

# SENATE BILL 172

B1

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CF HB 152

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By: **The President (By Request – Administration)**

Introduced and read first time: January 18, 2017

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Budget Reconciliation and Financing Act of 2017**

3 FOR the purpose of authorizing or altering the distribution of certain revenue; altering or  
4 repealing certain required appropriations; authorizing the use of certain funds for  
5 certain purposes; altering the Special Fund from which the Maryland International  
6 thoroughbred race purse and a related bonus award program shall be funded;  
7 reducing the maximum amount of certain teacher stipends; providing a certain  
8 amount of aid to certain institutions of higher education in accordance with a certain  
9 action by the Board of Public Works; providing a certain amount of funding for  
10 certain local health services and certain income tax disparity grants in accordance  
11 with a certain action by the Board of Public Works; altering a certain rate increase  
12 for community service providers; repealing a certain condition on the use of certain  
13 funds; altering a certain condition on the use of certain funds; clarifying the sources  
14 from which certain funds may be appropriated; requiring the State Racing  
15 Commission to pay certain expenses from a certain account; requiring the State  
16 Racing Commission to establish a certain bonus award program; altering a certain  
17 reimbursement by each county and Baltimore City to the State for certain costs  
18 incurred by the State Department of Assessments and Taxation; establishing a  
19 certain budgeted Medicaid Deficit Assessment amount in a certain fiscal year;  
20 authorizing the transfer of certain funds; limiting certain rate increases; limiting  
21 increases in certain mandated spending under certain circumstances; making the  
22 provisions of this Act severable; requiring the publisher of the Annotated Code of  
23 Maryland, in consultation with the Department of Legislative Services, to correct  
24 cross-references and terminology in the Code that are rendered incorrect by this Act;  
25 and generally relating to the financing of State and local government.

26 BY repealing and reenacting, with amendments,  
27 Article – Business Regulation  
28 Section 11–402, 11–403, and 11–522.1(b)  
29 Annotated Code of Maryland  
30 (2015 Replacement Volume and 2016 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 BY repealing and reenacting, without amendments,  
2 Article – Education  
3 Section 6–117.1(a)(1) and (3), 7–123(a)(1), 7–1702(a), and 18–303.1(a)(1) and (3)  
4 Annotated Code of Maryland  
5 (2014 Replacement Volume and 2016 Supplement)
- 6 BY repealing  
7 Article – Education  
8 Section 6–117.1(e)(1), 7–123(c), 7–1704, and 18–303.1(g)  
9 Annotated Code of Maryland  
10 (2014 Replacement Volume and 2016 Supplement)
- 11 BY adding to  
12 Article – Education  
13 Section 6–117.1(e)(1), 7–123(c), 7–1704, 17–104(a)(5), and 18–303.1(g)  
14 Annotated Code of Maryland  
15 (2014 Replacement Volume and 2016 Supplement)
- 16 BY repealing and reenacting, with amendments,  
17 Article – Education  
18 Section 6–306(b) and (c), 17–104(a)(1), 18–303.1(h), and 23–402(a)  
19 Annotated Code of Maryland  
20 (2014 Replacement Volume and 2016 Supplement)
- 21 BY repealing and reenacting, without amendments,  
22 Article – Health – General  
23 Section 2–302(a), 15–1004(a), and 19–2201(a) and (e)(1)  
24 Annotated Code of Maryland  
25 (2015 Replacement Volume and 2016 Supplement)
- 26 BY repealing and reenacting, with amendments,  
27 Article – Health – General  
28 Section 2–302(b)(2) and (3), 7–307(d)(3), 15–1004(f), and 19–2201(e)(2)  
29 Annotated Code of Maryland  
30 (2015 Replacement Volume and 2016 Supplement)
- 31 BY adding to  
32 Article – Health – General  
33 Section 2–302(b)(4) and (5)  
34 Annotated Code of Maryland  
35 (2015 Replacement Volume and 2016 Supplement)
- 36 BY repealing and reenacting, with amendments,  
37 Article – Health – General  
38 Section 19–2401(a)(1)  
39 Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)  
(As enacted by Chapter 13 of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,  
Article – Housing and Community Development  
Section 4–216, 4–508(j), and 4–509(j)  
Annotated Code of Maryland  
(2006 Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,  
Article – Housing and Community Development  
Section 4–508(a), 4–509(a)(1) and (4), and 6–510(a)  
Annotated Code of Maryland  
(2006 Volume and 2016 Supplement)

BY repealing  
Article – Housing and Community Development  
Section 6–510(j)  
Annotated Code of Maryland  
(2006 Volume and 2016 Supplement)

BY adding to  
Article – Housing and Community Development  
Section 6–510(j)  
Annotated Code of Maryland  
(2006 Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,  
Article – Labor and Employment  
Section 11–1302(a)  
Annotated Code of Maryland  
(2016 Replacement Volume)

BY repealing and reenacting, with amendments,  
Article – Labor and Employment  
Section 11–1302(e)  
Annotated Code of Maryland  
(2016 Replacement Volume)

BY repealing and reenacting, with amendments,  
Article – Local Government  
Section 16–501(e)  
Annotated Code of Maryland  
(2013 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,  
Article – Public Safety

Section 4–506(a)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,  
Article – State Finance and Procurement  
Section 7–311(j)  
Annotated Code of Maryland  
(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,  
Article – State Government  
Section 9–120(b) and 9–1A–28(c)  
Annotated Code of Maryland  
(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,  
Article – Tax – Property  
Section 2–106(b) and 13–209(g)(1)(i)  
Annotated Code of Maryland  
(2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,  
Chapter 397 of the Acts of the General Assembly of 2011, as amended by Chapter  
425 of the Acts of the General Assembly of 2013, Chapter 464 of the Acts of  
the General Assembly of 2014, and Chapter 489 of the Acts of the General  
Assembly of 2015  
Section 16(c)

BY repealing and reenacting, with amendments,  
Chapter 25 of the Acts of the General Assembly of 2016  
Section 4

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

### **Article – Business Regulation**

11–402.

The Special Fund consists of:

- (1) the State share of daily licensee fees;
- (2) pari-mutuel taxes;
- (3) the impact aid under § 11–812 of this title;

1                   (4)     money from uncashed pari-mutuel tickets that are from bets made into  
2 the betting pools of licensees; **AND**

3                   (5)     any permit fees under §§ 11-820 and 11-832 of this title[; and

4                   (6)     subject to § 11-403(a)(9) and (b) of this subtitle, money from the State  
5 Lottery Fund distributed under § 9-120(b) of the State Government Article].

6 11-403.

7           (a)     The Comptroller shall pay from the Special Fund an annual grant of:

8                   (1)     \$825,000 to the Maryland Agricultural Fair Board to promote State and  
9 county agricultural fairs and exhibits;

10                  (2)     \$100,000 to Prince George's County to replace money formerly received  
11 from the admissions and amusement tax;

12                  (3)     \$40,000 to the Great Frederick Fair to support exhibition harness  
13 racing with money for construction and maintenance of new stalls, track maintenance, and  
14 purses;

15                  (4)     \$50 to the City of Bowie for each day that the training facilities are open  
16 at the Bowie Race Course Training Center;

17                  (5)     \$75,000 to the Maryland Agricultural Education Foundation, Inc., to  
18 promote and enhance statewide agricultural education;

19                  (6)     an amount not to exceed \$30,000 in fiscal year 1998 and \$20,000 in each  
20 fiscal year thereafter to the Great Pocomoke Fair, Inc. to support exhibition harness racing  
21 with money for construction and maintenance of new stalls, track maintenance, and purses;

22                  (7)     \$500,000 to the Maryland Million, Ltd. to support and promote the  
23 running of Maryland Million races; **AND**

24                  (8)     \$350,000 to the Maryland Standardbred Race Fund for the Sire Stakes  
25 Program[; and

26                  (9)     beginning July 1, 2017, from the money distributed under § 9-120(b) of  
27 the State Government Article:

28                          (i)     \$500,000 to a purse for the Maryland International thoroughbred  
29 race under § 11-522.1 of this title;

30                          (ii)    \$350,000 to the Maryland Office of Sports Marketing in the  
31 Maryland Stadium Authority for incentive grants for youth and amateur sporting events;

1 and

2 (iii) \$150,000 to the Maryland Humanities Council for Maryland  
3 History Day and other programming].

4 (b) [(1) In fiscal year 2017, the Comptroller shall pay, from the money  
5 distributed to the Special Fund, \$500,000 to the Maryland Racing Commission to be used,  
6 in a manner determined by the Maryland Racing Commission, for a bonus award program  
7 for Maryland–bred or Maryland–sired horses running in the Preakness Stakes.

8 (2) The Maryland Racing Commission shall consult with representatives of  
9 the thoroughbred racing industry prior to establishing the rules and criteria for the bonus  
10 award program.

11 (3) If, under the rules of the bonus award program, funds remain in the  
12 program after the Preakness Stakes is conducted on one or more occasions, remaining funds  
13 shall carry over to the next fiscal year and may not revert to the General Fund.

14 (c)] If the Maryland State Fair remains at the Timonium Fair Grounds, the  
15 Comptroller shall pay from the Special Fund an annual grant of:

16 (1) \$500,000 to the Maryland State Fair and Agricultural Society, Inc., to:

17 (i) promote and enhance the Maryland State Fair; and

18 (ii) maintain and develop youth programs, with premium money  
19 provided to organizations, such as 4–H Clubs and the Future Farmers of America, for  
20 recognition and awards; and

21 (2) \$50,000 to Baltimore County to replace the money formerly received by  
22 the county under this subtitle.

23 11–522.1.

24 (b) The purse for the Maryland International shall be funded by [the Special  
25 Fund established under § 11–402 of this title] **THE PURSE DEDICATION ACCOUNT**  
26 **ESTABLISHED UNDER § 9–1A–28 OF THE STATE GOVERNMENT ARTICLE.**

## 27 Article – Education

28 6–117.1.

29 (a) (1) In this section the following words have the meanings indicated.

30 (3) “Program” means the Teacher Induction, Retention, and Advancement  
31 Pilot Program.

(e) [(1) The Governor annually shall include an appropriation of \$5,000,000 in the State budget for the Department to administer the Pilot Program.]

**(1) FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR MAY INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE PROGRAM.**

6–306.

(b) (1) For fiscal year 2000 and each subsequent fiscal year, the Governor [shall] **MAY** include in each year's operating budget funding for the stipends and bonuses provided in this subsection.

(2) A classroom teacher or other nonadministrative school-based employee in a public school identified by the State Board as having comprehensive needs who holds a standard professional certificate or an advanced professional certificate who is employed by a county board and who holds a certificate issued by the National Board for Professional Teaching Standards [shall] **MAY** receive a stipend from the State in an amount equal to the county grant for national certification, up to a maximum of **[\$4,000] \$2,000** per qualified individual.

(3) A classroom teacher or other nonadministrative school-based employee in a school not identified by the State Board as having comprehensive needs who holds a standard professional certificate or an advanced professional certificate who is employed by a county board and who holds a certificate issued by the National Board for Professional Teaching Standards [shall] **MAY** receive a stipend from the State in an amount equal to the county grant for national certification, up to a maximum of \$1,000 per qualified individual.

(4) To the maximum extent practicable, each public school shall utilize teachers who have obtained National Board Certification in leadership roles within the school.

(5) (i) 1. The State Board shall establish a program to support locally negotiated incentives, governed under Subtitles 4 and 5 of this title, for highly effective classroom teachers and principals to work in public schools that are:

A. In improvement, corrective action, or restructuring;

B. Categorized by the local school system as a Title I school;

or

C. In the highest 25% of schools in the State based on a ranking of the percentage of students who receive free and reduced priced meals.

2. The program established under subsubparagraph 1 of this subparagraph may include financial incentives, leadership changes, or other incentives.

(ii) 1. The State Board shall adopt guidelines to implement this paragraph.

2. Nothing in this paragraph shall be construed to prohibit a local school system from employing more stringent standards than the guidelines adopted under this subparagraph.

(c) (1) This subsection applies only in Anne Arundel County.

(2) In this subsection, “county grant for teaching in an economically disadvantaged school” means an annual grant distributed to a teacher who teaches in an economically disadvantaged school established:

(i) Outside of the collective bargaining process; or

(ii) As part of a collective bargaining agreement with the local employee representative.

(3) [For fiscal years 2017 through 2019, the Governor shall include in the State operating budget funding for the stipends provided in this subsection.] **FOR FISCAL YEAR 2019, THE GOVERNOR MAY INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION FOR THE STIPENDS.**

(4) A classroom teacher shall receive a stipend from the State in an amount equal to the county grant for teaching in an economically disadvantaged school, up to a maximum of \$1,500 if the teacher:

(i) Teaches in a public middle or high school in which at least 30% of the students as a percentage of full-time equivalent students as defined in § 5–202 of this article qualify for free and reduced price meals under the National School Lunch Program;

(ii) Holds a standard or advanced professional certificate; and

(iii) Is employed by the county board.

7–123.

(a) (1) There is a Robotics Grant Program in the State.

[(c) The Governor shall include in the State budget an annual appropriation of at least \$250,000 to the Program.]



1           **(C) FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER, THE**  
2 **GOVERNOR MAY INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE**  
3 **PROGRAM.**

4 7-1702.

5           (a) There is a Public School Opportunities Enhancement Program.

6 [7-1704.

7 For fiscal years 2018 through 2021, the Governor shall include \$7,500,000 annually  
8 in the State budget for the Program.]

9 **7-1704.**

10 **FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER, THE**  
11 **GOVERNOR MAY INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE**  
12 **PROGRAM.**

13 17-104.

14           (a) (1) Except as provided in paragraphs (2), (3), [and (4)] **(4), AND (5)** of this  
15 subsection, the Maryland Higher Education Commission shall compute the amount of the  
16 annual apportionment for each institution that qualifies under this subtitle by multiplying  
17 the number of full-time equivalent students enrolled at the institution during the fall  
18 semester of the fiscal year preceding the fiscal year for which the aid apportionment is  
19 made, as determined by the Maryland Higher Education Commission by:

20                       (i) In fiscal year 2009, an amount not less than 16% of the State's  
21 General Fund per full-time equivalent student appropriation to the 4-year public  
22 institutions of higher education in this State for the preceding fiscal year;

23                       (ii) In fiscal year 2010, an amount not less than 12.85% of the State's  
24 General Fund per full-time equivalent student appropriation to the 4-year public  
25 institutions of higher education in the State for the same fiscal year;

26                       (iii) In fiscal year 2011, an amount not less than 9.8% of the State's  
27 General Fund per full-time equivalent student appropriation to the 4-year public  
28 institutions of higher education in this State for the same fiscal year;

29                       (iv) In fiscal year 2012, an amount not less than 9.2% of the State's  
30 General Fund per full-time equivalent student appropriation to the 4-year public  
31 institutions of higher education in this State for the same fiscal year;

32                       (v) In fiscal year 2014, an amount that is the greater of 9.4% of the  
33 State's General Fund per full-time equivalent student appropriation to the 4-year public

1 institutions of higher education in this State for the same fiscal year or \$875.53 per  
2 full-time equivalent student;

3 (vi) In fiscal year 2015, an amount that is the greater of 9.4% of the  
4 State's General Fund per full-time equivalent student appropriation to the 4-year public  
5 institutions of higher education in this State for the same fiscal year or \$875.53 per  
6 full-time equivalent student;

7 (vii) In fiscal year 2017, an amount not less than 10.1% of the State's  
8 General Fund per full-time equivalent student appropriation to the 4-year public  
9 institutions of higher education in this State for the same fiscal year;

10 (viii) [In fiscal year 2018, an amount not less than 10.5% of the State's  
11 General Fund per full-time equivalent student appropriation to the 4-year public  
12 institutions of higher education in this State for the same fiscal year;

13 (ix)] In fiscal year 2019, an amount not less than 10.8% of the State's  
14 General Fund per full-time equivalent student appropriation to the 4-year public  
15 institutions of higher education in this State for the same fiscal year;

16 [(x)] (IX) In fiscal year 2020, an amount not less than 11.1% of the  
17 State's General Fund per full-time equivalent student appropriation to the 4-year public  
18 institutions of higher education in this State for the same fiscal year; and

19 [(xi)] (X) In fiscal year 2021 and each fiscal year thereafter, an  
20 amount not less than 15.5% of the State's General Fund per full-time equivalent student  
21 appropriation to the 4-year public institutions of higher education in this State for the  
22 same fiscal year.

23 **(5) IN FISCAL YEAR 2018, THE TOTAL AMOUNT OF AID PROVIDED**  
24 **UNDER THIS SUBTITLE SHALL BE \$46,817,334, TO BE ALLOCATED AMONG THE**  
25 **INSTITUTIONS THAT QUALIFY UNDER THIS SUBTITLE IN THE SAME AMOUNT AS THE**  
26 **ALLOCATION FOR FISCAL YEAR 2017 AFTER THE NOVEMBER 2, 2016, BOARD OF**  
27 **PUBLIC WORKS ACTION.**

28 18-303.1.

29 (a) (1) In this section the following words have the meanings indicated.

30 (3) "Program" means the Next Generation Scholars of Maryland Program.

31 [(g) Except as provided in subsection (h) of this section, funds for the Program  
32 shall be as provided in the State budget.]

33 **(G) FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER, THE**  
34 **GOVERNOR MAY INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE**

1 **PROGRAM.**

2 (h) [For fiscal years 2018 through 2023:

3 (1) The Governor shall annually include \$5,000,000 in general funds in the  
4 State budget for the Program; and]

5 [(2)] The Department shall distribute grants to nonprofit organizations that:

6 [(i)] (1) Are selected in accordance with subsection (d) of this  
7 section; and

8 [(ii)] (2) Will administer the Program in local school systems in  
9 which at least 50% of the students as a percentage of full-time equivalent students as  
10 defined in § 5–202 of this article are eligible to receive a free lunch under the National  
11 School Lunch Program in the 2015–2016 school year.

12 23–402.

13 (a) (1) The Mayor and City Council of Baltimore shall be governed by the  
14 requirements and regulations pertaining to the Enoch Pratt Free Library of Baltimore City  
15 as provided in Chapter 181 of the Acts of 1882 and any other laws applicable to the  
16 operation of public libraries.

17 (2) The powers and duties of the Board of Trustees of the Enoch Pratt Free  
18 Library are as provided in Chapter 181 of the Acts of 1882 and the Charter and the Articles  
19 of Incorporation of the Enoch Pratt Free Library and other laws applicable to the Board of  
20 Trustees of the Enoch Pratt Free Library.

21 (3) A State grant [shall] **MAY** be made available to fund the increased  
22 operating expenses for the branches of the Enoch Pratt Free Library that increase their  
23 operating hours above the hours in effect as of January 1, 2016.

24 (4) (i) [For fiscal year 2018 through fiscal year 2022, the Governor shall  
25 include in the State operating budget \$3,000,000 in general funds] **FOR FISCAL YEAR**  
26 **2019 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR MAY INCLUDE IN THE**  
27 **ANNUAL BUDGET BILL FUNDS FOR INCREASED OPERATING EXPENSES.**

28 **(II) IF FUNDS ARE PROVIDED** to support the additional operating  
29 expenses for the increased hours of operation of the branches of the Enoch Pratt Free  
30 Library, [that, in that fiscal year,] **FOR THE FISCAL YEAR THAT THE FUNDS ARE**  
31 **PROVIDED, THE LIBRARY** will be subject to increased operating hours as provided in  
32 paragraph (3) of this subsection.

33 [(ii)] **(III)** 1. To receive any State funds under [subparagraph (i)]  
34 **SUBPARAGRAPHS (I) AND (II)** of this paragraph, Baltimore City shall provide a 25%

match for each dollar of State funds granted to support the additional operating expenses related to the increased hours of operation of the branches of the Enoch Pratt Free Library that, in that fiscal year, will be subject to increased operating hours as provided in paragraph (3) of this subsection.

2. Baltimore City may use public and private funds to satisfy the requirements of subsubparagraph 1 of this subparagraph.

[(iii)] (IV) 1. In calculating the additional operating expenses of the increased hours of operation, the baseline hours of operation of all branches of the Enoch Pratt Free Library are those hours of operation in effect as of January 1, 2016.

2. The Department shall establish a process to distribute the State grant to Baltimore City or the Enoch Pratt Free Library for the additional operating expenses related to the increased hours of operation.

### Article – Health – General

2–302.

(a) The funding required in the State budget for local health services, exclusive of special fund and federal appropriations, shall be at least the amount set forth in subsection (b) of this section.

(b) The funding shall be:

(2) For fiscal years 2013 and 2014, \$37,283,484 adjusted for:

(i) Inflation, as measured by the Consumer Price Index (All Urban Consumers), for the second preceding fiscal year, calculated by the U.S. Department of Commerce; and

(ii) Population growth, as measured by the growth in the total population of the State of Maryland for the second preceding fiscal year, according to the most recent statistics available through the Department of Health and Mental Hygiene; [and]

(3) For fiscal [year 2015 and each subsequent fiscal year] **YEARS 2015, 2016, AND 2017**, the amount of funding for the preceding fiscal year adjusted for:

(i) Inflation, as measured by the Consumer Price Index (All Urban Consumers), for the second preceding fiscal year, calculated by the U.S. Department of Commerce; and

(ii) Population growth, as measured by the growth in the total population of the State for the second preceding fiscal year, according to the most recent statistics available through the Department of Health and Mental Hygiene[.];

1           **(4) FOR FISCAL YEAR 2018, \$49,488,474 TO BE DISTRIBUTED TO**  
2 **EACH MUNICIPALITY OR SUBDIVISION IN THE SAME AMOUNT AS THE MUNICIPALITY**  
3 **OR SUBDIVISION RECEIVED IN FISCAL YEAR 2017; AND**

4           **(5) FOR FISCAL YEAR 2019 AND EACH SUBSEQUENT FISCAL YEAR,**  
5 **THE AMOUNT OF FUNDING FOR THE PRECEDING FISCAL YEAR ADJUSTED FOR:**

6                 **(I) INFLATION, AS MEASURED BY THE CONSUMER PRICE**  
7 **INDEX (ALL URBAN CONSUMERS), FOR THE SECOND PRECEDING FISCAL YEAR,**  
8 **CALCULATED BY THE U.S. DEPARTMENT OF COMMERCE; AND**

9                 **(II) POPULATION GROWTH, AS MEASURED BY THE GROWTH IN**  
10 **THE TOTAL POPULATION OF THE STATE FOR THE SECOND PRECEDING FISCAL YEAR,**  
11 **ACCORDING TO THE MOST RECENT STATISTICS AVAILABLE THROUGH THE**  
12 **DEPARTMENT OF HEALTH AND MENTAL HYGIENE.**

13 7–307.

14           (d) (3) The Governor’s proposed budget for fiscal year 2018 shall include a  
15 **[3.5%] 2.0%** rate increase for community service providers over the funding provided in  
16 the legislative appropriation for Object 08 Contractual Services in Program M00M01.02  
17 Community Services for fiscal year 2017.

18 15–1004.

19           (a) There is a Senior Prescription Drug Assistance Program Fund.

20           (f) (1) Except as provided in paragraph (2) of this subsection, the Fund may  
21 be used only for the administration, operation, and activities of the Program.

22                 (2) Excess funds not required for the administration, operation, and  
23 activities of the Program[:

24                         (i) May] **MAY** be used only to subsidize:

25                                 **[1.] (I)** The Kidney Disease Program under Title 13,  
26 Subtitle 3 of this article; or

27                                 **[2.] (II)** The provision of mental health services to the  
28 uninsured under Title 10, Subtitle 2 of this article[; and

29                         (ii) May be expended for the purposes in item (i) of this paragraph  
30 only:

1 1. Through a transfer of funds by budget amendment; and

2 2. After:

3 A. The budget amendment has been submitted to the  
4 Department of Legislative Services; and

5 B. The budget committees of the General Assembly have  
6 considered the budget amendment or 45 days have elapsed from the date of submission of  
7 the amendment to the Department of Legislative Services].

8 19–2201.

9 (a) In this section, “Fund” means the Community Health Resources Commission  
10 Fund.

11 (e) (1) Subject to paragraph (2) of this subsection, the Fund may be used only  
12 to:

13 (i) Cover the administrative costs of the Commission;

14 (ii) Cover the actual documented direct costs of fulfilling the  
15 statutory and regulatory duties of the Commission in accordance with the provisions of this  
16 subtitle;

17 (iii) Provide operating grants to qualifying community health  
18 resources; and

19 (iv) Provide funding for the development, support, and monitoring of  
20 a unified data information system among primary and specialty care providers, hospitals,  
21 and other providers of services to community health resource members.

22 (2) (i) For fiscal years 2014, 2015, and 2016, the Fund may be used for  
23 any project or initiative authorized under Title 20, Subtitle 14 of this article and approved  
24 by the Commission if no less than \$4,000,000 of the subsidy required under §  
25 14–106(d)(2)(ii)2 of the Insurance Article is used in each fiscal year for the purposes under  
26 paragraph (1) of this subsection.

27 (ii) For fiscal year 2017 [and each fiscal year thereafter], the Fund  
28 may be used for any project or initiative authorized under Title 20, Subtitle 14 of this article  
29 and approved by the Commission if no less than \$8,000,000 of the subsidy required under  
30 § 14–106(d)(2)(ii)2 of the Insurance Article is used in each fiscal year for the purposes under  
31 paragraph (1) of this subsection.

32 **(III) FOR FISCAL YEAR 2018 AND EACH FISCAL YEAR**  
33 **THEREAFTER, THE FUND MAY BE USED FOR ANY PROJECT OR INITIATIVE**  
34 **AUTHORIZED UNDER TITLE 10, SUBTITLE 2 AND TITLE 13, SUBTITLE 3 OF THIS**

ARTICLE AND APPROVED BY THE COMMISSION IF NO LESS THAN \$4,000,000 OF THE SUBSIDY REQUIRED UNDER § 14-106(D)(2)(II)2 OF THE INSURANCE ARTICLE IS USED IN EACH FISCAL YEAR FOR THE PURPOSES UNDER PARAGRAPH (1) OF THIS SUBSECTION.

19-2401.

(a) (1) Subject to subsection (b) of this section, for the purpose of providing an operating grant to ensure and assist in the transition of a new Prince George's County Regional Medical System to the University of Maryland Medical System Corporation:

(i) For fiscal [year 2018,] **YEARS 2018, 2019, 2020, AND 2021**, the Governor shall include in the budget bill an appropriation of[:

1.] \$15,000,000[; or

2. \$30,000,000, if a grant of \$15,000,000 is not provided in a fiscal 2016 deficiency appropriation to the University of Maryland Medical System Corporation on or before June 30, 2016]; **AND**

(ii) For fiscal year [2019,] **2022**, the Governor shall include in the budget bill an appropriation of [\$15,000,000; and

(iii) For fiscal years 2020 and 2021, the Governor shall include in the budget bill an appropriation of \$5,000,000] **\$2,500,000**.

#### **Article – Housing and Community Development**

4-216.

For fiscal year 2018 and each fiscal year thereafter, the Governor [shall] **MAY** include [at least] **IN THE ANNUAL BUDGET BILL OR THE CAPITAL BUDGET BILL AN APPROPRIATION OF \$3,000,000 [in the annual budget bill] FROM GENERAL FUNDS OR THE PROCEEDS FROM THE SALE OF STATE GENERAL OBLIGATION BONDS** for the Shelter and Transitional Housing Facilities Grant Program.

4-508.

(a) In this section, "Fund" means the Strategic Demolition and Smart Growth Impact Fund.

(j) (1) For fiscal year 2018, the Governor shall include in the annual budget bill **OR CAPITAL BUDGET BILL** an appropriation of \$25,625,000 [to the Fund] **FROM GENERAL FUNDS OR THE PROCEEDS FROM THE SALE OF STATE GENERAL OBLIGATION BONDS TO THE FUND**, which shall be allocated as follows:

(i) \$22,125,000 for projects in Baltimore City; and

(ii) \$3,500,000 for projects throughout the State.

(2) For fiscal year 2019, the Governor shall include in the annual budget bill **OR CAPITAL BUDGET BILL** an appropriation of \$28,500,000 [to the Fund] **FROM GENERAL FUNDS OR THE PROCEEDS FROM THE SALE OF STATE GENERAL OBLIGATION BONDS TO THE FUND**, which shall be allocated as follows:

(i) \$25,000,000 for projects in Baltimore City; and

(ii) \$3,500,000 for projects throughout the State.

4–509.

(a) (1) In this section the following words have the meanings indicated.

(4) “Fund” means the Seed Community Development Anchor Institution Fund.

(j) [For fiscal years 2018 through 2022,] **FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER**, the Governor [shall] **MAY** include in the annual budget bill **OR THE CAPITAL BUDGET BILL** an appropriation [of \$5,000,000] to the Fund.

6–510.

(a) In this section, “Fund” means the Baltimore Regional Neighborhood Initiative Program Fund.

[(j) For fiscal years 2018 through 2022, the Governor shall include in the budget bill an appropriation to the Fund in the amount of \$12,000,000.]

**(J) (1) FOR FISCAL YEAR 2018, THE GOVERNOR SHALL INCLUDE AN APPROPRIATION IN THE CAPITAL BUDGET BILL IN THE AMOUNT OF \$3,000,000 FROM THE PROCEEDS FROM THE SALE OF STATE GENERAL OBLIGATION BONDS.**

**(2) FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR MAY INCLUDE IN THE ANNUAL BUDGET BILL OR THE CAPITAL BUDGET BILL AN APPROPRIATION TO THE FUND.**

## Article – Labor and Employment

11–1302.

(a) There is a Construction Education and Innovation Fund.



(e) For fiscal year [2018] **2019** and each fiscal year thereafter, the Governor [shall] **MAY** include in the annual State budget an appropriation to the Fund [of \$250,000] to support the operation of the Center.

#### **Article – Local Government**

16–501.

(e) (1) Except as provided in [paragraph (2)] **PARAGRAPHS (2) AND (3)** of this subsection, for fiscal year 2011 and each subsequent fiscal year, the distribution provided to any county or Baltimore City under this section may not exceed the amount distributed to the county or Baltimore City for fiscal year 2010.

(2) (i) If a county or Baltimore City has a county income tax rate of at least 2.8% but less than 3%, the county or Baltimore City may receive a minimum of 20% of the amount determined under subsection (c)(3) of this section.

(ii) If a county or Baltimore City has a county income tax rate of at least 3% but less than 3.2%, the county or Baltimore City may receive a minimum of 40% of the amount determined under subsection (c)(3) of this section.

(iii) If a county or Baltimore City has a county income tax rate of at least 3.2%[:

1. on or before June 30, 2017], the county or Baltimore City may receive a minimum of 60% of the amount determined under subsection (c)(3) of this section[; and

2. in fiscal years 2018 and 2019, the county or Baltimore City may receive a minimum of 67.5% of the amount determined under subsection (c)(3) of this section].

**(3) FOR FISCAL YEAR 2018, THE DISTRIBUTION PROVIDED TO ANY COUNTY OR BALTIMORE CITY UNDER THIS SECTION SHALL BE EQUAL TO THE FISCAL YEAR 2017 DISTRIBUTION AFTER THE NOVEMBER 2, 2016, BOARD OF PUBLIC WORKS ACTION.**

#### **Article – Public Safety**

4–506.

(a) (1) Except as provided in [paragraph (2)] **PARAGRAPHS (2) AND (3)** of this subsection and subject to § 4–507 of this subtitle and the limitations and requirements provided in this subtitle, each fiscal year the State shall pay to each county and each qualifying municipality, in the manner provided in this subtitle, an amount determined as

provided in this section.

(2) Notwithstanding any other provision of this subtitle, for each of fiscal years 2015 and 2016, the total amount of the grants provided under this subtitle shall be \$67,277,067.

**(3) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, FOR FISCAL YEAR 2018, THE TOTAL AMOUNT OF THE GRANTS PROVIDED UNDER THIS SUBTITLE SHALL BE \$73,714,998 AND EACH COUNTY AND EACH QUALIFYING MUNICIPALITY SHALL RECEIVE THE SAME STATE FUNDING THAT THE COUNTY OR QUALIFYING MUNICIPALITY RECEIVED IN FISCAL YEAR 2017.**

#### **Article – State Finance and Procurement**

7–311.

(j) (1) Except as provided in paragraph (2) of this subsection, for fiscal year 2007 and for each subsequent fiscal year, the Governor shall include in the budget bill an appropriation:

(i) for each of fiscal years 2017[, 2018,] and 2019, to the accumulation funds of the State Retirement and Pension System an amount, up to a maximum of \$50,000,000, that is equal to one-half of the amount by which the unappropriated General Fund surplus as of June 30 of the second preceding fiscal year exceeds \$10,000,000;

(ii) for fiscal year 2020:

1. to the accumulation funds of the State Retirement and Pension System an amount, up to a maximum of \$50,000,000, that is equal to one-half of the amount by which the unappropriated General Fund surplus as of June 30 of the second preceding fiscal year exceeds \$10,000,000; and

2. to the Account equal to the amount by which the unappropriated General Fund surplus as of June 30 of the second preceding fiscal year exceeds \$10,000,000, less the amount of the appropriation under item 1 of this paragraph; and

(iii) for fiscal year 2021 and each fiscal year thereafter, to the Account equal to the amount by which the unappropriated General Fund surplus as of June 30 of the second preceding fiscal year exceeds \$10,000,000.

(2) The appropriation required under this subsection for any fiscal year may be reduced by the amount of any appropriation to the Account required to be included for that fiscal year under subsection (e) of this section.

**Article – State Government**

9–120.

(b) (1) By the end of the month following collection, the Comptroller shall deposit or cause to be deposited:

(i) into the Maryland Stadium Facilities Fund established under § 7–312 of the State Finance and Procurement Article from the money that remains in the State Lottery Fund, after the distribution under subsection (a) of this section, an amount not to exceed \$20,000,000 in any fiscal year;

(ii) after June 30, 2014, into the Maryland Veterans Trust Fund 10% of the money that remains in the State Lottery Fund from the proceeds of sales of tickets from instant ticket lottery machines by veterans' organizations under § 9–112(d) of this subtitle, after the distribution under subsection (a) of this section;

(iii) after June 30, 2014, into the Baltimore City Public School Construction Financing Fund established under § 10–656 of the Economic Development Article the money that remains in the State Lottery Fund from the proceeds of all lotteries after the distributions under subsection (a) of this section and items (i) and (ii) of this paragraph, an amount equal to \$20,000,000 in each fiscal year that bonds are outstanding and unpaid, to be paid in two installments with at least \$10,000,000 paid no later than December 1 of each fiscal year; **AND**

(iv) [after June 30, 2016, into the Racing Special Fund established under § 11–401 of the Business Regulation Article from money that remains in the State Lottery Fund after the distributions under subsection (a) of this section and items (i), (ii), and (iii) of this paragraph, an amount equal to \$1,000,000 in each fiscal year; and

(v)] into the General Fund of the State the money that remains in the State Lottery Fund from the proceeds of all lotteries after the distributions under subsection (a) of this section and items (i), (ii), **AND** (iii)[, and (iv)] of this paragraph.

(2) The money paid into the General Fund under this subsection is available in the fiscal year in which the money accumulates in the State Lottery Fund.

9–1A–28.

(c) Subject to subsections (d) and (e) of this section, the State Racing Commission shall allocate funds in the Account as follows:

**(1) TO PAY ALL SALARIES AND ADMINISTRATIVE EXPENSES OF THE DIVISION OF RACING;**

(2) \$500,000 TO A PURSE FOR THE MARYLAND INTERNATIONAL THOROUGHBRED RACE UNDER § 11-522.1 OF THE BUSINESS REGULATION ARTICLE;

(3) (I) FOR FISCAL YEAR 2017, \$500,000 TO ESTABLISH A BONUS AWARD PROGRAM FOR MARYLAND-BRED OR MARYLAND-SIRED HORSES RUNNING IN THE PREAKNESS STAKES; AND

(II) 1. THE STATE RACING COMMISSION SHALL CONSULT WITH REPRESENTATIVES OF THE THOROUGHBRED RACING INDUSTRY BEFORE ESTABLISHING RULES AND CRITERIA FOR THE BONUS AWARD PROGRAM; AND

2. IF, UNDER THE RULES OF THE BONUS AWARD PROGRAM, FUNDS REMAIN IN THE PROGRAM AFTER THE PREAKNESS STAKES IS CONDUCTED ON ONE OR MORE OCCASIONS, REMAINING FUNDS SHALL CARRY OVER TO THE NEXT FISCAL YEAR AND MAY NOT REVERT TO THE GENERAL FUND; AND

(4) OF THE REMAINING FUNDS:

[(1)] (I) 80% to the thoroughbred industry; and

[(2)] (II) 20% to the standardbred industry.

#### Article – Tax – Property

2–106.

(b) (1) Except as provided in paragraph (2) of this subsection, each county and Baltimore City shall be responsible for reimbursing the State for the costs of administering the Department as follows:

(i) [50%] 90% of the costs of real property valuation;

(ii) [50%] 90% of the costs of business personal property valuation;

[and]

(iii) [50%] 90% of the costs of the Office of Information Technology within the Department, including any funding for departmental projects in the Major Information Technology Development Project Fund established under § 3A–309 of the State Finance and Procurement Article; AND

(IV) 90% OF THE COSTS OF THE OFFICE OF THE DIRECTOR.

(2) [For each of fiscal years 2012 and 2013, each county and Baltimore City shall be responsible for reimbursing the State 90% instead of 50% of the costs of

administering the Department described in paragraph (1) of this subsection.] **FOR FISCAL YEAR 2018, EACH COUNTY AND BALTIMORE CITY SHALL BE RESPONSIBLE FOR REIMBURSING THE STATE FOR 70% OF THE COSTS OF ADMINISTERING THE DEPARTMENT AS DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION.**

13–209.

(g) (1) (i) [The] **FOR EACH OF FISCAL YEARS 2018 AND 2019, THE** Governor shall include in the budget bill [for fiscal year 2018] a General Fund appropriation in the amount of [\$5,000,000] **\$2,500,000** to the Maryland Agricultural and Resource–Based Industry Development Corporation to provide grants for the use of the Next Generation Farmland Acquisition Program authorized under § 10–523(a)(3)(ii) of the Economic Development Article.

**Chapter 397 of the Acts of 2011, as amended by Chapter 425 of the Acts of 2013, Chapter 464 of the Acts of 2014, and Chapter 489 of the Acts of 2015**

**SECTION 16. AND BE IT FURTHER ENACTED,** That, in addition to any other revenue generated under § 19–214 of the Health – General Article, as amended by this Act:

(c) (1) For fiscal year 2015 and 2016, the Commission and the Department of Health and Mental Hygiene shall adopt policies that will provide up to \$389,825,000 in special fund revenues from hospital assessment and remittance revenue.

(2) [Beginning with the State budget submission for] **FOR** fiscal year 2017, the Governor shall reduce the budgeted Medicaid Deficit Assessment [annually] by \$25,000,000 over the assessment level for the prior year.

**(3) FOR FISCAL YEAR 2018, THE BUDGETED MEDICAID DEFICIT ASSESSMENT SHALL BE \$364,825,000.**

**(4) BEGINNING WITH THE STATE BUDGET SUBMISSION FOR FISCAL YEAR 2019, THE GOVERNOR SHALL REDUCE THE BUDGETED MEDICAID DEFICIT ASSESSMENT ANNUALLY BY \$25,000,000 OVER THE ASSESSMENT LEVEL FOR THE PRIOR FISCAL YEAR.**

**[(3)] (5)** To the extent that the Commission takes other actions that reduce Medicaid costs, those savings shall also be used to reduce the budgeted Medicaid Deficit Assessment.

**[(4)] (6)** To the maximum extent possible, the Commission and the Department of Health and Mental Hygiene shall adopt policies that preserve the State’s Medicare waiver.

1       SECTION 4. AND BE IT FURTHER ENACTED, That, for each of fiscal years [2018]  
2   **2019** through 2021, the Governor [shall] **MAY** appropriate in the annual budget [at least]  
3   an additional \$4,000,000 to the University System of Maryland Office for the purpose of  
4   increasing the estimated funding guideline attainment levels of the primarily residential  
5   institutions in the System with the lowest estimated funding guideline attainment levels  
6   in fiscal year 2016. The University System of Maryland shall allocate the funds each year  
7   in a manner that brings the primarily residential institutions with the lowest estimated  
8   funding guideline attainment levels in fiscal year 2016 as close as possible to a 64%  
9   estimated funding guideline attainment level by fiscal year 2021. The general funds  
10   distributed under this section each year are in addition to the annual appropriation for  
11   each institution, and shall be included in each institution's base budget for all fiscal years  
12   after the distribution.

13       SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other  
14   provision of law, on or before June 30, 2018, the Governor may transfer to the General Fund  
15   \$2,500,000 of the funds in the Maryland Correctional Enterprises Revolving Fund  
16   established under § 3–507 of the Correctional Services Article.

17       SECTION 3. AND BE IT FURTHER ENACTED, That for fiscal year 2018, payments  
18   to providers with rates set by the Interagency Rates Committee under § 8–417 of the  
19   Education Article may not increase by more than 2% over the rates in effect on June 30,  
20   2017.

21       SECTION 4. AND BE IT FURTHER ENACTED, That, notwithstanding any other  
22   provision of law, on or before June 30, 2017, the Governor may transfer to the General Fund  
23   up to \$170,000,000 from the Revenue Stabilization Account established under § 7–311 of  
24   the State Finance and Procurement Article.

25       SECTION 5. AND BE IT FURTHER ENACTED, That, notwithstanding any other  
26   provision of law, the fiscal year 2018 appropriation for the Revenue Stabilization Account  
27   established under § 7–311 of the State Finance and Procurement Article is reduced by  
28   \$40,000,000.

29       SECTION 6. AND BE IT FURTHER ENACTED, That, notwithstanding any other  
30   provision of law, for fiscal year 2018 the Department of Housing and Community  
31   Development may use up to \$1,000,000 of the funds in the Housing Counseling and  
32   Foreclosure Mediation Fund established under § 4–507 of the Housing and Community  
33   Development Article for administrative expenses.

34       SECTION 7. AND BE IT FURTHER ENACTED, That, notwithstanding any other  
35   provision of law, for fiscal year 2017 and 2018 combined, the Department of the  
36   Environment may use up to \$60,000,000 of revenue bond proceeds and the funds in the Bay  
37   Restoration Fund established under § 9–1605.2 of the Environment Article for biological  
38   nutrient removal upgrades of wastewater treatment plants.

SECTION 8. AND BE IT FURTHER ENACTED, That if the Office of the Attorney General does not transfer \$12,000,000 of the recovery from the Volkswagen Clean Diesel settlement to the General Fund on or before May 1, 2017, the Comptroller may transfer from the Consumer Protection Recoveries to the General Fund:

(a) \$12,000,000; or

(b) the difference between the amount transferred on or before May 1, 2017, and \$12,000,000.

SECTION 9. AND BE IT FURTHER ENACTED, That:

(a) Except as provided in subsection (b) of this section, for fiscal year 2019 and each fiscal year thereafter, any appropriation that is mandated by law shall have its mandated level of spending increased by the lesser of:

(1) the amount of the existing formula calculation; or

(2) an amount equal to 1% less than the reported amount of General Fund revenue growth in the report submitted by the Board of Revenue Estimates to the Governor under § 6–106(b) of the State Finance and Procurement Article for December.

(b) Subsection (a) of this section does not apply to:

(1) funding required for State aid to public elementary and secondary education as provided under Title 5, Subtitle 2 or § 4–121, § 4–122, § 6–306, § 8–310.3, § 8–317, or § 8–415 of the Education Article;

(2) any appropriation required to be made to the Revenue Stabilization Account under § 7–311 of the State Finance and Procurement Article; or

(3) any appropriation required for the payment of principal or interest on State debt.

SECTION 10. AND BE IT FURTHER ENACTED, That if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act that can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SECTION 11. AND BE IT FURTHER ENACTED, That the publisher of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, shall correct, with no further action required by the General Assembly, cross-references and terminology rendered incorrect by this Act or by any other Act of the General Assembly of 2017 that affects provisions enacted by this Act. The publisher shall adequately describe any such correction in an editor's note following the section affected.

1           SECTION 12. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2   June 1, 2017.