

THE 90 DAY REPORT

A Review of the
2026 Legislative Session



Department of Legislative Services
Maryland General Assembly

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Victoria L. Gruber
Executive Director



Ryan Bishop
Director

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

April 17, 2026

The Honorable Bill Ferguson, President of the Senate
The Honorable Joseline Peña-Melnyk, Speaker of the House of Delegates
Members of the General Assembly

President Ferguson, Speaker Peña-Melnyk, and Members:

We are pleased to present *The 90 Day Report – A Review of the 2026 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 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 you as well as for members of the public. The department's report on the fiscal effects of legislation from the 2026 session will be issued after the Governor has taken final action on all bills.

Sincerely,

Victoria L. Gruber
Executive Director
victoria.gruber@mga.maryland.gov

Ryan Bishop
Director
ryan.bishop@mga.maryland.gov

VLG:RB/mrm

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Part A

Budget and State Aid

Operating Budget

Overview

Significant projected general fund cash and structural budget shortfalls led to a challenging fiscal outlook as the 2026 session began. In December 2025, projected cash shortfalls totaled \$1.56 billion for fiscal 2027, with structural shortfalls of \$259 million in fiscal 2026 and \$1.24 billion in fiscal 2027. The structural shortfall was projected to grow to \$3.7 billion by fiscal 2030. Limited general fund revenue growth, higher than expected entitlement costs, impacts on both revenues and expenditures from the federal One Big Beautiful Bill Act (OBBBA), and a long-term commitment to enhancing K-12 education funding contributed to the fiscal challenges.

The immediate challenge reflected rapidly increasing entitlement program costs that resulted in fiscal 2025 bills being rolled into fiscal 2026, and 2026 costs for the Developmental Disabilities Administration (DDA), Medicaid, and behavioral health all surpassing budgeted levels. Administrative costs for Medicaid and the Supplemental Nutrition Assistance Program (SNAP) were also expected to increase beginning in fiscal 2027 to comply with OBBBA provisions. Out-year OBBBA costs are partially mitigated by anticipated enrollment decreases in Medicaid, particularly among the expansion population due to new recertification and work requirements. The OBBBA also had negative impacts on revenue projections in the near term that were captured by the Board of Revenue Estimates (BRE) beginning with its September 2025 forecast.

In March 2026, BRE increased the general fund revenue estimate for fiscal 2026 by \$356 million, primarily driven by year-to-date experience in the estate and inheritance taxes, which is not expected to continue in fiscal 2027. Excluding the growth in estate and inheritance taxes, the March 2026 estimate for fiscal 2026 would be only \$95.1 million higher than the December 2025 estimate, with higher estimates for the personal income tax partially offset by lower estimates of corporate income and sales and use tax revenues. BRE lowered the fiscal 2027 general fund revenue estimate in March 2026 by approximately \$108 million, primarily due to a weaker outlook for the sales and use tax that is partially offset by growth in the personal income tax.

Governor Wes Moore introduced a fiscal 2027 budget that reduced general fund spending by \$153.8 million (0.6%), including \$592.9 million in reductions contingent on legislation. The reduction in general fund spending occurred in part due to one-time deficiency appropriations related to prior year costs (\$338.7 million), one-time costs in fiscal 2026 (\$118.7 million), lower costs associated with Major Information Technology Development Projects (\$35.4 million), and the Family and Medical Leave Insurance program beginning to collect contributions (\$29.2 million) to fund operations alleviating the need for general funds. As introduced, the budget anticipated a Revenue Stabilization Account (Rainy Day Fund) balance equaling about 8% of general fund revenues, despite a contingent reduction that eliminated the fiscal 2027 mandated appropriation to the fund (\$449.8 million). The fiscal 2027 budget also included a number of enhancements that primarily reflected the Governor's economic development agenda, State employee salaries, and efforts to improve fiscal management.

Actions taken by the General Assembly in the budget bill and through final action on *Senate Bill 284 (Ch. 6)*, the Budget Reconciliation and Financing Act (BRFA) of 2026, reduced \$803.1 million of general fund spending, including reductions of \$75 million in placeholders included by the Governor in the budget as introduced and Supplemental Budget No. 2 for legislative priorities. The legislature increased general fund revenues in fiscal 2026 and 2027 by \$134.8 million primarily reflecting the full or partial decoupling from certain provisions in the federal OBBBA, which also produces approximately \$30.7 million of special fund revenue primarily for the Transportation Trust Fund (TTF) and Higher Education Investment Fund. The General Assembly added \$647.2 million in total funds to the budget to support legislative priorities across fiscal 2026 and 2027, including \$250 million in funds from Alternative Compliance Payments (ACP) in the Strategic Energy Investment Fund (SEIF), which were reallocated from the originally budgeted purposes. General fund additions totaling \$263.8 million included funding to free up general obligation (GO) bonds by shifting capital spending in the Department of Housing and Community Development to general funds (\$93.4 million), partially restore cost containment in DDA (\$23.1 million), reduce waitlists for the child care scholarship program (\$20.0 million), and provide a 1% rate increase for nursing home providers (\$8.1 million). The General Assembly also restored \$27.0 million for disparity grants, \$2.5 million for provider rate increases for nonpublic placement providers, and \$20.0 million in special funds for the Consortium for Coordinated Community Supports by rejecting reductions to these programs proposed by the Governor.

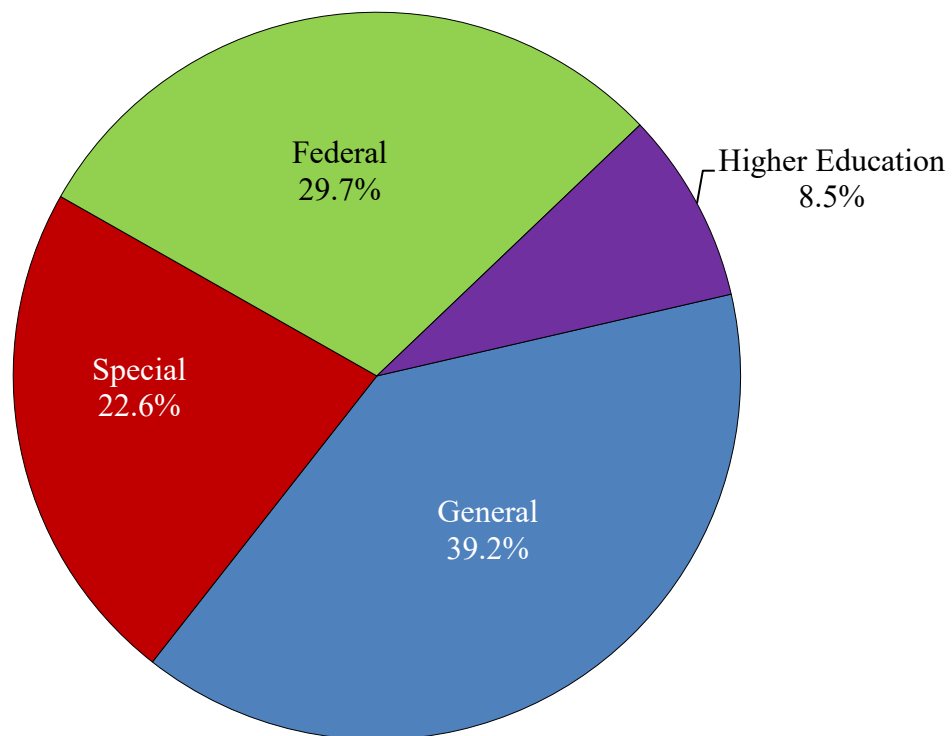
Final legislative action on the budget leaves an estimated general fund cash balance of \$201 million at the end of fiscal 2027, in addition to \$2.2 billion in the Rainy Day Fund. General fund spending decreases by \$91 million compared to fiscal 2026, while overall spending increases by 1.2%. The legislature met the recommendations of the Spending Affordability Committee (SAC) related to general fund and Rainy Day fund balances and the reduction to the structural shortfall.

Budget in Brief

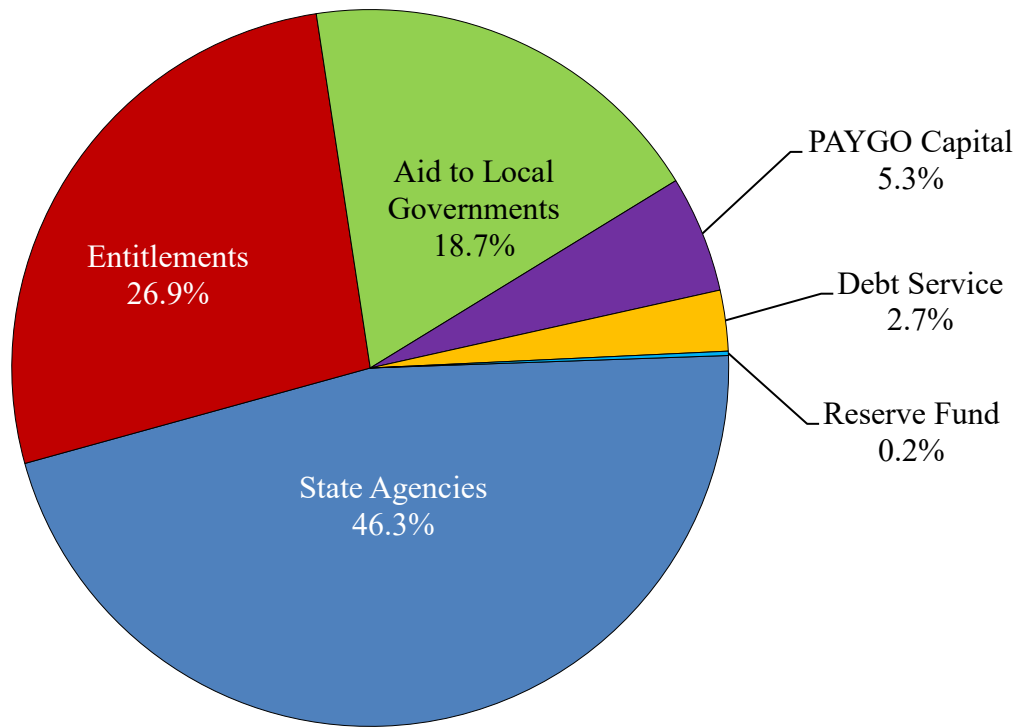
Senate Bill 282 (Ch. 4) provides approximately \$71.3 billion in appropriations for fiscal 2027 – an increase of \$864.1 million (1.2%) compared to fiscal 2026. **Exhibit A-1.1**

illustrates fiscal 2027 spending by fund source and purpose. General funds constitute the largest portion of the State budget, accounting for 39.2%, or \$27.8 billion, of the total fiscal 2027 legislative appropriation. Federal funds account for approximately 29.7% of all spending (\$21.1 billion). The increased use of funds from the Blueprint for Maryland's Future (Blueprint) Fund to support K-12 education enhancements, higher transportation spending reflecting recent transportation revenue increases, and increased spending from the SEIF contribute significantly to the special fund growth of \$1.2 billion, or 8.2%. With this increase, special fund appropriations total 22.6% of the fiscal 2027 appropriation (\$16.1 billion). Higher education revenues provide the remaining 8.5% of the budget. State agency operations constitute the largest area of spending, accounting for 46.3% of the total budget, followed by entitlements (26.9%) and aid to local governments (18.7%). Remaining appropriations fund pay-as-you-go (PAYGO) capital spending, debt service on State GO bonds, and appropriations to the Reserve Fund. The share of spending on the Reserve Fund remains low due to no appropriation to the Rainy Day Fund.

Exhibit A-1.1
Maryland's \$71.0 Billion Fiscal 2027 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 \$100 million.

Source: Department of Legislative Services

General fund appropriations decrease by \$91.0 million, or 0.3%, when compared to the fiscal 2026 adjusted working appropriation. Much of the decrease results from \$321.8 million of one-time spending in fiscal 2026 related to prior year costs that exceeded available resources. Spending also declines as the State's budget challenges lead to less use of cash for capital projects (a decrease of \$5.9 million). Excluding these areas, general fund spending increases in the fiscal 2027 budget. Spending on local aid increases by \$65.2 million, primarily driven by retirement aid for teachers, librarians, and community colleges as well as new grants for Baltimore City. Entitlement spending increases by a net of \$64.2 million, primarily due to foster care maintenance payments and Medicaid driven by growth in Medicaid-eligible behavioral health provider reimbursements. Spending on State agencies increases by \$141.2 million; a significant contributor to the overall growth is State employee salary adjustments totaling approximately \$144.4 million in general funds. Decreases in health and human services are driven by one-time funding related to COVID-19, a DDA audit disallowance, SNAP payment error rate penalties, and certain other penalties and fines in fiscal 2026.

Special fund spending increases by approximately \$1.2 billion, or 8.2%, compared to the fiscal 2026 working appropriation. The Blueprint Fund spending increases by more than \$350 million to support growth in K-12 education spending. Another substantial driver of the increase is funding for transportation, which rises \$237 million combined between the operating and capital programs. Growth for transportation reflects increased spending made possible by revenue increases adopted in the BRFA's of 2024 and 2025. Debt service spending supported by property tax collections and bond premium revenue increases by \$97.5 million. Spending from the SEIF increases due to higher revenues, expanded uses, and efforts to reduce the fund balance. Regional Greenhouse Gas Initiative (RGGI)-sourced SEIF spending increases by approximately \$184 million, including \$109 million added in Supplemental Budget No. 2 to support heat pump installation and replacement for low- and moderate-income households, the Climate Catalytic Capital Fund, the Power Plant Research program, and HVAC upgrades in Baltimore City public schools. Spending from ACP-supported revenues increases by \$162 million, including funds to support a reverse auction to increase renewable energy, offset ratepayer costs associated with a limited income discount mechanism and EmPOWER Maryland, and fund HVAC upgrades in public schools, higher education research, and solar on State facilities.

Federal fund spending in the budget decreases by a net \$301.9 million, or 1.4%, primarily driven by \$430.7 million of fiscal 2025 costs that were paid in fiscal 2026. Excluding those one-time costs, federal spending on Medicaid increases by more than \$225 million in fiscal 2027. This increase is partially offset by lower federal spending in public benefit programs primarily due to lower caseloads and benefit levels in SNAP. Federal support for capital activity increases by approximately \$102 million, the majority of which relates to transportation projects (\$71 million).

Excluding State general and special funds, current unrestricted and current restricted funding for State public four-year institutions and Baltimore City Community College increases by \$34.5 million to \$6.05 billion in fiscal 2027. Tuition and fee revenue increases due to enrollment growth and expected increases in charges, while auxiliary revenues increase due to anticipated enrollment growth. These increases are partially offset by reductions in current restricted funds primarily due to lower anticipated receipt of federal grant and contract revenues.

With respect to State personnel, the size of the regular workforce increases to 86,374 in fiscal 2027, 74 more positions than the fiscal 2026 legislative appropriation. The budget provides approximately \$206 million in total funds to provide most State employees with a 1.5% general salary increase effective July 1, 2026, increments in lieu of a general salary increase to members of the State Law Enforcement Officer's Labor Alliance (SLEOLA), annual salary review adjustments for selected classes of positions, and adjustments to the pay scale to ensure employee salaries increase at similar rates when they receive increments.

Framing the Session: 2025 Interim Activity

Fiscal 2025 closed with a balance that was \$139 million higher than was anticipated at the end of the 2025 session, as shown in **Exhibit A-1.2**. The higher closing balance was primarily the result of revenues exceeding expectations by approximately \$521 million. Revenues from a number of sources beat expectations, but the largest source was nonwage income including capital

gains. Sales and use tax revenues and miscellaneous revenues driven by abandoned property also exceeded expectations. General fund reversions by agencies also slightly exceeded expectations (\$27 million). These adjustments were partially offset by lower than expected transfers (\$409 million) primarily due to a required distribution of a combined \$382 million of higher than expected nonwage income to the Rainy Day Fund and Fiscal Responsibility Fund.

Exhibit A-1.2
Fiscal 2025 Closeout
(\$ in Millions)

Estimated Closing Balance	\$132
Revenue and Transfers	
Adjustment to Revenues	521
Transfers	-409
Spending	
Reversions Above Estimate	\$27
Closing Balance	\$271

Source: Comptroller of Maryland

SAC Recommendations

As described below, SAC's December 2025 report to the Governor made recommendations concerning the fiscal 2027 spending limit, use of fund balances, State employment, and the TTF.

Spending Limit and Sustainability: SAC recommended that the fiscal 2027 budget reduce the gap between general fund revenues and ongoing spending by 50% (\$600 million).

Fund Balances and Use of Surplus: SAC specifically recommended maintaining a Rainy Day Fund balance of at least 8% and a minimum ending general fund balance of at least \$100 million in fiscal 2027. If March revenues were revised downward by at least \$100 million or the State's unemployment rate equaled or exceeded 5%, the Rainy Day Fund balance goal was to be reduced to 7.5%. SAC also recommended a combined balance of \$15 million between the Catastrophic Event Account and the State Disaster Recovery Fund beginning in fiscal 2027.

Personnel: SAC recommended maintaining the current level of authorized positions, filling vacant positions in mission critical positions, and increasing vacancies overall to meet budgeted turnover.

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 \$12.5 billion between programmed spending for state of good repair and needed spending, SAC recommended a target fiscal 2027 closing balance of at least \$550 million and that system preservation funding total at least \$1.15 billion. The SAC recommended fund balance exceeded the level assumed by MDOT in its draft financial forecast in recognition of concerns related to cash flow needs in the event that federal fund attainment is lower than projected.

Governor’s Spending Plan as Introduced

As introduced, the Governor’s budget plan for the current fiscal year assumed \$70.2 billion in total spending, including \$27.9 billion in general funds, which left an estimated closing general fund balance of \$303 million in fiscal 2026. This spending included \$3.0 billion in deficiency appropriations net of planned reversions, including \$965.8 million in general funds and \$1.9 billion in federal funds – the largest components of which were in entitlement programs and DDA provider reimbursements (\$2.5 billion in total funds and \$694.8 million in general funds), including funds to support prior year costs. Of this amount, \$718.3 million (including \$287.6 million in general funds) for DDA, Medicaid, and Medicaid-related behavioral health provider reimbursements were to support fiscal 2025 costs.

The fiscal 2027 budget plan proposed \$70.8 billion in total spending, an increase of approximately \$511.9 million compared to the fiscal 2026 spending plan. General fund spending declined by approximately \$153.8 million, including one-time expenses related to fiscal 2025 costs paid in fiscal 2026 (\$321.8 million), funding for facility repairs and infrastructure repairs provided as deficiency appropriations (\$52.7 million), COVID-19 related expenses (\$49.4 million), a DDA audit disallowance (\$39.3 million), and penalties and fines (\$30.1 million). These reductions were partially offset by increases including State employee salary adjustments (\$144.4 million) and administrative costs related to the OBBBA, including the change in the SNAP administrative match rate (\$53.6 million) and local aid (\$35.0 million). With the Rainy Day Fund balance at 8% of general fund revenues in fiscal 2027, *Senate Bill 284 (Ch. 6)*, the BRFA of 2026, as introduced, included a provision to eliminate the required fiscal 2027 appropriation to the fund (\$449.8 million). The Governor’s budget plan also reduced an additional \$142.8 million of general funds contingent on the BRFA and \$250,000 contingent on other legislation. The largest contingent reductions related to shifting half of the fiscal 2026 increase in teacher, librarian, and community college retirement costs to local jurisdictions (\$39.3 million), level funding the disparity grant at the fiscal 2026 formula funding level (\$27.0 million), and limiting the growth for each community college under the Senator John A. Cade funding formula to 3% per year for fiscal 2027 through 2029 (\$21.0 million). The Governor’s legislative package also proposed approximately \$95.9 million of contingent special fund reductions, including \$71.9 million related

to a diversion of transfer tax revenues to the General Fund and \$20 million to reduce the mandate for the Consortium on Coordinated Community Supports.

The Administration's legislative package contained \$362.2 million of contingent special fund spending contingent on either provisions in the BRFA (\$262 million) or other legislation (\$100.3 million). Of the contingent appropriations, \$312 million was related to the expanded uses of the ACP funds in the SEIF. The remaining contingent appropriations were primarily related to fund swaps linked to contingent general or federal fund reductions. The BRFA, as introduced, included additional general fund revenues of \$206.5 million in fiscal 2027, primarily due to decoupling (either in full or part) from two income tax provisions contained in the federal OBBBA (\$132.8 million) and \$71.7 million from a diversion of transfer tax revenues to the General Fund in fiscal 2027 only.

The budget, as introduced, met the SAC goals for the fiscal 2027 general fund balance, Rainy Day Fund balance, and fiscal 2027 structural shortfall reduction. **Exhibit A-1.3** details the Governor's original general fund spending plan for fiscal 2026 and 2027.

Exhibit A-1.3
Governor’s Original Budget Plan – General Funds
Fiscal 2026-2027
(\$ in Millions)

	<u>2026</u>	<u>2027</u>
Opening Balance	\$271	\$303
BRE Revenues	\$26,738	\$27,112
Changes to Revenue from Tax Changes, Contingent on the BRFA		133
Other Changes to Revenue, Contingent on the BRFA		74
Transfer from the Rainy Day Fund*	326	38
Transfers, Contingent on the BRFA	493	90
Additional Revenues and Transfers	346	75
<i>Subtotal</i>	<i>\$27,903</i>	<i>\$27,522</i>
Appropriations/Deficiencies	\$27,998	\$28,408
Contingent Reductions	-2	-591
Reversions	-126	-100
<i>Subtotal</i>	<i>\$27,871</i>	<i>\$27,717</i>
Adjusted Closing Balance	\$303	\$108

BRE: Board of Revenue Estimates

BRFA: Budget Reconciliation and Financing Act

* In fiscal 2026 and 2027, includes a transfer of amount above 8% of general fund revenue.

Source: Governor’s Budget Books, Budget Highlights, Fiscal 2027

Legislative Consideration of the Budget

Exhibit A-1.4 summarizes final legislative actions on the fiscal 2026 and 2027 budgets. During legislative deliberations, two supplemental budgets were received from the Administration, and revenues were revised by BRE. The General Assembly’s final actions on the budget leave an estimated closing general fund balance of approximately \$753 million in fiscal 2026 and \$201 million in fiscal 2027.

Exhibit A-1.4
Final Legislative Budget Actions – General Funds
Fiscal 2026-2027
(\$ in Millions)

	<u>2026</u>	<u>2027</u>
Opening Balance	\$271	\$753
BRE Revenues (Adjusted for March 2026 Revision)	\$27,094	\$27,004
Changes to Revenue from Tax Changes, Contingent on the BRFA		133
Other Changes to Revenue, Contingent on the BRFA	-7	9
Transfer from the Rainy Day Fund*	326	43
Transfers, Contingent on the BRFA	811	77
Revenue Impacts of Other Legislation	0	-49
Additional Revenues and Transfers	196	78
<i>Subtotal</i>	<i>\$28,420</i>	<i>\$27,294</i>
Appropriations/Deficiencies	\$27,998	\$28,408
Supplemental Budgets	71	76
Legislative Additions	54	210
Legislative Reductions	-56	-747
Reversions	-129	-100
<i>Subtotal</i>	<i>\$27,938</i>	<i>\$27,847</i>
Adjusted Closing Balance	\$753	\$201

BRE: Board of Revenue Estimates

BRFA: Budget Reconciliation and Financing Act

* In fiscal 2026 and 2027, includes a transfer of amount above 8% of general fund revenue.

Source: Department of Legislative Services

Following submission of the budget in January 2026, the Governor submitted two supplemental budgets, summarized in **Exhibit A-1.5**, which as submitted added a net of \$481.1 million across the current and budgeted fiscal years, including a net \$145.8 million in general fund spending after accounting for planned reversions.

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>Total</u>
No. 1				
Fiscal 2026	\$14.4	-\$18.0	\$4.3	\$0.7
Fiscal 2027	-8.8	3.0	0.0	-5.8
No. 2				
Fiscal 2026	55.8	0.1	51.3	107.2
Fiscal 2027	84.4	169.0	125.5	378.9
Original Spending Impacts	\$145.8	\$154.1	\$181.1	\$481.1
Reductions	-\$48.0			-\$48.0
Failed Contingent Reduction	0.2			
Total Spending Impacts	\$98.0	\$154.1	\$181.1	\$433.1
Reversions	3.1			
Net Impact on General Fund Balance	\$94.9			

Note: This chart includes appropriations and reductions that were provided contingent on the Budget Reconciliation and Financing Act of 2026 or other legislation, including provisions that were not adopted. Supplemental Budget No. 1 alters spending by striking deficiency appropriations that would have reduced or added spending contained in the budget as introduced, as well as changing contingent reductions and appropriations in the budget as introduced, which is counted as additional or reduced spending. This chart excludes reimbursable fund realignments, which have no net impact on spending.

Source: Department of Legislative Services

Supplemental Budget No. 1 had a net impact of reducing spending by \$5.1 million, however, general fund spending increases by a net of \$5.6 million. The supplemental budget assumed \$1.1 million in planned general fund reversions. In addition, Supplemental Budget No. 1 realigned \$138 million in total funds in fiscal 2026 and \$158 million in total funds in fiscal 2027 from Medicaid provider reimbursements to Medicaid-eligible behavioral health provider reimbursements to address a shortfall with available surplus. The primary driver of the increased general fund spending in fiscal 2026 and an associated special fund reduction is a fund swap shifting DDA costs from special funds to general funds as the special fund revenues were oversubscribed. Another significant driver of general fund spending was the addition of \$6.4 million in general funds across fiscal 2026 and 2027 to support the Maryland Department of Emergency Management (MDEM), replacing special fund appropriations provided contingent on a provision in the BRFA of 2026 as introduced, which the Administration proposed withdrawing. Increases in general funds were more than offset by reductions to eliminate double-budgeted funds

(\$5.0 million), special funds available to replace general funds for a major information technology (IT) project (\$4.8 million), higher than expected vacancy savings in the Department of State Police (\$4.0 million), and the withdrawal of funds for expedited IT projects (\$3.0 million).

Supplemental Budget No. 2 added a total of \$486.1 million, including \$140.2 million in general funds, across fiscal 2026 and 2027. Of this amount, \$48 million was a placeholder for legislative priorities, which was deleted and added back for selected priorities by the General Assembly. Supplemental Budget No. 2 also assumed a planned reversion from fiscal 2026 of \$2.0 million related to the Cannabis Incubator, which was added back in fiscal 2027 to better align with the timing of anticipated expenditures. Of the remaining funding, \$109 million in special funds was funding provided under the SEIF for legislative priorities. A portion of these funds (\$84.8 million) were contingent on legislation, although unspecified. *House Bill 1532 (passed)* effectuate \$84.7 million of these contingencies with the remaining \$100,000 effectuated by *Senate Bill 739/House Bill 1219 (both passed)*. Additional drivers of increased spending in Supplemental Budget No. 2 were \$72 million in total funds (split equally between general and federal funds) to address a fiscal 2026 shortfall in DDA provider reimbursements and approximately \$134 million in federal funds across fiscal 2026 and 2027 to recognize funding awarded to Maryland under the Rural Health Transformation program. An additional 9 new positions and \$2.5 million of general funds across fiscal 2026 and 2027 were contingent on *Senate Bill 858/House Bill 1369 (both passed)*.

After accounting for planned reversions and General Assembly actions to reduce funds added as a placeholder and to not enact legislation addressing one contingent reduction, the net impact of the supplemental budgets was to reduce the general fund balance by \$94.9 million.

In March 2026, BRE revised its fiscal 2026 general fund revenue estimate upward by \$355.7 million and fiscal 2027 general fund revenue estimate downward by \$108.1 million. Overall, legislative actions, including reductions to Supplemental Budget No. 2 and reductions contingent on legislation, resulted in \$285.9 million in reductions to the fiscal 2026 appropriation, including \$56.3 million in general fund reductions, and approximately \$1.3 billion in total fund reductions to the fiscal 2027 budget, of which \$746.8 million was general funds.

Legislative Priorities

As shown in **Exhibit A-1.6**, the legislature reallocated approximately \$647.1 million to fund legislative priorities across the State in fiscal 2026 and 2027 and free up space for capital additions by shifting funding for housing projects from bonds to PAYGO. This included approximately \$113.5 million in fiscal 2026, including \$59.3 million in special funds from the Fiscal Responsibility Fund to pre-fund fiscal 2027 IT costs with an alternative source and \$51.2 million of Rental Housing funds to free up GO bonds. The General Assembly added \$533.5 million of total funds in fiscal 2027, including \$250 million of ACP-related SEIF revenues reduced from the fiscal 2027 budget and repurposed for other activities and \$27 million of State lottery funds for the Blue Line Corridor that were reduced and added for particular Blue Line Corridor projects. Of the \$209.6 million in general funds added in fiscal 2027, \$23.1 million partially mitigates DDA cost containment actions and \$5 million funds DDA data analytics

support. General fund additions also support economic development initiatives totaling \$22.7 million across fiscal 2026 and 2027, including \$8 million for the Western Maryland Economic Future Investment Fund, \$5 million for the Maryland Innovation Initiative, \$3.0 million for the Maryland Advanced Manufacturing Grant program, and \$6.7 million to support legislation focused on economic development including:

- \$4.0 million for the Maryland Growth Initiative (*Senate Bill 763 (passed)*);
- \$1.5 million for the Maryland’s Future Fund and an additional \$200,000 for a study related to economic growth (*Senate Bill 770/House Bill 1473 (both passed)*); and
- \$1.0 million for the Maryland Workforce Launch Pilot Program (*Senate Bill 869 (passed)*).

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

Fiscal 2026 Additions
General Funds

<u>Purpose</u>	<u>Total</u>
Shift DHCD Rental Housing from GO Bonds to PAYGO	\$51.2
Maryland Advanced Manufacturing Grant Program	3.0
Total General Fund Fiscal 2026 Additions	\$54.2

Special Funds

<u>Purpose</u>	<u>Total</u>
MITDP (Fund Swap from General Funds)	\$59.3
Total Fiscal 2026 Additions	\$113.5

Fiscal 2027 Additions
General Funds

<u>Purpose</u>	<u>Total</u>
Shift Portion of DHCD Baltimore Vacants Reinvestment Initiative from GO Bonds to PAYGO	\$42.2
DDA to Reduce Cost Containment	23.1
MSDE to Reduce Waitlist for Child Care Scholarships	20.0
Maryland Legal Services Corporation for Access to Counsel	10.0

<u>Purpose</u>	<u>Total</u>
1% Rate Increase for Nursing Homes	8.1
Western Maryland Economic Future Investment Fund	8.0
Rental Assistance for Community School Families Program	6.0
MDH Prevention and Health Promotion Administration for Community Access Grant	5.0
TEDCO for Maryland Innovation Initiative	5.0
DDA to Contract for Data Analytics Support	5.0
TEDCO for Maryland Growth Initiative Contingent on SB 763	4.0
Grant to Revolutionary Studios (PAYGO)	4.0
Grant to Maryland Clean Energy Center	3.0
State Archives Supplemental Funding	2.8
MDP for Development of Integrated Data Dashboard	2.0
MDOA for Long-Term Care Ombudsman	2.0
MTA for a Pilot Bus Route in Baltimore County	2.0
Increase Funding for Local Management Boards	2.0
Maryland Seafood Industry Financial Assistance Fund Contingent on SB 558/HB 1599	2.0
UBalt for the Schaefer Center for Public Policy	1.5
Grant to Boys and Girls Clubs of Maryland	1.5
Commerce for Maryland's Future Fund Contingent on SB 770/HB 1473	1.5
Grant to CCI Health Services for Family Residency Program	1.5
25 PINs for Comptroller's Taxpayer Services Division	1.4
Increase Funds for Baltimore Cyber Range	1.3
Grant to Maryland Patient Safety Center	1.0
Grant to Maryland Coalition Against Sexual Assault for Rape Crisis Centers	1.0
Grant for Maryland Network Against Domestic Violence	1.0
Grant to Maryland Center for History and Culture	1.0
UMGC for Maryland Completion Scholarships	1.0
Enhance MSDE's Child Care Scholarship Program Information Technology System	1.0
Commerce for Maryland Workforce Launch Pilot Program Contingent on SB 869	1.0
Maryland Association for Boards of Education for Health Programs	1.0
Grant to Anne Arundel County Public Schools for a Pilot Program for High Acuity Students	1.0
Other Priorities under \$1.0 Million	35.8
Total Fiscal 2027 General Fund Additions	\$209.6

Special Funds

<u>Purpose</u>	<u>Total</u>
Section 38 Add Back of the SEIF (from Legislative Reductions)	\$250.0
MEDCO for Mixed-use Development Including Soccer Stadium at UMCP	18.0
Expand Prekindergarten Expansion Grants to \$36.6 Million	10.0
Fund Child Care Credential Program	5.7
Grant to the Velocity Companies for Improvements along Blue Line Corridor	4.0
Grant to Prince George’s County for Addison Park Development Project	2.0
Grant to Prince George’s County Redevelopment Authority to Support Artspace in Mount Rainier	1.5
Grant to Town of Colmar Manor for a Community Center and Town Hall	0.8
Grant to Town of Cottage City to Convert a Firehouse to Community Outreach Center	0.8
Additional Spending from Waterway Improvement Fund	0.1
Total Fiscal 2027 Special Fund Additions	\$292.8

Federal Funds

<u>Purpose</u>	<u>Total</u>
DDA to Reduce Cost Containment	23.1
1% Rate Increase for Nursing Homes	8.1
Total Fiscal 2027 Federal Fund Additions	31.2

Total Fiscal 2027 Additions **\$533.6**

DDA: Developmental Disabilities Administration
 DHCD: Department of Housing and Community Development
 GO: general obligation
 MDH: Maryland Department of Health
 MDOA: Maryland Department of Aging
 MDP: Maryland Department of Planning
 MEDCO: Maryland Economic Development Corporation
 MITDP: Major Information Technology Development Project

MSDE: Maryland State Department of Education
 MTA: Maryland Transit Administration
 PAYGO: pay-as-you-go
 SEIF: Strategic Energy Investment Fund
 TEDCO: Maryland Technology Development Corporation
 UBalt: University of Baltimore
 UMCP: University of Maryland College Park Campus
 UMGC: University of Maryland Global Campus

Source: Department of Legislative Services

General and special funds totaling \$35.7 million were also added to support early childhood development, including \$20 million in general funds to reduce the waitlist for the child care

scholarship program, \$10 million in special funds to expand prekindergarten expansion grants, and \$5.7 million for the child care credential program.

Final Actions Related to SAC

Maintaining Structural Balance: SAC recommended that the fiscal 2027 general fund budget reduce the gap between general fund revenues and ongoing spending by 50% (\$600 million). Final revenue and spending actions by the General Assembly resulted in a structural shortfall of \$598 million. **The structural budget goal for fiscal 2027 was met.**

General Fund and State Reserve Fund Balances: Per the recommendation to maintain a fiscal 2027 cash balance of at least \$100 million and a minimum of 8.0% balance in the Rainy Day Fund, legislative action resulted in (1) an estimated general fund closing fund balance of \$201 million and (2) an estimated Rainy Day Fund balance of \$2.2 billion, or 8%, of estimated general fund revenues compared to the December 2025 revenue estimate. **The cash and Rainy Day Fund balance goals for fiscal 2027 were met.**

SAC also recommended a combined balance in the State Disaster Recovery Fund and Catastrophic Event Account of \$15 million in fiscal 2027. **At a combined \$13.4 million balance, the goal for the State Disaster Recovery Fund and Catastrophic Event Account balance was not met.**

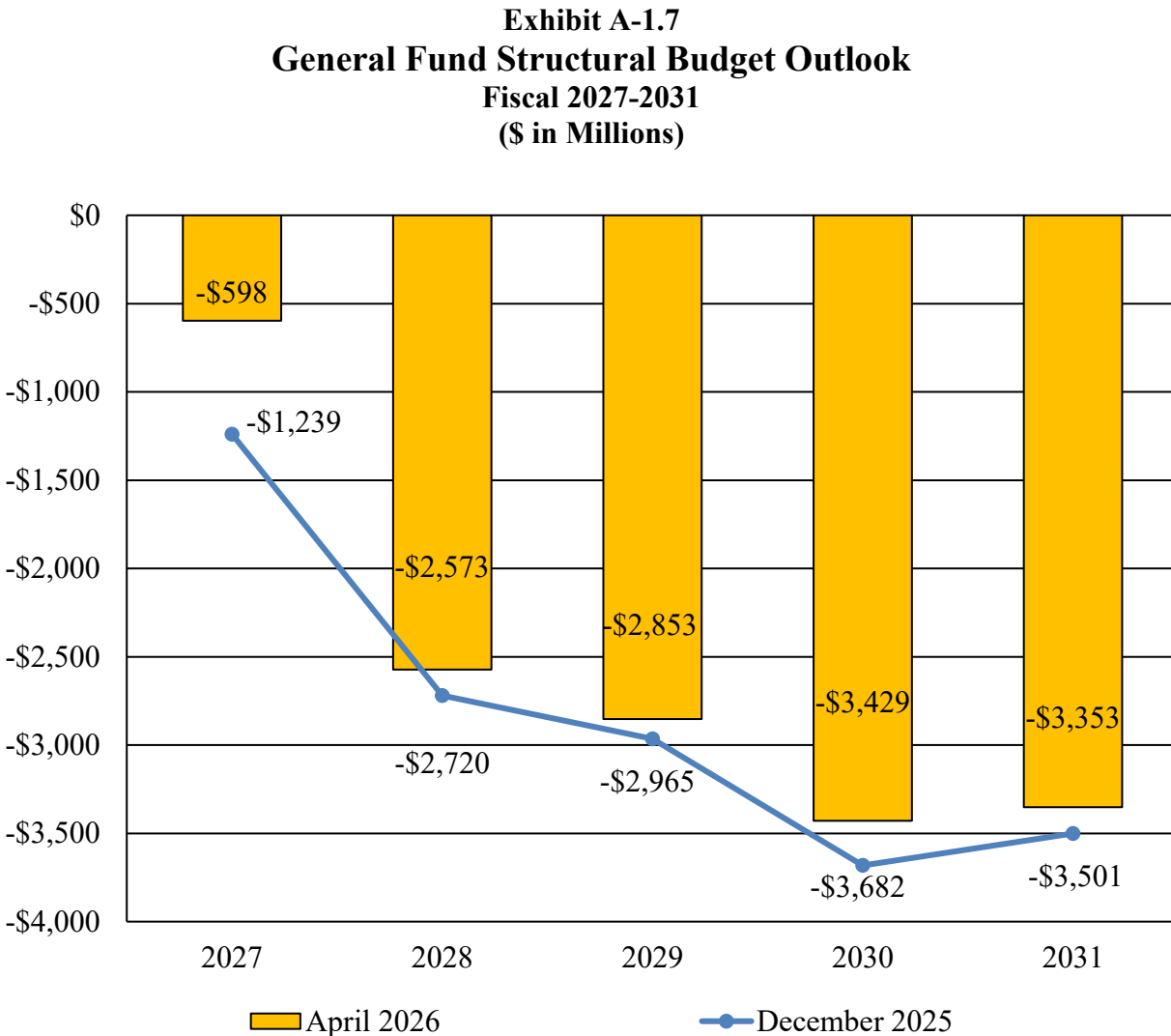
State Employment: SAC recommended maintaining the current level of authorized positions, filling vacant positions in mission critical positions, and increasing vacancies overall to meet budgeted turnover. As introduced, the fiscal 2027 budget included 94 fewer Executive Branch positions, including higher education, than fiscal 2026. Supplemental budgets added 78 new Executive Branch positions, and legislative actions on the budget added a net 30 positions. The budget assumed continued reductions in vacancy levels across most areas of the Executive Branch. **The personnel goal of level funding positions for fiscal 2027 was not met as net Executive Branch positions increased by 13 over fiscal 2026.**

Transportation: The fiscal 2027 budget as enacted includes \$1.39 billion for system preservation and a target closing balance of \$550 million for the TTF compared to the SAC goals of at least \$1.15 billion for system preservation and a \$550 million closing balance. **The transportation goals for fiscal 2027 were met.**

Outlook for Future Budgets

As shown in **Exhibit A-1.7**, fiscal 2027 is projected to end with a structural shortfall of \$598 million. In fiscal 2028, there is an estimated structural deficit of \$2.57 billion that increases to \$3.43 billion by fiscal 2030. This forecast reduces the structural gap by 52% compared to the December 2025 projection of a structural deficit at \$1.24 billion in fiscal 2027, which would have grown to \$3.68 billion by fiscal 2030. The General Assembly took multiple actions to reduce the structural gap in fiscal 2027, including adopting \$803.1 million in general fund reductions and

increasing ongoing general fund revenues by an estimated \$132.8 million in fiscal 2027 from actions to decouple from certain tax provisions in the federal OBBBA.



Source: Department of Legislative Services

Exhibit A-1.8 shows further detail regarding the general fund budget outlook. Following the General Assembly's actions, fiscal 2027 is projected to end with a general fund balance of \$201 million. Between fiscal 2027 and 2031, ongoing spending is projected to grow at an average annual rate of 5.6%, outpacing ongoing revenues, which are estimated to grow at an average annual rate of 3.5%. The structural gap grows substantially beginning in fiscal 2028 as the Blueprint costs exceed the available Blueprint revenues and nearly \$2.6 billion of general funds are required to close the overall structural gap.

Exhibit A-1.8
General Fund Budget Outlook
Fiscal 2027-2031
(\$ in Millions)

	Leg. Approp.					Avg. Annual Change
	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2027-2031</u>
Revenues						
Opening Fund Balance	\$753	\$201	\$0	\$0	\$0	
Transfers	115	0	0	0	0	
One-time Revenues	2	0	0	0	0	
Subtotal One-time Revenue	\$870	\$201	\$0	\$0	\$0	
Ongoing Revenues	\$27,085	\$28,098	\$29,174	\$29,982	\$31,246	
Legislation	92	57	16	-21	-62	
Subtotal Ongoing Revenue	\$27,177	\$28,155	\$29,190	\$29,960	\$31,184	3.5%
Total Revenues and Fund Balance	\$28,047	\$28,356	\$29,190	\$29,960	\$31,184	2.7%
Ongoing Spending						
Operating Spending	\$27,838	\$30,728	\$32,276	\$33,790	\$35,032	
Reductions/Additions	-62	-41	-40	-16	-13	
Legislation	0	41	-193	-384	-482	
Subtotal Ongoing Spending	\$27,775	\$30,728	\$32,043	\$33,389	\$34,536	5.6%
One-time Spending	\$72	\$198	\$193	\$193	\$193	
Total Spending	\$27,847	\$30,925	\$32,236	\$33,582	\$34,729	5.7%
Ending Balance	\$201	-\$2,570	-\$3,045	-\$3,622	-\$3,545	
Rainy Day Fund Balance	\$2,156	\$2,194	\$2,240	\$2,287	\$2,334	
Balance over 5% of GF Revenues	800	788	785	795	783	
As % of GF Revenues	8.0%	7.8%	7.7%	7.7%	7.5%	
Structural Balance	-\$598	-\$2,573	-\$2,853	-\$3,429	-\$3,353	

GF: general fund

Source: Department of Legislative Services

Legislation affecting general fund revenues and/or spending by more than \$10 million annually includes:

- ***Senate Bill 388/House Bill 898 (both passed)*** exempt certain related-party sales of data and IT services and digital goods from the sales and use tax, which reduces general fund revenues by a total of \$241.4 million from fiscal 2027 to 2031. This provision also reduces revenue for the Blueprint Fund by \$9.6 million, and as a result, general fund spending increases by \$9.6 million over the period to fund Blueprint expenses. In addition, the bills extend three tax credits that reduce general fund revenues by a combined \$55.1 million from fiscal 2028 through 2021 and extend the Build Our Future Grant Program resulting in an increase in general fund spending of a combined \$21 million from fiscal 2028 to 2030.
- Beginning in fiscal 2027, ***House Bill 1581 (passed)*** increases the amount of State lottery funds distributed annually to the Racing and Community Development Financing Fund for debt service from at least \$17 million to \$29 million and to the Blue Line Corridor Facility Fund for debt service from \$27 million to \$29 million. These actions combine for a decrease of \$14 million in general fund revenues annually beginning in fiscal 2027 for a total decrease of \$70 million from fiscal 2027 to 2031.
- ***Senate Bill 311 (passed)*** makes several alterations to Blueprint for Maryland's Future programs and initiatives, including extending a hold harmless provision for counts of low-income students through fiscal 2028. Since the forecasts prepared by the Administration and the Department of Legislative Services (DLS) at the beginning of session assumed the hold harmless provision would be extended permanently, the sunset of the provision after fiscal 2028 is calculated as reducing general fund spending from fiscal 2029 to 2031 by a total of \$1.21 billion.

Budget Reconciliation and Financing Act

Exhibit A-1.9 summarizes the impact of the BRFA of 2026 on the fiscal 2027 budget plan. General fund revenue and transfer actions total \$1.02 billion, with an additional \$30.7 million of special fund revenues associated with the general fund revenue actions. Expenditure decreases total \$91.2 million across fiscal 2026 and 2027, with \$84.3 million in general funds. The BRFA of 2026 also effectuates \$126.8 million in contingent special fund appropriations.

Exhibit A-1.9
Summary of Actions in the Budget Reconciliation and Financing Act
Fiscal 2026-2027
(\$ in Millions)

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>
Revenue Actions	\$134.8	\$30.7	
Transfers	888.4		
Reductions	84.3	4.4	2.5
Appropriations		126.8	

Source: Department of Legislative Services

The BRFA also includes several provisions that provide one-time or ongoing general fund relief but are not counted in the impacts of the BRFA on the budget plan because the fiscal 2027 reductions were taken directly by the legislature or the savings were assumed in budget development:

- eliminating the required appropriation in fiscal 2027 of general fund surplus from fiscal 2025, for one-year savings of \$449.8 million;
- limiting the growth for each community college under the Senator John A. Cade funding formula to 3% for fiscal 2027 through 2029, a fiscal 2027 savings of \$21.0 million;
- capping in fiscal 2027 only the value of final tax certificates that may be awarded under the More Jobs for Marylanders program at \$15 million and making a one-year change to how funds are transferred to the General Fund after the tax credit is claimed, for a reduction of \$17 million;
- level funding aid under the Joseph A. Sellinger Formula for Aid to Non-Public Institutions of Higher Education for each institution at the fiscal 2026 level through fiscal 2029, a fiscal 2027 reduction of \$4.5 million;
- reducing the mandate for the Maryland Loan Assistance Repayment Program for Police Officers and Probation Agents to \$500,000 beginning in fiscal 2027, a \$1.5 million reduction;
- reducing the mandate for the Maryland Police Officers and Probation Agents Scholarship Program to \$500,000 beginning in fiscal 2027, a \$1.5 million reduction; and

- slowing the growth in the target participation for the Young Adult Service Year Pathway in fiscal 2027 and 2028.

General Fund Revenue and Transfers to the General Fund

As summarized in **Exhibit A-1.10**, the BRFA includes two provisions related to decoupling from OBBBA tax provisions that result in general fund revenues totaling \$132.8 million and related special fund revenues totaling \$30.7 million in fiscal 2027. Most of the revenues are associated with fully decoupling from an OBBBA provision that allows for full depreciation for qualified production property in the year it is put into service. The State also preserves revenue by limiting OBBBA's bonus depreciation allowance for qualified property put into service by manufacturing entities to a 20% rather than 100% deduction.

Exhibit A-1.10

Revenue Impacts of the Budget Reconciliation and Financing Act of 2026

Fiscal 2026 and 2027

(\$ in Millions)

General Fund Revenue

Decouple from a Provision in the One Big Beautiful Bill Act (OBBBA) That Creates a Qualified Production Property Deduction	\$122.5
Partially Decouple from a Provision in the OBBBA to Allow for a 20% Deduction for Eligible Investments (Instead of 100% in the OBBBA)	10.3
Student Loan Debt Relief Tax Credit – Increase Cap in Tax Year 2025, but Lower Cap in Tax Year 2026	2.0
Total General Fund Revenue Actions	\$134.8

Special Fund Revenue from Provisions That Decouple Fully or Partially from OBBBA Tax Provisions

Transportation Trust Fund	\$22.9
Higher Education Investment Fund	7.4
Strategic Energy Investment Fund	0.4
Total Special Fund Revenue	\$30.7

Note: Revenue impacts are in fiscal 2027 only, except for the Student Loan Debt Relief Tax Credit.

Source: Department of Legislative Services

Another BRFA provision raises the cap on the maximum allowable student loan debt relief tax credits that the Maryland Higher Education Commission (MHEC) may authorize for tax year 2025 from \$9 million to \$16 million but lowers the maximum allowable credits that may be awarded for tax year 2026 from \$18 million to \$9 million. The changes result in a net increase in

general fund revenues across the two years of \$2 million, with a decrease of \$7 million in fiscal 2026 and an increase of \$9 million in fiscal 2027.

Exhibit A-1.11 summarizes the transfers to the General Fund resulting from the BRFA, which total \$888.4 million across fiscal 2026 and 2027. The largest transfer (\$380 million) is from the Local Income Tax Reserve Account reflecting an overallocation to the account. Transfers totaling \$77 million in fiscal 2027 from the Bay Restoration Fund and Waterway Improvement Fund are required to be replaced by GO bonds, with \$57 million replaced in fiscal 2027 and the remaining \$20 million to be replaced in fiscal 2028.

Exhibit A-1.11
Other General Fund Revenue and Transfers
Fiscal 2026 and 2027
(\$ in Millions)

Fund Balance Transfers

2026

Local Income Tax Reserve Account Overallocation	\$380.0
Alternative Compliance Payments – SEIF	259.0
Fiscal Responsibility Fund	119.2
SEIF Administration Account	33.0
Nurse Support Program Assistance Fund	10.0
Performance Incentive Grant Fund	2.0
Maryland Police Training and Standards Commission Fund	2.0
Non-Depository Fund	3.5
Bank Institution and Credit Union Fund	1.5
DPA Fiscal 2023 Appropriations for Domestic Violence Centers (\$350,760), Assisted Living Facilities (\$201,292), DSP Gun Center (\$152,732), Crossing Jurisdictional Boundaries (\$100,001), Violence Prevention and Interruption Organizations (\$75,988), Greater Baltimore Regional Integrated Crisis System (\$51,600)	1.0
DPA Appropriations for Rebuilding State Government (\$197,530) and Food Banks (\$7,044)	0.2
Fiscal 2026 Transfers	\$811.4

2027

Bay Restoration Fund	\$70.0
Waterway Improvement Fund	7.0
Fiscal 2027 Transfers	\$77.0
Total Transfers to the General Fund	\$888.4

DPA: Dedicated Purpose Account
 DSP: Department of State Police

SEIF: Strategic Energy Investment Fund

Source: Department of Legislative Services

Expenditure Impacts

As summarized in **Exhibit A-1.12**, the BRFA reduces expenditures by a combined \$91.2 million, primarily from general funds (\$84.3 million). Of the reductions, \$39.3 million reflects a cost shift to local governments of 50% of the fiscal 2027 increase in the State's share of teacher, librarian, and community college retirement costs, with this shift remaining at the same level in the out-years. Additional general fund relief (totaling approximately \$36.4 million) is provided by expanding the uses of several special funds to cover administrative and programmatic expenses that would otherwise not be eligible uses of the special funds and by appropriating special fund revenues resulting from the OBBBA decoupling discussed above. Mandate relief saves the General Fund \$3.6 million while capping foster care provider rates at current levels saves an estimated \$6.5 million (of which \$5.1 million is general funds).

Exhibit A-1.12 Expenditure Impacts of the Budget Reconciliation and Financing Act Fiscal 2026 and 2027 (\$ in Millions)

Contingent General Fund Reductions

MSDE, Aid to Community Colleges, MSLA – alter the State share of retirement costs for teachers, community colleges, and librarians	\$39.3
*MDH – Alter the allowable uses of the CRF that would otherwise be required to be used for HBCU Settlement Funds in fiscal 2027 to include Medicaid	8.4
*Higher Education – Increased level of Higher Education Investment Funds due to decoupling from OBBBA provisions	6.8
*DSP – Extend the expansion of allowable uses of MEMSOF to support general operations in the Aviation Program through fiscal 2029	5.5
DHS – Level fund provider rates for foster care at the rates in effect on January 21, 2026	5.1
*DoSEM – Expand the allowable uses of the Cannabis Business Assistance Fund to include operations of DoSEM from fiscal 2027 through 2029	5.0
*BPW – Expand the allowable uses of the SEIF to include the Chesapeake Conservation and Climate Corps beginning in fiscal 2026 (includes actions in fiscal 2026 and 2027)	3.0
*MDH – Allow for the special fund balance for the Board of Physicians to support the Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants	2.0
*MDH – Reduce the mandated funding from the CRF in the Community Health Resources Commission allowing for these additional funds to support Medicaid (fiscal 2027 only)	2.0

MDH – Reduce the mandate for tobacco use prevention programs from \$18.25 million to \$17.52 million	1.6
*MDH – Expand the allowable uses of the Advance Directives Fund to include maternal and child health quality initiatives	1.0
*DNR – Expand the allowable uses of the SEIF to include the Environmental Research Program in the Power Plant Research Program	0.8
MD Labor – Reduce the mandate for the Public Safety Apprenticeship Program from \$750,000 to \$390,000 beginning in fiscal 2026 (fiscal 2026 and 2027)	0.7
BCCC – Reduce the State support per FTES funding that BCCC receives from 68.5% to 67.5% from fiscal 2027 through 2029 only	0.7
*DHCD, MDE, MDP, Comptroller – Expand the allowable uses of the SEIF to include climate change mitigation and climate change resiliency efforts and to support climate change, resiliency, and energy efficiency personnel	0.6
*MDH – Authorize the use of special fund balance from the Board of Counselors to be used for behavioral health services	0.5
*MHEC - Alter the mandate for the Title IX Proceedings Representation Program to be a mandate to the program rather than fund (includes actions in fiscal 2026 and 2027).	0.5
*MDEM – Expand the allowable uses of the SEIF to include resiliency efforts of the department	0.3
MD Labor – Reduce the mandated appropriation for the Career Pathways for Healthcare Workers Program from \$500,000 to \$350,000	0.2
MD Labor – Reduce the mandate for the Prince George’s County Re-Entry Employment Incentive Program from \$500,000 to \$350,000 for fiscal 2027 and 2028	0.2
MDA – Reduce the mandate for the Urban Agriculture and Power Grant Program and Fund from \$500,000 to \$400,000 (mandate ends after fiscal 2027)	0.1
MDA – Reduce the mandate for the Healthy Soils Program from \$500,000 to \$400,000 (mandate scheduled to end in fiscal 2028)	0.1
MSDE – Eliminate the mandate for the Lacrosse Opportunities Program	0.04
Total General Fund Reductions	\$84.3

Contingent Special Fund Reductions

MSDE – Cap the expansion of Tier II eligibility for full day prekindergarten at 450% of the poverty level in fiscal 2027 only	\$3.3
MDH – Reduce the mandated funding for the Community Health Resources Commission from the CRF allowing for these funds to support Medicaid	1.0
DHS – Level fund provider rates for foster care at the rates in effect on January 21, 2026	0.1
Total Special Fund Contingent Reductions	\$4.4

Contingent Federal Fund Reductions

DHS – Level fund provider rates for foster care at the rates in effect on January 21, 2026	\$1.3
*MDEM – Expand the allowable uses of the SEIF to include resiliency efforts of the department	1.2
Total Federal Fund Contingent Reductions	\$2.5

BCCC: Baltimore City Community College
 BPW: Board of Public Works
 CRF: Cigarette Restitution Fund
 DHCD: Department of Housing and Community Development
 DHS: Department of Human Services
 DNR: Department of Natural Resources
 DoSEM: Department of Social and Economic Mobility
 DSP: Department of State Police
 FTES: full-time equivalent student
 HBCU: Historically Black Colleges and Universities
 MDA: Maryland Department of Agriculture
 MDH: Maryland Department of Health
 MDE: Maryland Department of the Environment
 MDEM: Maryland Department of Emergency Management
 MD Labor: Maryland Department of Labor
 MDP: Maryland Department of Planning
 MEMSOF: Maryland Emergency Medical System Operations Fund
 MHEC: Maryland Higher Education Commission
 MSDE: Maryland State Department of Education
 MSLA: Maryland State Library Agency
 OBBBA: One Big Beautiful Bill Act
 SEIF: Strategic Energy Investment Fund

*Indicates an associated special fund contingent appropriation.

Source: Department of Legislative Services

A special fund reduction of \$3.3 million due to the phase-in of the expansion of the Tier II eligibility for full-day prekindergarten (\$3.3 million) will produce general fund savings in fiscal 2028 when general funds would otherwise be required to cover costs related to the Blueprint Fund.

Special and Federal Fund Contingent Appropriations

The BRFA effectuates special fund appropriations of \$126.8 million, as outlined in **Exhibit A-1.13**. Of these amounts, \$84.9 million of special fund appropriations are associated with expanded uses of the SEIF that do not directly replace other spending, and \$4.4 million are expanded uses of the SEIF to substitute for general and federal funds.

Exhibit A-1.13
Special and Federal Fund Contingent Appropriations and Additions
Fiscal 2026- 2027
(\$ in Millions)

Contingent Special Fund Appropriations

Reserve Fund – Expand the allowable uses of the SEIF to include support for research centers at higher education institutions	\$42.0
DGS – Expand the allowable uses of the SEIF to include clean energy projects on State properties	20.0
MEA - Expand the allowable uses of ACP to support Tier 1 renewable and clean energy	13.0
MDE – Expand the allowable uses of the SEIF to include the Comprehensive Flood Management Program	9.5
*MDH – Alter the allowable uses of CRF that would otherwise be required to be used for HBCU Settlement Funds in fiscal 2027 to include Medicaid	8.4
*Higher Education – Increase the level of Higher Education Investment Funds due to decoupling from OBBBA provisions	6.8
DNR – Clarify that the Heritage Conservation Fund is considered as part of the POS State Land Acquisition balance	5.6
*DSP – Extend the expansion of allowable uses of MEMSOF to support general operations in the Aviation Program through fiscal 2029	5.5
*DoSEM – Expand the allowable uses of the Cannabis Business Assistance Fund to include operations of DoSEM in fiscal 2027 through fiscal 2029	5.0
*BPW – Expand the allowable uses of the SEIF to include the Chesapeake Conservation and Climate Corps beginning in fiscal 2026 (includes actions in fiscal 2026 and 2027)	3.0
*MDH – Allow for the special fund balance for the Board of Physicians to support the Maryland Loan Assistance Repayment Program for Physicians	2.0
*MDEM – Expand the allowable uses of the SEIF to include resiliency efforts of the department	1.5
*MDH – Reduce the mandated funding from the CRF in the Community Health Resources Commission allowing for these funds to support Medicaid	1.0
*MDH – Expand the allowable uses of the Advance Directives Fund to include Maternal and Child Health Quality Initiatives	1.0
*DNR – Expand the allowable uses of the SEIF to include Environmental Research Program in the Power Plant Research Program	0.8
*DHCD, MDE, MDP, Comptroller – Expand the allowable uses of the SEIF to include climate change mitigation and climate change resiliency efforts – to support climate change, resiliency, and energy efficiency personnel	0.6

Contingent Special Fund Appropriations

*MDH – Authorize the use of special fund balance from the Board of Counselors to be used for behavioral health services	0.5
MDEM – Expand the allowable uses of the SEIF to include a mandated study by the Office of Resilience (fiscal 2026 only)	0.4
*MHEC – Alter the mandate for the Title IX Proceedings Representation Program	0.3
Total Contingent Special Fund Appropriations	\$126.8

ACP: Alternative Compliance Payments
 BPW: Board of Public Works
 CRF: Cigarette Restitution Fund
 DGS: Department of General Services
 DHCD: Department of Housing and Community Development
 DNR: Department of Natural Resources
 DoSEM: Department of Social and Economic Mobility
 DSP: Department of State Police
 HBCU: Historically Black Colleges and Universities
 MDH: Maryland Department of Health
 MDE: Maryland Department of the Environment
 MDEM: Maryland Department of Emergency Management
 MD Labor: Maryland Department of Labor
 MDP: Maryland Department of Planning
 MEA: Maryland Energy Administration
 MEMSOF: Maryland Emergency Medical System Operations Fund
 MHEC: Maryland Higher Education Commission
 OBBBA: One Big Beautiful Bill Act
 POS: Program Open Space
 SEIF: Strategic Energy Investment Fund

Source: Department of Legislative Services

Miscellaneous Provisions

The BRFA also contains provisions that do not directly impact spending in fiscal 2027 but provide out-year relief, provide other clarifying or administrative changes, conform to actions in the fiscal 2026 or 2027 budget bills, delay the effective date for certain previously enacted legislation, authorize spending under certain conditions, or otherwise impact out-year but not current year revenues. These provisions:

- phase in a local cost share for the Assisted Outpatient Treatment program beginning in fiscal 2028 at 25%, increasing until it reaches 100% in fiscal 2031, and require a waiver for the fiscal 2028 cost share for any jurisdiction submitting a certain report by January 1, 2027.

- alter the definition of historic motor vehicles beginning July 1, 2027, to be a vehicle that is at least 25 years old rather than model year 1999 or earlier;
- allocate State lottery funds for the Blue Line Corridor to particular projects, as provided for in the fiscal 2027 Budget Bill;
- require the Health Services Cost Review Commission (HSCRC) to examine the need for financial assistance to maintain the viability of Medicare Advantage plans in calendar 2026 and authorize the Department of Budget and Management to use up to \$14 million from the Population Health Improvement Fund in calendar 2026 to fund Medicaid costs if HSCRC increases hospital rates to maintain the viability of Medicare Advantage plans;
- require the suspension of State Aid for Police Protection Program funding to a law enforcement agency if the Governor's Office of Crime Prevention and Policy determines the agency is not in compliance with State law related to immigration enforcement agreements;
- alter the allowable uses of the African American Heritage Preservation Grant Fund to include noncapital projects, provided that the funds are on top of the mandated appropriation for capital purposes;
- alter the allowable uses of funds restricted in fiscal 2026 in the Department of Juvenile Services to be used for reopening a facility to instead be used to provide drug treatment services at other youth-serving facilities and reopen the facility as a facility for children;
- reduce the required distribution from the State Lottery Fund to the Racing and Community Development Financing Fund in fiscal 2026 only to align with actions taken in the fiscal 2026 budget;
- authorize, in fiscal 2026 only, funds from the Child Care Capital Support Revolving Loan Fund to be used by the Maryland Health Benefit Exchange for the purpose of an outreach campaign and survey consistent with actions taken in the fiscal 2026 Budget Bill;
- authorize the use of an unexpended fiscal 2018 Program Open Space (POS) State land acquisition appropriation restricted for a particular purpose to be used for an POS State land acquisition;
- authorize the reallocation of federal stimulus funds allocated in fiscal 2022 and 2023 for HVAC upgrades in public schools to ensure compliance with spending timelines in the stimulus law;
- repeal the three-year requirement to retain certain medication data and authorize the Secretary of Health to establish the retention period through regulation;

- require the Maryland Insurance Administration to order certain fund transfers to the Dedicated Purpose Account annually beginning July 1, 2026, based on certain levels of balance;
- delay the effective date from July 1, 2027 to July 1, 2028, for the centralized method of the Comptroller’s Office collecting the local hotel rental tax from short term rentals under Chapter 638 of 2025;
- delay the effective date of a change to the calculation of income tax for pass through entities authorized in the BRFA of 2025 from tax year 2026 to tax year 2027;
- clarify that changes made in Chapters 212 and 213 of 2025 related to certain capital credits held by an electric cooperative apply prospectively from October 1, 2025 (the effective date of the Acts);
- make changes to the membership, public meeting requirements, and reporting dates for the Maryland Reparations Commission;
- specify the calculation of the interest rate to be applied for any refund required after a final decision in a case related to the digital advertising gross revenues tax;
- authorize, for fiscal 2027 only, DDA to use either an expedited procurement or an interagency agreement for financial services, consulting, and data analytics contracts; and
- limit for Prince George’s County only the types of modifications that may be made to the Maryland-National Capital Park and Planning Commission.

Selected Budgetary Initiatives and Enhancements

Strategic Energy Investment Fund

Revenue into the SEIF rapidly increased from both primary fund sources in recent years. Revenue from RGGI auctions increased from approximately \$140 million in fiscal 2023 to \$267.5 million in fiscal 2025. Revenue from ACP increased from less than \$100,000 in calendar 2020 to \$86.6 million in calendar 2022, before exceeding \$300 million in each of calendar 2023 and 2024. Due to the rapid growth in revenue, fund balance in the SEIF accumulated and at the close of fiscal 2025, the SEIF had an unencumbered balance of approximately \$836.4 million. As introduced, the Governor’s fiscal 2027 budget plan reduced the estimated SEIF balance to approximately \$164 million at the close of fiscal 2027, through expanded uses of ACP and RGGI sourced revenue, as well as for budget relief in the form of transfers to the General Fund.

Alternative Compliance Payments

As introduced, the BRFA of 2026 contained a number of expanded uses, primarily for one-time purposes, with specific authorizations for certain activities in fiscal 2027 only, and one broader expanded use related to creation of Tier 1 renewable energy that is extended through fiscal 2031. A portion of these proposed items also supported activities authorized or created through Administration bills. These expanded uses totaled \$312 million, which along with \$98 million of other ACP spending in the budget of the Maryland Energy Administration and a proposed transfer of \$259 million of ACP to the General Fund, reduced the anticipated balance of the ACP account in the SEIF from \$393 million at the close of fiscal 2025 to less than \$250,000 in fiscal 2027. As shown in **Exhibit A-1.14**, the General Assembly reallocated \$250 million of the planned expanded uses to provide rate relief in different forms than initially proposed, promote the creation of Tier 1 renewable energy generation through different mechanisms, provide additional funding to support energy efficiency upgrades in public schools, and increase investments in energy storage. The General Assembly concurred with some expanded uses as proposed by the Administration. In addition, although funding to implement Chapters 7 and 19 of the 2025 special session (for the Strategic Energy Planning Office) was struck as an expanded use of the SEIF, the General Assembly authorized a budget amendment through language in the budget bill to fund the office through the funding mechanism contained in the Acts. With the exception of the Higher Education Research Fund and the creation of Tier 1 renewable energy, the authorizations for these expanded uses were removed from the BRFA of 2026 and are instead contained within *House Bill 1532 (passed)*.

Exhibit A-1.14

Alternative Compliance Payment Uses In Fiscal 2027 Budget Plan

	<u>As Introduced</u>	<u>Budget as Enacted</u>
Public Service Commission		
Rate Relief Credits	\$100.0	\$0.0
Downpayment on EmPOWER Maryland Residential Programming Costs***	0.0	100.0
Partially Offset Ratepayer Costs for the Limited Income Discount Program***	0.0	38.0
Maryland Energy Administration		
Gap Financing/Tax Credit – Solar Stabilization Program**	100.0	0.0
Grant Program Operated as a Reverse Auction for New Renewable Energy and Storage Capacity***	0.0	100.0
Additional Funding for Residential and Commercial Energy Storage Program (on Top of \$2.0 Million Budgeted)***	0.0	2.0

	<u>As Introduced</u>	<u>Budget as Enacted</u>
Interagency Commission on School Construction		
HVAC Upgrades – Public Schools in Baltimore City***	0.0	9.9
Comptroller of Maryland		
Study of HVAC Systems at 4 Baltimore City Public Schools***	0.0	0.2
Maryland Department of Transportation		
Study/Planning for Locating Transmission Lines along Existing Right-of-ways**	10.0	0.0
Department of General Services		
Solar on State Facilities**	20.0	20.0
Dedicated Purpose Account		
Higher Education Research Grant (as Introduced for Energy/Climate, as Enacted Any Research)**	42.0	42.0
Implementation of Chapters 7 and 19 of 2025 Special Session (Energy Resource Adequacy and Planning Act)**	25.0	0.0
Grid Enhancing Technologies/Advanced Transmission**	15.0	0.0
ACP Use for Expanded Purposes	\$312.0	\$312.0
<i>Other ACP Budgeted in the Maryland Energy Administration*</i>	<i>\$98.0</i>	<i>\$98.0</i>
Total ACP Spending in Fiscal 2027	\$410.0	\$410.0
<i>Transfer to the General Fund</i>	<i>\$259.0</i>	<i>\$259.0</i>
Total ACP Used to Support Fiscal 2027 Budget Plan	\$669.0	\$669.0

ACP: Alternative Compliance Payments

*As introduced was treated as all for allowable uses, as enacted includes \$13 million contingent on the expansion of allowable uses.

**Contingent on the Budget Reconciliation and Financing Act of 2026 either as introduced or as enacted.

***Provisions to meet the contingency are met with HB 1532 as passed by the General Assembly.

Source: Department of Legislative Services

The Governor's fiscal 2027 budget plan also expanded the allowable uses of RGGI-sourced SEIF to provide general fund relief (\$4.7 million) and to transfer a portion of the RGGI Administration balance to the General Fund (\$33 million). The expanded allowable uses include: (1) Certificates of Public and Convenience and Necessity reviews by the Power Plant Research

Program, including environmental reviews; (2) programs and applicable initiatives related to State climate change mitigation and resiliency efforts; and (3) programs and applicable initiatives related to resiliency efforts implemented by MDEM. The expanded uses effectuate contingent reductions and appropriations for personnel in a variety of agencies, with the most significant general fund relief in MDEM, the Power Plant Research Program, and the Climate Conservation Corps. The expanded uses also allow for the SEIF to support the Comprehensive Flood Management Program in the Maryland Department of the Environment. **Exhibit A-1.15** outlines the general fund relief provided through the expanded uses and other budgetary changes effectuated by the expanded uses.

Exhibit A-1.15
Budgetary Impact of Expanded Uses of RGGI-sourced SEIF
(\$ in Millions)

	2026		2027		
	<u>GF</u> <u>Reduction</u>	<u>SF</u> <u>Appropriation</u>	<u>GF</u> <u>Reduction</u>	<u>SF</u> <u>Appropriation</u>	<u>FF</u> <u>Reduction</u>
DNR	\$0.0	\$0.0	-\$0.8	\$0.8	\$0.0
Environmental Review Program in PPRP within DNR	\$0.0	\$0.0	-\$0.8	\$0.8	\$0.0
Climate Change Mitigation and Climate Change Resiliency Efforts	-\$1.5	\$1.5	-\$2.1	\$11.6	\$0.0
Chesapeake Conservation and Climate Corps Program in BPW	-\$1.5	\$1.5	-\$1.5	\$1.5	\$0.0
Comprehensive Flood Management Grant Program in MDE	\$0.0	\$0.0	\$0.0	\$9.5	\$0.0
Lead Resilience Planner in MDP	\$0.0	\$0.0	-\$0.1	\$0.1	\$0.0
Climate Resilience Director in the Comptroller's Office	\$0.0	\$0.0	-\$0.1	\$0.1	\$0.0

	2026		2027		
	<u>GF</u>	<u>SF</u>	<u>GF</u>	<u>SF</u>	<u>FF</u>
	<u>Reduction</u>	<u>Appropriation</u>	<u>Reduction</u>	<u>Appropriation</u>	<u>Reduction</u>
Two positions in the Housing and Building Energy program within DHCD	\$0.0	\$0.0	-\$0.2	\$0.2	\$0.0
Senior Climate Advisor in MDE	\$0.0	\$0.0	-\$0.2	\$0.2	\$0.0
MDEM	\$0.0	\$0.4	-\$0.3	\$1.5	-\$1.2
Programs and initiatives related to resiliency efforts implemented by MDEM	\$0.0	\$0.0	-\$0.3	\$1.5	-\$1.2
Economic analysis and policy benchmark study	\$0.0	\$0.4		\$0.0	
Total	-\$1.5	\$1.9	-\$3.2	\$13.9	-\$1.2

BPW: Board of Public Works
DHCD: Department of Housing and Community Development
DNR: Department of Natural Resources
FF: Federal Fund
GF: General Fund
MDE: Maryland Department of the Environment
MDEM: Maryland Department of Emergency Management
MDP: Maryland Department of Planning
PPRP: Power Plant Research Program
RGGI: Regional Greenhouse Gas Initiative
SEIF: Strategic Energy Investment Fund
SF: Special Fund

Source: Department of Legislative Services

In addition, during the General Assembly's review of the budget, certain additional priorities for RGGI-sourced SEIF revenues were identified. Supplemental Budget No. 2 directly added the spending for these purposes, along with an additional legislative priority funded by RGGI-sourced SEIF revenues, portions of which were contingent on legislation authorizing the spending for these programs notwithstanding restrictions on revenue distributions in SEIF accounts as outlined in **Exhibit A-1.16**. The additional spending reduces the overall SEIF balance

below the level initially anticipated with the Governor's fiscal 2027 budget plan, though still providing a hedge in case funding needs for energy assistance are greater than expected by protecting energy assistance funds from being transferred for this purpose.

Exhibit A-1.16
Legislative Priorities for RGGI-Sourced SEIF Contained in
Supplemental Budget No. 2
(\$ in Millions)

MEA

Grant to MCEC for Climate Catalytic Capital Fund	\$23.8
Grant to Easton Utilities for an Energy Storage Project	0.5

IAC

HVAC Upgrades – Public Schools in Baltimore City*	9.0

DNR

Power Plant Research Program Supplemental Funding to Assist in Review of Renewable and Clean Energy Projects*	3.0

Higher Education

Grant to USMO for Conducting a Study to Evaluate the Relationship between Climate Change, the Availability and Price of Homeowner's Insurance, and Emergency Disaster Preparedness**	0.1

Dedicated Purpose Account

MEA's Residential Energy Equity Program for Heat Pump Installation and Replacement for Low- and Moderate-income Households*	72.7

Supplemental 2 - RGGI Spending – Legislative Priorities	\$109.0

IAC: Interagency Commission on School Construction
DNR: Department of Natural Resources
MCEC: Maryland Clean Energy Center

MEA: Maryland Energy Administration
RGGI: Regional Greenhouse Gas Initiative
SEIF: Strategic Energy Investment Fund
USMO: University of Maryland System Office

*Contingent on legislation, contingency met with SB 841/HB 1532.

** Contingent on HB 1219 or SB 739.

Source: Department of Legislative Services

Developmental Disabilities Administration

Community Services Spending

Spending on community services in DDA nearly doubled from \$1.7 billion in fiscal 2022 to \$3.3 billion in fiscal 2025. The growth in costs is primarily attributable to the transition to the Long-Term Services and Supports (LTSS) system, which enhanced reimbursement levels for providers and led to higher utilization of services, growth in demand for the self-directed services model, and provider rate increases.

Governor’s Proposed Budget

Escalating DDA costs continued in fiscal 2026 with the fiscal 2027 budget including \$452 million of deficiency appropriations (with the costs split evenly between State and federal funds) due to higher than expected fiscal 2026 costs. For fiscal 2027, the Governor proposed \$149.5 million in cost containment actions. Because DDA receives a federal fund match rate of 50% for Medicaid waiver services spending, the reduction would be \$299.0 million in total funds. The original cost containment actions included:

- ***Dedicated Hours:*** enforcing a dedicated hours policy requiring utilization reviews of shared hours;
- ***Reasonable and Customary Wages:*** reducing reasonable and customary wages to align with the Bureau of Labor Statistics wage for self-directed service participants;
- ***Wage Exception Elimination:*** eliminating the exception process for receiving wages above the reasonable and customary wages for self-directed service participants; and
- ***Person-Centered Plan (PCP) Budget Cap:*** capping individual PCP budgets at \$500,000.

General Assembly Actions

After extensive consultation with DDA stakeholders and the Administration, the General Assembly:

- added \$23.1 million of general funds to the budget to limit general fund cost containment to \$126.4 million;
- prohibited the proposed PCP budget cap of \$500,000; and
- specified the fiscal 2027 cost containment actions DDA could implement.

Of the cost containment actions originally proposed by the Governor, the wage exception elimination and dedicated hours went into effect as originally proposed with the dedicated hours policy that will be used delineated in the budget bill. The reasonable and customary wage reduction was modified to differentiate reasonable and customary wages for family as staff and reasonable and customary wages for non-family as staff which includes a wage enhancement for benefits. In addition to these modifications, the General Assembly authorized:

- eliminating reasonable and customary wages for unlicensed vendors, excluding nursing staff and support brokers;
- implementing a 60/40 hourly cap on family as staff in a week, which limits the total hours of paid care provided by family members to 60 and by an individual family member to 40;
- capping fee-for-service rates at 102% of the rates specified by DDA's actuary; and
- reducing rates by 2% for community service providers and coordinators of community service agencies.

The fiscal 2027 budget for DDA community services approved by the General Assembly is \$3.3 billion.

In addition to budget bill language specifying the policy for enforcing dedicated hours, the General Assembly added various pieces of budget bill language relating to other cost containment actions. This includes language that (1) restricts further reductions to rates, including geographical differential rates; (2) requires that DDA continue providing State-only funded services for certain individuals; and (3) specifies the implementation of day-to-day administrative supports for individuals in self-directed services. The General Assembly also added annual language restricting funds in the community services program to that purpose only, preventing budgetary transfer to any other uses.

Financial Management Support

The fiscal 2027 budget as enacted includes \$7.6 million for consulting and financial management services for DDA, which includes \$2.6 million added in Supplemental Budget No. 2, and \$5.0 million added by the General Assembly. The funding is intended to be used for a contract for data analytics support and tool development to ensure financial and programmatic efficiency. The General Assembly added budget language specifying that, as part of this consulting and financial management contract, DDA must review plans for the contract with specified stakeholders and engage the stakeholders in a discussion of any systemic findings and policy changes under consideration as a result of the contract. The General Assembly also authorized DDA to use an expedited procurement process to bring the consultant(s) on board.

Fiscal Capacity and Oversight

In recent years, the State has struggled to accurately forecast entitlement costs, many agencies have made significant errors during the end of the fiscal year closeout process, and legislative auditors have identified significant and recurring shortcomings in agency financial management practices. The fiscal 2027 budget includes substantial investments aimed at improving the State's financial management practices including:

- \$10 million to address repeat audit findings;
- \$5 million for contracts for data analytics support and development of a tool to ensure financial and programmatic efficiency for DDA;
- \$4 million for State fiscal leadership capacity;
- \$2.6 million in total funds for consulting and financial management services contracts for DDA; and
- 3 new positions and \$552,837 to improve tracking and forecasting of spending in major entitlement programs in the Maryland Department of Health.

Personnel

As introduced, the fiscal 2027 budget included \$13.20 billion in total personnel funds, representing approximately 17.6% of the State budget. As enacted, the fiscal 2027 budget includes \$13.18 billion in total personnel funds, representing approximately 17.7% of the State budget. Funding includes \$129.7 million for a 1.5% general salary increase for most State employees, effective July 1, 2026, \$63.8 million for adjustments to salary step widths, \$10.0 million for salary step increments for law enforcement, and \$2.5 million for targeted Annual Salary Review grade increases.

Workforce Changes

The State workforce increases by 74 regular positions to 86,374 regular positions between the fiscal 2026 legislative appropriation and fiscal 2027 legislative appropriation, as shown in **Exhibit A-1.17**. Supplemental budgets added 78 positions in the Executive Branch. Legislative actions on the budget reduced 3 positions in the Judicial Branch and 1 position in the State Department of Assessments and Taxation and added 39 positions in the Executive and Legislative Branches.

Exhibit A-1.17
Regular Full-time Equivalent Position Changes
Fiscal 2026-2027

<u>Department/Service Area</u>	<u>Leg. Approp 2026</u>	<u>Allowance 2027</u>	<u>Supplemental Budgets</u>	<u>Legislative Changes</u>	<u>Leg. Approp. 2027</u>	<u>Leg. Approp. Change 2026 to 2027</u>
Largest Six State Agencies						
Public Safety and						
Correctional Services	9,199	9,199			9,199	0
Transportation	9,329	9,439		3	9,442	113
Health	7,264	7,247	12	1	7,260	-4
Human Services	5,888	5,870		1	5,871	-17
State Police	2,574	2,574			2,574	0
Juvenile Services	2,135	2,135			2,135	0
Subtotal	36,389	36,464	12	5	36,481	92
Other Executive						
Legal (Excluding						
Judiciary)	1,777	1,784	13		1,797	20
Executive and						
Administrative Control	2,135	2,164			2,164	29
Financial and Revenue						
Administration	2,438	2,438	30	24	2,492	54
Budget and Management						
and DoIT	583	616	9		625	42
Retirement	204	204	14		218	14
General Services	727	750			750	23
Service and Civic						
Innovation	56	66			66	10
Natural Resources	1,521	1,533			1,533	12
Agriculture	431	439			439	8
Labor	1,937	1,934			1,934	-3
MSDE and Other						
Education	2,050	2,053		1	2,054	3
Housing and Community						
Development	446	447			447	1
Commerce	209	209			209	0
Environment	1,004	1,003			1,003	-1
Subtotal	15,517	15,639	66	25	15,730	212

<u>Department/Service Area</u>	<u>Leg. Approp 2026</u>	<u>Allowance 2027</u>	<u>Supplemental Budgets</u>	<u>Legislative Changes</u>	<u>Leg. Approp. 2027</u>	<u>Leg. Approp. Change 2026 to 2027</u>
Miscellaneous Adjustments						
Executive Branch						
Subtotal	51,906	52,103	78	30	52,211	304
Higher Education	29,406	29,115	0	0	29,115	-291
Judiciary	4,173	4,224	0	-3	4,221	48
Legislature	814	819	0	8	827	13
Total	86,299	86,261	78	35	86,374	74

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

Note: The fiscal 2026 legislative appropriation reflects impacts of the Voluntary Separation Program (VSP) and Section 41 of the fiscal 2026 Budget Bill, and other vacant positions abolished by the Board of Public Works in October 2025. Section 41 required a reduction of 150.5 vacant or new position. The Governor authorized VSP effective July 10, 2025. Additions in the supplemental budget includes 9 positions added in the Department of Budget and Management contingent on the enactment of SB 858/HB 1369.

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-1.18, 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 2026 and 2027 by fund source. The Governor’s original request provided for \$71.3 billion in fiscal 2027 expenditures and \$3.0 billion in fiscal 2026 deficiencies.

Exhibit A-1.18
Fiscal Note – Summary of the Fiscal 2027 Budget Bill –*Senate Bill 282 (Ch. 4)* and *Senate Bill 284 (Ch. 6)*

	<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 2026 Budget	\$27,872,511,964	\$14,863,507,207	\$21,489,613,219	\$6,012,054,613	\$70,237,687,003 ⁽¹⁾
Fiscal 2027 Budget	28,307,880,404	15,779,913,356 ⁽²⁾	21,179,986,754	6,046,558,004	71,314,338,518 ⁽³⁾
Supplemental Budget No. 1					
Fiscal 2026 Deficiencies	13,545,533 ⁽⁴⁾	-\$17,982,157	\$4,295,866	\$0	-\$140,758
Fiscal 2027 Budget	-8,403,760	2,965,423	-3,232,157	0	8,670,494 ⁽⁵⁾
Subtotal	\$5,141,773	-\$15,016,734	\$1,063,709	\$0	-\$8,811,252
Supplemental Budget No. 2					
Fiscal 2026 Deficiencies	\$53,821,610	\$86,592	\$51,310,484	\$0	\$105,218,686 ⁽⁶⁾
Fiscal 2027 Budget	84,399,753	168,996,093	125,532,683	0	378,928,529 ⁽⁷⁾
Subtotal	\$138,221,363	\$169,082,685	\$176,843,167	\$0	\$484,147,215
BRFA of 2026					
Fiscal 2026 Contingent Reductions	-\$2,110,000	\$0	\$0	\$0	-2,110,000
Fiscal 2026 Contingent Appropriations		1,900,000	0	0	1,900,000
Fiscal 2027 Contingent Reductions	-82,229,641	-4,408,440	-2,454,980	0	-89,093,061
Fiscal 2027 Contingent Appropriations	0	124,912,877	0	0	124,912,877
Subtotal	-\$84,339,641	\$122,404,437	-\$2,454,980	\$0	\$35,609,816
Legislative Reductions					
Fiscal 2026 Deficiencies	-\$54,200,000	-\$59,314,476	-\$170,230,827	\$0	-\$283,745,303

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total Funds</u>
Fiscal 2027 Budget	-664,554,432	-295,106,528	-257,955,581	0	-1,217,616,541 ⁽⁸⁾
Total Reductions	-\$718,754,432	-\$354,421,004	-\$428,186,408	\$0	-\$1,501,361,844
Legislative Additions					
Fiscal 2026 Deficiencies	\$54,200,000	\$59,314,476	\$0	\$0	\$113,514,476
Fiscal 2027 Budget	209,631,692	292,812,000	31,190,991	0	533,634,683 ⁽⁹⁾
Total Additions	\$263,831,692	\$352,126,476	\$31,190,991	\$0	\$647,149,159
Appropriations					
Fiscal 2026 Budget	\$27,937,769,107	\$14,847,511,642	\$21,374,988,742	\$6,012,054,613	\$70,172,324,104
Fiscal 2027 Budget	27,846,724,016	16,070,084,781	21,073,067,710	6,046,558,004	71,036,434,511
Change	-\$91,045,091	\$1,222,573,139	-\$301,921,032	\$34,503,391	\$864,110,407

BRFA: Budget Reconciliation and Financing Act

⁽¹⁾ Reflects \$3.0 billion in proposed deficiencies, including \$987.7 million in general funds, \$104.9 million in special funds, and \$1.9 billion in federal funds. Assumes \$100.0 million in unspecified general fund reversions and includes \$25.7 million in targeted general fund reversions. Excludes \$68.7 million in special funds that double count general fund spending. Excludes deficiency appropriations that are contingent on the Budget Reconciliation and Financing Act of 2026.

⁽²⁾ Excludes \$95.0 million of special funds that double count general fund spending. Includes \$250,000 of special fund appropriations that are contingent on legislation.

⁽³⁾ Assumes \$100.0 million in unspecified general fund reversions.

⁽⁴⁾ Excludes a \$250,000 general fund reduction that is contingent on the Budget Reconciliation and Financing Act. Includes \$1.1 million of targeted reversions

⁽⁵⁾ Excludes \$250,000 of general fund reductions that are contingent on the Budget Reconciliation and Financing Act of 2026.

⁽⁶⁾ Includes \$0.2 million in general fund appropriations that are contingent on legislation. Assumes \$2.0 million from a targeted reversion.

⁽⁷⁾ Includes \$2.3 million in general fund appropriations and \$84.8 million in special fund appropriations that are contingent on legislation.

⁽⁸⁾ Includes a \$250,000 general fund reduction that is contingent on legislation.

⁽⁹⁾ Includes \$10.3 million of general fund additions and \$249.9 million of special fund additions that are contingent on the enactment of legislation

Source: Department of Legislative Services

Supplemental budgets, excluding actions contingent on the BRFA, provided a net of \$475.3 million in additional spending across fiscal 2026 and 2027, of which approximately \$143.4 million was general funds, accounting for planned reversions, \$154.1 million was special funds, and \$177.9 million in federal funds. The legislature made approximately \$1.3 billion in reductions to the fiscal 2027 allowance (\$746.8 million in general funds), adding back approximately \$533.6 million (\$209.6 million in general funds) to fund targeted priorities. The legislature made an additional \$285.9 million in reductions to fiscal 2026 (including \$56.3 million in general funds), adding back \$113.5 million for targeted priorities. When all actions are considered, the fiscal 2027 all fund legislative appropriation reflects an increase of \$846.1 million compared to the fiscal 2026 appropriation. **Exhibit A-1.19** through **Exhibit A-1.22** provide detail for the budget changes by major expenditure category by fund.

Exhibit A-1.19
State Expenditures – General Funds
Fiscal 2025-2027

Category	Actual 2025	Working Appropriation 2026	Legislative Appropriation 2027	\$ Change 2026-2027	% Change
Debt Service	\$397.1	\$154.7	\$177.7	\$23.0	14.9%
County/Municipal	\$417.2	\$395.9	\$420.0	\$24.1	6.1%
Community Colleges	478.3	504.3	518.5	14.2	2.8%
Education/Libraries	7,379.5	7,429.2	7,456.2	27.0	0.4%
Health	85.8	115.2	115.2	0.0	0.0%
Aid to Local Governments	\$8,360.8	\$8,444.6	\$8,509.8	\$65.2	0.8%
Foster Care Payments	\$279.0	\$336.4	\$346.1	\$9.7	2.9%
Assistance Payments	208.1	139.8	139.5	-0.3	-0.2%
Medical Assistance	5,652.3	5,626.2	5,688.7	62.5	1.1%
Property Tax Credits	96.0	98.3	90.5	-7.8	-7.9%
Entitlements	\$6,235.4	\$6,200.7	\$6,264.9	\$64.2	1.0%
Health	\$3,054.3	\$3,387.4	\$3,317.3	-\$70.2	-2.1%
Human Services	471.4	572.5	550.2	-22.4	-3.9%
Juvenile Services	341.9	367.2	372.2	4.9	1.3%
Public Safety/Police	2,208.8	2,231.7	2,276.3	44.5	2.0%
Higher Education	2,433.3	2,410.9	2,403.4	-7.6	-0.3%
Transportation	196.9	1.1	3.0	1.9	170.9%
Other Education	1,048.2	1,049.9	1,076.2	26.4	2.5%
Agriculture/Natural Res./Environment	214.4	201.5	214.3	12.9	6.4%
Other Executive Agencies	1,448.5	1,628.2	1,721.9	93.7	5.8%
Judiciary	708.3	708.0	764.0	56.1	7.9%
Legislative	165.0	163.5	164.4	1.0	0.6%
State Agencies	\$12,291.0	\$12,721.9	\$12,863.1	\$141.2	1.1%
Deficiencies (for Prior Years)	\$0.0	\$321.8	\$0.0	-\$321.8	-100.0%
Total Operating	\$27,284.3	\$27,843.7	\$27,815.4	-\$28.3	-0.1%
Capital	\$146.1	\$114.6	\$108.7	-\$5.9	-5.1%
Subtotal	\$27,430.4	\$27,958.3	\$27,924.1	-\$34.1	-0.1%
Reserve Funds	\$2.5	\$79.5	\$22.6	-\$56.9	-71.6%
Appropriations	\$27,432.9	\$28,037.8	\$27,946.7	-\$91.0	-0.3%
Reversions	\$0.0	-\$100.0	-\$100.0	\$0.0	0.0%
Grand Total	\$27,432.9	\$27,937.8	\$27,846.7	-\$91.0	-0.3%

Note: The fiscal 2026 working appropriation reflects \$1.0 billion in deficiencies and supplemental deficiencies plus targeted reversions of \$28.9 million. It also reflects legislative additions of \$54.2 million.

Exhibit A-1.20
State Expenditures – Special and Higher Education Funds*
Fiscal 2025-2027

<u>Category</u>	<u>Actual 2025</u>	<u>Working Appropriation 2026</u>	<u>Legislative Appropriation 2027</u>	<u>\$ Change 2026-2027</u>	<u>% Change 2026-2027</u>
Debt Service	\$1,532.3	\$1,673.4	\$1,770.8	\$97.5	5.8%
County/Municipal	\$599.8	\$650.7	\$645.8	-\$4.8	-0.7%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	1,795.3	2,431.5	2,781.3	349.8	14.4%
Health	0.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	\$2,395.0	\$3,082.2	\$3,427.1	\$345.0	11.2%
Foster Care Payments	\$1.4	\$4.3	\$4.4	\$0.1	2.3%
Assistance Payments	12.0	14.1	12.3	-1.8	-12.6%
Medical Assistance	822.6	862.1	883.1	21.0	2.4%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	\$835.9	\$880.5	\$899.8	\$19.3	2.2%
Health	\$704.8	\$903.0	\$935.3	\$32.3	3.6%
Human Services	162.6	251.7	237.0	-14.7	-5.8%
Juvenile Services	3.3	3.5	3.3	-0.2	-5.1%
Public Safety/Police	196.4	242.9	246.0	3.1	1.3%
Higher Education	6,008.2	6,170.8	6,234.2	63.4	1.0%
Other Education	300.6	342.8	362.8	20.0	5.8%
Transportation	2,823.2	2,932.9	3,104.3	171.4	5.8%
Agriculture/Natural					
Res./Environment	351.2	415.0	430.9	15.9	3.8%
Other Executive Agencies	1,415.7	2,023.5	2,301.5	278.0	13.7%
Judiciary	73.2	83.5	80.2	-3.3	-3.9%
Legislative	0.0	0.0	0.0	0.0	n/a
<i>State Agencies</i>	\$12,039.2	\$13,369.5	\$13,935.5	\$566.0	4.2%
Deficiencies (for Prior Years)	\$0.0	-\$1.0	\$0.0	\$1.0	-100.0%
Total Operating	\$16,802.5	\$19,004.5	\$20,033.2	\$1,028.7	5.4%
Capital	\$1,990.5	\$1,855.1	\$1,968.7	\$113.7	6.1%
Transportation	1,450.5	1,330.5	1,396.2	65.7	4.9%
Environment	209.6	205.7	169.1	-36.6	-17.8%
Other	330.3	318.9	403.4	84.6	26.5%
<i>Subtotal</i>	\$18,793.0	\$20,859.6	\$22,002.0	\$1,142.4	5.5%
Reserve Funds	\$90.0	\$0.0	\$114.7	\$114.7	n/a
Grand Total	\$18,883.0	\$20,859.6	\$22,116.6	\$1,257.1	6.0%

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

Note: The fiscal 2026 working appropriation reflects \$29.6 million in deficiencies and supplemental deficiencies. It also reflects \$59.3 million in legislative additions. Fiscal 2026 excludes \$68.7 million, and fiscal 2027 excludes \$95.0 million of special funds that double counts general fund spending.

Exhibit A-1.21
State Expenditures – Federal Funds
Fiscal 2025-2027

<u>Category</u>	<u>Actual 2025</u>	<u>Working Appropriation 2026</u>	<u>Legislative Appropriation 2027</u>	<u>\$ Change 2026-2027</u>	<u>% Change 2026-2027</u>
Debt Service	\$4.1	\$2.9	\$0.8	-\$2.0	-71.3%
County/Municipal	\$100.8	\$82.1	\$82.2	\$0.1	0.1%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	1,202.2	1,232.8	1,251.6	18.7	1.5%
Health	25.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	<i>\$1,328.0</i>	<i>\$1,315.0</i>	<i>\$1,333.7</i>	<i>\$18.8</i>	<i>1.4%</i>
Foster Care Payments	\$130.8	\$85.1	\$85.1	\$0.0	0.0%
Assistance Payments	1,765.4	1,840.3	1,644.7	-195.5	-10.6%
Medical Assistance	9,885.5	10,001.6	10,228.5	227.0	2.3%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$11,781.7</i>	<i>\$11,927.0</i>	<i>\$11,958.4</i>	<i>\$31.4</i>	<i>0.3%</i>
Health	\$2,822.1	\$3,081.9	\$3,024.1	-\$57.8	-1.9%
Human Services	786.5	779.9	671.7	-108.1	-13.9%
Juvenile Services	8.2	6.3	7.2	0.8	13.0%
Public Safety/Police	34.3	48.5	49.0	0.5	1.0%
Higher Education	0.0	0.0	0.0	0.0	n/a
Other Education	384.2	431.5	435.1	3.6	0.8%
Transportation	129.2	140.5	142.8	2.3	1.6%
Agriculture/Natural Res./Environment	95.1	113.8	128.4	14.6	12.9%
Other Executive Agencies	1,105.7	1,530.2	1,652.3	122.0	8.0%
Judiciary	1.2	1.0	1.4	0.4	36.8%
Legislative	0.0	0.0	0.0	0.0	n/a
<i>State Agencies</i>	<i>\$5,366.4</i>	<i>\$6,133.7</i>	<i>\$6,112.0</i>	<i>-\$21.7</i>	<i>-0.4%</i>
Deficiencies (for Prior Years)	\$0.0	\$430.7	\$0.0	-\$430.7	-100.0%
Total Operating	\$18,480.1	\$19,809.2	\$19,404.9	-\$404.3	-2.0%
Capital	\$1,506.2	\$1,565.8	\$1,668.2	\$102.4	6.5%
Transportation	1,107.9	1,342.2	1,413.0	70.7	5.3%
Environment	173.2	174.6	217.4	42.8	24.5%
Other	225.1	48.9	37.8	-11.1	-22.7%
Grand Total	\$19,986.4	\$21,375.0	\$21,073.1	-\$301.9	-1.4%

Note: The fiscal 2026 working appropriation reflects \$1.8 billion in deficiencies and supplemental deficiencies.

Exhibit A-1.21
State Expenditures – State Funds
Fiscal 2025-2027

Category	Actual 2025	Working Appropriation 2026	Legislative Appropriation 2027	\$ Change 2026-2027	% Change
Debt Service	\$1,929.4	\$1,828.1	\$1,948.5	\$120.5	6.6%
County/Municipal	\$1,017.0	\$1,046.6	\$1,065.8	\$19.2	1.8%
Community Colleges	478.3	504.3	518.5	14.2	2.8%
Education/Libraries	9,174.8	9,860.7	10,237.5	376.8	3.8%
Health	85.8	115.2	115.2	0.0	0.0%
Aid to Local Governments	\$10,755.8	\$11,526.7	\$11,936.9	\$410.1	3.6%
Foster Care Payments	\$280.4	\$340.6	\$350.5	\$9.8	2.9%
Assistance Payments	220.1	153.9	151.9	-2.1	-1.4%
Medical Assistance	6,474.9	6,488.3	6,571.8	83.5	1.3%
Property Tax Credits	96.0	98.3	90.5	-7.8	-7.9%
Entitlements	\$7,071.3	\$7,081.2	\$7,164.6	\$83.5	1.2%
Health	\$3,759.1	\$4,290.4	\$4,252.6	-\$37.9	-0.9%
Human Services	634.1	824.3	787.2	-37.1	-4.5%
Juvenile Services	345.1	370.7	375.5	4.8	1.3%
Public Safety/Police	2,405.2	2,474.6	2,522.2	47.6	1.9%
Higher Education	8,441.6	8,581.7	8,637.6	55.8	0.7%
Other Education	1,348.8	1,392.7	1,439.0	46.4	3.3%
Transportation	3,020.1	2,934.0	3,107.3	173.3	5.9%
Agriculture/Natural Res./Environment	565.6	616.5	645.2	28.8	4.7%
Other Executive Agencies	2,864.2	3,651.7	4,023.3	371.6	10.2%
Judiciary	781.5	791.4	844.2	52.8	6.7%
Legislative	165.0	163.5	164.4	1.0	0.6%
State Agencies	\$24,330.2	\$26,091.4	\$26,798.6	\$707.2	2.7%
Deficiencies (for Prior Years)	\$0.0	\$320.8	\$0.0	-\$320.8	-100.0%
Total Operating	\$44,086.8	\$46,848.2	\$47,848.6	\$1,000.5	2.1%
Capital	\$2,136.5	\$1,969.6	\$2,077.5	\$107.8	5.5%
Transportation	1,454.6	1,336.5	1,396.2	59.7	4.5%
Environment	210.6	206.3	169.6	-36.7	-17.8%
Other	471.3	426.8	511.6	84.8	19.9%
Subtotal	\$46,223.4	\$48,817.8	\$49,926.1	\$1,108.3	2.3%
Reserve Funds	\$92.5	\$79.5	\$137.3	\$57.8	72.6%
Appropriations	\$46,315.9	\$48,897.3	\$50,063.4	\$1,166.0	2.4%
Reversions	\$0.0	-\$100.0	-\$100.0	\$0.0	0.0%
Grand Total	\$46,315.9	\$48,797.3	\$49,963.4	\$1,166.0	2.4%

Note: The fiscal 2026 working appropriation reflects deficiencies and supplemental deficiencies of \$1.0 billion. It also reflects general fund targeted reversions of \$28.9 million and legislative additions of \$113.5 million. Fiscal 2026 excludes \$68.7 million, and fiscal 2027 excludes \$95.0 million of special funds that double counts general fund spending.

Exhibit A-1.22
State Expenditures – All Funds
Fiscal 2025-2027

<u>Category</u>	<u>Actual 2025</u>	<u>Working Appropriation 2026</u>	<u>Legislative Appropriation 2027</u>	<u>\$ Change 2026-2027</u>	<u>% Change</u>
Debt Service	\$1,933.4	\$1,830.9	\$1,949.4	\$118.4	6.5%
County/Municipal	\$1,117.8	\$1,128.7	\$1,148.0	\$19.3	1.7%
Community Colleges	478.3	504.3	518.5	14.2	2.8%
Education/Libraries	10,377.0	11,093.5	11,489.0	395.5	3.6%
Health	110.8	115.2	115.2	0.0	0.0%
Aid to Local Governments	\$12,083.8	\$12,841.7	\$13,270.6	\$428.9	3.3%
Foster Care Payments	\$411.2	\$425.8	\$435.6	\$9.8	2.3%
Assistance Payments	1,985.4	1,994.2	1,796.6	-197.6	-9.9%
Medical Assistance	16,360.4	16,489.9	16,800.4	310.5	1.9%
Property Tax Credits	96.0	98.3	90.5	-7.8	-7.9%
Entitlements	\$18,853.0	\$19,008.2	\$19,123.0	\$114.9	0.6%
Health	\$6,581.1	\$7,372.3	\$7,276.7	-\$95.7	-1.3%
Human Services	1,420.6	1,604.1	1,458.9	-145.2	-9.1%
Juvenile Services	353.3	377.0	382.6	5.6	1.5%
Public Safety/Police	2,439.6	2,523.1	2,571.2	48.1	1.9%
Higher Education	8,441.6	8,581.7	8,637.6	55.8	0.7%
Other Education	1,733.0	1,824.2	1,874.2	50.0	2.7%
Transportation	3,149.3	3,074.5	3,250.1	175.6	5.7%
Agriculture/Natural Res./Environment	660.6	730.2	773.7	43.4	5.9%
Other Executive Agencies	3,969.9	5,181.9	5,675.6	493.6	9.5%
Judiciary	782.7	792.5	845.6	53.2	6.7%
Legislative	165.0	163.5	164.4	1.0	0.6%
State Agencies	\$29,696.7	\$32,225.1	\$32,910.6	\$685.5	2.1%
Deficiencies (for Prior Years)	\$0.0	\$751.6	\$0.0	-\$751.6	n/a
Total Operating	\$62,567.0	\$66,657.4	\$67,253.6	\$596.1	0.9%
Capital	\$3,642.8	\$3,535.4	\$3,745.6	\$210.2	5.9%
Transportation	2,562.6	2,678.7	2,809.2	130.5	4.9%
Environment	383.9	381.0	387.1	6.1	1.6%
Other	696.3	475.7	549.4	73.7	15.5%
Subtotal	\$66,209.7	\$70,192.8	\$70,999.2	\$806.4	1.1%
Reserve Funds	\$92.5	\$79.5	\$137.3	\$57.8	72.6%
Appropriations	\$66,302.2	\$70,272.3	\$71,136.4	\$864.1	1.2%
Reversions	\$0.0	-\$100.0	-\$100.0	\$0.0	0.0%
Grand Total	\$66,302.2	\$70,172.3	\$71,036.4	\$864	1.2%

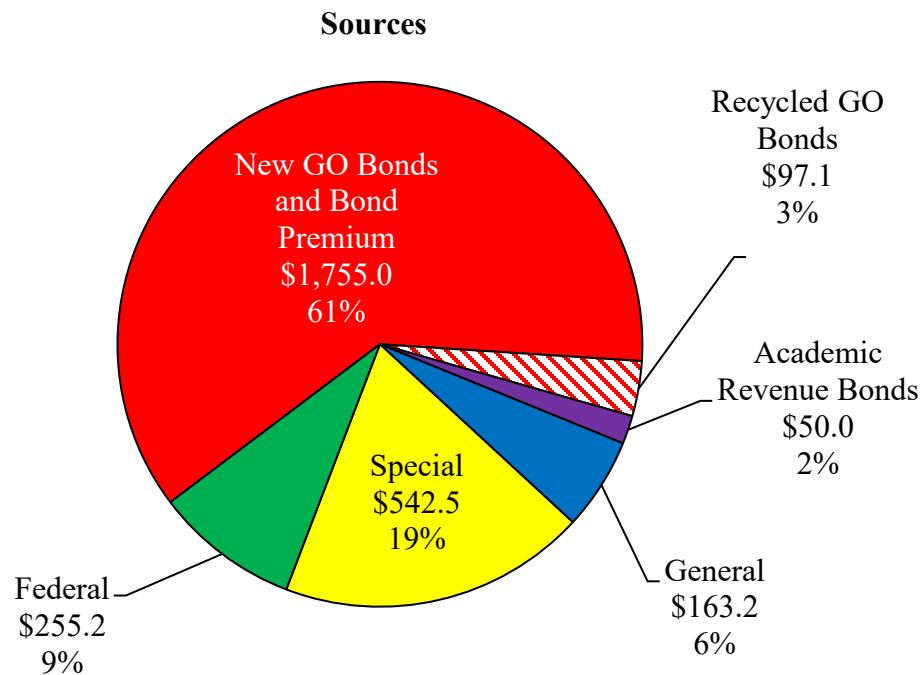
Note: The fiscal 2026 working appropriation reflects deficiencies and supplemental deficiencies of \$2.8 billion. It also reflects general fund targeted reversions of \$28.9 million and legislative additions of \$113.5 million. Fiscal 2026 excludes \$68.7 million, and fiscal 2027 excludes \$95.0 million of special funds that double counts general fund spending.

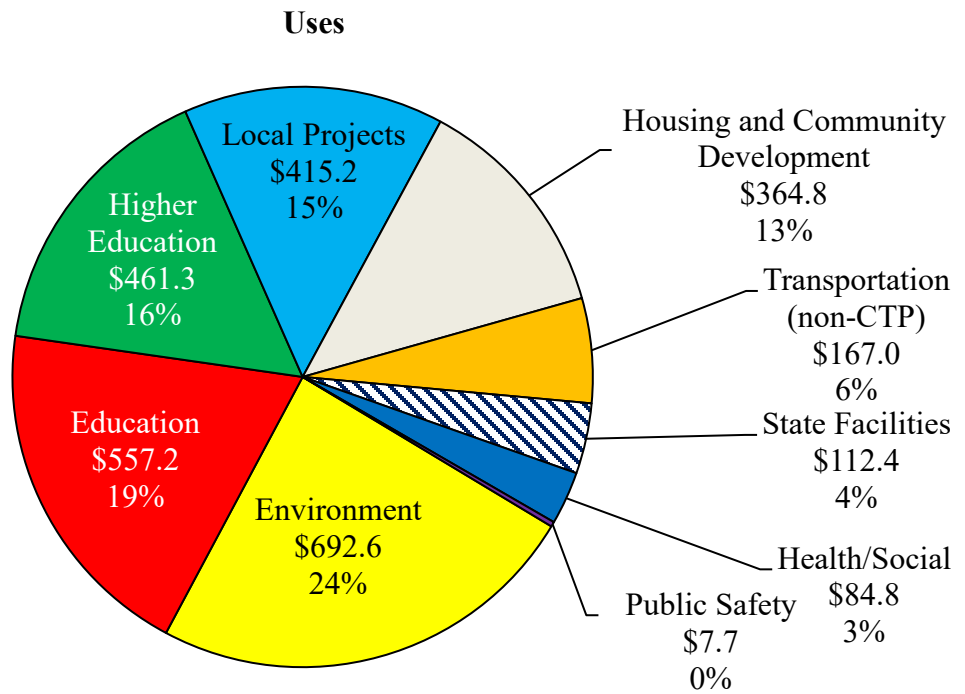
Capital Budget

The General Assembly passed a fiscal 2027 capital program totaling \$6.0 billion, including \$3.137 billion for the transportation program through the *Consolidated Transportation Program* (CTP). Apart from the CTP, the program totals \$2.863 billion, consisting of \$1.852 billion in general obligation (GO) bonds authorized in *Senate Bill 283 (Ch. 5)*; \$960.9 million in pay-as-you-go (PAYGO) general, special, and federal funds in the operating budget, including \$55.4 million of fiscal 2026 deficiency appropriations; and \$50.0 million in Academic Revenue Bonds (ARB) for the University System of Maryland authorized in *Senate Bill 769 (passed)*. The fiscal 2027 capital program as enacted is consistent with the recommendations of the Spending Affordability Committee, which set a level of new GO bond authorizations for the 2026 session of \$1.75 billion and recommended \$50.0 million in ARBs.

Exhibit A-2.1 provides a summary of the non-CTP capital program by sources and uses, and **Exhibit A-2.2** provides a detailed list of capital projects and programs, excluding miscellaneous grant programs and legislative bond initiatives (LBI). A detailed list of miscellaneous grants and LBIs by jurisdiction can be found [here](#).

Exhibit A-2.1
Fiscal 2027 Capital Program Sources and Uses
(\$ in Millions)





CTP: Consolidated Transportation Program

GO: general obligation

Note: Includes \$55.4 million of fiscal 2026 general fund deficiency appropriations.

Source: Department of Legislative Services

Exhibit A-2.2
Capital Program for the 2026 Session

		Bonds		Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
Education							
D25E0302	IAC: Built to Learn Fund	\$0	\$0	\$0	\$69,000,000	\$0	\$69,000,000
D25E0302A	IAC: Nancy K. Kopp Public School Facilities Priority Fund	70,000,000	0	0	0	0	70,000,000
D25E0302B	IAC: Public School Construction Program	300,000,000	0	0	0	0	300,000,000
D25E0302C	IAC: Senator James E. "Ed" DeGrange Nonpublic Aging Schools Program	5,000,000	0	0	0	0	5,000,000
D25E0302D	IAC: Supplemental Capital Grant Program	80,000,000	0	0	0	0	80,000,000
D25E0302D	IAC: HVAC Upgrades in Baltimore City Public Schools	0	0	0	18,850,000	0	18,850,000
RA11A	MSLA: Public Library Capital Grant Program	12,775,000	0	0	0	0	12,775,000
RE01A	MSD: New Student Residences	1,611,000	0	0	0	0	1,611,000
Subtotal		\$469,386,000	\$0	\$0	\$87,850,000	\$0	\$557,236,000
Environment							
K00A0510	DNR: Greenspace Equity Program	\$0	\$0	\$0	\$7,000,000	\$0	\$7,000,000
K00A0510	DNR: Ocean City Beach Replenishment and Hurricane Protection Program	0	0	0	2,000,000	0	2,000,000
K00A0510	DNR: Program Open Space – Public Access Program	0	0	0	12,000,000	0	12,000,000
KA05A	DNR: Community Parks and Playgrounds	5,000,000	0	0	0	0	5,000,000
KA05B	DNR: Natural Resources Development Fund	500,000	0	0	10,928,565	0	11,428,565
KA05C	DNR: Program Open Space	0	0	0	80,592,350	5,000,000	85,592,350
KA05D	DNR: Rural Legacy Program	0	0	0	13,400,880	0	13,400,880
KA1401A	DNR: Waterway Improvement Capital Projects	7,011,156	0	0	6,932,000	1,000,000	14,943,156
KA1701A	DNR: Oyster Restoration Program	2,070,000	0	0	0	0	2,070,000
L00A1111	MDA: Agricultural Land Preservation Program	0	0	0	38,726,423	0	38,726,423
LA15A	MDA: Maryland Agricultural Cost-Share Program	8,000,000	0	0	0	0	8,000,000
U00A0104	MDE: Hazardous Substance Clean-up Program	0	0	550,000	0	0	550,000
U00A0112	MDE: Septic System Upgrade Program	0	0	0	15,000,000	0	15,000,000
UA01A	MDE: Bay Restoration Fund Wastewater Program	50,000,000	0	0	0	0	50,000,000
UA01B	MDE: Comprehensive Flood Management Grant Program	4,382,000	0	0	9,485,000	0	13,867,000
UA01C	MDE: Maryland Drinking Water Revolving Loan Fund	14,896,000	0	0	31,596,127	119,468,680	165,960,807
UA01D	MDE: Maryland Water Quality Revolving Loan Fund	19,591,000	0	0	113,011,815	97,952,000	230,554,815
UA01E	MDE: Supplemental Assistance Program	3,000,000	0	0	0	0	3,000,000
UA01F	MDE: Water Supply Financial Assistance Program	2,419,000	0	0	0	0	2,419,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
UB00A	MES: State Water and Sewer Infrastructure Improvement Fund	3,162,000	0	0	7,953,000	0	11,115,000
Subtotal		\$120,031,156	\$0	\$550,000	\$348,626,160	\$223,420,680	\$692,627,996
Health/Social							
MA01A	MDH: Community Health Facilities Grant Program	\$10,000,000	\$0	\$0	\$0	\$0	\$10,000,000
MA01B	MDH: Demolish Decommissioned Buildings	103,000	0	0	0	0	103,000
MA01C	MDH: Federally Qualified Health Centers Grant Program	3,500,000	0	0	0	0	3,500,000
ML10A	MDH: Renovation of Clifton T. Perkins Hospital North Wing	12,363,000	0	0	0	0	12,363,000
RQ00A	UMMS: Comprehensive Cancer Center	5,000,000	0	0	0	0	5,000,000
RQ00B	UMMS: R Adams Cowley Shock Trauma Center Renovation – Phase III	5,000,000	0	0	0	0	5,000,000
RQ00C	UMMS: University of Maryland Shore Regional Health – New Easton Regional Medical Center	20,000,000	0	0	0	0	20,000,000
RQ00D	UMMS: Capital Region Medical Center – Clinic	3,000,000	0	0	0	0	3,000,000
VE01A	DJS: New Cheltenham Youth Treatment Center	4,292,000	0	0	0	0	4,292,000
ZA01	MHA: Private Hospital Grant Program	21,550,000	0	0	0	0	21,550,000
Subtotal		\$84,808,000	\$0	\$0	\$0	\$0	\$84,808,000
Higher Education							
R30B36	USM: Capital Facilities Renewal	\$0	\$24,000,000	\$0	\$0	\$0	\$24,000,000
RB21A	UMB: Central Electric Substation and Electrical Infrastructure Upgrades	715,000	0	0	0	0	715,000
RB21B	UMB: New Dental Ambulatory Surgery Center	862,000	0	0	0	0	862,000
RB21C	UMB: New School of Social Work Building	43,732,000	0	0	3,015,000	0	46,747,000
RB22A	UMCP: New Health and Human Sciences Complex	29,315,000	15,000,000	0	0	0	44,315,000
RB22B	UMCP: New Interdisciplinary Engineering Building – Zupnik Hall	13,110,000	0	0	0	0	13,110,000
RB22C	UMCP: Xfinity Center Roof Repair	10,000,000	0	0	0	0	10,000,000
RB22D	UMCP: Graduate Student Housing	5,000,000	0	0	0	0	5,000,000
RB23A	BSU: New Thurgood Marshall Library and Academic Commons	4,802,000	0	0	0	0	4,802,000
RB23B	BSU: Boiler and Chiller Replacements	1,000,000	0	0	0	0	1,000,000
RB23C	BSU: Campus Safety and Security Upgrades	500,000	0	0	0	0	500,000
RB23D	BSU: Bowie State MARC Station Redevelopment	2,000,000	0	0	0	0	2,000,000
RB24A	TU: Central Plant Restoration	10,600,000	0	0	0	0	10,600,000
RB24B	TU: Electrical Substation Expansion and Improvements	2,820,000	10,000,000	0	0	0	12,820,000
RB24C	TU: Smith Hall Renovation and Reconstruction	21,973,000	0	0	14,000,000	0	35,973,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
RB25A	UMES: New School of Veterinary Medicine and Health Professions	1,000,000	0	0	0	0	1,000,000
RB26A	FSU: Frostburg State University Baseball Complex	100,000	0	0	0	0	100,000
RB27A	CSU: New Residence Hall	2,000,000	0	0	0	0	2,000,000
RB28A	UBalt: 101 W. Mt. Royal Ave. Baltimore Property Acquisition	500,000	0	0	0	0	500,000
RB29A	SU: Blackwell Hall Renovation	1,124,000	0	0	0	0	1,124,000
RB30A	UMGC: Global Campus Administration Building Renovation	1,000,000	0	0	0	0	1,000,000
RB31A	UMBC: Sherman Hall Renovation	9,087,000	0	0	0	0	9,087,000
RB36A	USM: Rita Colwell Center Deferred Maintenance	2,906,000	1,000,000	0	0	0	3,906,000
RC00A	BCCC: Learning Commons Renovation and Addition	9,790,000	0	0	0	0	9,790,000
RC00B	BCCC: Deferred Maintenance	1,000,000	0	0	0	0	1,000,000
RD00A	SMCM: Campus Infrastructure Improvements	2,271,000	0	0	0	0	2,271,000
RD00B	SMCM: Montgomery Hall Renovation	959,000	0	0	0	0	959,000
RI00A	MHEC: Community College Construction Grant Program	56,685,000	0	0	0	0	56,685,000
RI00B	MHEC: Community College Facilities Renewal Grant Program	2,618,000	0	0	0	0	2,618,000
RM00A	MSU: Campuswide Electric Infrastructure Upgrades	40,486,000	0	0	0	0	40,486,000
RM00B	MSU: Carter-Grant-Wilson Building Renovation	100,000	0	0	0	0	100,000
RM00C	MSU: New Science Center, Phase II	106,991,000	0	0	0	0	106,991,000
ZA00	MICUA: Private Higher Education Facilities Grant Program	9,200,000	0	0	0	0	9,200,000
Subtotal		\$394,246,000	\$50,000,000	\$0	\$17,015,000	\$0	\$461,261,000
Housing and Community Development							
DB01A	HSMCC: Site Improvements	\$925,000	\$0	\$0	\$0	\$0	\$925,000
DB01B	HSMCC: Visitor Center Conversion for Education and Artisan Centers	420,000	0	0	0	0	420,000
DW0110	MDP: Historic Preservation Loan Fund	0	0	0	300,000	0	300,000
DW0110A	MDP: African American Heritage Preservation Grant Program	5,000,000	0	0	0	0	5,000,000
DW0110B	MDP: Historic Preservation Grant Fund	1,035,000	0	0	0	0	1,035,000
S00A2402	DHCD: Community Development Block Grant Program	0	0	0	0	12,000,000	12,000,000
S00A2515	DHCD: Housing and Building Energy Programs	0	0	0	54,000,000	2,500,000	56,500,000
S00A25F	DHCD: Special Loan Programs	0	0	0	4,400,000	5,040,000	9,440,000
SA24A	DHCD: Baltimore Regional Neighborhood Initiative	20,000,000	0	0	0	0	20,000,000
SA24B	DHCD: Business Façade Improvement Program	5,050,000	0	0	0	0	5,050,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
SA24C	DHCD: Community Legacy Program	8,000,000	0	0	0	0	8,000,000
SA24D	DHCD: National Capital Strategic Economic Development Fund	20,050,000	0	0	0	0	20,050,000
SA24E	DHCD: Seed Community Development Anchor Institution Fund	10,000,000	0	0	0	0	10,000,000
SA24F	DHCD: Strategic Demolition Fund	17,790,000	0	42,210,000	0	0	60,000,000
SA25A	DHCD: Appraisal Gap Program – UPLIFT	10,000,000	0	0	0	0	10,000,000
SA25B	DHCD: Homeownership Programs	20,000,000	0	0	5,000,000	0	25,000,000
SA25C	DHCD: Partnership Rental Housing Program	8,000,000	0	0	0	0	8,000,000
SA25D	DHCD: Rental Housing Programs	8,803,594	0	0	19,500,000	9,000,000	37,303,594
SA25E	DHCD: Shelter and Transitional Housing Facilities Grant Program	3,000,000	0	0	0	0	3,000,000
SA25F	DHCD: Housing Innovation Fund	5,000,000	0	0	0	0	5,000,000
SA30A	DHCD: Neighborhood Business Development Program	10,000,000	0	0	2,289,000	0	12,289,000
TG00A	Commerce: Maryland Arts Capital Grant Program	3,000,000	0	0	0	0	3,000,000
Subtotal		\$156,073,594	\$0	\$42,210,000	\$85,489,000	\$28,540,000	\$312,312,594
Local Projects							
ZA00	Miscellaneous Projects	\$317,209,250	\$0	\$64,959,665	\$0	\$0	\$382,168,915
ZA02	Legislative Initiatives – Senate	15,000,000	0	0	0	0	15,000,000
ZA03	Legislative Initiatives – House	15,000,000	0	0	0	0	15,000,000
Subtotal		\$347,209,250	\$0	\$64,959,665	\$0	\$0	\$412,168,915
Public Safety							
QR0201A	DPSCS: MCI-H Perimeter Fence System Replacement	\$1,155,000	\$0	\$0	\$0	\$0	\$1,155,000
QR0203A	DPSCS: RCI Perimeter Fence System Replacement	1,511,000	0	0	0	0	1,511,000
WA01A	DSP: Barrack A – Waterloo: New Barrack, Garage, and Historic Barrack Renovation	763,000	0	0	0	0	763,000
WA01B	DSP: Barrack J – Annapolis: Communications Room and New Garage	3,579,000	0	0	0	0	3,579,000
ZB02	DPSCS: Local Jails and Detention Centers	700,000	0	0	0	0	700,000
Subtotal		\$7,708,000	\$0	\$0	\$0	\$0	\$7,708,000
State Facilities							
DA0201A	MDOD: Access Maryland	\$1,124,000	\$0	\$0	\$0	\$0	\$1,124,000
DE0201A	DGS: Construction Contingency Fund	5,000,000	0	0	0	0	5,000,000
DE0201B	DGS: Facilities Renewal Fund	59,666,000	0	0	3,500,000	0	63,166,000
DE0201C	DGS: Louis L. Goldstein Treasury Building Renovation	2,060,000	0	0	0	0	2,060,000
DE0201D	DGS: Wineland Building Renovation	281,000	0	0	0	0	281,000
DE0201E	DGS: Revenue Administration Center – Individual Collections Unit Suite Modernization	350,000	0	0	0	0	350,000
DE0201E	Judiciary: New Supreme Court of Maryland Building	20,388,000	0	0	0	0	20,388,000

		Bonds		Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
DH0104A	MMD: New Hagerstown Vehicle Maintenance Shop	500,000	0	0	0	3,250,000	3,750,000
FB04A	DoIT: Maryland FiRST Public Safety Radio System	16,268,000	0	0	0	0	16,268,000
Subtotal		\$105,637,000	\$0	\$0	\$3,500,000	\$3,250,000	\$112,387,000
Transportation							
J00A0105A	MDOT: Washington Metropolitan Area Transit Authority Upgrades	\$167,000,000	\$0	\$0	\$0	\$0	\$167,000,000
Subtotal		\$167,000,000	\$0	\$0	\$0	\$0	\$167,000,000
Current Year Total (Excluding MDOT CTP)		\$1,852,099,000	\$50,000,000	\$107,719,665	\$542,480,160	\$255,210,680	\$2,807,509,505
Transportation CTP		\$0	\$785,000,000	\$0	\$867,100,000	\$1,485,300,000	\$3,137,400,000
Current Year Total (Including MDOT)		\$1,852,099,000	\$835,000,000	\$107,719,665	\$1,409,580,160	\$1,740,510,680	\$5,944,909,505
Deauthorizations							
Deauthorizations as Introduced		-\$74,782,000	\$0	\$0	\$0	\$0	-\$74,782,000
Additional Deauthorizations		-22,317,000	0	0	0	0	-22,317,000
Subtotal		-\$97,099,000	\$0	\$0	\$0	\$0	-\$97,099,000
Current Year Total (Less Deauthorizations)		\$1,755,000,000	\$835,000,000	\$107,719,665	\$1,409,580,160	\$1,740,510,680	\$5,847,810,505
Fiscal 2026 Deficiencies							
D90U	Canal Place: New River Park	\$0	\$0	\$1,241,764	\$0	\$0	\$1,241,764
H00H0102	TEDCO: Regenerative Medicine and Advanced Manufacturing	0	0	3,000,000	0	0	3,000,000
S00A2507	DHCD: Rental Housing Programs	0	0	51,200,000	0	0	51,200,000
Subtotal		\$0	\$0	\$55,441,764	\$0	\$0	\$55,441,764
Grand Total		\$1,852,099,000	\$835,000,000	\$163,161,429	\$1,409,580,160	\$1,740,510,680	\$6,000,351,269

BCCC: Baltimore City Community College
 Commerce: Department of Commerce
 CTP: Consolidated Transportation Program
 DHCD: Department of Housing and Community Development
 DGS: Department of General Services
 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
 MDOT: Maryland Department of Transportation
 MDOD: Maryland Department of Disabilities
 MDP: Maryland Department of Planning
 MCI-H: Maryland Correctional Institution – Hagerstown
 MES: Maryland Environmental Service
 MHA: Maryland Hospital Association
 MHEC: Maryland Higher Education Commission

MICUA: Maryland Independent College and University Association
 MMD: Maryland Military Department
 MSD: Maryland School For the Deaf
 MSLA: Maryland State Library Association
 MSU: Morgan State University
 PAYGO: pay-as-you-go
 RCI: Roxbury Correctional Institution
 SMC: St. Mary's College of Maryland
 TEDCO: Maryland Technology Development Corporation
 UMMS: University of Maryland Medical System
 USM: University System of Maryland

Source: Department of Legislative Services

Capital Budget Highlights

As shown in **Exhibit A-2.3** and **Exhibit A-2.4**, the capital program increased from \$2.646 billion as introduced to \$2.863 billion as enacted, an increase of \$216.7 million:

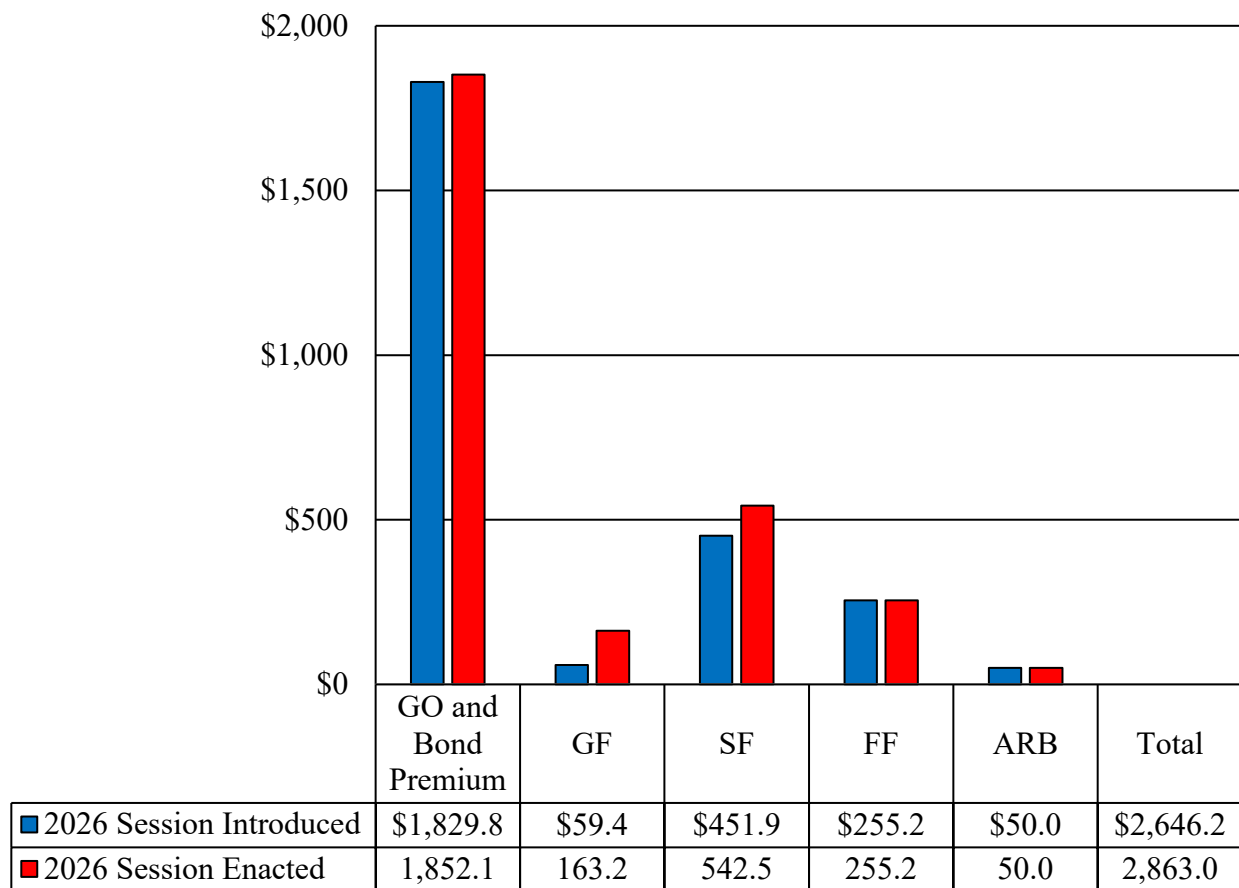
- **General Funds Increased by \$103.8 Million:** general funds increased primarily because the General Assembly shifted funding for the Department of Housing and Community Development's Rental Housing Programs (\$51.2 million) and Strategic Demolition Fund (\$42.2 million) from bonds to general funds. In addition, a supplemental budget added \$6.4 million in general funds for miscellaneous capital grants;
- **Special Funds Increased by \$90.6 Million:** *Senate Bill 284 (Ch. 6)*, the Budget Reconciliation and Financing Act of 2026, as introduced, included provisions that would have transferred \$71.7 million of transfer tax revenues that fund Program Open Space (POS) programs as well as \$13.1 million from the Waterway Improvement Fund to the General Fund. These funds were replaced with GO bond funding in the capital budget as introduced, and the special funds for POS were contingently reduced in the operating budget bill as introduced. The General Assembly reduced the GO bond funds, rejected the transfer of transfer tax revenues, and modified the transfer of Waterway Improvement Funds to transfer \$7.0 million. This resulted in an increase of \$71.7 million in special funds in the capital program as enacted; the additional \$6.1 million in Waterway Improvement Funds now available will need to be added by budget amendment.

In addition, special funds from the Strategic Energy Investment Fund (SEIF) totaling \$18.85 million were added by supplemental budget (\$9.0 million) and legislative addition (\$9.85 million) to fund HVAC upgrades in public schools in Baltimore City. These funds were contingent on legislation, *House Bill 1532 (passed)*, expanding authorizing the use of SEIF funds for this purpose;

- **GO Bonds Increased by \$22.3 Million:** the capital budget as introduced included \$74.8 million in recycled GO bond funding created through deauthorizations, including \$45.9 million deauthorized for the Baltimore Therapeutic Treatment Center and \$9.0 million deauthorized for the New Life Skills and Re-Entry Center for Women. The General Assembly deauthorized a further \$22.3 million in miscellaneous projects, creating additional GO bond capacity for new projects. **Exhibit A-2.5** shows all deauthorizations and amendments to prior authorizations included in the Act. Additionally, *Senate Bill 1007 (passed)* made modifications to previously authorized miscellaneous grants to change the project scope, location, or grantee and to grant extensions; *Senate Bill 1007* also created one new project (Arena Players) by reprogramming funding from another project (Everyman Theater);

- **Local Projects Account for 75% of Total Increase:** funding for local projects increased by \$162.8 million to a total of \$415.2 million in the capital program as enacted. The next largest increases were for higher education projects (13% of total increase) and school construction (9% of total increase).

Exhibit A-2.3
Proposed and Authorized 2026 Session Capital Program by Fund Source
 (\$ in Millions)



ARB: academic revenue bonds
 FF: federal funds

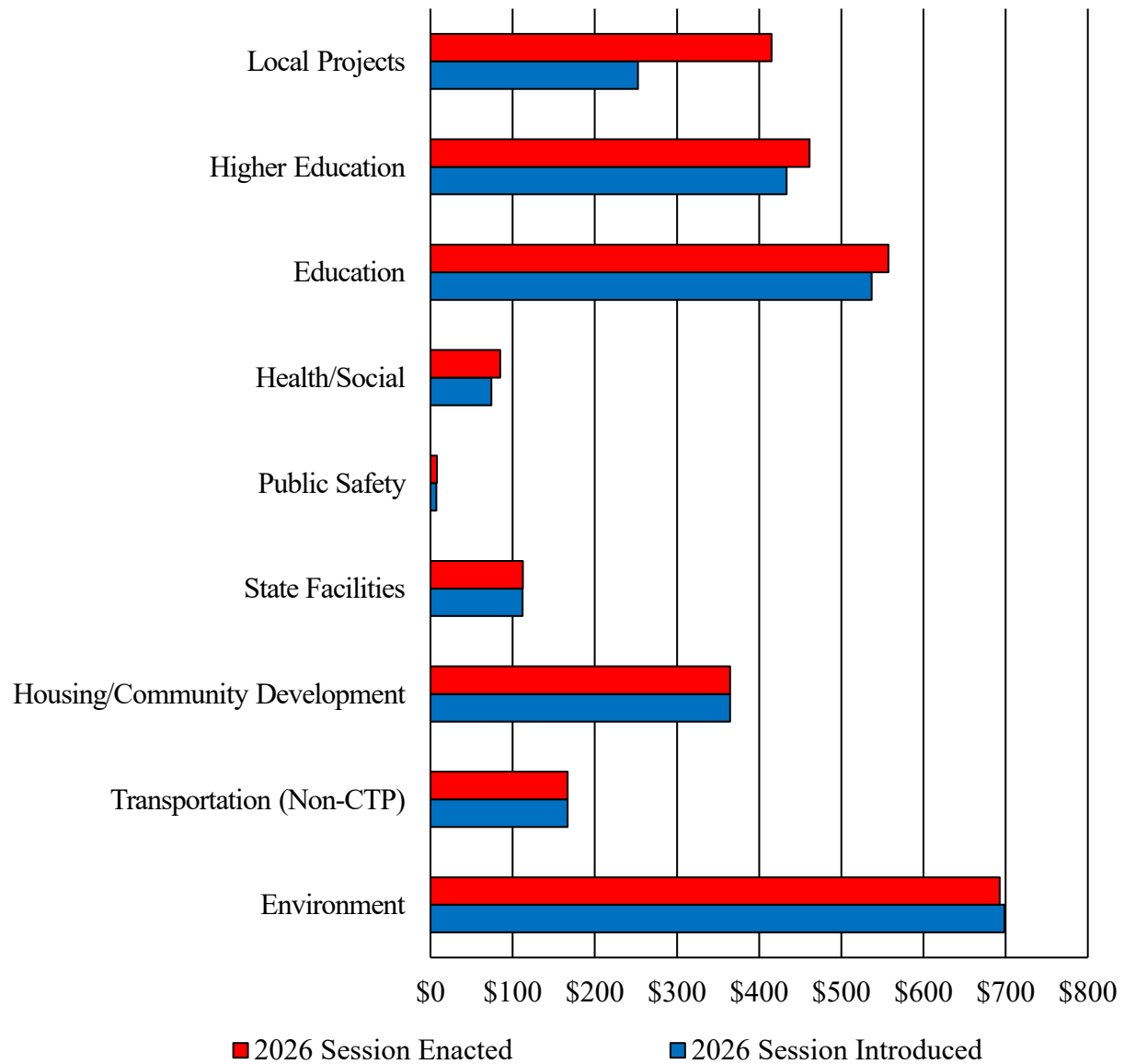
GF: general funds
 GO: general obligation

SF: special funds

Note: Includes fiscal 2026 general fund deficiency appropriations.

Source: Department of Legislative Services

Exhibit A-2.4
Proposed and Authorized 2026 Session Capital Program by Category
(\$ in Millions)



CTP: Consolidated Transportation Program

Source: Department of Legislative Services

Exhibit A-2.5 Deauthorizations and Amendments to Prior Authorizations

Deauthorizations

MCCBL Year(s)	Agency	Project Title	Amount Deauthorized
2015, 2016	DJS	New Female Detention Center	-\$1,334,432
2017	MHA	Union Hospital of Cecil County	-786,000
2018	MHA	State Library Resource Center	-586,357
2018, 2019	SMCM	Academic Building and Auditorium	-1,058,690
2019	MDA	Salisbury Animal Health Laboratory Replacement	-622,224
2019	MPBC	Studio A Renovation and Addition	-124,165
2020	BSU	Pedestrian and Vehicular Infrastructure Improvements	-150,000
2021	FSU	Challenger Center	-3,000,000
2021	DJS	Baltimore City Juvenile Justice Center Education Expansion	-2,147,132
2023, 2024, 2025	DPSCS	New Life Skills and Re-Entry Center for Women	-9,025,000
2023	MSU	New Health and Human Services Building	-3,000,000
2023	DPSCS	Frederick County Adult Detention Center Phase IV Medical Addition	-1,011,000
2023	BPW	State House and Old Treasury Building Renovation	-3,000,000
2024, 2025	DJS	Maryland Youth Residence Center Renovation and Expansion	-2,580,000
2025	DPSCS	Baltimore Therapeutic Treatment Center	-45,857,000
2025	MISC	Mid Shore Regional Detention Center	-500,000
<i>Deauthorizations as Introduced</i>			<i>-\$74,782,000</i>
2025	DGS	Revolutionary War Memorial for Black Soldiers	-\$250,000
2025	MMD	New Joint Force Headquarters at Camp Fretterd	-750,000
2014	MISC	Rockville Science Center	-75,000
2017	MISC	Southern Maryland Studies Center	-500,000
2018	MISC	Armory Plaza	-100,000

MCCBL			Amount
<u>Year(s)</u>	<u>Agency</u>	<u>Project Title</u>	<u>Deauthorized</u>
2018	MISC	Greenbelt Station Hiker and Biker Trail	-75,000
2018	MISC	Johns Hopkins University – Maryland Center for Cell Therapy Manufacturing	-5,000,000
2018	MISC	Lisbon Volunteer Fire Department	-125,000
2018	MISC	Prince George’s County Volunteer Marine, Fire and Rescue Department	-50,000
2018	MISC	Riverfront Park Hiker and Biker Path	-50,000
2018	MISC	Rockville Welcome Center	-100,000
2019	MISC	Allentown Splash, Tennis and Fitness Park	-150,000
2019	MISC	Bus Shelter Public Art Projects	-150,000
2019	MISC	Carroll Baldwin Hall	-100,000
2019	MISC	Centerway Local Park	-250,000
2019	MISC	College Park Woods Community Facility Redevelopment	-200,000
2019	MISC	Doctors Community Hospital	-250,000
2019	MISC	East Baltimore Library and Library Annex	-100,000
2019	MISC	Guru Nanak Health Clinic	-100,000
2019	MISC	Johnston Square Greenspace	-15,000
2019	MISC	Le Mondo	-100,000
2019	MISC	Linwood School	-100,000
2019	MISC	New Creation Christian Church Hoop House	-100,000
2019	MISC	North County High School Field House	-200,000
2019	MISC	Northeast Family Life Center	-50,000
2019	MISC	Prince George’s County Public Schools Electronic Signs	-105,000
2019	MISC	Restoration House	-50,000
2019	MISC	Stephen P. Turney Recreation Complex	-250,000
2019	MISC	Western Maryland Works	-60,000
2019	MISC	YMCA of Cumberland	-100,000
2020	MISC	Blight Reduction and Homeownership Initiative	-270,000
2020	MISC	Carroll Manor Fire Company	-42,000
2020	MISC	Central Baltimore Partnership	-1,000,000
2020	MISC	Charles County – Basketball Courts	-100,000

MCCBL Year(s)	Agency	Project Title	Amount Deauthorized
2020	MISC	Maryland Museum of Women's History	-150,000
2020	MISC	Mount Airy Center Street	-500,000
2020	MISC	Shafer Farm House	-100,000
2021	MISC	Germantown Volunteer Fire Department	-3,250,000
2021	MISC	Level82 Fund – Hilton Recreation Center Renovation	-500,000
2021	MISC	Manna Food Center	-150,000
2021	MISC	Montgomery County Homeless Youth Drop-In Center	-65,000
2021	MISC	Northeast Market	-100,000
2022	MISC	Ambassador Theater	-250,000
2022	MISC	Behavioral Health Crisis Mobile Response Unit	-500,000
2022	MISC	FC Frederick, Inc. – New Youth Sporting Complex	-600,000
2022	MISC	Food Systems Facility	-150,000
2022	MISC	Hancock Boys and Girls Club	-300,000
2022	MISC	Sanaa Center	-100,000
2022	MISC	The West North Avenue Development Authority	-1,000,000
2023	MISC	Baltimore Penn Station Redevelopment	-2,000,000
2023	MISC	Douglas Village Apartments Phase I	-150,000
2023	MISC	Frenchtown Wharf Park – Town of Elkton	-500,000
2023	MISC	Willing Helpers Society Renovation	-100,000
2024	MISC	Boys and Girls Club of Southern Maryland – Waldorf Club Park	-300,000
2025	MISC	Inner Harbor Promenade	-600,000
2025	MISC	Salem United Methodist Church	-35,000
<i>Additional Deauthorizations</i>			<i>-\$22,317,000</i>
Total Deauthorizations			-\$97,099,000

Other Amendments

<u>MCCBL</u> <u>Year(s)</u>	<u>Agency</u>	<u>Project Title</u>	<u>Amendment</u>
2016, 2018, 2019	MDOA	Senior Centers Capital Grant Program	Extends the termination date to June 1, 2028.
2017	MICUA	McDaniel College	Extends the termination date to June 1, 2028.
2018	HSMCC	Maryland Heritage Interpretive Center	Extends the termination date to June 1, 2028.
2018	USMO	Shady Grove Educational Center – Biomedical Sciences and Engineering Education Building	Extends the termination date to June 1, 2028.
2018	MSU	New Student Services Support Building	Extends the termination date to June 1, 2028.
2019	MDP	Maryland Historical Trust – African American Heritage Preservation Grant Program	Extends the termination date to June 1, 2028.
2019	MDP	Maryland Historical Trust Capital Grant Fund	Extends the termination date to June 1, 2028.
2019	MICUA	Stevenson University New Academic Building	Extends the termination date to June 1, 2028.
2019	MMD	Havre de Grace Combined Support Maintenance Shop Automotive and Surface Equipment Facility	Extends the termination date to June 1, 2028.
2019	UMB	Central Electric Substation and Electrical Infrastructure Upgrades	Extends the termination date to June 1, 2028.
2019	MHA	Howard County General Hospital	Extends the termination date to June 1, 2028.
2020	MDA	Salisbury Animal Health Laboratory Replacement	Adds construction as eligible use of funds; extends the termination date to June 1, 2028.
2022	UMBC	Sherman Hall Renovation	Adds construction as eligible use of funds.
2022	DNR	Critical Maintenance Program	Removes certain project earmarks.
2024	UMES	Campus Switchgear Replacement	Modifies project scope.
2024	DHCD	Baltimore Regional Neighborhood Initiative	Modifies restricted funds for specified projects.

MCCBL

<u>Year(s)</u>	<u>Agency</u>	<u>Project Title</u>	<u>Amendment</u>
2025	BPW	New Supreme Court of Maryland Building	Removes contingency to use portion of funds for New State Veteran's Home in Sykesville.
2025	UMES	Nuttle Hall Demolition	Amends project scope.
2025	DHCD	Baltimore Regional Neighborhood Initiative	Modifies restricted funds for specified projects.
2025	DHCD	National Capital Strategic Economic Development Fund	Modifies purpose of restricted funds for one project.
2025	STO	Amends Section 1(11)	Amends Section 1(11) to allow premiums from the sale of bonds in fiscal 2026 to be used to support capital expenditures authorized in the MCCBL of 2025.

BPW: Board of Public Works

BSU: Bowie State University

DGS: Department of General Services

DHCD: Department of Housing and Community Development

DJS: Department of Juvenile Services

DNR: Department of Natural Resources

DPSCS: Department of Public Safety and Correctional Services

FSU: Frostburg State University

HSMCC: Historic St. Mary's City Commission

MCCBL: Maryland Consolidated Capital Bond Loan

MDA: Maryland Department of Agriculture

MDOA: Maryland Department of Aging

MDP: Maryland Department of Planning

MHA: Maryland Hospital Association

MICUA: Maryland Independent College and University Association

MISC: miscellaneous

MMD: Maryland Military Department

MPBC: Maryland Public Broadcasting Commission

MSU: Morgan State University

SMCM: St. Mary's College of Maryland

STO: State Treasurer's Office

UMB: University of Maryland, Baltimore Campus

UMBC: University of Maryland, Baltimore County

UMES: University of Maryland Eastern Shore

USMO: University System of Maryland Office

Source: Department of Legislative Services

GO Bond Preauthorizations

The Maryland Consolidation Capital Bond Loan (MCCBL) of 2026 includes \$777.3 million of preauthorized GO bond authorizations for future fiscal years, including \$510.6 million for fiscal 2028. Of the \$510.6 million preauthorized for fiscal 2028, \$409.2 million either continues funding for existing State construction contracts or allows projects expected to be contracted during fiscal 2027 to proceed without the full amount of the construction authorization provided in the fiscal 2027 budget. The remaining \$101.4 million expresses the General Assembly's support of State and local projects. **Exhibit A-2.6** shows the preauthorizations for fiscal 2028 through 2030 that are included in the MCCBL of 2026.

Exhibit A-2.6
General Obligation Bond Preauthorizations
Fiscal 2028-2030

<u>Agency</u>	<u>Project Title</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Judiciary	New Supreme Court of Maryland Building	\$52,692,000	\$26,346,000	
Judiciary	Washington County District Court Renovation and Expansion	739,000		
MDP	African American Heritage Preservation Grant Program: Dowden Chapel	250,000		
MMD	Frederick Readiness Center Renovation and Expansion	2,678,000		
DNR	Natural Resources Development Fund	3,424,000		
MDH	Renovation of Clifton T. Perkins Hospital North Wing	28,593,000	4,766,000	
DPSCS	RCI Perimeter Fence System Replacement	12,801,000	2,133,000	
MSU	Campuswide Electric Infrastructure Upgrades	37,250,000	13,039,000	\$1,918,000
MSU	New Science Center, Phase II	74,944,000	55,551,000	
USM	101 W. Mt. Royal Ave., Baltimore Property Acquisition	7,100,000		
USM	Central Electric Substation and Electrical Infrastructure Upgrades	12,376,000		
USM	New Health and Human Sciences Complex	47,920,000		
USM	Rita Colwell Center Deferred Maintenance	4,820,000		
MHEC	Community College Construction Grant Program	65,092,000	68,515,000	25,781,000
BCCC	Learning Commons Renovation and Addition	23,903,000	3,984,000	
MSD	New Student Residences	22,937,000	40,206,000	8,650,000
MES	State Water and Sewer Infrastructure Improvement Fund	11,712,000		
DSP	Barrack L – Forestville: New Barrack and Garage	9,295,000	884,000	

<u>Agency</u>	<u>Project Title</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
MISC	City of Cambridge – Multiple Bridge Improvements	2,000,000		
MISC	Kingdom Care Center	500,000		
MISC	Luminis Health Doctors Community Medical Center – New Obstetrical Care Tower	10,000,000		
MISC	MedStar Southern Maryland Hospital	13,000,000		
MISC	Mount Vernon Place Conservancy – North and South Squares Revitalization	250,000		
MISC	Olney Satellite Police Station and Community Facility	2,000,000		
MISC	Pikesville Armory Foundation – Pikesville Armory Renovation	3,000,000		
MISC	Suitland – Silver Hill Redevelopment	10,000,000		
MISC	Westminster Fiber Project	1,000,000		
MISC	Ambassador Theater	250,000		
MISC	Arts Every Day	2,500,000		
MISC	Asian American Healthcare, Inc.	200,000		
MISC	Athlife Foundation	500,000		
MISC	B&O Railroad Museum Restoration	3,000,000		
MISC	Bel Air Community Park	2,000,000		
MISC	Bluebird Education Network, Clay Hill Public Charter School	1,000,000		
MISC	Bowleys Quarters Volunteer Fire Department	1,400,000		
MISC	Burtonsville Park and Ride	2,000,000		
MISC	Former GEICO Headquarters Redevelopment	2,500,000		
MISC	Howard County Chinese School Expansion for Cultural and Educational Enrichment	100,000		
MISC	Howard House Revitalization	1,330,000		
MISC	Inner Harbor Promenade	600,000		
MISC	International Union of Painters and Allied Trades, District Council 51	350,000		
MISC	MD 32 Noise Mitigation for Fox Valley Estates	2,500,000		

<u>Agency</u>	<u>Project Title</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
MISC	Montgomery County Fraternal Order of Police Lodge No. 35	250,000		
MISC	National Aquarium in Baltimore – Infrastructure Improvements	5,000,000		
MISC	North Locust Point Terminal	5,000,000		
MISC	Olney Boys and Girls Club	50,000		
MISC	Owings Mills High School – Field Improvements	1,000,000		
MISC	Port Discovery Capital Upgrades – Phase B	800,000		
MISC	Sandy Spring Volunteer Fire Department	1,450,000		
MISC	Schucks Road Regional Complex	500,000		
MISC	Solo Gibbs Recreation Center	1,000,000		
MISC	White Oak Redevelopment	15,000,000	15,000,000	
Preauthorizations		\$510,556,000	\$230,424,000	\$36,349,000

BCCC: Baltimore City Community College
 DNR: Department of Natural Resources
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 MDH: Maryland Department of Health
 MDP: Maryland Department of Planning
 MES: Maryland Environmental Service
 MHEC: Maryland Higher Education Commission

MISC: miscellaneous
 MMD: Maryland Military Department
 MSD: Maryland School for the Deaf
 MSU: Morgan State University
 RCI: Roxbury Correctional Institute
 USM: University System of Maryland

Source: Department of Legislative Services

Modifications to State Finance and Procurement Article

The MCCBL of 2026 also amended the State Finance and Procurement Article to change requirements related to the termination of miscellaneous capital grants as well as agency capital programs. The language makes the following changes:

- repeals the two-year termination for unencumbered miscellaneous capital grants, for both GO bond and PAYGO grants;
- requires that the Department of General Services submit an annual report to the Legislative Policy Committee identifying miscellaneous capital grants with no activity for three or more years;

- exempts capital programs administered by State agencies from the seven-year termination of GO bonds; and
- clarifies language regarding the termination of GO bond authorizations.

State Aid to Local Governments

Overview

State aid to local governments will total \$11.9 billion in fiscal 2027, representing a \$409.4 million, or 3.6%, increase over fiscal 2026. Direct aid will increase by \$370.6 million, and State funding for retirement payments will increase by \$38.8 million. Local school systems will receive the largest total increase in State funding on a dollar and percentage basis. **Exhibit A-3.1** compares State aid by governmental entity in fiscal 2026 and 2027.

Exhibit A-3.1
State Aid to Local Governments
Fiscal 2026 and 2027
(\$ in Millions)

	<u>2026</u>	<u>2027</u>	<u>\$ Difference</u>	<u>% Difference</u>
Public Schools	\$8,778.1	\$9,115.9	\$337.8	3.8%
Libraries	73.1	75.6	2.5	3.4%
Community Colleges	447.1	458.1	11.1	2.5%
Local Health	115.2	115.2	0.0	0.0%
County/Municipal	1,046.6	1,065.8	19.2	1.8%
Subtotal – Direct Aid	\$10,460.0	\$10,830.6	\$370.6	3.5%
Retirement Payments	\$1,067.5	\$1,106.3	\$38.8	3.6%
Total	\$11,527.5	\$11,936.9	\$409.4	3.6%

Source: Department of Legislative Services

Major Legislative and Budgetary Actions

The Administration's fiscal 2027 budget and actions taken by the General Assembly during the 2026 session resulted in several changes to State aid to local governments, including both enhancements and reductions as detailed in **Exhibit A-3.2**. A summary of these actions for each county is provided in **Exhibit A-3.3**.

Exhibit A-3.2
Changes to State Aid Under Legislative Budget Plan
Fiscal 2027
(\$ in Millions)

<u>Aid Program</u>	<u>Fiscal Impact</u>
Public Schools	
Revised FRPM Count – Formula Aid	\$228.5
Prekindergarten Programs	6.7
Special Education – High Acuity Students	1.0
<i>Subtotal</i>	<i>\$236.2</i>
Community Colleges	
Cade Formula Aid	-\$21.0
Police Aid Enhancement	
Police Aid Enhancement Grants	-\$6.0
Encrypted Communications Systems	6.0
<i>Subtotal</i>	<i>\$0.0</i>
Special Grants	
Dispatch System – Baltimore City	\$8.0
Public Safety Grants – Baltimore City	5.6
Enoch Pratt Free Library	0.6
Miscellaneous Grants	0.7
<i>Subtotal</i>	<i>\$14.9</i>
Retirement Payments	
Public Schools	-\$36.2
Libraries	-0.7
Community Colleges	-2.3
<i>Subtotal</i>	<i>-\$39.3</i>
Total State Aid	\$190.8

FRPM: free and reduced-price meal

Source: Department of Legislative Services

Exhibit A-3.3
Changes to State Aid Under Legislative Budget Plan
Fiscal 2027
(\$ in Thousands)

County	Public Schools	Community Colleges	Police Aid Enhancement	Special Grants	Retirement Payments	Total State Aid
Allegany	\$3,131	-\$219	-\$40	\$0	-\$386	\$2,486
Anne Arundel	913	-3,818	-412	0	-3,605	-6,922
Baltimore City	113,652	0	-2,112	13,849	-3,239	122,151
Baltimore	7,054	-2,900	-804	250	-4,770	-1,171
Calvert	-165	-210	-27	0	-637	-1,039
Caroline	4,236	-17	-23	0	-224	3,972
Carroll	-330	-595	-102	0	-1,038	-2,064
Cecil	-264	-72	-84	0	-637	-1,057
Charles	2,209	-430	-130	0	-1,115	535
Dorchester	-84	-13	-32	0	-204	-334
Frederick	-890	-1,480	-149	50	-1,974	-4,442
Garrett	3,475	0	-5	0	-160	3,310
Harford	-662	-609	-139	0	-1,613	-3,023
Howard	157	-909	-106	0	-2,866	-3,724
Kent	145	-5	-6	0	-90	44
Montgomery	18,871	-3,116	-474	100	-7,893	7,488
Prince George's	67,053	-4,479	-973	100	-5,675	56,025
Queen Anne's	-23	-21	-11	0	-283	-338
St. Mary's	239	-257	-49	0	-643	-710
Somerset	-146	-182	-24	0	-129	-481
Talbot	-36	-15	-22	0	-198	-271
Washington	4,262	0	-121	0	-882	3,259
Wicomico	3,126	-1,223	-118	0	-674	1,111
Worcester	238	-421	-37	0	-350	-569
Unallocated	10,003	0	6,000	550	0	16,553
Total	\$236,163	-\$20,990	\$0	\$14,899	-\$39,284	\$190,788

Source: Department of Legislative Services

Public schools receive the majority of the increases in State funding. The Administration's decision to apply a revised enrollment count for free and reduced-price meals (FRPM) increases public school funding statewide by \$228.5 million above statutory funding levels. Prekindergarten programs also benefit from an additional \$6.7 million in State support. The General Assembly further allocated funding to Anne Arundel County Public Schools for a pilot program for high acuity students. Other major enhancements include \$8.0 million for Baltimore City to replace its dispatch communications system, along with several public safety and miscellaneous grants to Baltimore City and other local governments.

The Budget Reconciliation and Financing Act (BRFA) of 2026, *Senate Bill 284 (Ch. 6)*, reduces community college funding under the Cade formula in fiscal 2027 by \$21.0 million statewide by capping each institution's year-over-year increase at 3% through fiscal 2029. In addition, the BRFA of 2026 shifts a greater share of employer pension contributions for teachers, librarians, and community college faculty to county governments. Finally, budget language carves out part of the police aid enhancement funding for grants supporting encrypted communications systems.

Changes by Program

State aid to local governments increases for Baltimore City and all counties in fiscal 2027, except for Garrett County. The decrease in State aid for Garrett County is due to a sizeable increase in property assessments, a continued decrease in student enrollment, and the elimination of a one-time education grant to offset prior year reductions in State education aid. **Exhibit A-3.4** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit A-3.5** shows total State aid in fiscal 2026 and 2027 by program. A more detailed discussion of the changes in State aid in fiscal 2027 follows the exhibits.

Exhibit A-3.4
State Aid to Local Governments
Fiscal 2027 Legislative Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total	Change Over FY 2026	Percent Change
			Public Schools	Libraries	Health	Subtotal				
Allegany	\$24,360	\$11,778	\$121,520	\$917	\$4,659	\$163,235	\$10,882	\$174,117	\$10,349	6.3%
Anne Arundel	57,117	47,114	615,036	3,359	9,614	732,240	100,461	832,701	24,700	3.1%
Baltimore City	422,058	0	1,353,600	9,962	13,071	1,798,691	90,978	1,889,669	84,953	4.7%
Baltimore	36,596	74,693	1,060,534	8,062	8,627	1,188,512	135,440	1,323,953	38,229	3.0%
Calvert	7,890	4,997	117,649	661	2,799	133,995	17,933	151,928	4,893	3.3%
Caroline	8,265	3,070	89,991	397	2,043	103,766	6,299	110,064	4,881	4.6%
Carroll	11,057	15,498	203,152	1,353	4,453	235,513	29,209	264,723	8,460	3.3%
Cecil	11,235	9,953	152,133	1,030	3,174	177,524	18,182	195,707	3,024	1.6%
Charles	7,892	10,251	289,442	1,489	4,722	313,796	31,363	345,159	15,249	4.6%
Dorchester	9,804	2,269	64,752	369	2,525	79,719	5,656	85,375	1,930	2.3%
Frederick	17,721	24,602	414,069	2,092	5,060	463,544	54,500	518,045	14,932	3.0%
Garrett	7,644	6,272	25,840	116	2,503	42,376	4,574	46,950	-2,043	-4.2%
Harford	13,025	20,118	347,345	2,277	5,847	388,613	45,688	434,300	15,375	3.7%
Howard	13,449	36,928	415,185	1,364	5,607	472,532	81,103	553,635	18,562	3.5%
Kent	2,153	949	13,761	139	2,204	19,207	2,591	21,798	545	2.6%
Montgomery	73,378	79,796	1,054,791	4,134	6,304	1,218,404	221,748	1,440,152	17,167	1.2%
Prince George's	167,451	55,068	1,808,015	9,297	10,039	2,049,870	160,811	2,210,681	105,501	5.0%
Queen Anne's	3,578	3,728	47,242	228	2,004	56,780	7,975	64,755	1,196	1.9%
St. Mary's	5,342	6,130	155,059	1,003	3,560	171,094	18,162	189,257	3,236	1.7%
Somerset	11,227	1,501	48,625	352	1,876	63,581	3,624	67,205	1,880	2.9%
Talbot	4,403	2,748	25,239	146	1,862	34,398	5,625	40,022	861	2.2%
Washington	13,091	20,543	277,502	1,684	4,402	317,222	24,551	341,773	11,616	3.5%
Wicomico	22,588	10,080	232,787	1,333	4,692	271,480	18,887	290,368	3,455	1.2%
Worcester	11,148	3,468	34,095	208	3,510	52,428	10,039	62,467	1,183	1.9%
Unallocated	103,344	6,588	148,543	23,603	0	282,077	0	282,077	19,256	7.3%
Total	\$1,065,815	\$458,140	\$9,115,907	\$75,576	\$115,158	\$10,830,596	\$1,106,283	\$11,936,880	\$409,391	3.6%

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

State Aid to Local Governments
Fiscal 2026 Working Appropriation
(\$ in Thousands)

<i>Direct State Aid</i>								
County	County – Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal	Retirement	Total
Allegany	\$18,884	\$11,477	\$116,694	\$913	\$5,258	\$153,225	\$10,543	\$163,768
Anne Arundel	57,406	45,798	596,918	3,234	9,455	712,811	95,190	808,001
Baltimore City	415,321	0	1,284,420	9,812	10,405	1,719,957	84,758	1,804,715
Baltimore	38,594	72,823	1,026,973	7,825	6,819	1,153,033	132,690	1,285,724
Calvert	7,894	5,001	112,046	629	3,426	128,996	18,039	147,035
Caroline	8,565	3,211	84,754	382	2,186	99,097	6,086	105,183
Carroll	11,132	15,074	196,594	1,351	4,671	228,821	27,442	256,263
Cecil	11,304	9,693	149,572	1,013	3,399	174,981	17,701	192,682
Charles	7,991	9,768	276,619	1,442	5,300	301,120	28,790	329,911
Dorchester	10,112	2,118	62,439	364	3,006	78,039	5,407	83,446
Frederick	17,767	23,978	401,216	2,067	5,154	450,183	52,929	503,112
Garrett	7,737	6,175	27,546	144	2,953	44,556	4,438	48,993
Harford	13,126	19,602	333,508	2,249	6,002	374,487	44,438	418,925
Howard	13,496	36,024	397,558	1,311	6,283	454,672	80,402	535,073
Kent	2,155	906	12,990	135	2,620	18,804	2,449	21,253
Montgomery	76,760	77,768	1,041,495	3,959	5,065	1,205,047	217,938	1,422,985
Prince George's	170,047	53,030	1,713,745	8,838	8,321	1,953,981	151,198	2,105,179
Queen Anne's	3,577	3,581	45,649	224	2,296	55,326	8,234	63,559
St. Mary's	5,378	6,327	151,233	975	4,029	167,941	18,079	186,021
Somerset	12,007	1,435	45,579	344	2,104	61,470	3,855	65,325
Talbot	4,408	2,614	24,546	141	2,186	33,895	5,267	39,162
Washington	13,114	21,019	266,114	1,667	4,453	306,367	23,790	330,157
Wicomico	25,682	9,690	226,669	1,300	5,416	268,757	18,156	286,913
Worcester	11,171	3,445	32,473	203	4,353	51,645	9,639	61,284
Unallocated	82,985	6,499	150,753	22,583	0	262,820	0	262,820
Total	\$1,046,611	\$447,057	\$8,778,101	\$73,105	\$115,158	\$10,460,032	\$1,067,457	\$11,527,489

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 2027 Legislative Appropriation and Fiscal 2026 Working Appropriation
(\$ in Thousands)

<i>Direct State Aid</i>								
County	County – Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal	Retirement	Total
Allegany	\$5,476	\$301	\$4,826	\$5	-\$598	\$10,010	\$339	\$10,349
Anne Arundel	-290	1,316	18,119	125	159	19,429	5,271	24,700
Baltimore City	6,737	0	69,180	150	2,665	78,733	6,220	84,953
Baltimore	-1,998	1,870	33,561	237	1,809	35,479	2,750	38,229
Calvert	-4	-4	5,603	31	-627	4,999	-106	4,893
Caroline	-300	-141	5,237	15	-143	4,669	212	4,881
Carroll	-74	424	6,558	2	-218	6,692	1,768	8,460
Cecil	-69	260	2,561	17	-226	2,543	481	3,024
Charles	-100	482	12,824	47	-577	12,676	2,573	15,249
Dorchester	-307	151	2,313	5	-480	1,680	249	1,930
Frederick	-46	623	12,853	25	-94	13,362	1,571	14,932
Garrett	-93	97	-1,706	-27	-450	-2,180	137	-2,043
Harford	-101	516	13,837	28	-154	14,126	1,249	15,375
Howard	-47	904	17,627	52	-676	17,861	701	18,562
Kent	-1	43	772	4	-415	402	143	545
Montgomery	-3,382	2,028	13,296	176	1,239	13,356	3,810	17,167
Prince George's	-2,596	2,039	94,270	459	1,717	95,889	9,613	105,501
Queen Anne's	1	147	1,593	4	-291	1,454	-258	1,196
St. Mary's	-36	-197	3,827	28	-469	3,153	83	3,236
Somerset	-780	66	3,046	8	-228	2,111	-230	1,880
Talbot	-5	134	693	5	-324	503	358	861
Washington	-23	-476	11,388	17	-51	10,855	761	11,616
Wicomico	-3,094	389	6,118	33	-724	2,723	732	3,455
Worcester	-23	23	1,622	5	-843	783	400	1,183
Unallocated	20,359	89	-2,210	1,019	0	19,256	0	19,256
Total	\$19,204	\$11,084	\$337,806	\$2,471	\$0	\$370,565	\$38,826	\$409,391

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

State Aid to Local Governments
Percent Change: Fiscal 2027 Legislative Appropriation over Fiscal 2026 Working Appropriation

County	<i>Direct State Aid</i>						Retirement	Total
	County – Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	29.0%	2.6%	4.1%	0.5%	-11.4%	6.5%	3.2%	6.3%
Anne Arundel	-0.5%	2.9%	3.0%	3.9%	1.7%	2.7%	5.5%	3.1%
Baltimore City	1.6%	n/a	5.4%	1.5%	25.6%	4.6%	7.3%	4.7%
Baltimore	-5.2%	2.6%	3.3%	3.0%	26.5%	3.1%	2.1%	3.0%
Calvert	0.0%	-0.1%	5.0%	5.0%	-18.3%	3.9%	-0.6%	3.3%
Caroline	-3.5%	-4.4%	6.2%	4.0%	-6.5%	4.7%	3.5%	4.6%
Carroll	-0.7%	2.8%	3.3%	0.2%	-4.7%	2.9%	6.4%	3.3%
Cecil	-0.6%	2.7%	1.7%	1.7%	-6.6%	1.5%	2.7%	1.6%
Charles	-1.2%	4.9%	4.6%	3.3%	-10.9%	4.2%	8.9%	4.6%
Dorchester	-3.0%	7.1%	3.7%	1.4%	-16.0%	2.2%	4.6%	2.3%
Frederick	-0.3%	2.6%	3.2%	1.2%	-1.8%	3.0%	3.0%	3.0%
Garrett	-1.2%	1.6%	-6.2%	-19.0%	-15.2%	-4.9%	3.1%	-4.2%
Harford	-0.8%	2.6%	4.1%	1.3%	-2.6%	3.8%	2.8%	3.7%
Howard	-0.3%	2.5%	4.4%	4.0%	-10.8%	3.9%	0.9%	3.5%
Kent	-0.1%	4.8%	5.9%	2.7%	-15.8%	2.1%	5.8%	2.6%
Montgomery	-4.4%	2.6%	1.3%	4.4%	24.5%	1.1%	1.7%	1.2%
Prince George's	-1.5%	3.8%	5.5%	5.2%	20.6%	4.9%	6.4%	5.0%
Queen Anne's	0.0%	4.1%	3.5%	1.9%	-12.7%	2.6%	-3.1%	1.9%
St. Mary's	-0.7%	-3.1%	2.5%	2.9%	-11.6%	1.9%	0.5%	1.7%
Somerset	-6.5%	4.6%	6.7%	2.2%	-10.8%	3.4%	-6.0%	2.9%
Talbot	-0.1%	5.1%	2.8%	3.3%	-14.8%	1.5%	6.8%	2.2%
Washington	-0.2%	-2.3%	4.3%	1.0%	-1.1%	3.5%	3.2%	3.5%
Wicomico	-12.0%	4.0%	2.7%	2.6%	-13.4%	1.0%	4.0%	1.2%
Worcester	-0.2%	0.7%	5.0%	2.5%	-19.4%	1.5%	4.1%	1.9%
Unallocated	24.5%	1.4%	-1.5%	4.5%	n/a	7.3%	n/a	7.3%
Total	1.8%	2.5%	3.8%	3.4%	0.0%	3.5%	3.6%	3.6%

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

Exhibit A-3.5
Total State Aid to Local Governments

<u>Program</u>	<u>Fiscal 2026</u>	<u>Fiscal 2027</u>	<u>Difference</u>
Foundation Aid	\$3,981,543,393	\$4,117,128,064	\$135,584,671
Foundation – Special Grants	1,969,251	0	-1,969,251
Comparable Wage Index	157,897,887	159,907,056	2,009,169
Compensatory Education	1,778,637,727	1,738,239,134	-40,398,593
Student Transportation – Regular	352,000,869	355,619,903	3,619,034
Student Transportation – Special Education	29,917,000	31,377,000	1,460,000
Special Education – Formula	589,791,769	691,424,378	101,632,609
Special Education – Nonpublic Placements	147,108,159	125,534,440	-21,573,719
Special Education – Infants and Toddlers	18,099,919	19,242,082	1,142,163
Special Education – High Acuity Students	0	1,000,000	1,000,000
English Learners Grant	554,454,771	542,029,056	-12,425,715
Guaranteed Tax Base	64,964,792	68,983,149	4,018,357
Prekindergarten Expansion Program	26,644,000	36,644,000	10,000,000
School Safety Grants	23,600,000	20,600,000	-3,000,000
Blueprint – Concentration of Poverty	492,583,576	572,672,740	80,089,164
Blueprint – Transitional Instruction	23,856,991	0	-23,856,991
Blueprint – Transition Grants	37,497,504	28,844,235	-8,653,269
Blueprint – Full Day PreKindergarten	172,617,689	254,729,651	82,111,962
Blueprint – College and Career Readiness	31,769,353	30,866,029	-903,324
Blueprint – Education Effort Index	145,398,431	166,051,382	20,652,951
Blueprint – Career Ladder	26,202,362	29,074,593	2,872,231
Blueprint – Coordinators	1,823,958	1,823,725	-233
Food Service	20,296,664	18,296,664	-2,000,000
SEED School	13,646,664	14,177,600	530,936
Judy Hoyer Centers	36,816,380	42,756,380	5,940,000
Teacher Development	20,430,000	20,430,000	0
Public School Opportunities	3,000,000	3,000,000	0
Out-of-county Foster Placements	1,750,000	1,750,000	0
Head Start	3,000,000	3,000,000	0
Other Education Aid	20,782,038	20,705,970	-76,068
Total Primary and Secondary Education	\$8,778,101,147	\$9,115,907,231	\$337,806,084
Library Formula	\$50,521,621	\$51,973,522	\$1,451,901
Library Network	22,583,357	23,602,516	1,019,159
Total Libraries	\$73,104,978	\$75,576,038	\$2,471,060

<u>Program</u>	<u>Fiscal 2026</u>	<u>Fiscal 2027</u>	<u>Difference</u>
Community College Formula	\$404,517,218	\$415,311,261	\$10,794,043
Optional Retirement	19,541,338	18,906,049	-635,289
Grants for ESOL Programs	4,661,416	4,893,863	232,447
Small College Grants	11,837,687	12,191,678	353,991
Other Community College Aid	6,499,071	6,837,573	338,502
Total Community Colleges	\$447,056,730	\$458,140,424	\$11,083,694
Highway User Revenue	\$437,422,493	\$437,633,666	\$211,173
Elderly and Disabled Transportation Aid	4,628,239	4,743,944	115,705
Paratransit Grants	1,408,450	1,408,450	0
Bus Rapid Transit Systems	27,000,000	27,000,000	0
Purple Line Access	6,622,088	0	-6,622,088
Total Transportation	\$477,081,270	\$470,786,060	-\$6,295,210
Police Aid	\$75,924,058	\$77,010,378	\$1,086,320
Police Aid Enhancement	45,878,144	41,132,583	-4,745,561
Fire and Rescue Aid	16,500,000	16,500,000	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	5,450,000	1,850,000
State's Attorney Grants	2,905,955	2,905,955	0
Violent Crime Grants	2,292,489	2,292,489	0
Vehicle Theft Prevention	2,445,296	2,400,000	-45,296
Drug Enforcement Grants	1,214,610	1,214,610	0
Maryland Criminal Intelligence Network	6,723,865	6,723,865	0
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	4,000,000	0	-4,000,000
Warrant Apprehension Grant	4,250,000	3,250,000	-1,000,000
Group Violence Reduction Strategy	0	2,500,000	2,500,000
Encrypted Communications Systems	0	6,000,000	6,000,000
Other Public Safety Aid	5,426,509	5,426,509	0
Total Public Safety	\$213,563,034	\$215,208,497	\$1,645,463

<u>Program</u>	<u>Fiscal 2026</u>	<u>Fiscal 2027</u>	<u>Difference</u>
Wastewater Treatment – Nutrient Removal	\$11,000,000	\$11,000,000	0
Critical Area Grants	159,356	159,356	0
Total Recreation/Environment	\$11,159,356	\$11,159,356	\$0
Local Health Formula	\$115,158,148	\$115,158,148	\$0
Disparity Grant	\$193,742,448	\$203,599,585	\$9,857,137
Gaming Impact Grants	\$102,081,669	\$102,670,371	\$588,702
Teachers Retirement Supplemental Grants	13,829,332	0	-13,829,332
Adult Education	7,611,986	7,611,986	0
Statewide Voting Systems	3,170,661	21,635,235	18,464,574
Revenue Equity Program	4,142,365	4,334,673	192,308
Payments in Lieu of Taxes (PILOT)	1,774,074	1,774,074	0
PILOT – Park Service	2,640,000	2,630,000	-10,000
PILOT – Forest Service	199,604	199,604	0
Instant Bingo	3,150,000	3,150,000	0
Cannabis Sales Tax	2,133,097	3,044,887	911,790
Behavioral Health Crisis Response	5,000,000	5,000,000	0
Senior Citizens Activities Center	765,241	765,241	0
Local Impact Grants	3,250,000	3,250,000	0
Maryland Park Explorers Program	100,000	0	-100,000
Prince George’s County Reentry Program	500,000	350,000	-150,000
Miscellaneous Grants	716,456	8,645,000	7,928,544
Total Other Direct Aid	\$151,064,485	\$165,061,071	\$13,996,586
Total Direct Aid	\$10,460,031,596	\$10,830,596,410	\$370,564,814
Retirement – Teachers	\$981,762,231	\$1,017,978,410	\$36,216,179
Retirement – Libraries	27,725,438	27,990,432	264,994
Retirement – Community Colleges	57,969,531	60,314,354	2,344,823
Total Payments-in-behalf	\$1,067,457,200	\$1,106,283,196	\$38,825,996
Total State Aid	\$11,527,488,796	\$11,936,879,606	\$409,390,810

ESOL: English for Speakers of Other Languages

Source: Department of Legislative Services

Primary and Secondary Education

Public schools account for the vast majority of State funding to local governments, representing approximately 85% of total State aid. State aid to public schools will total \$10.1 billion in fiscal 2027, an increase of \$374.0 million over fiscal 2026, and includes \$9.1 billion in direct aid and \$1.0 billion in retirement payments. The total increase is driven by four major direct aid programs that each increase by over \$80.0 million and teachers' retirement payments (\$36.2 million increase). The following provides (1) a summary of the funding increases for these programs, including the foundation program, which remains the single greatest contributor to overall State aid to public schools; and (2) a discussion of substantial decreases in year-to-year funding for some programs, partially offsetting overall State public school funding increases.

Foundation formula funding increases by \$135.6 million in fiscal 2027, or 3.4%, due to a 3.6% increase in the per pupil funding amount and despite a 0.6% decrease in the student enrollment count used to determine program funding. Comparable wage index funding, which is linked to the foundation program, increases by \$2.0 million in fiscal 2027.

Concentration of Poverty Grant program funding increases by \$80.1 million in fiscal 2027, partially due to the inclusion of \$24.1 million in the State budget beyond the mandated level for the program, consistent with *Senate Bill 311 (passed)*. The increase in funding is also due to the expansion of school eligibility for per pupil grants, inflation adjustments, and enhanced funding for schools reaching an additional year of eligibility.

Special education formula funding increases by \$101.6 million in fiscal 2027, due to a 14.7% per pupil funding increase and a 2.0% increase in the relevant enrollment count. The BRFA of 2026, through a provision added by the General Assembly, limits Tier II full-day prekindergarten to students whose families earn between 300% and 450% (as opposed to 600%) of the federal poverty level. Even with this legislative change, the full-day prekindergarten program increases by \$82.1 million in fiscal 2027.

The increases described above are partially offset by substantial fiscal 2027 decreases in State funding for other major direct aid programs. Formula funding for English learners decreases by \$12.4 million in fiscal 2027, due to a 3.6% decrease in the relevant enrollment count. Nonpublic special education placement funding decreases by \$21.6 million, or 14.7%. Compensatory education funding, which provides additional resources for students from low-income families, decreases by \$40.4 million in fiscal 2027. This decrease is due to a 0.7% decrease in per pupil funding and a 1.7% decrease in student enrollment for the program. State funding for compensatory education would have realized an even greater funding decrease without the adoption of a revised enrollment count for FRPMs as provided in *Senate Bill 311*. This provision provides \$137.8 million in additional funding for the program as reflected in the State budget. Finally, transitional supplemental instruction grants, for students in kindergarten through grade 3 who are identified as struggling learners, sunset after fiscal 2026, resulting in a \$23.9 million decrease in State funding in fiscal 2027.

State aid for teachers' retirement increases by \$36.2 million, or 3.7%, despite a provision in the BRFA that reduces the State share, and increases the county share, of employer pension contributions for Teachers' Retirement System/Teachers' Pension System members employed by local school systems, community colleges, and libraries annually, beginning in fiscal 2027.

Local Libraries

State aid to local libraries will total \$103.6 million in fiscal 2027, an increase of \$2.7 million, which includes \$75.6 million in direct aid and \$28.0 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 (SLRC) 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 set at \$19.10 for fiscal 2027 and each year thereafter, resulting in a statewide total of \$49.0 million in fiscal 2027. In addition, Baltimore City continues to receive \$3.0 million annually to support expanded operations as it has since fiscal 2018. *Senate Bill 378 (passed)* phases in increases to per capita funding amounts over five years, rising from \$19.50 in fiscal 2028 to \$21.15 by fiscal 2032 and each year thereafter.

The State also provides State library network funding in the form of per capita funding to regional resource centers (\$9.99 per capita in fiscal 2027) and for SLRC (\$2.07 annually). State library network funding totals \$23.6 million in fiscal 2027, including a one-time \$550,000 grant to the Enoch Pratt Free Library provided by the General Assembly. This reflects a \$1.0 million increase over the prior year. *Senate Bill 378* also raises per capita funding amounts to regional resource centers over five years, from \$10.19 in fiscal 2028 to \$11.02 in fiscal 2032 and each year thereafter. *Senate Bill 410/House Bill 660 (passed)* similarly increase per capita funding for SLRC from \$2.17 in fiscal 2028 to \$2.64 in fiscal 2032 and each year thereafter.

Community Colleges

State aid to local community colleges will total \$518.5 million in fiscal 2027, an increase of \$13.4 million, which includes \$458.1 million in direct aid and \$60.3 million in retirement payments. Community colleges account for 4.3% of total State aid to local governments.

The Cade funding formula is the main source of State funding in support of community colleges. The formula is based on a percentage (27.2%) of the current year's State aid to selected four-year public higher education institutions and the total number of full-time equivalent students at the community colleges. The total is then distributed to each college based on the previous year's direct grant, enrollment, and a small-size factor.

The BRFA of 2026 includes a provision capping each community college's year-over-year increase at 3% under the Cade funding formula for fiscal 2027 through 2029. The fiscal 2027

budget also includes a \$250,000 grant to Prince George's County to study the feasibility of establishing an Aerospace Aviation program at Prince George's Community College.

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. In fiscal 2027, State funding for local health departments will total \$115.2 million, level with the prior year. This figure excludes cost-of-living or salary adjustments for State employees at local health departments, which are anticipated to be distributed separately.

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. For fiscal 2027, local governments receive 20% of total GMVRA revenues; this allocation is scheduled to decline to 15.6% beginning in fiscal 2028. 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 2027, local highway user revenues will total \$437.6 million, a \$0.2 million increase over the fiscal 2026 amount. Of this amount, county governments will receive \$105.0 million, municipal governments will receive \$65.6 million, and Baltimore City will receive \$267.0 million.

In accordance with statutory requirements, the State budget provides \$27.0 million in dedicated funding for a bus rapid transit system in Montgomery County, comprising \$17.0 million in State lottery fund distributions and \$10.0 million from the Transportation Trust Fund (TTF). *House Bill 1581 (passed)* requires a distribution of \$2.0 million to Howard County for a bus rapid transit system and further modifies the TTF mandate, increasing the annual appropriation from \$10.0 million to \$12.0 million beginning in fiscal 2027.

Local governments will also receive \$4.7 million for elderly and disabled transportation services and \$1.4 million in support for paratransit services, largely consistent with prior year funding levels.

Public Safety

State aid for public safety programs will total \$215.2 million in fiscal 2027. 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 \$77.0 million in fiscal 2027, a \$1.1 million increase over the fiscal 2026 amount, resulting from minor increases in population.

The State budget also includes, for the fifth consecutive year, 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. In fiscal 2027, \$41.1 million is provided for this purpose. Under the budget bill, *Senate Bill 282 (Ch. 4)*, law enforcement agencies must attest to the Governor's Office of Crime Prevention and Policy (GOCPP) compliance with the Maryland Sexual Assault Kit Initiative Victim Notification Protocol before receiving their share of funds. The Act also earmarks \$6.0 million for GOCPP to provide grants to law enforcement agencies to encrypt communications systems.

Notably, the BRFA of 2026 requires the Comptroller to suspend, until notification of compliance is received, enhanced or discretionary police protection funding for any county or qualifying municipality that is found to be not in compliance with State law related to immigration enforcement agreements.

Local law enforcement agencies receive additional State funding through targeted crime grants, which will total \$46.1 million in fiscal 2027. This funding includes a \$2.5 million targeted crime grant to Baltimore City for the Group Violence Reduction Strategy, as well as a \$1.85 million increase in funding for the Safe Streets Initiative, a community-based violence prevention and intervention program.

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 2027 at \$28.4 million. Local governments will also receive \$16.5 million for fire and rescue aid in fiscal 2027, 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.

Based on the current statutory formula, Baltimore City and eight counties (Allegany, Caroline, Dorchester, Garrett, Prince George's, Somerset, Washington, and Wicomico) qualify for disparity grants. The Administration's fiscal 2027 budget, as introduced, included a provision in the BRFA of 2026 to level-fund the disparity grant program at the fiscal 2026 formula amount of \$176.6 million for fiscal 2027 through 2029. This represented a \$17.1 million reduction from the \$193.7 million in total aid provided in fiscal 2026, which included a one-time grant to raise the

minimum funding level for five jurisdictions that imposed the maximum 3.2% local income tax rate from 75% to 90%. The General Assembly rejected the provision and restored the full formula-required amount for the program. In fiscal 2027, disparity grant funding will total \$203.6 million, representing a \$9.9 million increase compared to the enhanced fiscal 2026 amount.

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 2027, gaming impact grants total \$102.7 million, an increase of \$0.6 million over fiscal 2026 levels.

Cannabis Sales Tax

Chapters 254 and 255 of 2023, which implemented the regulatory framework for the cannabis industry, require the Comptroller to distribute 5% of the sales and use tax collected from cannabis sales to Maryland counties and municipalities. Each county's share is based on the percentage of cannabis tax revenue generated within that county. A county must pay to a municipality within the county 50% of its allocation that is attributable to cannabis tax revenue generated by a dispensary located within that municipality. Cannabis sales tax distributions will total \$3.0 million in fiscal 2027, an increase of \$0.9 million over fiscal 2026.

Other Grants

The fiscal 2027 budget includes various one-time and miscellaneous grants to local governments. Baltimore City will receive \$8.0 million to replace the city's dispatch communications system, which supports call processing for fire, police, and public works agencies. Baltimore City will also receive two grants of \$100,000 each: one for the Baltimore City Department of Recreation and Parks for portable lighting for youth fields; and one for the Baltimore City Department of Transportation for stop sign safety camera implementation. The Baltimore City Department of Recreation and Parks will further receive a \$45,000 grant for a flag football league.

Baltimore County will receive a \$250,000 grant through the West Baltimore County Redevelopment Authority to support recommendations regarding the acquisition, development, redevelopment, or disposal of land or property in west Baltimore County. The Montgomery County Department of Recreation will receive a \$100,000 grant for a new recreation center. Additionally, the City of Frederick will receive a \$50,000 grant for operating and programming costs associated with the Frederick Youth Center.

Prince George's County will receive \$3.0 million as required by the mandated annual distribution from the State Lottery Fund for supplemental local impact grants. Separately, Chapter 403 of 2025 requires that \$250,000 in supplemental local impact aid from Racetrax lottery

proceeds be distributed to Anne Arundel County, Howard County, and the City of Laurel in accordance with established proportions in fiscal 2026 and 2027.

Chapter 791 of 2023 requires the Governor to include in the annual budget an appropriation of \$500,000 in each of fiscal years 2025 through 2028 for the Prince George's County Reentry Employment Incentive Program. The BRFA of 2026 reduces this mandated appropriation to \$350,000 for fiscal 2027 and 2028.

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 in the following.

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 2027 State budget includes \$10.8 billion to fund these programs. Part A, section 1 of each county's statistical tables, compares aid distributed to the county in fiscal 2026 and 2027.

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 \$1.1 billion in fiscal 2027. 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 2027 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 \$2.3 billion statewide for these programs in fiscal 2027. In addition, \$96.8 million in special funds, primarily from the Cigarette Restitution Fund (CRF), will also be spent on these programs in fiscal 2027. 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 2027 expected expenditures total \$5.7 billion in general funds and \$873.2 million in special funds, not including the Senior Prescription Drug Program. Note that fiscal 2027 funding is allocated among the subdivisions based on each jurisdiction's share of fiscal 2026 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 2027 budget includes \$1.6 billion in general funds and \$31.6 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 2027 funding for these programs totals \$58.6 million in general funds, which includes funding for kidney disease treatment services that were formerly included under the Medicaid program. Additional funding of \$65.2 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 2027 budget includes \$1.7 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 2027 estimates of funding for those programs that are available by subdivision. Note that fiscal 2027 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 2026 funding and may change.

Homeless Services: The State funds programs that provide emergency and transitional housing, food, and transportation for homeless families and individuals. The fiscal 2027 budget includes \$15.5 million in 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, and crime victim's services. Total fiscal 2027 funding for these programs equals \$8.0 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 2027 budget includes \$18.2 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 2027 budget includes \$189.7 million in general funds.

Foster Care: The foster care program places children who cannot remain in the care of their parents or legal guardians in alternate settings. The program includes payments to foster family homes, group homes, and residential facilities for neglected children. The fiscal 2027 budget includes \$346.1 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 2027 budget anticipates general fund spending of \$58.7 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 2027 funding is \$28.4 million in general funds. In this report the fiscal 2027 general funds are allocated among the subdivisions based on each jurisdiction's share of fiscal 2026 funding and may change.

Long-term Care: This category includes the following programs: vulnerable elderly; senior care; senior guardianship; the ombudsman program; and the long-term care and dementia care navigation program. The total fiscal 2027 funding is \$19.7 million in general funds.

Community Services: Included in this category are the senior information and assistance program, the senior nutrition program, the naturally occurring retirement communities program and the hold harmless grant. Fiscal 2027 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 2027 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 2027. 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 2027 budget includes \$300.0 million in general obligation (GO) bond funding for local school construction. The capital budget also includes \$70.0 million for the Nancy K. Kopp Public School Facilities Priority Fund. Funding for Prince George's County Public-Private Partnership projects totals \$27.0 million in special funds. The operating budget also included \$18.9 million in funding for HVAC upgrades in Baltimore City.

As of the publication of this report, \$237.8 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 2026. Therefore, the school construction projects funded and/or the amount of the funding for specific projects could change. The funding for the Public Schools Facilities Priority Fund was allocated by the legislature to specific counties, and those amounts are shown in Part C as well.

The capital budget includes \$80.0 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. In the capital budget the legislature specified certain criteria for the allocation of the funding in fiscal 2027. At the time of this report, information on the specific allocation amounts by county was not available.

Capital Projects for State Facilities Located in the County: Part D for each jurisdiction shows capital projects authorized by the fiscal 2027 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 2027, 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 GO bonds in the operating and capital budgets.

Allegany County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$50,698	\$52,318	\$1,620	3.2%
Compensatory Education	28,670	27,934	-736	-2.6%
Student Transportation	6,250	6,328	78	1.2%
Special Education	12,746	14,535	1,789	14.0%
English Language Learners Grant	345	362	17	4.9%
Guaranteed Tax Base	5,527	5,282	-246	-4.4%
Blueprint Funding	11,496	13,681	2,185	19.0%
Other Education Aid	962	1,080	118	12.3%
Primary and Secondary Education	\$116,694	\$121,520	\$4,826	4.1%
Libraries	\$913	\$917	\$5	0.5%
Community Colleges	11,477	11,778	301	2.6%
Health Formula Grant	5,258	4,659	-598	-11.4%
Transportation ¹	5,135	5,141	6	0.1%
Police and Public Safety ¹	1,110	1,074	-36	-3.3%
Fire and Rescue Aid ¹	417	417	0	0.0%
Disparity Grant	7,299	13,612	6,313	86.5%
Teachers Retirement Supplemental Grant	816	0	-816	-100.0%
Gaming Impact Aid	3,114	3,114	0	0.0%
Other Direct Aid	993	1,002	9	0.9%
Total Direct Aid	\$153,225	\$163,235	\$10,010	6.5%
Aid Per Capita (\$)	\$2,292	\$2,442	\$150	6.5%
Property Tax Equivalent (\$)	3.07	3.10	0.04	1.2%

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 2027 State payments for Allegany County for teachers, librarians, and community college faculty are estimated to be \$10,882,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$91,473,000
Family Health and Chronic Disease	837,000
Developmental Disabilities	35,607,000
Behavioral Health Services	24,839,000

Social Services

Homeless Services	257,000
Women's Services	297,000
Adult Services	413,000
Child Welfare Services	4,906,000
Foster Care	6,553,000
Temporary Cash Assistance	1,237,000

Senior Citizen Services

Long-term Care	268,000
Community Services	143,000

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

Washington Middle School – Construction	\$1,089,505
Washington Middle School – Renovations (HVAC)	1,569,756

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Allegany College of Maryland

Workforce Development and Training Center – Renovation	2,402,000

Community Health Facilities Grant Program

Friends Aware, Inc.	323,000

Federally Qualified Health Centers Grant Program

Western Maryland Healthcare Corporation	867,000

Business Facade Improvement Program

Lonaconing	25,000
Westernport	25,000

Program Open Space

Park Acquisition and Development	561,507

Community Parks and Playgrounds

Frostburg – Glendening Recreation Complex	23,970
Lonaconing – Little League Ballfield Pickleball Courts	32,091
Westernport – Bruce Park	200,000

Other Projects

Allegany College – Bazarnic Field	61,000
Allegany County Historical Society	355,000
Bishop Walsh School, Inc.	64,000
Camp Potomac	85,000
Ellerslie Volunteer Fire Company	60,000
Flintstone Volunteer Fire Company	50,000
Frostburg – Water Sustainability Improvements	400,000
Greenway Avenue Stadium	200,000
Midland – Town Hall	50,000

Spectrum Support, Inc. – Allegany County Support Home	300,000
Westernport – Redevelopment	150,000
YMCA Gilchrist Campus	40,000

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

Rocky Gap State Park – Campground Improvements	\$2,845,000
Wills Mountain State Park – Entrance, Road, and Parking Improvements	2,000,000

University System of Maryland

Frostburg State – Baseball Complex	100,000

Anne Arundel County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$313,249	\$325,774	\$12,525	4.0%
Compensatory Education	107,492	103,940	-3,552	-3.3%
Student Transportation	33,674	33,995	321	1.0%
Special Education	53,635	59,222	5,587	10.4%
English Language Learners Grant	33,277	32,856	-420	-1.3%
Comparable Wage Index	16,048	16,334	287	1.8%
Blueprint Funding	36,304	39,772	3,468	9.6%
Other Education Aid	3,240	3,142	-97	-3.0%
Primary and Secondary Education	\$596,918	\$615,036	\$18,119	3.0%
Libraries	\$3,234	\$3,359	\$125	3.9%
Community Colleges	45,798	47,114	1,316	2.9%
Health Formula Grant	9,455	9,614	159	1.7%
Transportation ¹	14,990	15,004	14	0.1%
Police and Public Safety ¹	12,320	12,018	-303	-2.5%
Fire and Rescue Aid ¹	1,366	1,366	0	0.0%
Gaming Impact Aid	28,605	28,654	49	0.2%
Other Direct Aid ¹	125	75	-50	-40.0%
Total Direct Aid	\$712,811	\$732,240	\$19,429	2.7%
Aid Per Capita (\$)	\$1,181	\$1,214	\$32	2.7%
Property Tax Equivalent (\$)	0.61	0.59	-0.02	-2.5%

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 2027 State payments for Anne Arundel County for teachers, librarians, and community college faculty are estimated to be \$100,461,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$369,476,000
Family Health and Chronic Disease	1,871,000
Developmental Disabilities	114,026,000
Behavioral Health Services	133,783,000

Social Services

Homeless Services	770,000
Women's Services	478,000
Adult Services	366,000
Child Welfare Services	10,124,000
Foster Care	13,424,000
Temporary Cash Assistance	3,997,000

Senior Citizen Services

Long-term Care	1,193,000
Community Services	434,000

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

Annapolis High School – Renovations (Chiller)	\$809,524
Broadneck High School – Renovations (Roof)	4,329,006
Brooklyn Park Elementary School – Renovations (Electrical)	363,636
Chesapeake High School – Renovations (Communications/Electrical/Chiller)	3,666,667
Deale Elementary School – Renovations (Boiler)	523,809
Georgetown East Elementary School – Renovations (HVAC)	1,558,441
Hilltop Elementary School – Renovations (Roof/HVAC)	3,636,363
Linthicum Elementary School – Renovations (Roof/Chiller)	1,255,411
Old Mill High School – Construction	2,255,393
Solley Elementary School – Renovations (Boiler)	476,191
South Shore Elementary School – Renovations (Communications)	303,031
Public Schools Facilities Priority Fund	3,000,000

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Anne Arundel Community College

Dragun Building – Renovation	18,808,000

Community Health Facilities Grant Program

Gaudenzia, Inc.	483,000
The Samaritan House, Inc.	768,000

Business Facade Improvement Program

Anne Arundel Economic Development Corporation	150,000

Program Open Space

Park acquisition and development	6,090,765

Waterway Improvement

Asquith Creek – dredging	450,000
Marley Creek – dredging	722,500

Other Projects

American Legion Post No. 141	250,000
Annapolis – Bomb Squad Explosive Storage Vessel	100,000
Annapolis – Emergency Medical Unit Systems	950,000
Annapolis – Housing Authority	1,000,000
Annapolis – Police Department	550,000
Annapolis Maritime Museum	250,000
Anne Arundel County – Bacontown Park	10,000
Anne Arundel County – Crownsville Hospital Memorial Park	4,000,000
Anne Arundel County Community Action Agency	100,000
Anne Arundel County Fairgrounds	600,000
Anne Arundel County Food Bank, Inc.	400,000
Anne Arundel County Public Schools – Arlington Echo Marsh Walk	450,000
Archbishop Spalding High School, Inc.	100,000
Arundel Middle School – Marquee	25,000
Banneker-Douglass-Tubman Museum	1,000,000
Chaney Cares, Inc – Community Center	500,000
Chase Brexton Health Services, Inc. – Glen Burnie Center	350,000
Chesapeake Bay Foundation – Center For Oyster Restoration/Innovation	500,000
Chesapeake High School – Field House	400,000
Corwell's Store	150,000
Deale Elks Lodge No. 2528	72,250
Elks Camp Barrett	100,000
Ferndale Community Club, Inc.	125,000
Galesville Heritage Museum	40,000
Glen Burnie Improvement Association – Playground Equipment	50,000
Gloria Dei! Lutheran Church	90,000
Goshen Farm Preservation Society, Inc.	80,000
Harundale Civic Association, Inc.	50,000
Hicks Hope House, Inc.	50,000
Historic Annapolis, Inc.	3,000,000
Human Development Corporation – The Summit School	200,000
Linthicum Ferndale Youth Athletic Association, Inc.	250,000
Love Wins Movement, Inc.	50,000
Maryland City Neighbors Corporation – Tot Lot	200,000
Maryland Society Of The Sons Of The American Revolution War Memorial	250,000
Maryland Therapeutic Riding, Inc.	465,000
New Village Academy Public Charter School, Inc.	100,000
Odenton Heritage Society, Inc. – Old Masonic Hall	120,000
Pascal Crisis Stabilization Center	100,000
Peerless Rens Club, Inc.	300,000
Senior Dog Sanctuary of Maryland, Inc.	50,000
Seven Oaks Community Association, Inc. – Bluewater Playground	78,000
Sheppard Pratt – Residential Rehabilitation Facilities	300,000

St. John's College – Arts and Academic Hall	3,600,000
The Light House, Inc.	250,000
The Public Library Association Of Annapolis & Anne Arundel County	425,000
Third Street Colored School – Seafarers Yacht Club	151,000
University Of Maryland Baltimore Washington Medical Center	1,125,000
YWCA Pamela G. Beidle Community Center	170,000

D. Capital Projects For State Facilities in the County**General Government**

Revenue Administration Center – Renovations	\$350,000
Supreme Court of Maryland Building	20,388,000
Treasury Building – Renovation	2,060,000
Wineland Building – Renovation	281,000

Maryland State Police

Barrack J – Communications Room and Garage	3,579,000

Baltimore City

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$444,500	\$463,106	\$18,606	4.2%
Compensatory Education	337,161	330,128	-7,033	-2.1%
Student Transportation	26,192	26,738	546	2.1%
Special Education	88,168	101,158	12,990	14.7%
English Language Learners Grant	70,788	69,500	-1,287	-1.8%
Guaranteed Tax Base	39,636	41,288	1,652	4.2%
Comparable Wage Index	13,788	14,060	272	2.0%
Blueprint Funding	257,633	300,238	42,605	16.5%
Other Education Aid	6,553	7,383	830	12.7%
Primary and Secondary Education	\$1,284,420	\$1,353,600	\$69,180	5.4%
Libraries	\$9,812	\$9,962	\$150	1.5%
Health Formula Grant	10,405	13,071	2,665	25.6%
Transportation	267,235	267,374	139	0.1%
Police and Public Safety	34,829	38,319	3,490	10.0%
Fire and Rescue Aid	1,443	1,443	0	0.0%
Disparity Grant	79,052	79,052	0	0.0%
Teachers Retirement Supplemental Grant	5,024	0	-5,024	-100.0%
Gaming Impact Aid	25,671	25,925	254	1.0%
Other Direct Aid	2,066	9,944	7,879	381.4%
Total Direct Aid	\$1,719,957	\$1,798,691	\$78,733	4.6%
Aid Per Capita (\$)	\$3,017	\$3,156	\$138	4.6%
Property Tax Equivalent (\$)	3.14	3.18	0.04	1.3%

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 2027 State payments for Baltimore City for teachers and librarians are estimated to be \$90,978,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$1,146,087,000
Family Health and Chronic Disease	4,981,000
Developmental Disabilities	117,977,000
Behavioral Health Services	376,770,000

Social Services

Homeless Services	3,219,000
Women's Services	914,000
Adult Services	4,026,000
Child Welfare Services	65,557,000
Foster Care	113,578,000
Temporary Cash Assistance	17,893,000

Senior Citizen Services

Long-term Care	2,783,000
Community Services	1,162,000

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

Lakeland Elementary/Middle School #12 – Construction	\$8,550,000
Moravia Park Middle School #105B – Renovations (Electrical/Fire Alarm)	1,020,036
Northeast Middle School #49 – Construction	9,124,200
Paul Laurence Dunbar Middle School #133 – Renovations (Electric/Fire Alarm)	3,232,000
Southeast Middle/High School #255 – Construction	1,862,000
Public Schools Facilities Priority Fund	16,000,000
Systemwide HVAC Upgrades	18,850,000

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Community Health Facilities Grant Program

Family Recovery Program, Inc.	2,500,000
People Encouraging People, Inc.	565,000

Federally Qualified Health Centers Grant Program

Total Health Care, Inc.	633,000

Baltimore Regional Neighborhood Initiative

4M Swim Club, Inc.	80,000
A Strong Foundation Inc.	250,000
AnnMarie Community Partners, Inc. – HELA 221 W. Franklin Street	450,000
Baltimore City Parks and Recreation – Mount Pleasant Park	50,000
Baltimore Redlining and Blight Elimination CDC	250,000
Baltimore Urban Leadership Foundation Community Center	250,000
Comprehensive Housing Assistance, Inc.	400,000
Delta Sigma Theta Sorority, Inc. – Delta Community Center	100,000
Drink at the Well, Inc.	200,000
Empowerment Temple, Inc.	500,000
Friends of Collington Square Park, Inc.	100,000
Greater Govans Community Development Corporation	500,000
National Great Blacks in Wax Museum	500,000
New Horizons Community Development Corporation	75,000
ReBuild Metro, Inc.	1,250,000
Rehoboth Community Development Corporation	250,000
Vacant No More, Inc.	120,000
We Rise Nonprofit Corporation	50,000
West Baltimore Renaissance Foundation, Inc.	450,000
Youth Educational Services, Inc.	125,000

Business Facade Improvement Program

Greater Baybrook Alliance	125,000
Healthy Neighborhoods, Inc.	200,000
Market Center Community Development Corporation	300,000
The Central Baltimore Partnership, Inc.	200,000

Maryland Arts Capital Grant Program

Clifton House	100,000

Community Legacy Program

Hope Harbor Community Development Corporation	100,000

Seed Community Development Anchor Institution Fund

Hope Harbor Community Development Corporation	150,000

Program Open Space

Baltimore City Direct Grant	10,000,000
Park acquisition and development	4,036,721

Chesapeake Bay Restoration Fund

Back River WWTP – Enhanced Nutrient Removal	4,000,000

Comprehensive Flood Mitigation Program

Middle Branch – flooding and Storm Surge Resiliency	3,549,000

Waterway Improvement

Broening Park – Boating Facility Renovations	125,000

Hazardous Substance Cleanup Program

Citywide – Parks Restoration	100,000

Other Projects

1103 N. Washington, LLC – Workforce Development Academy	50,000
4M Swim Club, Inc.	20,000
Active Achievers, Inc. – Youth Center	250,000
Afya Baltimore, Inc. – Belair-Edison School	150,000
AnnMarie Community Partners, Inc. – Woodberry Station	750,000
Arena Players Theatre	750,000
Ascension Saint Agnes Hospital Foundation – family birthing center	1,000,000
Ashburton Area Development Corporation	200,000
Ashland Community Development Corporation	100,000
B&O Railroad Museum	3,000,000
B360 Baltimore, Inc.	75,000
Babe Ruth Birthplace and Museum	170,000
Baltimore Arts Realty Corporation – Westside Open Works	500,000
Baltimore Bikur Cholim, Inc.	125,000
Baltimore City – 2005-2007 Denison Street	100,000
Baltimore City – Art House	350,000
Baltimore City – Madison Square Dome	150,000
Baltimore City Carpenters Training Center	900,000
Baltimore City Parks and Recreation – Solo Gibbs Recreation Center	500,000
Baltimore City Public Schools – Classroom Art Spaces	2,500,000
Baltimore City Public Schools – Infrastructure Improvements	520,000
Baltimore Museum of Art	1,450,000
Baltimore Museum of Industry	250,000
Baltimore Polytechnic High School Foundation, Inc. – Athletic Fields	240,000
Baltimore Streetcar Museum	250,000
Baltimore Symphony Orchestra	1,000,000
Baltimore Urban Baseball Association – Indoor Training Facility	400,000
Baltimore Zoo – Infrastructure Improvements	4,750,000
BIT Community Center, Inc.	250,000
B'More Clubhouse, Inc.	145,000
Bolton Hill Community Association – Park Avenue median improvements	190,000
Bolton Hill Nursery, Inc. – Rolando-Thom House	50,000
Boys and Girls Clubs of Metropolitan Baltimore	500,000
Broadway East Community Development Corporation	125,000
B-Spirit-A2Y-15, Inc.	40,000
Calvary Baptist Church Ministry	250,000
Canton Community Association – O'Donnell Square Park	200,000
Catholic Charities – Intergenerational Center	2,000,000
Caves Valley Partners – Cross Street Market	500,000

Center Stage	225,000
Central Baltimore Partnership – North Avenue Market	2,500,000
Challenge 2 Change, Inc. – Bradford Community Playground	50,000
Chesapeake Bay Outward Bound School, Inc.	100,000
Chimes International, Ltd. – School Modernization and Expansion	750,000
City Neighbors High School, Inc. – Shared Campus Auditorium	120,000
Clay Hill Public Charter School	1,750,000
Dayspring, Inc. – Learning and Innovation Center	250,000
Delta Sigma Theta Sorority, Inc. – Delta Community Center	400,000
Eastern Atlantic States Regional Council of Carpenters	200,000
Edmondson-Westside High School – Infrastructure Improvements	1,000,000
Enoch Pratt Free Library System	1,935,000
Experimental Environmental Education, Inc. – Green School of Baltimore	150,000
Fair Havens African Methodist Episcopal Church	67,500
Fallstaff Elementary/Middle School – Elevator Renovations	650,000
Federal Hill Park Neighborhood Association, Inc.	75,000
Francis Scott Key Elementary/Middle School – Infrastructure Improvements	1,500,000
Friends Of Collington Square Park, Inc.	95,000
Friends Of Mt. Royal School – Outdoor Play Area	500,000
Friends Of Patterson Park, Inc.	500,000
Garrett-Jacobs Mansion	250,000
Gateway Maryland, Inc. – Therapeutic Playground	250,000
God’s Best Family, Inc.	725,000
Greater Mount Holly Community Dev. Corp. – Edgewood Elementary School	100,000
Hamilton Community Association – Belair Road and White Avenue traffic	25,000
Helping Up Mission	150,000
Hillsdale Heights Neighborhood Association	90,000
Howell Celebrating Lives Viola Family Support Center, Inc.	190,000
Italian American Organization United, Inc. – Immigrant Statue	100,000
Johns Hopkins Hospital	515,000
Johns Hopkins University – Data Science and Computing Center	10,000,000
Johns Hopkins University – Peabody Institute	2,000,000
Just Blessed & Gifted, Inc. – East Baltimore Youth Community Center	50,000
KABOOM!, Inc. – Lakewood Elementary School Playground	250,000
KABOOM!, Inc. – Violetville Elementary/Middle School playground	100,000
KABOOM!, Inc. – Westport Elementary School playground	170,000
KABOOM!, Inc. – William S Baer School playground	250,000
Kappa Alpha Psi Youth and Community Center	150,000
Kennedy Krieger Institute	3,750,000
KEYS Development LLC – Community Healing Center	250,000
L.A.M.B., Inc. – Rosa’s House	50,000

Lake Asburton, LLC – 3403 Fairview Avenue improvements	200,000
Langston Hughes Community, Business and Resource Center	125,000
Liberty Elementary School – Infrastructure Improvements	50,000
Living Classrooms Foundation, Inc. – Historic Ships	1,000,000
Loyola School, Inc.	100,000
Maji Advancement Initiative Economic Development Corporation	250,000
Mary Harvin Transformation Center	2,500,000
Maryland School for the Blind – construction	10,800,000
Maryland Science Center	200,000
MedChi Museum	75,000
MedStar Harbor Hospital	2,400,000
MedStar Union Memorial Hospital	100,000
Mercy Medical Center, Inc.	2,400,000
Mount Vernon Place Church	135,000
Mount Vernon Place Conservancy, Inc.	1,650,000
Moveable Feast, Inc.	200,000
National Aquarium in Baltimore	5,000,000
National Great Blacks in Wax Museum	100,000
Next One Up Foundation, Inc.	500,000
North Calvert JV, LLC – Calvert Station	150,000
North East Housing Initiative, Inc. – Community Land Trust Homes	500,000
Parks and People, Inc. – Green Space Improvements	100,000
Parks and People, Inc. – Laurel Cemetery	400,000
Pleasant Hope Community Development Corporation	200,000
Port Discovery Children’s Museum	1,250,000
Project Liberty Ship, Inc.	250,000
Queensbury Park Community Association – Park/Playground Renovations	75,000
Rise Baltimore, Inc. – Westway Theater And Community Center	100,000
Roca Baltimore, Inc.	200,000
Saint Agnes Healthcare, Inc.	600,000
Schreiber Brothers Development LLC – Waverly Middle School	1,000,000
Schreiber Brothers Development LLC – Waverly Teacher’s Eco-Village	250,000
Shiloh Christian Community Church	45,000
Sinai Hospital	2,000,000
Sinclair Lane Elementary School – Locker Renovations	105,000
South Baltimore Gateway Partnership – Westport Waterfront Park	250,000
Springboard Community Services	100,000
The League for People with Disabilities	400,000
The Lord’s Church – Outreach Center	505,000
The Sanctuary Collective, Inc.	365,000
The Village Learning Place, Inc.	50,000

Wabash Development Partners, LLC.	300,000
Wells Community Development Corporation	50,000
West Baltimore Renaissance Foundation, Inc.	500,000
Westport Capital Development, LLC	2,000,000
Young Successful Leaders, Inc. – Business & Workforce Development Center	250,000
Zeta Sigma Foundation Community Center	100,000

D. Capital Projects for State Facilities in the City**Department of Health**

RICA Baltimore – Demolish Decommissioned Buildings	\$103,000

Department of Housing & Community Development

USM Baltimore – Health Village at Mondawmin	500,000

Baltimore City Community College

Campuswide – Deferred Maintenance	1,000,000
Campuswide – Facilities Renewal	327,250
Learning Commons – renovation and addition	9,790,000

Morgan State University

Campuswide – electrical infrastructure upgrades	40,486,000
Carter Grant Wilson Building – renovation	100,000
Science Center – construction	106,991,000

University System of Maryland

Baltimore – Dental Ambulatory Surgery Center	862,000
Baltimore – electric substation and electrical infrastructure	715,000
Baltimore – School of Social Work	46,747,000
Coppin State – residence hall	2,000,000
Headquarters – Colwell Center deferred maintenance	3,906,000
University of Baltimore – 101 West Mt. Royal Avenue acquisition	500,000

Other

University of Maryland Medical System – comprehensive cancer center	5,000,000
University of Maryland Medical System – shock trauma center	5,000,000

Baltimore County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$515,845	\$531,911	\$16,066	3.1%
Compensatory Education	211,178	201,239	-9,940	-4.7%
Student Transportation	42,647	43,016	369	0.9%
Special Education	101,829	110,039	8,210	8.1%
English Language Learners Grant	60,258	59,891	-367	-0.6%
Comparable Wage Index	15,759	15,904	145	0.9%
Blueprint Funding	74,016	93,085	19,069	25.8%
Other Education Aid	5,441	5,449	9	0.2%
Primary and Secondary Education	\$1,026,973	\$1,060,534	\$33,561	3.3%
Libraries	\$7,825	\$8,062	\$237	3.0%
Community Colleges	72,823	74,693	1,870	2.6%
Health Formula Grant	6,819	8,627	1,809	26.5%
Transportation	15,669	15,687	18	0.1%
Police and Public Safety	19,515	18,799	-716	-3.7%
Fire and Rescue Aid	1,860	1,860	0	0.0%
Teachers Retirement Supplemental Grant	1,500	0	-1,500	-100.0%
Other Direct Aid	50	250	200	400.0%
Total Direct Aid	\$1,153,033	\$1,188,512	\$35,479	3.1%
Aid Per Capita (\$)	\$1,360	\$1,402	\$42	3.1%
Property Tax Equivalent (\$)	1.00	0.98	-0.02	-2.0%

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 2027 State payments for Baltimore County for teachers, librarians, and community college faculty are estimated to be \$135,440,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$848,704,000
Family Health and Chronic Disease	2,564,000
Developmental Disabilities	413,259,000
Behavioral Health Services	218,234,000

Social Services

Homeless Services	937,000
Women's Services	757,000
Adult Services	1,279,000
Child Welfare Services	14,272,000
Foster Care	53,595,000
Temporary Cash Assistance	8,178,000

Senior Citizen Services

Long-term Care	2,545,000
Community Services	950,000

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

Dulaney High School – Construction	\$23,271,641
McCormick Elementary School – Renovations (Roof)	359,859
Owings Mills High School – Renovations (Chiller)	1,389,928
Perry Hall High School – Renovations (Chiller)	1,389,928
Perry Hall Middle School – Renovations (Chiller)	928,000
Scotts Branch Elementary School – Construction	446,000
Sudbrook Magnet Middle School – Renovations (Boiler)	786,108
Western School Of Technology – Renovations (Communications)	870,000
Public Schools Facilities Priority Fund	5,000,000

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Community College of Baltimore County

Catonsville – Transportation Technology Center Renovation/Expansion	6,816,000
Essex – Primary Switchgear and Distribution Replacement	1,000,000
Systemwide – Roof Replacements	1,695,000

Business Facade Improvement Program

Greater Baltimore Chamber of Commerce – Pikesville	100,000
Greater Randallstown Community Development Organization	350,000
Security Woodlawn Business Association, Inc.	300,000
Towson Chamber of Commerce	50,000

Community Legacy Program

Baltimore County – Catonsville Armory	500,000

Program Open Space

Park acquisition and development	6,844,810

Chesapeake Bay Restoration Fund

Back River WWTP – Enhanced Nutrient Removal	4,000,000

Waterway Improvement

Pleasure Island – Maintenance Dredging	1,400,000

Other Projects

American Legion Dewey Loman Post No. 109	60,000
Asian American Alliance for Action, Inc.	100,000
Baltimore County – Benjamin Banneker Historical Park and Museum	375,000
Baltimore County – Glyndon Station Park playground	100,000
Baltimore County – Renaissance Park	400,000
Baltimore County – Security Mall renovation and replacement	2,500,000
Baltimore County – Seneca Harbor playground	50,000
Baltimore County – Senior Center Security And Technology Enhancements	100,000
Baltimore County – Turner Station Flood Resilience	500,000
Baltimore County – Watersedge Park	150,000
Baltimore County – Woodlawn Memorial Park	300,000
Bowleys Quarters Volunteer Fire Department	200,000
Carroll Manor Elementary School – Electronic Sign	50,000
Catonsville Emergency Assistance, Inc.	500,000
Charlesmont Elementary School – early Childhood Playground	25,000
Christ Villa Food Pantry	33,000
Cromwell Valley Elementary School – Playground	130,000
Foundation For Baltimore County Public Library, Inc. – Essex Library	500,000
Friends Of Prospect Hill Cemetery of Towson, Inc.	450,000
Glenn L. Martin Maryland Aviation Museum	750,000
Greater Baltimore Medical Center, Inc.	2,000,000
Hereford Volunteer Fire Company	100,000
Heritage Society of Essex and Middle River Museum	89,000
Kent MCAP Holdings, L.P. – Day Village Townhomes	250,000
Kingsville Elementary School – playground	100,000
Land Preservation Trust, Inc. – Shawan Downs	250,000
Loch Raven High School – Electronic Sign	165,000
Maryland Lynching Memorial Project, Inc.	300,000
McCormick Elementary School – fencing & ADA accessibility improvements	50,000
National Center on Institutions and Alternatives, Inc.	306,000
Overlea High School – stadium improvements	125,000
Padonia International Elementary School – interactive sensory board	6,500
Pikesville Armory	1,500,000
Pikesville High School – comfort station	400,000
Pikesville Middle School – electronic sign	130,000
Plumbers and Steamfitters Local Union No. 486 – training school	100,000
Reisterstown Improvement Association, Inc. – 234 Main Street	400,000
Relay Children’s Center, Inc.	350,000
Ridgely Middle School – electronic sign	175,000

Sandalwood Elementary School – playground	100,000
Security Woodlawn Business Association, Inc.	180,000
Sheppard Pratt Health System, Inc.	1,300,000
St. Mark's on the Hill Church	150,000
Torah Institute of Baltimore, Inc.	300,000
Villa Cresta Elementary School – playground	225,000
Woodlawn High School – scoreboard	200,000
Yeshivas Toras Simcha, Inc.	200,000

D. Capital Projects for State Facilities in the County

University System of Maryland

Baltimore County – Commons Courtyard enclosure	\$10,000,000
Baltimore County – Sherman Hall	9,087,000
Towson University – Central Plant Upgrades	10,600,000
Towson University – Electrical Substation Improvements	12,820,000
Towson University – Smith Hall Expansion and Renovation	35,973,000

Calvert County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$72,522	\$75,216	\$2,694	3.7%
Compensatory Education	14,704	14,659	-45	-0.3%
Student Transportation	7,796	7,868	71	0.9%
Special Education	8,744	10,201	1,457	16.7%
English Language Learners Grant	1,023	1,090	66	6.5%
Comparable Wage Index	2,693	2,733	41	1.5%
Blueprint Funding	3,425	4,621	1,196	34.9%
Other Education Aid	1,139	1,261	121	10.7%
Primary and Secondary Education	\$112,046	\$117,649	\$5,603	5.0%
Libraries	\$629	\$661	\$31	5.0%
Community Colleges	5,001	4,997	-4	-0.1%
Health Formula Grant	3,426	2,799	-627	-18.3%
Transportation ¹	3,449	3,454	5	0.1%
Police and Public Safety ¹	985	976	-9	-0.9%
Fire and Rescue Aid ¹	310	310	0	0.0%
Other Direct Aid	3,150	3,150	0	0.0%
Total Direct Aid	\$128,996	\$133,995	\$4,999	3.9%
Aid Per Capita (\$)	\$1,365	\$1,418	\$53	3.9%
Property Tax Equivalent (\$)	0.82	0.81	-0.01	-0.7%

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 2027 State payments for Calvert County for teachers, librarians, and community college faculty are estimated to be \$17,933,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$52,075,000
Family Health and Chronic Disease	716,000
Developmental Disabilities	16,156,000
Behavioral Health Services	20,220,000

Social Services

Homeless Services	1,570,000
Women's Services	306,000
Adult Services	241,000
Child Welfare Services	2,328,000
Foster Care	4,067,000
Temporary Cash Assistance	310,000

Senior Citizen Services

Long-term Care	201,000
Community Services	112,000

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

Calvert Elementary School – construction	\$534,365
Northern Middle School – construction	2,952,787
Sunderland Elementary School – renovations (boiler/electrical/HVAC)	604,900

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

College of Southern Maryland

Leonardtown – “A” Building Renovation and Expansion	362,000

Community Health Facilities Grant Program

Cornerstone Southern Maryland	450,000

Program Open Space

Park acquisition and development	606,282

Other Projects

Calvert County – Harriet Elizabeth Brown Statue	250,000
Calvert County Day School, Inc. – The Calverton School	600,000
CalvertHealth Medical Center	3,460,000
Chesapeake Beach – well relocation	600,000
North Beach – Black Box Theatre	25,000

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

Hallowing Point State Park – ntrance/Road/Parking/Beach Improvements	\$400,000
Hallowing Point State Park – Southern Region Multi-Purpose Facility	196,000

Caroline County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$35,496	\$36,579	\$1,083	3.1%
Compensatory Education	23,262	22,628	-635	-2.7%
Student Transportation	3,696	3,750	54	1.5%
Special Education	4,697	5,497	800	17.0%
English Language Learners Grant	4,437	4,382	-55	-1.2%
Guaranteed Tax Base	2,132	2,789	657	30.8%
Blueprint Funding	10,096	13,307	3,211	31.8%
Other Education Aid	937	1,060	122	13.1%
<i>Primary and Secondary Education</i>	<i>\$84,754</i>	<i>\$89,991</i>	<i>\$5,237</i>	<i>6.2%</i>
Libraries	\$382	\$397	\$15	4.0%
Community Colleges	3,211	3,070	-141	-4.4%
Health Formula Grant	2,186	2,043	-143	-6.5%
Transportation ¹	2,703	2,704	1	0.0%
Police and Public Safety ¹	503	481	-21	-4.2%
Fire and Rescue Aid ¹	343	343	0	0.0%
Disparity Grant	4,674	4,736	63	1.3%
Teachers Retirement Supplemental Grant	343	0	-343	-100.0%
Total Direct Aid	\$99,097	\$103,766	\$4,669	4.7%
Aid Per Capita (\$)	\$2,905	\$3,042	\$137	4.7%
Property Tax Equivalent (\$)	2.68	2.64	-0.04	-1.3%

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 2027 State payments for Caroline County for teachers, librarians, and community college faculty are estimated to be \$6,299,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$40,032,000
Family Health and Chronic Disease	675,000
Developmental Disabilities	17,617,000
Behavioral Health Services	13,453,000

Social Services

Homeless Services	1,342,000
Women's Services	32,000
Adult Services	101,000
Child Welfare Services	2,436,000
Foster Care	1,162,000
Temporary Cash Assistance	458,000

Senior Citizen Services

Long-term Care	564,000
Community Services	169,000

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

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

Lockerman Middle School – construction	\$1,032,417

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Chesapeake College

Campuswide – facilities renewal	327,250
Queen Anne’s Technical Building – construction	5,938,000

Program Open Space

Park acquisition and development	266,996

Community Parks and Playgrounds

Denton – Sharp Road Park Playground	300,000
Preston – James T. Wright Park	141,567

Chesapeake Bay Restoration Fund

Federalsburg WWTP – Enhanced Nutrient Removal	2,235,500
Greensboro Regional Wastewater System – Expansion	3,047,255

Waterway Improvement

Choptank Marina – Fuel Station Upgrades and Marina Improvements	250,000

Other Projects

Aaron’s Place, Inc.	50,000
Baily-Groce Family Foundation, Inc. – Anna Murray Douglass Museum	200,000
Benedictine School	1,000,000
Caroline County Chamber of Commerce – Business Resource Center	50,000
Greensboro – Police Department	50,000
Greensboro Volunteer Fire Company	50,000
Martin’s House Homeless Shelter	100,000

Carroll County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$126,263	\$130,768	\$4,505	3.6%
Compensatory Education	26,652	26,117	-535	-2.0%
Student Transportation	13,679	13,847	167	1.2%
Special Education	19,403	20,732	1,329	6.8%
English Language Learners Grant	2,626	2,388	-238	-9.1%
Blueprint Funding	6,220	7,410	1,189	19.1%
Other Education Aid	1,750	1,892	141	8.1%
Primary and Secondary Education	\$196,594	\$203,152	\$6,558	3.3%
Libraries	\$1,351	\$1,353	\$2	0.2%
Community Colleges	15,074	15,498	424	2.8%
Health Formula Grant	4,671	4,453	-218	-4.7%
Transportation ¹	8,343	8,351	8	0.1%
Police and Public Safety ¹	2,401	2,319	-82	-3.4%
Fire and Rescue Aid ¹	387	387	0	0.0%
Total Direct Aid	\$228,821	\$235,513	\$6,692	2.9%
Aid Per Capita (\$)	\$1,295	\$1,333	\$38	2.9%
Property Tax Equivalent (\$)	0.84	0.81	-0.03	-3.3%

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 2027 State payments for Carroll County for teachers, librarians, and community college faculty are estimated to be \$29,209,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$104,418,000
Family Health and Chronic Disease	968,000
Developmental Disabilities	42,476,000
Behavioral Health Services	34,625,000

Social Services

Homeless Services	602,000
Women's Services	162,000
Adult Services	217,000
Child Welfare Services	3,549,000
Foster Care	3,007,000
Temporary Cash Assistance	592,000

Senior Citizen Services

Long-term Care	421,000
Community Services	174,000

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

Carroll Springs Special Education School – renovations (HVAC)	\$1,087,780
Carrolltowne Elementary School – renovations (HVAC)	4,650,040
Northwest Middle School – renovations (HVAC)	784,811
Westminster Elementary School – kindergarten/pre-k addition	367,000
William Winchester Elementary School – kindergarten/pre-k addition	146,024

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Carroll Community College

Campuswide – Facilities Renewal	327,250
Campuswide – Systemic Renovation	1,905,000

Community Health Facilities Grant Program

Anthony Wayne Rehabilitation Center for Handicapped and Blind, Inc.	770,000
Carroll County Youth Service Bureau, Inc.	1,000,000

Business Facade Improvement Program

Carroll County – Finksburg	80,000
Sykesville	125,000
Westminster	145,000

Program Open Space

Park Acquisition and Development	1,363,278

Community Parks and Playgrounds

Hampstead – Chief Sites Memorial Park Skate Park	240,166

Chesapeake Bay Restoration Fund

Manchester WWTP – Enhanced Nutrient Removal	6,085,072

Other Projects

Baltimore Homa Community – Ancient Oaks	200,000
Glenwood Academy, Inc.	250,000
Hampstead Volunteer Fire Company	300,000
Manchester Volunteer Fire Department	250,000

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Aid to Local Government – Carroll County

Mount Airy – Flat Iron Building	50,000
Mount Airy – Police Station	500,000
Warfield Community Development Corporation	500,000
Westminster – Fiber Infrastructure	1,000,000
Westminster Elementary School – Digital Sign	35,000

D. Capital Projects for State Facilities in the County

Maryland Environmental Service

Springfield Hospital Center – Water Distribution System	\$1,000,000

Cecil County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$77,164	\$78,751	\$1,587	2.1%
Compensatory Education	32,221	28,531	-3,690	-11.5%
Student Transportation	7,089	7,064	-24	-0.3%
Special Education	15,450	17,546	2,096	13.6%
English Language Learners Grant	2,244	2,186	-58	-2.6%
Blueprint Funding	10,680	12,765	2,086	19.5%
Other Education Aid	4,724	5,289	565	12.0%
<i>Primary and Secondary Education</i>	<i>\$149,572</i>	<i>\$152,133</i>	<i>\$2,561</i>	<i>1.7%</i>
Libraries	\$1,013	\$1,030	\$17	1.7%
Community Colleges	9,693	9,953	260	2.7%
Health Formula Grant	3,399	3,174	-226	-6.6%
Transportation ¹	4,498	4,504	6	0.1%
Police and Public Safety ¹	1,654	1,579	-75	-4.5%
Fire and Rescue Aid ¹	365	365	0	0.0%
Gaming Impact Aid	4,788	4,788	0	0.0%
Total Direct Aid	\$174,981	\$177,524	\$2,543	1.5%
Aid Per Capita (\$)	\$1,633	\$1,657	\$24	1.5%
Property Tax Equivalent (\$)	1.20	1.16	-0.04	-3.4%

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 2027 State payments for Cecil County for teachers, librarians, and community college faculty are estimated to be \$18,182,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$90,786,000
Family Health and Chronic Disease	712,000
Developmental Disabilities	23,078,000
Behavioral Health Services	26,775,000

Social Services

Homeless Services	284,000
Women's Services	310,000
Adult Services	247,000
Child Welfare Services	4,322,000
Foster Care	11,148,000
Temporary Cash Assistance	1,182,000

Senior Citizen Services

Long-term Care	269,000
Community Services	155,000

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

North East Middle/High School – construction	\$5,400,000

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Public Libraries

Elkton Library – Renovation and Expansion	1,000,000

Strategic Demolition Fund

HH Owner LLC – Howard Hotel building	670,000

Business Facade Improvement Program

Charlestown	50,000
Chesapeake City	50,000
Elkton Alliance, Inc.	50,000
North East	50,000
Perryville	50,000
Rising Sun	50,000

Program Open Space

Park Acquisition and Development	704,780

Community Parks and Playgrounds

Charlestown – Athletic Complex	158,032

Hazardous Substance Cleanup Program

Montgomery Brothers – Dump Site	200,000

Other Projects

Chesapeake Health Education Program, Inc. – Veterans House of Hope	100,000
Elkton – Flood Mitigation	100,000
Elkton – Water Filtration Plant	500,000
Fair Hill Environmental Foundation, Inc. – Nature Center Playscape	250,000
Girl Scouts of Center Maryland, Inc. – Camp Conowingo	100,000
HH Owner LLC – Howard Hotel building	500,000
NorthBay Education, Inc.	200,000
Voices of Hope, Inc.	25,000
Water Witch Fire Company	100,000

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

Fair Hill NRMA – Carriage Tunnel Replacement	\$1,000,000

Maryland Environmental Service

Elk Neck State Park – Electric Power Distribution System	619,000

Fair Hill NRMA – Water Treatment Plant	370,000

Other

Maryland Economic Development Corporation – Low Iron Quartz/Calcined Clay Facility	7,500,000

Charles County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$151,329	\$156,076	\$4,747	3.1%
Compensatory Education	55,831	55,676	-155	-0.3%
Student Transportation	15,274	15,567	294	1.9%
Special Education	20,437	23,691	3,255	15.9%
English Language Learners Grant	7,889	7,921	32	0.4%
Guaranteed Tax Base	2,602	2,672	70	2.7%
Comparable Wage Index	3,912	3,949	37	0.9%
Blueprint Funding	16,287	20,784	4,497	27.6%
Other Education Aid	3,057	3,105	48	1.6%
Primary and Secondary Education	\$276,619	\$289,442	\$12,824	4.6%
Libraries	\$1,442	\$1,489	\$47	3.3%
Community Colleges	9,768	10,251	482	4.9%
Health Formula Grant	5,300	4,722	-577	-10.9%
Transportation ¹	5,062	5,068	6	0.1%
Police and Public Safety ¹	2,486	2,380	-106	-4.2%
Fire and Rescue Aid ¹	443	443	0	0.0%
Total Direct Aid	\$301,120	\$313,796	\$12,676	4.2%
Aid Per Capita (\$)	\$1,705	\$1,777	\$72	4.2%
Property Tax Equivalent (\$)	1.12	1.10	-0.02	-1.7%

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 2027 State payments for Charles County for teachers, librarians, and community college faculty are estimated to be \$31,363,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$107,645,000
Family Health and Chronic Disease	1,025,000
Developmental Disabilities	36,265,000
Behavioral Health Services	31,576,000

Social Services

Homeless Services	1,570,000
Women's Services	333,000
Adult Services	232,000
Child Welfare Services	4,636,000
Foster Care	3,438,000
Temporary Cash Assistance	1,328,000

Senior Citizen Services

Long-term Care	389,000
Community Services	188,000

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

La Plata High School – construction	\$6,667,082

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Public Libraries

La Plata Library – construction	1,000,000

College of Southern Maryland

Leonardtown – “A” Building Renovation and Expansion	362,000

Program Open Space

Park acquisition and development	1,249,688

Comprehensive Flood Mitigation Program

Wheatley Dam – retrofit	3,318,000

Waterway Improvement

Mattingly Park/Slavins Dock – Boating Facility Improvements	320,000

Other Projects

Boys and Girls Club of Southern Maryland, Inc.	250,000
Charles County – Circuit Courthouse	500,000
Civista Medical Center	750,000
La Plata – library	800,000
Lions Camp Merrick	165,000
M25 Impact Community Development Corporation	225,000
Providence of Maryland, Inc.	129,000
Southern Maryland Tri-County Community Action Committee	100,000
W.A.C Hughes Lodge No. 1053	90,000
Waldorf Elks Lodge No. 2421	95,000

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

Cedarville State Forest – Manning Freshwater Mussel Hatchery	\$5,734,000

Dorchester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$24,968	\$25,845	\$876	3.5%
Foundation Aid - Special Grants	139	0	-139	-100.0%
Compensatory Education	14,289	13,485	-805	-5.6%
Student Transportation	3,348	3,392	44	1.3%
Special Education	3,115	3,609	494	15.9%
English Language Learners Grant	1,790	1,695	-95	-5.3%
Guaranteed Tax Base	978	1,097	120	12.2%
Blueprint Funding	12,192	13,824	1,632	13.4%
Other Education Aid	1,619	1,806	187	11.5%
<i>Primary and Secondary Education</i>	\$62,439	\$64,752	\$2,313	3.7%
Libraries	\$364	\$369	\$5	1.4%
Community Colleges	2,118	2,269	151	7.1%
Health Formula Grant	3,006	2,525	-480	-16.0%
Transportation ¹	3,313	3,318	5	0.1%
Police and Public Safety ¹	608	580	-27	-4.5%
Fire and Rescue Aid ¹	331	331	0	0.0%
Disparity Grant	4,991	4,824	-167	-3.3%
Teachers Retirement Supplemental Grant	154	0	-154	-100.0%
Other Direct Aid	715	751	36	5.1%
Total Direct Aid	\$78,039	\$79,719	\$1,680	2.2%
Aid Per Capita (\$)	\$2,321	\$2,371	\$50	2.2%
Property Tax Equivalent (\$)	1.92	1.85	-0.07	-3.6%

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 2027 State payments for Dorchester County for teachers, librarians, and community college faculty are estimated to be \$5,656,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$45,110,000
Family Health and Chronic Disease	820,000
Developmental Disabilities	6,926,000
Behavioral Health Services	14,559,000

Social Services

Homeless Services	1,342,000
Women's Services	32,000
Adult Services	290,000
Child Welfare Services	2,107,000
Foster Care	3,588,000
Temporary Cash Assistance	351,000

Senior Citizen Services

Long-term Care	865,000
Community Services	294,000

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

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

Cambridge-South Dorchester High School – renovations (chiller/HVAC)	\$2,750,000

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Public Libraries

Cambridge Library – renovation	102,000

Chesapeake College

Campuswide – facilities renewal	327,250

Queen Anne’s Technical Building – construction	5,938,000

Business Facade Improvement Program

Cambridge	50,000

Program Open Space

Park acquisition and development	230,459

Community Parks and Playgrounds

Cambridge – Leonards Lane Pocket Park	305,000

East New Market – Friendship Park	70,500

Chesapeake Bay Restoration Fund

Vienna WWTP – Enhanced Nutrient Removal	4,000,000

Waterway Improvement

Cambridge Yacht Marina – Basin Improvements	1,000,000

Tylers Cove – Marina Improvements	500,000

Vienna – Boating Facility Renovations	100,000

Other Projects

Cambridge – bridge improvements	1,000,000

Cambridge – Cambridge Creek interceptor	250,000

Maryland Canna Cultural Center, Inc.	350,000

Richardson Maritime Museum	380,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Bill Burton Fishing Pier State Park – Fishing Pier Replacement	\$6,600,000

Frederick County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$237,686	\$244,241	\$6,556	2.8%
Compensatory Education	60,202	58,521	-1,681	-2.8%
Student Transportation	19,556	19,892	336	1.7%
Special Education	36,889	40,518	3,629	9.8%
English Language Learners Grant	18,691	18,013	-678	-3.6%
Comparable Wage Index	5,250	5,280	30	0.6%
Blueprint Funding	18,635	23,044	4,409	23.7%
Other Education Aid	4,306	4,559	253	5.9%
Primary and Secondary Education	\$401,216	\$414,069	\$12,853	3.2%
Libraries	\$2,067	\$2,092	\$25	1.2%
Community Colleges	23,978	24,602	623	2.6%
Health Formula Grant	5,154	5,060	-94	-1.8%
Transportation ¹	13,195	13,205	11	0.1%
Police and Public Safety ¹	3,898	3,792	-106	-2.7%
Fire and Rescue Aid ¹	675	675	0	0.0%
Other Direct Aid	0	50	50	0.0%
Total Direct Aid	\$450,183	\$463,544	\$13,362	3.0%
Aid Per Capita (\$)	\$1,486	\$1,530	\$44	3.0%
Property Tax Equivalent (\$)	0.90	0.86	-0.04	-4.5%

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 2027 State payments for Frederick County for teachers, librarians, and community college faculty are estimated to be \$54,500,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$164,379,000
Family Health and Chronic Disease	1,471,000
Developmental Disabilities	48,323,000
Behavioral Health Services	54,396,000

Social Services

Homeless Services	523,000
Women's Services	374,000
Adult Services	404,000
Child Welfare Services	5,925,000
Foster Care	5,860,000
Temporary Cash Assistance	1,266,000

Senior Citizen Services

Long-term Care	571,000
Community Services	239,000

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

Brunswick High School – construction	\$3,808,153
Middletown Middle School – construction	8,174,252
Public Schools Facilities Priority Fund	5,000,000

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Public Libraries

West Frederick Library – construction	2,306,000

Frederick Community College

Campuswide – Facilities Renewal	327,250
Catoctin Hall – Renovation and Addition	1,317,000

Business Facade Improvement Program

Brunswick Main Street, Inc.	100,000
Frederick	200,000
Main Street Middletown, MD, Inc.	75,000
New Market	25,000
Thurmont	75,000

Program Open Space

Park acquisition and development	1,470,001

Community Parks and Playgrounds

Mount Airy – Village Gate Park Tennis Court	209,972

Chesapeake Bay Water Quality Projects

Thurmont – Emmitsburg Road Flood Control	1,500,000

Other Projects

Artspiration Frederick Foundation, Inc. – community arts center	50,000
AstraZeneca – facilities expansion	14,571,000
Aushman Family Foundation, Inc. – Frederick Youth Center	165,000
Brunswick – Kaplan Building	100,000
Frederick – Downtown Hotel and Conference Center	5,500,000

Part A – Budget and State Aid

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Frederick County – Montevue Senior Living Facility	3,000,000
Frederick Health Hospital	3,400,000
Global Wildlife Trust, Inc. – Catoctin Wildlife Preserve and Zoo	125,000
Great Frederick Fair, Inc.	500,000
Heartly House, Inc.	300,000
Historical Society of Frederick County, Inc.	175,000
Middletown – Harris Farm	900,000
Middletown – wastewater treatment plant	600,000
Mountain City Elks Lodge No. 382	65,000
New Market – Town Hall	392,000
Spring Bank LLC – Senior Resource Center	200,000
Veterans of Foreign Wars Post No. 3285	125,000

D. Capital Projects for State Facilities in the County

Other

Maryland School for the Deaf – high school and Middle School Residences	\$1,611,000

Garrett County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$8,909	\$8,184	-\$725	-8.1%
Foundation Aid - Special Grants	1,830	0	-1,830	-100.0%
Compensatory Education	5,571	5,519	-52	-0.9%
Student Transportation	4,028	4,075	47	1.2%
Special Education	1,565	1,733	168	10.7%
English Language Learners Grant	29	22	-7	-24.1%
Blueprint Funding	3,393	3,854	460	13.6%
Other Education Aid	2,221	2,453	233	10.5%
<i>Primary and Secondary Education</i>	<i>\$27,546</i>	<i>\$25,840</i>	<i>-\$1,706</i>	<i>-6.2%</i>
Libraries	\$144	\$116	-\$27	-19.0%
Community Colleges	6,175	6,272	97	1.6%
Health Formula Grant	2,953	2,503	-450	-15.2%
Transportation ¹	3,157	3,162	5	0.1%
Police and Public Safety ¹	249	241	-8	-3.2%
Fire and Rescue Aid ¹	331	331	0	0.0%
Disparity Grant	2,047	2,131	84	4.1%
Teachers Retirement Supplemental Grant	203	0	-203	-100.0%
Other Direct Aid	1,750	1,779	29	1.7%
Total Direct Aid	\$44,556	\$42,376	-\$2,180	-4.9%
Aid Per Capita (\$)	\$1,571	\$1,494	-\$77	-4.9%
Property Tax Equivalent (\$)	0.62	0.55	-0.07	-10.7%

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 2027 State payments for Garrett County for teachers, librarians, and community college faculty are estimated to be \$4,574,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$28,796,000
Family Health and Chronic Disease	596,000
Developmental Disabilities	10,047,000
Behavioral Health Services	9,097,000

Social Services

Homeless Services	248,000
Women's Services	284,000
Adult Services	281,000
Child Welfare Services	2,089,000
Foster Care	2,373,000
Temporary Cash Assistance	234,000

Senior Citizen Services

Long-term Care	192,000
Community Services	88,000

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

Crellin Elementary School – construction	\$100,000
Southern Middle School – construction	4,853,745

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Garrett Community College

Campuswide – Facilities Renewal	327,250

Business Facade Improvement Program

Garrett County Maryland Community Action Committee Inc.	75,000

Program Open Space

Park acquisition and development	285,598

Community Parks and Playgrounds

Friendsville – Friendsville Elementary School Inclusive Playground	200,000
Oakland – Broadford Lake Park Youth Baseball Field and Softball Fields	163,000

Chesapeake Bay Restoration Fund

Grantsville WWTP – Enhanced Nutrient Removal	7,933,079

Water Supply Financial Assistance Program

Gorman – Water Source Project	919,000
Grantsville – Water System Improvements	1,500,000

Other Projects

American Legion Proctor Kildow Post No. 71	125,000
Garrett College – Intercollegiate Athletics Facilities	307,000
Oakland Volunteer Fire Department, Inc.	50,000
Oakland Youth Baseball, Inc. – Field Restorations	100,000
Wisp Resort – Ski Patrol Headquarters	25,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Mount Nebo WMA – Natural Resources Police Facilities	\$1,312,000
Sang Run State Park – General Store Renovation	2,000,000

Maryland Environmental Service

Swallow Falls State Park – Water and Wastewater Treatment Plant Upgrades	5,560,000

Harford County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$185,603	\$192,485	\$6,882	3.7%
Compensatory Education	55,852	53,657	-2,195	-3.9%
Student Transportation	17,416	17,804	389	2.2%
Special Education	40,848	44,153	3,305	8.1%
English Language Learners Grant	5,289	5,144	-144	-2.7%
Comparable Wage Index	6,368	6,464	96	1.5%
Blueprint Funding	20,297	25,661	5,365	26.4%
Other Education Aid	1,836	1,977	141	7.7%
<i>Primary and Secondary Education</i>	\$333,508	\$347,345	\$13,837	4.1%
Libraries	\$2,249	\$2,277	\$28	1.3%
Community Colleges	19,602	20,118	516	2.6%
Health Formula Grant	6,002	5,847	-154	-2.6%
Transportation ¹	8,507	8,516	9	0.1%
Police and Public Safety ¹	3,995	3,886	-110	-2.7%
Fire and Rescue Aid ¹	624	624	0	0.0%
Total Direct Aid	\$374,487	\$388,613	\$14,126	3.8%
Aid Per Capita (\$)	\$1,405	\$1,459	\$53	3.8%
Property Tax Equivalent (\$)	0.99	0.98	-0.01	-1.2%

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 2027 State payments for Harford County for teachers, librarians, and community college faculty are estimated to be \$45,688,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$176,724,000
Family Health and Chronic Disease	1,516,000
Developmental Disabilities	51,982,000
Behavioral Health Services	54,062,000

Social Services

Homeless Services	480,000
Women's Services	365,000
Adult Services	529,000
Child Welfare Services	7,123,000
Foster Care	17,910,000
Temporary Cash Assistance	1,751,000

Senior Citizen Services

Long-term Care	635,000
Community Services	276,000

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

Hall's Cross Roads Elementary School – renovations (roof)	\$2,116,400
Harford Academy and Elementary School – construction	8,589,624

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Harford Community College

Campuswide – Facilities Renewal	327,250

Business Facade Improvement Program

Aberdeen	100,000

Program Open Space

Park acquisition and development	2,028,356

Waterway Improvement

Gunpowder River and Taylor's Creek – maintenance dredging	1,500,000
Havre de Grace Yacht Basin – facility improvements	125,000

Other Projects

Aberdeen – Ripken Stadium	5,000,000
American Legion Post No. 47	150,000
Ashley Addiction Treatment	250,000
Bethesda Transformation Center House, Inc.	73,000
Friends of Aberdeen B&O Train Station, Inc. – Railroad Heritage Center	50,000
Harford County – County Airport	200,000
Harford County – Schucks Regional Park	250,000
Havre de Grace – Sports, Theatre, Arts, Recreation Centre	500,000
Havre de Grace Living War Memorial and Museum	250,000
Humane Society of Harford County – Training Facility	200,000
Maryland Center for the Visual and Performing Arts	100,000
Stone View Farm, LLC – FarmFinity Greenhouse	96,000
Voices of Hope, Inc. – Harford County Crisis Recovery Resource Center	200,000

Howard County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$230,455	\$241,114	\$10,658	4.6%
Compensatory Education	51,729	51,760	31	0.1%
Student Transportation	25,244	25,648	404	1.6%
Special Education	44,254	47,545	3,291	7.4%
English Language Learners Grant	15,669	15,210	-459	-2.9%
Comparable Wage Index	14,189	14,530	340	2.4%
Blueprint Funding	13,537	16,885	3,348	24.7%
Other Education Aid	2,481	2,493	12	0.5%
Primary and Secondary Education	\$397,558	\$415,185	\$17,627	4.4%
Libraries	\$1,311	\$1,364	\$52	4.0%
Community Colleges	36,024	36,928	904	2.5%
Health Formula Grant	6,283	5,607	-676	-10.8%
Transportation	6,844	6,852	7	0.1%
Police and Public Safety	5,880	5,826	-54	-0.9%
Fire and Rescue Aid	683	683	0	0.0%
Gaming Impact Aid	89	89	0	0.0%
Total Direct Aid	\$454,672	\$472,532	\$17,861	3.9%
Aid Per Capita (\$)	\$1,340	\$1,393	\$53	3.9%
Property Tax Equivalent (\$)	0.63	0.63	0.0	0.0%

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 2027 State payments for Howard County for teachers, librarians, and community college faculty are estimated to be \$81,103,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$186,869,000
Family Health and Chronic Disease	1,277,000
Developmental Disabilities	94,685,000
Behavioral Health Services	51,534,000

Social Services

Homeless Services	295,000
Women's Services	389,000
Adult Services	82,000
Child Welfare Services	4,417,000
Foster Care	7,565,000
Temporary Cash Assistance	1,329,000

Senior Citizen Services

Long-term Care	687,000
Community Services	266,000

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

Clarksville Middle School – Renovations (Security Vestibule)	\$2,141,151
Fulton Elementary School – Renovations (Roof)	607,655
Glenwood Middle School – Renovations (Security Vestibule)	2,374,500
Ilchester Elementary School – Renovations (Security Vestibule/HVAC)	7,553,004
Worthington Elementary School – Renovations (Security Vestibule)	154,000
Public Schools Facilities Priority Fund	6,000,000

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Howard Community College

Campuswide – Facilities Renewal	327,250
Workforce Development and Trades Center	2,100,000

Program Open Space

Park acquisition and development	3,568,660

Comprehensive Flood Mitigation Program

Ellicott City – Maryland Avenue culverts	4,000,000

Other Projects

Camp Attaway, Inc.	25,000
Columbia Association, Inc. – EnviroWell NextGen Hydration Pilot	150,000
Elkridge Heritage Society, Inc. – Brumbaugh House and Museum	100,000
Friends of Patapsco Valley State Park	1,200,000
Gentle Giants Draft Horse Rescue Society	450,000
Howard County – Agriculture Cultural Center at West Friendship Park	250,000
Howard County – Elkridge Community Center	100,000
Howard County – Ellicott City flood mitigation	2,000,000
Howard County – Font Hill Wetland Park	300,000
Howard County – High Ridge Head Start	650,000
Howard County – Jug Handle Connector	4,000,000
Howard County – Kenneth S. Ulman Innovation Hub	100,000
Howard County – Library Complex Infrastructure Improvements	5,000,000
Howard County – Patuxent Woods Child Care Center	200,000
Howard County Chinese School, Inc.	100,000
Howard County Conservancy, Inc.	350,000
Howard County Housing Commission	450,000

Howard County Striders, Inc. – 50th Anniversary Celebration Monument	20,000
Indian Cultural Association of Howard	400,000
Preservation of Maryland Antiquities, Inc. – headquarters	550,000
SpringForward Ventures, Inc. – Laurel Farm Property	348,000
Vantage Point Continuing Care Retirement Community	320,000
Veterans of Foreign Wars Post No. 7472	190,000
Winter Growth, Inc. – Ruth Keeton Center	85,000

D. Capital Projects for State Facilities in the County

Department of Health

Perkins Hospital Center – Infrastructure Improvements	\$12,363,000

Maryland State Police

Waterloo – Barrack and Garage Replacement	763,000

Kent County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$2,241	\$2,374	\$134	6.0%
Compensatory Education	3,397	3,401	4	0.1%
Student Transportation	2,113	2,145	31	1.5%
Special Education	1,001	1,238	236	23.6%
English Language Learners Grant	387	435	48	12.5%
Blueprint Funding	2,563	2,692	129	5.0%
Other Education Aid	1,287	1,476	189	14.7%
Primary and Secondary Education	\$12,990	\$13,761	\$772	5.9%
Libraries	\$135	\$139	\$4	2.7%
Community Colleges	906	949	43	4.8%
Health Formula Grant	2,620	2,204	-415	-15.8%
Transportation ¹	1,536	1,537	1	0.0%
Police and Public Safety ¹	277	275	-2	-0.8%
Fire and Rescue Aid ¹	342	342	0	0.0%
Total Direct Aid	\$18,804	\$19,207	\$402	2.1%
Aid Per Capita (\$)	\$961	\$982	\$21	2.1%
Property Tax Equivalent (\$)	0.51	0.50	-0.01	-2.6%

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 2027 State payments for Kent County for teachers, librarians, and community college faculty are estimated to be \$2,591,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$20,445,000
Family Health and Chronic Disease	600,000
Developmental Disabilities	8,119,000
Behavioral Health Services	9,138,000

Social Services

Homeless Services	1,342,000
Women's Services	32,000
Adult Services	299,000
Child Welfare Services	1,023,000
Foster Care	1,698,000
Temporary Cash Assistance	114,000

Senior Citizen Services

Long-term Care	564,000
Community Services	169,000

Note: 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	\$2,750,000

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Chesapeake College

Campuswide – Facilities Renewal	327,250
Queen Anne’s Technical Building – Construction	5,938,000

Business Facade Improvement Program

Galena	50,000
Main Street Historic Chestertown, Inc.	50,000
Main Street Rock Hall	50,000

Program Open Space

Park acquisition and development	171,621

Community Parks and Playgrounds

Rock Hall – Dog Park	295,000

Waterway Improvement

Bogles Wharf – Boating Facility Improvements	100,000
Chestertown Marina – Fuel Systems Upgrade	175,000

Other Projects

Easterseals Camp Fairlee	500,000
Radcliffe Creek School, Inc.	190,000
Washington College – School of Global Business/Economics/Social Impact	3,600,000

Montgomery County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$458,323	\$463,034	\$4,711	1.0%
Compensatory Education	205,611	198,854	-6,757	-3.3%
Student Transportation	58,051	58,505	454	0.8%
Special Education	106,904	119,052	12,147	11.4%
English Language Learners Grant	117,584	112,429	-5,155	-4.4%
Comparable Wage Index	35,758	35,357	-401	-1.1%
Blueprint Funding	53,593	62,110	8,517	15.9%
Other Education Aid	5,671	5,450	-221	-3.9%
<i>Primary and Secondary Education</i>	<i>\$1,041,495</i>	<i>\$1,054,791</i>	<i>\$13,296</i>	<i>1.3%</i>
Libraries	\$3,959	\$4,134	\$176	4.4%
Community Colleges	77,768	79,796	2,028	2.6%
Health Formula Grant	5,065	6,304	1,239	24.5%
Transportation ¹	54,731	51,442	-3,289	-6.0%
Police and Public Safety ¹	19,807	19,714	-93	-0.5%
Fire and Rescue Aid ¹	2,122	2,122	0	0.0%
Other Direct Aid	100	100	0	0.0%
Total Direct Aid	\$1,205,047	\$1,218,404	\$13,356	1.1%
Aid Per Capita (\$)	\$1,121	\$1,134	\$12	1.1%
Property Tax Equivalent (\$)	0.48	0.47	-0.01	-2.5%

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 2027 State payments for Montgomery County for teachers, librarians, and community college faculty are estimated to be \$221,748,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$694,801,000
Family Health and Chronic Disease	2,619,000
Developmental Disabilities	272,279,000
Behavioral Health Services	179,635,000

Social Services

Homeless Services	987,000
Women's Services	637,000
Adult Services	1,558,000
Child Welfare Services	7,112,000
Foster Care	31,529,000
Temporary Cash Assistance	4,727,000

Senior Citizen Services

Long-term Care	2,672,000
Community Services	951,000

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

Crown High School – construction	\$2,538,825
Dr. Charles R. Drew Elementary School – Renovations (Boiler/Chiller/HVAC)	1,200,000
Dr. Martin Luther Jr. Middle School – Renovations (HVAC)	7,623,000
Flower Valley Elementary School – Renovations (HVAC)	2,111,261
Goshen Elementary School – Renovations (HVAC)	1,197,900
New Hampshire Estates Elementary School – Renovations (HVAC)	1,284,739
Northwest High School – Renovations (Roof)	693,000
Sherwood High School – Renovations (HVAC)	4,083,750
Spark M. Matsunaga Elementary School – Renovations (Boiler/Chiller/HVAC)	1,500,000
Springbrook High School – Renovations (Boiler/Chiller/HVAC)	4,083,750
Strawberry Knoll Elementary School – Renovations (HVAC)	4,628,250
Public Schools Facilities Priority Fund	15,000,000

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Public Libraries

Clarksburg Library – construction	4,274,000

Montgomery College

Rockville – library renovation	5,489,000
Rockville – Theatre Arts Building	4,325,000

Community Health Facilities Grant Program

Housing Unlimited, Inc.	977,000

Strategic Demolition Fund

Montgomery County – 4th District Police Station	500,000

National Capital Strategic Economic Development Fund

Bethesda Arts and Entertainment District Inc.	100,000
Gaithersburg – 8 South Summit Avenue Plaza	450,000
Gaithersburg – Municipal Complex	50,000
Habitat for Humanity Metro Maryland, Inc.	250,000
Housing Opportunities Commission of Montgomery County	1,375,000
Latino Economic Development Corporation of Washington, D.C.	400,000
Montgomery County – Department of Environmental Protection	1,270,000

Part A – Budget and State Aid**A-151**

Montgomery Housing Partnership, Inc.	735,000
Rebuilding Together Montgomery County, Inc.	405,000
Takoma Park – Historic Takoma Park Bank	150,000

Business Facade Improvement Program

Gaithersburg	50,000
Montgomery County – countywide	650,000
Takoma Park	100,000

Community Legacy Program

Montgomery County – Strathmore Hall Performing Arts Center	500,000

Historic Preservation Grant Fund

Salem United Methodist Church	35,000

Program Open Space

Park acquisition and development	9,085,085

Community Parks and Playgrounds

Brookeville – Salem United Methodist Church Community Center Playground	299,998
Garrett Park – Community Center Park Playground	151,500
Poolesville – Stevens Park	310,000

Chesapeake Bay Water Quality Projects

Rockville – Orangeburg lateral replacement	1,500,000

Hazardous Substance Cleanup Program

Former Wellers Cleaners – offsite contamination	100,000

Other Projects

Adventist Healthcare, Inc. – Shady Grove Medical Center	1,000,000
Adventure Theatre, Inc.	250,000
Brownstones of Chevy Chase Lake HOA – Jean Banks Park	40,000
C&O Canal Trust, Inc.	250,000
Calverton Swim Club, Inc.	500,000
Carderock Springs Elementary School – infrastructure improvements	700,000
Children’s National Hospital – Pediatric Comprehensive Pain Management	500,000
Children’s Inn at the National Institutes of Health	100,000

Clifton Park Baptist Church – Clifton Park and Springbrook Farm	50,000
Cloverly Elementary School – playground	150,000
Community FarmShare, LLC	75,000
Community Services for Autistic Adults and Children, Inc.	450,000
Connelly School of the Holy Child	400,000
Cross Community, Inc. – Childcare Development Center	600,000
Don Bosco Cristo Rey High School	1,000,000
Emory Grove United Methodist Church	250,000
Fairfax Community Church of God – Clarksburg Yard	321,875
Falls Road Local Park	750,000
Friends House Retirement Community, Inc.	400,000
Friends of Moses Hall, Inc. – Morningstar Tabernacle No. 88 cemetery and hall	240,000
Gaithersburg – Municipal Complex	250,000
Glenmount Forest Neighbors Civic Association, Inc. – community garden/farm	43,000
Haneefiya Adult Medical Day Care Center	545,000
Housing Opportunities Commission of Montgomery County	455,000
Identity, Inc. – Gaithersburg Community Center	50,000
Ivymount School, Inc.	380,000
Johnson's Local Park	1,000,000
Jubilee Association of Maryland, Inc.	406,790
Kensington – Town Hall	100,000
Korean Community Service Center of Greater Washington, Inc.	100,000
Laytonsville – Trail Improvements	150,000
Leisure World Community Corporation	20,000
Lincoln High School Community Development Corporation	200,000
Maplewood Alta-Vista Local Park	250,000
Martin Luther King Jr. Recreational Park	500,000
MAS Maryland, Inc. – Noor Center	200,000
MD-National Capital Park & Planning Comm. – Park Field Upgrades	100,000
MD-National Capital Park & Planning Comm. – Park Solar Infrastructure	2,535,000
MedStar Montgomery Medical Center	375,000
Melvin J. Berman Hebrew Academy	300,000
Montgomery College – East County Education Center	40,000
Montgomery County – 4th District Police Station	1,500,000
Montgomery County – Blackburn Road Safety Beacons	75,000
Montgomery County – Bowie Mill Road Bike Trail	2,150,000
Montgomery County – Community Recreation Centers	764,000
Montgomery County – County Child Care Facility Playgrounds	500,000
Montgomery County – Damascus Streetscape Improvement	100,000
Montgomery County – Glen Echo Park Spanish Ballroom	1,500,000
Montgomery County – Long Branch Community Recreation Center	150,000

Montgomery County – Martin Lane Shared Use Path	750,000
Montgomery County – North Bethesda Metro Station	500,000
Montgomery County – Olney Satellite Police Station & Community Facility	1,250,000
Montgomery County – Public School Playgrounds	1,350,000
Montgomery County – Route 198 Safety Improvements	200,000
Montgomery County – Silver Spring/Bethesda Ride On Depot	250,000
Montgomery County – Strathmore Hall Performing Arts Center	1,850,000
Montgomery County Historical Society, Inc.	350,000
Montgomery County Pride Center, Inc.	500,000
Montgomery General Hospital	900,000
Montgomery Housing Partnership, Inc.	350,000
Montgomery Village Foundation, Inc.	450,000
Muslim Community Center, Inc.	100,000
Nepal Education and Cultural Center	100,000
Northwest Branch Recreational Park	500,000
Northwest High School – Softball Field	600,000
Oakdale Church	65,000
Olney Boys and Girls Club – Sports Fields	300,000
Olney Farmers and Artist Market	5,000
Olney Manor Recreational Park	250,000
Olney Theatre	500,000
Poolesville – Pool Bubble	200,000
Ring House Corporation	950,000
Riverworks Art Center, Inc.	200,000
Rockland Housing Enterprises, LLC	75,000
Rockville – Stonestreet Corridor Improvements	100,000
Rockville – Twinbrook and Dogwood Park Pedestrian Bridge	325,000
Sandy Spring Museum	400,000
Sandy Spring Volunteer Fire Department	750,000
Sandy Springs Friends School, Inc.	2,500,000
Sheppard Pratt Rockville School	650,000
So What Else, Inc. – Food Pantry	150,000
Springsong Museum	1,000,000
Suburban Hospital	1,500,000
Sugarland Ethno-History Project, Inc.	67,000
Takoma Park – Metropolitan Branch Trail	500,000
Technology Council of Maryland, Inc. – BioHub Maryland	250,000
Temple Emanuel	200,000
The Diener School, Inc.	400,000
The Kitchen We Build Together, Ltd.	550,000
The People’s Foundation, Inc. – Multilingual Daycare and Aftercare	100,000

The Siena School	500,000
The UpCounty Hub, Inc.	175,000
Waredaca Eventing Education Foundation, Inc. – Pony Club	45,000
Warrior Canine Connection, Inc.	500,000
Washington Grove – playground	250,000
WeAchieve, Inc. – roof replacement	450,000
Wheaton Forest Local Park	750,000
Winter Growth, Inc.	120,000
Young Artists of America, Inc.	1,500,000

Prince George's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$674,161	\$708,563	\$34,402	5.1%
Compensatory Education	357,671	362,450	4,778	1.3%
Student Transportation	55,287	56,277	990	1.8%
Special Education	102,056	116,175	14,119	13.8%
English Language Learners Grant	178,629	175,581	-3,048	-1.7%
Comparable Wage Index	40,874	42,046	1,172	2.9%
Blueprint Funding	301,348	342,083	40,735	13.5%
Other Education Aid	3,718	4,841	1,123	30.2%
Primary and Secondary Education	\$1,713,745	\$1,808,015	\$94,270	5.5%
Libraries	\$8,838	\$9,297	\$459	5.2%
Community Colleges	53,030	55,068	2,039	3.8%
Health Formula Grant	8,321	10,039	1,717	20.6%
Transportation ¹	28,942	25,652	-3,290	-11.4%
Police and Public Safety ¹	28,174	27,459	-715	-2.5%
Fire and Rescue Aid ¹	1,895	1,895	0	0.0%
Disparity Grant	68,267	74,406	6,139	9.0%
Teachers Retirement Supplemental Grant	4,814	0	-4,814	-100.0%
Gaming Impact Aid	34,455	34,689	234	0.7%
Other Direct Aid	3,500	3,350	-150	-4.3%
Total Direct Aid	\$1,953,981	\$2,049,870	\$95,889	4.9%
Aid Per Capita (\$)	\$2,014	\$2,112	\$99	4.9%
Property Tax Equivalent (\$)	1.39	1.39	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 2027 State payments for Prince George’s County for teachers, librarians, and community college faculty are estimated to be \$160,811,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$735,325,000
Family Health and Chronic Disease	12,162,000
Developmental Disabilities	216,248,000
Behavioral Health Services	183,339,000

Social Services

Homeless Services	1,508,000
Women’s Services	599,000
Adult Services	962,000
Child Welfare Services	14,112,000
Foster Care	38,197,000
Temporary Cash Assistance	6,491,000

Senior Citizen Services

Long-term Care	2,333,000
Community Services	866,000

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

Barnaby Manor Elementary School – Construction	\$1,277,276
Buck Lodge Middle School – Renovations (Windows/Doors)	4,399,318
Capitol Heights Elementary School – Renovations (Windows/Doors)	1,127,016
Catherine T. Reed Elementary School – Renovations (Roof)	2,612,995
Cool Spring Elementary School – Construction	15,546,285
Cool Spring Elementary School Annex – Construction	2,000,000
Cooper Lane Elementary School – Renovations (Windows/Doors)	548,442
Crossland High School – Construction	1,000,000
High Point High School – Construction	1,750,000
Kettering Elementary School – Renovations (Roof)	2,484,504
Northern Adelphi Area High School – Construction	2,000,000
Samuel Chase Elementary School – Construction	720,430
William Schmidt Outdoor Education Center – Construction	2,715,300
Built To Learn Fund – Public-Private Partnership Projects	27,000,000
Public Schools Facilities Priority Fund	19,000,000

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Community Health Facilities Grant Program

The Arc Prince George's County	1,000,000

Federally Qualified Health Centers Grant Program

Greater Baden Medical Services, Inc.	1,000,000

Strategic Demolition Fund

Redevelopment Authority of Prince George's County	1,500,000

National Capital Strategic Economic Development Fund

Banneker Foundation	1,500,000
Berwyn Heights – Lake Artemesia	100,000
Bladensburg – Port Towns CDC Revitalization Program	300,000
Brentwood – Brentwood Community Center	150,000
College Park City-University Partnership, Inc.	1,000,000
Edmonston – Edmonston Eco streetscape	100,000
Gateway Community Development Corporation	685,000
Habitat for Humanity Metro Maryland, Inc.	250,000
Housing Initiative Partnership, Inc.	500,000

Hyattsville – The Sanctuary predevelopment	1,160,000
Local Initiatives Support Corporation	250,000
Mount Rainier – Potts Hall Welcome Center	700,000
New Carrollton – Playground Safety and Accessibility	370,000
Redevelopment Authority of Prince George’s County	7,000,000
Seat Pleasant – 6500 Central Avenue acquisition	50,000
United Communities Against Poverty, Inc.	600,000
White Rose Foundation, Inc.	150,000

Business Facade Improvement Program

Bladensburg	100,000
Brentwood	75,000
Greenbelt	150,000
Hyattsville	100,000
Mount Rainier	100,000
Upper Marlboro	50,000

Community Legacy Program

Hyattsville Community Development Corporation	500,000
Revenue Authority of Prince George’s County – Creative Suitland	500,000
Riverdale Park – Hiker Biker Trail	500,000

Seed Community Development Anchor Institution Fund

Prince George’s Community College – Cheverly Hill	1,500,000

Blue Line Corridor Facility Fund

Atlantic Pacific Companies – Addison Park	2,000,000
Colmar Manor – Community Center and Town Hall	750,000
Cottage City – Community Outreach Center	750,000
Redev. Authority of Prince George’s County – Mount Rainer Artspace	1,500,000
The Velocity Companies – Blue Line Corridor Infrastructure Improvements	4,000,000

Program Open Space

Park acquisition and development	7,423,105

Community Parks and Playgrounds

Brentwood – Bartlett Park	297,000
Seat Pleasant – Fit and Fun Park	270,000

Comprehensive Flood Mitigation Program

Prince George's – Port Towns Watershed Restoration	2,000,000

Hazardous Substance Cleanup Program

Anacostia River – Northeast and Northwest Branches	50,000

Other Projects

Adventist HealthCare Fort Washington Medical Center, Inc.	1,250,000
Alice Ferguson Foundation, Inc. – Hard Bargain Farm Environmental Center	350,000
American Legion Post No. 227	75,000
Bishop McNamara High School	250,000
Camp Springs Elks Lodge No. 2332	75,000
Capitol Heights – Stormwater Management	600,000
CCI Health Services, Inc.	300,000
College Park – Guilford Road Parking Infrastructure	625,000
College Park – Stonestraw Property Acquisition	500,000
Community Support Systems, Inc.	50,000
DeMatha Catholic High School – Walton House	50,000
Diamond Foundation of Prince George's County, Inc.	100,000
Dinosaur Park	2,000,000
District Heights – infrastructure improvements	100,000
Edmonston – sidewalk improvements	400,000
Educare Resource Center, Inc.	150,000
Fairmont Heights – town hall improvements	170,000
Fidos for Freedom, Inc.	600,000
Food 4 Maryland, Inc. – Commercial Kitchen	240,000
Forestville Park Homeowners Association, Inc.	150,000
Fraternal Order of Police No. 112	150,000
Frederick Douglass High School – gymnasium	500,000
Gateway Community Development Corporation – Arts Center	150,000
Greenbelt – Braden Field	1,000,000
Greenbelt – Buddy Attick Park	300,000
Greenbelt – Community Center	200,000
Greenbelt – Education and Visitor Center	300,000
Gunpowder Golf Course	2,000,000
Harambee Community Development Corporation	90,000
Help Them Heal Foundation – Intrepid Hope University	100,000
Hyattsville – Commercial District Revitalization	300,000
Hyattsville – Economic Mobility and Workforce Development Center	100,000
Hyattsville Community Development Corporation	1,250,000

Inncuvate Community Development Partners, Inc. – Innovation Studio	50,000
IonQ Headquarters	20,000,000
Ivy Community Charities of Prince George’s County, Inc.	250,000
Kennedy Krieger Children’s Hospital – Outpatient Healthcare Hub	2,000,000
Kingdom Global Community Development Corporation	1,000,000
Krimson Achievement Foundation	350,000
Lake Arbor Foundation, Inc.	100,000
Lanham Boys and Girls Club Sports Park	350,000
Laurel Advocacy and Referral Services, Inc.	325,000
Laurel Don’t Rest on your Laurels, Inc.	500,000
Luminis Health Doctors Community Medical Center	11,395,000
Luminis Health, Inc. – bloodmobile	300,000
Madison Square Garden Group – Sphere Maryland	10,000,000
Manna Food Center, Inc.	50,000
Marlboro Boys and Girl’s Club, Inc. – Sasscer Field	215,000
Maryland Umbrella Group – Umbrella Care Center	250,000
MD-National Capital Park & Planning Comm. – Park Police Headquarters	1,300,000
MedStar Southern Maryland Hospital	9,000,000
Men of Beechtree, LLC	10,000
Mission of Love, Inc.	100,000
Morningside – Public Works Building	350,000
National Center on Institutions and Alternatives, Inc.	120,000
New Carrollton – Harland Street pool	450,000
Open My Heart Foundation, Inc.	30,000
Oxon Hill Recreation Club, Inc.	500,000
Patriots, Inc.	25,000
PGC Vision – Suitland Silver Hill redevelopment	10,000,000
Prince George’s County Boys and Girls Club – Laurel/New Carrollton	2,000,000
Prince George’s Gateway Development Authority	500,000
Prince George’s County – Hyattsville Area Beautification Improvements	500,000
Prince George’s County Police Athletic League – Boxing Facility	200,000
Prince George’s County Volunteer Marine, Fire and Rescue Department	50,000
Restoration Community Empowerment Center	150,000
Revolutionary VP, Inc. – Production Studio	4,000,000
Riverdale Park – 47th Avenue Stormwater Management	450,000
Riverdale Park – Purple Line Neighborhood Improvements	325,000
Rollingcrest-Chillum Community and Aquatics Center	1,750,000
Second Family, Inc. – Group Home Renovation	100,000
Sheppard Pratt Health System, Inc.	15,000,000
Southern Area Aquatics and Recreation Complex	50,000
St. Vincent Pallotti High School, Inc.	300,000

STATDC Global Solutions Food Bank	100,000
StoreHouse Center of Excellence	100,000
Suitland Road/Silver Hill Road – Cultural Arts Improvements	1,000,000
The Heights Community Development Corporation	150,000
The Maryland Jewish Experience Inc. – MEOR Cultural Center	500,000
University of Maryland Enterprise Corp. – Capital Of Quantum Initiative	20,000,000
University Park – Town Hall improvements	200,000
University Park Elementary School – playground	150,000
Veterans of Foreign Wars Post No. 9619	200,000
White Rose Foundation, Inc.	200,000
Wilmer’s Park	450,000
Womans Club of Laurel, Inc.	25,000

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

MD Community Health Resources Comm. – Behavioral Health Services	\$20,000,000

Department of Juvenile Services

Cheltenham Youth Facility – Treatment Center	4,292,000

University System of Maryland

Bowie State – Campus Safety and Security Upgrades	500,000
Bowie State – Campuswide Boiler and Chiller Replacements	1,000,000
Bowie State – MARC Station Redevelopment	2,000,000
Bowie State – Thurgood Marshall Library Commons	4,802,000
College Park – Department of Residence Facilities	6,000,000
College Park – Ellicott Community Residence Halls	20,000,000
College Park – Graduate Student Housing	5,000,000
College Park – Health and Human Sciences Building	44,315,000
College Park – Interdisciplinary Engineering Building	13,110,000
College Park – Xfinity Center Roof Repair	10,000,000
Global Campus – Adelphi Building	1,000,000

Other

Maryland Economic Dev. Corp. – Mixed-use Development at UM College Park	18,000,000
University of Maryland Medical System – Capital Region Medical Center	3,000,000

Queen Anne’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$23,687	\$24,256	\$570	2.4%
Compensatory Education	8,149	8,026	-124	-1.5%
Student Transportation	4,623	4,692	69	1.5%
Special Education	3,751	4,317	565	15.1%
English Language Learners Grant	1,570	1,555	-14	-0.9%
Blueprint Funding	2,162	2,517	355	16.4%
Other Education Aid	1,707	1,879	172	10.1%
<i>Primary and Secondary Education</i>	<i>\$45,649</i>	<i>\$47,242</i>	<i>\$1,593</i>	<i>3.5%</i>
Libraries	\$224	\$228	\$4	1.9%
Community Colleges	3,581	3,728	147	4.1%
Health Formula Grant	2,296	2,004	-291	-12.7%
Transportation ¹	2,709	2,714	5	0.2%
Police and Public Safety ¹	536	533	-4	-0.7%
Fire and Rescue Aid ¹	331	331	0	0.0%
Total Direct Aid	\$55,326	\$56,780	\$1,454	2.6%
Aid Per Capita (\$)	\$1,016	\$1,043	\$27	2.6%
Property Tax Equivalent (\$)	0.47	0.46	-0.01	-3.6%

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 2027 State payments for Queen Anne's County for teachers, librarians, and community college faculty are estimated to be \$7,975,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$27,867,000
Family Health and Chronic Disease	545,000
Developmental Disabilities	9,957,000
Behavioral Health Services	9,952,000

Social Services

Homeless Services	1,342,000
Women's Services	32,000
Adult Services	222,000
Child Welfare Services	1,348,000
Foster Care	898,000
Temporary Cash Assistance	209,000

Senior Citizen Services

Long-term Care	181,000
Community Services	105,000

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

Kennard Elementary School – renovations (HVAC)	\$2,750,000

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Public Libraries

North County Branch Library – construction	65,000

Chesapeake College

Campuswide – Facilities Renewal	327,250
Queen Anne’s Technical Building – Construction	5,938,000

Local Jails and Detention Centers

County Detention Center – Addition And Renovations	700,000

Program Open Space

Park Acquisition And Development	379,256

Chesapeake Bay Restoration Fund

Centreville WWTP – Enhanced Nutrient Removal	4,500,000

Waterway Improvement

Kent Island Volunteer Fire Department – Replace Rescue Vessel	80,000
Matapeake Public Landing – Boat Ramp Improvements	250,000
Queenstown Creek – Dredging	925,000
United Communities Volunteer Fire Department – Replace Fire/Rescue Vessel	80,000

Other Projects

Centreville – Wastewater Treatment Plant	600,000
Chesapeake Charities, Inc. – United States Colored Troops Memorial	100,000
Christ Church Parish Kent Island	175,000
Historic Christ Church	100,000
The Gunston School, Inc.	150,000

St. Mary's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$87,739	\$89,422	\$1,683	1.9%
Compensatory Education	25,350	24,214	-1,136	-4.5%
Student Transportation	9,365	9,481	116	1.2%
Special Education	11,530	13,198	1,668	14.5%
English Language Learners Grant	2,441	2,341	-100	-4.1%
Comparable Wage Index	3,258	3,250	-8	-0.3%
Blueprint Funding	9,711	11,185	1,474	15.2%
Other Education Aid	1,839	1,968	129	7.0%
<i>Primary and Secondary Education</i>	<i>\$151,233</i>	<i>\$155,059</i>	<i>\$3,827</i>	<i>2.5%</i>
Libraries	\$975	\$1,003	\$28	2.9%
Community Colleges	6,327	6,130	-197	-3.1%
Health Formula Grant	4,029	3,560	-469	-11.6%
Transportation ¹	3,716	3,721	5	0.1%
Police and Public Safety ¹	1,331	1,289	-41	-3.1%
Fire and Rescue Aid ¹	331	331	0	0.0%
Total Direct Aid	\$167,941	\$171,094	\$3,153	1.9%
Aid Per Capita (\$)	\$1,439	\$1,466	\$27	1.9%
Property Tax Equivalent (\$)	1.01	0.98	-0.03	-2.5%

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 2027 State payments for St. Mary's County for teachers, librarians, and community college faculty are estimated to be \$18,162,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$69,850,000
Family Health and Chronic Disease	826,000
Developmental Disabilities	18,448,000
Behavioral Health Services	21,178,000

Social Services

Homeless Services	1,570,000
Women's Services	313,000
Adult Services	268,000
Child Welfare Services	2,897,000
Foster Care	4,342,000
Temporary Cash Assistance	1,070,000

Senior Citizen Services

Long-term Care	256,000
Community Services	142,000

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

Chopticon High School – Renovations (Multisystemic)	\$2,166,471
Esperanza Middle School – Renovations (Multisystemic)	2,441,645

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

College of Southern Maryland

Leonardtown – “A” Building Renovation and Expansion	362,000

Business Facade Improvement Program

Leonardtown	50,000

Program Open Space

Park acquisition and development	689,949

Community Parks and Playgrounds

Leonardtown – Miedzinski Park	300,000

Waterway Improvement

Seventh District Volunteer Fire Department – rescue vessel	80,000
St. George’s Island – boating pier improvements	125,000

Other Projects

Boys and Girls Clubs of Southern Maryland, Inc. – Carver Center	150,000
Greenwell Foundation, Inc. – Knott Lodge	50,000
Innovative Center for Autonomous Systems	330,000
Mechanicsville Volunteer Fire Department	50,000
Ridge Volunteer Fire Department	60,000
Seventh District Volunteer Fire Department	100,000
St. Mary’s County – Charlotte Hall Veterans Home EMS facility	450,000

D. Capital Projects for State Facilities in the County**Historic St. Mary's City Commission**

Education and Artisan Center	\$420,000
Sitewide – Infrastructure Improvements	925,000

St. Mary's College of Maryland

Campuswide – Infrastructure Improvements	2,271,000
Montgomery Hall – Renovation	959,000

Other

Maryland Economic Dev. Corp. – Sensitive Compartmented Information	1,000,000

Somerset County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$16,817	\$17,417	\$600	3.6%
Compensatory Education	10,913	10,984	71	0.6%
Student Transportation	2,556	2,582	26	1.0%
Special Education	3,185	3,479	294	9.2%
English Language Learners Grant	1,034	1,109	76	7.3%
Guaranteed Tax Base	1,121	1,948	828	73.8%
Blueprint Funding	8,778	9,805	1,028	11.7%
Other Education Aid	1,175	1,299	124	10.6%
Primary and Secondary Education	\$45,579	\$48,625	\$3,046	6.7%
Libraries	\$344	\$352	\$8	2.2%
Community Colleges	1,435	1,501	66	4.6%
Health Formula Grant	2,104	1,876	-228	-10.8%
Transportation ¹	1,668	1,672	4	0.2%
Police and Public Safety ¹	417	394	-23	-5.5%
Fire and Rescue Aid ¹	344	344	0	0.0%
Disparity Grant	8,702	8,014	-688	-7.9%
Teachers Retirement Supplemental Grant	191	0	-191	-100.0%
Other Direct Aid	685	803	118	17.3%
Total Direct Aid	\$61,470	\$63,581	\$2,111	3.4%
Aid Per Capita (\$)	\$2,461	\$2,546	\$85	3.4%
Property Tax Equivalent (\$)	2.93	2.81	-0.12	-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 2027 State payments for Somerset County for teachers, librarians, and community college faculty are estimated to be \$3,624,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$35,425,000
Family Health and Chronic Disease	570,000
Developmental Disabilities	17,537,000
Behavioral Health Services	14,137,000

Social Services

Homeless Services	884,000
Women's Services	55,000
Adult Services	324,000
Child Welfare Services	2,179,000
Foster Care	1,879,000
Temporary Cash Assistance	617,000

Senior Citizen Services

Long-term Care	865,000
Community Services	294,000

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

C. Selected State Grants for Capital Projects**Program Open Space**

Park acquisition and development \$162,519

Chesapeake Bay Restoration Fund

Princess Anne WWTP – Enhanced Nutrient Removal 7,000,000

Comprehensive Flood Mitigation Program

Crisfield – Tidal Flood Protection 1,000,000

Other Projects

It Takes A Village to Help Our Children, Inc. 495,000

Somerset County – emergency Medical Services Facility 500,000

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

Janes Island State Park – Inclusive Playground \$500,000

Somers Cove Marina – Bulkhead Replacement And Site Improvements 8,727,000

Maryland Environmental Service

Eastern Correctional Institution – Wastewater Treatment Plant Upgrade 825,000

University System of Maryland

Eastern Shore – School of Veterinary Medicine and Health Professions 1,000,000

Talbot County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$5,820	\$5,981	\$161	2.8%
Compensatory Education	7,786	7,468	-317	-4.1%
Student Transportation	2,298	2,316	18	0.8%
Special Education	2,182	2,488	306	14.0%
English Language Learners Grant	2,456	2,419	-37	-1.5%
Blueprint Funding	2,499	2,898	399	16.0%
Other Education Aid	1,506	1,668	162	10.8%
<i>Primary and Secondary Education</i>	<i>\$24,546</i>	<i>\$25,239</i>	<i>\$693</i>	<i>2.8%</i>
Libraries	\$141	\$146	\$5	3.3%
Community Colleges	2,614	2,748	134	5.1%
Health Formula Grant	2,186	1,862	-324	-14.8%
Transportation ¹	3,503	3,514	11	0.3%
Police and Public Safety ¹	559	543	-16	-2.9%
Fire and Rescue Aid ¹	346	346	0	0.0%
Total Direct Aid	\$33,895	\$34,398	\$503	1.5%
Aid Per Capita (\$)	\$886	\$900	\$13	1.5%
Property Tax Equivalent (\$)	0.32	0.30	-0.02	-4.6%

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 2027 State payments for Talbot County for teachers, librarians, and community college faculty are estimated to be \$5,625,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$28,872,000
Family Health and Chronic Disease	530,000
Developmental Disabilities	11,992,000
Behavioral Health Services	10,237,000

Social Services

Homeless Services	1,342,000
Women's Services	205,000
Adult Services	245,000
Child Welfare Services	2,102,000
Foster Care	1,392,000
Temporary Cash Assistance	282,000

Senior Citizen Services

Long-term Care	564,000
Community Services	169,000

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

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

Easton Middle School – Renovations (Roof)	\$2,106,000

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Chesapeake College

Campuswide – Facilities Renewal	327,250
Queen Anne’s Technical Building – Construction	5,938,000

Program Open Space

Park acquisition and development	392,245

Community Parks and Playgrounds

St. Michaels – San Domingo Park	283,096

Chesapeake Bay Restoration Fund

Easton WWTP – Enhanced Nutrient Removal	5,000,000
Trappe WWTP – Enhanced Nutrient Removal	2,097,046

Waterway Improvement

St. Michaels – Boat Ramp and Marina Improvements	725,000
Tuckahoe Landing Road and Bridge – improvements	546,000

Other Projects

Chesapeake Bay Maritime Museum	250,000
Chesapeake Multicultural Resource Center, Inc.	123,000
Cordova Volunteer Firemen’s Association	200,000
Easton High School – Darren Foxwell Stadium scoreboard	150,000
Fello, Inc. – Easton Crossing development	2,000,000
Hope Center	82,000
St. Michaels Community Center, Inc.	800,000
Talbot County – Eastern Shore Regional Medical Center	500,000

D. Capital Projects for State Facilities in the County**Other**

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

Washington County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$129,580	\$133,322	\$3,742	2.9%
Compensatory Education	65,262	62,589	-2,673	-4.1%
Student Transportation	10,036	10,197	161	1.6%
Special Education	19,831	22,849	3,018	15.2%
English Language Learners Grant	7,414	7,469	54	0.7%
Guaranteed Tax Base	5,898	6,579	681	11.5%
Blueprint Funding	25,382	31,612	6,230	24.5%
Other Education Aid	2,710	2,885	174	6.4%
Primary and Secondary Education	\$266,114	\$277,502	\$11,388	4.3%
Libraries	\$1,667	\$1,684	\$17	1.0%
Community Colleges	21,019	20,543	-476	-2.3%
Health Formula Grant	4,453	4,402	-51	-1.1%
Transportation ¹	7,589	7,597	8	0.1%
Police and Public Safety ¹	2,398	2,301	-97	-4.0%
Fire and Rescue Aid ¹	369	369	0	0.0%
Disparity Grant	2,507	2,824	316	12.6%
Other Direct Aid	250	0	-250	-100.0%
Total Direct Aid	\$306,367	\$317,222	\$10,855	3.5%
Aid Per Capita (\$)	\$1,942	\$2,011	\$69	3.5%
Property Tax Equivalent (\$)	1.60	1.55	-0.05	-2.9%

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 2027 State payments for Washington County for teachers, librarians, and community college faculty are estimated to be \$24,551,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$177,618,000
Family Health and Chronic Disease	951,000
Developmental Disabilities	76,471,000
Behavioral Health Services	51,880,000

Social Services

Homeless Services	660,000
Women's Services	327,000
Adult Services	902,000
Child Welfare Services	6,141,000
Foster Care	13,359,000
Temporary Cash Assistance	2,828,000

Senior Citizen Services

Long-term Care	467,000
Community Services	222,000

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

Downsville Pike Elementary School – Construction	\$3,630,838
Jonathan Hager Elementary School – Construction	1,506,000
North Hagerstown High School – Renovations (Boiler)	1,468,126

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Public Libraries

Williamsport Library – construction	675,000

Hagerstown Community College

Advanced Technology Center	2,081,000
Campuswide – facilities renewal	327,250
Second Entrance – widening	1,500,000

Business Facade Improvement Program

Boonsboro	25,000
Williamsport	25,000

Program Open Space

Park acquisition and development	1,077,378

Community Parks and Playgrounds

Boonsboro – Shafer Pond Park Pavilion	71,387
Sharpsburg – Community Park Inclusive Play Area	156,781

Chesapeake Bay Restoration Fund

Hancock WWTP – Enhanced Nutrient Removal	4,102,048

Other Projects

Band Boosters of Smithsburg Area Schools, Inc. – Smithsburg High School	100,000
Boonsboro High School Athletic Boosters, Inc.	250,000
Doleman Black Heritage Museum	300,000
Hancock – Town Hall	300,000
Hancock Fire Company, Inc.	32,000
Horizon Goodwill Industries, Inc. – Vehicles for Change Training Center	200,000

Long Meadow Volunteer Fire Company	125,000
Maugansville Goodwill Volunteer Fire Company	70,000
Meritus Health. Inc.	500,000
Smithsburg Athletic Booster Club – Smithsburg High School Field House	100,000
Washington County – Regional Airport Control Tower	1,500,000
Washington County Convention/Visitors Bureau – Hagerstown Visitor Center	250,000
Williamsport – Byron Memorial Park	800,000

D. Capital Projects for State Facilities in the County

Department of Public Safety and Correctional Services

Correctional Institution Hagerstown – Perimeter Security Upgrade	\$1,155,000
Roxbury Correctional Institution – Perimeter Fence System Replacement	1,511,000

Military Department

Hagerstown Readiness Center – Vehicle Maintenance Shop	500,000
Hagerstown Readiness Center – Vehicle Maintenance Shop (Federal Funds)	3,250,000

Maryland Environmental Service

Albert Powell Fish Hatchery – Wastewater Treatment Plant Upgrade	1,404,000
Maryland Correctional Institution – Boiler Plant Improvements	1,337,000

Wicomico County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$99,625	\$101,276	\$1,651	1.7%
Compensatory Education	59,057	55,893	-3,165	-5.4%
Student Transportation	7,490	7,547	58	0.8%
Special Education	13,679	16,078	2,399	17.5%
English Language Learners Grant	17,844	17,350	-495	-2.8%
Guaranteed Tax Base	7,070	7,327	257	3.6%
Blueprint Funding	20,137	25,383	5,246	26.1%
Other Education Aid	1,766	1,933	166	9.4%
<i>Primary and Secondary Education</i>	\$226,669	\$232,787	\$6,118	2.7%
Libraries	\$1,300	\$1,333	\$33	2.6%
Community Colleges	9,690	10,080	389	4.0%
Health Formula Grant	5,416	4,692	-724	-13.4%
Transportation ¹	6,231	6,238	7	0.1%
Police and Public Safety ¹	2,041	1,927	-114	-5.6%
Fire and Rescue Aid ¹	423	423	0	0.0%
Disparity Grant	16,204	14,001	-2,203	-13.6%
Teachers Retirement Supplemental Grant	784	0	-784	-100.0%
Total Direct Aid	\$268,757	\$271,480	\$2,723	1.0%
Aid Per Capita (\$)	\$2,514	\$2,540	\$25	1.0%
Property Tax Equivalent (\$)	2.81	2.64	-0.17	-5.9%

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 2027 State payments for Wicomico County for teachers, librarians, and community college faculty are estimated to be \$18,887,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$129,085,000
Family Health and Chronic Disease	974,000
Developmental Disabilities	55,729,000
Behavioral Health Services	36,878,000

Social Services

Homeless Services	884,000
Women's Services	227,000
Adult Services	133,000
Child Welfare Services	4,186,000
Foster Care	4,464,000
Temporary Cash Assistance	1,878,000

Senior Citizen Services

Long-term Care	865,000
Community Services	294,000

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

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

Fruitland Primary School – construction	\$5,636,791

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Public Libraries

Salisbury Library – replacement	3,353,000

Wor-Wic Community College

Maintenance Building – expansion	3,347,000

Business Facade Improvement Program

Delmar	50,000

Program Open Space

Park acquisition and development	715,546

Community Parks and Playgrounds

Delmar – Gordy Park	70,500
Delmar – Mason Dixon Sports Complex	300,500
Willards – Town Park	149,674

Other Projects

Delmar – Mason Dixon Sports Complex	200,000
Eleven21, Inc. – Epoch Dream Center	150,000
Fruitland – recreational park	150,000
Kennedy Krieger Institute – Eastern Shore Campus	5,000,000
Salisbury – Fire Department training building	75,000
TidalHealth Peninsula Regional, Inc.	2,400,000
Wicomico County – Mason-Dixon Athletic Complex	150,000
Wicomico County Humane Society, Inc.	50,000

D. Capital Projects for State Facilities in the County**University System of Maryland**

Salisbury University – Blackwell Hall renovation	\$1,124,000
Salisbury University – Student Union Renovation	5,000,000

Worcester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2026</u>	<u>FY 2027</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$8,865	\$9,115	\$251	2.8%
Compensatory Education	10,627	10,567	-60	-0.6%
Student Transportation	4,210	4,270	60	1.4%
Special Education	2,981	3,530	549	18.4%
English Language Learners Grant	741	681	-61	-8.2%
Blueprint Funding	3,701	4,408	707	19.1%
Other Education Aid	1,348	1,524	176	13.1%
<i>Primary and Secondary Education</i>	<i>\$32,473</i>	<i>\$34,095</i>	<i>\$1,622</i>	<i>5.0%</i>
Libraries	\$203	\$208	\$5	2.5%
Community Colleges	3,445	3,468	23	0.7%
Health Formula Grant	4,353	3,510	-843	-19.4%
Transportation ¹	4,354	4,359	5	0.1%
Police and Public Safety ¹	1,036	956	-80	-7.7%
Fire and Rescue Aid ¹	421	421	0	0.0%
Gaming Impact Aid	5,360	5,411	52	1.0%
Total Direct Aid	\$51,645	\$52,428	\$783	1.5%
Aid Per Capita (\$)	\$948	\$963	\$14	1.5%
Property Tax Equivalent (\$)	0.22	0.21	-0.01	-7.0%

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 2027 State payments for Worcester County for teachers, librarians, and community college faculty are estimated to be \$10,039,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Maryland Department of Aging, the Department of Human Service, 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 2027 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 2026) and may change. See the discussion at the beginning of this section for more details on the types of services funded by the State.

Health Services

Medicaid	\$45,388,000
Family Health and Chronic Disease	736,000
Developmental Disabilities	9,988,000
Behavioral Health Services	17,177,000

Social Services

Homeless Services	884,000
Women's Services	55,000
Adult Services	130,000
Child Welfare Services	2,333,000
Foster Care	1,074,000
Temporary Cash Assistance	413,000

Senior Citizen Services

Long-term Care	865,000
Community Services	294,000

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

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

Berlin Intermediate School – construction	\$1,092,958
Worcester Technical High School – renovations (roof)	590,987

* The final allocation of fiscal 2027 school construction funding will be made in May 2026.

Wor-Wic Community College

Maintenance Building – expansion	3,347,000

Federally Qualified Health Centers Grant Program

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

Business Façade Improvement Program

Ocean City Development Corporation	150,000
Pocomoke	50,000

Program Open Space

Park acquisition and development	703,754

Community Parks and Playgrounds

Berlin – Heron Park Skatepark	300,000

Waterway Improvement

Snow Hill Public Marina – dredging	325,000

Other Projects

Atlantic General Hospital	185,000
Diakonia, Inc.	700,000
Worcester County – Recycling Facility Expansion	100,000

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

Ocean City – Beach Replenishment	\$4,500,000

Part B

Taxes

Property Tax

DECADE Act

Among the many provisions of *Senate Bill 388/House Bill 898 (both passed)* (the DECADE Act), the bills require the State Department of Assessments and Taxation (SDAT) to waive the filing fee for a business entity for each year that the entity provides evidence to the department that it (1) has located within a Regional Institution Strategic Enterprise (RISE) zone within three years of the date by which the filing fee is due and (2) is in a specified eligible technology sector. In addition, the bills (1) specify that certain business entities may concurrently claim the RISE zone and enterprise zone property tax credits, provided that the total property tax credits in any taxable year may not exceed 100% of the property tax that would otherwise be due, and (2) modify reporting requirements for local governments that grant property tax credits under the businesses that create new jobs program.

Tax Exemptions and Credits

Nonprofit Housing Corporations

House Bill 571 (passed) alters the definition of nonprofit housing corporation for purposes of an existing tax exemption and expands the tax exemption to cover the additional entities. Nonprofit housing corporation is defined in the bill to include a corporation (1) incorporated under the laws of the State or authorized to do business in the State by SDAT; (2) recognized by the Internal Revenue Service as an organization described in § 501(c)(3) of the Internal Revenue Code; and (3) organized and operated for the primary purpose of developing, owning, or operating safe and sanitary affordable housing. *House Bill 571* also specifies that the exemption of a nonprofit housing corporation from all taxes and special assessments of the State or a local jurisdiction does not apply to (1) property in Baltimore City that belongs to a nonprofit housing corporation or is owned in whole or in part, directly or indirectly, through one or more wholly or partially owned subsidiary entities of a nonprofit housing corporation or (2) a housing project owned by a nonprofit

housing corporation or an entity that is controlled or wholly owned by a nonprofit housing corporation that, before July 1, 2026, received a financial contribution, including a loan, grant, or other direct financial assistance for the development of the housing project from a local government in which the housing project is located.

Homeowners' Property Tax Credit – Year-round Application

The Homeowners' Property Tax Credit Program is a State-funded program that provides credits against State and local real property taxes for homeowners who qualify based on a sliding scale of property tax liability and income. Homeowners generally must apply to SDAT annually on or before October 1 to receive the property tax credit. *House Bill 1330 (passed)* allows homeowners to apply for the tax credit on a year-round basis beginning in fiscal 2028.

Notice of Property Tax Credits Through Annual Property Tax Bills

House Bill 1096 (passed) requires each county tax collector to include with the property tax bill a website address or quick-response (QR) code for a county government webpage that lists each property tax credit available to taxpayers in the county and a brief explanation of how to apply for the tax credits.

Members and Veterans of the U.S. Space Force

Senate Bill 194 (passed) makes members and veterans of the U.S. Space Force eligible for certain existing tax credits or exemptions, including the property tax exemption for disabled veterans, disabled active-duty service members, and surviving spouses, and the property tax credit for disabled veterans and surviving spouses. The bill also alters the definition of “qualified veteran employee” for purposes of the job creation tax credit to include veterans of the Space Force.

Retail Service Station Conversions

Senate Bill 58/House Bill 161 (both passed) authorize local governments to grant a property tax credit against the county or municipal property tax imposed on real property if the use of the real property has been converted from a retail service station to another retail use, a residential use, or a mixed retail and residential use. “Retail use” does not include use by (1) a discount store; (2) a self-service storage facility; (3) a licensed cigarette retailer; (4) a licensed other tobacco products retailer or tobacconist; (5) an electronic smoking devices retailer or a vape shop vendor; or (6) a holder of a Class A retail alcoholic beverages license. The tax credit may not be granted unless underground storage tanks located on or formerly located on the real property have been permanently closed in accordance with regulations of the Maryland Department of the Environment.

Urban Agricultural Property

House Bill 359 (passed) alters a local option property tax credit for urban agricultural property. The bill alters the definition of “urban agricultural property” by repealing the

requirement that urban agricultural property (1) be at least one-eighth of an acre and not more than five acres and (2) be located in a priority funding area. Instead, the bill defines “urban agricultural property” as real property that is not assessed as agricultural land. The bill also expands the definition of “urban agricultural purposes” to include additional agricultural activities.

Building Homes Act

House Bill 805 (passed) authorizes county and municipal governments to grant a property tax credit for a dwelling if the dwelling is subject to (1) a mortgage or deed of trust provided by a nonprofit entity and (2) a covenant or legally binding agreement with a duration of at least 20 years that enforces income and equity or appreciation restrictions and ensures affordable pricing of the dwelling, including on resale. The amount of the property tax credit is equal to an amount up to the difference between the tax imposed on (1) the full assessed value of the dwelling and (2) the portion of the value of the dwelling that the homeowner is responsible for paying on the homeowner’s first mortgage or deed of trust.

Surviving Spouse of a Military Service Member

Real property owned by the surviving spouse of a disabled veteran and the surviving spouse of an individual who died in the line of duty while in active military, naval, or air service of the United States is exempt from taxation under certain circumstances. **House Bill 842 (passed)** authorizes county and municipal governments to grant a property tax credit for the dwelling owned by the surviving spouse of a military service member who does not qualify for the 100% property tax exemption.

Dwelling House of Disabled Veterans and Surviving Spouses

County and municipal governments are authorized to grant a property tax credit for the dwelling house of certain disabled veterans or the surviving spouses of certain disabled veterans. **House Bill 1611 (passed)** alters the maximum federal adjusted gross income a disabled veteran may have to qualify for the tax credit from \$100,000 to \$150,000 if the disabled veteran is filing an individual income tax return or \$300,000 if the disabled veteran is filing a joint income tax return.

Commercial Buildings Rented to Small Businesses

Senate Bill 767 (passed) authorizes county and municipal governments to grant, by law, a property tax credit for a commercial building that is rented, or rented to own, to a small business located in (1) an arts and entertainment district; (2) a Main Street Maryland designated community; (3) a Baltimore City designated main street; or (4) any other business improvement district designated by a local government.

Agricultural Use Assessment

Chapters 658 and 659 of 2022 required SDAT to assess and qualify land that is used by a community solar energy generating system for agrivoltaics as land that is actively used for farm or agricultural purposes, if the community solar energy generating system was approved by the Public Service Commission (PSC) on or before December 31, 2025. *Senate Bill 344/House Bill 734 (Chs. 45 and 46)* extend the deadline by which a community solar energy generating system must be approved by PSC to qualify for the agricultural use assessment to December 31, 2030. The Acts also establish a process for SDAT to determine in advance of construction whether a proposed agrivoltaics project will qualify for the agricultural use assessment.

Tax Sales

Homeowner Protections

The Homeowner Protection Program (HPP) diverts vulnerable homeowners from the private tax lien sale process into an alternative program 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 753 (passed)* establishes or alters several protections for homeowners in tax sale. The bill requires that the dwelling of a homeowner who has a terminal illness or medical hardship be withheld from tax sale and requires that such individuals be given priority for enrollment in HPP. The bill also increases the maximum assessed value of a dwelling that is eligible for HPP from \$300,000 to \$450,000. Finally, the bill requires the State Tax Sale Ombudsman to develop a process to allow a homeowner to designate a family member or another representative of the homeowner to communicate and work with the ombudsman on their behalf, including through HPP.

Legacy Protection Program

Senate Bill 765/House Bill 1148 (both passed) establish the Legacy Protection Program within SDAT for the purpose of (1) allowing heirs who inherit a dwelling to become the record title holder of the dwelling; (2) preventing tax sales of dwellings inherited by heirs; and (3) allowing heirs to remain in their homes. Under the program, the State Tax Sale Ombudsman must provide grants to qualified legal services organizations for the purpose of providing free legal assistance to heirs to navigate the probate process and become the record title holder of their dwellings. The Ombudsman must also provide grants directly to heirs to pay all or part of probate fees, inheritance taxes, or any other tax or fee that an heir must pay to complete the probate process and become the record title holder of the heir's dwelling. An heir may qualify to receive free legal assistance or a grant if the heir's dwelling is valued at \$450,000 or less. The Ombudsman may establish additional eligibility criteria for grants that prioritize low-income, elderly, and disabled heirs. The bills require the Ombudsman to conduct outreach for the program by sending a certain notice to dwellings that may be occupied by heirs. The Ombudsman also must develop, in

collaboration with the registers of wills, a brief, easy-to-understand, step-by-step guide to probating an estate and becoming the record title holder of a dwelling.

In addition, the bills require that an heir who is not shown as the record title holder of a dwelling be granted the homeowners' and homestead property tax credits for up to three taxable years if the heir files an application and meets all eligibility requirements for the credits.

Judicial *In Rem* Foreclosure

Senate Bill 819/House Bill 1110 (both passed) require that local governments provide notice to interested parties in accordance with the Maryland Rules in a judicial *in rem* tax foreclosure of vacant and abandoned property.

Local Property Taxes

Anne Arundel County

Senate Bill 851/House Bill 320 (both passed) authorize Anne Arundel County to grant a property tax credit for real property that is located in a Rural Legacy Area and for which the property owner has sold the development rights under the Rural Legacy Program.

Senate Bill 109/House Bill 606 (both passed) expand eligibility for a property tax deferral program in Anne Arundel County by including members of the National Oceanic and Atmospheric Administration and Public Health Service.

Baltimore City

Senate Bill 756/House Bill 1232 (Chs. 145 and 146) authorize Baltimore City to exempt or partially exempt an economic development project located in the Downtown RISE District from the city real property tax if the owner of the economic development project and the Baltimore City Board of Estimates enter into a payment in lieu of taxes agreement on or before June 30, 2036.

Baltimore County

Senate Bill 30/House Bill 211 (both passed) authorize Baltimore County to grant, by law, a 100% property tax credit for real property owned by the Fraternal Order of Police Lodge 34.

Calvert County

House Bill 1095 (Ch. 147) authorizes Calvert County to grant, by law, a property tax credit against the county property tax imposed on real property that was formerly used solely as a tobacco barn.

Carroll County

Senate Bill 450/House Bill 929 (both passed) authorize the Carroll County Office of Permits and Inspections to deny the issuance or renewal of a commercial license or permit if the applicant has unpaid personal property taxes.

Montgomery County

House Bill 1623 (Ch. 149) alters the governance and operations of the Village of Drummond, a special taxing district in Montgomery County that operates like a municipality.

Prince George's County

House Bill 1243 (passed) establishes an exemption from municipal corporation personal property tax in Prince George's County for manufacturing personal property owned by a business that holds an alcoholic beverages manufacturer's license and has 50 or fewer employees.

Washington County

Senate Bill 497/House Bill 846 (both passed) require a refund of State, county, and municipal property taxes paid in fiscal 2024 and 2025 by the Hagerstown Multi-Use Sports and Events facility, which became exempt from property tax in fiscal 2026. The bills also provide a new exemption from State, county, and municipal property taxes, retroactive for fiscal 2024 and 2025, for property that is owned by the City of Hagerstown and used primarily for public social, recreational, and entertainment purposes. The exemption for property owned by the City of Hagerstown applies to the Hagerstown Field House, an indoor sports and fitness facility.

Senate Bill 501/House Bill 783 (both passed) require Washington County and municipalities in Washington County to grant a 100% property tax credit for real property owned by Platoon 22, Inc., and used to provide housing to veterans.

Wicomico County

Senate Bill 847/House Bill 889 (both passed) authorize Wicomico County and municipalities in the county to grant, by law, a property tax credit for real property that is (1) owned by Salisbury Neighborhood Housing Services, Inc., with the intention of relinquishing ownership in the near future; (2) used for the purposes of development, rehabilitation, and transfer to a private owner; and (3) not occupied by administrative or warehouse buildings owned by Salisbury Neighborhood Housing Services, Inc.

Income Tax

Federal Tax Decoupling Legislation and Pass-through Entity Tax Alterations

The federal One Big Beautiful Bill Act (OBBBA) of 2025 makes numerous individual and business tax changes, some of which directly affect the calculation of Maryland taxable income for purposes of the State's individual and corporate income taxes. Maryland automatically and temporarily decoupled from three business tax provisions projected to significantly impact Maryland revenues – the reinstatement of expensing for research and experimental expenditures, the enhancement to the business interest expense deduction limitation, and the special depreciation allowance for qualified production property. OBBBA also permanently restores 100% bonus depreciation, which applies to qualified business property placed in service after January 19, 2025. Maryland has historically disallowed this first-year special depreciation deduction but makes an exception for property placed in service by a qualified manufacturing entity after 2018. The State automatically conformed to the enhanced bonus depreciation allowance as it applies to manufacturing entities.

Decoupling Modifications

Senate Bill 284 (Ch. 6), the Budget Reconciliation and Financing Act (BRFA) of 2026, permanently decouples the Maryland income tax from the special depreciation allowance for qualified production property for tax year 2026 and beyond. The decoupling modification is expected to generate \$150.9 million in State revenue in fiscal 2027, including \$122.5 million in general fund revenue, and save \$6.8 million in general fund higher education spending due to a related contingent fund swap in the fiscal 2027 budget.

The BRFA of 2026 also partially decouples from the enhancement to the federal bonus depreciation allowance as it applies to manufacturing entities. Specifically, the Act limits the allowance to 20% of the adjusted basis of the qualified property for tax year 2026 and beyond. The decoupling modification is expected to generate \$12.6 million in State revenue in fiscal 2027, including \$10.3 million in general fund revenue.

Maryland will automatically conform to OBBBA's reinstatement of expensing for domestic research and experimental expenditures and the enhancement to the business interest expense deduction limitation for tax year 2026 and beyond.

Pass-through Entity Tax Alterations

OBBBA extends and temporarily enhances the individual state and local tax deduction limitation, which was originally enacted under the Tax Cuts and Jobs Act of 2017 and which led Maryland and a number of other states to authorize pass-through entities (PTEs) to be taxed at the entity level for state income tax purposes. The BRFA of 2026 clarifies, delays by one year, and allows affected PTEs to elect out of certain revenue-neutral modifications to Maryland's PTE tax

enacted under the BRFA of 2025 (Chapter 604), which include within an electing multistate PTE's taxable income each resident member's *pro rata* share of the PTE's net income (as opposed to only the portion of such income derived from or reasonably attributable to the PTE's trade or business in Maryland, as under prior law).

Economic Development Tax Incentives

Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act

Among various other alterations and enhancements to Maryland economic development programs, *Senate Bill 388/House Bill 898 (both passed)* modify and extend several Department of Commerce-administered tax credit programs, as detailed below. State revenue reductions from tax credit extensions are estimated to total \$16.0 million (including \$13.0 million in general funds) in fiscal 2028 and increase to \$18.0 million (including \$14.6 million in general funds) in fiscal 2030.

- ***Extend Job Creation Tax Credit Program:*** The bills extend the Job Creation Tax Credit Program by five years, to January 1, 2032. The program offers up to \$4.0 million in nonrefundable tax credits annually for businesses that establish or expand a facility in the State that is primarily engaged in an eligible industry and create a specified minimum number of jobs within a 24-month period.
- ***Extend Research and Development (R&D) Tax Credit Program:*** The bills extend the R&D Tax Credit Program for tax years 2026 through 2030. The program offers up to \$12.0 million in tax credits for Maryland qualified R&D expenses annually, including up to \$3.5 million in refundable credits for small businesses. The bills also require the Comptroller and Commerce to submit certain reports on (1) the State's current ability to track credit carryforwards and potential methods to improve tracking and (2) whether the refundable credit for small businesses is underutilized and, if so, potential reasons for and methods to address the underutilization.
- ***Extend Employer Security Clearance Costs Tax Credit:*** The bills extend the employer security clearance costs tax credit by five years, through tax year 2032. The program offers up to \$2.0 million in tax credits annually for certain security clearance administrative expenses, first-year rental costs for small businesses that perform security-based contracting work, and sensitive compartmented information facility construction and renovation costs.
- ***Alter Film Production Activity Tax Credit:*** The bills codify the purpose of the film production activity tax credit program and authorize a qualified film production entity to amend its initial application if an independent auditor has verified that the projected total budget has increased or decreased by at least 50%. The bills also require Commerce to

evaluate and submit a report on the tax credit program as modified by the bills, including specified recommendations on how the tax credit could be improved or streamlined. The film production activity tax credit program offers refundable tax credits for up to 28% (30% for a television series) of qualified total direct costs for eligible film production activities in the State, subject to certain annual program caps and a \$10.0 million per-project cap for larger productions.

- ***Modify Reporting Requirements for Businesses that Create New Jobs Program:*** The bills expand annual reporting requirements for local governments that participate in the businesses that create new jobs program to include specified information relating to business entities that receive credits and the investment and number of jobs associated with each credit. The program offers local property tax credits and State income tax and insurance premium tax credits for businesses that establish or expand a business facility and create or retain a specified minimum number of jobs.

For a discussion of the economic development provisions in the bills, see Part H – Economic Development of this *90 Day Report*.

More Jobs for Marylanders Program

The More Jobs for Marylanders (MJM) Program offers refundable State income tax credits and certain other benefits to manufacturing businesses and businesses located in qualified opportunity zones that meet certain minimum job-creation requirements. The program enrollment period ended June 1, 2024. Income tax credits are available for up to 10 consecutive years and are funded through the MJM Tax Credit Reserve Fund. The BRFA of 2026 limits the total amount of final tax credit certificates Commerce may issue for fiscal 2027 to \$15.0 million, to be allocated among qualified business entities on a *pro rata* basis. The provision generates \$17.0 million in general fund savings in fiscal 2027.

Enterprise Zone Program

The State's enterprise zone program offers income and property tax credits to businesses located within designated enterprise zones to encourage commercial development in economically distressed areas of the State. ***House Bill 894 (passed)*** allows for the automatic designation of certain transit-oriented developments as enterprise zones, at the discretion of the applicable local government or multicounty agency and notwithstanding existing limitations on the number of enterprise zones the Secretary of Commerce may designate annually.

Theatrical Production Tax Credit

Chapters 258 and 259 of 2022 established, for tax years 2022 through 2026 only, a refundable State income tax credit for up to 25% of qualifying direct costs incurred by a qualified theatrical production entity for theatrical production activities in the State, subject to a \$5.0 million annual program cap. ***Senate Bill 440/House Bill 472 (Chs. 18 and 19)*** extend the theatrical

production tax credit for an additional five years, through tax year 2031, and cap the aggregate amount of unissued credit that may be carried forward and issued in a subsequent year to \$20.0 million.

Catalytic Revitalization Project Tax Credit

Chapter 332 of 2021 established a refundable State income tax credit for 20% of the rehabilitation and new construction costs incurred for a qualified catalytic revitalization project in the State. The tax credit application process must emphasize applications that promote affordable housing. *House Bill 1279 (passed)* requires that regulations governing the program's application process also emphasize applications that promote workforce housing.

Other Tax Credit Legislation

Student Loan Debt Relief

An individual who has incurred at least \$20,000 in undergraduate and/or graduate student loan debt of which at least \$5,000 is outstanding may be eligible for the student loan debt relief tax credit, a refundable income tax credit of up to \$5,000. Chapter 738 of 2023 doubled, from \$9.0 million to \$18.0 million, the maximum amount of student loan debt relief tax credits the Maryland Higher Education Commission (MHEC) may award annually beginning in tax year 2023. The BRFA of 2025 subsequently reduced to \$9.0 million the maximum amount of credits MHEC may award for tax year 2025.

The BRFA of 2026 increases the program cap from \$9.0 million to \$16.0 million for tax year 2025 and decreases the cap from \$18.0 million to \$9.0 million for tax year 2026. The change is estimated to result in a \$7.0 million general fund revenue reduction in fiscal 2026 and a \$9.0 million general fund revenue increase in fiscal 2027.

Senate Bill 805 (passed) further modifies the tax credit program by authorizing MHEC to grant an extension of the period within which an individual must use the tax credit for repayment of eligible student loan debt if the individual was unable to do so due to certain circumstances relating to a period of forbearance or understaffing at the U.S Department of Education. The bill also modifies provisions relating to credit recapture such that only the portion of the amount of credit claimed that is not used toward eligible student loan debt within the required timeframe must be recaptured, as opposed to the total amount of credit claimed.

Physician Preceptors

Senate Bill 466/House Bill 595 (both passed) expand eligibility for the State income tax credit for physician preceptors in areas with health care workforce shortages to include physicians who serve in a preceptorship program authorized by an accredited out-of-state medical school. The bills also (1) reduce the minimum number of community-based clinical training hours for each of the minimum required three rotations from 100 to 90 and (2) cap the aggregate amount of unissued credit that may be carried forward and issued in a subsequent year to \$100,000.

Parents of Stillborn Children

House Bill 547 (passed) establishes a refundable State income tax credit for parents of stillborn children. The credit is equal to up to \$1,000 for each birth for which a certificate of birth resulting in stillbirth has been issued by the Maryland Department of Health or for which a certificate of fetal death or its equivalent has been issued by another state. The credit begins to phase out for taxpayers with federal adjusted gross income (AGI) in excess of \$100,000 (\$150,000 if married filing jointly).

9-1-1 Specialist Retirement Income

Senate Bill 148 (passed) establishes, for tax years 2026 through 2028 only, a nonrefundable income tax credit equal to 4.75% of the first \$15,000 of specified retirement income attributable to service as a 9-1-1 specialist, not to exceed \$700. The Maryland Department of Emergency Management (MDEM) must administer the tax credit application, approval, and certification process and may certify up to \$250,000 in tax credits annually. If the total amount of credits applied for in a given year exceeds \$250,000, MDEM must issue tax credit certificates to qualified individuals on a *pro rata* basis.

Venison Donations

Chapters 769 and 770 of 2024 reauthorized, with modifications, the nonrefundable venison donation income tax credit for tax years 2024 through 2028. **House Bill 175 (passed)** doubles, from \$300 to \$600, the maximum amount of venison donation tax credits a taxpayer may claim annually.

Earned Income Tax Credit Assistance Program

Senate Bill 519/House Bill 735 (both passed) delay by five years, to tax year 2030, the Maryland Earned Income Tax Credit Assistance Program for Low-Income Families established under Chapters 110 and 111 of 2022 and make conforming changes to reporting requirements and the termination date of the program. The bills also require (1) the Comptroller's Office to study and make recommendations regarding outreach efforts to encourage eligible taxpayers to claim the State earned income tax credit and (2) the Department of Service and Civic Innovation to study and make recommendations on how Maryland Corps participants might assist low-income Marylanders with claiming the State earned income tax credit and other family-serving tax credits and government assistance for which they may be eligible.

Local Child Tax Credit Match

Senate Bill 468/House Bill 363 (both passed) authorize a county to provide by law for a grant modeled on the State child tax credit. Specifically, a county may provide for a grant for each qualified child of a taxpayer whose federal AGI is less than \$15,000, if the taxpayer and each qualified child are residents (other than fiduciaries) who are domiciled in or maintain a principal residence or place of abode in the county on the last day of the tax year. A county may provide for

the amount of the grant, which must be reduced by 10% for each \$1,000 (or fraction thereof) by which the taxpayer's federal AGI exceeds \$15,000.

Addition and Subtraction Modification Legislation

Classroom Supplies Purchased by Preschool Teachers

In addition to the federal “below-the-line” deduction for unreimbursed educator expenses, an eligible teacher may subtract from income up to \$250 of unreimbursed expenses paid or incurred during the tax year for the purchase of classroom supplies if the supplies are used by (1) students in the classroom or (2) the eligible teacher to prepare for or during classroom teaching. *Senate Bill 262/House Bill 478 (Chs. 60 and 61)* expand eligibility for the Maryland income tax subtraction modification for educator expenses to certain full-time prekindergarten teachers in publicly funded full-day prekindergarten programs.

Public Safety Retirement Income

An individual who is at least 55 years old on the last day of the tax year may claim a subtraction modification against the personal income tax for the first \$15,000 of income received from an employee retirement system that is attributable to service as a public safety employee. *Senate Bill 607 (passed)* increases the maximum value of the subtraction modification from \$15,000 to \$20,000 by tax year 2030. The change is phased in over five years: \$16,000 for tax year 2026, \$17,000 for tax year 2027, \$18,000 for tax year 2028, and \$19,000 for tax year 2029. The bill is estimated to reduce general fund revenues by a total of \$5.2 million over fiscal 2027 through 2031.

Enhanced Agricultural Management Equipment

House Bill 547 (passed) requires the Secretary of Agriculture to report to the Governor and the General Assembly by December 1 annually on additional types of equipment that the Secretary recommends should qualify for the Maryland income tax subtraction modification for enhanced agricultural management equipment purchase and installation costs.

Federal Tax-exempt Foreign Earned Income

To the extent excluded from federal AGI, § 10-204(c) of the Tax – General Article requires a resident to add back to income the amount of salary, wages, or other compensation for personal services that is exempted by federal law or treaty from federal income tax but not State income tax. *Senate Bill 163 (passed)* requires the Comptroller to study and report to the Governor and General Assembly by December 1, 2026, on (1) the number of residents who have foreign earned income within the meaning of the § 911 of the Internal Revenue Code; (2) the number of residents who have foreign earned income that exceeds the maximum exclusion amount under that section; and (3) the countries from which such income was earned.

Sales Tax

Data and Information Technology Services

Chapter 604 of 2025, the Budget Reconciliation and Financing Act (BRFA) of 2025, imposed a 3.0% sales and use tax on the sale of specified data and information technology (IT) services and distributed the revenue to the General Fund. The BRFA of 2025 also shifted the responsibility of collecting and remitting the sales and use tax from the vendor to the buyer in instances where the buyer presents a completed multiple points of use (MPU) certificate to the seller of specified digital codes, digital products, or taxable data and IT services.

Senate Bill 644/House Bill 933 (both passed) alter provisions of the State sales and use tax regarding MPU certificates. A buyer that obtains authorization from the Comptroller may issue MPU certificates and must provide an MPU certificate in the form and manner required by the Comptroller for each vendor from which the buyer intends to make purchases subject to an MPU certificate. A vendor who receives an MPU certificate must verify its authenticity, and the certificate remains in effect for all future purchases from the vendor until the authorized buyer rescinds it or the vendor receives notice, or otherwise knows or should know, that the buyer's authorization to issue MPU certificates has been revoked.

Senate Bill 388/House Bill 898 (both passed) include, among other things, an exemption from the sales and use tax for certain data and IT services, software publishing services, digital codes, and digital products if both the vendor and the buyer are members of the same affiliated group within the meaning of § 1504 of the Internal Revenue Code.

Exemptions

Senate Bill 403/House Bill 358 (both passed) extend an exemption from the State sales and use tax to sales made at an in-person elementary or secondary school book fair conducted in partnership with a third-party vendor.

The BRFA of 2025 repealed the State sales and use tax exemption for sales of precious metal coins or bullion valued at over \$1,000, with an exception for sales at events held at the Baltimore City Convention Center. ***Senate Bill 309/House Bill 500 (both passed)*** restore the exemption for all sales of precious metal bullion and coins exceeding \$1,000.

Senate Bill 193 (passed) provides a State sales and use tax exemption over a 10-year period for the sale of construction material or warehousing equipment purchased by a person solely for use in a target redevelopment area in Washington County.

House Bill 1554 (passed) requires the Comptroller's Office, in consultation with the Public Service Commission and PJM Interconnection, LLC, to study and report to the General Assembly by December 15, 2026, on exempting electricity from the sales and use tax if that electricity is

purchased by a farmer to (1) raise livestock or poultry; (2) prepare, irrigate, or tend the soil; or (3) plant, service, harvest, store, clean, dry, or transport seeds or crops.

Miscellaneous Taxes

Tax Administration

Claims Settlement

Generally, the Comptroller may settle a claim of the State that has been in arrears (*i.e.*, unpaid, for legal purposes) for at least two years against a person who receives or collects State money, against the surety of that person, or against any other person. Before settling a claim, the Comptroller must examine the claim thoroughly and must be satisfied that the State cannot collect the claim through the legal process. *House Bill 1149 (passed)* authorizes the Comptroller to settle a claim of the State that is in arrears against a business that has permanently ceased operations regardless of how long the claim has been in arrears, thereby eliminating the two-year waiting period for those businesses.

Hotel Rentals

Chapter 638 of 2025 established a centralized method of collecting local hotel rental taxes from accommodations intermediaries by requiring these entities to remit the taxes to the Comptroller. *Senate Bill 284 (Ch. 6)*, the Budget Reconciliation and Financing Act (BRFA) of 2026, delays implementation of Chapter 638 until July 1, 2028.

Digital Advertising Gross Revenues

Chapter 37 of 2021 imposed a tax on the annual gross revenues of a person derived from digital advertising services in the State known as the digital advertising gross revenues (DAGR) tax. The BRFA of 2026 alters the annual interest rate paid for DAGR tax refunds resulting from a final decision that the tax is unconstitutional by requiring the Comptroller to use an annual interest rate equal to the average prime rate of interest during the 12 months preceding the month in which a final decision is rendered in the case.

Insurance Premium Receipts Taxes

Captive insurance is a type of self-insurance where a business or other entity creates a wholly owned subsidiary to provide insurance to its non-insurance parent company. Maryland does not have in place a framework for captive insurers to be domiciled in the State. *Senate Bill 890 (passed)* requires the Maryland Insurance Administration (MIA) to study the use, regulation, and taxation of captive insurance companies by entities in the State, including the feasibility, utility, and potential structure of establishing a registry for captive insurance companies domiciled in other jurisdictions but used by entities in the State. MIA must submit a final report of findings and recommendations to the Governor and General Assembly by January 1, 2027.

Death Taxes

Inheritance Tax

The Maryland inheritance tax is imposed on the privilege of receiving property that has a taxable situs (*i.e.*, location, for legal purposes) in the State and passes from a decedent (*i.e.*, a deceased individual) to a collateral beneficiary (*i.e.*, a person other than a lineal relative or sibling of the decedent). ***Senate Bill 277/House Bill 17 (both passed)*** establish that for the purposes of the inheritance tax, the *situs* of intangible personal property is the domicile of the decedent. The bills correspondingly repeal an exemption from the inheritance tax for the receipt of personal property, other than tangible personal property, that passes from a nonresident decedent under certain circumstances.

Estate Tax

Senate Bill 704 (passed) authorizes a qualified recipient, within the meaning of the Maryland estate tax exclusion for qualified agricultural property, to transfer legal ownership of qualified agricultural property to a limited liability company (LLC) without estate tax recapture if (1) the ownership of the LLC consists only of qualified recipients and (2) the qualified agricultural property is used for farming purposes for at least 10 years after the decedent's death.

Transportation Taxes

Generally, the vehicle excise tax, also known as the titling tax, is imposed for each original and subsequent certificate of title issued in the State for a motor vehicle, a trailer, a semitrailer, a moped, a motor scooter, or an off-highway recreational vehicle and for specified vehicles in interstate operation that are registered without a certificate of title. ***Senate Bill 111 (passed)*** exempts from the vehicle excise tax a vehicle that, on or before December 31, 2026, (1) was previously registered in Maryland; (2) was subsequently registered in another jurisdiction despite the owner of the vehicle continuing to be a resident of Maryland; and (3) is being registered to comply with provisions of State law requiring a vehicle to be registered in the State.

Miscellaneous Local Taxes

Housing Development

Development impact fees and excise taxes enable local governments to collect revenue for new or expanded public facilities or services necessitated by new residential or commercial development, shifting the costs of financing the new or expanded facilities or services from existing taxpayers to those responsible for the development.

Senate Bill 325/House Bill 548 (both passed) prohibit a county or municipality from collecting development impact fees or excise taxes imposed on a residential real estate project, including a mixed-use development that includes residential units, until after construction is complete and all requirements for a certificate of occupancy, occupancy permit, or other equivalent

have been met, subject to certain limitations. The bills authorize denial, withholding, or revocation of a certificate, permit, or equivalent if the fee or tax is not paid within a reasonable time period. A development impact fee or excise tax may be collected as a precondition to conducting a final inspection, but not more than 30 days before the date of the inspection. Contingent on the failure of the bills, *House Bill 894 (passed)* contains similar provisions that prohibit a county or municipality from collecting development impact fees or excise taxes specifically imposed on mixed-use development that includes residential units and is located within a designated transit-oriented development served by a rail transit station that receives at least hourly service on average from 8:00 a.m. until 6:00 p.m., Monday through Friday.

County Transfer Taxes

Howard County imposes a 1.25% local transfer tax, with a portion of the revenues dedicated to the Howard County Agricultural Land Preservation Fund. *House Bill 590 (passed)* redesignates that fund to be the Howard County Agricultural Preservation and Innovation Fund and specifies that the purpose of the fund is to support the agricultural land preservation program and other programs, services, or initiatives to enhance the commercial viability or environmental sustainability of agriculture in the county.

Part C

State Government

State Agencies, Offices, and Officials/Regulations

State Agencies, Boards, Commissions, and Other Entities

Department of Budget and Management

Senate Bill 858/House Bill 1369 (both passed) establish an Audit and Finance Compliance Unit (AFCU) in the Department of Budget and Management (DBM) to monitor the efforts of Executive Branch agencies to correct audit findings reported by the Office of Legislative Audits. AFCU must assist agencies in resolving audit findings by providing objective assessment of corrective actions and monitoring progress in implementing the corrective action.

In addition, AFCU must establish a specialized team to provide direct assistance to agencies with at least four repeat audit findings or unsatisfactory audits, which may include reviewing corrective action implementation timelines, reviewing resolution actions to provide advice and support in developing corrective actions, performing sample tests of implemented corrective actions, and monitoring the progress of corrective actions. Each year, AFCU must submit a report to the Joint Audit and Evaluation Committee (JAEC) on all audit findings for Executive departmental units under examination.

Finally, the bills authorize members of JAEC, the Joint Committee on Cybersecurity, Information Technology, and Biotechnology, the chairs and subcommittee chairs of the Senate Budget and Taxation Committee and the House Appropriations Committee, the Governor, the Governor's Chief of Staff, and the Governor's deputy chiefs of staff, and AFCU to view unredacted cybersecurity findings in an audit of a State or local agency.

Department of Information Technology

House Bill 1335 (passed) requires the Department of Information Technology (DoIT) to procure the services of a third-party entity to conduct an independent study that includes (1) an assessment of information technology (IT) and cybersecurity staffing needs across the principal

departments of the Executive Branch of State government and (2) recommendations for updated IT classifications and pay scales for IT and cybersecurity professionals, informed by comparable compensation data from other agencies across State and local government. DoIT must submit the study to the Governor and General Assembly by November 1, 2027.

House Bill 718 (passed) states that it is the policy of the State that email systems and resources for State and higher education employees are intended to support State business and may not serve as a public forum. The bill requires the IT policies, plans, and standards in place for State agencies and institutions of higher education to include provisions protecting employee email services from spam email and other use that does not support State business. The policies, plans, and standards must, however, permit incidental personal use of IT, including email, by State employees that has a minimal impact on resources and is consistent with generally accepted professional business norms and expectations.

Deaf, Deafblind, Hard of Hearing, and Sign Language Interpretation

House Bill 439 (passed) renames the Governor's Office of the Deaf and Hard of Hearing to be the Governor's Office of the Deaf, Deafblind, and Hard of Hearing. The Maryland Advisory Council on the Deaf and Hard of Hearing is renamed to be the Maryland Advisory Council on the Deaf, Deafblind, and Hard of Hearing, and its membership is expanded to include the Secretary of Disabilities or a designee from the Department of Disabilities.

Senate Bill 645/House Bill 1192 (both passed) alter the membership of the State Board of Sign Language Interpreters, expanding it from 7 to 11 members, including 1 member who is a deaf individual, 3 licensed interpreters for the deaf, 1 licensed interpreter who is affiliated with an interpreter agency, and 2 members affiliated with an entity that operates and implements deaf services in an educational, legal, or medical setting. The Secretary of Disabilities and the Secretary of Labor, or their designees, are added as *ex officio* nonvoting members.

The bills delay the requirement for the board to establish and publish licensing requirements for sign language interpreting in all settings from July 1, 2024, to July 1, 2027. The bills also delay the date, from January 1, 2025, to January 1, 2028, by which (1) an individual, with limited exception for educational settings, must be licensed by the board before providing sign language interpretation services in the State and (2) the members of the board required to be licensed may satisfy the license requirement. Beginning July 1, 2028, an individual who provides sign language interpretation services in an educational setting must meet licensure requirements. In addition, the bills alter submission requirements for applicants for licensure and require the board to grant a waiver to certain applicants licensed to provide sign language interpretation services in another state.

Finally, the board must consult with specified stakeholders and submit a report to the Governor and specified committees of the General Assembly at least 60 days before adopting regulations regarding specialist areas.

Maryland Capitol Police

Senate Bill 298/House Bill 338 (both passed) alter and expand the jurisdiction of the Maryland Capitol Police (MCP), within the Department of General Services (DGS), by establishing that DGS has statewide jurisdiction over and full police authority for the enforcement of the criminal laws and the parking and motor vehicle laws as to the operation, maintenance, and protection of (1) State-owned or State-leased buildings and grounds and extending to the surrounding area that encompasses 2,000 feet in any direction from the boundary of those buildings and (2) other public improvements or grounds designated by law or by the Board of Public Works (BPW). If an MCP police officer exercises these powers, notification of the investigation and enforcement must be provided to specified State and local law enforcement agencies. Before an MCP police officer exercises the powers granted under the bills in Baltimore City, MCP must enter into a memorandum of understanding with the Baltimore City Police Department.

Maryland Heritage Areas

Senate Bill 226/House Bill 238 (Chs. 123 and 124) alter the membership of the Maryland Heritage Areas Authority (MHAA) and alter provisions related to grants and loans awarded by MHAA under the Maryland Heritage Areas Program. The Acts replace requirements that grants not exceed 50% of the cost of a project or management plan, as well as certain guidance regarding the use of grants, with authorizations for MHAA to (1) require matching funds for grants or loans in whatever proportion MHAA considers appropriate and (2) establish terms and conditions for grants and loans. Additionally, the Acts remove requirements that (1) MHAA send a copy of each boundary map of a recognized heritage area to the office of the county clerk where the recognized heritage area is located and (2) State official MHAA members who have program responsibilities that affect heritage area resources prepare and submit program statements (and any revisions) to MHAA detailing actions that support and assist the establishment and management of certified heritage areas.

Maryland Commission for Women and African American Heritage

The Maryland Commission for Women in the Department of Human Services works to advance solutions and to expand social, political, and economic opportunities for all women. ***House Bill 1300 (passed)*** modifies the Maryland Commission for Women by removing the requirement that the executive director of the commission be appointed by the Secretary of Human Services and instead specifies that the executive director is not considered a special appointee and is in the skilled service in the State Personnel Management System. Under the bill, the commission is authorized to make surveys and appoint advisory committees in all fields affecting the lives of women in the State.

The bill adds to the charge of the commission by requiring the commission to (1) conduct research on issues that impact women and identify existing disparities; (2) conduct studies and assist with programs, seminars, and conferences to raise public awareness about issues impacting women; (3) support policies and programs that promote the well-being of women; (4) raise public awareness of a wide range of issues affecting women, including economic security, life transitions,

and women's health; (5) promote and assist statewide women's organizations, local commissions for women, and local volunteer programs focused on improving conditions for women; (6) advocate for legislation supporting women's economic empowerment, women's health, cultural development, social inclusion, and other policies that promote the equality and flourishing of all people; (7) recommend strategies to reduce discrimination and increase opportunities for women in employment, education, the law, State government, and elected and appointed positions across professions and within society; and (8) support partner organization programs on career development, financial wellness, and violence prevention. The bill also alters a requirement to strengthen the conditions for women in society by directing critical attention to critical problems confronting women in their various roles.

Finally, **House Bill 1300** renames the African American Heritage Preservation Program in the Maryland Historical Trust to be the Speaker Adrienne A. Jones African American Heritage Preservation Program.

State Officials

Salaries and Benefits of Governor and Constitutional Officers

The Governor's Salary Commission was established by a 1976 constitutional amendment to create a salary setting mechanism for the Governor and Lieutenant Governor. In 1981, the Governor's Salary Commission began making recommendations, per the Governor's request, on salaries for four constitutional officers: the State Treasurer; Comptroller of the Treasury; Attorney General; and Secretary of State. The commission most recently submitted recommendations for the Governor, Lieutenant Governor, and constitutional officers in its January 2026 report.

Senate Joint 1/House Joint 5 (JR. 1 and 3) implement the recommendations of the January 2026 report of the Governor's Salary Commission by increasing the salaries for the Governor and Lieutenant Governor for the next four-year term, effective January 20, 2027. The salaries increase in the second and fourth year of their term; under the joint resolutions, the salaries range from \$195,000 to \$210,000 for the Governor and \$175,000 to \$185,000 for the Lieutenant Governor.

Additionally, **Senate Bill 312/House Bill 607 (both passed)** implement the recommendations of the January 2026 report by increasing the salaries of the State Treasurer, Comptroller, Attorney General, and Secretary of State for the next four-year term. The salaries increase in the second and fourth year of their term; under the bills, the salaries of the State Treasurer, Comptroller, and Attorney General range from \$175,000 in 2027 to \$185,000 in 2030, and the salary of the Secretary of State ranges from \$120,000 in 2027 to \$128,000 in 2030.

Public Information Act

Maryland's Public Information Act (MPIA) establishes that all persons are entitled to have access to information about the affairs of government and the official acts of public officials and employees. Each governmental unit that maintains public records must identify a representative

whom a member of the public may contact to request a public record. Public records are any records that are made or received by a covered public agency in connection with the transaction of public business. The scope is broad, and all records possessed by an agency generally fall within the definition of “public records.” However, some records are not subject to public inspection due to exceptions provided for in the law. Examples of these protected records include an individual’s medical information, records used for security procedures, and a contractor’s trade secrets.

Senate Bill 426 (passed) requires the custodian of a public record under MPIA to deny inspection of a record pertaining to a divorce proceeding, including (1) an application for divorce; (2) a financial record submitted as part of the divorce proceeding; (3) a record of a divorce settlement; and (4) a custody order. However, the bill does not apply to a final decree in a divorce proceeding and a custodian must release a record pertaining to a divorce proceeding to an applicant who (1) is a person in interest; (2) is a lawyer representing a person in interest; or (3) has been authorized under a court order to inspect the record.

Loans, Grants, and Funds

State Disaster Recovery Fund

Chapter 549 of 2023 established the State Disaster Recovery Fund (SDRF), administered by the Maryland Department of Emergency Management. Generally, the purpose of the fund is to provide disaster recovery assistance when disasters occur, but a federal disaster declaration is not made. The fund is a special, nonlapsing fund and must be available in perpetuity for the purpose of providing disaster recovery assistance in accordance with the specified provisions. The fund may be used only if (1) the Governor has declared a state of emergency or (2) a local organization for emergency management requests assistance from the fund. A portion of the fund may be used to administer the fund, including providing disaster case management resources.

House Bill 953 (passed) authorizes the Governor, subject to BPW’s approval, to transfer funds from the Revenue Stabilization Account (Rainy Day Fund) to SDRF unless the transfer would result in the Rainy Day Fund balance dropping below 5% of the estimated general fund revenues for the fiscal year in which the transfer is made.

Delinquent Federal Funds

Senate Bill 828 (passed) enables the State to reserve jurisdiction with respect to land leased or otherwise held in the State by the United States, or any unit thereof, when the federal government is found not in compliance with court decisions upholding congressionally approved spending. BPW may determine (by majority vote) the federal government to be delinquent in federal funds owed to the State in the event of federal noncompliance with court decisions upholding congressionally approved spending and must refer the delinquent federal funds to the Central Collection Unit (CCU) of DBM. CCU, in consultation with the Attorney General, may then (1) collect federal funds owed to the State; (2) place liens on federal property in the State; and

(3) direct the Comptroller to withhold payments to the federal government. The Comptroller may withhold State payments to the federal government for delinquent federal funds referred by CCU.

Military, Veterans, and Foreign Service

Military Department

The Military Department provides overall direction and maintenance of the Maryland National Guard, which comprises the Maryland Army National Guard and the Maryland Air National Guard. The Maryland National Guard may be called up by the Governor during State emergencies or may be activated by the U.S. Department of Defense. The Adjutant General is the head of the Military Department. The Maryland Defense Force (MDDF) is an all-volunteer force designed to assist the National Guard during stateside emergencies. The Governor is the Commander-in-Chief of MDDF, and MDDF generally cannot be deployed outside the borders of Maryland.

Senate Bill 128/House Bill 301 (Chs. 96 and 97) are emergency Acts that establish that, during State active duty, all members of the Military Department are under the operational command and control of the Adjutant General, or any officer of the National Guard designated by the Adjutant General, whether the Adjutant General or designee is (1) in State active duty or (2) in a federal status in which the Governor is the Commander-in-Chief.

House Bill 896 (passed) establishes the National Guard State Active Duty Mobilization Fund as a special, nonlapsing fund administered by the Office of the Adjutant General within the Military Department. The purpose of the fund is to pay for personnel and equipment for State active-duty mobilization of the National Guard, as ordered by the Governor.

License Portability

Senate Bill 418/House Bill 1120 (both passed) explicitly authorize a member of the Foreign Service or the spouse of a member of the Foreign Service member who relocates to the State due to an assignment or detail to the State and holds a license issued by another state to practice under that license for the duration of the assignment or detail within Maryland if the individual provides specified documentation and satisfies other criteria. The bills do not apply to an occupation or profession for which an individual may practice in the State under an interstate compact or to the practice of law.

Similarly, *Senate Bill 242 (passed)* explicitly authorizes an active service member or an active service member's spouse who relocates to the State due to orders for service and holds a license issued by another state to practice under that license within Maryland if the individual submits an application including specified documentation and satisfies other criteria. The bill also modifies the eligibility requirements for certain expedited licensing procedures for active service members and their spouses.

If an individual is authorized to practice under the provisions of *Senate Bill 418/House Bill 1120* or *Senate Bill 242*, the individual may practice only in the discipline and scope of practice allowed by the license in the other state, and the licensing authority in the State may not require another license unless the individual seeks to practice outside of the authorized discipline or scope of practice.

An authorized individual (1) may practice to the same extent and capacity as an individual licensed in the State, including supervision of a licensed individual required to practice under supervision, and (2) is subject to the same disciplinary authority as an individual licensed in the State. Each licensing authority may adopt regulations to carry out the bills.

The licenses affected under the bills include various professional and medical licenses, depending on the authorized individual. Examples include physician assistants, dentists, architects, barbers and cosmetologists, and teachers.

Benefits, Restrictions, and Other Provisions

Application of Laws to Members of the Uniformed Services: *Senate Bill 215 (passed)* extends applicability of certain provisions related to local government personnel, trout stamps, and landlord remedies (under tenant holding over actions) to definitively include all members of the uniformed services. In the case of trout stamps, the bill repeals the reference to “armed forces” and replaces it with “uniformed services,” thereby extending applicability to members of the Public Health Service (PHS) and the National Oceanic and Atmospheric Administration (NOAA). Similar changes are made to sections of the Real Property Article concerning tenant holding over actions, expanding certain requirements and protections to any individual who is an active-duty member of the uniformed services or serving in a reserve component of the uniformed services on active-duty orders, including PHS and NOAA. Additionally, if a county or municipality uses a selection test for the hiring or appointment of employees, the county or municipality may adopt a local law that allows for the application of a credit of 10 points, or its equivalent, on a selection test for an eligible spouse, an eligible veteran, the spouse of an eligible veteran who has a service-connected disability, or the surviving spouse of a deceased eligible veteran.

State Veterans’ Cemeteries: *Senate Bill 46/House Bill 364 (both passed)* define “interment” and “interment location” for purposes of the interment of individuals in State veterans’ cemeteries. “Interment” is defined as all final disposition of human remains, including (1) earth burial and (2) niche or columbarium inurnment. “Interment location” means a grave plot or niche in a columbarium. Under the bills, the Department of Veterans and Military Families must provide, with each interment location, an outer burial receptacle or columbarium niche and marker (rather than a grave liner) at no cost for the veteran or the veteran’s eligible spouse or dependent.

Higher Education and Hiring and Promotion Preferences: *Senate Bill 243/House Bill 721 (both passed)* (1) expand eligibility for priority registration for courses at public institutions of higher education to veterans who have received an other than dishonorable discharge and to veterans’ spouses; (2) extend eligibility for veterans’ services at community colleges to veterans’ spouses; (3) expand eligibility for senatorial and delegate scholarships to active service

members' spouses; (4) expand eligibility for hiring and promotion preferences relating to veterans; and (5) expand the veterans eligible for credits on selection tests for applicants of specified State and local employee positions to include those that have received an other than dishonorable discharge or a certificate of satisfactory completion of service and also include the Commissioned Corps of PHS and the Commissioned Corps of NOAA.

Notation of Veteran Status: *Senate Bill 150 (passed)* generally expands existing authority related to the indication of veteran status on licenses, certificates, or registrations under the purview of the Maryland Department of the Environment, DGS, and each unit in the Maryland Department of Labor by authorizing these entities to also include a notation indicating veteran status on a person's public profile. The bill also makes a technical correction in statutory provisions that similarly authorize health occupations boards to include veteran status on a public profile.

Commissions, Trusts, and Councils

House Bill 270 (passed) alters the membership of the Maryland Commission on Caregiving, the Board of Trustees of the Maryland Veterans Trust, the Maryland Veterans Commission, and the Maryland Youth Advisory Council, and specifies how representative seats and organizations may be removed from the Maryland Veterans Commission. The bill also makes technical changes to the Maryland Veterans Commission and Veterans' Home Commission.

The bill adds one family caregiver of a service-disabled veteran as a member of the Maryland Commission on Caregiving, which coordinates statewide planning, development, and implementation of family caregiver support services.

The Maryland Veterans Trust and the Maryland Veterans Trust Fund (MVTF) provide monetary and other assistance to veterans and their families and public and private programs that support veterans and their families. The Board of Trustees oversees and solicits funds for MVTF. Under the bill, the commission members from the House of Delegates and the Senate now serve as *ex officio* trustees.

The Maryland Veterans Commission advises the Secretary of Veterans and Military Families on all matters pertaining to veterans' issues. The bill alters the membership of the commission (including repealing the requirement that each member must be a veteran) and specifies that (1) an organization's representative seat may be removed if the organization fails to appoint a new commissioner for two continuous years and (2) an organization may be removed from the commission if a representative of the organization is not recommended by that organization. In addition, the bill repeals language that prohibits a new organization from being eligible for representation on the commission, by appointment of the Governor, unless it is congressionally chartered.

Finally, the bill adds one youth who has an immediate family member who is a service member to the Maryland Youth Advisory Council, which examines issues of importance to youth.

Elections

Voting Rights

The federal Voting Rights Act (VRA) enforces the Fourteenth and Fifteenth Amendments to the U.S. Constitution, prohibiting the denial or abridgment of U.S. citizens' right to vote on account of race, color, or language minority status. Several decisions of the U.S. Supreme Court have curtailed VRA in recent decades, most notably *Shelby County v. Holder*, 570 U.S. 529 (2013), which made unenforceable the preclearance requirement under Section 5 of the Act, which had required covered jurisdictions to obtain federal approval before changing voting laws. Under Section 2 of VRA, no voting qualification, prerequisite, standard, practice, or procedure may be imposed or applied in a manner that denies or abridges the right to vote on account of race, color, or language minority status. A violation of Section 2 is established if, based on the totality of circumstances, it is shown that the political processes leading to nomination or election in the State or political subdivision are not equally open to participation by members of a class of citizens protected by the prohibition in that its members have less opportunity than other members of the electorate to participate in the political process and to elect representatives of their choice. Federal courts of appeals are divided over whether Section 2 creates a private right of action, and the Supreme Court may decide the issue if it grants review of a case currently before the Court.

Senate Bill 255 (passed) is an emergency bill that provides State-level protections against the dilution or abridgment of the ability of members of a protected class (members of a race, color, or language minority group), in local elections, to elect candidates of their choice or influence the outcome of an election. Specifically, the bill prohibits the imposition or application of a method for electing the governing body of a county or municipality in a manner that impairs the ability of members of a protected class to elect candidates of the members' choice, or the members' ability to influence the outcome of an election, as a result of the dilution or the abridgement of the rights of voters who are members of a protected class.

A violation of the prohibition is established if (1) elections in a county or municipality exhibit polarized voting and (2) the method of election dilutes or abridges the voting strength of members of a protected class to elect a candidate of the members' choice or the members' ability to influence the outcome of an election, as demonstrated by the existence of one or more methods of election that could be constitutionally adopted that would likely mitigate the dilution.

“Polarized voting” means voting in which there is a difference in the choice of candidates or other electoral choices that are preferred by voters in a protected class and in the choice of candidates and electoral choices that are preferred by another class or set of classes.

The bill authorizes the Office of the Attorney General and any other person to bring an action to enforce the prohibition in the county where the violation allegedly occurred for injunctive relief, damages, or other relief.

If a court finds a violation of the bill’s prohibition, the court has broad authority to order appropriate remedies that are tailored to address the violation. However, a court may not order the adoption of a method of election that is inconsistent with the methods of election in use in counties in the State without the consent of the relevant jurisdiction. The court must consider remedies proposed by any parties to the action or interested parties and may not give deference or priority to a proposed remedy because it is proposed by a county or municipality.

A court may grant preliminary relief requested regarding an upcoming election if the court determines (1) that the party is more likely than not to succeed on the merits and (2) it is possible to implement an appropriate remedy that would resolve the alleged violation before the election.

Redistricting

In November 2025, Governor Moore established the Governor’s Redistricting Advisory Commission to organize public hearings, obtain public feedback, and provide recommendations regarding the State’s congressional district maps. The commission held meetings and public hearings from November 2025 through January 2026, and the commission’s work led to the introduction of *House Bill 488 (failed)*, an emergency bill, that would have (1) enacted a new congressional districting plan (newly defined congressional districts) in statute for the 2026 elections and (2) proposed a constitutional amendment (requiring approval of the voters) that would have temporarily established the new congressional districting plan in the Maryland Constitution for the 2028 and 2030 elections, until congressional redistricting occurred after the 2030 census.

The proposed constitutional amendment also would have:

- clarified that standards in Article III, § 4, of the Maryland Constitution that are applicable to legislative districts (requiring that each legislative district consist of adjoining territory, be compact in form, and of substantially equal population, and that due regard be given to natural and political subdivision boundaries) apply only to districts used to elect members of the General Assembly; and
- authorized the General Assembly to grant the Supreme Court of Maryland original jurisdiction (the power to review a matter prior to any other court) to review the congressional districting of the State.

A 2022 circuit court decision – that declared congressional districts enacted in 2021 to be unconstitutional – relied in part on the legislative district standards under Article III, § 4. (A new congressional districting plan was subsequently enacted, in 2022, following the decision.)

Deepfakes, Election Misinformation, and Election Disinformation

Senate Bill 141 (passed) establishes a criminal prohibition against a person knowingly or with reckless disregard creating, using, or disseminating a “deepfake” to produce materially false

information relating to an election that results in harm or has the intent to result in harm. Specifically, the bill prohibits the creation, use, or dissemination of a deepfake with the intent to (1) impede, influence, or prevent, or attempt to impede, influence, or prevent a voter’s decision to cast a ballot; (2) misrepresent facts relating to the election process; (3) induce or attempt to induce an individual to sign or not sign a petition; or (4) influence or attempt to influence a voter’s decision whether to vote for or against a candidate or ballot issue. The prohibition does not apply to (1) a deepfake that is satire or parody; (2) television or radio broadcasters under certain circumstances; (3) websites or other periodical publications under certain circumstances; and (4) online publishers or service providers for acts that would be subject to immunity under certain federal law.

“Deepfake” is defined as an image, an audio recording, or a video recording that has been intentionally created or manipulated with the use of generative artificial intelligence or other digital technology to create a realistic but false depiction of a person that an ordinary person would conclude is an actual visual or audio representation of the person depicted.

Senate Bill 141 also (1) requires the State Administrator of Elections to disseminate accurate information to correct election misinformation (incorrect or misleading information) or disinformation (knowingly and deliberately disseminated incorrect or misleading information); (2) authorizes the State Administrator to seek an injunction for the removal of election misinformation or disinformation from an online platform; and (3) authorizes the State Board of Elections (SBE), in consultation with the State Administrator, to file a civil action to recover costs of correcting election misinformation that is created, used, or disseminated with reckless disregard, or election disinformation.

Mail-in Voting

SBE regulations establish ballot receipt deadlines that determine whether an absentee ballot is timely and may be counted. *Senate Bill 949 (passed)*, an emergency bill, codifies these deadlines in statute. In addition, the bill establishes requirements that apply if federal law or a federal court establishes requirements for the timeliness of absentee ballots with federal contests that differ from State requirements. In this situation, votes cast in nonfederal contests on ballots deemed timely under State law must be counted. SBE is required to adopt regulations governing absentee ballot canvassing that comply with both the federal absentee ballot timeliness requirements and the requirement that votes in nonfederal contents on absentee ballots that meet State timeliness requirements be counted. The bill also requires SBE to provide notice to voters of federal and State ballot receipt deadlines and encourage early ballot return through written notice, a social media campaign, and mass media communications. Finally, the bill requires SBE and each local board of elections to refer to absentee ballots delivered by the Internet as “print-at-home ballots” in communications with voters and the general public.

In-person Voting

Bus Routes During Early Voting

Each county is required to establish a certain number of early voting centers based on the number of registered voters in the county. When selecting the location of an early voting center, the local boards of elections must consider, among other things, the accessibility of the early voting center by public transportation. *Senate Bill 100/House Bill 263 (Chs. 106 and 107)* require that if an early voting center is located within one-half mile of a fixed local bus route, each bus on that route must, to the maximum extent practicable, allow passengers to embark and disembark at the early voting center's entrance on days it is open for voting. The requirement does not apply to express or commuter routes or to routes operated by the Maryland Transit Administration or the Washington Metropolitan Area Transit Authority.

Election Officials' Authority and Challengers and Watchers

Under State law, an election judge has certain authority and responsibilities at a polling place, including keeping the peace and ordering the arrest of any person who breaches the peace or election laws or interferes with the work of election judges. A police officer acting under such an order is protected as if acting under a valid warrant. *Senate Bill 670/House Bill 1001 (both passed)* extend similar authority to keep the peace at a polling place and order the arrest of any person who breaches the peace or election laws or interferes with the work of election judges, to the State Administrator of Elections, the Deputy State Administrator of Elections, and a local election director.

Senate Bill 670/House Bill 1001 also alter provisions governing the designation, rights, and actions of challengers and watchers. The bills, among other things, (1) modify who may designate challengers or watchers; (2) require a person who designates a challenger or watcher to submit a copy of the designation certificate to the local board of elections before the challenger or watcher may enter the voting room; and (3) prohibit challengers and watchers from physically handling voting equipment. The bills also modify who may designate a registered voter to observe the canvass at each counting center.

Presidential Electors

Before a presidential general election, each political party participating in the presidential election and each presidential candidate nominated by petition must nominate presidential electors (10 electors – equal to the combined number of the State's U.S. Senators and Representatives) and certify the names of the presidential elector candidates to SBE. The electors do not appear on the ballot, but a vote for the candidates for President and Vice President associated with the elector candidates is considered to be, and is counted as, a vote for the elector candidates. The electors associated with the candidates for President and Vice President that receive a plurality of votes cast in the State (more votes than any other presidential candidates) represent the State in the

Electoral College following the general election and cast the State’s electoral votes for the candidates for President and Vice President associated with the electors.

Senate Bill 237/House Bill 182 (both passed) modify provisions governing the nomination and election of presidential electors in the State and the casting of electors’ votes by, among other things, (1) requiring electors to pledge to cast their votes for President and Vice President in a manner consistent with the party or unaffiliated presidential candidate which nominated them for elector; (2) establishing procedures for the appointment of substitute electors in the event of a vacancy in the office of elector; and (3) establishing that an elector vacates the office if the elector refuses to present a ballot, presents an unmarked ballot, or presents a ballot marked in violation of their pledge.

Voter Registration

With certain exceptions, an individual may register to vote if the individual is a citizen of the United States, is at least age 16, and is a resident of the State. One of the exceptions is that an individual is not qualified to be a registered voter while incarcerated for a felony. *Senate Bill 241/House Bill 115 (both passed)* require the Department of Public Safety and Correctional Services to electronically transmit to SBE, on a monthly basis, information on individuals released from incarceration at a State correctional facility in the immediately preceding month. SBE is required to use this information to promptly restore the voter registration of those individuals who were previously registered to vote in the State before being incarcerated and whose new residential addresses are in the State. Notification must be sent to an individual whose voter registration is restored, notifying them of their voter registration, their eligibility to vote, and how to decline registration or update their address.

Local Boards of Elections

Each local board of elections is authorized to appoint or retain as counsel an individual who is a registered voter of its county and admitted to practice law in the State. *Senate Bill 443/House Bill 621 (both passed)*, emergency bills, modify this authorization to only require that the individual be a registered voter of the State rather than a registered voter of the local board’s county.

Petitions and Ballot Questions

Senate Bill 29 (passed) requires petitions to place a question on the ballot, and ballot questions, to be written in plain language. Specifically, a petition signature page or ballot question must include a brief title describing the topic, goal, or outcome of the ballot question, a plain-language summary of the substantive provisions of the proposal (in the case of a petition) or plain-language condensed statement describing the change in policy to be adopted (in the case of a ballot question), and a brief statement explaining what the practical outcome of each voting choice would be. The summary or condensed statement may not contain legal jargon or use double negatives or the passive voice. The bill establishes a 15-day public comment period on proposed

ballot question language and requires the person responsible for preparing the ballot question language to review the public comments received and make any necessary changes to the question language. The bill also (1) alters the deadlines by which certain government officials are required to prepare and certify ballot question language to July 1 immediately preceding a general election and (2) requires SBE and the local boards to publicly post the full text of measures to be voted on at least 90 days before the general election.

Campaign Finance

Campaign Finance Entity Officers and Operations

Senate Bill 153 (passed) makes various changes relating to the officers and operations of campaign finance entities. The changes include (1) requiring the candidate to appoint the chair and treasurer of an authorized candidate campaign committee; (2) authorizing a candidate, candidate's representative, or chair of a campaign finance entity to appoint a campaign manager; (3) repealing the requirement that a campaign manager be a registered voter of the State; (4) altering the offices a candidate is prohibited from holding in a campaign; (5) establishing the treasurer as the financial steward of the campaign finance entity; (6) requiring all assets received by or on behalf of the campaign finance entity to be delivered to and managed by the entity rather than the treasurer; (7) repealing the chair's authority to approve disbursements in the treasurer's absence; (8) authorizing the candidate or responsible officers (chair and treasurer) to designate authorized agents to carry out duties on behalf of the campaign finance entity; (9) prohibiting a candidate from making disbursements from the designated campaign account; and (10) requiring the candidate to have knowledge of all disbursements made from the campaign account of the candidate's authorized candidate campaign committee.

Public Financing Act and Annual Campaign Finance Report

The Public Financing Act provides voluntary public financing of elections for candidates for Governor and Lieutenant Governor. Candidates qualify by raising a certain amount of eligible small private contributions (made with contributors' personal funds) from residents of the State. Candidates can then receive up to \$3.0 million, for each of the primary and general elections, in matching public funding for eligible small contributions, from the Fair Campaign Financing Fund (FCFF). *Senate Bill 11/House Bill 260 (both passed)* alter the earliest date on which distributions of matching public funding from FCFF may be made to participating gubernatorial candidates, from January 1 of the year of the election to July 1 of the year before the election.

The bills also modify the deadline for the annual campaign finance report filed by all active campaign finance entities, from the third to the fourth Wednesday in January, and require that the report cover the period from the closing date of the previous campaign finance report through and including the fourteenth day before the report is due.

Address Confidentiality Program

The Address Confidentiality Program, administered by the Office of the Secretary of State, protects survivors of threatened, attempted, or actual domestic violence, sexual assault, stalking, harassment, or human trafficking by providing participants with a substitute address to use, including in public records, that does not disclose their location. For all election-related purposes, however, local boards of elections must use a participant's actual address, including for voter registration purposes. But a local board of elections may not make a program participant's address contained in voter registration records available for public inspection or copying except upon request by a law enforcement agency for law enforcement purposes and as directed by a court order. *Senate Bill 91/House Bill 265 (Chs. 108 and 109)* require SBE to designate a contact person for the Address Confidentiality Program to handle inquiries about the program from local boards and program participants on matters related to the implementation of the requirements that a program participant's actual address be used for all election-related purposes but that a participant's address in voter registration records not be available for public inspection. The Acts also clarify that "election-related purposes" includes absentee ballots.

Municipal Election Information

While State law governing elections generally does not apply to municipal elections, certain provisions of State law address municipal elections, including a requirement that a municipality submit an electronic copy of the certified election results of a municipal election to SBE within 30 days of certification, for publication on SBE's website. *House Bill 357 (passed)* requires each municipality that maintains a website to prominently display all upcoming regular and special elections in the municipality, including the election date, whether the election is a regular or special election, and each office to be voted on. In addition, when submitting election results to SBE pursuant to the existing requirement mentioned above, *House Bill 357* requires municipalities to also report the date of the next regular municipal election and each office to be voted on at the election. SBE must prominently display on its website a list of all upcoming regular municipal elections reported by municipalities, including election dates and offices to be voted on, along with a list identifying which municipalities have not yet reported upcoming elections.

Senate Bill 848/House Bill 1448 (both passed) require a municipality, at least three months before the candidate filing deadline for a regular municipal election, to submit candidate qualifications for each office to SBE. For a special election, the municipality must report to SBE within 15 business days after the special election is scheduled: (1) the election date; (2) each office on the ballot; and (3) candidate qualifications for each office. Within 10 business days after the candidate filing deadline for any municipal election, the municipality must submit to SBE (1) a list of each qualified candidate for each office on the ballot and, for partisan elections, each candidate's party affiliation, and (2) information on how to vote and where to vote. SBE must publish each submission immediately on its website. In addition, municipalities conducting elections using ranked-choice voting must submit their regulations for the tabulation of ranked-choice ballots to SBE for publication on its website.

Ethics

The Public Ethics Law is generally administered and implemented by the State Ethics Commission (SEC), with two statutory exceptions. First, the Joint Ethics Committee of the Maryland General Assembly administers and implements provisions related to conflicts of interest as they apply to members of the General Assembly. Second, the Commission on Judicial Disabilities, Judicial Ethics Committee, or another body designated by the Supreme Court of Maryland, administers and implements provisions related to conflicts of interest and financial disclosure as they apply to State officials of the Judicial Branch.

Senate Bill 80/House Bill 269 (Chs. 102 and 103) repeal a provision of law requiring the Administrative Office of the Courts (AOC) or another body designated by the Supreme Court of Maryland to send a copy of the financial disclosure statements submitted by judges, candidates for judgeships, or judicial appointees to SEC. The Acts also clarify that:

- AOC is responsible for (1) administering and implementing the financial disclosure provisions of the Public Ethics Law and (2) maintaining financial disclosure statements of State officials and candidates to be State officials of the Judicial Branch and making those statements available for public inspection; and
- the Commission on Judicial Disabilities, the Judicial Ethics Committee, or another body designated by the Supreme Court of Maryland is responsible for administering and implementing the provisions of law regarding conflicts of interest as they apply to State officials or candidates to be State officials of the Judicial Branch.

Procurement

General Administration and Oversight

Exempt Transportation Procurements

Generally, the Board of Public Works (BPW) has authority to oversee State procurement and control procurement by Executive Branch units. For small-value procurements (generally \$200,000 or less), BPW has delegated much of the authority and oversight to the Department of General Services (DGS), the Maryland Department of Transportation (MDOT), and other primary procurement units, while larger procurements still require BPW approval. However, capital expenditures by MDOT and the Maryland Transportation Authority (MDTA) in connection with State roads bridges, or highways (including land purchases for those purposes) are not subject to oversight or approval by BPW.

House Bill 587 (passed) establishes a Workgroup on Transportation Contract Approval Authority, staffed jointly by MDOT and BPW. The workgroup is responsible for studying the approval authority structure for exempt capital expenditures by MDOT and MDTA in connection

with State roads, bridges, or highways, including a review of the justification for the exemption. Among other topics, the workgroup must study (1) the effect of altering the approval authority structure, including whether to require approval by BPW for the award of new contracts and change orders and (2) the effect of expanding the existing exemption for MDOT and MDTA to contracts and change orders for maintenance and capital construction to support service on Maryland Transit Administration fixed guideways systems and associated transit facilities and vehicles. The workgroup must report its findings and recommendations to the Governor and the General Assembly by December 1, 2026.

Real Estate Acquisitions and Leases

BPW also maintains oversight over the State's acquisition of land and leasing of real property. DGS administers these functions and, unless otherwise specified, must submit contracts or leases to BPW for approval. In addition, for acquisitions of real property with an appraised value of \$500,000 or more, BPW must provide the Legislative Policy Committee (LPC) with specified information about the acquisition prior to BPW approval. *House Bill 1557 (passed)* establishes a Real Estate Advisory Committee in DGS to advise DGS, BPW, and the General Assembly on industry trends, developments and movement in the commercial real estate sector, and best practices for real estate asset management in the State. The committee must conduct an annual review of the State's long-term real estate plans and goals, and report annually on its findings and recommendations.

Furthermore, the bill applies the existing requirements for the State's acquisition of real property with an appraised value of at least \$500,000 to new leases of real property and renewal options of at least 10 years that require the State to make payments totaling at least \$1.0 million annually. It also expands the information that BPW must provide to LPC on each acquisition or lease in advance of BPW approval. Finally, the bill prohibits BPW from approving the sale, transfer, exchange, or grant of a property located between the East 21st and East 22nd blocks of Guilford Avenue in Baltimore City unless DGS demonstrates to BPW that it has engaged the community and relevant stakeholders when making the decision to sell, transfer, exchange, or grant the property and, if practicable, DGS has prioritized the community's preferred outcome.

Liquidated Damages

Unless otherwise specified, State law requires State procurement contracts to include specified provisions, including liquidated damages provisions. If a unit decides not to pursue liquidated damages for a specified breach on a procurement valued at \$5.0 million or more, the head of the unit must approve the decision, and the unit must maintain documentation on the reason for not pursuing damages. Among other provisions, *Senate Bill 859/House Bill 1422 (both passed)* apply these requirements for every instance in which a unit decides not to pursue liquidated damages following a specified breach, instead of only for procurements valued at \$5.0 million or more, and also require the unit to provide documentation to BPW and the Joint Audit and Evaluation Committee on the rationale for not pursuing liquidated damages.

Procurement Processes

Senate Bill 213/House Bill 193 (both passed) make various changes to State procurement-related processes and requirements. The bills require that all procurement contracts include a provision authorizing a contractor to request a contract modification to provide an equitable adjustment to compensate a contractor for increases in cost and time due to changes in State law. The bills also make changes to procedures and timelines for bid protests and contract claims, including specifying that recovery under a contract claim is not allowed for any expense incurred more than 60 days (instead of 30 days) before the required submission of a notice of a claim or, unless otherwise specified, more than 150 days (instead of 120 days) before the required submission of the claim. The bills codify existing requirements for procurement units to provide, upon request, debriefings to unsuccessful offerors. Finally, the bills specify that a prospective bidder or offeror is not prohibited from submitting a bid or proposal for a procurement solely because it provided information to a procurement unit drafting specifications for a solicitation as long as doing so does not give an unfair competitive advantage to the prospective bidder or offeror.

Source Selection

State law establishes various methods of source selection for State procurements, with competitive sealed bids and competitive sealed proposals being the most common methods. *House Bill 261 (passed)* establishes competitive proof of concept procurements as an additional method of source selection. Competitive proof of concept procurements allow a procurement unit to conduct tests, evaluations, demonstrations, or pilot projects for goods, services, or technologies prior to full implementation of an innovative product or service. Current law requires separate procurements for the demonstration phase and implementation phase of a proof of concept procurement. The bill authorizes a procurement unit to issue contracts to deliver product samples for testing or to provide a demonstration, and further allows the unit to award one or more contracts for full implementation or deployment of a good, service, or technology evaluated during the proof of concept period, provided that doing so is in the best interest of the State. The bill also requires DGS, in consultation with the Department of Information Technology, to adopt regulations for the development and implementation of competitive proof of concept procurements.

Procurement Exemptions

More than 40 entities are exempt, either in whole or in part, from State procurement law, including procurements by the Department of Natural Resources (DNR) for conservation service opportunities. *Senate Bill 641 (passed)* further exempts DGS, the Maryland Department of Planning, the Department of Housing and Community Development, and MDOT from most provisions of State procurement law when negotiating or entering into agreements or partnerships with nonprofit entities for projects related to historic preservation, archaeology, or conservation service opportunities; however, the exemption does not apply for projects that are subject to prevailing wage laws. The bill requires that any contract entered into by the specified agencies (or DNR for conservation service opportunities) with a nonprofit entity for an applicable project must

contain clauses requiring the nonprofit to (1) subcontract the performance of historic preservation, archaeology, and conservation services to third-party firms; (2) competitively procure any subcontracted services in a transparent manner in accordance with State law, including minority business enterprise (MBE) requirements; (3) provide annual reports to the procuring agency on partnership outcomes and expenditures, including MBE utilization; and (4) maximize opportunities for community engagement related to the historic preservation, archaeology, or conservation service opportunity.

State Center

Senate Bill 818 (passed) requires the State or its reporting agency to convene an advisory group to provide community input on the development of the State Center office complex in Baltimore City, which is being vacated by the State. The advisory group must inform the identification of potential community benefits associated with the project in the immediate surrounding neighborhoods that border State Center and facilitate transparency and information-sharing between the developer, the State or its reporting agency, and the community surrounding State Center. The bill establishes requirements that any development contract or plan for State Center must meet and requires a developer who is a party to any new contract or plan to use its best efforts to begin construction within 24 months (rather than 18 months) after execution of the new contract and any associated plans.

Minority Business Enterprise Program

The State's MBE program requires that a statewide goal for MBE contract participation be established biennially; the goal is currently 29%. In 1989, the U.S. Supreme Court held in the *City of Richmond v. J.A. Croson Co.* that state or local MBE programs using race-based classifications are subject to strict scrutiny under the equal protection clause of the Fourteenth Amendment to the U.S. Constitution. In addition, the ruling held that an MBE program must demonstrate clear evidence that the program is narrowly tailored to address actual disparities in the marketplace for the jurisdiction that operates the program. As a result, prior to each reauthorization of the State's MBE program, the State conducts a disparity study to determine whether there is continued evidence that MBEs are underutilized in State contracting. The most recent disparity study was completed in September 2025 and identified continued and ongoing disparities in annual wages, business earnings, business ownership rates, and utilization in State contracts for minority- and women-owned businesses when compared to nonminority and male-owned businesses. The MBE program is scheduled to terminate July 1, 2026. ***House Bill 1578 (Ch. 82)*** extends the termination date for the MBE program by five years to July 1, 2031, and makes corresponding adjustments to termination and due dates for MBE contracting requirements and related disparity analyses. The Act also requires quarterly reporting for specified procurement preference programs. Finally, the Act amends the definition of "small business" to include joint ventures and requires the development of regulations to review small business certification.

Contract Provisions and Requirements

State law specifies various provisions that are prohibited from being included in most State procurement contracts. Any prohibited provision that is included in a State contract is void, and a contract containing any of the provisions is enforceable as if it did not contain the provisions. *Senate Bill 77/House Bill 300 (both passed)* allow any State contract entered into by the Office of International Trade in the Department of Commerce for the development of international business activities and opportunities authorized under State law to include prohibited provisions.

Senate Bill 459 (passed) requires that 50% of a State procurement unit's total dollar value of contracts for advertising be made directly to Maryland news organizations, including print and digital publications, as defined by the bill. The bill does not apply to advertising with a primary audience focus outside of the State for the purpose of promoting tourism to the State, employee recruitment, or economic investment. The bill also requires units to prioritize advertising with Maryland news organizations that have a primary mission of reporting on and serving underserved communities in the State.

Apprenticeship Requirements

Procurements that meet specified criteria require contractors to either participate in an apprenticeship training program, make payments to a registered apprenticeship program or to an organization that operates registered programs, or contribute to the State Apprenticeship Training Fund (SATF). *Senate Bill 964/House Bill 864 (both passed)* require contractors and subcontractors on covered public works projects that are subject to prevailing wage law to use apprentices and journeyworkers for a specified percentage of the work (20% starting in January 2027, and adjusted biennially by the Secretary of Labor beginning in 2029). The bills apply to public four-year universities and Baltimore City Community College, which are otherwise exempt from most provisions of State procurement law, and also make changes to authorized sources of funding for and uses of SATF.

Senate Bill 673/House Bill 1165 (both passed) require that any apprenticeship program that provides apprentices for specified contracts and has graduated at least one apprenticeship cohort must have a completion rate of at least 25%. Contractors that opt to make payments to a registered apprenticeship program in lieu of participating in an apprenticeship program under current law must make the payments to an apprenticeship program that meets the same criteria. The types of contracts subject to the bills' requirements generally include (1) procurements of \$1.0 million or more that meet criteria established by the Chief Procurement Officer or Secretary of Information Technology; (2) public work contracts of \$250,000 or more that are subject to prevailing wage rates; (3) public works projects of \$500,000 or more; and (4) capital construction projects that are valued at \$500,000 or more and are funded with at least \$1.0 million from the State capital budget.

Personnel

Impact of Budget Actions on State Employees

The fiscal 2027 budget as enacted includes 86,374 regular positions, an increase of 74 positions from the fiscal 2026 legislative appropriation. As introduced, the fiscal 2027 budget included \$13.20 billion in total personnel funds, representing approximately 17.6% of the State budget. As enacted, the fiscal 2027 budget includes \$13.18 billion in total personnel funds, representing approximately 17.7% of the State budget. Funding includes \$129.7 million for a 1.5% general salary increase for most State employees, effective July 1, 2026, \$63.8 million for expansions to salary step widths, \$10.0 million for salary step increments for law enforcement, and \$2.5 million for targeted Annual Salary Review grade increases.

Public Employee Relations

Title 3 of the State Personnel and Pensions Article establishes statutory collective bargaining rights for a large number of State employees. Title 3 requires the State, State institutions of higher education, and the Maryland Environmental Service (MES) to meet and confer with exclusive employee representatives about negotiable terms. *Senate Bill 28/House Bill 604 (both passed)*, contingent on the enactment of a proposed constitutional amendment, alter the statutory collective bargaining process for State employees (excluding those in State institutions of higher education) by establishing binding arbitration in the event of an impasse in negotiations. The proposed constitutional amendment included in the bills, if approved by the voters at the next general election, requires the Governor to include in the annual budget bill the appropriations necessary to implement and fund all terms of memoranda of understanding resulting from collective bargaining involving the State, State institutions of higher education, and MES and the exclusive representatives of their respective employees, whether reached through mutual agreement (including State institutions of higher education) or binding arbitration (excluding State institutions of higher education).

In addition, the bills require the selection of a neutral arbitrator to oversee all aspects of collective bargaining in specified circumstances; expand the matters subject to negotiation to include health and fringe benefits, not including pension benefits; and make various conforming changes. However, matters requiring a change in law or an appropriation are contingent on either the enactment of legislation making the change or the General Assembly's approval of the appropriation. Further, an arbitrator's decision related to wages is subject to limitations of the State budget. If the proposed constitutional amendment is approved by the voters, State personnel and other expenditures (all funds) are affected, potentially significantly, as early as fiscal 2029, to the extent that the final decisions of neutral arbitrators appointed under the bills are unfavorable or favorable to State agencies, though any such decisions requiring an appropriation are contingent on the General Assembly's approval of the appropriation.

After Chapters 581 and 582 of 2012 extended collective bargaining rights to the Comptroller's Office, sworn law enforcement officers in the Field Enforcement Division (FED)

became eligible for collective bargaining. However, FED was transferred to the Alcohol, Tobacco, and Cannabis Commission (ATCC), which does not have explicit collective bargaining rights under State law. Thus, ATCC police officers hired after the FED transfer became ineligible for collective bargaining. *Senate Bill 136 (Ch. 65)* expands collective bargaining rights to include ATCC police officers who, in an official capacity, are authorized to make arrests and are not supervisory, managerial, or confidential employees.

Higher Education Collective Bargaining

Chapter 341 of 2001 extended collective bargaining rights to many categories of higher education personnel at public four-year institutions of higher education and Baltimore City Community College but excluded all faculty and student employees from the benefit. In addition, contingent, contractual, temporary, or emergency employees were specifically excluded from collective bargaining.

Senate Bill 6 (passed) extends collective bargaining rights to specified nontenure track faculty at the University System of Maryland (USM), Morgan State University (MSU), and St. Mary's College of Maryland (SMCM). Certain nontenure track faculty are excluded, including faculty (1) employed at fully online institutions; (2) whose positions are fully funded by grants, contracts, or clinical revenues; or (3) whose regular place of employment is outside the State. USM, MSU, and SMCM administrative and personnel expenditures may increase, potentially significantly, but any such costs are contingent on the outcome of elections for exclusive representatives and subsequent collective bargaining.

House Bill 141 (passed) authorizes graduate assistants, including fellows and postdoctoral interns, at the University of Maryland, College Park Campus and the University of Maryland, Baltimore County to collectively bargain beginning July 1, 2028.

Compensation and Benefits

The State has experienced high turnover in key financial and information technology management roles at State agencies, so the fiscal 2027 budget as enacted includes \$4.0 million in the Dedicated Purpose Account (DPA) to strengthen the State's fiscal leadership capacity. Among other provisions, *Senate Bill 859/House Bill 1422 (both passed)* authorize the Secretary of Budget and Management to set the pay scale for chief financial officer (CFO) positions in order to assist with recruitment and retention for units of the Executive Branch (except USM) with annual budgets of at least \$1.75 billion. In addition, the Secretary of Budget and Management must establish, and the Department of Budget and Management (DBM) must incorporate into regulations by November 1, 2026, minimum qualifications for CFO positions. For applicable units, appointing authorities must appoint a CFO that meets those qualifications, who must in turn provide the Comptroller's Office with specified information. Similarly, the bills also authorize the Secretary of Budget and Management to set the pay scale for chief information officer (CIO) positions in order to assist with recruitment and retention for units of the Executive Branch (except USM). State expenditures (general and special funds) may increase to the extent that CFOs and

CIOs of specified units of the Executive Branch receive higher salaries beginning in fiscal 2027, for which funding in DPA may be used.

Miscellaneous

House Bill 1248 (passed) establishes a Workgroup for an Inclusive State Workplace, staffed by DBM. Among other specified responsibilities, the workgroup must (1) outline the steps the State needs to take to encourage the expansion of part-time employment within the State Personnel Management System (SPMS), USM, and the Maryland Department of Transportation and (2) focus on the inclusive employment opportunities in State government and removing obstacles for individuals challenged by full-time employment. By September 15, 2027, the workgroup must provide its findings and recommendations in a report to the General Assembly. By December 31, 2027, DBM must develop and distribute guidance to State agencies on expanding part-time employment opportunities, taking into consideration the workgroup's findings and recommendations. The workgroup terminates June 30, 2028.

For positions in SPMS for which selection tests are used, certain credits may be applied to the results of selection tests for applicants who are otherwise qualified and have at least the minimum passing score on a selection test. This includes the application of 10 points on any selection test for eligible veterans, spouses of active service members, spouses of veterans with service-connected disabilities, and surviving spouses of deceased eligible veterans; an appointing authority must also apply a credit of two additional points on any selection test for a former prisoner of war. Among other provisions, **Senate Bill 243/House Bill 721 (both passed)** define “eligible veteran” as a veteran who has received an other than dishonorable discharge (instead of an honorable discharge) or a certificate of satisfactory completion of service, and also extend eligibility for the credits to veterans of the Commissioned Corps of the Public Health Service and the Commissioned Corps of the National Oceanic and Atmospheric Administration. This expanded definition also applies to counties and municipalities that use selection tests and provide credits.

Pensions and Retirement

State Retirement and Pension System Administration

Budget Reconciliation and Financing Act of 2026

Prior to the enactment of Chapter 1 of the 2012 first special session, the State paid 100% of the employer pension contribution for members of the Teachers' Retirement System and the Teachers' Pension System (TRS/TPS), including those employed by local school systems, community colleges, and libraries. Chapter 1 required local school systems to pay the “normal cost” portion of the employer contribution for their members. The State continued to pay 100% of the employer contribution on behalf of community colleges and libraries, as well as employer contributions attributable to the systems' unfunded liabilities for all TRS/TPS participants.

Chapter 604 of 2025 reduced, by \$97.7 million, beginning in fiscal 2026, the State share of annual employer pension contributions for members of TRS/TPS. The Act established a requirement for employer contributions by county governments, in proportion to their respective shares of TRS/TPS membership totaling \$97.7 million in aggregate. The Comptroller is required to setoff any money due or coming due to a delinquent county government.

Senate Bill 284 (Ch. 6), the Budget Reconciliation and Financing Act of 2026, further increases, by \$39.3 million, beginning in fiscal 2027, the county government contributions for members of TRS/TPS employed by local school systems, community colleges, and libraries. The Act increases employer contributions by county governments in proportion to their respective shares of TRS/TPS membership. The fiscal 2027 budget as enacted includes, in the aggregate, \$39.3 million in general fund reductions, contingent on the enactment of this legislation reducing the State's share of these retirement costs.

Cost-of-Living Adjustments

Senate Bill 724/House Bill 1138 (Chs. 55 and 56) establish that, for the annual calculation of the cost-of-living-adjustment (COLA) for State retirees, the October 2025 consumer price index (CPI) value is the average of the CPI values for September 2025 and November 2025. State pension law defines "consumer price index" as the annual average CPI (all urban consumers, U.S. city average, all items, not seasonally adjusted, 1982-1984 = 100) for the calendar year ending December 31 as published by the U.S. Department of Labor, Bureau of Labor Statistics (BLS). BLS has traditionally released 12 monthly CPI reports per year. In accordance with statutory requirements, the State calculates the CPI value for each calendar year as the average of all 12 reports from the previous calendar year. However, due to the federal government shutdown in October and early November 2025, BLS did not publish a CPI report for October 2025. The State uses the CPI from the previous two calendar years to calculate the COLA rate. The Acts require an October data point by averaging the CPI values for September and November. This method was applied to data from previous years and resulted in replicating COLA rates similar to the rate actually used for that year, before any caps were applied.

Requirements for Eligible Governmental Units

Senate Bill 734/House Bill 1139 (both passed) clarify that for an eligible governmental unit to participate in the Employees' Pension System (EPS), Law Enforcement Officers' Pension System (LEOPS), or Correctional Officers' Retirement System (CORS) as a participating governmental unit (PGU), the unit must make enrollment in the applicable system available to all of the unit's eligible employees. Eligible employees must submit necessary documentation, which includes election forms indicating affirmatively that an employee does or does not intend to participate in the plan; except in specified cases, an employee who does not complete the documentation is deemed to have elected to participate. As a condition of joining an applicable plan, the local appointing authority of an employee who does not complete the necessary documentation must submit an affidavit to the State Retirement Agency (SRA) that states the date

the authority provided an employee with the necessary forms and the name of any employee who did not submit the forms.

Except as otherwise specified, eligible employees of a PGU that elect to join EPS, LEOPS, or CORS on the effective date of the PGU's participation in the plan must receive 100% service credit for their prior employment with the PGU. The bills also clarify the list of positions entitled to immediate vesting and clarify that the interest rate is 7.75% on delinquent payments that county governments are required to make to the State Retirement and Pension System (SRPS) under current law.

Correctional Officers' Retirement System – Membership

Senate Bill 337/House Bill 678 (both passed) clarify that certain employees of the Maryland Department of Health are members of CORS as a condition of their employment. The bills also require the SRPS Board of Trustees to transfer service credit earned by affected employees in the Employees' Retirement System or 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 because they would not have any deficiencies in employee contributions.

Transfers Between Systems Workgroup Extension

Senate Bill 338/House Bill 399 (both passed) extend the date by which SRA must submit a report on the findings and recommendations of a workgroup to study the transfer of member service between State and local retirement and pension systems from December 1, 2025, to October 1, 2026. The bills also specify that the report must be submitted to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the Joint Committee on Pensions.

Other Retirement Benefits

Law Enforcement Officers' Retirement System and State Police Retirement System – Line-of-duty Catastrophic Injury Disability

Senate Bill 647 (passed) establishes a catastrophic disability benefit for members of LEOPS and the State Police Retirement System (SPRS). Under the new benefit, a member of LEOPS or SPRS who is totally and permanently unable to engage in any substantial gainful activity because of a medically determinable physical impairment that is the natural and proximate result of an accident that occurred in the actual performance of duty at a definite time and place without negligence by the member is entitled to a catastrophic disability benefit. The benefit is equal to the sum of (1) an annuity that is the actuarial equivalent of the member's accumulated contributions and (2) a pension equal to 100% of the member's average final compensation. A member of LEOPS or SPRS who is awarded a catastrophic disability benefit is not eligible for an accidental, a special, or an ordinary disability benefit.

Correctional Officers' Retirement System – Exemption from Offset

Senate Bill 710/House Bill 1194 (both passed) allow a retiree of CORS to be employed as a bailiff in a State court without being subject to a reduction to the retiree's allowance. Provisions providing a similar exemption for retirees of the Division of Corrections, Division of Pretrial Detention and Services, and Patuxent Institution in the Department of Public Safety and Correctional Services are already in effect.

Law Enforcement Officers' Retirement System – Military Service Credits

Senate Bill 491/House Bill 789 (both passed) allow a member or vested former member of LEOPS who is or was assigned as a helicopter pilot in a State law enforcement aviation unit to earn military service credit even if that member or former member receives service credit for the same military service under another retirement system. However, a member may not receive military service credit from the State more than once.

Senate Bill 654 (passed) increases the mandatory retirement age for SPRS members from age 60 to 62 and makes corresponding changes to eligibility requirements for the Deferred Retirement Option Program (DROP). The bill also allows any SPRS member that began participation in DROP before June 1, 2026, and continues participation on or after that date to extend their participation in DROP until reaching age 62 or completing seven years in DROP, whichever occurs first.

New Participating Governmental Units

Senate Bill 748/House Bill 1102 (both passed) make Allegany County detention center officers members of CORS as a condition of employment, subject to Allegany County beginning participation in CORS as a PGU.

Senate Bill 614/House Bill 744 (both passed) make Dorchester County detention center officers members of CORS as a condition of employment, subject to Dorchester County beginning participation in CORS as a PGU.

House Bill 872 (Ch. 57) makes local law enforcement officers of the Seat Pleasant Police Department members of LEOPS as a condition of employment, subject to Seat Pleasant beginning participation in LEOPS as a PGU.

General Assembly

Committee References and Membership

House Bill 554 (Ch. 152) alters references in the Maryland Annotated Code to General Assembly standing committees to reflect (1) the current name and subject matter jurisdiction of the Senate Committee on Education, Energy, and the Environment and (2) the recent

restructuring of House standing committees that established the House Health Committee and the House Government, Labor, and Elections Committee (in place of the House Health and Government Operations Committee). The Act also alters the membership of the Legislative Policy Committee to include the chairs of both the House Health Committee and House Government, Labor, and Elections Committee.

Groups with Legislative Membership

Each year, entities are created by the General Assembly to provide oversight and advice and to conduct in-depth studies of public policy issues. The following bills create commissions, workgroups, task forces, and other groups that include members of the General Assembly in their membership:

Climate Change and Emergency Management

- ***Senate Bill 739/House Bill 1219 (both passed)*** require the University System of Maryland (USM) – in coordination with, and with oversight by, a panel of agencies and individuals (that includes members of the General Assembly) – to conduct a study to evaluate the relationship between climate change, the availability and price of homeowner’s insurance, and emergency and disaster preparedness;

Education

- ***Senate Bill 529 (passed)*** requires USM to convene a Southern Maryland Early College Teacher Pathway Program Workgroup to develop recommendations for a Southern Maryland Early College Teacher Pathway Program and a teacher preparation pathway in Southern Maryland;

Financial Regulation

- ***Senate Bill 376/House Bill 470 (both passed)*** establish a Digital Asset and Blockchain Technology Task Force to analyze the expansion of blockchain technology and cryptocurrency in the State and make recommendations regarding the use and regulation of blockchain technology and cryptocurrency in the State;

Health

- ***Senate Bill 39/House Bill 772 (both passed)*** establish a Workgroup on Behavioral Health Rate Methodology Modernization in the Maryland Health Care Commission to develop transparent, cost-based reimbursement methodologies for certified community behavioral health clinics, outpatient mental health centers, and independent outpatient providers using federally required and existing cost-study data as the foundation for future rate reform;

- ***House Bill 945 (passed)*** establishes a task force to carry out a Health Care Quality Improvement Initiative, and study specified issues, relating to the improvement of the quality of care, oversight, and affordability of nursing homes and assisted living programs and the accessibility of services in nursing homes and assisted living programs;
- ***House Bill 1367 (passed)*** establishes a Commission on Re-Imagining Health Care to envision a comprehensive health care system for the State, contingent on the Maryland Health Care Commission securing specified private funding;
- ***House Bill 1372 (passed)*** establishes a Maryland Health Centralization Commission to provide ongoing advice and recommendations to the General Assembly on how best to increase collaboration between the Maryland Department of Health and the health occupations boards to achieve greater efficiency, transparency, and accountability;

Local Government

- ***House Bill 1142 (Ch. 17)*** establishes a Task Force to Modernize County and Municipal Revenue Structures to study and evaluate the revenue structure of county and municipal governments within the State and make recommendations regarding their authority to increase sources of revenue;
- ***House Bill 1452 (passed)*** establishes a Suitland Development Authority in Prince George's County and a board of directors of the authority (that includes members of the General Assembly, serving in an advisory capacity) to manage the authority and exercise its powers;

Public Safety

- ***Senate Bill 114 (passed)*** establishes a Maryland 3-1-1 Oversight Board in the Maryland Information Network to, among other things, establish and implement a 3-1-1 Program to evaluate and expand the use of 3-1-1 systems in the State;

State Government

- ***Senate Bill 776/House Bill 552 (both passed)*** establish a Commission on the House of Reformation and Instruction for Colored Children (HRICC) to (1) research the history, operations, and resident deaths at HRICC; (2) provide a complete and public accounting of the children who died and were buried on the grounds of HRICC; (3) promote healing and reconciliation through truth-telling, acknowledgment, and recommendations for systemic reform; and (4) ensure descendant and community voice throughout the investigation and reconciliation process;

- ***House Bill 1248 (passed)*** establishes a Workgroup for an Inclusive State Workplace to outline the steps the State needs to take to encourage the expansion of part-time employment within the State Personnel Management System, USM, and the Maryland Department of Transportation (MDOT), focusing on the inclusive employment opportunities in State government and removing obstacles for individuals challenged by full-time employment;
- ***House Bill 1557 (passed)*** establishes a Real Estate Advisory Committee in the Department of General Services (DGS) to advise DGS, the Board of Public Works, and the General Assembly on (1) industry trends; (2) developments and movement in the commercial real estate sector; and (3) best practices for real estate asset management in the State; and

Transportation

- ***House Bill 587 (passed)*** establishes a Workgroup on Transportation Contract Approval Authority to study the existing approval authority structure for capital expenditures by MDOT and the Maryland Transportation Authority, study potential alterations to the structure, and make recommendations.

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 or activities subject to MPEA are extended by the following legislation:

Maryland Department of Agriculture

- ***House Bill 225 (Ch. 75)*** extends the termination date for the Maryland Horse Industry Board by 10 years to July 1, 2036;

Maryland Department of Health

- *Senate Bill 119/House Bill 274 (Chs. 135 and 136)* extend the termination date of the State Board of Environmental Health Specialists by five years to July 1, 2032; and

Maryland Department of Labor

- *Senate Bill 133/House Bill 241 (Chs. 127 and 128)* extend the termination date for several occupational and professional licensing boards (and a commission) within the Maryland Department of Labor through July 1, 2032:
 - the State Board of Barbers;
 - the State Board of Cosmetologists;
 - the State Board for Professional Land Surveyors;
 - the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors; and
 - the State Board of Individual Tax Preparers.

Information Technology/Cybersecurity

Data Privacy

Generally, a unit of State or local government (except for the Legislative and Judicial branches of State government) that collects an individual's personal information must implement and maintain reasonable security procedures and practices appropriate to the nature of the information collected and the nature of the unit and its operations. *House Bill 264 (passed)* limits the personal information that may be collected, maintained, processed, and retained by units of State government and requires certain personal information to be deleted or de-identified. Each unit of State government must designate a privacy officer and post a privacy notice on its website. The Department of Information Technology (DoIT) must establish additional security requirements to be included in applicable contracts. Also the bill expands the definition of "personal information," for the purposes of protection by State agencies, to include an individual's username or email address in combination with a password; genetic and health-related data; and other sensitive data, as defined by the Online Data Privacy Act.

Originally established in 2014, the Council on Open Data is tasked with promoting a State policy favoring open data practices and providing guidance for open data portals and best practices. "Open data" is defined in State law as data that a State entity has collected and made available to the public. *Senate Bill 200/House Bill 262 (Chs. 104 and 105)* rename the Council on Open Data

to be the Council for Open Data and revise the council's membership and responsibilities. More specifically, in addition to its existing duties, the council is responsible for advising on data initiatives and identifying and exploring the means by which partnerships may be developed and strengthened to connect Maryland data with communities and social service organizations. The council's membership is reduced from 37 to 11 members, and the State Chief Data Officer is made the chair of the council.

Department of Information Technology

The State enters into resource sharing agreements (RSAs) that allow private companies to install, operate, and maintain communications systems on State resources in exchange for monetary compensation. *Senate Bill 85/House Bill 266 (both passed)* authorize DoIT to use proceeds from RSAs that accrue to the Information Technology Investment Fund (ITIF) to support State-owned communications sites, communications facilities, and telecommunications equipment used in conjunction with RSAs, including program management for related activities. The Secretary of Information Technology must submit a report annually to the General Assembly specifying the amount of money paid into ITIF that was allocated for specific telecommunication purposes, including purposes newly authorized by the bills.

The Secretary and DoIT are responsible for developing, revising, and implementing the statewide Information Technology (IT) Master Plan. *Senate Bill 581/House Bill 861 (both passed)* require DoIT to post the plan on its website and submit a copy to the General Assembly within one year of the Governor's inauguration for each gubernatorial term. Each year, the Secretary or a designee must brief the General Assembly on the implementation of the plan and any material changes made to the plan.

State Email

House Bill 718 (passed) establishes a State policy that email systems and resources for State and higher education employees are intended to support State business and may not serve as a public forum. The bill also requires State agencies' IT policies to include provisions protecting employee email services from spam email and other use that does not support State business. The policies must allow State employees incidental personal use of IT, including email, as long as the use has a minor impact on resources and is consistent with generally accepted professional business norms.

Artificial Intelligence

Artificial intelligence (AI) is a broad field of computer science that deals with the creation of "intelligent" systems that can reason, learn, and act autonomously. AI's ability to quickly synthesize and summarize vast amounts of data and apply the results have made it a useful tool in modern society while also raising questions about its use. *Senate Bill 597 (passed)* establishes the Maryland AI Partnership in the University System of Maryland (USM) to provide a single nexus

for AI stakeholders to advance innovation, economic growth, workforce development, and public good across the State.

The partnership must develop a strategic plan, coordinate AI initiatives, and establish Maryland Technology Extension Hubs. The bill also establishes an AI Incubation Lab in USM, with guidance from DoIT. Subject to a memorandum of understanding with the Department of Budget and Management, the lab must assist State agencies to accelerate the responsible use of AI. Additionally, Morgan State University's Center for Equitable AI and Machine Learning Systems must support State agencies on questions relating to productive and ethical use of AI, and the bill authorizes the Governor's AI Subcabinet to request research from the center. Finally, the bill establishes the AI Public Service Fellowship within USM to match students with State agencies to address AI projects.

Part D

Local Government

Local Government – Generally

Municipalities

Inventory and Improvements of Open Drainage Inlets

Senate Bill 189 (passed) requires municipalities to:

- inventory the number and location of all publicly and privately owned existing open drainage inlets in the municipality by July 1, 2027;
- develop a prioritization plan for making improvements to publicly and privately owned existing open drainage inlets that pose the greatest public safety risks by April 1, 2028;
- notify a private property owner with a privately owned existing open drainage inlet of the requirements to install improvements on the drainage inlets by April 1, 2028; and
- make improvements to all publicly and privately owned existing open drainage inlets identified in the prioritization plan, as specified, within the municipality by April 1, 2031.

Under the bill, any new open drainage inlet installed within the municipality must have an approved grating system. After a municipality has installed an approved grating system on a privately owned existing open drainage inlet, the municipality is not responsible for maintaining the improvements and cannot be held liable for incidents arising out of the maintenance of an approved grating system.

Municipalities are responsible for the cost of installing improvements on publicly and privately owned existing drainage inlets and may apply to the Comprehensive Flood Management Grant Program within the Maryland Department of the Environment (MDE) to cost-share a portion of the installation costs.

Annexation – General Assembly Notice

A municipality may enlarge its boundaries by annexation of land, subject to various criteria and procedures established in Title 4, Subtitle 4 of the Local Government Article, including adoption of an annexation plan (a plan for providing municipal services to the annexed area) and enactment of an annexation resolution. *House Bill 1178 (passed)* requires a municipality seeking to annex land located in a different legislative district to provide written notice by electronic communication and the U.S. States Postal Service to the members of the General Assembly who represent (1) the district in which the land is located and (2) the district to which the land is being annexed. The municipality must provide this notice after an annexation resolution is introduced.

Counties and Municipalities

Patuxent Research Refuge and Beltsville Agricultural Research Center – Zoning Classification

The Patuxent Research Refuge is a 12,800-acre wildlife refuge that is managed by the U.S. Fish and Wildlife Service and is located between the District of Columbia and Baltimore City. The Beltsville Agricultural Research Center has been owned and operated by the U.S. Department of Agriculture (USDA) as a research park for soil, water, air, plant, and animal sciences since 1910. The center consists of over 6,500 acres and is located in Prince George’s County.

House Bill 1267 (passed) establishes land use provisions relating to the Patuxent Research Refuge and the Beltsville Agricultural Research Center. Specifically, the bill requires federally owned land that is part of the refuge and the center or any other USDA property in Beltsville or its vicinity to be designated and maintained in a zoning classification that restricts the uses to open space, reserved open space, or, in the case of the refuge, other resource conservation uses. A central natural area in the property of the refuge or center may not be converted to be used for agriculture, active recreation, forestry, or other plant harvesting.

The bill requires that, prior to any development on land in the property of the refuge or center, the local zoning authority or the district council, respectively, (1) hold a public hearing and (2) make a final decision, in consultation with the Department of Natural Resources and MDE, that the proposed development will not have a substantial impact on land in a central natural area.

Local Comprehensive Plans

Local jurisdictions statewide are required to enact, adopt, amend, and execute a comprehensive plan to guide the implementation of land use controls and zoning. This includes specified planning principles and elements. At least once every 10 years, each local jurisdiction must review its comprehensive plan and, if necessary, revise or amend the plan. Chapters 63 and 64 of 2025 replaced 12 existing “visions” that were previously required to be implemented through a local jurisdiction’s comprehensive plan with eight “planning principles” collectively intended to create sustainable communities and protect the environment in order to foster a high quality of life for all residents of the State.

Senate Bill 197/House Bill 243 (Chs. 110 and 111) alter the requirements for the comprehensive plan of a local jurisdiction.

The Acts modify and reorganize the elements that a local jurisdiction must include in a comprehensive plan so that the elements are consistent with planning principles established under Chapters 63 and 64 of 2025 and apply consistently across all local jurisdictions. The required elements are (1) land; (2) transportation; (3) housing; (4) economy; (5) equity; (6) resilience; (7) place; and (8) ecology. For the land element, there are subelements for community facilities, mineral resources, fisheries, and municipal growth. For the ecology element, there are subelements for sensitive areas and water resources.

The Acts also establish general requirements for comprehensive plans concerning (1) the broad purpose; (2) the format and structure; (3) the content; (4) the statement of goals and objectives, policies, and standards; (5) development regulations, policies, programs, and other mechanisms; and (6) assistance from the Maryland Department of Planning (MDP).

House Bill 240 (Ch. 122) requires each planning commission to notify MDP when beginning a review of their comprehensive plan. The Act requires MDP, within 60 days after receiving notification, to provide the planning commission with guidance materials and resources that may support the review, revision, or amendment of the comprehensive plan. The Act also requires MDP to develop and maintain the guidance materials in consultation with other State agencies and offices.

No-cost Preventative Cancer Screenings for Volunteer and Retired Volunteer Firefighters

Senate Bill 579 (passed) requires each county in which a volunteer fire company is located to offer no-cost, annual, preventive cancer screenings in accordance with the latest screening guidelines issued by the International Association of Fire Fighters. These screenings are to be offered to each volunteer firefighter who volunteers and each retired volunteer firefighter who volunteered with the fire company. The bill also requires that each county in which a volunteer fire company is located maintain a list of all volunteer firefighters who volunteer and all retired firefighters who volunteered in the county. Additionally, the bill allows a county to apply for a grant under the Health – General Article to pay for cancer screening technologies, including a multicancer early detection blood test.

Modernization of County and Municipal Revenue Structures

House Bill 1142 (Ch. 17) establishes a Task Force to Modernize County and Municipal Revenue Structures. The task force must study and evaluate the revenue structure of county and municipal governments within the State and make recommendations regarding the authority of county and municipal governments to increase sources of revenue. The task force must submit a report of its findings and recommendations to the Governor and various committees of the General Assembly by December 1, 2026.

Bi-county Agencies

Maryland has three bi-county agencies that operate within and on behalf of the residents of both Montgomery and Prince George's counties – the Washington Suburban Sanitary Commission (WSSC), the Maryland-National Capital Park and Planning Commission, and the Washington Suburban Transit Commission.

Washington Suburban Sanitary Commission

Procurement

House Bill 1230 (passed) expands WSSC's existing preference program for local, small business enterprises to include (1) local businesses; (2) small businesses; (3) local small businesses; (4) Maryland-based businesses; (5) disabled veteran-owned businesses as specified; and (6) veteran-owned businesses as specified. The program gives preference to local small businesses and local businesses.

House Bill 1230 further authorizes WSSC to accept as a registered vendor in the program any person that is registered as a vendor through a vendor registration process in another jurisdiction or that self-certifies as a vendor in accordance with regulations that WSSC adopts. WSSC may also adopt regulations to promote workforce engagement and local economic benefits within its service district through WSSC contracts. Finally, the bill repeals the name of WSSC's Office of Supplier Diversity and Inclusion and requires WSSC to adopt regulations establishing a name for the office.

Personnel Management

WSSC may suspend an employee, for disciplinary purposes, for up to 30 days. Each suspension must be without pay, and an employee may not be suspended for disciplinary purposes for more than 30 days in a calendar year. *House Bill 1185 (passed)* authorizes a WSSC employee to appeal a disciplinary suspension action to the Office of Administrative Hearings (OAH), and OAH must dispose of a case or conduct a hearing and issue a final decision in an appeal for the suspension of a WSSC employee.

Multiple Bi-county Agencies

Financial Disclosure

House Bill 328 (passed) requires an applicant for appointment as a bi-county commissioner in Prince George's County to submit a paper copy of their financial disclosure statement to the Prince George's County Office of Ethics and Accountability. Further, the bill requires the chief administrative officer of Prince George's County to submit each financial disclosure statement of a commissioner or applicant to the Prince George's County Office of Ethics and Accountability, which must retain the statements for the commissioner's entire term of office or return the original statement and all copies to any applicant who is not appointed. On notification

by the Prince George's County Office of Ethics and Accountability that an applicant was not appointed, the bill requires the State Ethics Commission promptly to delete the applicant's electronically filed financial disclosure statement. Finally, the Prince George's County Office of Ethics and Accountability must require that any person examining or copying a financial disclosure statement record their name, home address, and the name of the individual whose statement was examined or copied.

Part E

Crimes, Corrections, and Public Safety

Criminal Law

Crimes Involving Firearms

Generally, Title 4 of the Criminal Law Article contains provisions relating to the use or possession of a firearm, including prohibitions pertaining to machine guns. *Senate Bill 334 (passed)*, with specified exceptions, prohibits a person from manufacturing, selling, offering for sale, purchasing, receiving, or transferring a machine gun convertible pistol beginning January 1, 2027. Subject to specified exceptions, the bill also alters the definition of a rapid-fire activator to include a pistol convertor. As a result of expanded application of an existing penalty, a violator is guilty of a misdemeanor punishable by imprisonment for up to three years and/or a \$5,000 maximum fine.

A person who lawfully obtained and possesses a machine gun convertible pistol may sell or otherwise transfer the machine gun convertible pistol to an immediate family member who is not prohibited under federal or State law from possessing a firearm. An immediate family member may purchase or otherwise receive a machine gun convertible pistol from the immediate family member who lawfully obtained the pistol.

Fraud and Theft

The identity fraud statute contains an extensive number of prohibitions. *Senate Bill 8 (passed)* further expands the prohibitions under the identity fraud statute to include prohibiting a person from using personal identifying information to cause harm, as specified, and assuming the identity of another (including a fictional person) to harm, harass, intimidate, or threaten. The bill also prohibits a person from using artificial intelligence or deepfake representations with fraudulent intent for specified purposes. A victim of a specified prohibited act may bring a civil cause of action for injunctive or other appropriate relief against the person or persons who committed the act.

Section 8-601 of the Criminal Law Article prohibits a person from engaging in specified counterfeit-related activities involving private instruments and documents. *Senate Bill 82 (passed)* adds leases of real property and rental agreements relating to real property to the list of documents subject to the prohibitions and penalties under § 8-601.

Senate Bill 140/House Bill 216 (both passed) prohibit a person from knowingly recruiting, harboring, transporting, or obtaining an individual through deception, coercion, exploitation, or isolation for the purpose of appropriating the individual's government benefits or benefitting another. The bills also prohibit a person from knowingly benefiting financially or by receiving anything of value from participating in this prohibited conduct. The bills establish graduated penalties based on the aggregate value of the government benefits involved.

A person, with intent to defraud another, may not counterfeit, cause to be counterfeited, or willingly aid or assist in counterfeiting specified instruments including, among other items, a deed. *House Bill 130 (passed)* establishes the Task Force to Study Deed Fraud to (1) study incidents of deed fraud in the State, including the number of complaints, resolved cases, restitution amounts, and geographic and demographic trends; (2) study how other states combat deed fraud; (3) identify patterns in the methods used by deed fraud perpetrators and patterns in the demographics of deed fraud victims; (4) develop recommendations for deed fraud detection tools; (5) conduct an analysis on victims of deed fraud that identifies the economic impact on victims; and (6) make recommendations to combat deed fraud in the State, including strategies for intergovernmental coordination to more effectively detect and prevent deed fraud.

Title 7, Subtitle 1 of the Criminal Law Article establishes a variety of theft offenses, including general theft. *Senate Bill 437/House Bill 752 (both passed)* prohibit a person, with the intent of defrauding another, from altering or tampering with a gift card or its packaging. A violator is guilty of a misdemeanor punishable by imprisonment for up to 18 months and/or a \$500 maximum fine. The bills also establish a valuation method for gift cards for purposes of the theft statute.

Sexual Offenses

Senate Bill 81/House Bill 329 (both passed) expand existing statutory prohibitions on specific sexual activity for law enforcement officers to include sexual contact, vaginal intercourse, or a sexual act with a student enrolled in a school where the officer serves as a school resource officer. A school resource officer is (1) a law enforcement officer who has been assigned to a school in accordance with a memorandum of understanding between the chief law enforcement agency and local school system or (2) a Baltimore City school police officer.

Senate Bill 221 (passed) prohibits a person from violating child pornography-related prohibitions under § 11-207(a)(4) or § 11-208(b)(1) of the Criminal Law Article with 100 or more images, counted as specified. The bill also prohibits a person from violating § 11-207(a)(4) or § 11-208(b)(1) or (2) with any image depicting a minor or an individual indistinguishable from an actual and identifiable child younger than age 13. A violator is guilty of a felony punishable by

imprisonment for up to 10 years. A sentence imposed for a violation of these prohibitions may be separate from and consecutive to or concurrent with any other sentence imposed by the court for any other crime based on the acts establishing a violation of § 11-207 or § 11-208 of the Criminal Law Article.

Depending on the nature of the offense, engaging in unlawful sexual contact with another person may be classified as a third-degree or fourth-degree sexual offense. *Senate Bill 230 (passed)* establishes that it is a third-degree sexual offense to engage in sexual contact with another person without the other person's consent in connection with a burglary in the first-, second-, or third-degree. A person who conspires to, attempts to, or commits this offense is (1) a Tier I sex offender if the victim is not a minor; (2) a Tier II sex offender if the victim is a minor who is at least age 13; or (3) a Tier III sex offender if the victim is a minor who is younger than age 13. The bill applies prospectively to acts committed on or after October 1, 2026.

A person in a position of authority is a person who is (1) at least age 21 and works for remuneration or as a volunteer for a public or private preschool, elementary school, or secondary school or (2) at least age 22 and works for remuneration or as a volunteer for a program and exercises supervision over or works or interacts with one or more minors who attend the school or participate in the program. A person in a position of authority includes a principal, vice principal, teacher, coach, or school counselor at a public or private preschool, elementary school, or secondary school. *House Bill 501 (passed)* (1) increases the penalty for an existing sexual crime involving a person in a position of authority who has specified prior convictions; (2) establishes a new sexual crime involving a person in a position of authority, subject to a specified penalty; (3) requires specified individuals to register as Tier III sex offenders; and (4) designates specified sexual offenses by a person in a position of authority as qualifying crimes for sexual solicitation of a minor.

Stalking

Senate Bill 512 (passed) alters existing penalties for stalking if a person committed the act and either (1) the person had an interim, temporary, or final protective order in effect against the person at the time of the offense in which the victim was the petitioner; (2) the person had a court order in effect against the person at the time of the offense prohibiting stalking involving the victim; (3) the person has a previous conviction in this State for stalking; or (4) the person has a previous conviction under the laws of another state that would constitute a crime of stalking if committed in this State. A violator who engages in stalking under these circumstances is guilty of a felony punishable by imprisonment for up to 10 years and/or a \$10,000 maximum fine.

Crimes Involving Animals

In general, existing State statute prohibits a person, except in the case of self-defense, from intentionally inflicting bodily harm, permanent disability, or death on an animal owned or used by a law enforcement unit (which is a felony). *Senate Bill 360/House Bill 563 (both passed)* repeal that prohibition and instead establish misdemeanors that more broadly prohibit specified

intentional harm to, harassment of, or interference with, an emergency response animal (including a dog or horse used by a law enforcement unit). The bills also specify that the new criminal provisions do not prohibit a defendant from asserting the defense of necessity or self-defense to a charge of violating the bills' provisions.

Crimes Against Public Administration, Public Safety, and Public Infrastructure

Generally, the State's 9-1-1 system operates through public service answer points (PSAP). A PSAP is a communications facility that (1) is operated on a 24-hour basis; (2) first receives 9-1-1 requests for emergency services in a 9-1-1 service area; and (3) as appropriate, dispatches public safety services directly, transfers 9-1-1 requests for emergency services, or transmits incident data. *Senate Bill 482/House Bill 593 (both passed)* alter an existing offense to prohibit a person from intentionally, willfully, and without authorization committing a violation of § 7-302 of the Criminal Law Article (unauthorized access to computers and related material) with the intent to interrupt or impair the functioning of critical infrastructure or a PSAP. Violators are guilty of a felony and subject to the existing penalty of imprisonment for up to five years and/or a \$25,000 maximum fine.

The bills also establish a new offense by prohibiting a person from intentionally, willfully, and without authorization committing a violation of § 7-302 that denies access to an authorized user of or interrupts or impairs the functioning of critical infrastructure or a PSAP. The new offense is a felony, punishable by imprisonment for up to 10 years and/or a \$50,000 maximum fine.

In general, scrap metal processors and junk dealers must be licensed to operate in the State. For each of these professions, State law requires licensees to keep detailed records about junk or scrap metal purchases and specifies the circumstances under which these records must be submitted to a regulatory agency or a law enforcement officer. *House Bill 1100 (passed)* prohibits a person from recklessly or willfully and maliciously defacing, damaging, or destroying telecommunications infrastructure. Violators are guilty of a misdemeanor and subject to imprisonment for up to six months and/or a fine of up to \$500. The bill expands the definition of junk or scrap metal used in provisions that address licensing, recordkeeping, and procedural requirements for junk dealers and scrap metal processors. The bill also prohibits a junk dealer or scrap metal processor from purchasing telecommunications equipment from an individual unless the individual, through specified documentation, can establish the necessary legal authority to conduct the transaction.

Interference With Exercise of Religious Beliefs

In general, existing State statute contains a variety of prohibitions that constitute disturbing the peace and disorderly conduct. *Senate Bill 177/House Bill 750 (both passed)* prohibit a person from using force, threat of force, or physical obstruction to interfere with or physically injure another person while the other person is lawfully exercising or attempting to exercise the right of religious freedom under the First Amendment of the U.S. Constitution at a place of religious

worship. A violator is guilty of a misdemeanor punishable by imprisonment for up to 90 days and/or a \$1,000 maximum fine.

Criminal Procedure

Crime Victims

Victims of Sexually Assaultive Behavior or Stalking

Protection of Identity: State law provides certain protections from the release of an address or phone number of a victim or witness in a criminal proceeding. *Senate Bill 294 (passed)* broadens these protections by prohibiting 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 victim of sexual assault or stalking, from disclosing or allowing inspection of any such filing, including a charging document, to a nonparty (except the victim or the victim’s representative) 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 victim of sexual assault or a victim of stalking. On written request of a victim of sexual assault or stalking, the court must redact identifying information relating to the victim from an existing filing or record. The bill includes an exception allowing for the disclosure or inspection of an unredacted filing to a health occupations board for the purpose of investigating or disciplining a defendant or respondent who is licensed or certified by the board for sexual misconduct.

Waiver of Rights: State law prescribes specific requirements for law enforcement interactions with victims of sexually assaultive behavior. Among these requirements, a law enforcement agency may not present a victim of sexually assaultive behavior a form purporting to (1) relieve the law enforcement agency of an obligation to the victim; (2) preclude or define the scope of an investigation by the law enforcement agency into an act allegedly committed against the victim; (3) prevent or limit a prosecution of an act allegedly committed against the victim; or (4) limit a private right of action of the victim pertaining to either an act allegedly committed against the victim or the victim’s interaction with the law enforcement agency. *Senate Bill 531/House Bill 491 (both passed)* extend this prohibition to prohibit a law enforcement agency, in interactions with a victim of sexually assaultive behavior, from making a request for such a waiver through a verbal acknowledgement.

Court Procedures

Pretrial Release

Immigration Detainers: When a defendant is awaiting trial in a criminal proceeding, a judge or a commissioner of the District Court may authorize pretrial release or set bond or bail for

the defendant. *Senate Bill 791 (passed)*, in part, authorizes a judge or a District Court commissioner to consider whether a defendant charged with a felony is the subject of an immigration detainer when deciding whether to authorize pretrial release of the defendant or to set bond or bail for the defendant.

Admissibility of Evidence

The Maryland Rules of Evidence generally govern the admissibility of evidence in court proceedings. Additionally, State law includes various provisions allowing or prohibiting the admission of certain types of evidence under certain circumstances. Judges are responsible for applying these rules and determining whether a particular piece of evidence is admissible.

Hearsay Evidence – Declarant Unavailable by Wrongdoing: Hearsay is a statement made outside of court but offered as evidence in court to prove the truth of the matter asserted in the statement. In general, hearsay is inadmissible as evidence; however, under State law, among other exceptions, hearsay is not excluded during the trial of a criminal case in which the defendant is charged with a felony and the hearsay statement is offered against a party that has engaged in, directed, or conspired to commit wrongdoing that was intended to and did procure the unavailability of the declarant of the statement. *Senate Bill 465 (passed)* expands this exception to include a criminal case in which the defendant is charged with assault in the second degree.

Creative Expression Evidence: *Senate Bill 475 (passed)* prohibits the “creative expression” of a defendant or respondent from being admitted against the defendant or respondent in a criminal or juvenile proceeding unless the court finds by a preponderance of the evidence, that (1) the defendant or respondent intended the creative expression to be literal, rather than figurative or fictional, or, if the creative expression is derivative, that the defendant or respondent intended to adopt the literal meaning of the creative expression as their own; (2) there is a close temporal and factual nexus between the creative expression and the alleged offense; (3) the creative expression is relevant to a disputed issue of fact; and (4) the probative value of the creative expression outweighs its prejudicial effect. The bill does not preclude the admission of creative expression in juvenile cases for the purposes of evaluating, recommending, or ordering referral to mental health services or diversion programs. “Creative expression” is defined as the expression or application of creativity or imagination in the production or arrangement of forms, sounds, words, movements, or symbols that is eligible for federal copyright protections, and includes expression such as music, dance, and poetry.

Sentence Reduction

Maryland Second Look Act: Chapter 61 of 2021, also known as the Juvenile Restoration Act, allowed an individual convicted as an adult for an offense committed when the individual was a minor to file a motion with the court to reduce the duration of the individual’s sentence if the individual was sentenced before October 1, 2021, and has served at least 20 years of the sentence imposed. Chapter 96 of 2025, also known as the Maryland Second Look Act, expanded these provisions to allow for a motion to reduce a sentence to be filed by an individual who (1) was convicted of an offense committed when the individual was at least age 18 but younger than

age 25; (2) was not sentenced to life without the possibility of parole; (3) is not a sex offender; (4) has been imprisoned for at least 20 years for the offense; and (5) was not convicted of murder involving a victim who was a first responder who was killed in the line of duty. The court must conduct a hearing in which the petitioner may introduce evidence in support of the motion, and the State may introduce evidence in support of or in opposition to the motion. After a hearing and considering a list of factors specified in statute, the court may reduce the duration of a sentence imposed if the court determines that the individual is not a danger to the public and the interests of justice will be better served by a reduced sentence. *Senate Bill 162 (passed)* repeals the requirement that an individual have been sentenced before October 1, 2021, in order to file the motion to reduce the duration of the individual's sentence.

Expungement

Section 10-110 of the Criminal Procedure Article authorizes an individual convicted of any of a list of approximately 100 specified offenses, or an attempt, a conspiracy, or a solicitation of any of these offenses, to file a petition for expungement of the conviction, subject to specified procedures and requirements. *Senate Bill 320/House Bill 187 (both passed)* expand eligibility for expungement under § 10-110 to include a charge for an offense listed as eligible under § 10-110 where a remaining charge was (1) disposed of by a court with a no finding designation or (2) included in a case that was designated by the court as having been terminated without finding.

Crime-specific Procedures

Investigations by State Prosecutor

Threats to Judges and Judges-elect: Generally, the State Prosecutor may investigate specified criminal offenses and violations of State law, including laws related to elections and voting, public ethics, bribery, and criminal misconduct in office committed by an officer or employee of the State, or a political subdivision of the State, or of a bi-county or multi-county unit of the State. *Senate Bill 634/House Bill 1030 (both passed)* authorize the State Prosecutor to investigate a violation of the prohibition against knowingly and willfully threatening to take the life of, kidnap, or cause physical injury to specified public officials if the violation was committed against a “judge or judge-elect.” The State Prosecutor may investigate an alleged offense on the State Prosecutor's own initiative or on request of the Governor, the Attorney General, the General Assembly, the State Ethics Commission, or a State's Attorney.

Law Enforcement Procedures

Jurisdiction

Maryland Capitol Police: Police officers of the Maryland Capitol Police (MCP) within the Department of General Services are generally limited in their powers to enforce criminal, parking, and motor vehicle laws in areas within a specified distance of buildings administered by State or local agencies or designated by law or by the Board of Public Works. *Senate*

Bill 298/House Bill 338 (both passed) grant MCP officers statewide jurisdiction to investigate and otherwise enforce the criminal laws, specified civil asset forfeiture laws, and parking and motor vehicle laws. Under certain circumstances where an MCP officer exercises jurisdiction, the bills require that MCP provide notice (1) to the Secretary of State Police or the Secretary's designee, reasonably in advance, unless an emergency or exigency exists and (2) specified State and local law enforcement officials, as applicable, after an investigation or enforcement has occurred. The bills also require that before an MCP officer exercises powers granted under the bills in Baltimore City, MCP must enter a memorandum of understanding with the Baltimore Police Department.

Juvenile Law

Youth Charging Reform Act

Overview

Senate Bill 323 (passed) makes numerous changes to the juvenile justice process in the State by (1) expanding the jurisdiction of the juvenile court; (2) requiring the detention of a child before a hearing in specified situations; (3) limiting the circumstances under which a child may be held, detained, or confined in an adult jail or correctional facility; and (4) establishing several reporting requirements.

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. The juvenile court also has jurisdiction over peace order proceedings in which the respondent is a child. However, 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 initiated in adult criminal court. However, for items (1), (3), and (4) above, the adult criminal court may transfer the case back to juvenile court before trial or before a plea is entered under specified circumstances.

By repealing certain excluded offenses, **Senate Bill 323** effectively expands the juvenile court's jurisdiction to include a child at least age 16 who is alleged to have committed first-degree assault or a specified crime involving firearms or handguns.

Authorized 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. *Senate Bill 323* requires an intake officer to authorize detention prior to a hearing for a child if the child is at least age 16 and accused of an act that, if committed by an adult, would be a violation of § 4-203 (wearing, carrying, or transporting a handgun) of the Criminal Law Article or a crime of violence, as defined in §14-101 of the Criminal Law Article.

Juvenile Confinement

In general, a child subject to the adult criminal court's jurisdiction may be held in an adult detention facility. *Senate Bill 323* prohibits a child, including one subject to adult criminal court jurisdiction, who has been arrested, convicted, or awaiting trial on criminal charges from being detained or confined in any institution in which the child has contact with or comes within sight or sound of an incarcerated adult. Absent a temporary hold for processing, a child who has been arrested, convicted, or is awaiting trial for an offense under adult criminal court jurisdiction is prohibited from being held in custody in an adult correctional facility. However, a child may be temporarily held for processing in an adult jail or correctional or detention facility that does not have a secure juvenile detention area if the child is separated by sight and sound from incarcerated adults and is held for a period not exceeding six hours, as specified. Finally, a child may not be transported together with adults who have been charged or convicted of a crime, regardless of jurisdiction over the child.

Under current law, pending the determination to transfer jurisdiction of a child, the court must order the child to be held in a secure juvenile facility unless (1) the child is released on bail, recognizance, or other conditions of pretrial release; (2) there is not available capacity in a secure juvenile facility, as determined by the Department of Juvenile Services (DJS); or (3) the court finds that detention in a secure juvenile facility would pose a risk of harm to the child or others. If the court makes a finding that detention in a secure juvenile facility would pose a risk of harm to the child or others, the court must state the reasons for the finding on the record. The bill repeals provisions (2) and (3) above.

Reporting Requirements

Senate Bill 323 requires DJS, in consultation with the Governor's Office of Crime Prevention and Policy (GOCPP) and the Administrative Office of the Courts, on or before October 1, 2027, and annually thereafter, to report to the Commission on Juvenile Reform and Emerging and Best Practices on:

- the average length of stay of youth awaiting committed placement in a juvenile detention facility;

- the total number of cases in which the juvenile court is petitioned to waive, chooses to waive, or declines to waive its jurisdiction under § 3-8A-06 of the Courts and Judicial Proceedings Article;
- the total number of cases in which an adult court is petitioned to transfer, chooses to transfer, or declines to transfer a case to the juvenile court under § 4-202 of the Criminal Procedure Article; and
- the average length of time a youth spends in detention, community detention, or shelter care awaiting a decision under § 3-8A-06 of the Courts and Judicial Proceedings Article (waiver of juvenile court jurisdiction).

Senate Bill 323 also requires GOCPP to report, on or before October 1, 2027, and annually thereafter, to the commission and General Assembly on (1) the total number of youth housed in facilities with adult offenders on a monthly basis; (2) the average length of stay of youth housed in facilities with adult offenders; (3) the total number of youth charged as adults under §3-8A-03(d)(3) of the Courts and Judicial Proceedings Article and the offenses with which those youth are charged; (4) the total number of youth held in restrictive housing in facilities with adult offenders; and (5) the total number of violations of the provisions of federal law prohibiting youth from having sight and sound contact with adult offenders.

Finally, *Senate Bill 323* requires the commission to report to the General Assembly by October 1, 2027, on (1) the implementation of the bill; (2) the total number of behavioral incidents involving juveniles in the custody of DJS following enactment of the bill; and (3) the ability of DJS to maintain staffing levels adequate to meet any increase in the number of juveniles in the custody of DJS as a result of the bill.

Child in Need of Supervision – Mandatory Petition

In general, the juvenile court has jurisdiction over children who are alleged to be delinquent, in need of supervision (*i.e.* requiring guidance, treatment, or rehabilitation, as specified), or who have received a citation for specified violations. Except under certain circumstances, 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. A child of any age may be adjudicated in need of supervision, however, and subject to the juvenile court's jurisdiction under applicable provisions. *House Bill 776 (passed)* establishes that if a law enforcement officer alleges the commission of an act by a child younger than age 13 that results in the death of a victim, the law enforcement officer must forward the complaint to DJS for appropriate action. If a DJS intake officer receives such a complaint, the intake officer must file a petition alleging that the child is in need of supervision.

Access to Juvenile Records – Baltimore City Mayor’s Office

In general, police and court records concerning a child are confidential, and their contents may not be divulged, by subpoena or otherwise, except by court order upon a showing of good cause or in certain circumstances relating to notification of a local superintendent or nonpublic school principal upon the arrest of a child for specified offenses. *Senate Bill 524 (passed)* authorizes access to and confidential use of a juvenile police record and court record by the Office of Neighborhood Safety and Engagement, the Office of Children and Family Success, and the Office of African American Male Engagement within the Baltimore City Mayor’s Office only if (1) for a police record, the office is providing programs and services to a child who is the subject of the record and the use of the record is relevant to the provision of programs and services and the development of a comprehensive treatment plan or (2) for a court record, the office is providing programs and services in conjunction with DJS to the child who is the subject of the record, and the use of the record is for purposes directly related to supporting treatment, rehabilitation, reentry planning, or continuity of care. Prior to accessing and using a record, the office must enter into a written memorandum of understanding and obtain the express written consent of the child’s parent or guardian. An office authorized to access these records under the bill is liable for the unauthorized release of a record it accesses.

Commission on the House of Reformation and Instruction for Colored Children

The House of Reformation and Instruction for Colored Children (HRICC) was incorporated by the Maryland General Assembly in 1870 as a segregated reform school. During its operation between 1872 and 1941, an estimated 300 Black children died at HRICC. Currently, DJS operates the Cheltenham Youth Detention Center, which is the successor facility to HRICC. The recognition of the burial ground at HRICC was publicly announced on July 17, 2025.

Senate Bill 776/House Bill 552 (both passed) establish the Commission on HRICC to (1) research the history, operations, and resident deaths at HRICC; (2) provide a complete and public accounting of the children who died and were buried on the grounds of HRICC; (3) promote healing and reconciliation through truth-telling, acknowledgment, and recommendations for systemic reform; and (4) ensure descendant and community voices throughout the investigation and reconciliation process. The commission must submit its initial report and final report to the Governor and General Assembly by December 31, 2027, and December 31, 2029, respectively.

Truancy Reduction Program – Washington 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. Circuit Administrative Judges of the First, Second, Third, Sixth, and Seventh circuits may establish TRPPs in specified counties within their judicial circuits. Dorchester, Frederick, Harford, Kent, Prince George’s, Somerset,

Talbot, Wicomico, and Worcester counties are currently authorized to have TRPPs. *Senate Bill 715/House Bill 1457 (both passed)* authorize the Circuit Administrative Judge of the Fourth Judicial Circuit to establish a TRPP in the juvenile court in Washington County.

Public Safety

Immigration Enforcement

While immigration is controlled by federal law, the U.S. Immigration, Customs, and Enforcement Division (ICE) and Department of Homeland Security have initiated numerous programs that involve state and local law enforcement agencies as allies and additional resources. Federal law does not mandate that state and local law enforcement agencies become involved in immigration efforts. However, federal law does prohibit a state or local government from prohibiting or in any way restricting any government entity or official from sending to or receiving from ICE information regarding the citizenship or immigration status, lawful or unlawful, of any individual. It also prohibits restrictions on any of the following with respect to information regarding the immigration status, lawful or unlawful, of any individual: (1) sending such information to, or requesting or receiving such information from, ICE; (2) maintaining such information; or (3) exchanging such information with any other federal, state, or local government authority.

Prohibition Against Immigration Enforcement Agreements

Senate Bill 245/House Bill 444 (Chs. 1 and 2) prohibit the State, a unit of local government, a county sheriff, or any agency, officer, employee, or agent of the State or a unit of local government from entering into an immigration enforcement agreement. An immigration enforcement agreement is defined as a contract, an agreement, an intergovernmental service agreement, or a memorandum of understanding with the federal government that authorizes the State, a unit of local government, a county sheriff, or any agency, officer, employee, or agent of the State or a unit of local government to enforce civil immigration law. Immigration enforcement agreement includes agreements made in accordance with specified provisions of federal law, including 8 U.S.C. § 1357(g), commonly known as “287(g)” agreements. The Acts were signed by the Governor on February 17, 2026, and took effect immediately.

Budget Reconciliation and Financing Act

The Governor’s Office of Crime Prevention and Policy (GOCPP) administers the State Aid for Police Protection Fund, the purpose of which is to provide a continuing grant from the General Fund to be used exclusively to provide adequate police protection in counties and qualifying municipalities through equitable cost sharing. *Senate Bill 284 (Ch. 6)*, the Budget Reconciliation and Financing Act (BRFA) of 2026, requires the Executive Director of GOCPP, upon finding that a county or qualifying municipality is not complying with State law relating to immigration enforcement agreements, to notify the county or qualifying municipality. A county or qualifying municipality may dispute the Executive Director’s finding, which must be

promptly referred to the Secretary of Budget and Management for resolution. Upon receipt of a certification of noncompliance by the Secretary or the Executive Director, the Comptroller must suspend, until notification of compliance is received, any funds due to the county or qualifying municipality from these State grants.

Community Trust Act

Senate Bill 791 (passed) generally prohibits local correctional facilities from taking actions related to immigration enforcement. Specifically, the bill prohibits local correctional facilities from (1) inquiring about or investigating an individual's citizenship, immigration status, or place of birth; (2) detaining or prolonging the detention of an individual for purposes related to immigration enforcement; (3) notifying federal immigration authorities that an individual is in custody unless required by a valid court order or judicial warrant; or (4) transferring an individual to federal immigration authorities unless presented with a valid judicial warrant.

With the exception of the prohibition on detaining or prolonging the detention of an individual, these prohibitions do not apply to an individual who has been convicted of (1) a felony under the laws of this State; (2) an offense for which registration as a sex offender is required; (3) an offense for which the individual was sentenced to a term of incarceration to be served at a State correctional facility; or (4) an offense in another state for which the individual was sentenced to at least five years of incarceration and the individual completed at least five years of incarceration of that sentence.

In addition to the exception for individuals with specified convictions, the bill establishes additional exceptions for (1) inquiring about information that is material to a routine booking procedure; (2) entering information into the National Crime Information Center; and (3) providing information that is necessary to afford an individual a protection provided under State or federal law or to comply with a requirement under international law.

Additionally, the bill prohibits both State and local correctional facilities from coercing, intimidating, or threatening an individual based on the actual or perceived citizenship or immigration status of the individual or any other person. These provisions of the bill may be enforced through a civil action brought by the Attorney General or an individual who has been subjected to a violation of the provisions. In such an action, the court may issue injunctive relief.

The bill also requires that, within 48 hours of releasing an individual subject to an immigration detainer, a State correctional facility provide notice to federal immigration authorities. The bill expands existing prohibitions on law enforcement agents taking actions related to immigration enforcement to include a prohibition on providing federal immigration authorities with information about an individual obtained in the course of the law enforcement agent's duties. Finally, the bill authorizes District Court commissioners and judges determining whether to grant pretrial release or set bond or bail for individuals charged to consider the existence of an immigration detainer.

Sensitive Locations

Chapter 718 of 2025 required the Attorney General to develop and publish guidance regarding immigration enforcement at sensitive locations. In addition, Chapter 718 required certain governmental entities that operate at sensitive locations to deny access to any portion of the sensitive location that is not accessible to the general public to any individual seeking access for the purpose of enforcing federal immigration law, unless presented with a valid warrant or exigent circumstances exist.

Senate Bill 792 (passed) requires each hospital to adopt a policy on immigration enforcement actions at the hospital consistent with the Attorney General's guidance. The policy must be made available to all hospital staff members, and each hospital must provide annual training to ensure employees understand the policy.

Senate Bill 810 (passed) requires public school personnel to notify the county superintendent of an affected school or the county superintendent's designee if the school personnel is notified of immigration enforcement in a sensitive location that includes a school. The bill prohibits public school personnel from (1) being used at a public school for purposes of or otherwise engaging in immigration enforcement, as specified or (2) producing or sharing information or a document pertaining to student educational records or employee personnel records or any other information about or from a student, a public school employee, or a student's or a public school employee's family or household for purposes of immigration enforcement. Public school personnel must immediately contact the county superintendent or the county superintendent's designee and legal counsel for the local school system if presented with a judicial warrant, judicial subpoena, or a legal order for the production of information or a document pertaining to student educational records or employee personnel records or any other information about or from a student, a public school employee, or a student's or a public school employee's family or household for purposes of immigration enforcement. These provisions must be construed consistently with any applicable federal and State privacy laws.

The bill also expands the definition of "sensitive location" to include school buses and school bus stops, as well as locations distributing food to individuals in need. In addition, the bill expands the requirement for certain governmental entities to deny access to any individual seeking access for the purpose of enforcing federal immigration law to apply to areas that require a security screening. Finally, the bill requires each courthouse to adopt a policy on immigration enforcement that may consider the Attorney General's guidance and requires the Attorney General to annually update its guidance.

Law Enforcement

Face Coverings and Identification

Senate Bill 1 (passed) requires the Maryland Police Training and Standards Commission (MPTSC) to develop a uniform policy, to be used by each law enforcement agency, that generally prohibits the use of a face covering by a law enforcement officer. "Law enforcement agency"

includes a law enforcement agency of the State, another state, a political subdivision of the State or another state, or the federal government. The uniform policy may allow for use of face coverings under circumstances absolutely necessary to protect the health or safety of officers while performing public safety functions. The bill also requires MPTSC to develop a uniform policy, to be used by each law enforcement agency, requiring the use of identification by a law enforcement officer in the course of duty. In addition, the bill prohibits a law enforcement officer from wearing a face covering while in the performance of duty in the State, except as authorized in the uniform policy developed by MPTSC. This prohibition does not apply to a law enforcement officer actively engaged in an undercover operation. Finally, the bill requires a law enforcement officer to wear identification on the officer's outermost layer of clothing while in the performance of duty in the State. On request of another, an officer is required to verbally disclose identification while in the performance of duty in the State. These requirements do not apply to a law enforcement officer working in a plainclothes, nonuniformed, or undercover capacity. A violation of any of these prohibitions is a civil offense with a maximum penalty of \$1,500. The bill includes procedures for the adjudication of alleged violations of these provisions through the issuance of citations.

Expiration of Handgun Permits – Retired Law Enforcement Officers

Generally, a permit to wear, carry, or transport a handgun issued by the Department of State Police (DSP) expires on the last day of the holder's birth month following two years after the date the permit is issued. *Senate Bill 331/House Bill 94 (both passed)* alter the expiration and renewal periods for a handgun permit issued to a retired law enforcement officer who retired in good standing from service with a law enforcement agency of the State or a county or municipal corporation of the State. Under the bills, the handgun permit expires on the last day of the holder's birth month following five years after the date the permit is issued and may be renewed for successive periods of five years each if, at the time of an application for renewal, the applicant possesses the qualifications for the issuance of a permit.

Police Training on Intellectual Disabilities, Autism, and Dementia

MPTSC operates approved police training schools and prescribes standards for and certifies schools that offer police and security training. MPTSC has the power and duty to require, for entrance-level police training and in-service training, that the curriculum and minimum courses of study include specified topics. *Senate Bill 745/House Bill 634 (both passed)* require MPTSC to require, for entrance-level police training and, as determined by MPTSC, for in-service level training conducted by the State and each county and municipal police training school, that the curriculum and minimum courses of study include, consistent with established law enforcement standards and federal and State constitutional provisions, training regarding individuals with intellectual and developmental disabilities, dementia, and autism, including training for (1) locating an individual who is wandering, eloping, or otherwise missing; (2) searching near bodies of water; (3) sensory-aware approaches; (4) reunification; (5) documentation; and (6) interagency coordination.

Protective Body Armor

Senate Bill 516/House Bill 904 (both passed) prohibit a law enforcement agency from assigning an officer to duties other than administrative duties unless the officer is issued protective body armor. An agency may issue protective body armor to an officer only if the protective body armor conforms to relevant standards and has not reached the expiration or suggested replacement date indicated by the manufacturer. The bills require that GOCPP withhold grant funding from agencies that fail to comply with the requirements of the bills (except for grant funds that are specifically designated for the purchase of protective body armor).

Special Police Officers

A special police officer is a privately employed individual who receives a State-issued commission that allows the officer to exercise law enforcement powers in and around designated property. *House Bill 1152 (passed)* requires DSP to study and make recommendations on the employment and use of special police officers, as specified. In carrying out the study, DSP must consult with specified entities and submit its findings by December 1, 2026.

Police Employees and Deputy Fire Marshals

Senate Bill 74/House Bill 234 (Chs. 133 and 134) repeal a requirement that a police employee or deputy State fire marshal in DSP, upon promotion, be entitled only to the pay specified for the new rank in the next lower step than the employee occupied before promotion if the step that the employee occupied before promotion is higher than that held by an employee who is already in the rank and has equal or higher service time. Thus, under the Acts, a police employee or deputy State fire marshal is entitled to the pay specified for the new rank in the same step that the police employee or deputy State fire marshal occupied before promotion without exception.

Police-initiated Towing

DSP is required to establish approved rates for tow companies involved in police-initiated towing and recovery of medium-duty and heavy-duty vehicles, based on recommendations made by the Committee on Rate Setting and Complaint Resolution for Police-Initiated Medium-Duty and Heavy-Duty Towing and Recovery. DSP must maintain a list of towing businesses to perform police-initiated towing within its jurisdiction. A company on the list may not charge more than the approved rates for police-initiated towing. *Senate Bill 578/House Bill 30 (both passed)* alter the name of the committee to reflect the inclusion of light-duty vehicles within its mandate and prohibit the approved rates for light-duty towing and recovery from exceeding 80% of the maximum approved rates for medium-duty towing and recovery. Finally, the bills require the committee to examine and report on insurance matters related to vehicles registered and insured outside of the State and the cost and cleanup of cargo and debris.

Firearms

Dealers – Notification Regarding Compromising Events

A licensed dealer of firearms may not conduct business at a location unless the location is equipped with certain security features. *Senate Bill 160/House Bill 284 (Chs. 85 and 86)* require that a licensed firearms dealer give notice to DSP within 24 hours whenever there has been a burglary, attempted burglary, robbery, or theft involving a firearm or ammunition at the premises on which the dealer operates. The Acts also require notice when a required security feature is compromised or certain security features fail.

Buyback Programs – Destruction of Firearms

Senate Bill 775 (passed) requires any federal firearms licensee or law enforcement agency operating a gun buyback program to destroy each firearm, including every component and part attached to the firearm, that is surrendered to the licensee or law enforcement agency at the gun buyback program. This requirement does not apply if a law enforcement agency determines that a firearm is stolen or is evidence of a crime. A law enforcement agency that receives a firearm as part of a gun buyback program must make reasonable efforts to determine whether these exceptions apply. A licensee or agency that violates these provisions is subject to a maximum fine of \$10,000 per violation. A person who violates the provisions is also guilty of a misdemeanor. In addition to any other penalty, the Secretary of State Police must revoke a violator's license.

Emergency Services

Assistant Fire Marshals, Residential High-rise Property Fire Safety Equipment, and Fire Alarm System Technicians

The State Fire Marshal within DSP is responsible for enforcing all laws of the State relating to the prevention of fire and the installation and maintenance of equipment intended to control, detect, or extinguish fire. A county or municipality may designate a fire marshal or appropriate fire official to serve as assistant State fire marshal to carry out those responsibilities. *House Bill 149 (passed)* requires these assistant State fire marshals to be appointed with the approval of the State Fire Marshal. Alternatively, a county or municipality may request the State Fire Marshal to designate an assistant State fire marshal. In addition, the bill requires the State Fire Marshal to adopt regulations establishing minimum qualifications for assistant State fire marshals. The bill also requires automatic fire sprinklers to be installed in each residential high-rise building that undergoes a substantial renovation that receives building permits on or after October 1, 2026. Finally, the bill requires the State Fire Prevention Commission to adopt regulations to establish a program to license and regulate fire alarm system technicians and fire alarm system companies in the State.

3-1-1 Systems – Expansion Program and Oversight Board

Chapter 450 of 2024 stated the intent of the General Assembly that the Department of Information Technology (DoIT) evaluate the potential use of artificial intelligence in creating a statewide virtual 3-1-1 portal as a source for Maryland residents to obtain nonemergency government services and aid. Chapters 17 and 18 of 2025 established the Workgroup to Study Implementation of an Expanded 3-1-1 Nonemergency System. The workgroup, among other things, was tasked with reviewing the study conducted by DoIT to create a plan for implementing the study's recommendations. The workgroup submitted a final report on November 1, 2025.

Senate Bill 114 (passed) establishes the Maryland 3-1-1 Oversight Board. The board must establish and administer a 3-1-1 Program, consisting of two counties with existing 3-1-1 systems and two counties without existing 3-1-1 systems. As part of the program, the board must develop and deploy an artificial intelligence chatbot to each participating county designed to respond to questions directed at a 3-1-1 system. The board must also deploy in each county an artificial intelligence voicebot designed to transfer calls to 9-1-1, 2-1-1, and 9-8-8, as needed. The bill also establishes a 3-1-1 Technical Advisory Committee to provide technical guidance to the board and the 3-1-1 Program.

On or before July 1, 2028, the board must submit a report evaluating the implementation of the program and creating a comprehensive plan to expand the program to each county in the State. General fund expenditures are estimated to increase significantly (potentially by more than \$1.0 million annually) beginning in fiscal 2027 for staffing and to establish the program.

Building Codes and Fire Safety

Elevator Inspection Certificates – Searchable Database

Senate Bill 286/House Bill 553 (both passed) require the Commissioner of Labor and Industry within the Maryland Department of Labor to post a user-friendly, searchable database of active elevator inspection certificates on the department's website. The database must allow users to search for active certificates by street address, city, and county.

State Fire Prevention Code – Trash and Recyclable Materials

Senate Bill 621/House Bill 848 (Chs. 66 and 67) require the State Fire Prevention Commission, as part of the State Fire Prevention Code, to incorporate by reference in regulations specified provisions of the National Fire Protection Association 101 Life Safety Code (2024 Edition) and allow valet trash and recycling materials awaiting scheduled collection to be placed in the corridors and exits of new and existing apartment buildings.

Short-term Rental Units – Safety

Senate Bill 624/House Bill 1221 (Chs. 9 and 10) require the inclusion of specified fire prevention and detection equipment, including certain fire extinguishers, smoke alarms, and

carbon monoxide alarms, in all short-term rental units offered for short-term rental for less than 30 consecutive days. By July 1, 2028, each county and Baltimore City in which short-term rentals are allowed must, by local law or regulation, require the annual inspection of all short-term rental units in the jurisdiction for compliance, as specified.

Miscellaneous

Rainy Day Fund – Transfer of Funds to State Disaster Recovery Fund

House Bill 953 (passed) authorizes the Governor, subject to the Board of Public Works' approval, to transfer funds from the Rainy Day Fund to the State Disaster Recovery Fund unless the transfer would result in the Rainy Day Fund balance dropping below 5% of the estimated general fund revenues for the fiscal year in which the transfer is made.

Critical Infrastructure Protection

Senate Bill 825/House Bill 1239 (both passed) establish a Critical Infrastructure Protection Branch in the Maryland Coordination and Analysis Center to identify current and potential threats to the State's critical infrastructure and prioritize the State's critical infrastructure assets, as specified. The executive director of the Maryland Coordination and Analysis Center must appoint a Chief Critical Infrastructure Officer for the branch, and the Maryland Department of Emergency Management must coordinate consequence management efforts and respond to cascading impacts of an attack on the State's critical infrastructure.

Corrections

Incarcerated Individuals

Incarcerated Individual Training and Reentry Grant Fund – Extension

Senate Bill 305 (passed) extends by one year (through fiscal 2029) the authorization for the Governor to include an appropriation of \$1.0 million in the annual budget bill 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.

Volunteer Services Program

Senate Bill 61/House Bill 108 (both passed) establish the Volunteer Services Program in the Division of Correction. The division must establish a protocol for registering volunteers, including formerly incarcerated individuals and organizations led by formerly incarcerated individuals, in the program to have access to State correctional facilities for the purpose of assisting incarcerated individuals with release preparation. A volunteer in the program may elect whether the volunteer's name is made available to the public.

Correctional Facilities

Private Detention Facilities

House Bill 1017 (passed) prohibits the State or a unit of local government from approving the construction or operation of a building, a structure, or other real property for use by a private entity as a detention facility. In addition, the bill prohibits a private entity from operating or occupying a building, a structure, or other real property as a detention facility. If these provisions are rendered unenforceable by a State or federal court, the Attorney General must notify the Department of Legislative Services no later than five days of the bill's enforceability. If the contingency occurs, the bill's provisions are replaced with provisions prohibiting the State or a unit of local government from approving the construction or operation of a building, a structure, or other real property as a private detention facility unless the building, structure, or other real property is located in a zone that expressly authorizes private detention facilities. The Attorney General may bring a civil action to enforce the bill's provisions. The court may issue temporary, preliminary, or permanent injunctive relief to prevent an act that would constitute a violation of the bill's provisions. A private entity that operates or attempts to operate a detention facility in violation of the bill is subject to a civil penalty not exceeding \$10,000 for each day the violation continues. The remedies provided under the bill are in addition to any other remedy available under State or local law.

For purposes of the bill's provisions, a building, structure, or other real property must be considered proposed for use as a detention facility, regardless of how the use is described in an application or permit request, if (1) individuals are intended to be held in involuntary custody and will not be free to leave or (2) the design, construction, or improvements include features consistent with secure or involuntary confinement, including perimeter security measures designed to prevent occupants from leaving, controlled access points, or locked holding areas.

Women's Prerelease Facility

Chapter 16 of 2021 requires the Commissioner of Correction within the Department of Public Safety and Correctional Services (DPSCS) to operate a comprehensive rehabilitative prerelease unit for women that is a separate structure in which specified services are provided, has security features for specified female incarcerated individuals, and matches security level on a validated gender-responsive risk measure. DPSCS was required by statute to identify a location, as specified, acquire property, and design a site plan for the unit by June 1, 2021; begin construction or renovation of the facility by September 1, 2021; and begin operating and providing services in the facility by June 1, 2023.

Senate Bill 187 (passed) reclassifies the prerelease unit for women within the Division of Correction as a "prerelease facility" for "eligible individuals," and alters existing specifications and requirements. Under the bill, the Commissioner of Correction must operate a comprehensive rehabilitative prerelease facility for eligible individuals that is architecturally designed and constructed to facilitate the provision of specified services and includes specified housing units,

rooms, spaces, facilities, offices, and amenities. The reentry facility for women must be (1) located in Baltimore City on a site that is not less than three acres in land area and not located within one-half mile of any existing correctional facility and (2) able to accommodate the administration, housing, programming, and required services for a specified number of women. The Commissioner of Correction must make evidence-based and gender-responsive services available to eligible individuals at the facility. Incarcerated individuals assigned to the reentry facility may not be transported to another facility to receive comprehensive rehabilitative prerelease services.

“Eligible individual” means a woman who is within 36 months of her anticipated release date and has prerelease or minimum security status. “Gender-responsive services” means evidence-based programs and practices that address the needs of eligible individuals regarding their therapeutic, educational, and vocational goals; life skills; psychological development; socialization; culture; exposure to trauma; and life experiences to reduce criminogenic risks and support successful reentry, recovery, and recidivism reduction.

The bill also alters existing statutory deadlines, all of which have passed. DPSCS is required to (1) identify a location, acquire property, and design a site plan for the facility by October 1, 2027, or no later than six months thereafter; (2) begin construction or renovation of the facility by July 1, 2028, or no later than six months thereafter; (3) complete the construction or renovation by March 1, 2031, or no later than six months thereafter; and (4) begin operating and providing services in the facility by September 1, 2031, or no later than six months thereafter.

The Department of General Services must submit a timeline of deliverables for the planning, design, and construction of the facility to specified legislative committees and the Office of the Correctional Ombudsman. The bill also requires various reports to be provided to specified legislative committees.

Parole

Parole is a discretionary and conditional release from imprisonment determined after a hearing for an incarcerated individual who is eligible to be considered. If parole is granted, the incarcerated individual is allowed to serve the remainder of the sentence in the community, subject to the terms and conditions specified in a written parole order. The Maryland Parole Commission (MPC) has jurisdiction regarding parole for eligible incarcerated individuals sentenced to State correctional facilities and local detention centers.

Senate Bill 822/House Bill 467 (both passed) establish that MPC does not have the authority to permanently deny parole and that an incarcerated individual is entitled to a subsequent parole hearing at specified intervals, based on length of sentence, after each parole hearing that results in a denial of parole. In addition, the bills alter various requirements for parole hearings, hearing examiner and commission panel decisions, hearing recordings, and appeals of commission decisions and require MPC’s annual report to the Governor to include specified information. Further, for an administrative proceeding involving a person who was erroneously convicted, the

bills prohibit a county from being a party to the proceeding and a State's Attorney from designating a county as a party to the proceeding.

Part F

Courts and Civil Proceedings

Judges and Court Administration

Judicial Compensation

The Judicial Compensation Commission is required to review judicial salaries and make recommendations to the Governor and the General Assembly once every four years. The General Assembly may amend a joint resolution from the commission to decrease, but not increase, any of the commission's salary recommendations. The General Assembly may not reduce a judge's salary below its current level. Failure to adopt or amend the joint resolution within 50 calendar days of its introduction results in adoption of the salaries recommended by the commission.

Salaries for judges were last increased by Joint Resolutions 2 and 3 in 2022, which phased in a \$40,000 increase for all judges from fiscal 2023 through 2026. The commission met two times in December 2025 and once in January 2026, ultimately recommending to increase judicial salaries over a four-year period by \$23,600 (\$5,900 per judge per year). The recommendations were submitted as joint resolutions in the House and the Senate. Because the General Assembly did not act on either of the resolutions within 50 days, the resolutions are to be enacted under statutory requirements. Therefore, *Senate Joint 2/House Joint 6 (JR. 2 and 4)* increase the salaries of all Maryland judges by \$5,900 each year in fiscal 2027 through 2030, pursuant to the recommendations of the Judicial Compensation Commission.

In addition to salary increases for all judges, the resolutions also incorporate the Judicial Compensation Commission's recommendation to pay an annual stipend of \$7,500 to the Chief Judge of the Appellate Court of Maryland and judges serving as an administrative judge for a circuit court or the District Court. The annual stipend is intended to recognize the additional responsibilities these judges perform beyond the regular duties of a judge. Additional legislation introduced by request of the commission, *Senate Bill 313/House Bill 608 (both passed)*, make necessary alterations to statutory provisions to explicitly authorize such judges to receive an annual stipend in addition to the judge's annual salary.

State expenditures (primarily general funds) are projected to increase by \$3.4 million in fiscal 2027 and by increasing amounts annually thereafter to implement the commission's recommendations.

The salaries of Workers Compensation Commission (WCC) members are not under the purview of the Judicial Compensation Commission. However, the salaries of WCC members are set in statute to be at least equal to the salary of a District Court judge, with the chairman of WCC required to receive at least \$1,500 more than the other members. Although not originally included in the bills as introduced by request of the Judicial Compensation Commission, *Senate Bill 313/House Bill 608* also increase the salary of the chairman of WCC by establishing that the salary must be at least equal to the salary of the Chief Judge of the District Court.

District 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 five additional judges throughout the State was indicated in the fiscal 2027 certification, the Judiciary requested only 1 circuit court judge position in St. Mary's County and 1 additional associate judge position for the District Court in Washington County. *House Bill 493 (passed)* adds one District Court judgeship in Washington County, thereby increasing the total number of associate District Court judges to 124.

Compensation of Court Personnel

The clerk of the circuit court in each jurisdiction is responsible for, among other things, the custody of records, recording of land instruments and other documents, issuing licenses, and handling other matters related to the operation of the court. The register of wills in each jurisdiction is responsible for the administration of estates, including admitting wills to probate, auditing accounts, and maintaining accurate records of all estate matters. The registers also serve as clerks of the orphans' courts.

The Board of Public Works (BPW) determines, within the allowed statutory range, the annual salary of the clerk of each circuit court on the basis of the relative volume of business and receipts in the clerk's office. Similarly, while the maximum permissible salary for a register of wills is set by statute, BPW determines the salary for each register based on specified factors. *House Bill 822 (passed)* increases the maximum annual salary that BPW may set for each clerk of the circuit court and each register of wills from \$146,500 to the salary of a State employee at Grade 26, Step 20 of the State of Maryland Standard and Bargaining Salary Scale in effect on the day before the clerk or register begins a new term of office (estimated at \$172,463 in fiscal 2027).

Any change in the salary scale during a term of office may not apply to the incumbent clerk or register; however, the changed rate takes effect at the beginning of the following term.

Court Proceedings and Administration

Minimum Adequate Courtroom Security Standard

Chapters 414 and 415 of 2024 created the Task Force to Ensure the Safety of Judicial Facilities to, among other things, identify minimum requirements for courthouse safety. *Senate Bill 544/House Bill 492 (both passed)* implement specified recommendations in the task force's final report. The implemented recommendations establish minimum adequate security standards for courtroom security at all courthouse facilities in the State and require any entity responsible for providing courthouse security to use best efforts to provide a minimum number of court security officers in courtrooms. Certain standards are applicable beginning July 1, 2027, with enhanced standards beginning July 1, 2029. For instance, beginning July 1, 2027, best efforts must be made to have at least one court security officer present in each courtroom for any criminal, family, or juvenile proceeding; beginning July 1, 2029, best efforts must be made to have at least one court security officer present in each courtroom for any type of proceeding. A court security officer must meet the qualifications for a special police officer.

While the Judiciary is responsible for the security of the appellate courts and the District Court, the security for circuit courts is locally funded and provided by the sheriffs' offices in each county and Baltimore City. The fiscal 2027 budget as enacted includes \$5.6 million to provide grants to local jurisdictions to enhance security in the circuit courts.

Jury Service Disqualification

Each adult citizen of the State has both the opportunity for jury service and, when summoned, the duty to serve. However, an individual is not qualified for jury service in specified circumstances, including if the individual has been convicted, in a federal or State court, of a crime punishable by imprisonment exceeding one year and received a sentence of imprisonment for more than one year. *Senate Bill 322 (passed)* alters this provision by establishing that an individual is not qualified for jury service if the individual has been convicted of a crime punishable by imprisonment exceeding one year and is currently serving the sentence imposed for the conviction, including a term of parole or probation. The bill also disqualifies an individual for jury service if the individual was convicted of a crime involving or related to perjury, witness intimidation, jury intimidation, or a crime under Title 8 of the Criminal Law Article (Fraud and Related Crimes). Finally, the bill repeals a provision providing that an individual with a disqualifying conviction who has been pardoned qualifies for jury service.

Commission on Judicial Disabilities

Article IV of the Maryland Constitution authorizes the Commission on Judicial Disabilities to investigate complaints against judges in the State courts and recommend disciplinary action to

the Supreme Court of Maryland, as appropriate. *Senate Bill 933 (passed)* proposes a constitutional amendment that, if approved by the voters at the next general election, authorizes the chair of the commission to take specified actions in the event of a member's recusal or disqualification or the expiration of a member's term without a replacement. Specifically, the chair of the commission may (1) recall a former member to serve as a temporary substitute member or (2) request that the Governor appoint a temporary substitute member or extend a current member's term. Any temporary substitute member is subject to the same qualifications that were applicable to the member for whom the substitute is temporarily appointed and may not have been rejected by the Senate for appointment to the commission. If the member is a judge or an attorney, the individual must be a member in good standing of the Maryland Bar. The bill also repeals and withdraws Chapters 848 and 849 of 2025, which proposed a constitutional amendment nearly identical to the one proposed by the bill. However, the Acts did not include the prohibition related to a temporary substitute member's inability to serve if the member was rejected by the Senate for appointment to the commission.

Maryland Legal Services Corporation

The Maryland Legal Services Corporation (MLSC) raises funds and makes grants to nonprofit organizations for the provision of civil legal assistance to low-income persons in Maryland. MLSC is governed by a nine-person board of directors appointed by the Governor with the advice and consent of the Senate. *Senate Bill 252/House Bill 330 (both passed)* add three members to the board and make other related changes to reflect the increased membership.

Civil Actions and Procedures

Violations of Constitutional Rights

Senate Bill 346/House Bill 351 (both passed) authorize an aggrieved party or the Office of the Attorney General (OAG) to sue a "covered officer" who, under color of law, deprives or causes or allows the aggrieved party to be deprived of a right, privilege, or immunity secured under the U.S. Constitution or federal law. A "covered officer" is an officer who (1) may make an arrest, with or without a warrant, for violations of federal law and (2) carries a firearm in the performance of the officer's duties. A State or local law enforcement officer acting under the authority of a joint task force that primarily enforces federal law is not a covered officer under the bills.

In a civil suit under the bills, an aggrieved party or OAG may seek damages and declaratory and injunctive relief. A court also may award reasonable fees and costs, including attorney's fees and expert witness fees, to a prevailing plaintiff. A suit under the bills must be filed within five years after the cause of action accrued.

A covered officer named as a defendant in an action under the bills may assert any defense or immunity available at the time the cause of action accrued. *Senate Bill 346* may not be construed

to abrogate any State or local government liability under State or common law for the actions of State or local government employees. *House Bill 351* contains a similar provision for local government liability. Both bills may not be construed to abrogate any statutory waiver of any defense, including immunity. The bills also contain severability provisions.

Bankruptcy Proceedings

An individual debtor domiciled in the State may exempt specified assets in a bankruptcy proceeding, including owner-occupied residential real property. The amount of the exemption may not exceed the amount specified for the federal homestead exemption under 11 U.S.C. § 522(d)(1), adjusted in accordance with 11 U.S.C. § 104 (\$31,575 as of April 1, 2025).

Senate Bill 939 (passed) expands the exemption of owner-occupied real property to specifically include residential real property of a settlor that is held in a revocable trust. The bill also increases the maximum amount of the exemption to \$125,000 for an individual. If multiple individuals in the same bankruptcy proceeding claim the exemption, the total exemption amount may not exceed \$125,000. Beginning in fiscal 2028, the maximum exemption amount must be adjusted each fiscal year based on changes in the Consumer Price Index (All Urban Consumers – United States City Average – All Items) for the previous calendar year and rounded to the nearest \$25. The bill applies prospectively to any bankruptcy proceeding filed on or after the bill's June 1, 2026 effective date.

Immunity

Transfer of Remains

Under current law, a licensed funeral establishment or holder of a permit to engage in the business of a crematory who acts in good faith is not civilly liable for transferring the unclaimed cremated remains of a veteran or an eligible dependent of a veteran to a veterans service organization for the purposes of disposition. A veterans service organization that acts in good faith is also not civilly liable for receiving the unclaimed cremated remains of a veteran or eligible dependent of a veteran for the purposes of disposition. *Senate Bill 42/House Bill 677 (both passed)* extend the type of remains to which this immunity applies to include the hydrolyzed or soil remains of a veteran or an eligible dependent of a veteran. Additionally, the bills add a registered reduction operator to the types of businesses exempt from this civil liability.

Donation of Pet Items

In general, unless a person acts with gross negligence or willful and wanton misconduct, a person is not civilly liable for any act or omission that affects the nature, age, condition, or packaging of donated food if the person in good faith donates food to or prepares, serves, or dispenses donated food distributed by a nonprofit corporation, organization, or association. *Senate Bill 314 (passed)* establishes similar immunity from civil liability for a person that donates or dispenses an apparently fit pet item, including commercial feed, in good faith. Additionally, the

bill authorizes the Maryland Department of Agriculture to inspect any commercial feed donated in the State and establishes procedures for the handling of commercial feed donated in the State.

Family Law

Children in Out-of-home Placements

Voluntary Placement Agreements

House Bill 1181 (passed) alters multiple provisions related to children placed in out-of-home placements under a voluntary placement agreement (VPA) with a local department of social services (LDSS). Specifically, the bill provides that, in determining the reasonable efforts to preserve and reunify families, a child's parent or legal guardian need not exhaust all home- and community-based services. Additionally, an LDSS may not seek legal *guardianship or* custody of a child under a VPA if the child has a developmental disability or a mental illness and the purpose of the VPA is to obtain treatment or care that the parent is unable to provide. A child may remain in an out-of-home placement, *including a residential placement*, under a VPA for more than 180 days if the child's disability necessitates care or treatment in the out-of-home placement, and a juvenile court makes a finding that continuation of the placement is in the best interests of the child.

Under the bill, if an LDSS receives a request for a VPA, it must (1) within five business days after receiving the request, schedule an assessment meeting with the child's family and treating provider and (2) within five business days after the assessment meeting, issue a written eligibility determination to the child's family and referring provider. Each LDSS must report any delay in assessing the child and providing an eligibility determination, including reasons for the delay and corrective actions taken by the LDSS. This provision may not be interpreted to prevent a local care team from providing the child and family with alternative or interim services.

The bill also requires specified notification to the local behavioral health authority of a child with special needs under a VPA who is eligible for Medicaid under certain circumstances, specifies additional training criteria for staff at each LDSS who administer requests for VPAs for certain children, and imposes a number of reporting requirements regarding VPAs.

Guardianship Assistance Program and State Foster Youth Ombudsman

Established under regulations, the guardianship assistance program within the Department of Human Services (DHS) has the purpose of providing legal stability for a child who is in the custody or guardianship of an LDSS by allowing relative caregivers to take full legal responsibility for the child. The goals of the guardianship assistance program are to (1) encourage relative caregivers to become legal guardians of a child who has been placed in their home by an LDSS by removing financial barriers and (2) provide a permanent, safe, nurturing environment for a child that supports a familial cultural background. Regulations set forth numerous requirements related

to the program, including those related to eligibility, participation, and the provision of monthly assistance.

House Bill 980 (passed) codifies provisions of the guardianship assistance program regulations by requiring DHS to establish and maintain a Guardianship Assistance Program to promote the placement and maintenance of children in permanent guardianship homes by providing guardianship assistance to guardians of minor children. Under the bill, “guardianship assistance” means monetary and medical assistance provided under the program.

The bill also establishes the State Foster Youth Ombudsman within DHS to (1) provide legal expertise in the areas of child welfare, custody and guardianship matters, and appeals and due process issues; (2) provide a neutral voice to address differences between youth experiencing out-of-home care, caregivers, guardians, and resource and adoptive parents interacting with DHS and local departments of social services; (3) investigate complaints from youth experiencing out-of-home care; (4) address concerns, problems, areas of improvement in service delivery, or needs associated with the rights and responsibilities of youth experiencing out-of-home care; and (5) advocate for youth experiencing out-of-home care.

Child Abuse and Neglect – Disclosure of Reports and Records

Generally, under provisions in § 1-202 of the Human Services Article, all records and reports concerning child abuse and neglect are confidential; however, records of child abuse or neglect must be disclosed pursuant to an order of the court or in other specified circumstances. Child abuse and neglect records may be disclosed on request to individuals or entities under circumstances specified in statute, including to local or State officials responsible for the administration of child protective services, juvenile services, child care, or foster care, as necessary to carry out their official functions.

House Bill 1326 (passed) authorizes DHS to disclose a report or record concerning child abuse or neglect after a finalized finding of indicated child abuse or neglect (*i.e.*, a finding that there is credible evidence, which has not been satisfactorily refuted, that abuse or neglect did occur) to (1) the administrator of a child care center operated by or on behalf of a unit of State or local government or in a State-occupied building, as specified; (2) the coach, team administrator, or manager of a youth sports program for recreational athletic competition or instruction for participants who are minors; and (3) the administrator or other appropriate personnel of any organization that has temporary care or custody of a child or responsibility for the supervision of a child. The disclosures must be for the purpose of determining the suitability of an individual for employment or voluntary service with the applicable entity.

Child Care Providers – Criminal Background Investigations

The Criminal Justice Information System – Central Repository (CJIS-CR), located within the Department of Public Safety and Correctional Services (DPSCS), collects, manages, and disseminates Maryland criminal history record information (CHRI) for criminal justice and

noncriminal justice (e.g., employment and licensing) purposes. For national criminal history records checks (CHRC), CJIS-CR collects the fee and submits the requests for national CHRI to the Federal Bureau of Investigation (FBI) electronically. In general, employees and employers who work in specified facilities and who care for or supervise children (or have access to children who are cared for or supervised in the facility) are required to apply for a national and State CHRC at any designated law enforcement office in the State or other location approved by DPSCS.

In 2025, the FBI updated its compliance language for the dissemination of national background checks. Accordingly, *House Bill 281 (passed)* alters statutory provisions related to criminal background investigations for specified individuals who care for, supervise, or otherwise have specified access to children, including provisions that govern the process for the dissemination of CHRCs. The bill's changes are intended to bring the State into compliance with federal law and are necessary to ensure Maryland agencies continue to receive national background checks on employees working with children.

Child Support – Earnings Withholding Limits

Statute includes numerous requirements regarding the use of earnings withholding orders, which are orders issued to an employer to require the deduction of certain support payments (e.g., child support, spousal support) from the earnings of an obligor. Generally, the amount of an earnings withholding must (1) be enough to pay the support and any arrearage included in the payments required by the support order and (2) include any arrearage accrued since the support order.

On receipt of a copy of an earnings withholding order or earnings withholding notice, an employer must, beginning with the next pay period after receipt of the earnings withholding order or notice (1) deduct the amount of the withholding from the obligor's earnings on a regular basis and (2) send the deducted net amount directly to the State disbursement unit within seven days, as specified. An employer may deduct and retain from the obligor's wages an additional \$2 for each deduction made under the earnings withholding order or notice. An employer may not use the withholding as a basis for reprisal against the obligor, dismissal of the obligor from employment, or refusal to hire or promote the obligor.

Statute also outlines the process for an employee to contest a withholding, request an investigation, and initiate an appeal of a withholding decision. In general, the only issues that may be contested, initially or in an appeal, are (1) the identity of the employee; (2) whether there is an underlying court order requiring the employee to provide health insurance coverage for the employee's child; (3) that the amount of the withholding exceeds the limits of the Consumer Credit Protection Act; and (4) that the child for whom health insurance coverage is sought is emancipated.

Senate Bill 16 (passed) specifies that for purposes of earnings withholding, the amount deducted from the obligor's earnings may not exceed 35% of the obligor's disposable earnings if the obligor's individual income for the current year does not exceed 250% of the federal poverty

guidelines for a family of one. The bill also authorizes an employee to contest the amount of a withholding order based on the limits specified above.

Temporary Protective Orders – Extension of Duration

An individual meeting specified relationship requirements may seek relief from abuse by filing a petition with the District Court or, if the clerk's office is closed, with a District Court Commissioner. If a judge finds that there are reasonable grounds to believe that a person eligible for relief has been abused, the judge may grant a temporary protective order. In general, a temporary protective order is in effect for no more than seven days after service of the order. A final protective order hearing must be held no later than seven days after service. A judge may extend the temporary protective order as needed, but not to exceed six months, to effectuate service of the order where necessary to provide protection or for other good cause.

House Bill 497 (passed) alters, from 7 to 14 days, the time during which a temporary protective order is in effect after *issuance* (as opposed to service) of the order. It similarly alters the time by which a final protective order hearing must be held following *issuance* (as opposed to service) of the temporary protective order, as otherwise specified in statute.

Human Relations

Housing Discrimination

In general, State law prohibits housing discrimination because of race, sex, color, religion, national origin, marital status, familial status, sexual orientation, gender identity, source of income, disability, or military status. Housing discrimination includes, among other things, taking the following actions based on a protected class: (1) refusing to sell or rent a dwelling after the making of a *bona fide* offer; (2) refusing to negotiate for the sale or rental of a dwelling; (3) making a dwelling otherwise unavailable; (4) discriminating in the terms, conditions, or privileges of the sale or rental of a dwelling; and (5) representing to a person that a dwelling is not available for inspection, sale, or rental when it is available.

House Bill 573 (passed) alters State statute related to housing discrimination to prohibit a person from acting in a manner that has a “discriminatory effect.” The bill also specifies that the prohibited discriminatory acts in statute are regardless of intent. However, a person has not violated a prohibition of discrimination if (1) the act was without discriminatory intent; (2) the action was necessary to achieve one or more substantial, legitimate, and nondiscriminatory interests; and (3) the person could not have achieved the substantial, legitimate, and nondiscriminatory interests by less discriminatory means.

Senate Bill 335/House Bill 315 (both passed) generally prohibit, except as authorized under federal law, a landlord of residential rental property that uses financial information (including credit history) as part of a prospective tenant's rental application from refusing to rent

to a prospective tenant who pays rent with the assistance of an income-based housing subsidy on the basis of the prospective tenant's income, credit score, lack of credit score, or adverse credit history, as specified. The bills establish such an action as a discriminatory housing practice, subject to enforcement by the Maryland Commission on Civil Rights (MCCR). The bills also include provisions regarding (1) authorized verification of sufficient income to pay the portion of rent not covered by an income-based housing subsidy; (2) circumstances under which a refusal to rent to a prospective tenant who pays rent with the assistance of such a subsidy is permissible; and (3) a tenant's option for positive rental payment history reporting and related requirements of landlords.

Employment Discrimination

It is State policy to assure that all persons have equal opportunity in employment and in all labor management-union relations. As such, State law generally prohibits discrimination in employment on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, military status, sexual orientation, gender identity, genetic information, or disability (unrelated in nature and extent so as to reasonably preclude the performance of the employment).

Subject to limited exceptions, on any of these bases or because of an individual's refusal to submit to or make available the results of a genetic test, an employer may not (1) fail or refuse to hire, discharge, or otherwise discriminate against any individual with respect to the individual's compensation, terms, conditions or privileges or (2) limit, segregate, or classify its employees or applicants for employment in any way that deprives or tends to deprive any individual of employment opportunities or otherwise adversely affect the individual's status as an employee. An employer is also prohibited from failing or refusing to make a reasonable accommodation for the known disability of an otherwise qualified employee or an applicant for employment; however, State law does not require an employer to reasonably accommodate a disability if the accommodation would cause undue hardship on the conduct of the employer's business.

Senate Bill 439 (passed) prohibits an employer of a fire and rescue public safety employee, on the basis of the employee's possession of a valid written certification for medical cannabis or a positive test for cannabis components or metabolites while holding a valid written certification, from (1) disciplining, discharging, or otherwise discriminating against the employee with respect to the employee's compensation, terms, conditions, or privileges of employment or (2) limiting, segregating, or classifying its employees in any way that would deprive or tend to deprive the employee of employment opportunities or otherwise adversely affect the employee's status as an employee. The bill does not require an employer to commit an act that would violate federal law or regulations or cause the employer to lose a monetary or licensing-related benefit under federal law or regulations. The bill also does not prohibit an employer from adopting policies and procedures that prohibit the employee from performing the employee's duties while impaired by cannabis, or prohibiting an employee's use of cannabis while on duty. If an employee reports for work while impaired by cannabis, the employer must report the incident to the State Emergency Medical Services Board.

County Discrimination Civil Actions

In general, and subject to certain exceptions, a person subjected to a discriminatory act prohibited by a county code may initiate a civil action in the circuit court for the county in which the alleged discriminatory act occurred within two years after the occurrence of the alleged discriminatory act.

However, in *Rachel-Smith v. FTData, Inc.*, 247 F. Supp. 2d 734 (D. Md. 2003), the District Court of Maryland dismissed a plaintiff's claim of employment discrimination prohibited by the Prince George's County Code because, despite initially filing a complaint with MCCR (which then cross-filed her claims with the Equal Employment Opportunity Commission), the plaintiff did not also file a complaint directly with the Prince George's County Human Rights Commission. ***Senate Bill 694 (passed)*** establishes that filing a complaint with MCCR satisfies specified prerequisites to commencing a civil action alleging the violation of a county or local discrimination law.

Real Property

Landlord and Tenant

Residential Tenant Criminal History Records Check

Senate Bill 937 (passed) prohibits a landlord that manages or owns, whether directly or indirectly, five or more residential rental units in the State from (1) requiring a prospective tenant to submit to a drug or alcohol test or (2) requesting or requiring a prospective tenant to consent to the release of information about the individual from a program for the prevention and treatment of substance use disorders. If a landlord conducts a criminal history records check (CHRC), the landlord must do so for every prospective tenant and must follow the prescribed uses of a tenant's CHRC in the bill. The bill's provisions do not apply to owner-occupied residential rental units.

Under the bill, before accepting an application fee, a landlord must provide a prospective tenant with written notice regarding the use of criminal history records in leasing decisions that includes (1) a statement that a conviction for specified crimes may be considered only after a conditional offer is extended; (2) notice that an individualized assessment of the tenant will be conducted; and (3) notice that the prospective tenant may provide evidence of inaccuracies in the criminal history records, evidence of rehabilitation, and any mitigating factors.

Subject to specified exceptions, before extending a conditional offer, a landlord may not (1) request the tenant to disclose their criminal history in a housing application or (2) make any inquiry regarding the prospective tenant's criminal history. Under the bill, a "conditional offer" is an offer to lease residential property to a prospective tenant that is contingent on a subsequent inquiry into the prospective tenant's criminal history.

Notwithstanding the general prohibition against a landlord's requesting disclosure of or making an inquiry regarding criminal history, a landlord may require information and reject a

prospective tenant's application if the prospective tenant has been convicted of (1) manufacturing, distributing, dispensing, or producing methamphetamine on the premises of federally assisted housing (for a tenancy in federally assisted housing); (2) a sexual offense under Title 3, Subtitle 3 of the Criminal Law Article; (3) child pornography under § 11-207 of the Criminal Law Article; (4) first- or second-degree murder; or (5) human trafficking under § 3-1102 of the Criminal Law Article. The landlord may also require information and reject a prospective tenant if the prospective tenant (1) is subject to a lifetime registration requirement under a state sex offender registration program; (2) has ever been subject to a registration requirement under a state or federal sex offender registration program; or (3) has even been convicted in another state or federal court of a crime with the same criminal elements as the crimes listed above.

A landlord's decision regarding the leasing of a residential dwelling unit, whether based on an individual's criminal history or the absence of a CHRC, may not constitute grounds for legal action against the landlord. A person who violates the requirements of the bill is subject to a civil penalty not exceeding \$500 for each violation.

Finally, the bill requires the Office of Tenant and Landlord Affairs in the Department of Housing and Community Development (DHCD) to develop and publish on its website a model notice for landlords. This model notice must include (1) language for advising prospective tenants of a conditional offer withdrawal or adverse housing action taken based on criminal history and (2) language that informs prospective tenants of the right to request a copy of all information relied upon by the landlord (including criminal history records) and file a complaint under the Maryland Consumer Protection Act.

Air Conditioning

Senate Bill 12 (passed) requires an apartment building with 10 or more individual dwelling units to provide each unit with air conditioning from June 1 to September 30 each year, subject to specified maximum temperature provisions. Newly constructed residential rental units and existing residential rental units that, at any time on or after January 2, 2025, were equipped with air conditioning, or required to be equipped with air conditioning under a lease, must meet the bill's requirements beginning June 1, 2026. On or after October 1, 2026, any residential rental unit in a subject apartment building that undergoes a renovation that includes the replacement or substantial upgrade of the electrical or heating systems must meet the requirements of the bill. The bill does not apply to a residential rental unit located on a property listed on the National Register of Historic Places or affect building construction or renovation projects in otherwise applicable buildings for which a building permit was issued before June 1, 2026.

Utilities

Senate Bill 130/House Bill 220 (both passed) authorize the owners (as well as operators, managers, or contractors hired by owners, operators, or managers) of an apartment house or mobile home park to install individual submeters within each unit that is not directly metered for water to allocate fairly the cost of each unit's water consumption. The bills also authorize the installation

of individual water submeters for apartments or dwelling units by a local housing authority, with approval from DHCD and the Board of Public Works (or local equivalent entity).

Common Ownership Communities

Electric Vehicle Recharging Equipment

House Bill 405 (passed) prohibits the governing documents of a condominium or homeowners association from prohibiting or unreasonably restricting the installation (or authorization of installation) of electric vehicle recharging equipment in common or limited common use parking spaces, subject to the budget process for a comparable common area or element renovation or alteration of similar cost or magnitude. A governing body must assess community parking capacity before installation or authorization. Additionally, the governing body may grant a license, renewable at the discretion of the governing body, for up to three years on any common element necessary for equipment installation or electricity supply. The bill applies retroactively to affect any covenant or restriction, or provision in a declaration, bylaws, or rules, recorded or adopted on or before October 1, 2026.

Mandatory Insurance and Liability of Unit Owner

Under the Maryland Condominium Act, subject to certain exceptions, if any portion of the common elements and the units is damaged or destroyed, it must promptly be repaired or replaced by the council of unit owners. Generally, the cost of repair or replacement in excess of insurance proceeds and reserves is a common expense. A property insurance deductible is not a cost of repair or replacement in excess of insurance proceeds. When damage or destruction within the condominium originates from a unit, the owner of that unit is responsible for the council of unit owners' property insurance deductible, up to a maximum of \$10,000. *Senate Bill 747 (passed)* alters this limitation and instead establishes that the owner is responsible for the least of (1) the total costs of the repair or replacement; (2) the amount of the council of unit owners' property insurance deductible; or (3) \$25,000. In existing annual notices to unit owners, the council of unit owners is required to provide information on the unit owner's responsibility for the council of unit owners' property insurance deductible and the actual amount of the council of unit owners' property insurance deductible exceeding the responsibility of the unit owner.

Under the bill, unit owners in residential condominiums, but not detached units of a condominium composed entirely of similar detached units, must maintain an insurance policy that includes:

- coverage for the council of unit owners' property insurance deductible or a portion of the deductible, as specified;
- loss assessment coverage of at least \$25,000; and

- dwelling or building property coverage of at least the greater of (1) \$25,000 or (2) the amount necessary to repair and replace improvements and betterments made by the current owner or acquired from any previous owner other than the developer and upgrades conveyed to the unit owner that the owner is responsible for insuring under the bylaws.

A unit owner is also required to provide proof of the insurance policy to the council of unit owners annually and on request. Bylaws of a condominium may not require a unit owner to maintain an insurance policy with coverage amounts in excess of those required under the bill. The bill also specifies that an insurance policy issued to the council of unit owners does not prohibit a unit owner from obtaining additional insurance for the owner's benefit beyond coverage amounts required under the bill.

Election Signs

Senate Bill 758/House Bill 855 (both passed) alter the authority of a cooperative housing corporation, condominium, or homeowners association (commonly referred to as common ownership communities (COC) to restrict the display of signs on behalf of a candidate for public office or a slate of candidates for public office, or a sign that advertises the support or defeat of a ballot question, if no other limitation is specified by law. Under the bills, a COC may limit the display of such signs to a period beginning no earlier than 45 days before the start of early voting or, if early voting is not conducted, no earlier than 45 days before the primary election, general election, or vote on the proposition.

Condominium Building Study

House Bill 956 (passed) requires DHCD to study buildings in the State that are more than 40 years old and contain a condominium to determine (1) the number of buildings in the State that are more than 40 years old and contain a condominium; (2) the number of condominium units within each building; (3) the average age of the condominium unit owners in each building; (4) the average annual income of the condominium unit owners in each building; (5) the date on which the most recent reserve study was completed for each building; and (6) the difference between the current amount in each reserve fund and the amount that is required to be in each reserve fund for each building described, if any. DHCD must submit its findings to the General Assembly by December 1, 2026.

Cooperative Limited Equity Housing Corporations

Under the Corporations and Associations Article, the charter of a nonstock corporation must provide that the corporation has no authority to issue capital stock. *House Bill 85 (passed)* authorizes a Maryland nonstock corporation to convert to a cooperative limited equity housing corporation (CLEHC) after acquiring ownership of a residential rental facility and an affirmative vote of a majority of the total members of the corporation to convert to a CLEHC. After conversion, votes must be assigned so that each unit in the CLEHC has one vote.

The bill authorizes DHCD to establish additional rights and requirements for a CLEHC and as well as a program to provide grants to Maryland nonstock corporations to promote the establishment of CLEHCs. The bill also provides for the application of local ordinances or regulations concerning building or zoning and prohibits a county or municipality from restricting the sale of residential rental facilities to a Maryland nonstock corporation that plans to convert to a CLEHC or imposing a burden or restriction on a CLEHC that is not imposed on all other property of similar character not subject to a CLEHC regime. Any law, ordinance, or regulation enacted by a county, city or other jurisdiction that is inconsistent with the bill is preempted.

Residential Property

Termination of Residential Real Estate Contracts

Under existing law, a real estate broker or an escrow agent holding trust money must release the funds to the purchaser if the purchaser terminates a residential real estate contract in accordance with the terms of a contingency clause in the contract. Within 10 days after receiving notice from the purchaser to return the funds, the seller must provide the holder of the trust money with (1) a copy of a complaint filed in the District Court or (2) a notarized, written request for mediation relating to the distribution of the trust money. If the holder of the trust money does not receive a copy of a complaint or a request for mediation within 30 days after a request has been made for the return of the trust money, the holder of the trust money must distribute it to the purchaser and notify the purchaser and seller.

Senate Bill 691 (passed) alters the requirement that a written request for mediation be notarized and submitted directly to the holder of the trust money. Instead, the bill authorizes the seller to provide the holder of the trust money with a copy of a notarized, written request for mediation provided to a mediator. The bill also repeals the requirement that the trust money holder wait up to 30 days after a purchaser's request. Under the bill, if no complaint or mediation request from a seller is provided within 10 days after receipt of a request by a purchaser, the holder of the trust money must return the trust money to the purchaser within 5 days and notify both the purchaser and the seller of the distribution.

Flood Risk Disclosure

A "Federal Emergency Management Agency (FEMA) elevation certificate" is the certificate issued by FEMA that certifies official elevation and building data for a property located within a special flood hazard area in order to inform flood insurance premiums. *House Bill 200 (passed)* requires the Maryland Department of the Environment to develop, publish, and maintain a real property flood risk disclosure statement form and establishes minimum requirements for information contained in the form. The bill further requires that, beginning July 1, 2027, a vendor of real property provide a completed flood risk disclosure form to the purchaser before entering into a contract of sale. The vendor must also provide a copy of the FEMA elevation certificate if available.

Vendor requirements under the bill do not apply to:

- residential real property improved by five or more single family units;
- the initial sale of a single-family residence that (1) has never been occupied or (2) had a certificate of occupancy issued within one year before the date on which the vendor and purchaser entered into a contract of sale;
- a transfer of property that is exempt from transfer tax under § 13-207 of the Tax – Property Article, except (1) a land installment contract of sale or (2) an option to purchase real property;
- a sale by a lender, or an affiliate of a lender, that acquired the real property by foreclosure or deed in lieu of foreclosure;
- a sheriff’s sale, tax sale, or sale by foreclosure, partition, or court-appointed trustee;
- a transfer by a fiduciary in the course of administering a decedent’s estate, guardianship, conservatorship, or trust;
- a transfer of a single-family residential real property that the buyer will convert to a use other than residential; and
- a sale of unimproved real property.

Service Agreements

Senate Bill 814 (passed) establishes that a service agreement for the maintenance, purchase, or sale of residential real property (or any part of a service agreement) entered into before June 1, 2023, may not (1) be effective for more than two years; (2) purport to run with the land or bind subsequent bona fide purchasers; (3) purport to create a lien, encumbrance, or security interest on the residential property of a party to the service agreement; or (4) allow the service provider to assign or transfer the right to provide services under the agreement to another person without notice to or the consent of a party to the agreement. A service agreement that violates these restrictions is void and unenforceable. The bill applies only to agreements with a service provider who has forfeited the right to conduct business in the State and, on or after June 1, 2026, is defunct and considered not in good standing with the State Department of Assessments and Taxation. The bill also establishes that a person with an interest in the residential real property may seek declaratory relief, compensatory damages, and reasonable attorney’s fees and costs if an agreement in violation of the bill’s prohibitions is recorded.

Recordation

Senate Bill 168/House Bill 810 (both passed) require the State Department of Assessments and Taxation (SDAT), in coordination with various State agencies and other entities, to conduct a study to (1) evaluate the use of blockchain technology for securely recording and verifying real property ownership and leases and (2) assess the potential use of blockchain technology in assisting law enforcement and the courts in resolving real property disputes involving the unauthorized occupation of real property by an individual who does not have legal title, a lease, or the right of possession (“squatting”). By December 31, 2026, SDAT must report to the Governor and General Assembly on the results of the study.

Senate Bill 760/House Bill 951 (both passed) repeal a requirement that a printed deed or other instrument offered for recordation include certain margins. The bills also require a clerk of the circuit court to date each change or correction made to information in the general alphabetical index on the horizontal line on which the change or correction was made.

Access to Counsel in Evictions

The Access to Counsel in Evictions (ACE) Program organizes and directs services and resources to provide individuals meeting certain criteria with access to legal representation in specified judicial or administrative proceedings to evict or terminate a tenancy or housing subsidy. ***Senate Bill 729 (passed)*** expands the ACE Program to include residents of mobile home parks.

Estates and Trusts

Courts and Registers of Wills

Venue for Probate

Estate and trust practitioners in Maryland are encountering situations where individuals domiciled outside the United States die owning intangible assets (*e.g.*, bank accounts) based in the United States. When a non-Maryland decedent dies owning only intangible personal property with no physical *situs* (location, for legal purposes), Maryland law does not clearly indicate if and where probate may be opened in the State. Furthermore, when an estate is opened in Maryland for a non-resident decedent, registers of wills in different counties have differing approaches regarding the application of inheritance tax to assets of the decedent that do not have a physical *situs* in Maryland.

Senate Bill 277/House Bill 17 (both passed) address this situation by modifying and expanding the bases upon which a determination can be made that a given county is the proper venue for administrative or judicial probate of the estate of a decedent who was not domiciled in the United States. The bills also establish that, for purposes of the inheritance tax imposed on property with a taxable *situs* in the State, the *situs* of intangible personal property is the domicile of the decedent. As a result, intangible personal property of a decedent who is not domiciled in

Maryland is not subject to inheritance tax in the State. The venue provisions apply to estates opened on or after July 1, 2026. The inheritance tax provisions apply to decedents dying on or after July 1, 2026.

Attorney-client Privilege

Senate Bill 131/House Bill 65 (both passed) establish that, unless waived by the client, a communication between an attorney and a client that acts as a fiduciary is subject to the attorney-client privilege, even if fiduciary funds are used to compensate the attorney for legal services rendered to the client. The existence of a fiduciary relationship between a fiduciary and a beneficiary does not constitute or give rise to a waiver of the attorney-client privilege for communications between the attorney and the fiduciary.

Letters of Administration

A letter of administration is issued by a register of wills or a court to authorize a personal representative to administer an estate. However, a letter of administration may not be issued to a person who is not a citizen of the United States, unless the person is a permanent resident of the United States and is the decedent's spouse, ancestor, descendant, or sibling.

House Bill 963 (passed) alters this provision to prohibit the issuance of a letter of administration to a person who is not a citizen or permanent resident of the United States unless the person is domiciled in the United States and is the spouse, ancestor, descendant, or sibling of the decedent.

Estate Administration and Interpretation

Maryland Uniform Simultaneous Death Act

Senate Bill 250/House Bill 596 (both passed) replace the existing substantive provisions of the Maryland Uniform Simultaneous Death Act with provisions that conform to the more recent Uniform Simultaneous Death Act adopted by the Uniform Law Commission in 1993. The Uniform Simultaneous Death Act addresses circumstances in which the timing of a person's death in relation to another person's death, or another event, affects the disposition of property interests or rights or has other significance under specified legal instruments. The updated Act requires a person to have survived another person's death (or other event) by 120 hours in order to be deemed to have survived, for purposes of the disposition of property interests or rights (or other purposes under a provision of a legal instrument that relates to a person's survival of another's death or other event).

Maryland Transfer-on-Death Deed Act

Maryland law currently allows many assets (e.g., life insurance and pension plans, retirement accounts, and payable-on-death bank accounts) to pass directly to a named beneficiary without probate. However, there is no similar option for real estate.

Senate Bill 651/House Bill 738 (both passed) address this situation by establishing the Maryland Transfer-on-Death Deed Act in State law, which allows homeowners to use transfer-on-death deeds. These deeds, which are nontestamentary instruments, allow an owner to name a beneficiary who automatically receives the property upon the owner's death, while allowing the owner to retain full control of the property during their lifetime.

Maryland Trust Act

An “*in terrorem*” clause, or “no-contest” clause, is a provision in a will or trust that threatens to revoke a beneficiary's inheritance if they contest the document's validity. Current law provides that if probable cause exists for instituting proceedings, a provision in a will purporting to penalize an interested person for contesting the will or instituting other proceedings relating to the estate is void. ***House Bill 1345 (passed)*** establishes that the same consideration applies to a trust purporting to penalize an interested person for contesting the trust or instituting related proceedings. The bill applies prospectively only and may not be applied or interpreted to have any effect on or application to any cause of action arising before the bill's July 1, 2026, effective date.

Petitions Over Living Persons

Property of Alleged Disabled Person

House Bill 426 (passed) authorizes a party who has filed a petition for guardianship of the property of an alleged disabled person to file a request for the stay of an ongoing action against the alleged disabled person for the failure to pay rent, a warrant of restitution, an action for wrongful detainer, a foreclosure, a sheriff's sale, or an action against the property of the alleged disabled person. A party to the guardianship must (1) give specified notice to the parties to the civil action for which the stay is sought and (2) within 90 days after filing the petition or the period of the stay, notify the court granting the stay and any party to the action if a guardian is appointed or the petition is denied, dismissed, or withdrawn. A stay must automatically be lifted if a guardian is appointed or the petition is denied. Unless extended for good cause, a stay may not remain in effect for more than 90 days after the filing of the petition.

Property of Minors or Disabled Persons

Under existing law, if a basis exists for the circuit court to assume jurisdiction over the property of a minor or a disabled person by appointing a guardian of the property, the court, without appointing a guardian, may authorize or direct certain transactions with respect to the property, service, or care arrangement of the minor or disabled person. ***House Bill 1062 (passed)*** specifies additional transactions that a circuit court may authorize or direct under this authority to include transactions granting access to financial records and transactions establishing eligibility for government assistance programs for a minor or disabled person.

Part G

Transportation and Motor Vehicles

Transportation

Maryland Transit Administration

The Maryland Transit Administration (MTA) is a modal unit within the Maryland Department of Transportation (MDOT), and it operates a comprehensive transit system throughout the Baltimore-Washington metropolitan area, including more than 50 local bus lines in Baltimore and other services, such as the light rail, Baltimore Metro subway, commuter buses, MARC trains, and mobility/paratransit vehicles.

Chapter 462 of 2025 established the Workgroup on the Reorganization of MTA to study the potential for reorganizing MDOT and MTA, including (1) options allowing MTA to continue providing local Baltimore City transit services, including light rail, subway, and bus services and the creation of a new unit or reorganization of the Office of the Secretary to provide statewide transit services; (2) the current contractual obligations and agreements of MTA and the necessary steps to transfer the obligations and agreements in the event of a reorganization of MDOT and MTA; and (3) the governance changes to MTA necessary to ensure that Baltimore City has the appropriate oversight and input into local Baltimore City transit service.

Senate Bill 947/House Bill 1081 (both passed) implement several of the recommendations included in the workgroup's interim report. Specifically, the bills (1) repeal the Baltimore Regional Transit Commission and establish two new oversight boards (for Baltimore area transit and commuter service, respectively) with similar duties and responsibilities; (2) establish minimum staffing requirements for the new oversight boards; (3) require the Maryland Transportation Commission to make qualification and compensation determinations for certain MTA employees; and (4) require MDOT to contract with the Baltimore Metropolitan Council to complete a technical study by December 1, 2026, regarding the creation of a rail authority.

State Highway Administration

The State Highway Administration (SHA) is responsible for more than 5,200 miles or approximately 16,800 lane miles of road, 2,500 bridges, 3,500 small stream crossing structures, and 80 miles of sound/noise barriers in the State. It also has responsibility for planning, designing, constructing, and maintaining these roads and bridges to safety and performance standards while considering sociological, ecological, and economic concerns.

House Bill 1504 (passed) requires SHA, using funding programmed for sidewalks and bicycle pathways in the *Consolidated Transportation Program* (CTP), to prioritize projects that are, or are adjacent to, highways that are subject to a complete streets policy or another similar Vision Zero program. The bill also allows SHA to fully fund the cost of right-of-way acquisition for projects that are in certain priority funding areas. Finally, the bill requires local governments, when submitting requests for sidewalk or bicycle pathway construction or reconstruction projects to SHA, to make the request in annual priority letters for MDOT's consideration for inclusion in the CTP.

Maryland Port Administration

The Maryland Port Administration (MPA) manages the State-owned facilities at the Helen Delich Bentley Port of Baltimore. MPA may acquire in its own name, by purchase or by condemnation, any property, including any public land, land lying under water, or riparian right, necessary or convenient to construct or operate any project. However, in order to purchase or condemn any property located in any political subdivision of the State, MPA must make a written request for approval to the appropriate local government. **Senate Bill 53 (passed)** requires MPA to provide written notice to the Anne Arundel County Delegation to the General Assembly when MPA requests approval from Anne Arundel County to acquire an interest in land or improvements on land in the county.

Maryland Transportation Authority

Since 1971, the Maryland Transportation Authority (MDTA) has been responsible for constructing, managing, operating, and improving the State's toll facilities (for example, the Chesapeake Bay Bridge and the Governor Harry W. Nice Memorial/Senator Thomas "Mac" Middleton Bridge) and for financing new revenue-producing transportation projects. Various bills were passed during the 2026 session to support MDTA's operations and finances.

Debt Capacity

In response to the collapse of the Francis Scott Key Bridge, MDTA's debt capacity was increased from \$3 billion to \$4 billion by Chapters 2 and 3 of 2024 to support the ensuing reconstruction project. While the federal government has agreed to pay 100% of the necessary costs related to the reconstruction of the bridge, MDOT has advised that there is uncertainty in the timing of reimbursement for those costs. **Senate Bill 188/House Bill 229 (Chs. 114 and 115)**

further increase MDTA's debt capacity from \$4 billion to \$5 billion to support the reconstruction of the bridge and ensure the State can fully fund the project if reimbursement does not take place in a timely manner.

Tolling

MDTA has the authority to set tolls on transportation facilities projects under its supervision. Tolls must provide funds that, when combined with bond proceeds and other available revenues, are sufficient to pay maintenance, repair, and operating costs for transportation facilities projects that are not otherwise paid for; pay the interest and principal of any outstanding bond issues; create reasonable reserves for these purposes; and provide funds for the cost of replacements, renewals, and improvements.

MDTA must send the registered owner of a motor vehicle that uses one of MDTA's toll facilities without paying the toll a notice of toll due to inform the owner that they are liable for a video toll. In order to issue a notice of toll due when a vehicle fails to pay when using a toll facility, MDTA's video tolling systems must be able to capture an image of either the front or rear license plate of the vehicle. In cases where a motor vehicle has no front license plate and the rear license plate is blocked due to a trailer, MDTA has no legal recourse to send a notice of toll due because it cannot identify the motor vehicle. *House Bill 246 (passed)* makes the registered owner of a Class G (trailer) vehicle that uses the MDTA's toll facilities liable for the payment of a video toll assessed at the time of passage through a toll collection facility if the registered owner of the motor vehicle cannot be determined. The bill is estimated to increase nonbudgeted revenues for MDTA significantly (potentially by millions of dollars annually) beginning in fiscal 2027.

MDTA offers various discount plans to commuters that regularly use its transportation facilities projects. For example, an E-ZPass holder operating a two-axle vehicle can purchase a 50-trip plan for \$70 that includes the use of the Fort McHenry Tunnel, Baltimore Harbor Tunnel, John F. Kennedy Memorial Highway, and Thomas J. Hatem Memorial Bridge; however, any unused trips expire after 45 days. *Senate Bill 606 (passed)* requires MDTA to submit a report on these E-ZPass commuter and discount plans to the Senate Budget and Taxation Committee and the House Appropriations Committee by September 1, 2026. The report must (1) analyze and provide specified data from calendar 2023, 2024, and 2025 and (2) include recommendations for lowering the amount of unused commuter trips. If, during calendar 2023, 2024, or 2025, more than 25% of all E-ZPass discount plans have unused commuter trips, the report must also include a corrective action plan to reduce or eliminate the forfeiture of unused commuter trips and mitigate consumer harm.

Motor Vehicles

Drunk and Drugged Driving

The Motor Vehicle Administration (MVA) only offers enrollment in the Ignition Interlock System Program (IISP) to individuals who violate an alcohol restriction on their licenses if they are younger than age 21; individuals age 21 or older who violate an alcohol restriction on their licenses must appear before an administrative law judge and request that their license suspensions be altered to allow for enrollment in IISP. *Senate Bill 38/House Bill 286 (Chs. 80 and 81)* specify that an individual must participate in IISP as a condition of modification of a suspension or revocation of a license or issuance of a restricted license if the individual violates an alcohol restriction imposed under Title 16 of the Transportation Article. An individual who fails to successfully complete participation in IISP is subject to a one-year mandatory license suspension. The Maryland Department of Transportation (MDOT) advises that the Acts are intended to allow individuals age 21 and older who violate an alcohol restriction on their driver's licenses to opt into IISP without having to appear before an administrative law judge.

Licensing and Regulation

Historic Motor Vehicle Registration Eligibility

The Budget Reconciliation and Financing Act (BRFA) of 2025 altered several motor vehicle tax and fee provisions, including by limiting the definition of "historic motor vehicle" to model year 1999 or earlier vehicles. (Previously, a motor vehicle was required to be at least 20 years old to be eligible). *Senate Bill 284 (Ch. 6)*, the BRFA of 2026, further modifies eligibility by requiring a motor vehicle to be at least 25 years old to be eligible for a historic vehicle registration beginning July 1, 2027. This provision is estimated to decrease Transportation Trust Fund and other special fund revenues by approximately \$1.8 million in the first year of implementation and \$7.9 million in the fifth year.

Intelligent Speed Assistance System Pilot Program

MVA maintains a point system designed to identify and track the frequency and severity of moving violations and other vehicle-related convictions. *Senate Bill 366/House Bill 107 (both passed)* require MVA to establish an Intelligent Speed Assistance (ISA) System Pilot Program by October 1, 2027. An ISA system is defined as an aftermarket device that determines the applicable speed limit and actively prevents a motor vehicle from exceeding the applicable speed limit. The bills require an individual to participate in the program if the individual has accumulated points for speeding-related violations in an amount that would result in suspension or revocation of a driver's license under the MVA points system. The bills generally require participation in the program for one year.

Vehicle Transfers

Designation of Beneficiaries: *Senate Bill 145/House Bill 174 (Chs. 72 and 73)* authorize multiple individuals who are specified co-owners of a motor vehicle to designate a beneficiary to take ownership of the motor vehicle on the death of the last surviving co-owner, outside of estate administration (adding to existing law that already allows an individual who is a sole owner of a motor vehicle to designate a beneficiary).

Transfer of Used Vehicles: MVA advises that it is developing an electronic titling process that requires the elimination of all paper forms, including the notarized bill of sale. The purpose of the notarized bill of sale is for both parties to attest to the purchase price of certain used vehicles to ensure the appropriate excise tax is assessed. MVA, however, is able to independently determine the value of a vehicle and ensure that the correct excise tax is paid. As a result, a notarized bill of sale for these private transactions is no longer needed. *Senate Bill 125/House Bill 251 (Chs. 118 and 119)* repeal the requirement that a notarized bill of sale be submitted to MVA for the titling of certain used vehicles.

Out-of-state Vehicle Registrations

Senate Bill 111 (passed) requires MVA to engage in a specified process to facilitate compliance with State vehicle registration requirements when MVA has reasonable cause to believe that a motor vehicle owner is a resident of the State and has failed to properly register the motor vehicle with MVA and display registration plates issued by MVA. The bill also includes provisions related to (1) repossession of registration cards and plates for registration violations; (2) the establishment of reciprocal enforcement agreements for automated traffic enforcement systems; (3) registration requirements for trailers, semitrailers, or pole trailers; (4) titling tax exemptions for certain vehicles subject to the bill; and (5) restrictions on the ability of title service agents to register vehicles in other states.

Color Photograph Requirement for Identification Cards, Licenses, and Permits

According to MVA, when it redesigned its driver's licenses, identification cards, and moped operator's permits to meet federal REAL ID standards, the color photograph was moved to the back of the products and was shrunk to be a smaller image. MVA advises that, since that change took place, modern design standards and scanner technology have rendered a color photograph obsolete. *Senate Bill 87/House Bill 248 (Chs. 116 and 117)* repeal the requirement that the photograph included on a driver's license, an identification card, or a moped operator's permit issued by MVA be in color.

Manufacturers and Dealers

Prices Listed on Dealer Websites: *House Bill 306 (passed)* prohibits a manufacturer, distributor, or factory branch from taking an adverse action against a dealer for disclosing on the dealer's website that the advertised price of a vehicle is the manufacturer's minimum allowable advertised price and that the dealer may offer a lower price for the vehicle. This prohibition does

not apply to situations in which a dealer violates prohibitions related to deceptive advertising practices or advertising a vehicle without the intent to sell the vehicle as advertised, or prohibitions under a State or local law intended to protect the public.

Dealer and Manufacturer Associations: *Senate Bill 345 (passed)* generally allows a dealer association – on behalf of itself, a dealer, or a group of dealers – or a manufacturer association – on behalf of itself, a manufacturer, or a group of manufacturers – to request a hearing with MVA to either (1) resolve a dispute between a dealer, a designated dealer successor, or a dealer association and a manufacturer, manufacturer association, distributor, or factory branch or (2) seek clarification or interpretation of any provision of applicable law.

Motorcycle Safety Awareness

To obtain a driver's license, an applicant must pass a driver examination. *Senate Bill 68 (passed)* requires MVA to include at least one question related to motorcycle safety awareness on the driver skills examination required for the issuance of a driver's license. The pool of questions from which the examination draws must include at least five questions related to motorcycle safety awareness.

Rules of the Road

Automated Traffic Enforcement Systems

State law authorizes the use of various automated traffic enforcement systems, including traffic control signal monitoring systems, automated railroad grade crossing enforcement systems, speed monitoring systems, school bus monitoring systems, stop sign monitoring systems, bus lane monitoring systems, noise abatement monitoring systems, vehicle height monitoring systems, and work zone speed control systems.

Safety Corridors: *Senate Bill 487 (passed)* authorizes the State Highway Administration (SHA) to place and use speed monitoring systems on segments of highway identified under federal law as "safety corridors." SHA may also authorize a local government to place and use speed monitoring systems on State highways in safety corridors. The bill establishes various requirements related to the use of these speed monitoring systems that are substantially similar to requirements applicable to other speed monitoring system programs used in the State. SHA may adopt regulations establishing standards and procedures for safety corridor speed monitoring systems.

Stop Sign Monitoring Systems Pilot Program Expansion: *House Bill 601 (passed)* authorizes, for three years, the use of stop sign monitoring systems on State and local highways located in a school zone in the City of Gaithersburg or the City of Rockville to record violations of State law requiring obedience to stop signs. Likewise, *Senate Bill 877 (passed)* authorizes the use of stop sign monitoring systems in the 41st legislative district in Baltimore City.

Application Approval by SHA: Under certain circumstances, counties are authorized to install and administer speed monitoring systems on State highways. However, before a county may use a speed monitoring system on a State highway at a location within a municipality, the county must (1) obtain the approval of SHA; (2) notify the municipality of SHA's approval; and (3) grant the municipality 60 days from the date of the county's notice to enact an ordinance authorizing the municipality instead of the county to use a speed monitoring system at that location. ***Senate Bill 10 (passed)*** establishes a 120-day timeframe for SHA to approve or deny an application submitted by a program administrator or the program administrator's contractor (or return an application as incomplete) when a county applies to obtain SHA's approval to use a speed monitoring system on a State highway at a location within a municipality. If SHA does not approve, deny, or return an application during that 120-day timeframe, the application is deemed approved. The bill also specifies that (1) a speed monitoring system contractor that submits an application must consult with the program administrator before and after the submission of the application and (2) a program administrator or contractor may not submit more than 10 applications during any 30-day period.

Dangerous Accumulations of Snow and Ice

Senate Bill 698/House Bill 474 (both passed) prohibit a person from operating or towing a vehicle without making reasonable efforts to remove any accumulated snow and ice that poses a threat to persons or property from exposed vehicle surfaces. The prohibition does not apply if compliance would (1) cause the operator of a vehicle to violate any workplace safety law or regulation or (2) threaten the operator's health or safety. A police officer may enforce a violation of the prohibition only as a secondary offense, except when the violation contributes to an accident resulting in property damage or the death of, or serious bodily injury to, another person.

Prohibition on Standing in Inherently Dangerous Highway

House Bill 591 (passed) and ***House Bill 668 (passed)*** prohibit, in Wicomico and St. Mary's counties, respectively, a person from standing in a roadway, shoulder, median divider, or intersection determined to be inherently dangerous by the county or a municipality in the county, in consultation with SHA. The bills prohibit a police officer from issuing a citation for violating this prohibition unless (1) the inherently dangerous roadway, shoulder, median divider, or intersection has appropriate signs installed by the county or a municipality in the county that notify the public that a person may not stand in that area and (2) the signs are installed in accordance with the manual and specifications for a uniform system of traffic control devices adopted by SHA. Approval must be obtained from SHA before installing the signs on a State highway.

Miscellaneous

Heavy Weight Port Corridor Permit Program

The heavy weight port corridor permit program facilitates the movement of overweight international freight on designated State and county highways. According to MDOT, vehicles issued these permits deliver goods between the Port of Baltimore, Tradepoint Atlantic, and

designated U.S. Customs facilities. *Senate Bill 149/House Bill 253 (Chs. 120 and 121)* alter the requirements for regulations related to the issuance of heavy weight port corridor permits. Under the Acts, the Secretary of Transportation must establish authorized destinations under the permits by regulation, while travel routes for permitted vehicles must be identified directly in the permit, instead of by regulation. A vehicle operating under the permit must adhere to the specific route identified in the permit between the Seagirt Marine Terminal and an authorized destination, with no deviation.

Zero Emission Electric Vehicle Infrastructure Council

House Bill 451 (passed) repeals the June 30, 2026 termination date for the Maryland Zero Emission Electric Vehicle Infrastructure Council, thereby establishing the council as a permanent entity. The bill also alters the membership and duties of the council and makes permanent an annual reporting requirement.

Part H

Business and Economic Issues

Business Occupations and Regulations

Professional Licensing Boards and Commissions

General

Occupational Licensing and Certification: *Senate Bill 418/House Bill 1120 (both passed)* authorize a foreign service member or a foreign service member's spouse who relocates to the State due to an assignment or detail to the State and holds a license issued by another state, to practice under that license for the duration of the assignment or detail within the State, if the individual provides specified documentation and satisfies other criteria. If a foreign service member or spouse is authorized to practice under the bills' provisions, the individual may practice only in the discipline and within the scope of practice allowed by the license in the other state. The licensing authority in the State may not require another license unless the individual seeks to practice outside of the authorized discipline or scope of practice of the license. The bills also subject a foreign service member or the spouse of a foreign service member that practices under the bill to the same oversight and discipline authority as other State licensees.

Veteran Status and Eligibility for Benefits: *Senate Bill 150 (passed)* expands existing authority related to the indication of veteran status on licenses, certificates, or registrations under the purview of the Maryland Department of the Environment, the Department of General Services, and each unit in the Maryland Department of Labor (MD Labor), by authorizing these entities to also include a notation indicating veteran status on a person's public profile.

Accountants

The State Board of Public Accountancy regulates and licenses individuals acting as certified public accountants and issues permits to business entities that provide public accountancy services. *House Bill 643 (passed)* establishes alternative pathways to licensure as a certified public accountant by the board. Under the bill, practical work experience requirements may be completed

over a longer period, while educational and experiential requirements may be combined in alternative ways to qualify for a license.

Architects

The State Board of Architects qualifies and licenses individuals seeking architectural licensure and issues permits to businesses practicing architecture. *Senate Bill 653/House Bill 1180 (both passed)* require (rather than authorize) the board to deny or suspend a license or reprimand a licensee under specified circumstances. The bills also expand the circumstances under which the board may deny, suspend, or revoke a license or permit or reprimand a licensee to include situations in which an applicant or licensee misrepresents that the individual holds a license or a permit. Under the bills, the board must notify each county code official if a license is suspended or revoked by the board and a code official must verify a licensee's credentials when reviewing and approving architectural documents. Finally, the board may establish an electronic portal to allow the confidential submission of anonymous reporting of certain complaints.

Athletes

The State Athletic Commission has regulatory and licensing authority over all boxing, kick boxing, mixed martial arts or wrestling contests held in the State, with limited exceptions. *Senate Bill 32/House Bill 236 (Chs. 125 and 126)* extend the period of time, from 30 to 90 days, before which an applicant for a license to participate in a regulated boxing, kick boxing, or wrestling contest as a contestant must be tested for specified diseases. A contestant must present documentary evidence to the commission of negative test results for the human immunodeficiency virus, the antigen of virus hepatitis B, and antibodies to virus hepatitis C conducted within the 90-day period (instead of 30 days) prior to a license application or, when requested by the commission, participation in a contest.

Cemeteries and Crematories

The Office of Cemetery Oversight (OCO) is responsible for the registration and oversight of individuals and businesses engaged in the operation of cemeteries, burial goods businesses, and in limited circumstances, crematories. *Senate Bill 233 (passed)* prohibits a registered cemeterian, permit holder, or the owner of a cemetery that is exempt from registration and permitting requirements, except as specified for a religious organization that is a cemetery owner, from selling or transferring a cemetery, in whole or in part, to another person, as specified, without the approval of the director of OCO. The bill also (1) specifies requirements that must be met before the OCO director approves a sale or transfer of a cemetery; (2) authorizes a court action by any party that disputes the OCO director's decision, as specified; and (3) requires that in such an action, the court issue a decision within six months of the action being served.

The bill also authorizes the State, a county, or a municipality to acquire an abandoned cemetery for the purpose of transferring ownership of the abandoned cemetery to a descendent community organization, veterans organization, or nonprofit organization. If the governmental entity is unable to transfer an abandoned cemetery within a reasonable period of time, the

OCO director may facilitate the reinterment of any human or pet remains to an operational cemetery in a specified manner. Finally, the bill does not apply to property that the Maryland Department of Transportation acquires for a public project in accordance with State and federal law.

Senate Bill 46/House Bill 364 (both passed) alter the definition of “interment” and defines the term “interment location” for purposes of the interment of individuals in State veterans’ cemeteries. With each interment location, the Department of Veterans and Military Families must provide an *outer burial receptacle or columbarium niche and marker* (rather than a grave liner) at no cost for the veteran or the veteran’s eligible spouse or dependent.

Senate Bill 413/House Bill 698 (both passed) generally transfer all regulatory oversight of crematories and reduction facilities exclusively to the Board of Morticians and Funeral Directors, from the dual jurisdiction of the board and OCO. A person who holds a permit or registration from OCO may continue to operate under the permit or registration until it expires. Similarly, OCO retains jurisdiction over complaints regarding crematories and reduction facilities filed with OCO before July 1, 2026. The board is required to convene a stakeholder workgroup to review the statutes and regulations regarding the regulation of crematories and reduction facilities by the board and submit a report to specified committees of the General Assembly on or before December 31, 2026.

House Bill 564 (passed) establishes numerous consumer protection and disclosure requirements for persons that provide cremation services under State law and sell or offer for sale to the public pet cremation services of pet remains. The bill establishes the duties of persons responsible for returning pet cremains to pet owners after cremation. In addition to other criminal penalties, a violation of the bill is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA’s civil and criminal penalty provisions.

Cosmetologists

The State Board of Cosmetologists issues two full-service licenses (cosmetologist and senior cosmetologist) and five limited licenses (hairstylist, blow-drying, nail technician, esthetician, and eyelash extension services). ***House Bill 1025 (passed)*** repeals the option for an applicant for a limited license to provide eyelash extension services to qualify for a license only by passing a practical and written examination administered by the board instead of completing specified training. As a result, applicants must meet alternative apprenticeship or training requirements authorized under current statutory provisions. A requirement that all applicants for limited licenses from the board pass an examination remains unchanged.

Foresters

House Bill 342 (passed) alters the educational qualifications for an applicant for a forestry license issued by the State Board of Foresters. The bill requires an applicant to graduate (on completion of a four-year curriculum in forestry) from a college or university that is (1) approved by the board *and* (2) accredited by the Society of American Foresters. An applicant may also

satisfy educational requirements for licensure if the board determines that the applicant's education (including a comparable graduate degree or international degree) is substantially equivalent to statutory requirements.

Home Builders

House Bill 850 (passed) requires a home builder that is holding an open house to display, in a conspicuous manner, a general notice to prospective buyers that states: "The sales representative works for the home builder, which means that he or she may assist the buyer in purchasing the property, but his or her duty of loyalty is only to the home builder. As a buyer of a new home, you have the right to obtain your own independent representation to navigate the new home purchasing process." The disclosure is required to use a clear, simple font of a certain size and be in a location unobstructed from view.

Landscape Architects

House Bill 485 (passed) renames the State Board of Examiners of Landscape Architects to be the Board of Professional Landscape Architects. In general, the board qualifies and issues licenses to individuals seeking licensure as a landscape architect and issues permits to business entities that practice landscape architecture. The bill also (1) substitutes the term "professional landscape architect" for "licensed landscape architect" throughout the statute; (2) alters qualifications for membership on the board, as well as related duties; (3) repeals a requirement related to payment of an examination fee directly to the board; (4) alters and expands provisions related to the use of a testing service to administer the required examination; (5) authorizes the board to issue an *emeritus* status license to certain individuals; and (6) alters a permit requirement for certain businesses.

Occupational Licensing

House Bill 557 (passed) establishes a predetermination review process that allows an individual to file a request with certain departments in State government to determine whether the individual's criminal history would disqualify the individual from obtaining the occupational license or certificate being sought. The bill requires a department to use existing resources to conduct a criminal history review but also authorizes a department to charge a fee of up to \$100 per criminal history review. The fee must be waived if the individual's income is at or below 300% of the federal poverty level, as determined by the District Court. Each affected agency must report on implementation, including the number of predetermination requests conducted and the costs associated with implementation. Under the bill, the Department of Public Safety and Correctional Services (DPSCS) is not subject to the provisions described above and is exempted from existing statutory provisions prohibiting a department from denying an occupational license or certification solely on the basis of the applicant's conviction of a crime. The bill terminates June 30, 2029.

Security Guards

Senate Bill 365 (passed) repeals (1) the requirement that the Secretary of State Police, by regulation, stagger the terms of the certification of security guards and (2) requires the certification of a security guard to expire on the last day of the certificate holder's birth month, rather than a date the Secretary of State Police sets.

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 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, the Director of the Office of Program Evaluation and Government Accountability, or by legislation. Many regulatory boards and commissions are subject to termination and therefore potentially subject to an evaluation if determined to be appropriate prior to termination.

Senate Bill 133/House Bill 241 (Chs. 127 and 128) extend the termination date for several occupational and professional licensing boards and commissions within MD Labor through July 1, 2032. Specifically, the extension applies to (1) the State Board of Barbers; (2) the State Board of Cosmetologists; (3) the State Board for Professional Land Surveyors; (4) the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors; and (5) the State Board of Individual Tax Preparers. By July 1, 2030, MD Labor must submit a report to JAEC with information regarding the boards and commissions.

Tobacco and Electronic Smoking Additional Licensure for Electric Smoking Devices for Tobacco Products Licensees

Senate Bill 249 (passed) requires any person with a cigarette business license or other tobacco products (OTP) license that is seeking to manufacture, distribute, or sell electronic smoking devices (ESD) to obtain a separate license to manufacture, distribute, or sell ESD. An applicant for a license to act as an ESD retailer or vape shop vendor is exempt from paying an additional license fee if the applicant holds specified cigarette business licenses or specified OTP licenses. Existing cigarette and OTP license holders as of September 30, 2026, are excluded from the bill's requirement until the current license expires.

Baltimore City Cigarettes, Other Tobacco Products, and Electronic Smoking Devices Enforcement and Licensure

Senate Bill 279 (passed) authorizes a special enforcement officer in a Baltimore City agency to enforce provisions regulating the sale and distribution of cigarettes, OTP, and ESD, including by entering and inspecting, at a reasonable time, the premises of a county license holder. Subject to hearing requirements, the Executive Director of the Alcohol, Tobacco, and Cannabis

Commission may reprimand a licensee or suspend or revoke a license for a violation identified by a special enforcement officer.

In Baltimore City only, an applicant for an initial or renewal of a county cigarette, OTP, or ESD license in Baltimore City must first request a licensure authorization from the Mayor and City Council of Baltimore City, pay a specified fee, and provide a licensure authorization to the clerk. The Mayor and City Council may establish and charge a fee for a licensure authorization request and must remit 50% of all licensure authorization request fees to the State Comptroller. The State Comptroller must distribute such fees to the Family League of Baltimore City, Inc. The bill prohibits the Mayor and City Council from issuing a licensure authorization for an initial licensure applicant between October 1, 2026, and October 1, 2027, inclusive of those dates.

Miscellaneous

Charitable Organizations

Senate Bill 354/House Bill 483 (both passed) increase the minimum gross income amounts from charitable contributions at which a charitable organization must include a certain audit or review with the charitable organization's registration statement with the Secretary of State (SOS). The bills increase the threshold for an audit from \$750,000 to \$1.0 million and for a review from \$300,000 to \$400,000. SOS is authorized to accept other documentation in place of an audit or review in connection with a charitable organization's registration statement, if the charitable contributions do not exceed \$400,000 and amount to 20% or less of the total gross income. SOS may require an audit or review if the amount of the gross income is less than \$1.0 million.

Franchises

The Maryland Franchise Registration and Disclosure Law governs an offer to sell or the sale of a franchise to a franchisee to operate a franchised business in the State, if specified requirements are met. *Senate Bill 415/House Bill 730 (both passed)* alter the time periods within which specified legal actions may be taken by the Securities Commissioner in the Office of the Attorney General or by a franchisee under the Maryland Franchise Registration and Disclosure Law. Among other provisions, the bills (1) specify rights of association for franchisees and (2) require the Securities Commissioner to establish the Maryland Franchise Disclosure Document Renewal Fast-Track Review Pilot Program to expedite the review of franchise registration renewal applications, as specified. The pilot program terminates September 30, 2032.

Home Detention Monitoring Agencies

Senate Bill 540/House Bill 899 (both passed) prohibit, on the grounds of a courthouse or correctional facility, an agent of a private home detention monitoring agency (PHDMA), an employee of a courthouse, or an employee of a correctional facility from advertising or soliciting business on behalf of a PHDMA. A person who violates the bills' prohibition is guilty of a misdemeanor and on conviction is subject to specified penalties. A licensed person that is convicted of a violation of the bills' prohibition must be referred to DPSCS for appropriate action.

Rounding Cash Transactions

Senate Bill 893/House Bill 1026 (both passed) authorize a merchant to round the portion of the price of certain cash transactions for which a customer pays using cash in a certain manner or round the amount of change due to a customer up or down to the nearest cent divisible by five, as specified. The definition of the term “taxable price” is altered for purposes of law governing the State sales and use tax to clarify the exclusion from the tax of a certain amount collected due to rounding the price for a good or service in accordance with the provisions of the bills. The bills preempt any existing regulations, rules, and ordinances that conflict.

Telecommunications Infrastructure

House Bill 1100 (passed) prohibits a person from recklessly or willfully and maliciously defacing, damaging, or destroying telecommunications infrastructure, as defined in the bill. A violator is guilty of a misdemeanor and on conviction subject to a maximum penalty of up to six months incarceration and/or a \$500 fine. The bill also (1) provides greater specificity for the types of telecommunications equipment included in the term junk or scrap metal and (2) authorizes a junk dealer or scrap metal processor to accept an alternative form of documentary evidence from a seller to show that the seller has the legal authority to sell the telecommunications equipment.

Travel Services

House Bill 994 (passed) requires specified sellers of travel services and independent agents to annually file with MD Labor proof of professional liability and errors and omissions insurance in the amount of at least \$1.0 million. MD Labor must (1) provide reasonable notice of the requirements of the bill to consumers and sellers of travel; (2) enforce the bill’s requirements; and (3) adopt regulations to establish procedures for the registration of sellers of travel. Fee revenues accrue to the Sellers of Travel Services Registration Fund as established under the bill and administered by MD Labor to cover the administrative costs of the bill.

Public Service Companies

Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act

To address rising energy costs and affordability challenges facing Maryland electric and gas customers, *House Bill 1532 (passed)* takes various actions related to State- and ratepayer-funded energy programs, utility rates and cost recovery, the Strategic Energy Investment Fund (SEIF), the Certificate of Public Convenience and Necessity (CPCN) process, competitive electricity supply, and local solar permitting. Among other changes described in more detail below, the bill also (1) establishes consumer transparency requirements for investor-owned utilities; (2) requires the Public Service Commission (PSC) to establish a registry and voluntary clean capacity rating program for large load customers; and (3) makes administrative changes.

EmPOWER Maryland Program

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, respectively, by 2015 from a 2007 baseline. Legislation in 2017 extended the program through its 2018-2020 and 2021-2023 program cycles and established a new annual energy savings goal of 2.0% per year, based on each electric company's 2016 sales. The Climate Solutions Now Act (Chapter 38 of 2022) further increased the goal to 2.25% per year in 2025 and 2026 and to 2.5% annually thereafter. Chapter 539 of 2024 altered the EmPOWER Maryland Program by, among other things, explicitly requiring each electric company, each large gas company, and the Department of Housing and Community Development to develop and implement energy efficiency, conservation, demand response, and beneficial electrification programs to achieve specified greenhouse gas (GHG) emission reduction goals and targets, subject to review and PSC approval.

Generally, [*House Bill 1532*](#) modifies the EmPOWER Maryland Program by:

- temporarily reducing the program's annual GHG emissions reduction targets for each electric company plan from 2.5% each year to 1.75% each year for the 2027-2029 program cycle, 2.0% each year for the 2030-2032 program cycle, and 2.25% each year for the 2033-2035 program cycle (the targets return to 2.5% each year beginning in 2036);
- removing gas companies from the program beginning in 2027 and establishing a wind-down period;
- allowing, for the 2027-2029 program cycle only, emissions reductions from community solar energy generation and residential solar energy generation to count up to 20% toward the targets;
- requiring PSC to prepare recommendations for changes to the next program cycle and submit a report to the Senate Committee on Education, Energy, and the Environment and the House Environment and Transportation Committee by November 1, 2027; and
- requiring PSC to issue a request for information and, depending on the information received, a request for proposals, for a third-party administrator to implement the programs and services under the EmPOWER Maryland Program; however, the commission may decline to select a third-party program administrator for specified reasons, including if it determines that the use of one would not be cost-effective.

The bill also establishes a process for \$100.0 million of alternative compliance payment (ACP) revenues from SEIF to be used to lower EmPOWER Maryland surcharges for residential customers in 2027.

Data Centers and Large Load Customers

Tariffs and Rate Schedules: *House Bill 1532* lowers the minimum threshold for the mandatory large load customer rate schedule from 100 megawatts with an 80% load factor to 25 megawatts with a 60% load factor and exempts certain industrial facilities. Further, the bill requires PSC to (1) consider whether the rate schedule allocates specified costs that the commission determines have been caused by, or should be attributable to, a large load customer and (2) establish a process for an electric company to provide voluntary large-load interruptible interconnection service.

Establishment of Large Load Registry: In addition to the changes to large load customer tariffs described above, the bill requires PSC to establish a large load customer registry and develop, as specified, a registration process for new or expanded interconnection of large load customers that are, generally, anticipated to be mostly data centers. To register, the data center (and other large load customers) must disclose certain information relevant to electric system and local planning. The bill also establishes specified protections for related confidential data.

Voluntary Clean Capacity Rating Program: The bill requires PSC to develop a Voluntary Clean Capacity Rating Program with various tiers to create incentives for clean data center and other large load customer projects. Projects that meet 80% to 100% of their peak load (plus a reserve margin) with clean energy, pay the prevailing wage to workers constructing the facility, and meet other requirements, receive priority over other projects for interconnection and required grid studies. Projects that meet 100% of their peak load (plus a reserve margin) are also eligible for Maryland Department of the Environment (MDE) permitting time certainty and the ability to forward-fund substation equipment. Subject to PSC approval, each electric company is required to establish a related interconnection process for large load customers to participate in the program.

Baltimore City Data Center Tax Increment Financing District Prohibition: The bill prohibits a person, in Baltimore City only, from constructing a data center of five megawatts or larger in a development district subject to tax increment financing repayment on outstanding bonds (*i.e.*, in a “Tax Increment Financing district”).

Public Service Company Rates, Cost Recovery, and Operations

Under current law, PSC must supervise and regulate public service companies, which includes gas and electric companies, subject to its jurisdiction to (1) ensure their operation in the interest of the public and (2) promote adequate, economical, and efficient delivery of utility services in the State without unjust discrimination. A public service company must charge just and reasonable rates for the regulated services that it renders. Generally, PSC has the power to set a just and reasonable rate of a public service company, as a maximum rate, minimum rate, or both. PSC may adopt an alternative form of regulation for an electric company if it finds, after notice and hearing, that the alternative form of regulation (1) protects consumers; (2) ensures the quality, availability, and reliability of regulated electric services; and (3) is in the interest of the public, including shareholders of the electric company.

Multi-year Rate Plans: Generally, [House Bill 1532](#) prohibits reconciliations and cost-sharing mechanisms in multi-year rate plans used by electric and gas utilities unless they benefit the ratepayer.

Investor-owned Utility Supervisor Compensation Cost Recovery: The bill establishes cost recovery limitations for investor-owned electric and gas companies, including prohibiting recovery, through rates, of any costs associated with supervisor compensation exceeding 110% of the maximum annual salary payable to the chair of PSC (currently, approximately \$250,000). In this context, “compensation” does not include any expenditures of the company for health, medical, dental, vision, or life insurance or disability pay. Additionally, each investor-owned electric and gas company’s board of directors must adopt a companywide policy placing reasonable cost limitations on expenditures that the company intends to recover through rates for various expenses, including entertainment, transportation, and office renovations.

Forecast Test Years: The bill requires PSC to conduct a proceeding and determine whether allowing the use of forecast test years, historic test years, or a hybrid model for utility ratemaking is in the best interests of and protects ratepayers. Further, it (1) prohibits PSC from approving a requested rate increase that is based on a forecast test year in a base rate proceeding until April 1, 2027, or the completion of the proceeding, whichever is later and (2) requires PSC to report to the General Assembly by April 1, 2027, on the results of the proceeding, including any commission recommendations for legislative action.

Certificates of Public Convenience and Necessity and Transmission Lines

Transmission Lines – Underground Lines, Advanced Transmission Technologies, and Good Cause Waivers: [House Bill 1532](#) (1) expands PSC’s CPCN jurisdiction to include underground transmission lines, instead of solely overhead transmission lines; (2) requires an applicant for a CPCN to include in its application evidence that the applicant considered, as part of its internal planning process, specified transmission planning processes, including the use of advanced transmission technologies (ATTs), as well as an analysis of the transmission line route selection; (3) establishes reporting requirements for owners and operators of transmission lines related to transmission congestion and the use of ATTs; (4) repeals a mandatory CPCN waiver for specified transmission line construction; and (5) requires PSC to consider certain factors before granting a good cause waiver for existing transmission line construction.

Transmission Lines – Property Owner Notifications: The bill requires notice to be provided, by certified mail, to specified property owners and adjacent property owners when a CPCN application is filed with PSC to construct a transmission line. If PSC finds that a person willingly or deliberately failed to provide the required notice, the existing public hearing requirement under the CPCN process is invalidated and another hearing must take place. PSC may also, within its discretion, require another hearing to take place if the failure to notify is not willful or deliberate.

Regional Transmission Organization Mandate: The bill requires any person that owns or operates a transmission line that is designed to carry a voltage in excess of 69,000 volts and is

located in the State, except for an electric cooperative, to participate as a member in a regional transmission organization.

Definition of Large Capacity Energy Resource: The bill repeals part of the definition of “large capacity energy resource” in Title 7, Subtitle 12 of the Public Utilities Article, allowing PSC to consider a broader range of projects for the expedited CPCN process established under the Next Generation Energy Act of 2025.

Energy Solicitation and Procurement

Nuclear Energy Procurement – Long-term Pricing Purchase Obligation: *House Bill 1532* authorizes PSC, before a nuclear energy generation project begins commercial operation, to approve an increase of the total cost of the nuclear energy generation project that may be recovered under a long-term pricing purchase obligation by up to 15% and modifies the definition of “zero-emission credit” to align with other similar credit provisions in current law.

Renewable Energy Power Purchase Agreements: The bill allows the Board of Public Works, on the recommendation of the Secretary of General Services, to waive the requirement to include a termination for convenience clause in a multi-year State contract to procure Tier 1 or Tier 2 renewable energy for the State.

Procurements of Transmission Energy Storage Devices: The bill modifies an existing procurement of up to 1,600 megawatts of transmission energy storage devices, which occurs in two 800-megawatt procurement rounds, to allow each round to exceed 800 megawatts if PSC determines that the proposals received are cost-effective and support State goals for affordable and reliable electrical service. The bill also expands eligibility to specified storage devices interconnected to a facility within the State.

Net Energy Metering and Solar Energy

Successor Net Energy Metering Program: *House Bill 1532* requires PSC to conduct a stakeholder proceeding exploring the development and implementation of a successor net energy metering program and, by order or regulation, approve a framework for a successor program, to begin July 1, 2027, that (1) provides incentives for development of distributed generation; (2) **Error! Bookmark not defined.** minimizes ratepayer costs; (3) balances specified factors (the interests and impacts of different types of program participants and the interests of nonparticipating ratepayers); and (4) is available until the combined generating capacity under the existing net energy metering program and the successor program reaches 6,000 megawatts. Additionally, the bill establishes a transitional period for community solar projects, utility service territory-based community solar caps for the existing program, and grandfathering provisions.

Community Solar – Location on Adjacent Parcels: The bill authorizes up to 20 megawatts – an increase from 10 megawatts under current law – of community solar to be located on adjacent parcels of land, subject to specified requirements.

Community Solar – Automatic Enrollment Process: The bill modifies an existing PSC study to consider the feasibility and technical barriers to establishing an automatic community solar enrollment process to provide bill credits for low- to moderate-income subscribers through the Office of Home Energy Programs (OHEP) in the Department of Human Services (DHS).

Residential Solar – Permitting and Inspection: The bill (1) modifies and establishes requirements applicable to county and municipal processes for permitting and inspection of residential solar energy and energy storage systems (while exempting historic properties from the requirements); (2) generally requires meter disconnection and reconnections to be performed within five business days of a properly completed request; (3) limits local residential solar permitting fees to no more than \$500; and (4) authorizes the Attorney General to seek judicial enforcement against a local government for failing to comply with the updated requirements.

Portable Solar – Authorization: The bill authorizes a person to purchase and install, for residential use only, one portable solar energy generating system of up to 1,200 watts per electric meter, subject to certain limited requirements. An electric company may not require a customer using such a system to obtain the company's approval before using or installing the system; however, a customer must notify the company prior to installation. An electric company is not liable for any damage caused by the system.

Solar Energy Generating Stations – Prevailing Wage: The bill imposes prevailing wage requirements, as specified, on any person that submits an application to PSC for approval of the construction of a solar energy generating station that is larger than 2 megawatts (through the CPCN process or the CPCN exemption process, as applicable).

Alternative Compliance Fee Auctions

House Bill 1532 requires the Maryland Energy Administration (MEA), in consultation with PSC, to conduct annual competitive, low-bid auctions, in 2027 and 2028, to award grants to eligible bidders to fund renewable energy generation and energy storage projects in the State that are needed to satisfy the State's Renewable Energy Portfolio Standard, using \$100.0 million of ACP revenues in SEIF each year. Among other requirements, each bidder must provide satisfactory evidence to MEA, confidentially, that awarded funds are necessary for the project to be constructed.

Consumer Transparency

Public Service Commission Transparency and Dashboards: **House Bill 1532** establishes the intent of the General Assembly that PSC (1) incorporate keyword search functionality for, at a minimum, materials published on its website beginning July 1, 2026, and (2) develop a landing page template for major proceedings that visually tracks the proceeding through each step of the process. The bill also requires PSC to develop dashboards to track progress toward major State energy programs and goals under PSC oversight.

Required Notice of Distribution Cost Increases to Ratepayers: The bill requires investor-owned gas and electric companies to notify and provide additional relevant information to residential customers when initiating a base rate proceeding or another proceeding that may result in a distribution cost increase of more than 3.0%. The notice must be provided through links in customer bills, emails, or other forms of communication. Additionally, each residential customer bill from those companies must include specified information about PSC.

Strategic Energy Investment Fund

Chapters 127 and 128 of 2008 created the Maryland Strategic Energy Investment Program in MEA, and the implementing SEIF (administered by MEA), to decrease energy demand and increase energy supply to promote affordable, reliable, and clean energy. SEIF, among other revenue sources, receives funds from the sale of carbon dioxide emissions allowances under the Regional Greenhouse Gas Initiative (RGGI) and ACP revenues through the State's Renewable Energy Portfolio Standard. Additionally, SEIF will receive a portion of corporate income tax revenues from qualified data centers that are operational on or after January 1, 2026.

House Bill 1532 specifies funding allocations from SEIF that are consistent with appropriations in the fiscal 2027 budget as enacted by the General Assembly (all but \$150,000 of which are contingent appropriations), effectuates those contingent appropriations, and authorizes the Governor to transfer the funds by June 30, 2027, as follows:

- \$100.0 million from ACPs to MEA to be awarded as grants for renewable energy projects under the auction process described above;
- \$100.0 million from ACPs to PSC to be awarded as grants to electric companies (including electric cooperatives and municipal electric utilities) to pay down the costs incurred to implement and administer the EmPOWER Maryland Program;
- \$38.0 million from ACPs to PSC to be awarded as grants to electric companies to be refunded or credited to residential electric customers to offset costs associated with the limited-income rate mechanism required under § 4-309 of the Public Utilities Article;
- \$150,000 from ACPs to the Comptroller to provide funding for a comprehensive study of public school heating, ventilation, and air conditioning (HVAC) systems in Baltimore City;
- \$9.85 million from ACPs and \$9.0 million from RGGI proceeds to the Interagency Commission on School Construction to be used for upgrades to public school HVAC systems in Baltimore City;
- \$2.0 million from ACPs to provide additional funding for MEA's Residential and Commercial Energy Storage Grant Program;

- \$3.0 million from SEIF to provide additional funding for the Power Plant Research Program (PPRP), within the Department of Natural Resources (DNR), to review renewable and clean energy projects; and
- \$72.65 million from SEIF to be transferred to the Dedicated Purpose Account to provide additional funding for MEA's Residential Energy Equity Program for heat pump installations and replacements for low- and moderate-income households.

Additionally, the bill expands the purposes for which MEA is required and/or authorized to use SEIF funds – some for one year only, some for multiple years, and some on a permanent basis – to include:

- funds for the Green and Renewable Energy Efficiency for Nonprofits Loan Fund (discussed below);
- loans and grants for building electrification, transportation electrification, and electrified thermal energy generation assets interconnected with a district energy system;
- loans and grants for programs, projects, and technologies that assist covered buildings in meeting the State's building energy performance standards;
- grants for renewable energy projects under the auction process discussed above, for which up to \$100.0 million in ACPs deposited into SEIF may be used in each of fiscal 2027 and 2028;
- in fiscal 2027 only, the purposes described in the last seven funding allocations listed above;
- beginning in fiscal 2028, \$5.0 million each year for PPRP;
- beginning in fiscal 2028, \$9.0 million each year to provide grants or rebates to incentivize customers to install renewable on-site generating systems under § 7-1006 of the Public Utilities Article, *i.e.*, Distributed Renewable Integration and Vehicle Electrification (DRIVE) Act incentives;
- funding for (1) clean energy and efficiency programs for buildings, including low-income household energy efficiency and school electrification; (2) transportation-related emissions reduction programs, including electric vehicle charging infrastructure and electric school bus deployment; and (3) electric system resiliency programs, including microgrid installation and resiliency hubs; and
- administrative expenses of Maryland Clean Energy Center (MCEC).

Retail Electricity Supply

House Bill 1532 alters existing statutory restrictions applicable to residential electricity suppliers for supply that is not offered through standard offer service (SOS) or specified governmental entities, providing that those suppliers may offer (1) electricity supply for a term of up to 36 months, (2) electricity, other than green power, only at a price that does not exceed certain percentages of the electric company's SOS rate in the electric company's service territory as of the date of agreement with the customer, based on the duration of the agreement; and (3) a variable rate that does not exceed the electric company's SOS rate in the electric company's service territory at any time during the agreement with the customer.

Specific retail electricity supply price limits, as a percentage of the electric company's SOS rate as of the date of agreement with the customer, are (1) for a term of up to 23 months, 100%; (2) for a term of 24 months to 35 months, 105%; and (3) for a term of 36 months, 110%.

Other New or Modified State Programs and Agencies

Green and Renewable Energy Efficiency for Nonprofits Loan Program: **House Bill 1532** establishes the Green and Renewable Energy Efficiency for Nonprofits Loan Program and an associated fund in MCEC to provide financial assistance in the form of no-interest loans to nonprofit organizations for qualifying energy systems and specified energy efficiency measures. The bill authorizes (1) transfers from SEIF to support the program and (2) the Governor to include specified appropriations in the annual budget bill for fiscal 2028 and 2029.

Electric Universal Service Program Transfer: The bill transfers the administration of the Electric Universal Service Program (EUSP) from PSC to OHEP in DHS. The bill also (1) authorizes EUSP to waive income eligibility requirements to provide assistance to an electric customer who would qualify for a similar waiver under another electric assistance program; (2) expands access to EUSP to electric customers who meet the program's eligibility criteria but are otherwise ineligible for assistance under federal law; and (3) specifies that SEIF must be used to provide supplemental funds for low-income energy assistance through electric and fuel assistance programs (rather than only electric programs) in DHS.

Modifications to the DRIVE Act: The bill alters the DRIVE Act of 2024 to transfer primary authority for administering upfront incentives and rebates for acquiring and installing on-site renewable energy systems from PSC (through investor-owned electric companies) to MEA, as specified, and modifies related statutory provisions, including providing \$9.0 million in annual funding through SEIF beginning in fiscal 2028.

Strategic Energy Planning Office: The bill (1) requires the term of the first director of the Strategic Energy Planning Office (SEPO) to begin July 1, 2026; (2) authorizes the House Environment and Transportation Committee, rather than the House Economic Matters Committee, to jointly request, with the Senate Committee on Education, Energy, and the Environment, that SEPO annually assess up to five policy scenarios, and explicitly authorizes those committees to

make the first of those requests by August 1, 2026; and (3) delays specified agency reports in the corresponding Chapter laws.

Fast Track Consultant Procurement Technical Fix: The bill modifies provisions of the Next Generation Energy Act to allow for specified State agencies to more rapidly procure expert environmental and energy consultants.

Other Study and Reporting Requirements and Changes

House Bill 1532 imposes various reporting requirements on DNR, MCEC, MDE, MEA, PSC, and SEPO, including those discussed below, and modifies specified reporting deadlines for MEA and the Maryland Department of Transportation.

Electric Vehicle Emissions Reporting: The bill requires MDE to prepare and submit an annual report on GHG emissions reductions achieved as a result of electric vehicle adoption.

Maryland Energy Storage Program – Capacity Reporting: The bill requires PSC, by November 1 each year, to report to the General Assembly on the status of the Maryland Energy Storage Program, including (1) the capacity of operational energy storage devices in the State being counted toward the program’s 3,000 megawatt capacity goal; (2) whether the capacity goal should be altered; (3) barriers to achieving the goals of the program; and (4) any other information PSC considers pertinent.

Large Load Customer Registry Reporting: The bill requires PSC, by October 1, 2027, and by October 1 annually thereafter, to report specified information on the large load customer registry established under the bill to the Senate Committee on Education, Energy, and the Environment and the House Environment and Transportation Committee.

Energy Sites and Zoning/Permitting Study: The bill requires PPRP in consultation with MDE and MEA, to conduct a study to identify ways to streamline the permitting process for energy development in the State and report to the Governor and the General Assembly by December 31, 2026. In conducting the study, PPRP must (1) identify up to 50 priority energy sites suitable for new or expanded generating stations or energy storage devices; (2) identify current bottlenecks and barriers in the State that extend State and local permitting timelines; and (3) develop recommendations on what a State-level zoning or permitting structure should look like in order to promote fast-tracked development at the priority energy sites identified during the study.

Administrative Funding for Maryland Energy Administration Studies: The bill repeals a requirement that MEA receive administrative and fiscal support of up to \$250,000 annually from the Environmental Trust Fund for studies relating to the conservation or production of electric energy.

Miscellaneous

Montgomery County Community Choice Aggregation

Chapter 449 of 2021 established the Community Choice Aggregation Pilot Program and authorized Montgomery County to form a “community choice aggregator” beginning December 31, 2023. The Act required the pilot program to (1) begin on the earlier of April 1, 2024, or the date Montgomery County gives notice to PSC of its intention to initiate a process to form a community choice aggregator and (2) end seven years after the beginning date, but not sooner than April 1, 2031. Additionally, the Act required PSC to submit an interim report on the program to the General Assembly, as well as a final report to the Governor and the General Assembly, in accordance with specified timelines. On October 21, 2025, the Montgomery County Council approved Expedited Bill 27-25, establishing a community choice aggregator within the county’s Department of Environmental Protection.

House Bill 597 (passed) alters the pilot program by (1) modifying the program’s start date so that it begins on the earlier of the date the county gives specified notice to PSC or April 1, 2026; (2) extending the program’s duration from seven to nine years; and (3) revising the deadlines by which PSC must submit an interim report to the General Assembly and a final report to the Governor and the General Assembly.

Transportation Network Companies

Chapter 204 of 2015 established a regulatory framework for transportation network services that encompasses transportation network companies (TNCs) and transportation network operators (*i.e.*, the drivers), including licensing, criminal history records checks, insurance requirements, and assessments. A TNC may not operate in the State unless PSC has issued a permit to the company. Generally, a transportation network operator may not provide transportation network services without a license from PSC to provide such services.

Senate Bill 740/House Bill 480 (both passed) require a TNC to maintain and apply a written deactivation policy, as specified, that provides the policies and procedures for the deactivation of transportation network operators, including an internal appeal procedure. Among other requirements, the deactivation policy must:

- state that the deactivation policy is enforceable as a term of the TNC’s contract with the operator;
- define “serious misconduct” and specify that serious misconduct includes (1) refusal to provide transportation network services for any reason related to a potential passenger’s disability, including the use of a mobility aid or travel with a service animal and (2) any other conduct that would constitute an act of apparent discrimination under federal or State law;

- describe the procedures and eligibility criteria for the reconsideration of a deactivation decision and the process, consistent with specified requirements, for an operator to request a deactivation appeal with the TNC; and
- be specific enough for an operator to understand what constitutes a violation of the policy and how to avoid violating the policy.

For-Hire Drivers and Transportation Network Operators

Senate Bill 473/House Bill 829 (both passed) require an applicant for a local taxicab driver's license or State for-hire driver's license to include in the license application documentation verifying that the applicant completed a human trafficking awareness training program, as specified. The bills also prohibit a TNC from allowing a transportation network operator licensee or license applicant from providing transportation network services unless the individual has completed a human trafficking awareness program, as specified. Any human trafficking awareness training completed pursuant to the bills must include information on how to (1) recognize potential victims of human trafficking; (2) respond to an individual who may be or is a victim of human trafficking; and (3) report suspected incidents of human trafficking to appropriate authorities.

Limited-income Mechanisms

Chapters 638 and 639 of 2021 authorize utility companies, after PSC approval, to adopt a limited-income mechanism to benefit eligible limited-income customers. The limited-income mechanism may take the form of a program, tariff provision, credit, rate, rider, or other means to assist an eligible limited-income customer to afford a utility service. In this context, "utility company" means an electric company, a gas and electric company, or a gas company. A PSC proceeding to establish limited-income mechanisms for these companies is ongoing, with implementation expected to begin January 1, 2027. However, the small water and sewage disposal companies subject to PSC jurisdiction do not have the same customer base over which to allocate the costs of providing a limited-income mechanism and are not included in the existing limited-income mechanism framework.

Senate Bill 556/House Bill 1164 (both passed) require PSC to study the feasibility of requiring water companies, sewage disposal companies, and water and sewage disposal companies to adopt limited-income mechanisms to benefit eligible limited-income customers. By December 1, 2026, PSC must report its findings to the Governor and the General Assembly. Beginning July 1, 2027, the bills authorize PSC to require a water company, sewage disposal company, or water and sewage disposal company to adopt a limited-income mechanism, subject to PSC approval, in the same manner as a utility company in accordance with the existing provisions relating to limited-income mechanisms.

Insurance (Other Than Health Insurance)

Regulation and Administration

The Maryland Insurance Administration (MIA) and the Insurance Commissioner's statutory and regulatory duties include, among other things, certifying insurers to operate in the State, reviewing and approving the rates and forms used by insurers, and licensing and certifying insurance professionals. For example, third-party administrators (TPA) and mutual insurance holding companies are both regulated by MIA and are subject to various requirements and prohibitions set forth in current law.

Senate Bill 139/House Bill 277 (Chs. 141 and 142) authorize the Insurance Commissioner to impose a civil penalty of up to \$10,000 for each violation of the entire Insurance Article by a TPA, rather than only for a violation of the provisions of law that directly govern TPAs. Additionally, the Acts authorize the Commissioner to deny a TPA registration to an applicant or refuse to renew, suspend, or revoke a TPA registration if the applicant or registrant (1) violates the Insurance Article or any other State law related to insurance or (2) knowingly fails to comply with a regulation or order of the Commissioner.

Senate Bill 982/House Bill 1616 (both passed) authorize a mutual insurance holding company that, directly or indirectly, owns 100% of the capital stock of a reorganized stock insurer to convert its mutual insurance holding company system into a mutual insurer in accordance with a plan of conversion. The Commissioner may retain, at the expense of the company, an expert to review the reorganization plan.

Maryland Automobile Insurance Fund

Created by the General Assembly in 1972, the Maryland Automobile Insurance Fund (MAIF) is an independent, nonbudgeted, quasi-State agency. Through its Insured Division, MAIF provides automobile liability insurance to residents of the State who are unable to obtain policies in the private insurance market. Like other insurers, MAIF is primarily funded through premiums on the insurance policies it issues; however, to ensure MAIF's continued viability as the insurer of last resort, MAIF is authorized to issue an assessment paid by other motor vehicle insurers in the State if it experiences a significant operating loss (as defined by State law) and meets other specified conditions.

MAIF currently uses an affordability index to determine a premium discount for its insureds based on the median household income of the zip code in which the insured is located. However, in December 2024, MIA issued an order requiring MAIF to raise its rates to an "adequate" level and eliminate the affordability index within two years; the order was later revised to give MAIF until the end of calendar 2027 to comply. *Senate Bill 469/House Bill 816 (both passed)* establish, under the direction and supervision of MIA, a regulatory framework for MAIF to continue to provide discounted automobile liability insurance to certain Maryland residents through fiscal 2029. In addition, the bills decrease, from 3% to 1%, the cap on the

assessment allocation percentage for the private passenger auto division that MAIF is authorized to issue against other motor vehicle insurers in the State.

Senate Bill 637/House Bill 1387 (both passed) reduce the minimum commission rate that MAIF must pay to an insurance producer that issues insurance policies on behalf of the fund from 10% of the total premium to 5% of the total premium and prohibit MAIF from paying a commission on a policy written directly by MAIF without the involvement of an insurance producer.

Motor Vehicle Insurance

Affordability

Chapter 395 of 2025 required MIA to establish a workgroup to study, among other things, the affordability of private passenger automobile insurance in the State, including (1) factors that contribute to premium rate increases; (2) trends in rate increases; and (3) policy options to provide greater transparency regarding automobile insurance premiums and to increase the affordability of automobile insurance in the State. *Senate Bill 865 (passed)* extends the termination date of the workgroup and expands its duties to include the development of concrete legislative recommendations to reduce premiums, including specific recommendations regarding the use of territorial rating and other rating factors that may contribute to disparate impacts.

Additionally, in developing the recommendations, the workgroup must consider the impact of any modifications or alternative rating approaches on rates across the State. The workgroup must submit an updated report of its findings and recommendations to the Governor and General Assembly by January 1, 2027.

Peer-to-peer Car Sharing

In general, a peer-to-peer car sharing program is an online platform that connects vehicle owners with drivers to enable the sharing of motor vehicles for financial consideration. Chapter 852 of 2018 established the regulatory framework for peer-to-peer car sharing companies to operate in the State, including provisions related to insurance requirements for motor vehicles used through such a program. *Senate Bill 395/House Bill 1186 (Chs. 49 and 50)* make various changes to this regulatory framework to more clearly define and specify which insurance coverage is primary when a vehicle is being used through a peer-to-peer car sharing program. The Acts include additional specifications related to liability for tolls, traffic fines, and citations that may apply to a vehicle when it is being used through a peer-to-peer car sharing program.

Other Property and Casualty Insurance

Senate Bill 739/House Bill 1219 (both passed) require the University System of Maryland (USM), in coordination with, and with oversight by, specified entities, to conduct a study evaluating the relationship between climate change, the availability and price of homeowner's

insurance, and emergency and disaster preparedness. USM must submit a report of its findings and recommendations to the General Assembly by July 1, 2027.

A certificate of guarantee is an instrument issued on behalf of a contractor to satisfy county bond requirements for public improvements or other county bond requirements. *House Bill 1216 (passed)* authorizes, but does not require, any county in the State, instead of only eight specified counties and Baltimore City, to honor certificates of guarantee issued by a nonprofit association of contractors, or its wholly owned subsidiary, in order to satisfy certain county bond requirements.

Horse Racing and Gaming

Horse Racing

Pimlico Race Course and Laurel Park Redevelopment

Chapter 590 of 2020 provided for the redevelopment of Pimlico Race Course in Baltimore City and Laurel Park in Anne Arundel County, as well as for the conveyance of the Bowie Race Course Training Center.

Chapter 410 of 2024 authorized the Maryland Stadium Authority (MSA) to issue up to \$400.0 million in bonds to finance the construction of the facilities. Chapter 410 specified that at least \$17.0 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.

House Bill 1581 (passed) alters provisions of law regarding various economic development related projects, including the reconstruction of Pimlico Race Course and the administration and oversight of live horse racing in Maryland. The measure increases the amount of lottery funds distributed annually to the Racing and Community Development Financing Fund to \$29.0 million. In addition, the bill provides \$2.0 million from the portion of the Purse Dedication Account allocated to thoroughbred purses to the Maryland Economic Development Corporation (MEDCO) to be used for a training facility site. The bill requires the Governor to include an appropriation of \$5.0 million to the Racing and Community Development Facilities Fund in the fiscal 2028 budget for backstretch housing facilities at Laurel Park. The bill repeals MEDCO's involvement in the Pimlico Race Course reconstruction project by transferring all rights, responsibilities, powers, and privileges to MSA. Finally, the bill clarifies that 10% of the annual net income of the thoroughbred track operator will be distributed to the Pimlico Community Development Authority. For a discussion of provisions concerning the Blue Line Corridor and bus rapid transit system grant program, see the subpart "Economic Development" within this part of this *90 Day Report*.

During the redevelopment of Pimlico Race Course, the Preakness Stakes has been temporarily relocated to Laurel Park. *Senate Bill 453/House Bill 911 (both passed)* authorize a licensee at Laurel Park to conduct live racing of Arabian breed horses under specified conditions.

Racetrack Facility Renewal Account

Except for the video lottery facility in Allegany County, 1.0% of video lottery terminal proceeds from each video lottery facility is distributed to the Racetrack Facility Renewal Account (RFRA), which is under the authority of the Maryland Racing Commission (MRC), for the first 16 years of operations at each video lottery facility. Grants from RFRA are provided to racing licensees for racetrack facility capital construction and improvements. MRC must allocate 80% of RFRA funds to the thoroughbred tracks (Pimlico Race Course, Laurel Park, and the racecourse in Timonium) and 20% to the standardbred tracks (Rosecroft Raceway and Ocean Downs Race Course). Generally, in order to obtain a grant, a holder of a license to hold a race meeting in the State must submit a capital construction plan to MRC and provide matching funds. If Rosecroft Raceway is closed and no longer used for live racing, the unencumbered fund balance of the amount available to Rosecroft Raceway is required to be made available to Ocean Downs Race Course.

Senate Bill 762/House Bill 1598 (both passed) allow standardbred racing licensees to receive a grant for a capital construction plan from RFRA without providing and expending a matching fund. A licensee that receives a grant without providing and expending a matching fund must complete the capital construction plan and conduct live racing in the State for at least 10 years after completion of the capital construction plan. MRC must recapture grant funds if either of the requirements is not satisfied. In addition, the bills alter, from 100% to 75%, the amount of the unencumbered fund balance that is required to be made available to Ocean Downs Race Course if Rosecroft Raceway is closed and no longer used for live racing. The bills establish a similar provision of law directing 75% of any unencumbered RFRA fund balance to Rosecroft Raceway if Ocean Downs Race Course is closed and no longer used for live racing.

Slaughtering of Race Horses Prohibition

Senate Bill 231/House Bill 228 (Chs. 83 and 84) prohibit a person from slaughtering or causing the slaughter of a racehorse in the State for certain commercial purposes and purchasing, selling, transferring, offering for sale, importing into the State, or transporting a racehorse if the person knows or reasonably should know that the racehorse will be slaughtered for certain commercial purposes. An individual who violates these prohibitions is guilty of a misdemeanor and on conviction is subject to maximum penalties of a \$1,000 fine and/or one year imprisonment for a first offense. For a second or subsequent offense, maximum penalties increase to a \$2,000 fine and/or one year imprisonment.

Gaming

The Office of Legislative Audits in the Department of Legislative Services issued an audit of the State Lottery and Gaming Control Agency (SLGCA) in May 2025 that found that State casinos did not intercept prize money for amounts due to the State because statute only provides for such recoveries from lottery winnings. *Senate Bill 176/House Bill 289 (Chs. 87 and 88)* authorize the Central Collection Unit to certify a debt or claim owed to the State to a video lottery

operator for prize interception from a responsible debtor. It is estimated that State revenues increase significantly, potentially by at least \$3.0 million annually, from intercepting video lottery facility prizes for debts and claims owed to the State.

An entity licensed to offer instant bingo under a commercial bingo license on July 1, 2007, or a qualified nonprofit organization, may continue to operate a game of instant bingo in the same manner using electronic machines. A “slot machine” does not include a machine, apparatus, or device that is a handheld device that displays only facsimiles of bingo cards that an individual uses to mark and monitor contemporaneously to a live call of bingo numbers called on the premises by an individual where the user is operating the machine, does not permit a user to play more than 54 bingo cards at the same time, does not randomly generate any numbers, and is not part of an integrated system.

House Bill 1587 (passed) alters the definition of a “slot machine” to increase the number of bingo cards from 54 to 100 that a machine, apparatus, or device may permit a user to play at the same time. In addition, the bill provides that an electronic instant bingo machine is not required to print a paper ticket for each game of instant bingo played unless the player elects to print the ticket. Finally, the bill requires SLGCA to retain an independent third-party vendor and report to the Governor and the General Assembly by December 1, 2026, on the impacts of a potential expansion of electronic instant bingo machines, historical horse racing machines, and video lottery facilities.

Local Bills

Baltimore City

Senate Bill 538/House Bill 717 (both passed) authorize an organization located in Baltimore City that is affiliated with a professional National Football League team that plays its home games in Baltimore City to conduct raffles.

St. Mary’s County

Senate Bill 357/House Bill 610 (both passed) require a qualified organization to hold a gaming permit whenever the qualified organization operates a gaming device in St. Mary’s County. The St. Mary’s County Commissioners must designate a person (designee) to issue permits and may adopt regulations, in consultation with the designee, to administer and enforce gaming device permit requirements.

Economic Development

Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act

Senate Bill 388/House Bill 898 (both passed), both Administration bills, make several changes to various State economic development programs and tax credits. The bills also expand

the information the Department of Commerce must include when reporting on the economic development programs it administers, including the establishment of a new one-time report (due by December 1, 2029) on the programs administered by the department that are altered by the bills. The details of the economic development programs altered by the bills are discussed below. For a discussion of the tax provisions in the bills, see Part B – Income Tax of this *90 Day Report*.

Economic Development Programs Altered by the Acts

Economic Development Opportunities Program Account: The Economic Development Opportunities Program Account (better known as the Sunny Day Fund) is an account in the State Reserve Fund that is used to provide conditional loans, grants, and investments to maximize extraordinary economic development opportunities. Among other things, the bills alter and rename the account to the Strategic Closing Fund, transfer the account to Commerce, and establish that the Legislative Policy Committee must have 60 days to review and approve a proposed use of funds before the funds may be loaned, granted, or invested.

Maryland Economic Development Assistance Authority and Fund: Generally, the Maryland Economic Development Assistance Authority and Fund provides financial assistance (1) to businesses engaged in eligible business sectors; (2) for the redevelopment of qualified brownfield sites; and (3) to local governments and the Maryland Economic Development Corporation (MEDCO) for economic development projects. Grants to local economic development funds are also provided. The bills make several alterations to the authority and fund, including increasing the maximum amount of financial assistance that may be unilaterally approved by the Secretary of Commerce, repealing the requirement for a local government to provide specified funds for a local economic development opportunity, increasing the amount of assistance that may be provided from the fund, and repealing certain provisions relating to the interest on and term of a loan from the fund and instead requiring the department or the authority to set those terms.

Maryland Small Business Development Financing Fund: The Maryland Small Business Development Financing Authority provides financing options for small businesses that are owned by economically and socially disadvantaged entrepreneurs and small businesses that are unable to meet the established credit criteria of financial institutions. The bills establish the Maryland Small Business Development Financing Fund in Commerce as the successor to multiple funds (Small Business Development Contract Financing Fund, Small Business Development Guaranty Fund, Equity Participation Investment Incentive Program Fund, and Small Business Surety Bond Fund), each of which are repealed but are continued as programs of the fund, and make various conforming changes. The bills streamline and alter various requirements for financial assistance under the aforementioned programs as well as increase the available financial assistance. The bills also reallocate \$5.0 million from the proceeds of video lottery terminals to the fund.

Altered and Transferred Programs: The Regional Institution Strategic Enterprise (RISE) Zone Program accesses the assets of institutions of higher education and nonprofits that are affiliated with a federal agency that have a strong and demonstrated history of commitment to

economic development and revitalization in the communities in which they are located and incentivizes the location of specified technology start-up businesses. The Build Our Future Grant Pilot Program provides grant funding for infrastructure projects intended to support innovation in eligible technology sectors. The bills transfer the programs from Commerce to MEDCO and make various changes to both programs.

Waiving the Annual Filing Fee for Targeted Industry Businesses in Regional Institution Strategic Enterprise Zones: Generally, business entities in the State are required to file an annual report along with a reporting fee of \$300 to the State Department of Assessments and Taxation (SDAT) by April 15. The bills require SDAT, beginning in fiscal 2027, to waive the filing fee for a business entity for each year that the entity provides evidence to the department that it (1) has located within a RISE zone within three years of the date by which the filing fee is due and (2) is in an eligible technology sector, as specified.

Altering the Administration of the Maryland Small, Minority, and Women-Owned Business Account: Generally, the Maryland Small, Minority, and Women-Owned Business Account (SMWOBA) provides loans and grants to small, minority, and women-owned businesses in the State. Commerce first provides grants to eligible fund managers; the fund managers then provide loans and grants to the businesses. Among other things, the bills require the department to approve a loan disbursement request from an eligible fund manager within 30 days, consider specified performance metrics when determining grant amounts, conduct annual reviews of grant amounts awarded to determine whether the awards are sufficient, and authorize an eligible fund manager to use funds for marketing.

Maryland Transit and Housing Opportunity Act

“Transit-oriented development” means dense, mixed-use, deliberately planned development within one half-mile of existing or planned transit stations that is designed to maximize the use of transit, walking, and bicycling and is supported by State and local government. The State Transit-Oriented Development Designation Program designates transit-oriented developments. A local jurisdiction applies to the Maryland Department of Transportation (MDOT) for a designation, which then makes a recommendation to the Sustainable Growth Subcabinet, which subsequently approves or denies the designation.

Among other benefits and State supports available to designated transit-oriented developments, MDOT provides funding through the Transit-Oriented Development Capital Grant and Revolving Loan Fund, which provides grant and loan funding to local jurisdictions for design plans and public infrastructure improvements, as well as gap financing (the gap between expected development costs and available funds) applied for jointly by a local jurisdiction and nonprofit/private developer. ***House Bill 894 (passed)***, an Administration bill, alters State laws governing and supporting transit-oriented development in the State. Broadly, the bill:

- allows an area designated as a transit-oriented development that meets other specified requirements to be automatically designated as an enterprise zone (which provides

businesses in the zone access to tax credits and incentives under specified conditions) at the discretion of the local government or multicounty agency with land use and planning responsibility for the area;

- among other criteria for priority projects, requires MEDCO, when making loans through its Strategic Infrastructure Revolving Loan Program, to prioritize projects that redevelop land contiguous to rail transit stations owned by the State, Baltimore City, or the Washington Metropolitan Area Transit Authority (WMATA);
- generally prohibits local governments from imposing minimum off-street parking requirements in certain areas near rail transit stations, subject to certain exemptions;
- prohibits local governments from imposing limitations or restrictions (*e.g.*, land use classification, height, setback) on certain land owned by the State, Baltimore City, or WMATA subject to a transit-oriented development plan;
- requires local jurisdiction rezonings and related actions to allow mixed-use development on land near a rail transit station the meets specified qualifications; and
- alters the timing for the collection of development impact fees or development excise taxes on residential real estate projects in specified local jurisdictions.

Regional and Local Economic Development

West North Avenue Development Authority – Neighborhood Social Connection and Development Program

Chapters 80 and 81 of 2021 established the West North Avenue Development Authority (WNADA) for the purpose of developing a comprehensive neighborhood revitalization strategy for the benefit of a specified “target area” and “buffer zone” in Baltimore City, generally defined as West North Avenue and the surrounding area in Baltimore City. Chapters 215 and 216 of 2025, among other things, altered the composition, powers, and duties of WNADA. The Acts also extended the authorization for WNADA until September 30, 2029, authorized the Governor to include an appropriation to WNADA, and required WNADA to be self-sustaining beginning in fiscal 2028.

Senate Bill 816/House Bill 1276 (both passed) establish the Neighborhood Social Connection and Development Program in WNADA. The purpose of the program is to foster social connections to support neighborhood development within the West North Avenue Corridor by providing technical support to specified entities and awarding grants. The bills require WNADA to award grants to implement the program, though WNADA may set aside existing funds totaling no more than \$150,000 annually for such grants. By July 1, 2029, WNADA must compile evaluations and outcomes of programs to develop a template for neighborhood building and provide scaling recommendations to similar organizations in the State and across the United States.

By December 1, 2027, and annually thereafter (in 2028 only, under current termination provisions), WNADA must report to the Governor and the General Assembly on its grant-awarding activities. The bills also expand the purpose of the existing Continuing the CORE Partnership Fund to include assisting WNADA in removing blighted property within Baltimore City.

Tax Increment Financing – Noncontiguous Areas and Extraordinary Development Districts

All counties and municipalities in Maryland, except Baltimore City, are authorized to utilize tax increment financing (TIF). Baltimore City retains separate authority to use TIF as provided in the city charter. Counties and municipalities (including Baltimore City) may issue bonds to finance the development of an industrial, commercial, or residential area. Generally, TIF is a public financing method that uses future gains in tax revenues to finance current improvements. The increase in the property tax revenue generated by new commercial development in a specific area, the TIF district, pays for bonds issued to finance site improvements, infrastructure, and other project costs located on public property.

Under the Tax Increment Financing Act, a development must be a contiguous area and authority to issue bonds is generally limited to the local governing body. *House Bill 135 (passed)* authorizes the governing body of a political subdivision, including Baltimore City, to designate, by resolution, a noncontiguous “blighted area” within its jurisdiction as a development district under the Tax Increment Financing Act. “Blighted area” means an area in which a majority of buildings have declined in productivity by reason of obsolescence, depreciation, or other causes to an extent that they no longer justify fundamental repairs and adequate maintenance.

House Bill 1247 (passed) is an emergency bill that authorizes the proceeds from bonds that Prince George’s County or the revenue authority of Prince George’s County issues to be used for the acquisition, construction, or rehabilitation of an “immersive entertainment venue” located within an extraordinary development district, as defined under the bill. Additionally, the bill also authorizes the Maryland-National Capital Park and Planning Commission to pledge specified tax revenue as security for bonds issued by Prince George’s County. However, the commission may not pledge as security specified property taxes until both it and the governing body of Prince George’s County adopt specified resolutions. The bill also (1) establishes that any visual effects displayed on the exterior of an immersive entertainment venue may not be considered a sign and (2) authorizes, for an immersive entertainment venue, the Secretary of Transportation to grant waivers or exceptions to any outdoor advertising that requires State approval.

Prince George’s County – Suitland Development Authority

House Bill 1452 (passed) establishes the Suitland Development Authority in Prince George’s County. In general, the Suitland Development Authority is a body politic and corporate, an instrumentality of the State, and the economic development authority for the State to benefit the neighborhoods of Prince George’s County within the Suitland Road and Silver Hill Road Corridor in Prince George’s County. Among other things, the bill delineates various express

powers for the authority, establishes related requirements for the authority, and outlines the applicability of various existing provisions of State law, such as procurement, taxation, and ethics. Furthermore, the authority must support the development and approval of a comprehensive neighborhood revitalization plan and report its strategy to the Governor and specified committees of the General Assembly by December 15, 2027. The bill also establishes the Suitland Development Authority Fund as a special, nonlapsing fund to provide funds to use for consulting fees, salaries, and administrative expenses. The Governor must include each year in the annual budget bill an appropriation of \$500,000 for the authority. However, the authority must become self-sustaining by fiscal 2036. Notwithstanding the mandated appropriation, general fund expenditures are assumed to increase by at least \$10.0 million annually from fiscal 2027 through 2035 to fund the authority.

Prince George's County – Blue Line Corridor and Bus Rapid Transit System

Chapter 61 of 2022 established the authorization for the Maryland Stadium Authority (MSA) to issue \$400.0 million in bonds for facilities in the Prince George's County Blue Line Corridor (BLC). This corridor is an area in central Prince George's County, the specific boundaries of which are designated by public local law, near the intersections of I-495 and Landover Road, Arena Drive, and Central Avenue. The Act also established a bus rapid transit (BRT) system grant program in MDOT, with lottery funds as the revenue source. MDOT must use these funds to award a grant to an "eligible grantee" – defined as a county or municipality that has a BRT system that operates in the county or municipality and has no ongoing or completed facility.

Among other things, *House Bill 1581 (passed)* (1) alters the definition of BLC to include an area that is designated as an enterprise zone in Prince George's County; (2) broadens the types of facilities for which MSA may issue bonds; (3) increases the authorization for bond issuance from \$400.0 million to \$425.0 million; and (4) increases the amount of lottery funds distributed to the BLC Facility Fund each year for debt service – from at most \$27.0 million to at most \$29.0 million – beginning in fiscal 2027.

The bill also (1) alters the BRT system grant program to only provide grants to Montgomery and Howard counties for their BRT program; (2) expands the authorized uses of grant funding to encompass design costs as well specified costs associated with other necessary facilities, equipment, and infrastructure for BRT system projects; (3) requires MDOT to develop and implement a multi-year grant agreement to remain in effect until the principal of and interest on any bonds issued by Montgomery and Howard counties are paid in full; and (4) increases the total amount allocated to the BRT Fund each year to \$29.0 million, specifically by increasing the portion of funding appropriated from the Transportation Trust Fund to the BRT Fund from \$10.0 million to \$12.0 million (beginning in fiscal 2028). The bill limits the grants MDOT may award to Montgomery County to \$27.0 million and \$2.0 million to Howard County each fiscal year. Furthermore, the bill generally repeals MSA's authority to establish affiliated foundations to partner with the Maryland Sports program, as specified.

For a discussion of the horse racing-related provisions in the bill, see the subpart “Horse Racing and Gaming” within this part of this *90 Day Report*.

Rural Readiness Program and Rural Maryland Capacity Building Fund

House Bill 461 (passed) establishes the Rural Readiness Program, administered by the Rural Maryland Council, with the general purpose of enhancing the capacity of rural communities for economic development by assisting eligible applicants with grant applications and development of projects that generate revenue. Upon successful completion of the program, an eligible applicant that receives a completion certificate is given priority for funding under two existing funds: the Maryland Agricultural Education and Rural Development Assistance Fund and the Rural Maryland Prosperity Investment Fund. The bill also establishes the Rural Maryland Capacity Building Fund to award competitive grants – of up to \$50,000 to eligible applicants that have completed the program – in support of collaborative planning and capacity building initiatives targeted at rural communities. However, program completion is a prerequisite for an award under the new Rural Maryland Capacity Building Fund.

Maryland Technology Development Corporation

The Maryland Technology Development Corporation (TEDCO) is an independent entity established by the Maryland General Assembly in 1998 to enhance the transfer of technology from universities and federal laboratories to the private sector and foster the growth of companies in critical or high-growth sectors.

Investments – Alterations

Generally, whenever TEDCO is authorized by law to make a grant, including from the Economic Development Opportunities Program Account (better known as the Sunny Day Fund), TEDCO may use money appropriated for the grant to make an equity investment in a qualified business. In making an equity investment, TEDCO may not acquire an ownership interest in an enterprise that exceeds 25%. However, TEDCO may acquire an ownership interest exceeding 25% when making an equity investment in one or more venture or private equity firms. Within 15 years after making an equity investment, TEDCO must divest itself from that investment. The liability of the State and TEDCO in making an equity investment is limited to the amount of that investment.

House Bill 487 (passed) requires TEDCO to adopt, as part of establishing the responsibilities of the investment committee, a process for considering remedies, including divestment, for investments in a business that no longer meets the definition of a qualified business. The bill also authorizes, rather than requires, TEDCO to divest or instead pursue another remedy that is in TEDCO’s best interest within 15 years after making an equity investment.

Maryland Growth Initiative – Established

Senate Bill 763 (passed) establishes the Maryland Growth Initiative and related special fund within TEDCO to support the growth of start-up companies in the State by (1) identifying promising companies in the phase between early start-up development and scaling; (2) providing access to experts in regulatory processes, manufacturing, clinical trials, market launches, and other areas of business; (3) facilitating private investment in companies; (4) assisting in the acquisition of infrastructure, including office space, equipment, and support for product development; and (5) providing technical and business expertise. The Governor must include in the annual budget bill an appropriation of \$5.0 million for the initiative beginning in fiscal 2028. The fiscal 2027 budget as enacted by the General Assembly includes \$4.0 million in general funds for TEDCO for the initiative, contingent on the enactment of the bill.

Maryland Advanced Manufacturing Grant Program – Established

Senate Bill 905 (passed) establishes the Maryland Advanced Manufacturing Grant Program and a related special fund within TEDCO to support the growth of companies specializing in regenerative medicine and other advanced manufacturing. TEDCO must establish eligibility criteria, grant application procedures and evaluation criteria, and grant award processes and amounts. TEDCO must consult with the Maryland Stem Cell Research Commission, but only on items related to regenerative medicine, including establishing criteria or procedures specific to regenerative medicine and adopting regulations regarding regenerative medicine. Although not contingent on the enactment of the bill, both the fiscal 2027 operating and capital budgets make funding available to TEDCO for grants that meet the requirements of the bill. More specifically, the fiscal 2027 operating budget as enacted by the General Assembly includes \$3.0 million in pay-as-you-go general funds (added to the fiscal 2026 appropriation for the Department of General Services) for the purpose of providing grants – through TEDCO – to companies that specialize in regenerative medicine and other advanced manufacturing. In addition, the fiscal 2027 capital budget as enacted by the General Assembly includes \$2.0 million in general obligation bond funding for a grant to TEDCO to provide grants for specified regenerative medicine and advanced manufacturing projects.

Department of Commerce

Maryland's Future Board

Senate Bill 770/House Bill 1473 (both passed) establish the Maryland's Future Board and related special fund within Commerce to develop a visionary plan for the future of the State, annually evaluate it and make revisions as appropriate, and annually recommend projects that ensure the economic strength of the State. The bills also require the Comptroller to study the economic growth trends in Maryland, including the trends for industries in which Maryland has a competitive advantage or any other industries that have an outsized presence in Maryland. The Comptroller must submit the study to the General Assembly by December 1, 2026. The fiscal 2027 budget as enacted by the General Assembly includes \$1.7 million in general funds, contingent on

the enactment of either bill: \$200,000 for the Comptroller and \$1.5 million for Commerce. The bills terminate June 30, 2031.

Maryland-Ireland Trade Commission – Alterations and Extension

Chapter 409 of 2024 established 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.

Senate Bill 363/House Bill 413 (Chs. 36 and 37) alter the membership of the commission – by reducing the number of legislative appointees and adding two members from the private sector – and extend the commission’s termination date by two years to September 30, 2028. Additional annual reports are due in December 2026 and 2027 to reflect the extended termination date.

Small, Minority, and Women-Owned Business Account – Management Fees

In addition to the changes in the DECADE Act, described above, *Senate Bill 920/House Bill 798 (both passed)* authorize Commerce to allow an eligible fund manager to receive, use, and retain an additional management fee – calculated as a percentage of each loan made – of at least 1.5% but no more than 3% of the total loan principal. Any such authorized management fee must be paid from SMWOBA and may be retained by the eligible fund manager for administrative purposes. The bills also authorize Commerce to establish an annual cap on the cumulative amount of management fees an eligible fund manager may receive.

Local Sourcing Database

Senate Bill 757 (passed) requires Commerce to develop and maintain a searchable online database, to be known as the Maryland Local Sourcing Portal, to connect businesses in the State with local sources for tariff-impacted goods and other supplies. The portal must be searchable by North American Industry Classification System codes, and the system must comply with specified standards. By December 31 each year, Commerce must report to the General Assembly on the use and effectiveness of the portal. The bill terminates September 30, 2031.

Maryland Workforce Launch Pilot Program

Senate Bill 869 (passed) establishes the Maryland Workforce Launch Pilot Program in Commerce to provide customized, no-cost workforce training as a business attraction tool to recruit strategic industries and qualified business entities to the State. Commerce must partner with no more than two community colleges to deliver training services and must distribute funds to a partner community college to cover the direct costs of developing and delivering the training. For

each qualified business entity that receives assistance under the program, Commerce must establish performance metrics, including the number of full-time jobs created and the salary the entity is providing to trainees. The fiscal 2027 budget as enacted by the General Assembly includes \$1.0 million in general funds for the pilot program, contingent on the enactment of the bill. The program terminates September 30, 2029.

Housing and Community Development

Housing Supply and Affordability

The Supreme Court of Maryland, in *Prince George's County v. Sunrise Development Limited Partnership*, addressed the question of when a landowner has a vested right to an authorized use or development of their property, regardless of a subsequent change in zoning or other law or regulations that affects that authorized use or development. Generally, the court clarified, in its holding, the standard for when there is sufficient commencement of construction, by establishing that “in order for rights to be vested before a change in the law, work done must be recognizable, on inspection of the property by a reasonable member of the public, as the commencement of construction of a building for a use permitted under the then current zoning.”

Generally, the Land Use Article authorizes local jurisdictions (with the exception of Montgomery and Prince George's counties) to, by local law, allow for development rights and responsibilities agreements to be entered into, by the jurisdiction, with persons having a legal or equitable interest in real property in the jurisdiction. An agreement must contain, among other things, the duration of the agreement, permissible uses of the property, density or intensity of the use of the property, other terms or conditions applicable to the development, and, if applicable, public benefits to be provided by the property owner (e.g., construction or financing of public facilities, dedication of a portion of the property for public use). The Supreme Court of Maryland, in a 2004 opinion, characterized Chapter 562 of 1995 – which first enacted Title 7, Subtitle 3 – as seeming to balance developers' and property owners' desires for more certainty and less monetary risk as they proceed with development, against local governments' desire to “receive greater public benefits on a more predictable schedule than might otherwise be attainable[.]”

Development impact fees and excise taxes enable local governments to collect revenue for new or expanded public facilities or services necessitated by new residential or commercial development, shifting the costs of financing the new or expanded facilities/services from existing taxpayers to those responsible for the development.

Senate Bill 325/House Bill 548 (both passed) establish that (1) a housing development project application approval or denial is governed only by laws and regulations in effect when a complete application was submitted and (2) after approval, the proponent of the project has a vested right to the authorized use and development for the longer of five years or a period determined by the local jurisdiction or the Maryland-National Capital Park and Planning Commission (M-NCPPC). The bills also establish that a local jurisdiction or M-NCPPC must,

within 30 days after receipt of a housing development project application, make a determination whether the application is complete and notify the applicant of the determination and the date of the determination, and provide a list of deficiencies and a reasonable timeframe for curing them if the application is determined to not be a complete application. If the local jurisdiction or M-NCPPC fails to notify the applicant of its determination within 35 days after receipt of the application, it is deemed to be a complete application.

In addition, the bills prohibit a county or municipality from collecting development impact fees or excise taxes imposed on a residential real estate project until after construction is complete, as specified. A development impact fee or excise tax may be collected as a precondition to conducting a final inspection, but not more than 30 days before the date of the inspection.

Tenant Protections

Fair Housing and Housing Discrimination – Regulations, Intent, and Discriminatory Effect

In general, State law prohibits housing discrimination because of race, sex, color, religion, national origin, marital status, familial status, sexual orientation, gender identity, source of income, disability, or military status. The federal Fair Housing Act (FHA) also prohibits housing discrimination on the basis of race, color, sex, disability, national origin, familial status, or religion. FHA violations may involve actions and policies that are intentionally discriminatory, as well as those that, despite being applied neutrally and without intent to discriminate, have a discriminatory effect (disparate impact).

House Bill 573 (passed) alters § 20-705 of the State Government Article related to housing discrimination to prohibit a person from acting in a manner that has a discriminatory effect. While the prohibited acts may be violated regardless of intent, the bill specifies that a person has not committed a violation if (1) the act was without discriminatory intent; (2) the action was necessary to achieve one or more substantial, legitimate, and nondiscriminatory interests; and (3) the person could not have achieved the substantial, legitimate, and nondiscriminatory interests by less discriminatory means. The Maryland Commission on Civil Rights is the independent State agency generally charged with the enforcement of laws prohibiting discrimination in housing, employment, public accommodations, and State contracting.

Safe and Healthy Homes for All Act

Chapter 124 of 2024 established the Office of Tenant and Landlord Affairs (OTLA) within the Department of Housing and Community Development (DHCD). The purpose of OTLA is 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.

Senate Bill 941/House Bill 1218 (both passed) require OTLA, in collaboration with the Office of the Attorney General, to develop a plan to (1) identify “severe health and safety risk properties” in the State; (2) expand the structure of OTLA to address severe health and safety risk properties in the State; and (3) provide effective interventions to mitigate predatory, noncompliant, and negligent landlords of multi-unit rental properties in the State. The bills define “severe health and safety risk property” as a rental property that routinely fails to meet basic health and safety standards. The bills only apply to properties with 50 or more units. DHCD must submit the plan and recommendations to the Governor and the General Assembly by August 31, 2027; a related report is due by December 31, 2027. DHCD must also publish a list of severe health and safety risk properties on its web page. The bills terminate December 31, 2027.

Department of Housing and Community Development

Bring Back Main Street Act

The regulation of land use in the State, through planning and zoning, is implemented by local governments, subject to applicable State law. Planning and zoning authority is delegated by the State to local governments primarily under the Land Use Article and, for certain counties, the Express Powers Act (Title 10 of the Local Government Article).

“Residential-in-commercial-zone (RICZ) law” means statewide legislation that requires local jurisdictions to allow multifamily residential or mixed-use developments as a permitted use in at least some commercially zoned areas. ***Senate Bill 829/House Bill 1137 (both passed)*** require DHCD to conduct a study of RICZ laws, including (1) a summary and comparison of RICZ laws enacted by other states; (2) an assessment of specified impacts of RICZ laws; and (3) recommendations regarding appropriate requirements and restrictions applicable to multifamily residential and mixed-use development under RICZ laws. By December 1, 2026, DHCD must report its findings and recommendations to the Governor and the General Assembly. The bills terminate May 31, 2027.

Educator Workforce Housing

The Housing Innovation Fund is a special, nonlapsing fund administered by DHCD. The purpose of the fund is to provide loans for local housing authorities and county governments to develop mixed-income, cross-subsidized housing. The fund may be used only to provide low- or no-interest loans to local housing authorities or to county governments partnering with housing developers through the Housing Innovation Pilot Program. The purposes of the Housing Innovation Pilot Program are to create opportunities for the State’s housing authorities and county governments to increase the volume of housing production and to reward counties pursuing innovative solutions to the problem of housing scarcity. The purposes of DHCD’s Neighborhood and Community Assistance Program are to (1) help nonprofit organizations carry out approved projects in priority funding areas; (2) encourage business entities to invest in priority funding areas; and (3) strengthen partnerships between public and private entities.

House Bill 168 (passed) expands the purpose and eligible recipients of funding from the Housing Innovation Fund, Housing Innovation Pilot Program, and Neighborhood and Community Assistance Program to support the development of “educator workforce housing.” “Educator workforce housing” means any housing that is (1) rented or sold as affordable, low- or moderate-income housing; and (2) reserved for teachers or other employees of a local school system who are not administrators responsible for the strategic direction and daily operations of the local school system or a public school. The bill also authorizes a county board to consider the provision of educator workforce housing as a school purpose.

Montgomery County – Study on Housing Availability and Affordability

House Bill 1252 (passed) requires DHCD to study and make recommendations regarding housing availability and affordability in Montgomery County. DHCD must submit a preliminary report of its findings and recommendations to the General Assembly, M-NCPPC, and other specified entities related to Montgomery County by February 1, 2027, and again the following year. DHCD must submit a final report of its findings and recommendations by February 1, 2029. The bill terminates June 30, 2029.

Community Development

Neighborhood Business Development Program - Local Approval Requirement

The Neighborhood Business Development Program, operating publicly as Neighborhood Business Works, provides grants and loans to community-based economic development activities in revitalization areas designated by local governments. DHCD may not approve an application under the program unless the political subdivision where the proposed project is located approves the application. If DHCD does not receive notice of approval or denial of an application within 45 days after notice of the proposed project is given, DHCD may approve the application. **House Bill 235 (passed)** allows DHCD to approve an application for financial assistance under the program if the political subdivision where the proposed project is located does not respond to a notice of the application from DHCD within 15 days.

Housing Counseling Services

On January 5, 2016, then-Governor Lawrence J. Hogan, Jr. and then-Baltimore City Mayor Stephanie Rawlings-Blake announced Project CORE (Creating Opportunities for Renewal and Enterprise) as a multi-year State-city partnership to demolish thousands of vacant buildings in Baltimore City and replace them with green space and economic development projects. On October 1, 2024, Governor Wes Moore, by executive order, redesignated Project CORE as the Baltimore Vacants Reinvestment Initiative (BVRI) to eliminate blight, revitalize neighborhoods, and maximize the economic potential and quality of life for residents in Baltimore City. BVRI is not authorized in statute. Chapter 30 of 2016 established the Strategic Demolition and Smart Growth Impact Fund within DHCD. The fund is a special, nonlapsing fund to provide grants and loans to assist in predevelopment activities, including interior and exterior demolition, land

assembly, architecture and engineering, and site development for revitalization projects in designated areas of the State.

House Bill 343 (Ch. 64) requires a recipient of funding from the fund or BVRI for any project to construct, acquire, or rehabilitate residential property for single-family homeownership, to provide information about “housing counseling” services to prospective residents before the execution of a contract to purchase the property. Such services must be provided by housing counselors certified by the U.S. Department of Housing and Urban Development (HUD) and employed by a HUD-approved housing counseling agency.

Appraisal Gap from Historic Redlining Financial Assistance Program

Chapters 702 and 703 of 2021 established the Appraisal Gap from Historic Redlining Financial Assistance Program and related fund within DHCD. The purpose of the program is to help close appraisal gaps that occur in historically redlined neighborhoods by making financial assistance available to affordable housing developers working in low-income census tracts and sustainable communities and 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. ***House Bill 1466 (passed)*** expands the definition of a “qualified property” under the program to include residential real property that is in an area that meets criteria established by DHCD for the identification of neighborhoods that have been historically redlined or have undergone urban renewal.

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, 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.

Hypertension

Generally, a covered employee must demonstrate “disablement” before the individual may receive benefits after filing a claim. Traditional disablement typically requires that an employee be unable to perform certain job duties for a period of time. *House Bill 347 (passed)* expands a workers’ compensation occupational disease presumption for specified public safety employees (generally firefighters) who have hypertension by establishing that an employee has demonstrated disablement from the hypertension if the individual (1) has been diagnosed with hypertension; (2) has been prescribed medication to treat hypertension for at least 90 consecutive days; (3) meets certain job longevity requirements; and (4) is still employed as a public safety employee at the time the claim is filed.

Public Safety Employees

Occupations diseases presumptions apply only to identified categories of individuals engaged in certain professions. *Senate Bill 449/House Bill 878 (both passed)* extend to all Carroll County correctional deputies an occupational disease presumption for heart disease or hypertension that (1) is more severe than their condition existing prior to that employment and (2) results in partial or total disability or death. Accordingly, as a condition of employment, Carroll County correctional deputies must submit to a medical examination to determine any heart disease or hypertension condition existing prior to their employment.

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 state UI programs 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 pursuant to state law by state employees. The Maryland Department of Labor’s (MD Labor) Division of Unemployment Insurance administers the State’s UI program.

Each state law prescribes the tax structure, qualifying requirements, benefit levels, and disqualification provisions. These laws must, however, conform to broad federal guidelines.

Confidentiality and Disclosure of Unemployment Insurance Information

Federal and State law establish requirements governing the maintenance, inspection, and sharing of UI records and these requirements differ. The Social Security Act, the Federal Unemployment Tax Act, and related regulations under 20 C.F.R. Part 603, establish requirements for confidentiality and disclosure at the federal level. Based on commentary by MD Labor, the analog State requirements should be updated to ensure full compliance with federal law.

Senate Bill 216/House Bill 242 (Chs. 129 and 130) update the State’s framework for the protection of sensitive UI information to comply with federal requirements, particularly 20 C.F.R. Part 603. Specifically, the Acts require that (1) MD Labor maintain the confidentiality of specified claimant and employer records and (2) confidentiality provisions in State law related to UI data be interpreted in a manner that ensures compliance with federal law. Additionally, unless otherwise specified, any UI information in MD Labor’s records that reveals the name or other identifying information about an individual or a past or present employer or employing unit, or that could foreseeably be combined with other publicly available information to reveal any such information, is confidential and may not be disclosed.

The Acts further require MD Labor to disclose confidential information for the proper administration of the UI program. The Secretary of Labor may also authorize disclosures to certain persons, and recipients of confidential UI information may redisclose the information under specified circumstances. Some examples of discretionary disclosure and redisclosure include (1) to a claimant or employer for information about themselves; (2) to a public official for use in the performance of official duties, excluding campaign solicitations by elected officials; (3) to an attorney representing the individual or employer; (4) for any administrative, civil, or criminal proceeding on behalf of the recipient; (5) to any agent of a child support enforcement unit; or (6) when specifically authorized by a written release from the claimant or employer. In general, any recipient of confidential UI information must use the information only for the purposes for which it was disclosed and safeguard the information against unauthorized access, as specified.

Finally, the Acts repeal inconsistent provisions of State law and expand penalties that may be imposed for unauthorized disclosures or use of confidential UI information.

Labor and Industry

Worker Protections

Labor Standards

Under State law, a minor under the age of 14 may not be employed or allowed to be employed in the State and minors between the ages of 14 and 18 may not work without a permit or be employed to work in certain hazardous positions, subject to specified exemptions. Separately, Chapter 114 of 2023, the Public Employee Relations Act, established the Public Employee Labor Relations Board (PERB) to oversee collective bargaining for all public employees in the State. The federal National Labor Relations Act (NLRA) established employees’ rights to join unions, requiring employers to bargain collectively with unions selected by a majority of workers in an appropriate bargaining unit. Lastly, the federal Fair Labor Standards Act (FLSA) established minimum wage, overtime pay, recordkeeping, and child labor standards for employees in both the private and public sectors.

Senate Bill 831 (passed) establishes worker protections in the areas of child labor law, private sector collective bargaining, and labor standards. The bill expands the penalties for

violations of child labor laws by authorizing the Commissioner of Labor and Industry within the Maryland Department of Labor (MD Labor) to assess a civil penalty against a person for specified child labor law violations, with harsher penalties for knowing or repeated violations. The penalty amounts are closely aligned with those under FLSA and, beginning July 15, 2027, are likewise indexed to inflation.

Secondly, the bill expands the jurisdiction of PERB to cover private employees subject to NLRA or who would have been subject to NLRA as it existed on January 1, 2025, and establishes protections for employees' collective bargaining rights that take effect if (1) NLRA is fully repealed or rendered entirely null and void or (2) the National Labor Relations Board (NLRB) expressly cedes jurisdiction of NLRA to the State. The bill also prohibits employers from forming organizations or entities in the workplace that, among other requirements, are not subject to NLRA or under the jurisdiction of NLRB based on federal action occurring on or after January 1, 2026, and enable supervisors and employee members to participate to address or negotiate working conditions of mutual interest.

Finally, the bill also prohibits a unit in the Executive Branch from petitioning or applying to the federal government for a waiver of any provision of FLSA that is applicable to the unit, even if the waiver is otherwise authorized under federal law.

Mandatory Employer Meetings

State law generally prohibits an employer with at least 15 employees from discharging, failing or refusing to hire, or otherwise discriminating against any individual with respect to the individual's compensation, terms, conditions, or privileges of employment because of race, color, religion, sex, age, national origin, marital status, sexual orientation, gender identity, genetic information, military status, or disability. However, the State does not have protections for employees who decline to attend employer meetings. *Senate Bill 417 (passed)* prohibits, subject to certain exemptions, employers and their agents, representatives, and designees from taking or threatening to take specified adverse actions against an employee, or refusing to hire an applicant for employment, because the employee or applicant declines to attend, participate in, or listen to communications in an employer-sponsored meeting regarding the employer's opinion on religious or political matters, as defined by the bill. The Commissioner of Labor and Industry is required to enforce the bill and must also develop a poster and model notice that employers must use to provide notice to employees of the protections being established.

Noncompete and Conflict of Interest Agreements

A noncompete or conflict of interest provision in an employment contract 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 is null and void as being against public policy of the State if it applies to (1) any employee who earns 150% or less of the State minimum wage; (2) a licensed health care provider who provides direct patient care and earns \$350,000 or less in total annual compensation; or (3) a licensed veterinary practitioner or technician. *House Bill 1016 (passed)* further establishes that a noncompete or conflict of interest provision in an employment contract

is null and void as being against public policy of the State if it involves a licensed architect employed by an employer that (1) on the first day of the employee's employment, employs more than 30 employees, the majority of whom report to a primary work site in the State or perform work remotely from within the State, and (2) as of the date that enforcement of the noncompete or conflict of interest agreement is sought, does not have its principal place of business in the State or no longer has a majority of its employees report to a primary work site located in the State or perform work remotely in the State.

Occupational Safety and Health

In general, state regulatory authority over railroads is preempted by federal regulatory authority, and federal law requires measures related to railroad safety and security be uniform to the extent practicable. However, a state may adopt or continue to enforce a law, regulation, or order related to railroad safety or security until the federal government prescribes a regulation or issues an order covering the subject matter of the state requirement. The Federal Railroad Administration's "Final Rule on Train Crew Size Safety Requirements" took effect on June 10, 2024; the final rule requires railroad operations to have a minimum of two crew members except for certain identified one-person train crew operations that do not pose significant safety risks to railroad employees, the public, or the environment.

Relatedly, [*House Bill 862 \(passed\)*](#) generally prohibits a railroad train used in connection with the movement of freight that shares the same corridor as a high-speed passenger or commuter train from operating in the State unless it has a crew of at least two individuals. Enactment of the bill is contingent on the enactment of similar legislation in New York, Pennsylvania, and Virginia – if this does not occur by October 1, 2056, then the measure is null and void.

Wages, Leave, and Benefits

Under Maryland's Wage and Hour Law, an employer is required to pay an overtime wage of at least 1.5 times the usual hourly wage for each hour over 40 hours that an employee works during one work week. However, the definition of "employer" in Maryland's Wage and Hour Law generally does not include units of government except for specific provisions, like the minimum wage requirement. Thus, a unit of government is not subject to overtime provisions under Maryland's Wage and Hour Law. Federal law generally requires governments to pay firefighters overtime wages after 212 hours are worked in a 28-day period.

Beginning October 1, 2028, [*Senate Bill 445/House Bill 532 \(both passed\)*](#) require each State, county, or municipal governmental unit, including their political subdivisions, that employ a firefighter to pay overtime wages for each hour over 168 hours that a firefighter works during a 28-day work period. Additionally, a county or municipality must provide a firefighter (1) at the time of hiring and at the time of any change of the firefighter's rate of pay, notice of the firefighter's rate of pay, the regular pay periods, and the firefighter's overtime rates of pay, and (2) for each pay period, a statement of the hours worked, gross earnings, and deductions. In addition, a grievance process is established for county and municipal firefighters for an employer's failure to

comply with the requirements under the bills. Beginning in fiscal 2029, some jurisdictions, such as Frederick, Howard, and Montgomery counties, estimate their personnel costs may increase by millions of dollars as a result of paying additional overtime wages to firefighters or hiring more firefighters.

Workforce Development

Local Workforce Development Boards

Local workforce development boards (LWDBs) are mandated under the federal Workforce Innovation and Opportunity Act. Maryland has 13 regional LWDBs serving all 24 counties, including Baltimore City. LWDBs offer basic career services such as job search assistance, individualized career services such as training in interviewing skills, and referrals to more industry specific training such as apprenticeships or technical classroom training.

Senate Bill 777 (passed) requires MD Labor to allocate money from the Hospital Employees Retraining Fund to the LWDB in the affected county or region in the event of a hospital closing and delicensing or merger. Additionally, the bill alters the State's quick response program established under the Economic Stabilization Act to generally place more responsibility and requirements on LWDBs. MD Labor must forward certain Economic Stabilization Act notices to the appropriate LWDB. The bill also (1) requires MD Labor to administer the Apprenticeship Career Training in Our Neighborhoods Program in partnership with LWDBs; (2) places responsibility for providing grants under the program on LWDBs, rather than MD Labor; and (3) repeals the requirement that grants be awarded competitively. Lastly, the bill requires MD Labor's Division of Workforce Development and Adult Learning to consult with LWDBs instead of one-stop career centers in the administration of the Direct Care Workforce Innovation Program.

Alcoholic Beverages (Statewide)

Manufacturer's Licenses

Class 9 Limited Distilleries

Generally, a Class 9 limited distillery license may be issued by the Alcohol, Tobacco, and Cannabis Commission (ATCC) to holders of Class B or Class D beer, wine, and liquor licenses where sales for both on- and off-premises consumption are permitted for use on the premises for which the licenses were issued. *House Bill 999 (passed)* repeals the requirements that a holder of a Class 9 limited distillery license must (1) maintain only one brand at any one time for each product of brandy, rum, whiskey, alcohol, and neutral spirits that is distilled, rectified, and sold and (2) not manufacture or rectify product of any other brand for another entity. The bill also limits the holder of a Class 9 limited distillery license to manufacturing or rectifying up to 31,000 gallons of product each calendar year for any other brand or entity.

Class 3 Wineries and Class 4 Limited Wineries

Generally, Class 3 winery and Class 4 limited winery license holders may ferment and bottle wine and sell and deliver wine to a wholesaler and other specified entities. A Class 4 license holder may also distill, bottle, sell, and deliver pomace brandy, as specified. *Senate Bill 803 (passed)* authorizes (1) a holder of a Class 3 winery license to acquire bulk wine from the holder of a Class 4 limited winery license and (2) a holder of a Class 4 limited winery license to sell and deliver bulk wine to the holder of a Class 3 winery license. The bill also modifies the definition of pomace brandy to include a brandy, not exceeding 80 proof, that is distilled by a Class 4 limited winery license from wine produced with ingredients that include at least 51% Maryland-grown agricultural products. Pomace brandy distilled and bottled by the Class 4 limited winery license holder must be reported as a distilled spirit for purposes of the alcoholic beverage tax. The bill also authorizes the Montgomery County Board of License Commissioners, to issue a Class D beer, wine, and liquor license to the holder of a Class 3 winery license in Silver Spring, Maryland, as specified.

Class 8 Farm Breweries

Generally, a Class 8 farm brewery license holder may brew, bottle, or contract for up to 15,000 barrels of beer each year, as specified. *Senate Bill 807 (passed)* requires the licensed farm of a Class 8 farm brewery to be (1) an agribusiness engaged in the production, showcasing, preparation, and sale of farm products and (2) actively engaged in agritourism by exposing the public to farming and value-added farming practices. The bill establishes that ATCC has *exclusive* regulatory authority over the operation of a Class 8 farm brewery. The bill also expands a Class 8 license holder's authorization to sell and serve food and allows a Class 8 license to hold and host public events related to agribusiness and agritourism.

Unauthorized Consumable Products

Senate Bill 820/House Bill 1523 (both passed) authorize the Field Enforcement Division of ATCC to issue a citation or other charging document to a person who has committed a violation of specified provisions of the Health – General Article. The bills authorize the Executive Director of ATCC to seize, confiscate, or destroy an unauthorized consumable product that is offered, advertised, or displayed for sale to a consumer in the State, as specified. The bills also prohibit a retailer from distributing, selling, or advertising an unauthorized consumable product, and expand the prohibitions against retailers advertising kratom and phenibut products to minors.

Alcoholic Beverages (Local)

Anne Arundel County

Board of License Commissioners

Senate Bill 398/House Bill 874 (both passed) increase the number of members of the Anne Arundel County Board of License Commissioners from three to five. No more than three of the members may be part of the same political party and no more than two of the members may reside in the same legislative district. The bills also require the board to adopt and publish a written policy related to conflicts of interest and the recusal of board members from board matters. *Senate Bill 396 (passed)* raises the chief inspector's annual salary schedule from nonrepresented pay schedule NR-05 to NR-12. *Senate Bill 401/House Bill 512 (both passed)* increase the annual salary of the chair of the board from a maximum of \$18,000 to a minimum of \$21,240 and the annual salary of other board members from a maximum of \$15,000 to a minimum of \$17,700. The bills also specify that the annual salary of the part-time deputy chief inspector must be at least \$18,000 and increase the annual salaries of 18 part-time inspectors from \$7,000 to a minimum of \$8,260. The annual salaries of the board and inspectors must include any cost-of-living increase available to nonrepresented county employees.

Barbershop and Beauty Salon License

With the enactment of Chapter 551 of 2020, the General Assembly authorized a barbershop and beauty salon beer and wine license in the county. *Senate Bill 852/House Bill 1286 (both passed)* expand the license privileges to include the service of liquor. A license holder may provide not more than 12 ounces of beer, 5 ounces of wine, or 1.7 ounces of liquor to a customer during a visit for services.

Veterans' Organization Eligibility

Senate Bill 76/House Bill 727 (both passed) alter the criteria for a Class C (veterans' organization) license in the county to include the local unit of a nationwide nonprofit organization or club that is composed only of members who served in the uniformed services, rather than the armed forces, thereby incorporating veterans' organizations with members who served in the National Oceanic and Atmospheric Administration and the Public Health Service.

Nonprofit Swim Club License

Senate Bill 414 (passed) establishes a consumption-only nonprofit swim club license that allows club members and guests to bring their own alcoholic beverages onto the licensed premises. The bill limits alcohol consumption to a designated area of the swim club, during a designated event, and up to 5 days per year, unless the board authorizes additional days. A licensed nonprofit swim club must notify the board at least 10 days before hosting a designated event.

Entertainment Permits

Under current law, the holder of an alcoholic beverages license in the county generally may not play music, operate a karaoke machine, or allow dancing without an additional permit. *Senate Bill 400/House Bill 519 (both passed)* revise and rename various alcoholic beverages entertainment permits as follows: (1) a music permit is renamed a background entertainment permit; (2) an entertainment permit is renamed a general entertainment permit; and (3) a dancing permit is renamed a full entertainment permit. The bills also authorize each type of entertainment permit holder to allow dancing.

Golf Course License and Sports Activity Venue License

Senate Bill 441/House Bill 682 (both passed) establish a Class GC (golf course) license, a sports activity venue beer and wine license, and a sports activity beer, wine, and liquor license. For each type of license, alcoholic beverages may be sold and consumed on the premises between 6:00 a.m. and 2:00 a.m.

Class C Per Diem License Fees

Senate Bill 399/House Bill 522 (both passed) alter the fee structure for Class C per diem alcoholic beverages licenses to vary based on the estimated attendance of a licensed event and the number of points of sale at an event.

Population Ratio Quota

Generally, a Class A (off-sale) or Class D (off-sale) license may not be issued to a business within an assessment district that already has a ratio of one license per 3,500 residents. *Senate Bill 442 (passed)* excludes license applications submitted and approved by the board between January 1, 2023, and June 30, 2025, from this population ratio quota.

Baltimore City

Related Event Promoter's Permits

Senate Bill 17/House Bill 20 (Chs. 3 and 74) reauthorize the Baltimore City Board of License Commissioners to issue a related event promoter's permit for a third-party social event related to the Central Intercollegiate Athletic Association (CIAA) basketball tournament. The CIAA basketball tournament is scheduled to be hosted in Baltimore City each year through 2029. Similarly, *Senate Bill 927 (passed)* establishes a related event promoter's permit for a social event related to the Kappa Alpha Psi 2027 Conclave.

License Alterations and Revisions

Senate Bill 636/House Bill 1425 (both passed) repeal the deadline by which a holder of a Class A beer and light wine license or a Class A beer, wine, and liquor license must pay a

supplementary license fee to exercise certain Sunday sales privileges. The bills also alter the annual deadline from October 30 to March 30 for an alcoholic beverages license holder to present a certificate showing the holder has paid all property taxes owed to the city or State. *Senate Bill 361/House Bill 348 (both passed)* extend the termination date of a racetrack license issued to the Pimlico Race Course until July 1, 2029, for the purpose of completing a transfer of ownership and renewal and completing renovations at the location.

40th Alcoholic Beverages District

Senate Bill 972 (passed) authorizes the board to issue a Class B beer, wine, and liquor license to restaurants in specified areas of the 40th alcoholic beverages district if the applicants execute a memorandum of understanding with the relevant community association and the board waives a minimum seating requirement. The bill specifies that a Class C beer, wine, and liquor license maybe be issued in a certain location if alcoholic beverage sales are only made to members and guests of members. The bill also alters the boundary in which license holders in a specified area of the 40th alcoholic beverages district are authorized to sell alcoholic beverages from 10:00 a.m. to 10:00 p.m.

46th Alcoholic Beverages District

Senate Bill 642/House Bill 998 (both passed) authorize the transfer of a Class B-D-7 license between certain locations within the 46th alcoholic beverages district and delay the expiration deadline of specified licenses for the purpose of being transferred or renewed. The bills authorize the board to issue a Class 7 micro-brewery license to a Class B-D-7 license holder in the 46th alcoholic beverages district, as specified, and authorize a Class D license holder to apply for a seven-day license privilege. The bills also authorize the consumption of alcoholic beverages donated by a manufacturer or wholesaler for an event at the Baltimore Convention Center. Furthermore, the bills require the board to adopt regulations that establish tiered penalties for violations of the city's alcoholic beverages laws and adopt a template for memoranda of understanding between license applicants and local neighborhood associations.

Baltimore County

License Transfers and Conversions

House Bill 1474 (passed) repeals provisions that prohibit the transfer of a Class B license to another election district if that license was previously converted from a Class D license transferred from another election district. The bill also repeals existing provisions that prohibit the board from transferring or converting (1) a new license issued by the board based on population increases under the board's population-based license limits or (2) a license that has been revoked and reissued by the board. Finally, the bill requires the conversion of specified Class B beer, wine, and liquor licenses to Class B hotel and restaurant licenses.

Off-premises Sales

Senate Bill 72/House Bill 121 (both passed) authorize specified Class B or Class D alcoholic beverages license holders to obtain a permit from the board that authorizes the license holder to sell mixed drinks or cocktails in closed containers for off-premises consumption, if the board has adopted regulations authorizing the sale of alcoholic beverages for off-premises consumption.

Caroline County

Senate Bill 974 (passed) establishes that the inspector for the Caroline County Board of License Commissioners must be either an individual appointed by the board or the county codes administrator.

Carroll County

Class 1 Distillery On-site Consumption Permit

House Bill 1526 (passed) establishes a Class 1 distillery on-site consumption permit. The permit authorizes the holder to sell, prepare, and serve food, nonalcoholic beverages, and alcoholic beverages, including brandy, rum, whiskey, and neutral spirits that are distilled, rectified, blended, and bottled at the distillery for on-premises and off-premises consumption to the extent the permit holder is authorized under the Class 1 distillery license.

Cecil County

Class A License Quotas

Senate Bill 897/House Bill 664 (both passed) alter the quota on the number of alcoholic beverages licenses that may be issued by the board to only apply to Class A licenses. The board may not issue (1) in the aggregate, more than one Class A license for every 2,000 registered voters or major fraction in the county, as determined by the current registration of voters or (2) fewer than two Class A licenses in each election district of the county.

Garrett County

Senate Bill 802/House Bill 1203 (both passed) (1) establish a Special Event Permit, (2) add a salaried substitute member to the Garrett County Board of License Commissioners, (3) authorize the holders of specified alcoholic beverages licenses with a catering option to sell alcoholic beverages on premises that do not have an alcoholic beverages license, and (4) require applicants for a license to include the applicant's citizenship status.

Harford County

Class HC (Health Club) License

Senate Bill 684/House Bill 991 (both passed) extend the hours of sale for a holder of a six-day or seven-day Class HC (health club) beer and wine license to be 1:00 p.m. to 11:00 p.m., rather than 1:00 p.m. to 9:00 p.m.

Howard County

Gift Basket Permit

House Bill 456 (passed) establishes a gift basket permit which may be issued to an individual whose business does not hold another alcoholic beverages license or permit and whose primary business is the sale and delivery of flowers and includes the sale and delivery of gift baskets. The board may not issue a permit for use in conjunction with or on the premises of a chain store, supermarket, or discount house.

Prince George's County

Class B-SEC (Special Event Center) License Establishment

House Bill 443 (passed) establishes a Class B-SEC (small event center) beer, wine, and liquor license. A license holder may sell alcoholic beverages for on-premises consumption to individuals attending an event at the event center. No more than 24 Class B-SEC licenses may be issued in a year and no more than 3 licenses in each legislative district.

Wine Festival Licenses

House Bill 558 (passed) renames the Prince George's County Wine Festival license to be the wine festival license, repeals a limit of one wine festival license that can be issued annually, and repeals a prohibition on the issuance of a wine festival license in the 24th legislative district.

Multiple Licenses

House Bill 406 (passed) repeals a prohibition on the issuance of multiple Class B (on-sale) beer and wine or Class B (on-sale), beer, wine, and liquor licenses to the same person or premises.

Notice of Issuance of Class C Per Diem Licenses

House Bill 583 (passed) clarifies the board must provide notice to the director of the Department of Permitting, Inspections, and Enforcement, rather than the director of the County Department of Environmental Resources, when the board issues a Class C per diem beer, wine, and liquor license.

Wicomico County

Class B (Golf Course) License

Senate Bill 700/House Bill 754 (both passed) extend the hours of sale the holder of a Class B beer, wine, and liquor (golf course) license can sell alcoholic beverages on Monday through Saturday to 7:00 a.m. to 2:00 a.m. and on Sunday to 7:00 a.m. to midnight.

Worcester County

Board of License Commissioners

Senate Bill 681/House Bill 914 (both passed) increase, from three to five, the number of members that the Governor must appoint to the Worcester County Board of License Commissioners.

Class C Per Diem Municipal To-go License

Senate Bill 846/House Bill 1101 (both passed) establish a Class C per diem municipal to-go beer, wine, and liquor license and a related temporary to-go event permit. The license may only be issued to Pocomoke City, the Town of Berlin, and the Town of Snow Hill. The to-go event permit may be issued to the holder of a Class B or Class D alcoholic beverages license located within or immediately adjacent to a special event area identified in and for use in conjunction with a Class C per diem municipal to-go beer, wine, and liquor license.

Cannabis Regulation

Cannabis Reform

House Bill 622 (passed) increases the number of employees a micro dispensary licensee may employ from 10 to 20 and specifies that these employees are registered cannabis agents. The bill also extends by one year the authorization for a licensed dispensary to continue to deliver medical cannabis. Finally, the bill (1) renames responsible vendor training programs to be cannabis agent training programs; (2) requires that the Maryland Cannabis Administration (MCA) give priority to previously approved responsible vendor training programs when reviewing cannabis agent training programs for approval; (3) repeals some elements of the core curriculum requirements for a cannabis agent training program, instead requiring that MCA adopt regulations that specify core curriculum elements; and (4) requires cannabis business employees to complete a cannabis agent training program within 90 days of employment and at least once every two years instead of annually.

Senate Bill 594 (passed) alters existing restrictions on advertising for cannabis licensees, cannabis products, and cannabis-related services by, among other things, repealing a prohibition on advertising that indirectly targets individuals younger than age 21 and expanding the authorized

signage that a standard dispensary licensee may place on the exterior of the dispensary. By January 1, 2027, MCA must (1) adopt regulations that develop a process for accepting a certain attestation regarding whether certain advertisements meet audience composition requirements and (2) submit an interim report regarding progress it has made to implement and uniformly enforce the bill. A final report is due June 1, 2027. Finally, the bill reduces the ownership and control percentage requirement for social equity licensees from 65% to 55%.

Cannabis Employment Protections

Senate Bill 54/House Bill 452 (Chs. 47 and 48) prohibit the State Board of Veterinary Medical Examiners from suspending or revoking a license to practice veterinary medicine in the State, reprimanding or censuring a licensee, or placing a licensee on probation solely on the basis of the licensee discussing or recommending the use of cannabis or a product that contains cannabidiol on an animal for potential therapeutic effect or health supplementation purposes.

Senate Bill 439 (passed) prohibits an employer of a fire and rescue public safety employee, on the basis of the employee's possession of a valid written certification for medical cannabis or a positive test for cannabis components or metabolites while holding a valid written certification, from (1) disciplining, discharging, or otherwise discriminating against the employee with respect to the employee's compensation, terms, conditions, or privileges of employment or (2) limiting, segregating, or classifying its employees in any way that would deprive or tend to deprive the employee of employment opportunities or otherwise adversely affect the employee's status as an employee.

Part I

Financial Institutions, Commercial Law, and Corporations

Financial Institutions

Fiduciary Institutions

Chapters 837 and 838 of 2017 required agents, investment advisers, investment adviser representatives, broker-dealers, and other qualified individuals to report disbursements of funds believed to result in the financial exploitation of a senior or an adult who lacks the physical or mental capacity to provide for their daily needs, and authorized delay of disbursements of that kind. A “fiduciary institution” is a statutorily defined term that includes various financial institutions, such as banks and credit unions, organized under State or federal law.

Senate Bill 753/House Bill 1008 (both passed) authorize a fiduciary institution to delay or deny disbursements from an account of a resident of the State who is a senior or an adult who lacks the physical or mental capacity to provide for their daily needs, *i.e.*, an “eligible adult”, or an account on which an eligible adult is a beneficiary if the fiduciary institution reasonably believes the disbursement will result in the financial exploitation of the eligible adult. When delaying or denying a disbursement, a fiduciary institution must provide notice to all individuals authorized to transact business on the account and provide notice and related financial records to the adult protective services program in a local department of social services, a law enforcement agency, or a State’s Attorney. A delay of disbursement expires 15 business days after the date on which the fiduciary institution receives the disbursement request, unless the delay is extended as authorized. The bills also authorize a fiduciary institution to provide notice to a trusted contact and provide immunity from liability to a fiduciary institution acting in good faith and exercising reasonable care when carrying out provisions under the bills.

Credit Unions

Under State law, a majority of the board of each credit union proposing a merger or consolidation must adopt a resolution declaring that the merger or consolidation is advisable. A majority of the board of each credit union party to the merger or consolidation must set a date for a vote on the proposed merger or consolidation by members. A merger or consolidation must be

in accordance with a plan that states the field of membership type that the surviving or new credit union will have, is agreed to by a majority of the boards of each credit union party to the merger or consolidation, and unless provided otherwise by the Commissioner of Financial Regulation, approved by the members of each credit union party to the merger or consolidation by majority vote of the members of the credit union who vote on the proposal.

Senate Bill 783/House Bill 1049 (both passed) make optional a vote to approve a merger by members of a “surviving credit union”, *i.e.*, a credit union that absorbs or acquires another credit union in a merger and continues to exist after the merger. Only the members of a “merging credit union”, *i.e.*, a credit union that is absorbed or acquired by another credit union in a merger and ceases to exist after the merger, are required to vote to approve a merger.

Virtual Currency

Maryland Stablecoin Act

The federal Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act was signed into law in July 2025 and served as the first major federal law regulating stablecoins and stablecoin providers. Under the GENIUS Act, “payment stablecoin” means a digital asset that (1) is, or is designed to be, used as a means of payment or settlement and obligates the issuer to convert, redeem, or repurchase for a fixed amount of monetary value, not including a digital asset denominated by a fixed amount of monetary value and (2) represents that the issuer will maintain, or create the reasonable expectation that it will maintain, a stable value relative to the value of a fixed amount of monetary value. “Payment stablecoin” does not include a digital asset that is a national currency.

Broadly, the GENIUS Act (1) established licensing and oversight requirements for stablecoin issuers, which may include banks and nonbank entities; (2) required stablecoin issuers to hold 100% of reserves in cash, treasury securities, or similar securities; (3) required stablecoins to be backed by eligible assets on a 1:1 basis; (4) required stablecoin issuers to release periodic public disclosure statements and submit to routine audits on reserves; and (5) established certain consumer protections, including that if an issuer files for bankruptcy, stablecoin holders get priority over creditors.

Senate Bill 662/House Bill 1355 (both passed) establish a regulatory framework for “payment stablecoin service institutions” and “State issuers” in accordance with the GENIUS Act. The Office of Financial Regulation (OFR) is designated as the payment stablecoin regulator in the State and the Commissioner of Financial Regulation must apply to the federal government for certification as such. Subject to application submission and review processes delineated under the bills, (1) a nondepository trust company may be certified by OFR to engage in business as a State issuer, *i.e.*, an entity authorized to become a State qualified payment stablecoin issuer under the GENIUS Act and (2) a nondepository trust company or a credit union service organization may be certified by OFR to engage in business as a payment stablecoin services institution to provide payment stablecoin-related services. The bills also lower the examination fee for a new commercial bank charter from \$15,000 to \$7,000.

Virtual Currency Kiosks

Chapter 117 of 2025 required a virtual currency kiosk operator. *i.e.*, a person who owns or operates a virtual currency kiosk, to register a kiosk with the Commissioner of Financial Regulation to operate in the State and clearly identify each virtual currency kiosk as such. State law defines “virtual currency” as a digital representation of value that is used as a medium of exchange, unit of account, or store of value and that is not itself currency. “Virtual currency kiosk” means a stand-alone automated platform through which a consumer may deposit or receive cash or use a credit or debit card to obtain virtual currency services and does not include an automated teller machine (ATM). ***Senate Bill 741 (passed)*** alters the definition of “virtual currency kiosk” by repealing the ATM exclusion and expands the definition of “virtual currency kiosk operator” to include a person who installs or operates software that enables a stand-alone automated device to provide virtual currency services in the State, thereby making those individuals subject to the registration requirements.

Digital Asset and Blockchain Technology Task Force

Senate Bill 376/House Bill 470 (both passed) establish the Digital Asset and Blockchain Technology Task Force, staffed by OFR. The task force must conduct an analysis of and make recommendations regarding the expansion of blockchain technology and cryptocurrency in the State, with a report of findings and recommendations due to the Governor and the General Assembly on or before October 1, 2027.

Consumer Credit

Licensing Requirements

Affiliated insurance producer-mortgage loan originators (AIP-MLO) are exempt from certain provisions of law applicable to mortgage loan originator licensees; however, an AIP-MLO must obtain a special license and limit their activities to originating mortgage loans only on behalf of a single financial institution approved by OFR. ***House Bill 38 (passed)*** allows an individual who originates loans made by a mortgage lender that is approved by the Commissioner of Financial Regulation to be licensed as an AIP-MLO under specified conditions. Any individual licensed under the bill is subject to the licensing and regulatory framework set forth for AIP-MLOs who work for financial institutions.

Senate Bill 784 (Ch. 40) repeals a provision that exempts, under specified conditions, a person that acquires a mortgage, a mortgage loan, or an installment loan from licensing as a consumer lender under Title 11 of the Financial Institutions Article. The Act also provides that the General Assembly intends the Act be construed as a clarifying corrective measure to repeal a provision of law erroneously enacted by Chapter 118 of 2025.

State-operated Financial Programs and Financial Regulation

Maryland Community Investment Venture Fund and Financial Regulation Generally

The Maryland Community Investment Venture (MCIV) Fund was established to develop opportunities for banking institutions and credit unions to better serve the needs of low- to moderate-income census tracts. Through June 30, 2028, OFR may match an investment made in the fund by a banking institution or credit union up to the amount of the assessment credit earned by the banking institution or credit union. *Senate Bill 43/House Bill 259 (Chs. 131 and 132)* make changes to the MCIV Fund and other unrelated changes involving regulation of the financial industry, including:

- expanding the purpose of the MCIV Fund to include consumers;
- authorizing money from the MCIV Fund to be distributed as a grant, among other means;
- classifying the MCIV Fund as a special, nonlapsing fund not subject to reversion to the general fund;
- altering definitions in the Financial Institutions Article;
- altering when a credit union must pay an annual assessment to OFR;
- altering definitions related to eligibility for certain assessment offset credits;
- requiring OFR to establish a deposit growth cap for assessment offset credits;
- establishing a new assessment offset credit for certain institutions that offer a Maryland Opportunity Account, as specified;
- specifying which entities may claim to do the business of banking in the State; and
- repealing obsolete OFR fees.

More specifically, with respect to the MCIV Fund, the Acts (1) repeal the reference to the \$2.5 million capital investment as an initial investment, indicating that the investment can be spread over time; (2) authorize the \$250,000 to be used for administering the MCIV Fund; and (3) extend the deadline for OFR to match an investment made in the MCIV Fund until June 30, 2030. Additionally, the Acts alter the conditions and process for awarding annual assessment fee-offset credits to banking institutions and credit unions; under current law, OFR is required to impose annual assessments on each State-chartered banking institution and credit union to cover the expenses of regulating those financial institutions, and the assessment amounts vary based on the deposit levels of the financial institution. Among other changes, the Acts also

establish cybersecurity incidents at a banking institution or branch of the institution as a potential emergency reason for which the institution or branch may be closed, as declared by the Governor.

Maryland Money Transmission Act

The Maryland Money Transmission Act requires persons engaged in money transmission, as defined in State law, to be licensed by the Office of Financial Regulation. *Senate Bill 261/House Bill 118 (Chs. 20 and 21)* exclude a designated agent of a payor who provides payroll processing services from the definition of “money transmitter” if (1) there is a written agreement between the payor and the agent that directs the agent to provide payroll processing services on the payor’s behalf; (2) the payor holds the agent out to employees and other payees as providing payroll processing services on the payor’s behalf; and (3) the payor’s obligation to a payee, including an employee or other party entitled to receive funds via the payroll processing services provided by the agent, is not extinguished if the agent fails to remit the funds to the payee.

Commercial Law

Credit Regulation

Chapter 847 of 2025 established a comprehensive regulatory framework for earned wage access providers in the State that offer consumers fast access to earned (but not yet paid) wages. Chapter 847 included rules related to the acceptance of tips in connection with the provision of earned wage access products (and other credit under the Maryland Consumer Loan Law). *Senate Bill 94 (passed)* prohibits consumer loan lenders, commercial loan lenders, and earned wage access providers from soliciting or receiving tips and requires such entities to return any tip collected within seven days after receipt. Additionally, the bill requires those lenders to disclose to consumers that they are prohibited from soliciting or accepting tips, as specified. The bill also subjects earned wage access providers to consumer protection and nondiscrimination requirements governing other consumer and commercial loans.

Consumer Protection

Use of Dynamic Pricing and Personal Data

House Bill 895 (passed) prohibits a food retailer or a third-party delivery service provider from engaging in the practice of “dynamic pricing” or using personal data to set a higher price for food that is exempt from the sales and use tax in accordance with the Tax-General Article. “Dynamic pricing” means the discriminatory practice of offering or setting a personalized price for a good or service that is specific to a consumer based on the consumer’s personal data, regardless of whether the seller collected or purchased the personal data. The bill includes a list of numerous actions to which these prohibitions do not apply, such as (1) setting a different price based on costs associated with the availability or supply of the good or service; (2) offering a price to a consumer through a loyalty, membership, or rewards program in which any consumer may voluntarily enroll or consent to participate; and (3) setting a different price based on objective costs

attributable to providing consumer goods or services to different consumers, such as a difference in price caused by shipping costs based on a consumer's physical location.

A food retailer or third-party delivery service provider may not use protected class data to offer, advertise, or sell a consumer good or service to a consumer for whom the protected class data pertains if the use of such data has the effect of withholding or denying from the consumer an accommodation, an advantage, or a privilege provided to others.

Before initiating an applicable enforcement action under the Maryland Consumer Protection Act (MCPA) for a violation of the bill, the Office of the Attorney General (OAG) must issue a notice of violation to the alleged violator and provide the alleged violator 45 days after the notice is received to cure the violation. If the violation is cured within that period, OAG may not initiate an enforcement action. The bill's enforcement provisions may not be construed to authorize a private right of action.

Data Privacy

House Bill 711 (passed) modifies the Online Data Privacy Act, the Public Information Act, provisions of law governing access to law enforcement databases, and provisions of law governing the protection of personal records by government entities to enhance the protection of an individual's personal data. More specifically, the bill establishes guardrails to prevent personal data from being obtained and used for immigration enforcement unless certain conditions are met. For example, unless presented with a valid warrant issued by a federal or State court that describes with particularity the personal data to be accessed, a controller or processor of data may not comply with certain civil, criminal, or regulatory subpoenas or summons or otherwise cooperate with certain law enforcement agencies; this prohibition applies when that controller or processor knows that the government unit or agency has engaged in or supported civil immigration enforcement, as specified.

Consumer Contracts and Offers

Chapter 194 of 2025 establishes, effective June 1, 2026, that a provision in a consumer contract that sets a shorter period of time to bring an action under or on the contract than required by State law when the contract is issued or delivered is against State policy, illegal, and void. ***House Bill 103 (passed)*** expands the protections within Chapter 194 by generally prohibiting a consumer contract from waiving, limiting, impairing, or disclaiming specified remedies (if authorized by federal or State law). However, a provision in a consumer contract may limit recovery of statutory or punitive damages authorized by federal or State law to the extent of the applicable limit of insurance coverage. Among other provisions, the bill also prohibits a waiver by agreement of its requirements.

Senate Bill 582 (passed) prohibits a person from sending a check or other negotiable instrument to an individual if (1) the check or other negotiable instrument is sent in connection with an offer to extend secured credit to the individual and (2) the individual has not submitted an application for or otherwise requested the extension of secured credit beforehand. In addition, a person may not send a check or other negotiable instrument to an individual as part of an

unsolicited offer to purchase real property. An individual who is sent a check or other negotiable instrument in violation of the bill is not liable for the amount of the check or other negotiable instrument unless the individual actually receives and negotiates the check or instrument. The bill does not apply to a person that sends to an individual (1) a convenience check for the sole purpose of accessing an existing credit line of the individual or (2) a prescreened firm offer of unsecured credit subject to regulation under the federal Fair Credit Reporting Act. A person that violates the bill is guilty of a misdemeanor and subject to a fine of up to \$500.

Retail Transactions

House Bill 191 (passed) establishes that, for certain transactions between the hours of 6:00 a.m. and 10:00 p.m., a merchant may not (1) prohibit a person from making a cash payment to purchase an essential consumer good; (2) require a person to use a credit or debit card to purchase an essential consumer good; or (3) charge or collect a higher price than charged or collected for an equivalent cashless transaction (whether or not the difference in price is described as a fee) for making a cash payment for the purchase of an essential consumer good. The bill includes specified exceptions and limits on applicability, such as excluding a transaction with a merchant that primarily sells food or beverages for on-premises consumption. Although a violation of the bill is an unfair, abusive, or deceptive trade practice under MCPA, certain enforcement provisions (including criminal penalties) under MCPA are not applicable; the bill instead establishes a unique penalty structure for violations.

Miscellaneous Consumer Protections

House Bill 1357 (passed) requires, beginning April 1, 2028, manufacturers of menstrual hygiene products to include a list of all ingredients on each consumer-facing package of menstrual hygiene products sold in the State. The manufacturer must list the ingredients in order of predominance and display the list prominently in conspicuous type. A manufacturer may list a confidential substance by its common name to protect confidentiality.

House Bill 1395 (passed) requires, for purposes of making a claim under a warranty for agricultural equipment, a consumer to provide written notice to a manufacturer or factory branch to report a nonconformity, defect, or condition occurring in the equipment. The bill also establishes numerous requirements and procedures for remedying a nonconformity, defect, or condition. A consumer who suffers a loss due to a violation of a provision of the bill may bring a civil action for enforcement, as specified. The bill may not be construed to limit or impair a right or remedy that is otherwise available to a consumer under any other law. The bill applies only to agricultural equipment sold on or after January 1, 2026.

Commercial Law – Generally

Senate Bill 438/House Bill 618 (both passed) prohibit an occupant from using a self-service storage facility beyond the term of a rental agreement after the operator or occupant has delivered (in person, by email, or by verified mail) written notice of the nonrenewal of the rental agreement. The operator must provide the occupant with at least 30 days after delivery of the notice (and at least until the end of the term of the rental agreement) to remove all personal

property from the self-service storage facility. After the 30-day waiting period and at least 10 days before disposing of the remaining personal property, the operator must deliver a notice of intent to dispose of the occupant's property. The operator may not dispose of any remaining personal property at the self-service storage facility until after these time periods have elapsed. The bills also expand the definition of "rental agreement" to include electronic agreements. An operator must include a statement in a rental agreement concerning the removal of personal property from the self-service storage facility after nonrenewal of the rental agreement.

Corporations and Associations

Expedited Document Processing and Fees

Certain business transactions are dependent on having guaranteed and accelerated acceptance of required filings, including situations under which timing must be aligned with the opening of the stock market for purposes of market announcements or when there are multiple filings across jurisdictions that must be sequenced in a particular order to preserve lien priority. The State Department of Assessments and Taxation (SDAT) offers a preclearance service where a document may be reviewed for sufficiency by an authorized agent of SDAT before the document is filed with the department. SDAT also offers expedited processing of certain document filings for a fee that ranges from \$325 to \$425, depending on whether the filing is made electronically. *House Bill 1346 (passed)* establishes an additional option for expedited filings that requires SDAT to process documents within one hour after receipt, provided that the documents have been accepted for preclearance and are filed at least one hour before close of business. The expedited one-hour processing fee is \$1,000. The bill takes effect January 1, 2028.

Principal Offices of Corporations

Each Maryland corporation, limited liability company, limited liability partnership, or limited partnership must have a principal office in the State; the address of the principal office must be included in the applicable incorporation documents filed with SDAT. SDAT guidelines require the principal office to be a specific street address in Maryland. *House Bill 308 (passed)* modifies the definition of "principal office" to include an address in Maryland supplied by a commercial mail receiving agency that a Maryland corporation or other business entity has a valid agreement with in accordance with U.S. Postal Service regulations. "Commercial mail receiving agency" means a person that is authorized by the U.S. Postal Service to accept the delivery of mail on behalf of another person as a business service.

Electric Cooperatives – Nonescheat Capital Credits

Chapters 212 and 213 of 2025 defined and created requirements for electric cooperative nonescheat capital credits. These nonescheat capital credits are generally defined as money (1) due to any past member of an electric cooperative in retirement of capital allocated on a patronage basis to the account of the past member for amounts received and receivable by the cooperative in excess of operating costs and expenses; (2) for which at least five years have passed since the

credits were retired; and (3) that have not been claimed by the past member. Nonescheat capital credits held by an electric cooperative may not be presumed to be abandoned property and may be used only to (1) assist members of the cooperative pursuant to the powers granted to the cooperative or (2) make donations to nonprofit charitable organizations approved by the cooperative's board of directors.

Senate Bill 284 (Ch. 6), the Budget Reconciliation and Financing Act (BRFA) of 2026, specifies that these requirements for nonescheat capital credits must be construed to apply only prospectively on or after October 1, 2025, and may not be applied or interpreted to have any effect on the escheatment of nonescheat capital credits before October 1, 2025.

Miscellaneous Revisions

The Maryland State Bar Association's Committee on Corporation Law regularly reviews the Corporations and Associations Article and makes recommendations in an attempt to clarify unclear provisions and eliminate outdated language. *Senate Bill 631/House Bill 996 (both passed)* generally implement these recommendations by (1) providing for the acceptance of a corrected charter document filed with SDAT; (2) specifying when action by a board of directors or committee of a board of directors of an open-end investment company may be taken without a meeting under certain circumstances; (3) modifying and clarifying provisions of law relating to a plan for reorganization in a bankruptcy proceeding; (4) repealing a misdemeanor prohibition against an officer or agent of a foreign corporation that does intrastate, interstate, or foreign business in the State without qualifying or registering; and (5) amending provisions of the Maryland Revised Uniform Limited Partnership Act.

Part J

Health and Human Services

Public Health – Generally

Disease Prevention

Vax Act

While vaccine policy is regulated at both the federal and state level, the federal government has considerable influence over state vaccine policy through the federal Food and Drug Administration (FDA) vaccine approval process and guidance from the federal Centers for Disease Control and Prevention (CDC) and the CDC’s Advisory Committee on Immunization Practices (ACIP). Recommendations from FDA, CDC, and ACIP are often linked to state policy, including the vaccines that insurers must cover. Chapter 738 of 2025 specified that the recommendations of the ACIP governing the administration of vaccinations by pharmacists refer to federal statutes, rules, and guidance in effect either on December 31, 2024, or later to account for any new vaccines recommended by ACIP after that date. Chapter 738 also (1) specified that immunizations and related visits required to be covered by health insurance carriers under the minimum package of child wellness services are those recommended by ACIP as of December 31, 2024 and (2) authorized the Insurance Commissioner to adopt regulations to carry out that requirement consistent with federal statutes, rules, and guidance in effect on December 31, 2024, or at a later date to account for any new vaccines recommended by ACIP after that date.

Senate Bill 385/House Bill 637 (Chs. 7 and 8) repeal the language of Chapter 738 regarding ACIP recommendations and require the Secretary of Health to issue, publish, and distribute recommendations for immunizations, screenings, and preventive services that follow the generally accepted consensus within the scientific community and sound clinical guidance. The Secretary’s recommendations must be made in accordance with recommendations of specified authoritative medical organizations and in consideration of guidance of specified entities. The Acts require the Secretary to take several actions before adopting a recommendation for a preventive service that is not an immunization and has not received a recommendation from specified entities.

Additionally, the Secretary must publish the recommendations on the Maryland Department of Health's (MDH) website and distribute them to licensed health professionals and the Maryland Insurance Administration.

The Acts repeal the authority of the Insurance Commissioner to adopt regulations necessary to carry out the requirement that carriers provide coverage for certain immunizations, screenings, and preventive services without cost sharing consistent with specified recommendations and guidelines in effect on December 31, 2024. Instead, the Acts (1) specify that the Commissioner must enforce the coverage requirement consistent with the specified recommendations and guidelines, as updated by recommendations issued by the Secretary and (2) require a carrier to provide the required coverage for plan years that begin on or after the date that is one year after the date the Secretary's recommendations are issued.

Finally, the Acts specify that the minimum package of child wellness services required to be covered by a carrier must include all visits for and costs of childhood and adolescent immunizations recommended by ACIP as of December 31, 2024, as updated by recommendations issued by the Secretary.

Maryland Pediatric Cancer Fund

House Bill 672 (passed) is an emergency bill that limits the entities eligible to receive grants for conducting pediatric cancer research from the Maryland Pediatric Cancer Fund to only nonprofit hospitals, educational institutions, and other nonprofit organizations. Laboratories, eligible physicians, and other persons are no longer eligible for grants.

Mammograms

Federal law requires a center where mammography testing is performed to send a screening results letter to a patient. *House Bill 1364 (passed)* requires a mammography testing center to include in a screening results letter a specified notice about breast arterial calcification. If MDH finds significant differences between the content of the required notice and current medical evidence on breast arterial calcification, MDH may adopt regulations to change the content of the notice.

Tobacco Use

Senate Bill 284 (Ch. 6), the Budget and Reconciliation and Financing Act of 2026 (BRFA), reduces the mandated annual appropriation for the State's tobacco use prevention and cessation activities from \$18.25 million to \$17.52 million beginning in fiscal 2027 and each fiscal year thereafter. These funds support activities such as smoking prevention media campaigns, education on secondhand smoke exposure, enforcement of youth tobacco sales laws, smoking cessation programs, and school-based tobacco education initiatives.

Chapters 172 and 173 of 1999 established the Cigarette Restitution Fund. The BRFA of 2026 alters distributions from the Cigarette Restitution Fund for fiscal 2027 by suspending the

required \$8.0 million appropriation to the Maryland Community Health Resources Commission Fund for that year. Additionally, for fiscal 2027 only, any amount distributed from the fund's separate account for historically black colleges and universities that exceed the first \$35.0 million may remain in the account or be used for purposes other than supplanting the required general fund appropriation for historically black colleges and universities.

Medicaid

The Medical Care Programs Administration within MDH is responsible for administering the Maryland Medical Assistance Program (Medicaid) and the Maryland Children's Health Program (MCHP) that provides comprehensive somatic and behavioral health benefits to almost 1.4 million Marylanders.

Coverage

Senate Bill 496 (passed) authorizes Medicaid, beginning January 1, 2027, to provide comprehensive coverage for the treatment of obesity, including coverage for intensive behavioral therapy, bariatric surgery, and any medication approved by FDA with an indication for chronic weight management in patients with obesity. Medicaid may undertake utilization management to determine medical necessity and appropriateness if the determinations are made in the same manner as for the treatment of any other illness, condition, or disorder covered by Medicaid. If coverage is provided, MDH must provide notice to Medicaid recipients. The bill also authorizes MDH to apply to the Centers for Medicare and Medicaid Services (CMS) for a State plan amendment that authorizes the State to provide comprehensive coverage for the treatment of obesity. MDH must report to the Senate Finance Committee, the Senate Budget and Taxation Committee, the House Health Committee, and the House Appropriations Committee by November 1, 2027, on whether Medicaid has begun to provide comprehensive coverage for the treatment of obesity and, if not, why Medicaid has not begun to provide the coverage.

Senate Bill 276/House Bill 445 (both passed) expand the Medicaid and health insurance mandated benefit for coverage of orthopedic braces to orthoses, orthoses components, repairs to orthoses, and replacement of orthoses and orthoses components and clarify mandated coverage for prostheses. The expanded coverage must be provided beginning January 1, 2027, and must be provided at least once annually. Covered benefits include all orthoses determined by a treating health care provider to be medically necessary for completing activities of daily living, essential job-related activities, or performing physical activities to maximize the whole-body health and lower or upper limb function of the insured or enrollee. The bills also establish prohibitions regarding medical necessity or appropriateness, copayment and coinsurance, and annual or lifetime dollar maximum requirements. Each insurer, nonprofit health service plan, health maintenance organization, and Medicaid managed care organization must submit a compliance report by June 30, 2032, which must be aggregated and reported to the Senate Finance Committee and the House Health Committee by December 31, 2032.

A Collaborative Care Model (CoCM) is an evidence-based approach for integrating somatic and behavioral health services in primary care settings. Chapters 284 and 285 of 2023 required MDH to implement and provide reimbursement for services provided in accordance with the CoCM statewide in primary care settings that provide health care services to Medicaid recipients. *Senate Bill 428/House Bill 746 (both passed)* prohibit MDH from imposing a copayment, coinsurance, or deductible requirement on coverage for services provided in accordance with the CoCM. The bills require specified insurers, nonprofit health service plans, and health maintenance organizations to provide coverage for services provided in accordance with the CoCM. Finally, the bills require the Maryland Health Care Commission (MHCC) to study the impact of eliminating health insurance cost sharing for CoCM services and to report its findings and recommendations to the Senate Finance Committee and House Health Committee on or before December 1, 2026.

Reimbursement

Senate Bill 898 (passed) requires MDH to provide reimbursement for applied behavior analysis (ABA) services provided by a behavior technician to Medicaid recipients with autism spectrum disorder. MDH may not require as a condition of reimbursement that an individual receive a certification from a credentialing entity recognized by MDH to provide ABA services as behavior technician. However, MDH may require that a behavior technician obtain a current certification within 150 days after the individual begins providing ABA services to Medicaid recipients and maintain the certification. Finally, the bill terminates if, on or before June 30, 2027, the U.S. Department of Health and Human Services advises or notifies MDH that the bill is inconsistent with § 1902(a)(27) of the federal Social Security Act.

Medicaid covers hospice services for patients whose physicians have certified that their life expectancy is six months or less and provides reimbursement for room and board only to hospice participants residing in a skilled nursing facility. *House Bill 1151 (passed)* requires MHCC and Medicaid to jointly study the impact of requiring Medicaid to provide reimbursement for room and board services provided by a hospice house. MDH must report its findings to the Senate Finance Committee and the House Health Committee by December 1, 2026.

Eligibility and Requirements

Senate Bill 742 (passed) expands requirements for waivers administered by the Developmental Disabilities Administration and codifies existing federal mandates related to the waivers. MDH is prohibited from procedurally disenrolling individuals from Medicaid or home- and community-based services (HCBS) based on missing documentation, a missing signature, or incomplete information, except under certain circumstances. MDH must retroactively reinstate certain recipients who were procedurally disenrolled, and, subject to federal approval, must reserve capacity in HCBS waivers for recipients who (1) were disenrolled from the Medicaid HCBS waiver on or after January 1, 2024; (2) have Medicaid eligibility reinstated; and (3) have requested the reinstatement of waiver services. Finally, on or before January 1, 2027, and quarterly

thereafter until September 30, 2029, MDH must report to the General Assembly regarding Medicaid recipients who have received HCBS and post the report on its website.

Chapter 621 of 2025 prohibited certain carriers, as well as Medicaid and MCHP, from requiring prior authorization for a transfer to a special pediatric hospital (SPH), a facility in the State that provides nonacute medical, rehabilitation, therapy, and palliative services to individuals (1) younger than age 22 or (2) who are at least age 2 and younger than age 23 and have co-occurring physical and behavioral health conditions. *House Bill 1376 (passed)* requires Medicaid and MCHP to provide a prior authorization determination regarding a transfer to an SPH on request within three business days. MDH must adopt regulations establishing a retrospective review process for SPHs. The regulations must (1) provide for a peer-to-peer reconsideration of a medical necessity determination made by MDH or its agent on request of an SPH; (2) provide for retrospective review of any medical necessity determination issued by MDH or its agent denying either admission to an SPH on or after January 1, 2025, or reimbursement for inpatient services or outpatient services provided by a SPH on or after January 1, 2025; (3) comply with the Administrative Procedure Act; and (4) provide that the retrospective review process be conducted by a licensed physician.

Employment Training and Opportunity Database

Senate Bill 772 (passed) requires MDH to develop and maintain an employment training database to assist individuals in the State in finding employment training and other opportunities that may enable them to become eligible and maintain eligibility for Medicaid and the Supplemental Nutrition Assistance Program. In developing and maintaining the database, MDH must coordinate with the Maryland Department of Labor, Department of Human Services, Department of Service and Civic Innovation, the Maryland Chamber of Commerce, labor unions, trade associations, educational institutions, local workforce development boards, and any other entity that MDH determines appropriate. The database must include vocational, workforce training, and job placement programs available in the State, information on how to apply to programs included in the database, and a mechanism that allows an individual to directly contact a program in which the individual is interested. MDH must (1) make the database available to the public on a dedicated page on the department's website; (2) assist individuals in enrolling in vocational, workforce training, and job placement programs listed in the database; and (3) update the database every 30 days. The bill terminates September 30, 2029.

Drug Dispensing

CMS does not require states to conduct cost-of-dispensing surveys on a specific timeframe as long as pharmacy reimbursement meets federal requirements relating to efficiency, economy, sufficiency, and quality of care. However, *Senate Bill 839/House Bill 1470 (both passed)* require MDH to conduct the in-state cost-dispensing survey at least once every three years, beginning in 2026, and report the results to the General Assembly on or before December 1 each year the survey is conducted.

Infants and Children

Birth Certificates

A certificate of birth must be prepared and filed within 5 days after a birth occurs. However, ***House Bill 939 (passed)*** authorizes a certificate of birth to be filed within 10 days after a birth occurs if a parent of the child notifies the person required to file the certificate of birth on a form provided by the Secretary, as soon as practicable, but not later than 5 days after the birth occurs.

Pregnancy

Senate Bill 891/House Bill 1118 (both passed) require certain health care providers to screen for perinatal behavioral health conditions at well child visits within the first year of the child's life and require the Medicaid and certain insurers, nonprofit health service plans, and health maintenance organizations, beginning January 1, 2027, to provide coverage for the screenings. The bills alter existing MDH requirements to identify and provide written information about perinatal mood and anxiety disorders and require certain health care providers and hospitals to provide specified information regarding perinatal behavioral health conditions to patients. Additionally, the bills alter the requirement that MDH identify and develop training programs to improve early identification of perinatal behavioral health conditions. Finally, the bills require (1) certain carriers to provide a standing referral to a behavioral health care practitioner under specified circumstances for the duration of the individual's pregnancy and one year after the conclusion of the pregnancy; (2) certain health occupations boards to grant continuing education credits for training on perinatal behavioral health conditions; and (3) MHCC to conduct a specified study regarding the provision of coverage for screening for perinatal behavioral health conditions and submit a report to the Senate Finance Committee and the House Health Committee on or before December 1, 2026.

In 1986, the U.S. Congress enacted the federal Emergency Medical Treatment and Labor Act (EMTALA) to ensure public access to emergency services regardless of ability to pay. ***Senate Bill 169/House Bill 372 (both passed)*** generally codify the EMTALA in State law as it relates to an emergency pregnancy-related medical condition. The bills define "emergency pregnancy-related medical condition" to mean a medical condition that presents in a pregnant patient through acute symptoms of sufficient severity and for which the absence of immediate medical attention could be reasonably expected to result in (1) placing the health of the patient in serious jeopardy; (2) serious impairment to bodily functions; or (3) serious dysfunction of any bodily organ or body part. If a hospital that has an emergency department determines that a patient has an emergency pregnancy-related medical condition, the bills require the hospital to (1) use the staff and facilities available to the hospital to provide further examination and the treatment required to stabilize the emergency pregnancy-related medical condition, including the termination of a pregnancy when medically necessary to stabilize the patient or (2) transfer the patient to another medical facility. Additionally, the bills (1) establish monetary penalties for a violation of the bills' requirements; (2) establish other requirements regarding the provision of emergency medical care to patients with an emergency pregnancy-related medical condition, including a

requirement that the hospital allow the termination of the pregnancy at the hospital if the patient's treating health care practitioner determines termination is medically necessary to stabilize a patient. Finally, the bills prohibit a hospital that has an emergency department from taking specified adverse actions against a provider or employee for taking certain actions related to the requirements of the bills.

Maternal and Child Health Equity Initiatives

Chapter 667 of 2017 established the Advanced Directive Program Fund. The BRFA of 2026, authorizes \$1.0 million of the fund to be used for maternal and child health quality initiatives in MDH in fiscal 2027 only.

Health Access, Quality, and Innovation

Public Health Reform Act

Chapter 385 of 2023 established the Commission on Public Health (Commission) to make recommendations to improve the delivery of foundational public health services in the State by assessing the foundational public health capabilities of MDH and local health departments. Based on this assessment, the commission made recommendations in December 2023, December 2024, and October 2025. *House Bill 1109 (passed)* implements the recommendations of the commission and requires MDH to provide quarterly updates on implementation of the commission's recommendations. The bill also alters the commission's membership, duties, leadership, and staffing and extends the commission's termination date by two years to June 30, 2028. The commission, in consultation with MDH and the Health Services Cost Review Commission (HSCRC), must convene a community benefits modernization subcommittee, with associated reporting requirements. Generally, the bill (1) requires MDH to organize the Maryland Medical Reserve Corps to provide a statewide volunteer network integrated into community emergency systems to facilitate a coordinated approach to volunteer management; (2) requires the Department of Legislative Services to develop a process to assess the health equity impacts of relevant legislation; (3) makes administrative changes relating to county health officers and local health departments; (4) requires MDH to consult with local health departments and notify each health officer before procuring a system for collecting and storing electronic health records; (5) requires MDH to convene a workgroup on local health department recruitment and classification processes and identifying potential methods for increasing efficiencies related to the process; (6) alters the membership of the Maryland Corps Program Advisory Board; and (7) establishes the Public Health Workforce Development Fund.

ER Services and Post-Acute Care

House Bill 1563 (passed) requires MHCC, in conjunction with HSCRC and representatives from the post-acute care industry to conduct studies to (1) quantify bed capacity in hospitals and post-acute care settings and recommend a collection and auditing process for bed reporting and (2) analyze options to facilitate clinically appropriate transitions from acute to post-acute care settings. By January 1, 2027, MHCC, in conjunction with HSCRC, must report its

findings and recommendations for both studies to the Governor, the Senate Finance Committee, and the House Health Committee.

Maryland Patient Safety Center

Chapters 529 and 530 of 2022 required, for fiscal 2023 and each fiscal year thereafter, the Governor to include in the annual budget bill an appropriation of \$1.0 million for the Maryland Patient Safety Center Fund. The Budget Reconciliation and Financing Act of 2025 repealed the funding mandate beginning in fiscal 2026 and instead authorized the Governor to include at least \$1.0 million in the annual budget for the fund. *Senate Bill 587 (passed)* reinstates the \$1.0 million mandated appropriation.

Office of Population Health Improvement

Chapter 615 of 2025 established the Population Health Improvement Fund to support statewide population health targets under the Achieving Healthcare Efficiency through Accountable Design Model and any successor model. The BRFA of 2026 authorizes, for calendar 2026 only, up to \$14.0 million in the fund to be used for Medical Care Programs Administration expenses if HSCRC increases hospital rates to provide financial assistance to Medicare Advantage Plans. Additionally, the BRFA of 2026 authorizes \$2.0 million from the Board of Physicians Fund to be distributed to support programs in the Office of Population Health improvement in fiscal 2027 only.

Health Care Facility Staffing

Senate Bill 411/House Bill 624 (both passed) require each hospital, not including State hospitals, to comply with the staffing standards of the accreditation body that accredits the hospital and the CMS conditions of participation. Under the bills, each hospital must establish and maintain a clinical staffing committee that (1) if the hospital has 150 or fewer licensed beds, has three managers and two employees or (2) if the hospital has 151 or more licensed beds, has five managers and four employees. The chief nurse executive of each hospital must produce a draft clinical staffing plan and submit it to the clinical staffing committee. Using the draft plan, each clinical staffing committee must finalize a clinical staffing plan that meets patient needs. Each hospital must implement the plan by July 1, 2028, and annually thereafter and assign personnel to each patient care unit in accordance with the plan.

Health Centralization

House Bill 1372 (passed) is an emergency bill that establishes the Maryland Health Centralization Commission to provide advice and recommendations to the General Assembly on how best to increase collaboration between MDH and the health occupations boards to achieve greater efficiency, transparency, and accountability. By December 1, 2026, and each year thereafter, the Commission must report its findings and recommendations, including any draft legislation, to the Senate Finance Committee, the House Health Committee, and the Joint Audit and Evaluation Committee. The bill also requires MHCC, in collaboration with the Office of

Health Care Quality (OHCQ), to develop a process to receive the following information and publish it on the Maryland Quality Reporting website for each applicable facility (1) the date of OHCQ's most recent inspection and (2) any associated ratings or other quality metrics calculated by OHCQ based on the most recent inspection.

Patient-Centered Health Care

House Bill 1367 (passed) establishes the Commission on Re-Imagining Health Care to envision a comprehensive health care system for the State that is (1) entirely patient-centered; (2) an integrated system of care, addressing all aspects of health, including somatic, behavioral, dental, vision, and hearing, at every stage of life; (3) founded in the concept of quality health care that provides support for the development of health care practitioners; (4) accessible to and eliminates barriers for all residents of the State; (5) agile enough to evolve as needs of patients evolve; (6) financially sustainable; and (7) designed to ensure that health care quality and access is stronger than the existing health care system. By December 1, 2027, and December 1, 2028, the commission must submit preliminary reports and by December 1, 2029, the commission must submit a final report to the Governor and the General Assembly. The bill is contingent on MHCC determining and securing private funding levels for the commission. The bill terminates May 21, 2030.

Emergency Medical Services

Vehicles and Ambulances Supplies

Senate Bill 159 (passed) requires the Executive Director of the Maryland Institute for Emergency Medical Services Systems to coordinate, with Jurisdictional Emergency Medical Services Operational Programs, the minimum equipment, supplies, and medications for early childhood care, including those needed for neonatal care, to be available on emergency medical services vehicles with Jurisdictional Emergency Medical Services Operational Programs.

Maryland Public Access Automated External Defibrillator Program

Senate Bill 24/House Bill 276 (Chs. 91 and 92) alter the Public Access Automated External Defibrillator (AED) Program by (1) clarifying which entities are required to participate in the program; (2) altering the requirements an entity must meet to qualify for certification; (3) exempting a law enforcement agency from obtaining a certificate for an AED deployed in a patrol vehicle; and (4) codifying the role of an AED coordinator and establishing specified requirements for the coordinator. The Acts also remove civil immunity as it relates to a member of the regional council AED committee and alter the duties of the Emergency Medical Services Board as they relate to the program.

Behavioral Health

Rate-setting and Rate Methodology Modernization

Chapters 571 and 572 of 2017 required the Behavioral Health Administration (BHA) and the Medical Care Programs Administration (MCPA) to jointly (1) conduct an independent, cost-driven, rate-setting study to set community provider rates for community-based behavioral health services; (2) develop and implement a payment system incorporating the findings of the study, including projected costs of implementation and recommendations to address potential funding shortfalls; and (3) consult with stakeholders in conducting the rate study and developing the payment system.

Senate Bill 39/House Bill 772 (both passed) require MDH, rather than the BHA and MCPA, to conduct the study required under Chapters 571 and 572, by June 30, 2028. MDH is required to administer cost-reporting tools and oversee cost-report submissions required to support the rate-setting study required by Chapters 571 and 527. MHCC must assist MDH with the facilitation of the rate-setting study, and BHA and the Medical Care Programs Administration are required develop and implement a payment system incorporation the findings of the rate-setting study.

The bills also establish the Workgroup on Behavioral Health Rate Methodology Modernization in MHCC to develop transparent, cost-based reimbursement methodologies for certified community behavioral health clinics, outpatient mental health centers, and independent outpatient providers using federally required and existing cost-study data as the foundation for future rate reform. The workgroup must submit an interim report by June 1, 2027, and a final report by December 1, 2027, to the Governor and the General Assembly. The workgroup terminates June 30, 2028. MDH is required to implement the recommendations of the workgroup.

Behavioral Health Programs

Funding: The BRFA of 2026 authorizes \$500,000 from the State Board of Professional Counselors and Therapists Fund to be used to support programs in BHA for fiscal 2026 only.

Recovery Residences: A recovery residence is a service that provides alcohol-and illicit-drug-free housing to individuals with substance-related disorders or addictive disorders (including those that co-occur with mental disorders) and does not include clinical treatment services.

Behavioral health programs must be licensed before providing program services in the State. Chapters 710 and 711 of 2016 required MDH to approve a credentialing entity to develop and administer a certification process for recovery residences and publish list of each credentialing entity and the credentialing entity's contact information on its website. Among other things, the credentialing entity is required to establish recovery residence certification requirements. *House Bill 1249 (passed)* specifies that the recovery residence certification requirements must

prohibit a recovery residence from (1) refusing services to an individual based on the individual receiving medication-assisted treatment for opioid use disorder and (2) requiring an individual to cease receiving or modify how the individual receives medication-assisted treatment for opioid use disorder before the individual may receive services at the recovery residence.

Chapter 276 of 2023 established the Recovery Residence Grant Program in MDH to award competitive grants to recovery residences to support operations, services, and programs. Chapter 276 required an annual appropriation of \$500,000 in the annual budget bill for fiscal 2024 through 2027. *Senate Bill 379 (passed)* extends the mandated appropriation through fiscal 2030.

Commitment and Involuntary Admissions

In order to be subject to an emergency evaluation or involuntarily admitted to a facility or Veterans' Administration hospital, an individual with a mental disorder must be found to present a danger to the life or safety of the individual or others. *Senate Bill 707 (passed)* defines "danger to the life or safety of the individual or of others" to mean there is, as a result of a mental disorder, a substantial risk, based on conduct that is recent and relevant to the danger that the individual may present and in consideration of the individual's current condition and, if available, recent personal, medical, and psychiatric history, that the individual will (1) cause serious bodily harm to the individual or another or (2) be unable, except for reasons of indigence, to provide for the individual's basic needs or safety to such a degree as to create a substantial risk of serious bodily harm, serious illness, or death in the near future.

In 1982, MDH began the Community Forensic Aftercare Program (CFAP) to monitor individuals on conditional release orders and report allegations of violations to the appropriate court. *Senate Bill 412 (passed)* generally codifies CFAP within MDH to monitor (1) persons committed as not criminally responsible (NCR) who are on conditional release and (2) individuals with mental illness or intellectual disability who are incompetent to stand trial or who are required to be monitored under statutory provisions for NCR. CFAP may make monitoring decisions and recommendations but not clinical decisions regarding the treatment of committed persons. The bill requires (1) a CFAP monitor to hold a meeting with each monitored committed person and the committed person's mental health team within a certain amount of time before and after the committed person's release from a facility and (2) CFAP to make specified notifications if a committed person has violated conditional release. The bill codifies CFAP's existing board to be the community monitoring board which consists of licensed health care providers to make recommendations. The bill also prohibits a court from issuing an order that authorizes or requires CFAP to make clinical decisions regarding the treatment of a committed person. In addition, MDH must adopt regulations to carry out the requirements of the bill.

Additionally, the bill (1) repeals the requirement that a forensic review board provide notice to a committed person and the person's counsel of record within 10 days after the board issues a recommendation to the court; (2) clarifies that the committed person's authorized agent may attend the entirety of the board's meeting concerning the committed person except for the

final voting portion of a meeting; and (3) authorizes an authorized agent to attend a board meeting virtually.

Sheila E. Hixson Behavioral Health Services Matching Grant Program for Service Members and Veterans

Chapters 785 and 786 of 2021 established the Sheila E. Hixson Behavioral Health Services Matching Grant Program for Service Members and Veterans, administered by MDH. The purpose of the program is to provide funds to local nonprofit organizations to establish and expand community behavioral health programs for eligible individuals. The program is required to award competitive matching grants to local nonprofit organizations to establish and expand community behavioral health programs that (1) serve the behavioral health needs of eligible individuals in the locality serviced by the nonprofit organization; (2) meet national standards; (3) integrate the delivery of mental health and substance use treatment; and (4) connect eligible individuals to appropriate community-based care in a timely manner on discharge from the community behavioral health program. Eligible individual means an active service member or the spouse, child, or stepchild of an active service member. *Senate Bill 96 (passed)* removes the limitation of “active” service member and broadens the definition of “eligible individual” to include all service members and their spouses, children, and stepchildren.

Assisted Outpatient Treatment Programs

Chapters 703 and 704 of 2024 required 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. If MDH is required to establish an assisted outreach program, the BRFA of 2026 requires the county to reimburse MDH a certain percentage of the State share of the associated costs beginning in fiscal 2028. The required percentage increases each fiscal year until fiscal 2031 when the county is required to fully reimburse MDH.

Greater Baltimore Regional Integrated Crisis System

The Greater Baltimore Regional Integrated Crisis System is a public-private partnership that invests funds in behavioral health infrastructure and services in Baltimore City, Baltimore County, Carroll County, and Howard County. The BRFA of 2026 authorizes the Governor to transfer \$51,600 from the Dedicated Purpose Account to the General Fund for the system.

Developmental Disabilities

Funding

The BRFA of 2026 authorizes the Developmental Disabilities Administration (DDA) to use the fiscal 2027 appropriation for consulting, financing management services, and data

analytics, including artificial intelligence, through an expedited procurement or an interagency agreement.

Expedited Eligibility Determinations

DDA provides self-directed services through three special Medicaid waiver programs known as the Medicaid HCBS programs, including the Family Supports, Community Supports, and Community Pathways waivers. The Secretary makes eligibility determinations within 60 days of receipt of an application for services. *House Bill 1015 (passed)* requires MDH to provide an expedited Medicaid eligibility determination for developmental disability services for enrollment in the Community Pathways waiver to individuals who (1) relies on support from an immediate family member who is a resident of Maryland or has an immediate family member who is a resident of Maryland and acts as the individual's legal guardian; (2) received home- and community-based waiver services or similarly services in another state for the immediately preceding 10 years; and (3) relocated to Maryland on the death or incapacitation of the individual's caretaker in the other state to live with the immediate family member who has been a resident of Maryland for the immediately preceding 2 years. MDH must complete the expedited determination within 60 business days. If an individual is determined eligible, the individual must be placed in the crisis resolution category and given access to waiver services through the most appropriate reserve category as determined based on the services the individual received in their previous state of residence. If an individual would qualify for expedited eligibility determination process but has yet to establish residency in Maryland, MDH may determine whether the individual has a developmental disability and the appropriate service priority category.

Alzheimer's Disease and Related Dementias

Senate Bill 555/House Bill 446 (both passed) establish the Dementia Services and Brain Health Program in MDH to lead the State's public health efforts relating to brain health and dementia. The program must (1) assume the responsibilities of the Director of Dementia Services and Brain Health; (2) provide a quarterly update on the program's activities to the Virginia I. Jones Alzheimer's Disease and Related Dementias Council; (3) oversee the implementation of the State Plan on Alzheimer's Disease and Related Dementias; and (4) support and promote the delivery of dementia-capable care across health care settings through various methods including establishing and maintaining a provider resource toolkit, promoting participation in dementia-specific education, training, and certification, and identifying opportunities to incorporate dementia-capable care practices into health care models. The bills require the council to (1) examine health care providers' capacity and readiness to care for individuals with or at risk for Alzheimer's and related dementias and (2) identify methods the State can assist health care providers in delivering care for individuals with or at risk for Alzheimer's and related dementias in the most effective and efficient manner. Finally, the bills require MDH, the council, the Maryland Department of Aging, and other organizations with expertise in Alzheimer's and related dementias to establish and maintain a provider resource toolkit for dementia care for health care providers. MDH must also review and update the toolkit by January 1, 2028, and each year thereafter.

Death

House Bill 1012 (passed) authorizes a county or municipality to establish a multidisciplinary and multiagency suicide fatality review team to prevent suicide deaths by (1) reviewing suicide deaths of county residents or that occur within the county; (2) identifying systemic, service, and policy factors associated with the risk of suicide; (3) promoting coordination between entities involved in suicide prevention, crisis response, treatment, and postvention and (4) developing recommendations to prevent suicide. Should two or more counties establish a single multi-county team, the counties must execute a memorandum of understanding regarding the team. The bill outlines teams' meeting requirements, and exempts specified meetings from the Open Meetings Act and specified information from the Public Information Act. The bill also prohibits certain information from being disclosed at a public meeting and prohibits specified information from being disclosed in discovery or introduced as evidence. An individual guilty of violating the meeting or data privacy restrictions is subject to a fine of up to \$500, imprisonment for up to 90 days, or both. MDH may adopt regulations to carry out the bill, including (1) protocols, procedures, and methods for, and the manner and extent of, investigations by local suicide fatality review teams; (2) the manner in which data provided by MDH is to be stored and secured; and (3) the manner and extent to which information based on data provided by MDH may be disseminated.

Food, Drugs, and Cosmetics

Food Establishments

Lavatory Facilities and Facility Licensing: Each food establishment in the State is required to provide a convenient toilet, separated from any room containing or involving food, and kept in a sanitary condition; and a convenient lavatory that is (1) supplied with soap, water, and a method to dry hands; (2) kept in a sanitary condition; and (3) properly ventilated. **Senate Bill 714 (passed)** exempts mobile food service facilities and semipermanent food service facilities located in Washington County from the lavatory and toilet requirements. A "mobile food service facility" is a food service facility that is a mechanically, electrically, manually, or otherwise propelled vehicle operating on land or water. A "semipermanent food service facility" is a food service facility that (1) is built at a location other than where it operates; (2) is transported as a complete unit that does not require a building permit to install on the location at which it operates; (3) has no indoor seating for patrons; and (4) when serving food, serves only foods cooked for immediate service.

Chapters 761 and 762 of 2025 authorized a food establishment that is a business that conducts agritourism, a Class 4 limited winery, or a Class 8 farm brewery to comply with the lavatory requirement by providing a portable chemical toilet that otherwise meets the lavatory requirement and is placed at least 25 feet from a well. **House Bill 272 (passed)** expands the type of portable toilets that can be used by removing the requirement that the toilet be a portable chemical toilet. This change takes effect July 1, 2026.

The bill also alters the definition of “on-farm food service facility” to be a food service facility that is located on a farm and serves food as designated by MDH. The bill specifies that a on-farm food service facility license is valid for one year unless renewed and that MDH must determine the license fee, not to exceed \$100, based on the anticipated cost of licensing, regulating, and inspecting licensees. The bill requires MDH, in consultation with the Maryland Department of Environment, the Maryland Department of Agriculture, and other key stakeholders, to adopt regulations for on-farm food service facilities regarding (1) access to water; (2) management of wastewater; (3) outdoor cooking and food preparation; (4) the use of on-farm structures for food preparation and patron seating; (5) toileting facilities; and (6) other requirements necessary for the protection of public health. In adopting the regulations, MDH may consider the expected number of patrons, the expected frequency of operation, how to consider current or planned physical structures, and how to assess whether the anticipated operation of an on-farm food service facility is consistent with the continued operation of the farm on which it is located. These changes take effect January 31, 2027.

Cottage Food Business Annual Revenue: A cottage food business is a business that (1) produces or packages cottage food products in a residential kitchen; (2) sells the cottage food products; and (3) has annual revenues from the sale of cottage food products in an amount not exceeding \$50,000. A cottage food business does not need to be licensed by MDH if it complies with applicable laws and regulations. Before selling cottage food products, the business owner must submit to MDH (1) documentation of successful completion of a food safety course and (2) the label that will be affixed to the cottage food product. MDH provides each cottage food business with a unique identification number, which must be included in their labeling. ***House Bill 535 (passed)*** increases the annual maximum revenue for a cottage food business from \$50,000 to \$100,000.

Drugs

Prescription Drugs: The Prescription Drug Repository Program, regulated by the Maryland Board of Pharmacy, accepts donated prescription drugs or medical supplies to be dispensed to needy patients in the State. Prescription drugs can only be donated if they are in unopened, sealed, and tamper-evident unit dose packaging and have an expiration date at least 90 days from the date the drug is donated. The program also includes acceptance of prescription drugs and medical supplies returned to a pharmacy for proper disposal. Chapter 705 of 2025 (1) expanded the program to accept over-the-counter (OTC) drugs and allow entities in another state to participate in the program as repositories and (2) added that, if a donated prescription or OTC drug is in high demand, the program may accept drugs with an expiration date that is less than 90 days from the date of donation. However, those drugs may not be dispensed if the expiration date occurs during the period for which the drug is prescribed.

House Bill 1377 (passed) establishes the Redirecting Safe Prescription Drugs Pilot Program to (1) expand medication access for underserved populations; (2) reduce pharmaceutical waste; and (3) ensure drug safety and prevent diversion while leveraging safe medications for public good. To administer the pilot program, the bill requires the Secretary of Health to

collaborate with the federal Drug Enforcement Agency (DEA) and four drop-off sites in the State that are registered with the DEA to participate in a National Prescription Drug Take Back Day. The bill establishes specific requirements for each participating drop-off site and requires the Secretary to report, by October 1, 2027, to the State Board of Pharmacy and the General Assembly on (1) the total number of eligible prescription medications collected at each participating drop-off site during the National Prescription Drug Take Back Day; (2) the types of prescription medications collected; and (3) the number of drugs collected that were not packaged in a manner consistent with the requirements of the State Prescription Drug Repository Program. The pilot program terminates June 30, 2028.

The BRFA of 2026 alters the regulations that the Secretary, in consultation with the State Board of Pharmacy, are required to adopt for the Prescription Drug Monitoring Program to remove the three-year retention requirement for program data; rather, the regulations must require that the data be retained without specifying a time period for the retention.

Natural Psychedelic Substances: Chapters 792 and 793 of 2024 established the Task Force on Responsible Use of Natural Psychedelic Substances. The task force is required to (1) study the use of natural psychedelic substances (including naturally derived psilocybin, psilocin, dimethyltryptamine, mescaline, and any other substance the task force determines to be a natural psychedelic substance, but not including peyote); (2) make recommendations regarding any changes to State law, policy, and practices needed to create a Maryland Natural Psychedelic Substance Access Program; and (3) make recommendations to transition from criminalizing conduct involving natural psychedelic substances. In October 2025, the task force submitted an updated report of its July 2025 findings and recommendations to the Governor and the General Assembly. *Senate Bill 336/House Bill 427 (both passed)* add a representative of a historically black college or university in the State to the task force and extend the life of the task force by one year, to end December 31, 2027. Additionally, the bills require the task force to report its findings and recommendations to the Governor and General Assembly by October 31, 2026.

Unauthorized Consumable Products: *Senate Bill 820/House Bill 1523 (both passed)* authorize (1) the Field Enforcement Division of the Alcohol, Tobacco, and Cannabis Commission (ATCC) to issue a citation or other charging document to a person who has committed a violation of consumer protection provisions under Title 21, Subtitles 2D, 2E, and 2F of the Health – General Article, which govern tianeptine, kratom, and phenibut, respectively; (2) the Executive Director of ATCC to seize, confiscate, or destroy an unauthorized consumable product that is offered, advertised, or displayed for sale to a consumer in the State and products that are labeled, advertised, represented, or offered for sale as containing specified ingredients; and (3) the District Court to impose additional sanctions, including suspension or revocation specified licenses. An “unauthorized consumable product” is defined as a tianeptine product, a kratom product that does not comply with Title 21, Subtitle 2E of the Health – General Article, a phenibut product that does not comply with Title 21, Subtitle 2F of the Health – General Article, and a consumable product that contains a poisonous or deleterious substance in violation of specified rules and regulations and is designated by the Secretary of Health for enforcement by the Executive Director.

Additionally, a retailer that violates the bills' provisions is liable for civil damages sustained by an individual that result from the violation.

The bills prohibit a retailer from distributing, selling, exposing for sale, or advertising for sale an unauthorized consumable product and impose criminal and civil penalties on violators of specified provisions. The bills also expand the prohibitions against retailers advertising kratom and phenibut products to minors and require MDH to notify ATCC within 30 days of changes in the regulatory status of unauthorized consumable products, including kratom, tianeptine, and phenibut.

Cosmetics

Chapter 490 of 2021 prohibited a person from knowingly manufacturing, selling, delivering, holding, or offering for sale in the State, a cosmetic product that contains any of 24 listed intentionally added ingredients, including formaldehyde, mercury, and several per- and polyfluoroalkyl substances and their salts, with certain exceptions. A person who violates the provisions of Chapter 490 is subject to civil and criminal penalties. *Senate Bill 656/House Bill 1533 (both passed)* specify that in addition to the civil and criminal penalties, a person who violates the provisions of Chapter 490 is liable for civil damages resulting from actual harm sustained by the individual as a result of the violation and establish a violation as an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA's penalty provisions. In any action brought to enforce the prohibition, a court may award to a prevailing plaintiff (1) treble damages; (2) if the violation was willful, punitive damages; and (3) reasonable attorney's fees. Finally, the bills require MDH, in conjunction with the Office of the Attorney General, to develop a plan for the administration of a special fund to support the research and treatment of conditions caused by harmful hair chemicals and report the plan to the Senate Finance Committee and House Health Committee on or before December 1, 2026.

Female Genital Mutilation

Chapter 128 of 1998 prohibited a person from committing a crime of female genital mutilation against an individual younger than age 18. *Senate Bill 907/House Bill 1389 (Chs. 28 and 29)* define "female genital mutilation" as a procedure performed for nonmedical reasons that involves partial or total removal or other injury to the external female genitalia. The Acts also prohibit an individual from (1) knowingly performing, attempting to perform, or conspiring to perform female genital mutilation on an individual who is younger than age 18 or (2) transporting an individual younger than age 18 out of the State for the purpose of performing or facilitation the performance of female genital mutilation. The Acts also increase criminal penalties for female genital mutilation and require a health occupations board to revoke an individual's license if the individual is convicted of, enters a plea of guilty or of *nolo contendere* for, or receives probation before judgment for a violation of the female genital mutilation provisions. In addition, the Acts authorize a victim of female genital mutilation to file a civil action. The statute of limitations for this cause of action is the later of 10 years from the date the violation occurred or the date on which the victim reaches age 28. Additionally, the Acts include female genital mutilation in the definition

of “abuse” for the purpose of certain provisions of law requiring the reporting of suspected child abuse. The Acts further require MDH, in collaboration with community-based organizations, to develop, publish, and distribute educational materials on female genital mutilation. Finally, MDH must submit a report regarding female genital mutilation to the General Assembly on or before December 1, 2027, and make the report available to the public.

Online Resources

Caregiver Resource Webpage

House Bill 1434 (passed) requires MDH to develop and maintain a centralized caregiver resource webpage on MDH’s website. “Caregiver” means an individual who provides care, supervision, or assistance to another individual due to the individual’s age, disability, chronic illness, cognitive impairment, or other functional limitation. MDH must coordinate with the Maryland State Department of Education, the Maryland Department of Aging, the Developmental Disabilities Administration, and any other relevant State or local agencies in developing the webpage. The webpage must be posted in a conspicuous location on the MDH website and provide plain-language, easily accessible information to support all types of caregivers at different stages of caregiving.

Consumer Health Information Hub

Chapter 679 of 2022 designated the University of Maryland Herschel S. Horowitz Center for Health Literacy as the State’s Consumer Health Information Hub to promote and ensure public access to specified information in preferred languages to inform decisions about health, safety, and social services benefits. Chapter 679 required the Governor to include in the annual budget bill, for fiscal 2024 through 2026, an appropriation of \$350,000 to the hub. ***House Bill 882 (passed)*** repeals the June 30, 2026 termination date of Chapter 679 and the \$350,000 mandated appropriation. Instead, the hub must operate to the extent funding is available.

Health Occupations

All Occupations

It is the policy of the State that health professions and associated practitioners should be regulated and controlled by independent health occupations boards, with the intent that a peer group is best qualified to regulate, control, and otherwise discipline in a fair and unbiased manner the licensees or certificate holders who practice in the State. ***House Bill 1372 (passed)*** establishes the Maryland Health Centralization Commission to provide advice and recommendations to the General Assembly on how best to increase collaboration between the Maryland Department of Health (MDH) and the health occupations boards to achieve greater efficiency, transparency, and accountability. The commission must provide recommendations to ensure that each health occupation board remedies audit findings and violations of law, regulation, or policy and

establishes specified policies and procedures. The commission is also required to provide recommendations on establishing a comprehensive licensure system to be used by a board, consolidating functions to enhance efficiency, and increasing awareness of the Maryland Quality Reporting Website. The commission must annually report on its findings and recommendations. The Maryland Health Care Commission and the Office of Health Care Quality must collaborate to develop a process to share specified inspection and quality metrics information and publish it on the Maryland Quality Reporting Website for each applicable health care facility.

Licensure, certification, registration, and permit requirements vary by profession but typically require, among other things, a criminal history records check (CHRC). *Senate Bill 806/House Bill 1420 (both passed)* establish and standardize language requiring CHRCs for individuals regulated by the health occupations boards. An applicant for a credential must apply to the Criminal Justice Information System Central Repository (CJIS-CR) in the Department of Public Safety and Correctional Services by submitting a complete set of legible fingerprints and any State and federal fees, and CJIS-CR must forward an individual's record to the individual and the appropriate board. If criminal history record information is reported to CJIS-CR after the date of the initial CHRC, CJIS-CR must provide revised information to the board and the individual (commonly known as “rap back”).

Continuing Education Requirements

Most health occupations boards require license or certificate holders to complete a certain number of hours of continuing education to renew a license or certificate. *House Bill 771 (passed)* requires each health occupations board to (1) allow an applicant for license or certification renewal to receive continuing education credits for completing an approved human trafficking awareness training program and (2) conduct outreach to make individuals regulated by the board aware of human trafficking awareness training options. A continuing education program must be free, accessible, at least one hour long, and approved by MDH in collaboration with certain stakeholders. A program must include instruction on (1) the definitions and forms of sex and labor trafficking; (2) the trauma-informed care model; (3) indicators of human trafficking, particularly those presenting in a health care setting; (4) screening, documentation, and reporting protocols; and (5) available resources and services for survivors of human trafficking.

Senate Bill 891/House Bill 1118 (both passed), among other things, require MDH to identify and develop training programs that improve early identification of perinatal behavioral health conditions. Accordingly, each health occupations board that requires continuing education as a condition of renewal must grant at least two hours of continuing education credits for every one hour of continuing education on perinatal behavioral health conditions. *Senate Bill 892/House Bill 1365 (both passed)* require each board to do the same for every one hour of continuing education on menopause and associated symptoms. MDH also must consult with certain professional associations to identify at least one training program on the evaluation and management of menopause and menopause-associated symptoms.

Veterans, Service Members, and Foreign Service

Recent changes to the federal Servicemembers Civil Relief Act allow for professional license portability for Foreign Service members, active service members, and their spouses. *Senate Bill 418/House Bill 1120 (both passed)* explicitly authorize a Foreign Service member or a Foreign Service member's spouse who relocates to the State due to an assignment or detail to the State and holds a license – including a health occupations license – issued by another state to practice under that license for the duration of the assignment or detail within Maryland if the individual provides specified documentation and satisfies other criteria. *Senate Bill 242 (passed)* does the same for an active service member or an active service member's spouse.

Senate Bill 83 (passed) makes consistent the grounds for discipline by health occupations boards such that a board may deny licensure to an applicant or discipline a licensee if the applicant or licensee is disciplined for an act that would be grounds for discipline under the board's disciplinary statutes by (1) a court or disciplinary authority of any other state or country; (2) any branch of the uniformed services; or (3) the U.S. Department of Veterans Affairs.

Board of Acupuncture

Senate Bill 370/House Bill 374 (both passed) require the State Board of Acupuncture, on renewal of a license, to make available proof of renewal to each licensee rather than issuing a renewal certificate. The bills also prohibit and establish penalties for employing an individual to practice acupuncture without a license or aiding or abetting the unauthorized practice of acupuncture.

Board of Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists, and Music Therapists

Senate Bill 88/House Bill 7 (Chs. 30 and 31) authorize the State Board of Examiners for Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists, and Music Therapists to issue a limited license to practice music therapy to an individual if the individual has completed all full licensure requirements except for the examination. The limited license allows the individual to practice music therapy under supervision of a fully licensed music therapist while completing the requirements for full licensure. A limited license is valid for one year but may be renewed for an additional year.

Board of Environmental Health Specialists

Senate Bill 119/House Bill 274 (Chs. 135 and 136) extend the termination date of the State Board of Environmental Health Specialists by five years to July 1, 2032.

Board of Long-Term Care Administrators

Medical professional liability insurance (also known as medical malpractice insurance) provides coverage against damages due to medical injury arising out of the performance of professional services rendered, or which should have been rendered, by a health care professional. *Senate Bill 293/House Bill 442 (Chs. 32 and 33)* require each nursing home and assisted living program to provide notification if professional liability insurance coverage is not maintained or such coverage has lapsed or not been renewed. If a nursing home or program does not maintain professional liability insurance coverage or if it has lapsed, the nursing home or program must post such information in a conspicuous location and notify all residents and prospective residents. Notifications must be retained in the nursing home or program's records.

Board of Massage Therapy Examiners

An individual may practice massage therapy in the State if the individual is either (1) licensed by the board or (2) registered by the board to practice massage therapy in a non-health care setting. Chapters 705 and 706 of 2022 phased out the registered massage practitioner credential so that beginning November 1, 2026, an individual must be licensed by the State Board of Massage Therapy Examiners to practice massage therapy in the State. *Senate Bill 419/House Bill 42 (both passed)* repeal this change and authorize individuals registered by the board to continue practicing massage therapy under an existing registration beyond October 31, 2026. However, the bills repeal the qualifications for a new registration as a massage therapy practitioner. The bills remove the option for a former registered practitioner to apply for a new registration if the registered practitioner fails to renew their registration for five years (as new registrations are no longer issued). Instead, a former registered practitioner may be reinstated by meeting the requirements for licensure. The bills also (1) alter the educational requirements for applicants who graduated from an out-of-state program; (2) clarify which entities may accredit a massage therapy curriculum; (3) repeal the requirement that the board follow hearing provisions to impose an administrative penalty on an individual who does not notify the board of a changed name or address; and (4) require licensees or registered practitioners on inactive status to submit to a criminal history records check for reinstatement.

Senate Bill 492/House Bill 975 (Chs. 22 and 23) prohibit a licensed massage therapist, registered massage practitioner, or third party from advertising for massage therapy services (1) by stating that prostitution, escort, or sexual services are available; (2) on a website known for advertising prostitution, escort, or sexual services; or (3) by indicating or implying that sexual activity is part of the massage therapy service. The measures also require that, if an advertisement for massage therapy services lists the name of a licensed massage therapist or registered massage practitioner, the name on the advertisement must match the name on the individual's board-issued license or registration.

Board of Morticians and Funeral Directors

Requirements related to the final disposition of human bodies are established under the Health – General Article, while practitioners are regulated either by the Office of Cemetery Oversight (OCO) within the Maryland Department of Labor or the State Board of Morticians and Funeral Directors within MDH. Regulation of cremation, alkaline hydrolysis, and natural organic reduction is divided between these entities based on ownership of the crematory or reduction facility. *Senate Bill 413/House Bill 698 (both passed)* give regulatory oversight of crematories and reduction facilities exclusively to the board and remove oversight from OCO. A person who holds a permit or registration from OCO may continue to operate until the permit or registration expires and may renew the permit or registration with the board. The bills also increase penalties applicable to such permit holders and alter certain board processes. The board must convene a stakeholder workgroup to review statute and regulations related to the bills and submit a report on findings and recommended changes.

House Bill 564 (passed) establishes consumer protection and disclosure requirements for people that sell (or offer for sale) pet cremation services of pet remains, including a requirement to distribute a written description of available pet cremation services to specified stakeholders as well as to any other person who requests the information. The description must include a detailed and clear explanation of each pet cremation service offered. In addition to other penalties, a violation of the bill is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act, subject to civil and criminal penalty provisions.

Board of Nursing

Generally, a pregnant incarcerated individual may not be involuntarily placed in restrictive housing (including involuntary medical isolation or infirmary). However, a pregnant incarcerated individual who is deemed to need infirmary care must be admitted to the infirmary on the order of certain medical providers. In addition to provisions relating to physician assistants, *Senate Bill 326/House Bill 377 (both passed)* authorize a certified nurse-midwife and licensed certified midwife to order a pregnant incarcerated individual to be admitted to an infirmary. The bills also require that health maintenance organization (HMO) quality of care standards include a requirement that each HMO member has an opportunity to select a certified nurse-midwife or licensed certified midwife as a primary care provider from among those available to the HMO.

Expedited partner therapy (EPT) is the practice of providing antibiotic therapy to the sexual partner of a patient diagnosed with certain infections transmitted through sexual activity without an intervening medical evaluation to stop the further spread of the infection and reduce the likelihood of reinfection in the diagnosed patient. *Senate Bill 394/House Bill 422 (both passed)* add bacterial vaginosis to the list of conditions for which antibiotic therapy can be provided to an individual under the State's EPT program and authorize a licensed certified midwife to provide antibiotic therapy under the program.

In addition to requirements placed on nursing homes and assisted living programs, *Senate Bill 293/House Bill 442 (Chs. 32 and 33)* require each nurse midwife and licensed certified midwife to provide notification if professional liability insurance coverage is not maintained or such coverage has lapsed or not been renewed. If a midwife does not maintain professional liability insurance coverage or if it has lapsed, the midwife must post such information in a conspicuous location and notify a patient as specified. Notifications must be retained in patient records.

Board of Examiners in Optometry

Senate Bill 186/House Bill 380 (Chs. 26 and 27) clarify examination requirements for licensure and reinstatement under the State Board of Examiners in Optometry by specifying that an applicant must pass all sections of each part of an examination and the board must determine the passing scores for all sections. The board is prohibited from placing a licensee on inactive status for more than six consecutive years. The Acts also repeal the requirement that the board give examinations to applicants not more than once every six months and notify applicants of the time and place of the examination and that an applicant pay a reexamination fee to retake the licensure exam.

Board of Pharmacy

The Drug Therapy Management Program permits an authorized prescriber and a pharmacist to enter a therapy management contract that specifies treatment protocols that may be used to provide care to a patient. *Senate Bill 562/House Bill 838 (Chs. 53 and 54)* authorize a pharmacist to enter into an agreement with an authorized prescriber to treat an opioid use disorder using controlled dangerous substances drug therapy if the pharmacist meets registration and training requirements and follows a specified protocol. The Acts also add licensed certified midwives to the definition of authorized prescriber. Additionally, the measures repeal the authorization for a health occupations board to enter into an agreement with the Maryland Board of Pharmacy (MBOP) that requires authorized prescribers to submit documentation to the board that otherwise would be required to be submitted to the health occupations board that regulates the prescriber.

Senate Bill 773/House Bill 1135 (both passed) authorize a pharmacist to order a vaccine for an individual who is at least three years old without the pharmacist administering the vaccine. If a vaccination is administered to an individual younger than 18 or ordered for administration by an adult caregiver to an individual younger than 18, the pharmacist must inform the patient and adult caregiver of the importance of visits with a pediatric primary care provider and refer the patient to a pediatric primary care provider when appropriate.

Senate Bill 778 (passed) authorizes MBOP to issue a clinical research pharmacy permit to a pharmacy that (1) exclusively compounds, dispenses, or distributes drugs as part of scientific research conducted under specified protocols; (2) compounds, dispenses, or distributes pharmaceuticals solely incident to the research being conducted and consistent with related protocols; (3) is not open to the general public for retail pharmaceutical services and is strictly

limited to dispensing to participants in a clinical trial; (4) complies with specified security and storage protocols; and (5) satisfies any other board requirements. A health care provider licensed under the board may have ownership interest in a clinical research pharmacy if a licensed pharmacist is present on-site during operational hours and is responsible for services and the provider with ownership interest does not receive remuneration for referrals to a specific pharmacy or pharmacist.

Board of Physicians

Senate Bill 326/House Bill 377 authorize a physician assistant (PA) to perform several additional duties that other health care practitioners can currently perform, including (1) ordering a pregnant incarcerated individual to be admitted to an infirmary; (2) with a physician, signing a certificate of competency for a petition for guardianship of a disabled person; (3) being the second health care provider to certify that an individual is incapable of making an informed decision regarding treatment; (4) being one of two health care practitioners to certify that an individual is in a terminal condition or has an end-stage condition; (5) in conjunction with a physician, certifying a disabled person for voluntary admission for treatment of a mental disorder; (6) petitioning for emergency evaluation; (7) prescribing and dispensing emergency use epinephrine to a certificate holder under the Emergency and Allergy Treatment Program; (8) certifying an eligible individual as being at risk of placement in a nursing facility or similar institution for the purpose of eligibility for the Attendant Care Program; and (9) signing a certificate of illness or disability for a State employee who uses five or more consecutive days of sick leave. The bills also (1) require that HMO quality of care standards include a requirement that each HMO member has an opportunity to select a PA as a primary care provider from among those available to the HMO; (2) add a PA as a term-limited member of the Statewide Advisory Commission on Immunizations; and (3) exclude a PA from the definition of “health care practitioner” with respect to health care staffing agencies.

An individual may perform X-ray procedures limited to certain parts of the chest, spine, and extremities without a license, if the individual performing the procedures is under supervision and meets certain educational, training, and examination requirements. *Senate Bill 915/House Bill 1047 (both passed)* repeal this license exemption and instead require an individual to be registered as a limited X-ray machine operator with the Maryland Board of Physicians to perform X-ray machine operations that previously could be performed without a license. The term of a registration may not exceed three years. The X-ray duties must be performed under supervision of a licensed physician or radiographer and must be performed by an individual who has registered with the board and attests to successfully completing certain educational requirements, clinical care experiences, didactic and clinical training, and competencies. The bills also place conditions on the performance of X-ray duties by a PA, such that certain X-ray duties can no longer be delegated to a PA under a collaboration agreement. Instead, to perform X-ray duties, a PA must complete certain courses, be under direct supervision, and obtain board approval of the X-ray duty.

Board of Podiatric Medical Examiners

The Interstate Podiatric Medical Licensure Compact is intended to create a streamlined licensure process that allows podiatrists to become licensed in multiple states, thereby enhancing the portability of a podiatric medical license and ensuring patient safety. *Senate Bill 333/House Bill 619 (Chs. 70 and 71)* enter Maryland into the compact contingent on similar legislation being enacted in four other states. The measures establish (1) specified procedures and requirements for a podiatrist to practice under an expedited license (a full unrestricted podiatric medical license granted by a member state to an eligible podiatrist through the process set forth in the compact) in a member state; (2) the composition, powers, and responsibilities of the Interstate Podiatric Medical Licensure Compact Commission; and (3) requirements related to the oversight, enforcement, dispute resolution, defaulting, withdrawal, and dissolution of the compact.

Board of Professional Counselors and Therapists

Chapter 649 of 2025 created a temporary telehealth license, issued by the State Board of Professional Counselors and Therapists to qualified applicants authorized to provide clinical professional counseling or counseling services in another state. The license authorizes its holder to provide clinical professional counseling services through telehealth in Maryland only to an out-of-state resident enrolled at and residing at or near an institution of higher education in the State with whom the counselor has an existing therapeutic relationship. *House Bill 1483 (passed)* repeals the board's authorization to issue a temporary telehealth license. Instead, the bill exempts an individual licensed and in good standing in another state from licensing requirements if the individual is providing counseling through telehealth to a client in Maryland for the purpose of providing continuity of care for up to six months after the client (1) relocated to Maryland or (2) returned to Maryland after a continuous and nonincidental period of relocation outside the State. The individual must have an established client-counselor relationship while the client was outside the State and must no longer be able to provide in-person counseling to the client because the client is located in Maryland.

Board of Social Work Examiners

Senate Bill 18/House Bill 769 (both passed) require the State Board of Social Work Examiners to issue a provisional license to an applicant who has met the education and experience requirements to practice bachelor social work or master social work, except for passing a required examination. A provisional license requires the holder to practice under the supervision of a board-approved supervisor and may be issued only to an applicant who has not been previously licensed under the board and does not qualify for a multistate license under the Social Work Licensure Compact. The holder of a provisional license and the supervising social worker are jointly responsible for ensuring compliance with supervision and expiration requirements. A provisional license expires on a date set by the board that is at least 12 months, but not more than 24 months, after the date of issuance; may not be renewed; and must terminate automatically on the expiration date or the date that a full license is issued. Supervised hours completed under a provisional license may be counted toward the supervised experience required (1) for independent

practice approval and (2) to qualify for a certified social worker-clinical license. Beginning December 31, 2027, the board must submit an annual report on provisional licenses.

Health Care Facilities and Regulations

Hospitals and Related Institutions

Hospital Protocols

Generally, there are no State requirements regarding staffing in hospitals. *Senate Bill 411/House Bill 624 (both passed)* require each hospital that is not a State hospital to comply with the staffing standards of the accreditation body that accredits the hospital and the federal Centers for Medicare and Medicaid Services (CMS) Conditions of Participation. Additionally, each hospital must establish and maintain a specified clinical staffing committee. The chief nurse executive of each hospital must produce a draft clinical staffing plan to submit to the clinical staffing committee and, using the draft plan, each clinical staffing committee must finalize a clinical staffing plan that meets patient needs and considers standards required by CMS and the appropriate accreditation body. By July 1, 2028, and annually thereafter, each hospital must implement the finalized clinical staffing plan and assign personnel to each patient care unit in accordance with the plan. Each hospital must provide the clinical staffing plan to staff on request.

Chapter 718 of 2025, among other things, requires a federal law enforcement officer to notify specified individuals regarding a federal immigration enforcement action at a “sensitive location,” which includes specified health care facilities. Chapter 718 also requires the Attorney General to develop and publish guidance that informs the public and relevant State agencies of specified immigration enforcement action. *Senate Bill 792 (passed)* requires a hospital to adopt a policy describing the protocol of the hospital when there is an immigration enforcement action at the hospital, consistent with the guidance of the Attorney General. A hospital must make the policy available to all hospital staff members and provide annual training to all hospital staff members to ensure knowledge and understanding of the policy.

The federal Emergency Medical Treatment and Labor Act (EMTALA) was enacted in 1986 to ensure public access to emergency services regardless of the ability to pay. Medicare-participating hospitals that offer emergency services must provide a medical screening examination or treatment for an emergency medical condition, including active labor, regardless of an individual’s ability to pay. Hospitals must provide stabilizing treatment for patients with emergency medical conditions. If a hospital is unable to stabilize a patient within its capability, or if the patient requests, an appropriate transfer should be implemented.

Senate Bill 169/House Bill 372 (both passed) generally codify EMTALA in State law as it relates to an emergency pregnancy-related medical condition. If a hospital determines that a patient has an emergency pregnancy-related medical condition, the hospital must provide further examination and the treatment required to stabilize the condition, including the termination of a pregnancy when medically necessary to stabilize the patient, or transfer the patient to another

medical facility. A hospital must allow the termination of a pregnancy at the hospital if the patient's treating health care practitioner determines termination is medically necessary to stabilize a patient. If, after offering further examination and treatment or transfer and informing the patient of the risks and benefits of further examination and treatment or transfer, a patient or the patient's representative refuses to consent to further examination or treatment or to a transfer to another medical facility, a hospital must take reasonable steps to secure written informed consent to the refusal of an examination or treatment or transfer from the patient or the patient's representative. A hospital is prohibited from taking specified adverse actions against a provider for not transferring a patient who is not stabilized or against a hospital employee who reports a violation. A hospital that negligently violates these requirements is subject to specified civil penalties. The Maryland Department of Health (MDH) must stay a final decision on a potential violation of the bills' requirements if there is an ongoing federal investigation regarding the same incident.

Pediatric Hospital Overstay Patients

Chapters 479 and 480 of 2025 require MDH, or the Department of Human Services (DHS) in coordination with MDH if the patient is a child committed to the care and custody of DHS, to ensure that a pediatric hospital overstay patient is transferred to and treated in the least restrictive setting when clinically indicated and when possible. Pediatric hospital overstay coordinators must act in the best interest of a pediatric overstay patient by coordinating between hospitals, relevant State agencies and programs, and providers of mental health and substance use disorder services.

House Bill 1559 (passed) prohibits DHS' out-of-home placement program from using an "unlicensed setting" for a child. Effective January 1, 2027, the definition of "unlicensed setting" is expanded to include an inpatient unit or emergency department of a hospital in which the child is a patient younger than age 22 who remains for more than 48 hours after being medically cleared for discharge or transfer. Through September 30, 2029, the bill requires the pediatric overstay coordinators to maintain specified data on each pediatric hospital overstay patient and provide monthly reports on specified collected data to the Secretaries of Health and Human Services and the Child and Youth Placement Review Panel in the Governor's Office for Children. A hospital must immediately notify the coordinators, through a system designated by MDH, about a pediatric hospital overstay patient.

Surgical Smoke Evacuation

Surgical smoke is not directly regulated in the State, and although not federally regulated, the federal Occupational Safety and Health Administration recognizes hazards and specified controls and work practices associated with surgical smoke. *House Bill 1087 (passed)* requires each health care facility that performs surgical procedures to adopt and implement policies, by January 1, 2028, that require the use of a smoke evacuation system during a surgical procedure that may generate surgical smoke.

University of Maryland Capital Region Medical Center

Chapter 13 of 2016 provided specified operating and capital funding to the University of Maryland Medical System (UMMS) to assist in the transition of a new Prince George's County Regional Medical Center (renamed to be the University of Maryland Capital Region Medical Center) from Dimensions Health Care System to UMMS. Prince George's County was likewise required to provide specified financial assistance. Chapter 19 of 2017 extended the termination date of Chapter 13 from June 30, 2021, to June 30, 2028, and, among other things, altered the amount of operating grants the State was required to provide in fiscal 2018 through 2021 and required the Governor to include an annual appropriation for additional operating grants from fiscal 2022 through 2028. ***House Bill 1540 (passed)*** removes the termination date of the mandated appropriation for the University of Maryland Capital Region Medical Center, requiring the Governor to include \$10.0 million in the annual budget bill beyond fiscal 2028. The bill also repeals the June 30, 2028 termination date for other provisions relating to the transition of the medical center to UMMS and alters the related findings of the General Assembly.

Maryland Health Care Commission

The Maryland Health Care Commission (MHCC) is an independent commission within MDH with a mission to plan for health system needs, promote informed decision making, increase accountability, and improve access by providing timely and accurate information to policymakers, purchasers, providers, and the public. The commission consists of 15 members appointed by the Governor with the advice and consent of the Senate. ***Senate Bill 260/House Bill 322 (Chs. 38 and 39)*** alter the membership of MHCC by (1) reducing, from nine to eight, the number of members who do not have any connection with the management or policy of a health care provider or payor and (2) requiring one member to be an administrator of a hospital. When appointing members of the commission, the Governor must assure that at least four (rather than five) members are residents of different counties with a population of 300,000 or more.

Bed Capacity Study

House Bill 1563 (passed) requires, MHCC, in conjunction with the Health Services Cost Review Commission (HSCRC) and representatives from the post-acute care industry, to conduct two studies to (1) quantify bed capacity in post-acute care settings and hospitals in the State and make recommendations regarding a collection and auditing process by which hospital and post-acute beds will be reported to MHCC or HSCRC each year and (2) analyze options to facilitate clinically appropriate transitions from acute to post-acute care settings. By January 1, 2027, MHCC, in conjunction with HSCRC, must report its findings and its recommendation regarding a collection and auditing process.

Health Facilities

Intermediate Care Facilities

American Society of Addiction Medicine (ASAM) Level 3.7 programs are residential-intensive programs that provide medically monitored, intensive treatment in an intermediate residential care facility for a minimum of 36 hours of therapeutic services per week on a planned regimen of 24-hour evaluation, care, and treatment that meets the requirements for withdrawal management services. MHCC operates the certificate of need (CON) program, which requires review and approval of certain types of proposed health care facility and service projects. *Senate Bill 444/House Bill 498 (Chs. 68 and 69)* specify that a CON is not required to establish, operate, or change the bed capacity at an intermediate care facility that offers ASAM Level 3.7 programs if (1) written notice of the intent to establish or operate the facility or change bed capacity is filed with MHCC at least 45 days in advance and (2) MHCC finds that the proposed facility or change in bed capacity is not inconsistent with the State Health Plan, will result in the delivery of more efficient and effective health care services, and is in the public interest.

Long-Term Care Facilities

MDH licenses all nursing home facilities in the State, and the Office of Health Care Quality (OHCQ) is charged with conducting an unannounced site visit and a full survey of each licensed nursing home at least once per year. After a nursing home complaint alleging actual harm, OHCQ must initiate an investigation within 10 business days. If MDH receives a complaint alleging immediate jeopardy to a resident, it must make every effort to investigate the complaint within 24 hours, and no later than 48 hours, after receiving the complaint.

House Bill 945 (passed) requires MDH, when investigating a nursing home complaint alleging actual harm or immediate jeopardy to a resident, to notify the local health department (LHD) for the county in which the nursing home is located within 24 hours after initiating the investigation. To the extent practicable and as permitted by federal law, MDH must consult and coordinate with the LHD on the complaint investigation and response. The bill also establishes a Health Care Quality Improvement Initiative to be carried out by a task force staffed by MDH. The initiative must identify strategies to improve the quality of care and the affordability and accessibility of services in nursing homes and assisted living programs and determine how the State can best use and share available data and expertise for the analysis, monitoring, public transparency, and oversight of nursing homes and assisted living programs. The task force must, among other things, carry out the initiative, study the feasibility of quality standards and potential use of CMS' Quality Assurance and Performance Improvement framework, study specified barriers and policy recommendations, engage with stakeholders, and collaborate with MHCC regarding the use and sharing of available data and expertise. The task force must submit an interim report by December 1, 2027, and a final report by December 1, 2028.

It is the policy of the State that, in addition to any other rights, each resident of a facility has the right to notice, procedural fairness, and humane treatment when being transferred or

discharged from a facility and the right to participate in decision making regarding transitions in care. Specifically, a facility must provide a resident with a written notice 30 days before any proposed discharge or transfer and provide the resident with the opportunity for a hearing before the discharge or transfer. *Senate Bill 493/House Bill 1002 (Chs. 24 and 25)* specify that a resident of a nursing facility may not be involuntarily transferred or discharged to a location other than the location identified in a specified notice before the facility to which the resident is to be transferred has confirmed that the resident may be transferred and the facility is prepared to accept the resident. The Acts also alter specified requirements for (1) the notice provided to a resident regarding any proposed discharge or transfer; (2) a new notice of any proposed discharge or transfer, including applicable timing requirements for discharge or transfer under a new notice; and (3) a post discharge plan of care.

Medical professional liability insurance (also known as medical malpractice insurance) provides coverage against damages due to medical injury arising out of the performance of professional services rendered or which should have been rendered by a health care professional. *Senate Bill 293/House Bill 442 (Chs. 32 and 33)* require each nursing home and assisted living program to notify each resident and prospective resident in writing or by written electronic communication if professional liability insurance coverage is not maintained or such coverage has lapsed or not been renewed. The notification must be signed by a prospective resident at the time of application for admission or by a resident at the time of notification of the lapse in coverage. Notifications must be retained by the nursing home or assisted living program as a part of the nursing home or assisted living program's records. Each nursing home or facility-based assisted living program operating in the State that does not maintain professional liability insurance coverage must post in a conspicuous place visible to residents and guests that the nursing home or facility-based assisted living program does not maintain such coverage.

The Oversight Committee on Quality of Care in Nursing Homes and Assisted Living Facilities evaluates progress in improving the quality of nursing homes and assisted living facilities in the State. *Senate Bill 123/House Bill 747 (Chs. 62 and 63)* alter the membership of the oversight committee by removing the member of the Senate Education, Health, and Environmental Affairs Committee (now known as the Senate Education, Energy, and the Environment Committee), reducing from two to one the number of members from the House Health Committee, removing the representatives from the Health Facilities Association of Maryland and Voices for Quality Care, and adding one representative from LeadingAge Maryland. Three representatives from the assisted living industry must represent specified programs to the extent practicable. Additionally, *House Bill 640 (passed)* removes the Secretary of Health (or their designee) from oversight committee membership.

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 unrelated sick or disabled individual in their home. Some RSAs have nurses that provide skilled care and certified caregivers that provide assistance with activities of daily living. *House Bill 1284 (passed)* requires MDH to

adopt regulations that authorize an RSA that provides private duty nursing (PDN) services to employ a licensed nurse who does not meet clinical experience requirements, if the RSA provides specified training and a competency evaluation that are subject to approval by MDH. An RSA must (1) establish and implement a training program designed to ensure safe and competent care based on patient needs; (2) ensure the nurse receives clinical supervision by a registered nurse qualified in PDN services; (3) assign the nurse to a qualified preceptor or clinical supervision until competency is demonstrated; (4) document satisfactory completion of required competency standards in the nurse's personnel file; and (5) conduct competency evaluations of the nurse annually or on a more frequent schedule as required by MDH for disciplinary purposes.

Health Insurance

Mandated Benefits and Cost Sharing

Scalp Cooling Systems

Senate Bill 272/House Bill 393 Chs. 51 and 52 require certain insurers, nonprofit health service plans, and health maintenance organizations that provide coverage for chemotherapy to treat cancer to provide coverage for scalp cooling systems used for the preservation of hair in connection with the chemotherapy treatment.

Immunizations, Screenings, and Preventive Services

Senate Bill 385/House Bill 637 (Chs. 7 and 8), among other things, require a carrier to provide coverage for certain immunizations, screenings, and preventive services.

Orthoses and Prostheses

Senate Bill 276/House Bill 445 (both passed) alter the current mandated benefit for coverage of orthopedic braces to be coverage for orthoses and replacement of orthoses and clarifies mandated coverage for prostheses.

Collaborative Care Model

The Collaborative Care Model (CoCM) is an established evidence-based, patient-centered care model used to improve behavioral health in primary care settings. *Senate Bill 428/House Bill 746 (both passed)* prohibit the Maryland Department of Health from imposing a copayment, coinsurance, or deductible requirement on coverage for services provided in accordance with the CoCM. Certain insurers, nonprofit health service plans, and health maintenance organizations must provide coverage for services in accordance with the CoCM. The Maryland Health Care Commission must study the impact of eliminating health insurance cost sharing for CoCM services and report its findings and recommendations to specified committees of the General Assembly by December 1, 2026.

Menopause and Menopause-associated Symptoms

Senate Bill 892/House Bill 1365 (both passed) require certain insurers, nonprofit health service plans, and health maintenance organizations to provide coverage for the evaluation and management of menopause and menopause-associated symptoms as determined by the treating health care provider.

Perinatal Behavioral Health Conditions

Senate Bill 891/House Bill 1118 (both passed) require certain insurers, nonprofit health service plans, and health maintenance organizations (collectively carriers) to provide coverage for screenings for perinatal behavioral health conditions. Carriers must also provide a standing referral to a behavioral health provider for the behavioral health services recommended by the U.S. Preventive Services Task Force as preventive benefits during the duration of an enrollee's pregnancy and one year following the end of the pregnancy. The Maryland Health Care Commission must study the impact of requiring coverage for perinatal behavioral health conditions at specified intervals and prohibiting or restricting related cost sharing and report its findings and recommendations to specified committees of the General Assembly by December 1, 2026.

Mental Health

Senate Bill 205/House Bill 280 (Chs. 11 and 12) codify portions of the 2024 federal Mental Health Parity Rule to strengthen enforcement of parity requirements for the treatment of mental health and substance use disorders. Provisions include a prohibition on the use of discriminatory factors and evidentiary standards in the design of nonquantitative treatment limitations; requirements for carriers to collect, evaluate, and act on relevant outcomes data for nonquantitative treatment limitations; and a requirement that carriers offer meaningful benefits for mental health and substance use disorders on par with benefits for medical/surgical services.

Provider Panels

Senate Bill 808/House Bill 1093 (both passed) alter the process through which health care providers apply to participate on a carrier's provider panel. The bills repeal authorization for a carrier to charge an application fee and alter requirements relating to updating information in a provider directory. The bills also alter requirements associated with designating a provider credentialing application for an online credentialing system as the uniform credentialing form and a multi-carrier common online provider directory information system for use by providers.

Senate Bill 521/House Bill 684 (both passed) expand the requirements on carriers regarding notification to enrollees about the termination of providers from provider panels. The bills alter when and how carriers must notify the Insurance Commissioner about a material change to their provider network, including requirements relating to updating a carrier access plan. The Commissioner may impose a specified fine on carriers that fail to timely file the required update. The bills require carriers and health systems to provide notice of intent to terminate a contract and require carriers and health systems to adhere to the terms of the contract, including reimbursement

terms and patient balance billing protections, for at least 90 days. The bills also require carriers in the individual market to provide a special enrollment period for an individual or dependent whose provider is terminated from the health plan's provider panel.

Special Enrollment Periods

Senate Bill 14/House Bill 273 (Chs. 137 and 138) align Maryland health insurance law with existing federal regulations by altering the effective dates of enrollment in a Small Business Health Options Program Exchange plan for individuals who enroll during a special enrollment period.

Senate Bill 134/House Bill 275 (Chs. 139 and 140) require an insurance carrier that issues Medicare supplement policies in Maryland to issue such policies to individuals that meet specified criteria by establishing two 63-day special enrollment periods. Following the end of the COVID-19 Public Health Emergency, a temporary provision allowed for a special enrollment period following loss of Medicaid coverage. As that provision has expired, the Acts establish a new special enrollment period to ensure that individuals losing Medicaid have a viable option outside of Medicare Advantage plans. Changes to federal law also closed new enrollment in certain Medicare supplement plans for beneficiaries who became eligible for Medicare on or after January 1, 2020. The Acts provide the same right to choose certain supplement plans to individuals who became eligible for Medicare before January 1, 2020.

Senate Bill 794 (passed) authorizes an individual who enrolls for coverage, or enrolls a dependent for coverage, during a special enrollment period for pregnancy to choose when the coverage becomes effective. Coverage may become effective on either the first day of the month the individual receives confirmation of pregnancy or the first day of the month following the date of plan selection.

Miscellaneous

Senate Bill 139/House Bill 277 (Chs. 141 and 142) authorize the Insurance Commissioner to impose a civil penalty of up to \$10,000 for each violation of the Insurance Article by a third-party administrator (TPA), instead of only for a violation of the provisions of law that directly govern TPAs. Additionally, the Acts authorize the Commissioner to deny a TPA registration to an applicant or refuse to renew, suspend, or revoke a TPA registration if the applicant or registrant has violated the Insurance Article or any other State law related to insurance or knowingly fails to comply with a regulation or order of the Commissioner.

Senate Bill 813/House Bill 1091 (both passed) expand provisions of law governing the assignment of benefits under certain health insurance policies to apply to dentists (in addition to physicians under current law). The bills also establish parallel provisions governing assignment of benefits and nonpreferred provider dentists for dental plan organizations.

Senate Bill 910/House Bill 1094 (Chs. 43 and 44) require certain health insurance policies that provide reimbursement for a service within the lawful scope of practice of a licensed graduate professional counselor, licensed master social worker, or licensed psychologist to reimburse for the service provided by a graduate-level counseling clinical intern, graduate-level social work clinical intern, or graduate-level psychology clinical intern under specified circumstances.

House Bill 1563 (passed) authorizes the Insurance Commissioner to conduct an examination of a carrier that has issued a pattern of adverse decisions or grievance decisions for a claim or authorization request for services in (or related to services in) an emergency department. In the annual summary report of carrier appeals and grievance reports, the Commissioner must include data on adverse decisions and grievances related to post-acute services, including adverse decisions and grievances relating to admissions to skilled nursing facilities and inpatient rehabilitation facilities.

Social Services

Public Assistance

Family Investment Program

The Family Investment Administration within the Department of Human Services (DHS) is the central coordinating and directing agency of public assistance programs in the State, including Temporary Cash Assistance (TCA). TCA may be provided if the applicant or recipient meets certain requirements, including applying for child support services if appropriate.

House Bill 1490 (passed) prohibits DHS' Family Investment Program (FIP) from denying an application or reducing or terminating assistance if an individual has good cause for noncooperation with child support, as specified under criteria established by the Secretary of Human Services. FIP is responsible for granting good cause and must determine if circumstances exist in which cooperation with child support may be against the best interest of the child. The established criteria must provide for a good cause exception under certain circumstances, including if the individual states that cooperation risks physical or emotional harm to or retaliation against the child or the relative with whom the child resides. The bill establishes related requirements and procedures and authorizes an individual to request and receive a determination that there is good cause or adequate reason for noncooperation with child support at any time during the application and certification period.

Supplemental Nutrition Assistance Program

Standard Utility Allowance Deductions: The Supplemental Nutrition Assistance Program (SNAP) is a federal benefit that helps low-income households purchase food. Chapters 362 and 363 of 2021 established the Heat and Eat Program to expand food access and increase the monthly benefit received for households that are receiving or eligible for SNAP. In determining program eligibility, DHS must apply a standard utility allowance (SUA) to the shelter deduction used to

determine countable gross income for SNAP eligibility. SUA is a Maryland Energy Assistance Program (MEAP) payment to a household that is at least \$21 per year.

The federal One Big Beautiful Bill Act (OBBBA) of 2025 excludes households without an elderly (60 years or older) or disabled member from automatic SUA eligibility. These households may still qualify for the SUA based on verified energy expenses but must submit verification of their heating and cooling expenses. Households with an elderly or disabled member will continue to have the SUA automatically applied. *Senate Bill 461 (passed)* requires DHS to study and make recommendations on the potential number of households excluded from automatic SUA eligibility for the Heat and Eat Program under OBBBA. By December 1, 2026, DHS must report its findings and recommendations to specified committees of the General Assembly.

Work Requirements: General work requirements apply to SNAP recipients ages 16 to 59. Recipients known as “Able-bodied Adults without Dependents” (ABAWD) ages 18 to 54 must work or participate in an education/training program for an average of at least 20 hours per week, with specified exceptions. Receipt of SNAP is limited to three months in a three-year period if an ABAWD recipient cannot document required work activities. OBBBA made substantial changes to SNAP work requirements by increasing the age range for ABAWD work requirements to 64 and limiting or removing specified exceptions. OBBBA also established new Medicaid work requirements.

Senate Bill 772 (passed) requires the Maryland Department of Health (MDH) to coordinate with specified entities to develop and maintain an employment training and opportunity database to provide individuals in the State with assistance in finding employment training and other opportunities that may enable them to become eligible and maintain eligibility for Medicaid and SNAP. MDH must make the database available to the public on a dedicated page on the department’s website; assist individuals in enrolling in vocational, workforce training, and job placement programs listed in the database; and update the database every 30 days. The Secretary of Human Services, along with other specified departments, must establish a process through which a person may recommend a vocational, workforce training, or job placement program for inclusion in the database and if appropriate, forward a recommendation to MDH.

Energy Assistance

The Office of Home Energy Programs (OHEP) within DHS administers a variety of energy assistance programs, including the Electric Universal Service Program and MEAP. Chapters 665 and 666 of 2022 require OHEP to develop a uniform determination process to assist eligible energy customers who are at least age 65 in enrolling in energy assistance programs. The redetermination process must require local administering agencies to have an accessible location to receive customers’ applications and establish a policy reflecting reasonable accommodations for applicants (e.g., arranging a home visit or allowing an individual to apply on behalf of an eligible energy customer). *House Bill 648 (Ch. 95)* reduces the age, from 65 to 60 years old, for which OHEP must develop a uniform redetermination process.

Children

Children in Unlicensed Settings and Pediatric Hospital Overstay Patients

DHS must establish a program of out-of-home placements for minor children; placements may include family foster care, group and residential care, kinship care, and a treatment foster care home. Legislation related to children in out-of-home placements remaining in hospitals after being medically cleared has been considered in multiple years. Children in out-of-home placements have also sometimes been housed in unlicensed settings, such as hotels and office buildings, when placements have not been available.

House Bill 1559 (passed) prohibits the out-of-home placement program from using an unlicensed setting for a child. The bill amends the Family Law Article to define an “unlicensed setting” as a setting for an out-of-home placement that is not licensed by a State licensing entity for custody, placement, welfare, and housing of children. The definition explicitly includes specified locations, such as a hotel, as well as certain exceptions, such as the placement of a child with a kinship caregiver. Effective January 1, 2027, the definition of “unlicensed setting” is expanded to include an inpatient or emergency department of a hospital under certain circumstances. The bill also amends the Human Services Article to define “child in an unlicensed setting” as an individual younger than age 22 (1) in an out-of-home placement who is residing in a hotel, an office building for more than 12 consecutive hours, a shelter, or any other unlicensed setting or (2) who is a pediatric overstay patient.

The bill includes a number of provisions to facilitate additional oversight and cooperation among relevant entities. For example, the bill establishes a Child and Youth Placement Review Panel in the Governor’s Office for Children (GOC) and a Senior Advisor for Children and Families within GOC. The review panel must analyze any instance involving a child in a pediatric overstay or an unlicensed setting and propose systemic improvements. The bill also alters the duties of pediatric overstay coordinators within DHS and MDH to require the coordinators, within 48 hours of being notified of a pediatric overstay patient, to convene a Rapid Response Placement Team to develop a plan for the appropriate placement of a pediatric hospital overstay patient and arrange for a temporary placement in a licensed setting when a placement has been identified, but a bed is not immediately available. In addition, *House Bill 1559* establishes the Advisory Council on Maryland’s System of Care for Children, Youth, and Families, staffed by GOC, to, among other things, review existing laws and regulations and make recommendations regarding the provision of adequate medical and behavioral health care in the State, including to youth in out-of-home placements. The advisory council must form a subgroup to, among other things, complete an assessment of the current number of licensed beds, staffed beds, and physical beds intended to serve the needs of children and youth by agency and develop an electronic process for tracking the real-time location, length of stay, and discharge plans for pediatric hospital overstay patients.

Residential Child Care Programs

A residential child care program provides care for children 24 hours a day within a structured set of services and activities designed to achieve objectives related to the needs of the children served. Residential child care programs include group homes, alternative living units, and emergency shelter care. *Senate Bill 402/House Bill 396 (both passed)* alter the specified educational opportunities that a licensed operator of a residential child care program that receives State funding and has legal custody or care and control of a child who is at least age five must provide. The bills also establish requirements for training programs for residential child and youth care practitioners approved by the State Board for the Certification of Residential Child Care Program Professionals. An individual who holds a certificate as a residential child and youth care practitioner on July 1, 2026, must complete any new training program required by the bills only once the individual's certificate is due for renewal.

Children's Cabinet Interagency Fund

GOC administers the Children's Cabinet Interagency Fund (CCIF), staffs the Children's Cabinet, and provides technical assistance to local management boards (LMBs). CCIF, referred to as the Children's Cabinet Fund in statute, consists of money appropriated, transferred, credited, or paid into the fund from any source and includes money for out-of-home care and services to prevent out-of-home placements. Expenditures from CCIF must be made to reflect the priorities, policies, and procedures adopted by the Children's Cabinet. The Children's Cabinet may disburse funds for LMBs to implement (1) a local interagency services delivery system for children, youth, and families in accordance with the community partnership agreement and (2) any terms, conditions, and performance measures that the Children's Cabinet requires. *Senate Bill 668/House Bill 680 (both passed)* require the Governor to include in the annual budget bill an appropriation to CCIF as follows: (1) for fiscal 2028 through 2030, an appropriation at least equal to the appropriation to CCIF in fiscal 2027; and (2) for fiscal 2031, \$500,000 above the appropriation for to the fund in fiscal 2030. The mandated funds must be used for grants to eligible LMBs and are supplemental to funding that otherwise would be expended for such grants. The bills also rename the Children's Cabinet Fund to be CCIF.

Individuals with Disabilities

Maryland Department of Disabilities

The Maryland Department of Disabilities (MDOD) is the principal unit of State government responsible for developing, maintaining, revising, and enforcing statewide disability policies and standards. *Senate Bill 22/House Bill 226 (Chs. 89 and 90)* authorize MDOD to establish one or more affiliated foundations to work with the Maryland Assistive Technology Program, the Assistive Technology Guaranteed Loan Program, the Office of Disability Employment Advancement and Policy, and MDOD's affordable and accessible housing programs. The purpose of an affiliated foundation is to (1) solicit and accept funds and partnerships to support innovative projects designed to maintain, expand, and enhance specified programs and units of

MDOD and (2) promote specified activities, including those that create opportunities for integrated, affordable, and accessible housing for individuals with disabilities. By September 1 each year, MDOD must submit a related report to the Governor, the Legislative Policy Committee, and the State Ethics Commission. Each year, MDOD must hire an independent certified public accountant to audit an affiliated foundation. The Acts also require MDOD to oversee and administer affordable and accessible housing programs.

Workgroup for the Deaf, Deafblind, and Hard of Hearing

Chapters 442 and 443 of 2024 established the Workgroup for the Deaf, Deafblind, and Hard of Hearing to study and make recommendations regarding services, programs, advocacy, outreach, and other efforts to improve the quality of life of individuals who are deaf, deafblind, or hard of hearing. *House Bill 866 (passed)* extends the termination date of the workgroup from June 30, 2026, to December 31, 2028. By December 1, 2028, the workgroup must submit a report of its findings and recommendations to the Governor and the General Assembly.

Elderly

Maryland Department of Aging Funding and Programs

Aging Resilience Fund: The Maryland Department of Aging (MDOA) coordinates, evaluates, and plans the delivery of services for, and advocates on behalf of, older adults at all levels of government. According to MDOA, the department has limited authority to accept and spend philanthropic or private funds and is working with philanthropies to generate new investments to align with MDOA grantmaking, initiatives, services, or other efforts for the benefit of older Marylanders, caregivers, and their families. *Senate Bill 860/House Bill 804 (Chs. 15 and 16)* establish the Aging Resilience Fund as a special, nonlapsing fund to support implementation of MDOA's mission. The Secretary of Aging must administer the fund, which consists of investment earnings, any fees collected by MDOA, and any other money from any other source accepted for the benefit of the fund. The fund may be used for expenses that align with the department's mission, including partnership development, and any programs, services, or activities within MDOA. By January 1 each year, the Secretary must submit a specified report to the General Assembly on the administration of the fund.

Long-Term Care Ombudsman Program: The State Long-Term Care Ombudsman Program was established under federal mandate through the Older Americans Act. Long-term care ombudsmen are advocates for residents of nursing homes, board and care homes, assisted living facilities, and similar adult care facilities. They work to resolve problems of individual residents and bring about changes at the local, state, and national levels that will improve residents' care and quality of life. *Senate Bill 340/House Bill 671 (both passed)* require the Governor, beginning in fiscal 2027, to include in the annual budget bill at least \$2.0 million for the Office of the Long-Term Care Ombudsman in MDOA from specified money remitted by Medicaid managed care organizations (MCOs). If the amount remitted by MCOs totals less than \$2.0 million, the Governor must include a general fund appropriation equal to the difference between the amount

remitted and \$2.0 million. The funds must supplement and not supplant funding otherwise appropriated for the office.

Multigenerational Third Places: “Multigenerational third places” are community spaces other than personal homes or workplaces that support social connection, events, or gathering among individuals of different ages. ***Senate Bill 530/House Bill 811 (both passed)*** authorize MDOA to make grants to nonprofit organizations and area agencies on aging (AAAs) to support social connection for individuals in aging-in-place programs through events or gatherings at multigenerational third places. The bills codify an existing authorization for any nonprofit organization or AAA to apply to MDOA for a State grant to be applied toward operational costs, including administrative costs or short-term or long-term leases or rental costs, for a senior village to provide access to multigenerational third places.

Longevity Ready Maryland Plan

In January 2024, Governor Wes Moore issued an Executive Order to direct MDOA to develop and implement the Longevity-Ready Maryland Initiative, a multisector plan to evaluate existing services, support, and care options for older adults and recommend a plan of action to address demographic trends, such as the falling birth rate and longer life spans of residents in Maryland. In June 2025, MDOA released the required interim report (The Longevity Ready Maryland (LRM) Plan) summarizing the findings and recommendations of the initiative and a proposed implementation timeline. ***Senate Bill 113/House Bill 278 (Chs. 93 and 94)*** codify the LRM Plan and require the Secretary of Aging to lead implementation of the plan with the goals of (1) building a longevity ecosystem; (2) promoting economic opportunity; (3) preparing State residents to afford longevity; and (4) optimizing health, wellness, and mobility. By July 1, 2029, and every four years thereafter, the Secretary must provide the Governor and the General Assembly with an updated comprehensive LRM Plan. By January 1 each year, the Secretary must report to the Governor and the General Assembly on specified activities.

The Acts also alter the membership of the Commission on Aging by (1) repealing the nonvoting status of the two legislative members and specifying that such members are appointed by the President of the Senate and the Speaker of the House; (2) adding the Secretary of Aging (or their designee); and (3) adding several representatives appointed by the Governor. Furthermore, the Acts require the commission to (1) review and advise the department on the LRM Plan and overall progress of MDOA and multisector partners in implementing the most recently published LRM Plan; (2) advise the Secretary on the legislative, policy, and other systems changes that could assist with implementation of the plan; and (3) advise the Secretary on any update to the plan.

Other Social and Human Services

Department of Human Services – Obsolete Commissions

Chapters 722 and 723 of 2021 established the Commission on Trauma-Informed Care as an independent commission in DHS to coordinate a statewide initiative to prioritize the trauma-responsive and trauma-informed delivery of State services. The Two Generation Family

Economic Security Commission was initially established by Executive Order in 2017 and terminated December 31, 2018. The commission was charged with investigating policy challenges, opportunities, and recommendations regarding the mitigation of multigenerational poverty. Chapter 460 of 2020 later established the Two Generation Family Economic Security Commission in DHS. Both commissions are inactive. *House Bill 640 (passed)* therefore repeals the Commission on Trauma-Informed Care and the Two Generation Family Economic Security Commission.

Caregiver Infrastructure Care Program

Senate Bill 809/House Bill 1280 (both passed) require the University of Maryland, College Park (UMCP), with assistance from DHS, to study and make recommendations on the feasibility of establishing and operating a Supporting Our Caregiver Infrastructure Program to provide universal monthly payments to a caregiver for each dependent for whom a caregiver provides care. UMCP must explore the appropriate amounts for caregiver stipends that maximize the benefit to the State economy and minimize the fiscal impact on the State budget. UMCP, in consultation with the Office of the Comptroller, must examine the economic impact on the State and local economies, including potential increased labor force participation; enhanced tax revenues; potential decreased participation in public benefits programs in the State; and the overall economic vitality of the State. By July 1, 2028, UMCP must submit a final report of its findings, conclusions, and recommendations to specified committees of the General Assembly.

Vulnerable Adults

In general, each health practitioner, police officer, or human service worker who contacts, examines, attends, or treats an alleged vulnerable adult, and who has reason to believe that the alleged vulnerable adult has been subjected to abuse, neglect, self-neglect, or exploitation must (1) notify the local department of social services (LDSS) and (2) if acting as a staff member of a hospital or public health agency, immediately notify and give required information to the head of the institution. The LDSS must begin a thorough investigation within 5 working days after the receipt of the report or within 24 hours after receipt if the report indicates that an emergency exists. An investigation must be completed within 60 days, or 10 days if the report indicates that an emergency exists.

A federal 2024 rule creates minimum standards for states' adult protective services programs. *Senate Bill 182/House Bill 282 (both passed)* make numerous changes to statutory provisions related to the reporting and investigation of abuse, neglect, self-neglect, and exploitation of vulnerable adults to ensure that statute aligns with federal requirements. These changes include (1) expanding reporting methods to include an online reporting portal; (2) requiring LDSS to include as part of an investigation a determination of whether the vulnerable adult is at risk of harm; (3) requiring LDSS to make a finding that abuse was indicated, not indicated, or undetermined; (4) repealing a provision that an investigation must be completed within 10 days if the report indicates that an emergency exists; and (5) altering and establishing numerous definitions.

Part K

Natural Resources, Environment, and Agriculture

Natural Resources

Department of Natural Resources Operations

Public and Private Lands

Statute requires the Secretary of Natural Resources to (1) adopt regulations that govern the operation of off-road vehicles on department-owned or -controlled property and (2) designate areas of department-controlled property for use by the general public for the operation of off-road vehicles, where it is compatible with the character and existing uses of the property. Chapter 700 of 2018 established the Off-Highway Recreational Vehicle (OHRV) Trail Fund to maintain and construct trails for OHRVs. *Senate Bill 480 (passed)* establishes and provides for the membership of the OHRV Recreation Oversight Board to advise the Secretary of Natural Resources on the operation, acquisition, regulation, and general oversight of OHRV trails and recreation in the State.

House Bill 254 (Ch. 76) requires the Department of Natural Resources (DNR) to facilitate community participation in the planning and development of DNR projects. The Act also establishes the Resilience Through Restoration Capital Grant Fund within DNR to provide grant funding for the planting, design, construction, and adaptive management of nature-based restoration projects that reduce the State's climate change vulnerabilities and enhance the resilience of the State's communities and public lands. Additionally, the Act requires DNR to develop a specified website, guidance, and trainings for local jurisdictions to use in their climate change resilience efforts. DNR must also identify, evaluate, and prioritize climate vulnerabilities and risks on department lands and meet a deadline of doing so for two coastal and two inland department properties by December 31, 2035. Finally, the Act makes modifications to the Shore Erosion Control Construction Loan Fund by (1) requiring interest earnings of the fund to be credited to the fund rather than the General Fund; (2) removing certain funding limitations; and (3) authorizing partial loan forgiveness.

Chapter 129 of 2012 established the Pamela J. Kelly Tree-Mendous Maryland Program in statute for the purpose of planting native trees and shrubs on public lands, community open spaces, school grounds, and rights-of-way. *Senate Bill 164/House Bill 255 (Chs. 112 and 113)* alter the stated purpose of the program to promoting community participation in tree planting and stewardship and the planting and maintaining of native trees and shrubs through community forestry activities on public lands, community open spaces, school grounds, and rights-of-way.

The Maryland Heritage Areas Authority (MHAA) is an independent unit within the Maryland Department of Planning. MHAA, along with the Maryland Historical Trust, implements the Maryland Heritage Areas Program (MHAP). MHAA uses the Maryland Heritage Areas Authority Financing Fund to support MHAP and award grants and loans to local jurisdictions or other appropriate entities for the planning, design, acquisition, development, preservation, restoration, interpretation, marketing, and programming of certified heritage areas and grants to local jurisdictions or other appropriate entities to develop management plans for proposed certified heritage areas. *Senate Bill 638/House Bill 654 (both passed)* modify the amount and use of funding transferred from Program Open Space to the Maryland Heritage Areas Authority Financing Fund by increasing the overall amount authorized to be transferred, from up to \$6.0 million to up to \$12.0 million, and modifying the limit on the amount of that funding that may be used for operating expenses, to allow for up to 7% or \$600,000 to be used, whichever amount is greater (in place of up to 10%, under current law). Finally, the bills modify requirements and authority relating to MHAA's awarding of grants and loans under MHAP.

The Mel Noland Woodland Incentives and Fellowship Fund, administered by DNR, is used for various purposes, including to fund the Woodland Incentives Program, cost-share assistance under the Woodland Incentives Program, and the Mel Noland Fellowship Program. *Senate Bill 257/House Bill 533 (both passed)* expand the contents of an annual required report by requiring DNR to include in the report the amount of proceeds distributed to the fund during the immediately preceding fiscal year from the agricultural land transfer tax imposed on instruments of writing that transfer title to parcels of land that are entirely woodland and, if DNR is uncertain about the total amount of such proceeds, the uncertainties and the actions required to resolve them.

State Parks

DNR regulations require that an individual age 62 or older be admitted to day-use areas free of an admittance charge if the individual submits proof of age and registers with the Maryland Park Service (MPS). State law authorizes a person age 62 or older who possesses a Maryland Golden Age Pass issued by MPS to camp overnight in any State park at 50% of the established fee Monday through Thursday, excluding holidays. *Senate Bill 21 (passed)* establishes that a person age 62 or older who possesses a Maryland Golden Age Pass (1) is entitled to free day-use entry to any State park that charges service fees and (2) may launch a boat at any State park without paying a boat launch fee. If a per-vehicle fee is in effect at a State park, the free day-use entry applies to everyone in the vehicle with the holder of a Maryland Golden Age Pass. The bill also expands the days on which the holder of a Maryland Golden Age Pass may camp overnight in any State park at 50% of the established fee.

Chapters 265 and 266 of 2025 established that a veteran may enter a State park without paying a day-use entry fee, and a vehicle of which a veteran is an occupant may enter a State park without paying a per-vehicle fee, if the veteran presents a valid veteran identification card, a driver's license that indicates the license holder is a veteran, or any other form of identification accepted by DNR that establishes the holder's veteran status. *Senate Bill 161 (passed)* expands the exemption from State park entry fees applicable to veterans to also apply to former Maryland National Guard members discharged or released under conditions other than dishonorable. The bill also clarifies the acceptable forms of identification that may be presented by a veteran to gain entry to State parks without paying a fee.

Chapter 39 of 2022 used the term "State historical park" in the context of (1) a requirement that DNR decisions related to the establishment of State historical parks or certain other units be made in coordination with the Parks and Recreation Commission and with input from certain groups and (2) a requirement that a Comprehensive Long-Range Strategic Plan for State parks that DNR must develop, publish, and periodically update include new State historical parks or other specified units. Chapter 39 also required DNR to establish Freedman's State Historical Park and the Port of Deposit State Historical Park as partnership parks. *Senate Bill 280/House Bill 404 (both passed)* change these references from "State historical parks" to simply refer to "State parks." Further, the bills change references from "Freedman's State Historical Park" and "Port of Deposit State Historical Park" to refer instead to "Freedman's State Park" and "Port Deposit State Park."

Enforcement

Senate Bill 184/House Bill 218 (both passed) alter, from November 30 to October 1, the date by which the Attorney General must submit an annual report to the Governor and the General Assembly on (1) the activities of the Environmental and Natural Resources Crimes Unit and (2) any actions taken by the Maryland Department of the Environment or DNR in response to findings and recommendations of the unit. The bills also specify that the report must cover the activities of the unit during the previous fiscal year.

State Boat Act

Senate Bill 145/House Bill 174 (Chs. 72 and 73) authorize an individual who is the sole owner of a vessel, or multiple individuals who are specified co-owners of a vessel, to apply to DNR to designate a beneficiary to take ownership of the vessel on the death of the sole owner, or the last surviving co-owner, outside of estate administration.

Chesapeake and Atlantic Coastal Bays Critical Area Protection Program

The Chesapeake and Atlantic Coastal Bays Critical Area Protection Program protects water quality, conserves habitat, and promotes climate resilience and equitable development within the Critical Area (land within 1,000 feet of tidal waters and wetlands), with enforcement primarily

handled by local jurisdictions under the oversight of the Chesapeake and Atlantic Coastal Bays Critical Area Commission.

Under **House Bill 247 (Ch. 79)**, when a variance is requested for a new accessory structure or use in the Critical Area, other than a new additional or accessory dwelling unit, there is a rebuttable presumption that an existing accessory structure or use on the parcel or lot demonstrates reasonable and significant use. A local jurisdiction may not accept an application for a variance to (1) authorize a use that is not allowed by the critical area land classification of the lot or parcel; (2) adjust the amount or type of mitigation required by critical area regulations or a local critical area program; or (3) provide relief that could be obtained through an available administrative process that is approved as part of a local jurisdiction's critical area program. The Act establishes additional conditions for granting a variance to a local jurisdiction's critical area program by establishing that a variance may not be granted unless the applicant demonstrates (1) a substantial need for the variance that is not based on convenience, personal preference, or financial advantage and (2) that the development cannot be located outside a habitat protection area. The Act also clarifies an existing condition for granting a variance and requires that a local board of appeals must (1) hear on the record an appeal of an administrative officer's decision on a critical area variance application and (2) grant deference to the administrative officer's finding of fact.

House Bill 258 (passed) makes clarifying and corrective changes to provisions governing the Chesapeake and Atlantic Coastal Bays Critical Area Protection Program, including clarifying that the Critical Area Commission's adoption and amendment of regulations must be accomplished by affirmative vote of the commission; defining the term "adjacent"; and making changes to provisions governing the timing of the commission's approval of local critical area program refinements and program amendments. The bill also requires that damages assessed by a circuit court for illegal cutting or clearing of trees in the Critical Area be paid to the applicable local jurisdiction rather than DNR.

Wildlife

The State's Endangered Species of Fish Conservation Act (ESFCA) and Nongame and Endangered Species Conservation Act (NESCA), and DNR regulations implementing the acts, generally prohibit taking, possession, transportation, or trade of threatened and endangered species of fish, wildlife, or plants, subject to specified exceptions.

Senate Bill 431/House Bill 578 (both passed) make various changes to ESFCA and NESCA, including (1) defining the terms "foreseeable future" (used in the definition of "threatened species") and "harm"; (2) requiring that a determination made by the Secretary of Natural Resources whether a species of fish, wildlife, or plant normally occurring within the State is an endangered or threatened species must be made without reference to possible economic or other impacts of the determination; (3) establishing that the Secretary must delist a species if the Secretary determines, based on consideration of factors and standards in existing statute, that the best scientific and commercial data available substantiate a certain status of the species; and (4) require that a petition submitted to delist a species include evidence of the status of the species.

The bills further (1) authorize the Secretary to designate areas as essential habitats for endangered and threatened species and adopt management protocols for designated essential habitats and (2) require the Secretary to review and, if warranted, update regulations carrying out the Irreplaceable Natural Areas Program, by July 1, 2033, and at least every 10 years thereafter.

Finally, the bills establish that if the U.S. Fish and Wildlife Service (USFWS) removes the black vulture from the list of protected species under the federal Migratory Bird Treaty Act, or if the federal Migratory Bird Treaty Act is repealed, DNR must promulgate regulations under a specified provision of law authorizing the taking of black vultures in a similar manner and with the same authorizations as a depredation permit issued by USFWS.

Hunting and Fishing

Hunting

Management

Hunting game birds or mammals on Sundays is generally prohibited in the State, with specified exceptions. *House Bill 1063 (passed)* authorizes the Department of Natural Resources (DNR) to allow the reduction of deer populations on any single, contiguous property of at least 10 acres where documented deer damage, including widespread ecological damage or agricultural crop loss, exists. The method of reducing the deer population (1) is at DNR's discretion and (2) except in Baltimore City and Baltimore, Howard, and Prince George's counties, may include the issuance of a permit to a property owner, or the property owner's employee, lessee, or agent, to shoot deer on the property on Sundays subject to specified restrictions. The bill also (1) modifies Sunday hunting time restrictions in specified counties, including expanded hours in certain jurisdictions for certain seasons and species; (2) authorizes DNR to allow Sunday hunting during the deer bow hunting season in Baltimore City; and (3) for a three-year period, from July 1, 2027, through June 30, 2030, repeals county-, species-, and season-specific Sunday hunting authorizations and requires DNR to adopt regulations allowing Sunday hunting on, at a minimum, the hours and days authorized by statute on June 30, 2027. DNR must report, by December 1, 2029, on the effectiveness of the bill on deer management and balancing stakeholder interests.

Safety Zones

Generally, a person, other than the owner or occupant, while hunting any wild bird or mammal, may not shoot or discharge any firearm or other deadly weapon within 150 yards, known as the "safety zone," of a dwelling house, residence, church, or other building or camp occupied by human beings without the specific advance permission of the owner or occupant. Also, a person, other than the owner or occupant, may not shoot at any wild bird or mammal while it is within the safety zone without the specific advance permission of the owner or occupant. *House Bill 1324 (passed)* decreases the archery hunting "safety zone" in Baltimore City from 150 yards to 50 yards

from a dwelling house, residence, church, or any other building or camp occupied by human beings.

Fishing

Aquaculture Penalties

Senate Bill 166/House Bill 1400 (both passed) authorize DNR to suspend or revoke a shellfish aquaculture harvester permit or registration card of a person engaged or working in shellfish aquaculture for knowingly committing any of the following offenses: (1) taking oysters from closed or prohibited areas under specified circumstances; (2) delivering oysters to a seafood dealer more than one hour after the time required by State health regulations; (3) unauthorized harvesting from leases, natural oyster bars, or public fishery areas; and (4) unlawful commercial harvesting of oysters from public shellfish fishery areas or natural oyster bars and planting those oysters on a shellfish aquaculture lease. The bills also (1) establish a hearing and judicial review process; (2) prohibit a person whose permit or registration card is suspended or revoked from engaging or working in any aquaculture activities during the period of suspension or revocation; and (3) for sole leaseholders of a shellfish aquaculture lease whose permits or registration cards have been suspended or revoked under the bills, establish a transition process for the removal of personal property from the leased area and the transfer of the lease.

Funding

Senate Bill 558/House Bill 1599 (both passed) establish the Maryland Seafood Industry Financial Assistance Fund, administered by the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO), to provide short-term financial assistance, including loans, to commercial watermen and small businesses in the seafood industry. The fund consists of (1) money appropriated in the State budget to the fund (a \$2.0 million general fund appropriation is included in the fiscal 2027 budget, contingent on the enactment of either of the bills); (2) loan principal repayments related to the financial assistance; (3) money made available from the federal, State, or local government; and (4) any other money from any other source accepted for the benefit of the fund. In addition, the bills authorize MARBIDCO to transfer up to \$337,500 each from the Oyster Shucking House Loan Program and the Maryland Watermen's Microloan Program to the fund, to be repaid on or before June 30, 2028. To ensure loan repayment by tidal fish license holders, MARBIDCO must notify DNR of any borrower delinquency, and DNR may not approve a transfer of the borrower's tidal fish license or authorization until repayment compliance is achieved.

The bills also codify the Chesapeake Bay Enhancement Program, historically implemented through a memorandum of understanding between DNR and the Maryland Department of Transportation, under DNR. The program provides funding from the Transportation Trust Fund for oyster propagation and replenishment projects that mitigate the effects of transportation projects on the State's oyster population.

Aquaculture and Submerged Aquatic Vegetation

House Bill 784 (passed) extends – from June 30, 2027, to June 30, 2030 – the termination date of Chapter 238 of 2019 (as amended by Chapter 113 of 2024), which allows an aquaculture leaseholder to place shellfish, bags, nets, or structures on submerged aquatic vegetation (SAV) with specified prior written approval from DNR. In approving such placement on SAV, DNR (1) may not authorize harvesting by dredge where SAV is present; (2) must authorize for water column leases placement in at least 10% of the area where SAV is present; and (3) must authorize harvest by diving on submerged land leases where SAV is present.

Invasive Blue Catfish Pilot Program

Chapters 171 and 172 of 2025 required DNR, in coordination with the Invasive Catfish Advisory Committee, to establish the Invasive Blue Catfish Pilot Program to curb the spread of invasive blue catfish in the Chesapeake Bay and its tributaries. **Senate Bill 610/House Bill 947 (Chs. 41 and 42)** extend the termination date of Chapters 171 and 172 – from June 30, 2026, to June 30, 2030 – thereby extending the Invasive Blue Catfish Pilot Program (which includes the For-Hire Commercial Blue Catfish Program, the Mid- and Lower-Bay Blue Catfish Trotline Program, and any other program DNR determines to be effective in curbing the spread of blue catfish in the Chesapeake Bay and its tributaries). The Acts also add to the pilot program the Blue Catfish Gill Net Program, which authorizes the use of gill nets to harvest invasive blue catfish in targeted waters. Although the use of gill nets often results in harmful bycatch of species not targeted, DNR believes that areas where blue catfish are present in large numbers tend to be devoid of other species. DNR intends to closely monitor the Blue Catfish Gill Net Program and determine if the bycatch of non-targeted species becomes problematic.

Environment and Energy

Energy Efficiency, Greenhouse Gas Emissions, and Carbon Sequestration

Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act

During the 2026 session, the General Assembly considered legislation to address energy affordability challenges and the State’s clean energy and climate goals. In addition to measures aimed at providing ratepayer relief for Maryland electric and gas customers, **House Bill 1532 (passed)** includes several provisions relating to statewide greenhouse gas (GHG) emissions and energy efficiency and conservation. For example, the bill requires the Maryland Department of the Environment (MDE) to prepare and submit an annual report on GHG emissions reductions achieved as a result of electric vehicle adoption. The bill also modifies the EmPOWER Maryland Program by, among other things, (1) temporarily reducing the annual GHG emissions reduction targets for each electric company plan from 2.5% each year to 1.75% each year for the 2027-2029 program cycle, 2.0% each year for the 2030-2032 program cycle, and 2.25% each year

for the 2033-2035 program cycle (the annual target returns to 2.5% beginning in 2036); (2) removing gas companies from the program beginning in 2027 and establishing a wind-down period for gas EmPOWER programs; and (3) allowing, for the 2027-2029 program cycle only, emissions reductions from community solar energy generation and residential solar energy generation to count up to 20% toward the targets. For further discussion of [*House Bill 1532*](#), see the subpart “Public Service Companies” within Part H – Business and Economic Issues of this *90 Day Report*.

Carbon Sequestration

[*Senate Bill 625 \(passed\)*](#) requires MDE, by January 1, 2028, to adopt regulations and standards that govern the permitting of carbon dioxide capture, removal, or sequestration projects that use biochar or wood vault technologies. In developing the regulations and standards, MDE must consult with the Maryland Department of Agriculture.

Healthy and Sustainable Buildings

The Climate Solutions Now Act (CSNA) (Chapter 38 of 2022) made broad changes to the State’s approach to reducing statewide GHG emissions and addressing climate change. To accomplish these goals, among other things, CSNA requires MDE to administer building energy performance standards (BEPS). To facilitate awareness of BEPS compliance requirements, [*House Bill 870 \(passed\)*](#) requires, within 10 business days after a local government accepts a permit application for a new building that has a proposed gross floor area of 35,000 square feet or more (excluding the parking garage area), the local government to provide notice of the permit application to MDE. The bill applies only prospectively to new construction for which a complete commercial or residential service request is made to the local utility or a development application or building permit application is filed with a local government after the bill’s effective date.

Biosolids

Sewage sludge (also known as biosolids) is one of the final byproducts of the treatment of sewage at a wastewater treatment plant (WWTP). MDE’s Land and Materials Administration issues sewage sludge utilization (SSU) permits, which are required prior to engaging in a number of SSU activities, including the application of Class B sewage sludge to agricultural or marginal land under certain conditions, marketing, and disposing of sewage sludge at a municipal landfill. To address concerns regarding contamination from per- and polyfluoroalkyl substances (PFAS) on agricultural land, in February 2023, MDE issued a biosolids regulatory update and put a hold on the issuance of new sewage sludge land application permits. MDE followed this regulatory update with an addendum, issued in August 2024, that requires all WWTPs from which land-applied sewage sludge originates to sample for perfluorooctanoic acid (PFOA) and perfluorooctane sulfonic acid (PFOS) prior to land application. The addendum sets forth guidance regarding the land application of biosolids with respect to PFOA and PFOS levels.

[*Senate Bill 719/House Bill 925 \(both passed\)*](#) expand on MDE’s 2024 guidance by establishing prohibitions and restrictions, effective October 1, 2028, related to the land application

of sewage sludge that has a total “concentration of regulated PFAS” equal to or greater than specified levels. “Concentration of regulated PFAS” means the total concentration, as measured in accordance with monitoring protocols established pursuant to the bills, of PFOA, PFOS, or a mixture of PFOA and PFOS. More specifically, the bills prohibit the application of sewage sludge to agricultural or marginal land if the sewage sludge has a total concentration of regulated PFAS of 50 parts per billion (ppb) or more. If sewage sludge has a total concentration of regulated PFAS of at least 25 ppb but less than 50 ppb, the sewage sludge may be applied to agricultural or marginal land only in accordance with provisions that establish temporary alternative management measures and requirements for source tracking and mitigation. The bills establish parameters for the commingling of sewage sludge to reduce the total concentration of regulated PFAS in the final material to levels below 25 ppb for the purpose of land application. The bills also establish related requirements for MDE and sewage sludge generators. In addition, the bills establish provisions related to the establishment of pretreatment standards or appropriate controls for certain industrial users; related requirements are established for MDE and publicly owned treatment works. A local jurisdiction or a pretreatment authority may set appropriate rates and fees for certain industrial users, as specified.

Water and Wetlands

General Discharge Permit for Animal Feeding Operations

Senate Bill 371/House Bill 395 (both passed) repeal a requirement that a person hold a concentrated animal feeding operation (CAFO) discharge permit before beginning construction on any part of a new CAFO and repeal a prohibition against MDE issuing a CAFO discharge permit to a person who violates this requirement. Under the bills, if the animal feeding operation (AFO) general discharge permit is administratively extended by MDE, MDE may allow a person to begin construction on any part of a new AFO under an approval process that requires the person to demonstrate compliance with specified standards. Of note, Maryland’s most recent AFO general discharge permit expired in July 2025, and MDE is in the process of establishing a new general discharge permit. MDE anticipates that the new general discharge permit will be finalized by August 2026. CAFOs that were previously covered under the expired AFO general discharge permit are operating under an administrative continuance.

Appropriation or Use of Water and Dam Safety Enforcement

Under Title 5, Subtitle 5 of the Environment Article, MDE is authorized to pursue civil and criminal enforcement of violations relating to the appropriation or use of waters, reservoirs, and dams. However, MDE advises that such enforcement can be slow and resource intensive. *House Bill 250 (passed)* expands MDE’s enforcement capacity by authorizing MDE to impose an administrative penalty of up to \$5,000 per day (not exceeding \$100,000 total) for any violation of Subtitle 5 or any regulation, order, or permit adopted or issued under the subtitle. The bill also expands MDE’s authorization to use orders for violations related to waterway construction and dam safety and standardizes related administrative notice and hearing procedures. Finally, MDE is required to take certain steps before taking any action to recover a civil or administrative penalty

under new and existing penalty provisions relating to the appropriation or use of waters, reservoirs, and dams.

Shoreline Stabilization Measures

State law requires improvements to protect the shoreline against erosion to generally consist of nonstructural shoreline stabilization measures and includes a waiver process established by regulation to exempt a person from this requirement. *House Bill 613 (passed)* makes the law expressly apply to “living shorelines,” which, as defined by the bill, includes the use of natural elements and structural elements, as specified. The bill also alters the waiver process by requiring shoreline protection regulations to require MDE to visit the site of the proposed project, as specified, provide the local soil conservation district with written notice of the waiver request, and provide the district with the opportunity to make recommendations on the acceptance of or modifications to the waiver request. Additionally, MDE must develop a scoring system to evaluate waiver requests and publish the scoring system on its website. MDE must also work with stakeholders on further alterations to the waiver process and by December 1, 2026, report to specified committees of the General Assembly on the progress of the required stakeholder engagement. Finally, the bill standardizes provisions related to the approval of erosion control measures that apply statewide.

Vernal Pools

Senate Bill 523 (passed) requires the Department of Natural Resources (DNR), in coordination with MDE, to create and maintain a list of vernal pools in the State. DNR must also (1) establish criteria and procedures for identifying and including vernal pools on the list, as specified; (2) authorize the use of mapping or other scientific information to identify additional vernal pools for inclusion on the list; (3) authorize consulting with any stakeholder group as appropriate to identify vernal pools for inclusion on the list; and (4) provide for publication of the list of vernal pools on its website. In addition, the bill requires MDE to designate staff to receive vernal pool identification training and requires DNR to provide training to those staff. If, in the course of carrying out existing responsibilities, the MDE staff trained by DNR under the bill identify a location that may qualify as a vernal pool, MDE must notify DNR of the location for possible inclusion on the vernal pool list.

Stormwater Management

The intent of the Stormwater Management Act is to reduce, as much as possible, the adverse effects of stormwater runoff. MDE is charged with implementing the Stormwater Management Act and is required to adopt rules and regulations that establish criteria and procedures for stormwater management in Maryland. *Senate Bill 861/House Bill 1071 (Chs. 13 and 14)* require MDE to define, in consultation with the Maryland Department of Agriculture, “agritourism” in these stormwater management regulations and consider best management practices for stormwater management for agritourism, including the creation of a standard plan for temporary parking areas and the use of pasture, meadows, and cropland for the treatment of stormwater runoff. The Acts also require Montgomery County and the Montgomery County Soil

Conservation District jointly to, in consultation with MDE, review the county’s existing process for reviewing and approving stormwater management plans for agritourism and report the findings of the review to the Governor and the General Assembly by December 31, 2026.

Departmental Programs and Functions

Lead Poisoning Prevention Program

Reduction of Lead Risk in Housing: Under Title 6, Subtitle 8 of the Environment Article (Reduction of Lead Risk in Housing), MDE assures compliance with mandatory requirements for lead risk reduction in rental units built before 1978. *Senate Bill 872 (passed)* expands the regulatory scope of the State’s Reduction of Lead Risk in Housing law by expanding the definition of “rental dwelling unit” to include certain single-room occupancies and share living arrangements.

Lead Paint Abatement Services: Unless a person is accredited by MDE, a person may not act as a contractor or supervisor for the purpose of providing lead paint abatement services; provide training to others who provide lead paint abatement services; or engage in the inspection of lead-based paint hazards. To “provide lead paint abatement services” means to engage in the risk assessment, inspection, or abatement of lead-containing substances. MDE is required to adopt regulations to carry out the statutory provisions governing the accreditation of lead paint abatement services. *House Bill 252 (passed)* authorizes MDE to adopt regulations that require any person accredited by MDE to provide lead abatement services to be covered by a reasonable performance bond or reasonable liability insurance.

MDE Reporting and Action Plan Requirements

The General Assembly passed several bills that impose or alter reporting requirements impacting MDE, including those discussed below.

Federal Environmental Policy: *House Bill 663 (passed)* requires MDE to report to the General Assembly, by July 1, 2026, and every six months thereafter, on any legally valid changes in federal environmental policy, including changes relating to GHG emissions or impacting MDE’s administration of federally delegated authority, and any steps the State is taking to respond to such changes. The initial report must describe federal environmental policy changes that have occurred since January 1, 2024, and subsequent reports must describe federal environmental policy changes that have occurred during the immediately preceding six-month period.

Drinking Water Resources: *Senate Bill 940/House Bill 1196 (both passed)* require MDE to develop an action plan for the enforcement of standards for secondary maximum contaminant levels (SMCL) to address water discoloring, taste, and odor at community water systems and nontransient, noncommunity water systems. The action plan must include specified components, including a draft approach for the enforcement of standards for SMCLs, and an evaluation of potential costs to be borne by affected water systems in order to comply with SMCL enforcement. MDE must consult with specified stakeholders and, by December 1, 2026, report its findings and recommendations to the General Assembly.

Synthetic Turf: Chapter 567 of 2024 required MDE, in consultation with the Synthetic Turf Council and other specified stakeholders, including local governments, county school systems, and higher education facilities, to conduct a study on synthetic turf, existing synthetic turf fields in the State, and the synthetic turf industry in the State. *House Bill 321 (passed)* extends the deadline, from July 1, 2026, to January 15, 2027, by which MDE must report its findings to specified committees of the General Assembly.

Maryland Environmental Service

Senate Bill 228/House Bill 227 (Chs. 77 and 78) make several changes to the Maryland Environmental Service's (MES) governing statute. To align with current practice, the Acts expand the duties that the Treasurer of MES is authorized to delegate, with the approval of the Board of Directors of MES, to the deputy treasurer. The Acts also increase the maximum dollar value threshold for small procurements by MES from \$25,000 to \$50,000. Additionally, the Acts update the public notice requirements for rate changes in service districts in a manner that is similar to standards for notice followed by other State agencies.

Agriculture

Grant Programs

Maryland Fair and Agricultural Education Promise Fund

The horse racing special fund, which is funded through various horse racing revenues, has historically served as a source of funding for agricultural education in the State. However, revenues to the special fund have declined in recent years, largely due to a reduction in racing days. *House Bill 972 (passed)* repeals a provision that mandates a grant from the horse racing special fund of \$75,000 to the Maryland Agricultural Education Foundation to promote and enhance statewide agricultural education. To replace this funding, the bill establishes the Maryland Fair and Agricultural Education Promise Fund, a special, nonlapsing fund administered by the Comptroller to provide grants that advance agricultural fairs and education in the State. The bill requires the Governor to include \$200,000 for the fund in the annual budget bill each fiscal year.

On-farm Organics Diversion and Recycling Grant Program

The Maryland Food System Resiliency Council is an advisory body that meets regularly to address food systems resilience issues across the State. In its 2024 report, the council recommended the creation of an on-farm organics diversion and recycling grant program to fund and support resilient community food systems and reduce negative environmental impacts from food waste. *Senate Bill 599/House Bill 429 (both passed)* implement this recommendation by establishing an On-Farm Organics Diversion and Recycling Grant Program administered by the Maryland Department of Agriculture (MDA), in consultation with the Maryland Department of the Environment, beginning July 1, 2028. The program must award grants for developing and

implementing on-farm organics recycling and compost use, wasted food prevention, and food rescue. The bills require the Governor, for fiscal 2028 and each fiscal year thereafter, to include in the annual budget bill \$250,000 for the grant program. Additionally, the bills specify eligible grant recipients and projects and how awards should be prioritized.

Departmental Boards, Practices, and Functions

Weights and Measures

MDA's Weights and Measures Program inspects and certifies the accuracy of weights and measures in the State to ensure the fairness and equity of all commercial transactions involving determination of quantity. *Senate Bill 649/House Bill 969 (both passed)* require the owner or possessor of a weight and measure used for the retail sale of electricity as vehicle fuel to clearly and conspicuously display information detailing the name, address, and phone number of a local person responsible for the weight and measure. The bills describe how the information may be displayed and require that all electricity possessed, offered, or exposed for sale and sold at retail as vehicle fuel be measured and sold in units of kilowatt-hours. Customers may only be charged for the amount of electricity (in kilowatt-hours) dispensed during a charging session. In addition to the electricity charge, the owner or possessor may also charge a fee for services related to the retail sale of electricity as a vehicle fuel. This fee may be fixed or assessed based on a length of time, may be applied only at the conclusion of a charging session, and must be itemized on the customer's receipt.

Boards and Commissions

The Maryland Horse Industry Board (MHIB) regulates and promotes the State's horse industry. Among other duties, MHIB carries out licensing, inspection, and enforcement related to the equine industry. *House Bill 225 (Ch. 75)* extends the termination date of the board by 10 years to July 1, 2036.

The State Board of Veterinary Medical Examiners is responsible for the regulation of veterinarians, veterinary technicians, veterinary hospitals, and animal control facilities. The board is authorized to refuse, suspend, or revoke any application or license, and censure or place on probation any licensee after a hearing on various grounds, including physical or mental disability, violations of specific State or federal drug-related laws, and gross negligence or deliberate cruelty to an animal. The board may also impose fines and issue cease and desist orders upon review and approval of the Secretary of Agriculture. *Senate Bill 54/House Bill 452 (Chs. 47 and 48)* prohibit the board from disciplining a veterinarian, by suspending or revoking a license to practice veterinary medicine, reprimanding or censuring a licensee, or placing a licensee on probation, solely for discussing or recommending the use of cannabis or a product that contains cannabidiol on an animal for potential therapeutic effect or health supplementation purposes.

Invasive Species

Chapters 589 and 590 of 2024 required the Secretary of Agriculture to determine whether nonnative plant species should be classified as prohibited invasive plants and included on a Consolidated List of Maryland Invasive Plant Species or placed on a watchlist. MDA and the Department of Natural Resources are required to post the list and watch list on their websites, and the University of Maryland Agriculture Extension must post a link to the lists on its website. *Senate Bill 266/House Bill 35 (both passed)* authorize the governing body of a county or municipality to regulate (by ordinance) trees of heaven and other invasive trees listed on the Maryland Prohibited Invasive Plant List, including by prohibiting a person from (1) selling listed invasive trees or trees of heaven; (2) planting such trees; and (3) allowing such trees to grow on the person's property. The governing body may establish a bounty or native tree replacement program to incentivize the removal and eradication of trees of heaven and other listed invasive species. The bills also authorize enforcement by requiring any damages caused by trees of heaven or listed invasive trees to be mitigated and establishing a civil fine.

Animal Testing

Requirements and Limitations

Senate Bill 423 (passed) establishes various requirements and limitations regarding the use of live vertebrate animals by research facilities and testing facilities in the State. Among other things, the bill prohibits a research or testing facility from using a dog or cat that has undergone a devocalization surgery for research or testing purposes and from performing a devocalization surgery on a dog or cat. Additionally, subject to certain exclusions (including for medical research), the bill prohibits a testing facility from using a traditional animal test method if the agency responsible for regulating the specific product or activity for which a test method is being used has (1) approved an appropriate alternative test method or (2) made available to or granted the testing facility a waiver from using a traditional animal test method. The bill also establishes related penalty and reporting provisions.

Human-Relevant Research Fund and Program

Chapters 447 and 448 of 2023 required specified entities that conduct research using nonhuman animals to make a payment to the Maryland Department of Health (MDH) each year based on the number of animals used in their research. The Secretary of Health was required to distribute the revenues to the Human-Relevant Research Fund (HRRF), a special fund established by the bills and administered by the Maryland Technology Development Corporation (TEDCO). HRRF's stated purpose is to promote State-funded research intended to develop human-relevant alternatives to using nonhuman animals in medical and product testing and research through grants and loans to public and private entities in the State. *Senate Bill 585/House Bill 625 (both passed)* require the payments to be made to MDA instead of MDH. Accordingly, the Secretary of Agriculture must distribute the monies collected to HRRF, which is still administered by TEDCO under the bills.

Part L Education

Education – Primary and Secondary State Funding

Fiscal 2027 State education aid was impacted by several factors, including legislative changes to major aid programs, student enrollment changes, and ongoing implementation of the Blueprint for Maryland’s Future (Blueprint) legislation. Overall, State aid for public schools increases by \$374.0 million, or 3.8%, from \$9.8 billion in fiscal 2026 to \$10.1 billion in fiscal 2027. State education aid provided directly to the local boards of education increases by \$337.8 million, or 3.8%, while retirement aid increases by \$36.2 million, or 3.7%. These changes include Blueprint special funds allocated to major State aid and other Blueprint programs.

Blueprint for Maryland’s Future

The Blueprint is an ongoing set of education programs and policies that have made numerous changes to the State’s education system through legislation, including Chapter 771 of 2019, Chapters 36 and 55 of 2021, Chapter 33 of 2022, and Chapter 237 of 2025. All of those Acts made changes to the State’s funding formulas to public schools. As a result, the majority of direct State aid to public schools (excluding teachers’ retirement) is determined by enrollment-based funding formulas, which are used to implement the numerous policy changes required by the Blueprint.

Compensatory Education Enrollment

One of the many changes made to school funding formulas, is the “compensatory education enrollment” count, which is used to count the number of low-income students. This count is used both for the compensatory education aid program and concentration of poverty grant program, which funds community schools. Prior to 2010, low-income students were counted nationally and in Maryland based on eligibility for free and reduced-price meals (FRPM). In the federal Healthy, Hunger-Free Kids Act of 2010, local school systems and schools that met a minimum level of students eligible for FRPM were determined eligible for a community eligibility provision (CEP).

Without a directly applicable count of low-income students, the compensatory education enrollment count has relied on a variety of methods to count low-income students.

One of those methods is to use the direct FRPM count from the year before a school or local school system became CEP. The authority of local schools systems to use this count ends at the close of fiscal 2026. ***Senate Bill 311 (passed)*** extends the use of this methodology for counting low-income students through fiscal 2028. Additionally, the Accountability and Implementation Board (AIB) and the Maryland State Department of Education (MSDE) must engage in a collaborative and transparent process for identifying a methodology for counting students from low-income households to calculate the compensatory education program and report to the General Assembly with a final report by September 30, 2027.

College and Career Readiness-related Policies

Another major change made by the Blueprint was setting a goal of having each public school student reach college and career readiness (CCR) by the end of grade 10. Students who achieved this were provided with three post-CCR pathways: (1) enrolling into a competitive entry college preparatory program; (2) dual enrollment at a high school and an institution of higher education; and (3) career and technical education (CTE). The bill makes substantive changes to these latter two post-CCR pathways.

Dual Enrollment: The bill extends from the end of fiscal 2027 to the end of fiscal 2030 the timeframe during which State Board of Education (State Board) and AIB, in consultation with local school systems, may limit the number and types of courses that a student dually enrolled at the student's public high school and at an institution of higher education may enroll in during the school year at the institution of higher education as part of the post-CCR pathway.

Career and Technical Education: Chapter 36 created a process for choosing programs for CTE credits that included a CTE Skills Standards Advisory Committee to make recommendations and provide advice to the CTE Committee, located within the Governor's Workforce Development Board (GWDB), on setting the occupational standards necessary for a strong CTE system.

The bill repeals the CTE Skills Standards Advisory Committee and transfers many of its former duties to the CTE Committee. The CTE Committee must develop and maintain a list of high-skill, high-wage, or in-demand priority occupations for the State. In addition to other clarifying changes made to the CTE Committee's composition, structure and duties, the committee must make recommendations and provide guidance on setting occupational standards needed for a strong CTE system that forms the basis for the post-CCR pathway, and make recommendations to State agencies and offices on adjustments to the CTE system to ensure that the system (1) remains globally competitive; (2) is administered according to best global practices; and (3) leverages CTE career pathways and occupational standards.

Teacher Credentialing: The bill makes changes to qualifications for initial teaching licensing and delays the date by which a licensed principal on the career ladder must meet the requirement to earn a National Board Certification from July 1, 2029, to July 1, 2034.

Community Schools: The bill also expands the definition of wraparound services, as it applies to community schools, to include in addition to tutoring, other evidence-based academic interventions to improve student outcomes through individual and small-group instruction provided during the school day.

Expert Review Teams: Finally, the bill requires that MSDE suspend operation of the Expert Review Team Program during the 2026-2027 school year. Funding allocated for the Expert Review Team Program in the fiscal 2027 budget may be transferred to the Judith P. Hoyer Early Childhood Education Enhancement Program and similar funding transferred to that program may be transferred to the Academic Excellence Fund. By November 1, 2026, MSDE and AIB must jointly submit a report to the Governor and to specified General Assembly committees on plans for future implementation of the program.

Public School Accountability System

Maryland's current educational accountability system was established pursuant to the federal Every Student Succeeds Act (ESSA) and related State law. Maryland submitted its ESSA State Plan in 2017, which outlined the framework for evaluating public school performance across the State. Components of the accountability system were specified by the Protect Our Schools Act of 2017 (Chapter 29) and included academic indicators, school quality indicators, and a composite scoring methodology to be used in the Maryland School Report Card.

Since adoption of the ESSA plan in 2017, the State has implemented the Blueprint, which expanded the State's education policy priorities, and transitioned from the Partnership for Assessing Readiness for College and Careers assessment to the State-developed Maryland Comprehensive Assessment Program.

In 2024, MSDE convened the Maryland Assessment and Accountability Task Force to examine the State's assessment and accountability systems and to consider potential updates. The task force reviewed the Maryland School Report Card and the State's accountability system framework and issued recommendations related to transparency, indicator weighting, and alignment with Blueprint and federal requirements. Following the task force's work, MSDE convened the Maryland Accountability Advisory Committee to further develop recommendations for consideration and approval by the State Board.

House Bill 1582 (passed) aligns statutory language with the recommendations of the Maryland Assessment and Accountability Task Force and the Maryland Accountability Advisory Committee. The bill increases the maximum weight that academic indicators may carry in a school's composite accountability score from 65% to 70%. The composite score must be reported showing the individual indicator scores, and no academic indicator of proficiency may be weighted as more than 20% of the composite score. The bill repeals the requirement that access to or credit

for completion of a well-rounded curriculum be included as an academic indicator and prohibits the State Board from incorporating, referencing, or relying on teacher evaluations when establishing or calculating indicators for the State education accountability system.

The bill expands the school quality indicators that may be used to include (1) school staffing indicators (instead of just access to highly credentialed teachers) and (2) completion of well-rounded curriculum measures that are indicative of on-track progress at key transition points within elementary and secondary education. Unlike other school quality indicators, completion of well-rounded curriculum measures may be based on student testing to more accurately reflect student growth within the accountability system.

MSDE must report annually to the State Board and the General Assembly on (1) indicators not included in the composite score and (2) the relationship between the proportion of students in a school from low-income households and school accountability ratings for the past three years, including both overall scores and each indicator.

Student Use of Electronic Devices

House Bill 525 (passed) requires each local board of education to develop and implement, by the 2027-2028 school year, a policy to prohibit the use of “electronic communication devices,” including cell phones and other similar communication devices, by students during the entire academic school day. A policy must prohibit the use of electronic communication devices, require students to store devices as specified, and prohibit a student from accessing or using a social media platform, as defined in the bill. Each local policy must (1) require administrator approval for the use of personal devices for educational purposes when a school-issued device is unavailable and (2) include appropriate disciplinary measures as specified.

Policies may not prohibit a student from using electronic communication devices in certain situations, such as accessing disability accommodations or health monitoring. Each county board must engage families in developing the policy and publicize it. Lastly, the bill specifies reporting requirements for county boards and MSDE related to policy development and implementation. The bill is titled the Joanne C. Benson Maryland Phone-Free Schools Act in honor of the retiring senator for her years of legislative service and work in education.

Health and Safety

Immigration Enforcement in Schools

In response to significant increases in federal enforcement of federal immigration laws by Immigration and Customs Enforcement under the federal Department of Homeland Security, throughout the country and in the State, numerous bills were introduced this session clarifying or establishing policies for government agency personnel interactions with immigration enforcement officers.

To ensure that public schools across the State are able to fulfill their legal responsibility to educate all children in a safe environment, regardless of immigration status, *Senate Bill 810 (passed)* is an emergency bill that prohibits public school personnel, including school resource officers, school security employees, and other specified law enforcement officers, from (1) being used at a public school for purposes of or engaging in immigration enforcement or (2) producing or sharing information or a document pertaining to student educational records or employee personnel records or any other information for purposes of immigration enforcement. It also requires public school personnel to notify the county superintendent of an affected school or the county superintendent's designee if the school personnel is notified of immigration enforcement in a school. The bill also makes changes to "sensitive locations" – restricted State and local governmental areas for which the Attorney General adopts guidance to assist specified State employees with immigration enforcement issues.

Sexual Abuse and Misconduct

Senate Bill 685 (passed) requires MSDE to develop a model sexual abuse and misconduct response policy for use by local school systems to respond to school-related allegations of sexual abuse and sexual misconduct. The model plan must include (1) a communications plan; (2) an email and other electronic communication documents retention policy; (3) a requirement to link to a centralized resource platform that includes information and provides links to resources regarding child sexual abuse and sexual misconduct in a school environment; and (4) an after-action review plan. Each local school system must adopt a response policy based on the model policy developed by MSDE. A response policy is prohibited from impeding or compromising the ability of a school, a local school system, a law enforcement agency, or a prosecutor from conducting a thorough or unbiased investigation into an allegation of sexual abuse or sexual misconduct.

School Safety and Emergency Planning

Prolonged State of Emergency: Chapter 804 of 2023 established several policies related to virtual education in public schools in the State, including authorizing county boards to transition public schools in the county to virtual instruction in accordance with an established virtual education plan if the Governor declares a State of Emergency for an event that prevents regular, in-person attendance at a public school for at least 14 consecutive school days. *Senate Bill 218/House Bill 288 (both passed)* authorize the State Superintendent of Schools, rather than the Governor, to declare a "prolonged state of emergency" for an event that prevents regular, in-person attendance at a public school for at least 14 consecutive school days. The bills also establish (1) conditions under which the State Superintendent may make such a declaration and (2) a process by which an emergency may be terminated. The provisions in the bills may not be construed to limit the authority of the Secretary of Health to respond to a public health emergency.

Anonymous Reporting System: *House Bill 326 (passed)* requires the Maryland Center for School Safety (MCSS) to develop and administer an anonymous reporting system that (1) coordinates the receipt of information relating to a school or student safety concern in a manner that maintains confidentiality and (2) provides a mechanism for any reported information to be

forwarded to school or other appropriate officials. Each local school system must either participate in the system by July 1, 2027, or operate and make available a substantially similar system.

Accessibility and Emergency Planning for Individuals with Disabilities: The Maryland Safe to Learn Act (Chapter 30 of 2018) required each local school system to conduct regular safety evaluations of each public school in its jurisdiction and annually report to MCSS on safety issues from the previous year. ***Senate Bill 507/House Bill 311 (both passed)*** require that, as a component of the regular safety evaluations, each public school must identify and, if necessary, develop solutions for issues of accessibility for individuals with disabilities. Additionally, the bills require that each local school system include instances in which a public school facility became inaccessible for a student with a disability in a manner that could impede evacuation or an emergency response in its annual report to MCSS.

Governing Bodies of Educational Institutions

State Governing Bodies

State Board of Education: The State Board consists of 13 regular members and 1 student member appointed by the Governor with the advice and consent of the Senate. Among the regular members, the Governor must appoint one teacher and one parent of a public school student. ***House Bill 828 (passed)*** authorizes the Governor to appoint one regular member to the State Board who is an employee of a county board, and that is not the teacher member. A member who is an employee of a county board may not be a county superintendent. If a member who is an employee of a county board is of a specified employment classification, the member may not vote on specified appeals brought to the State Board. The bill also changes the threshold needed for action by the State Board, from a majority of members serving, to, in cases in which a member is prohibited by law to vote, a majority of those authorized to vote.

Professional Standards and Teacher Education Board: The Professional Standards and Teacher Education Board (PSTEB) is a semi-autonomous board, consisting of 25 members who are public and nonpublic classroom teachers, administrators, superintendents, and employee organization representatives. The board shares authority with the State Board to develop rules and regulations for the licensure of teachers and other education professionals. ***House Bill 325 (passed)*** alters the PSTEB membership by adding a second representative of the Maryland Association of Nonpublic Special Education Facilities (MANSEF). The Governor must appoint, from a list of nominees provided by MANSEF, one licensed special education teacher currently providing classroom instruction and one administrator or supervisory staff member. The bill also removes the requirement that one board member be a certified nonpublic school classroom teacher.

Maryland School for the Deaf

The Maryland School for the Deaf is a State agency that is responsible for the educational, personal, and vocational development of deaf school-age children residing in the State and in attendance at the school. The governance of the Maryland School for the Deaf is vested in its Board of Trustees. ***Senate Bill 339/House Bill 1052 (both passed)*** decrease the number of members on

the Board of Trustees from 19 to 13. The bills also increase the minimum number of board members that must be deaf from 6 to 7.

County Boards of Education

Public School System Contracts: *Senate Bill 646 (passed)* prohibits specified unfair contract provisions from being included in a public school system contract, except as required by State or federal law. If a public school system contract contains one of the specified provisions, the provision is void and the contract is enforceable as if it did not contain the provision. The bill does not apply to collective bargaining agreements entered into by local school systems with public employees, public school certificated or noncertificated employees, or family child care providers. The bill also applies only prospectively and does not apply to contracts executed before the effective date of the bill.

Personnel Policies

Licensing and Qualifications for Teachers

School Psychologist Interstate Licensure Compact: *Senate Bill 238/House Bill 340 (both passed)* enter Maryland into the School Psychologist Interstate Licensure Compact, an interstate compact in which each member state must grant an equivalent license or renewal to practice school psychology upon application by licensees in member states who satisfy applicable criteria. The bills detail the conditions for entry into the compact, compact governance under the School Psychologist Interstate Licensure Compact Commission, compact financing, information exchange in the compact, and dispute resolution processes, among other provisions.

Educator Screenings: *Senate Bill 648/House Bill 856 (both passed)* require MSDE to register each local school system as an associate member of a national membership organization that provides access to an Educator Identification Clearinghouse and to pay any applicable fees and dues associated with the membership. Each local school system must utilize the clearinghouse, through the national membership organization, to screen each individual who receives an offer of employment for an educator position that requires a license.

Early Childhood Educator Career Ladder for Private Providers: Pillar 1 of the Blueprint established policies relating to early childhood education. These policies were developed based on a philosophy of providing equitable early educational opportunities by a variety of means, but most notably, through the expansion of publicly funded prekindergarten through a mixed system of public and private providers. Chapter 165 of 2024 tasked MSDE with establishing an early childhood educator career ladder for teachers and assistant teachers employed by eligible private providers. It is designed to (1) provide adequate educator compensation; (2) provide opportunities for educators to identify and work with prekindergarten teachers and teaching assistants; (3) provide job-embedded professional development; and (4) compensate educators at greater rates as they advance to the next level of the career ladder.

Multiple pathways were established so that early childhood educators could reach various levels on the career ladder through educational and experiential qualifications. *House Bill 748 (passed)* removes fixed statutory deadlines for meeting specified experiential and educational requirements to qualify for specific career ladder levels and instead establishes relative and ongoing timeframes for meeting those requirements. Specifically, early childhood teaching assistants are given three months to earn required credentials rather than by a specific date. Similarly, lead teachers who have 10 years of experience are allowed to earn an associate degree in early childhood education within six months of qualifying as a lead teacher, rather than by a specific date.

Southern Maryland Early College Teacher Pathway Program Workgroup: Senate Bill 529 (passed) requires the University System of Maryland (USM) to form a workgroup and develop recommendations for establishing a Southern Maryland Early College Teacher Pathway Program that would create a structured pathway for high school students in Southern Maryland to earn college credit and train to become primary and secondary education teachers. USM must submit a report on or before June 30, 2029, to specified committees of the General Assembly on recommendations for the structure of the program and the teacher preparation pathway in Southern Maryland public schools.

Public School Enrollment and Attendance

Advance Enrollment of Children of Active Service Members

Senate Bill 263/House Bill 102 (both passed) require local school systems to allow a dependent child of an active service member to apply for advance enrollment in a public school and specifies requirements for advance enrollment procedures. To advance enroll a child, an active service member must provide to the county superintendent military orders showing that the service member will be stationed in the State during the current or immediately following school year. The county superintendent must establish a free, remote registration process to allow for advance enrollment. A dependent child of an active service member who uses advance enrollment must have access to academic courses and programs, including extracurricular activities and athletic and social programs, in the same manner as other students enrolled in the school.

The Secretary of Veterans and Military Families, in consultation with specified entities, must publish and maintain information on advance enrollment procedures and other military-connected education programs and services.

Excused and Discretionary Absences for Civic Engagement

House Bill 575 (passed) requires the student attendance policy for public school students adopted by a county board to include a provision allowing an excused or discretionary absence for a student participating in civic engagement activities, as specified, including participation in the Maryland General Assembly Page Program. If the attendance policy requires a note to excuse an absence, the policy must authorize an appropriate representative to provide a note or reasonable documentation to excuse the absence.

Technology and Data Collection

Artificial Intelligence and Cybersecurity Policies

Senate Bill 720 (passed) addresses the use of artificial intelligence (AI) in schools through several statewide policies designed to promote the safe, responsible use of AI in schools and for instruction. The bill requires MSDE, in collaboration with specified stakeholders, to provide and publish guidance on AI to local school systems, educators and administrators, parents, and students through an online platform, subject to annual review and update. MSDE must also develop strategies to assist county boards of education and county superintendents in implementing the guidelines and using best practices. MSDE must develop and publish a rubric and other evaluative tools, as necessary, to assist local school systems in the evaluation of AI tools selected for use by a local school system. Morgan State University or another four-year institution may support local school systems in assessing AI tools against the MSDE rubric upon request.

The bill requires each local school system to designate an AI coordinator to serve as liaison between the local school system and the State on the productive and ethical use of AI in the local school system. The bill also requires MSDE to provide professional development in AI to educators and school leaders.

Further, the bill establishes the Maryland AI Education Collaborative on Artificial Intelligence in K-12 Education to (1) study the uses of AI in each local school system and (2) make findings and recommendations regarding development of guidance and best practices required by the bill, implementation of best practices for professional development, and the adoption of related policies and procedures as specified. Finally, MSDE, in consultation with GWDB, must ensure AI literacy is a component of workforce preparation standards and K-12 computer science standards.

Cybersecurity in Schools

Senate Bill 601/House Bill 957 (Chs. 34 and 35) require each local school system to (1) designate a point of contact for cybersecurity-related communications and to comply with cybersecurity standards adopted by the Department of Information Technology (DoIT) and (2) beginning in fiscal 2027, comply with the State minimum cybersecurity standards established by DoIT and conduct a cybersecurity maturity assessment every two years. The Acts also require DoIT to annually review and, if necessary, update the State minimum cybersecurity standards and, on request, advise local school systems on specified cybersecurity issues.

Data Collection

Bullying, Harassment, or Intimidation, Reporting: County boards must report on specified incidents of bullying, harassment, or intimidation in the public schools within the local school system using a standard form provided by MSDE and submit a summary of the report forms to the State Board each year.

House Bill 14 (passed) alters the standard form to require identification of any actual or perceived personal characteristics described in the law that are believed to have been a motivating factor in an incident of bullying, harassment, or intimidation. Furthermore, county boards must include in the summary report to the State Board any incidents that were determined, after an investigation, to have been motivated in whole or substantial part by a personal characteristic of members of particular group for which (1) there has been a substantial increase in incidents for members of that group over the previous school year; (2) there has been a substantial decrease in incidents for members of that group over the previous school year; or (3) there is a disproportionate incident rate of incidents for members in that group. The information reported may not include identifying information of any student. A county board must make available upon request information about such incidents.

Senate Bill 56/House Bill 293 (Chs. 100 and 101) authorize the Governing Board of the Maryland Longitudinal Data System (MLDS) Center to allow the MLDS Center to provide individual-level student and workforce data to one third-party data center at a time and only to enable multistate research and reporting on student outcomes. Before authorizing a transfer of data, the board must ensure the third-party data center handles data in accordance with specified standards. Before providing data to a third-party data center, MLDS Center must enter into a written data sharing agreement that complies with specified security and privacy requirements, and the governing board must affirmatively approve the sharing of data elements that constitute each set, the sharing of each data set, and each proposed research or reporting project that seeks to use Maryland data.

The Acts also repeal language authorizing the board to allow MLDS Center to send student information to the U.S. Census Bureau. Lastly, the MLDS Center must submit ongoing reports to Senate Committee on Education, Energy, and the Environment and the House Ways and Means Committee relating to the written data sharing agreements.

State Child Welfare System Reporting: House Bill 1305 (passed) expands an existing reporting requirement to require MSDE to annually report to the General Assembly and the Department of Human Services (DHS) on the number of foster youth who enroll in college and graduate within six years. In reporting this and other information regarding children and foster youth in the State child welfare system under current law, MSDE must include, where appropriate, comparison data for children and students not in the State child welfare system. By December 1, 2026, MSDE, in cooperation with DHS, must develop and submit a report to the General Assembly on improving education outcomes for students in the State child welfare system.

Student Transportation

Alternate Student Transportation

Subject to termination on June 30, 2026, Chapters 197 and 198 of 2021 authorized a county board to provide transportation for specified public school students to and from a school using a vehicle other than a Type I or Type II school vehicle (a yellow school bus) when a school vehicle

could not reasonably be provided. These Acts required MSDE to consult with county boards and the Motor Vehicle Administration to adopt regulations establishing minimum vehicle and driver safety standards for the use of alternate student transportation vehicles.

Senate Bill 292/House Bill 319 (both passed) repeal the termination provision, making the authorization for county boards to transport students using alternate vehicles permanent. Additionally, the bills require MSDE to review the regulations governing the use of alternate vehicles to transport specified students to examine the regulatory requirements for (1) authorized alternate vehicles; (2) drivers of alternate vehicles; and (3) Public Service Commission regulations for transportation network operators and whether those regulations could be brought into alignment with MSDE regulations without sacrificing student safety.

Fire Safety Standards

Under current law, a school bus (defined under Transportation Article § 11-153 as a Type I school vehicle) must be constructed with materials that enable it to meet all the criteria of the school bus seat upholstery fire block test established by the National School Transportation Specifications and Procedures, adopted at the most recent National Congress on School Transportation. Maryland regulations require passenger seats on both Type I and Type II school vehicles to be constructed with materials that meet the fire block test. These regulations prohibit school bus drivers from using materials to cover the driver's seat for comfort while driving bus routes. *Senate Bill 968 (passed)* exempts a school bus driver's seat from this requirement to allow school bus drivers to cover the seat with materials that do not meet the standards of the fire block test.

Miscellaneous Education Programs

Maryland Civic Excellence Program

Senate Bill 204/House Bill 57 (both passed) establish the Maryland Civic Excellence Program. Under the program, participating local school systems recognize the civic readiness and civic engagement of public high school students. By the 2027-2028 school year, the State Board, in consultation with experts and stakeholders, must adopt regulations to establish the criteria and requirements for awarding a seal of civic excellence to a qualified student who attends a public high school in a participating local school system. The State Board's criteria must include completion of a capstone project requirement through an extracurricular activity that is focused on civic service in State, county, or local government.

Educator Professional Development Course on Well-Being and Flourishing

House Bill 546 (passed) requires MSDE to make available a professional development course for all school personnel and administrators on educator well-being and flourishing that meets specified requirements.

Higher Education

Operating Funding

Operating funding State support for higher education in the fiscal 2027 budget totals \$3.5 billion, an increase of \$30.5 million, or 0.9%, compared to fiscal 2026, as shown below in **Exhibit L-1**. State funding (which includes general funds and Higher Education Investment Funds) for the public four-year institutions increases by \$10.2 million combined. The allowance includes \$60.7 million budgeted to the public four-year historically Black colleges and universities (HBCUs) related to the settlement funding for HBCUs.

Exhibit L-1
State Support for Higher Education
Fiscal 2026-2027

	<u>2026¹</u>	<u>2027²</u>	<u>\$ Change</u> <u>2026-2027</u>	<u>% Change</u> <u>2026-2027</u>
University System of Maryland	\$2,263,165,208	\$2,268,475,573	\$5,310,365	0.2%
Morgan State University	203,506,914	206,284,044	2,777,130	1.4%
St. Mary's College of Maryland	42,888,180	46,170,672	3,282,492	7.7%
HBCUs Settlement ³	61,903,682	60,694,103	-1,209,579	-2.0%
MHEC Special Grants ⁴	12,272,861	12,359,861	87,000	0.7%
Community Colleges ⁵	505,026,261	518,454,778	13,428,517	2.7%
Baltimore City Community College	48,367,088	48,555,395	188,307	0.4%
Independent Institutions	73,322,724	73,322,724	0	0.0%
MHEC Administration	12,212,022	12,119,692	-92,330	-0.8%
MHEC Student Financial Aid	216,511,963	223,212,505	6,700,542	3.1%
Total	\$3,439,176,903	\$3,469,649,347	\$30,472,444	0.9%

HBCUs: historically Black colleges and universities

MHEC: Maryland Higher Education Commission

¹ Fiscal 2026 general funds are adjusted to reflect deficiencies and a transfer from MHEC to the University of Maryland, Baltimore Campus for the Wellmobile.

² Fiscal 2027 general funds are adjusted to reflect the anticipated transfer from MHEC to the University of Maryland, Baltimore Campus for the Wellmobile. Fiscal 2027 general funds do not include general salary increases budgeted in the Department of Budget and Management.

³ Includes general and special funds.

⁴ Includes grants funded with State general and special funds.

⁵ 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) increases by \$5.3 million, or 0.2%, compared to fiscal 2026. The fiscal 2027 allowance does not include the general salary increases that are budgeted centrally in the Statewide Account in the Department of Budget and Management (DBM). The fiscal 2027 budget also provides USM's HBCUs – specifically, Bowie State University (BSU), the University of Maryland Eastern Shore, and Coppin State University – a total of \$32.5 million in settlement funding, as mandated by Chapters 41 and 42 of 2021 (which is shown as part of HBCUs Settlement funding in the exhibit). Also included for USM is funding mandated by Chapter 683 of 2021, Chapter 181 of 2024, and Chapter 105 of 2025.

The General Assembly added \$4.9 million to fund various programs and initiatives at eight USM institutions. This allowance includes \$14.0 million to fund three initiatives at the University of Maryland, College Park Campus: \$7.0 million to bolster its quantum science program; \$5.0 million to support recruitment of test and evaluation experts at the Applied Research Laboratory for Intelligence and Security; and \$2.0 million to support operations of the Capital of Quantum Initiative. The additional funding noted above is offset by decreased funding in other areas, attributed primarily to a \$30.7 million reduction due to increasing the budgeted turnover to more closely align with vacancy rates; \$18.5 million in one-time legislative additions in the fiscal 2026 budget; and \$1.8 million less in BSU's allocation of HBCUs settlement funds.

Morgan State University (MSU) receives an increase of \$2.8 million, or 1.4%, in fiscal 2027 compared to fiscal 2026, not including general salary increases centrally budgeted in the DBM Statewide Account. In addition to its base funding, MSU receives \$28.2 million as its share of HBCUs settlement funds in fiscal 2027, an increase of \$0.6 million, or 2.1%, over fiscal 2026 (which is shown as part of HBCUs Settlement funding in the exhibit).

St. Mary's College of Maryland (SMCM) receives an increase of \$3.3 million, or 7.7%, in State support over fiscal 2026. The increase includes the fiscal 2027 general salary increase.

Independent Institutions

The Fiscal 2027 Budget Bill funds the Sellinger formula at the fiscal 2026 level of \$73.3 million. This is consistent with a provision in *Senate Bill 284 (Ch. 6)* (the Budget Reconciliation and Financing Act (BRFA) of 2026) that also funds the formula at the fiscal 2026 level, not only in fiscal 2027 but also in fiscal 2028 and 2029. That provision specifies the distribution of funding to the qualifying institutions for fiscal 2027 through 2029.

Community Colleges

State funding for local community colleges increases by \$13.4 million over fiscal 2026. Among other increases, funding under the Senator John A. Cade Funding Formula increases by \$10.8 million, while funding for community college retirement programs increases by \$2.3 million (representing the State share). The budget also includes a \$250,000 grant to Prince George's

County to study the feasibility of establishing an Aerospace Aviation program at Prince George's Community College. The growth in funding is largely driven by a third consecutive year of increased student enrollment. Growth in funding for each community college is capped at 3% of the previous year's funding level for fiscal 2027 through 2029 due to a provision in the BRFA of 2026. Additionally, the BRFA shifts 50% of the year-over-year increase in retirement costs to local jurisdictions so that they are responsible for another \$2.3 million in perpetuity.

Baltimore City Community College

Baltimore City Community College (BCCC), Maryland's only State-administered community college, has a separate statutory funding formula. State funding for BCCC increases by \$188,307 or 0.4%, in fiscal 2027, despite its funding formula percentage decreasing from 68.5% to 67.5% for fiscal 2027 through 2029 due to a provision in the BRFA of 2026 (which reduces BCCC's appropriation by \$713,762). BCCC's full-time-equivalent student enrollment has increased by 16.1% year-over-year, which brought the college out of hold-harmless status for the first time since fiscal 2014.

Financial Aid

State support for student financial aid increases by \$6.7 million, or 3.1%, to \$223.2 million in fiscal 2027. The largest need-based aid program, the Delegate Howard P. Rawlings Educational Excellence Awards Program, is level-funded at \$138.7 million in fiscal 2027. The BRFA of 2026 reduces mandated funding for two financial aid programs. More specifically and consistent with funding in the fiscal 2027 budget, funding for the Maryland Police Officers and Probation Agents Scholarship is reduced by \$1.5 million to \$0.5 million, and funding for the Maryland Loan Assistance Repayment Program (LARP) for Police Officers and Probation Agents is reduced by \$1.5 million to \$0.5 million. However, mandated funding for the Maryland Community College Promise Scholarships Program is maintained at \$13.5 million (as introduced, the BRFA of 2026 would have reduced that funding requirement by \$1.0 million annually, beginning in fiscal 2027).

Capital Funding

Capital funding for higher education totals \$471.6 million for fiscal 2027, most of which (\$382.0 million) is for public four-year institutions, including \$50.0 million in academic revenue bonds for USM institutions authorized by *Senate Bill 769 (passed)*. Local community colleges receive \$59.6 million, primarily through two grant programs (\$56.7 million through the Community College Construction Grant Program and \$2.6 million through the Community College Facilities Renewal Grant Program). In addition, BCCC receives \$10.8 million, and independent institutions receive \$19.2 million in capital funding for fiscal 2027.

Programs, Policies, and Requirements

Public Senior Higher Education Institutions – Direct Admission Program and Study

Senate Bill 324 (passed) establishes a direct admission program at *participating* public senior higher education institutions for eligible students starting in the 2028-2029 academic year. Admission through the program does not guarantee a student placement in any specific program or specific college, school, or functional equivalent at the institution. The bill requires the Maryland Higher Education Commission (MHEC), the Maryland State Department of Education (MSDE), USM institutions, MSU, and SMCM to establish minimum eligibility requirements for the program. MHEC and MSDE must also conduct a study and report to the General Assembly on how to effectively implement the program.

Uniformed Services Spouses Act

Senate Bill 243/House Bill 721 (both passed) clarify the definitions of “eligible service member” and “eligible veteran” to include a veteran who has received an “other than dishonorable” discharge, as well as members of the Commissioned Corps of the Public Health Service and the National Oceanic and Atmospheric Administration. Due to these definition changes, the bills also expand veteran eligibility for (1) priority registration for courses at public higher education institutions; (2) hiring and promotion preferences; and (3) credits on selection tests for specified State and local employee positions. The bills also extend priority registration and selection test credits to the *spouses* of eligible service members and expand certain hiring and promotion preferences to encompass the *spouses* of active service members. Finally, the bills expand eligibility to veterans’ *spouses* for services at community colleges and for active service members’ *spouses* for senatorial and delegate scholarships.

Pregnant and Parenting Students – Plan and Reporting

Senate Bill 420/House Bill 6 (both passed) generally require MHEC to collect student-level data from each public institution of higher education, including community colleges, regarding the parental status of enrolled students. While the bills are largely identical, ***House Bill 6*** exempts the University of Maryland Global Campus (UMGC) from this specific data collection requirement, whereas ***Senate Bill 420*** does not. The bills also alter the definition of “student data” to authorize MHEC to share parental status with the Maryland Longitudinal Data System Center; however, medical records and pregnancy status are explicitly excluded.

Additionally, both bills expand the existing requirement for institutions to adopt a plan regarding pregnant and parenting students that is aligned with Title IX – by expanding the definition of “pregnant and parenting student” and extending the requirement to community colleges. Prior law applied only to public senior higher education institutions, with limited exceptions (specifically for UMGC, the University of Baltimore, and the University of Maryland Center for Environmental Science). ***House Bill 6*** retains the exception for these three institutions, whereas ***Senate Bill 420*** does not – so that they, in addition to community colleges, are subject to

the requirement. The bills modify the timeline for institutions required to adopt such a plan and post it on their website to October 1, 2026.

Over-the-counter Contraception Access

Senate Bill 532/House Bill 1076 (both passed) expand an existing requirement related to over-the-counter (OTC) contraception access so that each community college must provide students with access to *all* methods of OTC contraception. The bills also require public senior higher education institutions and community colleges to submit an annual report on the provision of OTC contraception.

Provision of Menstrual Hygiene Products

Chapters 705 and 706 of 2021 required each local board of education to provide, free of charge, menstrual hygiene products via dispensers in the women's restrooms at public middle and high schools. ***House Bill 457 (passed)*** requires each institution of higher education that provides on-campus housing to provide, free of charge, menstrual hygiene products in student health centers by August 1, 2028.

Purple Star Schools and Colleges Program

Chapters 65 and 66 of 2022 established the Purple Star Schools Program to recognize public schools that provide strong services and support for "military-connected students" and their families when students transfer schools as a result of a parent or guardian's military service. ***Senate Bill 709/House Bill 623 (both passed)*** establish a parallel program under MHEC to recognize colleges and private career schools that meet similar criteria, for students who are service members, veterans, or their spouses or other dependents. The bills also clarify the definition of "military-connected student" in the existing program to include students who are dependents of any service members.

Workforce Pell Grant Program

The federal Pell Grant Program, authorized by Title IV of the Higher Education Act of 1965, as amended, is the single largest source of federal grant aid supporting postsecondary education students. In March 2026, the U.S. Department of Education issued a notice of proposed rulemaking to alter thresholds for Pell Grant eligibility and establish the Workforce Pell Grant Program as authorized under the federal One Big Beautiful Bill Act. ***Senate Bill 509 (passed)*** generally implements the Workforce Pell Grant Program in the State by which federal Pell Grants may be awarded to students enrolled in a short-term program that helps prepare students for careers. To that end, the bill establishes a process by which the Governor, in consultation with the Governor's Workforce Development Board (GWDB), can determine whether to approve such a short-term program. GWDB and MHEC must then implement workforce development programs that meet federal eligibility criteria, adopt regulations, collect data, and submit annual reports.

Temporary Retention of Responsibilities for the Guaranteed Access Grant Program

Chapter 634 of 2023 required institutions of higher education to establish a process to transfer the notification and issuance of the Delegate Howard P. Rawlings Educational Excellence Award Program, Guaranteed Access (GA) Grant awards from MHEC's Office of Student Financial Assistance (OSFA) to institutions of higher education. Due to a variety of reasons, as of calendar 2026, OSFA has not implemented this transfer and continues to process GA awards. *Senate Bill 207/House Bill 231 (Chs. 98 and 99)* delay transfer of GA award notification and issuance responsibility from OSFA to institutions of higher education until the 2029-2030 financial aid award year.

State and Higher Education Email

House Bill 718 (passed) establishes the policy that higher education institutions must use State employee email systems and resources to support State business and not as a public forum. The bill also requires that higher education institution information technology plans include provisions to protect employees from spam email and ensure minimal impact on State resources. However, these policies and plans must permit incidental personal use of information technology and email by employees if the use has a *de minimis* impact on State resources and is consistent with generally accepted professional business norms.

State Child Welfare System – Reporting on College Graduation

House Bill 1305 (passed) requires MSDE, in cooperation with the Department of Human Services, to include data on the number of foster youth who enroll in college and graduate within six years and develop and submit a report to the General Assembly on improving outcomes for students in the State child welfare system.

Expansion of Scholarships, Tuition Assistance, and Other Financial Support

Scholarships

Douglas J. J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship: Chapter 290 of 2006 established the Douglas J. J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship to provide higher education scholarships for veterans and members of the reserves who were activated for these conflicts. *Senate Bill 7/House Bill 720 (Chs. 58 and 59)* repeal language that prevents MHEC from issuing an initial award for the scholarship after June 30, 2030.

Scholarship and Loan Repayment for Correctional Officers: Chapter 59 of 2021 as amended established the Maryland Police Officers and Probation Agents Scholarship and LARP for Police Officers and Probation Agents. *Senate Bill 101 (passed)* adds correctional officers as eligible recipients for both the LARP and scholarship programs and renames each of them to reflect this inclusion. Similarly, *Senate Bill 285/House Bill 852 (both passed)* also add correctional

officers as eligible recipients for the scholarship program and rename it. Furthermore, *Senate Bill 285/House Bill 852* expand the scholarship to include individuals enrolled in certificate programs.

Graduate and Professional Scholarship Program: Chapter 315 of 2002 established the Graduate and Professional Scholarship Program to provide scholarships for students pursuing certain advanced degrees at specified institutions. *Senate Bill 486/House Bill 1075 (both passed)* expand eligibility for the scholarship to include students attending the University of Maryland Eastern Shore who are enrolled in the Master of Medical Science in Physician Assistant Studies or Doctors of Pharmacy, Physical Therapy, or Veterinary Medicine programs.

Walter Sondheim Jr. Public Service Scholarship Program: Chapter 490 of 2007 established the Walter Sondheim Jr. Public Service Summer Internship Scholarship Program, originally just a summer program, to assist college and graduate students with exploring public service career opportunities. To further support these opportunities, *House Bill 809 (passed)* specifies the types of fellowships included in the program; increases the maximum scholarship award from \$5,000 to \$6,000; and mandates an annual appropriation for the program – beginning in fiscal 2028 – that is at least 125% of the amount provided in fiscal 2026.

Student Financial Assistance – Alterations to Scholarship Programs: Chapter 554 of 2018 established the Maryland Community College Promise Scholarships Program. *Senate Bill 728/House Bill 845 (both passed)* clarify that eligibility includes residents of Delmar, Maryland who graduated from Delmar High School in Delmar, Delaware.

Following the collapse of the Francis Scott Key Bridge on March 26, 2024, after being struck by a container vessel, the Maryland Protecting Opportunities and Regional Trade Act (Chapters 2 and 3 of 2024) was enacted to provide relief related to impacts on the Port of Baltimore and to establish the Fallen Transportation Workers Scholarship Program for dependents and surviving spouses of fallen transportation workers. *Senate Bill 728/House Bill 845* authorize awards from the Fallen Transportation Workers Scholarship Program for surviving transportation workers as well as certain additional individuals related to surviving and fallen transportation workers and specify that the scholarship can be used for the total cost of attendance. Further, the bills rename the scholarship to reflect the change in eligibility.

Tuition Exemptions

Military Department – National Guard Tuition Assistance: *Senate Bill 142/House Bill 232 (Chs. 143 and 144)* expand eligible institutions for the National Guard Tuition Assistance program to include trade and career schools recognized by MHEC or the Maryland Apprenticeship and Training Council. The Acts also remove a requirement that private schools provide a tuition waiver; expand assistance from the Military Department to include training assistance; and establish that existing two-year post-course service obligation requirements apply to career courses.

Nonresident Tuition – Exemption for Dependents of State or Local Public Safety Employees: [*House Bill 3 \(passed\)*](#) exempts the spouses and financially dependent children of State or local public safety employees who die as a result of, or in the course of, performance of their duties from paying out-of-state or out-of-county tuition at a State public institution of higher education. The bill also modifies the allocation method for the Edward T. and Mary A. Conroy Memorial Scholarship and the Jean B. Cryor Memorial Scholarship by requiring MHEC to establish a formula, as specified, to distribute funds to higher education institutions subject to the availability of funds provided in the State budget. The method must also prioritize awards for current scholarship recipients before awarding funds to new applicants.

Tuition Exemption for Foster Care Recipients: Specified foster care recipients and homeless youth are eligible for a tuition and mandatory fee exemption to attend public institutions of higher education in the State. For the purposes of determining eligibility for this exemption, [*Senate Bill 864 \(passed\)*](#) alters the definition of “foster care recipient” from an individual who resided in an out-of-home placement on or after their thirteenth birthday to an individual who resided in an out-of-home placement on or after their eighth birthday.

Undocumented Students – Out-of-State Tuition Exemption Eligibility: Chapter 191 of 2011 (better known as the Maryland Dream Act) as amended exempts qualified individuals from paying the out-of-state tuition rate at a public institution of higher education if they meet certain criteria, including submission of three years of Maryland tax returns. [*House Bill 1530 \(passed\)*](#) reduces the years the requirement for filing a Maryland tax return from three years to two years to qualify for the out-of-state tuition exemption.

Other Financial Support

Student Loan Debt Relief Tax Credit: [*Senate Bill 805 \(passed\)*](#) modifies the student loan debt relief tax credit program by authorizing MHEC to grant an extension of the period within which an individual, under certain circumstances, must use the credit for repayment of eligible student loan debt. This extension may be granted if the individual was unable to repay the debt due to specified federal administrative delays or litigation. The bill also modifies provisions related to credit recapture and requires MHEC to adopt procedures for individuals to apply for a waiver. In addition, the BRFA of 2026 increases the program cap from \$9.0 million to \$16.0 million for tax year 2025 and decreases the cap from \$18.0 million to \$9.0 million for tax year 2026. The change is estimated to result in a \$7.0 million general fund revenue reduction in fiscal 2026 and a \$9.0 million general fund revenue increase in fiscal 2027.

Practical Applications of Real Estate Appraisal Grant Program: To assist in closing appraisal gaps that occur in historically redlined neighborhoods and underrepresented communities and to diversify the appraisal field, [*Senate Bill 657/House Bill 919 \(both passed\)*](#) establish the Practical Applications of Real Estate Appraisal (PAREA) Grant Program in MHEC. The program is to provide grants to minorities who reside in these communities with the goal of pursuing PAREA to become real estate appraisers.

University System of Maryland

Southern Maryland Early College Pathway Program Workgroup

Senate Bill 529 (passed) requires USM, in consultation with MSDE and MHEC, to develop recommendations for a Southern Maryland Early College Teacher Pathway Program and a teacher preparation pathway in Southern Maryland. Accordingly, USM must convene a workgroup, as specified, to develop these recommendations, with the aim of creating a credit-bearing pathway to prepare high school students for teaching careers and expanding access to higher education for all students, including those from historically underrepresented and rural areas. USM must submit a report on the workgroup's recommendations and implementation plan.

Maryland Artificial Intelligence Partnership

Senate Bill 597 (passed) establishes the Maryland Artificial Intelligence (AI) Partnership in USM to develop a strategic plan and coordinate State AI initiatives. Among other things, the bill also (1) requires the partnership to establish Maryland Technology Extension Hubs; (2) establishes an AI Incubation Lab in USM to accelerate the responsible use of AI; (3) requires the MSU Center for Equitable AI and Machine Learning Systems to support State agencies related to the productive, secure, and ethical use of AI; and (4) establishes the AI Public Service Fellowship.

Community Colleges

Prince George's Community College – Aerospace and Aviation Systems Technology Programs Feasibility Study

Senate Bill 198 (passed) requires Prince George's County Community College to conduct a comprehensive feasibility study and program design assessment for possible aerospace and aviation systems technology workforce training programs. When the study is completed, Prince George's County Community College must report to the General Assembly on findings, recommendations, and plans for these programs.

Board of Community College Trustees for Baltimore County – Membership

To align with the county's new nine-district councilmanic structure, *Senate Bill 306/House Bill 327 (both passed)* alter the number of members on the Board of Community College Trustees for Baltimore County from 15 to 11. Specifically, the bills change the distribution of members serving from councilmanic districts by reducing the number of district-based seats from 14 to 9 (with 1 member representing each district) and increase the number of at-large members from 1 to 2.

Frederick Community College – Board of Trustees – Meeting and Requirements

Senate Bill 534/House Bill 839 (both passed) establish public comment and meeting recording requirements for the Frederick Community College Board of Trustees and require members to undergo training on board governance, structure, responsibility, and roles.

Education – Local Bills

Baltimore County

The Baltimore County School Board Nominating Commission consists of 19 members, which must reflect the diversity of Baltimore County. The Governor, in consultation with the Baltimore County Executive, must appoint 8 members, 1 from each legislative district in Baltimore County. The county executive must appoint 1 member from the county at large, and 10 specified organizations must each appoint 1 member. The county executive designates a member as chair, and the Baltimore County Public School System provides staff for the commission. *Senate Bill 98/House Bill 96 (both passed)* add 2 members to the Baltimore County School Board Nominating Commission, 1 appointed by the American Federation of State, County and Municipal Employees Local 3, Council 434 and 1 appointed by the Citizens Advisory Council for Gifted and Talented Education. The bills also (1) replace the membership of a member appointed by the Baltimore County Chamber of Commerce with a member appointed by the *Greater Baltimore* Chamber of Commerce (the former's successor organization) and (2) specify that the initial member appointed by the *Greater Baltimore* Chamber of Commerce must serve the remainder of the term of the member appointed by the Baltimore County Chamber of Commerce before terminating. Lastly, the bills stagger member terms by specifying members whose terms must terminate at the end of September 30, 2028, and other members whose terms must terminate at the end of September 30, 2030.

Caroline County

The Caroline County Board of Education is a hybrid appointed and elected school board comprising three elected members, two appointed members, and two nonvoting student members. The board elects from its membership a president and vice president. *Senate Bill 705 (passed)* increases the annual compensation for members of the board by \$2,000. For the board president, compensation increases to \$6,000 annually; compensation for other voting members increases to \$5,500 annually.

Calvert County

The Calvert County Board of Education consists of five voting members and one nonvoting student member. The board elects from its membership a president and vice president. *House Bill 1514 (passed)* increases compensation for various Calvert County officials, including increasing annual compensation for members of the board of education by \$2,000. For the board

president, compensation increases to \$8,500 annually; compensation for other members increases to \$7,500 annually.

Howard County

The Howard County Board of Education consists of seven elected members and one student member. *House Bill 1171 (passed)* expands the matters on which the student member of the board may vote on to include (1) geographical attendance areas; (2) acquisition and disposition of real property and matters relating to school construction; (3) donations; (4) condemnation; (5) consolidation of schools and transportation of students; (6) budgetary matters; and (7) student suspension and expulsion.

House Bill 1176 (passed) requires the Howard County Executive, in the submission of the annual budget to the Howard County Council, to indicate in writing the percentage of the county's general fund revenue, excluding one-time expenses, that is allocated to the operating budget of the Howard County Board of Education and operating costs associated with the Howard County Public School System, including (1) pension obligations; (2) employee and retiree benefits; (3) debt service; (4) school and student safety; and (5) transportation. The bill requires such information also be included in copies of the budget as approved by the county council that current law requires be sent to the State Superintendent of Schools within 30 days of approval and posted on the county board's public-facing website in an easily identifiable location.

Montgomery County

House Bill 936 (passed) requires, by September 1, 2027, Montgomery County Public Schools (MCPS) to identify the dollar amounts of food procured for school meals in the 2026-2027 school year from certified local farms and certified Chesapeake invasive species providers and publish the data on the school system's website. Using the data for the 2026-2027 school year as a baseline, MCPS must set target increases for the dollar amount of food procured from certified local farms and certified Chesapeake invasive species providers for the 2028-2029, 2030-2031, 2031-2032, 2033-2034, and 2036-2037 school years. MCPS, in coordination with the Montgomery County Office of Food Systems Resilience and Public Input, must establish a plan to meet the target increases.

Prince George's County

House Bill 423 (passed) establishes legislative intent that public high schools in Prince George's County provide drink spiking detection products and drug detection strips to their students. Under the bill, the Prince George's County Board of Education must require public high schools in the county to do so at no cost to students beginning in the 2026-2027 school year – but only if those products are provided to the public high schools at no cost to the schools. Moreover, the requirement to provide drug detection strips applies only to a public high school with an incident requiring the use of naloxone or other overdose-reversing medication reported to the Maryland State Department of Education. The bill also requires each public high school in the

county to report annually to Maryland’s Office of Overdose Response on distribution of such products.

Somerset County

The Somerset County Board of Education consists of five nonpartisan elected members and, although not in statute, three nonvoting student members (two regular student members and one alternate student member). *Senate Bill 508/House Bill 1428 (Chs. 150 and 151)* (1) require the board to consist of one nonvoting student member from each public high school in the county; (2) require the Somerset County Commissioners (rather than the Governor) to fill any vacancies that occur; (3) increase the annual compensation for the board chair from \$3,000 to \$6,000 and other nonstudent member compensation from \$2,700 to \$5,000; (4) establish a \$5,000 scholarship award for a student member of the board who completes a full term; and (5) require closed sessions of the board to adhere to specified provisions of the Open Meetings Act.

Early Childhood/Libraries/Miscellaneous

Child Care

Child Care Scholarship Program

The Child Care Scholarship (CCS) Program, established by Chapter 396 of 2018, provides financial assistance with child care costs to low-income families that meet applicable State or federal requirements. The CCS program is funded through a combination of State funds and the federal Child Care and Development Block Grant. All participating parents or guardians must meet a variety of technical requirements and must be working or enrolled in school, a training program, or a work-related activity. A waitlist for program services was implemented beginning May 1, 2025, after the Maryland State Department of Education (MSDE) implemented an enrollment freeze to slow spending growth. In response, the fiscal 2027 budget adds \$20.0 million to reduce the CCS program waitlist.

House Bill 849 (passed) prohibits a freeze in enrollment in the CCS program from applying to (1) a family or an individual who is enrolled in the Temporary Cash Assistance Program; (2) a family or an individual who is enrolled in the federal Temporary Assistance for Needy Families Program; (3) a child, parent, or caregiver who is enrolled in the federal Supplemental Security Income Program; (4) a sibling of an enrolled child; or (5) a child who is homeless, as long as the individuals otherwise meet certain enrollment criteria. During any enrollment freeze, MSDE must establish a waitlist with a specific order of priority for awards. Furthermore, MSDE must develop a new application for the CCS program that collects information necessary to determine if an applicant is employed at least 20 hours a week by an eligible child care provider, and review the methodology used to determine whether a parent or guardian is attending a job training program for determining scholarship eligibility. *House Bill 849* is contingent upon *House Bill 1321 (passed)*.

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 1321* requires MSDE to (1) identify and inform CCS program applicants who qualify for enrollment in publicly funded prekindergarten, Head Start, and Early Head Start during an active enrollment freeze, and provide information on the enrollment processes upon request and (2) provide CCS program applicants information on income-based government assistance and tax credits for which the applicant may be eligible. The bill repeals statutory provisions related to presumptive eligibility for CCS program applicants. Furthermore, the bill authorizes MSDE to provide information on available publicly funded prekindergarten slots based on the most recent enrollment count before the implementation of the Early Childhood Pre-K Enrollment System and requires MSDE to provide up-to-date information once the system is implemented.

The bill also authorizes MSDE to award partial scholarships and to set a sliding fee copayment scale for the CCS program, capped at a maximum of 7% of an individual's annual household income, and prohibits charging copayments to households at or below the federal poverty line. If MSDE implements a system for copayments under the bill, MSDE must comply with additional specifications. Finally, the bill requires MSDE to monitor the waiting list for the CCS program in effect on July 1, 2026; if MSDE determines the waitlist will be depleted within six months, it must report to the General Assembly on the possibility of the waitlist ending and whether a presumptive eligibility process should be utilized. *House Bill 1321* is contingent upon *House Bill 849*.

Providers – Safety and Requirements

Generally, employees and employers who work in specific facilities and who care for or supervise children, or have access to children in the facility, are required to apply to the Department of Public Safety and Correctional Services for a national and State criminal history records check (CHRC). *Senate Bill 359/House Bill 635 (both passed)* require (1) an individual, including a volunteer, who is applying for a position involving direct contact with children in certain child care facilities to submit a CHRC and (2) MSDE to establish a centralized unit to process and manage information about CHRCs by June 30, 2027. Further, MSDE must establish probationary employment qualifications for an individual applying for the first time to be a child care teacher in a child care center in the State that serves preschool or school-age children who are at least age two, rather than age three. Finally, MSDE must review the background check process for efficiency and timeliness and submit a report to the General Assembly by October 1, 2028.

A family child care home is a residence in which family child care is provided for up to 8 children. A large family child care home is a residence in which family child care is provided for at least 9 children but not more than 12 children. Generally, family child care homes and large family child care homes may not operate in the State unless they are registered. MSDE adopts rules and regulations for licensing and operating child care centers and the licensing of child care providers. *House Bill 430 (passed)* requires a family child care provider who is a member of a reserve component to designate a substitute to provide family child care during the family child

care provider's absence for required training and active service, subject to MSDE requirements and qualifications. A designated substitute may provide family child care during the provider's absence for up to 45 days (rather than up to 20 days allowed under regulations) in any 12-month period.

Growing Family Child Care Opportunities Program

Chapters 437 and 438 of 2021 established the Growing Family Child Care Opportunities Pilot Program, and Chapters 183 and 184 of 2024 repealed the termination date, establishing it as a permanent program within MSDE. Chapters 183 and 184 also required the Governor to include a \$450,000 appropriation in the fiscal 2026 budget bill for the program. *Senate Bill 503/House Bill 742 (both passed)* extend to fiscal 2028 through 2030 the requirement for the Governor to include a \$450,000 appropriation in the annual budget bill for the program.

Maryland Child Care Credential Program

The fiscal 2027 budget adds \$5.7 million to fund the Maryland Child Care Credential Program. *Senate Bill 467/House Bill 561 (both passed)* reestablish a funding mandate for the Maryland Child Care Credential Program by requiring the Governor to include an appropriation of \$5.7 million in the annual budget bill for fiscal 2028 through 2030.

Prekindergarten Expansion Grant Program

The fiscal 2027 budget adds \$10.0 million to the Prekindergarten Expansion Grant Program, increasing the total funding for the program to \$36.6 million.

High School Diploma – Alternative Pathway

To obtain a high school diploma via an alternative pathway, a Maryland resident may take the GED, complete the National External Diploma Program, or attend an adult high school. *Senate Bill 70/House Bill 297 (both passed)* establish the MDiplomaWorks (MDW) Pathway within the Maryland Department of Labor (MD Labor) to recognize and certify high school diploma achievement through demonstrated academic and career competencies, including (1) earning industry-recognized credentials; (2) demonstrating foundational academic skills through formal assessments; (3) completing career and technical education coursework; and (4) completing an on-the-job learning experience. The bills allow an individual to obtain a high school diploma through the MDW Pathway if the individual has not obtained a high school diploma, resides in the State, is not subject to compulsory school attendance requirements, and has withdrawn from a regular full-time public or private school program. Finally, in calendar 2027 and 2028, the bills require MD Labor to publish information on the MDW Pathway on its website and include it in any publications that describe how adults may obtain a high school diploma.

Staffing and Licensure

The School Psychologist Interstate Licensure Compact is designed to facilitate the practice of school psychology and improve the availability of school psychological services to the public, with the goal of establishing a pathway for school psychologists to obtain equivalent licenses to provide services in any member state. *Senate Bill 238/House Bill 340 (both passed)* enter Maryland into the compact. The bills establish (1) membership requirements for member states; (2) eligibility criteria for school psychologists seeking participation in the compact; (3) disciplinary procedures; (4) authority and duties of the Compact Commission; (5) rulemaking, oversight, dispute resolution, and enforcement procedures; and (6) related processes for the governance of the compact.

Libraries

Collective Bargaining

Chapters 747 and 748 of 2021 allowed full- and part-time nonmanagement employees of the Baltimore County Public Library to form a unit for the purpose of collective bargaining. Under these chapters, an employee does not include a confidential employee, management employee, or supervisory employee, and thus those employees are prohibited from participating in the collective bargaining process. *Senate Bill 253/House Bill 388 (both passed)* extend collective bargaining rights to Baltimore County Public Library supervisory employees. The bills authorize two bargaining units, one for supervisory employees and one for nonsupervisory employees.

County Boards of Library Trustees

County boards of library trustees consist of at least seven members, appointed by the governing body of the county. *Senate Bill 535/House Bill 586 (both passed)* authorize a county board of library trustees to select a student member of the board. The bills authorize a student member of a board to vote on all policy matters before the board and allow the board to adopt a policy or bylaw to authorize a student member to vote on additional nonpolicy matters.

Funding

The State provides State library network funding in the form of per capita funding for the State Library Resource Center. *Senate Bill 410/House Bill 660 (both passed)* increase the per capita funding amount that must be provided for the State Library Resource Center beginning in fiscal 2028, increasing incrementally each year until fiscal 2032. As a result, general fund expenditures are projected to increase by \$628,900 in fiscal 2028, growing to \$2.8 million by fiscal 2031.

The State also provides funding to regional resource centers and county public library systems through a formula that determines the State and local shares of a minimum per capita library program. *Senate Bill 378 (passed)* increases the per capita funding amount for each

participating regional resource center and county public library system beginning in fiscal 2028, increasing incrementally each year until fiscal 2032. As a result, State aid to local library systems increases by approximately \$1.2 million in fiscal 2028, growing to \$5.1 million by fiscal 2031. Additionally, the bill alters the services public libraries are required to offer.

Chapters 446 and 447 of 2022 established the Young Readers Matching Grant Program to provide matching grants to an “affiliated service” to support the establishment and operation of the affiliated service. *Senate Bill 378* renames the Young Readers Matching Grant Program to be the Young Readers Grant Program and removes the requirement that the grant be a matching contribution. Furthermore, the bill requires an application for a program to have a plan that includes specific measures for serving children in low-income zip codes within the program’s area of service and increases the mandated appropriation for the program from \$350,000 to \$450,000 in the annual budget bill.

School Construction

Funding

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), provides additional school construction funds for local school systems with significant enrollment growth or relocatable classrooms; the School Safety Grant Program provides funding for security upgrades to public school facilities; and the Nancy K. Kopp Public School Facilities Priority Fund (PSFP) provides funds to address the facility needs of schools in accordance with statutory requirements.

Prior to fiscal 2027, the Healthy School Facilities Fund (HSFF) provided funding for public primary and secondary schools to improve the health of school facilities and the Aging Schools Program provided support for improvements to older public school facilities. However, neither program received an appropriation for fiscal 2027 as PSFP funding is now available for similar purposes.

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 appropriations from the Education Trust Fund (ETF) and are issued as 30-year bonds. Chapter 20, as amended, 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.

In three rounds of BTL issuances, two in fiscal 2022 and one in fiscal 2025, proceeds provided \$1.1 billion for school construction. The final revenue bond issuance was projected to occur during fiscal 2027 but has been deferred to fiscal 2028 based on the readiness of projects. In addition, as part of the Prince George's County P3 agreement authorized in Chapter 698 of 2021, as amended, in the fiscal 2027 operating budget, the Prince George's County P3 Fund receives a total of \$69.0 million in pay-as-you-go special funds, which includes a mandated \$27.0 million payment from ETF and a \$42.0 million availability payment from Prince George's County.

Projects receiving PSCP, EGRC, and BTL funding are required to provide local matching funds.

Fiscal 2027 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 2027, a total of \$450.0 million is allocated in general obligation (GO) bonds for public school construction, which is the same total allocation as in fiscal 2026.

Exhibit L-2 Public School Construction Funding Fiscal 2026-2027 (\$ in Millions)

<u>Program</u>	<u>2026</u>	<u>2027</u>	<u>\$ Change</u>	<u>% Change</u>
Public School Construction Program	\$300.0	\$300.0	\$0.0	0.0%
Enrollment Growth and Relocatable Classrooms	53.9	80.0	26.1	48.4%
Healthy School Facility Fund	90.0	0.0	-90.0	-100.0%
Aging Schools Program	6.1	0.0	-6.1	-100.0%
Kopp Priority Fund	0.0	70.0	70.0	N/A
Total	\$450.0	\$450.0	\$0.0	0.0%

Note: Numbers may not sum due to rounding. Does not include the School Safety Grant Program, which is funded in the operating budget. Also does not include Built to Learn funding, in accordance with statutory requirements.

Source: Governor's Fiscal 2027 *Capital Improvement Program*

Enrollment Growth and Relocatable Classrooms

Exhibit L-3 shows allocations for EGRC. In fiscal 2027, 13 local school systems qualify for this program and are allocated \$80.0 million, which meets the mandated funding amount specified in the BTL Act of 2020. The fiscal 2027 capital budget as enacted requires that (1) \$4.5 million of EGRC authorizations must be allocated to the county with the greatest

percentage of enrollment growth above the statewide average; (2) \$57.5 million must be allocated based on the proportionate share of the total full-time equivalent enrollment of eligible local boards of education; and (3) remaining funds must be allocated based on each eligible board's proportionate share of the percentage enrollment growth above the statewide average.

Exhibit L-3
Enrollment Growth and Relocatable Classroom Supplemental Grant Program
Fiscal 2025-2027
(\$ in Millions)

<u>Local School System</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Anne Arundel	\$5.0	\$6.3	\$6.8
Baltimore County	6.5	6.9	6.0
Caroline	0.0	0.0	0.0
Carroll	1.5	4.5	8.4
Charles	1.6	3.5	6.0
Frederick	2.7	9.2	14.1
Harford	2.2	3.2	2.7
Howard	3.4	0.0	3.7
Montgomery	9.4	10.0	8.7
Prince George's	7.6	8.1	7.1
Washington	0.0	0.0	4.2
Wicomico	0.0	0.0	9.0
Worcester	0.0	2.1	2.1
Unallocated	0.0	0.0	1.2
Total	\$39.9	\$53.9	\$80.0

Note: Numbers may not sum due to rounding. Fiscal 2027 allocations from the Interagency Commission on School Construction may be adjusted in May 2026 when the *Capital Improvement Program* is finalized.

Source: Interagency Commission on School Construction

Nancy K. Kopp Public School Facilities Priority Fund

The fiscal 2027 capital budget includes \$70.0 million in funding for PSFP, meeting the mandated funding level last updated by Chapter 354 of 2024. The statute specifies that, for fiscal 2027, the fund should address severe issues in schools, including air conditioning, heating, indoor air quality, mold remediation, temperature regulation, plumbing (including the presence of lead), windows, and any additional severe issues that required the school to be closed. The fiscal 2027 capital budget as enacted requires that PSFP authorizations not be subject to a

local matching requirement and that PSFP funds must be distributed in accordance with the amounts shown in **Exhibit L-4**.

Exhibit L-4
Nancy K. Kopp Public School Facilities Priority Fund Allocations
Fiscal 2027
(\$ in Millions)

<u>Local School System</u>	<u>2027</u>
Anne Arundel	\$3.0
Baltimore City	\$16.0
Baltimore County	5.0
Frederick	5.0
Howard	6.0
Montgomery	15.0
Prince George's	19.0
Others	1.0
Total	\$70.0

Source: Maryland Consolidated Capital Bond Loan of 2026 (*Senate Bill 283*)

Baltimore City HVAC

In addition to appropriations in the fiscal 2027 capital budget for school construction, the fiscal 2027 operating budget as enacted includes three appropriations related to heating, ventilation, and air conditioning (HVAC) systems in Baltimore City public school facilities. The first appropriation provides \$150,000 in Strategic Energy Investment Fund (SEIF) alternative compliance payment (ACP) revenues for the Comptroller to conduct a comprehensive study of the HVAC systems in four 21st Century School Buildings in Baltimore City experiencing chronic operational challenges and report findings to the General Assembly budget committees by December 1, 2026. The second appropriation provides \$9.85 million in SEIF ACP revenues for HVAC upgrades in Baltimore City, contingent on the enactment of legislation expanding the allowable uses of SEIF ACP revenues to include public school HVAC upgrades. The third appropriation provides \$9.0 million in SEIF Regional Greenhouse Gas Initiative proceeds for HVAC upgrades in Baltimore City, contingent on legislation authorizing spending for that purpose (notwithstanding SEIF-RGGI account restrictions). Language authorizing the use of SEIF for HVAC upgrades in Baltimore City was included in *House Bill 1532 (passed)* (the Utility RELIEF Act of 2026).

In addition to the SEIF funds provided for Baltimore City HVAC upgrades in fiscal 2027, the Budget Reconciliation and Financing Act (BRFA) of 2026 includes a provision to shift fund sources for Baltimore City HVAC projects funded in prior years as part of HSFF. In fiscal 2022

and 2023, Baltimore City received \$40.0 million from the federal State and Local Fiscal Recovery Fund (SLFRF) for projects to mitigate the spread of COVID-19 in the American Rescue Plan Act of 2021 (ARPA). ARPA requires jurisdictions to obligate all SLFRF funds by December 31, 2024, and expend funds by December 31, 2026. However, as of January 2026, Baltimore City had not incurred any expenditures on its projects funded by SLFRF.

To expend the SLFRF funds before the deadline, the BRFA of 2026 provision authorizes IAC to reallocate Baltimore City's SLFRF funds to other HVAC upgrades for public school buildings. IAC plans to apply the \$40.0 million to expenditures already incurred for HVAC projects in other jurisdictions and then use GO bonds allocated to other jurisdictions under HSFF to backfill funding for Baltimore City's projects. This fund swap will not reduce Baltimore City's HSFF funding or impact the overall funding amounts allocated to each local school system.

Senator James E. “Ed” DeGrange Nonpublic Aging Schools Program

The Senator James E. “Ed” DeGrange Nonpublic Aging Schools Program provides funding for nonpublic school construction in the form of grants for renovations and improvements to existing nonpublic school buildings. The fiscal 2027 capital budget as enacted includes \$5.0 million in GO bonds for the program, which is an increase of \$1.5 million from fiscal 2026. Of this amount, \$1.5 million may only be used to provide a grant to the Woodbourne School.

Legislative Changes

New Programs

During the 2026 session, the General Assembly passed legislation to create two new school construction programs, one for nonpublic special education school facilities and one for public charter school facilities.

House Bill 854 (passed) establishes the Nonpublic Special Education School Renovation Program to provide grants to eligible nonpublic special education schools for capital improvements. IAC may prioritize applications for projects that (1) address student health or safety concerns; (2) are necessary to comply with standards set by the Maryland State Department of Education; or (3) are for nonpublic special education schools with a high percentage of students who are residents of the State. The bill establishes the intent of the General Assembly that the Governor include an appropriation of at least \$5.0 million to the program in the annual capital budget bill for each fiscal year. IAC must adopt regulations to implement the program.

Under current law, a charter school is eligible for PSCP funding, but only if the local school system in which the charter school is located includes a request for funding in its submission to IAC. ***House Bill 1430 (passed)*** requires IAC to distribute funds directly to public charter schools for capital improvements, debt service, or rent or lease payments. To receive funds, a public charter school must not concurrently receive funds under PSCP and the operator's most recent financial audit must be unqualified. Continued funding for a charter school is contingent on submission of

a report on the status of funds already received. IAC may not reduce local school system PSCP allocations because of the bill's funding. Beginning in fiscal 2028, the bill requires the Governor to include an appropriation in the annual budget bill for public charter school capital improvements, debt service, or rent or lease payments that is equal to the total aggregate student enrollment in the Maryland Public Charter School Program for the prior fiscal year multiplied by \$200, which is projected to total approximately \$5.3 million in fiscal 2028. If funding for PSCP is reduced year-over-year, funds distributed to public charter schools must proportionally decline.

Administrative Changes

Senate Bill 48 (passed), makes numerous adjustments to the State's administration of school construction funding. Specifically, the bill (1) repeals the requirement that IAC approve projects that comprise 75% of the preliminary school construction allocation before December 31 of each year and instead requires IAC to provide reports to each local governing body and school board on the status of local school construction funding requests, as specified, annually by November 30, December 31, and January 31; (2) clarifies conditions under which the State may require reimbursement of debt service for school buildings; (3) alters conditions under which the State Superintendent must review and approve school construction projects; (4) alters various reporting requirements; (5) clarifies practices relating to the IAC's Maintenance Effectiveness Report and Statewide Facilities Assessment; and (6) updates statutory terminology to be consistent with standard IAC usage.