

Annapolis Report



Senator
Rob Garagiola



Delegate
Jean B. Cryor



Delegate
Kathleen M. Dumais



Delegate
Brian J. Feldman

Again this year the Maryland General Assembly convened in Annapolis for 90 days to hear, review, and vote on bills that affect the lives, families, and businesses of Marylanders. Over 2,800 bills were considered during this 421st session. A total of 636 bills were enacted. Most bills take effect October 1, 2006.

BUDGET ISSUES

Under the Maryland Constitution, the General Assembly is required to pass a balanced budget. Continued economic growth, low unemployment, and rising real estate values fueled strong revenue growth. The fiscal 2007 State budget bill totals \$29 billion. (Fiscal 2007 begins July 1, 2006.) Maryland retains its AAA bond rating from the three major bond rating agencies, one of six states to be so recognized, resulting in access to the bond market at its lowest rate.

The record budget passed without raising State income, sales, or corporate taxes. Later, property taxes were reduced by two cents, thus lowering State property taxes by \$80 on a \$400,000 residence.

The 2006 capital budget totals \$3.6 billion, including \$1.9 billion for transportation. School construction receives a total of \$332.7 million, including \$43.4 million added by the General Assembly to bring public school construction funding to its highest level since the program began in 1971. Other capital funds support projects for colleges and universities, hospitals, and correctional facilities.

The budget increases funding by 11.9% for local programs and services. The annual growth in fiscal 2007 is 7.2% for entitlement programs and 8.4% for State agencies.

Kindergarten through grade 12 programs remained a high priority for the 2006 legislature. The General Assembly was able to provide record increases, continuing the momentum of the 2002 Bridge to Excellence Act that mandates substantial annual increases in primary and secondary aid through fiscal 2008.

EDUCATION

Teacher Pension Enhancement: The General Assembly passed significant legislation aimed at pension enhancement for State employees and members of the Teachers' Pension System. The enhancement is retroactive to 1998. A new teacher who teaches for 30 years will see the first-year pension increased from 42% of average final salary to 54%, roughly a 28% increase.

Colleges and Universities: Every segment of higher education receives a general fund increase in the fiscal 2007 budget, including the

University System of Maryland institutions. New funds total \$130 million, an 11.2% increase over fiscal 2006, with the largest share allocated to University System of Maryland (\$99 million).

Tuition Freeze for Undergraduates: From fall 2002 to fall 2005, resident undergraduate tuition rates increased approximately 10 to 12% on average each year at Maryland's four-year institutions. In response, the legislature prohibited the University System of Maryland institutions and Morgan State University from increasing resident undergraduate tuition for 2006-2007 beyond last year's rates.

Community Colleges: State aid to local community colleges in fiscal 2007 will total \$205.9 million—a 7.5% increase over the prior year. The budget fully funds community colleges in accordance with the formula based on student enrollment. Legislation also passed to phase in higher funding levels from fiscal 2008 through 2013.

Student Financial Assistance: Higher education scholarships were enhanced with attention focused on need-based applicants. The State budget includes \$110.1 million for scholarship programs, which is a 15.4% increase over last year.

ESOL Programs: The General Assembly approved increasing funding for the English for Speakers of Other Languages programs at community colleges from \$2.5 million to \$6 million per year to meet the \$800 per ESOL student required by law.

Public Library Capital Funds: State government contributes to the operating costs of local public libraries. This year legislation passed to establish a State matching grant program for public library capital projects, beginning in fiscal 2008 with a mandated \$5 million annually.

HEALTH & HEALTH INSURANCE

Stem Cell Research: A Maryland Stem Cell Research Fund will promote research and cures through grants and loans to public and private entities in Maryland. The fiscal 2007 budget calls for \$15 million. The law includes criminal penalties for human cloning.

Biotechnology and Nano-Biotechnology Research: The budget includes \$6 million for a biotechnology investment tax credit established in 2005. Nano-biotechnology receives \$2.5 million to be allocated to University System of Maryland institutions. Nanotechnology involves manufacturing products with medical applications in drug delivery and gene therapy.

Medicare Part D Stopgap Program: This program will assist eligible beneficiaries in obtaining Medicare Part D prescription drug benefits.

Senior Prescription Drug Assistance Program: Low-income seniors may use this subsidy to pay for all or some of the deductibles, premiums, or other co-payments related to Medicare Part D. There is an additional subsidy, up to the full amount of the Medicare Part D prescription drug plan premium, for qualifying individuals.

Employee Health Insurance: The General Assembly overrode the Governor's veto of the Fair Share Health Care Fund Act that holds employers with more than 10,000 Maryland employees responsible for providing health insurance to their employees. The legislation applies to one Maryland employer, Wal-Mart. Johns Hopkins and Giant Foods have the requisite number of employees, but provide the requisite health care coverage.

ENVIRONMENT & AGRICULTURE

The Healthy Air Act: This Act establishes limits on the emissions of nitrogen oxides, sulfur dioxide, and mercury from Maryland coal-fired power plants. The legislation is significant for the Mirant Power Plant in Dickerson, Maryland.

Agricultural Stewardship: Following the recommendations of a commission, new law establishes programs to preserve farmland and farming in the State and provide incentives to farmers to improve the water quality of Maryland's rivers and streams.

TAX CREDITS & BENEFITS

Homeowners' Property Tax Credit: Rising property tax assessments generated changes in the State-funded Homeowners' Property Tax Credit (Circuit Breaker) Program that provides credits for homeowners based on a sliding scale. The maximum assessment valuation of a residence is changed from \$150,000 to \$300,000 and the first \$8,000 of income is exempted with a maximum income limitation of \$60,000. Other changes authorize eligibility for certain individuals with disabilities and allow local governments to give credits to elderly residents of limited income.

Enterprise Zones – Property Tax Credit Extension: These credits were expanded to allow existing businesses located in enterprise zones, such as Silver Spring, to be eligible to claim property tax credits for 15 years, rather than the current ten. Enterprise zone tax credits include both property taxes and income taxes.

Estate Tax Reduction: Legislation passed to raise the credit for exemption from

Maryland estate taxes that changes the percentage from 41% to 16%.

ECONOMIC ISSUES

Electricity Rates and Deregulation: The General Assembly ended without passing electricity rate legislation. A steep increase in electricity rates due to the removing of a cap on consumer energy costs is expected. A number of bills were introduced to address electricity rates, deregulation, and the pending merger between Florida Power and Light, Inc. (FPL) and Constellation Energy Group, Inc., Baltimore Gas & Electric Company's (BGE) parent company. The session ended with only the House passing legislation addressing the expected rate increases.

Assistance with Utility Bills: The fiscal 2007 budget includes \$100.6 million to help low-income households pay their energy bills, including \$25 million in new State funds to allow the State to meet increased demand for assistance when higher electric rates go into effect this summer.

Minimum Wage Increase: Maryland law now requires private sector employers to pay the greater of the federal minimum wage or a wage that equals a rate of \$6.15 per hour and to pay tipped employees a wage rate that equals \$3.08 per hour.

Wineries – Direct Sales to Retailers: An emergency bill brings Maryland law into compliance with federal interstate commerce provisions related to nondiscriminatory treatment. Maryland's small wineries retain their ability to sell directly to restaurants,

retailers, and permit holders, while out-of-state small wineries may do the same.

CRIMES, CORRECTIONS, & PUBLIC SAFETY

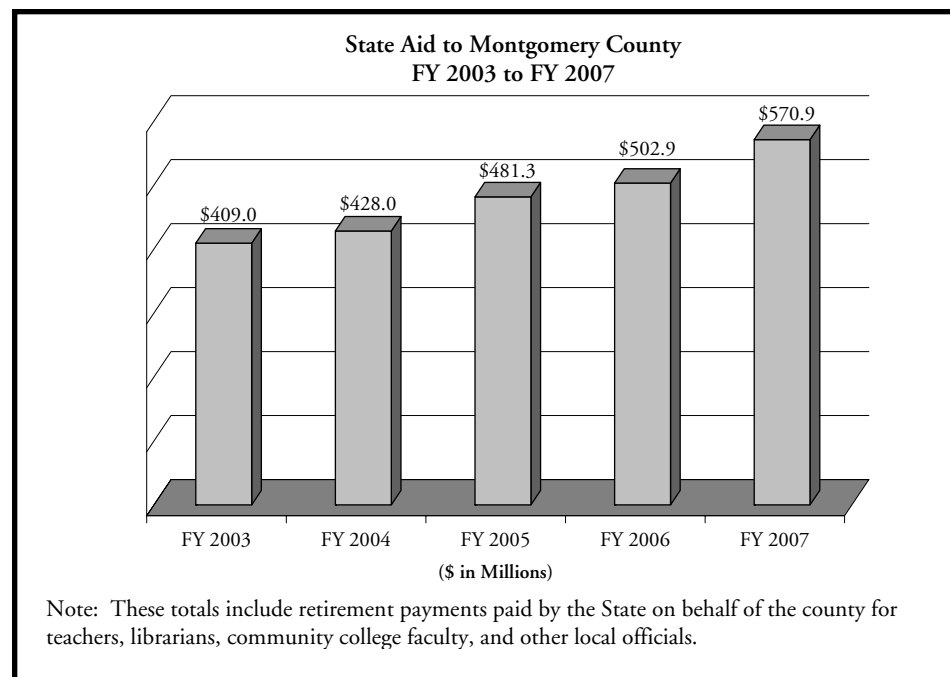
Drug Courts: The budget includes a significant increase in State funding that totals approximately \$10.3 million, a \$5.7 million increase from prior years. The first two drug courts were established in 1994; now there are 28 throughout the State, serving adults and juvenile offenders.

Identity Theft: A new initiative prohibits a person from knowingly selling or issuing an identification card or document that contains an incorrect name of a person or an incorrect address. Violators are subject to imprisonment for up to two years and a fine of up to \$2,000.

Privacy of Telephone Records: For better consumer protection, a person may not knowingly obtain, sell, or receive a telephone record without the customer's authorization or by fraudulent, deceptive, or false means.

Sexual Contact with Students: In Maryland, there is no general prohibition against consensual sex with a person 16 years of age or older. Now if a person in authority engages in a sexual act with someone under age 18 who, at the time of the act, is a student at a school where the person is employed, the person is guilty of a fourth-degree sexual offense, unless the actions constitute a certain other offense.

Missing Persons: In response to a Task Force on Missing Vulnerable Adults, a law enforcement agency may not establish a



mandatory waiting period before taking a missing person report and must make every effort to inform the general public and the family of a missing person.

ELECTIONS

Early Voting and Absentee Ballots: The General Assembly overrode the Governor's veto of the 2005 measure that eliminates the requirement to give a specified reason to vote by absentee ballot. Additional legislation establishes five days of voting prior to the primary and general elections at specific polling places. In Montgomery County, the new polling places include the Rockville Library, the Germantown Library, and the Silver Spring Library. The polls will be open for five days from 7am to 8pm. Any Maryland voter may vote at these polling places. To help prevent fraud, the law also requires polling places to be equipped with electronic registration poll books.

VETERANS' BENEFITS

Veterans' Income Tax Reduction: Retired Maryland military individuals are eligible for a \$5,000 tax deduction on State income taxes without regard to income or age.

Veterans' Benefits: Legislation extends the public safety death benefit to Maryland residents in the uniformed forces who were killed in Afghanistan or Iraq and creates an outreach program to inform veterans of available federal and State services.

Aid to Businesses and Disabled Veterans: A State loan program will provide no-interest loans to small businesses that employ or are owned by members of the armed forces reserves or Maryland National Guard members who are called to active duty. Also, no-interest loans can be used to make the home or place of employment of a disabled veteran handicapped-accessible.

New Scholarships: A total of 7,000 to 9,000 Maryland residents have served or are serving in Iraq and Afghanistan. A new undergraduate scholarship will serve Maryland residents, and their dependents, who are veterans of either of these conflicts, are on active duty, and are members of the U.S. Armed Forces reserves or Maryland National Guard.

TRANSPORTATION & ROAD SAFETY

Washington Metropolitan Area Transit Authority (WMATA): Studies are mandated on transit funding needs and on transit

funding in other states and abroad. Also, MDOT must identify strategies to leverage potential federal funding for WMATA.

Roadside Solicitation: In Montgomery County, a person under age 18 may not stand in a roadway, median divider, or intersection to solicit donations.

Automated Speed Enforcement: In Montgomery County, speed-monitoring systems can be used in residential areas or in school zones with a maximum fine of \$40 for exceeding 35 miles per hour. The legislation survived a gubernatorial veto.

Super-Drunk Drivers: For a driver with a blood alcohol content (BAC) of 0.15 or more, the administrative license suspension period increases from 45 to 90 days for a first offense and from 90 to 180 days for a second or subsequent offense. The suspension may not be modified unless the person participates in the Ignition Interlock System Program for one year with successful completion.

Mandatory Suspensions for Young Drivers: Young drivers who violate alcohol and/or drug-related driving provisions are subject to a mandatory license suspension for one year for a first offense and a mandatory suspension for two years for a second or subsequent offense.

ACTIONS OF LOCAL INTEREST

Montgomery County will receive \$473.4 million in direct State assistance in fiscal 2007. This is an increase of \$59.5 million over the last fiscal year.

Education: State funding for public schools remains a high priority. Over the last four years, State funding for public schools in Montgomery County has increased by \$105.4 million. In fiscal 2007, public schools in the County will receive \$341.2 million for operations and \$40 million for school construction. In addition, the Montgomery County library system will receive a total of \$2.4 million in fiscal 2007.

At the higher education level, State funding for Montgomery College includes \$32.9 million for operations, \$2.1 million in capital funds for the Rockville campus science center, and \$1.7 million for the Germantown campus bioscience education center. In addition, State retirement payments for county teachers, librarians, and community college faculty will total \$97.6 million in fiscal 2007.

Social Services: In fiscal 2007, Montgomery County will receive \$111.2 million for local social services programs,

including more than \$1.2 million for senior citizen services, \$61.6 million for programs aimed at assisting those with developmental disabilities, and \$4.3 million for child welfare programs. In addition to this funding, the State is providing capital grants for community service organizations, including CHI Centers, Inc. (\$.5 million), Jewish Foundation for Group Homes, Inc. (\$1.5 million), and the Jewish Social Services Agency (\$1 million).

Quality of Life: Local transportation grants for the County will total \$48.3 million in fiscal 2007, and local Program Open Space grants will total \$24.3 million. The State is also providing \$.4 million for community parks and playgrounds. Moreover, an additional \$17 million is being provided for county nutrient removal and water quality projects, and more than \$1 million is being provided for facilities enhancements for the C&O Canal and lead remediation at the Seneca Creek State Park.

Local Programs: In fiscal 2007, a number of community projects and programs in Montgomery County will benefit from State funds, including capital projects at the Ivymount School (\$170,000), the King Barn Dairy MOOseum (\$150,000), and the Poolesville Town Hall (\$150,000).

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Senator Rob Garagiola, Chairman of the Joint Committee on Children, Youth and Families and Co-Chairman of the Maryland Veterans Caucus, serves on the Senate Judicial Proceedings Committee and the Joint Committee on Administrative, Executive, and Legislative Review. He has been recognized by many organizations, and has received the following awards: 2006 Maryland Clean Energy Legislative Partner, Maryland Children's Action Network 2006 Legislator Sponsor, 2005 Champion for Children, and 2004 Solar Energy Champion. Senator Garagiola was a sergeant and airborne soldier in the U.S. Army Reserve, and also served on the board of the Gaithersburg-Germantown Chamber of Commerce. He is a business lawyer and his wife, Cindy, is a public school teacher. They have three children.

Delegate Jean B. Cryor was recognized in 2006 as one of Maryland's Top 100 Women, as she was in 2004. Due to her experience and advocacy for quality education, in April Delegate Cryor addressed the Citizens Budget Commission in New York City. A three-term delegate, her commitment to education also resulted in appointments to the historic Thornton Commission and the Governor's Commission on Education. Delegate Cryor is a member of the House and Senate Legislative Policy Committee; the House Rules Committee; and the Joint Committees on Administrative, Executive, and Legislative Review and Federal Relations. She is the ranking Republican on the House Ways and Means Committee, and is the past president of the Women's Caucus.

Delegate Kathleen M. Dumais is a member of the House Judiciary Committee and the House Special Committee on Drug and Alcohol Abuse. A graduate of the University of Maryland School of Law, she specializes in family law with a firm in Bethesda. The *Washingtonian* magazine named her one of the top 50 divorce lawyers in the Washington Metropolitan area in 2000 and 2004. This year, she received the 17th Annual Professionalism Award from the Montgomery County Bar Association. In 2005, she was named one of Maryland's Top 100 Women by *The Daily Record* and received the Legislative Award from the Maryland Network Against Domestic Violence. Delegate Dumais is an active member and past officer of the State and County Bar Associations.

Delegate Brian J. Feldman, both an Attorney and CPA, serves on the House Economic Matters Committee and the Joint Committee on Access to Mental Health Services. Prior to being elected in 2002, Delegate Feldman was a senior trial attorney for the U.S. Department of Justice where he was a three-time recipient of the Justice Department's Outstanding Attorney Award. He currently works as an attorney in private practice, is married, and has two children. In 2005, Delegate Feldman was named by the Biotechnology Industry Organization as its nationwide "State Legislator of the Year".

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