 6 additional judges throughout the State was indicated in the fiscal 2025 certification, the Judiciary requested only 1 circuit court judge position in Prince George's County, as it was deemed to be in most critical need of judicial resources. *Senate Bill 688/House Bill 592 (both passed)* implement this request by adding an additional circuit court judgeship in Prince George's County, thereby increasing the number of resident circuit court judges in the county to 25.

Court Records

Failure to Pay Rent Case Records – Shielding

When a tenant fails to pay rent, a landlord may initiate a failure to pay rent proceeding in the District Court seeking to reclaim possession of the leased premises. Once the complaint is filed, a publicly accessible case record is created. Regardless of the ultimate resolution of the case (*e.g.*, dismissal, eviction, redemption of possession by payment, etc.), the case record remains publicly accessible, potentially impacting a tenant's ability to secure housing in the future.

Senate Bill 19 (passed) requires the District Court, within 60 days after the final resolution of a failure to pay rent proceeding that did not result in a judgment of possession, to shield from public inspection all related court records. The District Court may shield all court records relating to a failure to pay rent proceeding that results in a judgment of possession if certain requirements are met. Specifically, on motion of a tenant, the court may shield court records relating to a proceeding that resulted in a judgment of possession if (1) the tenant demonstrates by a preponderance of the evidence that the tenant exercised the right of redemption (*i.e.*, paid all past due amounts as determined by the court as well as any court-awarded costs or fees) and at least 12 months have passed since the final resolution of the proceeding that the tenant seeks to shield or (2) the District Court determines that there is good cause to shield the records. A shielded record may only be opened on a written request by the tenant or pursuant to a District Court order for good cause shown. To facilitate the bill's requirements, the Judiciary must develop and publish on its website a specified form by October 1, 2024.

Military Records – Inspection

The clerk of the circuit court of each county must keep a book to record and index the discharge papers of any person who (at any time) has served in the U.S. Armed Forces and presents the discharge papers for recording. Although the clerk must generally deny inspection of the book,

certain exceptions are specified in statute. For example, for good cause shown, inspection is permitted if the requestor is a relative of the person who is the subject of the discharge papers, if the request for inspection is made at least 70 years after the discharge papers were presented for recording. *Senate Bill 159/House Bill 125 (both passed)* authorize the clerk of the circuit court of each county to keep an electronic record instead of a book for purposes of recording and indexing the discharge papers of a person who has served in the uniformed services of the United States. In addition to other changes, the bills also alter the aforementioned exception by (1) removing the requirements that good cause be shown and the requestor be a relative of the person who is the subject of the discharge papers and (2) adding as a prerequisite to inspection that the clerk of the circuit court redact the Social Security number of the person in interest from the record.

Civil Actions and Procedures

Liability

Civil Actions Related to the Collapse of the Francis Scott Key Bridge

Senate Bill 680 (passed) is an emergency bill that establishes procedural requirements and options for the State in obtaining relief in an action brought by the State arising from or related to alleged or threatened injuries to the environment, infrastructure, or the natural resources of the State associated with the March 2024 collision of the Dali cargo ship into the Francis Scott Key Bridge.

The bill requires a judge or jury in an applicable action to (1) make a determination of the total liability, including damages, costs, and any other available relief; (2) assign comparative responsibility to each party joined in the action, based on the party's relative degree of fault or responsibility for the total liability; and (3) determine the liability of a group of related persons on a collective basis, if required by equity. If the State does not obtain complete relief from a responsible person who has resolved their liability through a settlement with the State, the State may continue to pursue an action against or bring a new action against any other responsible person who has not resolved the person's liability to the State. If a responsible person resolves the person's liability to the State in a settlement of an applicable action, the person may not be liable for claims for noncontractual contribution or indemnity regarding any action or claim resolved in the settlement. A settlement of an applicable action that resolves the liability of a responsible person does not release from liability any other responsible person except as specifically provided in the terms of the settlement. However, it does reduce the potential liability of all other responsible persons liable in whole or in part by the larger of the settling person's proportionate share of liability or the amount the settling person pays to settle the action.

The Maryland Uniform Contribution Among Joint Tortfeasors Act does not apply to an action governed by the bill's provisions. The bill may not be construed to impair any express contractual rights; create new types of actions or claims; alter the burden of proof, causation

standard, or elements of an action or claim governed by the bill; or grant authority to the State or the Attorney General to bring actions or claims not otherwise authorized by law.

Recreational Facilities

Senate Bill 452 (passed) establishes that, except for a health club services agreement for services to be rendered for an adult, any provision in a contract or agreement relating to the use of a “recreational facility” that purports to limit the recreational facility’s liability or release the recreational facility from, or indemnify or hold harmless the recreational facility against, liability for injury caused by or resulting from the negligence or other wrongful act of the recreational facility (or its agents or on-duty employees) is against public policy and is void and unenforceable. A “recreational facility” is a commercial recreational facility, a commercial athletic facility, or an amusement attraction. Gymnasiums and swimming pools are specifically included as recreational facilities under the bill. However, the following are specifically excluded from the definition of a “recreational facility”: (1) a “lodging establishment” that does not own, maintain, or operate a recreational facility that is available for use by the general public; and (2) a unit of State or local government that leases land or facilities to a recreational facility. The bill’s provisions may not be interpreted to affect, extend, or limit the liability of a governmental entity for a tort or other claim subject to the Maryland Tort Claims Act or the Local Government Tort Claims Act.

Damages

In certain civil actions, even when a plaintiff has proven that a legal right has been violated, the plaintiff may not have sustained injuries that justify the award of compensatory damages. Maryland law recognizes nominal damages as a small sum that may be awarded when a legal right has been violated but no compensatory damages have ensued. *Senate Bill 839/House Bill 832 (both passed)* specify that in statutory causes of action created by the Maryland Code to protect civil rights or consumer rights, “damages” or “losses” (1) mean money claimed by, or ordered to be paid to, a person as compensation for loss or injury resulting from the violation of the person’s rights or protections and (2) include reasonable nominal damages.

Public Nuisances

The Federal Protection of Lawful Commerce in Arms Act (PLCAA) provides firearm industry defendants with immunity from civil liability in most tort actions brought in state or federal court. However, several states have made efforts to expand the ability of individuals and public officials to bring civil lawsuits against firearm industry members based on an exception in the PLCAA that authorizes civil actions against a firearm industry defendant who has knowingly violated a statute applicable to the sale or marketing of a firearm or related product if the violation was a proximate cause of the plaintiff’s harm. *House Bill 947 (passed)* (1) prohibits a “firearm industry member” from knowingly creating, maintaining, or contributing to harm to the public through the sale, manufacture, distribution, importation, or marketing of a firearm-related product by engaging in conduct that is unlawful or unreasonable under the totality of the circumstances; (2) requires a firearm industry member to establish and implement reasonable controls regarding

the sale, manufacture, distribution, importation, marketing, possession, and use of the member’s firearm-related products; and (3) establishes that a violation of these provisions is a public nuisance. The bill further authorizes the Attorney General, a county attorney, or the Baltimore City Solicitor to bring an action against a firearm industry member for a public nuisance, as specified.

Family Law

Child Support

Although current statute includes provisions to address child support matters for incarcerated individuals, the federal Office of Child Support Services identified technical changes required to bring Maryland law into compliance with the State Title IV-D Child Support State Plan and other federal guidelines; noncompliance with such requirements jeopardizes significant federal funding, including funds received for child support services. Accordingly, *House Bill 435 (passed)* alters statutory provisions that determine the calculation and modification of child support for incarcerated obligors by (1) specifying that a court may determine that a material change of circumstances has occurred if a party becomes incarcerated, provided that the party’s ability to pay child support is sufficiently reduced due to incarceration; (2) establishing that a parent who is incarcerated may not be considered to be voluntarily impoverished; (3) prohibiting a determination of potential income for a parent who is incarcerated; and (4) repealing provisions that limit the circumstances under which a child support payment may not be considered past due and arrearages may not accrue during (and for a specified time after) a period of an obligor’s incarceration.

Child Abuse and Neglect

Labor Trafficking

Senate Bill 550/House Bill 508 (both passed) alter the definition of abuse as it relates to child in need of assistance (CINA) proceedings and the reporting and investigation of suspected child abuse and neglect to include “labor trafficking” of a child by any individual, thereby expanding existing reporting and procedural requirements to apply to suspected labor trafficking. Labor trafficking means knowingly (1) taking, placing, harboring, persuading, inducing, or enticing a child by force, fraud, or coercion to provide services or labor or (2) receiving a benefit or thing of value from the provision of services or labor by a child that was induced by force, fraud, or coercion. The bills also generally expand the purpose of the Safe Harbor Regional Navigator Grant Program to incorporate serving youth victims of labor trafficking.

Children in Need of Assistance – Parents in Substance Use Disorder Treatment

House Bill 833 (passed) establishes a presumption, for purposes of CINA matters, that if a parent is receiving treatment in a residential substance use disorder (SUD) treatment program that has beds or services for patients’ children and the child is in the presence of the child’s parent for the duration of the parent’s treatment (1) placement with the child’s parent is in the best interest

of the child and there is not an emergency situation that requires the removal of the child and (2) a child is receiving proper care and attention. The provisions may not be construed, however, to prohibit another individual, as specified, from providing supervision and care for the duration of the child's parent's treatment if the other individual agrees to do so. Among other provisions, the bill also authorizes the Behavioral Health Administration within the Maryland Department of Health to require a facility that provides treatment for SUD to (1) provide beds and services for patients' children and (2) allow a patient's child to be in the presence of the child's parent for the duration of the child's parent's treatment.

Kinship Care

Senate Bill 708 (passed) generally alters statutory provisions relating to the kinship care program within the Department of Human Services (DHS) to further prioritize placing children in need of out-of-home placement with kinship caregivers. Notably, among other provisions, the bill (1) expands the definition of a "kinship caregiver" by including a kinship parent and other individuals (related or unrelated) who have specified bonds or connections with the child or have otherwise been identified by the child's parent; (2) requires the placement of a child with a kinship caregiver if a kinship caregiver is located subsequent to the child's placement in a foster care setting; and (3) specifies, if a kinship caregiver cannot be located, considerations that must be taken into account when placing a child in out-of-home care.

Domestic Violence

Senate Bill 439 (passed) establishes the Victims of Domestic Violence Program Grant Fund, to be administered by the Governor's Office of Crime Prevention and Policy, to provide grants to public or private nonprofit comprehensive domestic violence programs certified by the federally recognized State domestic violence coalition. The bill authorizes the Governor to include in the annual budget bill an appropriation of \$5.0 million for the fund and further requires domestic violence programs, as established under existing statute, to be certified by the federally recognized State domestic violence coalition as a comprehensive domestic violence program. General funds are expected to increase by approximately \$2.9 million annually, which assumes both that funding consistent with the amount of the authorized appropriation is provided each year and that the funding formerly provided directly to the Maryland Domestic Violence program is instead provided to the newly established fund.

Human Relations

Discrimination

Protections Based on Specified Categories

State law includes numerous prohibitions against discrimination (*e.g.*, race, sex, age, religion, sexual orientation, etc.), as specified in statutory provisions. Protected categories vary across statutory provisions, depending on the type of discrimination being addressed.

Among other findings, the Supreme Court of Maryland held in *John Doe v. Catholic Relief Services*, 484 Md. 640 (2023), that the prohibition against sex discrimination in the Maryland Equal Pay for Equal Work Act (MEPEWA) contained in § 3-304 of the Labor and Employment Article does not include protection against discrimination based on sexual orientation. Section 3-304 prohibits employers from providing unequal compensation to employees based on sex or gender identity. According to the court, the statute’s plain language and legislative history indicate that the General Assembly did not intend for the prohibition against pay disparities based on sex to include a ban on pay disparities based on sexual orientation.

House Bill 602 (passed) incorporates a prohibition of discrimination on the basis of sexual orientation into existing prohibitions under the MEPEWA. Thus, an employer, regardless of size, may not discriminate between employees in any occupation by (1) providing less favorable employment opportunities based on sexual orientation or (2) paying a wage to employees of one sexual orientation at a rate less than the rate paid to employees of another sexual orientation if both employees work in the same establishment and perform work of comparable character or work on the same operation, in the same business, or of the same type. While State law already generally prohibits an employer with at least 15 employees from taking certain discriminatory actions based on sexual orientation, the MEPEWA applies regardless of employer size.

Among other changes, **House Bill 1397 (passed)** further alters numerous statutory provisions that prohibit discrimination based on certain protected characteristics to include sexual orientation, gender identity, race, religious beliefs, marital status, and disability, thereby generally making the protection of certain characteristics consistent across multiple statutes. The changes in **House Bill 1397** include further expanding the prohibitions set forth in the MEPEWA, as discussed above, to incorporate discrimination based on disability, race, and religious beliefs.

Military Status

In general, Title 20 of the State Government Article prohibits (1) housing discrimination because of race, sex, color, religion, national origin, marital status, familial status, sexual orientation, gender identity, source of income, or disability and (2) employment discrimination on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, gender identity, genetic information, or disability, as specified. **Senate Bill 413/House Bill 598 (both passed)** generally prohibit discrimination based on an individual’s “military status” in regard to housing and employment. Broadly, military status is defined as the status of being a member of the uniformed services, a member of a reserve component of the U.S. Armed Forces, or a servicemember’s dependent.

Public Accommodations

Motion Picture Houses – Captioning

Title III of the Americans with Disabilities Act requires places of public accommodation, including movie theaters, to provide effective communication through the use of auxiliary aids and services. Pursuant to a Final Rule issued by the U.S. Department of Justice in 2016, movie theaters

must provide closed captioning equipment whenever showing a movie produced, distributed, or otherwise made available with these features.

Senate Bill 92/House Bill 426 (both passed) require a motion picture house to provide access to fully operational and well-maintained closed movie captioning technology for the general public for each screening of a motion picture that is produced and available with closed movie captioning, as required by Title III of the federal Americans with Disabilities Act. While closed movie captioning is delivered to individual patrons on a captioning device, the bills also establish certain requirements for “open movie captioning,” which is the transcript or dialog of the audio portion of a motion picture that is displayed on the motion picture screen and cannot be turned off by a viewer. Subject to limited exception, if a motion picture is produced and available with open movie captioning, a place of public accommodation that controls, operates, owns, or leases a motion picture house with eight or more screens in the State must provide open movie captioning for at least two screenings for each motion picture it screens each week for the first three weeks after premiering in the motion picture house. Beginning three weeks after the premiere, open movie captioning may be provided with reasonable notice.

Monetary Relief

In Maryland, individuals who experience discrimination in places of public accommodation are afforded weaker remedies when compared to employment and housing discrimination victims. For example, unlike in employment and housing discrimination cases, a private right of action is not available. Further, monetary relief may not be awarded to the complainant, and any civil penalties assessed when there has been a violation of the State public accommodation laws are paid to the general fund and not to the aggrieved individual.

Senate Bill 666 (passed) alters statutory provisions that authorize the Maryland Commission on Civil Rights (MCCR), the independent State agency charged with the enforcement of specified laws prohibiting discrimination, to seek civil penalties if it finds that a respondent has engaged in a discriminatory act in regard to public accommodations or persons licensed or regulated by the Maryland Department of Labor. The bill replaces references to “civil penalties” with “monetary relief,” and requires monetary relief to be paid directly to the complainant (instead of the general fund). Further, MCCR is authorized to seek increased monetary relief under certain circumstances when a discriminatory act is committed by the agent or employee of a respondent, if the act is determined to be discriminatory and the respondent has not reasonably mitigated the harm caused by the discriminatory act. The bill also prohibits MCCR from seeking an order awarding monetary relief if (1) the discriminatory act was limited to a violation relating to accessibility; (2) the respondent, after being served, takes prompt corrective action; and (3) the respondent has not previously been the subject of a complaint of discrimination, as specified. Finally, the bill sets forth required factors for an administrative law judge to consider when determining the amount of monetary relief to award and creates temporary reporting requirements for MCCR regarding the effect the bill’s provisions have on persons against whom complaints are filed.

Maryland Commission on Civil Rights – Judicial Review

Generally, if at the conclusion of an investigatory process, MCCR finds there is no probable cause to believe that a discriminatory act has been or is being committed, the complainant may appeal the no-probable-cause finding to the circuit court. In *Jennifer Rowe v. Maryland Commission on Civil Rights*, 483 Md. 329 (2023), the Supreme Court of Maryland considered whether there is an express statutory grant of review in the Appellate Court of Maryland of circuit court rulings on judicial review of no-probable-cause findings by MCCR, and subsequently held that the plain language of Title 20 of the State Government Article did not provide for such review.

Senate Bill 50/House Bill 394 (both passed) expand the judicial review available when there is a finding of no probable cause by MCCR by establishing that, unless otherwise specified, such a finding is a final order appealable in accordance with the Administrative Procedure Act (which allows for appellate review beyond the circuit courts).

Real Property

Landlord and Tenant

Renters' Rights and Stabilization Act of 2024

Office of Tenant and Landlord Affairs: House Bill 693 (passed) establishes the Office of Tenant and Landlord Affairs (OTLA) within the Department of Housing and Community Development (DHCD). Among other things, OTLA must (1) develop resources to aid tenants in understanding and exercising their legal rights as tenants; (2) establish points of contact within the office by which a tenant may report a violation by a landlord for referral to appropriate enforcement agencies; (3) provide resources to facilitate access by tenants to credit counseling; (4) refer covered individuals to the Access to Counsel in Evictions Program; and (5) collaborate with county and local governments that provide tenant advocacy and assistance. OTLA may implement fair housing testing, identify landlords that are out of compliance with fair housing laws, and facilitate referrals of cases, as specified. OTLA is also tasked with developing and publishing a Tenants' Bill of Rights.

Purchases of Residential Rental Property – Tenants' Rights: With the exception of specified types of transfers of title, the bill generally requires the owner of residential rental property (defined as tenant-occupied rental property for residential use with three or fewer individual units) to offer tenants the opportunity to purchase the property before offering the property for sale to the public or a third-party and provides tenants with a right of first refusal when the owner intends to accept an offer to purchase the property from a third-party or receives an offer to purchase the property from a third-party without having offered the property for sale.

House Bill 693 requires that, before a residential rental property may be offered for sale to the public or a third party, the owner must send each tenant a written notice of the tenant's right to

deliver an offer to purchase the property. Among other things, the notice must (1) state any information regarding deadlines, including the duration of the “tenant’s exclusive negotiation period” and (2) contain material terms that the owner would agree to incorporate in a resulting contract of sale with the tenant. A “tenant’s exclusive negotiation period” is the period after a tenant is notified about the tenant’s right to purchase the residential rental property during which the tenant may negotiate exclusively with the owner to enter into a contract or sale. The owner must also send a copy of the notice to OTLA.

Tenants have 30 days after the landlord delivers the notice to submit a written purchase offer to the owner. Within five days after the owner receives an offer to purchase the property from the tenant, the owner must (1) if the offer contains the same or more favorable material terms as those contained in the notice, accept the offer and notify OTLA or (2) if the offer contains material terms that deviate from the terms of the notice, deliver a counteroffer to the tenant with an explanation of how the offer deviates from the notice. Within five days after receiving a counteroffer, the tenant may accept or reject the owner’s counteroffer. If no response is received within this timeframe, the counteroffer is considered rejected, and the owner must notify OTLA. A tenant’s right of first refusal (described below) is terminated if the tenant fails to (1) deliver a written offer to purchase the property or (2) accept the counteroffer.

A tenant or a group of tenants may affirmatively decline an offer of sale by an owner, as specified, after which the owner may offer the property for sale. If multiple tenants submit offers, the owner can choose the most favorable one without liability to any other tenant.

Before a voluntary transfer of title to a residential rental property may occur, any tenant or group of tenants of the property must have the right of first refusal to purchase the property. The right of a third party to purchase any residential rental property to which the bill’s provisions apply is subject to the exercise of the right of first refusal by a tenant or group of tenants.

A tenant has the right of first refusal to purchase residential rental property if (1) the property owner intends to accept a purchase offer from a third party for an amount that is at least 10% lower than any price offered to the tenant in any previous notice, offer, or counteroffer during the process described above or (2) the owner, without having offered the property for sale to the public or any third party, receives an offer from a third party to purchase the property. If the owner receives an offer to purchase the property from a third party under either of these circumstances, the owner is prohibited from accepting the offer until (1) the owner provides written notice to the tenant of the tenant’s right of first refusal and (2) the tenant has an opportunity to exercise the right of first refusal within 30 days after receipt of the notice. In addition to other requirements, the notice must contain the same sales price as the third-party offer to purchase. The owner must send a copy of the written notice to OTLA.

Within 30 days after receipt of the notice, the tenant may deliver to the owner a written offer to purchase the property. If a tenant delivers an offer to purchase at the same sales price as the offer from the third party, the owner must accept the offer from the tenant and notify OTLA. If more than one tenant or group of tenants delivers a timely offer to purchase the property, the

owner may select the more favorable offer without liability to any other tenant. If the owner accepts the tenant's offer to purchase but the contract is terminated before settlement, the tenant's right of first refusal is waived and the owner must notify OTLA. If a tenant does not deliver an offer to purchase within this 30-day period, (1) the owner may accept the third-party offer; (2) the tenant's right of first refusal is considered waived; and (3) the owner must notify OTLA.

An owner who violates the aforementioned requirements relating to a tenant's right to purchase residential rental property is subject to a maximum fine of \$1,000 per violation, and a tenant may seek to restrain or enjoin any violation prior to the closing of a contract of sale between the owner and buyer. After closing on a contract of sale between an owner and a tenant, liability for failure to comply with the provisions of *House Bill 693* is restricted to the owner and may not attach to the property that is the subject of the contract. A tenant who brings an action against the owner after closing for failing to provide required notice may not file a notice of *lis pendens* under Maryland Rule 12-102, and a court may dismiss a wrongfully filed action of *lis pendens*.

The bill also requires DHCD to regularly gather and monitor data relating to the purchase of residential rental property by tenants under the bill, publish the data on its website, and provide information on request to State or local government entities and institutions of higher education located in the State. DHCD may not publish data that is privileged or otherwise protected from disclosure.

Security Deposits and Residential Leases: *House Bill 693* decreases, from two months' rent to one month's rent, the maximum security deposit that may be imposed by a landlord. However, a landlord may impose a security deposit of an amount up to the equivalent of two months' rent if (1) the tenant qualifies for utility assistance through the Department of Human Services; (2) the lease agreement requires the tenant to make payments for utility services directly to the landlord; and (3) the tenant and landlord agree to the amount in writing. *House Bill 693* also expands the provisions that may not be included in a lease to include provisions (1) requiring a tenant to pay more than the sum of the security deposit and the first month's rent in order to start the lease and occupy the premises; (2) waiving or placing conditions on a tenant's right of first refusal; (3) making a tenant responsible for payment of the surcharge assessed against the landlord by the District Court under the bill's provisions, except as specified; or (4) requiring the tenant to accept specified notice by electronic delivery. A lease must also include a copy of the most recent version of the Maryland Tenants' Bill of Rights.

Surcharges for Civil Cases: *House Bill 693* increases the maximum surcharge imposed by the District Court in summary ejectment (failure to pay rent) cases. The bill requires these surcharges to be assessed against a landlord and prohibits them from being awarded or assigned as a fee or cost against a residential tenant. However, a court may authorize a landlord to deduct assessed surcharges from a tenant's security deposit if a judgment for possession is entered in favor of the landlord, and the lease agreement provides that the surcharge may be assessed against the tenant under such circumstances. The deduction may not exceed the amount of the security deposit. The bill also increases the maximum surcharge in other civil cases before the District Court and the circuit courts. As a result of these increases in the maximum surcharges, significant additional

funding is anticipated to be available for the Maryland Legal Services Corporation and the Statewide Rental Assistance Voucher Program within DHCD. Contingent on the enactment of *Senate Bill 370 (passed)* or *House Bill 428 (passed)*, a portion of the surcharge revenues from summary ejection cases is also directed to the Rental Assistance for Community Schools Families Fund.

Failure to Pay Rent – Procedures: *House Bill 693* extends, from four days to seven days, the minimum time period between the granting of a judgment of possession in favor of the landlord and the issuance of an execution of a warrant of restitution against the tenant and requires the administrative judge of any district to stay the execution of a warrant of restitution in the event of extreme weather conditions affecting the residential property. A warrant of restitution granted a stay for these circumstances must be completed within five days after the extreme weather conditions cease.

House Bill 693 also establishes certain requirements if written notice of a landlord's intent to file a claim to recover possession of the premises based on the failure to pay rent is sent electronically.

Eviction Data Collection and Publication: Beginning on October 1, 2025, *House Bill 693* expands what eviction data must be collected by the Judiciary and shared with DHCD for publication. The Judiciary must notify DHCD and provide updated eviction data if the Judiciary discovers that any shared data for any collection period is inaccurate or incomplete. The bill also specifies that DHCD must publish and make available only publicly disclosable data.

Repair of Serious and Dangerous Defects

Available Remedies and Notice Requirements: A landlord is required to repair serious and dangerous conditions or defects to leased residential property. If the landlord refuses or fails to make the repairs or correct the conditions in a reasonable time after the tenant notifies the landlord of the defect or condition, the tenant may (1) bring an action of rent escrow to pay rent into court or (2) refuse to pay rent and raise the existence of the asserted defects or conditions as an affirmative defense to certain civil actions brought by the landlord. *House Bill 1117 (passed)* authorizes a tenant to take one or both actions and establishes that multiple tenants may join as plaintiffs. A court may order separate trials or issue any other order necessary to prevent delay or avoid prejudice.

House Bill 1117 also establishes a rebuttable presumption that a tenant is entitled to the adjudication of a request for rent abatement and an abatement of prospective rent in an amount determined by the court. A determination by the court is without prejudice to a final disposition of rent due and unpaid to the landlord. The bill also establishes a rebuttable presumption that a court order requiring rent escrow is limited to the payment of rent due and unpaid subsequent to the court order. A party may request that the court adjust the amount of rent that a tenant pays into court at any time. If a tenant alleges that a defect or condition exists at the leased premises at a trial for failure to pay rent, the court may grant a postponement on request of either party in order for the parties to provide evidence and additional information regarding the alleged defect or

condition. *House Bill 1117* also establishes that an order to disburse rent held in escrow to a tenant under existing law (1) does not affect the right of the tenant to pay rent into the court and (2) may be stayed on appeal by the landlord. If the court orders any relief to a tenant in a rent escrow action, the tenant may recover reasonable attorney’s fees and costs and reasonable expenses related to litigation. If a court finds that an action brought by a tenant is in bad faith or without substantial justification, the court may award the landlord reasonable attorney’s fees and costs and litigation expenses.

Warranty of Habitability: *House Bill 1117* defines “fit for human habitation” as a dwelling unit and property of which the dwelling unit is a part are free from serious defects or conditions that constitute, or will constitute if not promptly corrected, a fire hazard or other serious and substantial threat to the life, health, or safety of occupants of the dwelling unit. A landlord that offers a residential dwelling unit for rent is deemed to warrant that the dwelling unit is fit for human habitation. The warranty of habitability exists throughout a tenant’s tenancy. *House Bill 1117* further establishes additional relief for breach of the warranty of habitability, applicable to landlords, tenants, and residential dwelling units that are subject to the above provisions.

To seek the remedies discussed below, a tenant must notify the landlord of the existence of the defects or conditions. Within a reasonable period after receipt of notice, the landlord must make the repairs or correct the conditions. If a landlord breaches the warranty of habitability and refuses to make the repairs or correct the conditions, or if after a reasonable time the landlord has failed to do so, the tenant may (1) bring an action for damages and the abatement of rent against the landlord and (2) refuse to pay rent and raise the existence of the asserted defects or conditions as an affirmative defense to certain actions brought by the landlord. Multiple tenants may join as plaintiffs in an action. Relief for a claim of breach of the warranty of habitability may not be conditioned on payment by the tenant of rent into escrow with the court. *House Bill 1117* also establishes certain defenses to a claim for breach of the warranty of habitability.

Under the bill, the court must make appropriate findings of fact and issue any order that the justice of the case may require. If a court orders any relief to a tenant who has brought an action against a landlord, the tenant may recover reasonable attorney’s fees and costs, as well as other expenses related to litigation. If a court finds that an action brought under these provisions is in bad faith or without substantial justification, the court may award the landlord reasonable attorney’s fees and costs, and litigation expenses.

Limitation of Liability for Rent

In limited circumstances, a tenant’s liability for rent under a lease agreement may not exceed two months’ rent if the tenant vacates the premises due to certain qualifying medical conditions certified in writing by a physician. *Senate Bill 162/House Bill 93 (both passed)* establish that a qualifying medical condition includes a mental disorder if the disorder causes the continued habitation of the leased premises to be unfeasible or unsustainable for the patient or requires a higher level of care than can be provided at the leased premises. The bills also expand

the list of medical professionals who may complete the necessary certification to include licensed psychologists.

Notice of Utility Bills in Residential Leases

Under current law, a landlord of a residential building that contains one or two residential dwelling units that requires a tenant to make payments for water or sewer utility services to the landlord must (1) provide notice in a written lease that the tenant is responsible for making payments to the landlord and (2) provide a copy of the water or sewer bill to the tenant. *Senate Bill 171/House Bill 139 (both passed)* extend these requirements to gas and electric services. Requirements under existing law do not apply if a landlord requires a tenant to pay water or sewer bills directly to the utility service provider. The bills extend this exemption to gas and electric bills and apply these provisions to all landlords.

With respect to a landlord of a building that contains six or more residential dwelling units, the bills (1) authorize a landlord to notify the tenant in writing of the total utility costs billed to the landlord in the immediately preceding year for utility services, disaggregated by utility type, as specified, instead of providing a copy of the utility bill to the tenant and (2) exempt the landlord from the aforementioned requirements if a utility is allocated using a ratio utility billing system.

Access to Counsel in Evictions Program

Senate Bill 147/House Bill 498 (both passed) alter the annual reporting requirements for the Access to Counsel in Evictions Program that is administered by the Maryland Legal Services Corporation to include the following information for the immediately preceding fiscal year: (1) the number of cases in which a covered individual was provided legal representation, disaggregated by case type; (2) the amount paid to attorneys for each case managed; (3) the geographic distribution of cases; (4) data on the disposition of cases decided; (5) the amount of State and federal funds allocated to each designated organization providing legal representation; and (6) the number of covered individuals provided legal representation for multiple cases.

Common Ownership Communities

Affordable Housing Land Trusts – Condominium Regime

An affordable housing land trust is an entity that (1) provides affordable housing to low-income families and moderate-income families through an affordable housing land trust agreement and (2) is organized or managed by a specified tax-exempt nonprofit organization or a unit or instrumentality of the State or a political subdivision of the State. *Senate Bill 199/House Bill 13 (both passed)* authorize a condominium regime to be established on a leasehold estate owned by an affordable housing land trust.

Governing Documents

Senate Bill 665 (passed) reduces, from 80% to 66 2/3%, the threshold of unit owners listed on the current roster of a condominium needed to consent to an amendment of the condominium's declaration once all units have been sold by a developer. However, the existing threshold of 80% is still applicable if any of the units of the condominium are owned by the developer. The restriction is not applicable to a corrective amendment.

Insurance

House Bill 1227 (passed) alters certain provisions requiring the council of unit owners of a condominium to maintain certain property insurance. Under the bill, insurance must be maintained (1) for attached units, multifamily dwelling units, or detached units located within a condominium not composed entirely of similar detached units, on the common elements and units, exclusive of improvements and betterments installed in units by unit owners other than the developer and (2) for detached units located within a condominium composed entirely of similar detached units, on the common elements only. A council of unit owners must provide annual written notice regarding any obligation of a unit owner of a residential, detached unit to maintain property insurance coverage on the unit. In the event of any modification to this obligation, the council of unit owners must promptly provide an updated notice.

On a loss covered by the property policy, subject to additional provisions, the proceeds from the insurance policy must be disbursed in a certain priority. *House Bill 1227* adds detached units located within a condominium not composed entirely of similar detached units to this provision. Additionally, the bill limits a requirement that an owner of a residential, detached unit must carry homeowners insurance coverage on the entirety of the unit to when (1) the detached unit is located within a condominium composed entirely of similar detached units or (2) the council of unit owners of such a condominium carries homeowners insurance on the entirety of all detached units.

Clean Energy Equipment

Senate Bill 206/House Bill 216 (both passed) establish that the board of directors of a condominium, by a majority vote and only after providing 30 days' notice to all unit owners, may grant a lease or other similar interest in excess of one year for the installation and use of specified leased clean energy equipment in common elements of the condominium. A mortgagee or group of mortgagees is prohibited from overruling a vote to grant an interest.

Senate Bill 465/House Bill 159 (both passed) expand existing procedures relating to electric vehicle recharging equipment in condominiums and homeowners associations. The bills also require a unit or lot owner to provide a certificate of insurance before the installation of the equipment. Furthermore, in all common ownership communities (COC), including cooperative housing corporations, insurance coverage of the electric vehicle recharging equipment must be maintained for as long as the equipment and all appurtenances to the equipment are installed. DHCD must also include the additional information on its website related to COCs.

Real Property Transactions – Contracts of Sale

Notice Requirements

Senate Bill 125/House Bill 486 (both passed) require a contract of sale for any residential property located within one mile of a National Priorities List (NPL) Superfund site to include a specific addendum to the contract of sale that includes specified information related to NPL Superfund sites. Within five days after signing and dating the contract of sale and on written notice to the seller, the buyer may void the contract of sale and must receive a full refund of any money paid to the seller on rescission of the contract of sale.

Asbestos Disclosures

Under current law, a contract for the initial sale of a condominium unit to a member of the public is not enforceable by the vendor unless the purchaser is given specified information, and the contract of sale contains a specified notice. *Senate Bill 46/House Bill 143 (both passed)* require that this notice must include a statement as to whether the vendor has actual knowledge of the presence of asbestos in the condominium, including a description of the location of the asbestos, whether abatement has been performed, and the date of any abatement. A contract for the resale of a unit by a unit owner other than the developer is not enforceable unless the owner provides a statement, no later than 15 days prior to closing, as to whether the unit owner has knowledge of the presence of asbestos in the unit, including a description of the location and whether abatement has been performed during the occupancy of the owner.

Recordation

Recordation Process

Senate Bill 423 (passed) requires the treasurer, tax collector, or director of finance for a county to provide, upon request, a certificate clearly enumerating taxes, assessments, and charges due to the county against a property. Counties are required to adopt procedures to facilitate the issuance of a certificate. The certificate bars any charge or assessment against the property levied on a *bona fide* purchaser for value that has no notice of the charge or assessment prior to the purchase of the property. If a collecting agent is presented with a certificate within 45 days after issuance, the agent must endorse the deed on payment of all charges set forth in the certificate and any applicable transfer or recordation taxes. Counties and municipalities are authorized to collect a fee for the issuance of a certificate. The payment of a fee and the issuance of a certificate may not preclude a claim by a county or municipality to payment of a charge or assessment against (1) the owner of the property at the time of the issuance of the certificate or (2) a person who acquires the property with knowledge of the charge or assessment. The bill also requires, rather than authorizes, local clerks of circuit courts and the State Department of Assessments and Taxation to coordinate on procedures to facilitate the electronic satisfaction of prior approvals and conditions precedent to recording documents or the electronic payment of fees or taxes.

Recordation of Instrument with False Information

House Bill 1308 (passed) prohibits a person from recording a deed or other instrument that the person knows contains false information, including information related to the ownership of the property. A violator is guilty of a misdemeanor and subject to a maximum penalty of a \$500 fine. Prosecution must be initiated within three years after the offense was committed. Additionally, unless the defendant disclaims any interest in the title of the property in the answer or allows judgment to be taken without answer, the bill authorizes a court to award either party costs and reasonable attorney’s fees in an action to quiet title, if a claim or defense in the case is related to an alleged recordation of a deed or other instrument with false information.

Task Force on Property Appraisal and Valuation Equity

Chapter 654 of 2022 established a Task Force on Property Appraisal and Valuation Equity to address the persistent misvaluation and undervaluation of property owned by minorities. *Senate Bill 518/House Bill 285 (both passed)* extend the termination date of Chapter 654 of 2022, from June 30, 2024, to December 31, 2024, and extend the date by which the task force is required to submit a report from October 31, 2023, to October 31, 2024.

Estates and Trusts

Estate Administration

In general, the registers of wills are responsible for the administration of estates by providing proper forms and direction, assisting and advising any person who requests assistance in the preparation of any form for administrative probate, admitting wills to probate and issuing letters of administration, auditing accounts, and maintaining accurate records of all estate matters. The registers also serve as clerks of the orphans’ courts.

Definition of “Interested Person”

Pursuant to the Estates and Trusts Article, an “interested person” is entitled to file, and receive notice about, various petitions and filings with the register of wills and orphans’ court of the county where the estate is being administered. Current law defines an “interested person” as (1) a person named as executor in a will; (2) a person serving as personal representative after judicial or administrative probate; (3) a legatee in being, not fully paid, whether the legatee’s interest is vested or contingent; (4) an heir even if the decedent dies testate, except that an heir of a testate decedent ceases to be an interested person when the register has given specified notice; or (5) an heir or legatee whose interest is contingent solely on whether some other heir or legatee survives the decedent by a stated period if the other heir or legatee has died within that period.

Senate Bill 164/House Bill 325 (both passed) alter the definition of an “interested person” by (1) establishing that a legatee ceases to be an interested person if the legatee’s interest has been fully paid or fully adeemed; (2) adding as an interested person a surviving spouse who has timely

filed an election to take an elective share unless the election is withdrawn or ruled ineffective by a court; (3) adding as an interested person a person who timely files a petition to caveat a will until the caveat proceeding has been disposed of; and (3) establishing that an assignee of a legatee or an heir is not an interested person.

Appointment of Personal Representative

Under current law, after the appointment of a personal representative of an estate, the register of wills must publish a notice of the appointment in a newspaper of general circulation in the county of appointment once a week in three successive weeks (1) announcing the appointment and address of the personal representative; (2) indicating that all persons objecting to the appointment (or the probate of the will of the decedent) must file an objection with the register of wills on or before six months from the date of the appointment; and (3) notifying creditors of the estate to present their claims, as specified. *Senate Bill 80/House Bill 326 (both passed)* alter the provision in the notice of appointment of the personal representative by limiting those whom the notice indicates may object to the appointment of the personal representative to “all interested persons or unpaid claimants” rather than “all persons.” Under the bills, all persons continue to have standing to object to the probate of a will.

Publication of Notices

The register of wills, a foreign personal representative, or a personal representative must publish certain notices in a newspaper of general circulation in the appropriate county or counties. *House Bill 1258 (passed)* requires the register of wills of each county and Baltimore City to coordinate to establish and maintain a centralized website for use by all registers of wills to publish notice as required under the Estates and Trusts Article. The bill also requires publication of specified notices on the centralized website, instead of publication in a newspaper of general circulation in the appropriate county (or counties); specifically, notices of (1) appointment of a personal representative of an estate; (2) judicial probate of an estate; (3) appointment of a foreign personal representative and estate information; and (4) a meeting for distribution of the net estate by the court. The bill also repeals requirements that a foreign personal representative or personal representative publish specified notices in a newspaper.

Maryland Uniform Transfers to Minors Act

In general, the Maryland Uniform Transfers to Minors Act allows a personal representative, trustee, or conservator to irrevocably transfer property to a custodian for the benefit of a minor for the custodian to manage and control. A transfer may only be made if (1) the transfer is in the best interest of the minor; (2) the transfer is not prohibited by or inconsistent with provisions of the applicable will, trust agreement, or other governing instrument; and (3) the transfer is authorized by the court if it exceeds \$10,000 in value. *Senate Bill 75/House Bill 324 (both passed)* increase the threshold monetary amount – from \$10,000 to \$25,000 – above which transfers to a custodian require court authorization.

Miscellaneous

Maryland Revised Uniform Anatomical Gift Act

Under the Maryland Revised Anatomical Gift Act, a donor may make an anatomical gift (1) by authorizing a statement or symbol indicating that the donor has made an anatomical gift to be imprinted on the donor’s driver’s license or identification card; (2) by will; (3) during a terminal illness or an injury of the donor, by any form of communication addressed to at least two adults, at least one of whom is a disinterested witness; or (4) by a donor card (or other record) or donor registry, as specified. *Senate Bill 577/House Bill 1068 (both passed)* require the Comptroller to implement procedures to offer an individual electronically filing a Maryland resident individual income tax return the opportunity to register to make an anatomical gift through a hyperlink to the anatomical gift donor registry. The bills apply to tax year 2024 and beyond.

Orphans’ Court Judges

Under current law, with exceptions in certain counties and Baltimore City, an orphans’ court judge may not act as an attorney at law in a civil or criminal matter during a term of office. *Senate Bill 116/House Bill 528 (both passed)* repeal the exceptions and establish a narrower prohibition applicable to all counties and Baltimore City. Under the bills, an orphans’ court judge is prohibited from acting as an attorney at law in a civil or criminal matter during a term of office if the matter is (1) within the jurisdiction of the orphans’ court in any county or Baltimore City and related to the administration of an estate or a guardianship of a minor or (2) related to the preparation of an estate plan or estate planning documents that might come within the jurisdiction of the court in any county or Baltimore City following the death of any individual.

Part G

Transportation and Motor Vehicles

Transportation

Planning and Governance

Each year, the Maryland Department of Transportation (MDOT) develops the Consolidated Transportation Program (CTP) that is issued to the General Assembly, local elected officials, and the public. The CTP provides detailed descriptions of projects in various stages of planning or development for the next six years. The fiscal 2024 through 2029 CTP outlines over \$20 billion in funding for various projects.

2024 was a significant year for transportation in the State. In the September 2023 draft of the current CTP, MDOT projected a \$3 billion deficit due in part to an increase in inflation and declines in ridership and the motor fuel tax. As a result, significant reductions to MDOT's operating and capital budgets were made to align the capital program with available revenues. However, the fiscal 2025 budget as introduced included a one-time allocation of \$150 million in general funds to help lessen the impact on the Transportation Trust Fund (TTF) of the factors noted above. The \$150 million was used to restore funding for Highway User Revenues, Locally Operated Transit Systems (LOTS), commuter bus service, and other key services. The General Assembly also passed legislation raising revenues to ensure priority transportation projects continue to advance and address the State's overall transportation needs.

The Maryland Commission on Transportation Revenue and Infrastructure Needs (TRAIN Commission), established by Chapter 455 of 2023, made recommendations in its 2024 interim report for increases in transportation funding and enhanced transparency in project selection. Some of these recommendations were reflected in actions taken by the General Assembly, including actions taken through the Budget Reconciliation and Financing Act of 2024 (BRFA). **Exhibit G-1** shows a list of significant actions impacting transportation funding in the State, including funding restored to ensure the continuity of key transportation services.

Exhibit G-1
Major Transportation Funding – Legislative Actions
Fiscal 2025
(\$ in Millions)

<u>Item</u>	<u>Estimated Revenue</u>
<i>BRFA of 2024</i>	
Annual Vehicle Registration Fee Increases	\$168.9
Dealer Processing Charge Increase	15.3
<i>TRAIN Commission Recommendations/BRFA</i>	
Transportation Network Company Impact Fees	\$37.4
Electric/Plug-in Hybrid Vehicle Annual Surcharge	10.8
<i>Transportation Funding Restored</i>	
Highway User Revenues	\$52.5
Commuter Bus Service	28.0
Locally-Operated Transit Systems	26.3
MTA State of Good Repair	15.0
Airport Operations	2.0
<i>Legislation</i>	
WMATA Funding from DPA (<i>Senate Bill 126 /House Bill 198 (both passed)</i>)	\$150.0
Locally-Operated Transit Systems – Minimum Funding (<i>House Bill 950 (passed)</i>)	80.5
Highway Work Zone Fine Increases (<i>House Bill 513 (Ch. 17)</i>)	24.0

BRFA: Budget Reconciliation and Financing Act

DPA: Dedicated Purpose Account

MTA: Maryland Transit Administration

WMATA: Washington Metropolitan Area Transit Authority

Source: Department of Legislative Services

Financial Planning and Funding

Senate Bill 362 (passed), the BRFA, increases vehicle registration fees for most classes of vehicles and establishes new weight divisions within certain vehicle classes. For example, heavier Class A (passenger) and Class M (multipurpose) vehicles will pay higher annual registration fees, depending on the weight of the vehicle. The registration fee increases are phased in over a three-year period beginning in fiscal 2025. The exact amount of the annual registration fee increase depends on the vehicle class and weight; however, in fiscal 2025, fees increase by between \$20 and \$45; by fiscal 2027, when the phase-in is complete, the annual registration fee increase is between \$30 and \$75 (compared to registration fees under current law). From these increases, TTF revenues are anticipated to increase by \$168.9 million in fiscal 2025; \$201.0 million in fiscal 2026; and \$253.3 million in fiscal 2027 and subsequent years.

Senate Bill 362 also establishes an annual surcharge of \$125 for each zero-emission vehicle and \$100 for each plug-in electric drive vehicle that is not a zero-emission vehicle (*i.e.*, PHEVs). Beginning in July 2025, each surcharge is adjusted for inflation annually. The proceeds collected from the surcharge must be deposited into TTF. As a result of the surcharge on zero-emission vehicles and PHEVs, TTF revenues are anticipated to increase by approximately \$10.8 million annually.

In addition, **Senate Bill 362** imposes a Transportation Network Company (TNC) impact fee on passenger trips that originate in the State. A TNC must collect the TNC impact fee. The fee is 75 cents per passenger trip, 50 cents per passenger trip provided using a fuel cell vehicle or plug-in electric drive vehicle, and 50 cents for each shared passenger trip. After providing for administrative expenses, the revenue from the TNC impact fees is deposited into a special account in TTF for transit capital needs, highway user revenues, and LOTS. The TNC impact fees are estimated to generate more than \$37 million in fiscal 2025 and almost \$47 million by fiscal 2029.

Lastly, **Senate Bill 362** raises the dealer processing fee, which is subject to the vehicle excise tax, from a maximum of \$500 to a maximum of \$800. Accordingly, TTF revenues are anticipated to increase by as much as \$15.3 million annually.

Transportation Authority and Local Governments

The Washington Suburban Transit Commission (WSTC) 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. **House Bill 1023 (passed)** (1) repeals the authority of the governing bodies of Montgomery and Prince George's counties to review and approve the contracts and agreements entered into by WSTC; (2) authorizes the WSTC commissioner that serves on the Washington Metropolitan Area Transit Authority (WMATA) Board of Directors to be reappointed to the board; and (3) authorizes the Secretary of Transportation's designee to attend meetings of the WMATA Board of Directors on behalf of the Secretary when the Secretary is not available, instead of only if a scheduling conflict arises.

Mass Transit

Transit Funding

In response to financial shortfalls resulting from the end of federal COVID relief, ridership (and consequently fare revenue) remaining well below prepandemic levels, and increased costs caused by inflation, the fiscal 2025 budget included \$150 million in general funds in the Dedicated Purpose Account (DPA) for WMATA to help avoid steep cuts to service levels. Because the \$150 million provided in DPA would increase the State's contribution for WMATA operations by more than 3% over the prior fiscal year and would have triggered a statutory provision requiring that 30% of the State's contribution be withheld, *Senate Bill 126/House Bill 198 (both passed)* suspend the withholding requirement until fiscal 2028 to allow WMATA to receive the full funding amount.

Historically, MDOT has provided local governments with financial support for local transit systems through its LOTS Grant Program. As part of MDOT's cost containment efforts to balance the CTP, a reduction of \$26 million in LOTS funding for fiscal 2025 was implemented in the budget as introduced but was restored by the Administration through Supplemental Budget No. 1. *House Bill 950 (passed)* requires the Governor to include in the annual budget bill an appropriation from TTF of at least \$81 million for the LOTS Grant Program for statewide program operations.

Bus and Paratransit Services

Before holding a public hearing on a proposed service change, the Maryland Transit Administration (MTA) must publish on its website, for the routes or lines impacted by the service change, an evaluation on the demographics of the riders of the routes or lines and the service area. *Senate Bill 70/House Bill 1507 (both passed)* expand the information that MTA must publish on its website before it holds a public hearing on a proposed major service change and require MTA to distribute the report required under current law on the impacts of a proposed service change to each member of the General Assembly whose district would be impacted by the proposed service change.

Senate Bill 891/House Bill 1199 (both passed) require the Maryland Transportation Institute at the University of Maryland to conduct a study to identify methods to improve MTA's MobilityLink service, which provides door-to-door service for residents with disabilities.

Roads and Highways

Highway Safety

The Vision Zero Program, established by Chapter 377 of 2019, was designed to eliminate all traffic fatalities and major injuries. The State Highway Administration (SHA) is required to perform an infrastructure review of each pedestrian or bicyclist fatality that occurs on a State highway or intersection of a State highway and conduct infrastructure reviews of roadways within six months after being notified of a fatality. *Senate Bill 345 (passed)* expands the responsibilities

of the Vision Zero coordinator within MDOT to (1) identify strategies to achieve Vision Zero goals by 2030; (2) analyze SHA infrastructure reviews after traffic fatalities; and (3) advise the Governor and State and local agencies on the implementation of Vision Zero and associated policies and programs.

State Tourism

The SHA Tourist Area and Corridor Signage Program is designed to oversee and administer signage on roadways statewide that direct motorists to key attractions. *House Bill 1032 (passed)* provides that SHA administer the program in collaboration with the Department of Commerce. In addition, the bill (1) establishes various requirements for SHA and Commerce regarding the administration of the program, including the preparation and review of signage plans; (2) requires an attraction to pay a fee to SHA for the review of signs; (3) authorizes SHA to charge an attraction a reasonable annual administrative fee; and (4) establishes provisions regarding program amendments, eligibility for signage, and limitations on the content of signs.

Baltimore/Washington International Thurgood Marshall Airport

Chapter 589 of 2001 established the Citizens Committee for the Enhancement of Communities Surrounding Baltimore/Washington International Thurgood Marshall Airport to address transportation issues that affect local communities near certified airport noise zones. *House Bill 573 (passed)* increases the number of members on the committee from 11 to 12 members and requires one member of the committee to be recommended by the delegates representing District 12A and one member of the committee to be recommended by the delegate representing District 12B.

Port of Baltimore

Senate Bill 1188/House Bill 1526 (Chs. 2 and 3) recognize the importance of the Port of Baltimore to the regional, State, and local economies. Among other things, the Acts allow for the establishment of temporary relief programs due to the reduced operations of the port – specifically the suspension of vessel traffic or the inability of vessels to access the Port of Baltimore due to the collapse of the Francis Scott Key Bridge on March 26, 2024.

Senate Bill 156/House Bill 375 (Chs. 4 and 5) change references in State law that refer to the “Port of Baltimore” to instead refer to the “Helen Delich Bentley Port of Baltimore.”

Motor Vehicles

Drunk and Drugged Driving

Ignition Interlock System Program and Expungement

Participation in the Maryland Ignition Interlock System Program (IISP) is mandatory for an individual convicted of driving while under the influence of alcohol or alcohol *per se*, transporting a minor younger than age 16 while impaired by alcohol, and other specified drunk and drugged driving offenses. *House Bill 105 (passed)* expands mandatory participation in IISP to include an individual who is granted probation before judgment (PBJ) for driving while under the influence of alcohol or under the influence of alcohol *per se*. An individual who is convicted of or granted PBJ for driving while impaired by alcohol is also required to participate in IISP. The bill also authorizes an individual who is granted a PBJ for driving while under the influence of alcohol, under the influence of alcohol *per se*, or impaired by alcohol to file a petition for expungement under specified circumstances.

Operating a Vessel While Under the Influence of Alcohol

The State Boat Act prohibits a person from operating or attempting to operate a vessel while under the influence of alcohol. Violators are subject to applicable criminal penalties, including fines and imprisonment. For a second or subsequent conviction, violators face heightened criminal penalties. Additionally, a court may prohibit a person convicted of a violation from operating a vessel on the waters of the State for up to one year.

Senate Bill 740 (passed) authorizes a court to prohibit a person from operating a vessel on the waters of the State for up to two years if the person is convicted of operating or attempting to operate a vessel while under the influence of alcohol and up to five years if the person's violation resulted in the death of another. The bill also prohibits a person from operating or attempting to operate a vessel on the waters of the State while prohibited from doing so by the court, subject to specified criminal penalties. When a court prohibits a person from operating a vessel on the waters of the State pursuant to a conviction for operating or attempting to operate a vessel while under the influence of alcohol, the court must electronically notify the Department of Natural Resources (DNR) of the prohibition. DNR, in coordination with the Natural Resources Police (NRP), must establish and maintain a database of persons prohibited by a court from operating a vessel on the waters of the State. The database must be established by October 1, 2025, and must be accessible to an NRP officer in any patrol vehicle or vessel.

Higher Penalties for Alcohol- and/or Drug-related Driving Offenses

Under *Senate Bill 362* and *Senate Bill 1092/ House Bill 1439 (all passed)*, the maximum fine for a first offense for the following violations is increased from \$1,000 to \$1,200, and the maximum fine for a second offense is increased from \$2,000 to \$2,400:

- driving or attempting to drive while under the influence of alcohol;

- driving or attempting to drive while under the influence of alcohol per se;
- driving or attempting to drive while impaired by alcohol, while transporting a minor;
- driving or attempting to drive while so far impaired by any drug, any combination of drugs, or a combination of one or more drugs and alcohol that the person cannot drive a vehicle safely, while transporting a minor; and
- driving or attempting to drive while impaired by any controlled dangerous substance (CDS) if not entitled to use the CDS under the laws of Maryland.

All three bills redirect at least 20% of the fines collected for these violations to the Maryland Trauma Physicians Services Fund (MTPSF). Otherwise, the residual penalties collected from these cases heard in the District Court continue to accrue to the general fund, while the residual penalties from cases heard in the circuit courts continue to accrue to the county.

Licensing and Registration

Driver’s Licenses, Identification Cards, and Learner’s Instructional Permits

Senate Bill 277/House Bill 161 (both passed) exempt certain applicants for identification cards who present appropriate documentation to the Motor Vehicle Administration (MVA) from paying the required issuance fee. The bills also extend the term of a learner’s instructional permit for an individual seeking a different class of license from 180 days to one year. Finally, the bills establish that a driver’s license issued to certain U.S. government contractors (and any dependents residing with the contractors) must remain in full force and effect during an absence from the State in service of the contract.

Vehicle Registration Fees and Surcharges

As noted above, *Senate Bill 362* increases the fees paid at registration for most vehicles. Specifically, most vehicle classes will pay a higher annual registration fee beginning July 1, 2024, with the amount further increasing beginning July 1, 2025. The heaviest Class A (passenger), Class M (multipurpose), and Class E (truck) vehicles also incur another increase beginning July 1, 2026. The annual increase ranges from \$20 to \$45, and the final increase ranges from \$30 to \$75 – compared to fees currently paid. In addition, *Senate Bill 362* and *Senate Bill 1092/House Bill 1439* increase the annual surcharges, paid at vehicle registration and renewal, for emergency medical services (EMS) by a total of \$23, with the revenues directed to MTPSF, the Maryland Emergency Medical System Operations Fund, and the R Adams Cowley Shock Trauma Center. These annual registration and EMS surcharges were last raised in 2004. *Senate Bill 362* also establishes an annual surcharge of \$125 for each zero-emission vehicle and \$100 for each plug-in electric drive vehicle that is not a zero-emission vehicle (*i.e.*, PHEV), also paid at registration. As many classes of vehicles renew on a biennial basis, most owners pay two years of annual fees at

registration. Accordingly, *Senate Bill 362* also allows for payment of these fees in installments over the registration period, as determined by MVA.

Special Registration Plates

Senate Bill 55/House Bill 178 (both passed) authorize MVA to issue a special disabled veteran registration plate to an individual who is between 50% and 99%, inclusive, service-connected disabled, as designated or classified by the U.S. Department of Veterans Affairs.

Senate Bill 275/House Bill 231 (Chs. 24 and 25) authorize the recipient of a U.S. Department of Defense (DOD) Next of Kin lapel button indicating status as a surviving spouse, parent, or next of kin of a member of the U.S. Armed Forces who died as a result of certain military activity to apply for special registration plates after submitting specified documentation to MVA, similar to special registration plates for DOD Gold Star recipients. The Acts also waive the one-time fee for the issuance of both special registration plates.

Manufacturers and Dealers

Senate Bill 504/House Bill 605 (both passed) establish a new regulatory framework that applies to recreational vehicle manufacturers and dealers in recognition of the fact that the relationship between recreational vehicle manufacturers and dealers is different than that between passenger vehicle manufacturers and dealers. Among other things, the framework includes new licensing requirements for recreational vehicle manufacturers. The bills establish procedures, timelines, and requirements that govern written dealer agreements and provisions governing warranties and the delivery of recreational vehicles. The bills also establish enforcement provisions.

Senate Bill 1003/House Bill 1273 (both passed) authorize a licensed dealer or distributor to electronically submit an order (instead of placing a written order) to a manufacturer. A manufacturer may not refuse to deliver certain new vehicles or parts, as specified, to a licensed dealer or distributor on receipt of an electronic order.

Vehicle Shows

House Bill 840 (passed) establishes that all new vehicle dealers of Class M motor homes and Class G trailers (and any licensed salespersons employed by them) may participate in three annual vehicle shows. The shows do not have to be limited to Class M motor homes or Class G trailers.

Senate Bill 60 (passed) authorizes a dealer of motor homes or recreational trailers licensed by another state to display or exhibit (but not execute a buyer's order or accept a deposit on) motor homes or recreational trailers at vehicle shows for motor homes or recreational trailers. The bill also requires the Department of Commerce to conduct a study to determine the perceivable impact of out-of-state dealers of motor homes or recreational trailers displaying or exhibiting at vehicle

shows in the State at the Maryland RV Show at the Maryland State Fairgrounds in Timonium. The bill terminates May 31, 2027.

Rules of the Road

Work Zone Speed Control Systems

The Governor’s Work Zone Safety Work Group, created in response to a spike in roadway fatalities following the COVID-19 pandemic and a March 2023 incident in which six roadway workers were killed, was charged with making recommendations to enhance work zone safety and protect roadway workers and law enforcement personnel from harm.

House Bill 513 (Ch. 17), introduced in response to the workgroup’s recommendations, makes changes to the State’s work zone speed control systems (work zone speed cameras) program. Specifically, the Act (1) increases civil penalties for violations captured by work zone speed cameras; (2) alters the distribution of the revenues collected from these penalties; (3) repeals the requirement that work zone speed cameras may only be used on expressways or controlled access highways, facilitating their use by local jurisdictions; and (4) establishes a reporting requirement for the State Highway Administration (SHA).

Under the Act, special fund administrative costs increase by an estimated \$4.2 million in fiscal 2025 to put additional systems into place. Special fund revenues increase by an estimated \$29.7 million in fiscal 2025 (\$24.0 million for SHA and \$5.7 million for the Department of State Police (DSP)), due to the higher penalty for the first half of the year, expanded enforcement, and the establishment of a tiered penalty system in the second half of the fiscal year. In the out-years, revenues increase less significantly due to greater compliance.

Civil Penalties and Revenue Distribution: Effective June 1, 2024, the Act sets the civil penalty for work zone speed camera violations at \$80 (rather than a maximum \$40). Subsequently, effective January 1, 2025, the Act establishes a tiered penalty system based on the speed recorded by a work zone speed camera in excess of the posted speed limit, as shown in **Exhibit G-2**.

Exhibit G-2
Penalty Structure for Work Zone Speed Control Systems
Effective January 1, 2025

<u>Exceeding the Speed Limit By:</u>	<u>Base Amount</u>	<u>Penalty</u> <u>With Workers Present</u>
12 – 15 MPH, inclusive	\$60	\$120
16 – 19 MPH, inclusive	80	160
20 – 29 MPH, inclusive	140	280
30 – 39 MPH, inclusive	270	540
40 or more MPH	500	1,000

MPH: miles per hour

Source: Department of Legislative Services

Also effective June 1, 2024, the Act alters the distribution of the revenues collected from work zone speed cameras so that, after the initial distribution to cover the costs of implementing and administering work zone speed cameras, only 25% of the remaining balance, instead of the entire remaining balance, is distributed to DSP for specified vehicle and equipment costs. The Act requires the other 75% of the remaining balance to be distributed to the Transportation Trust Fund (TTF) for highway and work zone safety purposes and SHA system preservation.

Required Signage: Effective January 1, 2025, the Act alters the definition of “work zone” such that any such segment of a highway designated as a work zone must be equipped with (1) signage designating each entrance and exit to the work zone and (2) flashing lights that operate whenever workers are present at the work zone. Similarly, the definition of “work zone speed control system” is altered to require that a device be equipped with flashing blue lights.

Reporting Requirements: By December 1, 2024 (and annually thereafter), SHA must report to the Governor and the General Assembly (1) on any pilot program that SHA conducted in the previous fiscal year that tests new technologies for detecting and recording work zone speed camera violations or (2) that SHA did not conduct any such pilot program in the previous fiscal year. A report must include information on (1) how data collected from the device tested may be used for the enforcement of work zone speed camera violations and (2) any legislative or regulatory changes that would be necessary to authorize the effective use of the device. The Maryland Department of Transportation must also annually report to the Governor and the General Assembly on how funds distributed to TTF under the Act’s changes have been spent.

Clarifying Changes and Additional Provisions Related to Use of Work Zone Speed Cameras: The Act makes several other changes – some of which are clarifying, while others modify related requirements – to existing provisions governing the use of work zone speed cameras, including:

- clarifying that statutory provisions related to the issuance of citations and the disposition of fines (*e.g.*, cost recovery and the use of any remaining balance after cost recovery) apply to local work zone speed cameras;
- clarifying that a work zone speed camera operator does not need to be present in person or remotely at the highway work zone when a work zone speed camera is in use;
- clarifying that multiple work zone speed cameras may be implemented and used in a work zone;
- establishing that if a work zone has more than one work zone speed camera in use, only one citation may be issued for the same registration plate for alleged violations that occur within a one-hour period in the work zone; and
- establishing that in the first 30 days that a work zone speed camera is in use, warnings or citations may be issued – rather than only warnings.

Other Automated Enforcement Systems

Noise Abatement Monitoring Systems: *Senate Bill 155/House Bill 212 (both passed)* establish a regulatory framework for counties to use noise abatement monitoring systems on State and local highways to record violations of State law governing maximum sound limits of motor vehicles. The scope and timeframe of the authorization is limited to the use of, at most, three such systems in each of Montgomery and Prince George’s counties over a two-year period. Each of the counties must report – by December 1, 2025 – to the Governor and the General Assembly on its implementation of noise abatement monitoring systems, as specified.

Stop Sign Monitoring Systems: *House Bill 364 (passed)* authorizes, for five years, the use of stop sign monitoring systems on State and local highways located in a school zone in Prince George’s County to record violations of State law requiring obedience to stop signs. Unless the driver of the motor vehicle received a citation from a police officer at the time of the alleged violation, the owner or driver of a motor vehicle is subject to a civil penalty of up to \$40 if the motor vehicle is recorded by a stop sign monitoring system during commission of the alleged violation. The bill also establishes a reporting requirement for Prince George’s County related to the implementation of stop sign monitoring systems.

Citations: To address the issue of citations and notices generated by automated enforcement systems being mailed to outdated addresses, *Senate Bill 672/House Bill 552 (both*

passed) require that these citations and notices be sent to (1) the current mailing address on file with MVA or (2) the current residential address on file with MVA if a mailing address is unavailable.

School Bus Monitoring Cameras: To reduce the number of drivers who unwittingly commit violations recorded by school bus monitoring cameras while traveling in the far lane in the opposite direction of the school bus, ***House Bill 761 (passed)*** prohibits the placement of a school bus stop on any highway with five or more undivided traffic lanes in Montgomery County beginning on December 31, 2026, unless (1) a school crossing guard is posted at the school bus stop to assist students in crossing the highway or (2) a traffic control device that maintains a red signal while a student is boarding or exiting a school bus is placed at the school bus stop.

Operation of Golf Carts on Local Highways

Senate Bill 316/House Bill 43 (both passed) authorize a person to operate a golf cart equipped with approved lighting on county or municipal highways between dawn and dusk if the maximum posted speed limit generally does not exceed 30 miles per hour. The golf cart must be kept as far to the right of the roadway as feasible, and the driver must have a valid driver's license. A golf cart operating pursuant to the bills' authorization is exempt from the general requirement that each motor vehicle driven on a highway in the State be registered. The governing body of a county or municipality may designate the highways under their respective jurisdictions on which a golf cart may be operated. The bills' statewide authorization replaces similar authorizations that only apply in certain jurisdictions.

Speed Limits

House Bill 193 (passed) authorizes Anne Arundel County and municipalities within the county to decrease the maximum speed limit to no less than 15 miles per hour on a highway after performing an engineering and traffic investigation. The county may not implement a new speed monitoring system to enforce speed limits on any portion of a highway for which the speed limit has been decreased pursuant to this authorization.

Street Racing and Exhibition Driving

To address the growing problem of "pop-up" events involving driving activity that endangers public safety, ***Senate Bill 442/House Bill 601 (both passed)*** increase penalties and points assessments for violations related to participation in race or speed contests. The bills also establish a statewide prohibition on exhibition driving on any highway or private property that is used for driving by the general public. The bills further apply statewide the prohibition in Worcester County against exhibition driving, race or speed contests, and other vehicular-related activities in a special event zone.

Right-of-Way

The driver of a vehicle must yield the right-of-way to a person who is lawfully riding a bicycle, an electric personal assistive mobility device (EPAMD), or a motor scooter in a designated bike lane or shoulder if the driver of the vehicle is about to enter or cross the designated bike lane or shoulder. *Senate Bill 315/House Bill 337 (both passed)* establish increased penalties for a driver who violates this requirement if the violation contributes to the serious physical injury or death of a person riding a bicycle, EPAMD, or motor scooter in the bike lane or shoulder, subjecting a violator to imprisonment not exceeding two months or a fine not exceeding \$2,000 or both.

Motorcycles

Senate Bill 730/House Bill 102 (both passed) prohibit a motorcycle passenger from riding on a seat at the rear of the operator if the passenger cannot position their feet firmly on the footrests while seated. This prohibition does not apply if a motorcycle passenger cannot position their feet as required due to a permanent physical disability. A violation is a misdemeanor and is subject to a maximum fine of \$500.

Solicitation

Except for the occupant of a disabled vehicle who seeks the aid of another vehicle, a person may not stand in a roadway to solicit a ride, employment, or business from an occupant of any vehicle. Further, a person is prohibited from standing on or near a highway to solicit any other person to guard any vehicle while it is parked or about to be parked on the highway. *House Bill 766 (passed)* prohibits, in Calvert County, a person from standing in a roadway, median divider, or intersection to solicit money or donations of any kind from the occupant of a vehicle.

Part H

Business and Economic Issues

Business Occupations

Professional Licensing Boards and Commissions

Cosmetologists

The General Assembly considered several measures related to the licensure and regulation of cosmetologists during the 2024 session. The State Board of Cosmetologists issues two full-service licenses (cosmetologist and senior cosmetologist) and four limited licenses (hairstylist, blow drying, nail technician, and esthetician).

Senate Bill 629/House Bill 1362 (both passed) change the content of the membership of the State Board of Cosmetologists to include one licensed esthetician and reduce the number of consumer members of the board from two to one. *Senate Bill 1044/House Bill 1302 (both passed)* alter the definition of “provide esthetic services” to include specified services, such as exfoliating and cosmetic microneedling. However, the bills explicitly exclude from the definition both the diagnosis of illness, disease, or injury and performing ablation of the dermis or hypodermis.

Senate Bill 27/House Bill 383 (both passed) enter Maryland into the interstate Cosmetology Licensure Compact for cosmetologists to facilitate the interstate practice and regulation of cosmetology with the goal of improving public access to, and the safety of, cosmetology services and reducing unnecessary burdens related to cosmetology licensure. The bills establish (1) membership requirements for member states; (2) eligibility criteria for cosmetologists seeking a multistate license; (3) procedures for renewing a multistate license; (4) authority and duties of the Compact Commission and member state licensing authorities; (5) disciplinary procedures; and (6) related processes for the governance of the compact. The bills are contingent on the enacting of substantially similar legislation in six other states.

Electricians

An individual must be licensed by the State Board of Electricians as a master, journeyman, or apprentice electrician, as appropriate, before engaging in the activities covered by each license. However, a local jurisdiction may issue local registrations for those classifications, subject to specified requirements. Local jurisdictions may establish a local board and require permits, fees, and inspections. *Senate Bill 298 (Ch. 108)* authorizes the State board to assess a licensee a civil penalty of up to \$5,000 for each violation of the licensing statute. The civil penalty can be assessed instead of, or in addition to, other penalties, including a reprimand or the suspension or revocation of a license. In determining the amount of the penalty, the board must consider the seriousness of the violation, the good faith of the licensee, and other related factors. Revenues from civil penalties assessed by the board are paid to the general fund. The Act also requires the board to submit a report on its practices and processes for the timely resolution of complaints filed against licensees.

Emergency Medical Services

With specified exceptions, an individual may not provide emergency medical services (EMS) in the State unless issued a license or certificate by the EMS Board. In Maryland, emergency health care clinicians include cardiac rescue technicians, emergency medical dispatchers, emergency medical responders, emergency medical technicians, and paramedics. *Senate Bill 374/House Bill 380 (Chs. 43 and 44)* prohibit the State EMS Board from requiring as a condition for licensure or certification that an applicant provide proof of lawful presence in the United States or have a Social Security number or individual taxpayer identification number. The Acts authorize the use of an individual taxpayer identification number or alternative documentation, as permitted by the U.S. Department of Health and Human Services under the federal Social Security Act, for licensing purposes. The Acts specify that the EMS Board must require each applicant for a license to either disclose the applicant's Social Security number (as generally required under statute) or individual taxpayer identification number *or* provide alternative documentation.

Professional Engineers

Senate Bill 297 (Ch. 107) reduces the number of years, from 12 to 10, that an engineer member of the State Board of Professional Engineers must have practiced engineering. The modification brings the board into closer alignment with recent requirements established by the National Council of Examiners for Engineering and Surveying (the national organization that develops and scores the exams for professional engineers and surveyors).

Real Estate Brokers and Real Estate Commission

The General Assembly considered several measures related to the licensure and regulation of the real estate profession during the 2024 session.

Real Estate Contract Disclosures: *Senate Bill 1169/House Bill 697 (both passed)* require each real estate contract submitted to a party by a real estate broker, a nonresident real estate broker, an associate real estate broker, a real estate salesperson, or a nonresident real estate salesperson for use in the sale of a commercial real estate to contain, in bold-faced type, a statement that the buyer has the right to select the buyer's own (1) title insurance company; (2) settlement company; (3) escrow company; or (4) title lawyer. The required statement must also contain, in bold-faced type, a statement that a seller may not be prohibited from offering owner financing as a condition of settlement. The bills establish similar requirements for commercial real estate transactions.

License Renewals and Continuing Education: At least one month before a license expires, the State Real Estate Commission must mail or electronically transmit to a licensee a renewal application form and a notice stating (1) the date on which the current license expires and (2) the amount of the renewal fee. *Senate Bill 564 (passed)* requires the notice to be sent at least 60 days before a license expires.

Under current law, the commission is required to adopt regulations related to the conduct of continuing education instruction courses by (1) remote access satellite; (2) closed-circuit video; (3) computer; (4) home study; and (5) any other delivery system approved by the commission. *Senate Bill 564* repeals these provisions and instead requires the commission to adopt regulations related to the conduct of continuing education by virtual or remote means. The bill also modifies the requirements for providing proof of continuing education completion to the commission.

Branch Manager Designation: A licensed real estate broker must designate a manager for each branch office of the broker, subject to specified requirements. The manager must supervise the provision of real estate brokerage services by the associate brokers and sales agents registered to that office. *Senate Bill 462/House Bill 709 (both passed)* authorize a licensed real estate broker to designate himself or herself as the manager of a branch office maintained by the licensed real estate broker.

Brokerage Agreements: The requirements for brokerage agreements apply to both agreements between a broker and a seller or lessor and agreements between a broker and buyer or lessee. *Senate Bill 542 (passed)* splits general brokerage agreement requirements under current law into two sections: one governing the agreement between a broker and a seller or lessor; and another between a broker and a buyer or lessee and requires certain information to be included in the agreement.

Complaints for Advertising Violations: Under current law, the State Real Estate Commission must commence proceedings on a complaint made to the commission (by a member of the commission or any other person). A complaint must be in writing and state specifically the facts on which the complaint is based. If a complaint is made by any person other than a member of the commission, the complaint must be made under oath by the person who submits the complaint. A complaint may be accompanied by documentary or other evidence. *Senate Bill 461/House Bill 520 (both passed)* establish that a complaint filed with the commission

alleging an advertising violation may be made anonymously and not under oath (but must be accompanied by documentary or other evidence).

Tax Preparers

The State Board of Individual Tax Preparers is charged with adopting rules of professional conduct as appropriate to establish a high standard of integrity and dignity for the practice of individual tax preparation, maintaining a list of all authorized individual tax preparers registered by the board, and maintaining records of all complaints regarding individual tax preparers in the State, among other duties.

Senate Bill 675/House Bill 452 (both passed) (1) require the board, by January 1, 2026, to publish on its website a code of ethics and rules of professional conduct for engaging in the practice of individual tax preparation; (2) require the board to notify the Comptroller's Office of specified actions and violations under the Maryland Individual Tax Preparers Act; (3) grant authorized employees of the Field Enforcement Bureau in the Office of the Comptroller with the powers, duties, and responsibilities of a peace officer for the purpose of enforcing the laws pertaining to income tax preparation; and (4) require the Comptroller to notify the board after prohibiting an income tax return preparer from submitting income tax returns electronically.

The bills also prohibit an income tax preparer from willfully preparing, assisting in preparing, or causing the preparation of an income tax return or claim for refund without being properly licensed or registered to provide income tax preparation services in the State; a violation is a misdemeanor subject to a fine of up to \$5,000 to be paid into the Tax Clinics for Low-Income Marylanders Fund.

Program Evaluation, Extensions, and Reporting (“Sunset Review”)

The Maryland Program Evaluation Act (MPEA) is used by the General Assembly to evaluate activities and units of the Executive Branch of State government. The Department of Legislative Services (DLS) may evaluate entities subject to the evaluation and reestablishment provisions of MPEA as directed by the Legislative Policy Committee, the Joint Audit and Evaluation Committee (JAEC), 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. Many regulatory boards and commissions are subject to termination and therefore potentially subject to an evaluation if determined to be appropriate prior to termination. This session, legislation extended the termination dates of six occupational and professional licensing boards in the Maryland Department of Labor (MDL), with the caveat that MDL must submit a report on each board to JAEC by July 1, 2025.

The State Amusement Ride Safety Advisory Board is responsible for advising and consulting with the Commissioner of Labor and Industry on amusement ride safety regulations. *House Bill 242 (passed)* extends the termination date for the board by three years to July 1, 2027.

The Board of Boiler Rules advises State regulators on the construction, operation, installation, maintenance, repair, and inspection of boilers and pressure vessels. *Senate Bill 307 (passed)* extends the termination date for the board by five years to July 1, 2029. The bill also adds a member to the Board of Boiler Rules.

The State Board of Barbers issues barber and barber-stylist (limited) licenses. The board also registers apprentices and conducts health and safety inspections of barber shops. *Senate Bill 261 (passed)* extends the termination date for the board by three years to July 1, 2027.

Senate Bill 264 (passed) extends the termination date for the State Board of Cosmetologists by three years to July 1, 2027.

Senate Bill 288 (passed) extends the termination date for the State Board of Individual Tax Preparers by one year, to July 1, 2027.

The State Board for Professional Land Surveyors' primary purpose is to license and regulate the practice of land surveying in the State, and its major functions are examining, licensing, and disciplining members of the profession. *Senate Bill 296 (passed)* extends the termination date for the State Board for Professional Land Surveyors by three years to July 1, 2027.

Security Guards

Due to take effect June 1, 2024, Chapter 763 of 2023, among other things, requires individuals serving as security guards and employed by security guard employers to also be certified by the Secretary of State Police. Chapter 763 also requires that a security guard report any use of force against a person while providing security guard services on behalf of the licensed security guard agency or for the security guard employer to the security guard agency or the security guard employer within 48 hours after the use of force occurs.

Senate Bill 729 (passed) requires the employer of a security guard providing security guard services on the premises of a health care facility to report every seven days to the Secretary of State Police on the number of code greens initiated for combative persons and code purples initiated for security only responses – as those emergency codes are identified in Title 10 of the Code of Maryland Regulations – occurring in the previous seven days. It also delays the effective date of Chapter 763 of 2023 from June 1, 2024, to January 1, 2025.

Business Regulations

Tobacco Products and Electronic Smoking Devices

Senate Bill 1056 (passed) (passed) makes various changes to the manner in which cigarettes, electronic smoking devices (ESD), and other tobacco products (OTP) may be sold in

the State. Generally, cigarettes, OTP, and ESD may not be displayed at retail unless the products are behind a counter.

The bill (1) increases specified county retail tobacco product license fees; (2) includes additional specifications related to the display of tobacco products, OTP, and ESD; (3) requires the Maryland Department of Health (MDH) or its designee to conduct unannounced vendor inspections; (4) expands the grounds by which civil citations may be issued related to the display of ESD or tobacco products and sale of ESD or tobacco products without age verification; (5) increases the criminal penalties associated with the sale of tobacco products to minors; and (6) repeals various provisions that authorize the sale of cigarettes, OTP, or ESD to a person who is at least age 18 and an active-duty member of the military.

General fund expenditures for grants to local health departments to implement the bill are anticipated to exceed \$1.0 million annually; however, general fund revenues from the increased license fees are anticipated to almost offset these costs fully.

Funds and Fees

Household Goods Movers Special Fund and Fees

Senate Bill 559/House Bill 710 (both passed) establish the Household Goods Movers Registration Fund administered by the Maryland Department of Labor (MDL). The purpose of the fund is to cover the actual documented and indirect costs of fulfilling MDL's duties related to the regulation of household goods movers and moving services. The Office of Legislative Audits must audit the accounts and transactions. MDL must annually calculate the direct and indirect costs attributable to the regulation of household goods movers and fees must be established based on those calculations. Annual fee increases are limited to 12.5%, as specified.

9-8-8 Trust Fund Fees

Chapters 145 and 146 of 2022 established the 9-8-8 Trust Fund to provide reimbursement for costs associated with designating and maintaining 9-8-8 as the universal telephone number for a national suicide prevention and mental health crisis hotline and developing and implementing a statewide initiative for the coordination and delivery of the continuum of behavioral health crisis response services.

Senate Bill 974/House Bill 933 (both passed) establish a State 9-8-8 fee with a structure and application nearly identical to the structure and application for the State's 9-1-1 fee. The 9-8-8 fee is set at \$0.25 and applied on specified 9-8-8 accessible services in Maryland (including on phoneline subscribers beginning October 1, 2024, and prepaid wireless purchasers beginning July 1, 2027). Fee revenues accrue to the 9-8-8 Trust Fund (less small portions retained by "9-8-8 service carriers," prepaid wireless sellers, and the Comptroller) to support the eligible uses of the fund (including related administrative expenses of the Comptroller). Special fund revenues from the fee for the 9-8-8 Trust Fund are anticipated to exceed \$20.0 million in fiscal 2025 and exceed \$26.0 million annually thereafter.

Home Improvement Contractors

The Maryland Home Improvement Commission (MHIC) in MDL licenses and regulates home improvement contractors and salespersons, subject to specified requirements for licensure and ongoing licensee behavior. MHIC 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. *Senate Bill 806/House Bill 738 (both passed)* increase, from \$50,000 to \$500,000, the amount of general liability insurance that a licensed home improvement contractor or an applicant for a home improvement contractor license must maintain.

Senate Bill 648/House Bill 211 (both passed) prohibit a person from serving as a contractor, subcontractor, or broker between a contractor and subcontractor in the State within five years of being convicted of an offense constituting criminal malfeasance, misfeasance, or nonfeasance under federal or State law.

Vehicles and Vehicle Parts

Sale of Motor Fuel – Pricing Signage

House Bill 882 (passed) requires a sign at all retail service stations to prominently display the credit and debit price, if the debit or credit price is higher than the cash price, or the credit and debit price and the cash price for a whole measurement unit of regular gasoline sold on the premises. All numerals on the sign must be the same size. The bill specifies that provisions governing signage at retail service stations supersede any inconsistent local law.

Additionally, the bill repeals an exemption from the existing signage requirement for retail service station dealers who operate with up to three dispensing units and six combined nozzles, thus making the new requirement apply to all retail service station dealers.

Detached Catalytic Converters

For each purchase of junk or scrap metal in the State, a junk dealer or scrap metal processor must keep a record in English that states, among other things (1) the date and time of purchase; (2) a description of the junk or scrap metal purchased; and (3) the name and address of the individual from whom the junk or scrap metal is acquired. *House Bill 871 (passed)* requires a licensed automotive dismantler, scrap metal processor, or junk dealer that acquires all or part of a detached catalytic converter from a person to record and keep in the person's records the vehicle identification number of the vehicle from which the catalytic converter was obtained.

Electric Vehicle Supply Equipment Workgroup

Senate Bill 951/House Bill 1028 (both passed) establish the Electric Vehicle (EV) Supply Equipment Workgroup to develop a framework for reliability and reporting standards for EV charging stations, study and make recommendations regarding which government entities have

responsibility for ensuring accountability regarding EV charging stations, and make recommendations regarding adopting and implementing regulations, as specified. By November 1, 2024, the workgroup must report its framework and recommendations to specified committees of the General Assembly.

Miscellaneous

Green Death Care Options Act

Cremation is regulated either by the Office of Cemetery Oversight (OCO) within MDL or the State Board of Morticians and Funeral Directors within MDH, based on ownership of the crematory. Specifically, OCO and the board each regulate facilities in which their registrants/permit holders or licensees hold majority ownership. Independent – or free-standing – crematories are subject to the jurisdiction of OCO. As part of their joint oversight of crematories, OCO and the board must adopt identical regulations.

Senate Bill 1028/House Bill 1168 (both passed) require OCO, in conjunction with the board, to adopt regulations establishing a process for regulating (1) crematories that use “alkaline hydrolysis”; (2) “reduction facilities” that use “natural organic reduction”; and (3) “registered reduction operators.” A funeral establishment, crematory, or reduction facility is exempt from the requirement to maintain a body in a manner that provides for complete coverage of the body and prevents leakage or spillage during placement inside a contained chamber or vessel without an external visual exposure during the process of alkaline hydrolysis or natural organic reduction.

Restaurant and Trader Licensing Requirements

A “trader” is defined in statute as “a person who operates a room or other place of business for selling goods, including goods sold at auction.” Generally, a person must have a trader’s license whenever the person either does business as a trader in the State or does business as an exhibitor in the State. This requirement does not apply to certain occupations in the State. *House Bill 1116 (passed)* requires a licensed restaurant to also have a trader’s license if the restaurant does business as a trader or exhibitor in the State. However, the bill exempts from the requirement to obtain a trader’s license a business that generates 10% or less of its annual sales from nonfood items.

Public Service Companies

Retail Energy Supply

The Electric Customer Choice and Competition Act of 1999 restructured the electric utility industry in Maryland, breaking up vertically integrated systems for generation, transmission, and distribution of electricity. The resulting system of customer choice allows a retail customer to purchase electricity from a competitive supplier or to continue receiving electricity under standard offer service (SOS) through the customer’s electric company. Similarly, gas customers may participate in customer choice through a competitive gas supplier or may continue receiving

default gas commodity service, analogous to SOS. The Public Service Commission (PSC) is required to license electricity suppliers and gas suppliers before they may engage in the retail energy supply market in the State.

Senate Bill 1 (passed) updates supplier licensing and regulatory enforcement and establishes new provisions for the retail energy supply market for residential customers. The bill establishes new licensing categories for energy salespersons and energy vendors, referring to individual salespersons and third-party marketing entities for residential energy supply, respectively. Under the bill, beginning July 1, 2025, a person may not engage in the business of an energy salesperson in the State unless the person holds a license issued by PSC. Additionally, a licensed energy salesperson may offer or sell electricity supply agreements or gas supply agreements to customers in the State only if the energy salesperson is associated with a licensed electricity supplier or licensed gas supplier, respectively. The bill specifies application requirements for an energy salesperson license, including providing proof of association with a licensed electricity or gas supplier, payment of a licensing fee, and proof of compliance with applicable training requirements for customer protection. The term of the license is three years and may be renewed.

Similarly, beginning July 1, 2025, a person may not engage in the business of an energy vendor in the State unless the person holds a license issued by PSC. The bill specifies application requirements for an energy vendor license, including payment of a licensing fee, and additional actions that PSC must take by regulation or order that mirror those for energy salespersons. The term of the license is also three years and may be renewed.

Additionally, the bill establishes provisions related to the price of energy supply and, specifically, “green power.” For residential electricity supply other than supply offered through SOS or specified governmental entities, a residential electricity supplier (1) may offer electricity, other than green power, only at a price that does not exceed the trailing 12-month average of the electric company’s SOS rate in the electric company’s service territory; (2) may offer residential electricity supply only for a term up to 12 months at a time; (3) may, for electricity supply other than green power, automatically renew the term only if the electricity supplier provides notice to the customer 90 days and 30 days before renewal; and (4) may offer green power that meets specified requirements, discussed below, but may not automatically renew the term with the customer. The bill establishes parallel requirements for gas suppliers that supply gas to residential gas customers – although there are no requirements related to green power.

The bill defines “green power” as energy sources or renewable energy credits (RECs) that are marketed as clean, green, eco-friendly, environmentally friendly or responsible, carbon-free, renewable, 100% renewable, 100% wind, 100% hydro, 100% solar, 100% emission-free, or similar claims. Generally, an electricity supplier that supplies electricity to residential electric customers may not market electricity as green power unless the percentage of electricity being offered, or the equivalent number of RECs associated with the electricity marketed as green power, equals or exceeds the greater of 51% or 1% higher than the State Renewable Energy Portfolio Standard

(RPS) for the year the electricity is provided to the customer; and PSC approves the price of the electricity being marketed as green power, subject to specified considerations.

The bill establishes a procedure for PSC to evaluate and approve prices for green power, with a maximum price per megawatt-hour. PSC must revisit the maximum price each year and must report certain information to the General Assembly if the actual price allowed exceeds 150% of the set maximum. Beginning January 1, 2025, an electricity supplier must purchase RECs for each year the electricity supplier offers green power for sale to residential retail electric customers. The RECs must be retired in a PJM Generation Attribute Tracking System reserve subaccount accessible by PSC.

The bill authorizes PSC to adopt regulations to require a residential energy retailer to post notices and disclosures required under Title 7 of the Public Utilities Article on the retailer's website and to require or prohibit the use of specific language in a residential energy retailer's marketing materials, disclaimers, disclosures, and legal documents. However, PSC must require a residential energy retailer to post on its website the terms and conditions of its residential services and products and an environmental disclosure in clear, unambiguous language.

Further, the bill increases the amount that PSC may assess each public service company to fund agency operations each year, from 0.25% to 0.5%, of each company's gross operating revenues derived from intrastate utility and electricity supplier operations in the preceding calendar year. The bill also renames the Retail Choice Customer Education and Protection Fund to be the Education and Protection Fund and expands the purposes and permissible uses of the fund.

Finally, the bill requires PSC to study and make recommendations on issues related to the utilization of end-use electricity customer load that is physically connected to the facilities of an existing or planned electric generation facility, also known as co-located load configuration. By December 15, 2024, PSC must report its findings and recommendations to specified committees of the General Assembly.

Certificate of Public Convenience and Necessity

Subject to limited exceptions, a person may not begin construction in the State of a generating station, overhead transmission line, or qualified generator lead line unless the person first obtains a Certificate of Public Convenience and Necessity (CPCN) from PSC. *Senate Bill 474 (passed)* authorizes generating units or facilities that meet specified requirements to be constructed without obtaining either (1) a CPCN or (2) approval to construct from PSC under the CPCN exemption process. More specifically, the bill excludes from the definition of "generating station" a generating unit or facility that:

- is used for the production of electricity for the purpose of (1) onsite emergency backup at a facility when service from the electric company is interrupted due to electric distribution or transmission system failure or when there is equipment failure at a site where critical infrastructure is located and (2) test and maintenance operations necessary to ensure

functionality of the generating unit or facility in the event of a service interruption from the electric company due to electric distribution or transmission system failure or when there is equipment failure at a site where critical infrastructure is located;

- is installed with equipment that prevents the flow of electricity to the electric grid;
- is subject to a permit to construct issued by the Maryland Department of the Environment (MDE); and
- is installed at a facility that is part of critical infrastructure if the facility complies with all applicable regulations regarding noise level and testing hours.

By December 1 each year, starting in 2025, the owner or operator of a generating unit or facility exempted from the CPCN process under the bill must submit a report to MDE that includes, covering the previous 12 months: (1) the dates on which the generating unit or facility was used; (2) the length of time the generating unit or facility was operated; and (3) the reason the generating unit or facility was operated.

By December 1, 2025, and every two years thereafter, the Maryland Energy Administration (MEA), in consultation with the Department of Commerce and industry representatives selected by Commerce, must report to the General Assembly on (1) advancements in backup generation technologies; (2) the commercial availability of new backup generation technologies that can be procured; and (3) the affordability of adopting new backup generation technologies.

Finally, the bill alters the distribution of the State’s corporate income tax revenue attributable to data centers. More specifically, the Comptroller, after other specified distributions, must distribute 15% of the remaining income tax revenue from corporations that is attributable to qualified data centers that are operational on or after January 1, 2026, to the Strategic Energy Investment Fund (SEIF).

EmPOWER Maryland Energy Efficiency Act

Greenhouse Gas Emissions Reductions Targets

In 2008, the General Assembly passed the EmPOWER Maryland Energy Efficiency Act, which set target reductions of 15% in per capita electricity consumption and peak demand by 2015 from a 2007 baseline. Among many other changes, Chapter 38 of 2022, the Climate Solutions Now Act of 2022 (CSNA), which enhanced greenhouse gas (GHG) emissions reduction targets for Maryland, also expanded EmPOWER by establishing goals of 2.25% target reductions in 2025 and 2026 and of 2.5% thereafter.

House Bill 864 (*passed*) converts the electricity-based reductions under EmPOWER to roughly equivalent GHG emissions reduction targets. The bill requires, subject to review and PSC approval, each electric company, each gas company other than specified small gas companies, and

the Department of Housing and Community Development (DHCD) to develop and implement programs and services to encourage and promote the efficient use and conservation of energy; demand response; and beneficial electrification by consumers, electric companies, gas companies, and DHCD in support of the GHG emissions reduction goals and targets required under the Environment Article.

As directed by PSC, each municipal electric or gas utility, each small gas company that uses “make whole” rate proceedings, and each small rural electric cooperative must include energy efficiency and conservation, demand response, and beneficial electrification programs or services as part of their regulated services to their customers. By October 1, 2025, PSC must determine whether it is in the public interest for a mid-sized electric cooperative, as defined, to offer, on or after January 1, 2027, full EmPOWER programs and services or instead programs comparable to those of municipal and other small utilities.

By January 1, 2025, PSC must, by regulation or order, require each electric company and each affected gas company to develop and implement a plan that (1) covers appropriate ratepayer classes; (2) covers three-year program cycles starting in 2027; and (3) achieves the GHG emissions reduction targets established for the company under the bill through cost-effective energy efficiency and conservation programs and services, demand response programs and services, and beneficial electrification programs and services.

The bill applies to DHCD requirements similar to those for electric and gas companies. The bill requires, beginning January 1, 2025, and every three years thereafter starting in 2027, DHCD to procure or provide to low- and moderate-income individuals energy efficiency and conservation programs and services, demand response programs and services, and beneficial electrification programs and services that are on a trajectory to achieve GHG reductions of at least 0.9% of a 2016 baseline after 2027. MDE must determine the 2016 baseline for low- and moderate-income households.

Subject to PSC review and approval, generally, by September 1, 2024, if directed by PSC, and every three years thereafter starting in 2026, each electric company, each gas company, and DHCD must submit its EmPOWER plan to PSC. However, for an electric company or gas company that did not previously submit an EmPOWER plan, the deadline to submit the first plan is December 1, 2024.

PSC must also establish a related working group on the EmPOWER Maryland Program and moderate-income households. By July 1, 2025, PSC must report to the Governor and the General Assembly on the working group study and recommendations.

Payment of Unamortized Program Costs

In December 2022, PSC issued Order No. 90456 requiring that all unamortized EmPOWER program costs and interest as of December 31, 2023, which exceeded \$800 million at the time, be paid for in full by the completion of the 2027-2029 EmPOWER program cycle. The

order also required a change in future cost recovery to gradually move to full expensing of those costs.

House Bill 864 requires PSC to adopt rate-making policies that provide, through a surcharge line item on customer bills: (1) full cost recovery of reasonably incurred costs for the programs and services, including full recovery on a current basis by January 1, 2028; (2) by December 31, 2032, the elimination of any unpaid costs and unamortized costs that existed on December 31, 2024, or were incurred before January 1, 2028, and that were accrued for the purposes of achieving EmPOWER goals; (3) compensation for any of these unpaid costs and unamortized costs at no more than each electric or gas company's average cost of outstanding debt; and (4) reasonable financial performance incentives for electric companies and gas companies, as appropriate.

Electric Companies

CSNA established the goal of the State that the electric distribution system support, in a cost-effective manner, the State's policy goals with regard to (1) GHG reduction; (2) renewable energy; (3) decreasing dependence on electricity imported from other states; and (4) achieving energy distribution resiliency, efficiency, and reliability. The support includes system upgrades and projects that may take advantage of available federal funding.

House Bill 1393 (passed) modifies provisions related to electric distribution system planning established in CSNA by (1) broadening the scope of the State policy goals beyond the electric distribution system and making conforming changes; (2) broadening references to federal funds available for electric companies to meet the State's policy goals; and (3) requiring PSC to require electric companies to take certain actions. Specifically, the bill requires PSC to adopt regulations or orders that require electric companies to apply for federal and other available funds in a timely manner and ensure that least-cost debt is used.

Under the bill, PSC must adopt regulations or issue orders by December 31, 2025, to require consideration of investment in or procurement of cost-effective demand-side methods and technology to improve reliability and efficiency, including virtual power plants. Finally, the bill requires each electric company to report at least quarterly to PSC and MEA on the use of federal funds.

Senate Bill 959/House Bill 1256 (both passed) require each investor-owned electric company to file with PSC one or more time-of-use (TOU) tariffs to be available for appropriate customer classes on an opt-in basis and an enrollment target to achieve by January 1, 2028. The bills require the companies to report to PSC on potential deferral of distribution system capital projects due to TOU tariffs, demand-side programs, and other means to manage electricity demands, as specified. Municipal utilities and electric cooperatives may, but need not, file pilot TOU programs on the same basis as investor-owned electric companies.

PSC must also (1) adopt regulations to establish an expedited process for interconnecting bidirectional electric vehicle systems to the grid and (2) develop a program for each

investor-owned electric company to establish a pilot program or temporary tariff to compensate owners and aggregators of distributed energy resources for electric distribution system support services, as defined. PSC may also approve or require an investor-owned electric company to offer upfront incentives or rebates to customers to acquire and install “renewable on-site generating systems.” The bills also address cost recovery, municipal and cooperative participation, and low- or moderate-income customers.

House Bill 1112 (failed) would have required PSC to determine whether the deployment of one or more energy storage devices could help to avoid or limit a reliability-must-run agreement with an energy generating system, could prevent added costs to ratepayers, and would be in the public interest, subject to specified requirements. The bill would have established procedures for PSC to interact with the regional transmission organization and handle related CPCN applications in an expedited manner.

Solar Energy

Senate Bill 783 (passed) establishes or modifies various provisions of law related to solar energy deployment in the State. Among other things, the bill requires PSC to establish the Small Solar Energy Generating System Incentive Program, under which a solar energy generating system that meets specified requirements and is certified by PSC generates certified solar renewable energy credits (SRECs). Certified SRECs have a compliance value of 150% for electricity suppliers to put toward meeting the solar carve-out for the RPS. The total amount of in-State generating capacity for certified systems under the program may not exceed (1) 300 megawatts for systems with a generating capacity of less than 20 kilowatts and (2) 270 megawatts for systems with a generating capacity between 20 kilowatts and 5 megawatts. Among other eligibility requirements, a certified system must be placed in service between July 1, 2024, and January 1, 2028, inclusive.

Additionally, the bill (1) authorizes MEA to use up to 10% of solar alternative compliance payments for administration of the SEIF; (2) establishes a three-year Customer-Sited Program in MEA; (3) extends the duration of all RECs for purposes of the RPS to five years; (4) alters provisions related to net metering; (5) requires each county and municipality to implement specified solar permitting software and establishes related procedures; (6) establishes and modifies solar property tax incentives; (7) establishes prevailing wage requirements for specified solar systems; and (8) establishes requirements for home improvement contracts for rooftop solar installations.

Geothermal Energy

Senate Bill 570/House Bill 397 (both passed) authorize an electric company, a gas company, or a water company to own, manage, and recover costs associated with a thermal energy network system, subject to PSC approval. The bills require, by July 1, 2025, each gas company that serves at least 75,000 customers to submit one or two proposals for a pilot thermal energy

network system to PSC for approval. A gas company that serves fewer than 75,000 customers may submit a proposal for PSC approval after providing at least 60 days' advance notice.

A proposal for a pilot system must (1) ensure that at least 80% of a pilot system's customers are from low- or moderate-income housing and (2) demonstrate that the gas company has obtained, or is reasonably certain to obtain, any available federal funding. Each proposal must address multiple aspects of the pilot system, including how the pilot system will develop useful information for the adoption of regulations governing thermal energy network systems, how the pilot system furthers GHG emissions reduction goals, how the pilot system advances financial and technical approaches to equitable and affordable building electrification, and how the pilot system contributes to avoiding costs to electric distribution and transmission systems and gas pipe replacement. PSC may decide on the proposals by December 31, 2025.

Each pilot system must meet the requirements for pilot systems under the bill for two years after the pilot system is initiated and operational. After that, PSC, in consultation with other specified stakeholders, must determine whether to make the pilot system permanent. The bills also address gas company cost recovery.

Under the bills, MEA must coordinate specified funding sources to assist an electric company, a gas company, or a water company in covering the costs for all behind-the-meter projects, and must reserve \$9.0 million in related federal funding for pilot systems.

Insurance (Other Than Health Insurance)

Regulation and Administration

Senate Bill 230/House Bill 90 (both passed) require the Insurance Commissioner to allow a small employer business entity such as a corporation, partnership, limited liability company, or sole proprietorship to be represented by certain authorized individuals instead of an attorney at a hearing held by the Commissioner.

Senate Bill 229/House Bill 67 (Chs. 119 and 120) increase the maximum civil penalty that the Insurance Commissioner may impose on an unauthorized insurer or person engaging in the business of insurance in the State from \$50,000 to \$125,000 per violation. The maximum civil penalty for an insurance producer or public adjuster who violates provisions of the Insurance Article is increased from \$500 to \$5,000 per violation.

Insurance Professionals

House Bill 36 (passed) (1) extends the public adjuster contract cancellation period from 3 business days to 10 business days; (2) limits the hours during which a public adjuster may solicit business; and (3) requires a public adjuster contract to include specific statements. The bill requires that a public adjuster who enters into a public adjuster contract during, or within 72 hours after, the loss giving rise to an insurance claim must provide notice to the Insurance Commissioner.

Furthermore, the bill removes an existing limitation on protections against a fraudulent insurance act by contractors offering home repairs for damages to a private residence.

Senate Bill 336/House Bill 265 (both passed) repeal certain existing education and experience requirements necessary for an individual applicant to obtain an insurance producer license from the Maryland Insurance Administration (MIA). Specifically, the bills remove those provisions that require an individual to take a preclicensing course and work for at least one year before applying for an insurance producer license.

National Association of Insurance Commissioners – Model Legislation

Holding Company Systems: House Bill 252 (Ch. 121) alters Maryland insurance law to reflect revisions made to the National Association of Insurance Commissioners (NAIC) Model Act #440 “Insurance Holding Company System Regulatory Act” and Model Act #450 “Insurance Holding Company System Model Regulation with Reporting Forms and Instructions.” Generally speaking, the Act requires certain insurers to participate in a Group Capital Calculation and Liquidity Stress Test and establishes related processes and requirements.

Pet Insurance: House Bill 647 (passed) establishes a regulatory framework for pet insurance by generally adopting the NAIC pet insurance model act. By June 1, 2025, MIA must develop informational material about pet insurance policies that may be distributed to and posted by veterinary practitioners in the State.

Property and Casualty Insurance

Motor Vehicle Insurance

House Bill 1482 (passed) increases the uninsured motorist penalties that apply when required security (*i.e.*, insurance) on a motor vehicle registered in the State terminates or otherwise lapses during the vehicle’s registration period. The bill also increases the portion of the uninsured motorist penalties that accrue to the Maryland Automobile Insurance Fund beginning in fiscal 2025 and provides additional funding to two new programs administered by the Maryland State Department of Education. As a result of the changes, general fund revenues decrease by more than \$3.0 million annually.

Professional Liability Insurance

Senate Bill 996/House Bill 759 require each advanced practice registered nurse (APRN) practicing as an APRN in the State to notify a patient in writing if (1) an APRN does not maintain professional liability insurance coverage or (2) their professional liability insurance coverage has lapsed for any period of time and has not been renewed. Each APRN practicing in the State as an APRN who does not maintain professional liability insurance coverage must post that information in a conspicuous location in their place of practice. The State Board of Nursing must develop appropriate language for the required written notification.

Real Property

Generally, *House Bill 1227 (passed)* alters statutory provisions that govern insurance coverage for condominiums. The bill requires that property insurance be maintained (1) for attached units, multifamily dwelling units, or detached units located within a condominium not composed entirely of similar detached units, on the common elements and units, exclusive of improvements and betterments installed in units by unit owners other than the developer and (2) for detached units located within a condominium composed entirely of similar detached units, on the common elements only.

Horse Racing and Gaming

Thoroughbred Racing Facilities and Operations

On January 5, 2024, the Maryland Thoroughbred Racetrack Operating Authority (MTROA) issued a report to the Maryland General Assembly with recommendations for thoroughbred horse racing in Maryland. As a result of the recommendations, *House Bill 1524 (passed)* provides for the transfer of ownership and operation of thoroughbred racing facilities in the State from the Maryland Jockey Club (MJC) to MTROA. MJC will transfer ownership of Pimlico Race Course to the State as part of the redevelopment plan to serve as the hub of the Maryland racing industry. The race course will be supplemented by an industry-run training center. All day-to-day Maryland thoroughbred racing operations will be transferred to MTROA, or a nonprofit entity created by MTROA. MTROA will use the Laurel Park racing complex during the construction of Pimlico and the training facility, after which all racing will end at Laurel Park.

House Bill 1524 authorizes the Maryland Stadium Authority (MSA) to issue up to \$400 million in bonds to finance the construction of the facilities. At least \$250 million of the bond revenues must be allocated for the renovation of the Pimlico Race Course, and at least \$110 million must be allocated for the new training facility. At least \$17 million of State Lottery Fund revenues must be transferred annually to the Racing and Community Development Financing Fund to provide debt service payments for the bonds. Before any bonds may be issued, MTROA and the Department of Housing and Community Development (DHCD) must develop a joint plan for investment in and around the Pimlico race course site in racetrack workforce housing, community commercial revitalization, community safety, community workforce development and job training, homeownership and home preservation, redevelopment of vacant and abandoned housing, and community beautification. In addition, the bill reallocates \$10 million of fiscal 2022 capital funds from DHCD to the Board of Directors of Park Heights Renaissance to be used, in consultation with specified entities for investments in workforce housing.

The bill requires the transfer of the unencumbered Racetrack Facility Renewal Account (RFRA) funds that are allocated to Rosecroft Raceway (\$4.8 million) to the Racing and Community Development Facilities Fund. The bill authorizes \$2 million from the Facilities Fund

to be used by MTROA for transitional, operational, and capital costs at Laurel Park and other uses deemed necessary by MTROA.

House Bill 1524 requires MTROA to prepare accrual basis financial statements. Beginning with the first full year of thoroughbred racing operations at the newly constructed Pimlico racing facility, 10% of the annual net income of MTROA shall be distributed as local impact grants to communities surrounding Pimlico Race Course. For any fiscal year that MTROA reports an operating loss, that operating loss shall be offset by a transfer from Purse Dedication Account proceeds allocated to thoroughbred purses.

In order to offset the transfer of funds from the RFRA to the Racing and Community Development Facilities Fund, **House Bill 1524** requires the Governor to include in the fiscal 2026 budget bill, an appropriation of \$4.5 million to the RFRA to be made available for Rosecroft Raceway. If Rosecroft Raceway closes, the unencumbered fund balance of the amount available to Rosecroft Raceway from the RFRA shall be made available to Ocean Downs Race Course. The bill delays the conveyance of the Bowie Race Course Training Center to the City of Bowie until December 31, 2024, and requires the Governor to include in the fiscal 2026 operating or capital budget bill an appropriation of \$6.2 million to Prince George’s County for site development, demolition, and grading on and around the Bowie Race Course Training Center property and Rosecroft Raceway. In addition, beginning in fiscal 2025, \$3.0 million must be transferred from the State Lottery Fund to Prince George’s County for supplemental local impact grants.

State Lottery and Video Lottery Operations

Licensing of Employees and Theft of Casino Chips

To be employed by a video lottery operation licensee, an individual must hold a valid video lottery employee license or temporary video lottery employee license issued by the State Lottery and Gaming Control Agency (SLGCA). SLGCA is required to deny a video lottery employee license to an applicant for several causes, including but not limited to the applicant’s conviction, active parole, or probation for any crime involving moral turpitude or gambling under the laws of the United States or any state within the prior seven years or current prosecution for any crime involving moral turpitude or gambling under the laws of the United States or any state. **House Bill 1192 (passed)** exempts an applicant for a video lottery employee license from disqualification for conviction, active parole, or probation within the prior seven years or current prosecution for any crimes involving moral turpitude under the laws of the United States or of any state, if (1) the conviction, active parole, probation, or prosecution involves a nonviolent misdemeanor offense, other than a crime involving gambling; (2) the applicant will not be employed by the video lottery operation licensee in the operation of gaming or security; and (3) the video lottery operation licensee requests that the State Lottery and Gaming Control Commission issue the license. Additionally, the bill alters the definition of the term “value” as it relates to crimes involving theft, to include the face value of a chip designated for use in table games.

State Lottery Diversion to Bus Rapid Transit Fund

Each month, after payments to lottery winners and agents and to the State lottery for operating expenses, the Comptroller must make payments from the State Lottery Fund for various purposes, including funding the Bus Rapid Transit Fund (BRTF). *House Bill 764 (passed)* requires \$27 million of State lottery funds to be transferred annually beginning after June 30, 2024, to the BRTF instead of an amount of up to \$27 million based on specified deposits for MSA debt service. In addition, the bill requires \$27 million of State lottery funds to be transferred beginning after June 30, 2024, to the Prince George’s County Blue Line Corridor Facility Fund instead of an amount up to \$27 million annually in two installments.

Local Gaming

Senate Bill 415/House Bill 277 (both passed) authorize a person allowed to operate a tip jar in Frederick County to operate an electronic tip jar dispenser that does not connect to the Internet or to a server.

Economic Development

The Maryland Protecting Opportunities and Regional Trade Act

Senate Bill 1188/House Bill 1526 (Chs. 2 and 3) are emergency Acts that, among other measures, require the Maryland Department of Labor (MDL) and the Department of Commerce to establish specified programs to provide assistance to individuals and entities impacted by reduced operations of the Port of Baltimore resulting from the collapse of the Francis Scott Key Bridge. Regarding relief programs, the Acts:

- require MDL to establish a temporary relief program, absent a major disaster declaration from the President of the United States, to provide assistance to individuals who (1) are Maryland-based and regularly perform paid work at the Port of Baltimore; (2) are unable to perform the work through no fault of their own due to the reduced operations of the Port; (3) are able to work and available for work but unable to find suitable work; and (4) do not qualify for unemployment insurance (UI) benefits or any similar employer-provided benefits *or* qualify for an amount of UI benefits that is less than the individual’s earnings attributable to the individual’s employment at the Port at the time the reduced operations of the Port began. The Acts also specify that payments made under the temporary relief program do not reduce an individual’s UI benefits under existing law;
- require MDL to establish a grant program to provide assistance to small businesses, labor unions, trade associations, or companies that contract with or are members of a trade association (1) whose operations rely on access to or the operation of the Port and are hindered or halted entirely by reduced operations of the Port; (2) that, without a return to

full operations of the Port, are unable to retain their Maryland-based workforce at previous levels; (3) that are committed to continuing operations at the Port once it resumes full operations; and (4) that have their principal business operations located in the State or will use any relief under the program for their workforce or operations within the State. Relief under the grant program must be used by recipients to avoid layoffs and maintain their workforces. MDL must, to the extent practicable, (1) incorporate the State's voluntary work sharing UI program in conjunction with or as a condition or an extension of the grant program or (2) substitute the work sharing program for the grant program. The grant program may use State funds to supplement federal funding for worker retention grants to small businesses, labor unions, or trade associations. There is an additional restriction on the use of federal funds by the program; and

- require Commerce to establish a temporary relief program to provide assistance to businesses (1) whose operations or shipments rely on the use of or access to the Port, are hindered or halted entirely due to the reduced operations of the Port, and are subsequently diverted to other regional ports; (2) that are committed to continuing operations or shipments at the Port once it resumes full operations; and (3) that have their principal business operations located in the State or will use any relief under the program for their operations within the State.

MDL and Commerce must establish procedures and eligibility criteria for these programs and may require individuals, businesses, labor unions, trade associations, or companies that contract with or are members of a trade association to provide information to determine eligibility under the programs. Any funds distributed under the programs must be distributed by June 30, 2025.

MDL and Commerce must also establish requirements regarding the prompt filing of insurance claims related to the reduced operations of the Port and notifications of payments agreed to be made or made as a result of an insurance claim. Businesses, labor unions, trade associations, or companies must reimburse MDL and Commerce for monetary assistance received under the applicable program within six months after receipt of proceeds from an insurance claim or other funds.

After review and comment by the Legislative Policy Committee (LPC), the Governor may transfer by budget amendment increments of up to \$25.0 million from the existing fund balances within MDL and Commerce or the Revenue Stabilization Account to fund and administer the programs. MDL and Commerce must prioritize the use of existing and available budgetary resources before requesting funds be transferred from the Revenue Stabilization Account. Except as otherwise provided, federal funds made available for any purpose for which a program is established under the Acts must be used to supplant, rather than supplement, any funds otherwise used for the programs and, to the extent authorized by federal law, to reimburse the Revenue Stabilization Account. Unspent funds must revert back to the Revenue Stabilization Account as must funds received by the State from a related lawsuit or insurance claim.

The Governor is required to provide monthly reports to LPC on funds distributed from the Revenue Stabilization Account and under Executive Order 01.01.2024.11 (related to the use of funds for Port relief programs). The Attorney General must pursue all available options, including filing actions against the applicable parties, to recover for the State all possible economic damages arising from the closure of the Port and the collapse of the Francis Scott Key Bridge. Beginning July 1, 2024, and each month thereafter until all available options pursued are exhausted or resolved, the Attorney General must report to the General Assembly on the status of pursuing and recovering economic damages.

The fiscal 2025 budget authorizes the Governor to process budget amendments in fiscal 2024 and 2025 to transfer a combined total of up to \$275.0 million from the Revenue Stabilization Account to MDL, Commerce, and the State Reserve Fund's Economic Development Opportunities Program Account for the purpose of implementing the provisions of the Acts.

Department of Commerce

Maryland Aerospace and Technology Commission

Senate Bill 516/House Bill 685 (both passed) establish the Maryland Aerospace and Technology Commission within Commerce to promote innovation in the fields of space exploration and commercial aerospace opportunities. Among other requirements, the commission must (1) identify research and funding opportunities for entities in the State; (2) develop and annually update a strategic plan; (3) designate aerospace and technology zones; (4) partner with local communities; and (5) develop educational opportunities. By October 1 of each year, the commission must report to the Governor, the Maryland Economic Development Commission (MEDC), and the General Assembly on its activities and strategic plan.

Maryland-Ireland Trade Commission

House Bill 1206 (passed) establishes the Maryland-Ireland Trade Commission within Commerce to study and promote trade between Maryland and Ireland. The commission must study and make recommendations regarding (1) advancing bilateral trade and investment between Maryland and Ireland; (2) initiating joint action on policy issues of mutual interest to Maryland and Ireland; (3) promoting business and academic exchanges between Maryland and Ireland; (4) encouraging mutual economic support between Maryland and Ireland; (5) encouraging mutual investment in the infrastructure of Maryland and Ireland; and (6) other issues as determined by the commission. The commission must report its findings to the General Assembly and the Governor by December 1, 2025. The bill terminates September 30, 2026.

Maryland Entertainment Industry Council

Chapter 452 of 2023 established the uncodified Maryland Entertainment Council to assess opportunities for the State in the film, television, and the entertainment industry and to submit a related report. Implementation was delayed due to labor negotiations, and the council terminates on June 30, 2025. Codifying the council enables ongoing evaluations and recommendations of the

State's competitiveness in these industries. *House Bill 1487 (Ch. 70)* codifies the Maryland Entertainment Industry Council as the successor to the uncodified council. General duties are unchanged. The council is also provided express powers to adopt regulations, enter into contracts and agreements, obtain services, ask other units of the State for assistance and data, and accept federal money. The council must submit an annual report to the Governor and the General Assembly.

Arts Incubator Workgroup

Senate Bill 764/House Bill 1451 (both passed) establish the Arts Incubator Workgroup to study how arts and cultural institutions can support local artists. The Maryland State Arts Council must provide staff for the workgroup. The workgroup must submit a preliminary report on its findings as specified and a final report on its recommendations to the Governor and the General Assembly by January 1, 2025, and October 1, 2025, respectively. The workgroup terminates December 31, 2025.

Alterations to Programs and Advisory Bodies

MEDC: The purpose of MEDC is to establish economic development policy in the State and to oversee Commerce's efforts to support the creation, attraction and retention of businesses and jobs. *Senate Bill 209 (Ch. 71)* alters several administrative requirements related to MEDC, requires that MEDC include at least one representative from the life sciences industry and one representative from the manufacturing industry, and repeals a number of requirements, including that MEDC review each Commerce budget request before it is submitted.

Maryland Military Installation Council: The council identifies the public infrastructure, potential impact on local communities, and support needed for military installation development and expansion. *Senate Bill 214 (Ch. 72)* increases the membership of the council and updates obsolete references.

Small, Minority, and Women-Owned Businesses Account: The Small, Minority, and Women-Owned Businesses Account (SMWOBA) is used to provide investment capital and loans to small, minority, and women-owned businesses in the State. Commerce provides grants from SMWOBA to eligible fund managers, which then provide investment capital and loans to eligible businesses. *Senate Bill 215/House Bill 26 (Chs. 68 and 69)* allow fund managers of SMWOBA to award grants of up to \$10,000 to businesses in conjunction with a loan through the program.

Winery and Vineyard Economic Development Grant Program: Chapter 358 of 2022 established the program in Commerce, which provides financial assistance to individuals and corporations to establish a new winery or vineyard in the State or complete capital improvements at an existing winery or vineyard. *Senate Bill 746/House Bill 914 (both passed)* remove the application and grant award deadline under the program and modify the period during which qualified capital expenses must be paid or incurred for purposes of calculating the grant amount.

Maryland Stadium Authority

Camden Yards Football Sports Facility – Special Funds

When Maryland Stadium Authority (MSA) and the Baltimore Ravens agreed to a new 15-year lease (with two optional 5-year extensions) in January 2023, the lease required the creation of two funds: a capital works fund and an emergency repair fund. The two funds must be initially capitalized by MSA and have additional ongoing funding requirements.

House Bill 1525 (passed) establishes the Camden Yards Football Sports Facility Capital Works Fund and the Camden Yards Football Sports Facility Emergency Repair Fund. Both special funds are administered by MSA. The purpose of the Camden Yards Football Sports Facility Capital Works Fund is to enable MSA to pay all expenses related to (1) capital improvements and repairs at the Camden Yards football sports facility and (2) to the extent that funds in the Camden Yards Football Sports Facility Emergency Repair Fund are insufficient, emergency repairs. The purpose of the Camden Yards Football Sports Facility Emergency Repair Fund is to enable MSA pay all expenses related to emergency repairs at the facility. The bill also requires that \$5.0 million of specified MSA bond proceeds be transferred to each fund.

Bus Rapid Transit Fund and Prince George’s County Blue Line Corridor Facility Fund – Alterations

Bus Rapid Transit Fund (BRTF): BRTF is a special, nonlapsing fund administered by the Maryland Department of Transportation (MDOT) to provide grants to eligible bus rapid transit system grantees. The fund is generally funded with lottery revenues. MDOT must use these funds to award a grant to an “eligible grantee” – defined as a county or municipality that has a bus rapid transit system that operates in the county or municipality and has no ongoing or completed facility.

House Bill 764 (passed) requires \$27.0 million of State lottery funds to be transferred annually beginning after June 30, 2024, into BRTF, instead of an amount of up to \$27.0 million based on specified deposits for MSA debt service. Under the bill, bus rapid transit system grants depend on amounts deposited into BRTF, instead of being triggered by lottery revenues deposited for MSA debt service.

Prince George’s County Blue Line Corridor (BLC) Facility Fund: The Prince George’s County BLC Facility Fund is a continuing, nonlapsing fund administered by MSA to enable MSA to (1) use the fund as a revolving fund for implementation as it relates to a BLC facility and (2) pay any expenses incurred by MSA that are related to that BLC facility. A BLC facility is a facility within BLC that is a convention center, an arts and entertainment amphitheater, or any other functionally related structure, improvement, infrastructure, furnishing, or equipment of the facility, including parking garages.

House Bill 764 also requires that, after June 30, 2024, \$27.0 million of State lottery funds must be transferred to the BLC Facility Fund, instead of an amount of up to \$27.0 million annually in two installments. MSA must pay from the BLC Facility Fund any expenses that are incurred or

approved by MSA relating to BLC facilities. Under the bill, general fund revenues decrease by \$8.8 million in fiscal 2025. MSA also must submit a report to specified committees of the General Assembly by December 15, 2024, on (1) all public and private development activities currently under construction or in the development process in BLC for the next 30 years and (2) input from specified representatives on BLC's future.

Northwest Baltimore County Sports Tourism Facility – Feasibility Study

Senate Bill 804/House Bill 741 (both passed) requires MSA to study and make recommendations on the feasibility of establishing and operating a sports tourism facility at Reisterstown Regional Park. In conducting the study, MSA must consult with specified State and local entities. By December 31, 2025, MSA must submit a final report of its findings, conclusions, and recommendations to specified committees of the General Assembly. The bill terminates January 31, 2026.

Maryland Economic Development Corporation

Strategic Infrastructure Revolving Loan Program

House Bill 1203 (passed) establishes the Strategic Infrastructure Revolving Loan Program and Fund in the Maryland Economic Development Corporation (MEDCO) to make loans for targeted investments in real estate and infrastructure projects to support specified economic, community development, inclusion, and equity objectives. The bill also allows MEDCO, with local approval, to pledge specified alternative revenues under the Tax Increment Financing Act for certain purposes, including to support the Strategic Infrastructure Revolving Loan Fund. While funding is discretionary, it is estimated that significant general funds are required for a viable program: \$15.0 million in fiscal 2025 and \$20.0 million annually thereafter.

Maryland Technology Development Corporation

Pava LaPere Legacy of Innovation Act of 2024

Senate Bill 473/House Bill 582 (both passed) establish the Pava LaPere Innovation (PLI) Acceleration Grant Program and the Baltimore Innovation Initiative (BII) Pilot Program. The purpose of the PLI program is to foster growth of the entrepreneurial innovation ecosystem in the State by providing grants to technology-based start-up companies that (1) are founded by students of postsecondary institutions located in the Baltimore-Columbia-Towson Metropolitan Statistical Area and (2) have their principal place of business in the Baltimore-Columbia-Towson Metropolitan Statistical Area. The purpose of the BII Pilot Program is to provide incentives for and grow technology start-up companies founded by students or faculty at eligible universities. The pilot program terminates June 30, 2027.

Both programs are administered by the Maryland Technology Development Corporation (TEDCO). Each fiscal year, the Governor must include an appropriation for the PLI program in the annual budget bill, although no amount is specified. For fiscal 2025 and 2026, the Governor

must include in the annual budget bill an appropriation of \$1.5 million for the BII Pilot Program. The bills also repeal the \$1.0 million annual mandated appropriation for the Business Telework Assistance Grant Program.

The fiscal 2025 budget includes \$0.5 million for the PLI program, \$1.5 million for the BII Pilot Program, and a \$1.0 million reduction for the Business Telework Assistance Grant Program, contingent on enactment of legislation creating the programs and repealing the mandate, respectively.

Program and Fund – Alterations

Equitech Growth Fund: *Senate Bill 457/House Bill 410 (both passed)* alter the permissible uses of the fund in TEDCO to be used only to (1) make awards from the fund in accordance with existing program requirements and (2) pay the costs of administering the fund.

Cyber Maryland Program and Fund: Chapter 578 of 2023 established the Cyber Maryland Program in TEDCO to create a talent pipeline in cybersecurity, serve as a hub for State workforce development programs in cybersecurity, and generally coordinate cybersecurity and research and innovation in the State among other things. The Act also created the Cyber Maryland Fund as a special, nonlapsing fund, and the Cyber Maryland Board. *Senate Bill 816 (passed)* (1) requires TEDCO to administer the Cyber Maryland Fund; (2) clarifies the types of administrative expenses that may be paid for from the fund, including hiring staff and hiring consultants and other necessary professionals; (3) removes the requirement to hire specific staff for the program; and (4) removes the mandate to provide funding for specific staff, and instead establishes a \$99,000 mandate for the fund to be used for talent pipeline management.

Maryland Technology Development Corporation – Alterations

Application and Reporting Requirements: *Senate Bill 358/House Bill 753 (both passed)* require TEDCO to include an option for an applicant to provide specified demographic information in its investment application. TEDCO may not take any adverse action against an applicant who declines to provide the information. TEDCO must submit an annual report to the Governor, MEDC, and the General Assembly on specified information related to the corporation's investments and, if available, provide related deidentified and disaggregated demographic information.

Authority: *Senate Bill 634/House Bill 776 (both passed)* authorize TEDCO, subject to a written agreement, to provide administrative support and services to specified business entities and receive compensation for doing so.

Regional and Local Economic Development

Tourism Zones

Senate Bill 14/House Bill 1281 (both passed) authorize Baltimore City, counties, and municipalities in the State to (1) designate specified tourism zones and criteria to qualify as a qualifying tourism enterprise; (2) exempt the gross receipts from any admissions or amusement charge levied by a qualifying tourism enterprise in a tourism zone from admissions and amusement taxes; and (3) grant property tax credits against county and municipal real and personal property taxes to qualifying tourism enterprises located in a tourism zone.

Tri-County Council for Southern Maryland

The Tri-County Council for Southern Maryland (TCC) is a cooperative planning and development unit for Calvert, Charles, and St. Mary's counties. The Southern Maryland Agricultural Development Commission (SMADC) is a division of TCC and was convened in calendar 2000, when the State instituted a voluntary tobacco buy-out program to transition farms out of tobacco production. Chapters 172 and 173 of 1999 established the Cigarette Restitution Fund (CRF), which is supported by payments made by tobacco manufacturers under the cigarette Master Settlement Agreement.

Chapter 187 of 2022 required the Governor to include in the annual budget bill an appropriation of \$900,000 in fiscal 2024 and 2025 to TCC from the CRF and required the funds to be used for the activities of SMADC. *Senate Bill 589/House Bill 812 (both passed)* permanently extend a requirement beyond fiscal 2025 that the Governor include funding in the annual budget bill to TCC from CRF. The bill also increases the annual mandated appropriation from \$900,000 to \$1.0 million. It is estimated that general fund expenditures potentially increase by as much as \$1.0 million annually beginning in fiscal 2026 to backfill funding for other CRF-supported programs.

Workgroup on Independent Innovation in Prince George's County

House Bill 306 (passed) establishes the Workgroup on Independent Innovation in Prince George's County to (1) discuss and make recommendations regarding strategies to support investments in industry opportunities and potential areas of innovation; (2) identify and collaborate with a group of angel investors based in Prince George's County to encourage investment in the county and strengthen an innovation-focused entrepreneurial system; and (3) collaborate with TEDCO and other stakeholders to build partnerships and develop strategies to build Prince George's County's potential to become a hub for entrepreneurs and technology start-up companies. The Urban Business Innovation Initiative within TEDCO must provide staff for the workgroup. By January 15, 2026, the workgroup must report recommendations to the Prince George's County Delegation and the General Assembly. The bill terminates September 30, 2026.

Baltimore Convention and Tourism Redevelopment and Operating Authority Task Force

Senate Bill 896 (passed) establishes the Baltimore Convention and Tourism Redevelopment and Operating Authority Task Force to study the establishment of an entity or strategy to govern and redevelop, revitalize, construct, design, manage, finance, and operate certain State and local real property assets while promoting the Baltimore Convention site and the immediate surrounding area. The task force must make related recommendations on the membership, purpose, and function of any recommended entity. The task force must consider the findings and recommendations in the Baltimore Convention Industry Benchmark Study previously commissioned by the Baltimore Convention Center. Commerce must provide staff for the task force. By December 1, 2024, the task force must report its findings and recommendations to the Mayor of Baltimore City, the Governor, and the General Assembly. The bill terminates June 30, 2025.

Allegheny Regional Recreational Economic Development Authority

Senate Bill 1134/House Bill 787 (both passed) establish the Allegheny Regional Recreational Economic Development Authority in Allegheny County. The authority must support the development and construction of regional recreation facilities to benefit residents and the economic development of the county, including indoor and outdoor athletic fields and other facilities designed to create recreational tourism. The authority may (1) manage appropriated funds from Allegheny County, Cumberland and Frostburg, and the State; (2) receive donated services from professionals; and (3) supervise, manage, and terminate staff and consultants as necessary. The authority consists primarily of State and local government officials. The authority must submit annual reports on its activities to the Governor and specified committees of the General Assembly. The bill terminates June 30, 2029.

Prince George’s Gateway Development Authority – Modifications

Chapters 466 and 467 of 2023 established the Prince George’s Gateway Development Authority in Prince George’s County to support the development and approval of a comprehensive neighborhood revitalization plan in the “target area” in the county. “Target area” means the City of Mount Rainier, the Town of Brentwood, the Town of Cottage City, the City of Bladensburg, the Town of Colmar Manor, and the Town of North Brentwood in Prince George’s County. *Senate Bill 659 (passed)* requires the Prince George’s Gateway Development Authority to meet at least four times per year and requires staff of the Prince George’s County Redevelopment Authority to provide support for the operation of the authority in consultation with the Department of Housing and Community Development.

Regional Additive Manufacturing Partnership of Maryland – Alterations

Senate Bill 781 (passed) renames the Regional Additive Manufacturing Partnership of Maryland to be the Regional Advanced Manufacturing Partnership of Maryland (RAMP MD). The bill makes similar changes to the purposes, membership, and duties of RAMP MD to incorporate advanced manufacturing instead of additive manufacturing.

Maryland Clean Energy Center

Climate Technology Founder's Fund

Senate Bill 960 (passed) establishes the Climate Technology Founder's Fund (CTFF) in the Maryland Clean Energy Center to provide early-stage funding for start-up companies focused on qualified projects in specified climate technologies. Funding recipients must provide 1:1 matching funds. The bill requires transfers from the Strategic Energy Investment Fund (SEIF) to CTFF from fiscal 2025 through 2028. The bill also repeals two existing distributions from the SEIF to other State programs: one to SMWOBA in Commerce and one to the Employment Advancement Right Now program in MDL. The bill also authorizes the transfer of certain unused SEIF funds in SMWOBA to CTFF by the end of fiscal 2024.

Economic Development Investments

Workgroup on Establishing a Science and Technology Best Practices and Innovation Network

House Bill 999 (passed) establishes the Workgroup on Establishing a Science and Technology Best Practices and Innovation Network, staffed by the University of Maryland Baltimore County. The workgroup must study and make recommendations on topics related to the establishment of a network of experts in science, technology, and industry. By December 1, 2024, the workgroup must report its findings and recommendations to the Governor and the General Assembly. The bill terminates June 30, 2025.

Maryland Oyster Shucking House Loan Fund and the Maryland Watermen's Microloan Program – Alterations

The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) is a quasi-public economic development organization chartered by the State. Its mission is to help Maryland's farm, forestry, and seafood businesses to prosper through the provision of targeted financial and other services that help retain existing resource-based industry production and commerce, promote rural entrepreneurship, and nurture emerging or expanding agricultural enterprises. *Senate Bill 32/House Bill 120 (both passed)* alter eligibility for loans from the Maryland Oyster Shucking House Loan Fund and the Maryland Watermen's Microloan Program (MWMP), which are administered by MARBIDCO. The bills also establish a related reporting requirement for loan recipients and repeal the minimum and maximum loan amounts under MWMP.

Housing and Community Development

Homelessness

Study on Homeless Shelters and Potential Licensing Program

There is no State entity charged with the licensure or regulation of homeless shelters. Recipients of federal Continuum of Care (CoC) grants provide services for homeless individuals within a specified geographic area, including shelter operations, street outreach, rapid rehousing, and homelessness prevention. Generally, each CoC geographic area has a lead agency that is responsible for applying to the U.S. Department of Housing and Urban Development (HUD) for federal funding and then distributing the funding to eligible recipients, which includes homeless shelters. By accepting HUD funding, CoCs and subsequent grant recipients must follow specified federal requirements generally related to the quality of shelter provided.

Senate Bill 1107/House Bill 577 (both passed) require the Department of Housing and Community Development (DHCD) to study current habitability and admission standards of homeless shelters in the State. DHCD must also recommend (1) a basic habitability and admission standard for homeless shelters in the State and (2) a plan to establish a program within DHCD to license homeless shelters in the State. DHCD must hire one new full-time permanent employee to conduct the study, in consultation with political subdivisions. By July 1, 2025, DHCD is required to report its findings and recommendations to the Assistant Secretary of the Homeless Solutions Division within DHCD and specified committees of the General Assembly.

Adaptive Reuse and Development

Appraisal Gap from Historic Redlining Financial Assistance Program

The purpose of the Appraisal Gap from Historic Redlining Financial Assistance Program within DHCD is to make financial assistance available to affordable housing developers working in low-income census tracts and sustainable communities in order to help close appraisal gaps that occur in historically redlined neighborhoods. *Senate Bill 704/House Bill 873 (both passed)* expand the purpose of the program to include helping close appraisal gaps that occur in historically redlined neighborhoods by making financial assistance available to individuals who purchase a qualified property (1) after a qualified project is completed; (2) at an affordable sales price as determined by regulations adopted by DHCD; and (3) as an owner-occupant.

Identifying Suitable Excess State Real Property

The Maryland Department of Planning (MDP) must notify DHCD and specified committees of the General Assembly of any excess real property submitted to MDP, which has not been otherwise disposed of in accordance with existing provisions of law. Generally, DHCD must, 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.

Senate Bill 333/House Bill 283 (both passed) prohibit DHCD from identifying excess State real property as suitable for use or redevelopment as affordable housing if the property (1) is located outside an area designated as a priority funding area or (2) belongs in a specified category of property generally encompassing parks and conservation land. Instead, when determining if a property is suitable for use or redevelopment as affordable housing, DHCD must consider whether the property (1) is adequately sized for any type of residential use; (2) has access to public utilities; (3) has access to feasible ingress and egress points; and (4) meets any other factors determined by DHCD that are necessary for the property to be used or redeveloped as affordable housing.

Community Development

Business Facade Improvement Program

Chapter 437 of 2023 established the Business Facade Improvement Program within DHCD. The purpose of the program is to assist qualified businesses with improving the outside appearance of the businesses' buildings and facilities. DHCD must distribute funds from the program to political subdivisions that have at least one sustainable community and apply for the funds. *House Bill 510 (passed)* expands eligibility for funding under the program to include community development organizations that serve at least one sustainable community and apply for the funds.

Continuing the CORE Partnership Fund

On January 5, 2016, Governor Lawrence J. Hogan, Jr. and Baltimore City Mayor Stephanie Rawlings-Blake announced Project CORE (Creating Opportunities for Renewal and Enterprise) as a multiyear State-city partnership to demolish thousands of vacant buildings in Baltimore City and replace them with green space and economic development projects. Chapters 639 and 640 of 2018 established the Continuing the CORE Partnership Fund within DHCD. The fund is a special, nonlapsing fund with the stated purpose of assisting DHCD, in conjunction with the Maryland Stadium Authority and Baltimore City, in expeditiously removing blighted property within Baltimore City. The 2018 Acts terminate June 30, 2024. The fund has not ever received funding since its inception, but Project CORE is operated with general obligation bond proceeds through the Strategic Demolition and Smart Growth Impact Fund. *House Bill 1334 (passed)* extends indefinitely the Continuing the CORE Partnership Fund and requires the Governor, for fiscal 2026 and each fiscal year thereafter, to include in the annual budget bill an appropriation of \$50.0 million to the fund.

Just Communities

Senate Bill 308/House Bill 241 (both passed) authorize the Governor, on the recommendation of the Secretary of Housing and Community Development, to designate an area as a Just Community if the Secretary demonstrates that past and current trends in homeownership, property values, commercial and residential vacancy, and business or housing investment show a need for reinvestment in the area. In addition, the area must also have been negatively impacted by a history of (1) forms of legal racial segregation; (2) the demolition of residential neighborhoods

through the use of eminent domain or State or federal funding; (3) a State imprisonment rate higher than 750 per 100,000 persons; or (4) unequal exposure to environmental and health hazards. Under the bills, “Just Community” means the part of a priority funding area that, as determined by the Governor, satisfies the specified requirements. The Governor must identify State programs under which a Just Community is required to receive priority for State funding.

Community Action Boards

Under federal law governing the Community Services Block Grant (CSBG) Program, in order for a private, nonprofit entity to be eligible to receive funds, it must administer the program through a tripartite board that fully participates in the development, planning, implementation, and evaluation of the program to serve low-income communities. In addition, in order for a public organization to be considered an eligible entity for CSBG, the entity must also administer CSBG through a tripartite board, as specified. *House Bill 860 (passed)* requires a community action board to meet the requirements for a tripartite board under CSBG. The bill also repeals existing provisions governing the composition of community action boards under State law.

Community Health and Safety Works Grant Program and Fund

The Community Health and Safety Works Program, administered by DHCD, was created as part of Governor Lawrence J. Hogan Jr.’s Re-Fund the Police Initiative in fiscal 2022. The program provides grants for business district or facility improvements to Main Street communities or other community development nonprofit organizations. Grants can be used for surveillance tools such as lighting and cameras; pedestrian and vehicle traffic management tools, such as landscaping, fencing, or expanding restaurant space to sidewalks and roadways; and other improvements that renovate and improve public spaces to remove signals of blight. *Senate Bill 430 (passed)* codifies the existing program and establishes a related special fund within DHCD.

Seed Community Development Anchor Institution Fund

Chapter 31 of 2016 established the Seed Community Development Anchor Institution Fund within DHCD. The fund provides grants and loans to anchor institutions for community development projects in blighted areas of the State. “Anchor institution” means an institution of higher education or a hospital institution in the State that (1) has at least five physicians who are organized as medical staff for the institution; (2) maintains facilities to provide, under the supervision of the medical staff, diagnostic and treatment services for two or more unrelated individuals; and (3) admits or retains the individuals for overnight care. To be eligible for a grant or loan, an anchor institution must provide evidence of matching funds from a private source.

Senate Bill 418 (passed) expands the purpose and eligible use of the fund to include providing grants and loans to anchor institutions for community projects in sustainable communities in the State. The bill also expands the definition of “anchor institution” to include departments, foundations, and other entities of institutions of higher education and hospital

institutions in the State. Finally, the bill repeals the requirement that required matching funds be from a private source.

Maryland Community Investment Corporation

Community Development Entities (CDEs) are certified by the U.S. Department of the Treasury to make loans or investments that stimulate community development. CDEs are funded through federal New Markets Tax Credits: CDEs sell the tax credits to investors with federal income tax liabilities and use the funds raised by the sale to make debt or equity investments in entities located in qualified low-income communities. *House Bill 599 (passed)* establishes the Maryland Community Investment Corporation as a body politic and corporate and as an instrumentality of the State. Generally, the purposes of the corporation are to (1) do all things necessary to qualify as a CDE and apply to the U.S. Department of the Treasury for designation as such; (2) apply for an allocation of federal New Markets Tax Credits; and (3) make investments and financial assistance available to low-income communities in the State. The bill also expands the eligible uses of the Strategic Demolition and Smart Growth Impact Fund within DHCD to include credit enhancement.

Housing and Related Programs

Live Near Your School Program

Chapter 247 of 2021 authorized DHCD to administer the Live Near Your School Program (LNYS) and a related home buyer assistance program within DHCD. Under LNYS, the Community Development Administration (CDA) within DHCD may administer community development projects that (1) are in sustainable communities and (2) provide current students and recent graduates with financial assistance in the form of grants to buy homes near the school attended by the student or graduate. Chapter 247 also authorized CDA to administer a home buyer assistance program to assist specified students and graduates in receiving low-interest loans to purchase homes near the public institution of higher education attended by the individual. *Senate Bill 90/House Bill 534 (both passed)* extend the termination date of Chapter 247 from September 30, 2024, to September 30, 2030.

Housing Innovation Pilot Program and Housing Innovation Fund

House Bill 7 (passed) establishes the Housing Innovation Pilot Program and related special fund within DHCD. The purposes of the pilot program are to (1) create opportunities for the State's public housing authorities and county governments to increase the volume of housing production and (2) reward counties pursuing innovative solutions to the problem of housing scarcity. For each of fiscal 2026 through 2029, the Governor may include in the annual operating or capital budget bill an appropriation of \$5.0 million to the new fund, which may be allocated using funding for rental housing projects administered in accordance with Title 4, Subtitle 4 of the Housing and Community Development Article (Rental Housing Program). The bill terminates June 30, 2029. The fiscal 2025 capital budget includes \$10.0 million in general obligation bonds for the program, contingent on the bill's enactment.

Affirmatively Furthering Fair Housing – Charter Counties

Generally, the Fair Housing Act of 1968 declared that it is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States and, among other things, required that HUD programs and activities be administered in a manner that affirmatively furthers the policies of the Act. On February 9, 2023, HUD published a proposed rule to further the objective of requiring program participants to proactively take meaningful actions to overcome patterns of segregation, promote fair housing choice, eliminate disparities in opportunities, and foster inclusive communities free from discrimination.

Senate Bill 274/House Bill 17 (Chs. 89 and 90) establish that charter counties (including Baltimore City) and certain code counties have a duty to affirmatively further fair housing through their housing and urban development programs. The Acts also require the counties to include an assessment of fair housing in the housing element of a comprehensive plan enacted or amended on or after January 1, 2025. MDP and DHCD must provide specified technical assistance upon request.

Affordable Housing and Zoning Density

Generally, under the Land Use Article, local jurisdictions are required to enact, adopt, amend, and execute a comprehensive plan that includes specified visions and elements. At least once every 10 years, each local jurisdiction must review its comprehensive plan and, if necessary, revise or amend the plan. The comprehensive plan must include a housing element and implement a housing vision. Title 7, Subtitle 4 (Inclusionary Zoning) of the Land Use Article, authorizes a legislative body of a local jurisdiction – in order to promote the creation of housing that is affordable by individuals and families with low- or moderate-incomes – to enact local laws (1) imposing inclusionary zoning, and awarding density bonuses, to create affordable housing units and (2) restricting the use, cost, and resale of the housing created.

Among other things, *House Bill 538 (passed)* requires local jurisdictions to allow (1) new manufactured homes and modular dwellings in zones that allow single-family residential uses and (2) increased densities and uses in specified zoning areas for “qualified projects” (which include specified amounts of affordable housing). The bill prohibits a local jurisdiction from imposing unreasonable limitations or requirements on a qualified project or requiring a qualified project to be reviewed at more than a specified number of public hearings. The bill also establishes a Historic Property Revitalization Director within DHCD.

Renter Protection

Renters’ Rights and Stabilization Act of 2024

Generally, a landlord seeking to evict a tenant initiates the process by filing the appropriate action (*e.g.*, failure to pay rent, breach of lease, etc.) in the District Court. If awarded a judgment by the court, the landlord files a warrant of restitution, which, once reviewed and signed by the court, authorizes an eviction. The warrants of restitution are forwarded to the local sheriff’s office

who is then authorized to carry out the evictions. Statute sets forth numerous specific requirements for such actions, including those related to written notice prior to filing certain actions.

Among other things, *House Bill 693 (passed)* establishes the Office of Tenant and Landlord Affairs within DHCD to (1) ensure that tenants have access to educational resources to aid in understanding and exercising the tenants' rights under State law; (2) provide tenants with information on how to report a violation of their legal rights as tenants and facilitate referrals of reported violations to appropriate enforcement agencies; (3) provide tenants with information on how to obtain financial counseling; and (4) notify appropriate authorities regarding housing discrimination and other unfair or illegal housing practices. Generally, the office must develop resources to aid tenants in understanding and exercising their legal rights as tenants, provide resources to facilitate access by tenants to credit counseling, and refer covered individuals to the Access to Counsel Evictions Program, in addition to coordinating other responsibilities generally related to tenant and landlord disputes.

Housing Opportunities Commission of Montgomery County

The Housing Opportunities Commission (HOC) of Montgomery County is the public housing agency for Montgomery County. Established in 1974, the commission administers federal, State, county, and private affordable housing programs. Generally, HOC must hold a public hearing on any assisted family housing it proposes and report in writing the findings and conclusions from the hearing. At least 15 days before the hearing, HOC must give notice of the hearing by a display advertisement in two newspapers of general circulation in the county. In addition, HOC must issue a financial report for the previous fiscal year based on a certified audit and publish a summary of the report, as specified.

House Bill 424 (passed) repeals the requirement that HOC (1) hold a public hearing on any assisted family housing it proposes; (2) report in writing the findings and conclusions from the hearing; and (3) give notice of the hearing 15 days prior to the hearing by display advertisement in two newspapers of general circulation in the county. The bill also repeals the requirement that HOC publish a summary of its annual financial report in at least two newspapers of general circulation in the county.

Workers' Compensation

If an employee covered under workers' compensation insurance has suffered an accidental personal injury, compensable hernia, or occupational disease, the employee is entitled to compensation benefits paid by the employer, its insurer, the Subsequent Injury Fund, or the Uninsured Employers' Fund (UEF), as appropriate. Workers' compensation benefits include wage replacement, medical treatment, death and funeral costs, and vocational rehabilitation expenses. Wage replacement benefits are calculated based on the covered employee's average weekly wage, while medical benefits are generally fully or partially covered depending on how the treatment is related to the personal injury, hernia, or occupational disease.

Occupational Disease Presumption

Workers' compensation law establishes a presumption of compensable occupational disease for certain public safety employees who are exposed to unusual hazards in the course of their employment. It is assumed that these specified 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.

Senate Bill 476/House Bill 584 (Chs. 13 and 14) establish additional occupational disease presumptions for specified public safety employees who contract thyroid, colon, or ovarian cancer that is caused by contact with a toxic substance encountered in the line of duty. These occupational disease presumptions apply only to (1) volunteer and career firefighters; (2) firefighting instructors; (3) rescue squad members; (4) 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 other eligibility criteria established under current law for cancer or leukemia disability presumptions.

Hearing Loss

The percentage of hearing loss for purposes of compensation for occupational deafness must be calculated based on average hearing loss at specified frequency thresholds and including an offset based on the average amount of hearing loss from nonoccupational causes found in the population at a given age. *Senate Bill 843/House Bill 669 (both passed)* modify this calculation and requirement to pay compensation by requiring hearing loss to be calculated at an additional frequency when determining occupational deafness, specifying that an employer must provide compensation to a covered employee for hearing loss due to industrial noise at the additional frequency, except under specified circumstances, and by altering the offset calculation for nonoccupational hearing loss.

Failure to Insure

If an employer fails to secure compensation for all its covered employees, the Workers' Compensation Commission (WCC) must issue an order directing the employer to attend a hearing to show cause as to why the employer should not be (1) required to secure compensation for all covered employees; (2) found in violation of workers' compensation law; and (3) assessed a penalty for noncompliance with the law. If WCC finds the employer failed to secure compensation for all its covered employees, it must order the employer to secure and maintain insurance for all its covered employees and submit proof of insurance coverage and order the employer to pay a penalty to UEF.

Senate Bill 216 (Ch. 78) increases the maximum penalty that an employer may be required to pay to UEF when WCC finds that the employer failed to secure compensation for all covered employees or failed to comply with an order from WCC to secure and maintain insurance for all

covered employees and submit proof of that coverage. In both cases, the Act establishes a penalty of up to \$25,000, an increase of \$15,000 over the existing maximum penalty of up to \$10,000.

Unemployment Insurance

Unemployment Insurance (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. Using federal tax revenues, the UI program is administered by State employees pursuant to State law. The Maryland Department of Labor's (MDL) Division of Unemployment Insurance (DUI) administers the State's UI program.

Maryland Protecting Opportunities and Regional Trade (PORT) Act

Under existing law, most Maryland employers pay State UI taxes, although State and local governments and some nonprofit organizations reimburse the Unemployment Insurance Trust Fund (UITF) for claims paid in lieu of paying taxes. Therefore, for most Maryland employers, the State UI tax rate is a function of (1) the employer's specific unemployment claims history and (2) the applicable tax table, which is based on the State's UITF balance and applies to most taxable employers. A part of the process of determining an individual employer's tax rate within the applicable tax table is knowing the employer's earned rating record, which reflects UI benefits that are based on covered employment that was performed for that employer. Benefits paid to former employees of the employer are charged against the earned rating record; thus, increases to chargeable benefits are likely to result in a higher UI tax rate for the employer.

In response to the collapse of the Francis Scott Key Bridge on March 26, 2024, and the resulting reduced operations of the Port of Baltimore, the General Assembly passed [*Senate Bill 1188/House Bill 1526 \(Chs. 2 and 3\)*](#), which are emergency Acts that provide various economic relief measures in different sectors, including UI. The Acts require the Secretary of Labor to waive the charge of benefits paid to a claimant against the earned rating record of an employer for any claim of benefits if (1) the claim is determined by the Secretary to be related to the reduced operations of the Port of Baltimore due to the bridge collapse and (2) the employer had no direct or indirect control over the actions leading to the disruption in employment.

In addition, the Secretary may exempt an individual from the general work search requirement to maintain eligibility for UI benefits if the individual (1) is temporarily laid off from work as a direct result of the event or occurrence that led to the Governor declaring a State of Emergency via Executive Order 01.01.2024.09 (related to the bridge collapse and the reduced operations of the Port of Baltimore) and (2) remains able to work, available for work, and work-attached.

As a separate but related measure, if the U.S. President does not declare a major disaster due to the bridge collapse, MDL must establish a temporary relief program to provide assistance to certain individuals affected by the reduced operations of the Port of Baltimore and (1) do not qualify for UI benefits or any similar employer-provided benefit or (2) qualify for an amount of UI benefits that is less than the individual's earnings attributable to the individual's employment at the Port of Baltimore at the time reduced operations began. The Acts also specify that payments made under the temporary relief program do not reduce an individual's UI benefits under existing law.

Finally, MDL must establish a grant program to provide assistance to certain business entities affected by the reduced operations of the Port of Baltimore. Relief under the grant program must be used by recipients to avoid layoffs and maintain their workforces. MDL must also, to the extent practicable, (1) incorporate the State's voluntary work sharing UI program in conjunction with, or as a condition or an extension of, the grant program or (2) substitute the work sharing program for the grant program. Under current law, an employer participating in the work share program must temporarily reduce the normal weekly work hours of employees within an affected unit by 10% to 60%; affected employees are eligible to receive partial UI benefits based on the percent reduction in normal weekly work hours to supplement lost wages.

Eligibility for Benefits

Under existing law, a claimant's weekly UI benefit amount is computed, in part, by subtracting any wages exceeding \$50 that were payable to the claimant during that week for part-time employment. In other words, the first \$50 earned each week does not reduce the weekly benefit amount, but anything earned over \$50 for part-time employment is reduced on a dollar-for-dollar basis. *House Bill 261 (passed)* provides that *any* payment to an individual as compensation for serving as an election judge for a local board of elections in the State does not reduce a claimant's weekly benefit amount.

Under § 8-909 of the Labor and Employment Article, benefits based on service in covered employment with governmental entities or charitable, educational, or religious organizations are generally payable in the same amount, on the same terms, and subject to the same conditions as benefits payable on the basis of other service in covered employment. However, there are circumstances under which benefits may not be paid during established time periods, such as between successive academic terms or years when the individual has a reasonable assurance that the individual will perform the services in the second term or year. *House Bill 251 (Ch. 105)* specifies that the limitations related to successive academic terms and other established time periods do not apply with respect to service in other covered employment, including covered employment for a for-profit employing unit, even if the service is provided exclusively for a governmental entity or a charitable, educational, religious, or other organization. The Act provides clarity to DUI, the Lower Appeals Division, and the Board of Appeals so that "reasonable assurance" is interpreted and applied consistently going forward, in line with the historical interpretation of the applicable provisions of law.

Actively Seeking Work Requirements

As part of the actively seeking work requirement, the Secretary of Labor must consider (1) whether the individual has made an effort that is reasonable and that would be expected of an unemployed individual who honestly is looking for work and (2) the extent of the effort in relation to the labor market conditions in the area in which the individual is seeking work. *Senate Bill 846/House Bill 998 (both passed)* require MDL to conduct a study on the actively seeking work requirements of the UI system in the State and other states to evaluate the effects of “ghosting” on those requirements. “Ghost” means the failure of a claimant for UI benefits who is scheduled for a job interview with an employer to attend the interview or maintain contact with the employer after the interview is scheduled.

Separately, furloughed federal civilian employees who are barred from working during a full or partial federal government shutdown due to a lapse in appropriations and who are placed in a nonpay status may be eligible for UI benefits, so long as furloughed individuals otherwise meet the requirements for UI eligibility, including the actively seeking work requirement. *Senate Bill 234/House Bill 197 (Chs. 102 and 103)* authorize the Secretary to exempt a federal civilian employee who has been furloughed from the requirement to be actively seeking work if, during the furlough, the employee remains able to work, available for work, and work-attached.

Labor and Industry

Occupational Safety and Health

The Division of Labor and Industry within the Maryland Department of Labor (MDL) oversees the Maryland Occupational Safety and Health (MOSH) program, which must align closely with safety standards set by the federal Occupational Safety and Health Administration (OSHA). OSHA has increased maximum civil penalties to comply with the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. *House Bill 244 (Ch. 104)* increases the maximum civil penalties for violations of the MOSH program to reflect the increase in the federal OSHA penalty amounts, likewise these penalties are indexed to inflation beginning July 15, 2025.

Wages, Leave, and Benefits

Violations and Enforcement

MDL advises that employees are often reluctant to exercise their rights under employment laws for fear of retaliation by their employer. *House Bill 136 (passed)* prohibits employers from taking or threatening to take adverse action against employees who take specified actions relating to the Employment of Minors, Equal Pay for Equal Work, Maryland Wage and Hour, Maryland Wage Payment and Collection, Workplace Fraud, and Living Wage laws, and creates a uniform administrative enforcement process. The bill creates new anti-retaliation provisions for the Employment of Minors, Maryland Wage Payment and Collection, and Living Wage laws and

standardizes and strengthens existing anti-retaliation provisions for the other laws. Additionally, an employer may not hinder or delay the Commissioner of Labor and Industry (or authorized representative) from enforcing the six affected statutes, and a person may not make or cause to be made a groundless or malicious complaint to the commissioner or in bad faith bring an action or proceeding related to the six affected statutes.

House Bill 465 (passed) increases the maximum civil penalty from \$5,000 to \$10,000 for each employee that an employer is found to have knowingly failed to properly classify an employee under the Workplace Fraud Act. On a showing of clear and convincing evidence that a relevant Workplace Fraud Act or State Prevailing Wage Law violation has occurred, the Commissioner of Labor and Industry must refer any complaint that alleges a violation of tax withholding and tax fraud provisions in the Tax-General Article to the Comptroller, the State's Attorney with jurisdiction over the alleged violation, the U.S. Department of Justice, the U.S. Department of Labor, and the U.S. Department of the Treasury.

Wage Disclosures

Maryland's Wage Payment and Collection Law regulates the payment of wages by employers in the State. **Senate Bill 38/House Bill 385 (both passed)** expand the information that an employer must give to an employee for each pay period. In addition to gross pay, the pay stub must include the employer's name and address, hours worked, rates of pay, net pay, and a list of deductions. At the time of hiring, and employer must provide written notice to the employee regarding the employee's rate of pay, regular paydays, and leave benefits. In addition, the Commissioner of Labor and Industry must create and make freely available to employers a pay stub template that employers may use to comply with the requirements of the legislation. Enforcement provisions include authorizing the commissioner to (1) issue orders to comply with the Acts' requirements; (2) impose an administrative penalty of up to \$500 for each employee who was not provided a pay stub or online pay statement in accordance with the Acts; and (3) bring an action to enforce the commissioner's orders of compliance.

Senate Bill 525/House Bill 649 (both passed) expand the applicability, requirements, and penalties of the State's Equal Pay for Equal Work Law. Generally, an employer must disclose specified wage, benefit, and any other compensation information in public or internal job postings and to applicants to which the job posting was not made available. Additionally, wage ranges must be set by the employer in good faith, and must be disclosed to an applicant before compensation is discussed. The proactive disclosures replace the existing requirement to disclose a wage range to an applicant on request. Employers must keep records of compliance with the updated requirements for at least three years.

Family and Medical Leave Insurance Program

Chapter 48 of 2022 established the Family and Medical Leave Insurance (FAMLI) Program. The program generally provides up to 12 weeks of benefits to a covered individual who is taking leave from employment due to caring for or bonding with certain family members, the individual's own serious health condition, or a qualifying exigency arising out of a family

member's military deployment. The weekly benefit is based on an individual's average weekly wage and is indexed to inflation.

Senate Bill 485/House Bill 571 (both passed) modify the FAML I Program by altering key administrative deadlines, definitions, and components of the program's administration. An employer must be authorized by the Secretary of Labor to provide a private employer plan, which consists of employer-provided benefits or insurance, and MDL is authorized to adopt regulations that establish fees for private employer plans. The purpose of the fees are to fund MDL's oversight of the private employer plans. The program's start dates are delayed by nine months to July 1, 2025, for required contributions and six months to July 1, 2026, for benefit payments. A self-employed individual who fails to pay FAML I contributions is subject to the same actions as an employer that fails to pay FAML I contributions. The Secretary may allocate a portion of FAML I funds to award grants for community partnerships, among other administrative changes.

Special fund FAML I revenues decrease by up to \$915.5 million in fiscal 2025 and \$457.8 million in fiscal 2026, and special fund FAML I expenditures decrease by up to \$869.4 million in fiscal 2026 due to the delay in contributions and benefit payments. State expenditures (all funds) decrease by up to \$26.1 million in fiscal 2025 and by up to \$8.9 million in fiscal 2026 due to the delay in required contributions as an employer. Beginning in fiscal 2026, FAML I special fund revenues increase by the fees for private plans and any assessed MDL appeal costs, and general fund revenues may increase minimally due to imposed penalties.

Workforce Development

The Division of Workforce Development and Adult Learning's (DWDAL) purpose is to ensure businesses have the skilled workforce they need to be competitive in today's environment, as well as helping people get jobs. DWDAL also is responsible for the daily oversight of State apprenticeship programs.

House Bill 1128 (passed) establishes the Talent Innovation Program (TIP) and Fund within MDL, jointly administered by DWDAL and the Governor's Workforce Development Board. The purpose of TIP is to increase access to high-quality job training by using innovative and sustainable talent financing mechanisms to help meet skill needs in the State's prominent and emerging industry sectors, including cybersecurity, health care, biotechnology, manufacturing, and artificial intelligence.

The program may conduct pilots, convene key stakeholders, and conduct research to develop and support new talent financing approaches. The program must also establish an initial pilot program that focuses on the cybersecurity sector by supporting job training through the expansion of regional cyber ranges. The fund will be used to provide grants to entities to meet the goals of the program. General fund expenditures increase by \$2.0 million annually for the program beginning in fiscal 2025; the fiscal 2025 budget includes \$2.0 million for TIP. Special fund revenues and expenditures increase correspondingly.

Senate Bill 511/House Bill 650 (both passed) require MDL to submit a report to the General Assembly by October 1, 2024, that analyzes the apprenticeship mentoring ratios for all nontraditional apprenticeable occupations in the State. Among other requirements, the report must include recommended strategies to streamline the expansion of apprenticeship ratios for all newly registered, nontraditional apprenticeship occupations for the purpose of meeting the goals of the Apprenticeship 2030 Commission.

Employment Discrimination and Hiring Preferences

State law generally prohibits an employer with at least 15 employees from 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. Under the State's Equal Pay for Equal Work law, an employer may not discriminate between employees in any occupation by providing less favorable employment opportunities based on sex or gender identity or paying a wage to employees for similar work of one sex or gender identity at a rate less than the rate paid to employees of another sex or gender identity.

House Bill 602 (passed) expands the State's Equal Pay for Equal Work law by prohibiting employment discrimination on the basis of sexual orientation. The bill incorporates the prohibition of discrimination on the basis of sexual orientation into existing prohibitions against workplace discrimination under the Equal Pay for Equal Work law. Thus, an employer may not discriminate between employees in any occupation by providing less favorable employment opportunities based on sexual orientation or by paying a wage for similar work to employees of one sexual orientation at a rate less than the rate paid to employees of another sexual orientation.

Senate Bill 478 (Ch. 6) authorizes employers to grant a hiring and promotion preference to the spouse of an eligible service member. Current law specifies that granting this preference does not violate any State or local equal employment opportunity law. An "eligible service member" is a full-time active-duty member of any branch of the uniformed services.

Miscellaneous

Employee Noncompete and Conflict of Interest Agreements

Current law invalidates a noncompete or conflict of interest provision in an employment contract or a similar document or agreement that restricts the ability of an employee to enter into employment with a new employer or to become self-employed in the same or similar business or trade for an employee who earns equal to or less than 150% of the State minimum wage rate. *House Bill 1388 (passed)* expands the application of the provisions for an employee licensed as a veterinary practitioner or veterinary technician. The provision also applies to an employee who is required to be licensed under the Health Occupations Article, provides direct patient care, and earns \$350,000 or less in total annual compensation.

Licensed health care professionals providing direct patient care and earning more than \$350,000, however, may be subject to an employment contract or similar agreement that includes a noncompete or conflict of interest provision, but the noncompete or conflict of interest provision period may not exceed one year from the last day of employment. In addition, the geographical restriction in a noncompete or conflict of interest provision in an applicable employment contract may not exceed 10 miles from the primary place of employment. On request of a patient, an employer must provide notice to a patient of the new location where a former employee subject to the bill will be practicing.

Polygraph Examinations

Generally, an employer in the State may not require or demand, as a condition of employment, prospective employment, or continued employment, that an individual submit to or take a lie detector or similar test. *Senate Bill 809/House Bill 589 (both passed)* add an applicant for employment as a paramedic or an emergency medical technician with the Emergency Medical Services Division in the Dorchester County Department of Emergency Services, or a 9-1-1 center dispatcher/specialist at the Dorchester County 9-1-1 Center in the Dorchester County Department of Emergency Services to the list of individuals exempt from the prohibition.

Statewide Alcoholic Beverages

Manufacturer's Licenses

A Class 4 limited winery license, issued by the Executive Director of the Alcohol, Tobacco, and Cannabis Commission (ATCC), authorizes the sale and sampling of wine and pomace brandy produced by the license holder with a certain minimum required content of Maryland-grown grapes or other fruit. *Senate Bill 1001/House Bill 1083 (both passed)* alter cultivation and production requirements applicable to holders of Class 4 limited winery licenses by defining "Maryland-grown agricultural product" and using that more expansive term for the Maryland content requirements applicable to Class 4 limited wineries. The bills also alter the standards for the purchase of specific wine by a license holder and require the finished wine being purchased by the license holder to be made entirely of Maryland agricultural products fermented by a licensed manufacturer.

Direct Delivery of Alcoholic Beverages

Generally, State law regulates specific activities of alcoholic beverage license holders including (1) the storage of alcoholic beverages; (2) the certification of license holders; and (3) the conduct of license holders. Statute also regulates the delivery of alcoholic beverages within the State and retail delivery to a purchaser of alcoholic beverages is generally prohibited.

Manufacturer Direct Delivery Permits

Before the COVID-19 pandemic, the only alcoholic beverages manufacturers that were allowed to sell their products directly to customers in the State were wineries operating under a direct wine *shipper's* permit issued by ATCC, using a shipping service holding a common carrier permit from ATCC. During the pandemic, breweries, wineries, and distilleries in the State were granted a temporary authorization to deliver their products directly to consumers in the State by executive order and legislation that have since terminated. *Senate Bill 1041 (passed)* allows a winery to deliver directly to a consumer in the State under a new direct wine *delivery* permit issued by ATCC. Similarly, the bill further establishes a new direct beer delivery permit and a new direct liquor delivery permit authorizing the direct delivery of beer and liquor to a consumer in the State, as specified.

The bill also repeals restrictions on the maximum amount of alcoholic beverages a consumer may buy when visiting Class 1 distilleries and Class 5 breweries and requires holders of specified manufacturer's licenses to report certain information to ATCC each year.

Restaurant Local Delivery Permit

Senate Bill 456/House Bill 808 (both passed) establish a local delivery service permit in jurisdictions where a local licensing board has adopted regulations authorizing the delivery of alcoholic beverages by a third-party contractor, an independent contractor, or an agent. The local delivery service permit holder may deliver alcoholic beverages from a retail license holder authorized to deliver alcoholic beverages to an individual only in the jurisdiction where the retail license holder is located.

Local Alcoholic Beverages

Legislation

Allegany County

Class BWLT Tasting Permit: House Bill 1205 (passed) establishes a Class BWLT beer, wine, and liquor tasting permit that authorizes the permit holder to allow the on-premises consumption, for tasting, of beer, wine, and liquor.

Underage Employees: House Bill 1330 (passed) authorizes an alcoholic beverages license holder in Allegany County to employ an individual who is 16 or 17 years old, as long as that individual does not sell or serve alcoholic beverages.

Baltimore City

Board of License Commissioners: Senate Bill 22 (passed) requires the Governor, instead of the Mayor of Baltimore City or the President of the Baltimore City Council, to appoint, fill a

vacancy, and remove members of the board of license commissioners, as specified. The bill also clarifies that members of the board are subject to State ethics laws. In addition, the bill provides that the executive secretary and deputy executive secretary of the board may qualify for these positions if they have served in Baltimore City government for a minimum of five years immediately preceding their appointment as an alternative to the existing city residency requirement.

Class B-D-7 Licenses – Hours of Sale: *Senate Bill 45/House Bill 335 (both passed)* alter a specified geographic area in the 45th alcoholic beverages district in Baltimore City where (1) a holder of a Class B-D-7 beer, wine, and liquor license may not sell alcoholic beverages before 9 a.m. or after 10 p.m. and (2) a license holder, other than licensees specified, may not sell alcoholic beverages before 9 a.m. or after 10 p.m. and may not extend the hours of sale if they begin later than 9 a.m. or end before 10 p.m.

Licensing Fees: *Senate Bill 895/House Bill 733 (both passed)* (1) increase annual, supplementary, and other alcoholic beverages licensing fees for specified licenses in Baltimore City; (2) authorize the board of license commissioners to set *per diem* and annual licensing fees for specified licenses; and (3) increase renewal application fees for all alcoholic beverages licenses.

License Extensions: *Senate Bill 1079/House Bill 1235 (both passed)* specify that a Class B-D-7 license issued for a premises in the 5517 block of Harford Road must be considered unexpired until July 1, 2025, for the purpose of transfer to another owner at this location, if the applicant enters into a memorandum of understanding (MOU) with the Hamilton Community Association. The bills also specify that a Class B-D-7 license issued for a premises in the 2200 block of East Fayette Street must be considered unexpired until July 1, 2025, for the purposes of renewal to the current license year, and transfer to a different applicant at this location, if the applicant enters into an MOU with the Cleaning, Active, Restoring, Efforts Community Association, as specified.

40th Alcoholic Beverages District: *Senate Bill 1008/House Bill 1198 (both passed)* establish a Class M-F (Municipal Family Fun Center) alcoholic beverages license in the 40th alcoholic beverages district in Baltimore City and authorize the board of license commissioners to issue a license for use at a municipal bowling alley and skating rink in a specified area in the 40th district. Additionally, the bills authorize the issuance of a Class B beer, wine, and liquor license in a specified area in the 40th district under certain circumstances and authorize an extension of the expiration date of a Class A license in a specified area in the 40th district for the purpose of renewal.

46th Alcoholic Beverages District: *Senate Bill 1100/House Bill 1052 (both passed)* add two exceptions to the general prohibition against the transfer or issuance of a license within 300 feet of a place of worship or school for specified areas in the 46th alcoholic beverages district in Baltimore City. The bills authorize the issuance of up to 10 new Class B-D-7 licenses and 2 new Class A-7 licenses in a specified area in the 46th alcoholic beverages district. Under the bills,

licenses may not be transferred outside or into the specified area. The bills authorize the holder of a specified Class D beer and light wine license to convert to a Class D beer, wine, and liquor license, and extend the expiration date of a specified Class B-D-7 license in the 46th alcoholic beverages district for the purpose of completing a transfer at that location.

Senate Bill 904/House Bill 1089 (both passed) authorize the board of license commissioners to issue a Class B beer, wine, and liquor license for use by a restaurant in ward 4, precincts 1 and 2 of Baltimore City. The licensee may not sell alcoholic beverages for off-premises consumption, except under a refillable container permit for draft beer, as specified. No new licenses may be issued after June 30, 2028, but then-existing licenses may be renewed.

Baltimore County

Individual Storage Permits: Senate Bill 1010 (passed) requires retailers in Baltimore County to have written approval from the board of license commissioners before applying to the Executive Director of the Alcohol, Tobacco, and Cannabis Commission for an individual storage permit.

License Applications Notice: House Bill 1269 (passed) clarifies that the board of license commissioners must publish notice of an application for an alcoholic beverages license two times in two successive weeks in one newspaper of general circulation in Baltimore County. However, the bill allows the board to fulfill the notice requirement by posting notice of an application hearing online at least 14 days before the application hearing date instead of publishing the notice in a local newspaper.

Caroline County

Beer, Wine, and Liquor Tasting License: Senate Bill 529/House Bill 363 (both passed) alter the existing one-day beer and wine tasting license to be a one-day beer, wine, and liquor tasting license. Among other samples authorized under existing law, an individual may consume beer, wine, or liquor covered by the beer, wine, and liquor tasting license in a quantity of up to (1) 9 ounces of beer from all offerings in a day rather than eight ounces and (2) 0.5 ounces from each offering of liquor, and 2.5 ounces from all offerings in a day.

Barbershop and Beauty Salon Beer and Wine License: Senate Bill 531/House Bill 362 (both passed) establish a barbershop and beauty salon beer and wine license in Caroline County that authorizes the license holder to provide a certain quantity of beer and wine for on-premises consumption only while performing activities generally related to barbershops and beauty salons.

Carroll County

Alcohol Awareness Training Program: Senate Bill 964 (passed) requires a holder of a Class B or Class D alcoholic beverage license in Carroll County or the holder's designee to (1) be certified by an alcohol awareness training program and (2) be present on the licensed premises

during the hours when alcoholic beverages may be sold. The bill also establishes monetary and administrative penalties for noncompliance.

Frederick County

Class C (Weinberg Center/New Spires Art Stages) License: *Senate Bill 563/House Bill 586 (both passed)* rename the Class C (Weinberg Center) beer, wine, and liquor license as the Class C (Weinberg Center/New Spires Art Stages) beer, wine, and liquor license and authorize the board of license commissioners to issue the license for use by the Weinberg Center for the Arts at the New Spires Arts Stages. The New Spires Art Stages are under common management with the Weinberg Center.

Municipal Golf Course License: *Senate Bill 560/House Bill 588 (both passed)* add to the authorized recipients of a Class M-G (Municipal Golf) beer, wine, and liquor license an official of the City of Frederick designated by the Mayor of the City of Frederick in addition to a manager of a municipal golf course.

Stadium License: *Senate Bill 770/House Bill 742 (both passed)* authorize the holder of a stadium license to sell liquor, in addition to beer and wine, for consumption on the licensed premises and increase the license fee.

Class DBR License and Class DDS Permit: *House Bill 1377 (passed)* establishes a Class DBR license that the board of license commissioners may issue to a holder of a Class 5 brewery license. The license authorizes the holder to sell (1) food and nonalcoholic beverages and (2) beer brewed at the brewery for on- and off-premises consumption to the extent the license holder is allowed under its Class 5 brewery license. The bill also establishes a Class DDS permit that may be issued by the board to a holder of a Class 1 distillery license that authorizes the holder to sell (1) food and nonalcoholic beverages and (2) brandy, rum, whiskey, alcohol, and neutral spirits that are distilled, rectified, blended, and bottled at the distillery for on- and off-premises consumption to the extent the permit holder is allowed under its Class 1 distillery license.

Manufacturer's Limited Beer, Wine, and Liquor Permit: *Senate Bill 561/House Bill 587 (both passed)* establish a manufacturer's limited beer, wine, and liquor permit that may be issued to specified holders of a Class 1 distillery license or Class 5 brewery license in the county. The permit authorizes the holder to allow a licensed caterer or other contracted party to provide sealed beer, wine, and liquor products not manufactured by the holder during private events for on-premises consumption.

Promoter's Permit: *Senate Bill 767/House Bill 743 (both passed)* authorize the holder of a promoter's permit to sell beer, wine, and liquor at an event, as specified.

Garrett County

Senate Bill 428 (passed) makes multiple changes to alcoholic beverages laws in Garrett County by:

- establishing a Class B-Resort beer license, a Class B-Resort beer and wine license, and a beer, wine, and liquor festival license;
- authorizing the board of license commissioners to issue a Class B-Resort beer license or a Class B-Resort beer and wine license to a license holder for a complex that has at least two facilities meeting specified requirements;
- requiring the county to select a nonprofit organization to conduct the Garrett County Beer, Wine, and Liquor Festival each year;
- imposing a State residency requirement on applicants for alcoholic beverages licenses;
- prohibiting alcohol consumption at certain places of adult entertainment, subject to conviction and fine;
- increasing the maximum fines for a violation of the county’s alcoholic beverages laws; and
- extending the Sunday hours of sale for specified alcoholic beverages licenses in the county.

Harford County

Golf Simulator Facility License: *Senate Bill 736/House Bill 632 (both passed)* establish a Class GSF (golf simulator facility) alcoholic beverages license for use by a golf simulator facility that is (1) open to the public; (2) features at least five golf simulator bays; and (3) has accommodations that are predominantly dedicated to golf simulator bays and seating for those bays.

Performing Arts Nonprofit Organization License: *Senate Bill 734/House Bill 635 (both passed)* establish a performing arts nonprofit organization beer, wine, and liquor license. The bills also establish recordkeeping and reporting requirements for license holders and penalty provisions, as specified.

Performing Arts Theater License: *Senate Bill 933/House Bill 1118 (both passed)* alter existing eligibility criteria for a performing arts theater license. The bills authorize the board of license commissioners to issue the license to a for-profit organization instead of a nonprofit organization. Furthermore, the bills authorize the holder of a performing arts theater license to sell liquor for on-premises consumption in addition to beer and wine and increase the annual license fee.

Stadium License: *House Bill 621 (passed)* decreases the annual license fee from \$10,000 to \$7,000 for a stadium beer, wine, and liquor license.

Montgomery County

Class B Beer, Wine, and Liquor License – Off-premises Consumption: *House Bill 762 (passed)* authorizes the holder of a Class B beer, wine, and liquor license to sell (1) beer, wine, and liquor at retail for on-premises consumption and (2) beer and wine in containers sealed with the manufacturer’s original seal for off-premises consumption only to a person who has purchased prepared food from the licensed premises.

St. Mary’s County

Nonprofit Performing Arts Theater License: *House Bill 654 (passed)* establishes a nonprofit performing arts theater beer and wine license that authorizes the license holder to sell or serve beer and wine, as specified.

Beer, Wine, and Liquor Tasting Permit: *House Bill 651 (passed)* establishes a beer, wine, and liquor tasting permit and authorizes the board of license commissioners to issue the permit to the holder of a Class A license for on-premises consumption of beer, wine, and liquor for tasting purposes only.

Prince George’s County

Class B-CAEVC (College Athletic Event Venue Concessionaire) License: *Senate Bill 1184 (passed)* establishes a Class B-CAEVC (college athletic event venue concessionaire) beer, wine, and liquor license. The board of license commissioners may issue the license for use by a concessionaire contracted to provide food and beverages services in designated areas of venues that are located on the University of Maryland, College Park Campus or the Bowie State University campus, as specified.

Class C (Fraternal/Sororal/Service Organization) License: *Senate Bill 9/House Bill 307 (both passed)* authorize the board of license commissioners to issue a Class C (fraternal/sororal/service organization) beer, wine, and liquor license for use by an independent and nonprofit nationwide fraternal or sororal organization, as defined.

Distance Restrictions: *Senate Bill 66/House Bill 817 (both passed)* authorize the board of license commissioners to issue an alcoholic beverages license for an establishment that is within 500 feet of a place of worship or within 1,000 feet of a school building if a license of the same class had been issued and was (1) held by the same person seeking the new license and (2) in effect for the establishment before the place of worship or school building was built.

License Renewal: *Senate Bill 51 (passed)* authorizes the board of license commissioners to extend the deadlines by which a license holder must file a renewal application for Class A, B, C, and D licenses. The bill also specifies that a license or permit issued by the board that was subject to renewal from March 5, 2020, to December 31, 2023, and was not renewed because the holder failed to file a renewal application must be considered unexpired until July 1, 2025, and

may be renewed to bring the license holder up-to-date if the license holder demonstrates to the board that the license holder meets all requirements for renewal and pays all past due fees.

Washington County

Multi-use Sports and Events Facility Beer, Wine, and Liquor License: *Senate Bill 853/House Bill 920 (both passed)* alter the existing stadium beer and wine license to be a multi-use sports and events facility beer, wine, and liquor license. The holder of a multi-use sports and events beer, wine, and liquor license is authorized to sell beer, wine, and liquor for on-premises consumption to individuals present at an event in the specified facility.

Wicomico County

Dispensary Monopoly Repeal and Regulation: *House Bill 1340 (passed)* repeals the monopoly of the Liquor Control Board and its dispensary system for the sale and distribution of specified wine and liquor in the county. The bill (1) authorizes the holder of a Class A, B, C, or D license to purchase alcoholic beverages from a dispensary or a wholesaler and (2) repeals the prohibition for a holder of a Class 1 beer, wine, and liquor or a Class 2 wine and liquor wholesaler’s license to sell or deliver liquor in the county for resale, as specified.

Class B Beer, Wine, and Liquor License: *Senate Bill 941/House Bill 1341 (both passed)* (1) authorize the holder of a Class B beer, wine, and liquor license to purchase liquor for retail sale from a county dispensary or from a licensed wholesaler; (2) specify that a county dispensary may not charge the license holder more than 15% above the wholesale operating cost to the dispensary; and (3) establish that the holder of a Class B beer, wine, and liquor restaurant license that has been issued a Class 9 limited distillery license may sell products manufactured under the distillery license at the place described in the Class B license in a manner consistent with the underlying Class B license for on- and off-premises consumption.

Cannabis Regulation

Following the enactment of Chapter 26 of 2022 and the passage of an associated constitutional amendment, an individual at least 21 years of age may use and possess a “personal use” amount of cannabis. Chapters 254 and 255 of 2023 established the adult-use cannabis industry in the State and created the Maryland Cannabis Administration (MCA) as the independent agency responsible for administering and enforcing the growing, processing, and sale of medical and adult-use cannabis. Adult-use cannabis sales began on July 1, 2023, and during the first eight months of adult-use cannabis sales, revenues totaled \$447.0 million. At the established tax rate of 9%, approximately \$40.2 million in tax revenues have already been generated during the first eight months of adult-use cannabis sales. In March 2024, MCA held the first round of license lotteries, which was reserved for social equity license applicants, to select 172 winning applicants from among 1,447 eligible applicants for growers and micro growers, processors and micro processors, and dispensaries and micro dispensaries.

House Bill 253 (passed) is an emergency departmental bill that alters various provisions that govern the cannabis industry in the State, including correcting references and adjusting to matters that MCA has identified since the establishment of the industry. The bill (1) clarifies the meaning of “cannabis” to include certain growth stages of the plant; (2) extends cannabis registration requirements to “cannabis nurseries”; (3) codifies existing practice regarding the amount of cannabis a qualifying patient may possess; (4) alters the membership and requirements for the Alcohol Tobacco and Cannabis Commission (ATCC); (5) extends by one year – through June 30, 2025 – the authorization for licensed dispensaries to continue delivering medical cannabis; (6) increases the amount of cannabis that licensed processors may process and extends by one year to January 1, 2027, the build-out deadline for existing grower licensees to expand canopy operations; (7) alters the membership, staffing, and duties of the Advisory Board on Medical and Adult-use Cannabis – including a requirement that the advisory board study the effects on the State’s cannabis industry if the federal government alters the scheduling of cannabis under the Controlled Substances Act; (8) alters the reporting requirements related to the Community Reinvestment and Repair Fund and redirects any interest earnings of the fund to the general fund; (9) explicitly authorizes MCA to issue penalties after exercising its hearing authority under current law; (10) clarifies the definition of “ownership interest”; (11) authorizes MCA to issue a temporary cannabis agent registrations; (12) authorizes the use of licensee logos; (13) provides that certain violations regarding THC-infused products may be charged by citation; (14) transfers the administration of the Cannabis Regulation and Enforcement Fund from the Comptroller to MCA; (15) updates an existing income tax subtraction modification related to cannabis establishments; and (16) makes other technical, clarifying, and conforming changes.

Much of the discussion regarding the newly established cannabis industry centered around the appropriate level of local control regarding where cannabis licensees may operate within a jurisdiction. In addition to clarifying aspects of current law, **House Bill 805 (passed)** establishes various changes related to local zoning for cannabis licensees. Under the bill, a political subdivision may not adopt an ordinance that establishes zoning requirements for (1) licensed dispensaries that are more restrictive than zoning requirements for a licensed alcoholic beverage retailer; (2) licensed growers cultivating cannabis exclusively outdoors in an area zoned for agricultural use that are more restrictive than any zoning requirements that existed on June 30, 2023, governing a registered hemp farm in the political subdivision; or (3) licensed growers cultivating cannabis outdoors on a premises that was properly zoned for outdoor cannabis cultivation on or before June 30, 2023. A political subdivision may, however, by ordinance, increase the statutory distance limitation between dispensaries from 1,000 feet to no more than one-half mile. Additionally, a local jurisdiction may, by ordinance, establish a distance limitation for dispensaries of up to 100 feet from an area zoned for residential use, or apply to dispensaries the distance limitation for licensed alcoholic beverage retailers from an area zoned for residential use. Furthermore, if a political subdivision establishes any ordinance that provides for a distance requirement for dispensaries, the political subdivision must waive that requirement for a licensed dispensary that was in operation before April 1, 2024.

House Bill 805 also authorizes at least 10 individuals – located within 1,000 feet of the licensed premises who are residents, commercial tenants, or real estate owners – to file a protest

against a license renewal with MCA. The basis for a protest may include (1) violations of law or regulations or (2) conduct by a licensee that creates or maintains conditions that may result in disturbing the public peace. If a protest against a license renewal is filed at least 30 days before the license expires, MCA may not approve the renewal without holding a hearing unless MCA finds that the basis of the protest filed against the renewal is without any reasonable ground. MCA may only consider issues arising out of specific complaints about the operation of the licensed premises and the performance of the license holder for the four-year period immediately preceding the date of the renewal application. MCA, in making its determination on a protest of a renewal, may not consider zoning issues.

In response to concerns regarding straw ownership of licenses or registrations in the cannabis industry, *House Bill 272 (passed)* prohibits a person from applying for or holding a cannabis license or registration if the ownership interest in the license or registration is (1) nominal or without the benefits and risks of “genuine ownership” or control and (2) for the limited purpose of satisfying the requirements for cannabis licensees or registrants, including requirements for social equity licensees or registrants. A person who violates this prohibition is guilty of a misdemeanor and on conviction is subject to a maximum penalty of one year imprisonment, a \$2,500 fine, or both. Subject to a hearing, MCA is required to deny an application for a cannabis license or registration or revoke a cannabis license or registration if the applicant, licensee, or registrant is convicted of violating – or is determined by MCA to be in violation of – this prohibition.

Part I

Financial Institutions, Commercial Law, and Corporations

Financial Institutions

Office of Financial Regulation

House Bill 250 (passed) authorizes the Office of Financial Regulation (OFR) in the Maryland Department of Labor to examine a “third-party service provider” regarding any services and activities performed on behalf of an entity licensed or chartered by OFR. OFR may examine (1) all books, accounts and records of a regulated entity or a third-party service provider to conduct a complete examination, and (2) any officer, director, or employee of the regulated entity or, as appropriate, the third-party service provider, under oath.

The bill defines a “third-party service provider” as a person who performs activities relating to financial services on behalf of a regulated entity for that regulated entity’s customers. Additionally, the bill specifies several types of third-party service providers that meet those criteria, including (1) data processing services; (2) activities that support specified financial services; (3) Internet-related services; or (4) any other similar activity OFR designates by regulation as related to financial services.

OFR is authorized to charge a fee to cover the cost of an examination and to take enforcement actions against any third-party service provider who refuses to submit to an examination, refuses to pay an assessed fee, or engages in activities that OFR deems unsafe or unsound.

Commercial Law – Generally

Disposition of Abandoned Property Act – Maryland 529 Accounts

The Maryland Uniform Disposition of Abandoned Property Act (MUDAPA) governs abandoned property in the State; the Comptroller is the administrator of abandoned property. Statutory provisions establish a process by which specified types of property are presumed abandoned under certain conditions.

Senate Bill 800/House Bill 1150 (both passed) expressly exempt certain accounts under the Maryland 529 Program from the provisions of the MUDAPA and clarify that sums payable on a check drawn against such accounts are subject to the provisions of the MUDAPA. Accounts exempted under the bills are those contained within the Maryland Senator Edward J. Kasemeyer Prepaid College Trust, the Maryland Senator Edward J. Kasemeyer College Investment Plan, and the Maryland Achieving a Better Life Experience Program.

Maryland Self-Service Storage Act

Under the Maryland Self-Service Storage Act, a rental agreement between an operator and occupant of a self-storage facility must contain a statement, in bold type, advising the occupant that, in the event of the occupant's default, the lien sale of personal property stored in the leased space may be advertised in a newspaper of general circulation in the jurisdiction where the sale is to be held; by email; or on a website. At least three days before conducting the sale of the personal property, the operator must advertise the time, place, and terms of the sale via one of those methods. *Senate Bill 633 (passed)* authorizes a self-service storage facility operator to advertise a lien sale via email or a website without the occupant's prior written authorization in the storage agreement. The bill also alters the related statement that must be contained in a self-service storage facility rental agreement.

Commercial Law – Credit Regulation

Consumer Credit Reports

Consumer reporting agencies may not report certain information in a consumer credit report, such as records of arrest, indictment, or conviction of crime whose date of disposition, release, or parole is more than seven years before the report date. *House Bill 622 (passed)* prohibits a consumer reporting agency from including in a consumer report any record of a criminal proceeding concerning the consumer (1) in which the consumer was falsely accused, acquitted, or exonerated; (2) in which a *nolle prosequi* was entered as to a charge concerning the consumer; or (3) that did not result in a guilty verdict for (or guilty plea by) the consumer. A consumer reporting agency is also prohibited from including any criminal records concerning the consumer that have been expunged. A consumer reporting agency may not rely on the information contained in these records when making a determination regarding the creditworthiness of a consumer.

Commercial Law – Consumer Protection

Online Data Privacy Protection

Maryland Online Data Privacy Act

Under current law, the Maryland Personal Information Protection Act imposes certain duties on businesses to protect an individual’s personal information. A business in possession of personal information must implement and maintain reasonable security procedures and practices to protect the information from unauthorized access, use, modification, or disclosure.

Senate Bill 541/House Bill 567 (both passed) establish new consumer protections and rights, as well as disclosure obligations, relating to online personal data controlled or processed by certain entities that conduct business in the State or provide services or products that are targeted to residents of the State. The consumer rights under the bills include a right to confirm whether their personal data is being processed and, if so, a right to access the data, correct inaccuracies, and require a controller to delete the data. A consumer also has the right to opt out of the processing of personal data for purposes of targeted advertising, the sale of personal data, and certain profiling activities.

The bills prohibit certain activities by business entities that control online consumer personal data. Among other protections, a controller may not process personal data for a purpose that is neither reasonably necessary to, nor compatible with, the disclosed purposes for which the data is processed unless the controller obtains the consumer’s consent.

There are special protections for sensitive data (such as consumer health data) and personal data of consumers who are children. The bills prohibit the sale of sensitive data for consumers of all ages and the processing of personal data for the purpose of targeted advertising if the controller knew or should have known that the consumer is under the age of 18.

Data of Children (Maryland Kids Code)

Senate Bill 571/House Bill 603 (both passed) require businesses that provide an online product reasonably likely to be accessed by children to complete a data protection impact assessment of the online product. This is a systematic survey to assess compliance with the duty to act in the best interests of children. The bills establish numerous rules, procedures, and prohibitions related to the assessments. The impact assessment must meet certain requirements, such as identifying the purpose of the online product, identifying how the online product uses children’s data, and determining whether the product is designed in a manner consistent with the best interests of children reasonably likely to access the product through consideration of certain factors.

The bills also establish prohibitions that apply to businesses that provide such online products. For example, a business may not (1) process the personal data of a child in a way that is inconsistent with the best interests of children reasonably likely to access the online product;

(2) profile a child by default, with limited exceptions; or (3) process personal data of a child that is not reasonably necessary to provide an online product with which the child is actively and knowingly engaged.

Sale and Resale of Tickets

Senate Bill 539 (passed) establishes protections and disclosure requirements relating to the sale and resale of tickets for entertainment events. Under the bill, the listing for a ticket (and each step of a transaction to purchase a ticket) must (1) clearly and conspicuously disclose the total price of the ticket, including all fees and taxes other than shipping costs that are not determinable at a step in the transaction; (2) provide an itemized listing of all charges that comprise the total price of the ticket, including all fees and taxes; and (3) identify the seat number and zone or section of the ticket, to the extent applicable to the seat and venue. These requirements apply only to secondary ticket exchanges, ticket issuers, and resellers. The bill also expands protections relating to the sale of speculative tickets, which are tickets that are not in the possession of the reseller at the time of the sale.

Gift Card Scams Prevention

Senate Bill 760 (passed) establishes consumer protections relating to the retail sale of gift cards. The bill generally prohibits a merchant from knowingly selling open- or closed-loop gift cards (*i.e.*, gift cards redeemable at either multiple unaffiliated merchants or a single merchant or a group of affiliated merchants) to a consumer unless the card is packaged in a way that protects against tampering and the merchant displays a notice that cautions consumers about gift card scams. The bill also requires merchants to train employees on how to identify and respond to gift card fraud.

Information in Consumer Credit Reports

Under the Maryland Consumer Credit Reporting Act, consumer reporting agencies may not report in a consumer credit report certain information, such as bankruptcies of more than 10 years before the credit report; accounts placed for collection or charged to profit and loss more than 7 years before the report; records of an arrest, indictment, or conviction for a crime whose date of disposition, release, or parole is more than seven years before the report date; or any other adverse information that predates the report by more than 7 years.

However, under current law, the prohibition against including the above information does not apply in the case of a consumer credit report to be used in connection with (1) a credit transaction whose principal amount may involve at least \$50,000; (2) the underwriting of life insurance with a face value of at least \$50,000; or (3) the employment of an individual in a position with an annual salary of at least \$20,000. To align Maryland law with the federal Fair Credit Reporting Act, *Senate Bill 41/House Bill 262 (both passed)* increase these thresholds to \$150,000 for credit transactions and life insurance underwriting and \$75,000 for employment determinations.

Telephone Solicitation

Chapters 413 and 414 of 2023 specify that, unless prior express written consent is provided by the called party, a person is prohibited from making (or causing to be made) a telephone solicitation that involves (1) an automated system for the selection or dialing of telephone numbers or (2) the playing of a recorded message when a connection is completed to the number called. The Acts also restrict the methods, times, and identifying information that a solicitor may utilize when making a telephone solicitation.

House Bill 1228 (passed) establishes that these restrictions on telephone solicitation do not apply to a noncommercial telephone solicitation for the purpose of public opinion research. Additionally, the bill establishes that the requirements and remedies provided under the telephone solicitation law may not be waived by an agreement (unless the agreement is part of a settlement of a legal dispute or action). *House Bill 1228* also provides additional remedies to enforce the telephone solicitations law. An aggrieved person may bring an action to enjoin further violations and recover damages of up to \$500 or actual damages, whichever is greater; however, on a finding of a willful or knowing violation, the court may award damages up to three times of the applicable amount.

Corporations and Associations

Ratification of Defective Corporate Acts

Chapters 289 and 290 of 2022 authorized a board of directors of a corporation to ratify a defective corporate act (such as corporate action taken in the absence of board resolutions authorizing the action) by adopting a resolution. *Senate Bill 544/House Bill 888 (both passed)* alter statutory provisions regarding the ratification of defective corporate acts, including by clarifying the approval, quorum, and other requirements that apply to a ratification and altering the process to bring an action in court to determine the validity of a ratification or to modify or waive a ratification procedure. The bills also repeal and alter certain definitions to clarify statutory provisions.

Maryland Vestry Act

Chapter 96 of 1976 decodified provisions of the Maryland Vestry Act governing the Protestant Episcopal Church, Diocese of Washington, by transferring those statutory provisions to the Session Law. *Senate Bill 429 (passed)* repeals Chapter 96 and substitutes new codified language (modeled after existing provisions of the Corporations and Associations Article relating to the Protestant Episcopal Church, Diocese of Easton), thereby allowing the parishes in the Diocese of Washington to form a religious corporation.

Common Ownership Communities

Senate Bill 15/House Bill 309 (both passed) alter procedures for the dispute settlement mechanism under the Maryland Cooperative Housing Corporation Act, including by providing that a written cease and desist demand for an alleged violation must specify, among other existing provisions, a time period of at least 15 days to abate the alleged violation without further sanction and requiring that the governing body of a cooperative housing corporation send by certified mail, return receipt requested, specified notices to a member at the address of record. Under the bills, a member of a cooperative housing corporation has a right to request a hearing to be held by the governing body. A notice advising a member of the right to request a hearing must specify the procedure for requesting a hearing and the timeframe for submitting the request (which may not be less than 10 days beginning on the date of the notice). The governing body must give a member at least 10 days' written notice of the time and place of any hearing.

Miscellaneous Revisions

Senate Bill 400/House Bill 749 (both passed) alter provisions of the Corporations and Associations Article, including by authorizing a corporation to adopt emergency bylaws and establishing related provisions applicable to an emergency, clarifying statutory provisions related to a corporation's acquisition of its own stock, and altering specified definitions.

Part J

Health and Human Services

Public Health – Generally

Firearm Violence Prevention and Intervention

The American Public Health Association reports that gun violence is a leading cause of premature death in the United States, resulting in more than 39,000 deaths and nearly 85,000 nonfatal injuries nationwide each year. Additional data obtained from the U.S. Centers for Disease Control and Prevention and reported by EveryStat.org indicates that between 2012 and 2021, an average of 796 people died and 1,363 people were wounded by firearms in Maryland each year. Of those who died, 63% were homicides, 35% were suicides, 1% were police shootings, and 1% were either unintentional or undetermined. Guns are the leading cause of death among children and teens in Maryland.

Senate Bill 475/House Bill 583 (both passed) are Administration bills establishing the Center for Firearm Violence Prevention and Intervention within the Maryland Department of Health (MDH). The purpose of the center is to reduce firearm violence, harm from firearm violence, and misuse of firearms in the State by partnering with federal, State, and local agencies and affected communities to implement a public health approach to firearm violence reduction. The center must work in consultation with specified State agencies and stakeholders; solicit and consider recommendations from specified communities and experts; and submit to the Governor and General Assembly a preliminary State Plan for a Public Health Approach to Reducing Firearm Violence (by May 1, 2025), and a State Strategic Plan for Firearm Violence Reduction Using Public Health Strategies (by May 1, 2029, and every four years thereafter).

Emergency Services

Chapters 341 and 342 of 2023 established the Commission to Study Trauma Center Funding in Maryland to study the adequacy of trauma center funding across the State for operating, capital, and workforce costs. In January 2024, the commission issued its [report](#). *Senate Bill 1092/House Bill 1439 (both passed)* implement recommendations from the commission's

report in an effort to effectively fund trauma centers, such as by expanding the purpose of Maryland Trauma Physician Services Fund (MTPSF) to include subsidizing the documented costs of trauma health care practitioners (in addition to trauma physicians as under current law), increasing the maximum fines for specified drunk and drugged driving offenses, and expanding the funding sources of MTPSF to include at least 20% of the fines collected for penalties for specified alcohol- and/or drug-related driving offenses and any other money transferred from the general fund (in addition to the motor vehicle registration surcharge fees as under current law).

The bills also increase the annual motor vehicle registration surcharge from \$17.00 to \$40.00 for the Maryland Emergency Medical System Operations Fund and MTPSF, alter the methodology for reimbursing costs incurred by trauma physicians, health care practitioners, and centers, and require the Governor to include \$16.5 million in the annual budget bill for the Senator William H. Amoss Fire, Rescue, and Ambulance Fund beginning in fiscal 2026.

In addition, *Senate Bill 362 (passed)* includes similar provisions regarding the funding for emergency medical services.

Medicaid

Overview

The Medical Care Programs Administration within MDH is responsible for administering the Medical Assistance Program (Medicaid) and the Maryland Children's Health Program (MCHP) that provide comprehensive somatic and behavioral health benefits to almost 1.4 million Marylanders.

Medicaid Coverage

Individuals with Disabilities: The Employed Individuals with Disabilities (EID) program was established in 2005 and implemented by MDH to encourage individuals with disabilities to seek or maintain employment. *Senate Bill 790/House Bill 822 (both passed)* repeal existing provisions and establish new requirements for the EID program. The bills prohibit MDH from limiting eligibility to receive EID program services based on certain factors, such as the earned or unearned income of the applicant or applicant's spouse.

Prostheses: Beginning January 1, 2025, *Senate Bill 614/House Bill 865 (both passed)* require Medicaid to provide coverage for prostheses, components of prostheses, and repairs to prostheses, as well as replacements of prostheses and prosthesis components. Among other requirements, the coverage must include prostheses determined to be medically necessary for completing activities of daily living, essential job-related activities, or performing physical activities, such as running and other activities to maximize whole-body health.

Remote Fetal Nonstress Tests: *House Bill 1078 (passed)* requires Medicaid to provide reimbursement for a remote fetal nonstress test in the same manner as an on-site fetal nonstress test. Medicaid must provide remote ultrasound procedures and remote fetal nonstress tests using

current procedural terminology codes if the patient is in a residence or a location other than the office of the patient’s provider and the provider follows the same standard of care that the provider would follow when providing services on site. A remote fetal nonstress test must require the use of remote monitoring solutions that are cleared by the U.S. Food and Drug Administration (FDA) for on-label use for monitoring fetal heart rate, maternal heart rate, and uterine activity.

Maryland Children’s Health Program: MCHP provides medical assistance for low-income children with household incomes that exceed income eligibility for Medicaid. MCHP covers the same services as Medicaid. The MCHP premium plan provides coverage for children with family incomes between 201% and 300% of federal poverty guidelines (FPG). MCHP premium plan enrollees pay a monthly premium based on income. **House Bill 1521 (Ch. 47)**, an emergency Act, eliminates the MCHP premium plan and the requirement that families with income above 200% of FPG pay a family contribution for MCHP coverage.

Studies and Reports

Dental coverage: **Senate Bill 600/House Bill 103 (both passed)** require MDH to study the feasibility of including coverage, with minimal benefit restrictions, for removable full and partial dentures and reimbursement for providers on a per-patient basis for house calls and extended care facility calls under the Maryland Healthy Smiles Dental Program. The study must also examine setting reimbursement rates for such services at amounts that ensure that all dental care providers are reimbursed adequately to provide access to care and are not less than 60% of the average commercial rates for all payors in the State who offer the services or, if average commercial rates cannot be determined, specified benchmark charges.

Personal Care Aide Wage Reports: **Senate Bill 371/House Bill 189 (both passed)** require each residential service agency (RSA), by September 1, 2025, and annually thereafter, to submit a report to the Maryland Department of Labor documenting the RSA’s average wage rate and highest and lowest wage rates for personal care aides. MDH must submit a report, as specified, on the Ensuring Access to Medicaid final federal rule and the plans or steps the department will take to operationalize the rule.

Coverage for the Treatment of Obesity: **Senate Bill 594/House Bill 986 (both passed)** require MDH to study the impact of requiring Medicaid to provide comprehensive coverage for the treatment of obesity, including coverage for intensive behavioral therapy, bariatric surgery, and any medication approved by the FDA with an indication for chronic weight management in patients with obesity.

Behavioral Health

Under Chapters 145 and 146 of 2022 and the federal National Suicide Hotline Designation Act of 2020, MDH designated 9-8-8 as the State’s behavioral health crisis hotline on July 16, 2022. Chapters 145 and 146 also established the 9-8-8 Trust Fund to provide reimbursement for costs associated with designating and maintaining 9-8-8 as the universal telephone number for a national suicide prevention and mental health crisis hotline and developing and implementing a statewide

initiative for the coordination and delivery of the continuum of behavioral health crisis response services. *Senate Bill 974/House Bill 933 (both passed)* establish a State 9-8-8 fee (with a structure and application nearly identical to the structure and application for the State's 9-1-1 fee) to support the 9-8-8 Trust Fund and continued implementation of the State's behavioral health crisis hotline.

Chapter 328 of 2015 established the Behavioral Health Advisory Council to promote and advocate for the enhancement of behavioral health services across the State for individuals who have behavioral health disorders and their family members. Chapters 290 and 291 of 2023 established the Commission on Behavioral Health Care Treatment and Access to make recommendations to provide appropriate, accessible, and comprehensive behavioral health services that are available on demand to individuals in the State across the behavioral health continuum. *Senate Bill 212/House Bill 1048 (Chs. 41 and 42)* generally require the council and the commission to work in conjunction with one another, as specified, including by (1) coordinating with one another on their annual reports and (2) meeting jointly at least three times per year at mutually determined times and places. The Acts also alter the membership and terms of the council, alter the membership of the commission, and require the commission to make specified recommendations regarding the integration of somatic and behavioral health services in Medicaid.

Senate Bill 991 (passed) establishes the Language Assistance Services Pilot Program to provide meaningful access to behavioral health care to children with limited English proficiency and establish a competitive grant process for local behavioral health authorities to provide reimbursement to behavioral health providers for language assistance services.

Mental Health

Assisted Outpatient Treatment (AOT) is a form of civil commitment that authorizes the judicial system to commit eligible individuals with severe psychiatric disorders to mental health intervention in the community. AOT is authorized by statute in 47 states and the District of Columbia. *Senate Bill 453/House Bill 576 (both passed)* are Administration bills that require an AOT program to be established in each county by July 1, 2026. A county may establish its own program and must notify MDH by January 1, 2025, as to whether the county intends to do so. In any county that does not opt to establish its own program, MDH must establish a program in the county. *Senate Bill 453/House Bill 576* also generally set standards and procedures for AOT programs, petitions, treatment plans, rights of respondents, hearings, criteria for orders, court orders, and order modifications. MDH must also establish clinical and operational standards for AOT programs and care coordination teams. The program terminates June 30, 2030.

Controlled Dangerous Substances

Opioid Restitution Advisory Council and 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. Chapter 270 of 2022 established the Opioid Restitution Fund Advisory Council to provide recommendations to the Governor and the Secretary of Health regarding the allocation of

money from ORF. *Senate Bill 751/House Bill 980 (both passed)* require the Secretary – within six months of receiving specified findings and recommendations from the advisory council – to present to the council the decisions for allocations from ORF. MDH must post to its website the council’s findings and recommendations and the Secretary’s decisions. ORF usage is also expanded to include supporting community-based nonprofit recovery organizations that provide nonclinical substance use recovery support services in the State.

Opioid Overdose Reversal Drugs: MDH’s Overdose Response Program (ORP) allows for FDA-approved opioid overdose reversal drugs to be offered to specified individuals – free of charge – by multiple providers, programs, and entities. Maryland also has a statewide standing order for opioid overdose reversal drugs that authorizes any Maryland-licensed pharmacist to dispense unlimited prescriptions and refills of naloxone and devices for its administration to any individual, as specified. In furtherance of the State’s goals to make opioid overdose reversal drugs available to individuals in need, *Senate Bill 1099 (passed)* expands the purpose of the Public Access Automated External Defibrillator Program to include an initiative to co-locate up to two doses of naloxone with each automated external defibrillator placed in a public building.

Senate Bill 408/House Bill 411 (both passed) require MDH to submit a report to specified committees of the General Assembly by December 1 each year from 2024 through 2026 on (1) current opioid overdose reversal drugs approved by the FDA and (2) whether MDH has added each current FDA-approved opioid overdose reversal drug to a standing order and, if not, the reason why any such drug has not been added.

Opioid-Related Emergency Medical Conditions: *Senate Bill 1071/House Bill 1155 (both passed)* require each hospital to establish and maintain protocols and capacity to (1) provide appropriate, evidence-based interventions that reduce the risk of subsequent harm and fatality before discharging a patient after an opioid-related overdose or a visit for an opioid-related emergency medical condition; (2) possess specified medications used for the treatment of opioid use disorder (OUD); and (3) treat a patient who presents in a hospital emergency department for an opioid-related overdose or emergency medical condition with a medication for OUD.

Tianeptine and Kratom: *House Bill 1230 (passed)* is an emergency measure that prohibits a retailer from distributing, selling, exposing for sale, or advertising for sale a tianeptine product. In addition, *House Bill 1229 (passed)* generally requires a retailer that prepares, distributes, sells, or exposes for sale a kratom product to disclose on the product label the factual basis on which the representation is made. The bill also prohibits a retailer from (1) preparing, distributing, selling, or exposing for sale a kratom product that does not comply with the disclosure, has not been recognized by the FDA as a dietary ingredient or approved drug, or that is adulterated with, contaminated with, or contains other substances, as specified, and (2) distributing, selling, or exposing for sale a kratom product to an individual younger than 21. A retailer may not advertise or market a kratom product to minors or advertise a therapeutic benefit of kratom.

Natural Psychedelic Substances: *Senate Bill 1009/House Bill 548 (both passed)* establish the Task Force on Responsible Use of Natural Psychedelic Substances to study the use

of natural psychedelic substances, such as naturally derived psilocybin, and make recommendations regarding any changes to State law, policy, and practices needed to create a Maryland Natural Psychedelic Substance Access Program and to transition from criminalizing conduct involving natural psychedelic substances.

Health Protections

Legally Protected Health Care

Chapters 246 and 247 of 2023 established additional protections for information related to “legally protected health care” when that information is sought by another state. The Acts also prohibit (1) a health occupations board from taking specified disciplinary actions related to the provision of legally protected health care; (2) a medical professional liability insurer from taking specified adverse actions against a practitioner related to the practice of legally protected health care; and (3) specified State entities, agents, and employees from participating in any interstate investigation seeking to impose specified liabilities or sanctions against a person for activity related to legally protected health care. “Legally protected health care” means all reproductive health services, medications, and supplies related to the direct provisions or support of the provision of care related to pregnancy, contraception, assisted reproduction, and abortion that is lawful in the State. *Senate Bill 119 (passed)* expands the definition of legally protected health care to include all gender-affirming treatment that is lawful in the State. As a result, all the specified protections and prohibitions in current law apply to gender-affirming treatment.

Senate Bill 975 (passed) establishes the Reproductive Health Care Clinic Security Grant Program in MDH. The program, administered by the Secretary of Health, is intended to assist “reproductive health care clinics” – defined as a health care provider that provides “legally protected health care” – in the State with the costs associated with specified security improvements. The Secretary must establish grant application and award processes and the criteria a clinic must meet to qualify for a grant.

Clean Indoor Air Act

Senate Bill 244/House Bill 230 (both passed) extend the ban on smoking in public indoor areas, places of employment, and on specified mass transit systems under the Clean Indoor Air Act (CIAA) to include vaping. Signage that states “No Smoking or Vaping” must be conspicuously posted and properly maintained in each indoor area open to the public (including each public entrance to an indoor area) where smoking or vaping is prohibited under CIAA.

Health Access

Investigational Treatments

House Bill 676 (passed) specifies that a manufacturer operating within an eligible facility may provide an individualized investigational treatment to an eligible patient without compensation or charge the patient for the cost of, or associated with, the manufacture of the

treatment. Under the bill, an individualized investigational treatment means a drug, biological product, or device that is unique to and produced exclusively for use by an individual based on the genetic profile of the individual. A carrier, third-party administrator, or government agency may provide coverage for the cost of an individualized investigational treatment or related services. However, a government agency is not required to pay costs associated with the use, care, or treatment of an individual with an individualized investigational treatment, nor is a hospital or another health care facility required to provide new or additional services unless approved by the hospital or health care facility.

Nonoccupational Postexposure Prophylaxis

House Bill 127 (passed) establishes a Nonoccupational Postexposure Prophylaxis (nPEP) Standing Order Program. The program must authorize a pharmacist registered with the program to dispense nPEP through a standing order and operate in accordance with the procedures approved by MDH with the advice and approval of the State Board of Pharmacy.

Immunizations

Senate Bill 210 (Ch. 75) extends by five years, until January 1, 2030, the provisions of law that authorize a paramedic to administer influenza and COVID-19 immunizations as part of a population health outreach effort conducted by the appropriate local health department or a hospital or health system in the State.

Health Equity

The Maryland Commission on Health Equity (MCHE) was established in 2021. *House Bill 1333 (passed)* requires MCHE to use a health equity framework to develop and monitor a statewide health equity plan as required by the Center for Medicare and Medicaid Innovation under any agreement entered between the State and the Centers for Medicare and Medicaid Services. MCHE must coordinate with MDH and the Health Services Cost Review Commission when establishing an advisory committee. *House Bill 1333* also expands the purpose of MCHE and alters its duties and membership.

Medical Records

House Bill 149 (passed) prohibits a health care provider from destroying a medical record, laboratory report, or x-ray report about a patient for seven years after the report or record is made. If a record is going to be destroyed, a notice must be sent by first-class mail and email to the last known email address of the patient (or a minor patient's parent/guardian). The health care provider must make the record or report available for retrieval by the patient or the patient's parent/guardian within 60 days before the date of destruction at the location designated in the notice.

Death Certificates

Cause and Manner of Death Determinations: *House Bill 969 (passed)* requires a medical examiner, if the cause or manner of death on a death certificate is amended or corrected to be undetermined or homicide, to provide notice to the State's Attorney and local law enforcement where the body was found of the different finding or conclusion. The medical examiner must also request that the Secretary of Health send the person in interest a new certified death certificate at no cost. An Assistant State's Attorney with knowledge of the case in which the victim's cause or manner of death was amended or corrected must meet with a person in interest regarding their request that the Office of the State's Attorney pursue an investigation into the circumstances of the victim's death. A law enforcement agency, upon notification by a medical examiner that a death certificate has been amended or corrected to be undetermined or homicide, must reopen or reinvestigate an investigation involving the death of a victim whose cause or manner of death was corrected and keep the case open for at least 20 years after being notified.

Issuance of Copies: *Senate Bill 267/House Bill 230 (both passed)* authorize the Motor Vehicle Administration and local health departments to access and issue copies of death certificates and set and collect corresponding fees.

Human Remains

Senate Bill 224 (Ch. 106) requires the person in charge of a cemetery (which includes a crematory or other place for final disposition) to write the name and physical address of the cemetery on the burial-transit permit. In addition, the person in charge must also include on the burial-transit permit either the burial, inurnment, or scattering section and the lot and space number or if the body or fetus was cremated and an authorizing agent takes control of the cremains, the name and address of the authorizing agent and the authorizing agent's relationship to the deceased or fetus.

Alkaline hydrolysis is the process of reducing human remains using water, alkaline chemicals, and heat inside a watertight vessel to accelerate decomposition. Natural organic reduction is the contained accelerated conversion of human remains into soil. *Senate Bill 1028/House Bill 1168 (both passed)* require the Office of Cemetery Oversight, in conjunction with the State Board of Morticians and Funeral Directors, to adopt regulations establishing a process for regulating crematories that use alkaline hydrolysis, reduction facilities that use natural organic reduction; and registered reduction operators.

Maternal and Infant Health

Senate Bill 1059/House Bill 1051 (both passed) require a provider who receives reimbursement from Medicaid for obstetric services to complete a prenatal risk assessment form for a patient and submit the form to the local health department (LHD). A birthing facility where an infant is born must complete a postpartum infant and maternal referral form, submit the form to the LHD, and provide the birthing parent with specified resources, information, and follow-up.

Each birthing facility must also participate in the Severe Maternal Morbidity Surveillance and Review Program. The Secretary of Health must develop a Maryland Report Card for Birthing Facility Maternity Care for each birthing facility in the State.

Sexually Transmitted Infection Testing

House Bill 119 (passed) requires universal syphilis and HIV testing for all pregnant women at the time of delivery, newborn HIV testing when the mother’s HIV status is unknown, and inclusion of pregnancy status when reporting an HIV diagnosis. A hospital must determine the syphilis serologic status of a mother before discharging the newborn for the purposes of neonatal evaluation and treatment. The bill also increases the maximum fine amounts from \$1,000 to \$2,000 for a first offense and from \$5,000 to \$10,000 for each subsequent conviction for violating the current law prohibition against knowingly and willfully disclosing personal identifying health information acquired for the purposes of specified HIV and AIDS reporting to any person not authorized to receiving the information.

Newborn Screening

Senate Bill 117/House Bill 96 (both passed) repeal the requirement on the Secretary of Health and the State Advisory Council on Hereditary and Congenital Disorders to determine whether to approve the inclusion of a core condition in the State’s Newborn Screening Program within one year after the condition is added to the U.S. Department of Health and Human Services’ (HHS) Recommended Uniform Screening Panel (RUSP) and implement testing for any condition within one year after approval. Instead, MDH generally must implement testing for a core condition listed in RUSP within 18 months after the core condition is added to RUSP. MDH may test for a condition that is not listed in RUSP if recommended by the Advisory Council and approved by the Secretary. MDH generally must also implement testing for infantile Krabbe disease within one year after HHS issues a final recommendation to add screening of the condition to RUSP.

Safe Infant Sleep

Senate Bill 59/House Bill 177 (both passed) require a hospital, as soon as practicable before discharging an infant after birth, to provide oral and written educational resources to the infant’s parent or legal guardian on how to provide a safe sleep environment. Each hospital must establish a process for (1) providing each parent or legal guardian with oral and written educational resources and information regarding a safe sleep environment and the risks of suffocation and sudden infant death in unsafe sleep environments; (2) a parent or legal guardian to confirm receipt of the educational resources; and (3) maintaining the records of confirmations. In addition, MDH, in consultation with local health officers, must develop for distribution to birthing parents and legal guardians a list of resources available by county to obtain the items necessary to provide a safe sleep environment for an infant.

Toxic Heavy Metals in Baby Food

Senate Bill 723/House Bill 97 (both passed) prohibit a person, beginning January 1, 2025, from selling, distributing, or offering for sale baby food that contains toxic heavy metals, such as cadmium or lead, that exceed the limits established by the FDA. Each manufacturer of baby food must test a representative sample of each production aggregate of the manufacturer's final baby food product for each toxic heavy metal. On the request of MDH, a manufacturer of baby food must provide the laboratory test results to an authorized agent of the department. Beginning January 1, 2026, each manufacturer of baby food must make specified information publicly available on their website and the baby food product label.

Earned Income Tax Credit Awareness

House Bill 1304 (passed) requires MDH to develop a process for providing information about the availability of the State's earned income tax credit to (1) enrollees and potential enrollees in the Maryland Medical Assistance Program, Maryland Children's Health Program, and Qualified State Long-Term Care Insurance Partnership when providing information about these programs; (2) individuals receiving services under the Senior Prescription Drug Assistance Program; and (3) individuals receiving donated prescription drugs and medical supplies under the Prescription Drug Repository Program. The Maryland Department of Aging must also provide periodic training to the Maryland Access Point network to increase awareness of the availability of the State's earned income tax credit.

Federally Qualified Health Centers

Chapter 277 of 2005 established the Federally Qualified Health Center (FQHC) Grant Program to award grants for capital projects involving a facility designated as a FQHC. *Senate Bill 881/House Bill 1009 (both passed)* alter the number of years after completion of a project within which the State may recover an amount incurred for a project under the FQHC Grant Program if the property has been sold or transferred or ceases to be an FQHC.

2-1-1 Maryland

2-1-1 Maryland is a private, nonprofit organization that, in consultation with MDH, maintains the Health and Human Services Referral System, which is available to Maryland residents via telephone and Internet. *House Bill 353 (passed)* repeals the requirements that MDH, in consultation with 2-1-1 Maryland, evaluate the performance of each 2-1-1 Maryland call center and make certain recommendations to 2-1-1 Maryland regarding service quality and corrective action to be taken by a call center.

Cancer Research, Screening, and Prevention

Pediatric Cancer Research

Senate Bill 13/House Bill 51 (both passed) establish the Pediatric Cancer Research Commission to oversee the award of competitive grants from the Maryland Pediatric Cancer Fund. The fund may be used for providing grants to eligible applicants to conduct pediatric cancer research and any administrative expenses.

Professional and Volunteer Firefighter Innovative Cancer Screening

Senate Bill 578/House Bill 1472 (both passed) alter the funding for the Professional and Volunteer Firefighter Innovative Cancer Screening Technologies Program by repealing the current \$100,000 annual mandated appropriation for the program and instead, authorizing the Governor, beginning in fiscal 2025, to include at least \$500,000 in the annual budget for the program.

Prostate, Lung, and Breast Cancer Prevention

Senate Bill 938/House Bill 1293 (both passed) require MDH to develop and implement a three-year public education campaign on prostate, lung, and breast cancer prevention that targets communities disproportionately impacted by those cancers. The campaign must provide educational information, promote cancer screenings, and provide information on legislation that reduces cost barriers to prevention services. MDH must set measurable goals for the public education campaign and include information on the status of meeting those goals, as part of the annual reports that must be submitted to the General Assembly on Cigarette Restitution Fund (CRF) activities. For fiscal 2026 through 2030, the Governor must include in the annual budget bill an appropriation to MDH from CRF for the public education campaign.

Sepsis Protocols

Senate Bill 332/House Bill 84 (both passed) require each hospital and urgent care center in the State to implement an evidence-based protocol for the early recognition and treatment of a patient with sepsis, severe sepsis, or septic shock based on generally acceptable standards of care. The sepsis protocol must comply with U.S. Centers for Disease Control and Prevention sepsis guidelines. Each hospital and urgent care center must require periodic training in the implementation of the sepsis protocol and ensure that staff receive updated training following a substantive change to the protocol.

Studies and Reports

Senate Bill 694/House Bill 887 (both passed) require MDH to contract with an independent consultant to generally study the overlap between the responsibilities of Health Services Cost Review Commission, the Maryland Health Care Commission, the Maryland Community Health Resources Commission, and the Maryland Insurance Administration.

Health Occupations

Interstate Licensure

Senate Bill 221/House Bill 146 (Chs. 32 and 33) authorize health occupations boards that do not otherwise have the statutory authority to do so, to adopt regulations establishing reciprocity for individuals who are licensed or certified in another state that also offers similar reciprocity to individuals licensed or certified by the health occupations board.

Performance of X-Ray Duties Without a License

Senate Bill 830/House Bill 934 (both passed) alter the circumstances under which an individual may perform x-ray duties without a license. A physician's office that employs an unlicensed individual to perform x-ray duties is responsible for ensuring that all requirements are met for each x-ray examination performed. If an unlicensed individual performs x-ray duties without meeting the bills' requirements, the State Board of Physicians may impose a civil penalty (1) of up to \$5,000 for each violation of the physician's office where the violation occurred and (2) of up to \$1,000 for each violation of the individual who committed the violation.

Miscellaneous

House Bill 1388 (passed) expands the application of provisions of current law stating that a noncompete or conflict of interest provision in an employment contract is null and void under State law to an employment contract for an employee licensed as a veterinary practitioner or veterinary technician or that is required to be under the Health Occupations Article, in a position that provides direct patient care, and earns \$350,000 or less in total annual compensation. For an employee that is required to be licensed under the Health Occupations Article, in a position that provides direct patient care, and earns more than \$350,000 in total annual compensation, a noncompete or conflict of interest provision in an employment contract may not last more than one year after the last day of employment, the geographic restriction may not exceed 10 miles, and on request of a patient, the employer must provide notice to the patient of the new location where the former employee will be practicing. The provisions regarding noncompete and conflict of interest provisions in employment contracts for employees required to be licensed under the Health Occupations Article shall be construed to apply only to contracts or agreements executed on or after July 1, 2025.

Chapters 246 and 247 of 2023 (the Reproductive Health Protection Act) established additional protections for information related to "legally protected health care" when that information is sought by another state. The Acts also prohibited (1) a health occupations board from taking specified disciplinary actions related to the provision of legally protected health care; (2) a medical professional liability insurer from taking specified adverse actions against a practitioner related to the practice of legally protected health care; and (3) specified State entities, agents, and employees from participating in any interstate investigation seeking to impose specified liabilities or sanctions against a person for activity related to legally protected health care

(with limited exception). *Senate Bill 119 (passed)* expands the definition of legally protected health care to include all gender-affirming treatment, including medications and supplies, related to the direct provision or support of the provision of care related to gender-affirming treatment that is lawful in the State. Thus, the bill applies the additional protections and prohibitions established under Chapters 246 and 247 of 2023 to all gender-affirming treatment that is lawful in the State.

Audiologists

Senate Bill 795/House Bill 464 (both passed) specify that “practice audiology” means to (1) evaluate, diagnose, manage, and treat auditory or vestibular conditions in the human ear; (2) prescribe, order, sell, dispense, or fit hearing aids to an individual for the correction or relief of a condition for which hearing aids are worn; (3) prescribe, order, sell, dispense, or externally fit a sound processor to an osseointegrated device for the correction or relief of a condition for which osseointegrated devices are worn; and (4) prescribe, order, sell, dispense, or externally fit a “sound processor” to a cochlear implant for the correction or relief of a condition for which cochlear implants are worn.

Senate Bill 714/House Bill 1476 (both passed) specify that the Governor must appoint the audiologist members of the State Board of Examiners for Audiologists, Speech-Language Pathologists, and Music Therapists, with the advice of the Secretary of Health, from a list submitted by the Maryland Academy of Audiology rather than the board.

Assisted Living Managers

Senate Bill 613/House Bill 874 (both passed) extend the date by which individuals must be licensed by the State Board of Long-Term Care Administrators before practicing as an assisted living manager in the State. An assisted living manager employed by an assisted living program that is licensed for four or fewer beds must comply with specified manager training course requirements by June 30, 2026, and may not be found in violation of such requirements before July 1, 2026.

Certified Dialysis Technicians

House Bill 959 (passed) alters the continuing education requirement for certified dialysis technicians renewing their certification. The bill requires three hours of continuing education approved by the State Board of Nursing rather than a three-hour continuing education course approved by the board.

Clinical Marriage and Family Therapists

Senate Bill 409/House Bill 628 (Chs. 45 and 46) require the State Board of Professional Counselors and Therapists to waive the education, experience, and examination requirements for licensure as a clinical marriage and family therapist for an applicant that is licensed or certified to practice clinical marriage and family therapy in another state, territory, or jurisdiction if specified

requirements are met. The board may not require the applicant to pass a national certification exam but may require that the applicant pass an examination of specified State law requirements.

Dentists

House Bill 499 (passed) requires each owner of a private dental office to designate a licensed dentist to be the supervising dentist for the office. A supervising dentist must complete the registration required by the State Board of Dental Examiners and be responsible for all infection control activities within the office. If a supervising dentist relinquishes their responsibility for infection control activities, the owner of the private dental office must immediately designate an interim supervising dentist until a new supervising dentist registers with the board. The board may charge a registration fee. The bill may not be construed to prevent an unlicensed individual from assisting with regulatory compliance.

Senate Bill 799/House Bill 786 (both passed) authorize the State Board of Dental Examiners to waive specified education requirements for an applicant for a limited license to practice adult, in addition to pediatric, dentistry. The board may grant a waiver if, in addition to other requirements under current law, the dental director of the federally qualified health center or Maryland qualified health center for which an applicant has contractually agreed to provide at least two years of dental services requests the waiver from the board and states that circumstances exist to justify granting the waiver. The bills also establish a pathway for practitioners of adult dentistry who receive a waiver under the bills to receive a general dentistry license in the State.

Dietician–Nutritionists

House Bill 378 (passed) alters the requirements for licensure as a dietician-nutritionist from the State Board of Dietetic Practice. To qualify, an individual must, at a minimum, receive a baccalaureate degree from a college or university accredited by an educational accrediting association as required by the Commission on Dietetic Registration (instead of as recognized by the Council on Higher Education Accreditation). The bill also updates the name of the Certification Board for Nutritional Specialists to be the Board for Certification of Nutrition Specialists, and the name of the American College of Nutrition to be the American Nutrition Association.

Emergency Medical Services

Senate Bill 374/House Bill 380 (Chs. 43 and 44) prohibit the State Emergency Medical Services Board from requiring as a condition for licensure or certification that an applicant (1) provide proof of lawful presence in the United States or (2) have a Social Security number or individual taxpayer identification number. The Acts authorize the use of an individual taxpayer identification number or alternative documentation (as permitted by the U.S. Department of Health and Human Services under the federal Social Security Act) for licensing purposes.

Environmental Health Specialists

Senate Bill 222 (Ch. 49) authorizes applicants seeking licensure as an environmental health specialist to complete an approved apprenticeship instead of an environmental health specialist-in-training (EHSIT) program; (2) clarifies that an EHSIT participating in an EHSIT program or an individual participating in an apprenticeship is exempt from the licensure requirement; (3) authorizes the State Board of Environmental Health Specialists to approve an examination provider to administer the licensure examination; and (4) clarifies what represents a quorum for the board. The board must adopt regulations that include the requirements for board approval of an apprenticeship and the minimum and maximum duration of an apprenticeship.

Massage Therapists

House Bill 1497 (passed) alters the definition of “practice massage therapy” to include certain techniques. A former licensee seeking to reinstate a license must, in addition to other requirements, submit evidence of having completed a State and national criminal history records check. The State Board of Massage Therapy Examiners must require any applicant whose application the board is reviewing or licensee whose license the board is investigating to submit to an appropriate examination by a health care provider (designated and paid for by the board) if the board has reason to believe and objective evidence that the applicant or licensee may cause harm to individuals affected by the applicant’s or licensee’s practice of massage therapy.

House Bill 1498 (passed) prohibits an individual from aiding or abetting the unauthorized practice of massage therapy in the State. A violator is guilty of a felony and on conviction is subject to (1) for a first offense, a fine of up to \$5,000 or imprisonment for up to one year and (2) for a subsequent offense, a fine of up to \$20,000 per day or imprisonment for up to five years. A violator must reimburse the State Board of Massage Therapy Examiners for the direct costs resulting from a prosecution. In addition to criminal penalties, a violator is subject to a civil fine of up to \$10,000 as assessed by the board and payable to the State Board of Massage Therapy Fund.

Nurses

Senate Bill 718 (passed) establishes the Maryland Pathway to Nursing Pilot Program under the Maryland Higher Education Commission to provide practical and financial support to specified nursing students. The bill also establishes the Maryland Pathway to Nursing Advisory Committee to assist the Secretary of Higher Education in the development and implementation of the program.

Senate Bill 996/House Bill 759 (both passed) require each advanced practice registered nurse (APRN) practicing as an APRN in the State to notify a patient in writing if (1) the APRN does not maintain professional liability insurance coverage or (2) their professional liability insurance coverage has lapsed for any period of time and has not been renewed. Each APRN who does not maintain professional liability insurance coverage must post the information in a conspicuous location in their place of practice.

House Bill 1053 (passed) removes the requirement that the Executive Director of the State Board of Nursing must be a registered nurse with a minimum of a master's degree in nursing or the equivalent, in the judgement of the board, in professional education and administrative experience.

House Bill 1105 (passed) requires an individual to be certified as an APRN before practicing advanced practice registered nursing in the State, except as specified. The requirement does not apply to (1) a student enrolled in a graduate level accredited program for advanced practice registered nursing while practicing advanced practice registered nursing in that program or (2) an individual permitted to practice advanced practice registered nursing under rules and regulations adopted by the State Board of Nursing.

Senate Bill 999/House Bill 1125 (both passed) alter the designation of and licensure requirements for a certified nursing assistant (CNA), creating new designations of “certified nursing assistant-I” (CNA-I) and “certified nursing assistant-II” (CNA-II). On or after October 1, 2025, a geriatric nursing assistant and any CNA that has passed a specified nursing assistant training program and competency evaluation will be designated as a CNA-I. Individuals who do not meet these requirements will be designated as a CNA-II.

Senate Bill 944/House Bill 1171 (both passed) repeal the prohibition against and related penalty for selling or offering for sale a nonlatex condom by means of a vending machine or other automatic device. Instead, the bills prohibit a person from selling or offering for sale a natural membrane condom by means of a vending machine or other automatic device. The Committee on Registered Nurses Personally Preparing and Dispensing Drugs and Devices in Local Health Departments must include additional information on nonprescription contraceptive drugs and devices approved for over-the-counter use within its formulary. A registered nurse may provide nonprescription drugs and devices, without a prescription, in compliance with specified provisions in current law.

Optometrists

Senate Bill 175/House Bill 381 (both passed) require an applicant for an initial license or limited license to practice optometry from the State Board of Examiners in Optometry to submit to a criminal history records check (CHRC). On the first application for renewal of a license submitted on or after January 1, 2026, by an applicant whose initial license was issued prior to October 1, 2024, the applicant must also submit satisfactory evidence of having completed a CHRC. An applicant must obtain a State and national CHRC from the Criminal Justice Information System Central Repository (CJIS-CR) in the Department of Public Safety and Correctional Services. CJIS-CR must forward the individual's criminal history record information (CHRI) to the board and the individual. The board must consider certain specified elements in determining whether to grant a license upon receipt of an individual's CHRI.

Pharmacists

Senate Bill 18/House Bill 76 (both passed) are emergency bills that repeal language that temporarily authorized a licensed pharmacist to administer certain vaccinations, under specified circumstances, to an individual age 3 to 17. Instead, the bills permanently authorize a licensed pharmacist, under the same specified circumstances, to (1) administer specified vaccinations to an individual as young as 7 years old and (2) order and administer a vaccination for influenza, COVID-19, or in response to a public health emergency to an individual who is at least 3 years old. The bills also clarify the circumstances under which a licensed pharmacist may administer certain vaccinations to adults.

House Bill 1056 (passed) prohibits a 340B manufacturer from directly or indirectly denying, restricting, prohibiting, discriminating against, or limiting the acquisition or delivery of a 340B drug to a pharmacy on behalf of a covered entity, with specified exceptions. A violation is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act and is subject to specified enforcement actions and penalties. An alleged violation must be investigated by the Consumer Protection Division of the Office of the Attorney General or, as applicable, the State Board of Pharmacy. By July 1, 2026, the Prescription Drug Affordability Board must study the 340B Program, as specified, and report its findings and recommendations to specified committees of the General Assembly.

Physicians

House Bill 757 (passed) authorizes a “supervised medical graduate” (an individual who has a degree of doctor of medicine or doctor of osteopathy from an institution that meets specified standards and has passed parts one and two of the United States Medical Licensing Examination) to perform delegated duties in accordance with regulations adopted by the State Board of Physicians under “direct supervision,” which is oversight exercised by a delegating physician who is (1) personally treating the patient; (2) in the same medical office as the patient and the specified graduate; and (3) immediately available to provide assistance and guidance – but not required to be in the presence of the patient and specified graduate – while a delegated duty is being completed. An individual may not practice as a supervised medical graduate for more than two years. The bill also repeals the termination date of provisions of law authorizing a licensed physician to delegate certain duties to a registered cardiovascular invasive specialist, making the authorization permanent.

Physician Assistants

Senate Bill 167/House Bill 806 (both passed) generally modernize provisions governing physician assistants in the State. The bills require a physician assistant (PA) to have a “collaboration agreement” rather than a delegation agreement and authorize a PA who has provided notice of an executed collaboration agreement to the State Board of Physicians to practice medical acts that are authorized under a license issued by the board and the PA’s collaboration agreement (rather than medical acts delegated by a supervising physician under an approved

delegation agreement). A PA may perform additional duties within a PA's scope of practice, as specified, and may perform specified advanced duties with authorization from the board.

Social Workers

Senate Bill 106/House Bill 755 (both passed) alter the membership of the State Board of Social Work Examiners by authorizing the board to include at least one member who is either a licensed certified social worker or a licensed master social worker who is approved for independent practice. The bills also make clarifying changes and remove obsolete references to certified social worker licenses.

Program Evaluation

The Maryland Program Evaluation Act (MPEA) is used by the General Assembly as a mechanism to monitor and evaluate regulatory boards, commissions, and other activities and units of the Executive Branch of State government. The Department of Legislative Services may evaluate entities subject to the MPEA as directed by the Legislative Policy Committee, the Joint Audit and Evaluation Committee, the Executive Director of Legislative Services, or the Director of the Office of Program Evaluation and Government Accountability. Most regulatory boards and commissions are subject to termination or "sunset."

The termination dates of various health occupations boards and one related entity are extended by the following legislation:

- *Senate Bill 236 (passed)* extends the termination date for the State Acupuncture Board by five years to July 1, 2030;
- *Senate Bill 237 (passed)* extends the termination date for the State Board for Certification of Residential Child Care Program Professionals by five years to July 1, 2030;
- *Senate Bill 238 (passed)* extends termination date for the State Board of Dietetic Practice by five years to July 1, 2030;
- *Senate Bill 239 (passed)* extends the termination date for the State Board of Occupational Therapy Practice by five years to July 1, 2030;
- *Senate Bill 240 (passed)* extends the termination date for the State Board of Examiners in Optometry by five years to July 1, 2030;
- *Senate Bill 241 (passed)* extends the termination date for the State Board of Examiners of Psychologists by five years to July 1, 2030;
- *Senate Bill 242 (passed)* extends the termination date for the State Board of Social Work Examiners by five years to July 1, 2030;

- **Senate Bill 243 (Ch. 50)** extends the termination date for the Behavior Analyst Advisory Committee within the State Board of Professional Counselors and Therapists and provisions governing behavior analysts by two years to July 1, 2026. This aligns the termination date for the advisory committee and provisions governing behavior analysts with the termination date for the board and provisions governing all other professions regulated by the board; and
- **Senate Bill 257 (passed)** extends the termination date for the State Board of Physical Therapy Examiners by five years to July 1, 2030.

Health Care Facilities and Regulations

Hospitals and Related Institutions

Emergency Department Wait Times

The Health Services Cost Review Commission (HSCRC) is an independent commission that oversees acute and chronic care hospitals and is charged with establishing hospital rates to promote, among other things, access to care, equity, and hospital accountability. HSCRC has completed several studies regarding emergency department (ED) wait times, and in July 2023, initiated the Emergency Department Dramatic Improvement Effort to encourage and support advancements in ED throughput. In addition, during the 2023 interim, the Maryland Hospital Association convened the Hospital Throughput Workgroup to study ED wait times. **House Bill 1143 (passed)** establishes the Maryland Emergency Department Wait Time Reduction Commission, staffed by HSCRC, to address factors throughout the health care system that contribute to increased ED wait times. By November 1, 2025, and then by November 1, 2026, the commission must report on its activities, findings, and recommendations, including an update on the development, implementation, and impact of the recommended policies and programs developed by the HSCRC to improve ED wait times.

Financial Assistance

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. **House Bill 328 (passed)** modifies the required components of acute care and chronic care hospital financial assistance policies by removing the requirement that the provision of reduced-cost care or payment plans be in accordance with the mission and service area of the hospital. In addition, hospitals may only consider monetary assets in excess of \$100,000 when determining eligibility for free and reduced-cost care but are prohibited from considering specified retirement assets.

Outpatient Facility Fees

An “outpatient facility fee” is a hospital outpatient charge approved by HSCRC for an outpatient clinic service, supply, or equipment, including the service of a nonphysician clinician. “Outpatient facility fee” does not include a physician fee billed for professional services provided at the hospital. A hospital that charges an outpatient facility fee must provide a patient with a written notice containing specified information and may not charge an outpatient facility fee unless the patient was given notice. *Senate Bill 1103 (passed)* makes changes to the required notice regarding the charging of facility fees. Additionally, the bill requires HSCRC, in consultation with specified entities, to study and make recommendations regarding hospital outpatient facility fees. HSCRC must also convene a workgroup to study expanding the application of the required hospital outpatient facility fee notice to all outpatient services, including services provided by out-of-state hospitals at outpatient locations in the State, and consider the impact of expanding the facility fee notice requirement on consumers, providers, and payers.

Private Hospital Grant Program

Since 1993, the Maryland Hospital Association, through a review committee, has administered the Private Hospital Grant Program (also known as the Hospital Bond Program) to enable private hospitals to apply for State-allocated capital funding. The review committee evaluates individual private hospital capital project requests and typically submits a final combined request to the Department of Budget and Management (DBM) that closely aligns with planned funding for the program. *Senate Bill 973 (passed)* formalizes the existing practice by codifying the Private Hospital Grant Program to make recommendations to the Governor for funding in the annual State budget for capital projects at private hospitals. MHA must establish a review committee and submit recommendations to the Governor and the Secretary of Budget and Management. DBM and the Department of Legislative Services must consult with the review committee in establishing the project funding request process and making recommendations for funding requests. Beginning in fiscal 2026, the Governor may include in the capital or operating budget bill an appropriation of \$20 million for the program.

Hospital Patient Care Protocols

Generally, there is no requirement for safe sleep information to be provided to new parents or guardians by hospitals. *Senate Bill 59/House Bill 177 (both passed)* require a hospital, as soon as practicable before discharging an infant after birth, to provide oral and written educational resources to the infant’s parent or legal guardian on how to provide a safe sleep environment. By January 1, 2025, each hospital must establish a process for providing each parent or legal guardian with oral and written educational resources and information regarding a safe sleep environment and the risks of suffocation and sudden infant death in unsafe sleep environments. In addition, MDH, in consultation with local health officers, must develop a list of resources available by county to obtain the items necessary to provide a safe sleep environment for an infant.

Senate Bill 332/House Bill 84 (both passed) require each hospital and urgent care center in the State, by January 1, 2025, to implement an evidence-based protocol for the early recognition

and treatment of a patient with sepsis, severe sepsis, or septic shock based on generally acceptable standards of care, and require specified periodic training in the implementation of the protocol. The sepsis protocol must comply with U.S. Centers for Disease Control and Prevention sepsis guidelines. A specialty psychiatric hospital must also establish a process for the screening, early recognition, and transfer to the appropriate setting of a patient with sepsis. Hospitals that submit sepsis data to the Centers for Medicare and Medicaid Services Hospital Inpatient Quality Reporting Program are presumed to meet the requirements of the bills.

Senate Bill 1059/House Bill 1051 (both passed) codify the existing requirement that a provider who receives reimbursement from Medicaid for obstetric services complete a prenatal risk assessment form for a patient and submit the form to the appropriate local health department. Additionally, a birthing facility where an infant is born must complete a postpartum infant and maternal referral form; submit the form to the local health department, and provide the birthing parent with resources, information, and follow-up. The Secretary of Health must develop a Maryland Report Card for Birthing Facility Maternity Care for each birthing facility in the State, and each birthing facility must participate in the Severe Maternal Morbidity Surveillance and Review Program.

Senate Bill 1071/House Bill 1155 (both passed) require each hospital to establish and maintain protocols and capacity to (1) provide appropriate, evidence-based interventions that reduce the risk of subsequent harm and fatality before discharging a patient after an opioid-related overdose or a visit for an opioid-related emergency medical condition; (2) possess specified medications used for the treatment of an opioid use disorder; and (3) treat a patient who presents in a hospital ED for an opioid-related overdose or emergency medical condition with appropriate medications.

Health Facilities

Assisted Living

An “assisted living referrer” is an individual or agency that makes referrals to assisted living programs without cost to the person receiving the referral and is usually compensated by an assisted living program or other third party. *Senate Bill 952 (passed)* adds additional requirements for assisted living referrers. Referrers are required to maintain general liability insurance and obtain criminal history records checks on employees. The client or the client’s representative must be provided with a description of the provided services and provide any existing financial agreements to the client or client’s representative. An assisted living referrer may not request payment of a referral fee from an assisted living program more than two years after the assisted living referrer provided the referral. By September 30, 2025, an assisted living referrer must keep a client or potential client’s medical record confidential and may disclose the medical record only for the purpose of making a referral if the client or potential client gives informed consent and may not sell the personal data of a client, potential client, or client’s representative to another person unless the client or client’s representative also gives informed consent. By October 1, 2025, however, a referrer must comply with all applicable data privacy laws.

MDH must establish a resident bill of rights for residents of assisted living programs. Additionally, in addition to any other rights, each resident of a nursing home has specified statutory rights. To prevent irreparable harm to residents, *House Bill 723 (passed)* authorizes the Attorney General to seek injunctive relief on behalf of the State on the basis of an imminent or ongoing violation of a specified basic right of residents of a nursing home or assisted living program. The Attorney General may not duplicate corrective action imposed by MDH for the same violation. The bill also alters the definition of “resident bill of rights” for residents of assisted living program facilities to ensure, among other things, the right to be treated with respect, receive adequate treatment, and to be free from abuse.

Continuing Care Retirement Communities

A continuing care retirement community provides shelter and either medical and nursing or other health related services or makes the services readily accessible through a provider to a subscriber. Providers must hold annual meetings open to all subscribers, allow subscribers to be a member of the governing body, and establish an internal grievance procedure. *Senate Bill 76/House Bill 68 (both passed)* require providers to (1) post the most recent disclosure statement on their website; (2) hold a meeting open to all of the provider’s subscribers at least quarterly; (3) provide a summary of internal grievances at the last quarterly meeting of the year; and (4) provide information to a subscriber or the subscriber’s beneficiary regarding entrance fee refunds if the refund is conditioned on the reoccupancy of the subscriber’s unit. The Maryland Department of Aging must collect information from providers regarding internal grievances and report on the data to the General Assembly.

Nursing Homes

MDH licenses all nursing home facilities in the State, and the Office of Health Care Quality is charged with conducting an unannounced site visit and a full survey of each licensed nursing home at least once per year. The Maryland Health Care Commission (MHCC) is an independent commission that operates the Certificate of Need program, which requires review and approval of certain types of proposed health care facility and service projects, including before a person acquires a health care facility. *Senate Bill 1000/House Bill 1122 (both passed)* alter the process for MHCC review of a nursing home acquisition. The bills require a person, at least 60 days before the closing date of the acquisition of a nursing home, to submit a request for acquisition to MHCC and provide notice to the residents, resident representatives, and employees of the nursing home. The executive director of MHCC must review a completed request for acquisition within 45 days and, in consultation with the Secretary of Health, may approve the acquisition, approve the acquisition with conditions, deny the acquisition, or refer the request for acquisition to MHCC for a final decision. A license issued by MDH to an acquired nursing home must be in accordance with the acquisition review conducted by MHCC.

A contractor operating a State-owned nursing home must promptly provide notice of a deficiency or enforcement action by a monitoring agency to specified entities. *Senate Bill 712/House Bill 938 (both passed)* require the State department charged with oversight

of a State-owned nursing home operated by a contractor to provide notice of a deficiency or enforcement action by a monitoring agency. Notice must be provided to the Governor, specified members of the General Assembly, and the local governing body of the county in which the nursing home is located within 15 days after the final survey finding. Within 30 days after the contractor's final acceptance of a plan of correction or completion of an informal dispute resolution, the relevant department must provide the Governor and specified members of the General Assembly with a statement of the deficiencies, the plan of correction or results of the informal dispute resolution, and all communications from the monitoring agency regarding survey activities. Monitoring agencies include the Maryland Department of Labor, local health departments, the U.S. Department of Veterans Affairs, or the federal Occupational Safety and Health Administration.

Residential Service Agencies

A residential service agency (RSA) is a business that employs, or contracts with, individuals to provide home health care services for compensation to an individual in their home. RSAs enrolled in Medicaid provide personal assistance services, primarily to individuals receiving community long-term services and supports as an alternative to nursing home placement. *Senate Bill 197/House Bill 39 (both passed)* specify that, beginning January 1, 2026, MDH may reimburse an RSA for personal assistance services only if the services are provided by an individual classified as an employee.

Health Insurance

Access to Health Insurance

Qualified Resident Enrollment Program

Under federal regulations, only U.S. citizens and lawfully present noncitizens are eligible to enroll in a qualified health plan (QHP) through Maryland Health Connection (the State's health benefit exchange) and receive federal advanced premium tax credits. Individuals ineligible due to immigration status may purchase full-priced health plans offered outside of the exchange, which may be identical to QHPs with identical premiums. Federal subsidies are not available for this population. Chapter 384 of 2023 required the Maryland Health Benefit Exchange (MHBE) and the Maryland Department of Health to develop a report comparing options for offering affordable health and dental coverage to State residents ineligible for existing affordable coverage options due to immigration status. The report, submitted in December 2023, notes that there are approximately 112,400 undocumented and uninsured individuals in Maryland who are ineligible for Medicaid and QHPs due to immigration status.

Senate Bill 705/House Bill 728 (both passed) require MHBE, in consultation with the Maryland Insurance Commissioner and as approved by the MHBE Board, to submit a federal State Innovation Waiver application to establish a Qualified Resident Enrollment Program and, if

available, seek federal pass-through funding resulting from the implementation of the program. The waiver application must be submitted by July 1, 2025, and if the waiver is approved, MHBE, in consultation with the Commissioner and as approved by the MHBE Board, must establish and implement the program to allow qualified residents to purchase qualified plans on the exchange. Qualified residents are individuals, including minors and regardless of immigration status, who at the time of enrollment are (1) seeking to enroll in a qualified plan through the exchange; (2) reside in the State; (3) are not incarcerated, other than incarceration pending disposition of charges; and (4) are not eligible for the federal premium tax credit or other affordable health coverage. By January 1, 2026, MHBE must adopt regulations to carry out the program.

Assuming Maryland's application for a State Innovation Waiver is granted, the program may be operational as early as calendar 2026. Under the bills, within six months before a fiscal year in which MHBE implements the program, MHBE must submit a report to the General Assembly on its plan to implement the program that includes the amount and source of the funding for the program and, if the General Assembly authorizes funding to subsidize premiums under the program, the parameters of the subsidies.

State-Based Young Adult Health Insurance Subsidies Pilot Program

Chapters 777 and 778 of 2021 required MHBE to establish and implement the State-Based Young Adult Health Insurance Subsidies Pilot Program for calendar 2022 and 2023 to help make health insurance more affordable for uninsured young adults. Under the program, young adults ages 18 to 34 with incomes between 133% and 400% of the federal poverty level are eligible for State premium assistance subsidies. Chapters 256 and 257 of 2023 extended the termination date of the program through June 30, 2026, and applied the original \$20 million cap on annual subsidies to fiscal 2025 and 2026. *Senate Bill 701/House Bill 953 (both passed)* alter the \$20 million cap to apply it to calendar 2024 and 2025 only and allow any unspent funds designated for the subsidies in a previous calendar year to be used for calendar 2024 and 2025 as well.

Mandated Coverage, Prior Authorization, and Cost Sharing

Breast and Lung Cancer Screening

Under Maryland law, breast cancer screenings are among the more than 50 mandated health insurance benefits that carriers must provide. Carriers must cover breast cancer screenings in accordance with screening guidelines issued by the American Cancer Society. Chapters 298 and 299 of 2023 prohibited carriers that provide coverage for diagnostic or supplemental breast examinations from imposing a copayment, coinsurance, or deductible requirements for the examinations. With respect to lung cancer, State law requires carriers to cover recommended follow-up diagnostic imaging to assist in the diagnosis of lung cancer for individuals for which lung cancer screening is recommended by the U.S. Preventative Services Task Force. Chapters 353 and 354 of 2023 prohibited carriers from imposing a copayment, coinsurance, or deductible requirement on coverage for lung cancer screening that is greater than the copay, coinsurance, or deductible requirement for breast cancer screening. *House Bill 1259 (passed)* expands the existing

prohibition on cost sharing for coverage of supplemental breast examinations to include image-guided breast biopsies. The bill also clarifies that the current mandated health insurance benefit for coverage of recommended follow-up diagnostic imaging to assist in the diagnosis of lung cancer includes lung cancer screening. Additionally, the bill prohibits carriers from subjecting the coverage for lung cancer screenings or follow-up diagnostic imaging to a prior authorization requirement.

Prostheses

Existing law requires carriers to provide coverage for prostheses (an artificial device to replace, in whole or in part, a leg, arm, or eye), components of prostheses, and repair of prostheses. Prostheses may not be subject to a higher copayment or coinsurance requirement than those required for any primary care benefits. Carriers also are prohibited from imposing an annual or lifetime dollar maximum on coverage for prostheses, separate from any maximum that applies in the aggregate to all covered benefits. *Senate Bill 614/House Bill 865 (both passed)* include in the definition of “prosthesis” custom-designed, -fabricated, -fitted, or -modified devices to treat partial or total limb loss for purposes of restoring physiological function and expands the mandated benefit to replacements of prostheses and prosthesis components if certain conditions are met. Additionally, carriers are required to provide the mandated benefit only once every year. The covered benefits include prostheses determined by a treating health care provider to be medically necessary for (1) completing activities of daily living; (2) essential job-related activities; and (3) performing physical activities, such as running and other activities to maximize the whole-body health and lower or upper limb function. Finally, beginning January 1, 2025, Medicaid must provide coverage for prostheses in accordance with the same requirements applicable to carriers.

Hearing Aids

Carriers are required to provide coverage for all medically appropriate and necessary hearing aids for a minor child covered under a policy or contract if the hearing aids are prescribed, fitted, and dispensed by a licensed audiologist. *Senate Bill 778/House Bill 1339 (both passed)* extend this coverage requirement to adults covered under a policy or contract. Carriers may limit the benefit to \$1,400 per hearing aid for each hearing-impaired ear every 36 months. An insured or enrollee may choose a hearing aid that is priced higher than the benefit limit and pay the difference in cost without financial or contractual penalty to the hearing aid provider. The bills do not prohibit carriers from providing coverage that is greater or more favorable.

Pediatric Dental Benefits

Senate Bill 228/House Bill 23 (Chs. 115 and 116) repeal a provision of law that specifies that a QHP is not required under certain circumstances to provide essential benefits that duplicate the minimum benefits of qualified dental plans. As a result, all QHPs sold through the Maryland Health Benefit Exchange must include pediatric dental benefits.

Utilization Review

Senate Bill 791/House Bill 932 (both passed) alter and establish requirements and prohibitions relating to health insurance utilization review and prior authorization, the process used by carriers to determine whether a requested health care service is medically necessary. The bills alter requirements related to internal grievance and adverse decision procedures and establish requirements on payors and health care providers relating to the provision of patient benefit information. The bills include provisions to increase transparency and communication during the review process. A carrier must state in detail when denying a health care service, the reasoning as to why the service was not medically necessary and why it did not meet the carrier's criteria and standards. The bills also alter the criteria and standards that carriers must use in conducting utilization review and establish requirements relating to the reauthorization of prescription drug products.

Online Process for Prior Authorizations: By July 1, 2026, carriers must establish and maintain an online process for prior authorizations that meet specified parameters. Also, by July 1, 2026, each carrier, or pharmacy benefits manager on behalf of the carrier, must provide real-time patient specific benefit information to insureds and enrollees and contracted health care providers.

Prior Authorizations for Prescription Drugs: On receipt of information documenting a prior authorization from the insured or the insured's health care provider, a carrier must honor a prior authorization granted from a previous entity for at least the lesser of 90 days or the length of the course of treatment (rather than only 30 days).

Reauthorization Requirements for Prescription Drugs: A carrier may not issue an adverse decision on a reauthorization for the same prescription drug or request additional documentation from the prescriber for the reauthorization request if (1) the prescription drug is an immune globulin(human) or used for the treatment of a mental disorder; (2) the carrier previously approved a prior authorization for the prescription drug for the insured; (3) the insured has been treated with the prescription drug without interruption since the initial approval of the prior authorization; and (4) the prescriber attests that, based on the prescriber's professional judgment, the prescription drug continues to be necessary to effectively treat the insured.

Miscellaneous

TRICARE Premium Reimbursement Program

Chapter 612 of 2023 established a TRICARE Premium Reimbursement Program in the Military Department. The department is authorized to award grants of up to \$60 per month to a Maryland National Guard member who is eligible for TRICARE Reserve Select, a federal health insurance coverage program. Grants may be provided for a premium paid for individual coverage or for any member of the applicant's immediate family under the TRICARE Reserve Select Program or the TRICARE Dental Program. *Senate Bill 697 (passed)* repeals the \$60 monthly cap on a grant award. However, the total amount of grants awarded to eligible recipients in a fiscal

year may not exceed the annual appropriation in the State budget for the program. The fiscal 2025 budget provides \$871,300 in general funds for the program.

340B Drug Distribution

The federal 340B Drug Pricing Program was established to enable health care providers that serve low-income and uninsured patients to purchase drugs at lower costs. The program requires 340B manufacturers to sell outpatient drugs to covered entities (as defined under 42 U.S.C. § 256(B)(4)) at reduced prices to have their drugs covered under Medicaid. A 340B manufacturer means a manufacturer, as defined under federal law, of covered outpatient drugs that has a signed pharmaceutical pricing agreement under federal law.

House Bill 1056 (passed) prohibits a 340B manufacturer from directly or indirectly denying, restricting, prohibiting, discriminating against, or limiting the acquisition by, or delivery of a 340B drug to, a pharmacy on behalf of a covered entity unless the receipt of 340B drugs is prohibited by the U.S. Department of Health and Human Services or the limitation is required under federal law. A violation is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act and is subject to specified enforcement actions and penalties. An alleged violation must be investigated, as applicable, by the Consumer Protection Division of the Office of the Attorney General or the State Board of Pharmacy. Additionally, the Prescription Drug Affordability Board must study the 340B Program, and report its findings and recommendations by July 1, 2026, to the Senate Finance Committee and the House Health and Government Operations Committee.

Professional Employer Organizations

Professional employer organizations (PEOs) are not regulated under Maryland law. A PEO provides outsourced human resource management services to companies that do not have the resources or expertise to establish their own human resource departments. A PEO operates by establishing and maintaining a long-term employer relationship with a client's employees through co-employment agreements. The agreement contractually confers certain employer rights, responsibilities, and risks on the PEO that enable the PEO to pay wages and employment taxes and premiums out of its own accounts on behalf of the client. *Senate Bill 821/House Bill 827 (both passed)* require the Maryland Insurance Administration (MIA) to conduct a study on PEOs in the State. Among other things, the study must (1) identify and compare the regulation of PEOs under federal and State law and in other states; (2) review PEO health plans and plan benefit designs; and (3) address any potential impacts of proposed statutory changes in the State relating to the offering of health coverage by PEOs on the small group market. By December 31, 2024, MIA must report its findings to the Senate Finance Committee and the House Health and Government Operations Committee.

Reporting Requirements

House Bill 1337 (passed) expands the required contents for the quarterly report each carrier must submit to the Maryland Insurance Commissioner regarding appeals and grievances to include

(1) the number of members entitled to health care benefits under a policy, plan, or certificate issued or delivered in the State by the carrier and (2) the number of clean claims for reimbursement processed by the carrier.

In December 2023, MIA submitted an interim report on nonquantitative treatment limitations (NQTLs) that summarized its findings from reviewing mental health parity reports submitted by carriers in March 2022. MIA determined that carrier reports were uniformly and significantly inadequate, impeding the ability to reach parity determinations. MIA offered several recommendations for options to streamline the reporting process to make the reviews more effective and efficient.

Senate Bill 684/House Bill 1074 (both passed) alter and expand reporting requirements for carriers to demonstrate compliance with the federal Mental Health Parity and Addiction Equity Act. Each carrier must, among other things, (1) identify certain NQTLs for each Parity Act classification; (2) perform and document certain comparative analyses in accordance with the Parity Act; and (3) provide the comparative analysis for NQTLs required by the Commissioner within a certain time period. Each carrier must submit a biennial compliance report for each product offered by the carrier in the individual, small, and large group markets beginning July 1, 2024. The report must include specified information, including information on select NQTLs, and results from a comparative analysis conducted by the carrier. The bills also authorize the Maryland Insurance Commissioner to take additional actions to enforce compliance with reporting requirements.

Conformity with Federal Law

Senate Bill 217/House Bill 30 (Chs. 117 and 118) align Maryland health insurance law and regulations with existing federal rules and regulations. The Acts revise definitions and coverage requirements regarding emergency services to align the provisions to consumer protection measures under the federal No Surprises Act. Additionally, the Acts alter the material errors that trigger special enrollment periods in the Small Business Health Options Program and allow the Maryland Health Benefit Exchange to adopt an expanded open enrollment period and alternate effective dates of coverage if authorized by the U.S. Department of Health and Human Services. Finally, the Acts require that specified regulations adopted by the Maryland Insurance Commissioner be consistent with federal regulations in effect on December 1, 2023, rather than December 1, 2019, and update the definition of “grandfather plan” to specify the same date.

Social Services

Public Assistance

Supplemental Nutrition Assistance Program

The Supplemental Nutrition Assistance Program (SNAP) is a federal benefit that assists low-income households with the purchase of food. Chapter 696 of 2016 established a State

supplemental benefit for households with a member who is at least 62 years old to ensure that the household receives at least \$30 per month. Chapter 324 of 2022 increased the benefit to \$40 per month. *Senate Bill 35/House Bill 666 (both passed)* expand eligibility for the benefit by lowering the age, from 62 to 60, for an individual to qualify for the State supplemental benefit. In addition, the bills increase the supplemental benefit to ensure that qualifying households receive a total benefit of \$50 per month. Section 21 of the fiscal 2025 budget bill added \$4.2 million in general funds in the Department of Human Services (DHS) for the State supplemental benefit, contingent on the enactment of these bills expanding eligibility and increasing benefit levels.

Children

Summer Supplemental Nutrition Assistance Program for Children

Chapters 636 and 636 of 2019 established the Summer Supplemental Nutrition Assistance Program for Children to address food insecurity during months when children are not in school by providing access to free school meals. Under the program, DHS provides funding to counties that must be matched by local funds to supplement benefits received under SNAP for children in certain months (\$30 per month in June, July, and August and \$10 in December) in participating counties. The benefits in each month are required to be added to household accounts within a certain number of days after the federal benefit is added. To apply to participate a county must submit an application with certain information by a certain date and DHS must provide certain information by certain dates. Due to the lack of available funding, not all eligible children in participating counties may receive the benefit *House Bill 183 (passed)* removes specified statutory dates and allows DHS to establish dates, related to when (1) a Summer SNAP supplement must be added to the household SNAP account; (2) an application for matching funds and a final plan must be submitted by a county to DHS; and (3) DHS must inform counties of available funding. The bill also alters the information required for the county application and final plan, repeals the \$200,000 annual mandated appropriation, and allows funds provided under the program to be used to provide supplemental benefits or to offset administrative costs of the federal Summer Electronic Benefit Transfer program. In addition, the bill alters the service obligation for the Pilot Program for Human Services Careers Scholarship established in Chapter 100 of 2023, by establishing requirements for repayments related to failure to meet the service obligation and reducing the scholarship if the scholarship amount and other resources exceed tuition and mandatory fees.

New Luggage for Children in Foster Care

DHS, through its Social Services Administration, has the primary responsibility for child welfare services throughout the State. DHS administers a program of out-of-home placement for minor children, which may include family foster care, group and residential care, kinship care, and treatment foster care. *Senate Bill 668/House Bill 542 (both passed)* require DHS to provide “new luggage” to a child in foster care who is (1) entering foster care; (2) moving from one foster care placement to another; or (3) exiting foster care. “New luggage” means an unused suitcase, duffel bag, backpack, or similar container designed to hold an individual’s personal belongings. DHS may not use disposable bags or trash bags to transport any items of a child in foster care. By

December 1 each year, DHS must report to the General Assembly on the number of instances in which disposable bags or trash bags were used including the reason DHS failed to provide new luggage, and its inventory management procedures for the new luggage supply. DHS may solicit and accept gifts, grants, and donations of any kind and from any source to implement the bills.

Maryland Safe Haven Program

The purpose of the Maryland Safe Haven Program, administered by DHS, is to offer the mother of a newborn a safe abandonment of the newborn with a responsible adult. A person who leaves an unharmed newborn with a responsible adult within 10 days after birth and does not expressly intend to return for the newborn, is immune from civil liability or criminal prosecution. *Senate Bill 873 (passed)* expands the program by allowing a person to leave an unharmed newborn at a “designed facility” including a hospital, the office of a licensed medical provider, police department, volunteer fire company, or other facility designated by DHS regulation. The bill extends the time period, from 10 to 60 days after the birth of a newborn, for a person to leave an unharmed newborn with a responsible adult or designated facility without being subject to civil liability or criminal prosecution. A designated facility may receive a newborn in a newborn safety device meeting certain requirements. Subject to existing program funding, the bill requires DHS to develop, implement, and maintain a public information program, including an interactive website, promotion of educational and informational materials, and training for emergency personnel. By December 31, 2025, and each December 31 thereafter, DHS must submit a report to the General Assembly on specified program metrics.

Individuals with Disabilities

Maryland Department of Disabilities Attendant Care Program

An individual between 18 and 65 years of age with a severe chronic or permanent disability that significantly impairs independent performance of essential activities of daily living is eligible for financial assistance from the Attendant Care Program (ACP) in the Maryland Department of Disabilities (MDOD). ACP pays for attendant care services, certified as necessary by an attending physician or by a registered nurse, including dressing, preparing food and assisting with eating, bathing, assisting with routine bodily functions, laundering, and performing other services of daily care. *Senate Bill 226/House Bill 215 (Chs. 34 and 35)* expand the purpose of ACP to include providing financial assistance to an eligible individual for “ongoing additional supports” defined as a continual support that (1) increases an eligible individual’s independent performance of an essential activity of daily living, self-care, or mobility and (2) is requested by an eligible individual and approved by MDOD.

Individuals With Disabilities and Service-Disabled Veterans Boating Fund

Senate Bill 597/House Bill 773 (both passed) establish the Individuals with Disabilities and Service-Disabled Veterans Boating Fund, administered by MDOD, to provide sailing, boating, kayaking, canoeing, paddleboarding, and surfing opportunities for “individuals with disabilities” and “service-disabled veterans.” “Individuals with disabilities” are individuals considered disabled

under the federal Americans with Disabilities Act, including individuals with learning disabilities. “Serviced-disabled veterans” are veterans with a disability that is service-connected as defined in federal law. MDOD may make a grant of up to \$40,000 in a fiscal year to a grantee to provide services. A grantee must be a federal tax-exempt nonprofit organization in good standing; have been in operation for at least three years except under certain circumstances; and have engaged individuals with disabilities or service-disabled veterans in sailing, boating, kayaking, canoeing, paddleboarding, or surfing activities on State waters at least 25 times in each of the past three years.

Workgroup for the Deaf, Deafblind, and Hard of Hearing

Senate Bill 1084/House Bill 1069 (both passed) establish the Workgroup for the Deaf, Deafblind, and Hard of Hearing to study and make recommendations regarding services, programs, advocacy, outreach, coordination with State agencies, and other efforts to improve the quality of life of individuals who are deaf, deafblind, or hard of hearing. The Governor’s Office of the Deaf and Hard of Hearing (ODHH) must staff the workgroup. By June 1, 2025, the workgroup must report its findings and recommendations to the Governor and the General Assembly. The workgroup terminates June 30, 2026. Section 21 of the fiscal 2025 budget bill added \$10,000 in general funds for ODHH for interpretation services necessary for the workgroup, contingent on the enactment of the bills.

Elderly

Miriam Kelty Aging and Senior Social Connection Hub and Spoke Pilot Program

Senate Bill 875/House Bill 1103 (both passed) establish the Miriam Kelty Aging and Senior Social Connection Hub and Spoke Pilot Program in the Maryland Department of Aging (MDOA) to support “villages” to take advantage of operational proficiencies and existing systems, knowledge, skills, and resources to expand services to more residents in the geographic region. “Village” means a local, volunteer-led organization that supports aging community members by fostering social connections through activities and events, and coordinating volunteer help at home using the neighbor-helping-neighbor-model. MDOA must select the Montgomery County Village Consortium to implement the pilot program for a three-year period. The consortium must submit a report each year to MDOA about the implementation and progress of a three-year strategic plan, and a report by September 1, 2027, on best practices for creating and operating a hub and spoke model for the consortium and the villages to serve the aging population. For fiscal 2026 through 2028, the Governor must include in the annual budget bill an appropriation of \$80,000 for the pilot program, which terminates June 30, 2028.

Department of Aging Caregiver Expense Grant Program

Senate Bill 202 (passed) establishes a Caregiver Expense Grant Program within MDOA to award grants for qualified expenses paid or incurred by an individual who provides care to a qualified adult family member and whose federal adjusted gross income does not exceed \$75,000 (\$150,000 if a joint tax filer). A qualified family member is an adult who requires assistance with one or more daily living activities, as certified by a licensed physician, or other

medical professional. In addition, the qualified family member must (1) be at least 60 years old and cared for by an adult relative or informal caregiver who is at least 18 years old; (2) have Alzheimer's disease or a related disorder and cared for by an adult relative or informal caregiver who is at least 18 years old; or (3) be a child or an adult with developmental or functional disabilities and cared for by a parent, grandparent, or other relative that is at least 55 years old. Qualified expenses include improvement or alteration of the caregiver's primary residence, purchase or lease of equipment, employing a home care aide, and other costs related to care or support of a qualified family member. An eligible caregiver may apply for a grant equal to 30% of the amount of qualified expenses that exceeds \$2,000, up to a maximum grant of \$2,500. The Governor may include an appropriation in the annual budget bill of up to \$5 million for the program for any fiscal year.

Part K

Natural Resources, Environment, and Agriculture

Natural Resources

Chesapeake and Atlantic Coastal Bays and Streams, Watersheds, and Coastlines

Chesapeake and Atlantic Coastal Bays Critical Area Protection Program

The “Critical Area” is a 1,000-foot-wide zone adjacent to the Chesapeake or Atlantic Coastal bays, their tidal tributaries, or tidal wetlands. The Chesapeake and Atlantic Coastal Bays Critical Area Protection Program is a partnership between State and local governments to address development in a comprehensive fashion to improve water quality, conserve wildlife habitats, and manage land uses in the Critical Area.

Each jurisdiction is responsible for managing land use development in the Critical Area through a local program. The participating counties and municipalities base their programs on the requirements of the State law, the Critical Area Commission’s original program criteria, and regulations that the General Assembly authorized the commission to adopt under comprehensive statutory amendments enacted in 2008. Among other things, *House Bill 233 (passed)* modifies the Chesapeake and Atlantic Coastal Bays Critical Area Protection Program to incorporate climate resilience, environmental justice, and equity measures. The bill requires each jurisdiction to review its entire program and propose any necessary amendments at least every 10 years, rather than every 6 years as is currently required, and establishes deadline extensions and notice requirements. The bill modifies density calculations for development in the Critical Area and alters the circumstances under which changes to Critical Area designations and zoning map amendments may be granted. The bill also establishes the process for updating the statewide base map project specified under Chapter 119 of 2008 and specified provisions related to Critical Area maps take effect on notification of completion of the statewide base map project required by Chapter 119.

Senate Bill 268 (Ch. 80) alters the enforcement and after-the-fact application approval procedures required as minimum elements of a local jurisdiction’s Chesapeake and Atlantic

Coastal Bays Critical Area Program to apply to all Critical Area violations. The Act also (1) repeals a 30-day waiting period before the chair of the Critical Area Commission may refer certain enforcement matters to the Attorney General and (2) expands the authority of the Attorney General to take certain equitable actions to include Critical Area violations of an order, a permit, a plan, a local program, the Critical Area law, or regulations adopted, approved, or issued under the Critical Area law.

Whole Watershed Restoration Partnership

Senate Bill 969/House Bill 1165 (both passed) establish the Whole Watershed Restoration Partnership to accelerate restoration of the Chesapeake and Atlantic Coastal Bays and their watersheds. The partnership provides grants and technical assistance to eligible projects over a period of five years. The bills require the Secretary of Natural Resources to establish a State Management team to administer the partnership. The Whole Watershed Fund is established in the Department of Natural Resources (DNR) to provide funding for approved projects and is generally authorized to receive funding from specified State agricultural and environmental special funds, although there are annual mandated distributions from the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund for fiscal 2026 through 2030. Depending on the size of projects, transferred funds could easily exceed \$5 million annually.

Coast Smart Council

Senate Bill 299 (Ch. 111) expands the duties of the Coast Smart Council to include developing eligibility criteria, standards, and procedures for categorical exemptions from Coast Smart requirements for specified proposed capital projects. The projects must have been designed to include adaptation and resiliency features to prevent or mitigate damage to the maximum extent practicable. The Act also authorizes the council to recommend regulations for adoption by the Secretary of Natural Resources.

Standing

Senate Bill 653/House Bill 1101 (both passed) establish standing, for a person that meets the threshold standing requirements under federal law, in civil claims arising under specified standards relating to (1) nontidal wetlands that do not have a continuous surface connection to surface water and (2) discharges of pollutants affecting ephemeral streams or intermittent streams. The bills authorize a person that has standing pursuant to the bills to bring a civil action against any person or political subdivision that is alleged to be in violation of those standards. The bills also authorize a person that meets the threshold standing requirements under federal law to intervene in a civil action brought by the Secretary of the Environment relating to nontidal wetlands (similar authority already exists, and is reestablished under the bills, with respect to a civil action relating to the discharge of pollutants to waters of the State).

Forests, Trees, and Geology

Forest Conservation Act

House Bill 1511 (passed) delays the effective date of specified provisions of Chapters 541 and 542 of 2023 – which modify State law relating to forest preservation and retention – from July 1, 2024, until July 1, 2026. The bill, however, makes changes to the definition of “qualified conservation,” adds an exemption from Forest Conservation Act (FCA) afforestation requirements for specified solar photovoltaic facilities, and establishes provisions related to forest mitigation banking and priority areas/vegetation that are identical, or appear intended to be identical, to provisions under Chapters 541 and 542, allowing those changes to take effect July 1, 2024. Lastly, the bill requires DNR to (1) update the model local government ordinance under the FCA, for consistency with Chapters 541 and 542, by July 1, 2025, and (2) adopt regulations to carry out Chapters 541 and 542 by July 1, 2026.

Tree Expert Licenses

State law governs specified tree care work done for compensation on private or public property and protects consumers by licensing qualified and insured tree care companies and individual tree experts. **Senate Bill 683/House Bill 561 (both passed)** allow DNR to set fees for licensed tree experts that, instead of being limited to the costs of processing an application, may be up to \$45 for an examination, \$55 for initial licensure, and \$100 for license renewal. The bills also authorize DNR to permanently revoke or temporarily suspend a tree expert license if the license holder fails to maintain liability, property, or workers’ compensation insurance as required by law. Finally, the bills explicitly authorize DNR to adopt regulations to implement the statutory provisions related to tree experts.

Maryland Geological Survey

The Maryland Geological Survey (MGS) is a scientific-investigative organization charged with investigating the geologic and water resources of the State through the application of the various disciplines within earth science. Its primary mission includes investigation and monitoring of water resources, environmental geology, mineral resources, and coastal and estuarine geology and geologic, topographic, and geophysical mapping. **Senate Bill 305/House Bill 117 (Chs. 85 and 86)** establish the Maryland Geological Survey Fund in DNR to finance the direct and indirect costs of administering MGS, including long-term budgeting and planning for survey projects, procurements, and equipment purchases.

Fish and Wildlife

Under the Endangered Species of Fish Conservation Act and the Nongame and Endangered Species Conservation Act, the Secretary of Natural Resources, upon the petition of an interested person, must conduct a review of any listed or unlisted species proposed to be removed from or added to the lists of endangered species and threatened species (with the exception of species

determined to be endangered or threatened pursuant to the federal Endangered Species Act) if the Secretary publishes notice that the person has presented substantial evidence which warrants a review. *Senate Bill 916/House Bill 345 (both passed)* modify the two Conservation Acts to (1) require that a petition proposing to remove a species from, or add a species to, the lists of endangered species and threatened species include specified information; (2) require the Secretary to periodically review and, if warranted, update the lists of endangered species and threatened species; and (3) modify the definitions of “fish” and “wildlife” under the Acts.

Senate Bill 547/House Bill 379 (both passed) prohibit, with specified exceptions, a person from allowing for the performance of a “covered animal” in a “traveling animal act”. A person who violates this prohibition is subject to a civil penalty of up to \$2,000 per violation. The bills may be enforced by (1) a State or local law enforcement officer or (2) the local animal control authority for the jurisdiction where the violation occurs.

Senate Bill 284/House Bill 45 (Chs. 81 and 82) establish an exception to the existing prohibition against selling, offering for sale, bartering, or exchanging any game bird or mammal taken from the wild. Under the Acts, the prohibition does not apply to a legally acquired mounted specimen of a game bird, excluding a migratory game bird, or game mammal, if the original owner is deceased and the specimen is part of the personal property of an owner whose estate is being liquidated or distributed.

State- and Locally Owned Land

State Parks

The State park system is administered under the jurisdiction of the Maryland Park Service within DNR. *House Bill 228 (passed)* grants additional flexibility to DNR in spending funds allocated to the department under Chapter 39 of 2022 (the Great Maryland Outdoors Act) by (1) extending the deadline by which DNR must spend certain funds in the Park System Critical Maintenance Fund; (2) authorizing DNR to expend up to \$400,000 for specified projects without prior approval of the Department of General Services; and (3) expanding the purposes and authorized uses of the Park System Capital Improvements and Acquisition Fund and the Great Maryland Outdoors Fund. The bill also clarifies the intent of the use of money expended from the Park System Capital Improvements and Acquisition Fund and requires DNR to report on expenditures from the fund. Finally, the bill extends the deadline for DNR to develop and publish a Comprehensive Long-Range Strategic Plan for the State park system by one year, from December 1, 2023, to December 1, 2024.

House Bill 1358 (passed) requires DNR and Baltimore City to (1) convene focus group meetings on the establishment of the Gwynn Falls State Park with community members and stakeholders that reside or operate in the vicinity of the proposed State park; (2) develop a list of priority needs and associated cost assessments for park operations and improvements, as specified; and (3) establish a specified stakeholder advisory committee to advise DNR and Baltimore City on the scope and management of the park.

House Bill 420 (passed) establishes a Maryland Recreation Communication Boards Pilot Program, administered by DNR, to provide funding for the purchase and installation of “communication boards” in play areas in State and local parks, prioritizing newly constructed play areas. DNR may use up to \$100,000 from the Park System Capital Improvements and Acquisition Fund to fund the program.

Other State-owned Land

Senate Bill 300 (Ch. 112) authorizes DNR to authorize within the Belt Woods Wildland (1) archeological inventories, studies, and research that involve surface examination or limited subsurface sampling; (2) salvage and excavation of archeological sites; and (3) stabilization and restoration of historic structures existing as of December 1, 1985. Any such authorization may only take place with prior approval of the Maryland Historical Trust and after an internal departmental review. In addition, prior to undertaking any activities on the Seton Belt Barn, DNR must consult with the Maryland-National Capital Park and Planning Commission.

Lakes and Aquatic Vegetation

Senate Bill 281/House Bill 109 (Chs. 83 and 84) modify requirements related to the removal of submerged aquatic vegetation (SAV). The Acts apply plan submission and approval requirements and a prohibition on the use of chemicals to the trimming of SAV. The exemptions for property and marina access are altered under the Acts to encompass the tidal waters of the State (incorporating the Atlantic Coastal Bays) and allow only trimming or cutting of SAV. The maximum allowable width of access strips are reduced from 60 feet to 20 feet. Lastly, certain provisions regarding best harvesting methods are made requirements, and a person must provide DNR with specified information before taking certain action involving SAV.

House Bill 807 (passed) alters the definition of “aerial survey” for purposes of surveying SAV to include any other survey that (1) encompasses the distribution of SAV in the Chesapeake Bay, the Atlantic Coastal Bays, or both; (2) uses a methodology approved by the U.S. Environmental Protection Agency’s Chesapeake Bay Program; and (3) is approved by DNR. The bill renames “aerial survey” to instead be the “SAV survey,” updates the provisions related to the current SAV survey compiled by the Virginia Institute of Marine Sciences, and makes conforming changes. DNR must study and report on the implications and feasibility of using alternative methods other than an aerial survey to delineate SAV protection zones.

Boats and Boating

Senate Bill 740 (passed) authorizes a court to prohibit a person from operating a vessel on the waters of the State for up to two years if the person is convicted of operating or attempting to operate a vessel while under the influence of alcohol and up to five years if the person’s violation resulted in the death of another. The bill also prohibits a person from operating or attempting to operate a vessel on the waters of the State while prohibited from doing so by the court, subject to specified criminal penalties. When a court prohibits a person from operating a vessel on the waters

of the State pursuant to a conviction for operating or attempting to operate a vessel while under the influence of alcohol, the court must electronically notify DNR of the prohibition. DNR, in coordination with the Natural Resources Police (NRP), must establish and maintain a database of persons prohibited by a court from operating a vessel on the waters of the State. The database must be established by October 1, 2025, and must be accessible to an NRP officer in any patrol vehicle or vessel.

Senate Bill 674 (passed) requires, beginning in fiscal 2026, DNR to distribute at least \$250,000 annually from the Waterway Improvement Fund to a qualifying statewide Maryland-based historic preservation nonprofit organization to establish, operate, and administer a maritime heritage competitive grant program to provide grants to certain entities engaged in maritime heritage preservation, interpretation, or conservation, as specified. The bill also modifies requirements and processes for DNR to contact vessel owners during emergencies and when seizing, removing, or taking into custody abandoned or sunken vessels. Finally, the bill authorizes DNR to establish and administer a voluntary vessel turn-in program that allows State residents to turn in their vessels to the department to be destroyed, subject to specified requirements.

Hunting and Fishing

Hunting

Hunting Licenses and Stamps

With certain exceptions, a person may not hunt or attempt to hunt any game birds or mammals without a hunting license and any required stamps or permits. Fees for hunting licenses, stamps, and permits support hunting programs and wildlife management.

Sika Deer Stamp: Hunting sika deer is an experience that is generally unique to Maryland. *Senate Bill 508/House Bill 497 (both passed)* increase the fee for a nonresident sika deer stamp from \$25 to \$200.

Complimentary Licenses: *Senate Bill 533/House Bill 715 (both passed)* authorize the Department of Natural Resources (DNR) to issue a lifetime complimentary hunting license to a Maryland resident who is an American veteran who the U.S. Department of Veterans Affairs determines is unemployable. DNR may issue the lifetime complimentary hunting license to an eligible nonresident whose state of residence extends similar privileges to eligible Maryland residents.

Antlerless Deer Hunting Program

To address crop damage caused by deer throughout the State, deer hunting is incentivized in a variety of ways. *Senate Bill 367/House Bill 481 (both passed)* establish an exception to the prohibition against selling, offering for sale, bartering, or exchanging any game bird or mammal,

including deer, taken from the wild by authorizing a person to receive a raffle ticket for each antlerless deer that the person lawfully hunts during a raffle program that (1) is held in January; (2) has as its objective the hunting of antlerless deer; and (3) was previously held at least once between January 1, 2020, and January 30, 2024, inclusive.

Fishing

Fishing Licenses, Stamps, and Other Matters

Northern Snakehead: The northern snakehead is an invasive species of fish in the State. The commercial northern snakehead fishing license authorizes the license holder to catch northern snakeheads using a hook and line or a bow and arrow with an attached retrieval line. *Senate Bill 302/House Bill 237 (Chs. 109 and 110)* repeal a prohibition against a license holder fishing using a bow and arrow within 100 yards of another person or vessel, a public or private swimming area, a diver down flag, or an occupied offshore stationary blind and instead require license holders to comply with DNR regulations governing the use of gear. In addition, *Senate Bill 207/House Bill 19 (both passed)* establish the common name of the northern snakehead as the “Chesapeake Channa”.

Recreational Tidal License: The annual license fee for the Chesapeake Bay and coastal sport fishing license is \$50 for residents and nonresidents. *Senate Bill 507/House Bill 562 (both passed)* increase the annual license fee for nonresidents to \$100.

Complimentary Recreational Licenses and Stamp Exemption: *Senate Bill 533/House Bill 715* authorize DNR to issue a lifetime complimentary angler’s license or a lifetime complimentary Chesapeake Bay and coastal sport fishing license to an American veteran who the U.S. Department of Veterans Affairs determines is unemployable. DNR may issue the lifetime complimentary angler’s license or Chesapeake Bay and coastal sport fishing license to an eligible nonresident whose state of residence extends similar privileges to eligible Maryland residents. A person who holds a complimentary angler’s license issued under the bills is also exempt from the requirement to obtain a trout stamp.

Reporting Requirement

A person who is commercially licensed to catch fish or is engaged in the business of packing or dealing in any fish resource within DNR’s jurisdiction is required to submit any report required by DNR on forms provided by DNR. To facilitate possible electronic reporting, *Senate Bill 1118/House Bill 512 (both passed)* require these persons, and a holder of a recreational angler’s license or Chesapeake Bay and coastal sport fishing license, to submit any report required by DNR in accordance with regulations adopted by DNR.

Shellfish

Aquaculture

Submerged Aquatic Vegetation: Submerged aquatic vegetation (SAV), which provides significant water quality and habitat benefits to the tidal waters of the State, can encroach on an aquaculture lease due to the enhanced water quality in the vicinity of the lease. To facilitate the study of these competing ecological interests, a holder of an aquaculture lease, who has invested significant time and money to establish and maintain the lease, may only place shellfish, bags, nets, or structures on SAV in the leased area with prior written approval from DNR, subject to the termination of this authorization on June 30, 2024. To give DNR additional time to study these matters, [Senate Bill 301 \(Ch. 113\)](#) extends that termination date until June 30, 2027. The Act also requires DNR to continue to report to the Aquaculture Coordinating Council, the Chesapeake Bay Program, and the General Assembly on the impacts of placing shellfish, bags, nets, or structures on SAV, the number of leases with SAV encroachment and the species, density, and aerial extent of SAVs, the kinds of gear used on leases where SAV is present, and any other information DNR considers necessary.

Bay Scallops: To facilitate the possible establishment of aquaculture for bay scallops in the Atlantic coastal bays, [Senate Bill 303 \(Ch. 114\)](#) expands the definition of “shellfish” as it applies to importing and possessing shellfish for aquaculture purposes. Under the Act, “shellfish” is expanded from only including oysters and clams and their shells to including “live bivalves and bivalve shells.”

Harvest Hours: To allow DNR to better address sanitary issues in the warmer summer months, [Senate Bill 879/House Bill 857 \(both passed\)](#) alter the hours during which an aquaculture leaseholder may harvest shellfish, from between sunrise and sunset to the hours established by DNR in regulation.

Recreational Catching of Oysters or Clams

A resident of the State may catch up to one bushel of oysters and clams for the person’s own use and consumption without a license, in places and at times prescribed by DNR regulations and subject to modifications that may be made by DNR. A nonresident may catch, in certain waters of the State, up to one bushel of hard clams per day for the nonresident’s own use and consumption. [House Bill 613 \(passed\)](#) repeals the authorization for catching oysters and establishes a recreational oyster license, available only to State residents, that authorizes the holder to recreationally harvest oysters in the tidal waters of the State. The bill repeals the clam provisions and instead authorizes (1) a resident to catch clams in accordance with regulations adopted by DNR and (2) a nonresident to catch hard clams in certain waters of the State and in accordance with regulations adopted by DNR.

Environment and Energy

Clean Energy, Energy Efficiency, and Greenhouse Gas Emissions Reductions

Offshore Wind Energy

Pursuant to Chapter 3 of 2013, under the State Renewable Energy Portfolio Standard, State electricity sales must include an amount derived from offshore wind energy beginning in 2017. The amount is set by the Public Service Commission (PSC) each year, based on the projected annual creation of offshore wind renewable energy credits (OREC) by qualified offshore wind projects, and may not exceed 2.5% of total retail sales. Chapter 757 of 2019 bifurcated the application and approval process for offshore wind into “Round 1” (the process established by Chapter 3) and a “Round 2” process to allow for new applications with different specifications. PSC may also provide for additional application periods.

Ratepayer impacts in Round 1 were limited to \$1.50 per month (in 2012 dollars) for residential customers and 1.5% for nonresidential customers over the duration of the OREC pricing schedule. Ratepayer impacts in Round 2 were limited to \$0.88 per month (in 2018 dollars) for residential customers and 0.9% for nonresidential customers over the duration of the OREC pricing schedule.

House Bill 1296 (passed) requires PSC to open a revised Round 2 offshore wind project proceeding that is limited to evaluating revised project schedules, sizes, or pricing for a previously approved Round 2 project. The bill also allows any Round 1 offshore project to seek PSC approval to amend its previously approved Round 1 project order to increase the maximum amount of ORECs and modify its project schedule. Both processes are subject to existing ratepayer protections, although the Round 1 process requires consideration of changes in economic conditions since the Round 1 project awards.

Among other things, Chapter 95 of 2023 (1) established a State goal of reaching 8,500 megawatts of offshore wind energy by 2031 and (2) required the Department of General Services (DGS) to issue a competitive sealed procurement solicitation and authorized DGS to enter into at least one contract for a power purchasing agreement (PPA) to procure up to 5.0 million megawatt-hours annually of offshore wind energy and associated renewable energy credits from one or more qualified offshore wind projects. **House Bill 1296** requires PSC to develop a plan to achieve the goal of reaching 8,500 megawatts of offshore wind energy capacity by 2031 and to submit a report on the plan to the General Assembly by January 1, 2025. **House Bill 1296** also removes the 5.0 million megawatt-hour annual limit on the potential offshore wind PPA and establishes a process for a potential second procurement and one or more offshore wind PPAs. The net effect on State expenditures due to modifying the DGS offshore wind energy procurement process is unknown, but potentially significant.

Clean Energy Equipment

Among other things, *Senate Bill 570/House Bill 397 (both passed)* authorize an electric company, a gas company, or a water company to own, manage, and recover costs associated with a thermal energy network system, as specified. Additionally, by July 1, 2025, each gas company that serves at least 75,000 customers must submit one or two proposals for a pilot thermal energy network system to PSC for approval. PSC may decide on the proposals by December 31, 2025.

Under *Senate Bill 570/House Bill 397*, the Maryland Energy Administration (MEA) must coordinate specified funding sources to assist an electric, gas, or water company in covering the costs for all behind-the-meter projects, as specified, and must reserve \$9 million in related federal funding for pilot systems. More specifically, before October 1, 2025, MEA must provide grants to community-based organizations for outreach in neighborhoods to increase participation in a pilot system and coordinate the implementation of an approved pilot system. A grant may be up to \$1 million to each organization. The funding may be from the Strategic Energy Investment Fund (SEIF) or any other source of State or federal funding. MEA must also coordinate with the Department of Housing and Community Development (DHCD) to provide services or funding for weatherization for all low- or moderate-income housing within a pilot system's area. To the extent practicable and authorized by the U.S. Constitution, an approved pilot system applicant must comply with the State's Minority Business Enterprise Program.

Among other things, *Senate Bill 783 (passed)* establishes the Customer-Sited Solar Program within MEA to provide grants to low- to moderate-income electric company customers (or a third party applying for a grant on behalf of a customer) for new solar energy generating systems, funded by reallocated solar alternative compliance payment revenues within SEIF. The program may provide a grant to an income-verified eligible customer-generator with a low to moderate income, in an amount equal to \$750 per kilowatt of nameplate capacity for a solar energy generating system, up to a maximum of \$7,500 per system. By January 1, 2025, MEA must establish application and income verification procedures for the program and award grants from the program.

Requirements for State Buildings

Chapter 289 of 2020 codified Executive Order 01.01.2019.08, which required the State to reduce energy consumption in State-owned buildings by 10% by 2029 compared with a fiscal 2018 baseline. Executive Order 01.01.2023.07 rescinds the 2019 executive order and instead requires the State to reduce energy consumption in State-owned buildings by 20% by 2031, compared with the fiscal 2018 baseline. *Senate Bill 258 (passed)* repeals statutory language that implemented the 2019 executive order and instead codifies provisions from the 2023 executive order that implement the new goal.

Greenhouse Gas Emissions Reductions

The Maryland Department of the Environment's (MDE) Climate Change Program leads the State's efforts to reduce greenhouse gas (GHG) emissions, as required by the Greenhouse Gas

Reduction Act (GGRA) and participation and oversight in other initiatives, including the Regional Greenhouse Gas Initiative (RGGI) and the U.S. Climate Alliance. The program also ensures State compliance with climate-related State and federal laws, such as the Climate Solutions Now Act (Chapter 38 of 2022). Chapter 38 made broad changes to the State’s approach to reducing statewide GHG emissions and addressing climate change. Among other things, the Act accelerated previous statewide GHG emissions reductions targets originally established under the GGRA by requiring the State to develop plans, adopt regulations, and implement programs to (1) reduce GHG emissions by 60% from 2006 levels by 2031 and (2) achieve net-zero statewide GHG emissions by 2045.

Under the GGRA, unless required by federal law or regulations or existing State law, regulations adopted by State agencies to implement a final GHG reduction plan may not require GHG emissions reductions from the State’s manufacturing sector or cause a significant increase in costs to the State’s manufacturing sector. However, these requirements may not be construed to exempt GHG emissions sources in the State’s manufacturing sector from the obligation to comply with (1) GHG emissions monitoring, recordkeeping, and reporting requirements or (2) GHG emissions reductions required of the manufacturing sector because of the State’s implementation of RGGI.

House Bill 990 (passed) makes State GHG emissions reduction requirements apply to the production of cement by altering the definition of “manufacturing” for purposes of the GGRA. The bill also alters provisions related to the regulation of GHG emissions reductions by other manufacturers under the GGRA. First, provisions limiting GHG emissions reductions and cost increases are modified to apply only to persons who engaged in manufacturing in 2023. Second, limitations on sector wide GHG emissions reductions and cost increases for manufacturing are narrowed to limitations on specific manufacturers and their GHG emissions and costs in 2023. The bill also requires MDE to make specified considerations and consult with specified stakeholders related to the regulation of the production of cement.

The Maryland EmPOWER Program is a slate of energy efficiency, energy conservation, and demand response programs. The goal of the program, generally, is to require certain utility companies and DHCD to save energy through setting energy usage reduction targets. Among other things, *House Bill 864 (passed)* alters the EmPOWER program by providing that, subject to review and PSC approval, each electric company, each gas company (other than specified small gas companies), and DHCD must develop and implement programs and services to encourage and promote the efficient use and conservation of energy, demand response, and beneficial electrification by consumers, electric companies, gas companies, and DHCD in support of the GHG emissions reduction goals and targets. PSC is required to establish GHG emissions reduction targets based on a three-year program cycle, in consideration of projections made by MDE. Annual GHG emissions reduction targets must be at least 2.0% in 2024, 2.25% in 2025 and 2026, and 2.5% per year in 2027 and annually thereafter.

Water Quality and Management

Watershed Protection and Restoration and Aquatic Conservation

Senate Bill 969/House Bill 1165 (both passed) establish the Whole Watershed Restoration Partnership to accelerate restoration of the Chesapeake and Atlantic Coastal Bays and their watersheds by equitably focusing assistance on actions and areas that are (1) cost-effective; (2) likely to demonstrate a rapid systemic response to restoration activity, as specified; and (3) supported by the local government. The partnership is authorized to approve up to five projects every five years. To fund projects approved under the partnership, the bills establish the Whole Watershed Fund in the Department of Natural Resources. The fund is funded through several State agricultural and environmental special funds, including a mandated distribution from the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund from fiscal 2026 through 2030.

Additionally, pursuant to *Senate Bill 969/House Bill 1165*, a project applicant seeking an authorization for a stream and floodplain restoration project is generally subject to additional requirements related to public notice and application review by MDE. MDE must evaluate each application for specified criteria and provide for five years of monitoring after project completion.

Under *Sackett v. EPA*, 598 U.S. 651 (2023), the U.S. Supreme Court narrowed the scope of the bodies of water that are subject to the protections of the federal Clean Water Act (CWA). The Court held that the CWA encompasses only those relatively permanent, standing or continuously flowing bodies of water forming geographical features that are described in ordinary parlance as streams, oceans, rivers, and lakes. The case focused on the extent to which the CWA applies to wetlands and the Court held that the CWA extends only to wetlands that are, as a practical matter, indistinguishable from waters of the United States, requiring a party asserting jurisdiction over adjacent wetlands to establish (1) that the adjacent body of water constitutes “waters of the United States” and (2) that the wetland has a continuous surface connection with that water, making it difficult to determine where the “water” ends and the “wetland” begins.

Under *Sackett*, hydrologic features like ephemeral and intermittent streams, which only flow intermittently, depending on rainfall or other seasonal changes may be excluded from CWA protections. *Senate Bill 653/House Bill 1101 (both passed)* establish standing, for a person that meets the threshold standing requirements under federal law, in civil claims arising under specified standards relating to (1) nontidal wetlands that do not have a continuous surface connection to surface water and (2) discharges of pollutants affecting ephemeral streams or intermittent streams. The bills authorize a person that has standing pursuant to the bills to bring a civil action against any person or political subdivision that is alleged to be in violation of those standards. The bills also authorize a person that meets the threshold standing requirements under federal law to intervene in a civil action brought by the Secretary of the Environment relating to nontidal wetlands (similar authority already exists, and is reestablished under the bills, with respect to a civil action relating to the discharge of pollutants to waters of the State).

Bay Restoration Fund and the Clean Water Commerce Account

Chapter 428 of 2004 established the Bay Restoration Fund (BRF). The primary purpose of the fund is to support upgrades to Maryland’s 67 major publicly owned wastewater treatment plants with enhanced nutrient removal (ENR) technology; funds are also used for septic system upgrade grants, among other things, and the Cover Crop Program within the Maryland Department of Agriculture.

Chapters 694 and 695 of 2021 created the Clean Water Commerce Account (CWCA) of BRF. MDE is required to transfer \$20 million each fiscal year from BRF into the account to be used by MDE to purchase environmental outcomes to help the State achieve water quality goals. “Environmental outcomes” are nitrogen load reductions that can be directly measured or modeled using the Chesapeake Bay Program Models. *Senate Bill 1144/House Bill 1266 (both passed)* require MDE, on request, when entering into a contract for the purchase of environmental outcomes under the CWCA for a project that includes construction, reconstruction, or rehabilitation, to allow nonuniform payment schedules that allow for a cost-per-pound of nitrogen reduced that varies with the achievement of performance milestones, as agreed upon by both parties to the contract. The bills also authorize MDE to require a minimum final payment and certain financial protections under specified circumstances.

Chapter 413 of 2020 expanded the authorized uses of the BRF Septics Account to include specified costs associated with connecting a property using an on-site sewage disposal system (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. *House Bill 1512 (passed)* repeals the June 30, 2024 termination date for Chapter 413, making the authorization permanent.

Wastewater Treatment Systems and Private Wells

Polyfluoroalkyl (PFAS) chemicals are a group of manufactured fluorinated organic chemicals that contain at least one fully fluorinated carbon atom. PFAS chemicals are pervasive in the modern built and natural environments and are linked with various types of health hazards in humans. *Senate Bill 956/House Bill 1153 (both passed)* require MDE, in collaboration with publicly owned treatment works and specified “significant industrial users” in the State, to (1) by October 1, 2024, identify the significant industrial users that currently and intentionally use PFAS chemicals; (2) by June 1, 2025, develop PFAS action levels for addressing PFAS contamination from industrial discharge for pretreatment permits; and (3) by September 1, 2025, develop specified mitigation plans for addressing PFAS contamination from industrial discharge for pretreatment permits. In addition, MDE must develop PFAS monitoring and testing protocols for significant industrial users and update its PFAS Action Plan, as specified. The bills also establish measurement, reporting, implementation, and PFAS storage and disposal requirements for specified significant industrial users.

MDE delegates the authority to issue permits to construct and repair conventional septic systems, and the authority to enforce the State’s well water construction regulations, to local health

departments (LHD) and other local approving authorities. *Senate Bill 835/House Bill 992 (both passed)* require an LHD or county government to which MDE has delegated authority to administer a well and septic program to submit a schedule of review times for well and septic program permits to MDE for approval. Beginning three months after schedule approval, and every three months thereafter, the delegated authority must submit well and septic program permit data to MDE for review.

The Upper Potomac River Commission was established in 1935 and has jurisdiction over the water resources of Allegany County and a portion of Garrett County. To regulate the flow of the Potomac River, the commission supervises the Savage River Dam in Garrett County, which it owns, maintains, and operates with guidance from the U.S. Army Corps of Engineers. Since 1960, the commission has also operated the Westernport Wastewater Treatment Facility. *Senate Bill 135 (passed)* establishes the Workgroup to Study Funding for the Westernport Wastewater Treatment Facility to (1) identify and study the existing funding sources that support the Westernport Wastewater Treatment Facility; (2) study whether increased funding could enhance facility operations; (3) study the funding sources of comparable wastewater treatment facilities in the mid-Atlantic region; (4) study available and potential federal, State, and local funding sources; and (5) make recommendations regarding whether additional funding could improve operations and existing and prospective federal, State, and local funding sources.

The Baltimore County Metropolitan District, established by the General Assembly pursuant to Chapter 539 of 1924, is the geographic boundary within which a property may be eligible to receive public water and sewer service. Residents of both Baltimore City and Baltimore County currently receive water through a system managed by the Baltimore City Department of Public Works under an agreement that dates back to 1972. A 1974 agreement governs Baltimore City's responsibility for the treatment of city and county wastewater. *House Bill 1509 (passed)* establishes the Baltimore Regional Water Governance Model Workgroup. The workgroup generally continues the work from the Baltimore Regional Water Governance Task Force, which was established under Chapters 178 and 179 of 2023, by reviewing and analyzing various topics related to regional governance models for water and wastewater in the Baltimore region. The workgroup must develop a report of its findings and, by June 30, 2027, submit the report to the Mayor of Baltimore City, the Baltimore County Executive, the Governor, and the General Assembly.

Flood Management

There is a comprehensive flood management grant program within MDE. Subject to specified criteria, MDE may provide grants to local governments under the program for (1) flood control and watershed management capital projects and capital costs of automated flood warning projects; (2) acquisition of any flood damaged owner-occupied dwelling, immediately after a flood; and (3) infrastructure repairs, watershed management, or emergency protection work if the local government has incurred at least \$1 million in infrastructure damage caused by a flood event that occurred on or after January 1, 2009.

Senate Bill 148/House Bill 449 (both passed) authorize the Governor, for fiscal 2026 and each fiscal year thereafter, to include in the annual State budget an appropriation for the comprehensive flood management grant program of up to \$20.0 million. The bills also require that, for fiscal 2026 and each fiscal year thereafter, at least 40% of funding provided under the program be used for projects located in or directly benefiting underserved or overburdened communities.

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. Household hazardous waste (HHW), which is any waste material derived from a household that would be listed as hazardous waste under the federal Resource Conservation and Recovery Act but for the fact that the waste is derived from a household, is not prohibited from being disposed of in household trash. However, MDE recommends the proper recycling and disposal of HHW materials, such as mercury, paint, paint thinner, and pesticides at local HHW collection programs.

Senate Bill 325/House Bill 1 (both passed) require a producer of architectural paint sold at retail in the State, or a representative organization acting on behalf of a producer, to (1) submit, by July 1, 2025, a plan for the establishment of a Paint Stewardship Program to MDE for approval; (2) pay a plan review fee to MDE; (3) implement the program within six months after plan approval; (4) submit annual reports for MDE review; and (5) pay annual report review fees to MDE. The bills also establish (1) a uniform paint stewardship assessment for architectural paint sold in the State to cover program costs and (2) a prohibition on the sale of architectural paint unless the producer or its representative organization is implementing an approved paint stewardship program. Similar programs in other states are generally carried out by a single representative organization (PaintCare) under a single program plan.

House Bill 457 (passed) requires a producer or seller of synthetic turf to disclose to a customer before the sale of synthetic turf the maintenance that is typically performed throughout the lifespan of synthetic turf, as well as the typical costs for removing, replacing, and disposing of synthetic turf. Additionally, MDE, in consultation with several stakeholders, must conduct a study on synthetic turf, existing synthetic turf fields in the State, and the synthetic turf industry in the State. MDE must report its findings by July 1, 2026, as specified.

Restrictions and Bans on the Use of Certain Substances and Products

There are several restrictions governing lead and PFAS chemicals in certain products under the Environment Article. ***House Bill 1147 (passed)*** expands upon these restrictions by prohibiting a person from installing, supplying, selling, soliciting, or offering for sale in the State playground surfacing materials that contain (1) more than 90 parts per million of lead or (2) a component product, material, or substance to which PFAS chemicals were previously intentionally added, as specified. An affected manufacturer of playground surfacing materials must establish a certificate of compliance that the materials are in compliance with the bill's requirements.

Departmental Programs and Functions

Soil Conservation District Fees

In general, a person must obtain a permit from MDE to construct, repair, or modify any reservoir, dam, or waterway obstruction. However, under certain circumstances, a person may be exempt from this requirement. Among other requirements, to be exempt, a person must have their plan approved by the appropriate soil conservation district or other MDE designee. *Senate Bill 196/House Bill 1465 (both passed)* authorize a soil conservation district to recommend a fee system to cover the cost of reviewing small pond plans and establish procedures for the development and enactment of a fee system.

Nuclear Power Plant Emergency Preparedness

House Bill 680/Senate Bill 536 (both passed) establish the Radiation Emergency Response Program in MDE and related duties for MDE. MDE must administer the program and serve as an “off-site response organization.” MDE must also serve as the lead State agency for protective actions for all nuclear incidents within the State. Additionally, the bills establish two annual fees for nuclear power plant owners that must be paid for each nuclear power plant owned: (1) a \$300,000 fee for the operational costs of the program; and (2) a \$60,000 fee, which is transferred to the Maryland Department of Emergency Management for radiological emergency response preparedness activities.

Modifications to Existing Commissions and Committees

The Maryland Commission on Climate Change (MCCC), originally created by executive order, was codified in statute pursuant to Chapter 429 of 2015 to advise the Governor and the General Assembly on ways to mitigate the causes of, prepare for, and adapt to the consequences of climate change. *Senate Bill 337/House Bill 323 (both passed)* add the Secretary of Emergency Management (or the Secretary’s designee), and the Chair of the Public Service Commission (or the Chair’s designee) to MCCC.

Senate Bill 20/House Bill 343 (both passed) alter the membership and duties of the Cox Creek Citizens Oversight Committee. In addition to changes to the composition of the committee, the bills change the committee duties to include monitoring the management of dredged material at the Cox Creek Dredged Material Containment Facility; advising the Maryland Port Administration (MPA) of complaints lodged by individuals affected by the redeposit of Anne Arundel County dredged material and other dredged material in the Cox Creek area; providing input and feedback to MPA regarding the management of dredged material at the Cox Creek Dredged Material Containment Facility; and making recommendations to MPA on the potential impact that activities at the containment facility may have on nearby communities and natural resources.

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. The MES Reform Act of 2021 (Chapter 72) made overarching changes to the governance and administration of MES. *House Bill 78 (passed)* makes additional changes to the governance and administrative requirements of MES, including (1) expanding the definition of municipality to include the District of Columbia and the United States, or any of its units; (2) authorizing the board secretary, with the approval of the board, to authorize an MES employee to serve as Deputy Secretary for certain purposes; and (3) standardizing annual financial audit and summary report deadlines, and modifying and repealing other audit and report requirements.

Agriculture

Departmental Programs, Boards, and Functions

Food Processing Residuals Utilization Permit

Food processing residuals may be field applied as a soil conditioner in accordance with nutrient management requirements established by the Maryland Department of Agriculture (MDA). However, the improper storage and land application of food processing residuals has caused smell and insect nuisances and water quality and public health concerns in surrounding communities. To address these concerns, *Senate Bill 1074/House Bill 991 (both passed)* establish a new regulatory program in MDA governing the utilization of food processing residuals. The bills define “food processing residuals” as an organic material that is (1) generated by processing agricultural commodities for human or animal consumption and includes food residuals, food coproducts, food processing wastes, food processing sludges, or any other incidental material whose characteristics are derived from processing agricultural products for human consumption or animal consumption and (2) registered with the State Chemist as a soil conditioner.

Under the new regulatory program, a person must obtain a permit from MDA before the person may (1) handle or store food processing residuals or use food processing residuals for land application and (2) transport food processing residuals to or from a generator of food processing residuals to or from an agricultural operation. MDA may issue a permit to an applicant who satisfies specified requirements but may not issue a permit to an applicant if it determines that an applicant cannot utilize food processing residuals without causing undue risk to the environment or public health, safety, or welfare. Among other requirements, a permit holder must (1) allow a representative of MDA entry to any area covered by the permit; (2) keep specified records; (3) take samples as required by MDA; (4) maintain specified financial security; and (5) provide to MDA

or the relevant local health department any information MDA requires. The bills also establish related enforcement provisions.

In addition, *Senate Bill 1074/House Bill 991* require MDA to set reasonable fees to cover MDA's costs of regulating the utilization of food processing residuals, which are held in a newly established Food Processing Residuals Administration Fund. The bills also require MDA, in consultation with the Maryland Department of the Environment (MDE), to adopt regulations to implement the regulatory program.

Invasive Plants

Senate Bill 915/House Bill 979 (both passed) alter the regulatory approach for controlling invasive plant species in the State. The bills repeal the existing two-tiered regulatory approach and instead establish a regulatory approach that generally involves (1) assessments of nonnative plant species by expert assessors to determine the invasiveness rank of each such species; (2) the review of such assessments and related data; and (3) the determination by the Secretary of Agriculture whether such species should be classified as prohibited invasive plants and included on a *Consolidated List of Maryland Invasive Plant Species* or placed on a watch list. Specified regulations must be adopted; among other things, the regulations must classify as prohibited invasive plants all terrestrial plants classified by regulation before January 1, 2024, as tier 1 invasive plants; tier 2 plants must be assessed and either classified as prohibited invasive plants or placed on the watch list.

Nuisance Insects

Chapter 132 of 2019 authorized the Secretary of Agriculture to, subject to available funding in the State budget and subject to specified notice requirements, implement a program to use *Bacillus thuringiensis israelensis* (Bti) to control or eliminate nuisance insects in the State. The Secretary may carry out a project under the program if the county or municipality in which the nuisance insects are located agrees to pay 50% of the costs; these matching funds are paid into the Nuisance Insects Fund.

Senate Bill 854/House Bill 929 (both passed) continue the program established under Chapter 132 of 2019 by requiring, rather than authorizing, the Secretary of Agriculture to implement a program to use Bti to control or eliminate nuisance insects and requiring, rather than authorizing, the Secretary to carry out a project under the program if the county or municipality in which the nuisance insects are located agrees to pay 50% of the costs associated with the project.

State Board of Veterinary Medical Examiners

The State Board of Veterinary Medical Examiners is responsible for protecting animal and public health and welfare through effective regulation of veterinarians, veterinary technicians, and veterinary hospitals. To provide clarity and consistency regarding veterinary health care provided by veterinary technicians and veterinary assistants, *House Bill 1097 (passed)* sets forth a number of tasks that may be performed by (1) a veterinary assistant under the direct supervision or

immediate supervision of a veterinary practitioner or veterinary technician, as specified, and (2) a veterinary technician under the direct supervision or indirect supervision of a veterinary practitioner, as specified. The definition of “direct supervision” is altered to mean that the supervising veterinarian who is licensed and registered in the State (1) is on the premises of the animal treatment facility; (2) is available on an immediate basis; and (3) has given written or oral instructions for treatment of the animal patients involved. The bill defines “immediate supervision” as meaning the supervising veterinarian who is licensed and registered in the State is in the immediate area and within audible and visual range of the animal patient and the person treating the patient. The bill also defines “indirect supervision” as meaning the supervising veterinarian who is licensed and registered in the State is not required to be in the same facility or in close proximity to the individual being supervised and (1) has given written or oral instructions for treatment of the animal patient involved; (2) is available to provide supervision by electronic or telephonic means; and (3) has arranged for telephonic consultation with a licensed veterinarian, if necessary.

Funding for Southern Maryland Agricultural Development Commission

Senate Bill 589/House Bill 812 (both passed) permanently extend the requirement beyond fiscal 2025 that the Governor include funding in the annual budget bill from the Cigarette Restitution Fund for the Tri-County Council for Southern Maryland (TCC). The funds must be used by TCC for the activities of the Southern Maryland Agricultural Development Commission. The bills also increase the required annual appropriation from \$900,000 to \$1.0 million.

Soil Conservation Districts

House Bill 1017 (passed) consolidates the two soil conservation districts in Frederick County (the Catoctin Soil Conservation District and the Frederick Soil Conservation District) into one Frederick County Soil Conservation District with boundaries corresponding to the boundaries of Frederick County.

Senate Bill 196/House Bill 1465 (both passed) authorize a soil conservation district to recommend a fee system to a local governing body to cover the cost of the district’s review of small pond plans and establishes procedures for the development and enactment of a fee system. Any fees collected under a fee system established pursuant to the bills must be supplemental to county and State funds and may not (1) be used to reduce county or State funds or (2) exceed the cost of reviewing the plans.

Pollinator Habitat Plans

The Department of Natural Resources, the Maryland Environmental Service, and the State Highway Administration (SHA), in consultation with MDA, were each required by Chapter 614 of 2016, as modified by Chapter 755 of 2017, to establish a pollinator habitat plan. Each plan must, among other things, include best management practices for the designation, maintenance, creation, enhancement, and restoration of pollinator habitat areas and be as protective of pollinators as MDA’s managed pollinator protection plan. In addition to existing requirements,

Senate Bill 178/House Bill 22 (both passed) require SHA's pollinator habitat plan to include policies and procedures (1) to encourage the use of pollinator-friendly native plants along State highways; (2) to develop and maintain pollinator habitat areas along State highways, to the extent reasonable and feasible and in accordance with relevant specified safety standards; and (3) for educating and communicating with the public about pollinator habitat areas along State highways. SHA must also track and evaluate federal programs that provide funding for pollinator habitats, native plants, and invasive species control and apply for any funding that SHA determines appropriate and beneficial to pollinator habitats in the State.

Anaerobic Digestion Technology

In September 2023, the University of Maryland College of Agriculture and Natural Resources (UMD AGNR) published a report that provides guidance regarding grant awards from the Animal Waste Technology Fund, which is administered by MDA. Among other things, the plan included a recommendation that MDA work more closely with other government agencies, such as MDE and the Maryland Energy Administration (MEA), to create unity in the process of permitting, energy rebates, and tax credits, and in creating a regional approach to funding animal waste technologies, including anaerobic digestion technology. Consistent with this recommendation, ***Senate Bill 808 (passed)*** requires MDA to coordinate with MEA, MDE, the Department of Commerce, UMD AGNR, the University of Maryland Eastern Shore, electric companies, farmers, and industry to ensure anaerobic digestion technology projects are appropriately coordinated. In addition, MDA, in coordination with MEA, MDE, and Commerce, must establish guidance for farmers regarding the development and implementation of anaerobic digestion technology.

Part L

Education

Education – Primary and Secondary

State Funding

Fiscal 2025 major State education aid was impacted by several factors, including ongoing implementation of the Blueprint for Maryland’s Future (Blueprint) legislation. Overall, State aid for public schools increases by \$439.6 million, or 5.1%, from \$8.6 billion in fiscal 2024 to \$9.1 billion in fiscal 2025. State education aid provided directly to the local boards of education increases by \$267.4 million, or 3.4%, while retirement aid increases by \$172.2 million, or 23.1%. These changes include Blueprint special funds allocated to major State aid and other Blueprint programs. A detailed description of State education aid programs and allocations by school system can be found in Part A – Budget and State Aid of this *90 Day Report*.

Statewide Education Policies

Freedom to Read Act

Libraries in Local School Systems: Nationally, there has been a controversial trend in some states to restrict or ban books in public libraries, especially in elementary and secondary schools, that include depictions of subjects some parents categorize as inappropriate for children. In general, ***Senate Bill 738/House Bill 785 (both passed)*** are emergency bills that establish as a policy of the State that each local school system operate its school library media program and specified libraries that receive State funding operate consistent with standards that ensure the materials, services, and resources are not excluded from a library because of the content of the materials; the characteristics of the author; or the partisan, ideological, or religious viewpoint of the objector. The bills also prohibit local school systems and a board of library trustees from taking certain retaliatory actions against certain school library media program personnel or other library employees for performing their job duties consistent with the State policy.

Each local school system is also required to develop and implement a policy and procedures to review objections to materials in the school library media program.

Senate Bill 738/House Bill 785 also establish as a policy of the State that the State Library Resource Center (SLRC); a regional resource center; a correctional facility library; a county library system, including the Enoch Pratt Free Library in Baltimore; the Maryland State Library for the Blind and Print Disabled; the Maryland Deaf Culture Digital Library; and the metropolitan cooperative service program (collectively, “libraries”) operate in a manner that is consistent with “State standards for libraries.” The State Library Board must develop policies for the operation of libraries that are consistent with the State standards; the Maryland State Library Agency must ensure each library that receives State funds is operated in a manner consistent with the State standards.

Under existing law, county public libraries, SLRC, regional resource centers, the Maryland Library for the Blind and Print Disabled, and potentially others at the discretion of the State Library Board, receive State funding each fiscal year. The bills make receipt of that funding contingent on the adoption of a written policy consistent with the State standards. The Comptroller is required to withhold all State funds from a library if the State Library Board certifies that the library failed to adopt a written policy consistent with the State standards. Funding remains withheld until the library is in compliance.

Special Education and Individuals with Disabilities

Access to Attorneys, Advocates, and Consultants for Special Education: The federal Individuals with Disabilities Education Act (IDEA) requires that a child with disabilities be provided a free appropriate public education in the least restrictive environment from birth through the end of the school year in which the student turns 21 years old, in accordance with an individualized education program (IEP) specific to the individual needs of the child. An IEP is a written statement for each child with a disability that, among other things, must indicate the present levels of academic achievement and functional performance of a child, measurable academic and functional goals for the child, how the child’s progress toward meeting these goals will be measured, and the special education and related services that are to be provided for the child. If the parent disagrees with implementation of their child’s IEP, the IDEA provides several pathways for resolving the dispute: mediation; a State complaint; or due process complaint.

Senate Bill 797/House Bill 903 (both passed) establish the Access to Attorneys, Advocates, and Consultants for Special Education Program (Program), administered by the Maryland Volunteer Lawyers Service (MLVS) and the Access to Attorneys, Advocates, and Consultants for Special Education Fund (Fund), administered by the Maryland State Department of Education (MSDE). The Program directs resources and services to eligible students to provide access to legal, advocacy, and consultant services in special education matters. Eligible students are those with a disability whose parent (1) has a household income not more than 150% of the MLVS income guidelines and (2) made at least one attempt to resolve a disagreement with a public agency regarding the child’s special education services or program. It is the intent of the

General Assembly that 75% of the funding from the Program be used for providing consultation, representation, or advocacy of eligible students and 25% for providing representation in due process hearings and court proceedings. An eligible student is limited to a lifetime maximum of \$20,000 under the Program. Notification of availability of the Program must be provided in parent’s rights documents distributed to families in IEP meetings and before mediation or due process hearings. Beginning in fiscal 2026, the Governor must include \$1.0 million to the Fund in the annual budget bill.

Maryland Achieving a Better Life Experience Program

The Stephen Beck, Jr., Achieving a Better Life Experience (ABLE) Act of 2014 established a new § 529A of the Internal Revenue Code that permits a state (or a state agency or instrumentality) to establish and maintain another type of tax-advantaged savings program, a qualified ABLE program, under which contributions may be made to an account that is established for the purpose of meeting the qualified disability expenses of the designated beneficiary of the account. Chapter 637 of 2023 allowed for an ABLE account to be established by the eligible individual or a person selected by the eligible individual. If the eligible individual is unable to establish an ABLE account, the eligible individual’s agent under power of attorney may establish an account. If the eligible individual does not have a power of attorney, in priority order, an ABLE account may be opened for the eligible individual by the individual’s (1) conservator or legal guardian; (2) spouse; (3) parent; (4) sibling; (5) grandparent; or (6) representative payee appointed by the Social Security Administration.

Under Section 504 of the federal Rehabilitation Act of 1973, an organization that receives federal money, including public and many private schools, may not discriminate against a person on the basis of a disability. Section 504 requires schools to make a “reasonable accommodation” for students with disabilities to allow them to participate in school and school-related activities. Section 504 plans can be created to help students with disabilities receive accommodations that are not covered by their IEP. Students with disabilities who do not need an IEP may still receive accommodations through a Section 504 plan.

Senate Bill 592/House Bill 336 (both passed) require the State Treasurer to develop written informational materials about Maryland ABLE, which must be distributable electronically or by hand, and provide those materials to the State Board of Education (SBE) and local boards of education for distribution to parents during an IEP, individualized family service plan, and Section 504 plan meetings as specified.

Blind and Visually Impaired Students: Under current law, in developing an IEP for a child who is blind or visually impaired, provisions must be made for instruction in braille and the use of braille unless the IEP team determines, after an evaluation of the child’s reading and writing skills, needs, and appropriate reading and writing media, that such instruction or use is not appropriate for the child.

“Specialized formats” means braille, large print, audio, or digital text that is used by blind or visually impaired individuals. A child may not be denied the opportunity for instruction in

braille reading and writing solely because the child has some remaining vision. Use of braille is not required if other reading and writing media are appropriate to the child's educational needs. The use of other reading and writing media does not preclude the use of braille or the instruction of braille.

Senate Bill 1091/House Bill 1076 (both passed) require county boards of education to annually determine the instructional materials that will be used in the upcoming school year for students with IEPs or Section 504 plans by March 15 each year. A county board of education must coordinate with the Instructional Resources Center (IRC) to provide the instructional materials in a specialized format to students who are blind or visually impaired, no later than the first day of classes of the upcoming school year. The bills also require that a contract between a county board and a publisher of pupil edition textbooks include a provision requiring the publisher to provide an electronic file of the textbook in a specified standard to the National Instructional Materials Access Center at the same time as that publisher provides the textbooks. MSDE and county boards are required to enter into a memorandum of understanding (MOU) to facilitate the process. Finally, the bills require that IRC report to MSDE on various information about requests for instructional materials.

The Blueprint for Maryland's Future

Publicly Funded Full Day Prekindergarten and Prekindergarten Expansion Grant Program: ***House Bill 1441 (passed)*** makes several changes to State funded full-day prekindergarten, a program established under Chapter 36 of 2021 as part of the Blueprint education reform legislation. The bill does the following:

- alters the proportion of prekindergarten slots to be provided by eligible private providers in each county, including allowing the exclusion of certain Tier I children from the calculation;
- alters existing and establishes new credential requirements for staff for specified prekindergarten providers to allow for more flexibility in the requirements;
- expands the requirements for existing agreements among county boards of education, MSDE, eligible private providers, and other relevant agencies, and requires MSDE to develop a model MOU for those agreements;
- authorizes a county board to apply for State funding from the *Capital Improvement Program* for assistance on renovations to public facilities that are leased as space for a public prekindergarten program;
- establishes a career ladder for teachers and assistant teachers of private prekindergarten providers to attract and retain high-performing and high-quality early childhood education professionals, which is estimated to increase State general fund expenditures by \$1.0 million in fiscal 2025;

- establishes prekindergarten provider hubs in centralized locations throughout the State to help bring as many providers into the State’s mixed delivery system as possible;
- establishes programs to aid eligible prekindergarten providers in meeting statutory requirements, including professional development opportunities and technical support;
- establishes a funding mandate for fiscal 2026 for the Maryland Child Care Credential Program by requiring the Governor to include an appropriation in an amount at least equal to the amount appropriated in fiscal 2024; and
- extends consolidation of the Prekindergarten Expansion Grant from fiscal 2026 to 2030, requiring annual appropriations matching prior year funds through fiscal 2029, which may impact State and local funding formulas in fiscal 2029 and 2030. This final provision is also in [House Bill 1426 \(passed\)](#), discussed in further detail below.

Blueprint Changes Recommended by the Accountability and Implementation Board (AIB): As required by law, AIB has a duty to evaluate and recommend legislative changes to the Blueprint. [House Bill 1426](#) is a departmental bill that incorporates these recommendations by altering various Blueprint policies and education-related programs, including those regarding early childhood education, professional development, and dual enrollment, and postpones certain reporting and related deadlines regarding the Career and Technical Education (CTE) Committee. More specifically, the bill includes:

- ***Grants for Patty Centers and Judy Centers:*** Family Support Centers, known as Patty Centers, provide parents and their children with a hospitable and constructive environment and services for certain purposes. Judy Centers likewise provide early childhood education programs and comprehensive support services for children, from birth through kindergarten, and their families who reside in specific low-income school districts. [House Bill 1426](#) provides that Patty Centers and Judy Centers, if awarded multi-year funding from the State, may use funds in the first year of a multi-year funding award for planning and development;
- ***Availability of Prekindergarten Program Slots:*** The bill also requires each local department of social services or a local health department to provide to each local school system the name and contact information for each parent who is provided notice under existing law that their child may be eligible for publicly funded prekindergarten programs;
- ***National Board Certification Payments (NBC):*** Under existing law, a teacher who earns an NBC must receive from the State an equal amount to the National Board for Professional Teaching Standards fees associated with the initial completion and renewal of NBC, with counties paying one-third of the cost as a county match. The bill adds certain nonclassroom teachers, including administrators, assistant principals, instructional specialists, and

principals who may be paid under these provisions – for the purpose of growing the career ladder;

- ***Post-college and Career Readiness Pathways (CCR):*** Beginning with the 2023-2024 school year, each county board must provide all students who meet the CCR standard with access to specific post-CCR pathways at no cost (including fees) to them or their parents. One of these pathways allows a student access to dual enrollment opportunities at a student’s high school and an institution of higher education. Local school systems are provided funding to pay for these courses under a formula that pays an amount per student that qualifies as CCR-ready. However, the law provides that availability of post-CCR pathways is open to all students until AIB declares the Blueprint fully implemented, after which only CCR-ready students may access post-CCR pathways. To maximize the number of students who may take dual enrollment courses while available funding and student access are misaligned, the bill authorizes, for fiscal 2025 through 2027, SBE and AIB, in consultation with local school systems, to limit the number and types of courses that a student may be dually enrolled at an institution of higher education;
- ***CTE Committee Goals and Report:*** The date by which the CTE Committee must establish statewide goals for certain student outcomes is altered from December 1, 2022, to June 1, 2024. The date by which annual reports by the CTE Committee to the General Assembly and AIB on progress toward attaining those goals must commence is also altered from December 1, 2022, to December 1, 2024; and
- ***Kindergarten Readiness Assessment:*** For the 2024-2025 school year only, administration of the Kindergarten Readiness Assessment to all kindergartners may be completed after October 10, and the results may be made available more than 45 days after the administration has been completed.

Blueprint Implementation Coordinators: Another Blueprint-related measure, ***House Bill 1082 (passed)***, requires that for each fiscal year, each county board provide \$150,000 for the salary and benefits of the implementation coordinator that is appointed under existing law to carry out the implementation of the Blueprint. The funding for the salary and benefits of the implementation coordinator is paid by the State and the county in the same proportion as the foundation program. The salary increases are estimated to result in State expenditures increasing annually by \$1.8 million beginning in fiscal 2025, and local school system expenditures increasing annually by \$3.6 million in fiscal 2027.

Ulysses Currie Head Start Program: Similar to but distinct from publicly funded full day prekindergarten, Head Start programs aim to promote school readiness of low-income children by enhancing their cognitive, social, and emotional development. Funding for Head Start comes largely from the federal government, although the State provides supplemental funding annually. ***House Bill 902 (passed)*** establishes that a provider in the Ulysses Currie Head Start Program is eligible to receive full State funds under the full-day prekindergarten program, even if the program receives federal funds.

Community Schools

Needs Assessments, Implementation Plans, and Evaluations: Under existing law, a “community school” means a public school that establishes a set of strategic partnerships between the school and other community resources to promote student achievement; positive learning conditions; and the well-being of students, families, and the community by providing specified wraparound services. There is a Director of Community Schools in MSDE who must coordinate professional development for community school coordinators at each community school, and the coordinators are responsible for completing an assessment of the needs of the students in the schools for appropriate wraparound services to enhance the success of all students in the school, and developing an implementation plan based on the assessment. ***Senate Bill 161/House Bill 200 (both passed)*** expand the definitions of “community school” and “wraparound services” and require the director to (1) create a common needs assessment tool that each community school must use to complete the needs assessment and (2) develop an evaluation form to be used by the coordinators to complete the evaluation described below. In addition, each coordinator must review the implementation plan at least once every three years, which may be updated after receiving approval by the local school system and review by MSDE.

Certain community schools are also eligible to receive concentration of poverty grants (CPGs) under existing law in the form of personnel and per pupil grants, which are used to hire community school coordinator and a health care practitioner at the school and provide wraparound services. The bills require that each community school coordinator of a school receiving a CPG to submit an evaluation by August 15 each year to MSDE and AIB on the uses of funds in the immediately preceding school year. MSDE and AIB must then make the evaluations publicly available and are required to jointly submit a report the General Assembly on or before December 1, 2024, on possible methods for ensuring CPGs are used appropriately and effectively.

Rental Assistance for Community School Families Program and Fund: ***Senate Bill 370/House Bill 428 (both passed)*** establish the Rental Assistance for Community School Families Program and a related fund to provide rental assistance to eligible student households at community schools. The program is administered by the Department of Housing and Community Development, in consultation with MSDE. Payments may be made to recipients for up to 12 to 15 months under the program, and the payments may be used for relocation expenses and rental and utility payments, including arrearages and fines and fees related to rent and utilities. Finally, the Governor may include up to \$10 million to the program in the annual budget for any fiscal year. The fiscal 2025 budget includes \$10 million for the program.

Miscellaneous

Maryland Meals for Achievement Flexibility Act of 2024: ***Senate Bill 425/House Bill 386 (Chs. 61 and 62)*** authorize elementary schools participating in the Maryland Meals for Achievement (MMFA) program to serve breakfast in any broadly accessible part of the school, including from “Grab and Go” carts after the arrival of students to the school, provided that students are allowed to consume the meal in the classroom after the start of the school day. To do

so, an elementary school must have approval from MSDE and from its local board of education. The Acts also clarify that secondary schools that serve breakfast, including from “Grab and Go” carts after the arrival of students to the school, must serve these breakfasts in any broadly accessible part of the school.

Breakfast and Lunch Programs Universal Expansion Report: Senate Bill 579 (passed) requires MSDE to report to the General Assembly on the cost to provide free breakfast and lunch to all students in public schools in the State by December 1, 2024. Specified items that MSDE must consider for each county in determining the cost include the current rate of providing free breakfast and lunch through (1) MMFA and (2) participation in the U.S. Department of Agriculture Community Eligibility Program. Also, in determining the cost, specified data by county must be considered and must be disaggregated by (1) elementary, middle, and high school and (2) breakfast and lunch. The bill takes effect July 1, 2024, and terminates June 30, 2025.

Local School Systems Report: House Bill 760 (Ch. 39) requires each local school system to submit a report to the Joint Audit and Evaluation Committee on the status of the implementation of corrective actions to address repeat findings and recommendations identified by the Office of Legislative Audits in the most recent six-year audit. This report is due by November 1 of the third year of a six-year audit cycle. Each local school system must publish the report on its website with any cybersecurity findings redacted in a manner consistent with auditing best practices.

More Opportunities for Career-Focused Students Act: Senate Bill 33 (passed) generally requires each public high school, assisted by county boards, to, in the same manner in which the school informs students of postsecondary education options, inform students of employment and skills training opportunities available through specified apprenticeship sponsors, employers registered with the Maryland Department of Labor or local workforce development boards, and specified schools licensed by the Maryland Higher Education Commission (MHEC). The information should highlight opportunities and high-skilled careers that do not require completion of a college degree and are in high demand in the State.

Armed Services Vocational Aptitude Battery

Under current law, each public school that provides access to its buildings and ground or student information directory to any person or group that makes students aware of occupational or educational options must provide access on the same basis to official recruiting representatives of the military forces of Maryland and the United States for the purpose of informing students of education and career opportunities available in the military. The Armed Services Vocational Aptitude Battery (ASVAB) is a multiple-aptitude battery that measures developed abilities and helps predict future academic and occupational success in the military. It is administered to military applicants, high school, and postsecondary students.

Senate Bill 1042/House Bill 1492 (both passed) require each public school that administers the ASVAB to notify students (and their parents or guardians) two weeks before administering the ASVAB of the option to withhold the release of a student’s personal information and ASVAB test scores to military recruiters. Nothing in the law may be construed to limit a

county board’s ability to choose “Option 8” as the score reporting option for military recruiter contact to prevent the release of any student information to military recruiters for public schools that administer the ASVAB in the county.

Educators and School Personnel

Addressing Educator Shortages

Senate Bill 771/House Bill 945 (both passed) change the requirements to qualify for an initial teaching certificate. Beginning July 1, 2025, an individual seeking an initial teaching certificate, including graduates from teacher preparation programs outside of the State, must meet several qualifications. Further, the bills repeal the requirement that a teacher preparation program include passing a nationally recognized portfolio-based assessment of teaching ability as a requirement for graduation beginning July 1, 2025. Finally, the bills also establish requirements for comprehensive and rigorous comprehensive teacher induction programs established independently by a local school system or in collaboration with other local school systems.

Senate Bill 937/House Bill 1157 (both passed) establish the Grow Your Own Educators Grant Program to provide support to eligible noncertified education support professionals and provisional teachers interested in teaching who pledge to fulfill a service obligation as a teacher employed full-time in a high-needs school, grade level, or content area in the State in which there is a shortage of teachers. Administered by MSDE, the program provides grants to local school systems in collaboratives for certain teacher candidates’ expenses and program administration costs. Collaboratives consisting of local school systems, employee organizations representing those employees, and approved teacher preparation programs may apply for grants by submitting plans to MSDE. Funding for the program is discretionary by the Governor.

Training

House Bill 1287 (passed) combines two school leadership training programs already required to be established by MSDE in conjunction with AIB into one program and modifies the attendance requirement. Specifically, the bill establishes that the State Superintendent of Schools, local superintendents of schools, and the chair and vice chair of SBE; each county board of education; and AIB must complete the training and all others specified in the bill are encouraged to complete the training. Further, the required content areas are expanded for the combined school leadership training program and alters the required modes of instruction for the program. The training program is limited to 12 months duration.

House Bill 1386 (passed) requires MSDE to develop guidelines, as specified, for an antibias training program for school employees that is job-embedded, paid training provided on nonteaching time. The guidelines are, among other things, meant to reduce implicit bias, be culturally responsive to the needs of students, and combat discrimination and prejudices faced by historically marginalized groups. Each county board, in consultation with teachers and other public school employees, must develop (or update) its training based on (or incorporating) the guidelines.

Every other year, each county board must train each public school employee whose job duties include frequent interactions with students using its antibias training, as specified.

Miscellaneous

Under § 5-518 of the Courts and Judicial Proceedings Article, a county board of education employee acting within the scope of employment, without malice and gross negligence, is not personally liable for damages resulting from a tortious act or omission for which a limitation of liability is provided for the county board. In these cases, a civil claim may be filed against the employee, but the board of education must be joined as a party and is required to indemnify the employee for any personal liability associated with a money judgment entered against the employee. *House Bill 137 (passed)* establishes that a member of the administrative, educational, or support staff of any public, private, or parochial school acting in an official capacity is immune from civil liability for any personal injury or property damage resulting from an intervention in an altercation between students or other student disturbance if (1) the member intervened in a reasonably prudent manner and (2) the member's actions do not constitute grossly negligent, willful, wanton, or intentionally tortious conduct.

Student Health and Support Programs

Student Health

Bronchodilators Use, Availability, Training, and Policies: Senate Bill 180/House Bill 86 (both passed) require the Maryland Department of Health (MDH), in consultation with local boards of education, to establish a policy for public schools to authorize the school nurse and designated school personnel to administer a bronchodilator to a student who is determined by an individual with specified training to be or perceived to be experiencing asthma-related symptoms or is perceived to be in respiratory distress and requires that bronchodilators and modes of delivery be stored in public schools to be used in an emergency situation. A bronchodilator may be administered to such a student regardless of whether the student has been diagnosed with asthma or reactive airway disease or has been prescribed a bronchodilator by a licensed health care practitioner. The policy must include other specified elements. Likewise, the bills authorize each nonpublic school to establish a policy that meets similar requirements.

Student Telehealth Appointments: House Bill 522 (passed) requires MSDE and MDH to, in consultation with specified stakeholders, jointly develop State guidelines for student health services to accommodate student participation in telehealth appointments during the school day on middle or high school premises after consideration of specified issues. SBE must adopt the State guidelines. On or before the start of the 2025-2026 school year, each county board of education must adopt a student telehealth policy and provide notice of the policy in a specified manner.

Student Support

Mental Health Training: Senate Bill 165/House Bill 204 (both passed) require each public school in the State and each public institution of higher education that offers an athletic

program to provide specified mental health training to each participating coach. MSDE must work in collaboration with MDH, each county board of education, and the Maryland Public Secondary Schools Athletic Association to develop guidelines for public schools to train coaches in recognizing the indicators of mental illness and behavioral distress in students (including depression, trauma, violence, youth suicide, and substance abuse). Likewise, MHEC must work with MDH to develop guidelines for public institutions of higher education to train coaches in recognizing the indicators of mental illness and behavioral distress in students.

Maryland Youth Crisis Hotline: *Senate Bill 122/House Bill 284 (Chs. 59 and 60)* alter the name of the crisis hotline that must be provided by a local board of education to each student in grades 6 through 12 from the Maryland Youth Crisis Hotline to the 988 Suicide and Crisis Lifeline. A local board of education is not required to reprint or reissue school handbooks or student identification cards in use on the enactment date of the Act in order to comply with the Act.

Student Safety

Active Shooter Drills

House Bill 416 (passed) prohibits active shooter drills or trainings in schools from including specified activities that may be traumatic for students or school personnel. It also requires local school systems to (1) notify parents in advance of active shooter drills or trainings in schools; (2) provide mental health follow-up to students and school personnel after an active shooter drill or training; and (3) collect data on the effectiveness and psychological impact of the drills or trainings and report the data to the Maryland Center for School Safety (MCSS) for further analysis. Finally, the bill requires MCSS to develop and distribute model content regarding the State's firearm storage laws, as specified.

Cardiac Emergency Response Plans for Athletic Facilities

House Bill 1219 (passed) requires each public middle and high school to include a cardiac emergency response plan (CERP) that includes specified items as a component of its venue-specific emergency action plan for athletic facilities. The plan must be annually reviewed and updated by each middle school and high school. The bill also requires each nonpublic middle school and high school that receives State funding to develop a venue-specific emergency action plan for all athletic facilities that includes specified components, including use of automated external defibrillators, a heat acclimatization plan, and CERP.

School Security Employees

Senate Bill 1077 (passed) authorizes a local school system to use grants provided under Safe Schools Fund for school security employees.

Maryland Center for School Safety

House Bill 1167 (passed) establishes the Secure Schools Emergency Response Grant Program in MCSS. The purpose of the program is to provide grants to local school systems to improve emergency notification systems and communication between public elementary and secondary school personnel, a public safety answering point, and a public safety agency during emergency events. Local school systems that apply for and receive grants must use the funds to improve emergency notification systems or enhance communications within the school and with public safety agencies. By September 1, 2026, MCSS must ensure that the program is operating and available to each local school board.

School Mapping Data Program: Senate Bill 540/House Bill 472 (both passed) create the School Mapping Data Program in MCSS to provide funds to local school systems to produce school mapping data for each public school in the county, including charter schools. The Interagency Commission on School Construction must adopt facility mapping standards for the uniform mapping of the physical attributes of public schools. The bills authorize the School Safety Subcabinet to use funds in the Safe Schools Fund to make grants to local school systems under the program. The bills require a custodian of school mapping data created under the program to deny inspection of those records under the Public Information Act.

Miscellaneous

Procurement Procedures

State law specifies processes that county boards must follow when procuring school buildings, improvements, supplies, or equipment above a certain value. **Senate Bill 170/House Bill 291 (both passed)** make a technical change to specify that a certain reporting requirement applies to items that cost more than \$100,000. The bills also update public notification requirements by specifying *eMaryland Marketplace*, instead of *Maryland Contract Weekly*, as an authorized publication, and also require that notice be posted electronically on the local school system website for certain hearings pertaining to preliminary approval of a school site.

Transparency in Education Spending Act

Senate Bill 1026/House Bill 1115 (both passed) require SBE to adopt a process for the uniform reporting of information in a county board budget to timely share the information provided by a county board to a county governing body. County boards must prepare their annual budget to include as major categories (1) specified current funds held in reserve; (2) the amount of any federal funds received in the last fiscal year; and (3) the amount of funds held in trust or otherwise dedicated toward long-term obligations for retiree health care costs or other postemployment benefits, and information used to calculate the county board's obligation for those costs. Finally, a copy of the approved budget, as approved by various county entities, is required to be posted on the county board's public website.

Programs

House Bill 475 (passed) establishes the Open-Source Phonics Matching Grant Program within MSDE to provide matching funds to open-source phonics organizations to provide free, open-source phonics learning materials to be used by adults to tutor students in the State. MSDE must (1) periodically review the open-source phonics materials to ensure they are consistent with best practices in literary education; (2) distribute grants to open-source phonics organizations; and (3) by December 1, 2025, and every other year thereafter, collect statistics and other information and report to the General Assembly on the effectiveness of the program.

Higher Education

Operating Funding

Operating funding State support for higher education in the fiscal 2025 budget totals \$3.1 billion, a decrease of \$16.8 million, or 0.5%, compared to fiscal 2024, as shown in **Exhibit L-1**. Even so, public four-year institutions receive \$9.7 million in additional State funding, which includes general funds and monies from the Higher Education Investment Fund. The overall total for public four-year institutions also includes \$62.2 million budgeted to historically Black colleges and universities (HBCUs) in settlement funding for those HBCUs.

Exhibit L-1
State Support for Higher Education
Fiscal 2024 and 2025

	<u>2024¹</u>	<u>2025²</u>	<u>\$ Change</u> <u>2024-2025</u>	<u>% Change</u> <u>2024-2025</u>
University System of Maryland	\$2,026,653,566	\$2,026,174,295	-\$479,271	0.0%
Morgan State University	158,118,880	168,495,046	10,376,166	6.6%
St. Mary’s College of Maryland	39,284,840	39,401,515	116,675	0.3%
HBCU Settlement Funding	62,580,433	62,224,757	-355,676	-0.6%
MHEC Special Grants ³	19,016,975	33,928,044	14,911,069	78.4%
Community Colleges ⁴	475,398,268	475,620,884	222,616	0.0%
Baltimore City Community College	45,824,713	48,280,224	2,455,511	5.4%
Independent Institutions	137,094,789	72,594,106	-64,500,683	-47.0%
MHEC Administration	9,061,615	10,218,579	1,156,964	12.8%
MHEC Student Financial Aid	192,425,691	211,692,562	19,266,871	10.0%
Total	\$3,165,459,770	\$3,148,630,012	-\$16,829,758	-0.5%

HBCU: historically Black colleges and universities

MHEC: Maryland Higher Education Commission

¹ Fiscal 2024 general funds are adjusted to reflect deficiencies, and a transfer from MHEC to the University of Maryland, Baltimore Campus for the WellMobile. Fiscal 2024 general funds do not include general salary increases which are budgeted in the Statewide Account in the Department of Budget and Management.

² Fiscal 2025 general funds are adjusted to reflect an anticipated transfer from MHEC to the University of Maryland, Baltimore Campus for the WellMobile. Fiscal 2025 general funds do not include general salary increases that are budgeted in the Department of Budget and Management.

³ Special grants funded with State general and special funds are included.

⁴ Community college funds include the Senator John A. Cade formula, other programs, and fringe benefits.

Source: Maryland State Budget Books; Department of Legislative Services

Public Four-year Institutions

Funding specifically for the University System of Maryland (USM) decreases minimally, by \$0.5 million, compared to fiscal 2024. However, it should be noted that, while the working appropriation does not include the fiscal 2024 general salary increases that are budgeted centrally in the Statewide Account in the Department of Budget and Management (DBM), the *impacts* of the fiscal 2024 general salary increases are included in the fiscal 2025 allowance. The fiscal 2025 budget also provides USM's HBCUs (specifically, Bowie State University (BSU)), the University of Maryland Eastern Shore (UMES), and Coppin State University (CSU)) a total of \$35.5 million in settlement funding, as mandated in Chapters 41 and 42 of 2021. Also included is \$6.6 million for various other mandates, including:

- \$4.0 million, as mandated in Chapter 683 of 2021, of funding guideline attainment;
- \$2.4 million, as mandated in Chapter 765 of 2019, providing \$1.0 million each to the University of Maryland, Baltimore Campus and the University of Maryland, College Park Campus (UMCP) for the MPowering Steering Council and \$0.4 million to the University of Maryland Baltimore County to help further its research and economic development activities; and
- \$0.2 million, as mandated in Chapters 489 and 490 of 2023, to the University of Maryland Extension at UMCP to administer the educational components of the Maryland Native Plants program.

The General Assembly also added \$8.1 million to fund various programs and initiatives at eight USM institutions.

The additional funding noted above is offset by decreased funding attributed to a \$55.0 million adjustment in the turnover rate (to 6%) across institutions; \$8.5 million in one-time legislative additions in the fiscal 2024 budget; \$5.0 million in one-time funding for the Universities at Shady Grove, as mandated in Chapter 623 of 2022, for a workforce development initiative; and \$0.7 million less in BSU's allocation of HBCU settlement funds.

Morgan State University (MSU) receives an increase of \$10.4 million, or 6.6%, over fiscal 2024, of which \$7.6 million is for general salary increases in fiscal 2025. Other notable increases reflect \$3.0 million for the Center for Urban and Coastal Climate and an additional \$0.5 million for the Center for Equitable Artificial Intelligence and Machine Learning Systems, offset by slight reductions elsewhere. In addition to its base funding, MSU receives \$26.7 million in HBCU settlement funding, an increase of \$0.4 million, or 1.4%, over fiscal 2024.

St. Mary’s College of Maryland (SMCM) receives an increase of \$0.1 million, or 0.3%, in State support over fiscal 2024. This increase encompasses the annualization of general salary increases.

Independent Institutions

In fiscal 2025, under current law, independent institutions were to receive \$133.9 million through the Joseph A. Sellinger Program formula, which was \$7.5 million lower than anticipated due to DBM breaking with its past practice of using the enrollment projections prepared by the institutions to calculate the funding per full-time equivalent student (FTES) and instead using the Maryland Higher Education Commission’s (MHEC) enrollment projections. In addition, provisions in the Budget Reconciliation and Financing Act (BRFA) of 2024 changed the FTES data used to determine the allocation of Sellinger funds among the institutions from total FTES enrollment to only using undergraduate FTES enrollment. In addition, the BRFA increased the statutory percentage in the Sellinger formula from 15.5% to 16.1%. In combination, these changes resulted in \$72.6 million in Sellinger funding, a decrease of \$62.3 million, or 47.0%.

Community Colleges

State funding for local community colleges increases by \$0.2 million over fiscal 2024. Funding under the Senator John A. Cade Funding Formula decreases by \$7.7 million, which is more than offset due to funding for community college retirement programs increasing by \$7.9 million. The fiscal 2025 formula funding reflects a rebasing under the BRFA to 27.2% of funding provided to the selected public four-year institutions (rather than 29.0% under current law); this level represents the statutory minimum to be provided.

Baltimore City Community College

Baltimore City Community College (BCCC), Maryland’s only State-administered community college, has a separate statutory funding formula. Overall, State funding for BCCC increases by \$2.5 million, or 5.4%, over fiscal 2024. BCCC’s declining overall FTES enrollment total has decreased the total amount that would be provided by the calculated formula to \$34.1 million in fiscal 2025. However, the lower calculated formula funding triggers a hold harmless clause that requires the Governor to fund BCCC’s formula at the amount provided in the prior year’s budget. The hold harmless amount for fiscal 2025 is higher than for fiscal 2024, due to salary adjustments provided directly in the budget of BCCC in that year outside of the formula calculation, providing a new base funding level for the hold harmless provision.

Financial Aid

State support for student financial aid increases by \$19.3 million, or 10.0%, to \$211.7 million in fiscal 2025. The increase is primarily due to \$10.0 million for the Teacher Development and Retention Program established under Chapter 627 of 2023, and the Teaching Fellows for Maryland Scholarship, which increases by \$6.0 million (to \$18.0 million), as mandated in Chapter 36 of 2021. In addition, \$1.0 million is provided for the Human Services Careers Scholarship that was established under Chapter 100 of 2023. The largest needs-based aid program, the Delegate Howard P. Rawlings Education Excellence Awards Program, increases by \$2.2 million, totaling \$114.2 million in the fiscal 2025 allowance.

Capital Funding

Capital funding for higher education totals \$365.7 million for fiscal 2025, most of which (\$310.8 million) is for public four-year institutions, including \$30.0 million in academic revenue bonds for USM institutions authorized by *Senate Bill 1120 (passed)*. Local community colleges receive \$39.8 million for the Community College Construction Grant Program and \$1.9 million for the Facilities Renewal Grant Program. In addition, BCCC receives \$5.3 million, and independent institutions receive \$8.0 million in capital funding for fiscal 2025.

Governance and Oversight in Higher Education

Academic Program Approval and Institutional Mission Statements

From 2006 until 2021, the State of Maryland was a defendant in *The Coalition for Equity and Excellence in Maryland Higher Education, et al. v. Maryland Higher Education Commission et al.* (06-CV-02773-CCB). The lawsuit alleged three policies of the Maryland system of higher education were traceable to the prior *de jure* (as a matter of law) system of segregation that existed before 1969: (1) limited institutional missions; (2) operational funding deficiencies; and (3) unnecessary program duplication. The court dismissed the first two allegations and proceeded to trial on the third allegation. After 14 years of litigation and settlement attempts in the federal court system, the lawsuit was settled and dismissed with prejudice by the District Court in May 2021. Chapters 41 and 42 of 2021 were passed by the General Assembly to provide remedies and support to the HBCUs, conditioned on settlement of the lawsuit.

As the primary remedy, Chapters 41 and 42 require that the HBCUs receive supplemental State funding in the amount of \$577.0 million distributed over the 10-year period from fiscal 2023 through 2032 – approximately \$57.7 million annually – but the total funds distributed for a given fiscal year may vary upward based on the funding formula. Other provisions of Chapters 41 and 42 sought to address the academic program review policies and practices of MHEC. Under the law, funding is annually provided to MHEC to establish and staff a program evaluation unit with 10 new positions to assist in evaluating new programs and substantial modifications to existing programs. The legislation also required the Department of Legislative Services (DLS) to contract with a consultant to conduct a capacity and capability study of MHEC's current program review

processes. DLS contracted with the National Center for Higher Education Management Systems (NCHEMS), and a report with findings and recommendations was submitted in September 2022.

During the 2023 legislative session, NCHEMS provided a briefing on the report to the Senate Education, Energy, and the Environment Committee and the House Appropriations Education and Economic Development Subcommittee. Subsequently, Chapter 101 of 2023 established the Program Approval Process Workgroup to make recommendations on MHEC’s process for approving programs. On December 12, 2023, the workgroup held its final meeting and adopted recommendations.

House Bill 1244 (passed) encompasses many of the Program Approval Process Workgroup recommendations. The bill establishes a new process for academic program approval and institutional mission statements, based on identifying State and regional workforce needs. To that end, the bill requires a comprehensive analysis of statewide workforce needs by designated agencies, integrates these needs into the State Plan for Higher Education, and establishes new review processes for academic programs to ensure alignment with workforce demands. The bill also incentivizes collaboration between institutions for program development and enhances the evaluation of mission statements to maintain distinctiveness among public higher education institutions.

In addition, MHEC must review existing programs, as specified, establish a Program Review Process Advisory Council, and develop a procedures guide related to the review process. Further, the bill establishes separate processes for the approval of graduate programs, including for emerging workforce need programs, and requires MHEC to establish a separate process for online programs. Finally, the bill establishes the Proposed Programs Collaborative Grant Fund.

State and Regional Workforce Needs

More specifically, *House Bill 1244* requires the Maryland Department of Labor (MDL) and MHEC to each have a full-time staff member who (1) is responsible for defining, identifying, and compiling data on State and regional workforce needs and (2) works collaboratively with one another and the Department of Commerce to produce uniform and consistent baseline data, including common sources and measurements, about workforce needs to inform State policies relating to postsecondary education. Similarly, Commerce must (1) define, identify, and compile data on State and regional workforce needs and (2) work collaboratively with MDL and MHEC to produce uniform and consistent baseline data, including common sources and measurements, about workforce needs to inform State policies relating to postsecondary education.

State Plan for Higher Education

Furthermore, *House Bill 1244* clarifies, in developing the State Plan for Higher Education, that MHEC must incorporate the goal and priorities for higher education for all public institutions of higher education. In addition to current requirements, the State Plan for Higher Education developed by MHEC must identify (1) current and emerging State and regional workforce needs and (2) any specific academic programs particular institutions could develop to fulfill or support

identified current needs and any emerging workforce need programs as part of the identification of present and future capabilities of different institutions and segments of postsecondary education. In identifying State and regional workforce needs and emerging workforce need programs for the State Plan for Higher Education, MHEC must use uniform and consistent baseline data, as specified; consult, as necessary, with other State agencies, occupational licensing boards, and national organizations; use data from resources and literature relating to specific occupations; provide all institutions of higher education in the State with access to this baseline data; and consult with each segment of higher education. MHEC must update the workforce needs identified in the most recent version of the State Plan for Higher Education each year as an appendix to the plan and post the update on its website. Beginning with the quadrennial review of the State Plan for Higher Education due by July 1, 2026, and each annual update to the workforce needs as an appendix to the plan, MHEC must submit the proposed plan, or update to the plan, to the Legislative Policy Committee (LPC) for review and comment before its adoption.

More immediately, by January 1, 2025, MHEC must update the State Plan for Higher Education last revised in 2022 to include information on updated State and regional workforce needs, emerging workforce needs, and any specific academic programs institutions could develop to fulfill or support identified needs. MHEC must submit the update to LPC for review and comment before adoption. During the process of updating the State plan, MHEC must provide postsecondary education stakeholders with an opportunity to provide input on State and regional workforce needs relevant to the purposes and objective of the plan.

Duplicative Programs Regulations

Under the bill, regulations adopted by MHEC establishing standards for determining whether two or more programs are unreasonably or unnecessarily duplicative must (1) clearly identify all specific criteria and factors used by MHEC to make such a determination; (2) prioritize meeting State and regional workforce needs and preserving existing programs that are able to meet these workforce needs; and (3) prioritize collaboration between institutions of higher education. Likewise, MHEC must adopt regulations on procedures for conducting an analysis of the objections to a proposed graduate program. Furthermore, MHEC, in consultation with the Attorney General, must adopt regulations for standards for conducting an analysis of an objection based on unnecessary graduate program duplication in violation of the State's equal educational obligations under State and federal law.

Review Hearing and Procedures Guide

The bill establishes requirements for a review hearing of the Secretary of Higher Education's determination of an institution's objection to a graduate program approval, including that it be conducted in open session. By January 1, 2025, MHEC must develop and publish on its website an administrative procedures guide for MHEC's program review process. The guide must be updated at least once a year.

Review of Approved Academic Programs Subject to an Objection

By January 1, 2025, and each January 1 thereafter, MHEC must review each academic program that has been recently approved and each academic program that has been approved in the four immediately preceding school years that was subject to an objection of an HBCU to determine whether the HBCU, the State, or students attending institutions of higher education in the State suffered harm resulting from approval of the program. By September 1, 2025, and each September 1 thereafter, MHEC must report its findings to the Senate Education, Energy, and the Environment Committee and the House Appropriations Committee.

Letter of Intent for Graduate Level Program Approval

Beginning January 1, 2025, MHEC must require each public senior institution to submit a letter of intent to MHEC that identifies each new graduate level program that an institution intends to propose for approval; a letter of intent must be submitted every six months with all new graduate programs the institution intends to propose within the upcoming six-month to two-year time period. MHEC must use this letter to (1) facilitate collaboration between institutions and (2) provide feedback to an institution prior to submission of the new program for approval, as specified. MHEC must circulate each letter of intent among institutions but may not post an institution's letter of intent publicly. MHEC may not use a letter to establish any preference or priority for approval of a program proposal. MHEC must establish requirements for submitting a letter. Except under specified conditions, MHEC may approve a program proposal only if the institution has included the program in a letter of intent.

Graduate Level Emerging Workforce Need Programs

An “emerging workforce need program” means a graduate level program identified by MHEC (in the State Plan for Higher Education or each annual update to the workforce needs as an appendix to the plan) that (1) no institution of higher education in the State offers; (2) addresses a job or industry need that is innovative, unique, and rare; and (3) could leverage federal, State, or private resources on a long-term basis with immediate development by an institution of higher education. “Emerging workforce need program” does not mean a specific academic program identified by MHEC to fulfill or support an identified *current* State and regional workforce need.

The bill establishes requirements related to approval of an emerging workforce need program, which applies after adoption of the required updated State plan due January 1, 2025. Generally, MHEC may approve a program proposal (as relates to a new program, a substantial modification to an existing program, or an online program) for an academic program for an emerging workforce need program for BSU, CSU, MSU, UMCP, and UMES. Further, within 90 days after the quadrennial review of the State plan and each annual update to it, each of those institutions must submit a notice of intent to submit a proposal in the upcoming year for an emerging workforce need program. MHEC must share the notice of intent to all segments of higher education, facilitate collaboration between institutions, provide feedback to the institution before it submits the new program for approval, and identify State resources to assist the institution in developing the program.

However, another institution may have a proposal approved under two specified circumstances. First, if none of the five specified institutions submits a notice of intent as required within the 90-day period, *any* institution of higher education in the State may immediately submit a proposal for an academic program for approval by MHEC. Second, if one of the five specified institutions chooses to collaborate with any other institution of higher education in the State to implement an emerging workforce need program within the one-year period after its identification in the quadrennial State plan or an annual update to it, MHEC may approve a proposal for an academic program for the collaborating institution.

Proposed Programs Collaborative Grant Fund

The bill establishes a Proposed Programs Collaborative Grant Fund to provide financial assistance to incentivize institutions of higher education to collaborate with other institutions of higher education, at the discretion of each institution, to establish and implement a new graduate program.

Online Program Approval

MHEC must develop and implement a program review process for new proposed programs that (1) are offered only online and to a majority of out-of-state students and (2) enable the institutions of higher education in Maryland to compete with out-of-state competitors in the online marketplace. The process developed and implemented must allow MHEC or an institution of higher education in the State to file with MHEC an objection to implementation of the proposed program, if the objection is based on any of the following: (1) inconsistency with the institution's official mission; (2) not meeting a need in line with the State's higher education plan; (3) unreasonable program duplication of a fully online program which would cause harm to the State or students attending higher education institutions in the State; or (4) unnecessary duplication of a fully online program in a way that breaches State and federal equal educational opportunity laws. MHEC must include the program review process in the administrative procedures guide.

Mission Statements

In addition to current requirements, MHEC must develop detailed criteria for the robust review of mission statements of public institutions of higher education, including ensuring the mission of each institution is reflective of the institution's statutory distinction and clearly defined and distinct from other public institutions.

MHEC may reject the mission statement, after conducting a review but must do so within 90 days of receipt; otherwise, the mission statement is deemed to be approved (unless MHEC finds the mission statement to be inconsistent with the State plan).

After approving or rejecting a mission statement of a public institution of higher education, MHEC must submit a report to specified committees that includes an analysis explaining (1) the role of the public institution of higher education within the system of higher education in the State to ensure the mission statement is clearly defined and distinct from other public institutions of

higher education and (2) why the mission statement was approved or rejected. MHEC is encouraged to use that report to ensure the State is supporting each public institution of higher education in meeting the needs described in the mission statements.

Academic Program Review Evaluation

The bill establishes two evaluation requirements. First, MHEC must examine the approval process for conducting academic program reviews (as modified under the bill), including all statutory and regulatory requirements regarding administrative procedures, timelines, and deadlines, to determine whether the process, in whole or in part, needs updating or revision to meet the needs of the institutions of higher education and students. By December 1, 2024, MHEC must report its findings and recommendations to the General Assembly.

Second, MHEC, in collaboration with all institutions of higher education, must evaluate whether the existing standard that triggers the academic program review process for substantial modification to an existing program in statute and regulations, as specified, is the appropriate standard. If, after the evaluation, MHEC determines that a new standard for establishing a substantial modification to an existing program is appropriate, MHEC must, on or before January 1, 2025, adopt regulations establishing the new standard.

Scholarships and Financial Assistance Programs

Maryland Protecting Opportunities and Regional Trade (PORT) Act

Among other measures related to the collapse of the Francis Scott Key Bridge, *Senate Bill 1188/House Bill 1526 (Chs. 2 and 3)* establish the Fallen Transportation Workers Scholarship Program. The program, and a related special fund, provide tuition assistance to a student who was a dependent or is the surviving spouse of a fallen transportation worker. To receive assistance, that student must be accepted for admission or enrolled in a regular undergraduate, graduate, or professional program at an institution of postsecondary education.

The Acts define “fallen transportation worker” as an individual (1) whose occupation is in the construction, rehabilitation, or operation of a transportation facility or transportation facilities project in the State and (2) who died, on or after January 1, 2022, as a result of an accident occurring while the individual was performing any job duty necessary to their occupation.

Next Generation Scholars of Maryland

Senate Bill 517/House Bill 624 (both passed) transfer primary responsibility for the administration of the Next Generation Scholars of Maryland Program from the Maryland State Department of Education (MSDE) to MHEC.

Even so, MSDE must assist MHEC with the review of applications, and MHEC must work in collaboration with MSDE to publicize the program, as specified. The bills also establish that

MSDE remains responsible for identifying eligible school systems and clarify what constitutes financial aid literacy assistance.

Charles W. Riley Firefighter and Ambulance and Rescue Squad Member Scholarship

Senate Bill 691/House Bill 899 (both passed) expand the eligibility requirements for the Charles W. Riley Firefighter and Ambulance Rescue Squad Member Scholarship to include individuals accepted for admission or enrolled in a *course* at an eligible institution (instead of enrolled in a regular undergraduate *program* at a Maryland institution of higher education or a two-year terminal certificate program in which the course work is eligible for transfer into a baccalaureate program at a Maryland institution of higher education). Additionally, the bills alter the maximum award amount that may be issued to students studying at either a two-year or four-year public institution of higher education.

Part-time Senatorial and Delegate Scholarships

Senate Bill 967/House Bill 901 (both passed) authorize MHEC to waive the minimum semester hour requirements for part-time senatorial or delegate scholarships on request of an applicant with a documented disability.

Janet L. Hoffman Loan Assistance Repayment Program

Senate Bill 441/House Bill 545 (both passed) expand eligibility for the Nancy Grasmick Public School Professional Award within the Janet L. Hoffman Loan Assistance Repayment Program to include public school nurses with two years of experience who provide health services in a public school. Accordingly, public school nurses employed by a local school system or a local health department to provide health services through an agreement with a local board of education are eligible for assistance in the repayment of a higher education loan. The bills also expand the requirements for MHEC to publicize the program to include doing so to eligible public school nurses in an effort to recruit and retain nurses working in public schools in the State.

Douglas J. J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship

Senate Bill 1178 (passed) expands eligibility for the Douglas J. J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship by repealing the terminal dates of eligibility, which are as prescribed by the U.S. Secretary of Defense for service in Iraq or Afghanistan. Thus, to be eligible for a Douglas J. J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship, an individual, in addition to other eligibility requirements, must have served in (1) Afghanistan or contiguous air space, as defined in federal regulations, on or after October 24, 2001, or (2) Iraq or contiguous waters or air space, as defined by federal regulations on or after March 19, 2003.

Maryland Police Officers and Probation Agents Scholarship Program

Senate Bill 1101 (passed) alters the definition of an “eligible institution” for the Maryland Police Officers and Probation Agents Scholarship Program to include a community college in the

State (in addition to a public senior institution of higher education). The program provides tuition assistance to students attending an eligible institution and enrolled in a degree program that would either further their intent to become a police officer or probation agent after graduation or would further the career of students who are already employed as a police officer or probation agent.

Maryland Community College Promise Scholarship

House Bill 607 (passed) relaxes eligibility requirements for the Maryland Community College Promise Scholarship for certain applicants. Specifically, requirements related to GPA attainment and submission of the Free Application for Federal Student Aid (FAFSA) (unless enrolling in a noncredit program for which a federal Pell Grant may be used) do not apply to individuals who (1) enroll in a noncredit vocational certificate program; (2) enroll in a sequence of noncredit courses leading to licensure or certification; or (3) participate in a registered apprenticeship program. Even so, these individuals must continue to meet other eligibility requirements. GPA and FAFSA submission requirements continue to apply to the other category of applicants not affected by the exemption – those enrolling as a candidate for an associate degree.

To be eligible for the program, without the exemption in the bill, a student must (1) be eligible for in-state tuition and enroll at a community college, in an eligible program; (2) have earned at least a 2.3 high school GPA at the end of the first semester or the end of the senior year (unless the applicant graduated from high school five or more years before the date of application) for an initial award, or have earned at least a 2.5 GPA while enrolled at a community college in the State; and (3) have a gross adjusted income of \$100,000 or less if the applicant is single or resides in a single-parent household or of \$150,000 or less if married or resides in a two-parent household. Additionally, as applicable, a FAFSA must be submitted on a timely basis.

Maryland Pathway to Nursing Pilot Program and Advisory Committee

Senate Bill 718 (passed) establishes the Maryland Pathway to Nursing Pilot Program under MHEC to provide practical and financial support to specified nursing students. The bill also establishes the Maryland Pathway to Nursing Advisory Committee with specified membership to assist the Secretary of Higher Education in the development and implementation of the program. By December 15, 2024, and annually thereafter through 2029, the Secretary of Higher Education must report to the Governor and General Assembly on implementation of the program.

Teacher Development and Retention Program

Senate Bill 377/House Bill 75 (both passed) expand eligibility for Teacher Development and Retention Program educator stipends (a pilot program that provides both initial stipends and internship stipends) to include an otherwise eligible individual who is initially enrolled in any State community college. The bills also delay the stipend award periods by one year and make conforming changes to the timing of a required evaluation and the termination date for the pilot program. Further, the bills require MHEC to conduct the evaluation itself, rather than hire an independent consultant to do so.

Equity and Accessibility

Prohibition on Consideration of Legacy or Donor Preference in Admissions

House Bill 4 (passed) prohibits an institution of higher education that receives State funds from considering a “legacy preference” or a “donor preference” as an eligible criterion for admission standards at the institution. Such preferences are given to an applicant due to having a familial relationship to either an alum of the institution (legacy) or a person who provides financial support to the institution (donor). However, an institution may ask applicants to provide information about familial relationships to alums of the institution for the purpose of collecting data.

Targeted Recruitment and Outreach Efforts

House Bill 678 (Ch. 38) requires each public four-year institution of higher education (excluding the University of Maryland Global Campus) to conduct targeted recruitment and outreach efforts each year. To that end, the other constituent institutions USM, MSU, and SMCM must each adopt and annually update a written policy that identifies communities of interest in the State as well as the institution’s targeted recruitment and outreach efforts for the community of interest – all with the goal of promoting diversity and inclusion at each institution by attracting and graduating a diverse student body committed to service.

By August 1, 2024, and annually thereafter, the affected constituent institutions of USM, MSU, and SMCM must report to the Governor, the President of the Senate, and the Speaker of the House on information regarding the implementation of the Act, as specified.

Credit Eligibility and Transfer of Credits

Senate Bill 395/House Bill 569 (both passed) require English as a Second Language (ESL) or English language learner courses taken at a public community college – if those courses are not classified as remedial by the community college – to transfer to any public institution of higher education in the State, as specified. A public institution of higher education in the State may not deny the transfer of such credits for any reason.

These credits may also be transferable to a private nonprofit institution of higher education in the State; a private nonprofit institution must review and consider the transfer credits. A public community college must consider a course or program for ESL or English language learner as eligible for either world language or humanities credit, or both, toward a student’s associate degree if the course is not classified as a remedial course.

Student Withdrawal Policy

Senate Bill 567/House Bill 539 (both passed) require each public institution of higher education to adopt a policy that authorizes a student to withdraw for “extenuating circumstances” (which specifically includes illness, injury, hospitalization, and mental health and wellness). The

policy must include a provision to refund tuition and fees paid by the student for the semester in which a student withdraws if the extenuating circumstances inhibit the student’s ability to acquire an education at the public institution of higher education, as defined in the policy.

Student Health and Well-being

Financial Well-Being Pilot Program

House Bill 811 (passed) establishes the Financial Well-Being Pilot Program at UMCP and MSU. The purpose of the program is to provide comprehensive financial guidance, support, and coaching to help students (1) facing significant personal financial burdens or complex student loan debts; (2) experiencing high levels of financial anxiety due to personal financial burdens; or (3) lacking in financial literacy knowledge or skills. A financial well-being coach at each campus must provide personalized financial coaching services to students who may benefit from them, specifically focusing on the behavioral and emotional aspects of personal finances and how a student can successfully achieve personal financial goals and establish healthy habits.

Mental Health Training for Coaches

Senate Bill 165/House Bill 204 (both passed) require each public institution of higher education that offers an athletic program to provide specified mental health training to each participating coach. MHEC must work with the Maryland Department of Health to develop guidelines for public institutions of higher education to train coaches in recognizing the indicators of mental illness and behavioral distress in students.

Contraception Access at Community Colleges

Senate Bill 527/House Bill 367 (both passed) require each community college, in consultation with students and student organizations, to develop and implement a plan to provide students with access to over-the-counter (OTC) contraception by August 1, 2025. The plan must include access to OTC contraception through the student health center, campus retail establishments, vending machines, or any other method that provides all students access when on campus.

Each community college must annually report the following information to MHEC: (1) how students are provided access to OTC contraception; (2) available information regarding the amount of OTC contraception provided on campus; and (3) a description of how the community college has consulted with students and student organizations to develop and implement the plan. MHEC must report to the General Assembly on the information collected by the community colleges.

MHEC must annually report to the General Assembly; in its first report, due October 1, 2025, MHEC must focus on the implementation plans of community colleges that did not implement access to OTC contraception by August 1, 2025.

Funding and Governance

New Funding Mandates

Senate Bill 376 (passed) requires the Governor to include and ramp up funding in the annual State budget for the MPowering Joint Steering Council at the University of Maryland to use exclusively on the University of Maryland Institute for Health Computing. Accordingly, general funds must be appropriated in the following amounts: \$1.5 million in fiscal 2026; \$3.0 million in fiscal 2027; \$4.5 million in fiscal 2028; and \$6.0 million in fiscal 2029 and each fiscal year thereafter.

The bill also makes permanent a funding requirement (in place for three years from fiscal 2023 through 2025) for the Governor to include a general fund appropriation of \$5.0 million for the University of Maryland School of Medicine in the annual budget bill. Accordingly, this supplementary funding will be maintained for a related and ongoing requirement for the School of Medicine to provide clinical care at the University of Maryland Capital Region Medical Center.

Board of Regents of the University System of Maryland

Senate Bill 205 (passed) requires the Governor, the President of the Senate of Maryland, and the Speaker of the House of Delegates to ensure that one member of the Board of Regents of USM is a graduate of an HBCU in USM (*i.e.*, BSU, CSU, and UMES). The requirement applies beginning with the next vacancy on the board after July 1, 2024.

Education – Local Bills

Local Boards of Education

Baltimore County

The Baltimore County Board of Education consists of 12 members, including 4 at-large members appointed by the Governor, 7 nonpartisan members each elected from 1 of 7 councilmanic districts, and 1 student member. *Senate Bill 451/House Bill 108 (both passed)* increase compensation for members of the Baltimore County Board of Education. Compensation for each nonstudent member, other than the chair of the board, increases by \$9,000 to a total of \$16,500 annually. Compensation for the board chair increases by \$10,000 to a total of \$17,500 annually. The student member scholarship is also increased by \$2,500 such that a student member who completes a full term on the county board will receive a scholarship of \$10,000.

House Bill 495 (passed) requires that, before the Baltimore County School Board Nominating Commission begins interviewing candidates for appointment to the Baltimore County Board of Education, the commission must publish the names of all candidates on the commission's website. The bill also requires that a commission meeting must be open to the public if it involves action on a candidate for appointment to the county board. However, a commission meeting that

involves an interview of or a deliberation about a candidate for appointment to the county board must be held without the public in attendance and must be recorded. The commission must provide a copy of a meeting recording for public inspection within 48 hours after receiving a request for the recording.

Charles County

House Bill 151 (passed) requires that vacancies on the Charles County Board of Education must generally be filled within 90 days of the vacancy occurring. In instances where the vacancy occurs in an election year for the seat that is vacant, the board may choose not to fill a vacancy. Additionally, the board must make live video streaming and a complete video recording of each public meeting at which applicants for a vacancy are interviewed available on the board’s website in accordance with the Open Meetings Act.

Washington County

Current law places no restrictions on the residency of members of the Washington County Board of Education. However, ***Senate Bill 852/House Bill 995 (both passed)*** require that, immediately preceding the date the board member takes office, each member of the Washington County Board of Education must be a resident of Washington County for at least 6 months and a resident of the State for at least 12 months. Under the bills, each board member must maintain a primary residence in Washington County during the member’s term. A board member who no longer maintains a primary residence in Washington County may not continue as a board member.

Other Local Bills

Anne Arundel County

Chapter 140 of 2018 authorized Howard County to establish a Student Loan Assistance Repayment Program for Teachers employed by the Howard County Public School System. ***Senate Bill 657/House Bill 541 (both passed)*** similarly authorize Anne Arundel County to establish a Student Loan Assistance Repayment Program for Educators employed by Anne Arundel County Public Schools (AACPS). The purpose of the program is to attract, recruit, and retain a diverse cadre of qualified educators in AACPS that reflects the student population within county schools. For purposes of the program, an “educator” includes classroom teachers, education support professionals, education-related service providers, and specialists eligible for certification from the Maryland State Department of Education. The program must be administered by AACPS. Funds for the program must be as provided on an annual basis in the county budget in an appropriation separate from the county’s appropriation to the operating budget of the Anne Arundel County Board of Education. Funds for the program may be used to cover administrative expenses of the program.

Dorchester County

In Maryland, certificated and noncertificated school employees bargain separately. In some counties, specific categories of noncertificated professionals are included with certificated employees for bargaining purposes. *House Bill 1409 (passed)* includes supervisory noncertificated employees (any individual who responsibly directs the work of other employees) in the definition of “public school employees” for collective bargaining purposes in Dorchester County.

Prince George’s County

Senate Bill 654/House Bill 821 (both passed) establish a student support specialist network with specified membership in each public high school in Prince George’s County and require each network to develop, complete, and implement a student support success action plan. To support each network in developing plans, the Prince George’s County Board of Education must, by December 31, 2024, develop, approve, and disseminate a template for a student support success action plan with specified elements. The county board must set a deadline for submission of plans for approval from networks, and each network must submit a plan for approval before implementation. By July 1, 2025 (and each year thereafter), each network must report on the results of the plan’s implementation to the county board.

Chapter 351 of 2019 reduced the school facilities surcharge (*i.e.*, a surcharge on specified new residential construction to support new school construction in the county) by 50% for specified multifamily housing projects in Prince George’s County. In addition to provisions relating to student support specialist networks described above, *Senate Bill 654 (passed)* extends the termination date of Chapter 351 by five years (from June 30, 2024, to June 30, 2029). The bill also extends a reporting requirement on the impact of the school facilities surcharge (and a related public safety surcharge) from December 1, 2022, to December 1, 2026.

Education – Early Childhood/Libraries/Miscellaneous

Libraries

Funding

The Central Library of the Enoch Pratt Free Library operates as the designated State Library Resource Center (SLRC). *Senate Bill 434 (passed)* increases annual per capita State aid for SLRC by \$0.10 beginning in fiscal 2025 to \$2.07 per resident. The fiscal 2025 budget includes \$12.9 million in funding for SLRC, which includes \$775,800 in enhanced funding overcurrent law.

Collective Bargaining

Employees of the Baltimore County Public Library System, Howard County Library System and the Prince George’s County Memorial Library System have the rights to organize and

bargain collectively through representatives of their choosing. Howard County Library System employees have not chosen to use this authorization. As employees of Montgomery County, employees of the Montgomery County Public Library System may bargain also collectively. Baltimore County Public Library System and Enoch Pratt Free Library employees in Baltimore City formed a union in 2022. *House Bill 609 (passed)* establishes a collective bargaining process for full- or part-time nonmanagement employees of public library systems throughout the State. As a result, the bill repeals provisions of law rendered obsolete by the bill’s statewide applicability.

Fines for Minors

Chapter 27 of 2021 prohibits a public library from charging a fee for a minor’s overdue library materials until 21 days after the date on which the library materials were due. If a minor’s overdue library materials are returned after a public library has charged a fee, the public library must cancel the fee. Chapter 27 prohibits a public library from attempting to collect any outstanding fees for overdue library materials that are incurred by a minor after June 30, 2021. *Senate Bill 250 (passed)* expands these prohibitions to include charging an overdue fine (for failure to return materials by the end of a loan period) or a reserve fee (for failure to collect materials placed on hold or reserved) for library materials *intended* for children or teens. Similarly, a public library may not charge a replacement fee (to replace materials that have not been returned or have been returned in damaged condition) for materials intended for children or teens until 21 days after the materials were due. Replacement fees assessed against minors or for materials intended for children or teens must be canceled or refunded if borrowed materials are returned undamaged, as specified. The bill’s fee prohibitions do not apply to special collections, as defined by the bill. A public library may not prohibit an individual from borrowing materials because the individual failed to return previously borrowed materials until 21 days or more after they were due.

Regional Resource Center Governance

Chapters 676 and 677 of 2023 altered the governance structure of the three public libraries designated as regional resource centers (*e.g.*, Eastern Shore, Southern Maryland, and Western Maryland) by establishing a governing board for each regional resource center. *Senate Bill 248/House Bill 825 (Chs. 55 and 56)* increase the maximum authorized number of public members (from one to two) on the governing board for each regional library resource center.

Child Care and Family Support

Health and Safety

Chapter 770 of 2023 required the Maryland State Department of Education (MSDE) and the Maryland Department of Health (MDH) to jointly update the Maryland State School Health Services guidelines to reduce the risk of exposure to anaphylactic major food allergens in public school classrooms and common areas. *House Bill 1195 (passed)* requires MSDE and MDH to

jointly develop guidelines to reduce the risk of exposure to anaphylactic major food allergens in child care settings.

Operational Requirements

State regulations require a child care teacher to be at least age 19. *House Bill 662 (Ch. 37)* requires that regulations governing the registration and operation of large family child care homes and the licensing and operation of child care centers require that child care teachers be at least age 18.

Grant Programs

The Child Care and Professional Development Fund was established as part of the Blueprint for Maryland's Future by Chapter 36 of 2021. *Senate Bill 500 (passed)* alters the qualifications for an award from the fund to require an awardee to commit to work in an approved child care setting for at least 20 hours per week after completing their studies. Further, priority for grant awards must be given to applicants without any college credits and who attend or are accepted to programs offering native language or bilingual coursework.

House Bill 838 (passed) establishes the Prince George's County Family Child Care Home Expansion Grant Program, administered by the Prince George's County Public School System, to increase the number of registered family child care providers, family child care homes, and large family child care homes in low-income communities in the county.

Rehabilitation Services

The Division of Rehabilitation Services (DORS) within MSDE is generally responsible for efforts to rehabilitate and place in gainful employment individuals who are disabled and susceptible to rehabilitation and to rehabilitate individuals to function more independently. DORS also supports students transition to postschool activities postsecondary education and employment. Federal regulations require the State to fund 21.3% of its vocational rehabilitation program to receive a 78.7% federal contribution, maintaining or increasing its previous funding level to secure the full federal grant. *Senate Bill 859/House Bill 1163 (both passed)* authorize the Governor to include in the annual budget bill an increase in the general fund appropriation to ensure the State's share of funding for DORS is met under the federal rehabilitation acts.

Under State law related to rehabilitative services, "disability" means any defect or infirmity that may incapacitate an individual totally or partially for gainful employment or independent living. *House Bill 60 (Ch. 36)*, for purposes of identifying individuals eligible for rehabilitative services and align with federal law, alters the definition of "disability" to be any physical or mental impairment that constitutes or results in a substantial impediment to employment or independent living.

Data and Technology

To participate in the Post-Secondary Employment Outcomes (PSEO) project, a college or university must provide student transcript level data to the U.S. Census Bureau. PSEO produces experimental statistics on graduates' earnings and job placements by degree, major, and institution by matching transcripts with a national jobs database, ensuring data confidentiality. *Senate Bill 444/House Bill 634 (Chs. 63 and 64)* authorize the governing board of the Maryland Longitudinal Data System Center to send the student information to the U.S. Census Bureau.

School Construction

The Interagency Commission on School Construction (IAC) oversees State support for public school construction projects. The largest State school construction program is the Public School Construction Program (PSCP), which provides State matching funds for the construction of new public schools as well as the expansion, renovation, or systemic upgrade of existing facilities. In addition to PSCP, several other State public school construction programs address specific school facility needs. The Supplemental Capital Grant Program, also known as the Enrollment Growth and Relocatable Classroom Program (EGRC), which provides additional school construction funds for local education agencies (LEAs) with significant enrollment growth for relocatable classrooms; the Healthy Schools Facilities Fund, which provides funding for grants to public primary and secondary schools to improve the health of school facilities; the School Safety Grant Program (SSGP), which provides funding for security upgrades to public school facilities; and the Aging Schools Program, which provides support for improvements to older public school facilities, including asbestos and lead paint removal, fire protection upgrades, and other similar improvements. The Nancy K. Kopp Public School Facilities Priority Fund (SFPP) begins in fiscal 2027 with a mandated annual appropriation of \$80.0 million.

Also, Chapter 20 of 2020, the Built to Learn (BTL) Act, authorizes the Maryland Stadium Authority to issue up to \$2.2 billion in revenue bonds to support public school facilities. The bonds are backed by mandated State appropriations from the Education Trust Fund and are issued as 30-year bonds. Chapter 20 also included State funding to support a public-private partnership (P3) agreement for the construction and maintenance of at least eight public schools in Prince George's County.

Fiscal 2025 Operating and Capital Budgets

Chapter 32 of 2022 established legislative intent that the State provide at least \$450.0 million to support public school construction projects. **Exhibit L-2** shows that in fiscal 2025, a total of \$450.0 million is allocated in general obligation (GO) bonds for public school construction. The amount represents a decrease of \$171.1 million, or 27.5%, from fiscal 2024.

Exhibit L-2
Public School Construction Funding
Fiscal 2024-2025
(\$ in Millions)

<u>Program</u>	<u>2024</u>	<u>2025</u>	<u>\$ Change</u>	<u>% Change</u>
Public School Construction Program	\$485.0	\$313.9	-\$171.1	-35.3%
Enrollment Growth and Relocatable Classrooms	40.0	40.0	0.0	0.0%
Healthy School Facility Fund	90.0	90.0	0.0	0.0%
Aging Schools Program	6.1	6.1	0.0	0.0%
Total	\$621.1	\$450.0	-\$171.1	-27.5%

Note: Numbers may not sum due to rounding. Does not include the Public School Safety Grant Program, which is funded in the operating budget.

Source: Interagency Commission on School Construction

The amounts in Exhibit L-2 do not include \$3.5 million in GO bonds for the Nonpublic Aging Schools Program; \$10.0 million for SSGP, which receives general funds in the fiscal 2025 operating budget; and \$425.4 million in proposed revenue bonds issued for BTL projects (as discussed below).

Exhibit L-3 shows allocations for EGRC. In fiscal 2025, nine LEAs qualify for this program and are allocated \$40.0 million as mandated.

Exhibit L-3
Enrollment Growth and Relocatable Classroom Program
Fiscal 2023-2025
(\$ in Millions)

<u>Local Education Agency</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Anne Arundel	\$14.6	\$4.9	\$5.0
Baltimore County	7.9	6.5	6.5
Carroll	0.0	1.5	1.5
Charles	4.4	1.6	1.6
Frederick	15.3	2.6	2.7
Harford	0.0	2.2	2.2
Howard	16.8	3.4	3.4
Montgomery	18.6	9.4	9.4
Prince George’s	17.8	7.5	7.5
Worcester	0.0	0.4	0.0
Total	\$95.4	\$40.0	\$39.8

Note: Numbers may not sum due to rounding. Fiscal 2025 allocations from the Interagency Commission on School Construction may be adjusted in May 2023 when the Capital Improvement Program is finalized.

Source: Interagency Commission on School Construction

In the two rounds of BTL bond issuances in fiscal 2022, proceeds provided \$699.3 million for school construction. For fiscal 2025, the Governor proposed an additional \$425.4 million for BTL based on a revised total issuance of approximately \$1.7 billion, subject to market conditions.

School Construction Funding Legislation

House Bill 1390 (*passed*) makes numerous changes to existing school construction programs. Most notably, it repeals the scheduled termination of SSGP on June 30, 2026, maintaining the \$10.0 million funding mandate for the program indefinitely. The bill also makes an offsetting \$10.0 million reduction to the mandated appropriation for SFPP beginning in fiscal 2027 and requires the fund to be used only to address issues in public schools in fiscal 2027. In 2028, the bill requires the SFPP to be used to address facility needs of the highest priority schools in the State as identified by the statewide facilities assessment.

Regarding the Prince George’s County P3 project, the bill repeals the July 1, 2024, deadline for the Prince George’s County Board of Education to enter into a P3 agreement that is eligible for State funding, and requires the State, under specified conditions, to begin making annual payments of \$27.0 million to Prince George’s County (mandated under current law) in fiscal 2025 instead

of 2026 to support the agreement. The fiscal 2025 budget increases the State's contribution to Prince George's County for the P3 project by \$2.0 million in general funds (for a total of \$29.0 million) only in fiscal 2025. The bill also makes additional changes to the governance of the P3 project and school construction funding priorities in Prince George's County.

House Bill 1390 also clarifies legislative intent that the \$450.0 million goal for annual school construction funding does not include BTL funds. The bill establishes a new Workgroup on the Assessment and Funding of School Facilities to consider whether and how the results of the ongoing statewide assessment of school facilities should be incorporated into school funding decisions. The bill also increases the State share to 100% for specified public high school construction projects for which planning and design occurs in fiscal 2025 and 2026 if the project is in a county for which the current State share is less than 55% and the student enrollment is less than 60,000. Finally, IAC must report to the General Assembly by December 15, 2024, on the eligibility of artificial intelligence weapon detection systems for public school construction funding.

Senate Bill 581 (passed) establishes the State share at 100% for Maryland School for the Blind for all eligible school construction projects.

Senate Bill 362 (passed), the Budget and Reconciliation Act of 2024, repeals the School Construction Revolving Loan Fund and transfers its balance of \$40.0 million to the Blueprint for Maryland's Future Fund.

Local Bills

Senate Bill 114/House Bill 515 (both passed) establish the Workgroup to Study the Fiscal and Operational Viability of Public-Private Partnerships for Calvert County Public Schools. The Calvert County Board of Education must provide staff for the workgroup. The workgroup must study the fiscal and operational viability of using a P3 for financing, constructing, maintaining, and operating schools in Calvert County, and related issues. The workgroup must report its findings and recommendations to specified State and local entities by December 31, 2024.

House Bill 1016 (passed) establishes the Frederick County School Construction Master Plan Workgroup to make recommendations regarding the county's educational facilities master plan. Based on its review of the 2023 update to the Educational Facilities Master Plan, the workgroup must, among other duties, comprehensively evaluate all school facility needs in the county and consider cost saving or cost sharing opportunities. The Frederick County Board of Education must provide staff to the workgroup.

House Bill 1440 (passed) requires the Howard County Board of Education, if it approves a capital budget that is different from the proposed capital budget submitted by the Howard County Superintendent of Schools, to publish a report on the Howard County Public Schools' (HCPS) website within 30 days that includes (1) the differences between the approved and proposed capital budgets and (2) the detailed rationale for each difference. Similarly, if the superintendent of HCPS proposes a capital improvement plan (CIP) that differs from the CIP approved by the board in the

immediately preceding year, the superintendent must publish a report on the HCPS website within 30 days that includes (1) the differences between the CIP approved in the prior year and the proposed CIP and (2) the detailed rationale for each difference. Any report made by the board or superintendent under the bill must also be submitted to the General Assembly.

House Bill 1450 (passed) establishes the Howard County Task Force to Study Revenue Options for School Capital Needs. In consultation with specified county entities, the task force must, among other duties, identify capital needs in HCPS and study options for closing any identified funding gaps for HCPS capital projects based on current revenue projections through 2035. The Howard County Executive must provide staff for the task force, which must report its findings and recommendations to the Howard County Executive, the Howard County Council, and the Howard County Delegation to the General Assembly by October 31, 2024. If the Howard County Council determines that a recommendation included in the final task force report should be enacted but the county council or county lack the authority to enact the recommendation, the county council must submit a resolution to the delegation requesting that it authorize the county council to enact the specified recommendation.

